



The Daily

Statistics Canada

Tuesday, August 16, 1994

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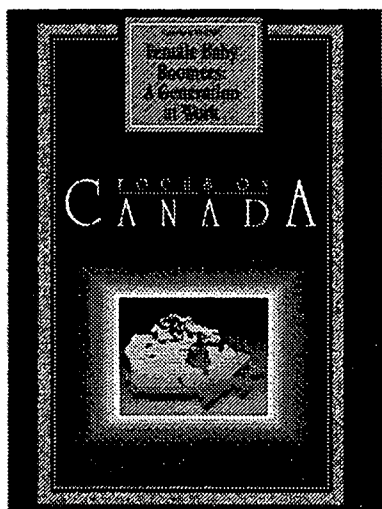
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Canadian participation in the merger and acquisition market in Canada increased over the 1991 to 1993 period, while foreign participation declined.

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Focus on Canada series—Female baby boomers: a generation at work

How has employment changed for women over the 20 years of the baby boom generation? *Female baby boomers: a generation at work*, one of 11 reports in the *Focus on Canada* series from the 1991 Census, looks at the evolution of women in the workforce, comparing demographic characteristics, level of education, marital status and number of children. The author also examines the professions, work arrangements, revenues and the overall contribution of women to family income.

The *Focus on Canada* series is distributed exclusively by Prentice Hall Canada Inc., 1870 Birchmount Road, Scarborough, Ontario M1P 2J7. Copies of *Female baby boomers: a generation at work* (96-315E, \$12) may be ordered toll-free by telephone at 1-800-567-3800 or by fax at 1-416-299-2529.



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MAJOR RELEASES

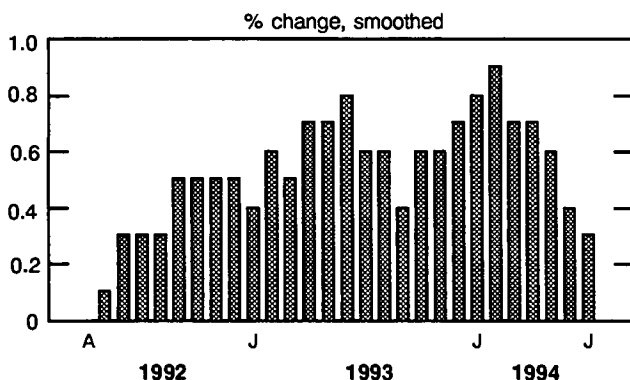
Composite index

July 1994

Slowest growth in two years

The growth of the composite index continued the slowing trend that began in March, from a revised 0.4% in June to 0.3% in July. This was the weakest growth since August 1992. In July, six of the 10 components were up, while four were down, one more negative component than in June. The components related to final demand continued to moderate, while business spending stayed vigorous.

Composite index



Household demand eased further. The housing index fell 1.2% after a drop of 0.4% (revised from +0.5%) in June. The slump in house sales that accompanied higher interest rates in May and June

was followed by a sharp drop in housing starts in July. Sales of durable goods continue to soften due to slow demand for cars. Furniture and appliance sales continued to grow slowly.

New orders for manufactured goods remained solid, rising 1.4%. Much of this growth, however, resulted from the reopening of auto plants after retooling. The ratio of shipments to inventories fell for the third month in a row, as stocks accumulated in export-based industries. The average workweek posted its first decline since April 1991, as manufacturers met their manpower needs by hiring more employees in July.

Employment in business services also continued to grow rapidly (+0.7%) due to robust demand at a time of soaring corporate earnings. This strong growth in business services was reflected in the upward revision to investment plans at mid-year.

The Toronto stock market tumbled again in July, down 1.2%. The money supply continued to slacken from its pace in the spring, when it hit a seven-year high.

The U.S. leading indicator grew slowly again, due to weakness in those components related to Canada's key export markets by autos and housing. However, manufacturing remained firm.

Available on CANSIM: matrix 191.

The August 1994 issue of *Canadian economic observer* (11-010, \$22/\$220) will be available this week. See "How to order publications".

For further information on this release or about the next release dates, contact Francine Roy (613-951-3627), Current Economic Analysis Division.

Composite index

Data used in the composite index calculation for:	February 1994	March 1994	April 1994	May 1994	June 1994	July 1994	Last month of data available
							% change
Composite leading indicator (1981 = 100)	162.2	163.4	164.5	165.4	166.1	166.6	0.3
Housing index ¹	129.7	129.8	130.4	130.3	129.8	128.2	-1.2
Business and personal services employment (thousands)	1,844	1,844	1,846	1,850	1,858	1,870	0.7
TSE 300 stock price index (1975 = 1000)	4,346	4,386	4,393	4,388	4,337	4,286	-1.2
Money supply (M1) (millions of 1981 \$) ²	28,628	28,929	29,339	29,670	29,946	30,157	0.7
U.S. composite leading index (1967 = 100) ³	210.8	211.7	212.6	213.4	214.1	214.6	0.2
Manufacturing							
Average workweek	38.7	38.8	38.9	38.9	38.9	38.7	-0.5
New orders durables (millions of 1981 \$) ⁴	10,368.9	10,524.6	10,581.0	10,628.5	10,755.8	10,904.0	1.4
Shipments/inventories ratio ⁴	1.55	1.56	1.56	1.55	1.54	1.53	-0.01 *
Retail trade							
Furniture and appliance sales (millions of 1981 \$) ⁴	1,104.3	1,104.6	1,106.4	1,110.6	1,115.4	1,122.1	0.6
Other durable goods sales (millions of 1981 \$) ⁴	3,730.6	3,762.7	3,806.5	3,872.3	3,920.2	3,957.3	0.9
Unsmoothed composite	166.0	164.9	166.7	166.1	166.4	167.2	0.5

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.

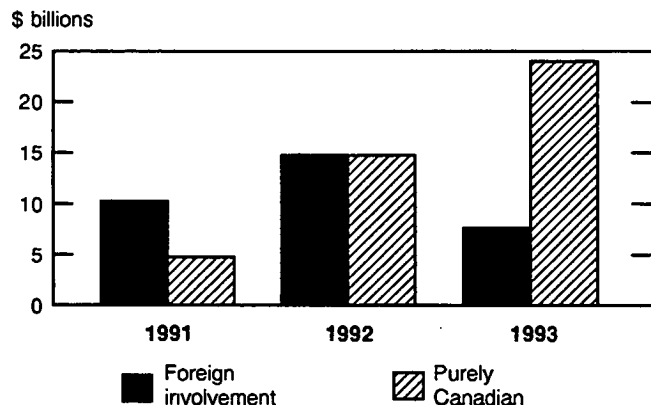
Mergers and acquisitions

1991-93

Canadian participation in the merger and acquisition market in Canada increased over the 1991 to 1993 period, while foreign participation declined. When measured on a 1991 revenue basis, "purely Canadian" transactions, that is, transactions between Canadian-controlled corporations, climbed from \$4.8 billion in 1991 to \$24.0 billion in 1993.

In contrast, transactions in Canada involving at least one foreign player fluctuated over the period, decreasing from \$10.2 billion in 1991 to \$7.6 billion in 1993. In response to the economic climate, merger and acquisition activity in the early 1990s was considerably less than that which occurred during the merger wave of the mid to late 1980s.

Aggregate merger and acquisition activity, by residence of the transactors, revenue



Impact of mergers and acquisitions on foreign control diminished

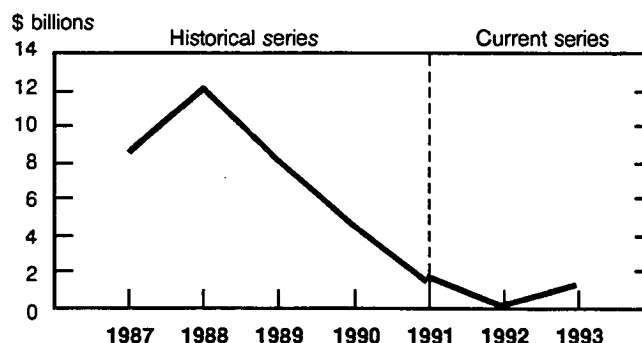
The impact of mergers and acquisitions on foreign control in the Canadian economy was negligible during the 1991 to 1993 period. The net gain in foreign-controlled assets resulting from mergers and acquisitions over this period amounted to \$2.8 billion. This contrasts with the large impact that resulted from the activity at the height of the previous merger wave. Mergers and acquisitions in 1988 alone led to a net gain of \$12.0 billion in foreign-controlled assets.

Note to users

In the historical series, mergers and acquisitions are measured in terms of 1988 values. In the current series, mergers and acquisitions are measured in terms of 1991 values. The overlapping reference year for both series is 1991.

Divestiture: A transaction whereby an enterprise loses control of a subsidiary corporation, and where the voting shares of the divested subsidiary have been widely distributed (without any one identifiable acquirer). Examples include a purchase by the firm's management, and a widely-distributed sale of the firm's shares in the equity markets. Sales to other enterprises are not considered divestitures.

Net change in foreign-controlled assets due to mergers and acquisitions

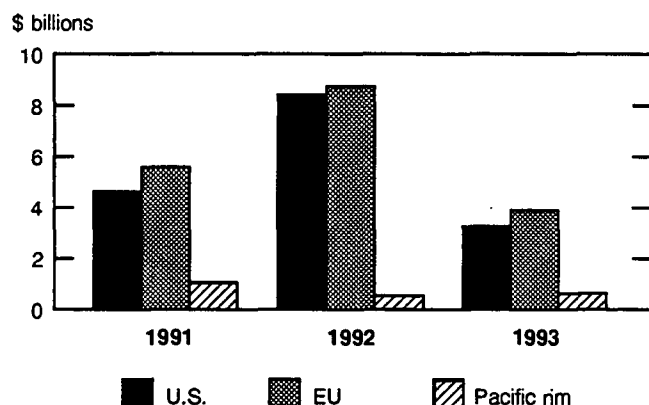


Note: See Note to users regarding historical and current data series.

European Union and United States were major players

The European Union (EU) trading region was the most active foreign participant in the Canadian merger and acquisition market. In terms of 1991 corporate revenues, the total volume of activity involving EU interests amounted to \$18.2 billion over the 1991 to 1993 period.

Aggregate merger and acquisition activity, by major trading region, revenue



However, EU enterprises divested more firms than they acquired, resulting in a net reduction of \$2.9 billion in EU-controlled revenue. U.S.-controlled enterprises rebounded from recent reductions in merger and acquisition market share. Pacific rim enterprises avoided the merger and acquisition market and continued to rely on internal growth and new investment for corporate expansion in the Canadian economy.

Aggregate merger and acquisition activity, by major trading region

	1991	1992	1993	1991 to 1993
\$ billions				
Assets				
United States	4.2	9.1	4.5	17.8
European Union	5.7	15.9	5.8	27.4
Pacific rim	0.5	1.0	1.5	3.0
Revenue				
United States	4.6	8.4	3.3	16.3
European Union	5.6	8.7	3.9	18.2
Pacific rim	1.0	0.5	0.6	2.1

Net change in assets and revenue controlled by major trading regions due to mergers and acquisitions

	1991	1992	1993	1991 to 1993
\$ billions				
Assets				
United States	-0.5	+3.9	+0.8	+4.2
European Union	+1.1	-5.3	-0.1	-4.3
Pacific rim	+0.3	-0.2	+0.8	+0.9
Revenue				
United States	-	+3.4	+1.0	+4.4
European Union	+0.4	-3.5	+0.1	-2.9
Pacific rim	+0.9	-0.1	+0.2	+1.0

- amount too small to be expressed.

Divestitures prevalent

In the early 1990s, a considerable proportion of merger and acquisition transactions were divestitures or spin-offs, as many enterprises reportedly divested corporations to concentrate on core business activities. In 1992 and 1993 combined, divestitures accounted for \$22.6 billion out of \$61.2 billion, or over one-third of total activity, as measured by corporate revenues.

Aggregate merger and acquisition activity and divestitures, by residence of transactors

	1991	1992	1993
\$ billions			
Total activity			
Assets			
Purely Canadian	12.5	25.0	49.8
Foreign involvement	9.9	24.3	11.7
Total	22.4	49.2	61.5
Revenue			
Purely Canadian	4.8	14.8	24.0
Foreign involvement	10.2	14.7	7.6
Total	14.9	29.5	31.7
Divestitures			
Assets			
Purely Canadian	..	8.4	16.3
Foreign involvement	..	8.3	2.5
Total	..	16.7	18.7
Revenue			
Purely Canadian	..	4.8	11.7
Foreign involvement	..	4.6	1.6
Total	..	9.3	13.3

.. figures not available.

Decreases in interest rates and robust equity markets in 1991 and 1992 provided the opportunity for businesses to finance takeovers through new share issues, and to sell off non-central businesses to the public. By the end of 1992, foreign enterprises operating in Canada had passed through a restructuring phase while Canadian enterprises were still actively restructuring.

CALURA—Corporations, aspects of business organization: mergers and acquisitions 1991-1993, (61-221, \$25) is available today. This publication is

the second in a series of three relating to the *Corporations and Labour Unions Returns Act (CALURA)—part 1, corporations*. The series can be ordered under catalogue number 10-020 (\$65). See "How to order publications".

For further information on this release, contact Janice McMechan (613-951-6904), Industrial Organization and Finance Division. ■

DATA AVAILABILITY ANNOUNCEMENTS

Telephone statistics

June 1994

Canada's 13 major telephone systems reported monthly revenues of \$1,177.6 million in June 1994, up 2.4% from June 1993.

Operating expenses were \$866.3 million, up 0.8% from June 1993. Net operating revenue totalled \$311.3 million, an increase of 7.0% from June 1993.

Available on CANSIM: matrix 355.

The June 1994 issue of *Telephone statistics* (56-002, \$9/\$90) will be released shortly. See "How to order publications".

For further information on this release, contact J.R. Slattery (613-951-2205), Services, Science and Technology Division. ■

Electric lamps

July 1994

Light bulb and tube manufacturers sold 18,831,000 light bulbs and tubes in July 1994, an increase of 10.1% from the 17,100,000 a year earlier.

Year-to-date sales at the end of July 1994 totalled 162,799,000 light bulbs and tubes, an increase of 12.6% from the 144,610,000 a year earlier.

The July 1994 issue of *Electric lamps* (43-009, \$6/\$60) will be available at a later date.

For further information on this release, contact Laurie Vincent (613-951-3523), Industry Division. ■

PUBLICATION RELEASED

CALURA—Corporations, aspects of business organization: mergers and acquisitions, 1991-93. Catalogue number 61-221
(Canada: \$25; United States: US\$30; other countries: US\$35).

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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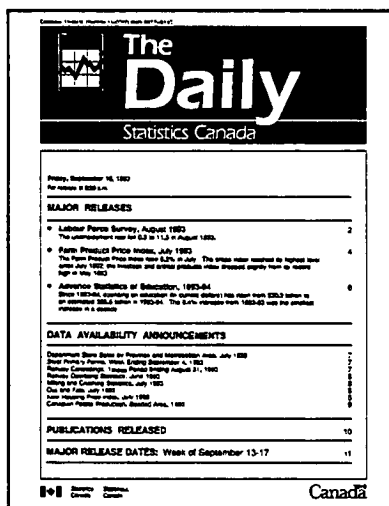
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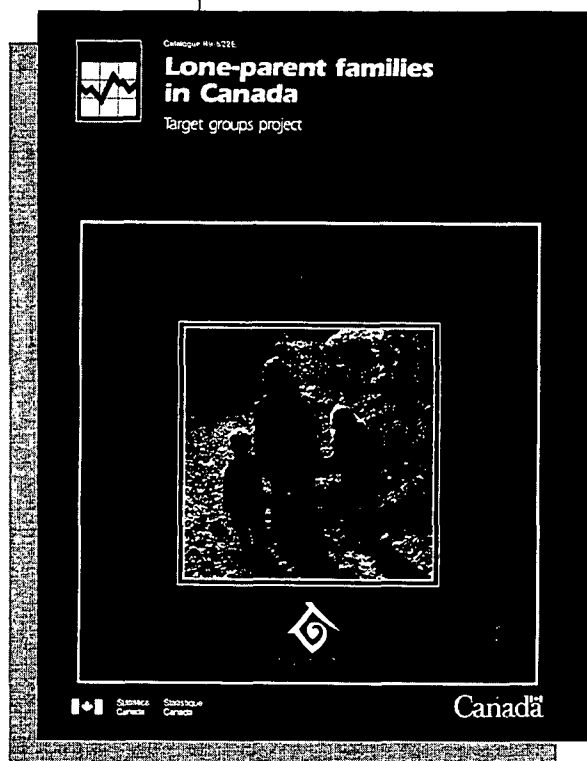
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Lone-parent families in Canada

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