

I·N·F·O·M·A·T

A W E E K L Y R E V I E W

Friday, January 9, 1987

OVERVIEW

■ Foreign Trade in Automotive Products

The balance of trade on automotive products continued to show a deficit in the third quarter as the shrinking surplus on trade with the U.S. failed to offset the rising deficit with overseas countries.

■ Gross Domestic Product Essentially Unchanged

Although overall economic activity declined slightly in October, output from the goods-producing industries grew by 0.8% in October, while in the service-producing industries it fell by 0.6%.

■ Raw Materials Price Index Declines

Following three consecutive monthly advances, the RMPI was down slightly in November (-0.1%).

■ Manufacturing Employment Reverses Downward Trend

The growth rate of employment in manufacturing industries, which had declined since May, rose to 1.5% in October.

■ Hog Markets in 1986

The second of two articles on the Canadian pig industry describes changes in prices and inventories during 1986 and the countervailing duty on live hog exports to the United States.

■ Industrial Product Price Increases Remain Low

The index was unchanged on a monthly basis and the year-over-year rise dropped to 0.4% in November.

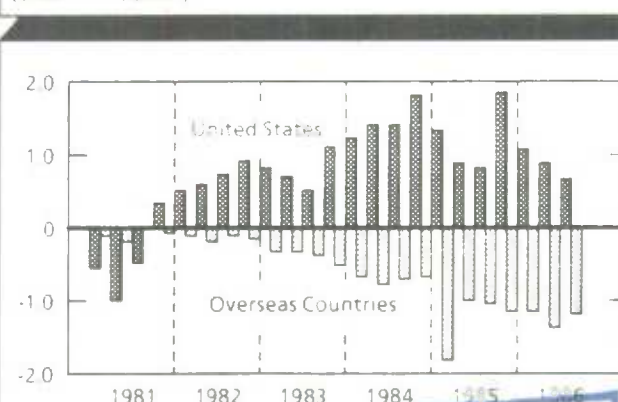
Foreign Trade in Automotive Products

In the first nine months of 1986, foreign trade in automotive products recorded a deficit of \$834 million. Prior to 1986, Canada had registered a surplus on automotive trade since 1981. A deficit with overseas countries offset Canada's trade surplus with the United States. Rising imports from overseas countries, particularly cars, resulted in a record deficit of \$3.7 billion with these countries. The Canadian trade surplus with the United States (\$2.9 billion) was \$200 million lower than it was in the same period of 1985.

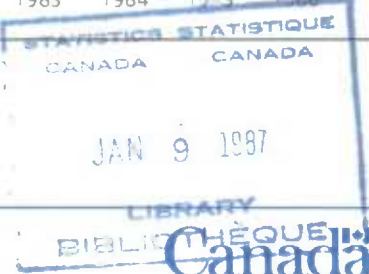
The increase in the trade deficit with overseas countries resulted from a surge in imports (26.9%). Imports of cars amounted to \$2.5 billion and accounted for almost two-thirds of the increase in total imports. Exports to these countries were up 25.4%, to \$646 million, mainly due to higher exports of parts and re-exports.

(continued on page 2)

Automotive Trade Balance
(billions of dollars)



Statistics Canada
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... Foreign Trade in Automotive Products

Exports of automotive products to the United States grew 3.3%, reaching a record of \$25.5 billion. However, the growth rate of exports has slowed throughout 1986. The value of cars exported showed the largest increase at 7.0%, but this was down significantly from the 15.7% gain recorded for the first six months of the year. Exports of trucks and other motor vehicles registered a marginal increase (1.1%), while exports of parts were off slightly (-0.6%).

Imports from the U.S. also reached a record level (\$22.6 billion). Unlike the increase in exports, the 4.6% growth in imports was observed in most commodity groups. The value of cars rose 6.5%, parts increased by 3.6% and trucks advanced by 8.0%.

For further information, contact International Trade Division at (613) 990-9647.

Balance of Trade – Automotive Products

	January-September		
	1986	1985	Change
millions of dollars			
United States			
Cars	4,794	4,446	348
Trucks	2,682	2,783	-101
Parts	-4,911	-4,383	-528
Total	2,877	3,077	-200
Overseas countries			
Cars	-2,448	-1,865	-583
Trucks	-275	-151	-124
Parts	-993	-871	-122
Total	-3,709	-2,916	-793

Gross Domestic Product Essentially Unchanged

In October, real gross domestic product at factor cost (in 1981 prices) declined 0.1%, following a gain of 0.7% in September. To date in 1986, GDP has recorded 5 months of growth and 5 months of decline. The year-over-year growth rate was 2.0% in October, the lowest year-over-year growth rate recorded to date in 1986. Industrial production registered only its third advance this year, gaining 1.2%.

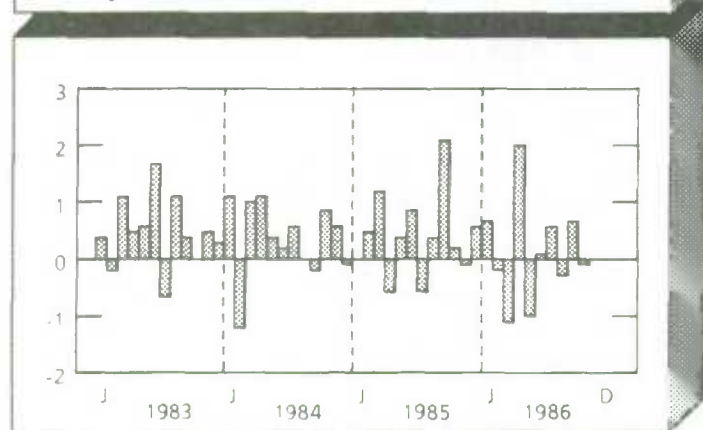
Although overall economic activity declined slightly in October, output from the goods-producing industries grew 0.8%, following modest declines in both August and September. Most of the October gain occurred in manufacturing industries with lesser increases in construction and mining. Within manufacturing, substantial production increases were recorded by some export-oriented industries, especially manufacturers of pulp and paper products, iron and steel, motor vehicles, and motor vehicle parts and accessories.

Real Gross Domestic Product

	June	July	Aug.	Sept.	Oct.
% change, previous month					
Real Gross Domestic Product	0.1	0.6	-0.3	0.7	-0.1
Goods industries	-1.2	1.1	-0.4	-0.3	0.8
Service industries	1.0	0.0	-0.2	1.3	-0.6
Industrial production	-0.9	1.3	-1.6	-0.1	1.2

Gross Domestic Product

(% change, previous month)



Output from the service-producing industries fell 0.6% in October, the strongest monthly decline since July 1985. Production decreases were widespread during the month. The most significant decline occurred in the finance, insurance and real estate industry which has generally been strong throughout 1986. Some types of financial institutions and real estate agencies were the principal sources of this decline. Other substantial decreases were registered in wholesale and retail trade.

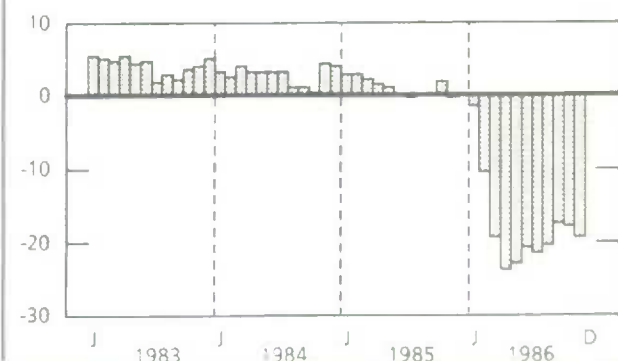
For further information, contact Industry Measures and Analysis Division at (613) 991-3673.

Raw Materials Price Index Declines

The Raw Materials Price Index (RMPI, 1981 = 100), which measures price changes in materials purchased by Canadian industry, was down slightly in November (-0.1%). This decrease followed three consecutive monthly advances and was mainly a result of declines in the minerals fuels and non-ferrous metals components.

Raw Materials Price Index

(% change, previous year)



Raw Materials Price Index

	July	Aug.	Sept.	Oct.	Nov.
	% change, previous month				
Total	-1.5	0.7	2.5	1.4	-0.1
Mineral fuels	-5.5	-0.7	5.9	4.7	-0.9
Excluding mineral fuels	1.0	0.8	0.5	-0.8	0.5

The mineral fuels component decreased 0.9% in November, to a level 40.9% lower than a year ago. After rallying for several months, crude oil prices were estimated to have slipped 0.8%. Deregulation of natural gas prices coincided with decreases in natural gas prices to industrial users, particularly in British Columbia, and resulted in this index declining 2.5% over the month.

The non-ferrous metals component decreased 1.6% as prices for copper, gold and aluminum were down. Despite this decrease, the component remained 6.0% higher than its year-earlier level.

For further information, contact Prices Division at (613) 990-9606.

Manufacturing Employment Reverses Downward Trend

In October, the total number of Canadian industrial employees was estimated to have risen by 239,000 or 2.6% from October 1985. The yearly rate of change in the service-producing industries was 3.6%, the highest it has been this year.

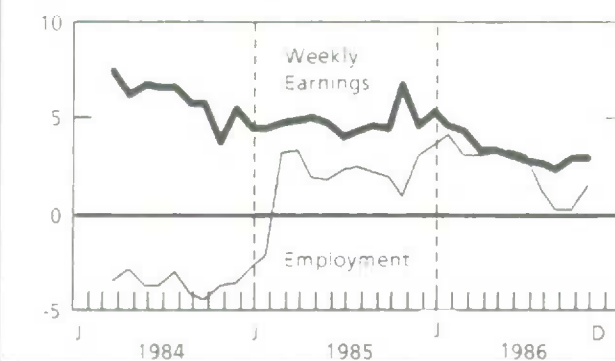
In the goods-producing industries employment was down 0.2% from October 1985. However, this represents an improvement on the 0.9% decline registered in September. The annual rate of change in these industries has been declining steadily since January. The growth rate in manufacturing, which was 0.3% in the two previous months, increased to 1.5% in October.

Compared to October 1985, total average weekly earnings increased by 2.1%. This was slightly lower than the yearly rate of change observed since the beginning of the year. Average earnings in the goods-producing industries rose by 1.9%. The year-to-year growth rate in manufacturing, which accounts

for over 70% of employment in the goods-producing sector, increased for the second consecutive month, reversing the trend evident since the start of the year. In October, the rate of change in the service-producing industries was 2.5%.

Manufacturing Industries

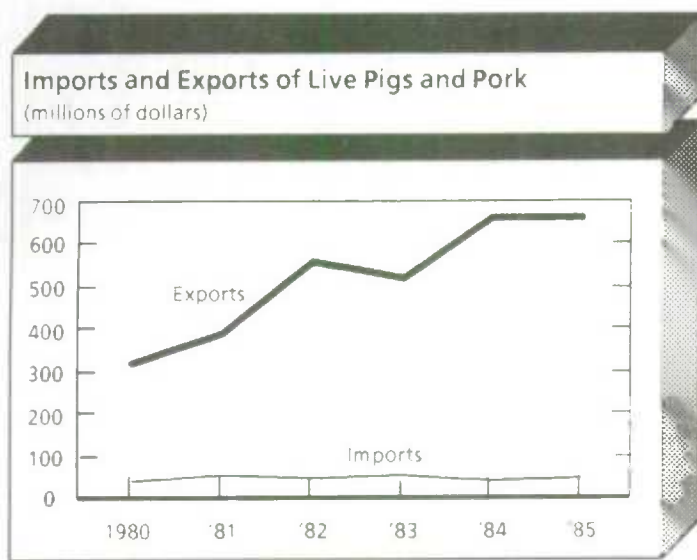
(% change, previous year)



For further information, contact Labour Division at (613) 990-9900.

Hog Markets in 1986

The profitability of North American pig production has generally been poor for most farmers since the first quarter of 1983. However, the last half of 1986 was one of the most profitable periods for Canadian pig producers in many years. Dressed weight prices climbed from a range of \$60 – \$70 per hundred weight in 1985, to \$80 – \$90 in 1986. In August of this year, an all time high of \$104 per hundred weight was recorded in Ontario.



These prices were mainly due to reduced pig marketings in Canada and the United States over the past year. Changes in American pig numbers directly

affect the Canadian market due to the larger size of the United States market. The U.S. slaughtered about six times as many pigs as Canada in 1985 (82 million vs 14 million). Expectations of low future United States marketings also pushed prices up. The United States Agriculture Department reported that on June 1 their breeding herd was at its lowest level in 22 years.

High pig prices along with low feed costs (resulting from a world over-supply of feed grains) have been reflected in a rise in pig inventories during the third quarter of 1986. This was the first year-over-year increase in inventories since April 1985. As a result of these developments, the outlook for 1987 is for increased marketings of pigs in Canada.

Approximately one-quarter of total farm cash receipts in the Canadian pig sector is generated from export sales of live hogs and pork products. The United States is, by far, our largest export market. However, some disruption of sales to the United States has occurred since July 1985. At that time the International Trade Commission approved a counter-vailing duty of 4.4 cents a pound on live swine imported from Canada.

The value of live hog exports to the U.S. declined to \$81 million in the 12 months after the imposition of the duty, from \$221 million in the 12 months preceding the action. During the same time period, exports of pork products (which are not affected by the duty) increased to \$429 million from \$364 million. Overall, the value of exports of live hogs and pork products to the United States declined by \$74 million after the imposition of the duty.

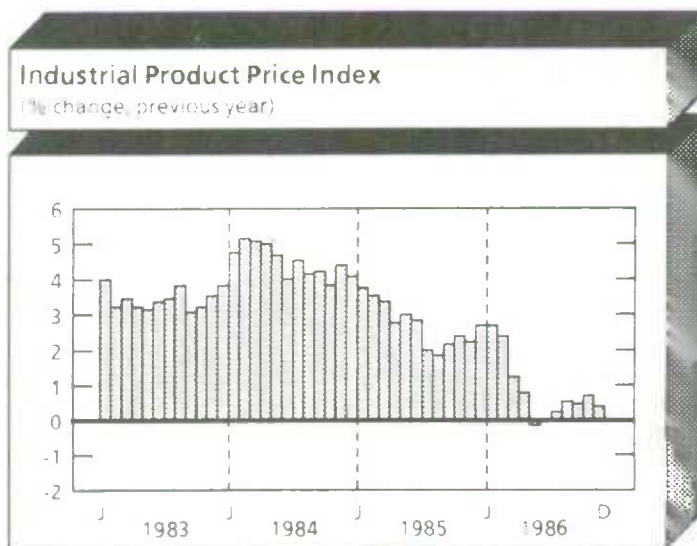
For further information, contact Paul Walker at (613) 991-2510.

Industrial Product Price Increases Remain Low

Preliminary estimates show that the Industrial Product Price Index (IPPI, 1981=100) was unchanged in November after five consecutive monthly advances. Decreases in the wood and primary metals indexes were offset by price increases for the petroleum and coal products, paper and paper products and food products. Compared to November 1985, the IPPI was up 0.4%, slightly lower than the average year-over-year increase recorded in the last three months (0.6%).

The petroleum and coal products index rose 0.6% in November, its first increase in 10 months. Excluding this component, the yearly rate of change in the total IPPI was 4.4%.

For further information, contact Prices Division at (613) 990-9606.



LATEST MONTHLY STATISTICS

			Previous Month	% Change From Year Ago
EMPLOYMENT, INCOME				
Average Weekly Earnings (\$)	Oct. *	433.77	433.17	2.1
Labour Income (\$ million)	Sept.	22,861	22,543	5.1
Persons with Jobs (million)	Nov.	11.61	11.72	1.6
Unemployed	Nov.	1,173,000	1,116,000	-5.9
INVENTORIES				
Department Store (\$ million)	Oct.	4,886	4,206	14.1
Manufacturers' Owned (\$ million)	Oct.	33,825	33,813	-1.8
ORDERS				
Manufacturers' New Orders (\$ million)	Oct.	21,841	21,269	-0.6
Manufacturers' Unfilled Orders (\$ million)	Oct.	23,974	24,106	-0.9
PRICES				
Consumer Price Index (1981 = 100)	Nov.	134.7	134.0	4.5
New House Price Index (1981 = 100)	Oct.	108.2	107.2	11.2
Raw Materials Price Index (1981 = 100)	Nov. *	94.5	94.6	-19.4
Excl. mineral fuels	Nov. *	81.4	82.1	4.9
Industrial Product Price Index (1981 = 100)	Nov. *	119.8	119.8	0.4
CONSTRUCTION				
			Year-to-date	
Building Permits (\$ million)	Sept.	1,961	17,916	25.0
Housing Starts - Urban Centres (units)	Oct. *	15,883	141,111	25.2
ENERGY				
Coal Production (thousand tonnes)	Aug.	4,342	37,522	-7.8
Electricity Generation (gigawatt hours)	Aug.	34,552	298,495	2.0
Natural Gas Production (million cubic metres)	Sept.	7,579	75,416	-3.4
FOREIGN TRADE				
Exports - Balance of Payments Basis (\$ million)	Oct.	10,644	99,963	0.5
Imports - Balance of Payments Basis (\$ million)	Oct.	9,694	93,339	9.6
SALES				
Department Store Sales (\$ million)	Oct.	1,084	9,366	5.9
Manufacturers' Shipments (\$ million)	Oct.	21,973	208,793	2.9
New Motor Vehicle Sales (\$ million)	Oct.	1,924	18,609	11.2
Refined Petroleum Products (thousand cubic metres)	Oct.	6,773	64,137	-0.3
Retail Sales (\$ million)	Oct.	12,237	113,000	8.4

Statistics are in current dollars and are not seasonally adjusted.

* new this week.

Help-wanted Index

The help-wanted index measures the demand for labour by monitoring the space devoted to help-wanted ads published in 18 major metropolitan area newspapers.

The trend-cycle, which has generally been increasing since December 1982, continued its advance in 1986. However, the rate of increase was lower in 1986 than it was in 1985. This slowing occurred in all regions except Ontario where the rate of change was similar in both years.

Help-wanted Index (1981 = 100)

	1982	1983	1984	1985	1986
	12-month average				
Canada	47	44	58	70	88
Atlantic Region	66	87	138	99	113
Quebec	48	52	64	77	96
Ontario	52	45	63	87	115
Prairie Region	42	29	34	41	46
British Columbia	34	26	29	32	40

For further information, contact Labour Division at (613) 990-9900.

PUBLICATIONS RELEASED FROM JANUARY 2 - 8

AGRICULTURE AND NATURAL RESOURCES

Cereals and Oilseeds Review, October 1986. Catalogue number 22-007 (Canada: \$10/\$100; Other Countries: \$11/\$110)

ECONOMETRIC ANALYSIS

Current Economic Indicators, Vol. 2, No. 11 - December 1986. Catalogue number 13-005 (Canada: \$10/\$100; Other Countries: \$11/\$110)

EDUCATION, CULTURE AND TOURISM

Education Statistics Bulletin, Vol. 8, No. 7: Financial Statistics of Private Elementary and Secondary Schools, 1980-81 to 1984-85. Catalogue number 81-002 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Education Statistics Bulletin, Vol. 8, No. 8: Changes in Private Education, 1970-71 to 1985-86. Catalogue number 81-002 (Canada: \$4/\$40; Other Countries: \$5/\$50)

HOUSEHOLD SURVEYS

Family Expenditure in Canada, 1984. Catalogue number 62-555 (Canada: \$20; Other Countries: \$21)

INDUSTRY

Construction Type Plywood, October 1986. Catalogue number 35-001 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Department Store Sales and Stocks, September 1986. Catalogue number 63-002 (Canada: \$13/\$130; Other Countries: \$14/\$140)

Electric Power Statistics, Volume 1 - Annual Electric Power Survey of Capability and Load, 1985 actual and 1986-1995 forecast. Catalogue number 57-204 (Canada: \$20; Other Countries: \$21)

Electric Power Statistics, Volume III - Inventory of Prime Mover and Electric Generating equipment as of December 31, 1985. Catalogue number 57-206 (Canada: \$20; Other Countries: \$21)

Factory Sales of Electric Storage Batteries, October 1986. Catalogue number 43-005 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Footwear Statistics, October 1986. Catalogue number 33-002 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Industrial Chemicals and Synthetic Resins, October 1986. Catalogue number 46-002 (Canada: \$5/\$50; Other Countries: \$6/\$60)

Inventories, Shipments and Orders in Manufacturing Industries, September 1986. Catalogue number 31-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

Mineral Wool Including Fibrous Glass Insulation, November 1986. Catalogue number 44-004 (Canada: \$4/\$40; Other Countries: \$5/\$50)

INDUSTRY - Concluded

Monthly Production of Soft Drinks, November 1986. Catalogue number 32-001 (Canada: \$2/\$20; Other Countries: \$3/\$30)

New Motor Vehicle Sales, September 1986. Catalogue number 63-007 (Canada: \$8/\$80; Other Countries: \$9/\$90)

Oils and Fats, October 1986. Catalogue number 32-006 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Particleboard, Waferboard and Hardboard, October 1986. Catalogue number 36-003 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Disposition of Tobacco Products, November 1986. Catalogue number 32-022 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Production and Inventories of Process Cheese and Instant Skim Milk Powder, November 1986. Catalogue number 32-024 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Specified Domestic Electrical Appliances, October 1986. Catalogue number 43-003 (Canada: \$4/\$40; Other Countries: \$5/\$50)

Refined Petroleum Products, September 1986. Catalogue number 45-004 (Canada: \$15/\$150; Other Countries: \$16/\$160)

Transportation Equipment Industries - Motor Vehicle Industry, 1985 Census of Manufactures. Catalogue number 42-251B 3231 (Canada: \$4; Other Countries: \$5)

INDUSTRY MEASURES AND ANALYSIS

Gross Domestic Product by Industry, July 1986. Catalogue number 61-005 (Canada: \$10/\$100; Other Countries: \$11/\$110)

Gross Domestic Product by Industry, August 1986. Catalogue number 61-005 (Canada: \$10/\$100; Other Countries: \$11/\$110)

Gross Domestic Product by Industry, September 1986. Catalogue number 61-005 (Canada: \$10/\$100; Other Countries: \$11/\$110)

INTERNATIONAL AND FINANCIAL ECONOMICS

Canada's International Investment Position, 1982 to 1985. Catalogue number 67-202P (Canada: \$10; Other Countries: \$11)

Security Transactions with Non-residents, September 1986. Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$16/\$160)

System of National Accounts, Quarterly Estimates of the Canadian Balance of International Payments, Third Quarter 1986. Catalogue number 67-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

PUBLICATIONS RELEASED FROM JANUARY 2 - 8

INTERNATIONAL TRADE

Summary of Canadian International Trade. October 1986. Catalogue number 65-001 (Canada: \$15/\$150; Other Countries: \$16/\$160)

LABOUR

Labour Force Survey. December 1986. Catalogue number 71-001P (Canada: \$5/\$50; Other Countries: \$6/\$60)

POPULATION

The Seniors Boom - Dramatic Increases in Longevity and Prospects for Better Health. Catalogue number 89-515E (Canada: \$9.95; Other Countries: \$10.95)

PRICES

Construction Price Statistics. Third Quarter 1986. Catalogue number 62-007 (Canada: \$15/\$60; Other Countries: \$16/\$64)

Industry Price Indexes. October 1986. Catalogue number 62-011 (Canada: \$15/\$150; Other Countries: \$16/\$160)

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Capacity Utilization Rates In Canadian Manufacturing. Third Quarter 1986. Catalogue number 31-003 (Canada: \$20/\$80; Other Countries: \$21/\$84)

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Science Statistics. Vol. 10, No. 11: R&D Expenditures of Private Non-profit Organizations, 1985. Catalogue number 88-001 (Canada: \$6/\$60; Other Countries: \$7/\$70)

SERVICES

Telephone Statistics. October 1986. Catalogue number 56-002 (Canada: 7.50/\$75; Other Countries: \$8.50/\$85)

Telephone Statistics. 1985. Catalogue number 56-203 (Canada: \$32; Other Countries: \$33)

SMALL AREA AND ADMINISTRATIVE DATA

Urban FSA and Rural Postal Code Summary Data. 1985. Catalogue number 17-602 (Canada: \$275; Other Countries: \$295)

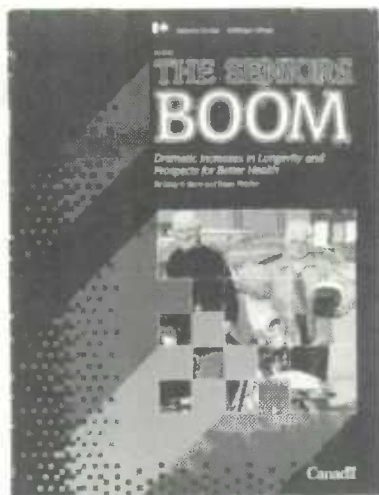
TRANSPORTATION

Air Carrier Operations in Canada. April-June 1985. Catalogue number 51-002 (Canada: \$20/\$80; Other Countries: \$21/\$84)

Passenger Bus and Urban Transit Statistics. October 1986. Catalogue number 53-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75)

Railway Carloadings. 7 Day Period Ending December 7, 1986. Catalogue number 52-005 (Canada: \$75; Other Countries: \$100)

NEW FROM STATISTICS CANADA



The Seniors Boom

Recent marked improvements in longevity have taken place among Canada's older generation. At the same time, there have been indications of improved health practices among the elderly. Thus Canada's seniors have good prospects not only for living longer, but also enjoying better overall health.

This is the message of the *Seniors Boom*, a thought provoking book which offers innovative approaches to analysing data on aging. It charts Statistics Canada's latest projections of what will happen as the baby boomers pass through their senior years, as well as exploring aspects of lifestyles that appear to promote better health among the elderly.

This publication (catalogue number 89-515) can be ordered from Publication Sales at (613) 993-7276.



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KEY RELEASE CALENDAR: JANUARY 1987*

MON.	TUE.	WED.	THUR.	FRI.
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5 <i>Industrial Product Price Index, November</i> <i>Raw Materials Price Index, November</i> <i>Employment, Earnings and Hours, October</i>	6 <i>Gross Domestic Product at Factor Cost, October</i>	7 <i>Housing Starts, November</i>	8 <i>New Housing Price Index, November</i> <i>Help-wanted Index, December</i> <i>Farm Product Price Index, November</i>	9 <i>Labour Force Survey, December</i>
12 <i>International Travel, November</i> <i>New Motor Vehicle Sales, November</i>	13 <i>Department Store Sales by Province, November</i> <i>Labour Income, October</i> <i>Farm Cash Receipts, November</i>	14 <i>Merchandise Trade, November</i> <i>Composite Leading Indicator, October</i>	15 <i>Building Permits, October</i>	16
19 <i>Refined Petroleum Products, November</i> <i>Retail Trade, November</i>	20 <i>Consumer Price Index, December</i>	21 <i>Department Store Sales and Stocks, November</i>	22 <i>Inventories, Shipments and Orders, November</i>	23 <i>Indicator of Building Construction Activity, September</i>
26 <i>Wholesale Trade, November</i> <i>Security Transactions, November</i>	27 <i>Crude Oil and Natural Gas, October</i>	28 <i>Unemployment Insurance Statistics, November</i>	29 <i>Gross Domestic Product at Factor Cost, November</i>	30 <i>Industrial Product Price Index, December</i> <i>Raw Materials Price Index, December</i> <i>Employment, Earnings and Hours, November</i>

* Anticipated dates of release only

Infomat

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