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A Weekly Review

JAN 20 1995

Friday, January 20, 1995

OVERVIEW

■ Manufacturing shipments soar

Boosted by strong demand for motor vehicles and computer products, manufacturing shipments jumped 4.0% in November.

■ Composite index maintains steady growth

A 0.6% gain in December's composite index equalled the average increase since September. In contrast, during the first nine months of 1994, the index's rate of increase was slowing down.

■ Wages and salaries dip

Wages and salaries dipped in October after a weak rise the month before.

■ House prices fall in November

In November 1994, new house prices were lower than both the month and the year before.

■ Canada continues to attract visitors

In November, foreigners made 1.4 million overnight trips to Canada, the most recorded in six years.

■ Donations up despite tough times

Despite tough economic times, Canadians gave \$3.35 billion to charity in 1993, 4.7% more than the year before.

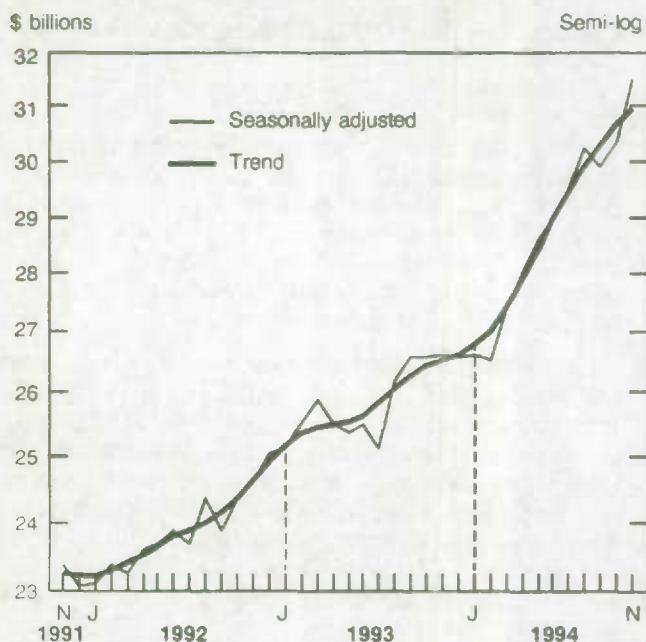
Manufacturing shipments soar

Boosted mostly by strong North American demand for motor vehicles and computer products, the seasonally adjusted value of shipments climbed 4.0% in November to \$31.5 billion. With the exception of September, manufacturers have increased shipments each month since March, with the growth evenly split between the durable and non-durable goods industries. Of the 22 major groups, 19 (accounting for 93% of shipments) posted gains while 3 declined.

The most significant increase in value occurred in transportation equipment (10.7%). In fact, motor vehicles accounted for almost half of the total rise in shipments as demand surged throughout North America. As well, Ford accelerated November production in anticipation of longer-than-normal December shutdowns.

(continued on page 2)

Shipments



... Manufacturing shipments soar

Following closely behind came the electrical and electronic industry's 9.8% improvement resulting from strong sales of personal computers and rising demand for computer memory. The paper and allied industry posted the next highest gains, due mostly to price increases, rising demand, and the resolution of labour disputes.

Year-to-date, the value of shipments was 11.8% higher than during the corresponding period in 1993. Manufacturing employment increased 5.8%

Manufacturers' Shipments, November 1994

Unadjusted data (Adjusted data not available by province)

Province	\$ millions	% change, previous year
Canada	32,801	19.5
Newfoundland	100	-9.2
Prince Edward Island	53	14.5
Nova Scotia	474	7.2
New Brunswick	646	16.4
Quebec	7,632	12.4
Ontario	17,979	24.2
Manitoba	615	9.9
Saskatchewan	372	18.5
Alberta	2,269	24.7
British Columbia	2,657	14.5

Composite index maintains steady growth

The 0.6% gain in December's composite index equalled the average increase since September. In contrast, during the first nine months of 1994, the index's rate of increase was slowing down. The modest but steady rise was reflected in the slow growth of production in recent months. Businesses remained an important source of growth; households contributed less.

Business investment continued to boost manufacturing. New orders for durable goods – particularly capital and industrial goods – stayed positive. Shipments also advanced, while inventories were run down as firms struggled to keep up with demand. The ratio of shipments to inventories of finished goods has risen 11 points in four months, the sharpest increase since late 1983. As well, employment in manufacturing at the end of 1994 was rising at its fastest pace since 1983. These gains followed nearly a year of solid growth in business demand for services.

over the first 11 months of 1994, while industrial product prices jumped 7.2% from last November.

Following two months of little change, new orders rose 2.5%, as demand for motor vehicles and aircraft surged. The level of unfilled orders remained high, though it dipped slightly (-0.2%) for the first time in five months.

Despite rising inventory levels (0.4%), the inventory-to-shipments ratio fell to a historical low of 1.24. Manufacturers, encouraged by a large number of orders, appeared satisfied with inventory levels according to the November 1994 Business conditions survey.

In the United States, November's shipments increased 2.3%, to \$290.4 billion. This is a notable improvement over last month, when shipments dropped 0.8%. The most significant advance was reported by the transportation equipment industry, where rising shipments of motor vehicles and aircraft led a 6% growth. Following last month's decline, new orders rose 2.6% as demand for aircraft soared. The level of unfilled orders increased 0.7% over October. As in Canada, the inventory-to-shipments ratio fell to a historical low for the United States of 1.34.

For further information, order Monthly survey of manufacturing (catalogue 31-001) or contact Industry Division at (613) 951-9832. (See also "Current trends" on page 8.)

Households stayed cautious about making large purchases. The housing index, for instance, tumbled rapidly as housing starts sank to their lowest level in three years. Elsewhere, consumer demand was mixed. Outlays for furniture and automotive goods levelled off but remained weak.

The growth of the U.S. leading indicator decreased to 0.1%, in line with the slower trend of Canadian exports south of the border. Gains were more concentrated in the manufacturing sector, particularly orders for investment goods, which rose to their highest level since data collection began in the 1950s. Capital spending has been the driving force for growth in the United States in the past year.

For further information, order Canadian economic observer (catalogue 11-010) or contact Current Economic Analysis Division at (613) 951-3627. (See also "Current trends" on page 8.)

Canada continues to attract visitors

In November, foreigners made 1.4 million overnight trips to Canada, up 0.7% from October and the most recorded in six years. The number of these trips has been increasing since August 1992.

Residents of the United States made 1.1 million overnight trips to Canada, up 1.0% from October. Residents of overseas countries made 302,000 such trips, a figure nearly unchanged from October's record level.

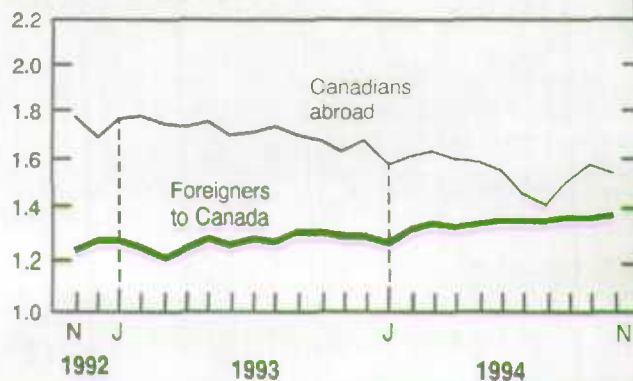
The largest proportion of foreign visitors to Canada were U.S. residents, who represented 78% of foreign overnight visitors in November. However, this proportion has been gradually decreasing, from nearly 95% in 1972. Because of their typically longer trips, overseas residents spent an average of C\$914 per overnight trip in 1993, compared with C\$343 for residents of the United States.

Increased spending by visitors to Canada and decreased spending by Canadians abroad, have combined to improve Canada's international travel account deficit. The third quarter of 1994 saw the smallest travel account deficit (\$1.4 billion, seasonally adjusted) since the fourth quarter of 1989.

Overnight travel by Canadians to the United States has been decreasing since January 1992. Considering all modes of transportation, Canadians made 1.3 million overnight trips to the United States in November, down 2.8% from October. On the other hand, overnight travel by Canadians to all other countries has been rising since June 1991 and was up 0.5% from October.

Overnight trips

Millions, seasonally adjusted



Note to users

Month-to-month comparisons are made with seasonally adjusted data, while year-over-year comparisons use unadjusted data, which are actual traffic counts.

Canadians made 3.1 million same-day car trips to the United States in November, down 2.1% from the month before. Same-day cross-border car trips are often used as an indicator of cross-border shopping. This type of travel peaked at 5.4 million in November 1991, then declined until March 1994 and has been relatively stable since.

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

International travel between Canada and other countries, November 1994

	('000)	% change, previous month	('000)	% change, previous year
	Seasonally adjusted		Unadjusted	
Canadian trips abroad				
Auto trips to the United States				
Same-day	3,131	-2.1	2,895	-16.1
One or more nights	824	-6.0	565	-12.6
Total trips, one or more nights				
United States	1,251	-2.8	935	-7.9
Other countries	282	0.5	204	4.9
Travel to Canada				
Auto trips from the United States				
Same-day	1,874	0.4	1,565	21.8
One or more nights	724	1.7	389	3.8
Total trips, one or more nights				
United States	1,057	1.0	578	3.6
Other countries	302	-0.1	140	18.2

Donations up despite tough times

Despite tough economic times, Canadians gave \$3.35 billion to charity in 1993, 4.7% more than in 1992. Since 1984, when 3.9 million taxfilers donated \$1.8 billion, Canadians have increased their charitable donations every year. These figures are based on credits claimed on income tax returns.

Over a quarter of all taxfilers reported that they gave to charity in 1993. The number of donors rose a marginal 0.4% from 1992 to 5,484,000, representing, according to tax records, 28% of all taxfilers. However, the actual percentage of donors may be higher. Since Canadian tax law allows taxfilers to combine their donations with those of their spouse (to get the maximum tax benefit of contributions), both sets of deductions are claimed on one income tax return.

Canadians who contributed gave an average of \$610, up from \$586 the year before. Older persons

consistently gave the most to charity. While donors aged 65 and over contributed the highest average amount (\$860), those younger than 35 donated the lowest (\$310).

For the fifth straight year, Prince Edward Island and Manitoba had the highest percentage of contributors: 33% and 32% respectively. However, donors in Alberta contributed the most on average (\$776). Alberta also had the largest increase in average contributions over 1992 (\$56), followed by British Columbia, where average donations rose \$40.

The median total income of charitable donors was higher than the median total income of the entire taxfiling population. However, areas with the highest income were not necessarily areas with the highest donations.

For further information, contact Small Area and Administrative Data Division at (613) 951-9720.

PUBLICATIONS RELEASED FROM JANUARY 13 TO 19, 1995

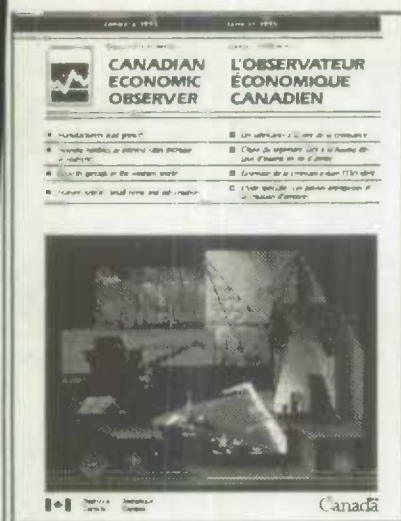
Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
AGRICULTURE					
Cereals and oilseeds review	October 1994	22-007	15/144	18/173	21/202
BALANCE OF PAYMENTS					
Canada's balance of international payments	3rd quarter 1994	67-001	30/120	36/144	42/168
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	January 1995	11-010	22/220	27/264	31/308
DEMOGRAPHY					
Quarterly demographic statistics	July-Sept. 1994	91-002	8/32	10/39	12/45
EDUCATION, CULTURE AND TOURISM					
Focus on culture	Winter 1994	87-004	7/26	8/32	10/37
HOUSEHOLD SURVEY METHODS					
Survey methodology	December 1994	12-001	45	50	55
INDUSTRIAL ORGANIZATION AND FINANCE					
Quarterly financial statistics for enterprises	3rd quarter 1994	61-008	25/100	30/120	35/140
INDUSTRY					
Energy statistics handbook	January 1995	57-601	330	400	460
Factory sales of electric storage batteries	November 1994	43-005	6/60	8/72	9/84
Industrial chemicals and synthetic resins	November 1994	46-002	6/60	8/72	9/84
New motor vehicle sales	October 1994	63-007	16/160	20/192	23/224
Oil pipeline transport	October 1994	55-001	11/110	14/132	16/154
Oils and fats	November 1994	32-006	6/60	8/72	9/84
Particleboard, waferboard and fibreboard	November 1994	36-003	6/60	8/72	9/84
Printing, publishing and allied industries	1992	36-251	38	46	54
Production and shipments of steel pipe and tubing	November 1994	41-011	6/60	8/72	9/84
Pulpwood and wood residue statistics	November 1994	25-001	7/70	9/84	10/98
Quarterly report on energy supply-demand in Canada	2nd quarter 1994	57-003	34/136	41/164	48/191
Refined petroleum products	September 1994	45-004	20/200	24/240	28/280
Steel wire and specified wire products	November 1994	41-006	6/60	8/72	9/84
INDUSTRY MEASURES AND ANALYSIS					
Gross domestic product by industry	October 1994	15-001	14/140	17/168	20/196
INTERNATIONAL TRADE					
Exports by commodity	October 1994	65-004	60/600	72/720	84/840
INVESTMENT AND CAPITAL STOCK					
Building permits	November 1994	64-001	24/240	29/288	34/336
LABOUR					
Estimates of labour income	July-Sept. 1994	72-005	24/96	29/116	34/135
Unemployment insurance statistics	October 1994	73-001	16/160	20/192	23/224
TRANSPORTATION					
Passenger bus and urban transit statistics	November 1994	53-003	8/80	10/96	12/112
Railway carloadings	September 1994	52-001	10/100	12/120	14/140

NEW FROM STATISTICS CANADA

Canadian economic observer

The January 1995 issue of *Canadian economic observer*, Statistics Canada's flagship publication for economic statistics, presents a summary of current economic conditions and features an article on small firms and job creation. A statistical summary contains a wide range of tables and graphs of the principal economic indicators for Canada, the provinces and the major industrial nations.

The January 1995 issue of *Canadian economic observer* (Catalogue 11-010, \$22/\$220) is now available. For further information on this release, contact Cindy Bloskie at (613) 951-3634, Current Analysis Group.



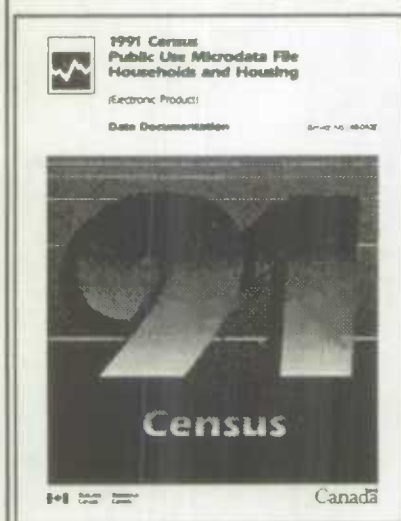
Public-use microdata files

The public-use microdata file on households and housing is a 3% sample of unaggregated anonymous records (299,000) from the 1991 Census database. The file has been created in a manner that ensures the confidentiality of all records.

This powerful research tool gives data for each of the provinces and territories as well as for selected census metropolitan areas and the 12 largest municipalities. All topics covered by the census are included, so the file allows quick access to comprehensive social and economic data about Canada and its people.

The 1991 Census public-use microdata file program consists of three files: families; individuals; and households and housing. The product's cost is \$1,000 for the first file ordered (any of the three files), \$300 for the second file and \$200 for the third.

For further information, or to order the microdata file, contact your nearest Statistics Canada Regional Reference Centre.



Focus on culture

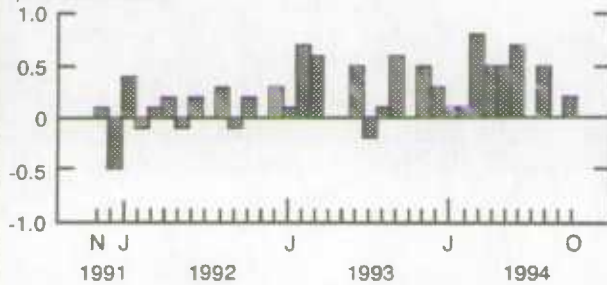
A main article in the winter 1994 issue of *Focus on culture*, Statistics Canada's quarterly newsletter on culture, looks at tourists who visit our cultural venues, especially museums. This issue also explores the challenging and exciting changes that the information highway is bringing to the ways culture is distributed and received. Other articles look at the characteristics of culturally active Canadians and provide an update of the survey of the cultural sector labour force. As usual, selected cultural indicators appear in the middle of the newsletter. The film and video industry are also highlighted.

The winter (vol. 6 no. 4) issue of *Focus on culture* (87-004, \$7/\$26) is now available. For further information, contact Mary Cromie (613-951-6864), Education, Culture and Tourism Division.

CURRENT TRENDS

Gross domestic product

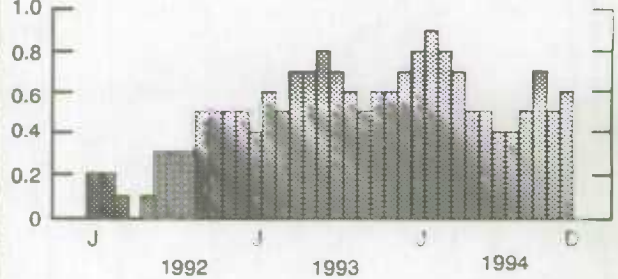
% change,
previous month



Real gross domestic product at factor cost grew 0.2% in October.

Composite index

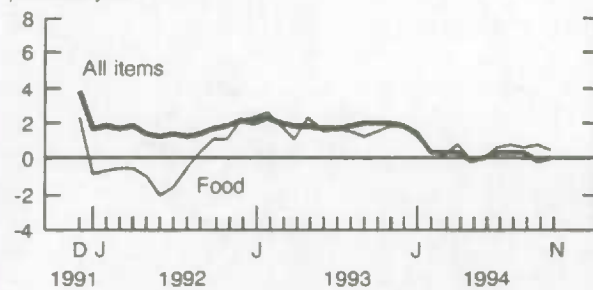
% change,
previous month



The 0.6% growth of the composite index in December was about the same as the average posted since September.

Consumer price index

% change,
previous year



Consumers paid 0.1% less for goods and services in November 1994 than the year before. Food prices rose by 0.4%.

Unemployment rate

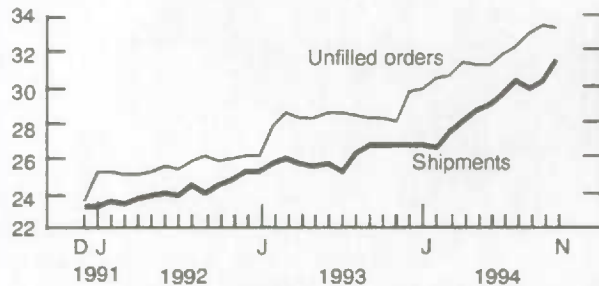
%



In December, the unemployment rate remained unchanged at 9.6%.

Manufacturing

\$ billions



Manufacturers' shipments jumped 4.0% in November to \$31.5 billion. The level of unfilled orders dipped slightly (-0.2%) to \$33.3 billion.

Merchandise trade

\$ billions



The value of merchandise exports increased \$555 million in October, to \$19.4 billion. Imports rose by \$216 million, to \$17.7 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	535.6	0.2%	4.1%
Composite index (1981 = 100)	December*	171.7	0.6%	7.6%
Operating profits of enterprises (\$ billion)	3rd quarter	20.2	11.4%	48.5%
DOMESTIC DEMAND				
Retail trade (\$ billion)	October	17.6	1.6%	8.0%
New motor vehicle sales ('000 units)	November	104.3	-4.3%	0.4%
LABOUR				
Employment (millions)	December	12.8	0.0%	2.9%
Unemployment rate (%)	December	9.6	0.0 [†]	-1.6 [†]
Participation rate (%)	December	64.9	-0.1 [†]	-0.2 [†]
Labour income (\$ billion)	October	34.3	-0.3%	3.3%
Average weekly earnings (\$)	October	568.20	0.0%	2.0%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	November*	20.2	3.2%	27.0%
Merchandise imports (\$ billion)	November*	18.1	3.8%	18.8%
Merchandise trade balance (all figures in \$ billion)	November*	2.1	0.0	1.4
MANUFACTURING				
Shipments (\$ billion)	November*	31.5	4.0%	18.5%
New orders (\$ billion)	November*	31.4	2.5%	18.7%
Unfilled orders (\$ billion)	November*	33.3	-0.2%	19.0%
Inventory/ shipments ratio	November*	1.24	-0.04	-0.12
Capacity utilization (%)	3rd quarter	82.9	1.6	5.3
PRICES				
Consumer price index (1986 = 100)	November	131.4	0.5%	-0.1%
Industrial product price index (1986 = 100)	November	122.2	0.8%	7.2%
Raw materials price index (1986 = 100)	November	124.8	2.2%	13.2%
New housing price index (1986 = 100)	November	135.9	-0.1%	-0.3%

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

* new this week

† percentage point

I·N·F·O·M·A·T

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