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A Weekly Review

Friday, September 23, 1994

OVERVIEW

■ Automotive sector drags down retail sales

A sharp drop in the number of new motor vehicles sold dragged down retail sales in July.

■ Sales by wholesalers advance once again

Sales by wholesalers continued to increase in July but at a somewhat reduced rate. The food and production equipment sectors experienced the largest growth.

■ Consumers pay 0.2% more for goods and services

In August 1994, consumers paid 0.2% more for goods and services than they did the year before.

■ Canada's trade surplus grows

Canada's merchandise trade surplus grew to \$2.3 billion in July, up from \$1.3 billion in June.

■ More foreigners visit Canada in July

Foreigners, particularly from the United States, made 1.4 million overnight trips to Canada in July, a 0.2% rise from June.

■ Manufacturing shipments continue to rise

Boosted by higher levels of new orders, manufacturing shipments in dollar terms rose 1.1% from June to July, the fifth consecutive monthly increase.

Automotive sector drags down retail sales

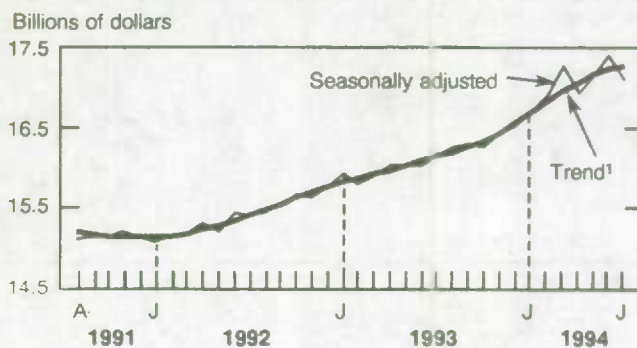
Sharply lower new motor vehicle sales dragged down retail sales, which decreased by 1.8% to \$17.1 billion (seasonally adjusted) in July. However, excluding motor vehicle and recreational vehicle dealers, sales were up 0.4% as increases were recorded in three sectors: food, furniture, and retail stores not classified elsewhere. The overall July sales decline was only the second in nine months, and retail sales were still 5.7% higher than in July 1993.

Of the four sectors reporting decreases (drug, clothing, automotive, and general merchandise), the largest drop was in the automotive sector, down 5.5% to \$5.9 billion. This followed sizeable increases in both May and June. Within the automotive sector, new motor and recreational vehicle sales declined (-9.0), while sales by gasoline service stations (0.9%) and parts, accessories and services (1.1%) advanced.

Spending in general merchandise stores (retailers such as department stores primarily engaged in selling a wide range of commodities) fell by 1.5% in July, the second decline during the last year.

(continued on page 2)

Retail sales



¹ Trend represents smoothed seasonally adjusted data.



... Automotive sector drags down retail sales

Of the eight provinces and territories reporting lower sales in July, Quebec and Ontario recorded the most significant decreases: 3.4% and 2.4% respectively. In both provinces, these declines were preceded by gains in May and June. The largest increases occurred in Saskatchewan (1.0%) and the Northwest Territories (1.3%).

Unadjusted cumulative retail sales for the first seven months of 1994 totalled \$115.3 billion, up 6.6% from the corresponding period in 1993. In June, cumulative sales were 7.2% higher than the year before.

For further information, order Retail trade (catalogue 63-005), or contact Industry Division at (613) 951-3549.

Sales by wholesalers advance once again

Wholesale merchants' sales rose 0.9% to \$19.4 billion in July as six of the nine components, accounting for 78% of total sales, were up. In June, eight of the nine components recorded higher sales. On a year-over-year basis, July's figure stood 12.4% higher than the year before.

Sales of food, beverage, drug and tobacco products recorded the largest value increase (up 1.8% to \$4.7 billion), the strongest growth for this group since April. Other machinery and equipment followed closely behind with a 1.6% jump to \$4.5 billion due partly to business spending. The

cumulative seven-month sales of this group are 20.3% above the 1993 level. Three commodity groups dampened the overall increase in July: other products, apparel and dry goods and household goods.

Across Canada, eight of the eleven regions, accounting for about 92% of all sales, increased their sales in July. Most notable among them were Ontario, Alberta and British Columbia. New Brunswick, Manitoba and Saskatchewan recorded declines.

For further information, order Wholesale trade (catalogue 63-008), or contact Industry Division at (613) 951-3541.

PROVINCIAL PERSPECTIVES

Retail and wholesale trade, July 1994

Seasonally adjusted

	Retail sales		Wholesale sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	17,101	-1.8	19,357	0.9
Newfoundland	286	-1.3	197	3.8
Prince Edward Island	70	-2.0	48	3.5
Nova Scotia	545	0.7	409	0.4
New Brunswick	415	-1.8	261	-5.7
Québec	4,132	-3.4	4,406	0.6
Ontario	6,261	-2.4	8,108	1.4
Manitoba	574	-1.3	616	-2.9
Saskatchewan	525	1.0	586	-3.2
Alberta	1,830	-0.2	1,842	1.7
British Columbia	2,409	0.2	2,860	1.1
Yukon	16	-2.4	25	9.9
Northwest Territories	39	1.3		

Consumers pay 0.2% more for goods and services

In August 1994, the cost of the consumer basket of goods and services rose 0.2% from the same month last year. Since February, when tax reductions pushed the price of cigarettes down, year-over-year changes in the consumer price index (CPI) have fluctuated between 0.2% and -0.2%.

Prices rose over their August 1993 levels in all major expenditure categories except tobacco products and alcoholic beverages. For the seventh month straight, consumers faced their largest spending increase in transportation (5.7%) as prices jumped for new automobiles, auto insurance premiums, gasoline, and air fares. The gasoline

(continued on page 3)

... Consumers pay 0.2% more for goods and services

price hikes, along with growing piped gas prices caused energy costs to surge 3.3%. Among the provinces, the changes in the CPI ranged from a drop of 1.4% in Quebec to a rise of 1.9% in British Columbia.

On a month-over-month basis, the CPI rose by 0.1% between July and August with prices increasing in five and declining in two categories. For the third month in a row, transportation costs led the growth (0.4%) resulting from a surge in the price of gasoline (1.9%) and insurance premiums (0.4%). The rise in gasoline prices was the seventh consecutive monthly increase, attributable mostly to output restrictions by OPEC countries and production slowdowns in Nigeria, which caused crude oil prices to climb 44% between January and July. Lower airline fares (-0.5%) curbed somewhat the overall increase in transportation costs.

Food prices declined 0.2% in August, following a 0.6% jump in July. Canadians paid 0.5% less for groceries (the first decrease since March this year)

but faced a 0.3% increase in the price of restaurant meals. The arrival of local crops in August reduced the prices of many fresh vegetables, notably potatoes, cucumbers and carrots. Consumers also paid less for beef, pork, bakery products, low-fat milk and soft drinks. In contrast, poultry, fish, fresh fruit, and coffee cost more than last month. The price of coffee jumped 18.6% in August, the largest monthly increase since Statistics Canada started recording this series in 1949. The rise mainly reflected the recent freeze in Brazil, which reduced the coffee crop by more than 40%.

Housing costs increased 0.1% in August, following a 0.2% rise in July. Homeowners faced higher mortgage interest charges (0.8%), while for tenants, average rents edged up 0.3%.

Between July and August, movements in the CPI for the provinces varied between a low of -0.1% in Manitoba to a high of 0.3% in both Prince Edward Island and Nova Scotia.

For further information, order The consumer price index (catalogue 62-001) or contact Prices Division at (613)951-9606. (See also "Current trends" chart on page 9.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer price index, percentage change, August 1994/1993*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	0.2	0.7	3.3	0.3	5.7
Newfoundland	1.1	3.0	-1.2	-0.7	6.9
Prince Edward Island	-0.7	1.4	-4.1	-0.4	5.1
Nova Scotia	1.3	5.4	0.3	0.5	6.5
New Brunswick	0.6	4.1	-0.6	-0.6	5.8
Québec	-1.4	1.5	1.7	0.2	4.4
Ontario	0.1	-0.2	3.0	0.2	6.0
Manitoba	1.2	1.0	5.4	1.0	5.2
Saskatchewan	1.8	2.0	6.8	0.9	6.4
Alberta	1.6	0.1	6.6	0.6	6.0
British Columbia	1.9	0.8	5.3	0.2	6.8
Yukon	1.7	-0.8	5.1	2.2	4.9
Northwest Territories	2.1	4.3	2.2	0.4	7.1

* Data are not seasonally adjusted

Canada's trade surplus grows

Canada's merchandise trade surplus grew to \$2.3 billion in July, up from \$1.3 billion in June. The trade surplus with the United States increased by \$309 million to \$2.8 billion. There continued to be trade deficits with all other trading regions except Japan.

On a balance of payment basis, the value of exports rose by \$205 million in July, to reach a monthly record of \$18.5 billion. Forestry products, industrial goods, and machinery contributed most to the gain. Within forestry products (which were up by \$231 million), all components increased, with the lion's share coming from higher pulp exports. As a

result of rising pulp prices and intensified building activity in the U.S., exports for most major forestry components have grown substantially since the spring.

Exports of industrial goods and materials also grew considerably, mainly on the strength of metals and alloys (up \$202 million). Most of the increase came from higher exports of precious metals.

Advances in machinery and equipment were concentrated in aircraft, telecommunications equipment, and office machines. After a sustained increase of two and a half years, this sector remains a mainstay of export growth.

(continued on page 4)

... Canada's trade surplus grows

A major downward influence was exerted by the automotive sector (cars down by \$336 million, trucks by \$27 million from June), which experienced longer-than-normal summer shutdowns among Canadian producers. This sector has, up until July, been the driving force behind the rise in Canadian exports. There were also declines in exports of energy (\$90 million) and agricultural (\$7 million) products, as natural gas and canola exports dipped.

The value of imports fell by \$804 million to \$16.2 billion, with automotive and energy products contributing most to the overall decline. With auto plants across North America shut down for summer vacation and retooling, automotive imports were down \$547 million in July. Energy imports declined by \$286 million.

For further information, order Canadian international merchandise trade (*catalogue 65-001*), or contact International Trade Division at (613) 951-9647. (See also "Current trends" chart on page 9.)

More foreigners visit Canada in July

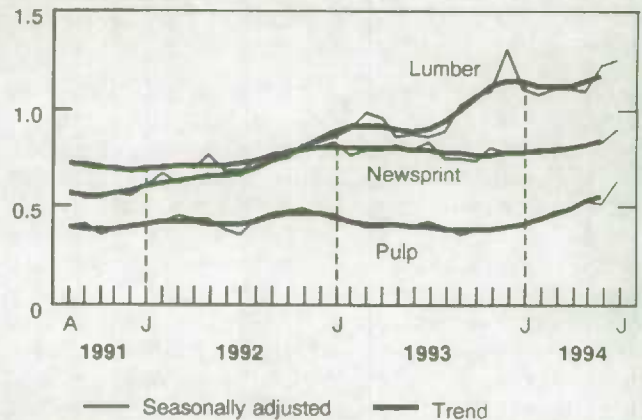
The seasonally adjusted number of overnight visits foreigners made to Canada in July increased by 0.2% to 1.4 million. This type of travel, relatively constant between late 1986 and early 1993, began to gradually increase since April 1993.

Visitors from the United States, alone, made 1.1 million trips of one or more nights to Canada, up 1.0% from June. However, overnight trips to Canada by residents of other countries dropped by 2.7% to 285,000. In contrast, compared with July 1993, overnight visits were up from several countries including Japan (14.8% to 64,000), Australia (23.7% to 17,000), and South Korea (111.4% to 15,000).

Canadian residents made 3.1 million same-day car trips to the United States (an indicator of cross-border shopping), up 1.1% from June but well below the July 1993 figure. These types of trips peaked at 5.3 million in November 1991 and have been generally declining since February 1992. The downward trend has been influenced by a weak Canadian dollar and rising gasoline prices in the United States. Lowered taxes on tobacco products also had an effect.

Exports of forestry products

Billions of dollars



International travel between Canada and other countries, July 1994

Seasonally adjusted

	('000)	% change, previous month
Canadian trips abroad		
Auto trips to the United States		
Same-day	3,091	1.1
One or more nights	806	-5.1
Total trips, one or more nights		
United States	1,170	-7.3
Other countries	275	-2.6
Travel to Canada		
Auto trips from the United States		
Same-day	1,697	0.9
One or more nights	735	0.6
Total trips, one or more nights		
United States	1,068	-1.0
Other countries	285	-2.7

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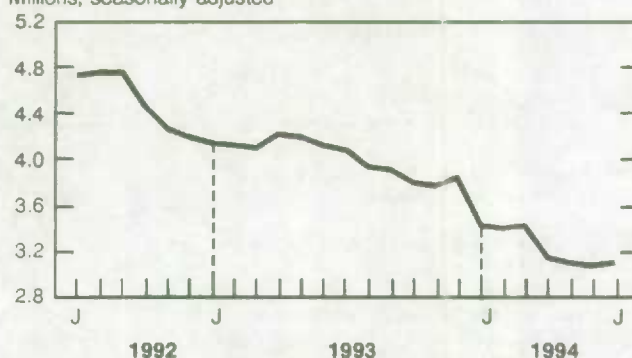
... More foreigners visit Canada in July

Including all modes of transportation, Canadians made 1.2 million overnight trips to the United States in July, down 7.3% from the month before. Overnight trips by Canadians to the United States have been gradually declining since January 1992.

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

Same-day trips by Canadian residents to the United States, by automobile

Millions, seasonally adjusted



Manufacturing shipments continue to rise

The seasonally adjusted value of shipments climbed 1.1% to \$29.1 billion in July, as manufacturers in 14 of the 22 major groups (accounting for 61% of shipments) continued to step up production to meet demand. The value of shipments for the first seven months of 1994 was \$194.8 billion, 9.7% higher than the corresponding period in 1993.

Demand continued to be widespread in July, and higher shipments, in dollar terms, were realized by several industries: paper and allied products (6.9%), refined petroleum and coal (8.9%), food (2.9%), and wood (3.3%). Some of these increases were in response to rising raw material costs faced by manufacturers.

The transportation industry registered a 3.1% drop in shipments, attributable to longer-than-normal plant shutdowns in the automotive sector. However, indications are that the July decline was temporary. A healthy rebound in U.S. auto sales in August, as well as a July jump of 3.3% in unfilled car orders, points to improving production prospects for the third quarter.

Overall, the backlog of unfilled orders grew 1.5% in July, to \$31.6 billion, with the largest increases in the transportation and the electrical and electronic products industries. The backlog now stands about 3.0% higher than its pre-recession peak of \$30.7 billion.

Manufacturers' shipments, July 1994

Unadjusted data (Adjusted data not available by province)

Province	\$ millions	% change, previous year
Canada	25,745	13.6
Newfoundland	138	-7.6
Prince Edward Island	71	36.0
Nova Scotia	463	10.3
New Brunswick	601	8.7
Québec	6,190	10.1
Ontario	12,596	13.0
Manitoba	574	17.3
Saskatchewan	380	27.3
Alberta	2,146	20.5
British Columbia	2,589	20.2

New orders jumped 2.6% to \$29.6 billion as the electrical and electronics and the fabricated metal products industries led the way.

The value of inventories eased slightly (-0.3%), largely due to declines in food, machinery, and the paper and allied products industry. The inventory-to-shipments ratio continued to fall to 1.30 in July, as the increases in shipments continued to outpace the growth in inventories.

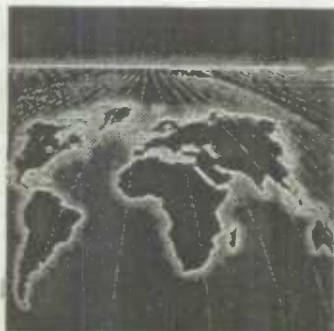
For further information, order Monthly survey of manufacturing (catalogue 31-001), or contact Industry Division at (613) 951-9832. (See also "Current trends" chart on page 9.)

PUBLICATIONS RELEASED FROM SEPTEMBER 16 TO THE 22, 1994

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
AGRICULTURE					
Farm product price index	July 1994	62-003	8/76	10/92	11/107
BUSINESS AND LABOUR MARKET ANALYSIS					
Strategies for success – A profile of growing small and medium-sized enterprises (GSMEs) in Canada – revised edition	August 1994	61-523R E	15	18	21
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	September 1994	11-010	22/220	27/264	31/308
EDUCATION, CULTURE AND TOURISM					
Touriscope – international travel – travel between Canada and other countries	1993	66-201	40	48	56
HEALTH STATISTICS					
List of residential care facilities	1993	83-240	20	24	28
Residential care facilities - aged	1991-1992	83-237	15	18	21
Residential care facilities - mental	1991-1992	83-238	15	18	21
HOUSING, FAMILY AND SOCIAL STATISTICS					
Canadian social trends	autumn 1994	11-008E	8.50/34	10/40	12/48
INDUSTRY					
Canned and frozen fruits and vegetables	July 1994	32-011	6/60	8/72	9/84
Furniture and fixtures industries	1992	35-251	38	46	54
New motor vehicle sales	March 1994	63-007	16/160	20/192	23/224
Oil pipeline transport	June 1994	55-001	11/110	14/132	16/154
Oils and fats	July 1994	32-006	6/60	8/72	9/84
Particleboard, waferboard and fibreboard	July 1994	36-003	6/60	8/72	9/84
Primary iron and steel	July 1994	41-001	6/60	8/72	9/84
Production and shipments of blow-moulded plastic bottles	2 nd quarter 1994	47-006	8/32	10/39	12/45
Transportation equipment industries	1992	42-251	38	46	54
INTERNATIONAL TRADE					
Exports by commodity	June 1994	65-004	60/600	72/720	84/840
Imports by commodity	June 1994	65-007	60/600	72/720	84/840
INVESTMENT AND CAPITAL STOCK					
Building permits	July 1994	64-001	24/240	29/288	34/336
NATIONAL ACCOUNTS AND ENVIRONMENT					
Databases for environmental analysis: provincial and territorial governments		11-529E	75	90	105
SERVICES, SCIENCE AND TECHNOLOGY					
Services indicators	2 nd quarter 1994	63-016	28/112	34/135	40/157
TRANSPORTATION					
Passenger bus and urban transit statistics	July 1994	53-003	8/80	10/96	12/112
Railway operating statistics	February 1994	52-003	12/120	15/144	17/168

NEW FROM STATISTICS CANADA

Touriscope



Canada

Touriscope—international travel—travel between Canada and other countries

The 1993 issue of *Travel between Canada and other countries* summarizes annual findings regarding travel to and from Canada in the form of tables, charts and an analytical review.

The publication provides a profile of international travellers by province/country of residence, area of destination, mode of transportation, purpose, length of stay, expenditures, age group and gender.

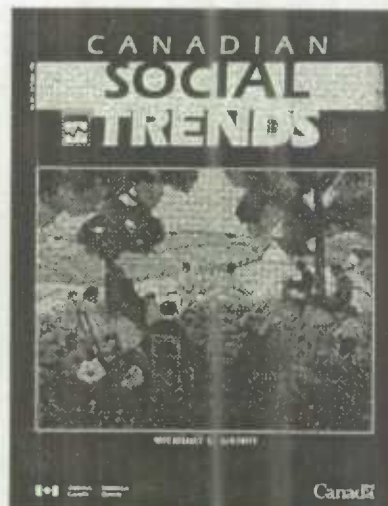
The 1993 issue of International travel—travel between Canada and other countries (66-201, \$40) is now available. For further information, contact Ruth Martin at (613) 951-1791, Education, Culture and Tourism Division.

Canadian social trends

The autumn 1994 issue of *Canadian social trends* features two articles on violence against women ("Wife assault in Canada" and "Canada's shelters for abused women"). The new issue also includes two articles related to motor vehicles ("Behind the wheel: Canadians and their vehicles" and "Motor vehicle crime"), as well as an article on the incidence and costs of fires in Canada ("Fire!").

Each quarter, *Canadian social trends* integrates data from various sources to examine important social trends and issues. It also features the latest social indicators, as well as information about Statistics Canada's products and services.

The autumn 1994 issue of Canadian social trends (11-008E, \$8.50/\$34) is now available. For further information, contact Housing, Family and Social Statistics Division at (613) 951-2556.



Services Indicators

Contributions:
Prices, revenues and real wages
Service sectors

2nd Quarter 1994

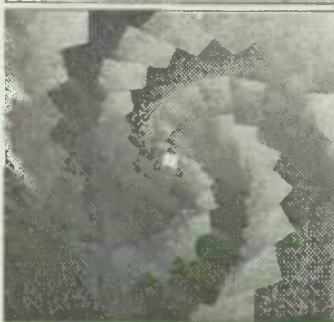
Feature article:
Retail trade in 1992: Prospects

Indicateurs des services

Contributions:
Revenus, dépenses et services domestiques
Services aux entreprises

2^e trimestre 1994

Article de fond:
Commerce de détail en 1992: Perspectives



Canada

Services indicators

Services indicators, a new quarterly publication, presents current data and analyses on a number of dynamic service industries in Canada. It draws upon a variety of sources to present an integrated picture of recent events. In addition, each issue will include an in-depth feature article.

The article in this issue assesses the state of business services and examines the evolution of this group of industries over the last three decades.

In the second quarter of 1994, employment, gross domestic product, consumer spending, prices, exports and imports of services all increased. In communications, operating revenues grew to an all-time high. The acquisitions of trust companies by banks continued to change the structure of the finance and insurance industries. Dramatic full-time job growth took place in business services.

Services indicators (63-016, \$28/\$112) is now available. For further information, contact George Sciadas at (613) 951-3177, Services, Science and Technology Division.

NEW FROM STATISTICS CANADA - concluded



Databases for Environmental Analysis: Provincial and Territorial Governments



Canada

Databases for environmental analysis: provincial and territorial governments

Databases for environmental analysis: provincial and territorial governments, a cooperative effort between Statistics Canada and The Canadian Council of Ministers of the Environment, is now available.

This publication presents an inventory of provincial and territorial government databases of potential use in environmental reporting. The inventory is a meta-database, that is, a database of databases, and forms one of the components of Statistics Canada's Environmental Information System. It contains detailed descriptions of 833 environmental databases held by provincial and territorial government departments. An MS-DOS diskette version of the inventory is included with each publication.

Databases for environmental analysis: provincial and territorial governments (11-529E, \$75) is now available. For further information, contact the client services representative at (613) 951-3640, National Accounts and Environment Division.

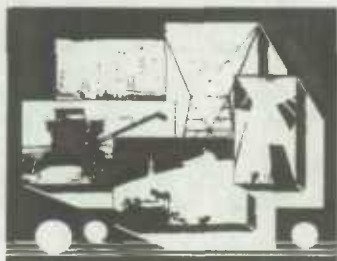


CANADIAN ECONOMIC OBSERVER

L'OBSERVATEUR ÉCONOMIQUE CANADIEN

- Introduction: September 1994
- Labour market: September 1994
- Housing and construction: September 1994
- National accounts: September 1994
- Regional accounts: September 1994

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Canadian economic observer

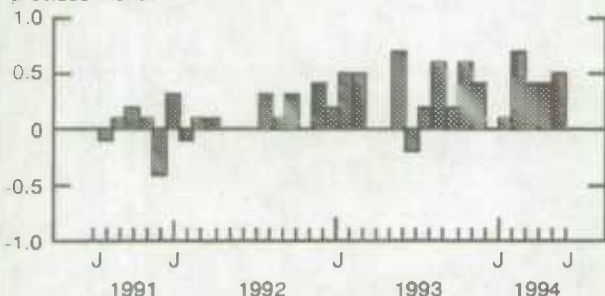
The September issue of Canadian economic observer, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, major economic events in August, a summary of the second quarter national accounts and a feature article on the hours people work. A statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The September 1994 issue of Canadian economic observer (11-010, \$22/\$220) is now available. For further information, contact Cindy Bloskie at (613) 951-3634, Current Analysis Group.

CURRENT TRENDS

Gross domestic product

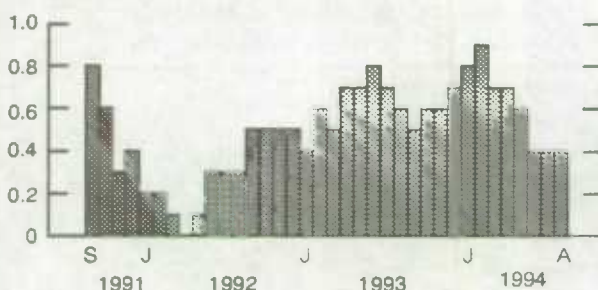
% change,
previous month



In June, real gross domestic product at factor cost grew by 0.5%, led by the goods-producing industries.

Composite index

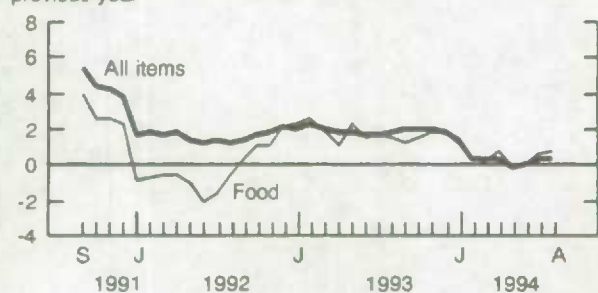
% change,
previous month



In August, the composite index rose by 0.4% for the third month in a row.

Consumer price index

% change,
previous year



Consumers paid 0.2% more for goods and services in August 1994 than the year before. Food prices rose by 0.7%.

Unemployment rate

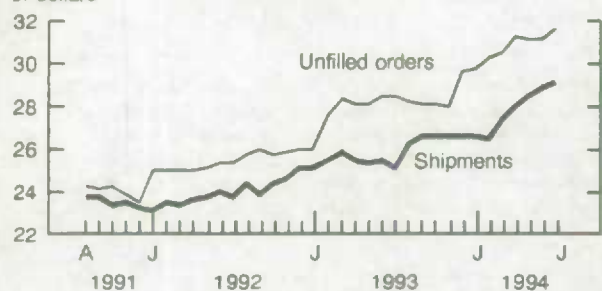
%



The unemployment rate edged up to 10.3% in August.

Manufacturing

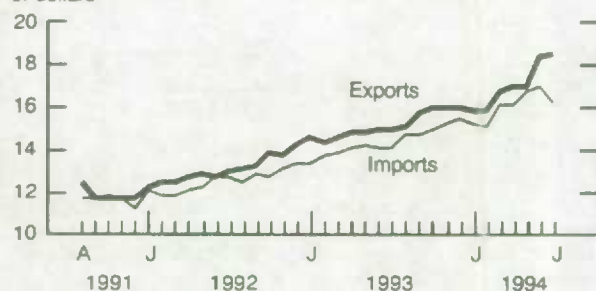
Billions
of dollars



Canadian manufacturers' shipments rose 1.1% in July to \$29.1 billion. The level of unfilled orders grew 1.5% to \$31.6 billion.

Merchandise trade

Billions
of dollars



The value of merchandise exports increased by \$205 million in July to reach a monthly record of \$18.5 billion. Imports fell by \$804 million, to \$16.2 billion.

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



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LATEST MONTHLY STATISTICS

	Period	Level	Change previous period	Change previous year
GENERAL				
Gross domestic product (\$ billion, 1986)	June	530.2	0.5%	3.6%
Composite leading indicator (1981 = 100)	August	167.7	0.4%	7.1%
Operating profits of enterprises (\$ billion)	2nd quarter	18.1	10.9%	29.5%
DOMESTIC DEMAND				
Retail trade (\$ billion)	July*	17.1	-1.8%	5.7%
New motor vehicle sales ('000 units)	July	99.5	-8.1%	-0.9%
LABOUR				
Employment (millions)	August	12.7	0.2%	2.4%
Unemployment rate (%)	August	10.3	0.1	-1.0
Participation rate (%)	August	65.0	0.1	-0.1
Labour income (\$ billion)	June	34.3	1.3%	3.6%
Average weekly earnings (\$)	June	571.94	1.2%	2.9%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	July*	18.5	1.1%	24.5%
Merchandise imports (\$ billion)	July*	16.2	-4.7%	15.5%
Merchandise trade balance (\$ billion)	July*	2.34	1.01	0.12
MANUFACTURING				
Shipments (\$ billion)	July*	29.1	1.1%	16.2%
New orders (\$ billion)	July*	29.6	2.6%	17.9%
Unfilled orders (\$ billion)	July*	31.6	1.5%	11.2%
Inventory/ shipments ratio	July*	1.30	0.02	-0.12
Capacity utilization (%)	2nd quarter	77.9	2.4	4.1
PRICES				
Consumer price index (1986 = 100)	August*	130.8	0.1%	0.2%
Industrial product price index (1986 = 100)	July	119.1	0.3%	6.2%
Raw materials price index (1986 = 100)	July	125.2	1.0%	10.7%
New housing price index (1986 = 100)	July	136.1	-0.1%	-0.1%

Note: All series are seasonally adjusted with the exception of the price indexes.

* New this week.

I·N·F·O·M·A·T

A Weekly Review

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