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MAJOR RELEASES

- **Travel between Canada and other countries, April 1993** 2

Canadians made 3.1 million same-day car trips to the United States in April, down 8.9% from March and the lowest level in more than five years.
- **Productivity, hourly compensation and unit labour cost, 1993** 5

In the context of a slow economic recovery, global productivity for the business sector increased 1.2% in 1993, up from 0.7% in 1992. This increase, as well as a record slowdown (-0.7%) in wage inflation, contributed to the first decline in unit labour cost since 1962.

DATA AVAILABILITY ANNOUNCEMENTS

Railway carloadings, 10-day period ending May 31, 1994	11
Shipments of rolled steel, April 1994	11

PUBLICATIONS RELEASED 12



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MAJOR RELEASES

Travel between Canada and other countries

April 1994

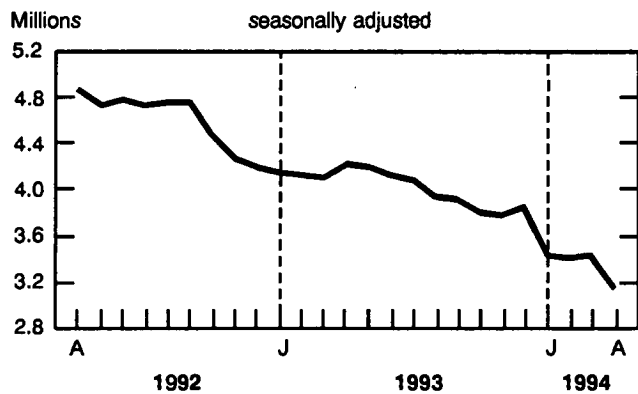
Same-day car trips by Canadian residents to the United States, a key indicator of cross-border shopping, dropped to their lowest level since August 1988. Meanwhile, overnight travel to Canada, which had been increasing gradually over the past year, decreased 1.0%.

Same-day car trips continued to drop

Canadian residents made 3.1 million same-day car trips (seasonally adjusted) to the United States in April, down 8.9% from March and well below the April 1993 figure. This was their lowest level since August 1988.

Same-day car trips by Canadians across the border have been declining steadily since February 1992 after peaking at 5.3 million in November 1991.

Same-day car trips by Canadian residents to the United States



A major factor in the downtrend in same-day cross-border car trips by Canadians has been the weakening Canadian dollar, which has fallen to about US72 cents, from more than US88 cents in November 1991. Another factor is the rising price of gasoline in the United States. Combined, these two factors have narrowed the gap between Canadian and U.S. gas prices to C12 cents per litre. More recently,

Note to users

Month-to-month comparisons in international travel are made using seasonally adjusted data (i.e., 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 are made using unadjusted data, which are the actual traffic counts.

Various overnight travel estimates, both seasonally adjusted and unadjusted, have been revised on CANSIM back to January 1993.

the Canadian federal government, as well as a number of provincial governments, lowered taxes on tobacco products (beginning in February 1994).

Data collected by the international travel survey in 1993 indicate that 87.1% of Canadians on same-day car trips to the United States shopped there.

Unadjusted same-day car trips by Canadians to the United States dropped 27.5% from April 1993, to 3.1 million. This drop occurred even though there was an extra Saturday in April 1994, which might have meant an increased volume of this type of travel. All provinces recorded double-digit year-over-year decreases from April 1993. At the four land crossings in the Niagara Peninsula (Ontario region), Canadians made 473,000 same-day cross-border car trips, a 50.7% plunge from April 1993.

Same-day car trips by Canadian residents to the United States

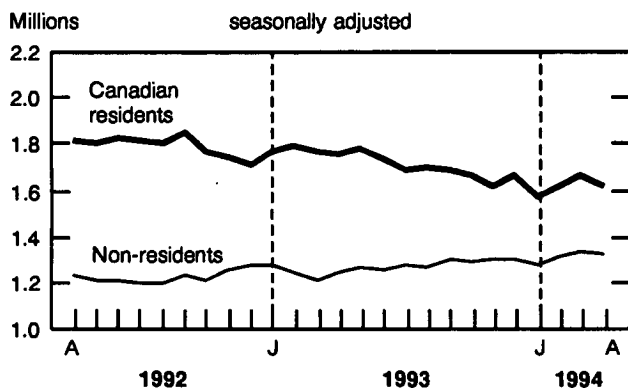
Province of re-entry	April 1994 ^P	April 1993 to April 1994 ^P
	'000	% change
unadjusted		
Canada	3,090	-27.5
New Brunswick	483	-28.9
Quebec	287	-22.9
Ontario	1,392	-30.7
Manitoba	56	-26.9
Saskatchewan	26	-38.9
Alberta	14	-24.1
British Columbia	829	-22.0
Yukon	2	+16.2

^P Preliminary figures.

Foreigners made fewer overnight visits to Canada

Foreigners made 1.3 million overnight trips (seasonally adjusted) to Canada in April, down 1.0% from March. This type of travel was relatively constant between late 1986 and early 1993, and then it began inching upward in April 1993.

Trips of one or more nights between Canada and other countries



U.S. residents made 1.0 million trips (seasonally adjusted) of one or more nights to Canada in April, a 0.5% decrease from March but still above the April 1993 level.

Trips of one or more nights to Canada by residents of overseas countries decreased 2.7% from March, to 276,000. Even so, the trend remained upward, and April's level was well above the April 1993 figure. Overnight visits from a number of countries were up substantially from April 1993, including France (+32.9% to 24,000), Japan (+29.1% to 27,000) and Australia (+26.9% to 7,000).

The increase in overnight visits by residents of Japan was especially significant, since Japanese visitors have traditionally recorded one of the highest levels of spending per night among all visitors to Canada (\$157 per visit-night in 1993).

Canadian travel abroad was down from March

Overall, Canadians made fewer overnight trips abroad in April. In terms of all modes of travel, overnight trips by Canadians to all countries decreased 3.2% from March, to 1.6 million (seasonally adjusted).

Canadians made 1.3 million overnight trips (seasonally adjusted) to the United States, including all modes of transportation, down 3.8% from March. Overnight travel by Canadian residents to the United States has been decreasing generally since January 1992.

A key factor in this downtrend has been the weakening Canadian dollar, which stood at US72 cents in April, a level last seen in December 1986.

Canadians made 894,000 car trips of one or more nights to the United States in April 1994, a 2.8% decrease from March and well below the April 1993 figure.

Overnight trips to all other countries decreased marginally (-0.3%) from March, to 287,000. The long-term trend in overseas travel by Canadians remained upward.

Available on CANSIM: matrices 2661-2697.

The April 1994 issue of *International travel, advance information* (66-001P, \$7/\$70) will be available shortly. See "How to order publications".

For further information on this release, contact Ruth McMillan (613-951-1791), International Travel Section, Education, Culture and Tourism Division. □

Travel between Canada and other countries

	February 1994 ^r	March 1994 ^r	April 1994 ^P	March 1994 to April 1994 ^P
	'000			% change
	seasonally adjusted			
Canadian trips abroad				
Car trips to the United States				
Same-day	3,394	3,422	3,118	-8.9
One or more nights	901	920	894	-2.8
Total trips, one or more nights				
United States ¹	1,322	1,371	1,319	-3.8
Other countries	284	288	287	-0.3
Travel to Canada				
Car trips from United States				
Same-day	1,580	1,615	1,575	-2.5
One or more nights	699	726	714	-1.6
Total trips, one or more nights				
United States ¹	1,018	1,048	1,043	-0.5
Other countries ²	287	283	276	-2.7
	April 1994 ^P	April 1993 to April 1994 ^P	January to April 1994 ^P	January-April 1993 to January- April 1994 ^P
	'000	% change	'000	% change
	unadjusted			
Canadian trips abroad				
Car trips to the United States				
Same-day	3,090	-27.5	11,865	-20.7
One or more nights	854	-12.9	2,734	-14.2
Total trips, one or more nights				
United States ¹	1,340	-8.9	4,633	-10.6
Other countries	292	10.1	1,373	6.0
Travel to Canada				
Car trips from United States				
Same-day	1,375	0.3	4,812	-0.4
One or more nights	469	5.6	1,416	5.3
Total trips, one or more nights				
United States ¹	706	6.2	2,157	5.0
Other countries ²	178	7.8	560	8.5

¹ Estimates for the United States include counts of car and bus, and estimated numbers for plane, train, boat and other methods.

² Figures for "other countries" exclude same-day entries by land only, via the United States.

^P Preliminary figures.

^r Revised figures.

Productivity, hourly compensation and unit labour cost

1993

In the context of a slow economic recovery, global productivity for the business sector increased 1.2% in 1993, up from 0.7% in 1992. This increase, as well as a record slowdown (-0.7%) in wage inflation, contributed to the first decline in unit labour cost since 1962.

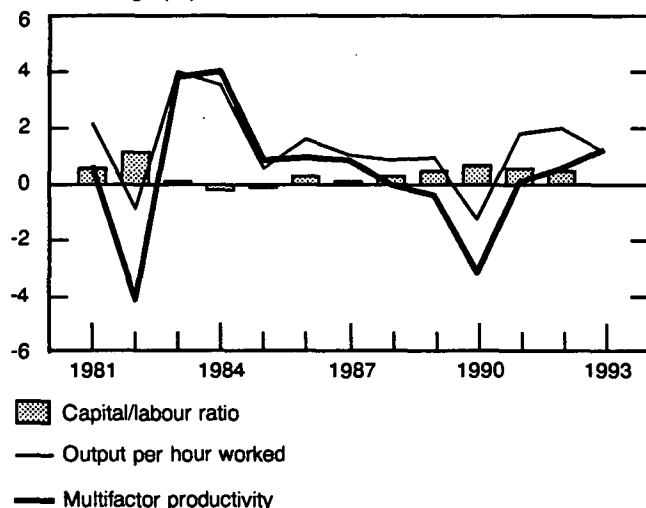
Productivity measures

In concert with the slow economic recovery of 1992 and 1993, multifactor productivity of Canadian businesses grew at an historically low rate, given that the business cycle was at the onset of an upswing. After the 1982 recession, productivity advanced by 3.8 in 1983 and by 4.0% in 1984.

This relatively weak productivity increase was caused primarily by a noticeable progression in labour input in 1993. A slowdown in the growth rate of output per hour worked, which decreased from 2.1% in 1992 to 1.1% in 1993, tends to confirm this.

Capital/labour ratio, output per hour worked and multifactor productivity for the business sector

Rate of change (%)



Definitions

Multifactor productivity is a measure of the technical efficiency of production. Its growth rate is calculated residually as the difference between the growth of the quantity of output produced and the growth of the quantity of all inputs used.

Labour productivity in this release refers to production per hour worked or hourly production. It is the ratio between output (real value added) and labour input (persons at work or, preferably, hours worked). Economic performance as measured by labour productivity, must be interpreted carefully, however, since these estimates reflect change in the capital/labour ratio in addition to growth in productive efficiency. When the capital/labour ratio increases (i.e., when the relative contribution of capital to output growth increases) labour productivity grows faster than multifactor productivity, and vice versa.

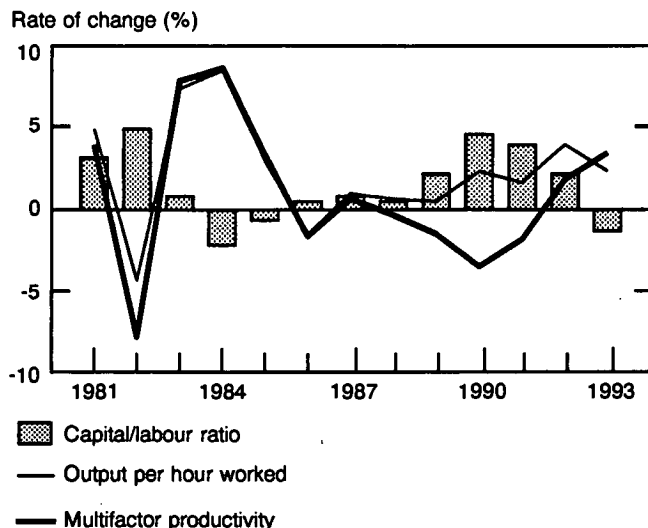
Unit labour cost is the labour cost per unit of output. It is calculated as the ratio between labour compensation and the quantity of output (real gross domestic product). It is also equivalent to the ratio of compensation per hour worked and labour productivity (GDP per hour worked).

Labour compensation is a measure of the value of labour services engaged in a production process. It includes all payments in cash or in kind by domestic producers to persons at work as remuneration for work, including salaries and supplementary labour income of paid workers, plus an imputed labour income for self-employed workers.

After having fallen 5.3% between the 1990 peak and the 1992 trough, the number of hours worked increased 2.2% in 1993. This increase partially resulted from an increase in the average hours worked per week in the goods-producing sector. This recovery in hours worked for this sector seems to indicate that businesses have fully adjusted their labour force to the production decline observed since 1990. The demand recovery has, therefore, induced businesses to rapidly increase labour factor utilization by extending work hours rather than by hiring new or previously laid-off employees.

Canadian manufacturers (which represent over 50% of this sector) also improved their productivity in 1993, going from 1.7% in 1992 to 3.3% in 1993. Still, this improvement in productivity lacks strength compared with the beginning of the previous recovery. Then, manufacturers' productivity increased by 7.9% in 1983 and by 8.6% in 1984.

Capital/labour ratio, output per hour worked and multifactor productivity for manufacturing industries



Services-producing industries, on the other hand, made hourly production gains in 1993; the exception was community, business and personal services, where production per hour worked decreased 4.3%. In the other services industries, production per hour worked grew by 2.8% for retail trade and 5.0% for transportation and storage. The decline in community, business and personal services industries was partly due to a 14.7% cyclical upswing in the number of independent workers. This new wave of individuals going into business seemed to have little impact on hourly production in this sector in 1993. Because this sector accounts for nearly 30% of service businesses and 16% of the total business sector, its negative performance in terms of hourly production had an overall negative effect on the aggregate measure. Excluding community, business and personal services, output per hour worked in the business sector increased 2.5% for 1993.

For the business sector, a slowdown in the growth rate of capital stock partly outweighed an increase in hours worked. This slowdown in the growth rate of capital stock was due to reduced business investment, which followed major modernizing of production facilities between 1987 and 1990.

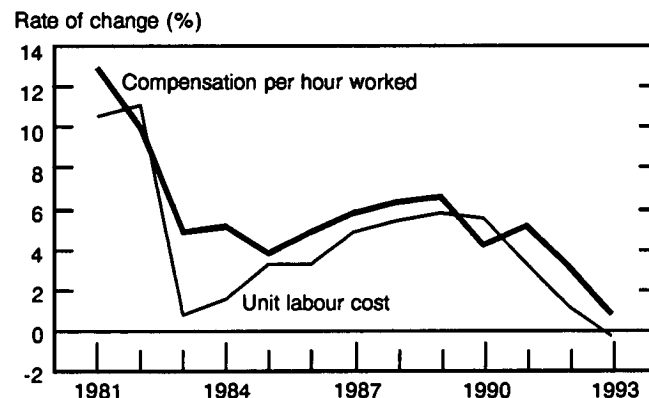
The opposing variations of capital and labour in 1993 caused a slight decrease in the capital/labour ratio. This is why hourly production increased at a relatively lower rate than multifactor productivity during 1993.

Manufacturers invested heavily during the 1980s. Since 1990, manufacturers have substantially reduced their investments, so that their capital stock fell by 1.3% in 1993. This decrease combined with a heavier work schedule led to a weaker increase for hourly production than for multifactor productivity in 1993. However, the most recent data on capacity utilization rates for manufacturing still indicated an important underutilization of capital stock compared with the peak reached in 1987. This potential capacity in 1993 had a negative impact on the productivity measure. However, this allows for improvement in coming years.

Unit labour cost and hourly compensation

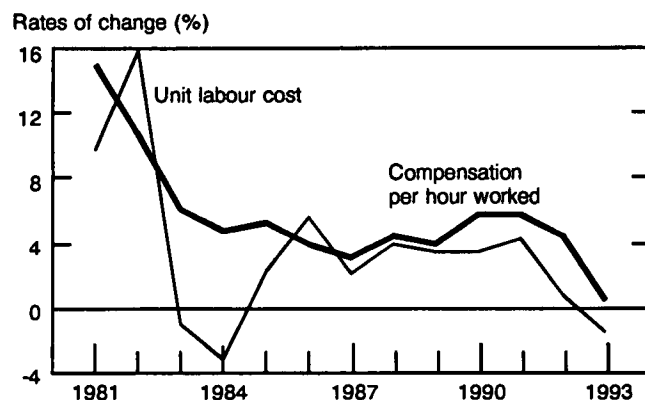
The decelerating trend in the growth of wages since 1990 continued in 1993. The business sector's hourly compensation increased by 0.7% in 1993. This was the weakest increase for this aggregate since 1946, when the data became available. This slowdown in wage growth, combined with a 1.1% increase in hourly production, contributed to the first decrease of unit labour cost since 1962. Indeed, unit labour cost decreased by 0.4% in 1993 after a 1.1% advance in 1992.

Compensation per hour worked and unit labour cost for the business sector



This first decrease of unit labour cost since 1962 came primarily from the goods-producing sector, which reduced unit labour cost by 1.4%. Manufacturing contributed to this reduction by decreasing its unit labour cost 1.6%, which compares with a weak 0.6% increase in 1992. (Unit labour cost of manufacturing also decreased after the 1982 recession, dropping 1.1% in 1983 and 3.4% in 1984.) A decrease in hourly compensation was also observed in 1993 for the mining (-0.4%) and construction (-1.4%) industries.

Compensation per hour worked and unit labour cost for manufacturing Industries



Unit labour cost in the services sector advanced a slight 0.3%. However, unit labour cost for part of this sector (the transportation and storage, communications and wholesale industries) decreased. Within the services sector, communications (-1.0%) and community, business and personal services (-0.5%) reported a reduction in hourly compensation.

Conclusion

Productivity data indicate that the recession of 1990-92 combined with major structural adjustments to Canadian businesses—particularly manufacturing—placed these businesses in an advantageous competitive position at the start of the current economic recovery. This was due to their reduced operating costs and underutilization of recently modernized production facilities.

Available in CANSIM: matrices 7898 and 7916-7938.

For further information on this release, contact Jean-Pierre Maynard (613-951-3654, fax: 613-951-0489), Input-Output Division. □

Multifactor productivity measures, capital/labour ratio and capital stock

	Business sector			Manufacturing industries		
	Multifactor productivity	Capital/labour ratio	Capital stock	Multifactor productivity	Capital/labour ratio	Capital stock
Törnqvist indexes 1986 = 100						
1961	71.0	49.0	30.5	54.8	58.8	45.7
1971	88.6	68.1	51.4	74.1	76.0	71.6
1975	90.4	73.9	63.3	78.7	80.4	79.5
1981	94.9	88.6	85.7	90.7	89.1	91.4
1982	91.0	100.5	92.0	83.6	104.9	98.2
1983	94.5	103.1	93.6	90.5	107.6	99.6
1984	98.3	100.8	94.5	98.6	100.9	97.1
1985	99.1	98.3	96.6	101.8	98.6	97.0
1986	100.0	100.0	100.0	100.0	100.0	100.0
1987	100.8	99.5	103.6	100.6	102.2	105.6
1988	100.7	99.4	108.2	100.1	103.8	112.3
1989	100.3	103.4	114.2	98.4	110.2	119.5
1990	97.1	109.2	120.3	94.9	125.1	128.6
1991	97.2	118.7	125.3	93.0	141.3	134.9
1992	97.7	125.1	130.2	94.6	151.3	139.4
1993	98.9	124.2	132.3	97.7	145.2	137.5
annual rate of change (%)						
1961-1993	1.0	3.0	4.5	1.7	2.9	3.5
1961-1975	1.7	3.0	5.0	2.6	2.3	4.0
1975-1982	0.1	4.5	4.8	0.9	3.9	3.1
1982-1991	0.1	1.9	3.2	1.1	3.4	3.6
1984-1985	0.8	-2.5	2.2	3.2	-2.3	-0.1
1985-1986	0.9	1.7	3.6	-1.8	1.4	3.1
1986-1987	0.8	-0.5	3.6	0.6	2.2	5.6
1987-1988	-0.1	-0.1	4.4	-0.5	1.6	6.3
1988-1989	-0.4	4.0	5.6	-1.7	6.1	6.5
1989-1990	-3.2	5.6	5.3	-3.5	13.6	7.6
1990-1991	-1.0	8.7	4.1	-2.0	13.0	4.9
1991-1992	0.5	5.4	3.9	1.7	7.0	3.3
1992-1993	1.2	-0.7	1.6	3.3	-4.0	-1.3

Measures of labour productivity and unit labour cost

	Real GDP	Employment	Average hours	Total hours	Compensation per hour	Real GDP per hour	Unit labour cost
annual rate of change (%)							
Business sector							
1989-1990	-1.1	0.3	-0.5	0.2	4.1	-1.3	5.5
1990-1991	-2.3	-2.8	-1.1	-4.0	5.1	1.7	3.3
1991-1992	0.6	-1.1	-0.6	-1.4	3.1	2.0	1.1
1992-1993	3.3	1.6	1.0	2.2	0.7	1.1	-0.4
annual rate of change (%)							
Business sector – goods							
1989-1990	-1.6	-2.6	-0.7	-3.0	5.3	1.4	3.8
1990-1991	-3.8	-5.7	-0.5	-6.2	4.5	2.6	1.9
1991-1992	-1.2	-3.0	-0.7	-3.4	2.8	2.3	0.5
1992-1993	3.3	-0.1	2.1	1.6	0.3	1.7	-1.4
annual rate of change (%)							
Business sector – services							
1989-1990	-0.7	2.1	-0.2	2.3	3.5	-2.9	6.6
1990-1991	-0.9	-1.2	-1.4	-2.5	5.7	1.6	4.1
1991-1992	2.2	-0.0	-0.4	-0.1	3.4	2.2	1.1
1992-1993	3.3	2.5	0.5	2.6	1.0	0.7	0.3

Measures of labour productivity and unit labour cost

	Real GDP	Hours worked	Compensation per hour worked	Real GDP per hour worked	Real GDP per person	Unit labour cost
indexes (1986 = 100)						
Business sector						
1946	17.2	62.3	4.3	27.6	36.1	15.6
1961	33.4	64.6	13.4	51.7	60.0	25.9
1975	69.3	84.6	41.8	81.9	86.4	51.0
1982	82.6	90.9	83.4	90.9	90.4	91.8
1986	100.0	100.0	100.0	100.0	100.0	100.0
1987	105.0	104.0	105.8	101.0	101.7	104.8
1988	110.1	108.2	112.5	101.8	102.7	110.4
1989	112.8	109.7	120.0	102.8	102.9	116.7
1990	111.5	109.9	124.9	101.5	101.5	123.1
1991	109.0	105.5	131.3	103.3	102.1	127.2
1992	109.6	104.1	135.4	105.3	103.9	128.6
1993	113.2	106.4	136.4	106.5	105.6	128.1
annual rate of change (%)						
1946-1993	4.1	1.1	7.6	2.9	2.3	4.6
1961-1993	3.9	1.6	7.5	2.3	1.8	5.1
1961-1975	5.3	1.9	8.5	3.3	2.6	5.0
1975-1982	2.5	1.0	10.4	1.5	0.7	8.8
1982-1991	3.1	1.7	5.2	1.4	1.4	3.7
1987-1988	4.9	4.0	6.3	0.9	1.0	5.4
1988-1989	2.5	1.4	6.7	1.0	0.2	5.7
1989-1990	-1.2	0.2	4.1	-1.3	-1.4	5.5
1990-1991	-2.2	-4.0	5.1	1.8	0.6	3.3
1991-1992	0.6	-1.3	3.1	1.9	1.8	1.1
1992-1993	3.3	2.2	0.7	1.1	1.6	-0.4
indexes (1986 = 100)						
Manufacturing Industries						
1946	18.2	69.9	4.7	26.1	29.4	18.1
1961	35.9	77.7	13.9	46.1	47.9	30.1
1975	75.1	98.3	38.9	76.5	77.1	50.9
1982	78.2	92.2	82.4	84.8	82.9	97.1
1986	100.0	100.0	100.0	100.0	100.0	100.0
1987	104.8	103.9	103.0	100.9	101.7	102.0
1988	110.2	108.7	107.5	101.4	102.4	106.1
1989	111.1	109.2	111.6	101.8	102.1	109.6
1990	107.5	103.4	117.8	104.0	104.2	113.3
1991	101.2	95.9	124.5	105.5	105.6	118.0
1992	101.4	92.6	130.0	109.5	110.5	118.7
1993	106.4	95.2	130.5	111.8	115.0	116.8
annual rate of change (%)						
1946-1993	3.8	0.7	7.3	3.1	2.9	4.0
1961-1993	3.5	0.6	7.2	2.8	2.8	4.3
1961-1975	5.4	1.7	7.6	3.7	3.5	3.8
1975-1982	0.6	-0.9	11.3	1.5	1.1	9.7
1982-1991	2.9	0.4	4.8	2.5	2.7	2.3
1987-1988	5.2	4.6	4.4	0.5	0.7	4.0
1988-1989	0.8	0.5	3.8	0.4	-0.3	3.3
1989-1990	-3.2	-5.3	5.6	2.2	2.1	3.4
1990-1991	-5.9	-7.3	5.7	1.4	1.3	4.1
1991-1992	0.2	-3.4	4.4	3.8	4.6	0.6
1992-1993	4.9	2.8	0.4	2.1	4.1	-1.6

DATA AVAILABILITY ANNOUNCEMENTS

Railway carloadings

10-day period ending May 31, 1994

The number of railway cars loaded in Canada during the 10-day period increased 1.8% from the year-earlier period; revenue-freight loaded increased 4.8% to 6.5 million tonnes.

Piggyback traffic tonnage, which is included in total carload traffic, increased by 0.8% during the same period.

Tonnage of revenue-freight loaded as of May 31, 1994 increased 3.7% from the previous year.

Cumulative data for 1993 and 1994 have been revised.

For further information on this release, contact Angus MacLean (613-951-2528, fax: 613-951-0579), Surface Transport Unit, Transportation Division. ■

Shipments of rolled steel

April 1994

Rolled steel shipments for April 1994 totalled 1 078 674 tonnes, down 12.2% from 1 228 436 tonnes in March 1994 and down 6.5% from 1 154 123^r (revised) tonnes in April 1993.

Year-to-date shipments at the end of April 1994 totalled 4 398 347 tonnes, down 1.4% from 4 460 961^r tonnes the previous year.

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

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

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



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The Daily, June 14, 1994

PUBLICATIONS RELEASED

Oils and fats, April 1994.

Catalogue number 32-006

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

**Passenger bus and urban transit statistics,
April 1994.**

Catalogue number 53-003

(Canada: \$8/\$80; United States: US\$10/US\$96;
other countries: US\$12/US\$112).

Oil pipeline transport, March 1994.

Catalogue number 55-001

(Canada: \$11/\$110; United States: US\$14/US\$132;
other countries: US\$16/US\$154).

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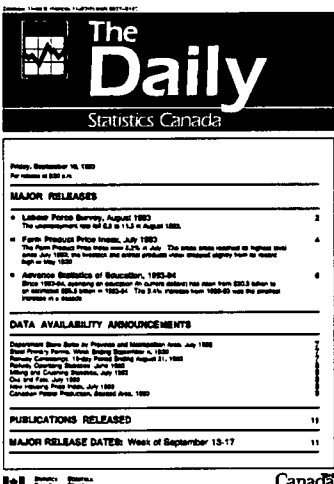
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