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Infomat

A Weekly Review

Friday, January 19, 1996

OVERVIEW

- **Shipments recover from October's decline**

  Manufacturers increased shipments by 1.3% in November, recovering most of October's decline.

- **Composite index posts another gain**

  The composite index continued to recover slowly in December, on the heels of two slightly smaller gains during the two previous months.

- **Motor vehicle sales in neutral**

  After dropping substantially in October, sales of new motor vehicles stalled in November 1995.

- **Housing prices continue to decline**

  November marked the 17th consecutive month in which new housing prices declined from the year before.

- **Canadians travel more to overseas destinations**

  Canadians made a record number of trips to overseas destinations in November.

- **Young people smoking – the latest facts**

  One out of seven youths aged 10 to 19 currently smokes cigarettes, even though most say they are aware of the health risks.

Shipments recover from October's decline

Manufacturers increased shipments 1.3% to $32.6 billion in November, recovering most of the 1.7% decrease in October. This brought shipments back up to virtually the same level as at the beginning of the year.

Nearly half of the increase in November's shipments came from the refined petroleum and coal products industries (15.9%), which were recovering from shutdowns in October. The paper and allied products, and electrical and electronic products industries were the other main contributors.

Motor vehicle and parts manufacturers increased shipments by nearly 1%, following monthly drops of around 4.5% in both September and October. Despite November's gain, this key manufacturing sector was almost 15% below the January 1995 peak.

Inventories rose by 0.9% in both October and November, to reach $45.7 billion. Inventories, which were 15.2% higher than in November 1994, have been increasing continuously for over two years.

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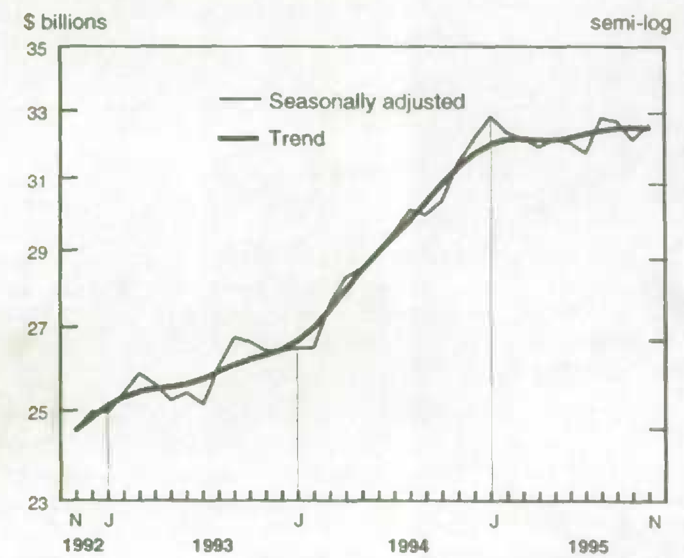
Shipments



... Shipments recover from October's decline

The largest monthly advances in inventories were recorded for aircraft and parts, and electrical and electronic products. These increases were partly offset by declines in motor vehicle and chemical inventories. As shipments rose more than inventories, the inventories-to-shipments ratio was down a little from the October peak of 1.41, the highest level in two years.

The backlog of unfilled orders was down 0.6% to $32.6 billion, the fourth decrease in a row and 5.6% below the April 1995 record. Despite these recent declines, the backlog is still relatively high and should help sustain shipments in coming months.

New orders were up by 1.5%. This followed decreases in the two previous months. Shipments and new orders have followed a similar pattern during September, October and November.

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 6.)*

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

Province	$ millions	% change, previous year
Canada	**33,645**	**2.9**
Newfoundland	111	3.2
Prince Edward Island	49	4.9
Nova Scotia	553	12.7
New Brunswick	679	11.1
Quebec	8,059	5.9
Ontario	18,161	0.9
Manitoba	692	12.3
Saskatchewan	369	2.4
Alberta	2,254	2.4
British Columbia	2,714	2.3

Composite index posts another gain

Note to readers

Only 9 of the 10 components were used to calculate the index this month, because the U.S. government shutdown made the U.S. leading index unavailable.

The composite index continued to recover slowly in December (0.4%), on the heels of two slightly smaller gains during the two previous months. For the first time in almost a year, the majority of components (six out of nine) were positive, due mostly to higher demand from business firms and financial markets.

Households remained cautious about their spending. A small growth in the housing index was confined mostly to higher housing starts in Toronto, where vacancy rates were the lowest in the country. House sales bottomed out at least temporarily after declines in September and October, but have not begun to recover. This led to continued sluggish furniture and appliance sales. Sales of other durable goods edged up, reflecting the weak growth of employment and incomes.

Business spending was buoyant. Business services rose strongly for a second straight month, surpassing personal services as leader of the overall growth in services employment. Meanwhile, there were signs that the worst of the recent slump in manufacturing may be over: the average work week increased for the first time since November 1994; the ratio of shipments to inventories levelled off for the second month in a row, after six consecutive declines; and the rate of decline slowed for new orders.

The stock market grew steadily, led by the oil and gas sector as energy prices rose on world markets. In November, the market had already made up for all of its losses since August.

For further information, order ***Canadian economic observer*** *(catalogue number 11-010) or contact Francine Roy at (613) 951-3627) or Dominique Pérusse at (613) 951-1789, Current Economic Analysis Division. (See also "Current trends" on page 6.)*

Motor vehicle sales in neutral

Note to readers

All data in this release, except for market share data, are seasonally adjusted. All sales figures include leased new motor vehicles. Trucks include light and heavy trucks, minivans, sport utility vehicles and buses. "Big Three" refers to Chrysler Canada Limited, Ford Motor Company of Canada Limited, and General Motors of Canada Limited.

Following a substantial drop in October, sales of new motor vehicles slipped into neutral in November 1995, as the number of vehicles sold increased only slightly (0.5%). The small rise was due to car sales by automakers other than the Big Three. Truck sales remained practically unchanged.

Early reports from the auto industry indicate higher sales in December, but not high enough to help the year as a whole. Lower sales during the first four months of 1995 and again in October were not offset by the increases at mid-year. As a result, the number of vehicles sold during the first 11 months of 1995 fell 6.9% from the same period in 1994. New vehicle purchases for this period reached their lowest level in 12 years.

Truck purchases, which had been rising since 1992, stalled during the first 11 months of 1995, down 2.3% from the same period in 1994. By comparison, car purchases fell 10.1%.

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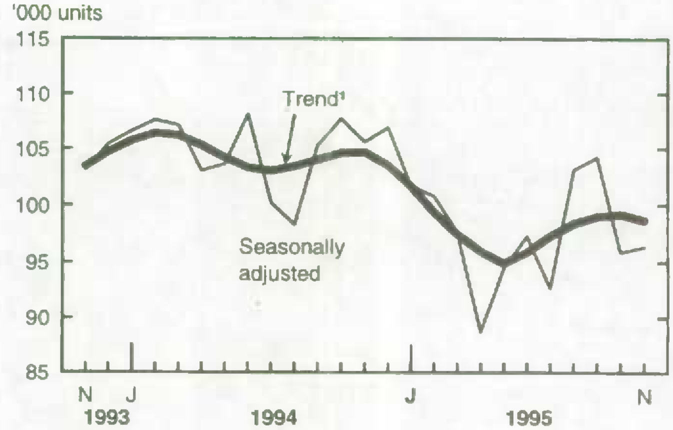
... Motor vehicle sales in neutral

The North American-made share of the car market stood at 81.3% for the first 11 months of 1995, up from 76.5% for the same period of 1994. The Big Three increased their share by two percentage points to 63.8%, while automakers other than the Big Three saw their share grow by three percentage points to 17.5%.

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

New motor vehicle sales



[1] The short-term trend represents a moving average of the data.

Housing prices continue to decline

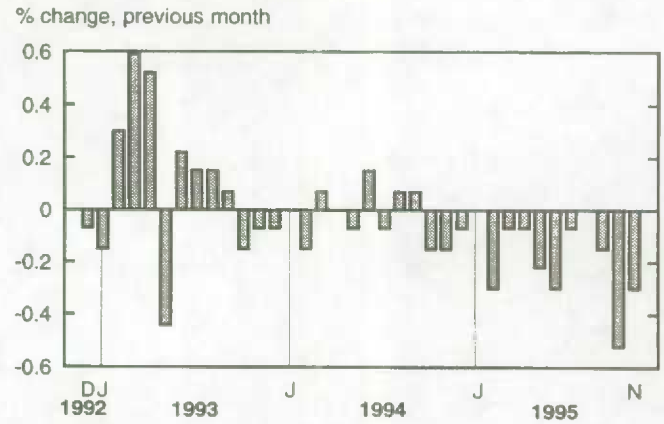
In November 1995, new housing prices fell 2.1% from a year earlier. November marked the 17th consecutive month in which the annual percentage change in new home prices was negative. From October to November, the new housing price index fell 0.3%.

In 7 of the 21 cities surveyed, contractors reported stable or offsetting new home prices, resulting in no monthly changes in the indexes for those cities. In the three cities with monthly increases, the largest was recorded in St. Catharines-Niagara (0.7%). No other increase was larger than 0.2%. Of the 11 monthly decreases, the largest were for London (-1.3%) and Hamilton (-1.0%).

On a year-over-year basis, housing prices rose in 7 cities and fell in 13. Price increases were greatest in Regina (3.3%), Halifax (1.5%) and Saskatoon (1.4%). The largest drops were recorded for Victoria (-10.5%), Vancouver (-6.5%) and London (-4.2%).

The house only index fell 2.0% from November 1994 and 0.4% from October 1995. The land only index fell 1.8% from the year before and 0.3% from the previous month.

New housing price index



*For further information, order **Construction price statistics** (catalogue 62-007) or contact Paul-Roméo Danis, Prices Division at (613) 951-3350; fax: (613) 951-2848.*

Canadians travel more to overseas destinations

In November 1995, Canadians made a record 303,000 trips to overseas destinations, up 3.0% from October. The trend in these types of trips has been moving upward in recent years, increasing by more than 30% since June 1991.

Overnight trips to the United States, on the other hand, decreased in November, down 5.2% from October to 1.2 million. These types of trips have been falling since late 1991, when they peaked at 1.8 million.

> *Note to readers*
>
> *Month-to-month comparisons use seasonally adjusted data (data adjusted for variations that repeat annually and for variability caused by the different volumes of travellers associated with different days of the week.) Year-over-year comparisons use unadjusted data (the actual traffic counts). Overseas countries refer to countries other than the United States.*

(continued on page 4)

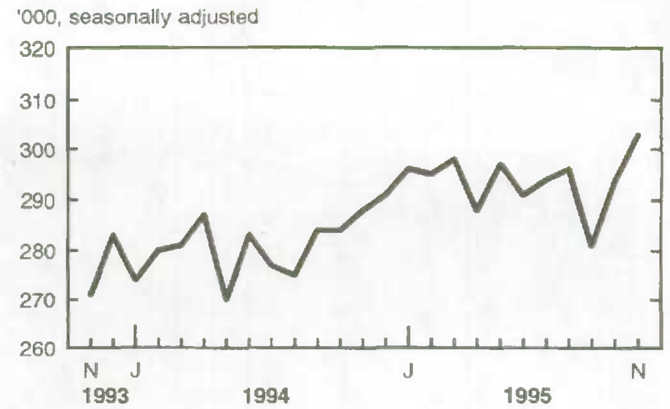
Travel between Canada and other countries,
November 1995

	('000)	% change, previous month	('000)	% change, previous year
	seasonally adjusted		unadjusted	
Canadians' trips abroad				
Auto trips to the United States				
Same day	2,926	-2.8	2,733	-5.6
One or more nights	761	-7.4	525	-7.1
Total trips, one or more nights				
United States[1]	1,224	-5.2	938	0.6
Other countries	303	3.0	216	5.9
Travel to Canada				
Auto trips to the United States				
Same day	1,921	-0.9	1,592	1.7
One or more nights	673	-4.7	358	-8.0
Total trips, one or more nights				
United States[1]	1,073	-0.1	592	2.3
Other countries	340	-5.5	157	12.1

[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.*

Overall, Canadians made 1.5 million trips of one or more nights outside the country, down 3.7% from October.

Canadians' trips to overseas countries



The number of foreigners' overnight trips to Canada decreased 1.5% from October's record level. Trips to Canada by overseas residents, which had reached successive peaks in the previous five months, dropped 5.5%. The number of overnight trips made by Americans to Canada stayed stable at 1.1 million.

Both Canadians and Americans made fewer same-day cross-border car trips in November. Canadians' same-day car trips to the United States have been relatively stable since mid-1994, as have Americans' same-day car trips to Canada since March 1995.

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

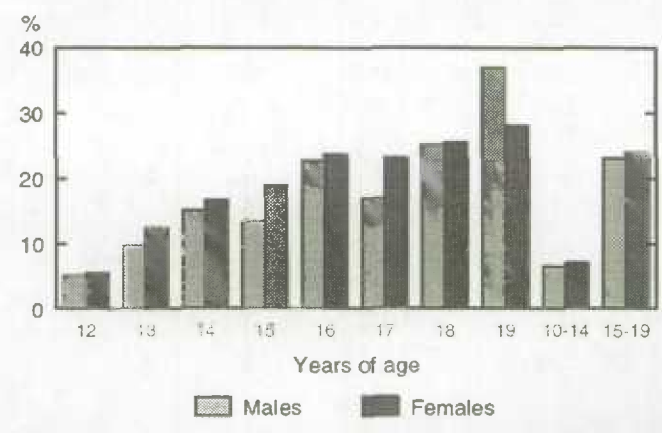
Young people smoking – the latest facts

One out of every seven youths aged 10 to 19 currently smokes cigarettes, even though most say they are aware of the health risks. As young people get older, more of them are likely to smoke. The prevalence of smoking increases from 7% of those aged 10 to 14 to 24% of those aged 15 to 19.

Almost half of all young people aged 10 to 19 have at least one parent who smokes. The percentage climbs to 61% among youths who currently smoke. By contrast, 43% of young people who have never smoked have a parent who smokes.

Peer pressure plays an important role in the decision to start smoking. Almost three out of every four youths said that people their age start to smoke because their friends do so. Young women were more likely than young men to start smoking because of peer pressure, particularly 12- to 14-year-olds, who were most susceptible to the influence of friends.

Percentage of Canadian youths who currently smoke



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... Young people smoking – the latest facts

Young people are aware of tobacco advertising. Half of all young people reported that they have seen advertising for sporting and cultural events sponsored by tobacco companies.

Percentage of youths who currently smoke[1]

	Aged 10 to 14	Aged 15 to 19
	%	
Canada[2]	7	24
Newfoundland	8	28
Prince Edward Island	6	24
Nova Scotia	6	24
New Brunswick	7	25
Quebec	11	25
Ontario	4	22
Manitoba	6	25
Saskatchewan	5	19
Alberta	6	24
British Columbia	7	24

[1] *"Currently smokes" means that a person smoked 100 or more cigarettes in his or her lifetime, and has smoked in the 30 days preceding the survey.*
[2] *Excludes the Yukon and Northwest Territories.*

Note to readers

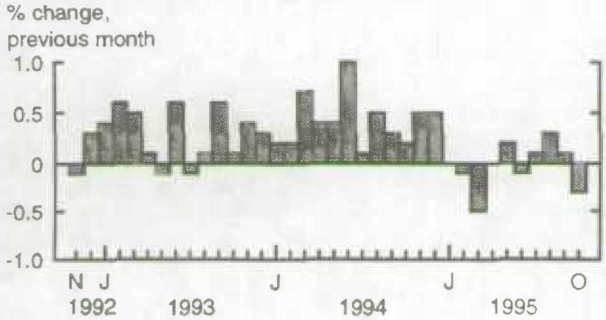
Data for this article were provided by the 1994 Youth Smoking Survey, conducted by Statistics Canada on behalf of Health Canada. The survey examines the smoking behaviour of Canadians aged 10 to 19. This is the first national survey ever conducted for children aged 10 to 14.

However, the impact of such ads varies with age. About 39% of youths aged 15 to 19 were able to correctly name at least one event and the sponsor, compared with only 16% of children aged 10 to 14.

For further information, contact Joan Coulter, special Surveys Division at (613) 951-3261. Health Canada has available a package of fact sheets. For a copy of these or related information, call (613) 957-3998 or fax: (613) 941-8632.

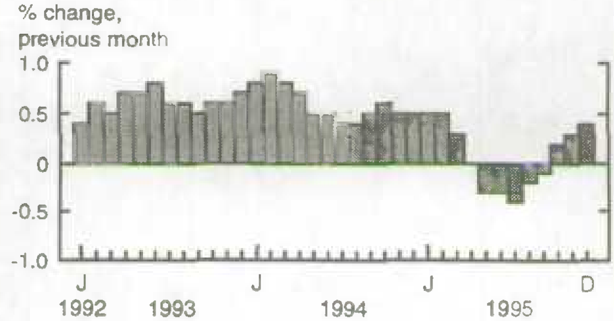
Current trends

Gross domestic product



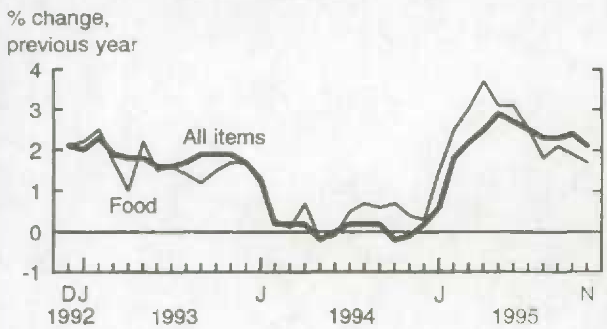
Real gross domestic product at factor cost fell 0.3% in October.

Composite index



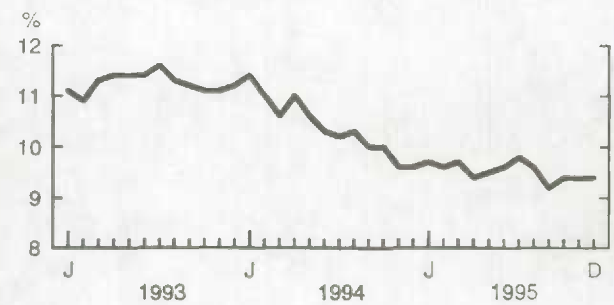
The composite index continued to rise in December, up 0.4% from the month before.

Consumer price index



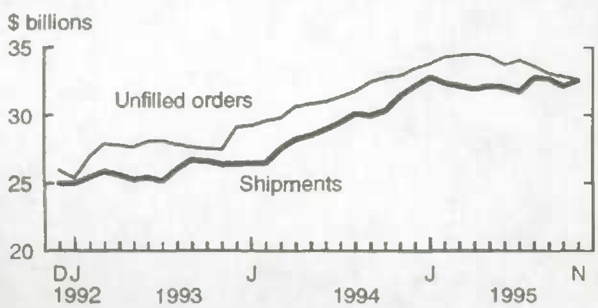
Consumers paid 2.1% more for goods and services in November 1995 than the year before. Food prices rose by 1.7%.

Unemployment rate



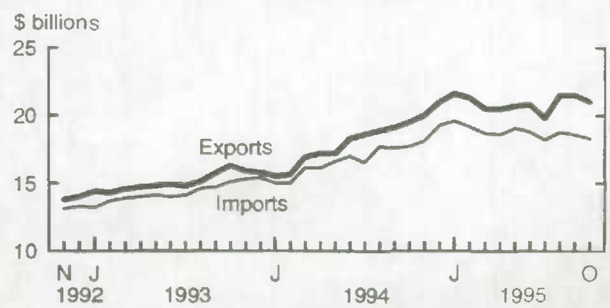
In December, for the third straight month, the unemployment rate remained unchanged at 9.4%.

Manufacturing



Manufacturers' shipments increased by 1.3% to $32.6 billion in November. The level of unfilled orders fell 0.6% to $32.6 billion.

Merchandise trade



The value of merchandise exports fell 2.5% to $21.0 billion in October. Imports fell 1.9% to $18.3 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	542.3	-0.3%	0.7%
Composite index (1981=100)	December*	172.9	0.4%	0.9%
Operating profits of enterprises ($ billion)	3rd quarter	25.0	3.2%	20.3%
DOMESTIC DEMAND				
Retail trade ($ billion)	October	17.7	-0.7%	0.8%
New motor vehicle sales ('000 units)	November*	96.4	0.5%	-8.7%
LABOUR				
Employment (millions)	December	13.6	0.4%	0.7%
Unemployment rate (%)	December	9.4	0.0†	-0.2†
Participation rate (%)	December	64.7	0.3†	-0.5†
Labour income ($ billion)	October	35.1	-0.2%	2.7%
Average weekly earnings ($)	October	574.49	0.0%	1.0%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	October	21.0	-2.5%	7.3%
Merchandise imports ($ billion)	October	18.3	-1.9%	3.3%
Merchandise trade balance (all figures in $ billion)	October	2.7	-0.2	0.8
MANUFACTURING				
Shipments ($ billion)	November*	32.6	1.3%	3.6%
New orders ($ billion)	November*	32.4	1.5%	2.4%
Unfilled orders ($ billion)	November*	32.6	-0.6%	-0.9%
Inventory/ shipments ratio	November*	1.40	-0.01	0.14
Capacity utilization (%)	3rd quarter	83.1	-0.3†	-1.4†
PRICES				
Consumer price index (1986=100)	November	134.1	0.2%	2.1%
Industrial product price index (1986=100)	November	129.5	0.3%	5.5%
Raw materials price index (1986=100)	November	126.8	1.8%	1.0%
New housing price index (1986=100)	November*	133.1	-0.3%	-2.1%

Note: *All series are seasonally adjusted with the exception of the price indexes.*
* *new this week*
† *percentage point*

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New from Statistics Canada

Canadian economic observer

January 1996

The January issue of *Canadian economic observer*, Statistics Canada's flagship publication for economic statistics, presents a monthly summary of the economy, the major current economic events in December, and a feature article on the changes in job tenure in Canada. 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 January 1996 issue of ***Canadian economic observer*** *(catalogue 11-010, $22/$220) is now available. For more information, call Dominique Pérusse at (613) 951-1789, Current Analysis Group. Internet: ceo@statcan.ca.*

Travel-log

Winter 1996

The feature article in the Winter 1996 issue of *Travel-log,* Statistics Canada's quarterly tourism newsletter, is "Travel between Canada and other countries: then and now". Other articles in this issue examine domestic travel expenditures (in 1994) and characteristics of international travellers (in the second quarter of 1995). And, for easy reference, an index of all articles published since 1993 is included.

Each quarter, *Travel-log* examines international travel trends and the travel price index. It also features the latest tourism indicators.

The winter 1996 (vol.15, no.1) issue of ***Travel-log*** *(catalogue 87-003, $12/$40) is now available. For further information, contact Monique Beyrouti at (613) 951-1673, fax: (613) 951-2909, Education, Culture and Tourism Division.*

Publications released from January 12 to 18, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription Canada (Cdn.$)	United States (US$)	Other countries (US$)
AGRICULTURE					
Cereals and oilseeds review	October 1995	22-007	15/144	18/173	21/202
BALANCE OF PAYMENTS					
Canada's international transactions in securities	October 1995	67-002	17/170	21/204	24/238
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Juristat: Police personnel and expenditures in Canada	1994	85-002	10/90	12/108	14/126
CURRENT ECONOMIC ANALYSIS					
Canadian economic observer	January 1996	11-010	22/220	27/264	31/308
EDUCATION, CULTURE AND TOURISM					
Travel-log	Winter 1996	87-003	12/40	15/48	17/56
HEALTH STATISTICS					
Nursing in Canada and nursing education programs					
Microfiche version	1994	83-2430XMB	25	30	35
Paper version	1994	83-2430XPB	32	39	45
HOUSEHOLD SURVEYS					
Household facilities by income and other characteristics	1995	13-218	35	42	49
The labour force	December 1995	71-001	23/230	28/276	33/322
INDUSTRY					
Canned and frozen fruits and vegetables	November 1995	32-011	6/60	8/72	9/84
Factory sales of electric storage batteries	November 1995	43-005	6/60	8/72	9/84
Industrial chemicals and synthetic resins	November 1995	46-002	6/60	8/72	9/84
New motor vehicle sales	August 1995	63-007	16/160	20/192	23/224
Oil pipeline transport	October 1995	55-001	11/110	14/132	16/154
Production and shipments of steel pipe and tubing	November 1995	41-011	6/60	8/72	9/84
Production, shipments and stocks on hand of sawmills east of the Rockies	October 1995	35-002	11/110	14/132	16/154
Production, shipments and stocks on hand of sawmills in British Columbia	October 1995	35-003	8/80	10/96	12/112
Pulpwood and wood residue statistics	November 1995	25-001	7/70	9/84	10/98
Retail trade	October 1995	63-005	20/200	24/240	28/280
Steel wire and specified wire products	November 1995	41-006	6/60	8/72	9/84
The sugar situation	November 1995	32-013	6/60	8/72	9/84
INTERNATIONAL TRADE					
Exports by commodity					
Microfiche version	October 1995	65-0040XMB	35/350	42/420	49/490
Paper version	October 1995	65-0040XPB	75/750	90/900	105/1,050
Imports by commodity					
Microfiche version	October 1995	65-0070XMB	35/350	42/420	49/490
Paper version	October 1995	65-0070XPB	75/750	90/900	105/1,050
INVESTMENT AND CAPITAL STOCK					
Building permits	November 1995	64-001	24/240	29/288	34/336
MICRO-ECONOMIC ANALYSIS					
Benefits and problems associated with technology adoption in Canadian manufacturing	1993	88-514E	39	47	55
NATIONAL ACCOUNTS AND ENVIRONMENT					
National economic and financial accounts	Third quarter 1995	13-001	42/140	51/168	59/196

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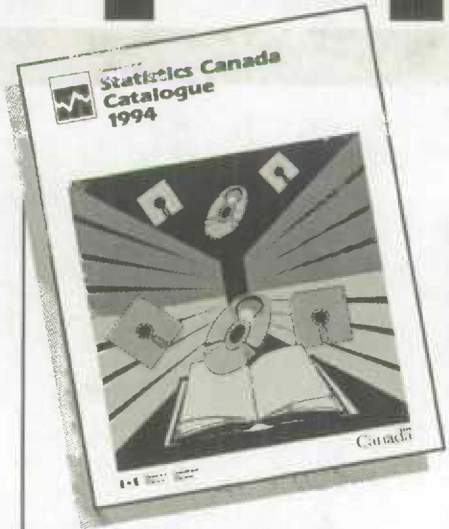

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