

I·N·F·O·M·A·T

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

Friday, February 10, 1989

OVERVIEW

■ Canada Registers Turnaround in Automotive Products Trade

For the first nine months of 1988, Canada's trade in automotive products showed a record \$2.4 billion surplus, a turnaround from the \$1.2 billion deficit posted in the year-earlier period.

■ New Housing Price Index Records Another Large Advance

Toronto prices continue to impact significantly on the Canada total index. Without the effect of Toronto, the index in December would have been only about 6.0% higher than the year-earlier level.

■ Housing Starts Drop in 1988

Although housing starts in 1988 showed a 9.5% drop from 1987, the annual level remained above 220,000.

■ Wages and Salaries Accelerate

In November, wages and salaries rose 0.9%, notably higher than the previous month's rise. A 2.9% advance in transportation, communications and other utilities was due primarily to the end of the work stoppage at Bell Canada.

■ Help-wanted Index Unchanged

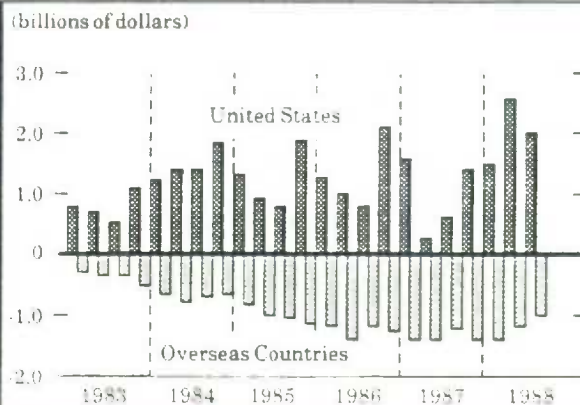
The revised help-wanted index stayed at 152 in January. After remaining steady during the first five months of 1988, the index started to increase in June and reached the current record level in October.

Canada Registers Turnaround in Automotive Products Trade

- Canada recorded a \$2.4 billion surplus in trade in automotive products for the first nine months of 1988. This is the largest ever reported for the same period, and exists principally because of the \$3.5 billion surplus on passenger cars, up from \$0.4 billion. As well, the surplus on trucks set a new record (\$3.0 billion), while the deficit on parts, tires and tubes remained at about the same level (\$4.2 billion).
- Total exports of automotive products were \$27.3 billion, up \$3.2 billion over the first nine months of 1987. Much of the strength was derived from exports of automobiles, up 32% to \$12.5 billion. Imports fell 2% to \$24.9 billion, mainly because imports of parts were off \$254 million to \$13.4 billion. The principal reason for this appears to be the increase in Canadian parts production during the year: deliveries rose 7% to meet the demand of increased auto production.

(continued on page 2)

Automotive Trade Balance



... Canada Registers Turnaround in Automotive Products Trade

- Canada's trade in automotive products with the United States showed a surplus of \$6.1 billion. This surplus sets a new record, exceeding by \$2 billion the previous peak recorded during the first nine months of 1984. Increased exports of passenger automobiles dominated the figures.
- The deficit on trade in automotive products with countries other than the U.S. fell \$340 million during the first nine months of 1988 to \$3.6 billion. The drop was the result of identical reductions in the trade deficits for automotive parts, automobiles and trucks.
- Canada imported 775,600 automobiles during the first nine months of 1988, an increase of 4% or 30,800 units over the same period of 1987. Automobile imports from the United States rose by almost 8%, accounting for a 65.5% share of the Canadian import market, an increase of 2.1 percentage points. The decline in imports from

Balance of Trade - Automotive Products

| | January to September | | |
|------------------------------------|----------------------|--------|--------|
| | 1987 | 1988 | Change |
| millions of dollars | | | |
| Exports | | | |
| Cars | 9,468 | 12,488 | 3,020 |
| Other vehicles | 5,119 | 5,467 | 348 |
| Parts, tires, tubes and re-exports | 9,594 | 9,384 | -210 |
| Imports | | | |
| Cars | 9,038 | 8,933 | -45 |
| Other vehicles | 2,701 | 2,491 | -210 |
| Parts, tires, tubes | 13,660 | 13,406 | -254 |

overseas countries has been to the detriment of countries other than Japan. Japan's share of total imports rose from 25.7% to 26.3%.

For further information, contact International Trade Division at (613) 951-1711.

New Housing Price Index Records Another Large Advance

In December, the New Housing Price Index, which measures changes in prices for particular models of new residential houses, rose 1.4% from November 1988, continuing the strong pattern of growth.

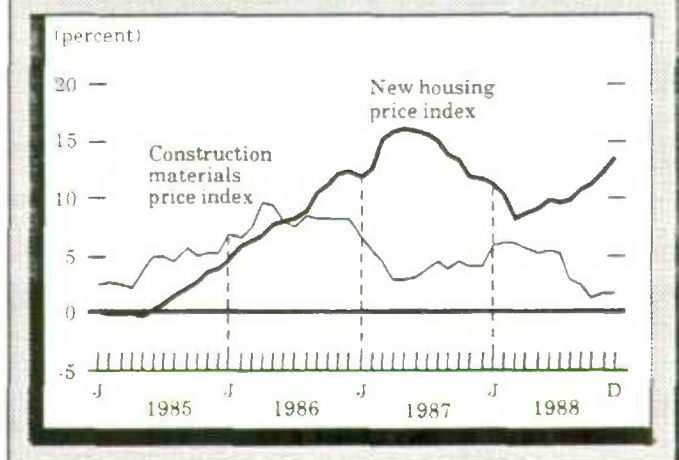
Between November and December, the estimated House Only index increased 0.4%, while the estimated Land Only index increased 3.5%.

Since late in 1985, the New Housing Price Index (1981=100) for Canada has been following a strong upward trend, rising from 95 in August of that year to its current level of 139.9.

The index for Canada now stands 13.6% higher than the year-earlier level. The city of Toronto has had a very significant impact on the Canada Total index. Without the effect of Toronto, the index would have been approximately 6.0% higher than the year-earlier level.

On a yearly basis, Toronto registered an increase of 26.6%, showing the largest price increase of all the cities surveyed. The strong economic conditions, higher construction costs and increased costs of serviced lots in this area continue to influence selling prices.

New Housing and Building Material Price Indexes



For further information, order Construction Price Statistics (catalogue number 62-007) or contact Prices Division at (613) 951-9607.

Housing Starts Drop in 1988

- On an annual basis, 222,562 dwelling units were started in 1988, a 9.5% drop from the 1987 level.
- Seasonally adjusted at an annual rate, December housing starts were down 7.2% to 220,000 units compared to a revised level of 237,000 in November.
- Marginal gains in the single housing sector were more than offset by declines in the multiple housing sector.
- December starts in urban centres decreased 8.6% compared to the previous month. On a regional basis, declines were registered in all regions except the Atlantic Region and Quebec.

For further information order *Housing Starts and Completions* (64-002) or contact Science, Technology and Capital Stock Division (613) 951-2583.

Housing Starts



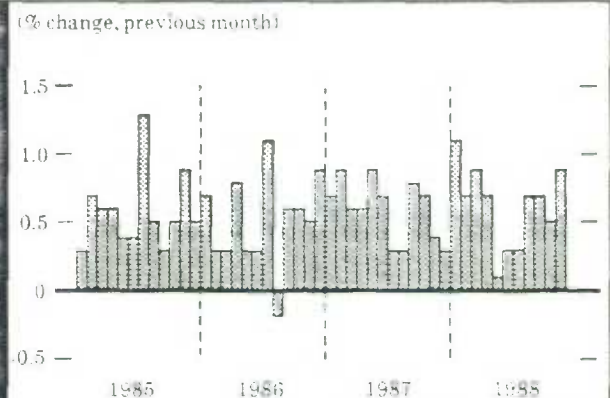
Wages and Salaries Accelerate

In November, the seasonally adjusted estimate of wages and salaries rose 0.9%, notably higher than the advances registered in the two preceding months. The rates of growth in the latest months show a remarkably similar pattern to those of the first four months of 1988.

In the manufacturing industries, growth in wages and salaries slowed, posting a modest 0.3% increase from the preceding month. In contrast, wages and salaries climbed 2.9% in November in transportation, communications and other utilities, a gain that was due primarily to the end of the work stoppage at Bell Canada.

At the provincial level, the strongest gains were recorded in Newfoundland, Prince Edward Island, Saskatchewan and British Columbia. Wages and salaries rose 1.8% in Newfoundland, the second consecutive gain following three monthly declines. Prince Edward Island showed a substantial 1.2% advance, the sharpest rise since June. Saskatchewan posted its first significant increase since January 1988 while the increase for British Columbia was the most notable since March.

Wages and Salaries



For further information, order *Estimates of Labour Income* (catalogue number 72-005) or contact Labour Division at (613) 951-4051.

Help-wanted Index Unchanged

- The revised Canada help-wanted index for January 1989 remained unchanged, as it has since October 1988 when it reached its current level of 152.
- The preliminary trend-cycle estimate for the Atlantic region increased to 195 in January 1989. It has not decreased since November 1982 when it stood at 64.

- The index for Quebec decreased for the fifth consecutive month since September 1988.
- After very little change during the first eight months of 1988, the Ontario index started to advance in September and reached 186 in January 1989.
- The preliminary trend-cycle estimate for the Prairie region remained unchanged at 84. This level has remained virtually the same since July 1988.

(continued on page 4)

... Help-wanted Index Unchanged

- In British Columbia, the index rose two points to 109, continuing a trend started in January 1988.

Note to Users:

The methodology of the help-wanted index has been changed to reduce irregular month-to-month fluctuations and make it easier to interpret trends. Changes include: a count of help-wanted advertisements instead of column space; an increase in the number of cities covered from 17 to 20; and the use of trend-cycle estimates which smooth the seasonally adjusted data. The base-year for the index remains 1981, and the survey date continues to be the Saturday of the Labour Force Survey reference week.

Help-wanted Index (1981 = 100) - Revised

| | Sept. | Oct. | Nov. | Dec. | Jan. |
|------------------|---------------------|------------|------------|------------|------------|
| | seasonally adjusted | | | | |
| Canada | 151 | 152 | 152 | 152 | 152 |
| Atlantic Region | 183 | 186 | 188 | 191 | 195 |
| Quebec | 175 | 173 | 172 | 170 | 168 |
| Ontario | 180 | 181 | 182 | 184 | 186 |
| Prairie Region | 84 | 85 | 85 | 84 | 84 |
| British Columbia | 102 | 104 | 105 | 107 | 109 |

For further information order the *Help Wanted Index* (catalogue 71-204) or contact Labour Division at (613) 951-4045.

PUBLICATIONS RELEASED FROM FEBRUARY 3 TO FEBRUARY 9

AGRICULTURE

Production and Stocks of Eggs and Poultry, November 1988. Catalogue number 23-003 (Canada: \$11/\$110; Other Countries: \$12/\$120).

CENSUS

Profiles - Census Tracts - Kamloops: Part 2, 1986 Census. Catalogue number 95-116 (Canada: \$24; Other Countries: \$25).

Profiles - Census Tracts - Thunder Bay: Part 2, 1986 Census. Catalogue number 95-162 (Canada: \$25; Other Countries: \$26).

HEALTH

Quarterly Hospital Information System - Hospital Indicators, April 1987 - March 1988. Catalogue number 83-002 (Canada: \$15/\$60; Other Countries: \$16/\$64).

HOUSEHOLD SURVEYS

Family Incomes, Census Families, 1987. Catalogue number 13-208 (Canada: \$17; Other Countries: \$18).

Fuel Consumption Survey, Passenger Cars, Light Trucks and Vans, April-June 1987. Catalogue number 53-007, Free.

INDUSTRIAL ORGANIZATION AND FINANCE

Industrial Corporations, Financial Statistics, Third quarter 1988. Catalogue number 61-003 (Canada: \$50/\$200; Other Countries: \$60/\$240).

INDUSTRY

Asphalt Roofing, December 1988. Catalogue number 45-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Campus Bookstores, Academic year 1987-88. Catalogue number 63-219 (Canada: \$20; Other Countries: \$21).

Construction Type Plywood, November 1988. Catalogue number 35-001 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

Department Store Monthly Sales, by Province and Metropolitan Area, November 1988. Catalogue number 63-004 (Canada: \$2.50/\$25; Other Countries: \$3.50/\$35).

Department Store Sales and Stocks, May 1988. Catalogue number 63-002 (Canada: \$13/\$130; Other Countries: \$14/\$140).

Gas Utilities, September 1988. Catalogue number 55-002 (Canada: \$11.50/\$115; Other Countries: \$12.50/\$125).

Production of Selected Biscuits, Quarter Ended December 1988. Catalogue number 32-026 (Canada: \$6.25/\$25; Other Countries: \$7.25/\$29).

Production, Shipments and Stocks on Hand of Sawmills in British Columbia, November 1988. Catalogue number 35-003 (Canada: \$6.50/\$65; Other Countries: \$7.50/\$75).

Specified Domestic Electrical Appliances, December 1988. Catalogue number 43-003 (Canada: \$4.50/\$45; Other Countries: \$5.50/\$55).

INTERNATIONAL AND FINANCIAL ECONOMICS

Security Transactions With Non-residents, November 1988. Catalogue number 67-002 (Canada: \$15/\$150; Other Countries: \$16/\$160).

INTERNATIONAL TRADE

Exports by Commodity (H.S. Based), November 1988. Catalogue number 65-004 (Canada: \$50/\$500; Other Countries: \$60/\$600).

LABOUR

Historical Labour Force Statistics - Actual Data, Seasonal Factors, Seasonally Adjusted Data, 1988. Catalogue number 71-201 (Canada: \$55; Other Countries: \$65).

Labour Force Information, January 1989. Catalogue number 71-001P (Canada: \$5.50/\$55; Other Countries: \$6.50/\$65).

Unemployment Insurance Statistics, October 1988. Catalogue number 73-001 (Canada: \$13/\$130; Other Countries: \$14/\$140).

PRICES

Industry Price Indexes, November 1988. Catalogue number 62-011 (Canada: \$16.50/\$165; Other Countries: \$18.50/\$185).

SCIENCE, TECHNOLOGY AND CAPITAL STOCK

Housing Starts and Completions, October 1988. Catalogue number 64-002 (Canada: \$16.50/\$165; Other Countries: \$17.50/\$175).

SERVICES

Telephone Statistics, November 1988. Catalogue number 56-002 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85).

TRANSPORTATION

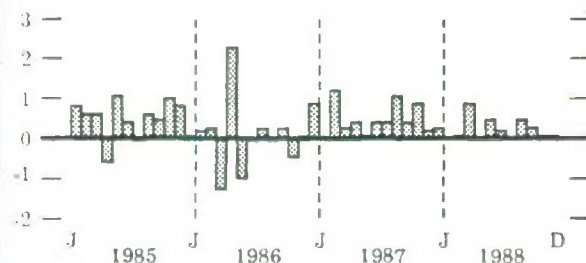
Railway Carloadings, December 1988. Catalogue number 62-001 (Canada: \$7.50/\$75; Other Countries: \$8.50/\$85).

Railway Operating Statistics, October 1988. Catalogue number 52-003 (Canada: \$9.50/\$95; Other Countries: \$10.50/\$105).

CURRENT TRENDS*

Gross Domestic Product

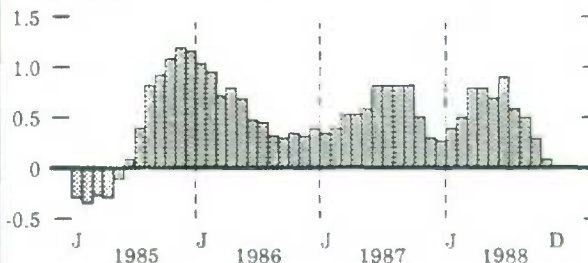
(% change, previous month)



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

Composite Leading Indicator

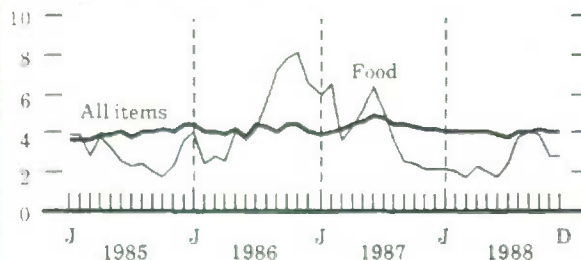
(% change, previous month)



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

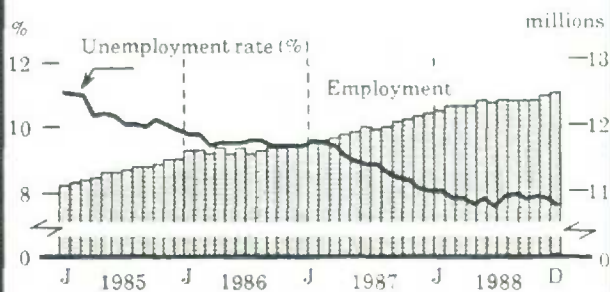
Consumer Price Index

(% 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.

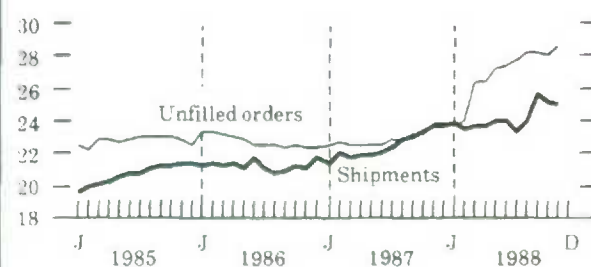
Unemployment Rate and Employment



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

Manufacturing

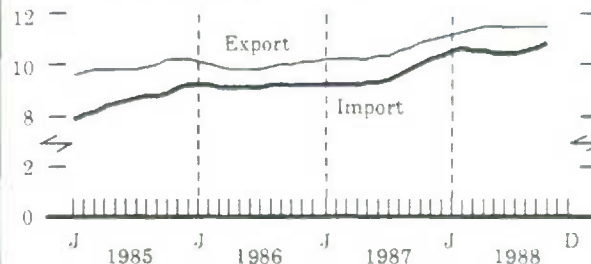
(billions of dollars)



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.



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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) | Dec.* | 220 | -7.2% | 0.5% |
| 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) | Nov.* | 26.9 | 0.9% | 7.4% |
| Average Weekly Earnings (\$) | Nov. | 469.90 | 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) | Dec.* | 139.9 | 1.4% | 13.6% |

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

* New this week.

I.N.F.O.M.A.T**A Weekly Review**

Published by the Communications Division
Statistics Canada.

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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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