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Infomat

A Weekly Review

Friday, November 7, 1997

OVERVIEW

◆ Economy fairly stable

Gross domestic product at factor cost was virtually unchanged in August. Despite this pause, production remained above its second-quarter level.

◆ Building permits rebound

Although the value of non-residential construction projects declined in the third quarter, the increase in residential construction was enough to push up the total value of building permits for the third straight quarter.

◆ Manufacturers still optimistic

In October, manufacturers indicated stronger employment prospects and remained positive about production in the coming three months.

◆ Immigrant population on the rise

About 5 million immigrants called Canada home last year, according to new data from the 1996 Census.

◆ Number of EI beneficiaries declines

The number of Canadians receiving Employment Insurance benefits declined in August, while regular benefit payments increased.

◆ Department store sales increase

After two consecutive strong months, seasonally adjusted department store sales edged up in September. Cumulative sales for the first nine months of 1997 also posted an increase compared with the same period of last year.

◆ Self-employment surges in the 1990s

The likelihood of being self-employed has grown considerably over the last 20 years. Between 1989 and 1996, the self-employed accounted for over three-quarters of job growth.

Economy fairly stable

Gross domestic product (GDP) at factor cost was virtually unchanged in August after posting a strong gain in July. Despite this pause, production for July and August together averaged 1.0% above its second-quarter level. Employment continued to expand during the third quarter, increasing 0.8%.

Wholesale trade dropped 1.1% in August, its first decline since last March. The decline was widespread, with sales falling in 8 of the 11 trade groups. Grain merchants and wholesalers of miscellaneous products (such as agricultural, industrial and household chemicals, farm supplies and paper products) were among those reporting the largest losses.

Retail trade fell 0.3% in August. However, department stores, retailers of clothing, furniture and appliances, and miscellaneous durable goods (sporting goods, musical instruments and jewellery, for example) all enjoyed a good month.

Manufacturing production edged down 0.2%. Manufacturers of fabricated metal products, transportation equipment, and paper products were among those reducing output the most. Production of machinery rose (+4.9%), along with chemicals (+1.4%) and electrical and electronic equipment (+0.3%). On the other hand, production of office machinery, mainly computers, fell (–1.7%).

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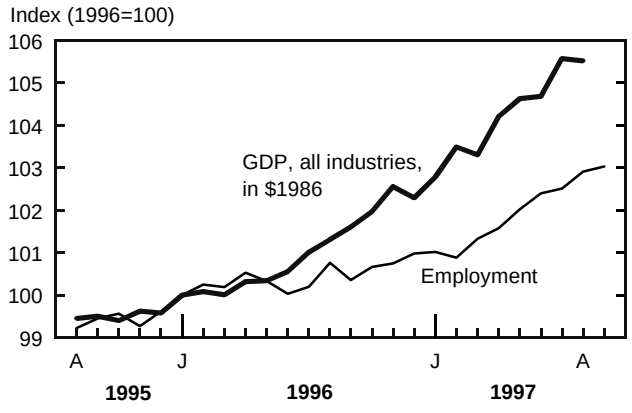
Gross domestic product at factor cost



... Economy fairly stable

Construction activity rose 0.8% in August. Activity on non-residential building projects advanced a further 1.2%. Higher activity on commercial and institutional projects contributed to the gain. Residential construction picked up 2.4%.

Business services continued to expand, and led the increase in community, business and personal services.

Available on CANSIM: matrices 4671–4674.

The August 1997 issue of ***Gross domestic product by industry*** *(15-001-XPB, $15/$145) will be available shortly. For further information, contact Michel Girard (613-951-9145), Industry Measures and Analysis Division. (See also "Current trends" on page 7.)*

Note to readers

Gross domestic product (GDP) of an industry is the value added by labour and capital in transforming inputs purchased from other industries into output. Monthly GDP by industry is valued at 1986 prices. Estimates are seasonally adjusted at annual rates.

With the release of the September data, a new base year will be adopted. GDP estimates, which are currently expressed at 1986 prices, will be presented at 1992 prices.

Building permits rebound

The value of building permits in the residential sector rebounded in the third quarter of 1997, more than offsetting a decline in permits for non-residential projects. The net result was the third consecutive quarterly increase in the total value of building permits issued by municipalities. Municipalities issued $7.8 billion worth of permits between July and September, up 0.6% over the previous three months.

The value of building permits for new housing was $4.7 billion (+3.3%). In the non-residential sector, the value dropped 3.3% to $3.1 billion, largely the result of a substantial decline in new industrial projects.

The third quarter increase in the residential sector was mostly attributable to the multi-family component, which reached $1.4 billion (+10.8%). In contrast, building permits in the single-family component rose only 0.5% to $3.3 billion. Ontario issued the most building permits for housing in the third quarter, followed by Alberta and Manitoba. However, residential construction dropped in British Columbia, Quebec and Newfoundland.

In the non-residential sector, the value of permits in the third quarter declined. Industrial projects fell 15.0% to $782 million and commercial projects decreased 2.9% to $1.6 billion, while the institutional component rose 11.6% to $763 million. Quarterly increases for non-residential building intentions were recorded in Ontario, British Columbia and Nova Scotia. The largest declines occurred in Quebec, Alberta and Saskatchewan.

Available on CANSIM: matrices 80 (levels 3–7, 16–22, 24–32), 129, 137, 443, 989–992, 994, 995 and 4073.

The September 1997 issue of ***Building permits*** *(64-001-XPB, $25/$248) will be released shortly. For further information, contact Joanne Bureau (613-951-9689; Internet: burejoa@statcan.ca), Investment and Capital Stock Division.*

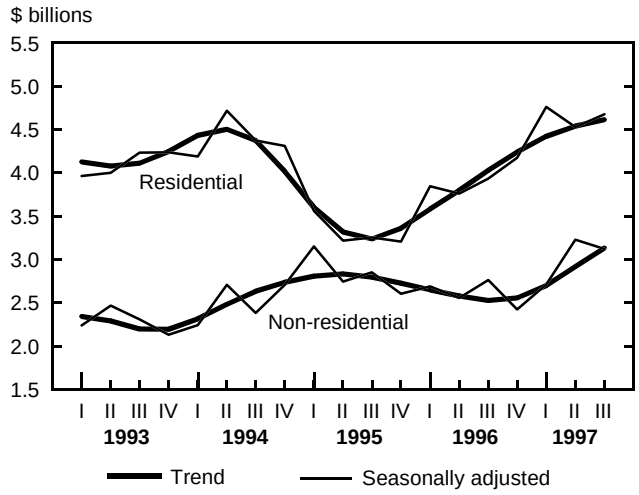
Note to readers

Unless otherwise stated, the data are seasonally adjusted to ease comparisons by removing the effects of seasonal variations.

The monthly Building and Demolitions Permits Survey covers 2,400 municipalities representing 93% of the population. It provides an early indication of building activity. The communities representing the other 7% of the population are very small, and their levels of building activity have little impact on the total.

The value of planned constructions activities excludes engineering projects (waterworks, sewers and culverts, for example) and land. The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

Building permits



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... Building permits rebound

Building permits,[1] September 1997
Seasonally adjusted

	Total		Residential		Non-residential	
	$ millions	% change, previous month	$ millions	% change, previous month	$ millions	% change, previous month
Canada	**2,731**	**8.7**	**1,638**	**10.4**	**1,093**	**6.2**
Newfoundland	18	33.0	10	3.6	8	99.8
Prince Edward Island	17	157.5	8	221.5	9	121.0
Nova Scotia	52	7.3	35	12.9	17	– 2.3
New Brunswick	41	13.8	20	5.4	21	23.6
Quebec	438	2.2	236	5.0	202	– 0.9
Ontario	1,153	7.5	692	5.8	461	10.1
Manitoba	68	17.8	38	33.5	29	2.0
Saskatchewan	52	14.5	29	35.8	23	– 4.5
Alberta	386	6.0	228	10.4	158	0.4
British Columbia	496	14.4	339	19.4	157	5.0
Yukon	4	2.9	2	6.3	2	– 0.8
Northwest Territories	6	197.9	1	81.9	5	218.4

1. Data may not add to totals due to rounding.

Manufacturers still optimistic

In the latest quarterly Business Conditions Survey, which was conducted in October, manufacturers indicated stronger employment prospects and remained positive about production for the next three months. They continued to be satisfied with new orders and inventory levels.

The balance of opinion for employment prospects rose 4 points to +9 in October, with the primary metals, chemicals and clothing industries contributing most to the increase. About 18% of manufacturers planned to increase their work force, twice the proportion who intended to decrease employment. October's balance of opinion was calculated by subtracting the 9% of manufacturers who stated that employment in the coming three months would decrease from the 18% who said that it would increase.

Some 94% of manufacturers reported that their current level of orders received was either about the same or increasing when compared with the previous three months. Only 6% of manufacturers stated that new orders were declining, and almost one in three reported that orders received were rising.

Business Conditions Survey, October 1997

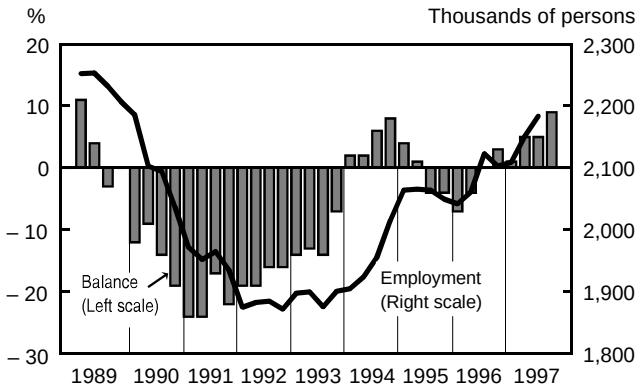
	1996	1997			
	October	January	April	July	October
Balance of opinion on:					
Production	– 9	27	6	12	12
New orders	7	20	27	24	27
Unfilled orders	– 4	1	– 7	1	– 3
Inventories	– 13	– 9	– 6	2	– 4
Employment	3	1	5	5	9

Note to readers

The Business Conditions Survey is conducted in January, April, July and October, and 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.

Manufacturing employment and balance of opinion for employment prospects



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... Manufacturers still optimistic

Most manufacturers were satisfied with finished product inventories, with almost three-quarters reporting that their current level of finished product inventories was about right. Only 15% of manufacturers stated inventories were too high. This was most likely a result of strong satisfaction with new order levels.

In the October survey, 26% of manufacturers expected to increase production in the next three months, while 14% indicated a possible decrease in production. A full 60% of manufacturers did not foresee a change in their level of production. With the exception of the large swing between October 1996 and January 1997 (caused by a labour dispute in the transportation equipment industry), the balance for production had been increasing since the July 1996 survey.

Although the balance of opinion concerning unfilled orders was at –3 in October, almost 80% of manufacturers felt that the current backlog of unfilled orders was about normal.

A shortage of skilled labour was a concern for 7% of manufacturers, while 1% reported a shortage of unskilled labour. Shortages of raw materials and working capital were also noted as production impediments. A full 85% of manufacturers reported no impediments to production.

Available on CANSIM: matrices 2843–2845.

For further information, contact Claude Robillard (613-951-3507; Internet: robilcg@statcan.ca), Industry Division.

Immigrant population on the rise

According to the 1996 Census, Canada was home to about 5 million immigrants last year. Immigrants accounted for 17.4% of the population in 1996, the largest share in more than 50 years. Between 1951 and 1991, this share had remained at around 15% to 16%.

European-born immigrants continued to account for the largest proportion (47%) of all immigrants living in Canada in 1996. But for the first time this century they accounted for less than half of the total immigrant population, due to a growing influx of immigrants from Asia and the Middle East. Between 1981 and 1996, the share of Canada's immigrant population born in Asia and the Middle East increased from 14% to 31%.

In 1996, just over 1 million persons in Canada (1,039,000) were immigrants who arrived between 1991 and 1996. The Asian-born accounted for 57% of these recent arrivals, up from 33% in the 1970s and 12% in the 1960s. Nearly a quarter of all recent immigrants were from Eastern Asia, including Hong Kong and the People's Republic of China. The next largest source of recent Asian immigrants was Southern Asia (countries such as India and Sri Lanka). Immigrants born in Europe accounted for only 19% of all recent immigrants. For immigrants as a whole, the United Kingdom, Italy, the United States, Hong Kong and India—in that order—topped the list of countries of birth.

Immigrants were more likely than people born in Canada to live in large urban centres. In 1996, 85% of all immigrants lived in a census metropolitan area (CMA), compared with just 57% of Canadian-born people. Recent immigrants were especially attracted to Canada's three largest urban areas. Nearly three-quarters of recent immigrants lived in either Toronto, Vancouver or Montreal. Toronto had the largest immigrant population of all 25 CMAs, with 42% of its population composed of immigrants. Vancouver was second: one of every three people was an immigrant. In Montreal, which followed in third, immigrants accounted for 18% of the population.

Nearly 563,000 recent immigrants settled in Ontario in 1996, giving it a total immigrant population of 2.7 million, more than half the total for Canada. British Columbia had the second largest immigrant population (903,000), a 25% increase since the previous census. About 21% of all recent immigrants to Canada chose to settle in British Columbia. Alberta claimed the third highest proportion of immigrants (15.2%).

Note to readers

Immigrant population *refers to people who are, or have been at one time, landed immigrants in Canada. A landed immigrant is a person who has been granted the right to live in Canada permanently by immigration authorities. Some are recent arrivals, while others have lived in Canada for a number of years.*

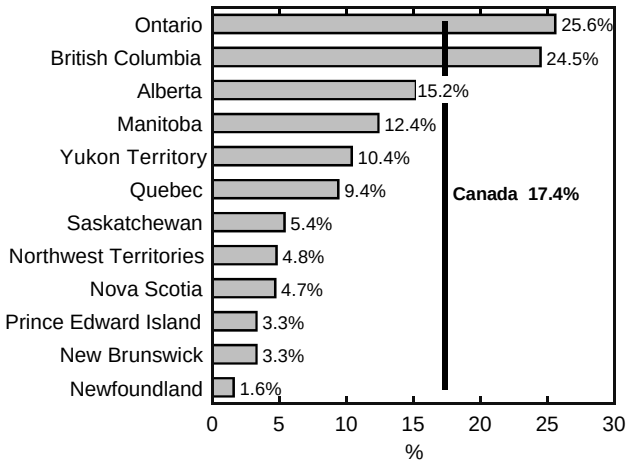
Recent immigrants *refers to people who immigrated to Canada between 1991 and 1996.*

Asian-born *refers to people born in the Middle East and other parts of Asia.*

Canadian-born *refers to people who were Canadian citizens by birth. Most were born in Canada, but a small number were born outside Canada to Canadian parents.*

Non-permanent residents *refers to people from another country who live in Canada and have work, student or Minister's permits, or are persons claiming refugee status in Canada at the time of the 1996 Census. Non-permanent residents are not included in the immigrant population.*

Immigrant population, 1996 Census



For further information, contact Jane Badets (613-951-2561), Housing, Family and Social Statistics Division.

Number of EI beneficiaries declines

In August, 582,870 Canadians received regular Employment Insurance (EI) benefits, down 5.4% from July. Declines were posted in eight provinces and one of the territories. Compared with August 1996, the number of beneficiaries was down 15.4%. Since March 1996, the number of beneficiaries has generally been declining.

EI beneficiaries receiving regular benefits, August 1997
Seasonally adjusted

	Total	% change, previous month	% change, previous year
Canada	**582,870**	**– 5.4**	**– 15.4**
Newfoundland	32,350	– 4.7	– 11.3
Prince Edward Island	9,150	1.6	0.9
Nova Scotia	31,060	– 2.1	– 10.9
New Brunswick	36,350	2.5	– 7.7
Quebec	207,830	– 5.7	– 14.6
Ontario	143,030	– 5.0	– 17.9
Manitoba	14,550	– 14.0	– 14.0
Saskatchewan	10,740	– 18.9	– 23.6
Alberta	29,050	– 8.3	– 31.9
British Columbia	67,800	– 2.5	– 12.3
Yukon	1,330	0.2	10.3
Northwest Territories	1,090	– 3.3	– 21.3

Note to readers

The discrepancy between the estimated number of regular beneficiaries and regular payments series can be explained in part by differences in the reference periods. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the 15th day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

Regular benefit payments rose 1.1% in August to $668 million. New Brunswick, Prince Edward Island and the Yukon recorded increases. Despite this modest rise, regular benefit payments have shown a declining trend since March 1996.

The number of individuals applying for Employment Insurance benefits declined 4.8% in August to 228,000. Fewer applications were received in nine provinces and one territory.

Available on CANSIM: matrices 26 (series 1.6), 5700–5717, 5735 and 5736.

For further information, contact Michael Scrim (613-951-4090; fax: 613-951-4087; Internet: labour@statcan.ca), Labour Division.

Department store sales increase

Following two consecutive strong months, seasonally adjusted department store sales edged up 0.3% in September to $1,367.1 million. This was an 11.9% increase compared with September 1996. Cumulative sales for the first nine months of 1997 reached $11,823.7 million, a 10.4% increase over the same period in 1996. Unadjusted sales, which rose 12.6% compared with September 1996, totalled $1,267.9 million.

Clothing sales accounted for approximately 30% of total unadjusted sales for the first nine months of the year. Other major components of department store sales included home furnishings and housewares (13.2%), toiletries, cosmetics and pharmaceuticals (10.5%) and furniture and appliance sales (7.0%).

Compared with the first nine months of 1996, the largest year-to-date gains were reported in home entertainment equipment (+16.9%), food and kindred products (+15.1%), toiletries, cosmetics and pharmaceuticals (+13.5%), home furnishings and housewares (+11.7%) and men's clothing (+11.6%). Women's clothing sales rose 8.4% over the same period.

In September, Newfoundland and Prince Edward Island (+18.1%) and New Brunswick (+15.8%) reported the largest annual increases in sales. Department stores in Manitoba (+9.3%) and British Columbia, the Yukon and the Northwest Territories (+7.7%) posted the smallest year-over-year gains. The largest increases in cumulative sales (compared with the same period of 1996) were reported in Alberta (+12.8%), Ontario (+11.8%) and Saskatchewan (+11.7%). Manitoba recorded the smallest (+6.8%) gain.

Available on CANSIM: matrices 111–113.

The September 1997 issue of ***Department store sales and stocks*** *(63-002-XPB, $17/$165) is now available. For further information, contact Irwin Bess (613-951-4166), Distributive Trades Division.*

Department store sales including concessions, September 1997
Unadjusted

	September 1997	September 1996 to September 1997	January to September 1997	January-to-September 1996 to January-to-September 1997
	$ millions	% change	$ millions	% change
Canada	**1,267.9**	**12.6**	**10,203.8**	**10.3**
Newfoundland and Prince Edward Island	23.5	18.1	184.3	9.2
Nova Scotia	40.0	14.4	309.7	9.2
New Brunswick	30.0	15.8	231.5	7.5
Quebec	233.4	13.8	1,902.0	8.5
Ontario	531.7	12.7	4,259.0	11.8
Manitoba	49.8	9.3	423.5	6.8
Saskatchewan	39.6	12.6	333.0	11.7
Alberta	144.8	15.6	1,152.6	12.8
British Columbia, Yukon, Northwest Territories	175.1	7.7	1,408.1	8.2

Self-employment surges in the 1990s

The likelihood of being self-employed has grown considerably over the last 20 years or so. Between 1989 and 1996, self-employment accounted for over three-quarters of all job growth. While the number of self-employed surged by 25%, the number of paid employees edged up only 1%. As a result, the self-employed accounted for 18% of all workers in 1996, up from 14% in 1989, and 12% in 1976.

Although this increase in self-employment has been considerable for both sexes, it has been more pronounced for women. In 1976, women represented just over one-quarter (26%) of the self-employed, but by 1996, they made up about one-third (33%) of this group. Often, men and women who live together are either partners in the same business, or both are self-employed. Almost one-fifth (19%) of the self-employed had a spouse who was self-employed in the same business in 1996, while more than a third of the self-employed (35%) had spouses who were paid employees.

The incidence of self-employment is not uniform across all sectors. More than two-thirds of the self-employed worked in the service sector in 1996. Together, trade, business services and personal and household services accounted for half of all self-employment. About one-quarter of the self-employed worked in either agriculture or construction. Self-employment was lower than the overall average in manufacturing, transportation (except trucking) and education.

In 1996, only 12% of the self-employed were pushed into business ownership because there was no other work available. Most seem to have been drawn by the positive aspects, including added independence, flexibility, or the possibility of making more money.

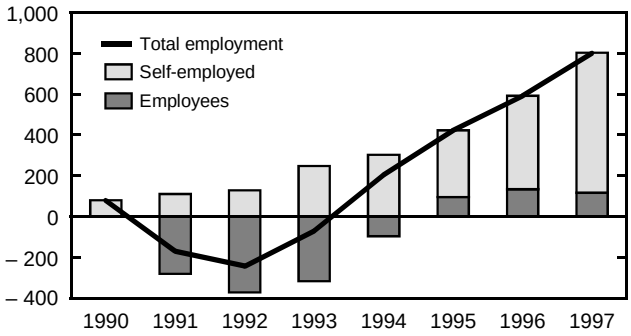
Even though the average earnings of the self-employed are below that of paid workers, the self-employed are more likely to make either small or large amounts of money. About 45% of the self-employed made less than $20,000 in 1995, while the proportion of employees making the same amount was just over 25%. However, during the same year, 4.2% of the self-employed made over $100,000, compared with only 1.1% of paid employees.

Labour force update: The self-employed *(71-005-XPB, $29$96) is now available. For further information, contact Geoff Bowlby (613-951-3325; fax: 613-951-2869; Internet: bowlgeo@statcan.ca), Labour Force Survey.*

Note to readers

Three types of individuals are considered self-employed: working owners of incorporated businesses, working owners of unincorporated businesses, and those working in a family business without pay.

Cumulative growth in employment[1]

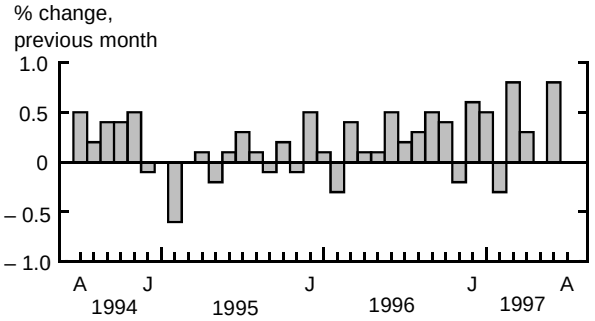


1. 1997 is a January-to-September average.

Source*: Labour Force Survey*

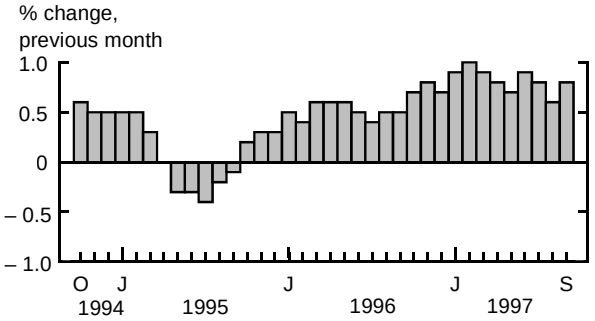
Current trends

Gross domestic product



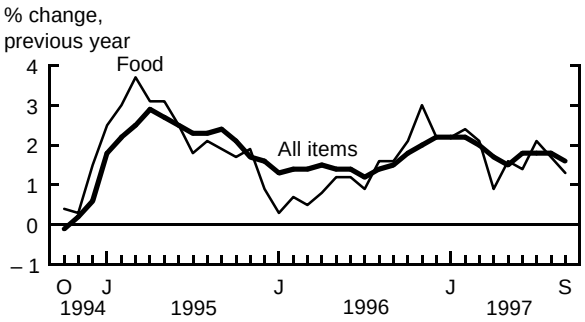
Real gross domestic product at factor cost was virtually unchanged (0.0%) in August.

Composite Index



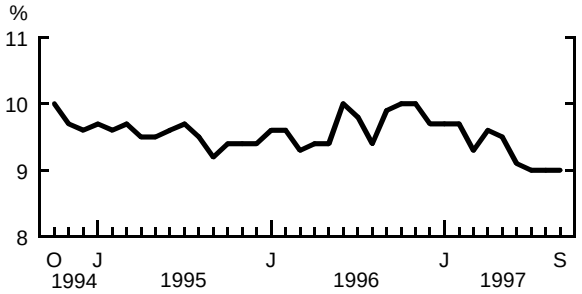
The Composite Index grew by 0.8% in September.

Consumer Price Index



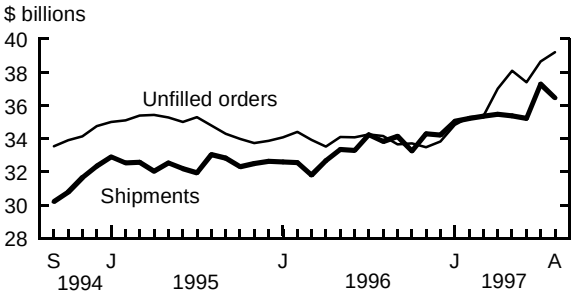
Consumers paid 1.6% more for goods and services in September 1997 than the year before. Food prices rose by 1.3%.

Unemployment rate



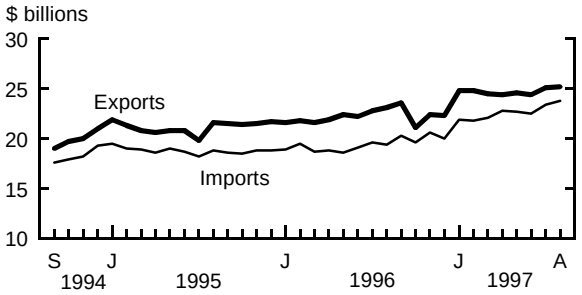
In September, the unemployment remained at 9.0% for the third consecutive month.

Manufacturing



Manufacturers' shipments declined 2.3% in August to $36.5 billion. The level of unfilled orders increased 1.3% to $39.2 billion.

Merchandise trade



In August, the value of merchandise exports rose 0.4% from July to $25.2 billion. Imports increased 1.6% to $23.8 billion.

Note: *All series are seasonally adjusted except the Consumer Price Index.*

Latest monthly statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product ($ billion, 1986)	August*	575.7	0.0%	4.1%
Composite Index (1981=100)	September	199.8	0.8%	10.6%
Operating profits of enterprises ($ billion)	Q2 1997	26.5	0.5%	13.9%
Capacity utilization (%)	Q2 1997	84.8	0.9†	2.8†
DOMESTIC DEMAND				
Retail trade ($ billion)	August	19.5	– 0.1%	7.9%
New motor vehicle sales (thousand of units)	August	120.9	2.8%	21.1%
LABOUR				
Employment (millions)	September	14.0	0.1%	2.7%
Unemployment rate (%)	September	9.0	0.0†	– 1.0†
Participation rate (%)	September	64.9	0.0†	0.1†
Labour income ($ billion)	June	37.32	0.1%	3.9%
Average weekly earnings ($)	August	598.55	– 0.2%	1.7%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	August	25.2	0.4%	4.0%
Merchandise imports ($ billion)	August	23.8	1.6%	19.4%
Merchandise trade balance (all figures in $ billion)	August	1.4	– 0.3	– 2.9
MANUFACTURING				
Shipments ($ billion)	August	36.5	– 2.3%	6.6%
New orders ($ billion)	August	37.0	– 2.4%	7.8%
Unfilled orders ($ billion)	August	39.2	1.3%	13.8%
Inventory/shipments ratio	August	1.29	0.05	– 0.03
PRICES				
Consumer Price Index (1986=100)	September	138.1	– 0.1%	1.6%
Industrial Product Price Index (1992=100)	September	119.8	– 0.2%	0.5%
Raw Materials Price Index (1992=100)	September	123.7	– 2.2%	– 5.9%
New Housing Price Index (1986=100)	August	132.9	0.0%	1.1%

Note: *All series are seasonally adjusted with the exception of the price indexes.*
* *new this week*
† *percentage point*

Infomat
A weekly review

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