

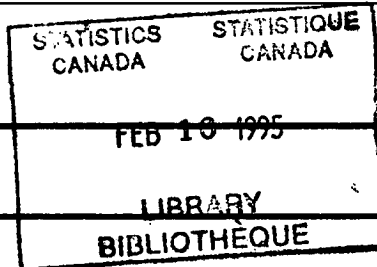


The Daily

Statistics Canada

Thursday, February 16, 1995

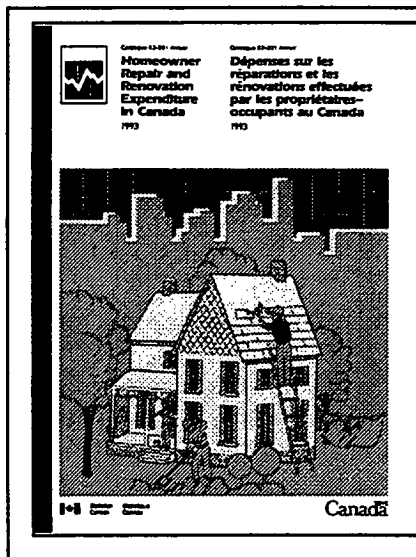
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MAJOR RELEASES

- **Composite index, January 1995** 3
The leading indicator continued to grow in January at +0.6%, almost unchanged from the increases recorded since October following a slowdown in the index throughout most of 1994.
- **Monthly survey of manufacturing, December 1994** 5
Manufacturers ended 1994 on a strong note as shipments rose 1.6% in December. Shipments jumped 12.6% last year and manufacturers saw their unfilled orders backlog swell 13.2% over 1993 levels.

(continued on page 2)



Homeowner repair and renovation expenditure 1993

Homeowner repair and renovation expenditure in Canada, 1993 looks at the \$12.4 billion worth of repairs and renovations done by homeowners in 1993. This includes repairs and maintenance, additions, renovations, replacement and installation of equipment and fixtures. These expenditures averaged \$1,846 per homeowner-household in 1993, a 1.4% decline from 1992.

Data cover the 10 provinces and are tabulated by province, size of area of residence, type and value of dwelling, age of household head, household income, period of construction, and year moved to dwelling.

Homeowner repair and renovation expenditure in Canada, 1993 (62-201, \$30) is now available. See "How to order publications". Preliminary data were released in *The Daily* on October 27, 1994.

For further information on this release, contact Paul Gratton (613-951-4165, fax: 613-951-3012), Family Expenditure Surveys Section, Household Surveys Division.

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MAJOR RELEASES

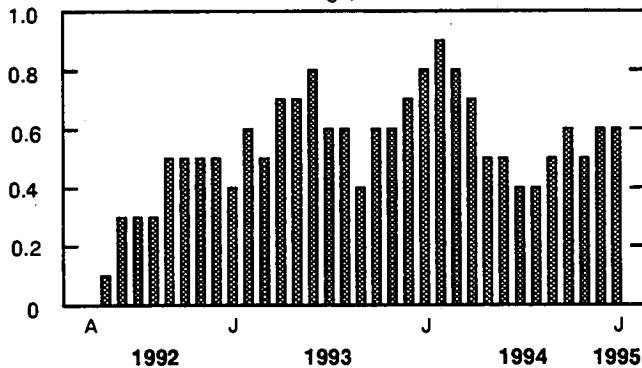
Composite index

January 1995

The leading indicator continued to grow in January at +0.6%, almost unchanged from the increases recorded since October following a slowdown in the index throughout most of 1994. Manufacturing again dominated the gains. Since last May, three other components on average—especially the financial market indicators—have fallen each month.

Composite index

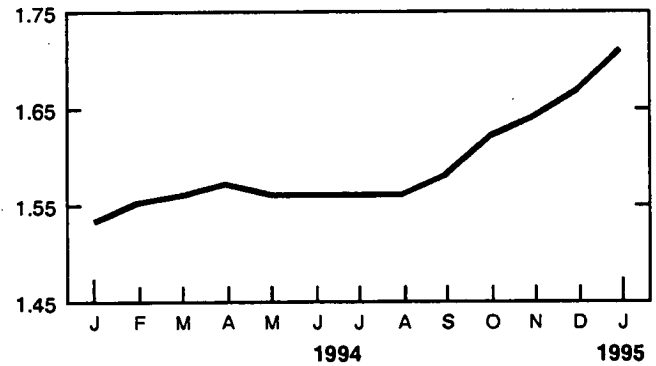
% change, smoothed



The growth of new orders for durables has steadily accelerated from +0.7% last March to its recent pace of +2.3%. The latest gains were led by export and investment demand. Manufacturers succeeded in satisfying demand partly by running down stocks. The increase in the ratio of shipments to inventories of finished goods in the last five months has been the largest since the 1950s. The average work week was steady at its peak of 39.0 hours, as firms continued to meet their labour needs in January through hiring.

Household demand remained mixed, with a steady deterioration in housing offset by a firming demand for other durable goods and for services. The housing index has fallen every month since last May. The latest hike in interest rates accompanied a steady drop in house sales and a 4% dip in starts of

Ratio of shipments to inventories of finished goods, manufacturing



single-family homes in January. Furniture and appliance sales slumped as well. Conversely, sales of other durable goods, especially cars, picked up by 0.5% as consumer confidence and employment rose. Demand for personal services led the overall growth of jobs in services.

The financial market indicators remained negative. The stock market fell sharply across the board in January. The money supply contracted for a third month in a row, the first decreases since the last recession.

The U.S. leading indicator was up only marginally (+0.1%) for a second month in a row, after slowing steadily during 1994. Growth was sustained by commodity prices and household confidence. The negative impact of higher interest rates on the American economy has begun to show in housing and consumer spending. The labour market slumped in January and the U.S. unemployment rate rose for the first time in two-and-a-half years.

Available on CANSIM: matrix 191.

For more information on the economy, the February 1995 issue of *Canadian economic observer* (11-010, \$22/\$220) will be available next 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:	August 1994	September 1994	October 1994	November 1994	December 1994	January 1995	Last month of data available
	<u>% change</u>						
Composite leading indicator (1981 = 100)	167.8	168.7	169.7	170.6	171.6	172.7	0.6
Housing index ¹	125.2	122.8	120.6	119.2	117.4	117.0	-0.3
Business and personal services employment ('000)	1,884	1,899	1,910	1,921	1,930	1,938	0.4
TSE 300 stock price index (1975 = 1,000)	4,264	4,264	4,267	4,246	4,229	4,191	-0.9
Money supply (M1) (millions of 1981 \$) ²	30,271	30,336	30,352	30,338	30,323	30,310	-0.1
U.S. composite leading indicator (1967 = 100) ³	215.4	215.9	216.3	216.7	217.0	217.3	0.1
Manufacturing							
Average work week	38.8	38.8	38.9	38.9	39.0	39.0	0.0
New orders, durables (millions of 1981 \$) ⁴	11,100	11,283	11,510	11,736	11,947	12,218	2.3
Shipments/inventories of finished goods ⁴	1.56	1.58	1.62	1.64	1.67	1.71	0.04*
Retail trade							
Furniture and appliance sales (millions of 1981 \$) ⁴	1,126.8	1,131.0	1,133.2	1,131.0	1,134.5	1,136.5	0.2
Other durable goods sales (millions of 1981 \$) ⁴	3,991.0	3,991.1	3,970.9	3,962.0	3,971.4	3,992.1	0.5
Unsmoothed composite	169.4	171.5	172.2	171.9	173.9	175.5	0.9

¹ Composite index of housing starts (units) and house sales (multiple listing service).

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 month immediately preceding.

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

* Difference from previous month. ■

Monthly survey of manufacturing

December 1994

The seasonally adjusted value of shipments climbed 1.6% in December to \$32.0 billion. The increase was widespread as 16 of the 22 major groups (accounting for 82% of shipments) posted gains.

Due largely to strong U.S. demand, the most significant increases in current dollars were in the paper and allied products, transportation equipment (notably the auto sector), and the primary metal industries.

December order books were strong due to increases in both new and unfilled orders. New orders surged 4.4% while unfilled orders grew 2.4%, due largely to the ongoing North American demand for motor vehicles as well as demand for aircraft and railroad rolling stock.

Although not all information is yet available, climbing interest rates, hints of inflation, and increasing raw material prices have the potential to slow the past year's impressive 12.6% growth in shipments. Manufacturers are also somewhat less optimistic about production and employment prospects for the next three months according to the latest business conditions survey.

Shipments continue to surge

In current dollars, the most significant monthly increase was posted by the paper and allied products industry (+5.8%), despite the dampening effect of lingering labour disputes. A 2.1% price increase played a significant role in this jump. Transportation equipment manufacturers continued to accelerate production, posting a 1.6% gain over November. Motor vehicles contributed most to this increase—a reflection of strong North American demand over the past year. Shipments of primary metals grew 3.4%, due partly to a 2.9% price increase.

Orders continue to climb

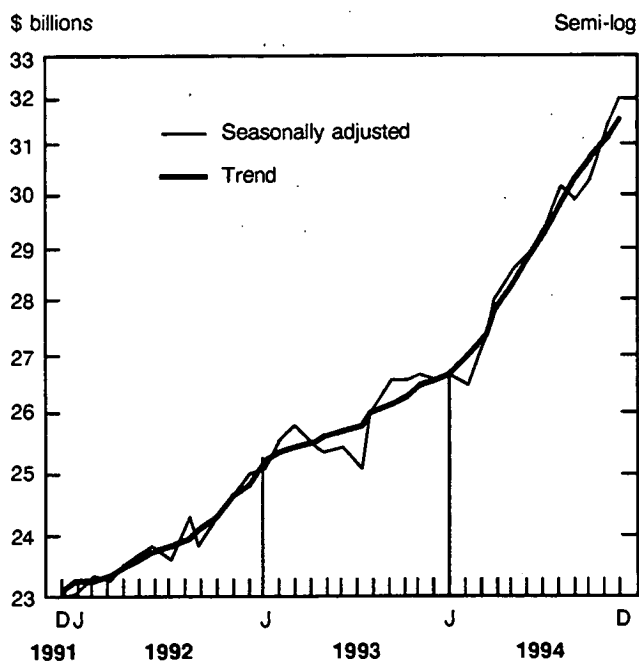
After a slight dip in November, unfilled orders moved ahead 2.4% in December. The transportation equipment industry was primarily responsible for this growth. Continuing demand for automobiles in North America was a key contributor to a 4.4% increase in manufacturers' new orders. The latest business

Definitions

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

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

Shipments rose \$504 million in December



conditions survey, however, showed that manufacturers' outlook on orders for the upcoming quarter is less optimistic than it was for the previous quarter.

Inventory levels leap

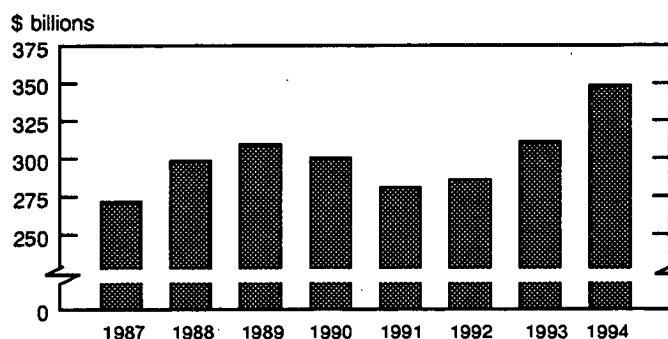
Raw material prices rose 0.5% in December, contributing to a 1.9% increase in inventory levels. Consequently, the inventories-to-shipments ratio of 1.25 was up marginally from November's record low. Rising inventories have dampened manufacturers' optimism about inventory levels for the next few months.

The year in review

Shipments

Plant closures in the car industry, cold weather that hampered construction, and a dockworkers' strike gave manufacturers a rocky start in 1994. But they picked up steam in March and ended the year on solid footing. Benefiting from a low Canadian dollar, export-based industries were the key to a dramatic 12.6% jump in shipments, to \$349 billion in 1994. This compares with increases of 8.2% in 1993 and 2.1% in 1992.

Shipments in 1994 were 12.9% higher than the pre-recession peak



For the first time since 1984, manufacturers in every major group boosted shipments. In terms of percentage change, the big winners in 1994 were machinery, which increased 21.9% due to expanding foreign markets, primary metals (+19.7%), and the paper and allied products (+19.1%) industries. The two smallest increases were for beverages (+0.2%) and clothing (+2.7%).

Orders

Burgeoning demand for manufactured goods in 1994 resulted in strong order books. New and unfilled orders both increased substantially over 1993 levels. New orders were up 12.6% in 1994 while the backlog of unfilled orders at the end of December 1994 stood 13.2% higher than at the end of 1993. Contracts for motor vehicles, aircraft, railroad rolling

stock, and electrical and electronic products were instrumental to attaining record levels of orders.

Inventories (owned)

Manufacturers increased their inventory levels 7.1% in 1994 to \$39.8 billion. Rising shipments outpaced inventory levels, resulting in a dramatic drop in the inventories-to-shipments ratio, from 1.37 in December 1993 to 1.25 one year later.

Provincial shipments

Last year was a good one for manufacturers nationwide. For the first time since 1987, shipment gains were posted by each province. Prince Edward Island had the strongest showing at +23.6%. Alberta's growth of 18.2% was also remarkable. Newfoundland, with its first increase in six years (+1.0%), and Nova Scotia (+8.4%) were at the other end of the spectrum.

Every province increased shipments in 1994

	1994 level	% change from 1993
	\$ millions	
Prince Edward Island	687	23.6
Alberta	24,925	18.2
Saskatchewan	4,471	17.6
British Columbia	30,668	13.1
Canada	348,855	12.6
Ontario	183,506	12.5
Quebec	83,417	11.5
Manitoba	7,124	10.6
New Brunswick	7,229	9.5
Nova Scotia	5,484	8.4
Newfoundland	1,274	1.0

Available on CANSIM: matrices 9550-9580.

The December 1994 issue of *Monthly survey of manufacturing* (31-001, \$19/\$190) will be available shortly. See "How to order publications".

Data on shipments by province in greater detail are 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
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
	seasonally adjusted								
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	28,882	1.2	37,940	0.8	31,180	0.2	28,951	2.1	1.31
July 1994	29,372	1.7	37,833	-0.3	31,656	1.5	29,849	3.1	1.29
August 1994	30,160	2.7	38,205	1.0	32,216	1.8	30,719	2.9	1.27
September 1994	29,911	-0.8	38,659	1.2	32,911	2.2	30,606	-0.4	1.29
October 1994	30,338	1.4	38,865	0.5	33,319	1.2	30,747	0.5	1.28
November 1994	31,451	3.7	39,090	0.6	33,228	-0.3	31,359	2.0	1.24
December 1994	31,955	1.6	39,815	1.9	34,023	2.4	32,750	4.4	1.25

OTHER RELEASES

Steel primary forms

Week ending February 11, 1995 (preliminary)

Steel primary forms production for the week ending February 11, 1995 totalled 285 154 tonnes, up 2.3% from 278 703 tonnes (revised) a week earlier and up 15.9% from 246 071 tonnes a year earlier.

The cumulative total at the end of the week was 1 674 279 tonnes, a 12.2% increase from 1 492 602 tonnes for the same period in 1994.

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

For-hire trucking statistics (commodity origin and destination)

January to June 1994 (preliminary)

Canada-based for-hire trucking companies carried 93.5 million tonnes of freight during the first half of 1994, up 21% from 77.5 million tonnes in the first half of 1993. A record 52.6 million tonnes of freight—the highest level in the last five years—were transported by truck in the second quarter of 1994. This significant increase in the for-hire trucking industry reflected the rebounding Canadian economy. Financial trucking statistics released last fall from the quarterly motor carriers of freight survey support these findings.

Preliminary data for the first and second quarters of 1994 are available from the for-hire trucking (commodity origin and destination) survey. The survey measures the intercity commodity movements (distances of 25 km or more) of Canada-based for-hire carriers.

Available on CANSIM: matrix 143.

Data for the first and second quarters of 1994 will appear in the vol. 11, no. 3 issue of *Surface and marine transport service bulletin* (50-002, \$11/\$80). See "How to order publications".

For further information on this release, contact Robert Larocque (613-951-2486) or Kathie Davidson (613-951-8779), Transportation Division (fax: 613-951-0579). ■

Pack of processed cauliflower

1994

Data for 1994 on the pack of processed cauliflower are now available.

Pack of selected processed vegetables (32-240, \$14) will be available shortly. See "How to order publications".

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

PUBLICATIONS RELEASED

Energy statistics handbook, February 1995.

Catalogue number 57-601

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

Homeowner repair and renovation expenditure in Canada, 1993.

Catalogue number 62-201

(Canada: \$30; United States: US\$36; other countries: US\$42).

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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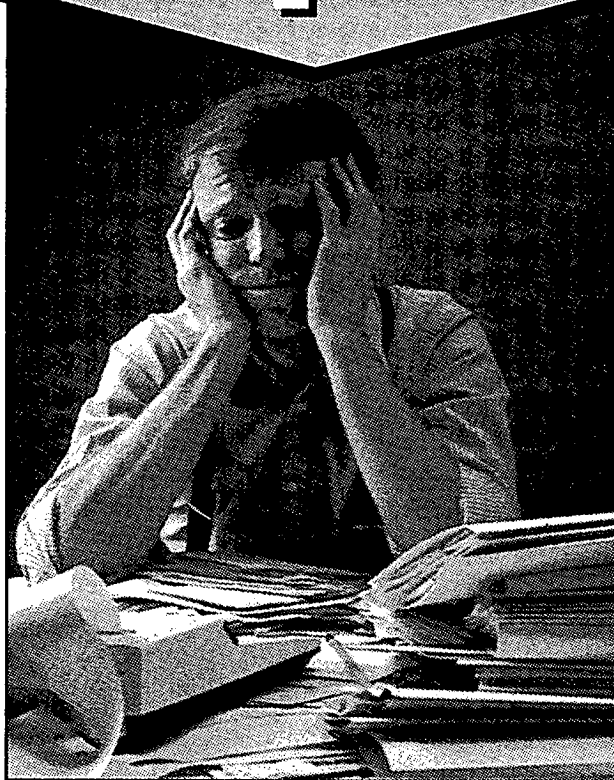
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