



# IN·F·O·M·A·T

## A WEEKLY REVIEW

Friday, December 21, 1990

### OVERVIEW

#### ■ Capacity Utilization Continues to Fall

The capacity utilization rate for manufacturing industries dropped by 1.4% to 78% in the third quarter, continuing a steady decline from a peak of 87.1% in the first quarter of 1988.

#### ■ Manufacturing Shipments Rise While Orders Decline

Canadian manufacturers' shipments increased by 2.6% in October following decreases in the three preceding months. Unfilled orders declined for the second month in a row.

#### ■ High Levels for Exports and Imports

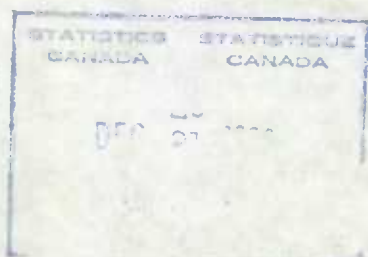
In October, exports increased to the highest level in the last ten years, while imports registered a record level.

#### ■ Slight Acceleration of Consumer Price Index

In November, the Consumer Price Index posted a year over year rise of 5.0%, slightly higher than the increase registered in October.

#### ■ Number of Foreign Visitors: Second Increase in Three Months

The number of travellers on trips of one or more nights to Canada increased by 2.6% in October.



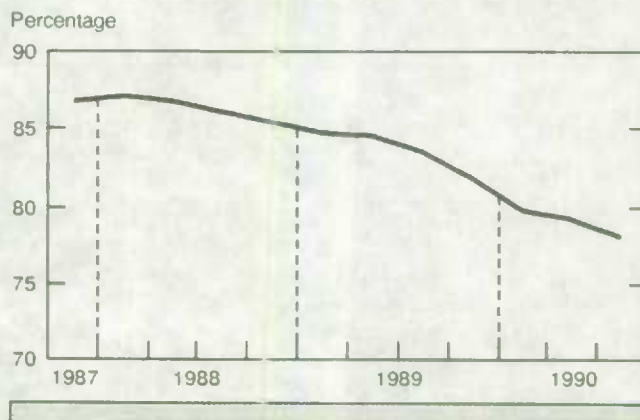
### Capacity Utilization Continues to Fall

The capacity utilization rate for manufacturing industries dropped 1.4% to 78% in the third quarter, continuing a steady decline from a peak of 87.1% in the first quarter of 1988. The third quarter decline was a result of lower production, reflecting reduced demand and strikes in some of the manufacturing industries.

In durable-goods industries, the capacity utilization rate fell 1% in the third quarter to 76.2%. With the decline in construction activity, capacity utilization in wood industries fell by 6.1% while in non-metallic mineral products industries it declined by 4.1%. The rate of capacity utilization in furniture and fixtures industries decreased by 3.5%. A strike in the steel industry accounted for the 3.7% reduction for primary metals industries. The declines mentioned above were partially offset by a

(continued on page 2)

#### Capacity Utilization Rate in Manufacturing



### ... Capacity Utilization Continues to Fall

2.3% increase for transportation equipment industries, coinciding with higher exports of motor vehicles in the third quarter.

In non-durable goods manufacturing industries, the capacity utilization rate fell 1.6% in the third quarter to 80.1%. In primary textiles industries, capacity utilization fell 10.6%, reflecting weak markets for clothing and other textile products such

as carpets. Capacity utilization in rubber products and plastic products industries continued to drop. In paper and allied industries, decreases in exports and work stoppages resulted in a 3.7% drop in capacity utilization. Increased consumer demand led to higher production in food and beverages industries, with capacity utilization rates rising after slight declines in the second quarter.

For further information, contact Investment and Capital Stock Division at (613) 951-9685.

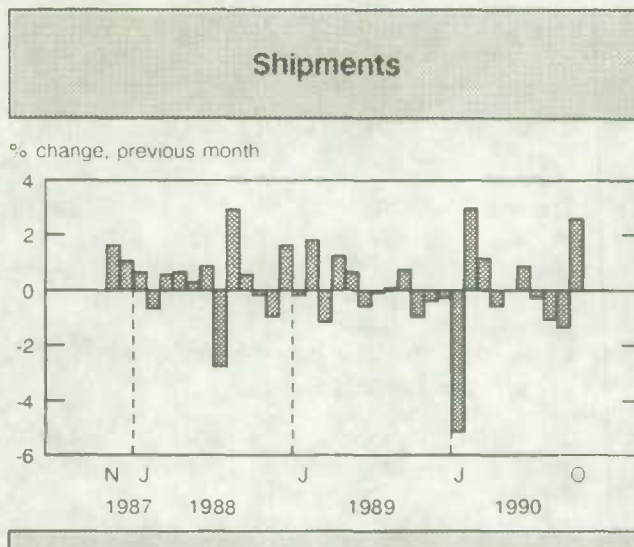
## Manufacturing Shipments Rise While Orders Decline

In October, Canadian manufacturers' shipments increased 2.6% to \$24.9 billion, regaining most of the ground lost in the previous three months. The October increase was mainly due to transportation equipment industries, notably motor vehicle industries, which had registered large decreases in August and September, and to an increase in the value of shipments in the refined petroleum and coal products industries, reflecting higher prices for crude petroleum. Manufacturing shipments excluding transportation equipment and refined petroleum and coal products showed no change from the previous month.

Owned inventories increased 0.3% to \$37.3 billion, the second increase in a row. Increases in refined petroleum and coal, again reflecting price increases, and in chemical industries were partly offset by decreases in electrical and electronic products, fabricated metals and machinery industries.

The inventories to shipments ratio decreased from 1.53 in September to 1.50 in October.

Unfilled orders decreased by 1.2% to a level of \$27.3 billion, a second consecutive decline.



Decreases in transportation equipment, fabricated metal and machinery industries accounted for most of the decline.

New orders increased 2.2% to a level of \$24.6 billion, following three months of decline.

For further information, order *Monthly Survey of Manufacturing* (catalogue number 31-001), or contact Industry Division at (613) 951-9834.

## High Levels for Exports and Imports

In October, exports increased by 4.7% to \$12.7 billion, the highest level in the last ten years. Exports of passenger cars advanced by 21.4%, following declines in August and September. Machinery and equipment registered an increase of 9.4% in exports, chiefly because of higher exports of aircraft. Exports of forestry products grew after several months of decline. Wheat exports continued to fall and were at only 25.6% of the level in May.

Total imports increased by 8.3% to a record level of \$11.9 billion. The largest increase was registered for energy products, chiefly imports of crude

petroleum, which posted a second sharp increase, reflecting both higher prices linked to the Gulf crisis and larger volumes. Imports of machinery and equipment rose by 8.5% after a slight decline in September.

As a result of the increase in imports, which was larger than the increase in exports, the trade surplus fell to \$803 million in October, after surpluses of \$1.2 billion in August and September. The October surplus was entirely due to trade with the United States as Canada registered trade deficits with all of its other major trading partners.

For further information, order *Preliminary Statement of Canadian International Trade*, or contact International Trade Division at (613) 951-9647.



## Slight Acceleration of Consumer Price Index

In November, the Consumer Price Index posted a year-over-year rise of 5.0%, slightly higher than the increase registered in October, and noticeably greater than the 4.2% increase observed in each of the three months before that.

The Food index advanced by 4.2%, higher than the 4.0% rise posted in October. The index for food purchased from restaurants continued to increase faster than the index for food purchased from stores. A 7.3% increase in the transportation index was partly attributable to a 24.2% in the price of gasoline. Prices for air transportation rose 24%, steadily accelerating from the year-over-year rise of

9.9% in July. The Housing index registered an increase of 4.3%, in line with the previous month. The clothing index increased 2.6%, as in the previous two months.

The index for all-items excluding food and energy rose 4.2% from November 1989, down from the year-over year increase of 4.3% in October and significantly down from the 1990 high of 5.9% registered in July 1989.

The year-over-year increases in the All-items indexes for cities ranged from 3.8% in Regina to 6.5% in Calgary.

*For further information, order Consumer Price Index (catalogue number 62-001), or contact Prices Division at (613) 951-3353.*

## Number of Foreign Visitors: Second Increase in Three Months

The number of travellers on trips of one or more nights to Canada increased by 2.6% in October. The number of tourists from the United States increased by 3.2%. Combined with the previous three large fluctuations, this increase resulted in little change since July. The number of visitors from countries other than the United States increased marginally after generally declining since January.

The number of Canadians on overnight trips to the United States continued to rise, although generally slower in September and October than in the previous three months. The number of Canadians

visiting countries other than the United States rose slightly after declining in the previous two months.

Total trips to Canada by residents of the United States (including same-day trips) increased by 2.8%, a second sharp increase in three months. Total trips by Canadians to the United States rose for a sixth consecutive month. After a sharp rise in May, the monthly rate of increase has gone up from 0.4%, in June to 3.4% in October.

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

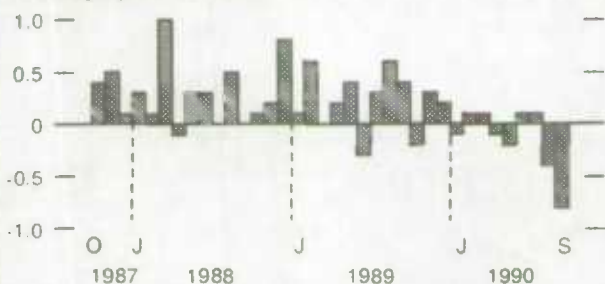
# PUBLICATIONS RELEASED FROM DECEMBER 14 TO 20 1990

Division/Publication title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
<b>AGRICULTURE</b>					
Cereals and Oilseeds Review	September 1990	22-007	13.80/138	16.60/166	19.30/193
<b>EDUCATION, CULTURE AND TOURISM</b>					
Book Publishing	1988-1989	87-210	17	20	24
Focus on Culture	Winter 1990	87-004	6.25/25	7.50/30	8.75/35
International Student Participation in Canadian Education	1989	81-261	20	24	28
Touriscope, International Travel, Advance Information	October 1990	66-001P	6.10/61	7.30/73	8.50/85
<b>HOUSEHOLD SURVEYS</b>					
Earnings of Men and Women	1989	13-217	25	30	35
The Labour Force	November 1990	71-001	17.90/179	21.50/215	25.10/251
<b>HOUSING, FAMILY AND SOCIAL STATISTICS</b>					
Canadian Social Trends	Winter 1990	11-008E	8.50/34	10/40	12/48
<b>INCOME AND EXPENDITURE ACCOUNTS</b>					
National Income and Expenditure Accounts, Annual Estimates	1978-1989	13-201	39	47	55
<b>INDUSTRY</b>					
Cement	October 1990	44-001	5/50	6/60	7/70
Factory Sales of Electric Storage Batteries	October 1990	43-005	5/50	6/60	7/70
Footwear Statistics	October 1990	33-002	5/50	6/60	7/70
Industrial Chemicals and Synthetic Resins	October 1990	46-002	5.60/56	6.70/67	7.80/78
Oils and Fats	October 1990	32-006	5/50	6/60	7/70
New Motor Vehicle Sales	January 1990	63-007	14.40/144	17.30/173	20.20/202
Particleboard, Waferboard and Fibreboard	October 1990	36-003	5/50	6/60	7/70
Production and Shipments of Blow-Moulded Plastic Bottles	Quarter Ended September 30, 1990	47-006	6.75/27	8/32	9.50/38
Production and Shipments of Steel Pipe and Tubing	October 1990	41-011	5/50	6/60	7/70
Pulpwood and Wood Residue Statistics	October 1990	25-001	6.10/61	7.30/73	8.50/85
Retail Trade	September 1990	63-005	14.40/144	17.30/173	20.20/202
Steel Wire and Specified Wire Products	October 1990	41-006	5/50	6/60	7/70
<b>INDUSTRIAL ORGANIZATION AND FINANCE</b>					
Industrial Corporations: Financial Statistics	Third Quarter 1990	61-003	16.50/66	19.75/79	23/92
<b>INTEGRATION AND WEALTH ACCOUNTS</b>					
Canadian Economic Observer	December 1990	11-010	22/220	26/260	31/310
<b>INTERNATIONAL TRADE</b>					
Exports by Country	January - September 1990	65-003	82.75/331	99.25/397	115.75/463
Preliminary Statement of Canadian International Trade	October 1990	65-001P	10/100	12/120	14/140
<b>JUSTICE</b>					
Adult Correctional Services in Canada	1989-1990	85-211	39	47	55
Juristat - Service Bulletin - Women and Crime	December 1990	85-002	3.90/78	4.70/94	5.45/109
<b>PRICES</b>					
Farm Product Price Index (1986 = 100)	October 1990	62-003	7.10/71	8.50/85	9.90/99
The Consumer Price Index	November 1990	62-001	9.30/93	11.20/112	13/130
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Service Bulletin - Communications - Telephone Statistics	1989	56-001	8.20/49	9.85/59	11.50/69
<b>TRANSPORTATION</b>					
Rail in Canada	1988	52-216	45	54	63

## CURRENT TRENDS\*

### Gross Domestic Product

% change, previous month



Gross Domestic Product at factor cost by industry, at 1986 prices tumbled 0.8% in September after sliding 0.4% in August.

### Composite Leading Indicator

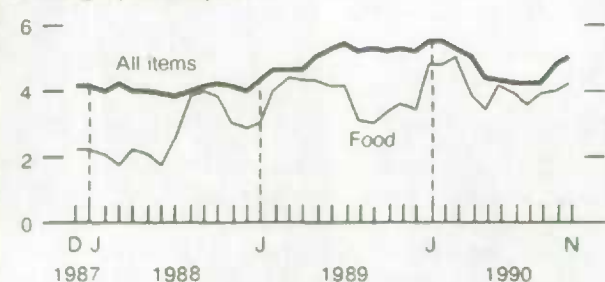
% change, previous month



In September, the composite leading indicator fell by 0.5%, the eighth consecutive drop.

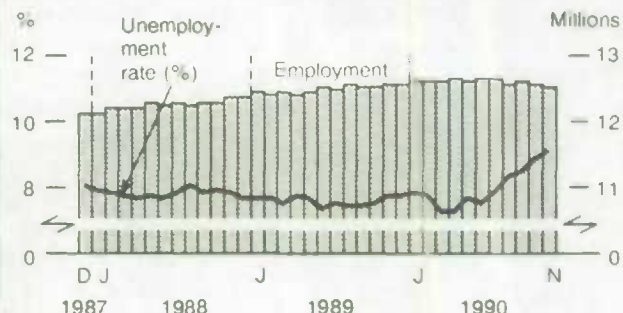
### Consumer Price Index

% change, previous year



In November, the Consumer Price Index posted a year over year rise of 5.0%, slightly higher than the increase registered in October.

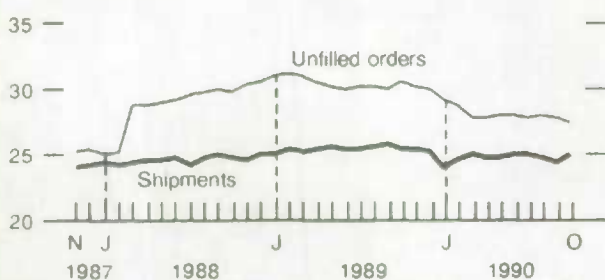
### Unemployment Rate and Employment



Employment fell 0.5% in November, contributing to a cumulative drop of 1% since August. The unemployment rate was at 9.1%

### Manufacturing

Billions of dollars



Manufacturing shipments increased by 2.6% in October. Unfilled orders continued to decline.

### Merchandise Trade

Billions of dollars



In October, exports increased to the highest level in the last ten years, while imports registered a record level.

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



## NEW FROM STATISTICS CANADA



### Canadian Social Trends

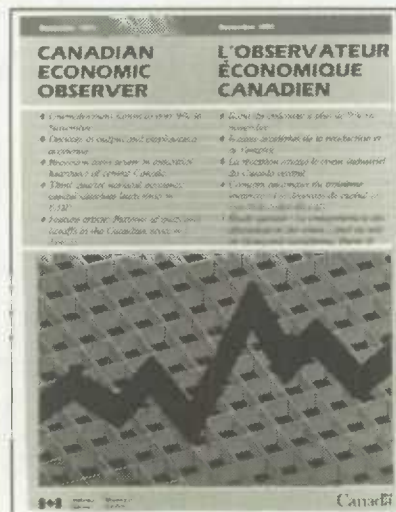
Winter 1990

This issue of *Canadian Social Trends* highlights perceptions of the justice system and reveals that a majority of Canadians are satisfied with the police while less than half of Canadians feel that criminal courts are doing a good job.

The diet of Canadians, their sleep patterns and commuting time are other topics discussed in the Winter issue. An article on computer literacy demonstrates that a growing proportion of Canadians are able to use a computer. The issue also features recent findings on Canada's children with disabilities, and information on the performing arts.

For further information, order *Canadian Social Trends* (catalogue number 11-008E) or contact the editors at (613) 951-2560.

## NEW FROM STATISTICS CANADA



### Canadian Economic Observer

December 1990

The December issue of the *Canadian Economic Observer* contains a monthly summary of the economy and of major economic events in November, the third quarter National Accounts, a technical note on the Canadian and U.N. Accounts and a second feature article on the pattern of quits and layoffs in the Canadian economy according to age, wage and industry.

For further information, order the *Canadian Economic Observer*, (catalogue number 11-010) or contact Current Analysis Section at (613) 951-9162.

## LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	September	506	-0.7%	-0.8%
Composite Leading Indicator (1981 = 100)	September	142.4	-0.5%	-1.7%
Profits of Industrial Corporations (\$ billion)	3rd Q	5.2	13.6%	-29.5%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	September	16.2	-0.2%	-0.8%
New Motor Vehicle Sales ('000 units)	October	101	-5.4%	-14.4%
<b>LABOUR</b>				
Employment (millions)	November	12.5	-0.5%	-0.5%
Unemployment Rate (%)	November	9.1	0.3	1.4
Participation Rate (%)	November	66.9	0.2	-0.3
Labour Income (\$ billion)	September	32.1	0.3%	6.8%
Average Weekly Earnings (\$)	September	521.74	0.6%	5.3%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	October*	12.7	4.7%	9.0%
Merchandise Imports (\$ billion)	October*	11.9	9.1%	2.4%
Merchandise Trade Balance (\$ billion)	October*	0.8	-0.4	0.8
<b>MANUFACTURING</b>				
Shipments (\$ billion)	October*	24.9	2.6%	-1.6%
New Orders (\$ billion)	October*	24.6	2.2%	-5.0%
Unfilled Orders (\$ billion)	October*	27.3	-1.6%	-10.5%
Inventory/ Shipments Ratio	October*	1.50	-0.03	-0.01
Capacity Utilization (%)	3rd Quarter*	78.0	-1.1	-5.5
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	October*	121.9	0.6%	5.0%
Industrial Product Price Index (1986 = 100)	October	110.3	0.3%	1.2%
Raw Materials Price Index (1986 = 100)	October	127.6	7.7%	19.7%
New Housing Price Index (1986 = 100)	October	138.1	-0.9%	-3.8%

**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

Published by the Communications Division  
Statistics Canada.

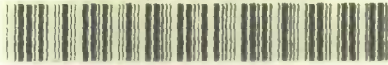
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R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada: \$2.50 per issue, \$125.00 per year; United States: US\$3.00 per issue, US\$150.00 per year; Other Countries: US\$3.50 per issue, US\$175.00. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-7277 from all other countries.

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