Catalogue 11-002E (Français 11-002F) ISSN 0380-0547

Infomat

A Weekly Review

Friday, June 23, 1995

OVERVIEW

- **Falling auto exports weaken trade surplus**

  Lower exports, due mainly to weak sales in the automotive sector, and stable imports lowered the merchandise trade surplus in April compared with March.

- **Wage and salary growth lowest in over a year**

  Wages and salaries rose only 0.7% in the first quarter of 1995, the slowest quarterly growth in over a year.

- **Consumer prices rise**

  In May, the consumer price index rose 2.9% from a year earlier. Between April and May, the CPI increased 0.2%.

- **Retail sales up in April**

  After falling for three consecutive months, retail sales rose slightly in April.

- **Wholesale merchants' sales slump**

  In April, wholesale merchants' sales fell sharply compared with March, following three months of marginal growth.

- **Foreign trips to Canada reach new high**

  In April, a record 1.4 million foreign visitors spent at least one night in Canada.

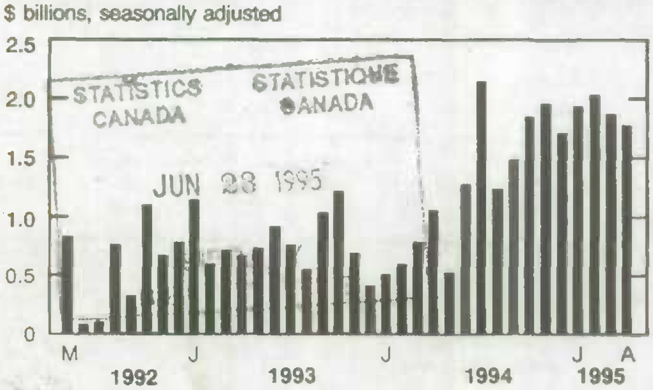
Falling auto exports weaken trade surplus

After declines averaging 2.3% in February and March, exports fell 0.6% in April to $20.5 billion. Imports, at $18.8 billion, were virtually unchanged from March. The merchandise trade surplus stood at $1.78 billion, down $0.09 billion from March. The trade surplus with the United States continued to grow. There were trade deficits with all other trading partners except Japan.

Much of April's export decline resulted from lower automotive exports, as weak vehicle sales and high dealer inventories in the United States continued to curb output. Also falling in April were exports of industrial goods and materials, and machinery and equipment. Higher exports of pulp (10.6%) and newsprint (9.9%) gave forestry exports a healthy boost. Energy exports were also strong in April, mainly from additional crude petroleum shipments bound for U.S. refineries. Year-to-date exports stand 29.2% above last year's level.

(continued on page 2)

Trade balance



... Falling auto exports weaken trade surplus

Imports were once again weakened by the auto sector, with declines in trucks and parts. Imports of energy products plunged 33.6%, drawn down mainly by crude petroleum. Although volatile on a monthly basis, crude imports have trended upward over the past year. Import demand was propped up by consumer goods, industrial goods, and agricultural products, which collectively make up 37.4% of all imports. Advances in all consumer goods except printed matter averaged 3.8%. Increased demand for industrial goods, which was satisfied mainly by non-U.S. suppliers, averaged 1.0%. Flatter growth here reflected reduced Canadian manufacturing activity.

Note to readers

Merchandise trade is only one component of th current account of Canada's balance of payments The current account also includes trade in services In the first quarter of 1995, the overal merchandise trade surplus of $5.8 billio contrasted with a current account deficit of $4. billion.

For further information, order Canadian interna tional merchandise trade *(catalogue 65-001) c contact Suzie Carpentier, International Trad Division at (613) 951-9647. (See also "Curren trends" on page 9.)*

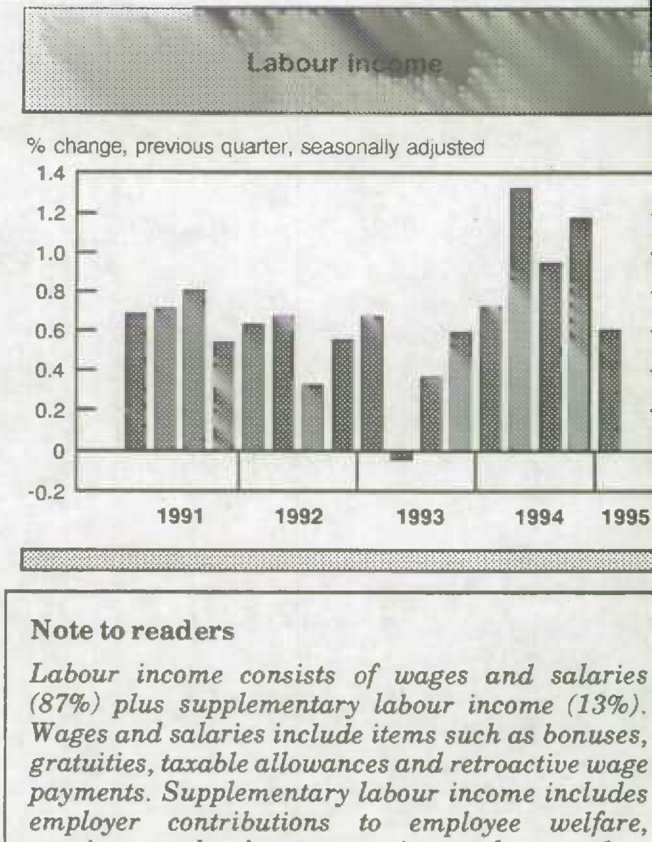
Wage and salary growth lowest in over a year

Wages and salaries grew only 0.7% in the first quarter of 1995, the slowest quarterly growth in over a year. Few businesses expanded their workforces, as exports of manufactured goods weakened and consumers reduced spending. As a result, growth in wages and salaries slowed in January and February, while a decline (-0.4%) was posted in March, the first since August 1994.

In the manufacturing sector, wages and salaries grew only 0.6% in the first quarter of 1995, substantially lower than the 2.5% increase of the previous quarter. Employment growth was sluggish and the weekly hours of hourly employees were reduced slightly, mostly as the result of less overtime. Production was cut in more than half of all manufacturing industries in February and March — particularly in the motor vehicle assembly, electronic equipment, and office machinery industries.

Wages and salaries, March 1995
Seasonally adjusted

Province/ Territory	Wages and salaries ($ millions)	% change, previous month	% change, previous year
Canada	**30,129**	**-0.4**	**3.3**
Newfoundland	399	-1.3	1.2
Prince Edward Island	100	1.5	7.4
Nova Scotia	734	0.9	1.3
New Brunswick	597	-0.7	3.4
Quebec	6,773	-0.2	2.5
Ontario	12,409	-1.1	3.2
Manitoba	992	-0.5	2.4
Saskatchewan	771	0.1	3.0
Alberta	3,014	0.1	2.4
British Columbia	4,092	0.1	5.3
Yukon and Northwest Territories/Abroad	181	-0.7	3.8



Note to readers

Labour income consists of wages and salaries (87%) plus supplementary labour income (13%). Wages and salaries include items such as bonuses, gratuities, taxable allowances and retroactive wage payments. Supplementary labour income includes employer contributions to employee welfare, pension, workers' compensation and unemployment insurance plans. Labour income accounts for 57% of gross domestic product.

The transportation, communication and utilities industry paid less wages and salaries in the firs quarter of 1995 (-0.7%), following three quarterly increases of at least 1.0% in 1994. This decline wa partly due to March's rail strike and the widesprea manufacturing slowdown. Falling demand for woo

(continued on page 3

. Wage and salary growth lowest in over a year

roducts and poor housing starts in Canada and the United States caused wages and salaries in the orestry industry to fall 0.1%, in contrast to the ubstantial growth of the two previous quarters.

Construction companies paid 2.9% less in wages and salaries, as slow consumer demand for new housing led to fewer housing starts in 1995.

Among the provinces, Newfoundland, Prince Edward Island and New Brunswick posted wage and salary increases twice the national average. This reversed the weakness recorded in these provinces in the previous quarter. In Ontario, wages and salaries grew only 0.04% in the first quarter, the lowest growth in the country and Ontario's lowest growth over the last five quarters.

For further information, contact Jean Lambert, Labour Division at (613) 951-4090.

Consumer prices rise

In May, consumers faced higher annual price increases for goods and services than in recent months. The consumer price index (CPI) rose 2.9%. This followed increases of 1.8% in February, 2.2% in March and 2.5% in April. Price increases for gasoline, new cars, vehicle insurance, mortgage interest, coffee, selected fresh vegetables, and restaurant meals had the greatest impact on consumers. Lower prices for piped gas, electricity, and some personal care goods offered some relief.

Between April and May, the CPI increased 0.2%. A large part of this rise resulted from a 4.9% average increase in the price of gasoline. Steady price increases between February and May pushed gasoline prices 11.7% higher than a year earlier.

Affecting the CPI increase to a lesser degree were higher hotel-motel accommodation rates (5.8%), increased fees for the use of recreational facilities, a 4.7% rise in homeowners' maintenance and repair charges, and higher prices for paper products (3.7%) and cigarettes (1.5%). Food prices fell 0.6% following April's 1.1% rise. The drop came from lower prices for fresh vegetables and fresh meat products. The fresh vegetable price decrease was due mainly to new sources of supply which relieved the shortages resulting from crop damage in California. Prices also fell for clothing and footwear.

By region, Ontario and Manitoba showed the largest annual increase (3.2%), while Newfoundland's CPI rose by only 1.8%. Monthly increases fluctuated between 0.1% in British Columbia and 0.6% in Nova Scotia and New Brunswick.

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

PROVINCIAL PERSPECTIVES

Consumer price index, May 1995
% change, previous year*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	**2.9**	**3.1**	**4.2**	**1.5**	**6.7**
Newfoundland	1.8	1.5	4.1	1.4	5.3
Prince Edward Island	2.0	-0.4	6.6	3.0	6.9
Nova Scotia	2.4	1.0	3.7	1.8	7.0
New Brunswick	2.6	1.3	5.3	3.2	7.7
Quebec	2.8	1.9	5.1	1.7	5.9
Ontario	3.2	4.3	4.2	1.8	7.0
Manitoba	3.2	1.9	7.4	2.6	7.1
Saskatchewan	2.7	1.7	5.9	2.1	7.3
Alberta	2.7	3.5	3.8	0.7	8.2
British Columbia	2.6	3.9	0.4	-0.4	5.3
Yukon	2.0	3.1	4.6	1.4	6.2
Northwest Territories	2.7	4.4	6.0	1.9	7.4

* *Data are not seasonally adjusted.*

Retail sales up in April

Following three months of falling retail sales, consumers increased their spending on goods slightly in April.

Retail sales rose 0.2% to $17.5 billion in April after receding 1.0% in March. Little change in employment, a slow housing market and low consumer confidence in recent months may have led consumers to continue their cautious spending. Sales so far in 1995 contrast with the general growth observed from early 1992 to November 1994.

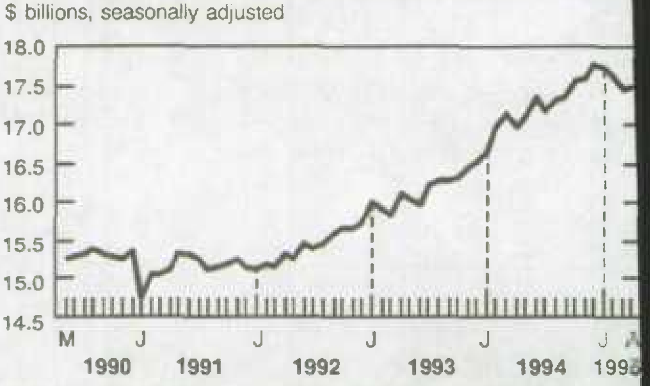
Sales increased in four of the seven sectors, accounting for 48.5% of total sales. The food, drug and furniture sectors recorded the largest increases in dollar terms, while spending fell in the automotive, clothing, and general merchandise sectors.

Ontario retailers reported the largest drop in sales (-1.3% or $86 million), their third consecutive monthly decline. Slow employment growth, high household debt and a squeeze on incomes caused this recent weakness. British Columbia reported the largest increase in dollar terms (2.2%). Sales in all of Canada were only 13.5% above the 1992 average.

Early indications of May sales are more encouraging. Estimates indicate a rise in department store sales and in the number of new motor vehicles sold. These two categories account for about one-third of total retail sales. Employment in trade industries, however, declined 0.3% from April 1995. Retail sales in the United States increased 0.2% in May after dropping 0.4% in April.

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

Retail sales



Data prior to 1991 have been adjusted to remove the Federal sales tax to be comparable to January 1991 and subsequent data.

Wholesale merchants' sales slump

Following three months of marginal growth, wholesale merchants' sales fell sharply in April compared with March, to a seasonally adjusted $20.3 billion (-2.4%). Sales remained 8.6% higher than in April 1994. Inventories were up marginally, bringing the inventory-to-sales ratio to levels not seen since the first half of 1993.

Wholesale merchant sales fell in seven of the eleven trade groups, accounting for about 75% of all sales. April's largest decline came from lumber and building materials wholesalers (-$137 million or -7.4%), which fell for the third consecutive month. A sluggish Canadian housing market and a construction slowdown in the United States contributed to the decrease. Wholesalers of automotive products also saw their sales drop due to poor automotive sales in Canada and the United States.

Wholesale activity tumbled in all regions but the Northwest Territories. Ontario accounted for more than 40% of April's total decline.

Note to readers

Wholesale trade data now describe two additional trade groups (11 instead of 9). The first comprises food wholesalers, who have been separated from wholesalers of beverages, drugs, and tobacco. The second includes the other machinery, equipment and supplies trade group, which has been broken down into two components: computer and packaged software wholesalers and wholesalers of industrial and other machinery, equipment and supplies.

Inventories rose moderately (0.4% to $30.3 billion) despite a significant 2.4% drop in sales, suggesting that wholesalers adjusted to the weaker demand in the economy. The inventory-to-sales ratio jumped to 1.50 in April from 1.45 in March.

For further information, order Wholesale trade *(catalogue 63-008) or contact Catherine Mamay, Industry Division at (613) 951-9683.*

(continued on page 5)

PROVINCIAL PERSPECTIVES

Retail and wholesale trade, April 1995
Seasonally adjusted

	Retail sales		Wholesale sales	
	$ millions	% change from previous month	$ millions	% change from previous month
Canada	**17,498**	**0.2**	**20,257**	**-2.4**
Newfoundland	301	4.4	191	-1.7
Prince Edward Island	72	-0.3	40	-3.6
Nova Scotia	546	3.6	450	-0.5
New Brunswick	409	0.6	285	-7.9
Quebec	4,129	0.1	4,753	-0.8
Ontario	6,443	-1.3	8,697	-2.4
Manitoba	601	0.9	672	-0.6
Saskatchewan	524	2.6	744	-2.4
Alberta	1,803	0.3	1,863	-1.7
British Columbia	2,608	2.2	2,538	-6.3
Yukon	18	0.6	8	-11.3
Northwest Territories	42	2.2	14	9.5

Foreign trips to Canada reach new high

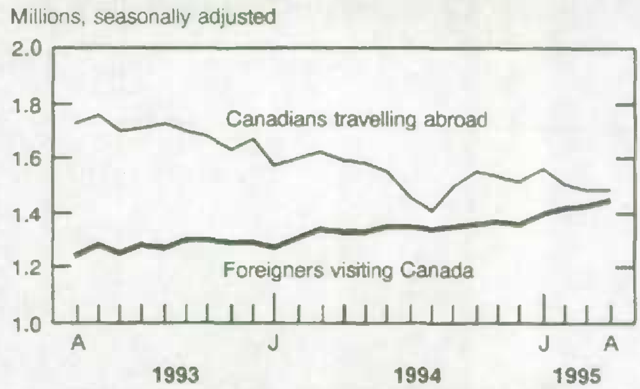
In April, a record 1.4 million foreigners visited Canada for at least one night, 1.8% more than in March. The number of such visits, relatively constant between late 1986 and mid-1992, has been increasing since August 1992. Of this total, Americans accounted for 1.1 million trips (the highest level since February 1988), and overseas residents for a record 329,000 (up 3.0% from the previous month).

While overseas residents accounted for only 5% of foreign overnight visits in 1972, their share now stands at almost 23%. Since overseas residents tend to make longer trips to Canada than Americans, the economic impact of this increase is significantly greater than a comparable rise in the number of U.S. visitors. In 1994, overseas visitors spent an average C$976 per overnight trip, compared with C$350 for Americans.

Same-day car trips by Americans rose 3.8% to almost 2 million in April, its highest level since June 1981.

During April, Canadians' overnight visits to the United States — generally decreasing since late 1991 — rose slightly (0.7%) to 1.2 million. Some 285,000 Canadians travelled to overseas countries for one or more nights. This 4.1% decrease follows March's high, although the trend remains upward.

Overnight trips



Note to readers

Month-to-month comparisons use seasonally adjusted data (data adjusted for variations that repeat annually and for variability caused by different volumes of travellers associated with different days of the week). Year-over-year comparisons use unadjusted data, which are the actual traffic counts.

(continued on page 6)

... Foreign trips to Canada reach new high

Same-day car trips by Canadians to the United States, often used as an indicator of cross-border shopping, decreased 0.7% from March to 3.0 million.

For further information, order International trav advance information *(catalogue 66-001P) or conta Ruth Martin, Education, Culture and Touris Division at (613) 951-1791.*

International travel between Canada and other countries, April 1995

	('000)	% change, previous month	('000)	% change, previous year
	Seasonally adjusted		Unadjusted	
Canadian trips abroad				
Auto trips to the United States				
Same-day	2,988	-0.7	3,056	-1.1
One or more nights	802	2.4	835	-2.3
Total trips, one or more nights				
United States[1]	1,195	0.7	1,281	-4.6
Other countries[2]	285	-4.1	293	0.2
Travel to Canada				
Auto trips from the United States				
Same-day	1,968	3.8	1,683	22.4
One or more nights	781	3.7	507	8.2
Total trips, one or more nights				
United States[1]	1,116	1.5	745	5.5
Other countries[2]	329	3.0	213	19.6

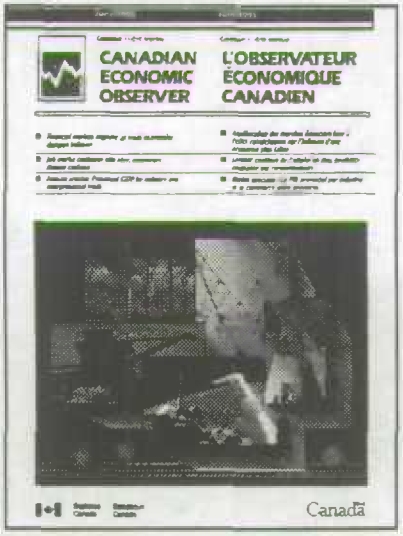
1 *Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.*

2 *Figures for other countries exclude same-day entries by land only, via the United States.*

PUBLICATIONS RELEASED FROM JUNE 16 TO JUNE 22, 1995

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.$)	United States	Other countries
				US$	
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	June 1995	11-010	22/220	27/264	31/308
EDUCATION, CULTURE AND TOURISM					
Education quarterly review	Summer 1995	81-003	20/66	24/80	28/93
Touriscope: International travel, advance information	April 1995	66-001P	7/70	9/84	10/98
HEALTH STATISTICS					
Tuberculosis statistics					
microfiche version	1993	82-2200XMB	25	30	35
paper version	1993	82-2200XPB	32	39	45
HOUSEHOLD SURVEYS					
The labour force	May 1995	71-001	23/230	28/276	33/322
INDUSTRY					
Building permits	April 1995	64-001	24/240	29/288	34/336
Canned and frozen fruits and vegetables, monthly	April 1995	32-011	6/60	8/72	9/84
Department store sales and stocks	February 1995	63-002	16/160	20/192	23/224
Electric lamps	May 1995	43-009	6/60	8/72	9/84
Fabricated metal products industries	1993	41-251	38	46	54
Monthly production of soft drinks	May 1995	32-001	3/30	4/36	5/42
Primary iron and steel	April 1995	41-001	6/60	8/72	9/84
Production and shipments of blow-moulded plastic bottles	1st Quarter, 1995	47-006	10/32	12/39	14/45
Production, shipments and stocks on hand of sawmills east of the Rockies	April 1995	35-002	11/110	14/132	16/154
Refined petroleum products	March 1995	45-004	20/200	24/240	28/280
INTERNATIONAL TRADE					
Exports by commodity					
microfiche version	March 1995	65-0040XMB	35/350	42/420	49/490
paper version	March 1995	65-0040XPB	75/750	90/900	105/1,050
LABOUR					
Employment, earnings and hours	March 1995	72-002	31/310	38/372	44/434
Quarterly estimates of trusteed pension funds	4th Quarter 1994	74-001	18/60	22/72	26/84
PRICES					
Industry price indexes	April 1995	62-011	21/210	26/252	30/294
The consumer price index	May 1995	62-001	10/100	12/120	14/140
PUBLIC INSTITUTIONS					
The control and sale of alcoholic everages in Canada	Fiscal year ended March 31, 1994	63-202	36	44	51
TRANSPORTATION					
Air passenger origin and destination, domestic report	1994	51-204	41	50	58

NEW FROM STATISTICS CANADA



Canadian economic observer

June 1995

The June issue of *Canadian economic observer*, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, current economic events, and two feature articles: one on provincial GDP by industry and the other on interprovincial trade.

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 June 1995 issue of Canadian economic observer *(catalogue 11-010, $22/$220) is now available. For further information, contact Cynthia Bloskie at (613) 951-3634, Current Analysis Group.*

Education quartely review

Summer 1995

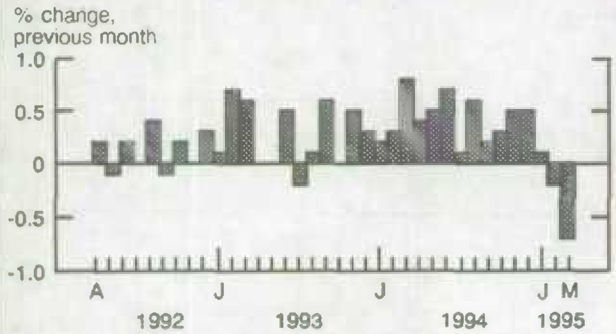
The Summer 1995 issue of *Education quarterly review* features articles on the income of elementary and secondary school teachers, intergenerational changes in education, a follow-up to the School Leavers Survey, and an overview of the Survey of Labour Income and Dynamics.

More than just numbers, *Education quarterly review* is a valuable source for anyone who needs relevant, unbiased and accurate analyses of current educational issues and trends.

The Summer 1995 issue of Education quarterly review *(catalogue 81-003, $20/$66) is now available. For further information, contact Jim Seidle, Education, Culture and Tourism Division at (613) 951-1500 (fax 613-951-9040, Internet: education@statcan.ca).*

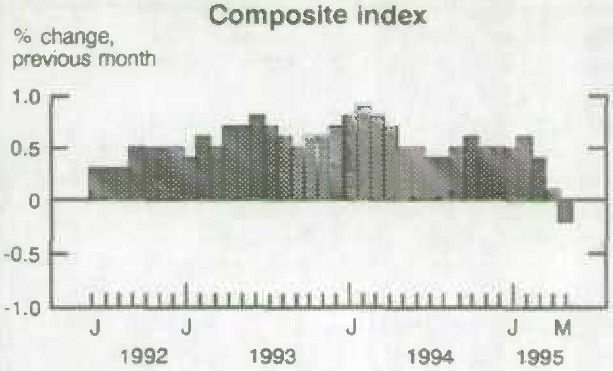
CURRENT TRENDS

Gross domestic product



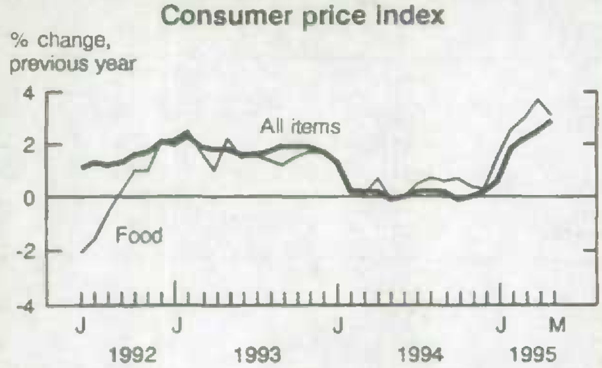
Real gross domestic product fell 0.7% in March. First quarter growth was only 0.2%.

Composite index



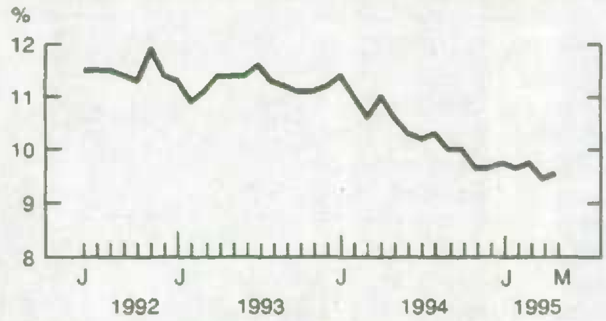
In May 1995, the composite index declined 0.2% from the month before.

Consumer price index



Consumers paid 2.9% more for goods and services in May 1995 than the year before. Food prices rose by 3.1%.

Unemployment rate



In May, the unemployment rate rose 0.1 percentage points to 9.5%.

Manufacturing

Manufacturers' shipments fell 0.6% in March to $32.2 billion. The level of unfilled orders grew by 0.4% to $34.3 billion.

Merchandise trade

The value of merchandise exports fell 0.6% in April, to $20.5 billion. Imports dropped 0.1% to $18.8 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)	March	540.2	-0.7%	2.8%
Composite index (1981=100)	May	173.8	-0.2%	5.0%
Operating profits of enterprises ($ billion)	3rd quarter	20.2	11.4%	48.5%
DOMESTIC DEMAND				
Retail trade ($ billion)	April*	17.5	0.2%	3.2%
New motor vehicle sales ('000 units)	April	88.7	-9.2%	-13.9%
LABOUR				
Employment (millions)	May	13.5	0.0%	1.9%
Unemployment rate (%)	May	9.5	0.1†	-1.1†
Participation rate (%)	May	64.9	0.0†	-0.4†
Labour income ($ billion)	March*	34.5	-0.4%	3.4%
Average weekly earnings ($)	March	573.13	0.0%	1.4%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	April*	20.5	-0.6%	19.7%
Merchandise imports ($ billion)	April*	18.8	-0.1%	16.4%
Merchandise trade balance (all figures in $ billion)	April*	1.8	-0.2	0.7
MANUFACTURING				
Shipments ($ billion)	March	32.2	-0.6%	17.8%
New orders ($ billion)	March	32.4	-0.9%	17.2%
Unfilled orders ($ billion)	March	34.3	0.4%	12.3%
Inventory/ shipments ratio	March	1.31	0.03	-0.05
Capacity utilization (%)	1st quarter	84.8	0.0†	4.3†
PRICES				
Consumer price index (1986=100)	May*	133.7	0.2%	2.9%
Industrial product price index (1986=100)	April	127.5	-0.2%	8.9%
Raw materials price index (1986=100)	April	134.0	0.8%	13.8%
New housing price index (1986=100)	April	135.2	-0.1%	-0.7%

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

A weekly review

Published by the Communications Division Statistics Canada, 10-N, R.H. Coats Bldg, Ottawa, Ontario K1A 0T6.

Editor: Anna Kemeny (613) 951-1197
Head of Official Release: Jacques Lefebvre (613) 951-1088

Catalogue: 11-002E. Price: Canada: $4.00 per issue, $140.00 per year; United States: US$5.00 per issue, US$168.00 per year; Other Countries: US$5.00 per issue, US$196.00. Canadian customers please add 7% GST.

To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 from Canada and the United States or 613-951-7277 from all other countries.