



Infomat

A Weekly Review

Friday, February 25, 2000

OVERVIEW

◆ Trade balance reaches highest level since 1996

Canada's trade balance reached almost \$34 billion in 1999, its highest level since 1996. In December, imports increased at a faster pace than exports, reducing the monthly trade balance.

◆ Composite index's growth eases

After reaching 0.8% in December, the growth of the leading index returned to 0.5% in January. Demand from firms was the driving force behind growth.

◆ Retailers end strong year with a bang

Retail sales advanced 2.0% in December. This strengthened the overall sales results of 1999, which were 5.8% higher than in 1998. Big-ticket items were in high demand last year.

◆ Wholesale sales advance at more than twice the pace of 1998

Wholesalers' sales advanced by 7.8% in 1999, more than double the 3.3% rate of increase recorded in 1998. The growth in 1999 was led by wholesalers of computers, packaged software and other electronic machinery.

◆ Monthly new motor vehicle sales pick up speed

New motor vehicle sales rose 8.5% in December, the largest monthly increase since December 1997. For 1999 as a whole, dealers sold 1,542,055 vehicles, a number approaching the all-time record in 1988.

◆ Firm size and business experience affect failure rates

At least half of new companies in Canada go out of business before their third anniversary—and only one-fifth of them survive a decade. A firm's size and its business experience have a strong impact on a company's chance for success.

Trade balance reaches highest level since 1996

Canada's annual trade balance with the rest of the world reached almost \$34 billion in 1999, its highest level since 1996, when it stood at \$42 billion.

For 1999 as a whole, the value of exported goods totalled \$360.6 billion, up 11.9% from the previous year. The increased domestic capacity in the auto industry and high demand for Canadian-built models in the United States explained half of this annual growth. The second biggest contributor was television and telecommunications equipment. Exports increased last year at almost twice the pace of imports, which rose 7.7% to \$326.7 billion.

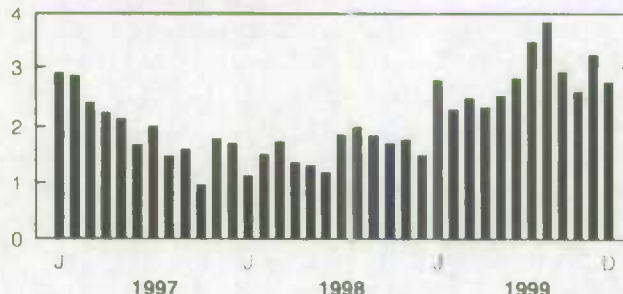
However, in December, imports increased at a faster pace than exports, reducing the monthly trade balance to \$2.7 billion, compared with a revised \$3.2 billion in November. Imports rose in December by 3.2% to \$29.2 billion, while exports climbed 1.4% to \$31.9 billion, their third consecutive monthly increase.

Imports in December were up in all sectors except energy products, which remained unchanged. An increase in crude oil imports was completely offset by sharp drops in jet fuel and coal imports.

Imports of automotive products were up slightly, due chiefly to a 7.5% increase in imports of parts. Imports of machinery and equipment rose 2.3% on strong imports of computer parts, semi-

Merchandise trade balance

\$ billions, seasonally adjusted

*(continued on page 2)*

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... Trade balance reaches highest level since 1996

conductors and control instruments. These were offset by a sharp drop in aircraft imports. Imports of automotive hardware, plastic and inorganic products as well as Italian ceramics drove up imports in the industrial goods sector (+5.0%). After dropping sharply in November, imports of agriculture and fishing products rose 3.0%, owing to revived coffee imports and higher imports of fresh fruits and vegetables, as well as alcohol due to millennium celebrations.

The increase in exports in December was mainly due to robust sales of trucks, automobiles, plastics and crude oil to the United

Merchandise trade, 1999

Seasonally adjusted

	\$ millions	% change, previous year
Total exports	360,599	11.9
Agricultural and fishing products	25,613	1.9
Energy products	30,310	26.8
Forestry products	38,902	10.6
Industrial goods and materials	56,942	-0.9
Machinery and equipment	84,960	7.8
Automotive products	96,143	24.2
Other consumer goods	13,591	9.4
Special transactions trade ¹	7,883	41.7
Other balance of payments adjustments	6,257	-1.7
Total imports	326,661	7.7
Agricultural and fishing products	17,637	2.2
Energy products	10,647	22.7
Forestry products	2,741	9.7
Industrial goods and materials	62,142	3.1
Machinery and equipment	108,231	6.8
Automotive products	75,902	13.7
Other consumer goods	36,963	6.9
Special transactions trade ¹	6,217	-1.3
Other balance of payments adjustments	6,181	7.8

¹ Mainly, these are mainly low-valued transactions, value of repairs to equipment, and goods returned to country of origin.

Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.

States, as well as forestry product exports to Asia. The increase was tempered somewhat as exports of nuclear and aeronautic technology returned to more normal levels.

Record vehicle sales in the United States helped drive up Canadian truck exports, which rose 6.8% in December to stand 20.6% higher than in December 1998. More modest export gains were posted in December for automobiles (+1.9%) and auto parts (+0.1%). In the industrial goods sector (+2.7%), Japan's economic recovery strengthened the demand for copper, while the strong U.S. economy buoyed Canadian exports of semi-finished iron products and plastics south of the border.

Forestry product exports rose for a fourth consecutive month in December (+3.4%). Higher pulp exports to Japan were volume-driven in conjunction with a slight price recovery. Virtually all the increase in lumber exports went to Japan. Energy exports also rose, owing to the recovery of petroleum and coal product exports. That increase was also volume-driven, due to stockpiling by U.S. refiners in anticipation of possible Y2K problems. Natural gas exports continued their downward trend. However, they were 30.9% above their level in December 1998, mainly because of higher prices.

Available on CANSIM: matrices 3618, 3619, 3651, 3685-3699, 3701-3711, 3713, 3720, 3887-3913, 8430-8435 and 8438-8447.

The December 1999 issue of Canadian international merchandise trade (print: 65-001-XPB, \$19/\$188; online at www.statcan.ca: 65-001-X1B, \$14/\$141) will be available shortly. The publication will include tables by commodity and country. Current account data are available quarterly in Canada's balance of international payments (67-001-XPB, \$38/\$124). For more information, contact Jocelyne Elibani (613-951-9647; 1 800 294-5583), International Trade Division. See also "Current trends" on page 9.)

Composite index's growth eases

Demand from firms was the driving force behind the latest growth of the leading index, which returned to 0.5% in January. That marked an easing from December's 0.8% growth, which was temporarily boosted by preparations for the arrival of the year 2000. The growth rate is equal to its average for all of last year.

The expansion of business spending, notably investment, was most evident in a fourth straight upturn in new orders for durable goods and in business services jobs. Stock markets levelled off after a surge at the end of 1999, although several technology-related sectors remained bullish.

Household demand lost some of its vigour. Housing posted a fourth consecutive decline, with multiple-housing starts slumping as the number of completed but unsold units increased. Furniture and appliance sales fell in tandem, their first setback since June 1996. Demand for durable goods rose a modest 0.5%, half its rate of increase two months earlier.

Note to readers

The business leading indicators for Canada were all revised back to 1952. This article uses these revised data. The revisions were due to a new base year (1992) and to the incorporation of historical revisions to the source data. There were no conceptual changes made to the system of leading indicators, however.

The growth of the U.S. leading indicator picked up, led by renewed strength in manufacturing demand. As well, the labour, housing and financial markets all continued to improve, which is encouraging for continued growth in Canadian exports.

Available on CANSIM: matrix 193.

The February 2000 issue of Canadian economic observer (11-010-XPB, \$23/\$227) is now available. For further information, contact Francine Roy (613-951-3627), Current Economic Analysis Group. See also "Current trends" on page 9.

Retailers end strong year with a bang

Retailers ended a strong year with a bang as their sales advanced 2.0% in December. This strengthened the overall sales results of 1999, which were 5.8% higher than in 1998. In December, retailers sold \$22.5 billion worth of goods and services, for a total of \$260.4 billion in 1999.

In December, for a second consecutive month, retailers in the automotive trade group led the way, with a 3.7% gain, following an equally impressive advance in November. Concern over Y2K problems as well as millennium festivities may have helped food stores, which posted December's second largest increase (+2.1%). Sales increased in all provinces except Newfoundland (-0.2%). British Columbia posted the largest gain (+3.8%), followed by the three Prairie provinces.

The 5.8% increase in retail trade in 1999 was the third best result of the decade, after the strong performances of 1994 (+7.0%) and 1997 (+7.6%). In 1998, sales rose 3.6%. Higher prices made up about a third of the annual sales gain last year, whereas, in 1998, prices remained essentially unchanged. Consumer credit continued to be a major stimulant for retail sales in 1999.

Retail sales rose in all trade groups last year. For the second consecutive year, furniture stores (+9.1%), which offer many credit incentives, posted the largest year-over-year sales growth. After a disappointing year in 1998, retailers in the automotive group enjoyed a sales gain in 1999 of 7.5%. The increase in used vehicle sales was more than twice the gain for new vehicles.

Even with the restructuring in their trade group, general merchandise stores posted a 7.1% increase in sales last year. They gained market share in clothing, shoes, and health and personal care products from more specialized retailers. Sales of stores in the "other retail" category rose 6.4%, owing to robust sales by liquor, wine and beer stores (+11.4%).

Sales in drugstores were up 3.8% compared with 1998, but these stores continued to lose market share in their main product lines. Clothing stores posted a 3.1% increase in sales, led by retailers in the "other clothing stores" category, which includes family clothing. A 2.4% sales gain posted by food stores was partly due to higher sales of non-food items.

All provinces and territories saw higher retail sales in 1999, but the sales increases were much larger in Central and Eastern Canada. Retailers in Ontario enjoyed a record year, posting their best sales increase (+7.8%) of the decade. Sales gains in furniture stores and in the automotive category reached levels greater than

Note to readers

In order to present a provincial analysis by sector, all annual comparisons in this article use the sum of unadjusted estimates. As usual, the rest of the analysis is based on seasonally adjusted estimates.

Retail sales by sector

	1998	1999	1998 to 1999
	\$ millions		% change
Total, all stores	246,161	260,426	5.8
Furniture	12,536	13,672	9.1
Automotive	94,501	101,628	7.5
General merchandise	27,956	29,950	7.1
Other	26,643	28,353	6.4
Drug	12,944	13,431	3.8
Clothing	13,917	14,344	3.1
Food	57,664	59,048	2.4

10.0%. In Quebec, retail sales advanced 6.0%, led by automotive and furniture retailers.

Overall, consumers in Atlantic Canada increased spending last year by 7.0%. Prince Edward Island (+10.5%) had the strongest provincial performance. The arrival of several new retailers in the province may have helped to keep consumers on the island.

In the Prairie provinces, weak sales in the automotive group held the overall gain in retail sales in 1999 to 3.7%. A reinvigorated oil industry may have fuelled the recent retail sales gains in Alberta (+4.5%), while low grain prices limited consumer spending in Manitoba (+3.0%) and Saskatchewan (+1.5%). Retailers in British Columbia, following a 2.0% decline in 1998, saw their sales rise 1.8%. Consumers stayed away from auto dealers' showrooms in 1999, as retail sales in the automotive trade group remained virtually unchanged. The retail industry in that province has been gaining strength since the fall of 1998.

Available on CANSIM: 2399 and 2400 (main matrices), 2299, 2397, 2398, 2401 to 2416 and 2418 to 2420.

The December 1999 issue of Retail Trade (print: 63-005-XPB, \$21 /\$206; online at www.statcan.ca: 63-005-XIB, \$16 /\$155) will be available shortly. For further information, contact Client Services (613-951-3549; retailinfo@statcan.ca). For analytical information, contact Paul Gratton (613-951-3541; gratpau@statcan.ca), Distributive Trades Division.

Wholesale sales advance at more than twice the pace of 1998

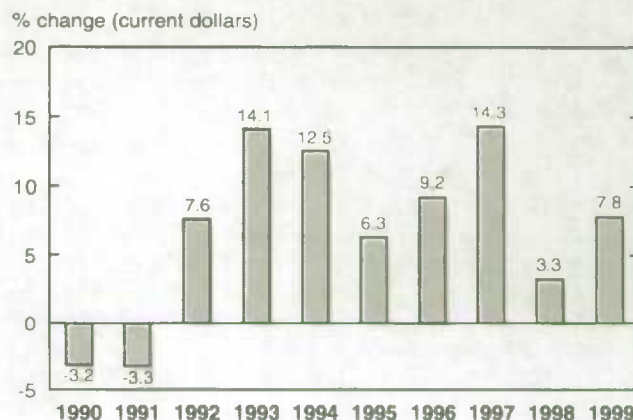
Wholesalers' sales totalled \$361.2 billion in 1999, up 7.8% from 1998. This was more than double the 3.3% rate of increase recorded in 1998. However, the sales gain in 1999 was smaller than the sizeable increases observed since the 1990-91 recession.

The growth of wholesale trade in 1999 was led by wholesalers of computers, packaged software and other electronic machinery. Their sales rose 15.3%, despite a decline in the value of sales in the fourth quarter (-2.0%). Right behind were wholesalers of motor vehicles, parts and accessories (+15.1%) and those selling lumber and building materials (+14.4%). Wholesalers of motor vehicles, parts and accessories had a very busy year last year as an intermediary between the highly charged manufacturing and retail trade sectors. In the case of wholesalers of lumber and building materials, rising prices for lumber and other forestry products contributed to the recovery of their sales.

By contrast, wholesale sales in the agricultural sector continued to slide in 1999. Despite increased sales in the first and fourth quarters, wholesalers of farm machinery, equipment and supplies saw their sales fall for the year as a whole by 11.3%. This fell considerably short of the result in 1998, when sales had declined 1.0%.

Wholesalers in the Atlantic provinces, Quebec and Ontario fared quite well in 1999. Except for Prince Edward Island, where sales rose 3.6%, the other provinces all had increases far above the national average of 7.8%. In Western Canada, however, sales

Annual variation in wholesale sales



declined in Saskatchewan (-1.7%) and were well below the national average in Manitoba, Alberta and British Columbia.

In December, wholesale sales crept up 0.2% from November to \$31.3 billion. Wholesalers of lumber and building materials posted the strongest increase (+2.7%), with sales advancing for a third straight month. Notable advances were also made by wholesalers of food products (+2.0%) and wholesalers of industrial and other machinery (+1.3%).

For a second consecutive month, wholesalers of farm machinery, equipment and supplies posted the steepest decline (-5.1%), followed by wholesalers of apparel and dry goods (-5.0%). Though an infrequent occurrence, wholesalers of computers, packaged software and other electronic machinery saw their sales decline in December (-2.2%) for a second consecutive month. For wholesalers in the automotive trade group, a 0.9% sales decline was the first in six months.

The value of wholesalers' inventories grew 1.6% in December to \$42.8 billion. Notable increases occurred in inventory in the automotive trade group and among those selling industrial and other machinery, equipment and supplies. The inventory-to-sales ratio increased to 1.37 in December, up from 1.35 in both October and November.

Available on CANSIM: matrices 59, 61, 648 and 649.

The December 1999 issue of *Wholesale trade* (online at www.statcan.ca; 63-008-XIB, \$14/\$140) will be available shortly. To order data, or for general information, contact Client Services (613-951-3549 or 1 877 421-3067; wholesaleinfo@statcan.ca). For analytical information, contact Louise G  n  reux (613-951-3549), Distributive Trades Division.

Annual variation in wholesale sales, by trade group

	1997 to 1998	1998 to 1999
	% change	
All trade groups	3.3	7.8
Computers, packaged software and other	10.5	15.3
Motor vehicles, parts and accessories	2.3	15.1
Lumber and building materials	-0.8	14.4
Food products	3.8	8.0
Industrial and other machinery, equipment	2.2	6.6
Metals, hardware, plumbing and heating	6.1	4.6
Beverage, drug and tobacco products	6.9	3.0
Household goods	6.0	2.9
Other products	0.2	0.6
Apparel and dry goods	6.1	0.6
Farm machinery, equipment and supplies	-1.0	-11.3

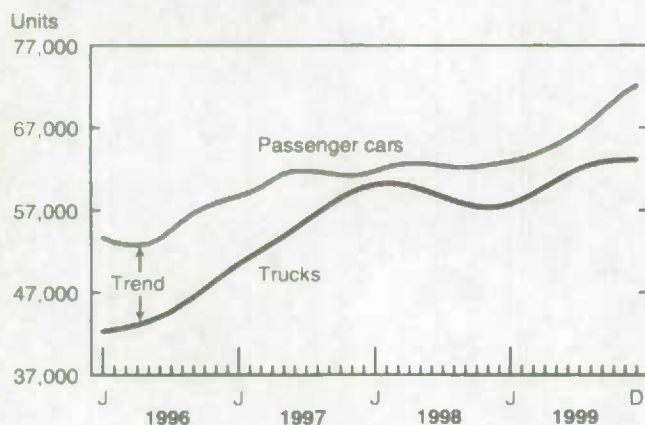
Monthly new motor vehicle sales pick up speed

In December, sales by new motor vehicle dealers rose 8.5%. This was the largest monthly increase since December 1997, when sales climbed 20%. A total of 144,006 units were sold in December, slightly lower than the record number sold in December 1997. New cars and new trucks both posted sales increases from November to December. However, the sales gain for cars (+11.1%) was twice that for trucks (+5.5%).

For 1999 as a whole, annual sales were close to a record high. In all, dealers sold 1,542,055 new vehicles, up 7.9% compared with 1998. This number is near the all-time record in 1988, when 1,563,839 vehicles were sold. Both cars and trucks contributed to the 1999 increase, with the number of units sold advancing from 1998 by 8.9% and 6.9% respectively.

While truck sales have generally been increasing since the start of 1999, the sales gains have been slowing since last summer. This slowing is due to various factors. One is the rise in gasoline prices since the spring of 1999. Another is the drop in grain prices, which has affected the economy of Western Canada, where trucks are more popular. Sales of new cars have been on the rise since the fall of 1998.

Truck and passenger car sales



Note to readers

Cars include those used for personal and commercial purposes such as taxis or rental cars. Trucks include minivans, sport-utility vehicles, light and heavy trucks, vans, coaches and buses.

North American-built vehicles include those manufactured or assembled in Canada, the United States or Mexico. All other new vehicles are considered to have been made overseas.

For reasons of confidentiality, data for the Yukon, the Northwest Territories and Nunavut have been included with British Columbia.

Annual sales were more robust in the Eastern provinces in 1999. Compared with 1998, the number of new vehicles sold in Newfoundland, New Brunswick and Ontario rose by at least 10.0%. All other provinces posted increases below the national average of 7.9%. Dealers sold few vehicles in Saskatchewan (-3.6%) and Alberta (-1.6%). These annual sales declines were attributed to the decrease in the number of new trucks sold in 1999.

Consumers in the Prairie provinces continued to opt most frequently for trucks over cars. Truck sales ranged from 58.2% of total sales in Manitoba to 63.2% in Alberta. By contrast, the lowest proportion of truck sales was in Quebec, where they represented only 37.9% of all new vehicle sales.

Even though more cars than trucks were sold in 1999, trucks accounted for 58.0% of the \$45.2 billion in new vehicle sales revenue. This is because their average selling price is higher than for cars. Revenue from sales of new trucks increased 13.2% on a year-over-year basis, compared with 11.5% for cars.

Available on CANSIM: matrix 64.

The December 1999 issue of *New motor vehicle sales* (online at www.statcan.ca: 63-007-X1B, \$13/\$124) will be available shortly. To order data, or for general information, contact Client Services (613-951-3549; 1 877 421-3067; retailinfo@statcan.ca), Distributive Trades Division. For analytical information, contact Cl  rance Kimanyi (613-951-6363; kimacle@statcan.ca), Distributive Trades Division.

Firm size and business experience affect failure rates

At least half of new companies in Canada go out of business before their third anniversary—and only one-fifth of them survive a decade. Roughly one out of four new firms (23%) will not make it past their first birthday. Moreover, new businesses have short lives, about six years on average.

A firm's size characteristics are the most telling predictor of its success. First-year businesses that are among the very smallest (when their size in terms of employees is measured in relation to the average start-up size in their industry) are 11% more likely to fail than first-year firms that are among the very largest. In general, larger firms make more substantial investments to start businesses, and are better prepared to solve problems.

Note to readers

This article is based on a new analytical study titled "Failure rates for new Canadian firms: New perspectives on entry and exit". It is the fourth in a series that investigates dynamic changes in key sectors of the economy. This study examined 1.3 million commercial enterprises with employees that began operations between 1984 and 1994. It analyzes differences in failure rates across several variables, such as a firm's province or industry of origin. It examines the role that firm size plays in determining success or failure, along with factors that relate to the intensity of competition. The study also looks at how the determinants of failure differ across new firms at different stages of their life cycle.

(continued on page 6)

... Firm size and business experience affect failure rates

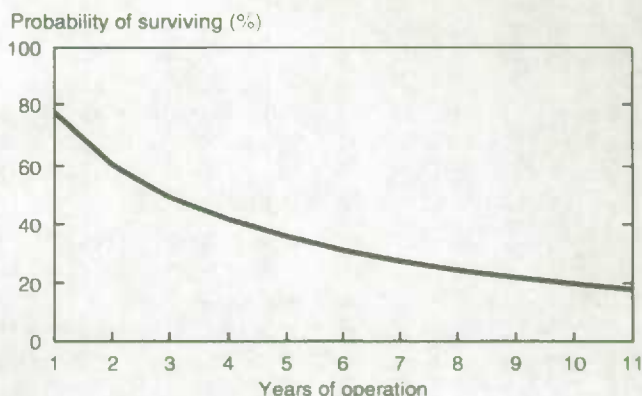
The chances of a new firm succeeding increase as it ages and acquires market experience. Older, mature companies are about 12% less likely to fail than young, inexperienced companies. This suggests a strong learning-by-doing component to survival.

Competitive forces within an industry also influence failure rates, but to a lesser extent. In the goods-producing sector, new firms in manufacturing and mining have among the highest overall survival rates. For example, first-year firms in manufacturing have only a 21% chance of failing in their first year, while the rate in mining is 23%. In the services sector, new firms in wholesale trade, real estate and business services fare relatively well, with first-year failure rates of 18%, 19% and 19%, respectively. By contrast, first-year firms in communications have a failure rate of 28%. Notably, among five-year-old firms, the chance of failing in year five is basically the same in all industries.

After controlling for other factors, there are sharp differences in failure rates across provinces for the very youngest new firms. Generally, new firms in Ontario, British Columbia, Quebec and Alberta fare better than new firms in the other provinces. In these four provinces, between 20% and 25% of firms will go under in their first year, compared with roughly 35% of new companies in the Atlantic provinces. A different pattern emerges for firms that survive their early years. Regardless of the province in which they are located, five-year-old firms have a uniform 1 in 10 chance of failing during that year.

New firms were slightly better off in the eighties than in the early nineties. Gross domestic product grew more strongly during the mid-to-late 1980s than it did during the early 1990s. New

Chances of staying in business, new commercial firms born between 1984 and 1994



firms during the 1984-89 period had a slightly lower failure rate (25%) than did new firms in the 1990-94 period (30%). A strong economy keeps more new firms afloat, whereas a weaker economy does not.

*The analytical study titled **Failure rates for new Canadian firms: New perspectives on entry and exit** (print: 61-526-XPE, \$35; online at www.statcan.ca: 61-526-XIE, \$26) is now available. For further information, contact Guy Gellatly (613-951-3758), Micro-economic Analysis Division.*

New from Statistics Canada



Canadian economic observer February 2000

The February issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyzes current economic conditions, summarizes the major economic events that occurred in January and presents two feature articles. One feature examines women's and men's earnings, while the other presents part two of a look at the labour market in the 1990s.

A separate 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 February 2000 issue of Canadian economic observer (11-010-XPB, \$23/\$227) is now available. For further information, contact Cyndi Bloskie (613-951-3634; ceo@statcan.ca), Current Economic Analysis Group.

An integrated series of income data 1989 to 1997

A new report integrates several of Statistics Canada's most important income data series. The integrated data are from the Survey of Consumer Finances (up to and including the 1995 reference year) and from the Survey of Labour Income Dynamics (1996 onward). The data from the two surveys line up well and tell essentially the same story.

This new report, Bridging two surveys: An integrated series of income data from SCF and SLID, 1989-1997 (75F0002MIE), is available free on Statistics Canada's Web site (www.statcan.ca). The menu path is "Products and services", "Downloadable research papers", "Income, expenditures, pensions, assets and debts" and finally "Income". For further information, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division.

Education indicators in Canada

Education indicators in Canada is a new report of the Pan-Canadian Education Indicators Program (PCEIP), a joint initiative of Statistics Canada and the Council of Ministers of Education, Canada.

This report provides a comprehensive set of statistical measures, or indicators, describing the education systems in Canada. It includes data from the 10 provinces, the Yukon and the Northwest Territories. The data were chosen on the basis of two criteria: the type of education information needed for policy development, and the practical availability of data.

Education indicators in Canada (81-582-XIE, no charge) is now available online at www.statcan.ca. A print copy can also be ordered (81-582-XPE, \$20). The electronic version is also available on the Council of Ministers of Education Web site (www.cmec.ca). For further information, contact Client Services (613-951-1503; educationstats@statcan.ca), Centre for Education Statistics.

New from Statistics Canada

Labour force historical review on CD-ROM 1999

The 1999 *Labour force historical review on CD-ROM* is an easy-to-use tool that lets you discover labour market patterns or trends in seconds. This comprehensive database contains thousands of data series from the Labour Force Survey. The data are cross-classified and span the years from 1976 to 1999. Monthly and annual averages are available on a wide range of subjects, including labour force status by demographic, education and family characteristics; trends in the labour markets of metropolitan cities and economic regions; and industry and occupation estimates.

This year's CD includes the new, revised estimates released on February 1, 2000. This revision reflects population counts based on the 1996 Census and a new method of estimation. All Labour Force Survey historical estimates have been revised back to 1976.

The 1999 *Labour force historical review on CD-ROM* (71F0004XCB, \$195) is now available. LAN and bulk prices are available upon request. To order, contact your nearest Statistics Canada Regional Reference Centre or send an e-mail to order@statcan.ca. For more information, contact Marc Lévesque (613-951-2793), or refer to Statistics Canada's Web site (www.statcan.ca).

Failure rates for new Canadian firms 1984 to 1994

New firms play a key role in shaping economic change. They are a source of dynamism, and they offer consumers innovative goods and services, often by developing new market niches or by refining existing markets.

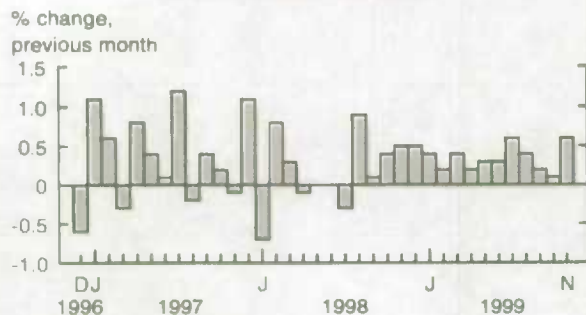
Failure rates for new Canadian firms: New perspectives on entry and exit investigates factors that determine success and failure in young businesses. Focussing on commercial enterprises with employees that began operations between 1984 and 1994, it analyzes differences in failure rates across several variables, such as a firm's province or industry of origin. The study examines the role that firm size plays in determining success or failure, along with factors relating to the intensity of competition. It also looks at how the determinants of failure differ across new firms at various stages of their life cycle.

Failure rates for new Canadian firms: New perspectives on entry and exit (print: 61-526-XPE, \$35; online at www.statcan.ca: 61-526-XIE, \$26) is now available. For more information, contact Guy Gellatly (613-951-3758), Micro-economic Analysis Division.



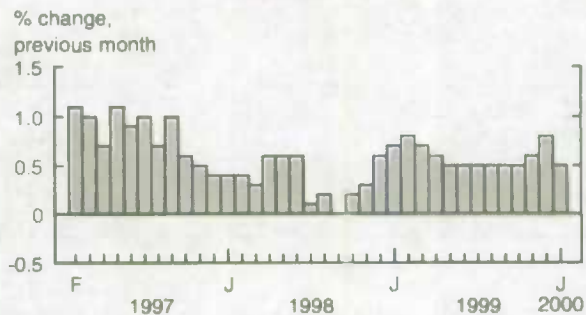
Current trends

Gross domestic product



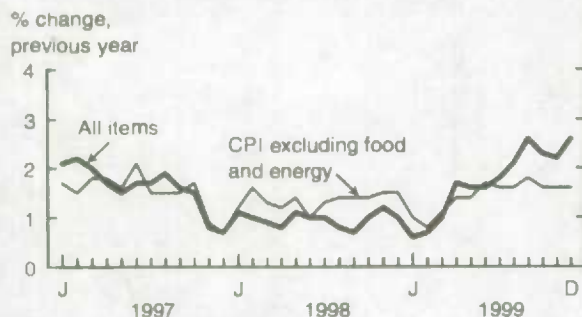
Economic activity advanced 0.6% in November. This extended the expansion to 16 months, continuing the longest uninterrupted series of gains in over a decade.

Composite Index



In January, the growth of the leading indicator returned to 0.5% after reaching 0.8% in December on the heels of preparations for the arrival of the year 2000.

Consumer Price Index



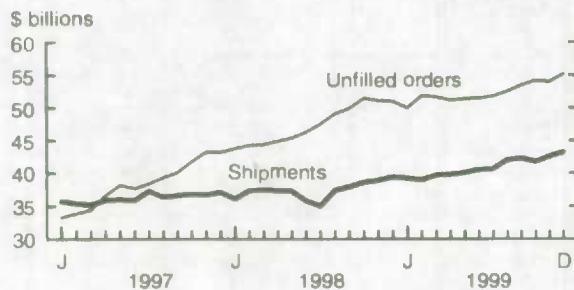
Consumer prices for goods and services were 2.6% higher in December 1999 than they were a year earlier. Excluding food and energy, prices rose 1.6%.

Unemployment rate



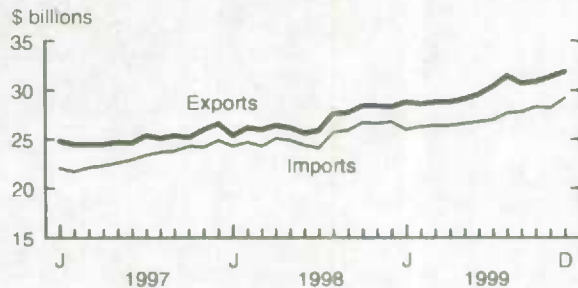
In January, the unemployment rate remained unchanged at December's downward revised 6.8%, the lowest since April 1976.

Manufacturing



Manufacturers' shipments climbed 1.3% in December to \$43.2 billion. The backlog of unfilled orders increased 2.2% to \$55.2 billion after slipping in November.

Merchandise trade



In December, the value of merchandise exports rose 1.4% from November to \$31.9 billion. Imports jumped 3.2% to \$29.2 billion.

Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1992)	November	760.9	0.6%	4.3%
Composite Index (1992=100)	January*	156.7	0.5%	7.2%
Operating profits of enterprises (\$ billion)	Q3 1999	39.8	7.6%	30.5%
Capacity utilization (%)	Q3 1999	86.0	1.8†	3.6†
DOMESTIC DEMAND				
Retail trade (\$ billion)	December*	22.3	2.0%	8.8%
Department store sales (\$ billions)	December*	1.43	0.8%	0.1%
New motor vehicle sales (thousand of units)	December	144.0	8.5%	21.9%
Wholesale trade (\$ billion)	December*	31.3	0.2%	9.8%
LABOUR				
Employment (millions)	January	14.79	0.3%	2.8%
Unemployment rate (%)	January	6.8	0.0†	-1.1†
Participation rate (%)	January	65.7	0.1†	0.1†
Average weekly earnings (\$)	November	616.04	0.4%	1.5%
Help-wanted Index (1996=100)	January	168	2.4%	13.5%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	December*	31.9	1.4%	12.9%
Merchandise imports (\$ billion)	December*	29.2	3.2%	8.9%
Merchandise trade balance (all figures in \$ billion)	December*	2.7	-0.5	1.3
MANUFACTURING				
Shipments (\$ billion)	December	43.2	1.3%	9.7%
New orders (\$ billion)	December	44.4	4.8%	13.1%
Unfilled orders (\$ billion)	December	55.2	2.2%	8.2%
Inventory/shipments ratio	December	1.29	-0.01	-0.01
PRICES				
Consumer Price Index (1992=100)	December	111.5	0.1%	2.6%
Industrial Product Price Index (1992=100)	December	124.1	0.6%	3.9%
Raw Materials Price Index (1992=100)	December	134.0	3.6%	33.9%
New Housing Price Index (1992=100)	December	102.0	0.2%	1.7%

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

* new this week

† percentage point

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13	14	15 Consumer price index, February 2000	16 Monthly survey of manufacturing, January 2000	17 New motor vehicle sales, January 2000 Travel between Canada and other countries, January 2000
20	21 Canadian international merchandise trade, January 2000 Wholesale trade, January 2000	22 Composite index, February 2000	23 Retail trade, January 2000 Canada's international transactions in securities, January 2000	24
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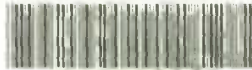
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