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The Daily

Statistics Canada

Tuesday, November 22, 1988

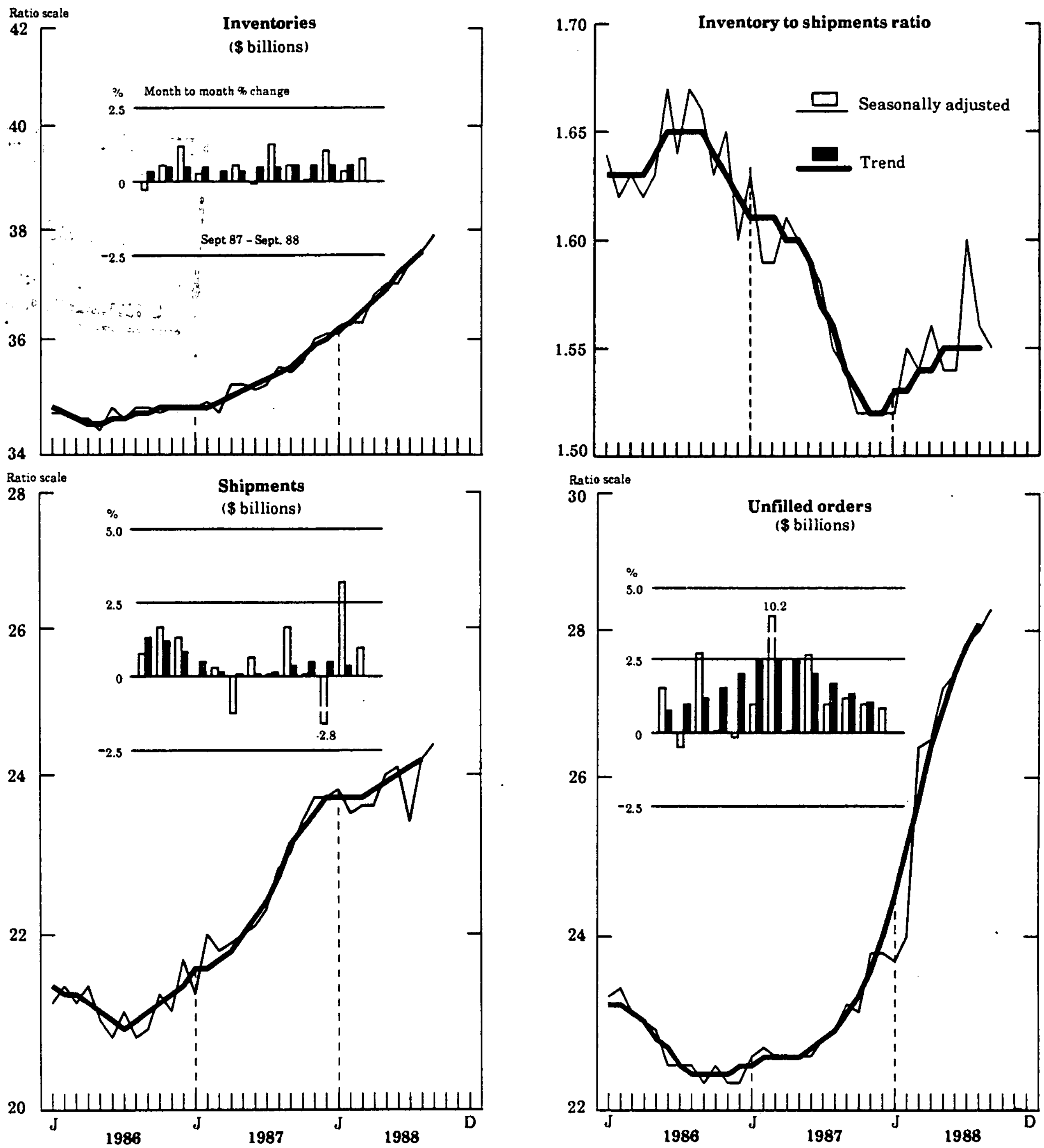
Major Releases

Data Availability Announcements

Publications Released

Major Releases

Manufacturers' Inventories Shipments and Unfilled Orders, 1986-1988



Monthly Survey of Manufacturing
September 1988

Seasonally Adjusted

Shipments, inventories and unfilled orders all hit new highs in September 1988. But despite recent increases in shipments, the inventories to shipments ratio is up slightly from record lows at the turn of the year.

Highlights

- Preliminary estimates indicate that Canadian manufacturers' September 1988 **shipments** increased 1.0% to $24.4 billion, thus reaching a new high for a second consecutive month. With substantial increases in the last two months outweighing a drop in July, the short term trend has grown at close to 0.5% a month over the last four months; this contrasts with weaker growth at the beginning of the year. Transportation equipment, food, and chemical products industries were the major contributors to the September increase.

- September **inventories** of $37.9 billion increased 0.8% from August, thus continuing to post new highs. The trend has also been increasing slightly faster in the last few months. Chemical products and primary metal industries were the major contributors to the September increase.

- The **inventories to shipments ratio** for September at 1.55:1 showed a slight decrease from the August level of 1.56:1. Despite the increases for shipments in August and September, the ratio remains higher than the low of 1.52:1 recorded from October 1987 to January 1988.

- **Unfilled orders** increased 0.9% in September to a level of $28.3 billion. This is the second time in as many months that unfilled orders have surpassed the $28 billion level. Increases have averaged 1.0% a month in the last four months.

- Following decreases in June and July, **new orders** increased for a second month in a row to reach $24.7 billion, up 0.9%.

Trend. A seasonally adjusted series still shows the effects of irregular influences and special circumstances and these can mask the trend. The short term trend is a measure which depicts the underlying direction in the seasonally adjusted series. It is calculated by averaging across months, thus balancing out the effects of irregular influences. The result is a smoother and more stable series. Since a moving average cannot accurately represent the latest month in a time series, the graphs showing the change in the trend stop at the second last month.

Unadjusted

- Manufacturers' shipments in September 1988 were estimated at $25.5 billion, 5.7% higher than the September 1987 level.

- Cumulative shipments for the first nine months of 1988 were estimated at $215.6 billion, 8.3% higher than the value for the corresponding period in 1987.

(See table on page 4)

Available on CANSIM: matrices 9550-9580.

Note: Inventories referred to in the text above are inventories owned, which exclude inventories for which manufacturers have received payment, but which they are still holding. This occurs for industries where long-term projects are arranged and progress payments are received according to the work done. In these cases, shipments data reflect progress payments rather than deliveries. At the all-industry level, inventory owned accounts for the largest part of inventory held.

The September 1988 issue of Monthly Survey of Manufacturing (31-001, $16.50/$165) is available today. See "How to Order Publications".

Data for shipments by province in greater detail than normally published may be available on request.

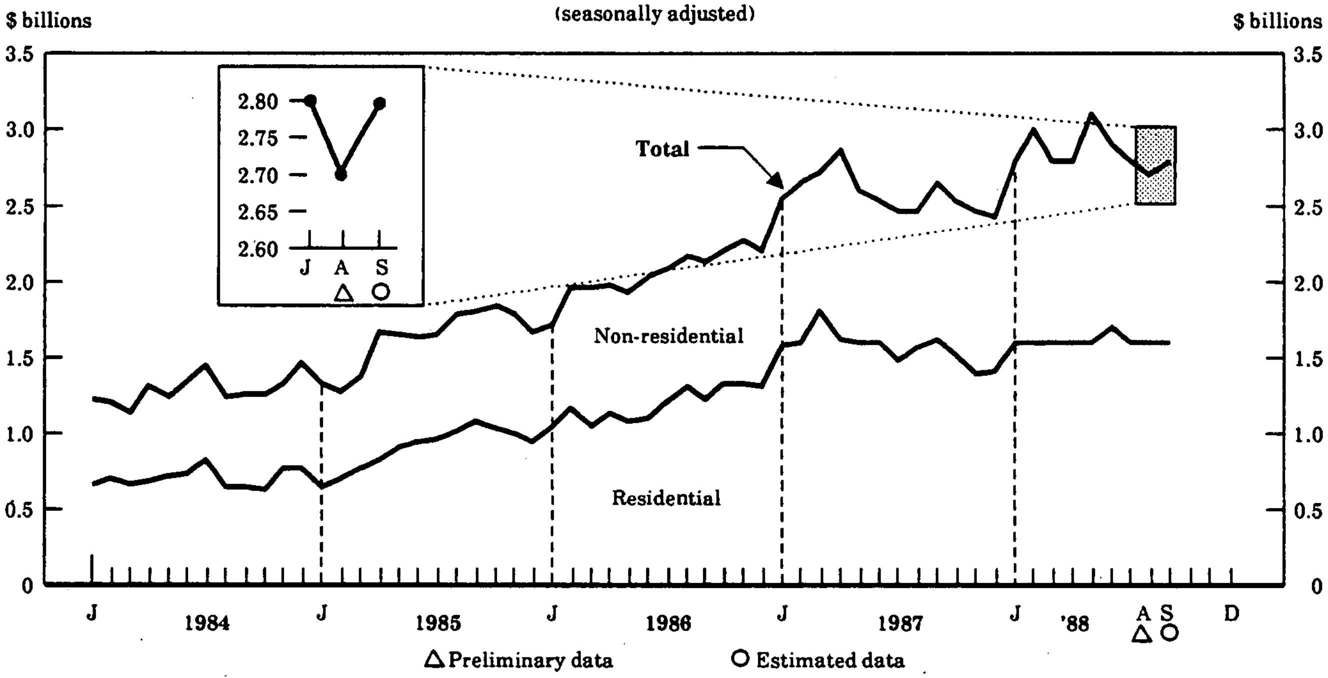
For further information, please contact Donald Dubreuil (613-951-9497) or the Monthly Survey of Manufacturing Section (613-951-9832), Industry Division.

Estimated Value of Shipments, Inventories and Orders in all Manufacturing Industries
(millions of dollars)

	August 1987	Sept. 1987	June 1988 r	July 1988 r	August 1988 r	Sept. 1988 p
			Adjusted for Seasonal Variation			
Shipments	22,803	22,989	24,051	23,385	24,165	24,396
New Orders	22,882	23,356	24,314	23,719	24,437	24,653
Unfilled Orders	22,879	23,245	27,441	27,776	28,048	28,304
Inventories	35,456	35,366	37,036	37,434	37,600	37,914
Ratio of Inventories to Shipments	1.55	1.54	1.54	1.60	1.56	1.55
			Unadjusted			
Shipments	21,858	24,110	25,942	21,272	23,934	25,486
New Orders	22,010	24,362	26,089	21,470	24,277	25,634
Unfilled Orders	23,065	23,318	27,677	27,875	28,219	28,367
Inventories	35,340	35,013	36,984	37,104	37,449	37,506

p Preliminary figures.
r Revised figures.

Chart 1
Value of Building Permits Issued in Canada



Building Permits
September 1988

(Seasonally adjusted data and construction filtered index)

Summary

The estimated value of building permits issued in Canada in September increased 3.4% to $2,794.5 million. This gain was entirely attributable to the non-residential sector which increased 11.4% to $1,235.8 million; the residential sector declined 2.1% to $1,558.7 million.

Residential sector

- The estimated value of residential building permits was down 2.1% in September to $1,558.7 million compared to $1,592.3 million in August.
- The single-family dwelling sector was responsible for this drop with a 5.4% decline to $1,097.4 million; the multi-family dwelling sector gained 6.6% to $461.3 million.
- The Atlantic provinces and Ontario were the only regions ones to register increases in the value of residential permits while all the other regions recorded decreases.
- The number of dwelling units authorized totalled 219,700 units in September (116,200 single detached and 103,500 multiple dwellings), a 3.0% drop.

Non-residential sector

- Up 11.4% in September, non-residential building permits climbed to $1,235.8 million compared to $1,109.8 million in August.
- All components of the non-residential sector increased in September: the industrial sector showed a strong rise (+32.4%) to $255.0 million, followed by the institutional sector (+18.8% to $236.7 million) and the commercial sector (+3.7% to $744.1 million).

(continued on page 6.)

Chart 2
Dwelling Units Authorized in Canada

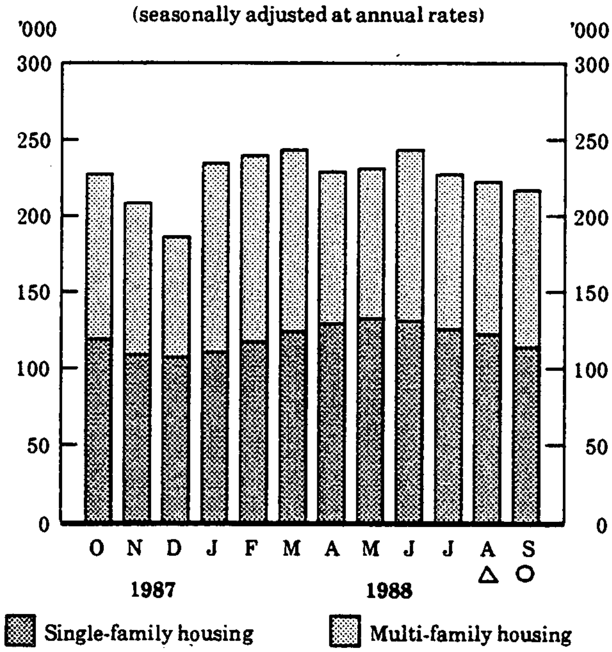
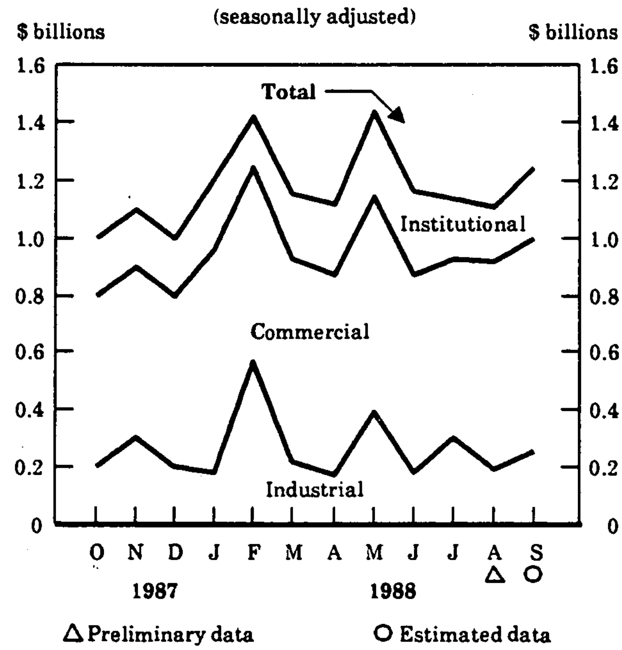


Chart 3
Value of Non-residential Permits Issued in Canada



- As for the residential sector, the Atlantic region and Ontario were the only regions to register gains in the value of non-residential building permits in September.

Short-term Trend

- The short-term trend of construction (excluding engineering projects), as reflected by the filtered index of building permits, increased 0.6% in July to 135.2. Although the leading indicator is still positive, a slowdown in the growth has being observed since January due to both the residential and non-residential sectors.
- The filtered index of residential permits gained 0.4% to 151.0 in July and the non-residential filtered index was up 0.8% to 118.7.

Note to Users
The short-term trend as shown by the filtered index is an investment anticipator in the construction sector for the forthcoming months. It is based on the value of the building permits issued and comprises the following stages: deflating (1981=100), seasonal adjustment and filtering (using the 23-month Henderson moving average method) to produce a trend-cycle.

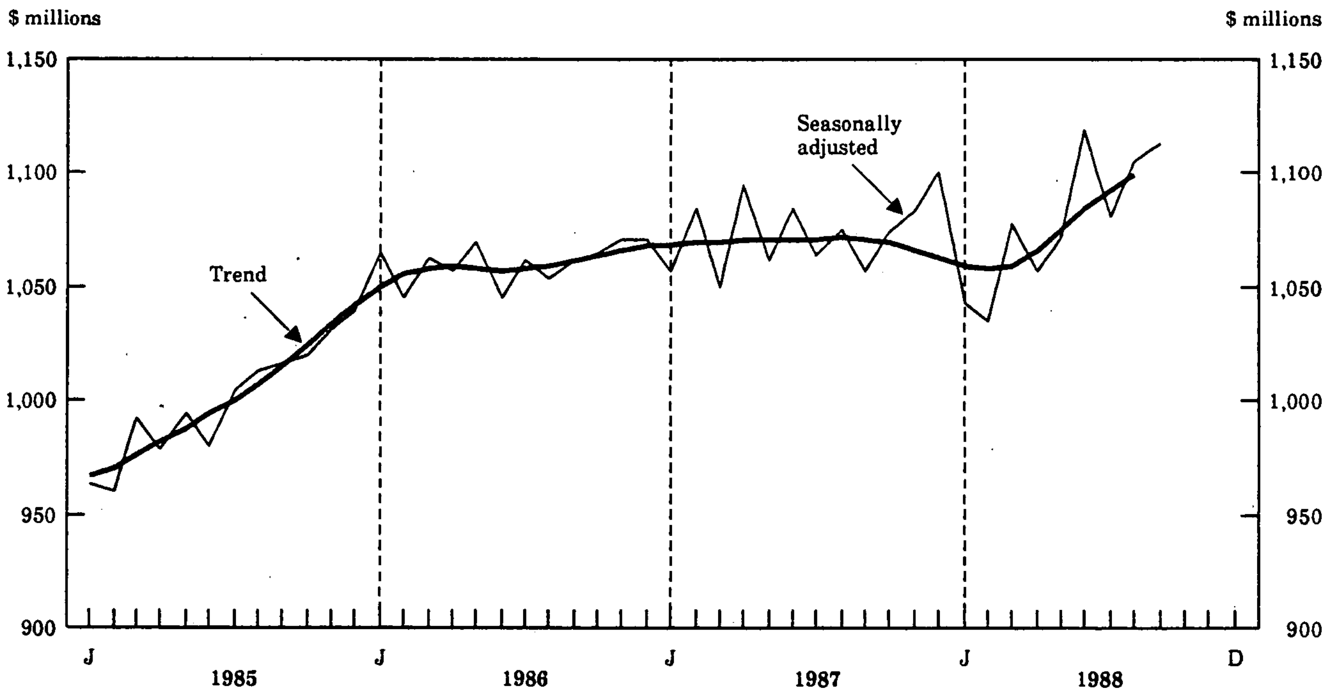
In order to reduce the number of false signals in the construction activity series, the leading indicator is lagged two months in relation to the month of reference.

Available on CANSIM: matrix 80 (levels 3-7, 9-15), 129, 137, 443, 989-991, 994, 995 and 4073.

The August 1988 issue of *Building Permits* (64-001, $20/$200) is scheduled for release the third week of December. See "How to Order Publications".

For more detailed information on this release, contact Francine Monette (613-951-2583), Science, Technology and Capital Stock Division.

Department Store Sales, by Month, Seasonally Adjusted, Canada, 1985-1988



Department Store Sales and Stocks

September 1988

Highlights

Seasonally Adjusted Data

- Adjusted for seasonal fluctuations and the number of trading days, department store sales in September 1988 totalled $1,113 million, an increase of 0.7% over the previous month's revised total of $1,105 million.
- The increase in department store sales in September, the second consecutive monthly increase, extended the trend of generally rising sales observed since March 1988. Department store sales advanced by 1.6% in the third quarter compared to an increase of 2.9% in the second and to a decrease of 3.3% in the first quarter.
- Department store stocks (at selling value) totalled $4,714 million at the end of September 1988, an increase of 2.8% over the August 1988 revised value of $4,585 million. This constitutes the second consecutive monthly increase.
- The ratio of inventories to sales stood at 4.23:1 in September, an increase over the average ratio of 4.14:1 observed in the three previous months.

Unadjusted Data

- Department stores in Canada reported sales totalling $1,106 million in September 1988, up 7.5% over the revised September 1987 level of $1,029 million.
- Cumulative sales for the first nine months of 1988 totalled $8,529 million, an increase of 3.4% (after adjustment for the sale of Woodward Stores Ltd.'s food division) over the corresponding period in 1987.

(Continued on page 8)

- With the exception of Manitoba, which recorded a modest decrease of 0.2% from the corresponding month a year earlier, all provinces reported higher sales. Increases ranged from 13.2% in Newfoundland to 6.5% in British Columbia. Sales rose in nine of the 10 metropolitan areas surveyed.

- Department store stocks at month-end totalled $4,817 million, an increase of 1.2% over the level reached in September 1987.

Note to users:
The short-term trend provides a clearer picture of the direction and rate of change in department store sales. It is calculated by the X-11 ARIMA seasonal adjustment program. Essentially, the calculation involves a 13-term Henderson moving average which smooths irregular fluctuations in the seasonally adjusted data. The trend for the last month is however not shown in the chart since it frequently changes significantly with the addition of succeeding months of data.

Available on CANSIM: matrix 112.

The September 1988 issue of *Department Store Sales and Stocks* (63-002, $13/$130) will be available the third week of February 1989. See "How to Order Publications".

Contact Roger Laplante (613-951-3552) or David Roeske (613-951-9236), Retail Trade Section, Industry Division.

Non-residential Construction Output Price Index
Third Quarter 1988

Highlights

- Prices of non-residential construction across Canada rose 1.7% in the third quarter of 1988, maintaining the fairly uniform pace which has existed over the last 10 quarters. The index at 129.0 (based on 1981 = 100) showed an increase of 7.1% over the same quarter one year ago.
- Non-residential construction prices in Vancouver increased 2.6% from the second quarter. This jump is the largest since the fourth quarter of 1981.
- In Central Canada, the largest quarterly increase was registered by Ottawa at 2.4%, followed by Toronto at 1.8%.
- Prices for electrical work in Montreal showed little or no change, and, in some cases, declines from the previous quarter. This factor contributed greatly to the change for all non-residential construction in Montreal being relatively small at 0.8%.
- On an annual basis, increases ranged from 8.5% in Toronto to 2.4% in Halifax. Calgary registered an increase of 5.4% but there is some concern that the higher prices may be shortlived due to declines in the price of oil in the world market inducing a subsequent fall in demand for construction.

Available on CANSIM: matrices 414 and 415.

The third quarter issue of *Construction Price Statistics* (62-007, $16.50/$66) will be available in December. See "How to Order Publications".

For more detailed information on this release, contact the Information and Current Analysis Unit (613-951-9607), Prices Division.

Output Price Indexes of Non-residential Construction
Third Quarter 1988
(1981 = 100)

	Seven Cities and Canada Indexes							
	Halifax	Montreal	Ottawa	Toronto	Calgary	Edmonton	Vancouver	Canada
	Quarterly Indexes							
1987 Q3	122.8	132.9	130.3	144.0	93.7	95.0	110.1	120.5
1987 Q4	123.6	133.7	131.3	145.9	95.0	95.6	111.4	121.8
1988 Q1	124.3	135.5	133.0	149.0	96.4	95.8	113.3	123.9
1988 Q2	125.0	138.0	136.5r	153.4	97.6r	95.9	114.1	126.8
1988 Q3	125.7	139.1	139.8	156.2	98.8	97.4	117.1	129.0
	Percentage Change							
Q1'88/Q4'87	0.6	1.3	1.3	2.1	1.5	0.2	1.7	1.7
Q2'88/Q1'88	0.6	1.8	2.6	3.0	1.2r	0.1	0.7	2.3
Q3'88/Q2'88	0.6	0.8	2.4	1.8	1.2	1.6	2.6	1.7
Q3'88/Q3'87	2.4	4.7	7.3	8.5	5.4	2.5	6.4	7.1

r Revised.

Data Availability Announcements

Railway Carloadings

Seven-day period Ending November 7, 1988
Highlights

- Revenue freight loaded by railways in Canada during the week totalled 5.2 million tonnes, a decrease of 3.5% from the previous year.
- Piggyback traffic decreased 6.0% from the same period last year. The number of cars loaded decreased 7.2% during the same period.
- The tonnage of revenue freight loaded to date this year is 4.8% higher than that loaded in the previous year.

Railway Carloadings

	Seven-day Period ending November 7, 1988	Year-to-date r
Carload Traffic		
Tonnes	5 237 087	220 871 082
% change from previous year	-3.5	4.8
Cars	75,820	3,190,014
% change from previous year	-2.8	2.5
Piggyback Traffic		
Tonnes	279 486	11 647 736
% change from previous year	-6.0	7.0
Cars	9,436	393,591
% change from previous year	-7.2	1.3

Note: Piggyback traffic includes trailers and containers on flat cars. Piggyback traffic numbers are included in total carload traffic.

For more detailed information on this release, contact Angus MacLean (613-951-2484), Surface Transport Unit, Transportation Division.

Railway Operating Statistics

September 1988

The seven major railways reported a combined net income of $71.5 million in September 1988. Operating revenues of $660.5 million were down $15.6 million from the September 1987 figure.

Revenue freight tonne-kilometres were down 6.7% from September 1987. Freight train-kilometres registered a decrease of 4.0% while freight car-kilometres decreased by 7.6%.

Available on CANSIM: matrix 142.

The September 1988 issue of the *Railway Operating Statistics* (52-003, $9.50/$95) is to be released the first week of December.

For more detailed information on this release, contact Angus MacLean (613-951-2484), Transportation Division.

Telephone Statistics

September 1988

Canada's 13 major telephone systems reported monthly revenues of $963.8 million in September 1988, up 3.1% from September 1987.

Operating expenses were $704.4 million, an increase of 7.9% over September 1987. Net operating revenue was $259.4 million, a decrease of 8.0% from September 1987.

Available on CANSIM: matrix 355.

The September 1988 issue of *Telephone Statistics* (56-002, $7.50/$75) is scheduled for release the week of December 5. See "How to Order Publications".

For more detailed information on this release, contact J.R. Slattery (613-951-2205), Services Division.

Chemical and Mineral Process Plant Price Indexes
Third Quarter 1988

Highlights

- The Chemical and Mineral Process Plant Price Index (1981 = 100) reached a preliminary level of 138.4 in the third quarter of 1988, up 1.2% from the revised second quarter level of 136.8.
- Increases of 1.3% in the heavily-weighted machinery and equipment component and 1.5% in the buildings component were dampened by more modest increases of 0.7% for field erection (mainly construction labour) and 0.8% for the engineering, design and administration component.
- Within the machinery and equipment component, larger than average increases in the quarter were posted by process machinery at 2.5%, piping, valves and fittings at 1.9% and structural support, paint and insulation at 1.4%. The first two categories reflect the continuing impact of higher prices for equipment and materials containing stainless steel. The third category reflects generally higher prices for other steel construction materials such as fabricated structural shapes and concrete re-bar.
- Comparing the third quarters of 1988 and 1987, the total index rose 5.7%, the highest 12-month rate of change for this index since the first quarter of 1983. For the components, annual rates were 7.4% for buildings, 7.3% for machinery and equipment, 3.3% for engineering, design and administration and 1.5% for field erection. This last component was influenced by a -3.6% movement in the construction machinery and equipment category for which there is a high import content and therefore reflects the impact of a stronger Canadian dollar vis-à-vis the U.S. dollar compared to the same quarter in 1987.

Available on CANSIM: matrix 291.

The third quarter 1988 issue of Construction Price Statistics (62-007, $16.50/$66) will be available in December. See "How to Order Publications".

For more detailed information on this release, contact the Information and Current Analysis Unit (613-951-9607), Prices Division.

Chemical and Petrochemical Plant Price Indexes
Third Quarter 1988

Highlights

- The Chemical and Petrochemical Plant Price Index (1981 = 100) reached a preliminary level of 136.7 in the third quarter of 1988, up 1.0% from the revised second quarter level of 135.4.
- Increases of 1.0% in the heavily-weighted machinery and equipment component and 1.5% in the buildings component were moderated by more modest increases of 0.7% for construction labour, 0.7% for construction indirects, and 0.8% for engineering, design and administration.
- Within the machinery and equipment component, larger than average increases in the quarter were posted by piping, valves and fittings at 2.2%, process machinery at 1.4% and structural support, paint and insulation at 1.4%. The first two categories reflect the continuing impact of higher prices for equipment and materials containing stainless steel. The third category reflects generally higher prices for other steel construction materials such as fabricated structural shapes and concrete re-bar.
- Comparing the third quarters of 1988 and 1987, the total index rose 4.8%, the highest 12-month rate of change for this index since the fourth quarter of 1982. For components, the annual rates were 7.4% for buildings, 6.0% for machinery and equipment, 3.4% for engineering, design and administration, 2.9% for construction labour, and 1.9% for construction indirects. This last component was influenced by a -3.6% movement in the construction machinery and equipment category for which there is a high import content, and therefore reflects the impact of a stronger Canadian dollar.

Available on CANSIM: matrix 294.

The third quarter 1988 issue of *Construction Price Statistics* (62-007, $16.50/$66), will be available in December. See "How to Order Publications".

For more detailed information on this release, contact the Information and Current Analysis Unit (613-951-9607), Prices Division.

Mineral Wool
October 1988

Manufacturers shipped 4 763 477 square metres of R12 factor (RSI 2.1) mineral wool batts in October 1988, up 2.7% from the 4 636 383 square metres shipped a year earlier and up 21.8% from the 3 911 646 square metres shipped the previous month.

Year-to-date shipments to the end of October 1988 totalled 33 259 574 square metres, a decrease of 6.6% from the same period in 1987.

Available on CANSIM: matrices 40 and 122 (series 32 and 33).

The October 1988 issue of *Mineral Wool including Fibrous Glass Insulation* (44-004,$4.50/$45) will be available at a later date. See "How to Order Publications".

For more detailed information on this release, contact Sharon McLinton (613-951-3527), Industry Division.

Exports of Major Grains
August 1988

Total exports of Canada's six major grains were down 18% from August 1987. The most significant change was a 78% decrease in barley exports.

	1988	1987
	(tonnes)	
• Wheat (excluding durum)	1 347.7	1 496.0
• Durum wheat	184.8	60.0
• Total wheat	1 532.5	1 556.0
• Oats	28.0	15.5
• Barley	93.1	418.7
• Rye	10.2	15.0
• Flaxseed	37.5	68.2
• Canola	137.6	160.7
• Total	1 838.9	2 234.1

Available on CANSIM: matrices 2650-2656.

The August 1988 issue of *Cereals and Oilseeds Review* (22-007, $11.50/$115) is scheduled for release in November. See "How to Order Publications".

For further detailed information on this release, contact A. Dupuis (613-951-3871), Agriculture Division.

Publications Released

Monthly Survey of Manufacturing, September 1988. **Catalogue number 31-001** (Canada: $16.50/$165; Other Countries: $17.50/$175).

Monthly Production of Soft Drinks, October 1988. **Catalogue number 32-001** (Canada: $2.50/$25; Other Countries: $3.50/$35).

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