

I·N·F·O·M·A·T

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

Friday, February 3, 1989

OVERVIEW

■ Marginal Growth in Monthly Gross Domestic Product

Real GDP edged up 0.1% in November, continuing the trend to moderate output gains evident since June.

■ Provincial Economic Growth More Evenly Spread

Economic growth varied among the provinces in 1987, but the range of growth rates was much narrower than in 1986.

■ Industrial Price Index Flat

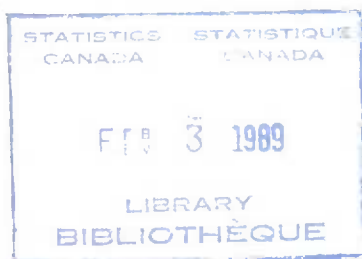
The industrial product price index was unchanged in December, following six months of slowing growth.

■ Reversal in Raw Material Price Changes

In December, the raw materials price index posted an increase for the first time in seven months.

■ Average Weekly Earnings Post Slower Growth

The year-over-year increase in average weekly earnings was 4.2% in November, in line with a gradual slowing noted in the last seven months.



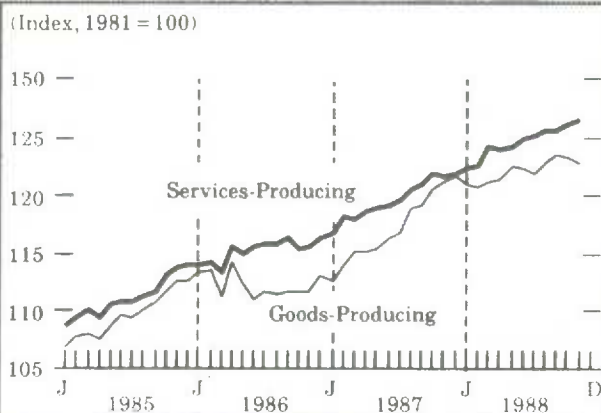
Marginal Growth in Monthly Gross Domestic Product

Real gross domestic product by industry edged up 0.1% in November. Except for a larger advance in August, output has grown slowly since June. Output of the service-producing industries rose 0.4%, maintaining a pattern of steady growth, while that of the goods-producing industries declined 0.3% in November.

The service-producing industries have registered moderate gains for seven consecutive months and have been the main source of growth in total GDP in 1988. Output from the finance, insurance and real estate industry, which has grown consistently for the last 12 months, advanced 0.7% in November. Wholesale trade was up 1.3%, following decreases in the two preceding months. The transportation and storage industries increased their output by 0.9%, after minor declines in September and October. Retail trade was down 0.4% in November, following two months of growth.

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GDP Goods- and Services-Producing Industries



Statistics Canada
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Canada

... Marginal Growth in Monthly Gross Domestic Product

Unlike the service-producing industries, output from the goods-producing industries has fluctuated and only shown marginal growth since the start of the year. The decrease in the current month (-0.3%) was the second in a row and followed moderate to strong growth in August and September. Mining, construction and manufacturing continued to post declines. Output from mining fell for the fourth consecutive month, with services related to mineral extraction continuing to be a major source of weakness. Construction activity was down for the second month in a row, with most of the decline confined to residential construction. The manufacturing industry recorded a marginal decrease, following a decline of 0.6% in October.

Real Gross Domestic Product

	July	Aug.	Sept.	Oct.	Nov.
	% change, previous month				
Real Gross Domestic Product	0.0	0.5	0.3	0.1	0.1
Goods-producing industries	-0.3	0.7	0.6	-0.4	-0.3
Service-producing industries	0.2	0.3	0.2	0.3	0.4

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact *Industry Measures and Analysis Division* at (613) 951-3673.

Provincial Economic Growth More Evenly Spread

Canada's gross domestic product (at market prices) grew 8.7% in 1987. Although growth varied among the provinces and territories, the range of growth rates was much narrower than in 1986. Prince Edward Island, Quebec, Ontario, British Columbia and the Yukon all recorded increases above the national average. The Yukon registered the largest increase for the second

year in a row. The economies of Quebec and Ontario continued to expand at a healthy pace; British Columbia's growth was above the national average for the first time since 1981.

Provincial growth rates in personal expenditure on goods and services had a comparable range to that of gross domestic product. Growth was strongest in central Canada and the Yukon, and weakest in the western provinces and Northwest Territories. Business investment in plant and equipment was concentrated in Quebec, Ontario, Saskatchewan, and British Columbia. Booming investment, which began in Ontario and Quebec in 1985, continued into 1987. Investment was strong in Saskatchewan and British Columbia, reflecting the improved outlook for lumber, oil, gas and mineral production. Expenditures on residential construction rose strongly for the third consecutive year, most notably in central Canada.

For further information, order *Provincial Economic Accounts* (catalogue number 13-213) or contact *Income and Expenditure Accounts Division* at (613) 951-3835.

Gross Domestic Product

	1981	1982	1983	1984	1985	1986	1987
	% change, previous year						
Atlantic Canada	16.6	11.3	12.7	10.7	6.7	8.3	7.6
Central Canada	14.0	4.8	9.3	11.6	8.1	10.2	9.9
Western Canada	16.1	4.8	4.6	7.1	7.2	-2.6	5.9
Canada	14.8	5.1	7.9	10.0	7.7	5.9	8.6
GDP implicit price index	10.8	8.7	5.0	3.1	2.9	2.5	4.3

Industrial Price Index Flat

- The industrial product price index (IPPI, 1981 = 100) was unchanged in December, continuing a pattern of slow growth.
- A decrease in the United States exchange rate was a dominant factor in the behaviour of the index. A drop of 2.4% in the exchange rate contributed to decreases in prices for transportation equipment and paper products that offset increases in other commodity prices.

Industrial Product Price Index

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
Total	0.2	0.2	0.0	0.5	0.0
Petroleum and coal products	-2.2	-0.7	-1.2	-2.6	1.5
Excluding coal and petroleum products	0.3	0.2	0.1	0.8	-0.1

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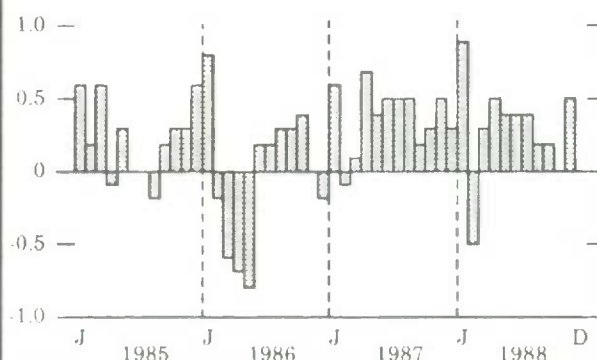
... Industrial Price Index Flat

- Following an increase a month earlier, transportation equipment prices were down 1.2%.
- Primary metal prices increased 1.2% in December, reflecting large price changes recorded for copper and nickel.
- Petroleum and coal products were estimated to have increased 1.5%, rising for the first time in six months.

For further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9607.

Industrial Product Price Index

(% change, previous month)

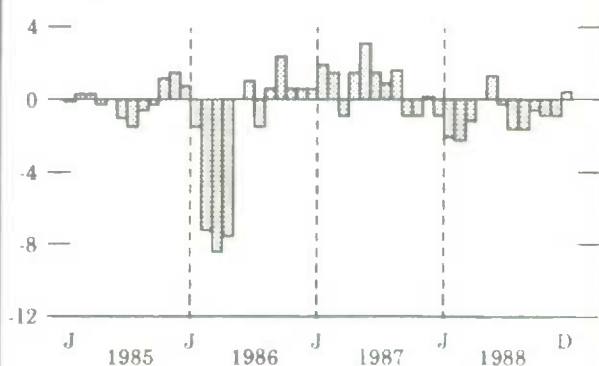


Reversal in Raw Material Price Changes

- In December, the raw materials price index (1981=100), which measures price changes in the materials purchased by Canadian industry, posted an increase (0.5%) for the first time in seven months.

Raw Materials Price Index

(% change, previous month)



Raw Materials Price Index

	Aug.	Sept.	Oct.	Nov.	Dec.
% change, previous month					
Total	-1.7	-0.7	-1.0	-1.0	0.5
Mineral fuels	-2.5	-2.5	-3.8	-3.7	0.3
Non-ferrous metals	0.4	3.1	3.6	4.2	2.9
Animal products	-1.1	0.7	-0.5	-2.0	-0.7
Total, excluding mineral fuels	-1.3	0.2	0.5	0.3	0.7

- The mineral fuels component turned up, rising for the first time since May. Altogether, mineral fuels prices were 28% lower in December than they were a year earlier.
- Prices for non-ferrous metals continued to rise. An increase of 2.9% was primarily due to higher prices for copper, nickel and lead.
- Animal and animal product prices continued to slide (-0.7%), while the vegetable products component rose for a second consecutive month.

Further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9607.

Average Weekly Earnings Post Slower Growth

In November, average weekly earnings were up 4.2% over the same month a year earlier. This increase was in line with a gradual slowing of the growth rate over the last seven months. Average weekly earnings in the goods-producing industries continued to show a gentle acceleration, while gains in the service-producing industries have stabilized.

The largest industry group in the services sector (community, business and personal services) registered sizeable increases in earnings in the first nine months of 1988. However, growth has moderated in the last two months, contracting to 3.6%, the smallest increase since September 1987.

(continued on page 4)

... Average Weekly Earnings Post Slower Growth

The strengthening in the goods-producing sector stems from the manufacturing industries where the increase in average weekly earnings continued to accelerate in November, rising 5.4% over the same month a year earlier. Earnings in the construction industry have also contributed to the growth, registering year-over-year increases in excess of 5% for the last three months.

For further information, order *Employment, Earnings and Hours* (catalogue number 72-002) or contact Labour Division at (613) 951-4090.

Average Weekly Earnings

	July	Aug.	Sept.	Oct.	Nov.
	% change, previous year				
Total	4.9	5.8	4.8	3.8	4.2
Goods-producing industries	5.0	4.9	5.8	4.9	5.4
Service-producing industries	4.8	6.3	4.6	3.4	3.8

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (billion 1981 dollars)	Nov.*	400	0.1%	3.0%
Composite Leading Indicator (1971 = 100)	Oct.	202.4	0.1%	6.3%
Profits of Industrial Corporations (\$ billion)	3rd Q	9.30	-4.3%	10.5%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Nov.	14.0	0.1%	5.5%
New Motor Vehicle Sales ('000 units)	Nov.	128	-0.1%	-4.1%
Housing Starts ('000, annual rates)	Nov.	227	3.2%	-6.7%
LABOUR				
Employment (millions)	Dec.	12.5	0.2%	2.3%
Unemployment Rate (%)	Dec.	7.6	-0.2	-0.5
Participation Rate (%)	Dec.	66.9	0.0	0.4
Labour Income (\$ billion)	Oct.	26.6	0.6%	6.8%
Average Weekly Earnings (\$)	Nov.*	469.9	0.2%	4.2%
EXTERNAL TRADE				
Merchandise Exports (\$ billion)	Nov.	11.4	0.1%	3.8%
Merchandise Imports (\$ billion)	Nov.	11.0	1.1%	5.3%
Merchandise Trade Balance (\$ billion)	Nov.	0.4	-0.1	-0.1
MANUFACTURING				
Shipments (\$ billion)	Nov.	24.2	-1.1%	2.0%
New Orders (\$ billion)	Nov.	24.8	2.3%	2.0%
Unfilled Orders (\$ billion)	Nov.	28.8	2.3%	21.1%
Inventory/ Shipments Ratio	Nov.	1.58	0.2	0.6
Capacity Utilization (%)	3rd Q	81.6	0.0	1.3
PRICES				
Consumer Price Index (1981 = 100)	Dec.	146.1	0.0%	4.0%
Industrial Product Price Index (1981 = 100)	Dec.*	129.5	0.0%	3.2%
Raw Materials Price Index (1981 = 100)	Dec.*	93.6	0.5%	-9.7%
New Housing Price Index (1981 = 100)	Nov.	138.0	1.4%	12.3%

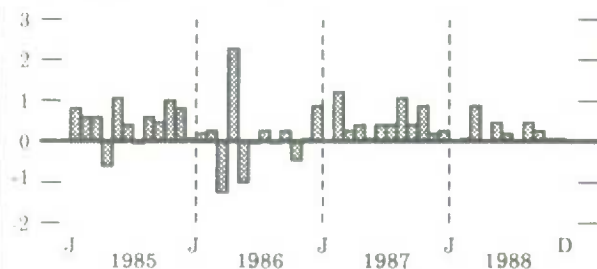
Note: All series are seasonally adjusted with the exception of average weekly earnings and the price indexes.

* New this week.

CURRENT TRENDS*

Gross Domestic Product

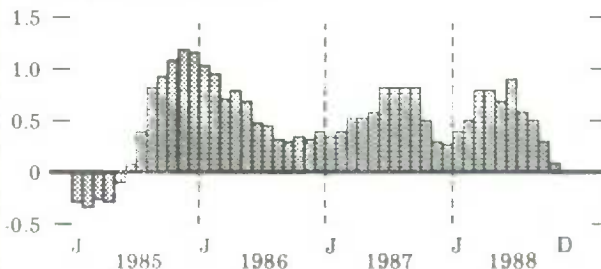
(% change, previous month)



Real GDP edged up 0.1% in November, continuing the trend to moderate output gains evident since June.

Composite Leading Indicator

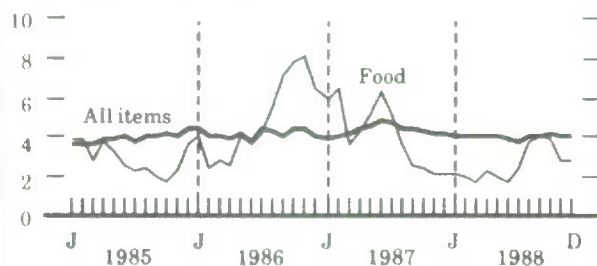
(% change, previous month)



The growth rate of the composite leading indicator decelerated for the fourth consecutive month in October.

Consumer Price Index

(% change, previous year)



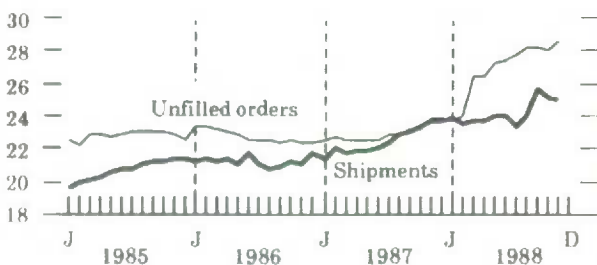
The CPI was up 4.0% on a year-over-year basis in December, marginally lower than the increase recorded in November.

Unemployment Rate and Employment



Following a period of relatively little change from June to October, employment has increased in each of the last two months.

Manufacturing



Manufacturers' shipments were down for the second consecutive month in November, but unfilled orders rose.

Merchandise Trade

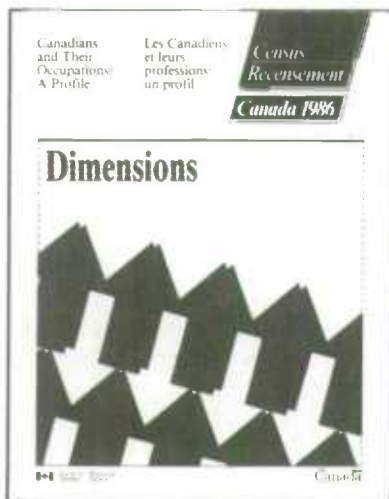
(billions of dollars, short-term trend)



Both exports and imports have stabilized in recent months.

* All series are seasonally adjusted except the consumer price index.

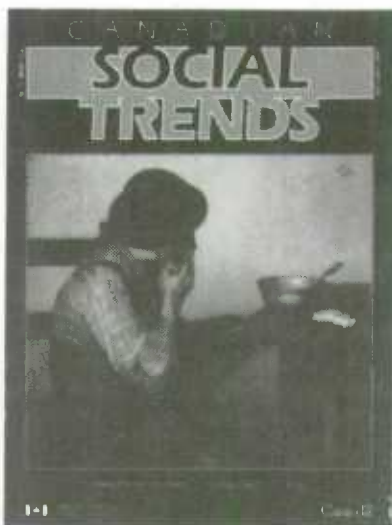
NEW FROM STATISTICS CANADA



Dimensions – Canadians and Their Occupations: A Profile,

Canadians and Their Occupations: A Profile is the third of seven publications to be released in the Dimensions series of census publications. It offers an indepth look at the Canadians who make up 200 selected occupations, reporting on their demographic, cultural and economic characteristics. Information on such characteristics as age, marital status, educational attainment and average income is presented for occupations that are both interesting and familiar to a wide range of users. All data is drawn from the 1986 Census of Population and is presented for males and females at the Canada level.

Order *Dimensions – Canadians and Their Occupations: A Profile* (catalogue number 93-157).



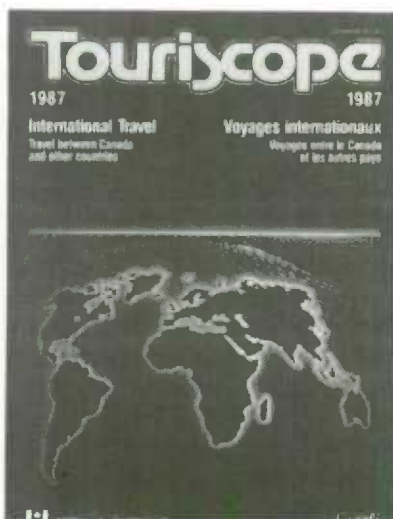
Canadian Social Trends

Canadian Social Trends has released its Winter 1988 issue. This flagship publication continues to interpret the major social and demographic trends affecting Canadian society.

Written in a professional yet easy-to-read style, *Canadian Social Trends* brings together the latest available data and presents an interesting series of articles.

This issue features articles on Canada's Ph.D. population, illegal drug use, aboriginal peoples' issues, divorce rates, the decline of unpaid family work, trends in suicide, part-time adult training, and cardiovascular disease, cancer and life expectancy.

Order *Canadian Social Trends* (catalogue number 11-008E).



International Travel

In 1987, the absence of a Canadian attraction such as Expo 86, which drew scores of foreign tourists and enticed Canadians to travel at home, played a part in the escalation of Canada's international travel deficit.

A publication that will provide essential information to help tourism-related decision-makers analyse the performance of the international travel market and understand its latest developments is now available.

Order *Touriscope – International Travel* (catalogue number 66-201).

PUBLICATIONS RELEASED FROM JANUARY 27 TO FEBRUARY 2

AGRICULTURE

Agriculture Economic Statistics - Updates, December 1988. Catalogue number 21-603E (Canada: \$15; Other Countries: \$16).

Apparent per Capita Food Consumption in Canada, Part II, 1987. Catalogue number 32-230 (Canada: \$25; Other Countries: \$26).

Field Crop Reporting Series, No. 1 : Stocks of Canadian Grain, December 31, 1988. Catalogue number 22-002 (Canada: \$7.50/\$52; Other Countries: \$8.50/\$58).

CENSUS

Profiles - Census Tracts - Kelowna: Part 2, 1986 Census. Catalogue number 95-118 (Canada: \$25; Other Countries: \$26).

EDUCATION, CULTURE AND TOURISM

Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities, 1988-89 Preliminary. Catalogue number 81-258P (Canada: \$20; Other Countries: \$21).

Service Bulletin, Motion Picture Theatres in Canada, 1986-87. Catalogue number 87-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

INDUSTRY

Canned and Frozen Fruits and Vegetables, November 1988. Catalogue number 32-011 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Clothing Industries, Women's Dress Industry, 1986 Census of Manufactures. Catalogue number 34-252B 2443 (Canada: \$4; Other Countries: \$5).

Coal and Coke Statistics, October 1988. Catalogue number 45-002 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Corrugated Boxes and Wrappers, December 1988. Catalogue number 36-004 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Electric Lamps (Light Bulbs and Tubes), December 1988. Catalogue number 43-009 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended December 1988. Catalogue number 47-005 (Canada: \$4.25/\$17; Other Countries: \$5.25/\$21).

Food Industries, Fluid Milk Industry, 1986 Census of Manufactures. Catalogue number 32-250B 1041 (Canada: \$4; Other Countries: \$5).

New Motor Vehicle Sales, August 1988. Catalogue number 63-007 (Canada: \$9/\$90; Other Countries: \$10/\$100).

Non-metallic Mineral Products Industries, Misc. Non-Metallic Mineral Products Industries n.e.c., 1986 Census of Manufactures. Catalogue number 44-250B 3599 (Canada: \$4; Other Countries: \$5).

Primary Iron and Steel, November 1988. Catalogue number 41-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Primary Textile Industries, Broad Knitted Fabric Industry, 1986 Census of Manufactures. Catalogue number 34-250B 1831 (Canada: \$4; Other Countries: \$5).

Printing, Publishing and Allied Industries, Other Publishing Industries, 1986 Census of Manufactures. Catalogue number 36-251B 2839 (Canada: \$4; Other Countries: \$5).

Production, Sales and Stocks of Major Appliances, December 1988. Catalogue number 43-010 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Retail Trade, September 1988. Catalogue number 63-005 (Canada: \$16/\$160; Other Countries: \$17/\$170).

Textile Product Industries, Carpet, Mat and Rug Industry, 1986 Census of Manufactures. Catalogue number 34-251B 1921 (Canada: \$4; Other Countries: \$5).

Textile Product Industries, Narrow Fabric Industry, 1986 Census of Manufactures. Catalogue number 34-251B 1991 (Canada: \$4; Other Countries: \$5).

Textile Product Industries, Other Textile Products Industries Including Tire Cord Fabric Industry, 1986 Census of Manufactures. Catalogue number 34-251B 1998 (Canada: \$4; Other Countries: \$5).

JUSTICE

Adult Correctional Services in Canada, 1987-88. Catalogue number 85-211 (Canada: \$35; Other Countries: \$37).

SERVICES

Communication Service Bulletin, Telecommunications Statistics, Third Quarter 1988. Catalogue number 56-001 (Canada: \$7.50/\$45; Other Countries: \$8.50/\$51).



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KEY RELEASE CALENDAR: February 1989*

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3 Automotive Trade Balance, 3 rd Quarter
6 Farm Input Price Index, 4 th Quarter	7	8 Help-wanted Index, January Labour Income, November Business Conditions, 1 st Quarter	9 New Housing Price Index, December Composite Leading Indicator, November	10 Labour Force Survey, January International Travel, December Farm Product Price Index, December
13 Motor Vehicle Sales, December Department Store Sales, December Housing Starts, December	14	15	16	17 Consumer Price Index, January International Trade, 1988 Travel Account, 4 th Quarter
20 Retail Trade, December	21 Department Store Sales and Stocks, December	22 Unemployment Insurance Statistics, December	23 Building Permits, December	24 Survey of Manufacturing, December Wholesale Trade, December
27 Refined Petroleum Products, January Crude Petroleum and Natural Gas, November	28 Industrial Corporations, 4 th Quarter Security Transactions, December Employment, Earnings and Hours, December Industrial Product Price Index, January Raw Materials Price Index, January			

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may vary slightly.

I·N·F·O·M·A·T**A Weekly Review**

Published by the Communications Division
Statistics Canada.

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R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario K1A 0T6.

Catalogue: 11-002E. Price: Canada, \$2/\$100; other countries, \$3/\$150. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6 or telephone Publication Sales at 1-800-267-6677.

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