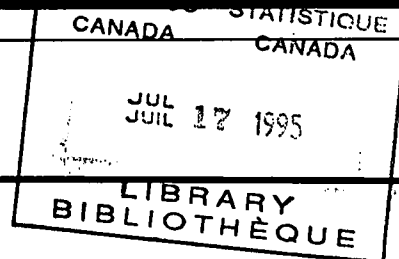




# The Daily

Statistics Canada

Monday, July 17, 1995  
For release at 8:30 a.m.



## MAJOR RELEASES

- **Composite index, June 1995** 2  
The index was little changed in June, suggesting that the worst of the economy's recent lethargy may soon end.
- **Monthly survey of manufacturing, May 1995** 4  
After three consecutive monthly declines, manufacturers boosted shipments in May. Strength in the primary metals, electrical and electronic products, and paper and allied products industries was the key to the 0.7% increase.

## OTHER RELEASES

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## MAJOR RELEASES

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### Composite index

June 1995

After decelerating rapidly from February to May, the leading index's rate of decline was little changed in June (-0.3%). Changes in the indicators with the longest lead times together suggest that the worst of the economy's recent lethargy may soon end: the slump in housing eased after several months of rapid deterioration, while the financial market indicators also firmed.

The weakness in the housing index continued with a fourteenth straight monthly drop. However, the decrease moderated to just -0.2%—the smallest this year—as the recent rally in house sales was followed by a rebound in housing starts. Elsewhere, spending remained sluggish. Outlays for durable goods posted a second straight drop, while furniture and appliance sales were flat.

Manufacturing showed little vigour due to the recent slide in demand for housing and durable goods. This slackening has led to a cutback in labour requirements. The average work week posted its second straight drop, while the number of manufacturing jobs contracted in June. Demand for business services picked up the

slack, however, as the outlook for business investment remained bright.

The financial market indicators continued to improve as interest rates fell. This is encouraging for growth later this year because these components have long lead times. For example, stock prices first began to fall more than a year before the current pause in growth, while the money supply began to slow soon after stock prices fell.

The U.S. leading indicator remained depressed; the economy there has slackened. As in Canada, however, the recovery in financial markets has recently lent strength to some sectors of demand, notably housing and autos.

**Available on CANSIM: matrix 191.**

The July 1995 issue of *Canadian economic observer* (11-010, \$22/\$220) will be available later this 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:	January 1995	February 1995	March 1995	April 1995	May 1995	June 1995	Last month of data avail- able
							% change
<b>Composite leading indicator (1981=100)</b>	<b>172.3</b>	<b>173.2</b>	<b>173.7</b>	<b>173.7</b>	<b>173.3</b>	<b>172.7</b>	<b>-0.3</b>
Housing index <sup>1</sup>	115.2	112.3	107.9	103.6	100.6	100.4	-0.2
Business and personal services employment ( '000)	1,937	1,940	1,942	1,943	1,945	1,947	0.1
TSE 300 stock price index (1975=1,000)	4,191	4,159	4,162	4,179	4,225	4,293	1.6
Money supply (M1) (millions of 1981 \$) <sup>2</sup>	30,293	30,308	30,321	30,263	30,234	30,223	0.0
U.S. composite leading indicator (1967=100) <sup>3</sup>	217.1	217.3	217.3	217.1	216.7	216.1	-0.3
<b>Manufacturing</b>							
Average work week	38.9	38.9	38.9	38.9	38.8	38.7	-0.3
New orders, durables (millions of 1981 \$) <sup>4</sup>	12,212	12,453	12,656	12,788	12,820	12,774	-0.4
Shipments/inventories of finished goods <sup>4</sup>	1.71	1.75	1.77	1.77	1.75	1.71	-0.04
<b>Retail trade</b>							
Furniture and appliance sales (millions of 1981 \$) <sup>4</sup>	1,138.8	1,146.5	1,155.7	1,162.7	1,165.5	1,165.7	0.0
Other durable goods sales (millions of 1981 \$) <sup>4</sup>	3,978.9	3,999.1	4,014.7	4,016.6	4,003.6	3,977.8	-0.6
Unsmoothed composite index	174.1	175.1	173.4	171.2	170.6	170.7	0.1

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

<sup>2</sup> Deflated by the consumer price index for all items.

<sup>3</sup> The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.

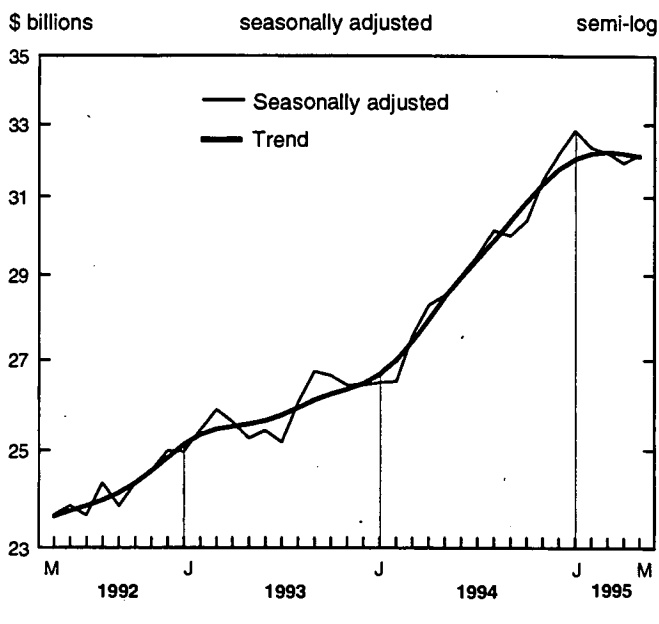
<sup>4</sup> The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for two preceding months.

\* Difference from previous month.

## Monthly survey of manufacturing May 1995

Manufacturers ended a three-month slump in May as the seasonally adjusted value of shipments increased 0.7% to \$32.2 billion. Following a strong 1994, where shipments skyrocketed 13%, a plateau has been evident in 1995. May's increase was widespread as 14 of the 22 major groups posted gains. These were partly offset by declines in 8 major groups accounting for 50% of shipments.

### Growth in shipments has plateaued in 1995



The largest monthly increase (in current dollars) was in the primary metals industry (+5.7%). Shipments of electrical and electronic products (+2.4%) and paper and allied products (+1.9%) were also strong. Transportation equipment manufacturers continued curtailing shipments (-1.0%) in response to weak North American demand.

Inventories continued growing (+1.2%), but at a slower pace than in recent months. May's increase outpaced the growth in shipments, leading to an inventory-to-shipments ratio of 1.37, a slight increase over April's ratio. Manufacturers cut their backlog of unfilled orders by 0.3%; new orders rose 0.2%.

### 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.

### Shipments positive for the first time since January

Manufacturers' shipments moved ahead 0.7% in May after three difficult months when shipments fell \$896 million (-2.7%). Producers of primary metals were the major contributors to the increase as their shipments jumped 5.7%. Electrical and electronic products shipments moved ahead 2.4%. A 2.3% price increase was instrumental in the 1.9% rise in paper and allied products shipments.

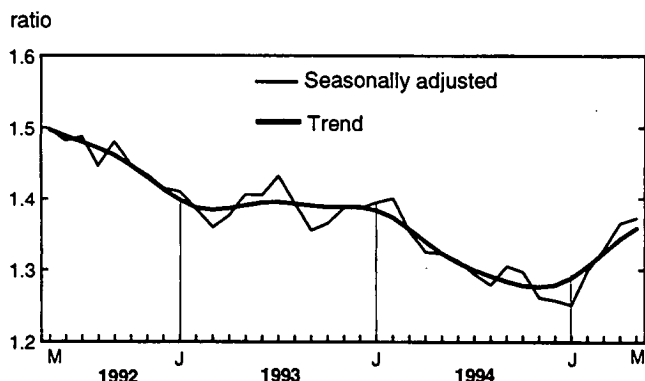
The slump in transportation equipment shipments that began in February continued in May (-1.0%). Sluggish North American demand for certain models continued to plague the motor vehicle industry, resulting in some plant closures in May. Weak demand and retooling were also behind shutdowns in June. Declining interest rates, combined with incentives and rebates, may help counter the eroded demand in coming months.

### Pace of inventory growth slowed slightly

Inventories grew 1.2% (to \$44.1 billion), a slower pace of growth than the average 1.9% of the previous five months. The aircraft and parts industry was the biggest contributor to a 3.0% increase in transportation equipment inventories. Primary metal inventories continued climbing, as levels surged 3.2%.

Inventory growth outpaced the growth in shipments, so the inventory-to-shipments ratio increased slightly to 1.37, a notch above April's 1.36. May's ratio was at a level comparable to that reached in early 1994.

### Inventories-to-shipments ratio edged upward



### Unfilled orders dipped

Manufacturers dipped into their backlog in May, as unfilled orders slipped 0.3%. Orders stood 11.7%

higher than in May 1994. The largest decreases were in the transportation equipment (-0.5%) and machinery (-0.9%) industries; order books for the aircraft and parts industry were strong (+0.9%). Recent increases in unfilled orders for aircraft will likely contribute to gains in inventories. After three monthly declines, new orders climbed 0.2% in May, led by a surge in primary metals (+5.4%).

**Available on CANSIM: matrices 9550-9579 and 9581-9582.**

The May 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, or to order, contact Robert Traversy, 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

	Shipments		Inventories		Unfilled orders		New orders		Inventories-to-shipments ratio
	seasonally adjusted								
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
May 1994	28,503	0.8	37,701	0.6	30,818	0.4	28,636	-1.8	1.32
June 1994	28,978	1.7	38,051	0.9	30,985	0.5	29,145	1.8	1.31
July 1994	29,485	1.8	38,164	0.3	31,373	1.3	29,874	2.5	1.29
August 1994	30,116	2.1	38,528	1.0	31,762	1.2	30,504	2.1	1.28
September 1994	29,978	-0.5	39,128	1.6	32,483	2.3	30,699	0.6	1.31
October 1994	30,363	1.3	39,372	0.6	32,796	1.0	30,676	-0.1	1.30
November 1994	31,463	3.6	39,682	0.8	32,948	0.5	31,615	3.1	1.26
December 1994	32,180	2.3	40,439	1.9	33,505	1.7	32,737	3.5	1.26
January 1995	32,830	2.0	41,055	1.5	33,848	1.0	33,173	1.3	1.25
February 1995	32,353	-1.5	42,036	2.4	34,323	1.4	32,828	-1.0	1.30
March 1995	32,211	-0.4	42,809	1.8	34,480	0.5	32,367	-1.4	1.33
April 1995	31,934	-0.9	43,577	1.8	34,533	0.2	31,988	-1.2	1.36
May 1995	32,158	0.7	44,110	1.2	34,428	-0.3	32,052	0.2	1.37

## OTHER RELEASES

### Sales of natural gas

May 1995 (preliminary)

Natural gas sales totalled 4 399 587 thousand cubic metres in May, up 10.4% from May 1994. All three major sectors recorded higher sales. A 13.5% gain in sales to the industrial sector (including direct sales) was due to higher demand for natural gas by electric utilities and the chemical industry.

Year-to-date sales to the end of May 1995 rose 2.4% from the same period in 1994. Sales to the residential (-4.8%) and commercial (-5.7%) sectors decreased due to milder weather in January and February 1995. Year-to-date sales to the industrial sector (including direct sales) continued to maintain their strong growth, posting an 11.1% increase over the same period last year.

#### Natural gas sales

	May 1995 <sup>P</sup>	May 1994	May 1994 to May 1995 %
	'000 cubic metres		change
<b>Natural gas sales</b>	<b>4 399 587</b>	<b>3 983 941</b>	<b>10.4</b>
Residential	834 840	784 728	6.4
Commercial	620 484	604 070	2.7
Industrial	2 012 446	1 935 543	13.5
Direct	931 817	659 600	

	January- May 1995 <sup>P</sup>	January- May 1994	January- May 1994 to January- May 1995 %
	'000 cubic metres		change
<b>Natural gas sales</b>	<b>31 549 201</b>	<b>30 807 179</b>	<b>2.4</b>
Residential	9 001 550	9 456 455	-4.8
Commercial	6 614 796	7 012 527	-5.7
Industrial	10 808 738	10 553 351	11.1
Direct	5 124 117	3 804 846	

<sup>P</sup> Preliminary figures.

Available on CANSIM: matrices 1052-1055.

The May 1995 issue of *Gas utilities* (55-002, \$14/\$140) will be available the third week of August. See "How to order publications".

For further information on this release, contact Gary Smallbridge (613-951-3567), Energy Section, Industry Division. ■

### Railway carloadings

Seven-day period ending June 21, 1995

Carloadings of freight (excluding intermodal traffic) during the seven days ending June 21, 1995, increased 1.7% to 5.0 million tonnes. The number of cars loaded decreased 0.3% from the same period of the previous year.

Intermodal (piggyback) tonnage totalled 322 000 tonnes, a 4.0% increase from the comparable week last year. On a year-to-date basis, the increase was 19.8%.

Total traffic (carloadings of freight and intermodal traffic) increased 1.9% during the seven days. This brought the year-to-date total to 120.1 million tonnes, a 5.5% increase from the previous year.

For further information on this release, contact Angus MacLean (613-951-2528, fax: 613-951-0579), Surface Transport Unit, Transportation Division. ■

### Soft drinks

June 1995

Data for June 1995 on soft drink production are now available.

Available on CANSIM: matrix 196.

*Monthly production of soft drinks* (32-001, \$3/\$30) will be available shortly. See "How to order publications".

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

**Processed fruits and vegetables**  
May 1995

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

Data for May 1995 on processed fruits and vegetables  
are now available.

*Canned and frozen fruits and vegetables, monthly*  
(32-011, \$6/\$60) will be available shortly. See "How to  
order publications".



## PUBLICATIONS RELEASED

### Refined petroleum products, April 1995

#### Catalogue number 45-004

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

### Gas utilities, April 1995

#### Catalogue number 55-002

(Canada: \$16/\$160; United States: US\$20/US\$200; other countries: US\$23/US\$230).

### Energy statistics handbook, July 1995

#### Catalogue number 57-601

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

### New motor vehicle sales, April 1995

#### Catalogue number 63-007

(Canada: \$16/\$160; United States: US\$20/US\$192; other countries: US\$23/US\$224).

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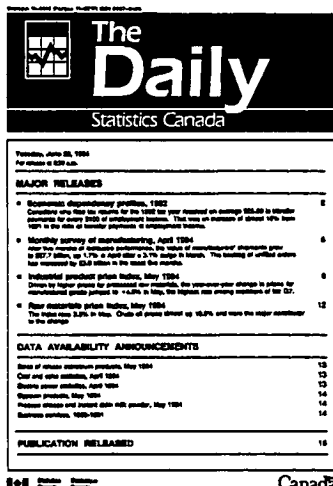
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Editor: Tim Prichard (613-951-1103)

Head of Official Release: Jacques Lefebvre (613-951-1088)

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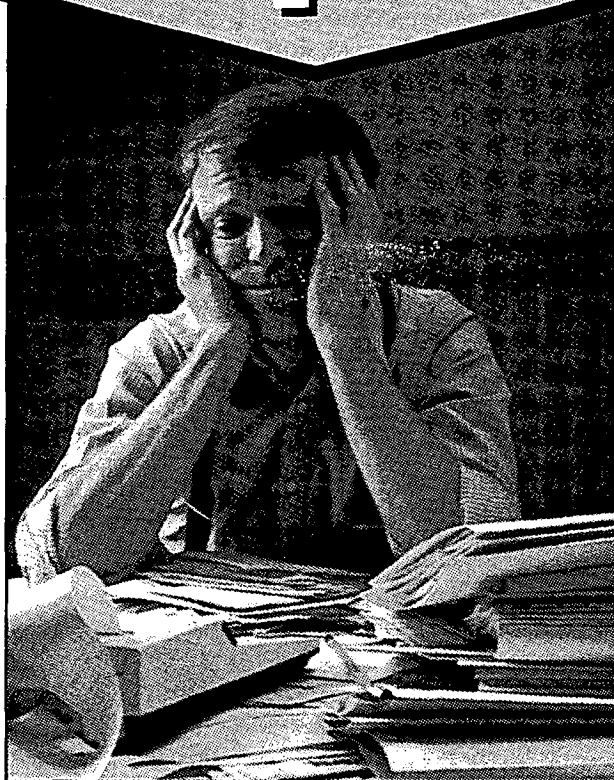
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