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The Daily

Statistics Canada

Wednesday, August 3, 1994
For release at 8:30 a.m.

MAJOR RELEASES

Profiles of census tracts-part b
1991 Census

The last five census tract profiles from the 1991 Census are now available. Each publication provides data collected from a 20% sample of households on characteristics such as home language, ethnic origin, place of birth, education, religion, labour force activity, housing costs, and income.

Census tracts are presented in numerical order within each centre. Data for the component census subdivisions are also shown.

The *Area Profile Series* publications released today are listed under "Publications released" on page 10 of today's *Daily*. To purchase any of these publications, see "How to order publications."

For further information on this release, contact your nearest Statistics Canada Regional Reference Centre.

MAJOR RELEASES

Quarterly business conditions survey, manufacturing industries

July 1994

Manufacturers are bursting with confidence

In early July, manufacturers' level of confidence reached record highs. Satisfaction with current orders received, production prospects, current levels of unfilled orders, and finished product inventories all reached previously unseen levels. The only area in which manufacturers' confidence did not reach a new high was in regard to employment prospects in the coming three months: the level remained flat.

Satisfaction with orders received remains at a record level

In the July survey, 34% of manufacturers said that orders received are rising, whereas 6% said they are declining. Subtracting the "declining" 6% from the "increasing" 34% gives the "balance of opinion". The balance of +28 posted in the July survey is a record. This contrasts with balances in the -40 range posted in late 1991 during the downturn in manufacturing.

High finished product inventories are less of a concern

The July 1994 balance of opinion regarding current levels of finished product inventories improved by seven points since the April survey to -4. Although it is still negative, this also represents the highest level ever attained. Encouraged by strong order books, manufacturers do not seem worried about the current high level of finished product inventories, which, according to the monthly survey of manufacturers, stood at $12.7 billion in May 1994.

The balance of opinion on unfilled orders continues at an unprecedented high

In the July survey, the balance of opinion on the backlog of unfilled orders jumped 12 points to a record +27. In the April 1994 survey, the balance of opinion for unfilled orders jumped 15 points. Real gross domestic product (GDP) for manufacturing increased from $94.9 billion in the first quarter of 1994 to $96.8 billion in May. The positive correlation between the balance of opinion for unfilled orders and real GDP for manufacturing can be seen in the chart. The backlog of unfilled orders will generate future shipments, provided orders are not cancelled.

Note to users

Data referred to in the text are seasonally adjusted, except for the data on production difficulties.

The balance of opinion is the difference between the proportion with a positive (e.g., higher volume of production) and the proportion with a negative response (e.g., lower volume of production). Both the unadjusted and the seasonally adjusted data are given for the balance. The seasonally adjusted value for 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 (the positive and negative components) from 100.

The business conditions survey is conducted 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.

The business conditions survey's responses on production, inventories, and orders are weighted by the value of the respondent's shipments reported to the 1989 annual survey of manufactures. Weights for the responses on employment prospects are based on the number of employees reported to the annual survey of manufactures.

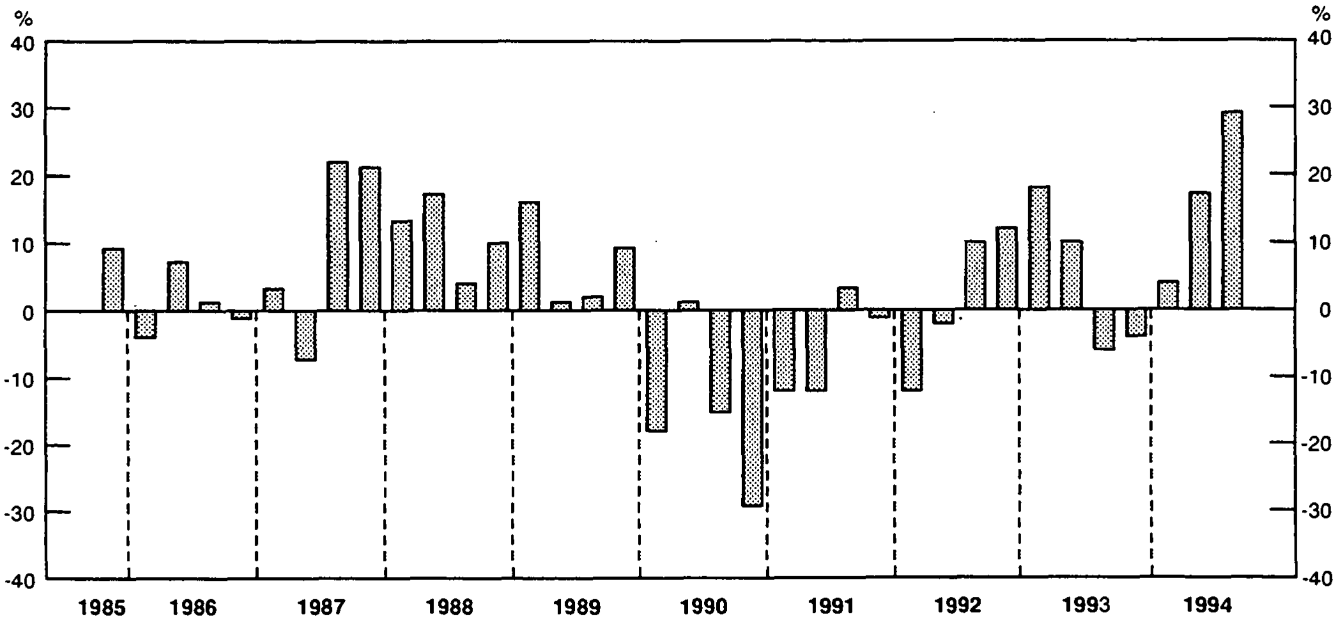
Production prospects are strong for the coming three months

Manufacturers' balance of opinion for production jumped 12 points to +29 in early July. The balance for production prospects has increased by a strong 25 points in the latest two quarters (see chart). The major contributors to the current increase are the transportation equipment, paper and allied products, fabricated metal products, and electrical and electronic products industries.

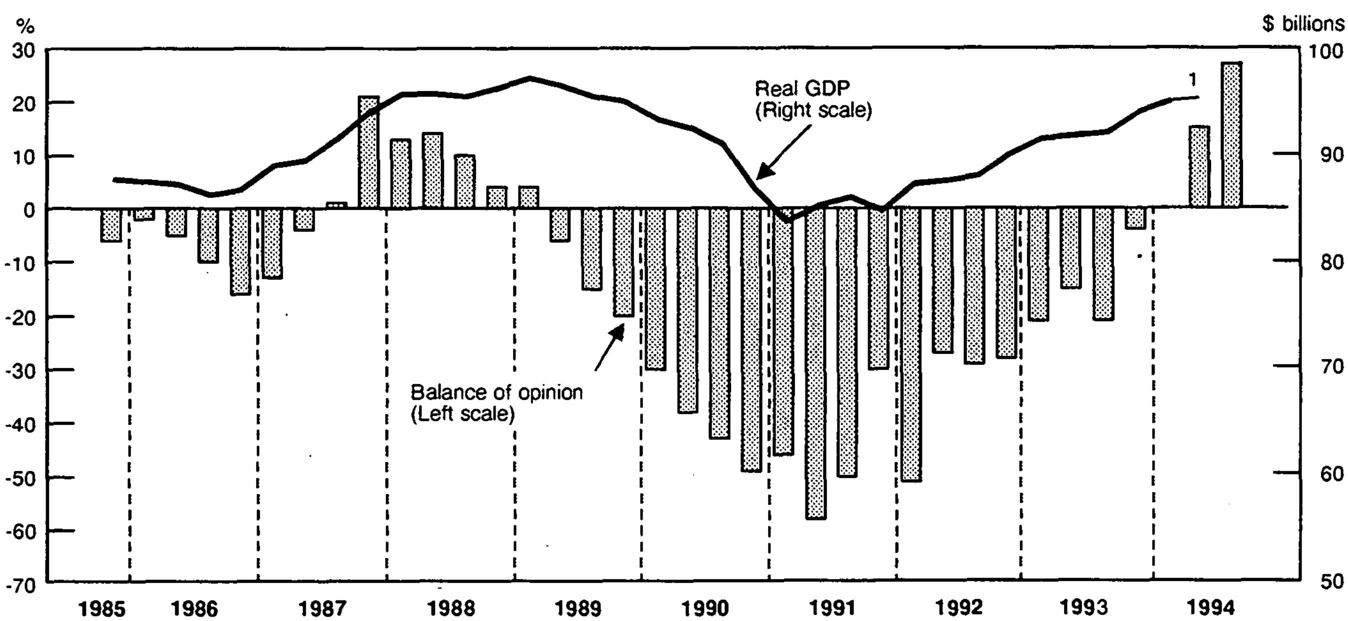
Employment prospects in manufacturing are still flat

In July 1994, 15% of manufacturers expected that employment for the coming three months would be higher. This was offset by 15% of manufacturers who expected their employment to decrease, leaving a balance of opinion of zero. This seems to be

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 April and May 1994 average.

supported by the recent capital expenditures survey data, which indicate that manufacturers' spending intentions on machinery and equipment for 1994 are up 21% over 1993. It also seems to be supported by the labour force survey data, which have been showing an upward trend in average hours worked by the manufacturing work force.

Shortage of raw materials is more of a concern

Some 84% of manufacturers did not report any particular production difficulties in the July 1994 survey. However, the proportion of manufacturers reporting a shortage of raw materials as a production impediment stood at 6%, up one percentage point from April 1994. A shortage of skilled labour was indicated as a production impediment by 3% of manufacturers, up from 2% in the April 1994 survey. In July 1994, 3% of manufacturers reported that a shortage of working capital was impeding production. This is down from 5% in April 1994 and down from 7% in January 1994. For the 15th consecutive quarter, less than 0.5% of respondents indicated that a shortage of unskilled labour is impeding their production.

Available on CANSIM: matrices 2843-2845.

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

Business conditions survey, Canadian manufacturing industries

	July 1993	October 1993	January 1994	April 1994	July 1994
Volume of production during next three months compared with last three months will be:					
			seasonally adjusted		
About the same	44	52	38	47	49
Higher	25	22	33	35	40
Lower	31	26	29	18	11
Balance	-6	-4	4	17	29
			unadjusted		
Balance	-17	-1	-10	35	20
Orders received are:					
			seasonally adjusted		
About the same	57	64	61	53	60
Rising	22	21	28	37	34
Declining	21	15	11	10	6
Balance	1	6	17	27	28
			unadjusted		
Balance	2	3	12	31	30
Present backlog of unfilled orders is:					
			seasonally adjusted		
About normal	59	64	68	65	63
Higher than normal	10	16	16	25	32
Lower than normal	31	20	16	10	5
Balance	-21	-4	0	15	27
			unadjusted		
Balance	-23	-2	-4	14	24
Finished product inventory on hand is:					
			seasonally adjusted		
About right	75	62	65	79	82
Too low	4	7	6	5	7
Too high[1]	21	31	29	16	11
Balance	-17	-24	-23	-11	-4
			unadjusted		
Balance	-17	-23	-24	-12	-3
Employment during the next three months will:					
			seasonally adjusted		
Change little	69	64	62	66	70
Increase	9	14	20	16	15
Decrease	22	22	18	18	15
Balance	-13	-8	2	-2	0
			unadjusted		
Balance	-12	-16	-4	8	2
Sources of production difficulties:					
			unadjusted		
Working capital shortage	6	6	7	5	3
Skilled labour shortage	2	3	2	2	3
Unskilled labour shortage	0	0	0	0	0
Raw material shortage	4	4	3	5	6
Other difficulties	4	4	4	4	2
No difficulties	83	83	84	83	84

[1] *No evident seasonality.*

■

Short-term expectations survey

The increase in the consumer price index for July is forecast at 0.1%, with minimum and maximum values of -0.1% and +0.2%, respectively. For June, the mean forecast (+0.1%) overestimated the outcome by 0.1%.

The mean forecast of the unemployment rate for July is 10.4% (minimum 10.1%, maximum 10.6%). For June, the mean forecast was overestimated at 10.7%, while the outcome was 10.3%.

Merchandise exports for June are forecast to be $17.2 billion with a minimum of $16.9 billion and a maximum of $18.0 billion. For May, the mean forecast ($17.4 billion) overestimated the outcome by $0.7 billion. The forecast of imports for June is $16.6 billion with a minimum of $16.0 billion and a maximum of $17.1 billion. For May, the mean forecast ($16.3 billion) underestimated the outcome of $17.0 billion.

Note to users

Every month since April 1990 Statistics Canada has been canvassing a small group of economists (an average of 20 participants), asking them to forecast key economic indicators for the coming month.

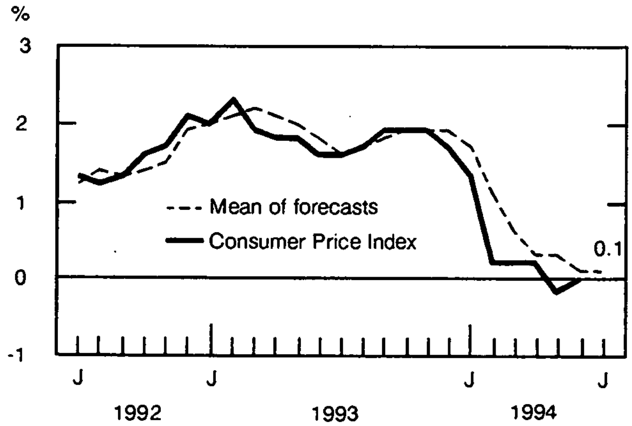
This month, the participants were asked to forecast the year-over-year change in the consumer price index and in the unemployment rate for July 1994, the levels of merchandise exports and imports for June 1994, as well as the month-to-month change in real gross domestic product at factor cost for June 1994. The next release is scheduled for September 7th.

Real gross domestic product at factor cost is forecast to have changed by +0.3% between May and June 1994 (minimum +0.1%, maximum +0.5%). Between April and May, the mean forecast was slightly overestimated at +0.4%, while the outcome was +0.3%.

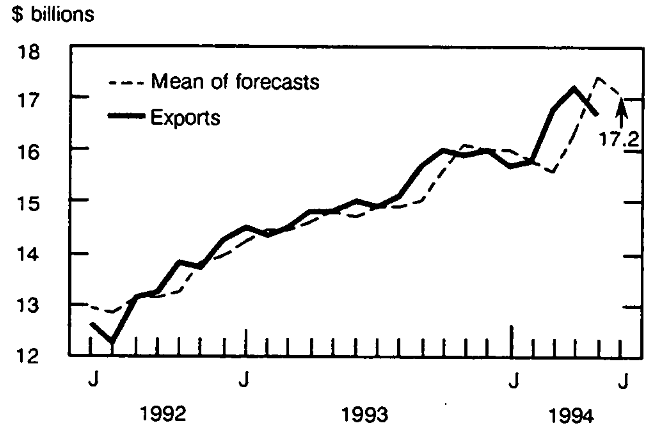
For a set of tables or further information on this release, contact Diane Lachapelle (613-951-0568). □

Forecast vs actual

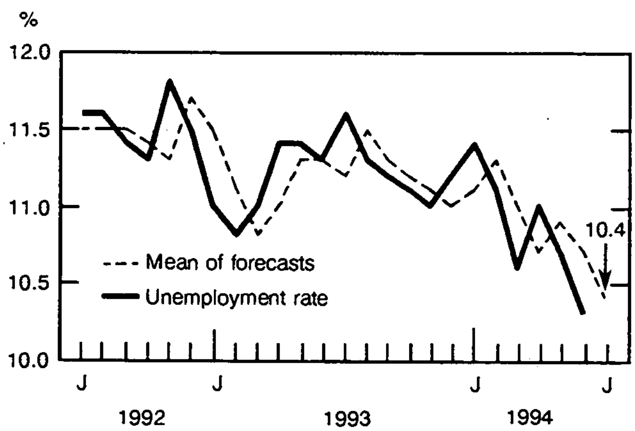
Consumer price index



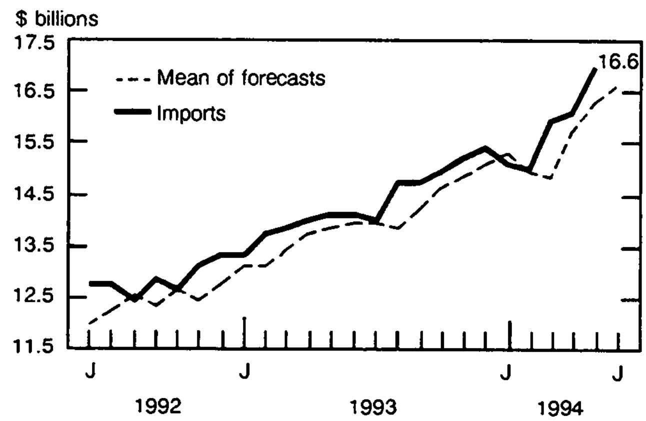
Merchandise exports



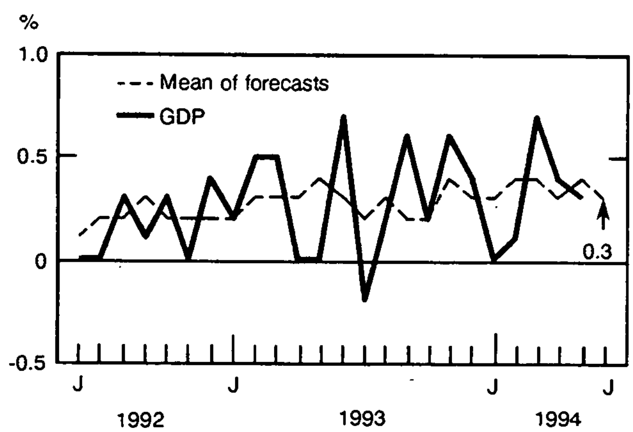
Unemployment rate



Merchandise imports



Gross domestic product



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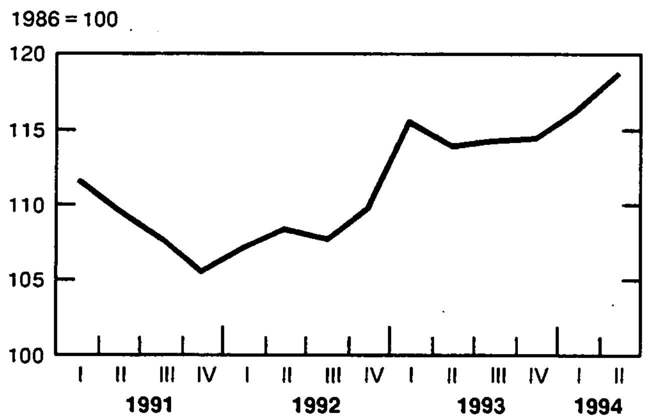
Farm input price index

Second quarter 1994 (preliminary)

In the second quarter of 1994, farmers saw prices of their inputs rise 2.2%, half of the total increase since the second quarter of 1993. Western farmers saw a more rapid increase as fertilizer prices in the west jumped 15.0%.

Farm input price index



Farm input prices rose generally in the second quarter, as five of the seven major groups of inputs showed price increases. The most important increases were in crop production, animal production, and interest. Crop production costs rose faster in Western Canada, while animal production and interest costs rose faster in Eastern Canada. Among the provinces in the second quarter, increases in farm input prices ranged from 1.4% for Prince Edward Island to 3.2% for Alberta.

The overall increase in crop production input prices averaged 5.4% from the first quarter of 1994 and 6.9% from the second quarter of 1993. Particularly important in this group were increased fertilizer prices, which rose by 10.5% in Canada as a whole and by 15.0% in Western Canada. Nationally, fertilizer prices were 11.6% higher than in the second quarter of 1993.

Animal production input prices were up 2.3% from the previous quarter and were up 7.0% from the previous year. Noteworthy in this component were a 4.0% increase for feeder cattle (+4.2% from the previous year) and an 8.0% increase for weanling pigs (+9.0% from the previous year).

Interest costs rose for the first time since the fourth quarter of 1992, but costs were still 1.5% below their level in the second quarter of 1993. Interest costs rose 7.0% as non-mortgage interest costs jumped 11.0%.

In the second quarter prices for all components of machinery and motor vehicles increased (+0.8%). The largest increase was for machinery replacement (+1.2%) as prices for powered machinery rose 1.3% and prices for non-powered machinery rose 1.1%. On a year-over-year basis, prices for machinery and motor vehicles were up 3.9%. Again, the major contributor was machinery replacement (+6.5%).

In Western Canada, costs in the second quarter of 1994 rose 2.6% and were up 4.4% on a year-over-year basis. The most important increases in the quarter were for crop production, interest, and animal production.

By contrast, in Eastern Canada, costs in the quarter were up only 1.9%; even so, these costs increased 4.4% on a year-over-year basis. The main contributors in the quarter were interest and animal production: production costs rose by 6.1% for feeder cattle and by 6.7% for weanling pigs.

Available on CANSIM: matrices 2050-2063.

The second quarter issue of *Farm input price indexes* (62-004, $20/80) will be available in August. See "How to order publications".

For further information on this release, contact the Information and Current Analysis Unit (613-951-9606), Prices Division. □

Farm input price indexes

(1986 = 100)

	Second quarter 1993	First quarter 1994	Second quarter 1994	Second quarter 1993 to Second quarter 1994	First quarter 1994 to Second quarter 1994
				% change	
Canada					
Total farm input	**113.8**	**116.2**	**118.8**	**4.4**	**2.2**
Building and fencing	123.8	128.2	128.1	3.5	-0.1
Machinery and motor vehicles	116.7	120.3	121.3	3.9	0.8
Crop production	104.2	105.7	111.4	6.9	5.4
Animal production	113.3	118.5	121.2	7.0	2.3
Supplies and services	118.2	119.9	122.1	3.3	1.8
Hired farm labour	131.6	134.2	133.7	1.6	-0.4
Property taxes	131.6	135.6	135.6	3.0	0.0
Interest	99.5	91.6	98.0	-1.5	7.0
Farm rent	109.5	111.3	111.3	1.6	0.0
Eastern Canada					
Total farm input	**118.7**	**121.6**	**123.9**	**4.4**	**1.9**
Building and fencing	128.6	133.7	134.1	4.3	0.3
Machinery and motor vehicles	121.5	125.6	127.1	4.6	1.2
Crop production	111.3	113.6	115.8	4.0	1.9
Animal production	112.7	117.6	120.6	7.0	2.6
Supplies and services	125.8	126.8	130.3	3.6	2.8
Hired farm labour	138.8	141.5	139.2	0.3	-1.6
Property taxes	152.7	158.1	158.1	3.5	0.0
Interest	104.6	96.3	104.0	-0.6	8.0
Farm rent	147.3	151.1	151.1	2.6	0.0
Western Canada					
Total farm input	**110.0**	**111.9**	**114.8**	**4.4**	**2.6**
Building and fencing	118.5	122.0	121.4	2.4	-0.5
Machinery and motor vehicles	114.2	117.5	118.3	3.6	0.7
Crop production	101.0	101.7	109.5	8.4	7.7
Animal production	114.2	119.8	122.1	6.9	1.9
Supplies and services	110.7	112.9	113.9	2.9	0.9
Hired farm labour	123.0	125.1	127.0	3.3	1.5
Property taxes	126.0	129.6	129.6	2.9	0.0
Interest	96.4	88.7	94.3	-2.2	6.3
Farm rent	96.7	97.8	97.8	1.1	0.0

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PUBLICATIONS RELEASED

Monthly production of soft drinks, June 1994.
Catalogue number 32-001
(Canada: $3/$30; United States: US$4/US$36; other countries: US$5/US$42).

The sugar situation, June 1994.
Catalogue number 32-013
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Production and disposition of tobacco products, June 1994.
Catalogue number 32-022
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Construction type plywood, May 1994.
Catalogue number 35-001
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Production, shipments and stocks on hand of sawmills east of the Rockies, May 1994.
Catalogue number 35-002
(Canada: $11/$110; United States: US$14/US$132; other countries: US$16/US$154).

Gypsum products, June 1994.
Catalogue number 44-003
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Mineral wool including fibrous glass insulation, June 1994.
Catalogue number 44-004
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

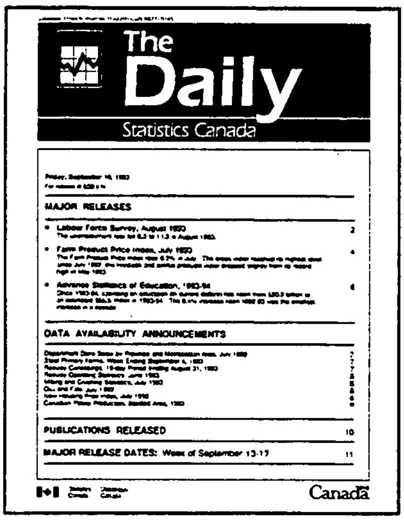
Aviation service bulletin, July 1994, vol. 26, no. 7.
Catalogue number 51-004
(Canada: $10/$99; United States: US$12/US$119; other countries: US$14/US$139).

Private and public investment in Canada, revised intentions 1994.
Catalogue number 61-206
(Canada: $36; United States: US$44; other countries: US$51).

Retail trade, May 1994.
Catalogue number 63-005
(Canada: $20/$200; United States: US$24/US$240; other countries: US$28/US$280).

Profile of census tracts in Halifax—part b, 1991 Census.
Catalogue number 95-315
(Canada: $35; United States: US$42; other countries: US$49).

Profile of census tracts in Moncton and Saint John—part b, 1991 Census.
Catalogue number 95-322
(Canada: $40; United States: US$48; other countries: US$56).



Statistics Canada's official release bulletin

Catalogue 11-001E. (Canada: $175; United States: US$210; other countries: US$245.)

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Editor: Tim Prichard (613-951-1103)
Head of Official Release: Jacques Lefebvre (613-951-1088)

Profile of census tracts in Kingston, Oshawa and Peterborough—part b, 1991 Census.
Catalogue number 95-345
(Canada: $45; United States: US$54; other countries: US$63).

Profile of census tracts in North Bay, Sault Ste. Marie, Sudbury and Thunder Bay—part b, 1991 Census.
Catalogue number 95-349
(Canada: $50; United States: US$60; other countries: US$70).

Profile of census tracts in Regina and Saskatoon—part b, 1991 Census.
Catalogue number 95-368
(Canada: $40; United States: US$48; other countries: US$56).

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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