



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, January 21, 1994

OVERVIEW

■ Manufacturers Register Further Gains in Shipments

The value of shipments by Canadian manufacturers increased for the fourth straight month in November despite the effects of temporary plant shutdowns in the auto sector.

■ Rise in Imports Cuts Merchandise Trade Balance

In November, the value of merchandise exports fell while imports climbed to a record high, reducing Canada's trade balance to \$736 million from \$1.6 billion in October.

■ Composite Index Continues to Pick Up Speed

The economy continued to improve markedly in December as all indicators of final demand remained positive for the second straight month.

■ Turnaround in Planned Construction Activity

The value of building permits issued in Canada was up by 6.6% in November due to an increase in planned construction activity in British Columbia and Québec.

■ More Visits by Foreign Travellers; Fewer Trips by Canadians

In November, the volume of trips by foreign travellers staying in Canada for one or more nights increased 0.9% while similar trips by Canadians to other countries declined 2.7%.

■ Wage Gap Narrows as Men's Earnings Stagnate

The female to male earnings ratio for full-year full-time workers increased to 71.8% in 1992 from 69.6% in 1991.

This issue also includes information on the farm product price index.

Manufacturers Register Further Gains in Shipments

The seasonally adjusted value of shipments by Canadian manufacturers rose 0.5% in November to \$26.5 billion, the fourth increase in as many months. The total value of shipments for the first eleven months of 1993 was \$281.6 billion, 8.8% higher than for the corresponding period in 1992.

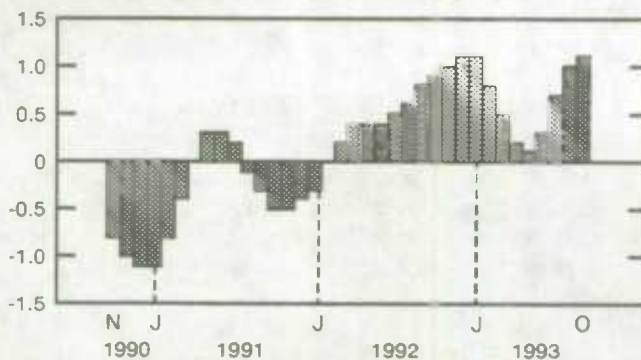
Fourteen of 22 major industry groups, accounting for 52% of shipment values, contributed to the increase. Noteworthy gains were in the primary metal industries (4.6%), the wood industries (4.3%), and the chemical products industries (2.9%). Transportation equipment industries recorded the largest decline, with shipments falling by 2.7%. This drop reflected temporary shutdowns by car manufacturers for retooling to new models.

(continued on page 2)

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Shipments

Monthly percentage change in trend, seasonally adjusted



... Manufacturers Register Further Gains in Shipments

Unfilled orders, which if not cancelled would generate future shipments, continued to decline for the fifth straight month, by 0.7% in November to a level of \$23.6 billion. Transportation equipment industries accounted for most of the latest drop. The unfilled order backlog has dropped more than \$1.0 billion over this five-month period. New orders, however, rose 1.0% to \$26.4 billion, the third increase in four months.

Inventory levels grew 0.8% to \$35.3 billion, the first increase after two small monthly declines. The inventories to shipments ratio remained at 1.33 for the third consecutive month.

Trends

The trend for shipments, which slowed during the early part of 1993, has accelerated since June and increased 1.0% in October. The trend has had uninterrupted growth over the last 20 months.

The trend for inventories has been rising since April 1993, although at a slower pace in September and October. For unfilled orders, the trend fell for the fourth month in a row after a year of growth. The trend for new orders, which declined from April through June, has been rising at an accelerating rate since then.

For further information, order *Monthly Survey of Manufacturing* (catalogue number 31-001), or contact Industry Division at (613) 951-9832. (See also "Current Trends" chart on page 8.)

Rise in Imports Cuts Merchandise Trade Balance

The seasonally adjusted value of merchandise exports fell 2.8% in November while imports climbed 3.0%. As a result, Canada's merchandise trade balance was significantly reduced and reached a level of \$736 million, down from \$1.6 billion in October. Nevertheless, the balance for the first 11 months of 1993 stood at \$11.1 billion, 38.4% higher than for the same period in 1992.

The value of merchandise imports continued to rise for the fourth straight month, by \$431 million in November, to a record \$15.0 billion. The largest increases were for imports of automotive products (\$304 million) and industrial goods (\$112 million).

In contrast, merchandise exports fell by \$453 million to \$15.8 billion, after two months of solid gains. Sales of energy and automotive products slumped, with exports of cars and parts affected by plant shutdowns in November.

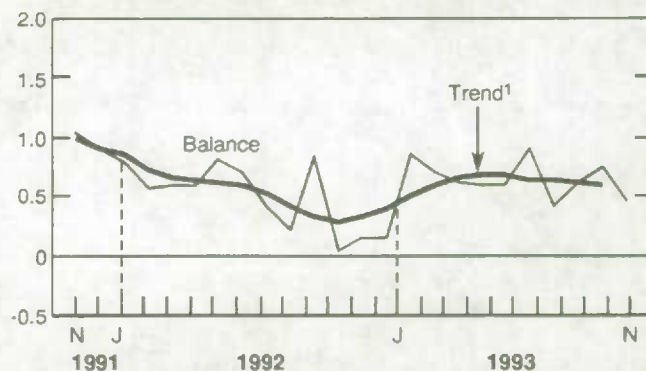
Underlying Trends

The imports trend increased for the twenty-second consecutive month, to stand 15.5% higher than in October 1992. In 1993, the largest gains have been for imports from the United States, up 18.3%, and from non-OECD countries, up 18.6%.

The trends continued to rise for all major commodity groups except energy products. Energy imports have been falling for six months, with crude petroleum declining by almost 20% during this time.

Merchandise Trade Balance

Billions of dollars, seasonally adjusted



¹ The short-term trend represents a weighted average of the data.

For exports, the trend has risen by 32.5% since November 1991 and now stands 14.1% above its October 1992 level. The strength has come mainly from trade with the United States.

As with imports, the exports trends rose for most commodity groups, but at a slightly slower rate than in the previous month. The trend for energy exports, however, decreased for the third month in a row.

For further information, order *Preliminary Statement of Canadian International Trade* (catalogue number 65-001P), or contact International Trade Division at (613) 951-9647. (See also "Current Trends" chart on page 8.)

Composite Index Continues to Pick Up Speed

The composite leading indicator continued to strengthen in December, rising by 0.7% from November. This increase follows gains of 0.6% in both October and November.

The upturn originated largely in the turnaround in the U.S. leading indicator and in Americans' demand for Canadian manufactured goods. Growth also remained positive for the second straight month in all the other indicators of final demand. All of this clearly signals an improving economy as we enter 1994.

The indicators of household demand picked up. The housing index climbed 1.0% as housing starts continued to rise while existing house sales strengthened markedly in November, when mortgage rates fell sharply. Sales of durable goods also rose steadily, buttressed by accelerating demand for cars. However, furniture and appliance sales, as well as services growth, were more modest as wages and salaries slowed.

Turnaround in Planned Construction Activity

The seasonally adjusted value of building permits issued in Canada totalled \$2.1 billion in November, up 6.6% from October's revised level of \$2.0 billion and up 1.7% from 12 months earlier. This was the first increase in four months. British Columbia (+30.8%) and Québec (+3.0%) accounted for the increase.

The value of residential building permits advanced 4.4% in November to \$1.3 billion after declining by 4.1% in September and 5.2% in October. Growth in British Columbia was exceptionally strong at 26.3%. The value of residential building permits increased moderately in Québec (3.1%) and the Atlantic region (1.9%).

For the January-November 1993 period, the value of residential building permits dropped 5.9% from the same period in 1992. For that period, Ontario had the steepest drop (-15.4%); British Columbia posted the only increase at 5.1%.

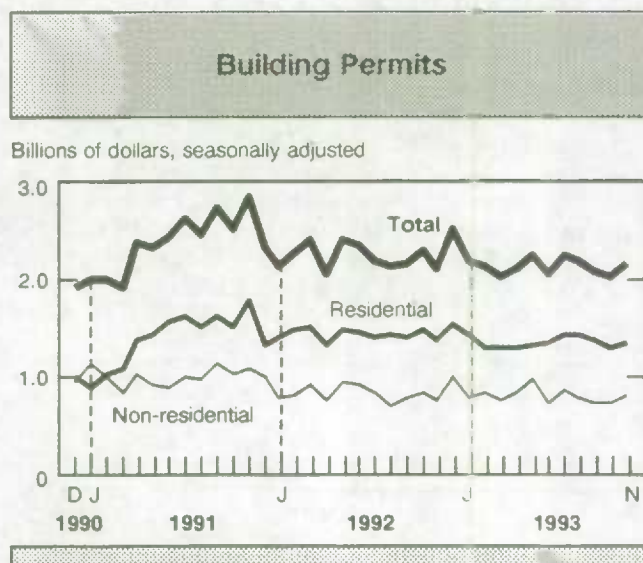
The value of multi-family dwelling permits rose 23.9% in November to \$439 million, with notable increases in British Columbia (65.7%) and the Prairies (54.7%). By contrast, the value of single-family dwelling permits declined 3.1% to \$904 million.

In the non-residential sector, the value of building permits showed a solid gain of 10.5% to \$798 million, and was up 7.4% from a year earlier.

The manufacturing indicators all improved markedly. New orders posted a second straight gain, as robust growth in the U.S. economy boosted our export industries. At the same time, the ratio of shipments to inventories rose to their highest level since data collection began in 1952, to 1.51 in October from 1.49 in September. Further production gains are likely as higher demand is increasingly difficult to meet out of inventories. The average workweek reached 38.7 hours in December, a five-year high.

The financial market indicators stayed robust in December. The real money supply was up 0.8%, while the stock market index rose 1.6% to an all-time high.

For further information, order *Canadian Economic Observer* (catalogue number 11-010) or contact *Current Economic Analysis Division* at (613) 951-3627. (See also "Current Trends" chart on page 8.)



The value of building permits for institutional projects climbed 27.2% to \$294 million, due primarily to an impressive 89.7% gain from British Columbia. The value of industrial permits rose 26.7% to \$149 million. The upturn came mostly from Ontario where the value of industrial permits soared 95.4%.

For further information, order *Building Permits* (catalogue number 64-001) or contact *Investment and Capital Stock Division* at (613) 951-2025.

(continued on page 4)

PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, November 1993

Unadjusted Data (Adjusted Data Not Available by Province)

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year
Canada	2,159.0	12.4	1,307.8	8.6	851.2	18.7
Newfoundland	17.4	8.8	12.3	47.7	5.1	-33.1
Prince Edward Island	8.2	16.1	6.4	30.9	1.9	-15.9
Nova Scotia	51.1	2.2	34.5	2.9	16.7	1.0
New Brunswick	30.7	17.3	13.2	-10.7	17.6	53.4
Quebec	438.1	23.7	232.3	6.7	205.8	50.7
Ontario	750.5	7.0	445.8	9.3	304.7	3.8
Manitoba	35.2	7.7	13.8	-22.7	21.4	44.1
Saskatchewan	24.7	6.4	7.5	-34.8	17.2	46.7
Alberta	185.6	-11.3	139.6	-3.7	46.0	-28.6
British Columbia	613.5	23.6	400.5	17.8	213.0	36.4
Yukon	2.4	-19.2	1.8	2.4	0.6	-52.0
Northwest Territories	1.5	-10.3	0.3	-73.1	1.2	147.7

More Visits by Foreign Travellers; Fewer Trips by Canadians

The seasonally adjusted number of visits by foreign travellers staying for one or more nights in Canada increased 0.9% in November but the level of this type of travel has fluctuated within a narrow band since the end of 1986. The advance follows a marginal decline in October and a 3.0% rise in September. Trips of one or more nights to Canada

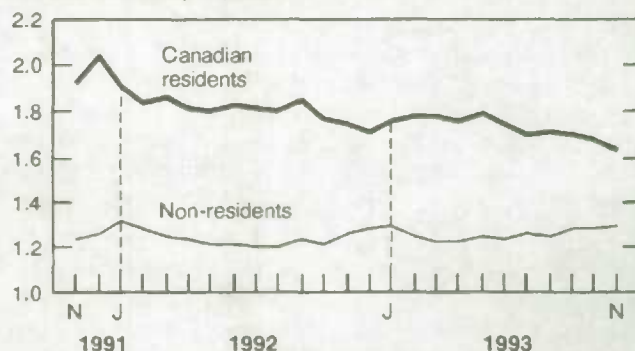
International Travel Between Canada and Other Countries

November 1993, Seasonally Adjusted

	('000)	% change previous month	% change previous year
One or More Night Trips			
Non-resident Travellers:			
United States	1,031	2.2	2.8
Other Countries	252	-4.0	1.9
Total	1,283	0.9	2.6
Residents of Canada:			
United States	1,360	-2.9	-7.6
Other Countries	263	-1.8	-0.5
Total	1,623	-2.7	-6.5
Auto Re-entries			
Residents of Canada:			
Same-day	3,825	0.3	-10.4
Overnight	939	-2.4	-10.3

Trips of One or More Nights between Canada and Other Countries

Millions, seasonally adjusted



by American visitors rose 2.2% in November while similar trips by travellers from all other countries fell 4.0%.

The downtrend in Canadian residents' trips of one or more nights to all countries (by all modes of travel) continued, decreasing 2.7%. Both the U.S. and other countries shared in the decline.

Car trips of one or more nights to the U.S. fell for the sixth straight month, dropping by 2.4% in November. This marked its lowest level since December 1989. Meanwhile, car trips of one or more nights to Canada by American residents rose 3.7% to 720,000.

(continued on page 5)

... More Visits by Foreign Travellers; Fewer Trips by Canadians

On the heels of six consecutive monthly decreases, same-day car trips to the United States by Canadian residents fluctuated only slightly, increasing by 0.3% in November, but the volume was substantially below the November 1992 level.

The trend in same-day cross-border car trips has been downward since February 1992, after having peaked at 5.3 million in November 1991.

For further information, order *International Travel - Advance Information* (catalogue number 66-001P), or contact Education, Culture and Tourism Division at (613) 951-1791.

Wage Gap Narrows as Men's Earnings Stagnate

According to the Survey of Consumer Finances, a supplement to the April Labour Force Survey, approximately 8.5 million Canadians (3.4 million women and 5.1 million men) had earnings from full-year full-time work in 1992, virtually unchanged from 1991. However, this was 463,000 fewer than in the peak year in 1989 and men accounted for most (78.6%) of the decrease between 1989 and 1992.

The female to male earnings ratio for full-year full-time workers increased to 71.8% in 1992 from 69.6% in 1991, in part due to the stagnation of men's earnings. In 1992, the average earnings of men who worked full-year full-time were estimated at \$39,468, little changed from 1977. The average earnings of women were \$28,350 in 1992, up 4.1% from 1991, continuing an upward trend seen since 1986.

The female to male earnings ratio was highest for the 15 to 24 age group (92.7%). By marital status, the ratio was 99.0% for single (never married) earners, compared with 66.6% for married earners.

The female to male earnings ratio ranged from 67.3% for earners with some secondary school education to 74.2% for those with a university degree. Males with eight years or less of schooling earned on average \$28,019 compared with \$55,567 for male university graduates. Corresponding data for females were \$20,580 (grade eight or less) and \$41,228 (university degree).

For further information, order *Earnings of Men and Women* (catalogue number 13-217) or contact Household Surveys Division at (613) 951-9775.

Farm Product Prices Unchanged in November but up from 1992

The Farm Product Price Index (1986=100) for Canada remained unchanged at 102.8 in November but stood 2.6% above its year-earlier level of 100.2. During 1993, the index has remained at levels not seen since June 1991.

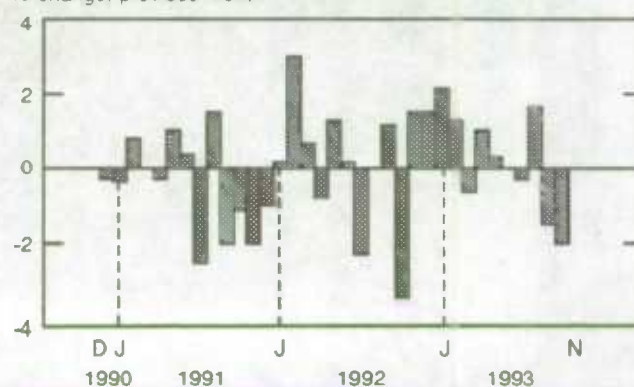
The Farm Product Price Index

November 1993

Province	Crops		Livestock and Animal Products	
	% change from		% change from	
	October 1993	November 1992	October 1993	November 1992
Canada	2.1	-6.3	-1.1	7.3
Newfoundland	0.0	-7.9	0.6	-1.0
Prince Edward Island	16.0	89.3	0.0	-15.7
Nova Scotia	0.5	1.1	0.6	4.9
New Brunswick	23.9	45.9	-0.5	14.8
Québec	1.1	12.0	0.0	11.2
Ontario	4.1	21.8	-0.2	5.5
Manitoba	0.0	-20.2	-4.1	1.4
Saskatchewan	0.9	-20.8	-5.3	8.5
Alberta	-0.1	-18.5	-0.4	9.2
British Columbia	-0.1	-15.9	-2.8	5.6

Farm Product Price Index

% change, previous month



After three successive months of declines, the crops index rose 2.1% in November to 86.9 as the cereals, oilseeds and potatoes indexes all increased. Since August 1992, the crops index has remained at a low level last seen in 1987.

(continued on page 6)

... Farm Product Prices Unchanged in November but up from 1992

The cereals index was up by 2.3% after declining by a total of 23.8% in the previous three months. Grain prices in Western Canada rebounded in November, responding to improvements in the quality of regular barley and western red wheat. The index stood 20.2% below its level one year ago. The oilseeds index rose 2.1% and the potatoes index advanced 8.0%. The potatoes index has increased sharply in six of the last eight months, for a year-over-year increase of 48.0%.

The livestock and animal products index fell 1.1% after a similar decline in October. The cattle and calves index declined marginally following a drop of 3.6% in October. Cattle and calves prices have shown year-over-year increases since August 1992. The hogs index declined for the second month in a row, by 5.9% in November. However, hog prices have generally been rising since the beginning of 1992.

For further information, order *Farm Product Price Index* (catalogue number 62-003), or contact Agriculture Division at (613) 951-2441.

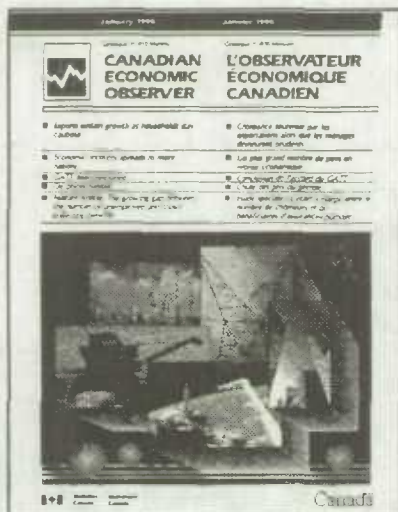
NEW FROM STATISTICS CANADA

Canadian Economic Observer

The January issue of *Canadian Economic Observer*, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, major economic events in December and a feature article on recent trends in unemployment and unemployment insurance.

A statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The January 1994 issue of *Canadian Economic Observer* (catalogue number 11-010, \$22/\$220) is now available. For more information, call Cindy Bloskie at (613) 951-3634, Current Analysis Group.



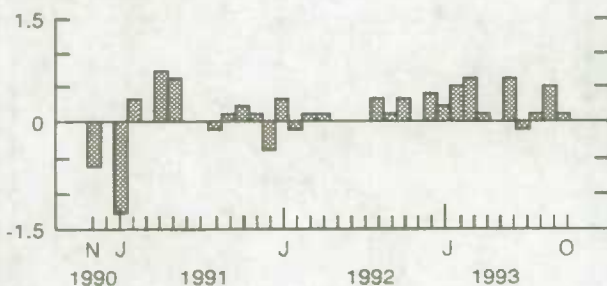
PUBLICATIONS RELEASED FROM JANUARY 14 TO 20, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
AGRICULTURE					
Farming Facts	1993	21-522E	Free		
CURRENT ECONOMIC ANALYSIS					
Canadian Economic Observer	January 1994	11-010	22/220	26/260	31/310
DEMOGRAPHY					
Quarterly Demographic Statistics	July-September 1993	91-002	7.50/30	9/36	10.50/42
EDUCATION, CULTURE AND TOURISM					
Focus on Culture	Winter 1993	87-004	6.25/25	7.50/30	8.75/35
	Vol. 5, No. 4				
Heritage Institutions	1991-1992	87-207	30	36	42
Performing Arts	1991-1992	87-209	30	36	42
Touriscope: International Travel, Advance Information	November 1993				
	Vol. 9, No. 11	66-001P	6.10/61	7.30/73	8.50/85
HOUSEHOLD SURVEYS					
Earnings of Men and Women	1992	13-217	25	30	35
INDUSTRY					
Canned and Frozen Fruits and Vegetables - Monthly	November 1993	32-011	5/50	6/60	7/70
Energy Statistics Handbook	January 1994	57-601	300	360	420
Mineral Wool Including Fibrous Glass Insulation	December 1993	44-004	5/50	6/60	7/70
New Motor Vehicle Sales	September 1993	63-007	14.40/144	17.30/173	20.20/202
Oil Pipeline Transport	October 1993	55-001	10/100	12/120	14/140
Oils and Fats	November 1993	32-006	5/50	6/60	7/70
Particleboard, Waferboard and Fibreboard	November 1993	36-003	5/50	6/60	7/70
Primary Iron and Steel	November 1993	41-001	5/50	6/60	7/70
Production and Shipments of Steel Pipe and Tubing	November 1993	41-011	5/50	6/60	7/70
INTERNATIONAL TRADE					
Preliminary Statement of Canadian International Trade	November 1993	65-001P	10/100	12/120	14/140
LABOUR					
Employment, Earnings and Hours	October 1993	72-002	28.50/285	34.20/342	39.90/399
SERVICES, SCIENCE AND TECHNOLOGY					
Federal Scientific Activities	1993-1994	88-204	44	53	62
TRANSPORTATION					
Passenger Bus and Urban Transit Statistics	November 1993				
	Vol. 45, No. 11	53-003	7.10/71	8.50/85	9.90/99
Railway Carloadings	November 1993	52-001	8.30/83	10/100	11.60/116
	Vol. 70, No. 11				

CURRENT TRENDS

Gross Domestic Product

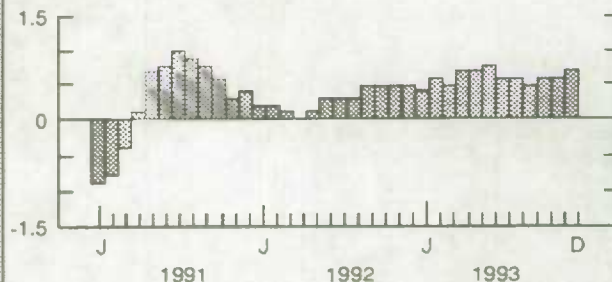
% change,
previous month



Economic growth continued in October: real gross domestic product at factor cost crept up 0.1% after a gain of 0.5% in September and a marginal increase in August.

Composite Index

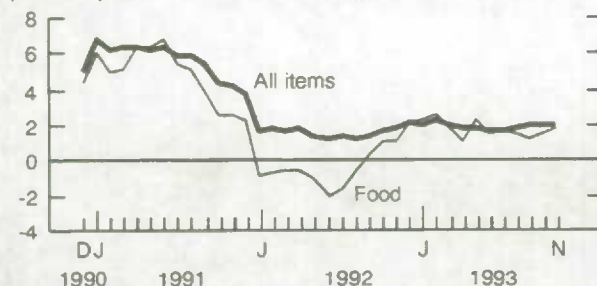
% change,
previous month



The composite index continued to strengthen in December, rising by 0.7% from November.

Consumer Price Index

% change,
previous year



In November, the year-over-year increase in the all-items CPI remained unchanged for the third straight month at 1.9%. The food index rose by 1.7%, up from 1.5% in October.

Unemployment Rate

%



After four months of declines, the unemployment rate advanced 0.2 points in December to 11.2%, returning to the same level as in September.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose 0.5% in November to \$26.5 billion. The level of unfilled orders fell 0.7% to \$23.6 billion, the fifth straight monthly decline.

Merchandise Trade

Billions
of dollars



In November, the value of merchandise exports fell 2.8% to \$15.8 billion, while imports climbed 3.0% to a record \$15.0 billion.

Note: All series are seasonally adjusted except the consumer price index.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	October	521.2	0.1%	2.9%
Composite Leading Indicator (1981 = 100)	December*	159.6	0.7%	7.7%
Operating Profits of Enterprises (\$ billion)	3rd Quarter	13.0	-6.9%	23.8%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	October	16.3	0.1%	4.2%
New Motor Vehicle Sales ('000 units)	November	103.0	0.5%	0.2%
LABOUR				
Employment (millions)	December	12.5	0.1%	1.2%
Unemployment Rate (%)	December	11.2	0.2	-0.3
Participation Rate (%)	December	65.1	0.1	-0.4
Labour Income (\$ billion)	October	33.3	-0.2%	2.1%
Average Weekly Earnings (\$)	October	560.17	-0.1%	1.0%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	November*	15.8	-2.8%	12.7%
Merchandise Imports (\$ billion)	November*	15.0	3.0%	16.7%
Merchandise Trade Balance (\$ billion)	November*	0.74	-0.89	-0.37
MANUFACTURING				
Shipments (\$ billion)	November*	26.5	0.5%	8.8%
New Orders (\$ billion)	November*	26.4	1.0%	8.0%
Unfilled Orders (\$ billion)	November*	23.6	-0.7%	6.9%
Inventory/ Shipments Ratio	November*	1.33	0.00	-0.09
Capacity Utilization (%)	3rd Quarter	78.6	0.2	3.1
PRICES				
Consumer Price Index (1986 = 100)	November	131.5	0.5%	1.9%
Industrial Product Price Index (1986 = 100)	November	113.8	0.2%	2.7%
Raw Materials Price Index (1986 = 100)	November	110.0	-2.3%	-0.4%
New Housing Price Index (1986 = 100)	November	136.3	-0.1%	1.1%

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

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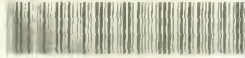
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