



# The Daily

Statistics Canada

Tuesday, February 4, 1992

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For release at 8:30 a.m.

## MAJOR RELEASES

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- **Quarterly Business Conditions Survey, Canadian Manufacturing Industries, January 1992** 2  
The balance of Canadian manufacturers' opinions concerning orders, inventories and production over the next three months became more negative in the January 1992 survey.
- **Short-term Expectations Survey** 5  
Released today is a new series of forecasts from a small group of economists.

## DATA AVAILABILITY ANNOUNCEMENT

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Canada

## MAJOR RELEASES

### Quarterly Business Conditions Survey, Canadian Manufacturing Industries

January 1992

#### Seasonally Adjusted

Canadian manufacturers' opinions concerning the backlog of unfilled orders, finished products inventories, expected volume of production in the upcoming quarter, and orders received became more negative between the October 1991 and January 1992 surveys. With the exception of orders received the levels are close to, or lower than, those recorded a year earlier. However, they are still significantly above the record lows posted during the 1981-82 recession.

#### Highlights

- Canadian manufacturers expressed increased pessimism about the expected volume of production over the next three months. The balance of opinion decreased to -13, down from -1 in the last quarter of 1991. After a brief show of optimism in the July 1991 survey (+3), the balance of opinion has fallen back to the level registered in the January and April 1991 surveys. However, it remains well above the -29 recorded in the October 1990 survey and the record low of -36 posted in April 1982.

The balance of -13 in January is calculated by subtracting the pessimistic 33% who indicated a "lower than normal" volume of expected production from the optimistic 20% who reported a "higher than normal" volume of expected production.

- The balance of opinion for the backlog of unfilled orders posted a record 20-point drop to -50 in January 1992. The balance of -50 still does not match the record low of -66 posted during the third quarter of 1982. This decrease was caused mostly by the following industries: transportation equipment, primary metals, and electrical and electronic products.

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

#### Note to Users

Individual responses to the Business Conditions Survey are weighted by the value of the respondent's shipments reported to the Annual Survey of Manufactures. The proportions, therefore, reflect the magnitude of the individual manufacturer's contribution to the total. The balance is the difference between the proportion associated with the positive-type response (e.g., higher volume of production) and the proportion related to the negative-type response (e.g., lower volume of production). Both the raw data (raw) and seasonally adjusted (s.a.) data are given for the balance. The seasonally adjusted value for the neutral components (e.g., expected production about the same) is calculated by subtracting the sum of the seasonally adjusted values of the other two components from 100.

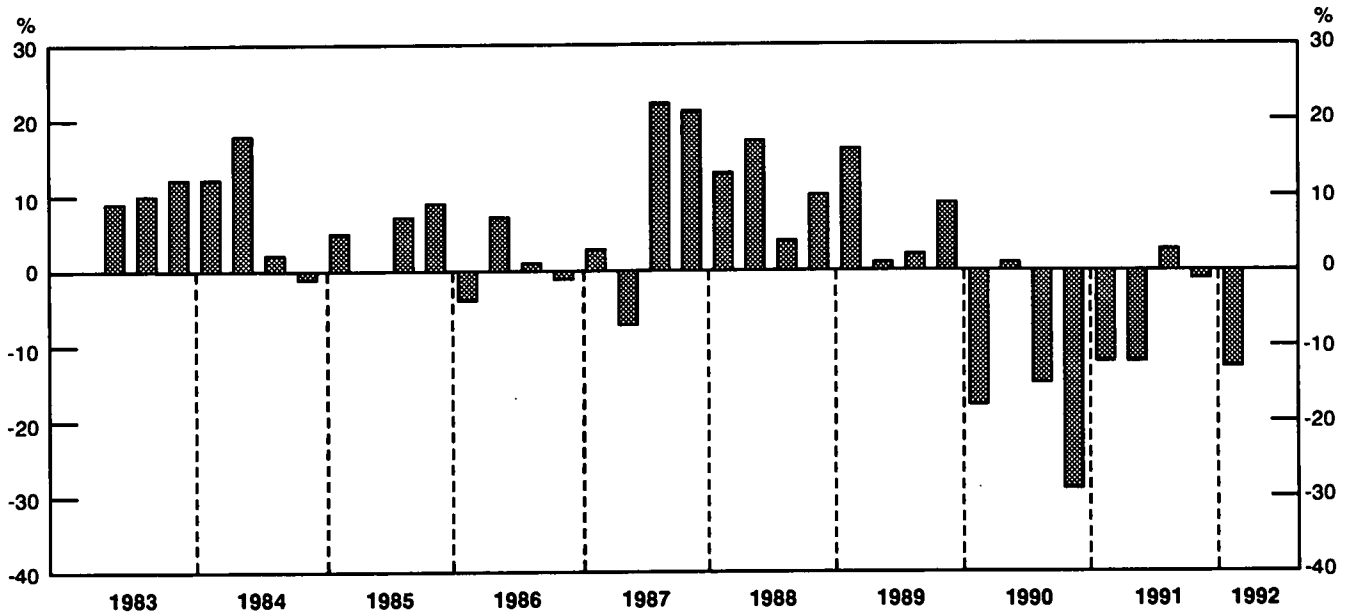
- The balance of opinion concerning orders received decreased 11 points to -19 in January 1992. Although the balance dropped this quarter, it is still much above the -42 level posted one year earlier.
- The balance of opinion for finished products inventories dropped 14 points to -32 in January 1992 from a level of -18 in October 1991. This is still substantially above the -43 and -45 recorded in the April and July 1982 surveys, respectively.

#### Unadjusted

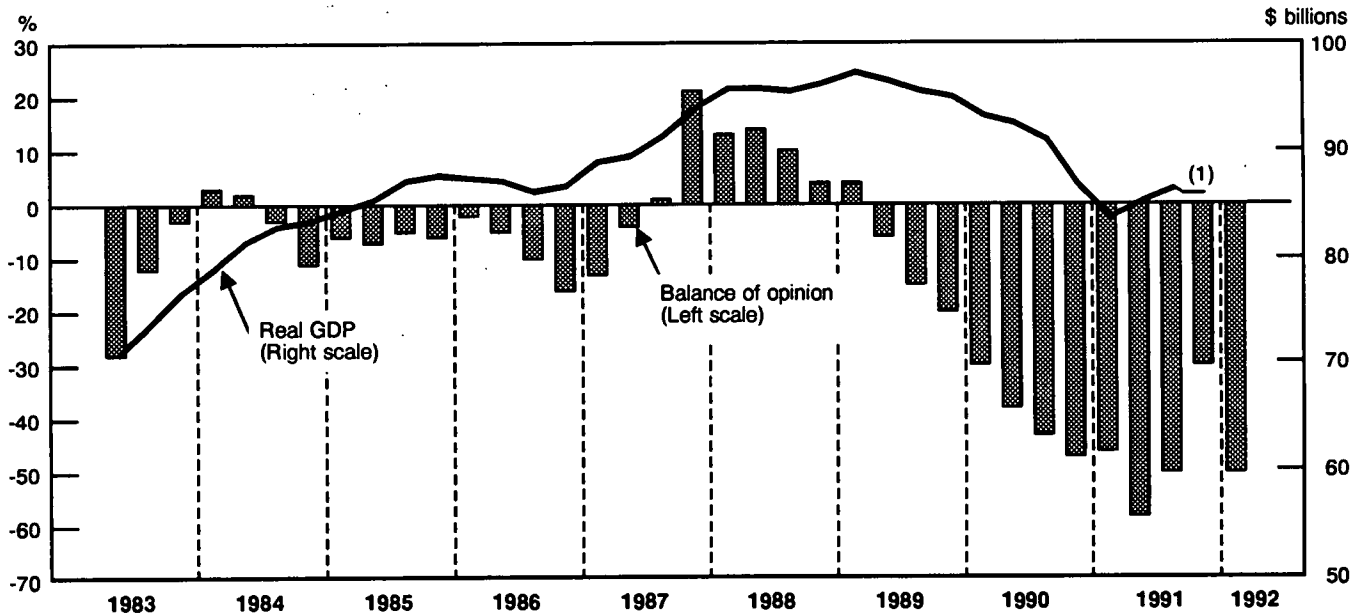
- About 83% of Canadian manufacturers did not report any particular production difficulties in the January 1992 survey. The main source of production difficulties is still "working capital shortage", down three points to 8% this quarter. "Skilled labour shortage" continues to be less of a problem, down to 2% in January 1992; it had reached a level of 13% in the April and July quarters of 1989.

The Business Conditions Survey is carried out in January, April, July and October. The majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers.

**Balance of Opinion for Expected Volume of Production  
Next Three Months vs Last Three Months**



**Balance of Opinion on Backlog of Unfilled Orders  
and Real GDP for Manufacturing Industries  
Seasonally adjusted**



(1) ----- October and November 1991

Please note that survey weights and sampled units have been benchmarked to the 1987 Annual Survey of Manufactures (ASM) and data back to 1987 have been revised accordingly. In general, trends for the revised data have remained the same as those prior to the benchmarking to the 1987 ASM.

Available on CANSIM (raw data only): matrices 2843-2845.

For further information, please contact Claude Robillard (613-951-3507), Monthly Survey of Manufacturing Section, Industry Division.

## Business Conditions Survey, Canadian Manufacturing Industries

January 1992

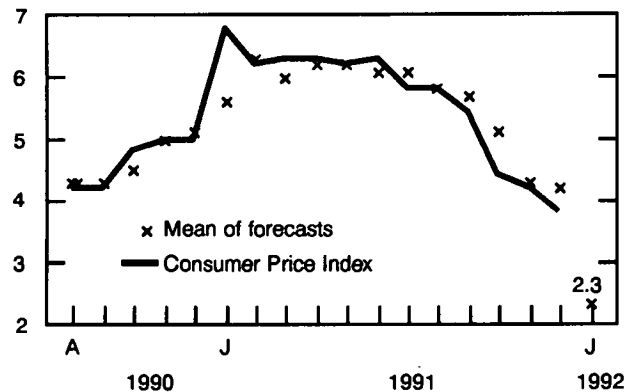
All Manufacturing Industries					
	January 1991	April 1991	July 1991	October 1991	January 1992
seasonally adjusted					
<b>Volume of production during next three months compared with last three months will be:</b>					
About the same	42	40	51	45	47
Higher	23	24	26	27	20
Lower	35	36	23	28	33
Balance	-12	-12	3	-1	-13
raw					
Balance	-21	7	-13	4	-24
seasonally adjusted					
<b>Orders received are:</b>					
About the same	38	44	60	50	47
Rising	10	8	13	21	17
Declining	52	48	27	29	36
Balance	-42	-40	-14	-8	-19
raw					
Balance	-43	-36	-13	-8	-25
seasonally adjusted					
<b>Present backlog of unfilled orders is:</b>					
About normal	42	36	42	36	44
Higher than normal	6	3	4	17	3
Lower than normal	52	61	54	47	53
Balance	-46	-58	-50	-30	-50
raw					
Balance	-47	-61	-49	-26	-52
seasonally adjusted					
<b>Finished product inventory on hand is:</b>					
About right	53	56	69	62	62
Too low	5	3	3	10	3
Too high <sup>1</sup>	42	41	28	28	35
Balance	-37	-38	-25	-18	-32
raw					
Balance	-38	-38	-25	-17	-33
raw					
<b>Sources of production difficulties:</b>					
Working capital shortage	5	9	8	11	8
Skilled labour shortage	4	4	4	3	2
Unskilled labour shortage	0	0	0	0	0
Raw material shortage	4	2	3	3	3
Other difficulties	13	9	9	8	4
No difficulties	73	75	75	75	83

<sup>1</sup> No evident seasonality.

## FORECASTS VS. ACTUAL

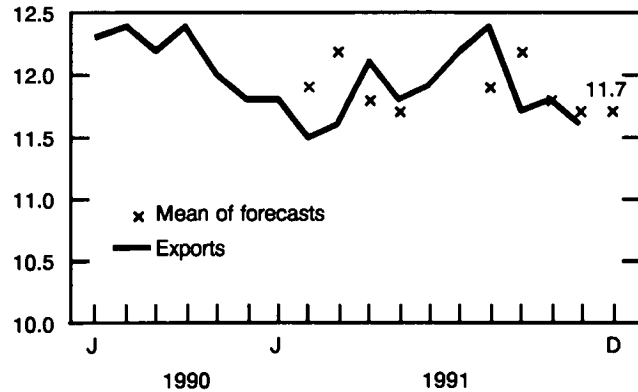
**Consumer Price Index**

Year-to-year  
percentage change



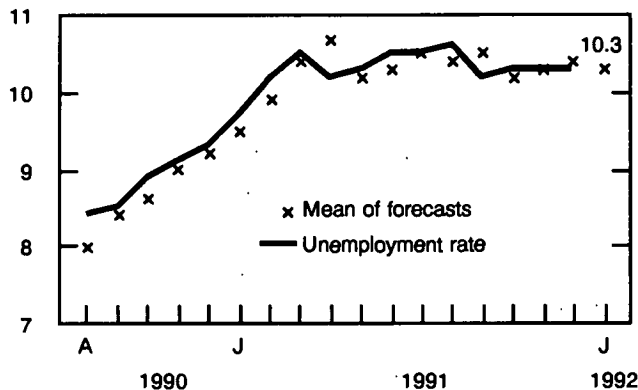
**Canadian International Trade Exports**

\$ billions



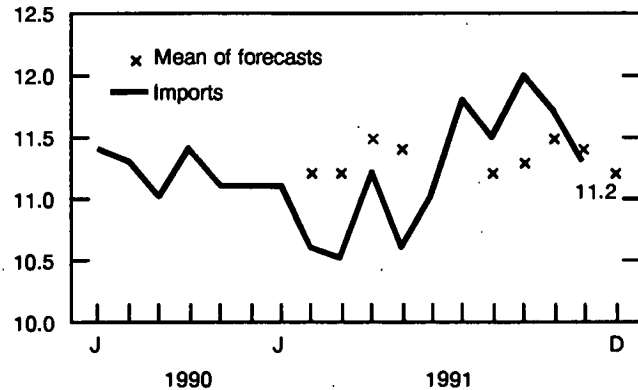
**Unemployment Rate**

Year-to-year  
percentage change



**Canadian International Trade Imports**

\$ billions



## Short-term Expectations Survey

The following are the forecasts of the year-over-year changes in the Consumer Price Index and the unemployment rate for January 1992, and of merchandise exports and imports for December 1991.

The increase in the Consumer Price Index for January was forecast at 2.3%, with minimum and maximum values of 1.3% and 3.8%, respectively. The mean forecast for December was overestimated by 0.4%.

The mean forecast of the unemployment rate for January was 10.3% (minimum 10.1%, maximum 10.5%). For December, the mean forecast overestimated the outcome by 0.1%.

### Note to Users

Since April 1990, Statistics Canada has been canvassing a small group of economic analysts (an average of 24 participants) and requesting from them a one-month-ahead forecast of key economic indicators. The experience to date suggests that the results of this survey are found useful by the public at large. This month, participants were asked for their monthly forecasts of the year-to-year change in the Consumer Price Index, the unemployment rate, and merchandise exports and imports (replacing the trade balance).

The release dates for the coming 12 months are:

February 4	August 4
March 3	September 1
April 7	October 6
May 5	November 3
June 2	December 1
July 7	January 5, 1993

December merchandise exports were forecast to be \$11.7 billion, with a minimum and maximum of \$11.2 billion and \$12.0 billion, respectively. The forecast of imports for the same period was \$11.2

billion, with minimum and maximum values of \$10.9 billion and \$11.5 billion, respectively.

For a complete set of tables or more information concerning this survey, contact Diane Lachapelle (613-951-0568). ■

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## DATA AVAILABILITY ANNOUNCEMENT

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**Pack of Processed Beans, Green and  
Wax  
1991**

*Processed Beans, Green and Wax, 1991* (32-238, \$13) will be released at a later date.

For further information, contact Peter Zylstra (613-951-3511), Industry Division. ■

Data on the pack of processed beans, green and wax, 1991 are now available. The publication *Pack of*



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The Daily, February 4, 1992

## PUBLICATIONS RELEASED

### **National Income and Expenditure Accounts,**

Quarterly Estimates, 1984 Q1-1991 Q3.

#### **Catalogue number 13-001**

(Canada: \$20/\$80; United States: US\$24/\$96; Other Countries: US\$28/112).

### **Pack of Processed Peas, 1991.**

#### **Catalogue number 32-235**

(Canada: \$13; United States: US\$16; Other Countries: US\$18).

### **Employment, Earnings and Hours, October 1991.**

#### **Catalogue number 72-002**

(Canada: \$38.50/\$385; United States: US\$46.20/\$462; Other Countries: US\$53.90/\$539).

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.



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