



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, May 20, 1994

MAY 20 1994

OVERVIEW

■ Merchandise Trade Activity Buoyant

In March, seasonally adjusted merchandise exports rose a record 8.1%; they were still outpaced by imports, which increased a record 9.8%.

■ Year-over-year Increase in CPI Unchanged in April

Between April 1993 and April 1994, the All-items Consumer Price Index rose 0.2%, the same rate of increase reported in February and March.

■ Sales of New Motor Vehicles Post a Sharp Increase From a Year Ago

Seasonally adjusted sales of new motor vehicles increased by 1.7% from the fourth quarter of 1993 and were up 11.8% from the first quarter of 1993.

■ Manufacturers Sharply Increase their Shipments

After three straight months of declines, the value of Canadian manufacturers' shipments rebounded in March, rising by 2.7%. Increases were widespread as shipments grew in 20 of 22 major industry groups.

■ Slower Growth of Composite Index Reflects Downturn in Stock Market

The growth of the composite index eased from 0.7% in March to 0.6% in April but the rate of increase nearly matched the average growth recorded in the last 18 months.

■ Travel to Canada Picking Up

Americans continued to visit Canada in increasing numbers in March. They made 1.1 million overnight trips, up 3.8% from February.

Merchandise Trade Activity Buoyant

The seasonally adjusted value of merchandise exports rose 8.1% in March to a record high of \$16.7 billion. Imports were up 9.8% and reached a record high of \$16.0 billion. As a result, Canada's merchandise trade balance fell by \$188 million to a level of \$659 million.

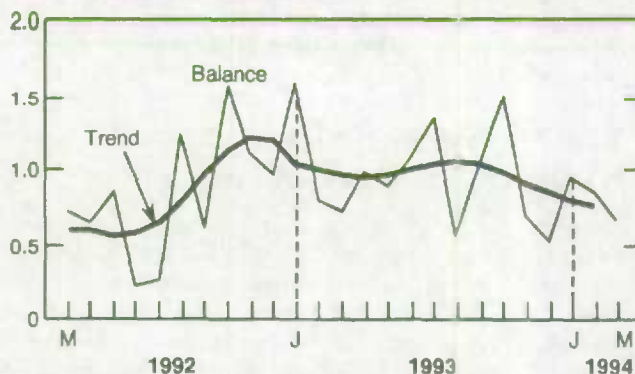
Underlying Trends

For 27 months, exports have been on the rise, increasing 34% over that time. The exports trend has been negative for Canada's major trading partners, with the exception of the OECD countries and the United States.

(continued on page 2)

Merchandise Trade Balance

Billions of dollars, seasonally adjusted



... Merchandise Trade Activity Buoyant

The exports trend was up for exports of machinery and equipment, energy products, industrial goods and materials, and forestry products. Exports of transportation equipment grew for the seventh consecutive month. Growth in the trend for energy products has been accelerating since November, with the trend for natural gas providing the strongest influence to the overall movement. The trend for industrial goods and materials has been growing for the tenth consecutive month. Increasing exports of newsprint and woodpulp contributed mainly to the upward trend for forestry.

The imports trend increased by over 30% in the past 26 months and now stands 13.0% higher than a year ago. Imports from the United States have been up for 27 months, but their rate of growth has been slowing for the last five months. Trends increased in March for imports of machinery and equipment, automotive products, industrial goods and materials, energy products, and agricultural and fishing products.

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.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage Change, April 1994/1993 *

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	0.2	0.7	-0.4	0.2	4.8
Newfoundland	1.5	1.2	-1.9	-0.8	7.8
Prince Edward Island	-0.2	2.0	-6.3	-0.4	3.7
Nova Scotia	1.3	3.5	-0.9	0.1	6.4
New Brunswick	-0.1	2.7	-2.0	-0.7	2.9
Québec	-1.5	-0.3	-1.2	-0.1	3.4
Ontario	0.2	0.2	-0.9	0.0	5.8
Manitoba	1.2	1.7	-0.4	0.8	2.5
Saskatchewan	1.6	2.2	2.3	1.4	3.5
Alberta	1.7	2.7	3.7	0.7	3.8
British Columbia	1.9	1.9	-0.6	0.7	4.3
Yukon	2.5	2.8	5.5	1.7	2.8
Northwest Territories	1.5	4.8	-1.5	-0.1	4.2

*Data are not seasonally adjusted

Year-over-year Increase in CPI Unchanged in April

Between April 1993 and April 1994, the All-items Consumer Price Index (CPI, 1986=100) rose 0.2%, the same rate of increase reported in February and March. Since February, reduced cigarette prices played a major role in bringing down the yearly rates of increase. If cigarette prices had not been reduced and if prices of other goods and services had moved as they did in April, the CPI would have been up 1.5% from a year ago.

The all-items index edged up 0.1% in April to a level of 130.2, following decreases of 0.8% in February and 0.2% in March. Four of the major components reported increases which were partly offset by decreases in three other major components.

As a result of higher gasoline prices, transportation charges rose 0.5% in April. Prices of other components – such as air transportation and purchase of automotive vehicles – also contributed to the price increases for transportation.

The food index rose 0.4% in April, following two consecutive monthly declines. Higher prices for food purchased from stores contributed mainly to this increase, though prices of restaurant meals rose as well. Consumers paid higher prices for bakery products, bread in particular, and for carbonated beverages and beef. At the same time, grocery stores sold poultry products and several varieties of fresh fruit and vegetables at lower prices in April.

(continued on page 3)

... Year-over-year Increase in CPI Unchanged in April

than in March. Health and personal care (+0.5%) and recreation, reading and education (+0.1%) components also recorded higher prices in April.

The housing index fell a further 0.4% in April, following a slight decrease of 0.1% in March. The owned accommodation index fell by 0.8%. This was the sixth consecutive monthly decline and one of the largest declines since 1975. Price declines were recorded in materials for home repairs and maintenance, in piped gas and, to a lesser extent, in mortgage interest costs. However, tenants faced a 0.2% rise for rental accommodation.

The tobacco products and alcoholic beverages index fell by 0.6%, due mainly to a 1.5% drop in cigarette prices.

The index for clothing was down 0.1% from March, after three consecutive monthly increases. This slight decline was due to lower prices for women's dresses and jewellery.

For further information, order *Consumer Price Index* (catalogue number 62-001), or contact *Prices Division* at (613) 951-9606. (See also "Current Trends" chart on page 8.)

Sales of New Motor Vehicles Post a Sharp Increase From a Year Ago

In March, seasonally adjusted sales of new motor vehicles fell slightly to a total of 106,900, 0.4% below the total reached in February. Sales were 1.7% higher than the total in the last quarter of 1993 and were up 11.8% from the first quarter of 1993.

Passenger cars (-0.6%) and commercial vehicles (-0.1%) both recorded lower sales in March. Sales of North-American manufactured passenger cars rose by 1.2% in March, continuing the upward trend since October 1993, while imported passenger car sales fell by 5.6%, the eighth consecutive monthly decline. Higher sales from the three large car manufacturers were complemented by much higher sales of vehicles built by foreign manufacturers in North America.

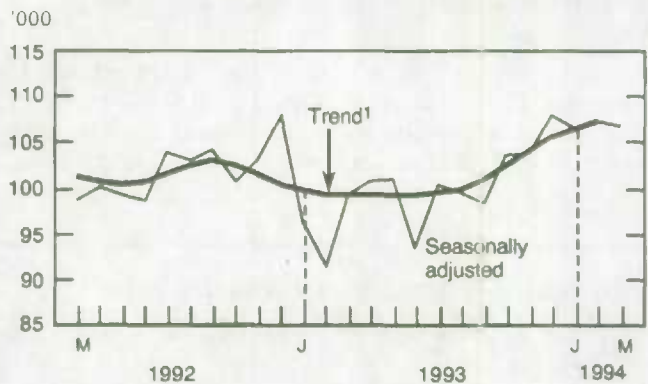
Truck sales (including light trucks, mini-vans and sport utility vehicles) fell 0.1% to 42,200 units. After four consecutive months of steady increases in late 1993, truck sales have levelled off.

In March, 74.3% of passenger cars sold in Canada were manufactured in North America, up from 63.7% a year earlier. The Japanese share fell from 28.7% to 20.5% for the same period.

Manufacturers Sharply Increase their Shipments

The seasonally adjusted value of shipments of manufactured goods rose 2.7% in March to \$26.8 billion, more than offsetting three straight months of declines totalling 0.9%. Several events weakened shipments from December through February. The cold weather, coupled with the temporary plant shutdowns for retooling to new models by Ford and

Sales of New Motor Vehicles,
in Units, Canada



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

For further information, order *New Motor Vehicle Sales* (catalogue number 63-007) or contact *Industry Division* at (613) 951-3552.

General Motors, as well as the dockworkers' strike on the West Coast, all contributed to a slide in shipments. Despite two months of declines in 1994, the value of shipments for the first quarter of 1994 was still 5.1% higher than the value for the first quarter of 1993.

(continued on page 4)

... Manufacturers Sharply Increase their Shipments

Twenty of 22 major industry groups, accounting for 93% of total shipments, reported increases in March. Car makers contributed most to the strong shipment numbers (6.2%). This reflected increased production of new models at the Ford and General Motors plants as well as strong first quarter sales of cars and trucks in both Canada and the United States. Because of low stocks of leaf tobacco as well as tobacco products, shipments in the tobacco industry jumped 55.9% in March. The hike more than offset a decline of 15.7% in February.

Inventory levels grew for the third successive month, by 0.7% in March to \$36.2 billion. Most of the latest advance was attributable to higher inventories of fabricated metal products (5.3%), electrical and electronic products (2.9%) and wood products (2.0%).

The inventories to shipments ratio fell from 1.38 in February to 1.35 in March, as the increase in shipments continued to outpace the increase in inventories.

Unfilled orders, which if not cancelled would generate future shipments, were up 0.6% to \$25.7 billion. This was the third increase in four months and the highest level reached since January 1991.

Slower Growth of Composite Index Reflects Downturn in Stock Market

The growth of the composite index eased from 0.7% in March to 0.6% in April but the rate of increase nearly matched the average growth recorded in the last 18 months. The stock market was the principal source of weakness. The other nine components showed few signs that the recent slump in financial markets had an impact on the rest of the economy.

Household demand has recently showed a broad range of positive signs. The return to more temperate weather has allowed the underlying trend to bloom. Consumer confidence was buoyed by the growth of jobs in February and March, while nearly non-existent inflation boosted real wages. As a result, housing demand rose by 0.8% in April from 0.2% in March. The upturn reflected a rebound in housing starts, with single family dwellings hitting a 16-month high following a recovery of existing home sales in March. Sales of durable goods joined in as a source of growth, advancing by 0.8%. Furniture and appliance sales remained slow, edging up by 0.1%.

Manufacturers' Shipments, March 1994

Unadjusted Data (Adjusted Data Not Available by Province)

Province	Total	
	\$ millions	% change, previous year
Canada	29,130	6.5
Newfoundland	102	-0.1
Prince Edward Island	34	17.2
Nova Scotia	458	8.2
New Brunswick	540	6.7
Québec	7,056	11.2
Ontario	15,385	3.5
Manitoba	588	7.4
Saskatchewan	411	22.1
Alberta	1,977	11.1
British Columbia	2,576	6.5

Manufacturers reported new orders rose 2.3% to \$27.0 billion, the fourth gain in five months.

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.)

The outlook for manufactured goods remained strong. The ratio of shipments to stocks rose for the eighth straight month, to an all-time high of 1.57. The growth of new orders for durable goods was hampered by supply difficulties – such as strikes and retooling to auto plants – after recent gains had just about returned orders to their pre-recession levels. The increase in demand led to higher employment requirements. The average workweek lengthened again, from 38.7 hours to 38.8 hours, just as it did before the recent surge in manufacturing employment.

The Toronto stock market slid again in April, amid the turmoil in financial markets. However, the growth of the real money supply was steady, growing by 1.0%.

The US leading indicator continued to signal strong underlying demand for Canadian exports. Its growth was helped by a rebound in sectors affected by severe winter weather. The average workweek rose to a post-war record of 42.2 hours, a particularly healthy sign for manufacturing demand.

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.)

Travel to Canada Picking Up

After rising by 2.9% in February, the seasonally adjusted number of overnight trips to Canada increased a further 2.7% in March to 1.3 million. The level of this type of travel has been relatively constant since late 1986 but has been inching ahead since April 1993.

The latest increase was attributable to a 3.8% rise in the number of overnight trips to Canada by American residents. This advance brought the volume of overnight travel to 1.1 million trips, up 9.6% from a year earlier. Slightly offsetting the overall increase, overnight trips to Canada by residents from overseas countries declined 1.1% to 288,000. The decline follows three consecutive monthly increases.

In comparison with March 1993, the number of visits from Mexico increased substantially (+69.6% to 5,000), followed by Japan (+20.0% to 27,000) and

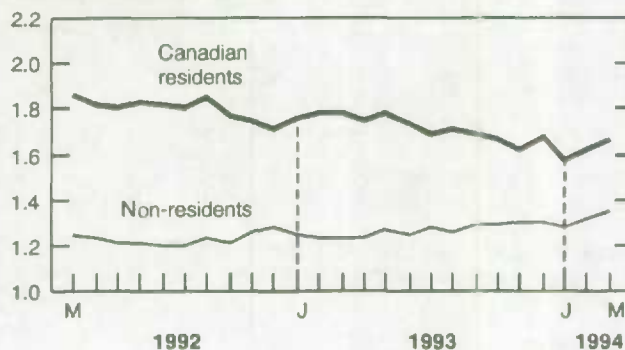
International Travel Between Canada and Other Countries

March 1994, Seasonally Adjusted

	('000)	% change, previous month	% change, previous year
One or More Night Trips			
Non-resident Travellers:			
United States	1,057	3.8	9.6
Other Countries	288	-1.1	12.4
Total	1,345	2.7	10.2
Residents of Canada:			
United States	1,366	2.9	-9.3
Other Countries	288	1.3	7.8
Total	1,654	2.7	-6.7
Auto Re-entries			
Residents of Canada:			
Same-day	3,458	0.4	-15.7
Overnight	928	2.5	-14.7

Trips of One or More Nights Between Canada and Other Countries

Millions, seasonally adjusted



Germany (+19.5% to 17,000). The increase in overnight visits by residents from Japan was significant because among all visitors to Canada, Japanese visitors have recorded the highest spending per night. In 1992, they spent \$174 per night.

Despite the weakening Canadian dollar, Canadians made more trips abroad of one or more nights, by all modes of travel. Canadians took 1.4 million overnight trips to the U.S. alone, up 2.9% from February, and made 288,000 trips to overseas countries, up 1.3% from February.

At 3.4 million, the volume of same-day car trips by Canadian residents to the United States, a key indicator of cross-border shopping, remained at its lowest level in almost five years and stood well below the March 1993 figure. The weakening Canadian dollar and rising U.S. gasoline prices have together contributed to the downtrend in same-day cross-border car trips.

Meanwhile, the number of same-day car trips to Canada by United States residents rose 2.1% to 1.6 million. Car trips of one or more nights to Canada by American residents increased 3.9% to 729,000.

For further information, order *Touriscope: international travel - advance information* (catalogue number 66-001P) or contact Education, Culture and Tourism Division at (613) 951-1791.

PUBLICATIONS RELEASED FROM MAY 13 TO 19, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	May 1994	11-010	22/220	26/260	31/310
EDUCATION, CULTURE AND TOURISM					
Touriscope: international travel - advance information	March 1994 Vol. 10, No.3	66-001P	7/70	9/90	10/100
HOUSEHOLD SURVEYS					
The labour force	April 1994	71-001	20/200	24/240	28/280
INDUSTRY					
Canned and frozen fruits and vegetables - monthly	March 1994	32-011	6/60	7/70	8/80
Energy statistics handbook	May 1994	57-601	330	400	460
Factory sales of electric storage batteries	March 1994	43-005	6/60	7/70	8/80
Oils and fats	March 1994	32-006	6/60	7/70	8/80
Particleboard, waferboard and fibreboard	March 1994	36-003	6/60	7/70	8/80
Production and shipments of steel pipe and tubing	March 1994	41-011	6/60	7/70	8/80
Pulpwood and wood residue statistics	March 1994	25-001	7/70	8/80	10/100
Refined petroleum products	February 1994	45-004	20/200	24/240	28/280
Shipments of plastic film and bags manufactured from resin	Quarter ended March 1994	47-007	8/32	10/40	11/44
INTERNATIONAL TRADE					
Preliminary statement of Canadian international trade	March 1994	65-001P	11/110	14/140	16/160
LABOUR					
Employment, earnings and hours	February 1994	72-002	28.50/285	34.20/342	39.90/399
PRICES					
Industry price indexes	March 1994	62-011	20/200	24/240	28/280
The consumer price index	April 1994	62-001	10/100	12/120	14/140
TRANSPORTATION					
Passenger bus and urban transit statistics	March 1994 Vol. 46, No. 3	53-003	8/80	10/100	12/120
Surface and marine transport service bulletin	Vol. 10, No. 3	50-002	11/80	14/96	16/112

NEW FROM STATISTICS CANADA

Canadian Cancer Statistics 1994



Produced by:
National Cancer Institute of Canada
Statistics Canada
Provincial Cancer Registries
Health Canada

Canadian cancer statistics

The 1994 edition of *Canadian cancer statistics* has been released by Statistics Canada, the Canadian Cancer Society, and Health Canada. A collaboration of these three organizations, the National Cancer Institute of Canada, and the provincial/territorial cancer registries, this 55-page monograph contains estimates of cancer incidence and mortality for 1994, historical (actual and estimated) data from 1969 to 1994, and selected indicators on cancer.

Canadian Cancer Statistics, 1994 (uncatalogued) is now available from the Health Statistics Division (613-951-1746), Statistics Canada, and from the Canadian Cancer Society.

Consulting engineers' output price indexes

In the 1990s, consulting engineers have seen price changes for their output slow considerably. This is due to two factors: wages and salaries have increased much less particularly since 1992 while weak markets have depressed fees. All provinces shared in the slowdown, though Ontario has consistently experienced the lowest price changes. In 1993, price changes were strongest in British Columbia.

Consulting engineers' output price indexes are now available for the first time. The data are annual and coverage begins in 1989. These indexes are the first of several being developed which will cover business services. The indexes distinguish price changes for fee-income generated for different specialties in different parts of Canada and abroad. Component indexes on wage and salary movements and on changes in the realized net multipliers are also available.

The April 1994 issue of Industry price indexes (catalogue number 62-011, \$20/\$200) will be available at the end of June. For further information on this release, contact Robin Lowe (613-951-3370, fax: 613-951-2848), Information and Current Analysis Unit, Prices Division.

Canadian economic observer

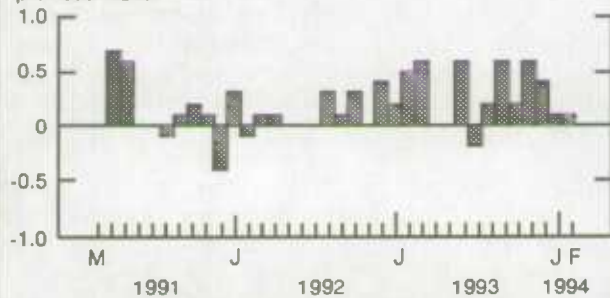
The May 1994 issue of *Canadian economic observer*, Statistics Canada's flagship publication for economic statistics, presents a summary of the economy, the major economic events in April, and two feature articles: "Unemployment insurance, temporary layoffs and recall expectations" and "The underground economy a Statistics Canada perspective". 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 May 1994 issue of Canadian economic observer (catalogue number 11-010, \$22/\$220) is now available. For further information on this release, contact Cindy Boskie at (613) 951-3634, Current Economic Analysis Division.

CURRENT TRENDS

Gross Domestic Product

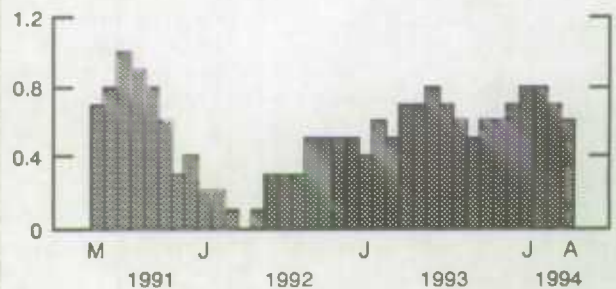
% change,
previous month



Real gross domestic product at factor cost crept up 0.1% in February, the same rate of increase reported in January.

Composite Index

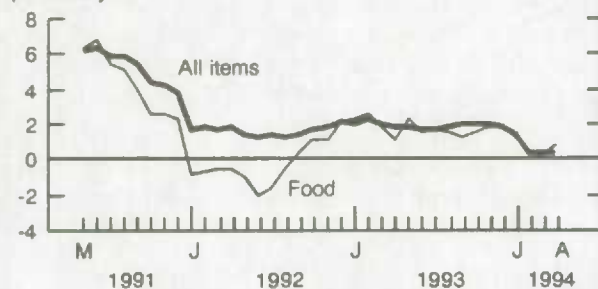
% change,
previous month



The growth of the composite index eased from 0.7% in March to 0.6% in April but the rate of increase nearly matched the average growth recorded in the last 18 months.

Consumer Price Index

% change,
previous year



In April, the year-over-year change in the all-items CPI was 0.2%, the same rate of increase reported in February and March. The food index rose by 0.7%.

Unemployment Rate

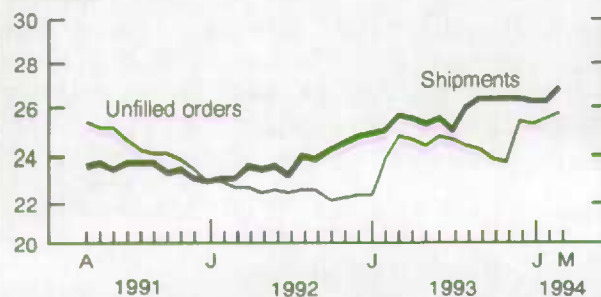
%



In April, the unemployment rate rose 0.4 percentage points to 11.0%. The increase was due to a growth in the number of adults entering the labour force in search of work.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose 2.7% in March to \$26.8 billion. The level of unfilled orders rose 0.6% to \$25.7 billion.

Merchandise Trade

Billions
of dollars



In March, the value of merchandise exports was up 8.1% to \$16.7 billion, while imports climbed 9.8% to \$16.0 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)	February	527.9	0.1%	3.3%
Composite Leading Indicator (1981 = 100)	April*	164.2	0.6%	8.3%
Operating Profits of Enterprises (\$ billion)	4th Quarter	14.0	11.4%	86.6%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	March*	17.2	1.3%	7.7%
New Motor Vehicle Sales ('000 units)	March*	107.0	-0.4%	7.8%
LABOUR				
Employment (millions)	April	12.5	0.0%	1.6%
Unemployment Rate (%)	April	11.0	0.4	-0.4
Participation Rate (%)	April	65.1	0.3	-0.2
Labour Income (\$ billion)	January	33.5	0.3%	2.0%
Average Weekly Earnings (\$)	February	565.33	0.3%	1.5%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	March*	16.7	8.1%	14.3%
Merchandise Imports (\$ billion)	March*	16.0	9.8%	15.4%
Merchandise Trade Balance (\$ billion)	March*	0.66	-0.19	-0.06
MANUFACTURING				
Shipments (\$ billion)	March*	26.8	2.7%	5.0%
New Orders (\$ billion)	March*	27.0	2.3%	2.2%
Unfilled Orders (\$ billion)	March*	25.7	0.6%	3.8%
Inventory/ Shipments Ratio	March*	1.35	-0.03	0.01
Capacity Utilization (%)	4th Quarter	80.1	1.6	3.3
PRICES				
Consumer Price Index (1986 = 100)	April*	130.2	0.1%	0.2%
Industrial Product Price Index (1986 = 100)	March	116.3	0.4%	3.6%
Raw Materials Price Index (1986 = 100)	March	112.8	1.3%	1.1%
New Housing Price Index (1986 = 100)	March	136.1	0.1%	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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