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MAJOR RELEASES

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MAJOR RELEASES

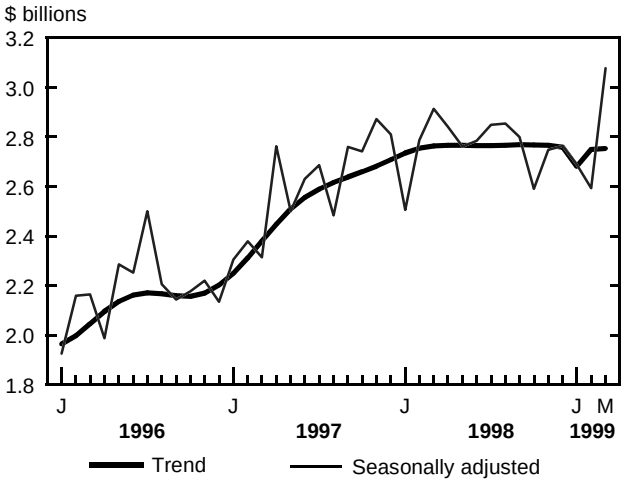
Building permits

March 1999 and first quarter of 1999

Municipalities issued building permits worth $3.1 billion in March, up 18.7% from the previous month to reach the highest monthly level since March 1990. Both residential and non-residential sectors contributed strongly to the increase.

Construction intentions in the residential sector rose 11.4% to $1.6 billion, the highest level since July 1997. Permits in the non-residential sector increased 28.1% to $1.4 billion, the highest since June 1990.

Large turnaround in total building permits



On a quarterly basis, municipalities issued $8.4 billion in building permits in the first three months of 1999, up 3.2% from the previous quarter. Housing intentions declined 0.6% to $4.6 billion due to a decrease in the value of permits for single-family dwellings. However, following a significant decrease during the last quarter of 1998, non-residential construction intentions were up 8.1% in the first quarter of 1999, to $3.8 billion. Gains in the industrial and institutional components more than offset the slight decline that occurred in the commercial component.

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data, easing comparisons by removing the effects of seasonal variations.

The Building and Demolitions Permits Monthly Survey covers 2,600 municipalities representing 94% of the population. It provides an early indication of building activity. The communities representing the other 6% of the population are very small, and their levels of building activity have little impact on the total.

The value of planned construction activities shown in this release excludes engineering projects (e.g., waterworks, sewers, culverts, etc.) and land. The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

Multi-family dwellings drive residential sector gain in March

Growth in the housing sector in March was due to a significant increase in intentions for multi-family dwellings, which more than offset a decline in single-family intentions. The value of multi-family permits jumped 58.2% to $567 million, the highest level since January 1990. In contrast, the value of single-family permits fell 3.6% to $1.1 billion, the second monthly decline in the last three months.

Canada Mortgage and Housing Corporation reported a 2.7% increase in housing starts in March. Also, according to the Canadian Real Estate Association, sales of existing homes in March posted a second monthly gain (+5.4%) after a record increase in February.

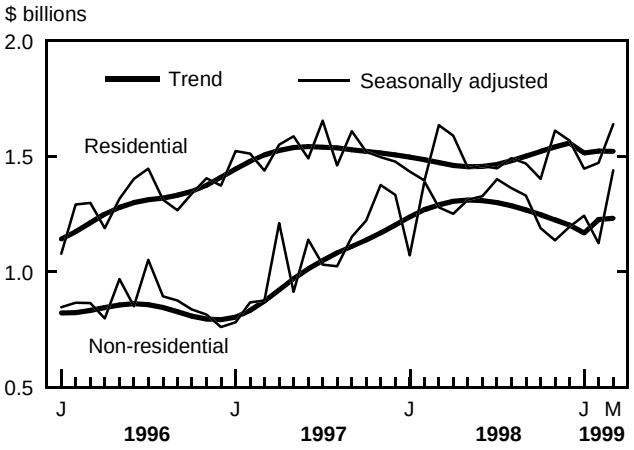
All factors affecting the outlook in the housing sector remain positive for the near future. Long-term mortgage rates have remained at levels comparable to those of the 1960s. In addition, the New Housing Price Index remained unchanged from January to February and full-time employment among the 25-44 age group remained stable.

On a provincial basis, the largest gains in March based on change in dollar value occurred in Ontario (+25.0% to $811 million), British Columbia (+13.9% to $201 million) and Newfoundland (+39.9 to $25 million). In Ontario and British Columbia, multi-family dwellings led the way, while single-family dwellings were the main factor behind the increase in Newfoundland.

The most significant monthly decline occurred in Quebec (-8.0% to $245 million), mainly the result

of lower intentions in single-family dwellings. Other declines occurred in Alberta, the Northwest Territories and Prince Edward Island.

Both sectors up significantly



In the first quarter of 1999, residential construction intentions fell 0.6% from the previous quarter to $4.6 billion. Despite the decline, this was the highest first quarter level since 1990. The value of single-family construction permits fell 2.2% to $3.2 billion, while multi-family building permits increased 3.6% to $1.3 billion.

Overall, residential building permits in the first three months of 1999 were up 2.1% over the same period in 1998. This increase is in line with the expectation of higher investment in housing shown by Statistics Canada's most recent survey on private and public investment intentions.

Significant rebound for the non-residential sector

The strong advance in March in non-residential building intentions followed a decline in February. All three components (industrial, commercial and institutional) contributed to the increase.

Institutional permits jumped 50.6% over February to $347 million, their highest level since September 1997. The overall gain came mostly from intentions in the welfare and medical building groups.

The commercial component increased 16.6% to $706 million following two consecutive declines. The office, warehouse and recreation building groups contributed to this growth.

Industrial intentions increased 34.5% to $387 million, almost all of which came from permits for factories and plants.

For the provinces, monthly increases based on change in dollar values were most significant in Ontario (+16.7% to $648 million), Quebec (+35.7% to $337 million) and British Columbia (+74.6% to $172 million).

In British Columbia, all three components had an impact on the increase, while the commercial component played the largest role in Ontario. In Quebec, both industrial and institutional components led the way. Nova Scotia had the most significant decline, with non-residential intentions falling 69.4% to $9.6 million.

On a quarterly basis, the value of non-residential permits for the first three months of 1999 was up 8.1% over the last quarter of 1998 to $3.8 billion, the best first-quarter performance since 1990. The institutional component recorded the most significant increase from the last quarter of 1998, up 28.4% to $805 million. The industrial component rose 12.5% to $1.1 billion, while the commercial component fell a marginal 0.5% to $1.9 billion.

In the first three months of 1999, the overall value for non-residential building permits was 1.7% higher than for the same period in 1998. This is consistent with an anticipated 6% increase in non-residential building construction in 1999, as shown by Statistics Canada's most recent survey on private and public investment.

Available on CANSIM: matrices 80 (levels 3-7 and 33-48), 129, 137, 443, 989-992, 994, 995 and 4073.

The March 1999 issue of *Building permits* (64-001-XIB, $19/$186) will be available shortly. See *How to order publications*. The April 1999 building permits estimates will be released on June 7, 1999.

For more information, or to enquire about the methods, concepts or data quality of this release, contact Joanne Bureau (613-951-9689; *burejoa@statcan.ca*). For analytical information, contact Ginette Gervais (613-951-2025; *gervgin@statcan.ca*), Investment and Capital Stock Division. □

Value of building permits

	Feb. 1999[r]	Mar. 1999[p]	Feb. to Mar. 1999	Fourth quarter 1998	First quarter 1999	Fourth quarter 1998 to first quarter 1999
	seasonally adjusted					
	$ millions		% change	$ millions		% change
Canada	**2,594.0**	**3,078.5**	**18.7**	**8,103.3**	**8,362.0**	**3.2**
Residential	1,470.6	1,638.8	11.4	4,582.7	4,556.2	-0.6
Non-residential	1,123.5	1,439.7	28.1	3,520.6	3,805.8	8.1
Newfoundland	29.0	26.9	-7.3	79.6	108.5	36.3
Residential	17.8	24.9	39.9	29.9	54.8	83.2
Non-residential	11.2	2.0	-82.1	49.8	53.8	8.1
Prince Edward Island	10.6	7.5	-28.8	30.2	22.7	-24.8
Residential	8.1	5.5	-32.3	15.3	15.7	2.7
Non-residential	2.4	2.0	-17.2	14.9	7.0	-52.9
Nova Scotia	73.5	55.8	-24.0	185.4	203.9	10.0
Residential	42.1	46.3	9.7	106.7	125.0	17.1
Non-residential	31.3	9.6	-69.4	78.6	78.9	0.3
New Brunswick	29.8	37.5	26.1	114.8	97.7	-14.9
Residential	22.1	22.1	-0.4	58.3	65.6	12.5
Non-residential	7.6	15.5	102.8	56.5	32.1	-43.1
Quebec	515.1	582.4	13.1	1,455.8	1,681.4	15.5
Residential	266.6	245.3	-8.0	763.6	797.3	4.4
Non-residential	248.4	337.1	35.7	692.2	884.0	27.7
Ontario	1,203.8	1,458.8	21.2	3,489.1	3,786.2	8.5
Residential	648.5	810.8	25.0	2,162.5	2,083.9	-3.6
Non-residential	555.3	648.0	16.7	1,326.6	1,702.3	28.3
Manitoba	53.1	68.2	28.4	207.1	209.0	0.9
Residential	28.6	29.2	2.1	95.0	94.0	-1.0
Non-residential	24.5	39.0	59.1	112.1	115.0	2.6
Saskatchewan	36.6	58.6	60.2	197.3	130.6	-33.8
Residential	13.8	18.6	34.5	66.0	46.1	-30.1
Non-residential	22.8	40.0	75.7	131.3	84.5	-35.7
Alberta	359.1	399.0	11.1	1,304.5	1,189.0	-8.9
Residential	239.2	233.6	-2.3	702.6	705.7	0.4
Non-residential	119.9	165.4	38.0	601.8	483.3	-19.7
British Columbia	274.8	372.9	35.7	1,016.0	902.9	-11.1
Residential	176.2	200.8	13.9	569.6	555.3	-2.5
Non-residential	98.6	172.1	74.6	446.3	347.6	-22.1
Yukon	1.3	3.1	128.0	10.8	6.9	-35.8
Residential	1.1	1.2	0.7	5.9	4.8	-19.5
Non-residential	0.2	1.9	879.4	4.8	2.1	-56.0
Northwest Territories	7.5	7.8	3.8	12.7	23.2	82.0
Residential	6.3	0.7	-89.0	7.2	8.1	12.0
Non-residential	1.2	7.1	477.0	5.5	15.1	173.0

[r] *Revised data.*
[p] *Preliminary data.*
Note: *Data may not add to totals due to rounding.*

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Quarterly Business Conditions Survey: manufacturing industries

April 1999

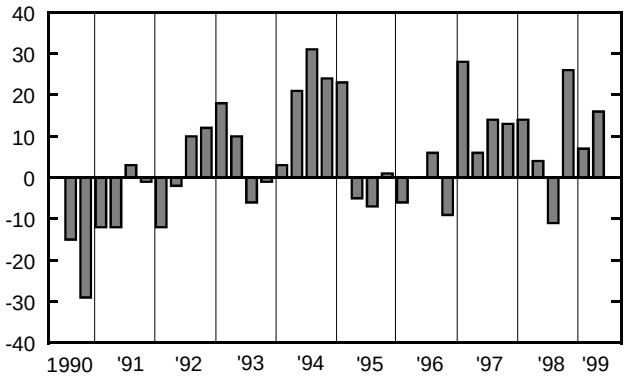
Nearly one-third of manufacturers indicated that they were planning to increase production in the coming three months, according to the April Business Conditions Survey. They also reported that this increase could be handled with about the same size workforce. Overall, manufacturers did not feel that the current level of finished-products inventory was a source of concern. Manufacturers were also slightly more satisfied with the current levels of new orders than they were in the January survey.

Manufacturers most optimistic about production prospects

In April, the balance of opinion regarding production prospects during the coming three months increased 9 points to +16, as 32% of manufacturers indicated that they expected to increase production in the coming quarter. Manufacturers in the transportation equipment industries were the most optimistic about increasing production.

The balance of opinion (+16) was determined by subtracting the 16% of manufacturers who stated that production prospects for the coming three months would be "lower" than the previous three months from the 32% who said that prospects would be "higher".

Balance of opinion for expected volume of production: next three months vs. last three months



Note to users

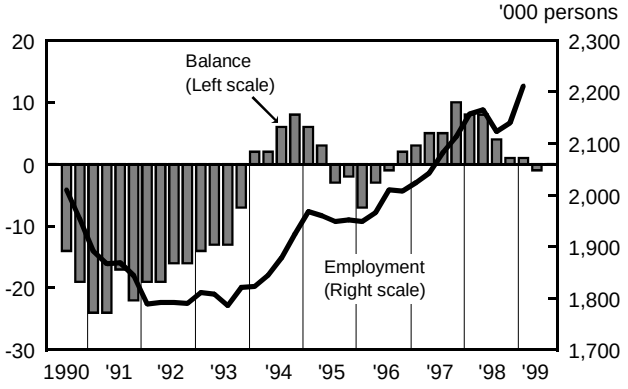
The Business Conditions Survey is conducted in January, April, July and October; the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers and are weighted by a manufacturer's shipments or employment. Consequently, larger manufacturers have a correspondingly larger impact on the results than smaller manufacturers.

Except for the data on production difficulties, data in this release are seasonally adjusted.

Manufacturers anticipate little change in employment levels

About 71% of manufacturers stated that their workforce would be little changed in the coming three months, with the balance of opinion concerning employment prospects remaining virtually unchanged in the April survey (-1). The number of manufacturers stating they would decrease their workforce was 15%, while those reporting they would increase employment remained at 14%. The March Labour Force Survey (LFS) indicated employment in manufacturing had increased strongly (+96,000) in the first three months of 1999.

Balance of opinion on employment prospects during the next three months and manufacturing employment (LFS)



The level of finished-products inventory not a major concern

In the April survey, about 78% of manufacturers felt that the current level of finished-products inventory was about right. Inventories were said to be too high by 18% of manufacturers while 4% stated inventories were too low. This left the current balance of opinion at -14, a

one-point decrease from the January survey. Results from the Monthly Survey of Manufacturing for February indicated manufacturers were holding $16.6 billion in finished-products inventory.

Manufacturers more satisfied with the level of orders received

Manufacturers' balance of opinion concerning the current level of orders received increased 6 points to +5 in April. About 89% of manufacturers stated the current level of new orders was about the same or rising when compared with the previous three months. Much of the increase in the balance was attributable to the transportation equipment, the primary metal and the wood industries.

Most manufacturers satisfied with current level of unfilled orders

In April, about 79% of manufacturers reported that the current level of unfilled orders was about normal, down slightly from the January result. Overall, manufacturers' satisfaction with the current level of unfilled orders remained negative (-7) in the April survey. About 14% of manufacturers stated that unfilled orders would be lower than normal and 7% stated that they would be higher.

Increase in concern about skilled labour shortages

As in the January survey, some 86% of manufacturers reported an absence of production impediments. A shortage of skilled labour continued to be a concern for 7% of manufacturers, a 2% increase from the January survey.

Available on CANSIM: matrices 2843-2845.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Claude Robillard (613-951-3507; *robilcg@statcan.ca*) Monthly Survey of Manufacturing Section, Manufacturing, Construction and Energy Division. □

Business Conditions Survey: manufacturing industries
April 1999

	Apr. 1998	July 1998	Oct. 1998	Jan. 1999	Apr. 1999
	seasonally adjusted				
Volume of production during next three months compared with last three months will be:					
About the same	60	45	44	73	52
Higher	22	22	41	17	32
Lower	18	33	15	10	16
Balance	4	-11	26	7	16
Orders received are:					
About the same	59	72	69	75	73
Rising	18	14	18	12	16
Declining	23	14	13	13	11
Balance	-5	0	5	-1	5
Present backlog of unfilled orders is:					
About normal	77	80	74	81	79
Higher than Normal	10	7	10	7	7
Lower than Normal	13	13	16	12	14
Balance	-3	-6	-6	-5	-7
Finished product inventory on hand is:					
About right	80	84	80	79	78
Too low	3	2	2	4	4
Too high[1]	17	14	18	17	18
Balance	-14	-12	-16	-13	-14
Employment during the next three months will:					
Change little	70	70	73	73	71
Increase	19	17	14	14	14
Decrease	11	13	13	13	15
Balance	8	4	1	1	-1
	unadjusted				
Sources of production difficulties:					
Working capital shortage	2	4	2	3	2
Skilled labour shortage	7	7	8	5	7
Unskilled labour shortage	1	0	1	0	1
Raw material shortage	2	13	3	2	1
Other difficulties	2	4	4	3	2
No difficulties	85	74	83	86	86

[1] *No evident seasonality.*

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PUBLICATIONS RELEASED

Crude petroleum and natural gas production, January 1999
Catalogue number 26-006-XPB
(Canada: $19/$186; outside Canada: US$19/US$186).

Aviation service bulletin, vol. 31, no. 4
Catalogue number 51-004-XIB
(Canada: $8/$82; outside Canada: US$8/US$82).

Energy statistics handbook, April 1999
Catalogue number 57-601-UPB
(Canada: $387; outside Canada: US$387).

Energy statistics handbook, April 1999
Catalogue number 57-601-XDE
(Canada: $284; outside Canada: US$284).

Services price indexes, vol. 1, no. 1
Catalogue number 62F0040XIB
(Free).

All prices exclude sales tax.

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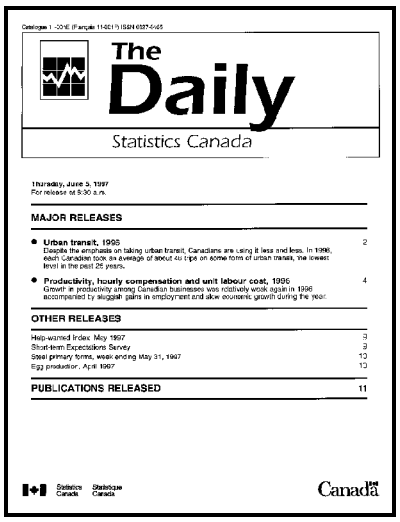

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