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MAJOR RELEASES

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- **Canada's international transactions in services, 1993**

Canadian individuals, companies and governments exported a record \$26.9 billion in services in 1993. But they still generated a record \$13.8 billion deficit as their purchases of foreign services reached a new high of \$40.7 billion.

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- **Employment, earnings and hours, May 1994**

Seasonally adjusted payroll employment declined slightly to 10,393,000 in May after two substantial monthly increases. Seasonally adjusted average weekly earnings increased 2.0% from May 1993.

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- **Cigarette sales and production, June 1994**

Cigarette production and domestic sales by manufacturers were both very strong in June. However, on a year-to-date basis, total sales (domestic plus export) were at almost exactly the same level in 1994 as in 1993.

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Canada's international
transactions in services
1992 and 1993

Les transactions
internationales
de services du Canada
1992 et 1993



Canada's international transactions in services 1992 and 1993

Canadian residents (individuals, companies and governments) exported a record \$26.9 billion in services in 1993. These exports which comprise travel, freight, business, government and other services, were up 9%—the fastest growth rate in five years. However, Canada still generated a record \$14 billion deficit as imports of services reached a new high of \$41 billion.

For the details behind these changes—including record expenditures by travellers to Canada and more on the pattern of our business services trade with foreign affiliates—consult *Canada's international transactions in services*. It is a unique source of information on a subject that has taken on a higher profile with the implementation of NAFTA and the signing of the first multilateral agreement on services trade under the GATT.

Canada's international transactions in services, 1992 and 1993 (67-203, \$35) is now available. See "How to order publications".

For further information on this release, contact Hugh Henderson (613-951-9049), Balance of Payments Division.



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MAJOR RELEASES

Canada's international transactions in services

1993

Canadian residents (individuals, companies and governments) exported a record \$26.9 billion in services in 1993. But they still generated a record \$13.8 billion deficit as their purchases of foreign services reached a new high of \$40.7 billion.

Exports of travel, freight, business, government and other services together grew by 9%, their fastest growth rate in five years. At the same time, imports of services grew nearly as quickly (+ 8%).

Canada incurred deficits in the three largest services categories: travel, business, and freight. A small deficit remained virtually unchanged for government administrative services, whereas a small surplus grew in a range of miscellaneous services.

The United States is a major factor in the \$4.8 billion business services deficit

Canadian companies purchased \$4.8 billion more in business services than they sold abroad in 1993. This compares with a deficit closer to \$4.0 billion in each of the previous four years.

The increase occurred largely because of trading with the United States, with whom the deficit in business services widened by nearly \$0.5 billion to \$4.3 billion. Canadian businesses continued to encounter large deficits for royalties, patents and trademarks, and management and administrative services.

In the United Kingdom, purchases also expanded more rapidly than sales because of financial sector commissions.

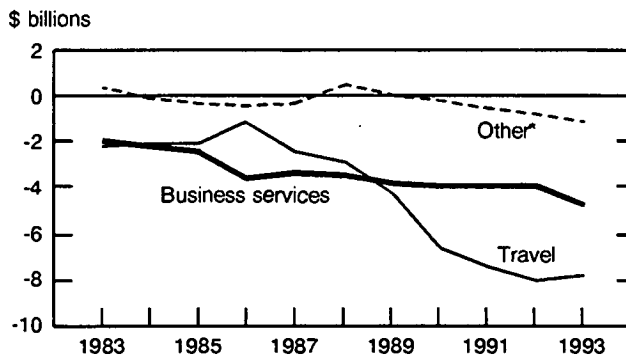
Trade with foreign affiliates of Canadian companies, notably with U.S. affiliates, amounted to 40% of international receipts and 55% of payments. Foreign-controlled companies in Canada dealing with their parent companies abroad accounted for a substantial part of this affiliated trade.

For their part, Canadian-controlled companies, which accounted for more than 60% of export earnings, dealt largely with non-affiliated parties abroad. They operated mainly in the finance, services and retailing industries.

Note to users

International transactions in services comprise the following categories: travel, freight and shipping (transportation), business services, government and other services. Such services along with merchandise trade, investment income and unilateral transfers make up the current account of the balance of payments.

Deficit on business services starts to widen again, while deficit on travel shrinks



* Includes freight and shipping, government and other services.

Foreign visitors pump more money into Canada

Foreign travellers spent more in Canada, whereas Canadian travellers moderated their spending abroad in 1993. This narrowed the travel deficit to \$7.9 billion, down from the record \$8.2 billion in 1992.

American visitors boosted their spending by 12% to a record \$5.1 billion, while overseas visitors boosted their spending by 6% to a new high of \$3.7 billion. That resulted in a total increase of 9% in all spending by foreigners, the biggest increase since Expo in 1986.

As their dollar lost strength, Canadians cut travel spending in the United States by 2% to \$10.8 billion in 1993; of this, spending on travellers' goods fell still more (-10%). But it was a different story overseas, where Canadians spent a record \$5.8 billion, a jump of 12%. That surpassed the previous high in 1990, the year before the Gulf War disrupted international travel patterns.

Mixed performance for other services

For a second year in a row, Canadian residents paid more than they received for freight and shipping services (which include costs of transporting merchandise by air, water, rail, truck and pipeline).

The deficit more than doubled from \$0.3 billion to \$0.7 billion because of a lower surplus on inland freight, which accounted for most of freight services.

Canada's deficit for government administrative services—covering those of the federal government and the provinces—remained virtually unchanged at \$0.7 billion, reflecting spending restraints.

A range of other services transactions covering student expenditures, recreational and cultural outlays, and trade union remittances grew slightly in Canada's favour. A small surplus rose from \$0.2 billion to \$0.3 billion.

Available on CANSIM: matrix 2324.

Canada's international transactions in services, 1992 and 1993 (67-203, \$35) is now available. See "How to order publications".

For further information on this release, contact Hugh Henderson (613-951-9055), Balance of Payments Division. ■

Employment, earnings and hours

May 1994 (preliminary)

Seasonally adjusted payroll employment declined slightly to 10,393,000 in May after two substantial monthly increases. Employment has grown by 208,000 since January 1994. Most provinces lost employment in May with the notable exception of British Columbia. British Columbia remains little affected by the slow economic growth affecting most other provinces. Newfoundland recorded a sizeable employment decline due to a strike by elementary and secondary school teachers.

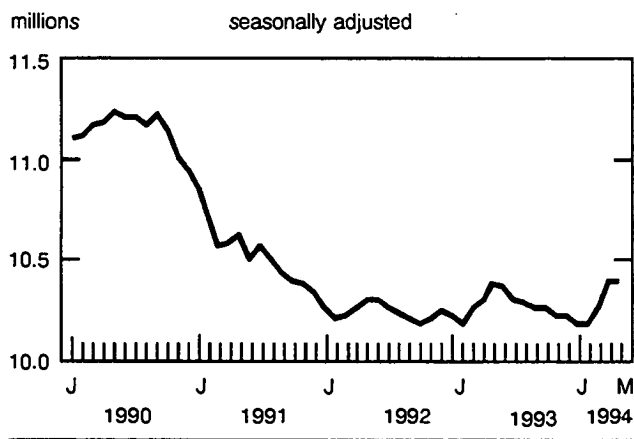
Note to users

Employment, earnings and hours is based on a sample survey of establishments and on a sample of administrative records. The administrative records representing small firms are obtained from Revenue Canada monthly payroll deduction remittance forms.

The administrative data also yield estimates of employment for new businesses that have not yet been classified by industry and introduced to the survey. The estimate of employment for unclassified businesses is included in the industrial aggregate total.

Detailed industrial series (seasonally adjusted) on employment and average weekly earnings for the provinces and territories are now available.

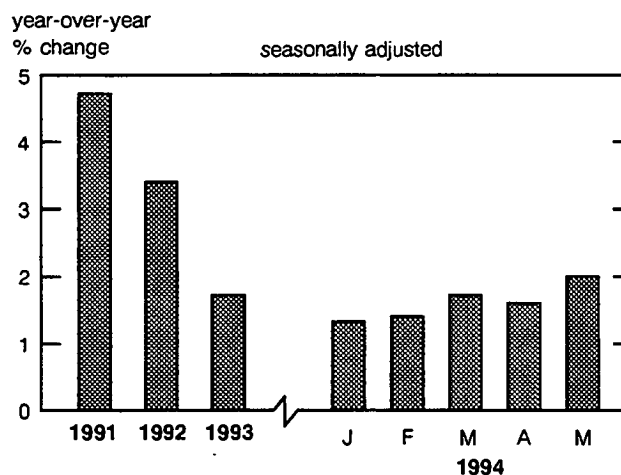
Employment (industrial aggregate) from the survey of employment, payrolls and hours



Seasonally adjusted average weekly earnings increased by 2.0% from May 1993. Following a downward trend, average weekly earnings have generally accelerated for five consecutive months on a year-over-year basis. Despite the recent advances in earnings, the gains have been modest when compared to average increases in recent years.

For all industries, average weekly hours dropped 0.8% to 30.8 hours for the 5,216,000 employees paid by the hour. Average weekly hours in April reached their highest level (31.0 hours) since November 1990. The decline in May was widespread across most major industry groups.

Average weekly earnings



Weekly payrolls dropped in May (-0.6%) after monthly gains observed since December 1993. The drop in payrolls was due to declining average weekly earnings (-0.2%) and employment (-0.1%). The drop was widespread with transportation, communication and other utilities, health and social services, and retail trade contributing most to the decline.

Employers in health and social services shed employment

The effects of budgetary restrictions continued to be evident in health and social services. Payroll employment fell by 10,000 in May after a pattern of small fluctuations since March 1993. Employers also reduced weekly payrolls for the second consecutive month (-1.1%), reflecting decreases in employment and in average weekly earnings. About two-thirds of the employment decline was recorded in Ontario and Quebec. The declines in average weekly earnings were widespread across most provinces.

Finance, insurance and real estate agencies reduce employment

Finance, insurance and real estate agencies reduced payroll employment by 1.2% in May. Real estate operators, insurance and real estate agencies, and credit unions contributed to the employment drop. Declining employment in these industries was partly offset by investment intermediaries expanding employment during the month. Employment declines were widespread across most provinces.

Average weekly earnings rose 0.4% in May after two months of declines. The earnings growth was mainly due to higher commissions paid to insurance and real estate agents. Average weekly earnings for these commissioned agents rose 22.3% to \$1,050.64 in May.

Export-oriented manufacturers boost employment

Buoyed by an upward trend in exports and shipments, manufacturers increased payroll employment in May by 10,000 (+0.6%). The cumulative employment gain between February and May 1994 was 39,900 or 2.1%. This represents a substantial short-term employment gain. The surge in manufacturing employment was led by producers of motor vehicles including parts and accessories and by machinery and equipment. The employment gains in manufacturing were concentrated in Ontario, British Columbia and Quebec.

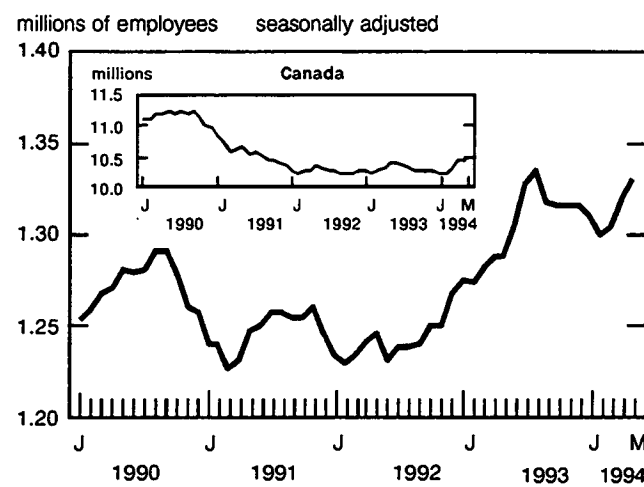
Employment in British Columbia continues to forge ahead

Payroll employment for British Columbia rose by 12,000 in May, bringing the gain since January 1994 to 21,000. Much of the employment strength in May was in accommodation, food and beverage services and in finance and insurance. Employment growth is

becoming more widespread as 120 of the 214 industries showed year-over-year increases in employment compared with 109 in April.

British Columbia is the only province to record a substantial increase in employment (+61,000 or +4.8%) since the onset of the recession in April 1990.

British Columbia leads in job growth



Newfoundland hit by major teachers strike

A major work stoppage affecting 8,200 elementary and secondary school teachers largely contributed to the decline in payroll employment in Newfoundland. The strike on the province's education and related services industry caused an employment decline of 47% and an earnings decrease of \$71.53 per week.

Average weekly earnings for construction workers in Newfoundland rose \$40.39 from the April's \$843.95. This was due in part to increased activity on the Hibernia project. Contributing to the gain in average weekly earnings were increases in both average weekly hours including overtime and average hourly earnings for hourly paid workers.

Available on CANSIM: matrices 4285-4466, 9438-9452, 9639-9664 and 9899-9911.

More detailed industry data and other labour market indicators are available from *Employment, earnings and hours* (72-002, \$29/\$285) and by special tabulation.

For further information on this release, contact Stephen Johnson (613-951-4090, fax: 613-951-4087), Labour Division. □

Number of employees

Industry group (1980 S.I.C.)	March 1994	April 1994 ^r	May 1994 ^p	March 1994 to April 1994	April 1994 to May 1994
	thousands			% change	
	seasonally adjusted				
Industrial aggregate	10,265	10,399	10,393	1.3	-0.1
Logging and forestry	64	62	61	-3.1	-1.6
Mining, quarrying and oil wells	126	130	130	3.2	0.0
Manufacturing	1,610	1,625	1,635	0.9	0.6
Construction	409	425	428	3.9	0.7
Transportation, communication and other utilities	848	857	843	1.1	-1.6
Trade	1,942	1,955	1,944	0.7	-0.6
Wholesale trade	595	602	605	1.2	0.5
Retail trade	1,345	1,356	1,350	0.8	-0.4
Finance, insurance and real estate	646	647	639	0.2	-1.2
Business services	542	554	557	2.2	0.5
Education-related services	923	925	926	0.2	0.1
Health and social services	1,145	1,148	1,138	0.3	-0.9
Accommodation, food and beverage services	720	729	723	1.3	-0.8
Public administration	705	707	708	0.3	0.1
Provinces and territories					
Newfoundland	145	146	139	0.7	-4.8
Prince Edward Island	39	40	40	2.6	0.0
Nova Scotia	288	292	290	1.4	-0.7
New Brunswick	234	235	233	0.4	-0.9
Quebec	2,516	2,525	2,514	0.4	-0.4
Ontario	4,023	4,061	4,061	0.9	0.0
Manitoba	389	393	391	1.0	-0.5
Saskatchewan	298	304	302	2.0	-0.7
Alberta	1,049	1,052	1,037	0.3	-1.4
British Columbia	1,303	1,319	1,331	1.2	0.9
Yukon	11	12	12	9.1	0.0
Northwest Territories	22	22	22	0.0	0.0

^p Preliminary estimates.^r Revised estimates.

Average weekly earnings*

Industry group (1980 S.I.C.)	April 1994 ^r	May 1994 ^p	May 1993	April 1994 to May 1994	May 1993 to May 1994
	dollars			% change	
	seasonally adjusted				
Industrial aggregate	564.89	563.57	552.48	-0.2	2.0
Logging and forestry	711.37	701.06	704.39	-1.4	-0.5
Mining, quarrying and oil wells	955.93	955.46	925.51	0.0	3.2
Manufacturing	684.33	682.19	666.60	-0.3	2.3
Construction	634.47	628.68	624.13	-0.9	0.7
Transportation, communication and other utilities	710.00	704.35	701.46	-0.8	0.4
Trade	423.58	420.68	409.42	-0.7	2.8
Wholesale trade	606.57	604.16	581.60	-0.4	3.9
Retail trade	341.08	339.77	331.56	-0.4	2.5
Finance, insurance and real estate	636.97	639.77	616.11	0.4	3.8
Business services	602.91	596.76	586.62	-1.0	1.7
Education-related services	678.69	678.72	672.58	0.0	0.9
Health and social services	503.65	502.83	497.98	-0.2	1.0
Accommodation, food and beverage services	226.94	225.81	218.66	-0.5	3.3
Public administration	744.32	746.41	743.99	0.3	0.3
Provinces and territories					
Newfoundland	527.96	514.55	525.20	-2.5	-2.0
Prince Edward Island	457.87	454.25	451.06	-0.8	0.7
Nova Scotia	496.45	491.59	490.56	-1.0	0.2
New Brunswick	504.17	492.96	497.22	-2.2	-0.9
Quebec	544.68	536.71	534.73	-1.5	0.4
Ontario	602.56	603.53	586.81	0.2	2.8
Manitoba	496.93	494.00	488.47	-0.6	1.1
Saskatchewan	481.20	481.20	471.94	0.0	2.0
Alberta	549.72	552.19	549.98	0.4	0.4
British Columbia	571.96	575.70	552.71	0.7	4.2
Yukon	701.00	683.36	659.90	-2.5	3.6
Northwest Territories	717.71	706.25	705.25	-1.6	0.1

^p Preliminary estimates.

^r Revised estimates.

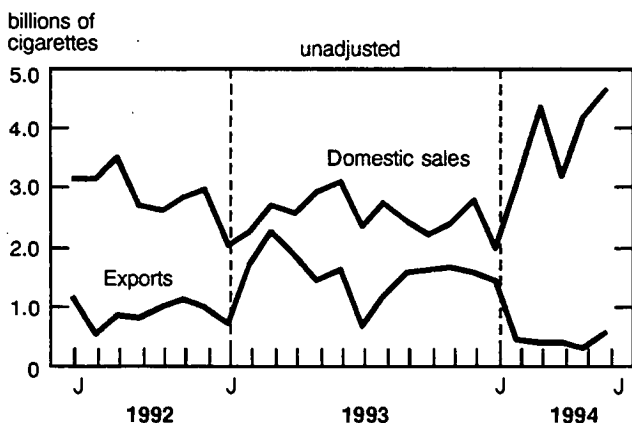
* For all employees.

Cigarette sales and production

June 1994

Cigarette production and domestic sales by manufacturers were both very strong in June. However, on a year-to-date basis, total sales (domestic plus export) were at almost exactly the same level in 1994 as in 1993.

Domestic sales and exports



Manufacturers produced 5.96 billion cigarettes in June, a sharp 20.2% increase from June 1993. This increased production has been reflected in both higher inventories and higher sales by manufacturers.

Inventories at 6.02 billion cigarettes are substantially higher than in June 1993 (+22.9%). Domestic sales in June totalled 4.68 billion cigarettes, up 51.2% from June 1993. Exports totalled 0.55 billion cigarettes, 66.0% below June 1993.

For January to June 1994, year-to-date sales totalled 24.97 billion cigarettes, much the same level as in the January to June 1993 period, when sales totalled 25.01 billion cigarettes. The domestic sales component increased 38.4%, whereas exports plunged 64.1%.

Production on a year-to-date basis is up 10.2% over last year, and, since total sales are at the same level, this has resulted in much higher inventories than a year earlier.

Sales and export data are aggregates of shipments reported by Canadian manufacturers and are not retail level sales or final consumption. Data on cigarette consumption will be available from the adults' smoking habits survey and will be released in September.

Exports are excise-duty-free, cross-border shipments to any country outside Canada. Detailed data on exports by country are available approximately 60 days after the reference month in *Exports by commodity* (65-004).

Available on CANSIM: matrix 46.

The June 1994 issue of *Production and disposition of tobacco products* (32-022, \$6/\$60) will be available shortly. See "How to order publications".

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

Volume of cigarettes

	January 1994	February 1994	March 1994	April 1994	May 1994	June 1994	January to June 1994	January to June 1993 ^r	January- June 1993 to January- June 1994
	\$ millions							% change	
Domestic sales	1,943	3,053	4,346	3,192	4,188	4,682	21,404	15,466	38.4
Exports	1,398	412	374	347	292	547	3,370	9,387	-64.1
Total sales ¹	3,352	3,486	4,767	3,569	4,517	5,283	24,974	25,013	0.2
Production	3,806	3,783	5,878	4,531	4,444	5,962	28,404	25,779	10.2

^r Revised figures.

¹ Total sales include domestic excise-duty-free sales, in addition to domestic sales and exports.

DATA AVAILABILITY ANNOUNCEMENTS

Cereals and oilseeds review

June 1994

Grain crops progressed well in June as warm weather and sufficient rain was reported in most districts. The rapid advance of some crops caused concern that spraying might not be completed. Shortages of chemicals for spraying canola were reported.

Record areas of canola, dry field peas, canary seed, and mustard seed were seeded by Canadian farmers this spring. By contrast, area seeded to spring wheat declined significantly. Planting decisions appear to have been based on the best expected market return.

Crops also progressed quickly in the United States. Harvesting of the winter wheat crop was well advanced due to hot, dry weather. The U.S. Department of Agriculture reported that a larger than expected (by market traders) area of soybeans was seeded, while a smaller than expected area of corn was seeded.

Weather continued to be a dominant factor in the markets, and prices fluctuated on a daily basis. Release of the Statistics Canada and the U.S. Department of Agriculture seeded areas data had a negative effect on oilseed prices.

In other news in June, the Winnipeg Commodity Exchange stopped trading in the June 1994 canola futures contracts, and the initial prices for durum wheat increased.

The June 1994 issue of *Cereals and oilseeds review* (22-007, \$15/\$144) will be released in August. See "How to order publications".

For further information on this release, contact Alain Y. Bertrand (613-951-3859) or Karen Gray (204-983-2856), Grain Marketing Unit, Agriculture Division. ■

Steel primary forms

Week ending July 23, 1994 (preliminary)

Steel primary forms production for the week ending July 23, 1994 totalled 239 639 tonnes, down 1.8% from the week-earlier 244 120 tonnes and down 14.9% from the year-earlier 281 509 tonnes.

The cumulative total at the end of the week was 7 612 824 tonnes, a 5.4% decrease from 8 044 349 tonnes for the same period in 1993.

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

Motor carriers of freight quarterly survey: large carriers

First quarter 1994

In the first quarter of 1994, 51 large carriers earning \$25 million or more annually, had an operating ratio of 0.98. This ratio was an improvement from 1.01 in the first quarter of 1993. Operating revenues totalled \$828 million, an 11% increase from the first quarter of 1993.

Data for the first quarter of 1994 from the motor carriers of freight quarterly survey, which covers activities of for-hire trucking carriers with annual operating revenues of \$25 million or more, are now available.

Detailed data for the first quarter of 1994 will appear in the September 1994 issue of *Surface and marine transport service bulletin* (50-002, \$11/\$80).

For further information on this release, contact Robert Larocque (613-951-2486), Transportation Division. ■

Coal and coke statistics

May 1994

Coal production totalled 5 906 kilotonnes in May 1994, up 6.4% from May 1993. Year-to-date production at the end of May 1994 stood at 29 683 kilotonnes, up 4.7% from the previous year.

Exports in May fell to 2 534 kilotonnes, down 6.3% from May 1993; imports decreased 22.9% to 960 kilotonnes. For January to May 1994, exports totalled 11 689 kilotonnes, 7.1% above last year.

Coke production in May 1994 increased to 335 kilotonnes, up 2.0% from May 1993.

Available on CANSIM: matrix 9.

The May 1994 issue of *Coal and coke statistics* (45-002, \$11/\$110) will be available the first week of August. See "How to order publications".

For further information on this release, contact Dave Madsen (613-951-9823), Energy Section, Industry Division. ■

Electric power statistics

May 1994

Net generation of electricity for May 1994 increased to 40 019 gigawatt hours (GW.h), up 8.8% from May 1993. Exports increased 55.0% to 3 546 GW.h; imports decreased from 1 348 GW.h to 534 GW.h.

Generation by type was as follows: hydro 24 378 GW.h (+5.3%), nuclear 8 110 GW.h (+23.2%), and thermal conventional 7 531 GW.h (+7.0%).

Year-to-date net generation at the end of May 1994 totalled 235 481 GW.h, up 6.0% from the

previous year. Year-to-date exports (19 239 GW.h) rose 60.0% from the previous year; year-to-date imports (1 858 GW.h) declined 53.4% from the previous year.

Available on CANSIM: matrices 3987-3999.

The May 1994 issue of *Electric power statistics* (57-001, \$11/\$110) will be available the first week of August. See "How to order publications".

For further information on this release, contact Dave Madsen (613-951-9823), Energy Section, Industry Division. ■



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PUBLICATIONS RELEASED

Energy statistics handbook, July 1994.

Catalogue number 57-601

(Canada: \$330; United States: US\$400;
other countries: US\$460).

The labour force, June 1994.

Catalogue number 71-001

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

**Canada's international transactions in services,
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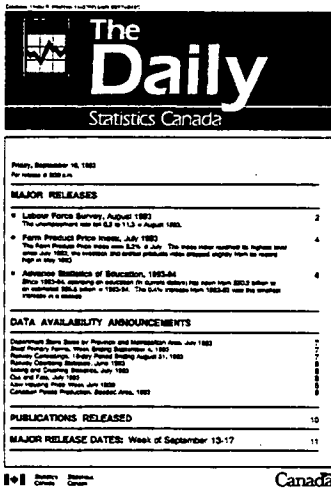
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