

# Infommat

## A Weekly Review

Friday, August 18, 1995

### OVERVIEW

#### ■ Exports up in June

Exports advanced 0.9% in June on the strength of pulp, wheat and industrial goods.

#### ■ Manufacturers' shipments drop again

In June, manufacturers' shipments fell 0.4%, their fourth decline this year.

#### ■ New vehicle sales lowest since 1983

In the first half of 1995, new motor vehicle sales reached their lowest level since 1983.

#### ■ Composite index continues to fall slowly

The composite index dropped 0.3% in July.

#### ■ Fewer Canadians on the move

The number of individuals migrating within Canada, combined with those entering and leaving the country, fell 5.3% between 1993 and 1994.

#### ■ Record number of overseas travellers visit Canada

In June, 325,000 overseas residents visited Canada, marginally more than April's record.

### Exports up in June

In the wake of a four-month lull, exports advanced 0.9% in June. Shipments to the United States rose 1.2% and exports to all other trading partners except the European Union and non-OECD countries rose sharply. After exceptional growth in May, imports fell 2.1%, largely because of renewed weakness in the automotive sector.

The merchandise trade surplus advanced from \$1.28 billion in May to \$1.87 billion in June. While surpluses with the United States and Japan continued to grow, deficits remained with all other trading partners.

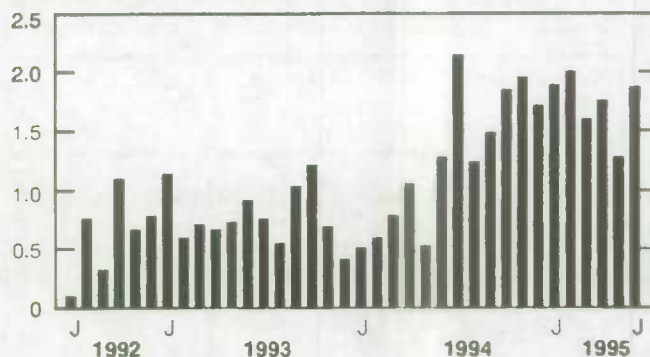
Forestry products led June's export rise. Most of the increase was in pulp shipments, as swelling demand in Japan and the European Union propelled prices and volume. Newsprint and other paper exports rose for the fourteenth straight month. The gain was moderated by lower lumber shipments due to an ongoing slack in U.S. housing starts and maintenance shutdowns at some mills.

Industrial goods and materials contributed significantly to the resurgence of exports. Shipments of copper ores from western Canada grew sizeably, reflecting rising demand from Europe and Japan. Low

(continued on page 2)

Trade balance

\$ billions, seasonally adjusted



### ... Exports up in June

worldwide wheat stocks pushed exports of wheat up 12.8% in June. Consumer exports advanced 6.7%, as retail sales in the United States rose for a second straight month. Machinery exports were flat, with the exception of an increase in the volatile aircraft component. A 4.2% drop in passenger car exports – reflecting the slump in U.S. vehicle sales – continued to dampen trade.

Following a brief reprieve in May, imports were once again crippled by widespread weakness in the automotive sector. Parts, car and truck imports all dropped. Imports of energy products fell 25.4%, reflecting lower demand for crude oil. Machinery and equipment imports declined 2.3%, as demand for drilling machinery returned to normal following a one-time purchase of equipment for use at Hibernia in May.

## Manufacturers' shipments drop again

In June, manufacturers' shipments fell for the fourth time this year (-0.4% to \$32.0 billion), erasing the gain observed in May. The drop was concentrated in 10 of 22 major groups (representing 59% of total shipments). Shipments were 2.6% lower than the January 1995 peak and 10.4% higher than in June 1994.

A 7.6% drop in shipments of primary metals (in current dollars) was the major contributor to the June decrease. Declines in transportation equipment (-1.2%) and electrical and electronic products (-2.9%) were also instrumental in generating the decrease. Motor vehicle shipments continued to fall (-3.3%), as sluggish demand and earlier-than-normal plant closures for retooling took a toll on manufacturing activity in this and related industries.

### Manufacturers' shipments, June 1995

Unadjusted data (Adjusted data not available by province)

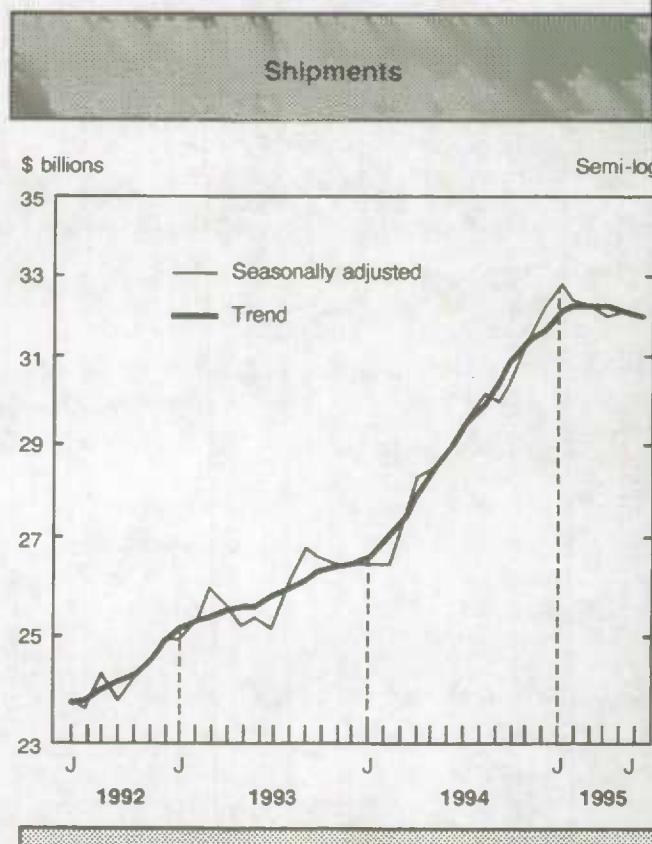
Province	\$ millions	% change, previous year
<b>Canada</b>	<b>34,267</b>	<b>9.7</b>
Newfoundland	160	21.1
Prince Edward Island	85	5.3
Nova Scotia	561	17.6
New Brunswick	724	13.6
Quebec	8,138	12.1
Ontario	18,003	7.6
Manitoba	690	7.7
Saskatchewan	428	16.0
Alberta	2,341	12.4
British Columbia	3,128	11.2

### Note to readers

*Merchandise trade is only one component of Canada's balance of payments, which also includes trade in services. In the first quarter of 1995, the overall merchandise trade surplus of \$5.5 billion contrasted with a current account deficit of \$4.0 billion.*

These declines were moderated by widespread gains in consumer goods and agricultural products.

For further information, order Canadian international merchandise trade (catalogue 65-001) or contact Suzie Carpentier, International Trade Division at (613) 951-9647. (See also "Current trends" on page 8.)



These decreases were partly offset by strong growth in paper and allied products (3.3%) and refined petroleum products (2.7%). Much of the strength of the paper and allied products industry stemmed from price increases of over 3%.

Inventories fell (-0.2%) for the first time in almost two years. The decline is significant since inventory accumulation had intensified in recent months, growing at an average rate of 1.7% since January.

(continued on page 3)



### ... Manufacturers' shipments drop again

The June decline in inventories was smaller than the drop in shipments, causing the inventory-to-shipments ratio to edge up by one point, to 1.38. This fifth increase in as many months underlines the fact that manufacturers may need to make more adjustments to bring inventories in line with shipments.

The level of unfilled orders slipped 1.8% in June after a more moderate decline in May, which halted 17 months of uninterrupted growth. After May's flat showing, new orders fell 1.9% in June, led by declines in primary metals and transportation equipment.

For further information, order Monthly survey of manufacturing (catalogue 31-001) or contact Robert Traversy, Industry Division at (613) 951-9497. (See also "Current trends" on page 8.)

## New motor vehicle sales lowest since 1983

New motor vehicle sales for the first half of 1995 were 9.6% below their year-earlier levels and were the lowest since 1983. Sales fell in each month of the first quarter. In the second quarter, gains in May and June were not enough to offset April's plunge in sales. Usually, the second quarter is busiest for dealers; in each of the past three years, dealers sold 31% of new motor vehicles during this quarter. Early industry reports suggest another downturn in July.

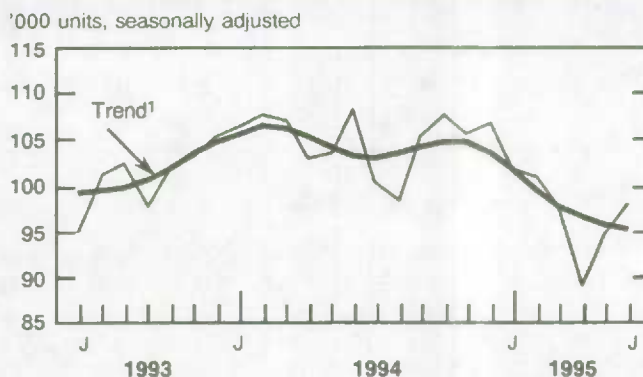
Passenger car sales were especially weak (-13.4%) during the first half of 1995. In contrast, during 1994 the sale of passenger cars rose (on an annual basis), after eight years of declines. Industry analysts had expected the recovery to continue through 1995.

Since February, truck sales have slumped below the 1994 monthly average, but were still strong compared with levels reported in previous years. Sales in the first half of 1995 were 3.9% below their year-earlier levels. The healthiest sales for this period were posted by Ontario and the Prairie provinces.

Consumer spending on new vehicles was little changed from the first half of 1994 (0.3%). Consumers spent less on passenger cars, but more on trucks.

In June, new motor vehicle sales grew 3.6%, a second straight monthly increase. Despite these improvements, June sales remained well below the June 1994 level. Sales of North American-made passenger cars, up 6.7% from May 1995, accounted

### New motor vehicle sales



<sup>1</sup> The short-term trend represents a moving average of the data.

### Note to readers

All monthly estimates and monthly changes are based on seasonally adjusted data. Estimates for the first half of 1995 are based on unadjusted data.

Trucks also include minivans, sport-utility vehicles, vans and buses.

for about 85% of June's increase. Imported car sales were little changed from May (-0.5%). Truck sales have not yet recovered from April's large drop, despite two consecutive months of growth (1.3% in June).

For further information, order New motor vehicle sales (catalogue 63-007) or contact Mary Beth Lozinski, Industry Division at (613) 951-9824.

## Composite index continues to fall slowly

The composite index continued to fall at a slow 0.3% rate in July, unchanged from May and June.

Rising house sales caused the housing index component to slow its fall from -0.8% in June to -0.6% in July. This improvement, however, has not yet translated into an increase in housing starts, which tumbled to their lowest level of the year. Generally, there is a two-to-seven-month lag between an upturn in sales and starts.

Elsewhere in the economy, a drop in durable goods sales was moderated by July's gain in car sales, which offset most of the drops that occurred earlier this year.

Manufacturing remained slow, as lower orders led to the closing of several auto plants. Shipments

picked up for most industries, especially capital goods. Investment intentions for 1995 were revised up at mid-year. Another sharp increase in business services employment in July also supported the trend to more spending by firms.

The financial market indicators accelerated again. The stock market continued to increase in July, up a sharp 1.9%, led by higher prices for mining and forestry stocks. The U.S. leading indicator firmed, suggesting the outlook for exports improved after declining steadily since January. Household demand picked up as consumer confidence rallied, and industrial production posted its first gain in four months.

For further information, order Canadian economic observer (catalogue 11-010) or contact Dominique Pérusse, Current Economic Analysis Division at (613) 951-1789. (See also "Current trends" on page 8.)

## Fewer Canadians on the move

The number of individuals migrating within Canada, combined with those entering and leaving the country, fell 5.3% to 1,472,249 between 1993 and 1994. This downturn was the largest since the 1990-to-1991 period, and may have been related to the economy. Armed forces and foreign affairs officials, as well as private sector employees, made fewer moves across the country.

For the first time in nine years, Newfoundland posted the largest net population loss due to migration (-4,549). Ontario had the largest net gain (87,532), mostly because of migrants from abroad. However, for the first time in 10 years, Ontario experienced a decline in the net gain from international migration. British Columbia was the only province to gain more people between 1993 and 1994 than between 1992 and 1993.

Ontario, Quebec and Alberta gained more than three times as many people internationally as they lost interprovincially. Meanwhile, New Brunswick was the only province or territory to have a net loss to international migration, which quadrupled compared with the year before.

For the third straight year, Greater Vancouver recorded the largest population growth. It was followed in Ontario by Peel and York. Despite fairly high net international migration, the Montreal urban community posted the largest net migration

### Note to readers

*Migration estimates are for long distance movers: people who moved between census divisions, arrived from another country or departed to another country. They are derived by comparing addresses supplied on personal income tax returns from one year to the next. Moves across town or across the street were not counted.*

*Data cover the period from April 1993 to April 1994. Census division is a general term applying to geographic areas which are larger than the census subdivision (for example, a city or town) but smaller than the province.*

loss for the second straight year due mostly to people moving out to surrounding areas (mostly Laval) and to other provinces.

At the provincial level, the number of migrants in the 18-to-24 and 25-to-44 age groups dropped. Newfoundland, Nova Scotia, Manitoba and the Yukon had higher net losses for the 25-to-44 age group than the year before. Prince Edward Island, Quebec, Ontario and Alberta gained fewer individuals in the same age group than they did in between 1992 and 1993.

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

(continued on page 5)



## ... Fewer Canadians on the move

### Net migration

	1993 to 1994						1992 to 1993	
	Interprovincial			International			Total Net migration	Total Net migration
	In	Out	Net	In	Out	Net		
Newfoundland	6,580	11,532	-4,952	663	260	403	-4,549	-2,594
Prince Edward Island	2,688	2,066	622	141	74	67	689	724
Nova Scotia	15,259	17,146	-1,887	3,034	804	2,230	343	1,649
New Brunswick	10,725	11,396	-671	572	936	-364	-1,035	-1,477
Quebec	23,777	32,535	-8,758	34,457	6,036	28,421	19,663	32,747
Ontario	64,625	74,045	-9,420	115,924	18,972	96,952	87,532	107,655
Manitoba	15,253	19,867	-4,614	4,435	2,238	2,197	-2,417	-2,394
Saskatchewan	16,828	22,259	-5,431	2,244	969	1,275	-4,156	-4,705
Alberta	51,763	53,393	-1,630	17,555	7,506	10,049	8,419	8,764
British Columbia	76,549	38,678	37,871	47,963	6,864	41,099	78,970	71,217
Yukon	1,558	2,652	-1,094	104	65	39	-1,055	-220
Northwest Territories	3,303	3,339	-36	134	83	51	15	-338

## Record number of overseas travellers visit Canada

In June, 325,000 overseas residents visited Canada, slightly more than the previous record set in April and up 0.7% from May. The number of Americans who made overnight trips to Canada (1.1 million) and the total number of foreigners who spent at least one night in Canada (1.4 million) were unchanged from May.

While overseas visitors accounted for only 5% of foreign overnight visits in 1972, their share now stands at 23%. Since overseas residents tend to make longer trips to Canada than Americans (in 1994, the average stay was 11 nights and 4 night respectively), the economic impact of an increase in their numbers is much greater than would be 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.

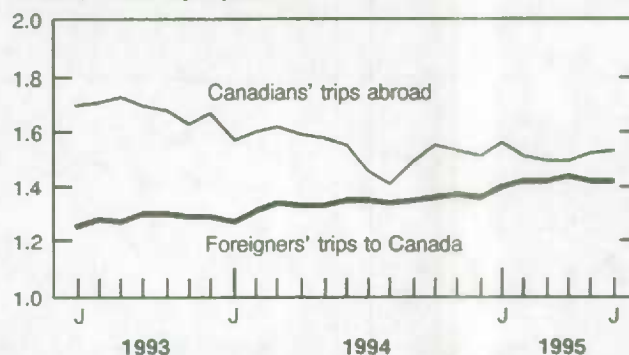
Same-day car trips by Americans fell 3.3% to 1.9 million in June. Nonetheless, the trend in cross-border car trips by Americans has been climbing since early 1994.

Canadians made 1.5 million overnight trips abroad in June, up 1.0% from May. Overnight visits to the United States rose for the third consecutive month (1.6% to 1.2 million) after falling from late 1991 to March 1995. The number of overnight trips overseas – generally increasing since June 1991 – fell 1.6% to 293,000.

The number of same-day car trips by Canadians to the United States, often used as an indicator of cross-border shopping, stood at 3.0 million, virtually unchanged from May.

### Overnight trips

Millions, seasonally adjusted



### 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.

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

(continued on page 6)

# ... Record number of overseas travellers visit Canada

## Travel between Canada and other countries, June 1995

	('000)	% change, previous month	('000)	% change, previous year
	Seasonally adjusted		Unadjusted	
Canadian trips abroad				
Auto trips to the United States				
Same-day	3,032	-0.4	3,245	-0.8
One or more nights	806	1.0	746	-2.5
Total trips, one or more nights				
United States <sup>1</sup>	1,241	1.6	1,088	-1.1
Other countries <sup>2</sup>	293	-1.6	228	4.9
Travel to Canada				
Auto trips from the United States				
Same-day	1,857	-3.3	2,162	8.6
One or more nights	746	0.8	1,081	5.1
Total trips, one or more nights				
United States	1,088	-0.3	1,617	6.2
Other countries	325	0.7	483	12.3

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

<sup>2</sup> Figures for other countries exclude same-day entries by land only via the United States.

## NEW FROM STATISTICS CANADA

### Migration estimates 1993 to 1994

Between 1993 and 1994, the number of individuals migrating fell 5.3% to 1,472,249, the largest downturn since the 1990-to-1991 period. Once again, the Vancouver area was the big winner, with a net population gain of 37,015 through migration.

Produced annually, these data are a unique source of information and are ideal for supporting market analysis and policy decisions. The data are available at the provincial and census division levels. They were obtained by comparing the addresses on personal income tax returns in April 1993 with those in April 1994.

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

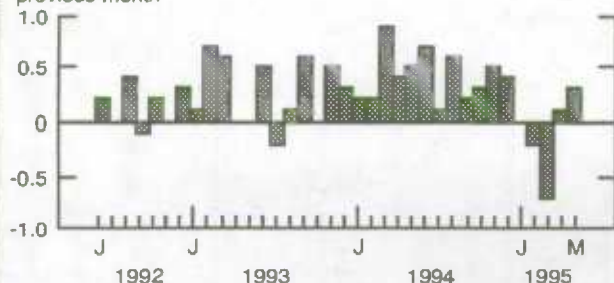
# PUBLICATIONS RELEASED FROM AUGUST 11 TO 17, 1995

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
<b>HOUSEHOLD SURVEYS</b>					
The labour force	July 1995	71-001	23/230	28/276	33/322
<b>INDUSTRY</b>					
Beverage and tobacco products industries	1993	32-251	38	46	54
Energy statistics handbook	August 1995	57-601	330	400	460
Factory sales of electric storage batteries	June 1995	43-005	6/60	8/72	9/84
Footwear statistics	2 <sup>nd</sup> quarter 1995	33-002	8/24	9/29	11/34
Industrial chemicals and synthetic resins	June 1995	46-002	6/60	8/72	9/84
Oils and fats	June 1995	32-003	6/60	8/72	9/84
Particleboard, waferboard and fibreboard	June 1995	36-003	6/60	8/72	9/84
Primary iron and steel	June 1995	41-001	6/60	8/72	9/84
Pulpwood and wood residue statistics	June 1995	25-001	7/70	9/84	10/98
Shipments of solid fuel burning heating products	2 <sup>nd</sup> quarter 1995	25-002	8/24	9/29	11/34
Specified domestic electrical appliances	June 1995	43-003	6/60	8/72	9/84
Steel wire and specified wire products	June 1995	41-006	6/60	8/72	9/84
<b>INDUSTRY MEASURES AND ANALYSIS</b>					
Gross domestic product by industry	May 1995	15-001	14/140	17/168	20/196
<b>INVESTMENT AND CAPITAL STOCK</b>					
Building permits	June 1995	64-001	24/240	29/288	34/336
<b>LABOUR</b>					
Quarterly estimates of trustee pension funds	1 <sup>st</sup> quarter 1995	74-001	18/60	22/72	26/84
<b>NATIONAL ACCOUNTS AND ENVIRONMENT</b>					
National economic and financial accounts, quarterly estimates	1 <sup>st</sup> quarter 1995	13-001	42/140	51/168	59/196
Provincial economic accounts, annual estimates	1981-1994	13-213	50	60	70
<b>PRICES</b>					
Average prices of selected farm inputs	July 1995	62-012	9/48	11/58	13/68
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Restaurant, caterer and tavern statistics	January 1995	63-011	7/70	9/84	10/98
Restaurant, caterer and tavern statistics	February 1995	63-011	7/70	9/84	10/98

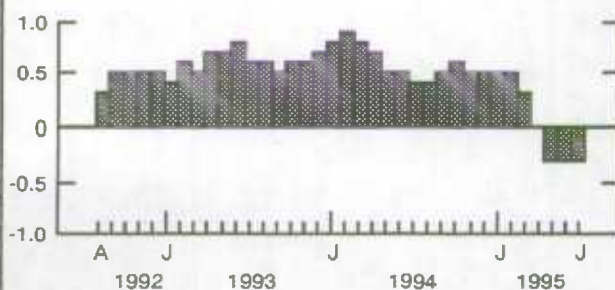


## CURRENT TRENDS

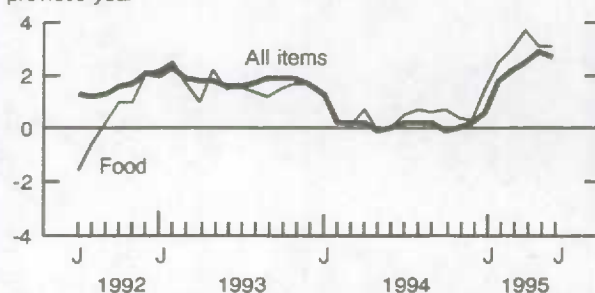
## Gross domestic product

% change,  
previous month

## Composite index

% change,  
previous month

## Consumer price index

% change,  
previous year

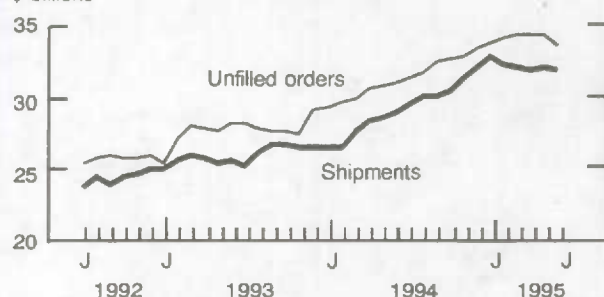
## Unemployment rate

%



## Manufacturing

\$ billions



## Merchandise trade

\$ billions



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



## LATEST MONTHLY STATISTICS

	Period	Level	Change, previous period	Change, previous year
<b>GENERAL</b>				
Gross domestic product (\$ billion, 1986)	May	542.8	0.3%	2.4%
Composite index (1981 = 100)	July*	172.0	-0.3%	2.9%
Operating profits of enterprises (\$ billion)	1st quarter	23.7	6.2%	42.2%
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billion)	May	17.6	0.6%	3.1%
New motor vehicle sales ('000 units)	June*	97.9	3.6%	-9.5%
<b>LABOUR</b>				
Employment (millions)	July	13.5	-0.1%	1.2%
Unemployment rate (%)	July	9.8	0.2 <sup>†</sup>	-0.4 <sup>†</sup>
Participation rate (%)	July	64.9	0.0 <sup>†</sup>	-0.4 <sup>†</sup>
Labour income (\$ billion)	May	34.5	0.0%	2.9%
Average weekly earnings (\$)	May	570.87	0.4%	0.9%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billion)	June*	20.6	0.9%	12.4%
Merchandise imports (\$ billion)	June*	18.7	-2.1%	9.8%
Merchandise trade balance (all figures in \$ billion)	June*	1.9	0.6	0.6
<b>MANUFACTURING</b>				
Shipments (\$ billion)	June*	32.0	-0.4%	10.4%
New orders (\$ billion)	June*	31.4	-1.9%	7.7%
Unfilled orders (\$ billion)	June*	33.8	-1.8%	8.9%
Inventory/ shipments ratio	June*	1.38	0.01	0.07
Capacity utilization (%)	1st quarter	84.8	0.0 <sup>†</sup>	4.3 <sup>†</sup>
<b>PRICES</b>				
Consumer price index (1986 = 100)	June	133.7	0.0%	2.7%
Industrial product price index (1986 = 100)	June	128.9	0.7%	8.3%
Raw materials price index (1986 = 100)	June	132.4	-0.2%	6.9%
New housing price index (1986 = 100)	June	134.5	-0.3%	-1.2%

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

\* new this week

<sup>†</sup> percentage point

## I·N·F·O·M·A·T

### A weekly review

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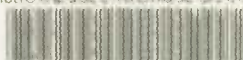
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