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MAJOR RELEASES

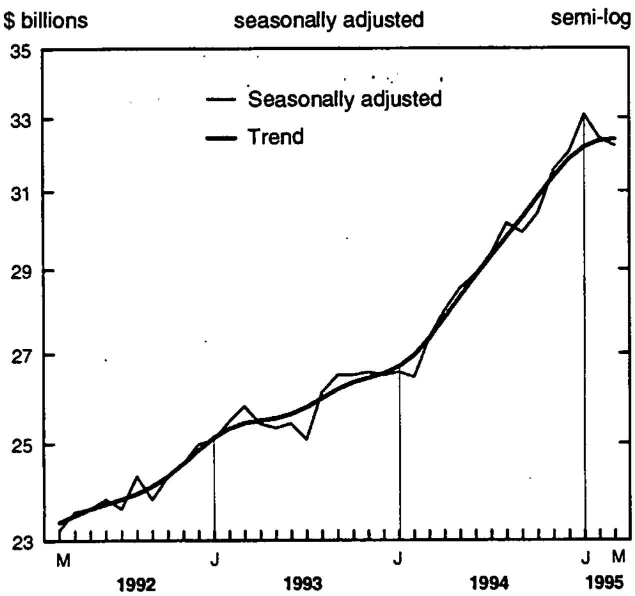
OTHER RELEASES

MAJOR RELEASES

Monthly survey of manufacturing
March 1995

The manufacturing surge of 1994, when export-based industries were largely responsible for rapid growth in shipments, is losing momentum. In March 1995, the seasonally adjusted value of shipments fell for a second month in a row (-0.6% to $32.2 billion). Despite the drop, monthly shipments were 18% higher than in March 1994.

Monthly shipments down 0.6%



The decline was concentrated in 7 of the 22 major groups (accounting for 60% of shipments); 14 posted increases and 1 remained unchanged. The largest drop by far (in current dollars) was in the transportation equipment industry. Weak demand for automobiles in North America has led to tumbling sales in recent months. The second largest decline was in the wood products industry. Poor housing starts in both Canada and the United States continued to cut manufacturers' wood shipments.

In contrast, shipments of paper and allied products jumped, largely due to price increases. This increase, along with strong demand for primary and fabricated metals, helped temper the March decline. Without these increases and without the large drop in motor vehicles, shipments would have been up slightly from February.

> ***Definitions***
>
> ***Unfilled orders*** *are the stock of orders that will contribute to future shipments, assuming orders are not cancelled.*
>
> ***New orders*** *are the sum of shipments for the current month (that is, orders received and shipped in the same month) plus the change in unfilled orders.*

The rail dispute in mid-March does not appear to have had as severe an impact on manufacturers as was first expected. Most of the drop in shipments can be directly attributed to weak demand. Shortages of parts did force some plants to close. But many manufacturers seem to have anticipated the potential rail service disruptions and made alternative shipping arrangements.

Certain indicators suggest the pace of manufacturing growth in Canada may be easing from last year's boom, when shipments soared 21%. The March declines were concentrated in only a few industries, while the growth in the other manufacturing industries has slowed considerably in recent months. Manufacturing employment growth has levelled off, consumer confidence is receding, and the American economy has slowed recently. Inventories have continued to grow and car manufacturers reported sharply lower sales in April. As well, April's Business conditions survey showed that a smaller proportion of manufacturers expect to increase production over the next quarter. It also revealed less optimism about orders than did the previous survey.

Shipments slip for a second straight month

The bulk of March's decline was in the transportation equipment (-5.8%) and wood industries (-2.5%). Climbing interest rates and higher prices for new motor vehicle models curbed sales in both Canada and the United States. Temporary plant shutdowns and fewer shifts were announced by some automakers in response to the sales slowdowns. Sluggish housing starts across North America, which stemmed from rising interest rates and an overall dampening of consumer confidence, contributed significantly to the drop in wood shipments.

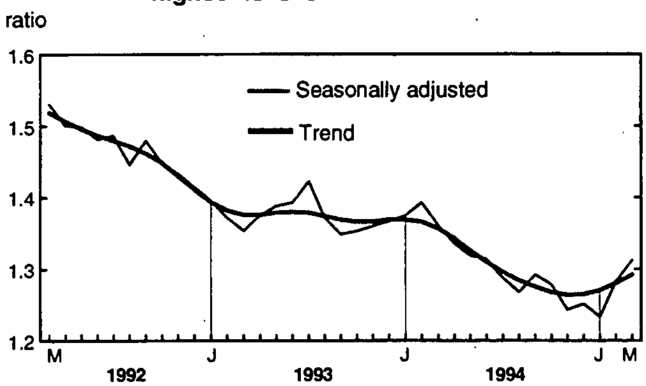
A 4.4% price increase and continued strong demand from European and Asian markets caused manufacturers' shipments of paper and allied products to jump 5.2%. Export-based demand was also instrumental in a 3.6% jump in primary metals shipments. Although several other industries posted gains (in current dollars), the pace of growth has slowed considerably compared with that seen during 1994.

Inventories continue escalating

Manufacturers in almost every industry were faced with growing inventories in March, as total levels increased 1.8% to $42.3 billion. Since December 1994, inventory growth has averaged close to 2% each month. According to the January and April Business conditions surveys, a growing proportion of manufacturers are concerned about the rising inventory levels.

Falling shipments coupled with escalating inventories led to the highest value in the inventory-to-shipments ratio since June 1994. March's ratio of 1.31 contrasted with the record low of 1.23 set just two months earlier.

Inventory-to-shipments ratio is at its highest level since June 1994



Pace of growth slows for unfilled orders

Although the change in unfilled orders was positive (+0.4%), the increase in the backlog has been slowing. Unfilled orders for aircraft and aircraft parts (+2.5%) led the March increase, but the backlog for electrical and electronic products dropped 2.0%. For a second consecutive month, new orders fell (-0.9%), due mainly to large declines in motor vehicles (-12.6%) and machinery (-14.7%).

Available on CANSIM: matrices 9550-9580.

The March 1995 issue of *Monthly survey of manufacturing* (31-001, $19/$190) will be available shortly. See "How to order publications".

Detailed data on shipments by province 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, inventory and orders in all manufacturing industries

	Shipments		Inventory		Unfilled orders		New orders		Inventory-to-shipments ratio
	seasonally adjusted								
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change	
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	30,429	1.7	38,900	0.6	33,289	1.1	30,806	0.7	1.28
November 1994	31,557	3.7	39,223	0.8	33,145	-0.4	31,413	2.0	1.24
December 1994	32,050	1.6	40,094	2.2	33,787	1.9	32,692	4.1	1.25
January 1995	33,088	3.2	40,809	1.8	33,931	0.4	33,232	1.7	1.23
February 1995	32,428	-2.0	41,571	1.9	34,144	0.6	32,641	-1.8	1.28
March 1995	32,223	-0.6	42,312	1.8	34,280	0.4	32,359	-0.9	1.31

■

Travel between Canada and other countries
March 1995

In March, overseas residents made a record number of overnight trips to Canada. The number of Canadians returning from an overnight trip to countries other than the United States also reached a new high.

Overnight trips to Canada remain stable

The number of foreign visitors who spent at least one night in Canada remained stable at 1.4 million in March. Of those visitors, 1.1 million were Americans, unchanged from February.

Meanwhile, the number of overnight visitors from overseas countries increased slightly, to a record 317,000, extending the upward trend that emerged in mid-1992.

Over time, travellers from countries other than the United States have represented an increasing share of the visitors to Canada. While they accounted for only 5% of foreign overnight visits in 1972, their share now stands at 22%. Since overseas residents tend to make longer trips to Canada than Americans, the economic impact of this increase is significantly greater than that of a comparable rise in the number of U.S. visitors. In 1994, overseas visitors spent an average C$976 per overnight trip, compared with C$350 for Americans.

Fewer overnight trips abroad for Canadians

During March, 1.5 million Canadians spent at least one night outside the country, a 1.0% decrease from February. The number who spent one or more nights in the United States decreased 1.5%, to 1.2 million. This type of travel has been decreasing since late 1991.

However, a record number of Canadians (more than 301,000) spent at least one night overseas in March. This 1.3% increase over the previous month extended an upward trend that emerged in June 1991.

Canadians' cross-border car trips increase

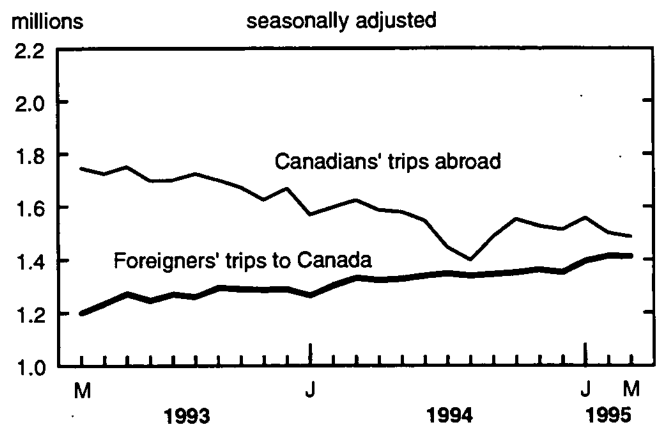
Canadians' same-day cross-border car trips (often used as an indicator of cross-border shopping) increased 4.7% from February, to 3.0 million. The dollar stood at an average US71 cents in March.

Note to readers

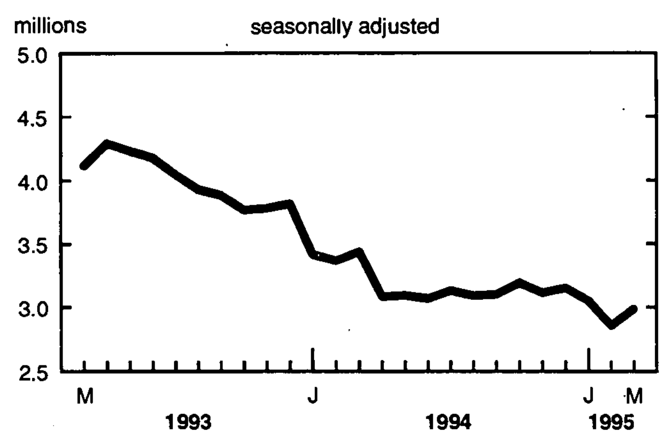
Month-to-month comparisons use seasonally adjusted data (data adjusted for variations that repeat annually and for variability caused by the different volumes of travellers associated with different days of the week).

Year-over-year comparisons use unadjusted data (the actual traffic counts).

Canadians' made fewer overnight trips abroad in March



Canadians' made more same-day car trips to the United States in March than in February



Canadians' same-day car trips to the United States

	March 1995[p]	March 1994 to March 1995[p]
	unadjusted	
	'000	% change
Canada	**2,891**	**-10.7**
Province of re-entry		
New Brunswick	423	-12.7
Quebec	240	-16.2
Ontario	1,355	- 9.8
Manitoba	44	-24.6
Saskatchewan	18	-30.8
Alberta	13	- 9.1
British Columbia	797	- 7.9
Yukon	1	39.9

p *Preliminary figures.*

Americans made 1.9 million same-day car trips to Canada in March, a 4.4% decrease from February. Nonetheless, this type of travel has generally been increasing since early 1994.

Available on CANSIM: matrices 2661-2697, 5780-6046 and 8200-8328.

The March 1995 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 Monique Beyrouti (613-951-1673), International Travel Section, Education, Culture and Tourism Division. □

Travel between Canada and other countries

	January 1995[r]	February 1995[r]	March 1995[p]	February 1995 to March 1995
	seasonally adjusted			
	'000			% change
Canadian trips abroad				
Car trips to the United States				
Same-day	3,049	2,854	2,987	4.7
One or more nights	865	777	775	-0.3
Total trips, one or more nights				
United States[1]	1,261	1,204	1,186	-1.5
Other countries	298	297	301	1.3
Travel to Canada				
Car trips from the United States				
Same-day	1,935	1,941	1,856	-4.4
One or more nights	734	746	741	-0.6
Total trips, one or more nights				
United States[1]	1,082	1,096	1,094	-0.2
Other countries[2]	313	316	317	0.2

	March 1995[p]	March 1994 to March 1995	January-March 1995[p]	January-March 1994 to January-March 1995
	unadjusted			
	'000	% change	'000	% change
Canadian trips abroad				
Car trips to the United States				
Same-day	2,891	-10.7	7,661	-12.7
One or more nights	781	-11.1	1,716	-8.7
Total trips, one or more nights				
United States[1]	1,298	-9.3	3,066	-6.5
Other countries	410	8.8	1,153	6.7
Travel to Canada				
Car trips from the United States				
Same-day	1,473	14.4	4,205	22.4
One or more nights	392	5.7	1,011	6.7
Total trips, one or more nights				
United States[1]	609	8.1	1,569	8.0
Other countries[2]	170	14.5	443	16.0

1 *Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats 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.*

OTHER RELEASES

Quarterly survey of trusteed pension funds

Fourth quarter 1994

The market value of trusteed pension fund assets was down a slight 0.2% to $309 billion in the fourth quarter of 1994. This was the third quarterly decrease in 1994. Compared with the end of 1993, assets at market value were down 1.2%, the first year-end decrease. This was due both to lower income throughout most of the year and to financial market conditions.

Income of the trusteed pension funds in 1994 totalled $39 billion, down 6% from 1993—the largest of only two decreases ever recorded. The first ever decrease was almost exclusively due to a significant drop in profits on the sale of securities (mainly because of the 1987 stock market adjustment). The decrease in 1994 was attributable to a combination of factors: a considerable drop in profits (-18%), reduced employer contributions (-8%), and almost unchanged employee contributions. Only investment income was up in 1994: it registered a modest 3.5% increase after three years of little or no growth.

Lower income in 1994 had a direct impact on the net purchase of assets. The book value of assets (generally their purchase price) registered its smallest year-over-year increase in survey history (+7.6% to $292 billion).

In addition to the low net purchases of assets, two market forces in particular dampened the market value of assets. Increasing interest rates negatively affected the value of bonds, and fluctuating stock market conditions in 1994 lowered the value of stocks. Together, these two investment vehicles (bonds and stocks) represent more than three-quarters of the trusteed pension funds portfolio.

These estimates are from a quarterly sample of 181 funds holding 86% of total assets, supplemented by data from an annual census of all trusteed pension funds.

Available on CANSIM: matrix 5749.

The fourth quarter 1994 issue of *Quarterly estimates of trusteed pension funds* (74-001, $18/$60) will be available in June. See "How to order publications".

For further information on this release, contact Thomas Dufour (613-951-2088, fax: 613-951-4087), Pensions Section, Labour Division. ■

Department store sales, advance release

April 1995

Consumers spent $1,044.9 million in department stores in April, a 4.5% increase from April 1994. Spending in discount stores ($562.5 million) grew 14.8%; sales by major stores ($482.4 million) declined 5.3%.

The April 1995 issue of *Department store sales and stocks* (63-002, $16/$160) will be available in June. See "How to order publications".

For further information on this release, contact Janet Sear (613-951-5580) Retail Trade Section, Industry Division. ■

PUBLICATIONS RELEASED

Provincial gross domestic product by industry,
1984-1994
Catalogue number 15-203
(Canada: $50; United States: US$60; other countries: US$70).

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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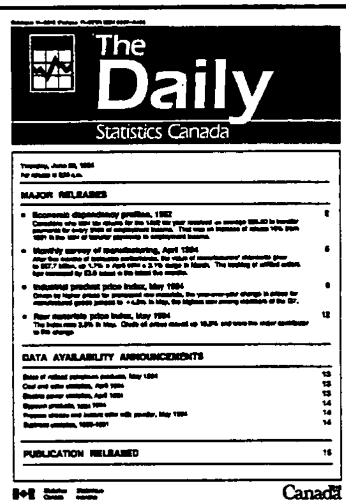

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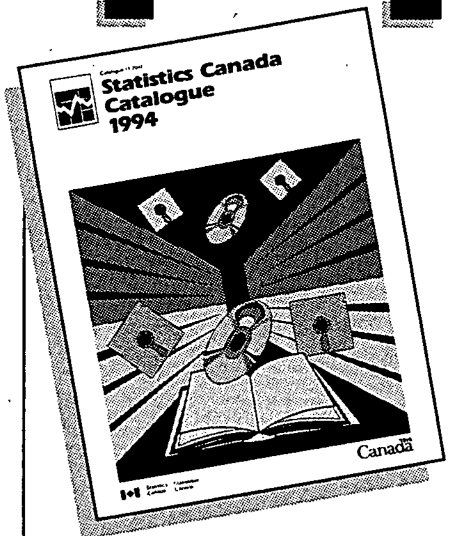

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