



Infomat

A Weekly Review

Friday, October 20, 1995

OVERVIEW

■ Trade surplus reaches record high

Led by strong automotive exports, the merchandise trade surplus reached a record high of \$2.7 billion in August.

■ Auto sector propels manufacturing shipments

In August, manufacturers reported their biggest monthly increase in shipments this year due to the auto sector's strong performance.

■ Composite index unchanged in September

The composite index was unchanged in September, ending four straight monthly declines.

■ Fewer trips to the United States, more to overseas

In August, the number of overnight trips to the United States decreased, while travel to overseas countries reached unprecedented levels.

■ Exports continue to boost energy production

In the first quarter of 1995, strong energy exports to the United States and East Asia pushed Canadian energy production up 6.5% from the same quarter in 1994.

Trade surplus reaches record high

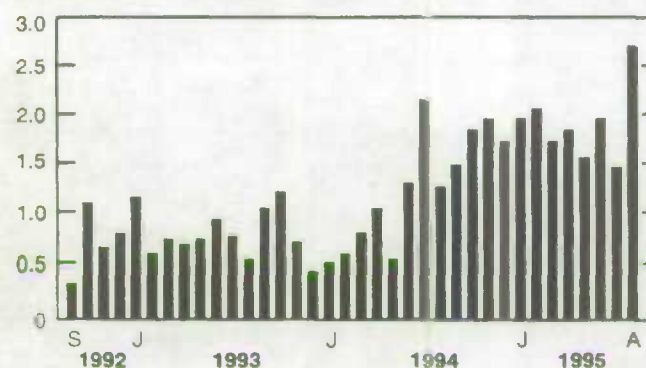
Exports surged 9.6% in August reaching \$21.3 billion, their highest level since January. Exports were up to all of Canada's trading partners, but were especially strong to the United States and non-OECD countries. Automotive shipments accounted for 70% of the increase. Imports rose 3.5% to \$18.7 billion, on the strength of automotive and energy products. The merchandise trade balance jumped to a record \$2.7 billion surplus.

Exports of automotive products shot up 36.0%, as normal production resumed following summer plant closures for vacation and retooling. Stronger U.S. demand for vehicles also contributed to the increase, helping boost car and truck exports to their highest level since February. In all, automotive exports stood 6.6% above their level in August 1994.

Elsewhere, machinery and equipment exports gained momentum, rising by 6.7% after six months of slow advances. Most of the strength came from helicopters, jet aircraft, and office machines. Exports of industrial goods moved ahead 3.2%, largely reflecting strong shipments of metal ores and concentrates. Forestry products also provided a healthy boost to overall exports, as lumber and newsprint sales increased by 8.8% and 2.9% respectively.

*(continued on page 2)***Trade balance**

\$ billions, seasonally adjusted



... Trade surplus reaches record high

As for imports, over half of August's gain was attributable to the automotive sector. Auto imports were up 9.5%, offsetting declines incurred since March. The increase came as auto production resumed in the United States, following extended summer shutdowns.

Machinery and equipment imports picked up steam, reflecting strength in aircraft, engines and parts, and office machines. Energy product imports also advanced. Crude oil purchases dominated the picture, but refined petroleum products and coal were also strong. The trend for energy products other than crude oil has been flat since August 1994. Imports of food gained marginally while imports of industrial goods fell.

Auto sector propels manufacturing shipments

In August, manufacturers reported their biggest monthly increase in shipments this year. The gain was only the second in the last seven months and was due to an extremely strong performance in the auto sector. However, unfilled orders fell for the third time in four months.

Manufacturers' shipments rose 2.9% from July to \$32.7 billion, the highest level since January. The increase was concentrated in 11 of the 22 major groups, representing 44% of total shipments. Motor vehicles constituted by far the largest gain (30.6%) as firmer demand in the United States, an end to retooling, and the start of the new model year caused a dramatic turnaround after months of persistent weakness. Significant increases were also recorded in motor vehicle parts and accessories (5.6%), and aircraft and parts (15.5%).

Manufacturers' shipments, August 1995 Unadjusted data (adjusted data not available by province)

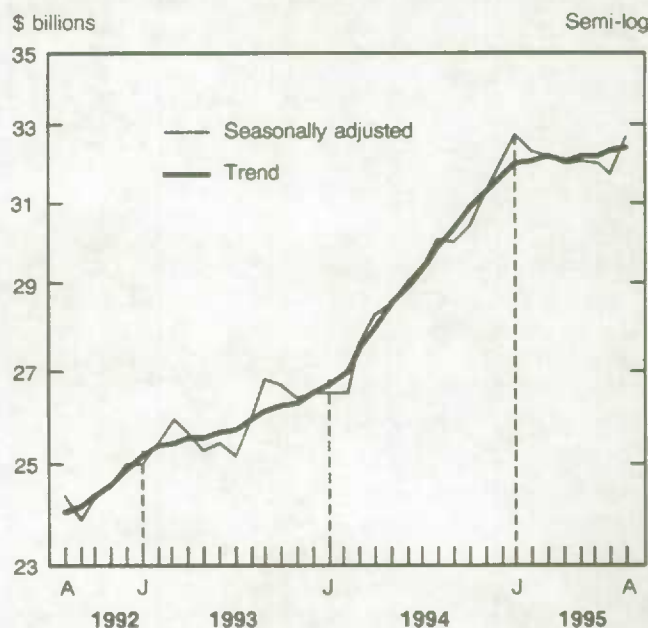
| Province | \$ millions | % change, previous year |
|----------------------|---------------|-------------------------|
| Canada | 33,642 | 9.2 |
| Newfoundland | 152 | 20.5 |
| Prince Edward Island | 63 | -1.8 |
| Nova Scotia | 543 | 12.2 |
| New Brunswick | 711 | 15.1 |
| Quebec | 8,119 | 9.2 |
| Ontario | 17,685 | 9.9 |
| Manitoba | 654 | 8.7 |
| Saskatchewan | 423 | 4.3 |
| Alberta | 2,394 | 9.3 |
| British Columbia | 2,892 | 3.7 |

Note to readers

Merchandise trade is only one component of the current account of Canada's balance of payments, which also includes trade in services. In the second quarter of 1995, the overall merchandise trade surplus of \$5.3 billion contrasted with a current account deficit of \$5.7 billion.

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 7.)

Shipments



These gains were partly offset by substantial declines in primary metals (-4.4%), other transportation equipment (-47.2%), and refined petroleum and coal products (-4.4%). Overall, monthly shipments remained 8.7% higher than in August of last year.

Manufacturers once again reduced their backlog in August as unfilled orders dropped 1.2%. The decrease follows significant declines in May and June, which had interrupted 17 months of growth. After last month's positive showing, new orders were virtually flat, rising only 0.2% in August.

(continued on page 3)

... Auto sector propels manufacturing shipments

Inventories rose 0.5%, making August the second month of growth after a pause in June interrupted 20 months of rapid increases. The rise was widespread, with the largest gain in the aircraft and parts industry, as fewer planes were shipped

than expected. The largest drop came from refined petroleum and coal products, and motor vehicles. The inventories-to-shipments ratio fell from 1.40 to 1.37.

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 7.)

Composite index unchanged in September

The composite index was unchanged in September, ending four straight monthly declines. Final demand showed signs of growth, notably in the beleaguered housing sector, although the demand for durable goods remained weak. Five of the ten components were up, one more than in August.

Household demand picked up. The housing index posted a solid 2.4% gain in September, its largest since late 1991. The sharp upturn of house sales in recent months paved the way for a slight recovery in housing starts. Elsewhere, personal services supported job growth in the services sector. Furniture and appliance sales fell at a slower rate than in August.

Manufacturing showed signs of snapping out of its recent slump. The average work week posted its first increase since November 1994, heralding increased demand for labour. The drop in demand for durable goods slowed, reflecting an upturn for export-oriented industries.

The U.S. leading indicator continued to decrease (-0.1%), held down principally by a fall in commodity prices, their first since late 1993. Several of Canada's key export markets picked up in tandem with consumer spending in the United States, following the strong gains in disposable income since July.

For further information, order Canadian economic observer (catalogue 11-010) or contact Francine Roy, Current Economic Analysis Division at (613) 951-3627. (See also "Current trends" on page 7.)

Fewer trips to the United States, more to overseas

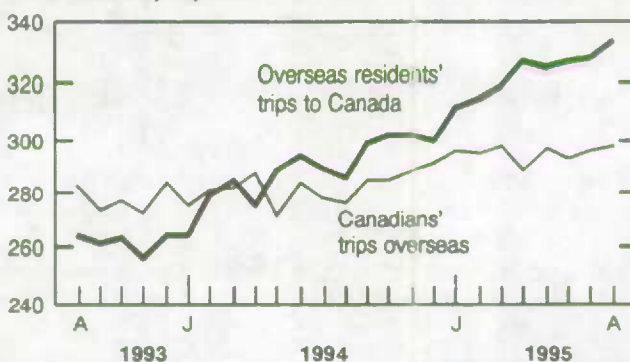
In August, Canadians' overnight trips to overseas countries increased 0.8% to a record 298,000. The trend in these types of trips has been upward since June 1991. By contrast, overnight trips to the United States have decreased by 2.2%. Since peaking in December 1991, the number of trips of this type have dropped by 35%. Nonetheless, the United States remains the most popular international travel destination for Canadians.

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.

Overnight trips between Canada and overseas countries

'000, seasonally adjusted



The number of overnight trips to Canada by overseas residents increased 1.8% from July, to a new high of 333,000. The upward trend in this type of travel started in mid-1992. Meanwhile, Americans made 1.1 million trips of at least one night to Canada, a 1.2% drop from the preceding month.

(continued on page 4)

... Fewer trips to the United States, more to overseas

In August, 3.1 million Canadians visited the United States and drove back the same day, a 1.3% increase from July. Similarly, same day cross-border car trips to Canada by Americans also increased, by 0.6% to 1.9 million. From January

1994 to February 1995 these trips have increased by 33%. More recently, the number of trips of this type has been fluctuating.

For further information, order International travel, advance information (catalogue 66-001P) or contact Luc Dubois, Education, Culture and Tourism Division at (613) 951-1674.

International travel between Canada and other countries, August 1995

| | ('000) | % change, previous month | ('000) | % change, previous year |
|-----------------------------------|---------------------|--------------------------------|------------|-------------------------------|
| | seasonally adjusted | | unadjusted | |
| Canadian trips abroad | | | | |
| Auto trips to the United States | | | | |
| Same-day | 3,085 | 1.3 | 3,680 | 0.4 |
| One or more nights | 775 | -2.6 | 1,456 | -2.5 |
| Total trips, one or more nights | | | | |
| United States ¹ | 1,145 | -2.2 | 1,894 | -0.7 |
| Other countries | 298 | 0.8 | 361 | 6.8 |
| Travel to Canada | | | | |
| Auto trips from the United States | | | | |
| Same-day | 1,881 | 0.6 | 2,758 | 7.2 |
| One or more nights | 727 | -2.5 | 1 524 | 0.1 |
| Total trips, one or more nights | | | | |
| United States ¹ | 1,074 | -1.2 | 2,150 | 2.6 |
| Other countries ² | 333 | 1.8 | 629 | 18.2 |

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.

Exports continue to boost energy production

The export-driven surge in primary energy production, which reached a six-year high in 1994, has spilled over into 1995. In the first quarter of 1995, strong energy exports to the United States and East Asia pushed production up 6.5% from the same quarter in 1994.

Natural gas exports to the United States continued to increase at double-digit rates, driven by demand from utilities in California and on the U.S. East Coast. Since 1987, Canada's share of the U.S. natural gas market has doubled, reaching 10.7% in the first quarter of 1995.

Coal exports grew by 19% from the first quarter of 1994, as electricity generation in the industrializing economies of East Asia kept pace with their high rates of economic growth. Meanwhile, first quarter coal exports to Western Europe rebounded to 1992 levels.

Energy supply and demand

| | 1 st Q. 1994 | 1 st Q. 1995 | 1 st Q. 1994 to 1 st Q. 1995 |
|---------------------------|----------------------------|----------------------------|---|
| | petajoules | | % change |
| Production | 3 471 | 3 697 | 6.5 |
| Exports | 1 652 | 1 835 | 11.1 |
| Imports | 472 | 464 | -1.7 |
| Availability (supply) | 2 739 | 2 718 | -0.8 |
| Non-energy use | 159 | 164 | 3.1 |
| Demand | 2 000 | 1 990 | -0.5 |
| Industrial | 550 | 586 | 6.5 |
| Transportation | 467 | 481 | 3.0 |
| Residential and farm | 593 | 537 | -9.4 |
| Government and commercial | 389 | 386 | -0.8 |

Note: A 30-litre gasoline fill-up contains about one gigajoule of energy. A petajoule is one million gigajoules.

(continued on page 5)

... Exports continue to boost energy production

By contrast, growth in crude oil exports slowed to a modest 3.3%, compared with 14.3% in the first quarter of 1994. Slightly more than half of Canada's crude oil production is exported, so the slowdown in exports was reflected in the slower growth in production.

Energy consumption continued to grow strongly in the industrial (6.5%) and transportation (3.0%) sectors. A jump in the consumption of natural gas,

electricity and petroleum products by mining industries, especially in Alberta, contributed to the advance in the industrial sector. Despite these advances, overall demand for energy actually fell 0.5% compared with the first quarter of 1994 as a mild winter reduced energy consumption in the residential and farm sectors by 9.4%.

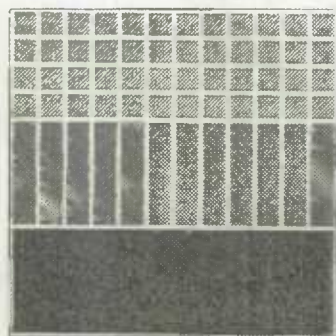
For further information, order Quarterly report on energy supply/demand in Canada (catalogue 57-003) or contact Irfan Hashmi, Industry Division at (613) 951-3501.

NEW FROM STATISTICS CANADA



Public Sector
Employment
and Wages
and Salaries
1994

Emploi et salaires
et traitements
dans le
secteur public
1994



Canada

Canada

Public sector employment, wages and salaries 1994 (with historical data from 1990)

This edition of *Public sector employment and wages and salaries* presents employment, wage and salary data for the total public sector as well as for the federal, provincial-territorial and local governments and government business enterprises. The publication also includes data for public hospitals and local government school boards.

The public sector includes all organizations, both commercial and non-commercial, under the control of a governmental body.

Please note that data previously released on CANSIM in July 1995 (matrices 2860, 2862 and 2863) have been revised and that data on matrices 2861 and 2865 are now available.

Public sector employment and wages and salaries, 1994 (*catalogue 72-209, \$42*) is now available. For further information, contact the Data Dissemination and External Relations Section at (613) 951-0767 or the Public Employment Section at (613) 951-1843, Public Institutions Division.

PUBLICATIONS RELEASED FROM OCTOBER 13 TO 19, 1995

| Division/title of publication | Period | Catalogue number | Price: Issue/Subscription | | |
|--|------------------|------------------|---------------------------|---------------|-----------------|
| | | | Canada (Cdn.\$) | United States | Other countries |
| | | | | | |
| INDUSTRIAL ORGANIZATION AND FINANCE | | | | | |
| Quarterly financial statistics for enterprises | 2nd quarter 1995 | 61-008 | 33/110 | 40/132 | 47/154 |
| INDUSTRY | | | | | |
| Canned and frozen fruits and vegetables | August 1995 | 32-011 | 6/60 | 8/72 | 9/84 |
| General review of the mineral industries | 1993 | 26-201 | 24 | 29 | 34 |
| Monthly production of soft drinks | September 1995 | 32-001 | 3/30 | 4/36 | 5/42 |
| Production and shipmens of steel pipe and tubing | August 1995 | 41-011 | 6/60 | 8/72 | 9/84 |
| Pulpwood and wood residue statistics | August 1995 | 25-001 | 7/70 | 9/84 | 10/98 |
| Refined petroleum products | July 1995 | 45-004 | 20/200 | 24/240 | 28/280 |
| Steel wire and specified wire products | August 1995 | 41-006 | 6/60 | 8/72 | 9/84 |
| INVESTMENT AND CAPITAL STOCK | | | | | |
| Building permits | August 1995 | 64-001 | 24/240 | 29/288 | 34/336 |
| LABOUR | | | | | |
| Employment, earnings and hours | July 1995 | 72-002 | 31/310 | 38/372 | 44/434 |
| NATIONAL ACCOUNTS AND ENVIRONMENT | | | | | |
| National economic and financial accounts | 2nd quarter 1995 | 13-001 | 42/140 | 51/168 | 59/196 |
| PUBLIC INSTITUTIONS | | | | | |
| Public sector employment and wages and salaries | 1994 | 72-209 | 42 | 51 | 59 |
| TRANSPORTATION | | | | | |
| Oil pipeline transport | July 1995 | 55-001 | 11/110 | 14/132 | 16/154 |
| Railway carloadings | August 1995 | 52-001 | 10/100 | 12/120 | 14/140 |
| Railway operating statistics | April 1995 | 52-003 | 12/120 | 15/144 | 17/168 |

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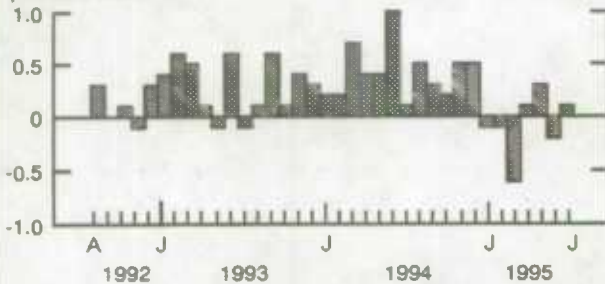
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CURRENT TRENDS

Gross domestic product

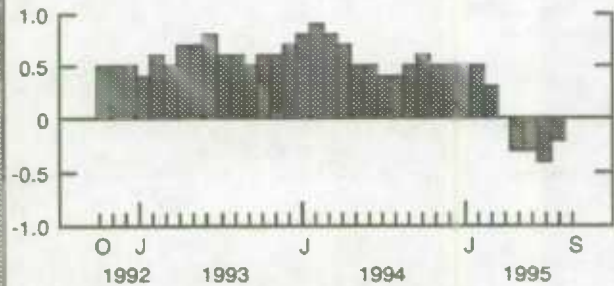
% change,
previous month



Real gross domestic product rose 0.1% in July.

Composite index

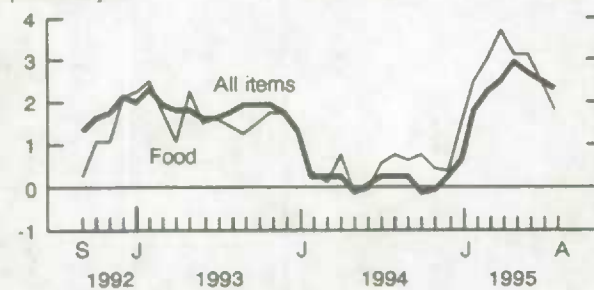
% change,
previous month



In September 1995, the composite index was unchanged from the month before.

Consumer price index

% change,
previous year



Consumers paid 2.3% more for good and services in August 1995 than the year before. Food prices rose by 1.8%.

Unemployment rate

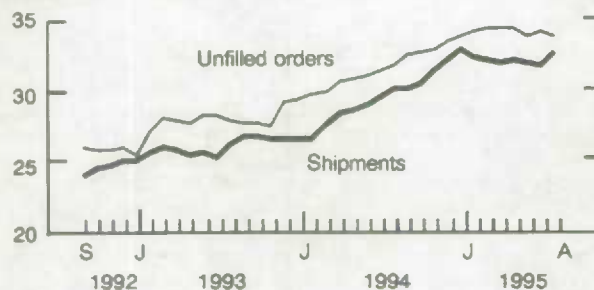
%



In September, the unemployment rate fell 0.4 percentage points to 9.2%.

Manufacturing

\$ billions



Manufacturers' shipments rose 2.9% in August to \$32.7 billion. The level of unfilled orders fell 1.2% to \$33.9 billion.

Merchandise trade

\$ billions



The value of merchandise exports surged 9.6% in August, to \$21.3 billion. Imports were up 3.5% to \$18.7 billion.

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



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LATEST MONTHLY STAT

| | Period | Level | Change, previous period | Change, previous year |
|---|-------------|--------|-------------------------------|-----------------------------|
| GENERAL | | | | |
| Gross domestic product (\$ billion, 1986) | July | 541.2 | 0.1% | 1.4% |
| Composite index (1981 = 100) | September* | 171.6 | 0.0% | 1.7% |
| Operating profits of enterprises (\$ billion) | 2nd quarter | 23.5 | -0.7% | 25.1% |
| DOMESTIC DEMAND | | | | |
| Retail trade (\$ billion) | July | 17.7 | -0.3% | 2.9% |
| New motor vehicle sales ('000 units) | August | 101.5 | 9.5% | 3.4% |
| LABOUR | | | | |
| Employment (millions) | September | 13.5 | 0.2% | 1.0% |
| Unemployment rate (%) | September | 9.2 | -0.4† | -0.8† |
| Participation rate (%) | September | 64.5 | -0.3† | -0.9† |
| Labour income (\$ billion) | July | 34.9 | -0.3% | 2.7% |
| Average weekly earnings (\$) | July | 570.88 | -0.1% | 0.3% |
| INTERNATIONAL TRADE | | | | |
| Merchandise exports (\$ billion) | August* | 21.3 | 9.6% | 12.8% |
| Merchandise imports (\$ billion) | August* | 18.7 | 3.5% | 5.5% |
| Merchandise trade balance (all figures in \$ billion) | August* | 2.7 | 1.2 | 1.5 |
| MANUFACTURING | | | | |
| Shipments (\$ billion) | August* | 32.7 | 2.9% | 8.7% |
| New orders (\$ billion) | August* | 32.3 | 0.2% | 6.0% |
| Unfilled orders (\$ billion) | August* | 33.9 | -1.2% | 6.7% |
| Inventory/ shipments ratio | August* | 1.37 | -0.03 | 0.09 |
| Capacity utilization (%) | 2nd quarter | 83.3 | -1.5† | -0.2† |
| PRICES | | | | |
| Consumer price index (1986 = 100) | August | 133.8 | -0.1% | 2.3% |
| Industrial product price index (1986 = 100) | August | 129.2 | 0.0% | 7.1% |
| Raw materials price index (1986 = 100) | August | 130.3 | -0.3% | 4.3% |
| New housing price index (1986 = 100) | August | 134.4 | 0.0% | -1.3% |

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

A weekly review

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