



# IN·F·O·M·A·T

## A WEEKLY REVIEW

Friday, September 21, 1990

### OVERVIEW

#### ■ Capacity Utilization Continues to Fall

In the second quarter, the capacity utilization rate in the manufacturing sector edged down 0.5 percentage point, continuing the trend which began in the second quarter of 1988.

#### ■ Exports and Imports Change Directions

In July, preliminary estimates indicate that merchandise exports totalled \$12.5 billion, a 1.8% drop from the high in June. Imports climbed 3.5% to \$11.3 billion, regaining some of the ground lost in the previous month.

#### ■ Consumer Price Index Continues to Decelerate

In August, the Consumer Price Index increased 4.1% from last year, continuing the deceleration started in February.

#### ■ Number of Foreign Travellers Falls

In July, the seasonally-adjusted number of foreign travellers on trips to Canada of one or more nights duration fell 2.9%, after a marginal rise in June and declines in the previous two months.

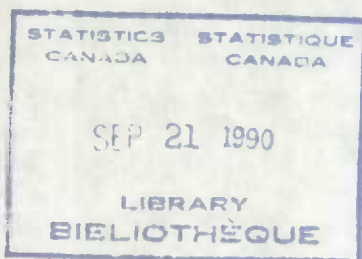
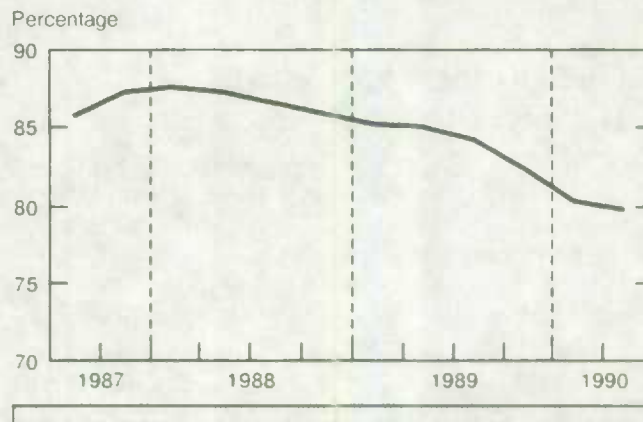
### Capacity Utilization Rate Continues to Fall

In the second quarter, the capacity utilization rate in the manufacturing sector edged down to 79.7% from 80.2% in the first quarter. This continued a downward trend which began in the second quarter of 1988. Over the past decade, the peak capacity utilization was 87.6% in the first quarter of 1988 and the minimum value was 67.5% in the fourth quarter of 1982.

Sixteen of the 22 industry groups posted lower rates. For 12 of these 16, the drop in capacity utilization was attributable to lower production levels. For the other four industry groups, the drop resulted from higher growth in production capacity as capital expenditures on plant and equipment continued to outpace production requirements.

(continued on page 2)

#### Capacity Utilization Rate in Manufacturing



### ... Capacity Utilization Rate Continues to Fall

Among industries for which there was a significant drop in utilization, furniture and fixtures, leather and allied products, printing, wood, non-metallic mineral products, electrical and mechanical machinery averaged an unweighted decline of 3.6 percentage points.

But, in transportation equipment industries, capacity utilization rose 5.1 percentage points to 71.3%, regaining almost half of the drop between the first quarter of 1989 and the first quarter of 1990.

In the face of expected strikes on both sides of the border, the automotive sector sought to increase their supplies of automobiles and parts. Primary metals industries also increased production in anticipation of a strike, resulting in a rise in capacity utilization of 1.9 percentage points, the first in one year.

*For further information, order Capacity Utilization Rates in Canadian Manufacturing Industries (catalogue number 31-003) or contact Investment and Capital Stock Division at (613) 951-9685.*

## Exports and Imports Change Directions

In July, preliminary estimates indicate that merchandise exports totalled \$12.5 billion, a 1.8% drop from the high in June. In spite of this decline, exports remained substantially higher than the monthly average for the first six months of 1990. The widespread decline in exports was partly offset by the continued rise in exports of automotive vehicles.

The two largest declines occurred in exports of industrial goods and materials, particularly nickel ores and alloys, and exports of automotive parts.

Imports climbed 3.5% to \$11.3 billion, regaining some of the ground lost in June. The rise in imports of automotive parts, which more than offset the decline registered in June, accounted for two-thirds

of the increase in total imports. Most other commodity groupings showed increases, but these were partly offset by declining imports of passenger cars and chassis.

The decline in exports and the rise in imports brought the merchandise surplus down \$611 million to \$1.2 billion. This followed an increase of \$1.2 billion in June. Movement in the June and July trade balances was, to a large extent, a reflection of trade with the United States. Canada also registered a surplus in July with Japan, the first this year. This was the only other July surplus with one of Canada's main trading partners.

*For further information, order the Preliminary Statement of International Trade (catalogue number 65-001P) or contact International Trade Division at (613) 951-9607.*

## Consumer Price Index Decelerates

In August, the year-over-year increase of the Consumer Price Index was 4.1%, down slightly from the year-over-year rise of 4.2% in July. This marked the sixth consecutive month in which the CPI year-over-year rate of increase has declined. In January and February of this year the rate stood at 5.5%.

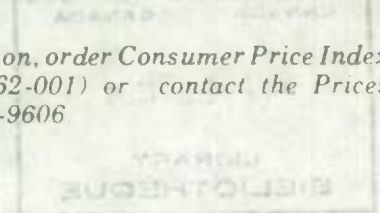
The increase for the housing index was 4.0%, a steady drop from 5.5% in January. A small increase in the household furnishings and equipment component (0.9%) moderated the rise in the shelter (5.2%) and in the household operations (5.0%) components.

The increase for the food index was 3.4%, still slowing from the year-over-year increase of 4.1% in

The transportation component was up 4.2% from last year. A large increase in public transportation prices, particularly for inter-city travel, was moderated by a smaller increase in private transport. Prices of automotive vehicles declined 0.4%, a third consecutive month of yearly declines.

The advance of the all-items index was above 5% in Edmonton, Calgary, Vancouver and Victoria. The increase was lowest in Saint John (3.1%) and St John's (3.5%).

*For further information, order Consumer Price Index (catalogue number 62-001) or contact the Prices Division at (613) 951-9606.*





## Number of Foreign Travellers Falls

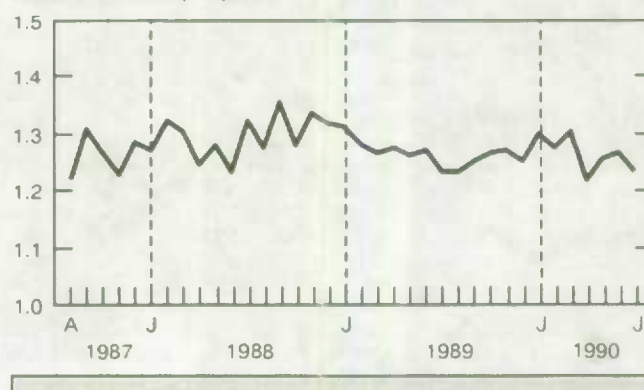
In July, the seasonally-adjusted number of foreign travellers on trips to Canada of one or more nights duration fell 2.9%, after a marginal rise in June and declines in the previous two months. The July decline was largely attributable to travellers from the United States.

The number of Canadians taking overnight trips out of the country increased 2.8% and reached a record high in July. Trips to the United States and trips to other countries have been increasing for three consecutive months, although the three-month increase is larger for trips to other countries.

Same-day trips by Canadians to the United States increased slightly for the second consecutive month after a sharp increase in May. Same-day trips to Canada by residents of the United States decreased 2.3%, the fourth decrease in six months.

### Foreign Visitors

Millions, seasonally adjusted



For further information, order *International Travel - Advance Information* (catalogue 66-001P) or contact Education, Culture and Tourism Division at (613) 951-8933.

## NEW FROM STATISTICS CANADA



### Federal Scientific Activities 1990-91

In 1990-91, the Federal Government is expected to spend about \$5.4 billion on scientific activities. This represents 3.7% of total federal budgetary expenditures, a slight increase from the 1989-90 level of \$5.1 billion, or 3.6% of total federal budgetary expenditures.

*Federal Scientific Activities, 1990-91* presents federal government expenditures from 1984-85 to 1990-91 on science and technology by activity, science type, department or agency, sector of performance and region. In addition to expenditures, the publication also indicates the number of federal personnel involved in science and technology activities, the socio-economic objective to which the activities are being directed, and also a regional allocation of the activities being performed.

For further information, order *Federal Scientific Activities, 1990-91* (catalogue number 88-204) or contact Services, Science and Technology Division at (613) 951-6347.

## PUBLICATIONS RELEASED FROM SEPTEMBER 14 TO 20

### AGRICULTURE

**Farm Product Price Index**, July 1990. Catalogue number 62-003 (Canada: \$7.10/\$71.00; United States: US\$8.50/US\$85.00; Other Countries: US\$9.90/US\$99.00).

### BALANCE OF PAYMENTS

**System of National Accounts - Canada's Balance of International Payments**, Second Quarter 1990. Catalogue number 67-001 (Canada: \$27.50/\$110.00; United States: US\$33.00/US\$132.00; Other Countries: US\$38.50/US\$154.00).

### DEMOGRAPHY

**Migration Between the United States and Canada, 1980-81**. Catalogue number 91-530E (Canada: \$15.00).

### EDUCATION, CULTURE AND TOURISM

**Community Colleges and Related Institutions: Postsecondary Enrolment and Graduates, 1988**. Catalogue number 81-222 (Canada: \$27.00; United States: US\$32.00; Other Countries: US\$38.00).

**Minority and Second Language Education, Elementary and Secondary Levels, 1988-89**. Catalogue number 81-257 (Canada: \$26.00; United States: US\$31.00; Other Countries: US\$36.00).

**Touriscope - International Travel**, July 1990. Catalogue number 66-001P (Canada: \$6.10/\$61.00; United States: US\$7.30/US\$73.00; Other Countries: US\$8.50/US\$85.00).

### HOUSEHOLD SURVEYS

**The Labour Force**, August 1990. Catalogue number 71-001 (Canada: \$17.90/\$179.00; United States: US\$21.50/US\$215.00; Other Countries: US\$25.10/US\$251.00).

### HOUSING, FAMILY AND SOCIAL STATISTICS

**A Portrait of Children in Canada - Target Groups Project**, September 1990. Catalogue number 89-520 (Canada: \$40.00; United States: US\$48.00; Other Countries: US\$56.00).

### INDUSTRY

**Coal and Coke Statistics**, June 1990. Catalogue number 45-002 (Canada: \$10.00/\$100.00; United States: US\$12.00/US\$120.00; Other Countries: US\$14.00/US\$140.00).

**Oil Pipe Line Transport**, June 1990. Catalogue number 55-001 (Canada: \$10.00/\$100.00; United States: US\$12.00/US\$120.00; Other Countries: US\$14.00/US\$140.00).

**Oils and Fats**, July 1990. Catalogue number 32-006 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

### INDUSTRY - Concluded

**Production and Shipments of Blow-Moulded Plastic Bottles**, Quarter Ended June 30, 1990. Catalogue number 47-006 (Canada: \$6.75/\$27.00; United States: US\$8.00/US\$32.00; Other Countries: US\$9.50/US\$38.00).

**Pulpwood and Wood Residue Statistics**, July 1990. Catalogue number 25-001 (Canada: \$6.10/\$61.00; United States: US\$7.30/US\$73.00; Other Countries: US\$8.50/US\$85.00).

### INTEGRATION AND WEALTH ACCOUNTS

**Canadian Economic Observer**, September 1990. Catalogue number 11-010 (Canada: \$22.00/\$220.00; United States: US\$26.00/US\$260.00; Other Countries: US\$31.00/US\$310.00).

### INTERNATIONAL TRADE

**Exports by Country**, January-June 1990. Catalogue number 65-003 (Canada: \$82.75/\$331.00; United States: US\$99.25/US\$397.00; Other Countries: US\$115.75/US\$463.00).

**Preliminary Statement of Canadian International Trade (H.S. Based)**, July 1990. Catalogue number 65-001P (Canada: \$10.00/\$100.00; United States: US\$12.00/US\$120.00; Other Countries: US\$14.00/US\$140.00).

### JUSTICE

**Juristat Service Bulletin - Youth Court Statistics Preliminary Data, 1989-90 Highlights**. Catalogue number 85-002 (Canada: \$3.90/\$78.00; United States: US\$4.70/US\$94.00; Other Countries: US\$5.45/US\$109.00).

### PRICES

**The Consumer Price Index**, August 1990. Catalogue number 62-001 (Canada: \$9.30/\$93.00; United States: US\$11.20/US\$112.00; Other Countries: US\$13.00/US\$130.00).

### SERVICES, SCIENCE AND TECHNOLOGY

**Federal Scientific Activities, 1990-91**. Catalogue number 88-204 (Canada: \$44.00; United States: US\$53.00; Other Countries: US\$62.00).

**Service Industry Bulletin, Vol. 2, No. 4, Business Services, 1988**. Catalogue number 63-015 (Canada: \$7.20/\$43.00; United States: US\$8.65/\$52.00; Other Countries: US\$10.00/US\$60.00).

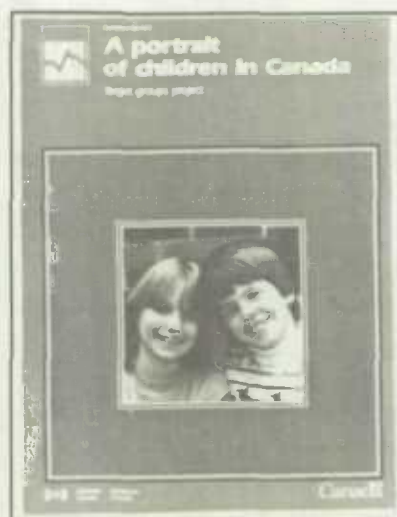
**Telephone Statistics**, June 1990. Catalogue number 56-002 (Canada: \$8.30/\$83.00; United States: US\$10.00/US\$100.00; Other Countries: US\$11.60/US\$116.00).

### TRANSPORTATION

**Railway Carloadings**, July 1990. Catalogue number 52-001 (Canada: \$8.30/\$83.00; United States: US\$10.00/US\$100.00; Other Countries: US\$11.60/US\$116.00).



## NEW FROM STATISTICS CANADA



### A Portrait of Children in Canada

- \* The proportion of children in Canada's population declined from 30% in 1971 to 21% in 1986 when they numbered some 5.4 million.
- \* From 1976 to 1986, the proportion of children in lone-parent families increased from 9% to 13%. Similarly, the proportion of children in husband-wife families where both parents worked full-time/full-year rose substantially.

*A Portrait of Children in Canada* uses more than 40 colour charts, supported by text, to provide an insight in the situation of Canada's children by exploring, among other things, their demographic and cultural characteristics, living arrangements, education, health, and economic conditions

*For further information, order A Portrait of Children in Canada (catalogue number 89-520) or contact Demography Division at (613) 951-2556.*

### Migration Between the United States and Canada

1980-1981

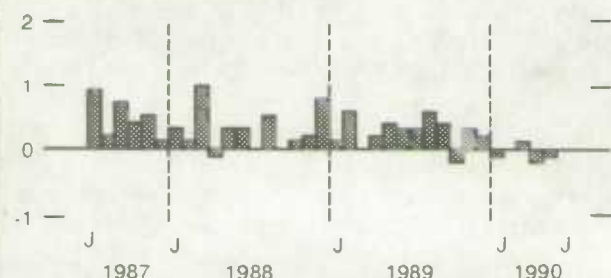
Reference has often been made to the long (8,890 kilometers) shared border between Canada and the United States. Over the years this border has been crossed by millions of immigrants from both countries. *Migration Between the United States and Canada* presents a cross-sectional description of the characteristics of Americans living in Canada in 1981 and of Canadians living in the United States in 1980. Using 1980 United States and 1981 Canadian census data, this unique study describes and assesses characteristics in five different areas: demographic; social; labour force status; employment (occupation and industry); and income. The text includes 43 tables, 27 charts and six appendices.

*For further information, order Migration Between the United States and Canada (catalogue number 91-530E) or contact Demography Division at (613) 951-9580.*

## CURRENT TRENDS\*

### Gross Domestic Product

% change, previous month



In June, Real Gross Domestic Product at factor cost was unchanged, following drops of 0.2% in April and 0.1% in May.

### Composite Leading Indicator

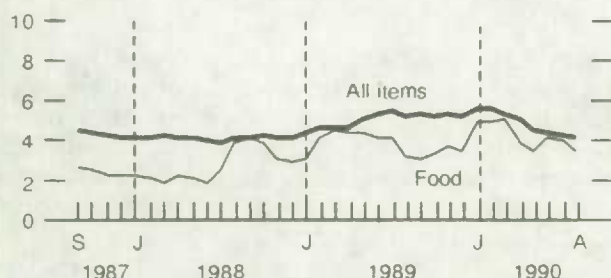
% change, previous month



In June, the composite leading indicator fell 0.3%, the fifth consecutive monthly decline.

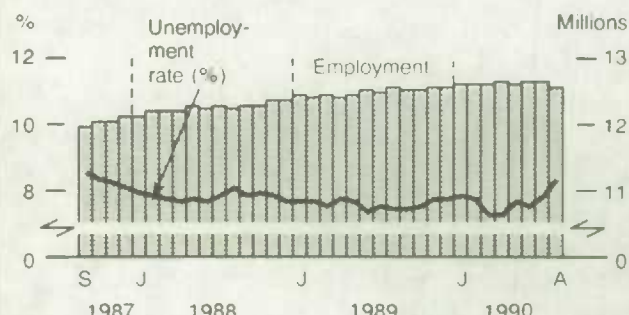
### Consumer Price Index

% change, previous year



In August, the Consumer Price Index increased 4.1% from last year, continuing the deceleration started in February.

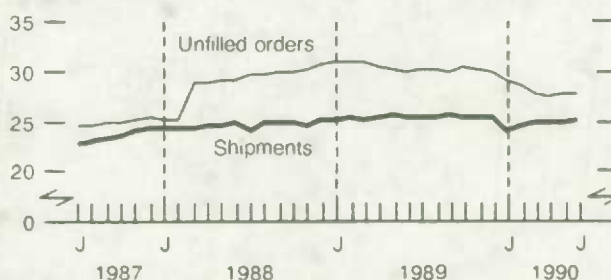
### Unemployment Rate and Employment



In August, the unemployment rate reached 8.3%, the highest level since October 1987.

### Manufacturing

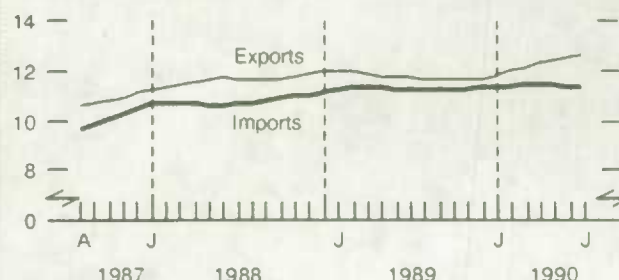
Billions of dollars



In June, seasonally adjusted manufacturers' shipments increased to \$25.1 billion while unfilled orders declined marginally.

### Merchandise Trade

Billions of dollars, short-term trend



In July, the trend for merchandise exports rose for the ninth straight month. The trend for imports posted a fourth consecutive marginal decline.

\*All series are seasonally adjusted except the consumer price index.



## LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	June	511	0.0%	1.5%
Composite Leading Indicator (1981 = 100)	June	144.2	-0.4%	-0.5%
Profits of Industrial Corporations (\$ billion)	2nd Q	4.6	-24%	-53%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	June	16.2	0.8%	0.5%
New Motor Vehicle Sales ('000 units)	July	116	-1.0%	-1.8%
<b>LABOUR</b>				
Employment (millions)	August	12.6	-0.5%	0.2%
Unemployment Rate (%)	August	8.3	0.5	0.9
Participation Rate (%)	August	67.0	0.0	-0.2
Labour Income (\$ billion)	June	31.7	-0.5%	6.6%
Average Weekly Earnings (\$)	June	512.30	0.8%	4.7%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	July*	12.5	-1.7%	7.3%
Merchandise Imports (\$ billion)	July*	11.3	3.5%	6.1%
Merchandise Trade Balance (\$ billion)	July*	1.2	-0.6	0.2
<b>MANUFACTURING</b>				
Shipments (\$ billion)	June	25.1	1.7%	-1.1%
New Orders (\$ billion)	June	25.0	0.5%	0.9%
Unfilled Orders (\$ billion)	June	27.7	-0.3%	-7.5%
Inventory/ Shipments Ratio	June	1.50	-0.03	-0.01
Capacity Utilization (%)	2nd Q*	79.7	-0.5	-5.3
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	August*	119.8	0.0%	4.1%
Industrial Product Price Index (1986 = 100)	July	109.2	-0.2%	-0.5%
Raw Materials Price Index (1986 = 100)	July	102.8	-2.3%	-5.5%
New Housing Price Index (1986 = 100)	July	142.7	-0.6%	0.3%

*Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.*

\* *New this week.*

## I·N·F·O·M·A·T

### A Weekly Review

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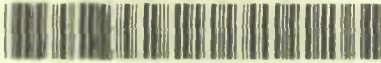
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