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MAJOR RELEASES

- **Building permits, October 1999** 2
Municipalities issued \$3.1 billion worth of building permits in October, up 6.1% from September on the strength of robust gains in housing intentions. A slight decline in non-residential permits tempered the overall increase.

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MAJOR RELEASES

Building permits

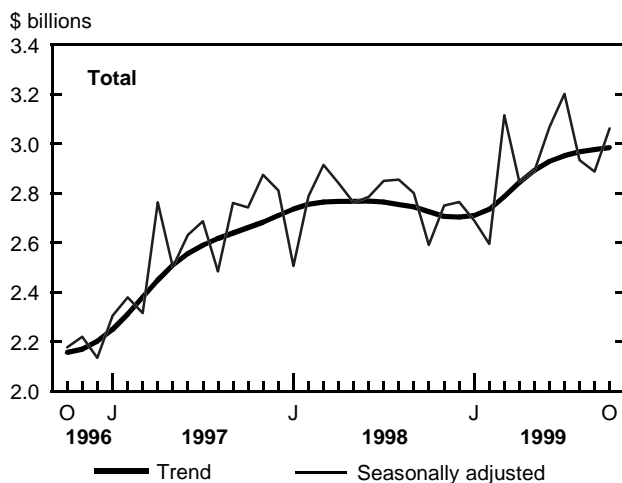
October 1999

Municipalities issued \$3.1 billion worth of building permits in October, up 6.1% from September on the strength of robust gains in housing intentions. A slight decline in non-residential permits tempered the overall increase.

The value of permits in the residential sector increased 14.4% to \$1.8 billion — the best showing since early 1990. This gain reflected strength in intentions for both multi- and single-family dwellings. In contrast, non-residential building permits fell 3.6% to \$1.3 billion, mainly due to declines in the institutional component.

During the first 10 months of 1999, construction intentions reached \$29.3 billion, up 5.8% from the same period in 1998 — the best result since the construction peak of 1989. Housing intentions recorded the largest increase, up 10.0% to \$16.2 billion, while non-residential permits rose a marginal 0.9% to \$13.0 billion.

Value of building permits up in October



Multi-family dwellings led the way

Permits for multi-family dwellings recorded their second best monthly performance in 1999 (+39.5% in October to \$556 million) after two consecutive monthly declines. Moreover, single-family dwelling permits,

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data, which ease 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.

Data for Nunavut were introduced with the release of April 1999 figures. At the same time, this affected the geographical coverage and data of the Northwest Territories.

which rose a significant 5.7% to \$1.2 billion, also helped to push up the overall residential sector

Recent increases in mortgage rates have apparently not altered consumer confidence, as economic indicators such as retail sales and economic growth remained on an upward trend. These factors, combined with growing employment, point to an active housing market in the coming months.

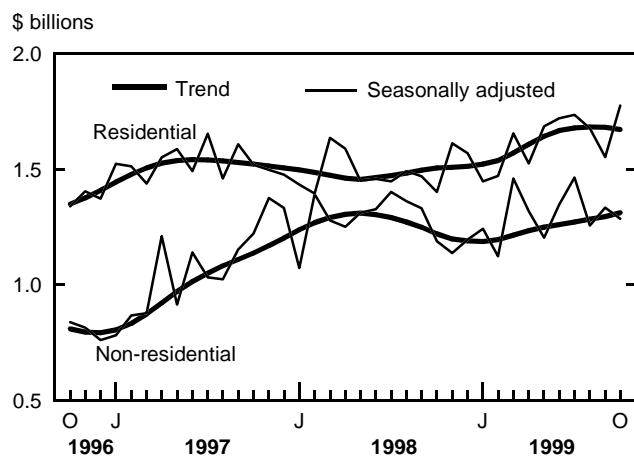
At the provincial level, the best showings (in dollars) were in Ontario (+12.8% to \$867 million), British Columbia (+41.2% to \$264 million) and Quebec (+17.1% to \$277 million). In Ontario, both components rose while only multi-family permits increased in British Columbia and Quebec.

In contrast, the largest declines occurred in Alberta (-6.1% to \$219 million) and in Manitoba (-20.8% to \$30 million). It was the fourth consecutive monthly decline for Alberta.

From January to October, the good standing of the residential sector has been supported by buoyant gains in both single-family (+9.1% to \$11.7 billion) and multi-family (+12.3% to \$4.6 billion) dwelling construction intentions. Accordingly, the cumulative value up to October is the best result of the decade for the residential sector.

On a year-to-date basis, the largest gains occurred in Ontario, Quebec and Nova Scotia, which were due to advances in both the single- and multiple-family components. In the western provinces, British Columbia and Alberta were hit by the largest losses. Manitoba was the only western province that surpassed its 1998 level.

Large rebound in the residential sector



Institutional projects dropped sharply

In October, the value of non-residential building permits stood at \$1.3 billion, a 3.6% decrease from September. In the first 10 months of this year, the overall value for the non-residential sector reached \$13.0 billion, up a modest 0.9% compared with the same period in 1998.

A sharp drop in building permits for institutions was behind the overall decline in non-residential intentions in October. Municipalities issued \$262 million in permits for institutional buildings, down 34.9% from September's record-setting level. All categories of institutional buildings declined, especially the education category, with the exception of the welfare/home category. However, at \$3.1 billion (+11.5% over 1998), the value of institutional permits issued between January to October was the highest level on record for that period.

Industrial construction intentions increased 27.8% to \$379 million in October, led by gains in

the factories/plants category. However, for the first 10 months of 1999, industrial permits, at \$3.2 billion, were down 5.4% compared with the same period in 1998.

In October, the commercial component showed a slight 1.6% increase to \$644 million, with the largest increase in recreation projects. On a 10-month basis, commercial projects were down 0.2% to \$6.8 billion compared with the same period in 1998.

Among the provinces, the most significant monthly increases in the non-residential sector (in dollars) were in Nova Scotia (+124.8% to \$46 million) — essentially the result of school projects — and in Quebec (+7.3% to \$241 million), due mostly to the commercial component. The largest decrease occurred in Ontario (-12.5% to \$525 million), mainly the result of a decline in the institutional component. As well, declines occurred in all the western provinces.

For the first 10 months of 1999, Ontario had the largest increase in the non-residential sector, followed by Nova Scotia and Quebec. Alberta recorded the biggest decline, followed by Manitoba and New Brunswick.

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

The October 1999 issue of *Building permits* (64-001-XIB, \$19/\$186) will be available shortly. See *How to order publications*.

The November 1999 building permits estimate will be released on January 12, 2000.

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 Sébastien LaRochelle-Côté (613-951-2025; sebastien.larochelle-cote@statcan.ca) Investment and Capital Stock Division. □

Value of building permits

	September 1999 ^r	October 1999 ^p	September to October 1999	October 1998 to October 1999
seasonally adjusted				
	\$ millions		% change	
Canada	2,886.3	3,061.4	6.1	18.2
Residential	1,552.7	1,776.2	14.4	26.7
Non-residential	1,333.6	1,285.1	-3.6	8.1
Newfoundland	21.7	26.7	23.1	12.6
Residential	12.7	11.8	-7.3	23.3
Non-residential	9.0	14.9	66.1	5.4
Prince Edward Island	12.9	14.3	10.6	22.0
Residential	4.9	6.1	24.5	11.2
Non-residential	8.0	8.2	2.1	31.6
Nova Scotia	49.6	93.5	88.3	65.5
Residential	29.1	47.4	62.7	48.4
Non-residential	20.5	46.1	124.8	87.7
New Brunswick	36.6	45.8	24.9	17.2
Residential	19.0	24.9	31.2	34.7
Non-residential	17.7	20.9	18.2	1.5
Quebec	461.2	518.1	12.3	23.6
Residential	236.9	277.4	17.1	14.0
Non-residential	224.3	240.7	7.3	37.1
Ontario	1,368.6	1,391.9	1.7	27.0
Residential	769.1	867.2	12.8	35.7
Non-residential	599.4	524.7	-12.5	14.9
Manitoba	91.1	76.6	-15.9	-13.8
Residential	38.1	30.1	-20.8	-9.1
Non-residential	53.0	46.5	-12.4	-16.6
Saskatchewan	58.2	53.8	-7.6	-30.0
Residential	18.7	25.1	33.7	12.8
Non-residential	39.4	28.7	-27.2	-47.4
Alberta	438.3	421.9	-3.7	-5.2
Residential	233.3	219.0	-6.1	-5.1
Non-residential	205.0	202.9	-1.0	-5.2
British Columbia	340.0	405.5	19.3	25.2
Residential	187.0	264.2	41.2	62.6
Non-residential	152.9	141.3	-7.6	-12.4
Yukon	4.4	6.0	36.0	85.3
Residential	1.5	1.7	9.6	-1.8
Non-residential	2.9	4.3	50.0	182.0
Northwest Territories	1.4	3.2	137.9	-54.5
Residential	0.6	0.9	56.7	-72.4
Non-residential	0.8	2.3	199.2	-38.8
Nunavut	2.3	4.0	70.1	...
Residential	1.7	0.4	-78.5	...
Non-residential	0.6	3.6	456.5	...

^r Revised data.

^p Preliminary data.

... Figures not appropriate or not applicable.

Note: Data may not add to totals due to rounding.



OTHER RELEASES

Quarterly financial statistics for enterprises

Third quarter 1999 (preliminary)

Operating profits for enterprises increased 7.6% in the third quarter, as businesses took advantage of surging commodity prices and strong domestic and U.S. demand for Canadian products. Four consecutive quarters of expansion have lifted profits to \$39.8 billion, a 30.5% improvement from the third quarter of 1998.

The profit gains were concentrated in the non-financial enterprises, where operating profits jumped 12.4% to \$28.9 billion. The booming manufacturing sector led the third quarter profit charge. The resource sector also benefited, as soaring commodity prices lifted mineral fuels and mining profits.

Financial enterprises suffered a 3.5% slide in third quarter operating profits. At \$10.9 billion, these profits were the lowest in a year. Higher profits of banks (booked-in-Canada), trust companies, credit unions and insurers were more than offset by profit declines in funds and other vehicles and other financial intermediaries.

The manufacturing sector reported a robust 10.5% profit increase in the third quarter to a record \$11.7 billion. Eleven of the 17 manufacturing groups showed improved profits. Except for a pause last quarter, sales and profits of manufacturers have been rising for the past four quarters.

Manufacturers of electronic and computer equipment posted stellar third quarter results, as operating profits climbed 46.1% to \$1.3 billion. As reported in the August release on gross domestic product, strong international demand for telecommunications equipment has spearheaded a sharp increase in exports since the beginning of 1999. Computer and related software sales have been upbeat over the past year, bolstered by increasing interest in Internet technology.

Motor vehicles and parts manufacturers were in high gear in the third quarter, as operating profits jumped 4.9% from the previous quarter to \$2.6 billion. Sales increased 6.1% to a record \$36.6 billion. Despite a slowdown in September, thriving U.S. demand propelled third quarter automotive exports to a 4.9% increase over second quarter levels. Domestically, new motor vehicle sales have been strong throughout all of 1999, rising 5.5% in the third quarter. This follows advances in the second quarter (+3.1%) and the first quarter (+4.4%).

Operating profits for manufacturers of wood and paper products rose 8.8% in the third quarter,

reaching \$1.6 billion. Wood and paper profits have been on the upswing for the past two years. The strong North American housing market has been a boon for lumber producers, and third quarter wood prices were well ahead of year-earlier levels. Increased demand for pulp, particularly from the strengthening Asian economies, pared inventories and firmed pulp prices in the quarter. The newsprint supply glut eased in the quarter, but September newsprint prices remained more than 20% below levels a year earlier.

Soaring crude oil prices lifted operating profits for mineral fuels to \$1.9 billion in the third quarter, a 68.0% increase from the previous quarter and over three times the level of the third quarter last year. Production cuts by the Organization of Petroleum Exporting Countries (OPEC) and other oil producing nations have triggered upward pressure on crude oil prices for the past two quarters. Companies also reaped the benefits of cost-cutting and efficiency programs that were implemented in response to last year's oil price collapse. Natural gas producers churned out higher third quarter profits, as strong North American demand and expanding pipeline facilities strengthened natural gas prices.

Mining (except mineral fuels) profits increased 38.9% to \$0.6 billion in the third quarter, as most metals staged a comeback. Nickel gains have been sparked by strong demand from stainless steel producers, while copper has benefited from increased usage in the vibrant North American housing industry. Most metal prices in the third quarter were above 1998 levels, but remained well below the highs seen in 1995.

Note: Beginning with the first quarter of 1999, these statistics are presented on the basis of the North American Industry Classification System (NAICS Canada 1997). In addition, the survey is undergoing significant methodological changes that will not be completed until the release for the first quarter of 2000. As a result, the quarterly statistics for the four quarters of 1999 will not be as reliable as usual and may be subject to significant revision. Historical data on a NAICS Canada 1997 basis for 1988 to 1998 is available on CANSIM.

Financial statistics for enterprises

	Third quarter 1998 ^r	Second quarter 1999 ^r	Third quarter 1999 ^p	Second to third quarter 1999
seasonally adjusted				
	\$ billions		% change	
All industries				
Operating revenue	387.6	408.2	414.1	1.4
Operating profit	30.5	37.0	39.8	7.6
Non-financial				
Operating revenue	339.5	358.4	364.6	1.7
Operating profit	19.7	25.7	28.9	12.4
Financial				
Operating revenue	48.1	49.8	49.5	-0.7
Operating profit	10.8	11.3	10.9	-3.5

^r Revised data.

^p Preliminary data.

Available on CANSIM: matrices 8330-8383.

For more information on financial industries data, contact Robert Moreau (613-951-2512). For more information on non-financial industries data, contact Bill Potter (613-951-2662). For more information, or to enquire about the concepts, methods and data quality of this release, contact Jean-Pierre Simard (613-951-0741), Industrial Organization and Finance Division. ■

Department store sales and stocks

October 1999

October marked a resumption of the increase in department store sales. After a pause in September, which followed a series of five consecutive monthly increases, department store sales grew 0.3 % in October compared with September to reach \$1,571.1 million (seasonally adjusted data). Data for September have been revised, with the result that September sales remain unchanged compared with August. Sales for October also include those resulting from the liquidation of inventories held by the Eaton's stores.

Except for a slight decrease in the spring of 1998, department store sales have shown sustained growth since the beginning of 1996.

Cumulative year-to-date sales of department stores for October were 7.2% (adjusted for seasonality) higher than the same period in 1998.

At the national level, department store sales grew 8.7% (not adjusted for seasonality) in October compared with October 1998. During this period,

department store sales increased in all provinces. The greatest increase was for the group consisting of Newfoundland and Prince Edward Island (+15.3%), followed by Quebec (+10.4%), Ontario (+9.7%) and Saskatchewan (+8.7%). In the region formed by British Columbia, Yukon, the Northwest Territories and Nunavut, sales grew only 5.0%.

Department store sales including concessions

	Oct. 1998	Oct. 1999	Oct. 1998 to Oct. 1999	Jan. to Oct. 1999	Jan.-Oct. 1998 to Jan.-Oct. 1999
unadjusted					
	\$ millions		% change	\$ millions	% change
Canada	1,494.8	1,625.4	8.7	13,436.3	8.1
Newfoundland and Prince Edward Island ¹	29.2	33.7	15.3	254.5	12.5
Nova Scotia	48.3	51.3	6.0	407.4	8.1
New Brunswick	37.2	39.3	5.9	299.0	5.8
Quebec	273.6	302.0	10.4	2,488.7	7.9
Ontario	633.1	694.4	9.7	5,749.0	9.8
Manitoba	62.5	67.1	7.4	556.3	7.1
Saskatchewan	50.0	54.4	8.7	447.1	8.0
Alberta	173.0	186.0	7.5	1,568.0	7.5
British Columbia, Yukon, Northwest Territories and Nunavut ¹	187.9	197.2	5.0	1,666.2	3.8

¹ For reasons of confidentiality, data for Newfoundland and Prince Edward Island are combined as are data for British Columbia, Yukon, Northwest Territories and Nunavut.

Available on CANSIM: matrices 111-113.

For data or general information, contact the Client Services Unit (613-951-3549 or 1 877 421-3067; retailinfo@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Clérance Kimanyi (613-951-6363; kimacle@statcan.ca), Retail Trade Section, Distributive Trades Division. ■

Railway carloadings

September 1999

Freight (excluding intermodal traffic) loaded by railways in Canada during September totalled 20.9 million metric tonnes. The intermodal tonnage, represented by "containers-on-flat-cars" and "trailers-on-flat-cars" was 2.0 million metric tonnes.

The cumulative freight loaded (excluding intermodal traffic) for the first nine months of 1999 reached 174.2 million metric tonnes.

The September issue of *Railway carloadings (monthly)* (52-001-XIE, \$8/\$77) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; laroque@statcan.ca), Transportation Division. ■

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; and -XPB or -XPE denote a paper version.

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