



# The Daily

Statistics Canada

Tuesday, March 20, 1990

For release at 10:00 a.m.

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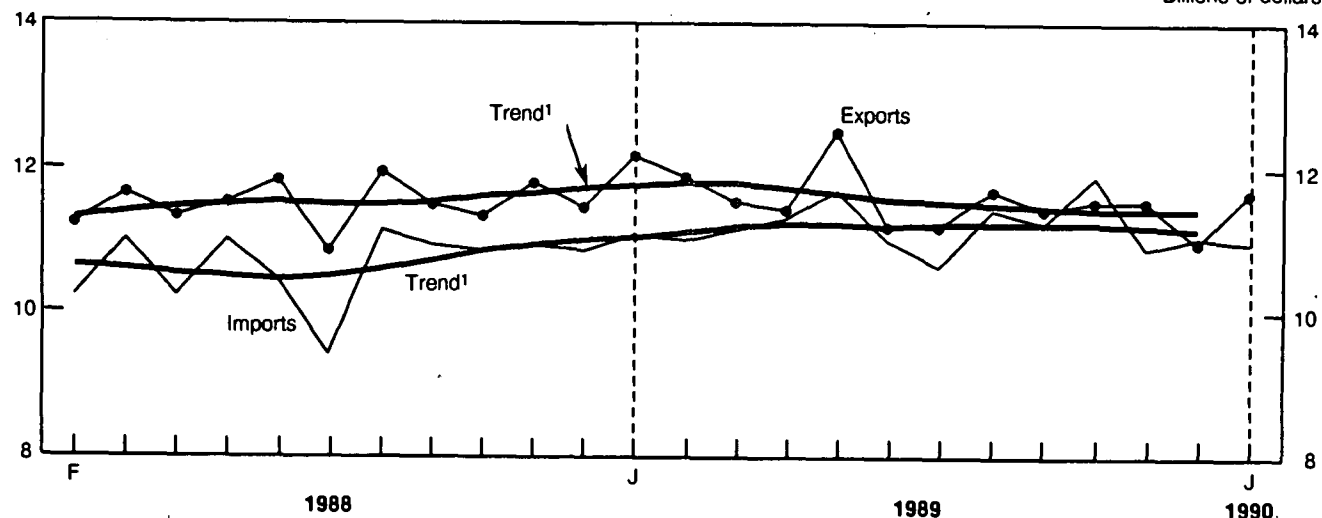
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**Merchandise Trade**  
(Seasonally Adjusted)  
Balance of Payments Basis

Billions of dollars

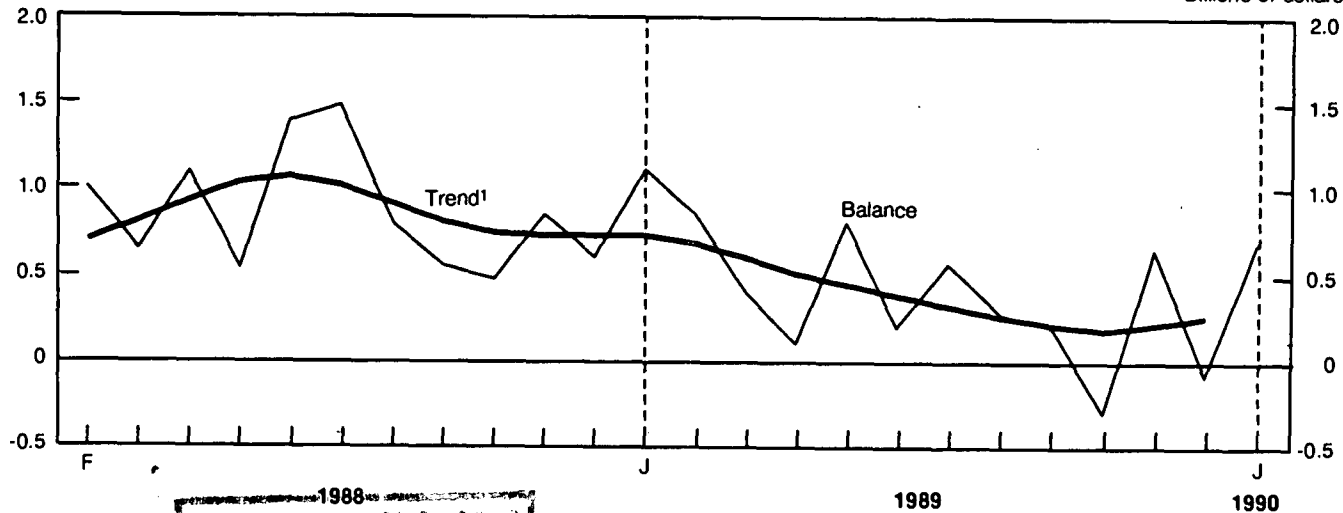
Billions of dollars



**Merchandise Trade Balance**  
(Seasonally Adjusted)  
Balance of Payments Basis

Billions of dollars

Billions of dollars



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

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## **Preliminary Statement of Canadian International Merchandise Trade (H.S. Based)**

January 1990

According to merchandise trade statistics, exports in January totalled \$11.6 billion, an increase of 6.1% over the previous month despite the poor performance observed in the automotive sector. Exports had fallen 4.9% in December, following a 0.1% decrease in November. Exports to the United States alone jumped \$516 million in January, after a decline of \$324 million in December. Wheat exports rose \$118 million, to \$416 million.

Imports fell 0.8% to \$11.0 billion in January, after recording an increase of 1.5% in December and a decrease of 8.1% in November. Following a climb of \$489 million in December, imports from the United States fell \$472 million in January. This decline coincided with the low level of vehicle production in January, when several North American plants closed temporarily.

Canada's trade balance in January posted a \$671 million surplus, a reversal of \$762 million from the \$91 million deficit registered in December. The \$1.2 billion surplus with the United States contributed the most to this turnaround in January. The surplus with the United States in December, on the other hand, had totalled only \$208 million, its lowest level in the past eight years.

The balance of trade for automotive products was \$246 million in 1989, a reversal compared to the \$1.4 billion trade deficit recorded in 1988.

**Available on CANSIM: matrices 3633-3642, 3651, 3685-3713, 3718, 3719 and 3887-3913.**

For further information on international trade statistics (detailed tables, charts and a more complete analysis) order *Preliminary Statement of Canadian International Trade (H.S. Based)* (65-001P, \$10.00/\$100), now available. See "How to Order Publications".

For further information on statistics, concepts and definitions, order the January 1990 issue of *Summary of Canadian International Trade (H.S. Based)* (65-001, \$17.30/\$173), available the first week of April. For further information on this release, contact Gordon Blaney (613-951-9647), Trade Information Unit, or

### **Note to Users of International Trade Statistics:**

*In July 1987, Statistics Canada, Revenue Canada Customs and Excise, the United States Bureau of the Census, and the United States Customs Service signed a Memorandum of Understanding concerning the exchange of import data.*

*Starting with January 1990 data, Statistics Canada will no longer publish export statistics to the United States based on Canadian export documents. Instead, Statistics Canada will rely upon import statistics from Canada compiled by the United States Bureau of the Census. Likewise, the United States will also be replacing their exports to Canada data with American imports into Canada statistics, compiled by Statistics Canada.*

Jean-Pierre Simard (613-951-1711) (for analysis information), or Denis Pilon (613-951-4808) (for price index information), or René Piché (613-951-9790) (for trade in automotive products information), Trade Measures and Analysis Section, International Trade Division.

Current account data which incorporates merchandise trade statistics, as well as data concerning trade in services and capital account movements, are available on a quarterly basis in *Canada's Balance of International Payments* (67-001).

**Starting with the publication of January 1990 data today, the Preliminary Statement of Canadian International Trade will be available at 8:30 a.m. (E.S.T.) instead of 7:00 a.m. This change synchronizes release times in both Canada and the United States.**

Additional details of the implications of this agreement will be included in the January 1990 issues of publications Cat. 65-001P *Preliminary Statement of Canadian International Trade*, Cat. 65-001 *Summary of Canadian International Trade*, Cat. 65-004 *Exports by Commodity*, Cat. 65-007 *Imports by Commodity*, and the January to March issues of publications Cat. 65-003 *Exports by Country* and Cat. 65-006 *Imports by Country*.

Further information can be obtained from the Trade Information Unit, International Trade Division, Statistics Canada, 9th Floor, Jean Talon Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6 (613 951-9647). ■

## Monthly Survey of Manufacturing

January 1990

### Seasonally Adjusted

Manufacturers' shipments dropped 5.0% in January 1990. This was mainly due to temporary plant closings in the motor vehicle industry, which accounted for most of the 24.5% drop in transportation equipment industries. Manufacturing industries excluding the transportation sector were down 0.6%, the fourth decrease in a row. With the large decline in total shipments, and a 0.8% increase in inventories, the inventory-to-shipments ratio jumped from 1.55 to 1.64. New orders dropped for the third consecutive month. Unfilled orders rose slightly, as shipments decreased more than new orders.

The short-term trend for shipments has declined for four months in a row. The rate of decline is similar to that experienced in the first few months of the 1986 slowdown in manufacturing shipments. The trend for inventories declined slowly for the four months up to November and remained at the same level in December.

The trend for new orders has been declining more rapidly each month since October 1989. Minimal growth in the unfilled orders trend in recent months has diminished to no change in the latest month.

### Highlights

- Preliminary estimates indicate that Canadian manufacturers' **shipments** were \$23.5 billion in January, a drop of 5.0% from the previous month. This was due mainly to temporary plant closings in the motor vehicle industry, which accounted for most of the 24.5% drop in transportation equipment industries. The trend has been falling at a slightly faster rate since September 1989.
- January **inventories** (owned) increased 0.8% to \$38.6 billion. This was the first increase in six months. Transportation equipment and paper and allied products industries contributed most to the increase. The trend declined slowly for the four months up to November and remained at the same level in December.
- The **inventories-to-shipments ratio** jumped from 1.56:1 in December to 1.64:1 in January, mainly reflecting the sharp decrease in shipments,

notably in transportation equipment industries. After being stable at 1.55:1 between January and November 1989, the trend increased slightly to 1.56:1 in December.

- **Unfilled orders** increased 0.2% to \$30.7 billion in January. The main contribution to the increase in unfilled orders came from transportation equipment industries, which increased by 2.1%, mainly in the aircraft industry. The trend, which had been increasing slightly between September and November 1989, showed no growth for the most recent month.

Unfilled orders are a backlog or stock of orders which will generate future shipments, assuming that orders are not cancelled.

New orders, on the other hand, represent current demand for manufactured products. They are defined to include shipments for the current month (i.e. orders received this month and shipped within the same month) and the change in unfilled orders.

- **New orders** dropped for the third consecutive month, falling 2.5% in January to \$23.5 billion. After reaching a peak in September 1989, the trend has fallen more rapidly each month.

### Year-to-date

- Manufacturers' shipments for January 1990 were estimated at \$23.5 billion, 4.1% lower than the January 1989 level.

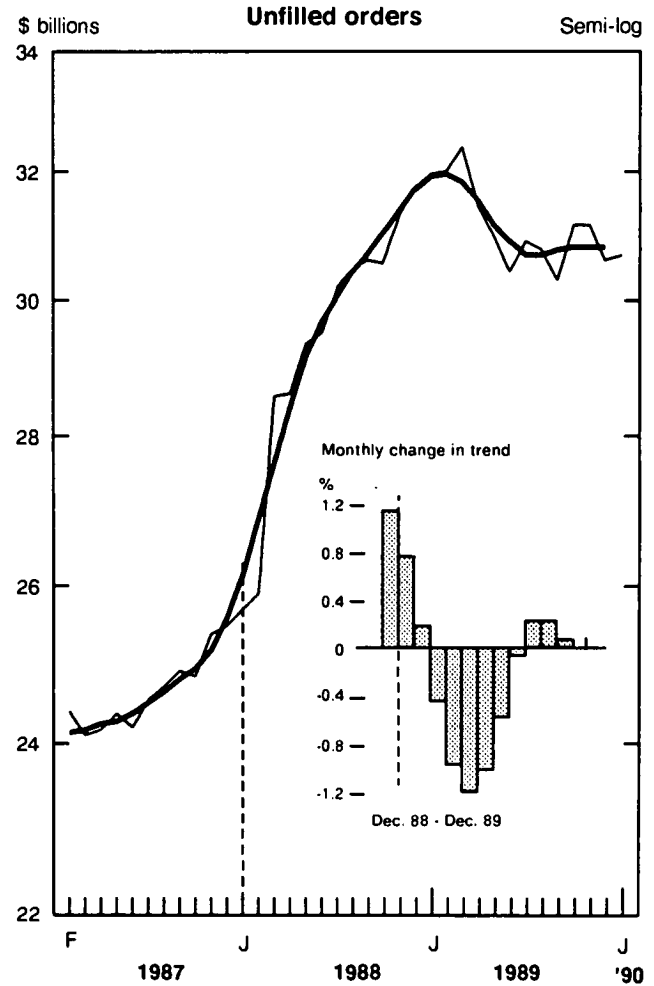
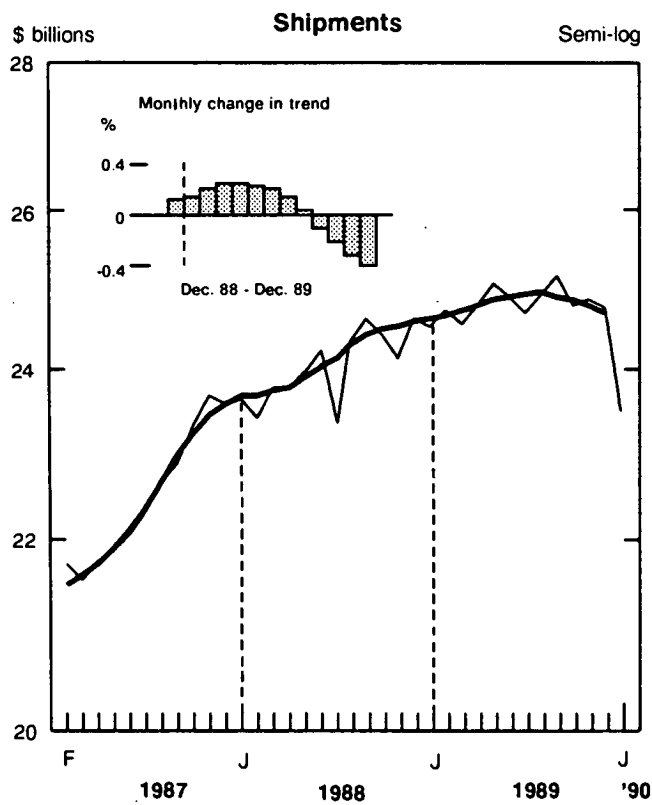
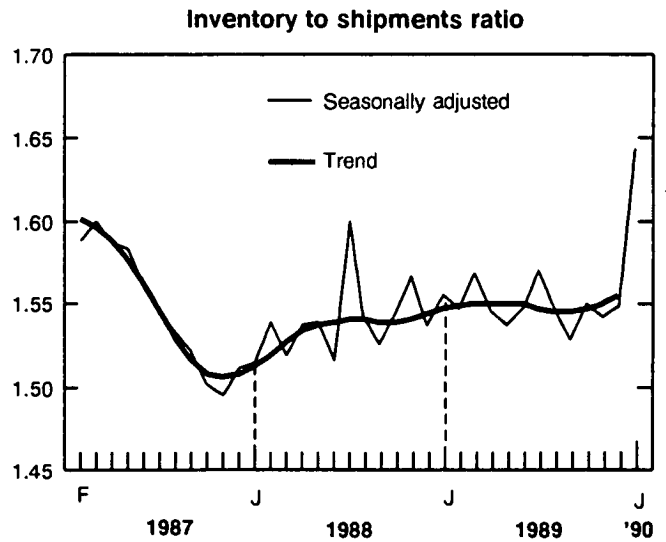
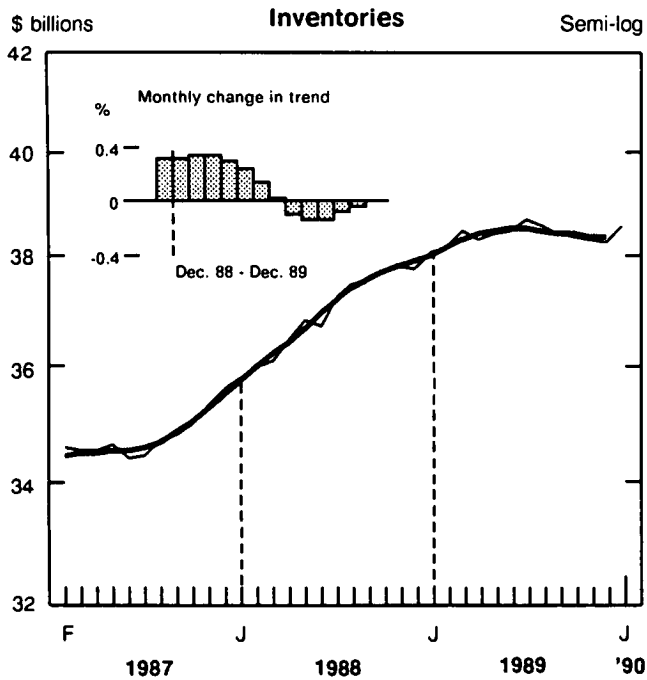
### Available on CANSIM: matrices 9550-9580.

For more information, please consult the January 1990 issue of *Monthly Survey of Manufacturing* (31-001, \$17.30/\$173), now available. See "How to Order Publications".

Data for shipments by province in greater detail than normally published may be available on request. For further information, please contact H       Villeneuve (613-951-9497) or the Monthly Survey of Manufacturing Section (613-951-9832), Industry Division.

**Note:** The appendices in the March 1989 and April 1989 issues of catalogue 31-001 contain estimated values of shipments, inventories and orders revised back to January 1985. □

Manufacturers' Inventories, Shipments and Unfilled Orders, January 1990



# Shipments, Inventories and Orders in all Manufacturing Industries

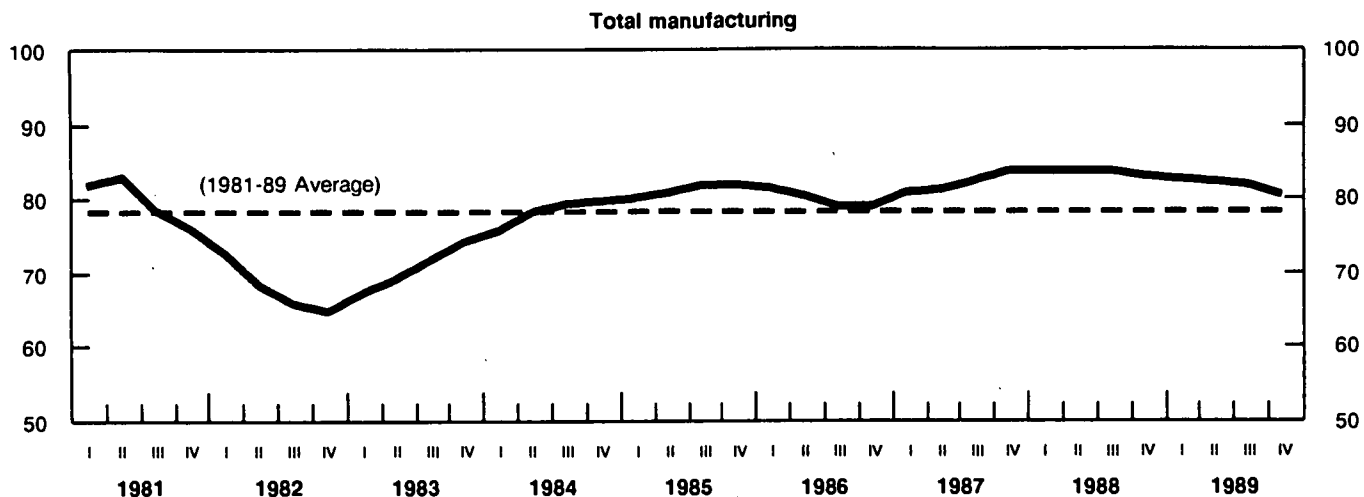
January 1990

Period	Unadjusted				Seasonally Adjusted			
	Shipments	Inven- tories	Unfilled orders	New orders	Shipments	Inven- tories	Unfilled orders	New orders
\$ millions								
January 1989	22,885	38,177	31,624	23,358	24,482	38,042	31,944	24,706
February 1989	23,440	38,677	32,022	23,838	24,695	38,168	32,012	24,763
March 1989	25,746	38,873	32,552	26,276	24,544	38,483	32,397	24,929
April 1989	24,775	38,772	31,749	23,972	24,790	38,309	31,434	23,826
May 1989	26,733	38,638	31,382	26,366	25,029	38,454	30,968	24,563
June 1989	26,642	38,378	30,683	25,944	24,873	38,476	30,413	24,318
July 1989	22,136	38,356	30,938	22,391	24,646	38,679	30,920	25,153
August 1989	24,751	38,518	30,849	24,662	24,914	38,544	30,746	24,741
September 1989	25,745	38,090	30,422	25,318	25,139	38,403	30,324	24,717
October 1989	26,111	38,045	30,947	26,636	24,766	38,352	31,132	25,574
November 1989	25,584	38,032	30,816	25,454	24,824	38,269	31,170	24,863
December 1989	22,462	37,764	30,103	21,748	24,718	38,252	30,599	24,147
January 1990	22,131	38,721	30,390	22,419	23,474	38,563	30,675	23,549

	Seasonally Adjusted									
	Shipments		Inventories		Inventory to shipments ratio		Unfilled orders		New orders	
	S.A.	Trend	S.A.	Trend	S.A.	Trend	S.A.	Trend	S.A.	Trend
	Month to month % change				Ratio		Month to month % change			
January 1989	-0.4	0.1	0.8	0.3	1.55	1.55	0.7	0.7	-1.3	-0.2
February 1989	0.9	0.2	0.3	0.3	1.55	1.55	0.2	0.2	0.2	-0.4
March 1989	-0.6	0.2	0.8	0.3	1.57	1.55	1.2	-0.4	0.7	-0.4
April 1989	1.0	0.3	-0.5	0.3	1.55	1.55	-3.0	-0.9	-4.4	-0.3
May 1989	1.0	0.2	0.4	0.2	1.54	1.55	-1.5	-1.1	3.1	0.0
June 1989	-0.6	0.2	0.1	0.1	1.55	1.55	-1.8	-1.0	-1.0	0.3
July 1989	-0.9	0.1	0.5	0.0	1.57	1.55	1.7	-0.5	3.4	0.5
August 1989	1.1	0.0	-0.4	-0.1	1.55	1.55	-0.6	-0.1	-1.6	0.4
September 1989	0.9	-0.1	-0.4	-0.1	1.53	1.54	-1.4	0.2	-0.1	0.0
October 1989	-1.5	-0.2	-0.1	-0.1	1.55	1.55	2.7	0.2	3.5	-0.5
November 1989	0.2	-0.3	-0.2	-0.1	1.54	1.55	0.1	0.1	-2.8	-0.8
December 1989	-0.4	-0.4	0.0	0.0	1.55	1.56	-1.8	0.0	-2.9	-0.9
January 1990	-5.0	*	0.8	*	1.64	*	0.2	*	-2.5	*

**Note:** The short-term trend represents a weighted average of the data.

## Capacity Utilization Rates, 1981-1989



## Capacity Utilization in Canadian Manufacturing Industries

Fourth Quarter 1989

Capacity utilization fell in the fourth quarter of 1989, as a result of lower production. A drop in production in the manufacturing sector during October, coupled with weak increases in November and December, led to production for the fourth quarter of 1989 being less than that in the third. The decrease in production along with growth in capacity output levels resulted in the manufacturing industries' capacity utilization rate falling 1.6% to 80.3%. Rates fell throughout the manufacturing sector, as shown by 16 of the 22 industry major groups posting lower rates.

This marks the fifth quarter in a row that capacity utilization has fallen. Furthermore, the rate of decrease has been accelerating over the last four quarters. A comparison of utilization rates posted since the first quarter of 1981 shows the rate of 80.3% is higher than the 78.2% average for the period but lower than the rate of 82.7% recorded in the fourth quarter of 1988.

The utilization rate in the durable goods manufacturing industries decreased 2.1% in the fourth

quarter, to 79.0%. In comparison with the average rate for the period 1981 to 1989, the fourth quarter's rate is 5.6% above the average. However, the rate recorded in the fourth quarter of 1989 is 3.8% lower than that posted in the fourth quarter of 1988. In the non-durable goods manufacturing industries, the capacity utilization rate fell 0.8% in the fourth quarter to 81.8%. At that level, the rate is less than the 82.0% average for the period 1981 to 1989 and 2.0% lower than the rate posted in the fourth quarter of 1988.

### Highlights

- Although there was an increase in activity in the construction industry in the fourth quarter, capacity utilization in the building materials producing industries fell. Production levels dropped in the wood industries and the non-metallic mineral products industries, but still remain at near-historic levels. Capacity utilization rates for these industries decreased 2.5% and 1.5%, respectively. Even though production was higher in the fabricated metal products industries, capacity utilization fell 0.1%.

- As investment in machinery and equipment grew, in the service industries in particular, so did production in the electrical and electronic products industries. Capacity utilization increased 1.2%. With investment decreasing in the agricultural and wood industries, two of the machinery industries' major customers, the machinery industries continued their downward slide, dropping 5.3%.
- Producers of intermediate goods showed mostly declines in capacity utilization rates in the fourth quarter, mainly because of the poor performance of the manufacturing sector. The plastic products industries showed a decrease of 4.1%. In the primary metals industries, utilization fell 3.9%. Primary textiles industries posted a 2.3% decline.
- The two major manufacturing industries producing goods for export posted lower rates of capacity utilization. Along with decreasing domestic car sales and lower exports of automobiles and parts, the transportation equipment manufacturing industries showed cuts in production. Their rate of capacity utilization subsequently dropped by 3.6%. Reflecting declining shipments, the paper and allied industries lessened production. Capacity utilization for this industry fell 2.1%.
- As consumer spending gained in the fourth quarter, the movements in the capacity utilization rates for manufacturers of consumer goods were mostly positive. The abnormally cold weather led

**Note to Users:**

*Data users should note that the statistics presented in this release are statistical estimates based on the economic relationship between production and the stock of plant and equipment; these capacity utilization rates are not based on engineering measures such as productive machine-hours.*

*The methodology used to calculate the rates results in their being indicative of trends and cycles in the utilization of capital. (Where necessary, trend adjustments are made to better reflect technological innovations and restructuring taking place.) A description of the methodology used to derive the rates is given in the publication **Capacity Utilization Rates in Canadian Manufacturing** (31-003, \$10.50/\$42.00).*

to increased consumption of heating fuels, resulting in a rise of 1.1% in the refined petroleum and coal products industries' rate of capacity utilization. Shoes and clothing were popular with consumers, and reflecting this, capacity utilization increased in the leather and allied products industries 1.5% and the clothing industries by 0.7%.

**Available on CANSIM: matrix 3540.**

For further information on this release, contact D. Wallace (613-951-9685) or R. Landry (613-951-2579), Investment and Capital Stock Division. □



# Capacity Utilization Rates in Canadian Manufacturing Industries

Fourth Quarter 1989 and Quarterly Percentage Changes

Industry	QIV 1989	QIII 1989	QII 1989	QI 1989	Quarterly % Change		
					QIV 1989/ QIII 1989	QIII 1989/ QII 1989	QII 1989/ QI 1989
<b>Total Manufacturing</b>	<b>80.3</b>	<b>81.6</b>	<b>82.2</b>	<b>82.5</b>	<b>-1.6</b>	<b>-0.7</b>	<b>-0.4</b>
<b>Durable Manufacturing Industries</b>	<b>79.0</b>	<b>80.7</b>	<b>81.5</b>	<b>81.6</b>	<b>-2.1</b>	<b>-1.0</b>	<b>-0.1</b>
Wood Industries	80.7	82.8	83.6	83.2	-2.5	-1.0	0.5
Furniture and Fixtures	70.5	73.8	75.0	73.1	-4.5	-1.6	2.6
Primary Metals	90.6	94.3	94.8	94.9	-3.9	-0.5	-0.1
Fabricated Metal Products	79.4	79.5	79.1	78.3	-0.1	0.5	1.0
Machinery	68.4	72.2	74.6	75.8	-5.3	-3.2	-1.6
Transportation Equipment	64.8	67.2	68.7	71.5	-3.6	-2.2	-3.9
Electrical and Electronic Products	99.9	98.7	99.6	96.4	1.2	-0.9	3.3
Non-metallic Mineral Products	71.7	72.8	72.3	74.0	-1.5	0.7	-2.3
Other Manufacturing Industries	69.6	70.5	70.9	70.6	-1.3	-0.6	0.4
<b>Non-durable Manufacturing Industries</b>	<b>81.8</b>	<b>82.5</b>	<b>83.1</b>	<b>83.6</b>	<b>-0.8</b>	<b>-0.7</b>	<b>-0.6</b>
Food Industry	77.4	78.0	78.4	78.0	-0.8	-0.5	0.5
Beverage Industry	53.0	52.5	53.5	53.3	1.0	-1.9	0.4
Tobacco Products	64.0	64.1	67.5	66.0	-0.2	-5.0	2.3
Rubber Products	70.4	71.2	72.5	72.0	-1.1	-1.8	0.7
Plastic Products	79.7	83.1	83.9	86.2	-4.1	-1.0	-2.7
Leather and Allied Products	79.5	78.3	78.0	76.4	1.5	0.4	2.1
Primary Textiles	91.1	93.2	95.7	97.0	-2.3	-2.6	-1.3
Textile Products	81.1	85.2	83.8	83.0	-4.8	1.7	1.0
Clothing Industry	88.0	87.4	87.1	86.5	0.7	0.3	0.7
Paper and Allied Products	84.8	86.6	86.1	89.0	-2.1	0.6	-3.3
Printing, Publishing and Allied Industries	86.9	88.1	89.1	89.5	-1.4	-1.1	-0.4
Refined Petroleum and Coal Products	76.1	75.3	76.5	76.1	1.1	-1.6	0.5
Chemicals and Chemical Products	92.5	91.6	93.0	93.2	1.0	-1.5	-0.2

## Sales of Natural Gas

January 1990 (Preliminary data)

Sales of natural gas (including direct sales) in Canada during January 1990 totalled 6 811.1 million cubic metres, a 1.4% increase over the level recorded the previous year.

On the basis of rate structure information, sales in January 1990 were broken down as follows, with the percentage changes from January 1989 in brackets: residential sales, 2 201.8 million cubic metres

(+2.2%); commercial sales, 1 780.0 million cubic metres (+3.0%) and industrial sales (including direct sales) 2 829.3 million cubic metres (-0.3%).

Order the January 1990 issue of *Gas Utilities* (55-002, \$12.10/\$121), available the third week of April. See "How to Order Publications".

For further information on this release, contact Gary Smalldridge (613-951-3567), Energy Section, Industry Division.

## Sales of Natural Gas - Preliminary Data

January 1990

	Rate structure				Total
	Residential	Commercial	Industrial	Direct	
	(thousands of cubic metres)				
New Brunswick	-	-	-	-	-
Quebec	117 110	226 045	320 211	6 500	669 866
Ontario	1 107 400	740 987	929 470	154 364	2 932 221
Manitoba	121 328	117 605	54 011	4 500	297 444
Saskatchewan	142 000	117 000	12 045	80 000	351 045
Alberta	489 217	376 999	982 080	-	1 848 296
British Columbia	224 729	201 389	164 467	121 667	712 252
Canada - January 1990	2 201 784	1 780 025	2 462 284	367 031	6 811 127
Canada - January 1989	2 153 374	1 727 855	2 477 899	359 516	6 718 644
% change	2.2	3.0	-0.3		1.4

**Note:** Revised figures will be available in the "Gas Utilities" publication (55-002) as well as on CANSIM.

- Nil or zero.

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## DATA AVAILABILITY ANNOUNCEMENTS

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### Export and Import Price Indexes

January 1990

Current and fixed weighted export and import price indexes, on a balance of payments basis, are now available on a 1981 = 100 basis. Price indexes are listed from January 1981 to January 1990 for the five commodity sections and 62/61 major commodity groups.

**Available on CANSIM: matrices 3633-3642, 3651 and 3685.**

Customs based current and fixed weighted U.S. price indexes are also available. Price indexes are

listed from January 1981 to January 1990 on a 1981 = 100 basis. Included with the U.S. commodity indexes are the 10 "All Countries" and "U.S. only" SITC section indexes.

**Available on CANSIM: matrices 3639-3642.**

The January 1990 issue of *Summary of Canadian International Trade (H.S. Based)* (65-001, \$17.30/\$173) will be available the first week of April. See "How to Order Publications".

For further information on this release, contact Denis Pilon (613-951-4808), Price Index Unit, International Trade Division. ■



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The Daily, March 20, 1990

## PUBLICATIONS RELEASED

**Crude Petroleum and Natural Gas Production,**  
November 1989.

**Catalogue number 26-006**

(Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

**Monthly Survey of Manufacturing, January 1990.**

**Catalogue number 31-001**

(Canada: \$17.30/\$173; Other Countries:  
20.80/\$208).

### How to Order Publications

*Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-951-7277.*

*Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).*

*Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, or from authorized bookstore agents or other booksellers.*

*A national toll-free telephone order service is now in operation at Statistics Canada. The toll-free line (1-800-267-6677) can be used by Canadian customers for the ordering of Statistics Canada products and services.*

**The  
Daily**

### Statistics Canada's Official Release Bulletin for Statistical Information

Catalogue 11-001E. Price: Canada \$105/year; other countries \$126/year

Published by the Communications Division  
Statistics Canada, 3-N, R.H. Coats Bldg., Ottawa K1A 0T6.

Senior Editor: Greg Thomson (613-951-1116)  
Editor: Bonnie Williams (613-951-1103)

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