

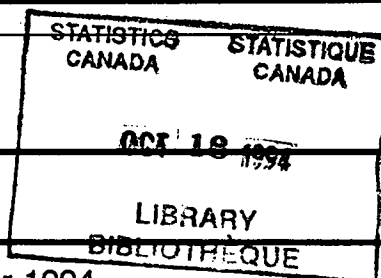


The Daily

Statistics Canada

Tuesday, October 18, 1994

For release at 8:30 a.m.



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The growth of the leading indicator picked up slightly in September after a generally slowing trend this year.
- **Monthly survey of manufacturing, August 1994** 4
The continuing surge in new orders enabled manufacturers to increase shipments 2.5% to \$30.1 billion in August, the sixth increase in a row. Shipments have increased nearly 14% since February 1994.

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MAJOR RELEASES

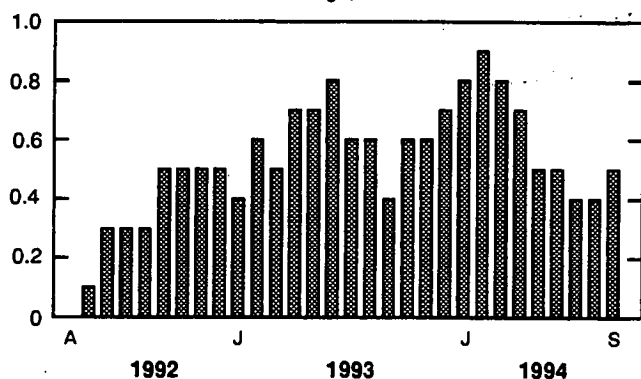
Composite Index

September 1994

The growth of the leading indicator picked up slightly, from 0.4% in August to 0.5% in September, after a generally slowing trend this year. Growth continued to be sparked by business spending, although there also were some encouraging signs for household demand. The unsmoothed index posted its fourth straight gain.

Composite Index

% change, smoothed



Household demand ended the third quarter on a more upbeat note. The housing index fell less rapidly than in August, as housing starts regained some of the ground lost since July. Starts of single and multiple units both firmed after sales of existing

homes picked up in August. Demand for business services recorded another big gain, while personal services saw their first increase since February. Sales of durable goods remained slow, although consumer credit picked up in the third quarter as interest rates fell.

New orders for durable goods rose for an 11th straight month, and were driven by business investment. Orders for capital goods have strengthened, which is in line with investment intentions this year. The increase in orders was reflected in the first gain in five months in the ratio of shipments to stocks of finished goods. The average workweek recovered in September after falling in July and levelling off in August.

The financial market indicators remained mixed. The stock market bounced back, but money supply growth slowed again.

The U.S. leading indicator grew less rapidly than earlier this year, but the growth was more broadly based. An encouraging sign for some of our exporters was that household demand in the United States firmed, while employment growth was sustained into September.

Available on CANSIM: matrix 191.

For more information on the economy, the October 1994 issue of *Canadian economic observer* (11-010, \$22/\$220) is available this week. See "How to order publications".

For further information on this release, contact Francine Roy (613-951-3627), Current Economic Analysis Division. □

Composite index

Data used in the composite index calculation for:	April 1994	May 1994	June 1994	July 1994	August 1994	September 1994	Last month of data available
							% change
Composite leading indicator (1981 = 100)	164.7	165.6	166.4	167.0	167.7	168.5	0.5
Housing index ¹	130.4	130.2	129.7	127.7	125.1	123.0	-1.7
Business and personal services employment (thousands)	1,847	1,851	1,859	1,871	1,884	1,898	0.7
TSE 300 stock price index (1975 = 1000)	4,393	4,388	4,337	4,286	4 264	4,264	0.0
Money supply (M1) (millions of 1981 \$) ²	29,310	29,619	29,887	30,141	30,277	30,323	0.2
U.S. composite leading index (1967 = 100) ³	212.6	213.4	214.1	214.6	215.1	215.6	0.2
Manufacturing							
Average workweek	38.9	38.9	38.9	38.8	38.8	38.9	0.3
New orders, durables (millions of 1981 \$) ⁴	10,650.4	10,726.5	10,855.2	10,967.5	11,093.5	11,258.8	1.5
Shipments/inventories ratio ⁴	1.57	1.56	1.56	1.56	1.56	1.57	0.01*
Retail trade							
Furniture and appliance sales (millions of 1981 \$) ⁴	1,106.4	1,110.6	1,115.4	1,121.8	1,127.3	1,132.2	0.4
Other durable goods sales (millions of 1981 \$) ⁴	3,806.5	3,873.1	3,919.5	3,953.0	3,991.3	3,989.4	-0.1
Unsmoothed composite	167.1	166.5	166.9	168.0	169.5	170.5	0.6

¹ Composite index of housing starts (units) and house sales (MLS).

² Deflated by the consumer price index for all items.

³ The figures in this row reflect data published in the month indicated but the figures themselves refer to data for the immediately preceding month.

⁴ The figures in this row reflect data published in the month indicated but the figures themselves refer to data for two months preceding.

* Difference from previous month.

Monthly survey of manufacturing

August 1994

The seasonally adjusted value of shipments climbed 2.5% to \$30.1 billion as manufacturers in 15 of the 22 major groups (accounting for 69% of shipments) posted strong performances. August's increase was led by a 10.1% jump in the motor vehicle, parts and accessories industries. This rise in the auto sector resulted from a changeover to 1995 models, strong U.S. sales and a rebound from plant shutdowns in July (when shipments decreased 2.3%).

Canadian manufacturers have increased shipments for six consecutive months; shipments have risen nearly 14% over this period. Manufacturers produced at much higher capacity utilization rates in the second quarter of 1994 (as reported by Statistics Canada on September 2, 1994). However, the rate of growth in shipments has been slowing in 20 of the 22 major groups.

Demand continued to soar in August as new orders jumped 2.7% and the backlog of unfilled orders jumped 1.8%.

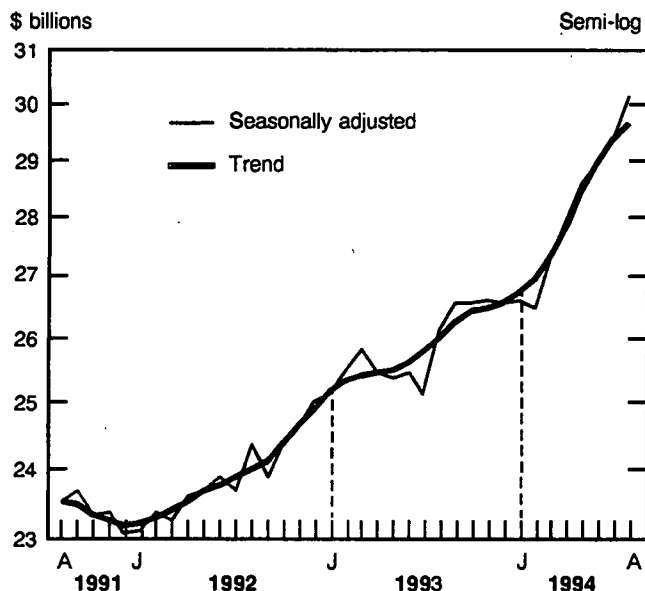
Shipments surge

Demand continued to be widespread. Following the automotive industry, the next largest shipments, in dollar terms, were in the primary metals industry (+4.4%) and the electrical and electronic products industry (+4.1%). These increases confirm the optimism regarding production prospects for the third quarter that was reported in the August 3, 1994 release of the business conditions survey. Auto manufacturers' results were also in line with the report of a healthy rebound in U.S. auto sales for August. In addition, with August's jump in unfilled orders of 2.4% in the auto sector, the strength in shipments is expected to continue.

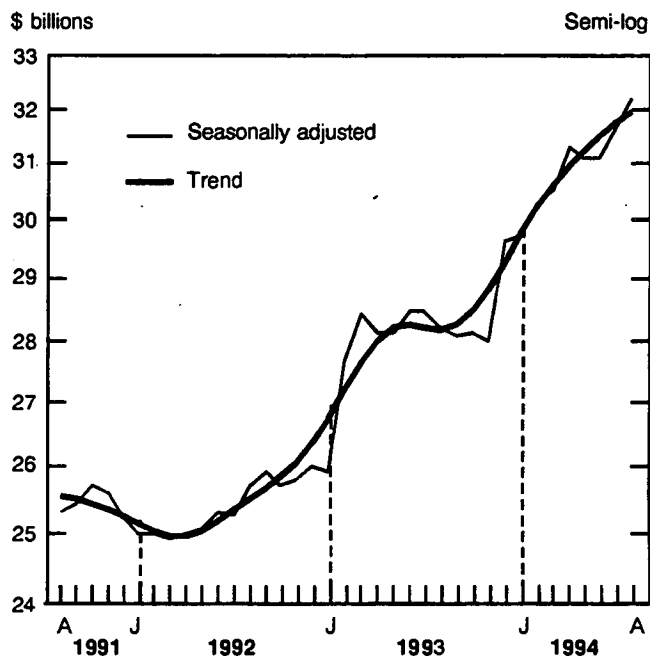
Orders grow

The backlog of unfilled orders grew 1.8% in August to \$32.2 billion, the eighth increase in the latest nine months. In dollar terms, the largest increases were in the transportation equipment (+1.7%), electrical and electronics products (+4.5%) and machinery (+1.6%) industries.

Shipments



Unfilled orders



Unfilled orders are a stock of orders that will contribute to future shipments, assuming orders are not cancelled.

New orders are the sum of shipments for the current month (i.e., orders received and shipped within the same month) plus the change in unfilled orders.

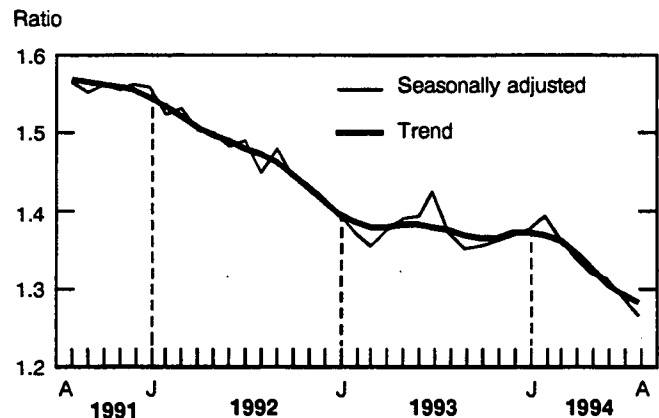
New orders jumped 2.7% to \$30.7 billion in August. In dollar terms, this was particularly evident in the transportation equipment (+7.8%), electrical and electronic products (+5.7%) and fabricated metal products (+6.0%) industries.

Shipments outpace inventories

The value of inventories rose 0.8% in August, largely due to increases in the transportation equipment (+1.7%), wood (+2.5%), and electrical and electronic products (+2.1%) industries. The inventories to shipments ratio continued its fall, declining to a record 1.26 in August as increases in shipments again outpaced growth in inventories.

Available on CANSIM: matrices 9550-9580.

Inventories to shipments ratio



The August 1994 issue of *Monthly survey of manufacturing* (31-001, \$19/\$190) will be available shortly.

Data on shipments by province in greater detail may be available on request.

For further information on this release, contact Danielle Gendron, Information and Classification Section (613-951-9497) or the Monthly Survey of Manufacturing Section (613-951-9832), Industry Division. □

Shipments, Inventories and orders in all manufacturing industries

Period	Shipments		Inventories		Unfilled orders		New orders		Inventories to shipments ratio
seasonally adjusted									
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
August 1993	26,116	4.1	35,838	0.4	28,159	-1.0	25,841	3.0	1.37
September 1993	26,513	1.5	35,765	-0.2	28,050	-0.4	26,404	2.2	1.35
October 1993	26,514	0.0	35,872	0.3	28,069	0.1	26,532	0.5	1.35
November 1993	26,569	0.2	36,121	0.7	27,981	-0.3	26,481	-0.2	1.36
December 1993	26,510	-0.2	36,247	0.3	29,646	6.0	28,175	6.4	1.37
January 1994	26,582	0.3	36,523	0.8	29,745	0.3	26,681	-5.3	1.37
February 1994	26,457	-0.5	36,866	0.9	30,283	1.8	26,995	1.2	1.39
March 1994	27,365	3.4	37,246	1.0	30,535	0.8	27,617	2.3	1.36
April 1994	27,997	2.3	37,418	0.5	31,282	2.4	28,744	4.1	1.34
May 1994	28,528	1.9	37,637	0.6	31,110	-0.5	28,357	-1.3	1.32
June 1994	28,925	1.4	37,899	0.7	31,143	0.1	28,958	2.1	1.31
July 1994	29,383	1.6	37,775	-0.3	31,630	1.6	29,870	3.2	1.29
August 1994	30,125	2.5	38,079	0.8	32,187	1.8	30,682	2.7	1.26

OTHER RELEASES

Civil aviation statistics

August 1994

On a year-over-year basis, the major Canadian air carriers (Air Canada and Canadian Airlines International) reported 11% growth in international passenger-kilometres during the summer months of July and August 1994. Substantial growth occurred in both 1992 and 1994, resulting in international passenger-kilometres that were 33% higher than in the summer of 1991, when demand was much weaker.

Although the carriers reported growth, the passenger-load factor (a measure of the fullness of the aircraft calculated as passenger-kilometres divided by available seat-kilometres) dropped from 75% during the summer of 1993 to 73% this summer.

Available on CANSIM: matrix 385.

Preliminary data on civil aviation for August 1994 will be published in the November 1994 issue of *Aviation service bulletin* (51-004, \$10/\$99). See "How to order publications".

For further information on this release, contact Robert Lund (819-997-6188), Aviation Statistics Centre, Transportation Division. ■

Shipments of Rolled Steel

August 1994

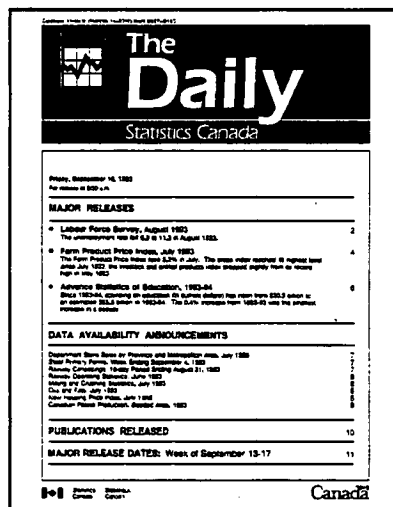
Rolled steel shipments for August 1994 totalled 1 105 609 tonnes, up 12.3% from 984 857 tonnes in July 1994 and up 5.8% from 1 044 661^r (revised) tonnes in August 1993.

Year-to-date shipments at the end of August 1994 totalled 8 859 295 tonnes, up 0.9% from 8 776 582^r tonnes the previous year.

Available on CANSIM: matrices 58 and 122 (series 22-25).

The August 1994 issue of *Primary iron and steel* (41-001, \$6/\$60) will be available at a later date.

For further information on this release, contact Greg Milsom (613-951-9827), Industry Division. ■



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PUBLICATIONS RELEASED

Gross domestic product by industry, July 1994.

Catalogue number 15-001

(Canada: \$14/\$140; United States: US\$17/US\$168; other countries: US\$20/US\$196).

Particleboard, waferboard and fibreboard, August 1994.

Catalogue number 36-003

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

Primary iron and steel, August 1994.

Catalogue number 41-001

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

Refined petroleum and coal products industries, 1992.

Catalogue number 45-250

(Canada: \$38; United States: US\$46; other countries: US\$54).

Gas utilities, June 1994.

Catalogue number 55-002

(Canada: \$14/\$140; United States: US\$17/US\$168; other countries: US\$20/US\$196).

Electric power statistics, 1993.

Catalogue number 57-204

(Canada: \$29; United States: US\$35; other countries: US\$41).

Retail trade, July 1994.

Catalogue number 63-005

(Canada: \$20/\$200; United States: US\$24/US\$240; other countries: US\$28/US\$280).

Touriscope: International travel—advance information, August 1994, vol. 10, no. 8.

Catalogue number 66-001P

(Canada: \$7/\$70; United States: US\$9/US\$84; other countries: US\$10/US\$98).

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