

I·N·F·O·M·A·T

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

Friday, June 9, 1989

OVERVIEW

■ Motor Vehicle Sales Rebound

Sales of new motor vehicles were up 8.6% in April, following a decline in March.

■ Manufacturing Shipments Fall

The value of shipments fell 0.7% in March, following six months of fluctuating but moderate growth overall.

■ Wholesale Trade Declines

Wholesale merchants' sales were \$15.9 billion in March, down 1.3% from a year earlier.

■ Machinery and Equipment Price Index Down Slightly

The machinery and equipment price index slipped 0.1% in the first quarter. This was the first decrease in three quarters.

■ Steady Growth in Average Weekly Earnings

In March, average weekly earnings were up 4.0% over the same month a year earlier, similar to the growth rates posted in the last four months.

■ Help-wanted Index Unchanged

In May, the help-wanted index for Canada was unchanged. There has been little movement in the index over the last six months.

This issue also contains information on the farm input price index, farm capital values, and trusted pension funds.

Motor Vehicle Sales Rebound

In April, seasonally adjusted sales of new motor vehicles were up substantially over March. A jump of 8.6% followed a decrease in the preceding month and continued the trend of fluctuating sales noted so far in 1989. Despite the sharp rise in April, year-to-date sales were lower than in the first four months of 1988.

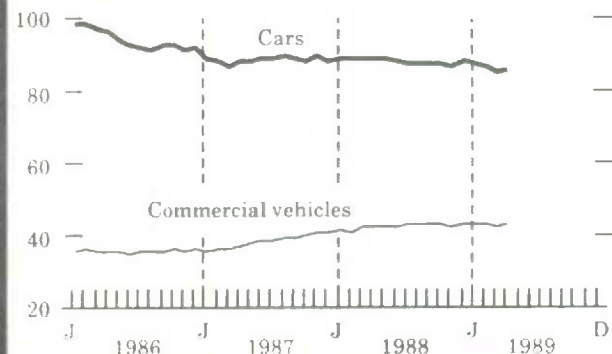
Passenger car sales rose 10% in April as sales of both North American and imported cars improved. North American-built cars posted a notable recovery (13.1%) after a three-month downturn in sales. The advance in sales of imported cars was a more moderate 4.0% and followed a decline in March.

The strong growth in April coincided with heavy advertising and a number of sales promotions, particularly on the part of North American manufacturers. Their market share rose for the first time since 1988, when they were generally winning a larger share in a shrinking market.

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Trends in New Motor Vehicle Sales

(thousands of units)



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... Motor Vehicle Sales Rebound

An increase in commercial vehicle sales after a decrease in March extended a period of fluctuating sales to nine months. As the accompanying chart shows, commercial vehicle sales reached a plateau in mid-1988 and have generally ranged between 41,000 and 43,000 units a month since then.

Motor Vehicle Sales

	Jan.	Feb.	Mar.	Apr.
	% change, previous month			
Passenger cars	-13.7	1.6	-1.1	10.0
North American	-19.2	-1.7	0.0	13.2
Imported	0.9	8.6	-3.2	4.0
Commercial vehicles	-5.8	1.1	-0.3	5.7

For further information, order *New Motor Vehicle Sales* (catalogue number 63-007) or contact Industry Division at (613) 951-3552.

Manufacturing Shipments Fall

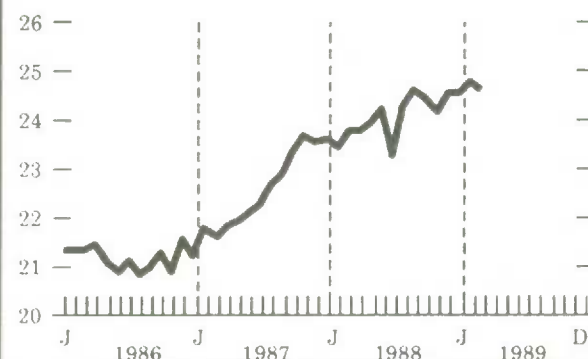
The seasonally adjusted value of shipments fell 0.7% in March, after posting an increase in February (0.5%). The transportation equipment and primary metals industries accounted for most of the decline. The level of shipments has fluctuated from month to month, but it has been rising an average of 0.3% a month since November.

The level of inventories continued to rise. The increase of 0.9% in March was in line with the growth rates posted since January but slightly higher than those recorded in the last half of 1988. The electronic products industries continued to be a major contributor to the overall advance in inventories. The inventories-to-shipments ratio was up slightly to 1.57.

New orders were up in March, following two consecutive declines. Generally, new orders had followed an upward trend from June to January.

Manufacturers' Shipments

(billions of dollars, seasonally adjusted)



Manufacturing Activity

	Nov.	Dec.	Jan.	Feb.	Mar.
	% change, previous month				
Shipments	-1.2	1.8	0.0	0.9	-0.7
New orders	2.0	0.6	-0.1	0.8	0.3
Unfilled orders	2.4	1.4	1.3	0.0	0.7
Inventory to shipments ratio	1.6	1.5	1.6	1.6	1.6

Unfilled orders resumed their upward trend, after a short halt in February. The 0.7% gain in March was slightly below the average growth rate for the preceding seven months. Although the primary metals and transportation equipment industries accounted for most of the decline in shipments, they were also the main contributors to the advance in unfilled orders.

For further information, order *Monthly Survey of Manufacturing* (catalogue number 31-001) or contact Industry Division at (613) 951-9832.

Wholesale Trade Declines

Wholesale merchants' sales were \$15.9 billion in March, down 1.3% from a year earlier. Year-over-year growth has been slowing for the past seven months. In the first three months of 1989, however, cumulative sales were up 3.6% from the same period a year earlier.

Four of the nine trade groups registered lower sales than a year earlier: farm machinery, equipment and

supplies (-39.2%), lumber and building materials (-12.9%), apparel, dry goods, furniture and general merchandise (-4.9%) and tobacco, drugs and toilet preparations (-4.5%). Apparel and dry goods experienced the first year-over-year sales decline in 15 months.

The three largest trade groups recorded modest increases over March 1988: electrical and non-electrical machinery, equipment and supplies (0.8%), other wholesalers (0.4%) and food (3.9%).

(Continued on next page)

Help-wanted Index Unchanged

In May, the seasonally adjusted help-wanted index for Canada (1981=100) was unchanged at 153. There has been little movement in the index over the past six months despite continued regional variation.

The help-wanted index serves as an early indicator of the demand for labour by monitoring changes in the number of help-wanted advertisements published in 22 metropolitan newspapers. The use of trend-cycle estimates removes irregular influences from seasonally adjusted data which can mask short-term trends.

The preliminary trend-cycle estimate for both the Atlantic provinces (191) and Quebec (175), was unchanged. These regions have been stable since December.

In Ontario the index declined, for the fourth consecutive month, to 171. This is down from 180 recorded throughout 1988.

The index for the Prairies at 88 was down slightly from the previous month but remains higher than the January level to maintain a gradual rising trend over the last twelve months.

Help-wanted Index (1981 = 100) - Revised

	Jan.	Feb.	Mar.	Apr.	May
	seasonally adjusted				
Canada	152	153	154	153	153
Atlantic Region	191	192	192	191	191
Quebec	176	176	176	175	175
Ontario	180	176	174	172	171
Prairie Region	86	88	89	89	88
British Columbia	114	118	123	128	131

The number of help-wanted advertisements continued to climb in British Columbia. In May the index was at 131, up 3 points from the previous month to sustain a fifteen-month rising trend.

For further information contact Labour Division at (613) 951-4045.

PUBLICATIONS RELEASED FROM JUNE 2 TO JUNE 8

CANADIAN CENTRE FOR JUSTICE STATISTICS

Juristat - Legal Aid in Canada: Resource and Caseload Statistics, 1987-88. Catalogue number 85-002 (Canada: \$3.70/\$37; Other Countries: \$4.40/\$44).

EDUCATION, CULTURE AND TOURISM

Broadcasting Statistics - Radio and Television (Including CBC), 1988. Catalogue number 56-001 (Canada: \$7.80/\$47; Other Countries: \$9.30/\$56).

INDUSTRY

Asphalt Roofing, April 1989. Catalogue number 45-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Canned and Frozen Fruits and Vegetables, March 1989. Catalogue number 32-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Gypsum Products, April 1989. Catalogue number 44-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Monthly Survey of Manufacturing, March 1989. Catalogue number 31-001 (Canada: \$17.30/\$173; Other Countries: \$20.80/\$208).

INDUSTRY - Concluded

Refined Petroleum Products, February 1989. Catalogue number 45-004 (Canada: \$17.30/\$173; Other Countries: \$20.80/\$208).

Rigid Insulating Board (Wood Fibre Products), April 1989. Catalogue number 36-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canada's International Investment Position, 1986. Catalogue number 67-202 (Canada: \$35; Other Countries: \$42).

INTERNATIONAL TRADE

Exports by Commodity (H.S. Based), March 1989. Catalogue number 65-004 (Canada: \$52.50/\$525; Other Countries: \$63/\$630).

SERVICES

Telephone Statistics, March 1989. Catalogue number 56-002 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

TRANSPORT

Railway Operating Statistics, February 1989. Catalogue number 52-003 (Canada: \$10/\$100; Other Countries: \$12/\$120).

Farm Input Price Index Edges Up

In the first quarter of 1989, the Farm Input Price Index (1981 = 100) was at a preliminary level of 115.4, up 1.5% from the previous period and 2.3% higher than a year earlier.

While all nine major group indexes increased, the interest index accounted for a third of the overall rise. Higher interest rates for operating loans led to a 5.4% increase in this index. Other major price movements

were recorded in the animal production index, up 0.9% led by higher prices for weanling pigs and turkey pullets.

During the past year the overall index showed little fluctuation. Most of the upward trend came from the interest index, up 16.6% over the first quarter of 1988.

For further information order *Farm Input Price Indexes* (catalogue number 62-004) or contact Prices Division at (613) 951-9607.

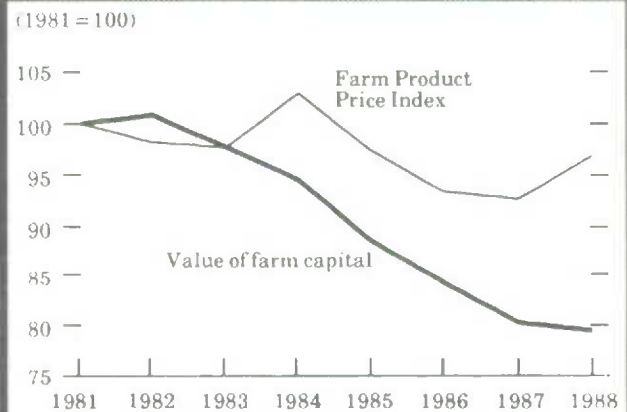
Farm Capital Value Decline Moderates

At July 1, 1988, the value of farm capital was \$103.4 billion, down 1% from the previous year. This continues a five-year downward trend, although the rate has slowed in recent years.

The value of land and buildings in 1988 at \$73.0 billion was down 1% from a year earlier. This represents a moderation in declines which have ranged between 5% to 8% over the past five years and results from increased producer expectations over higher grain prices. This component accounts for over 70% of total farm capital.

Farm values are partially influenced by current and expected prices of agricultural products. These prices as measured by the Farm Product Price Index have fallen in five of the last six years. Provinces in which production of livestock and animal products are relatively more important than crops experience more stability in land values.

Indexes of Farm Capital and Prices



For further information order *Supplement 1 of Agriculture Economic Statistics* (catalogue number 21-603 series, 89-001), or contact Agriculture Division at (613) 951-2442.

Trusteed Pension Funds Record Lower Growth Rates

The book value of assets held in trusteed pension funds at the end of the fourth quarter of 1988 grew 9.5 % from the level of a year earlier to \$157.0 billion. The growth rate was the lowest recorded since the survey began in 1970.

The total income of trusteed pension funds rose 5.9% on a year-over-year basis to \$6.9 billion, while expen-

ditures rose 21%. The net cash flow entering the funds has remained relatively stable since 1985.

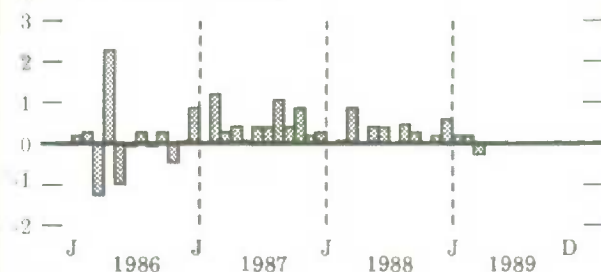
Income derived from profit from the sale of securities decreased by 32% on a year-over-year basis to \$454 million. This decrease reflects the constraining effect of the October 1987 drop in the price of stocks.

For further information, order *Quarterly Estimates of Trusteed Pension Funds* (catalogue number 74-001) or contact Labour Division at 951-4034.

CURRENT TRENDS*

Gross Domestic Product

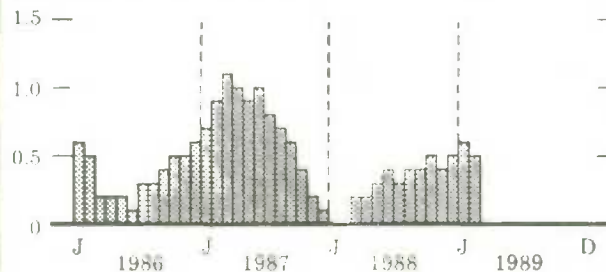
(% change, previous month)



Gross domestic product was up 0.2% in February, one of the smallest of four consecutive increases.

Composite Leading Indicator

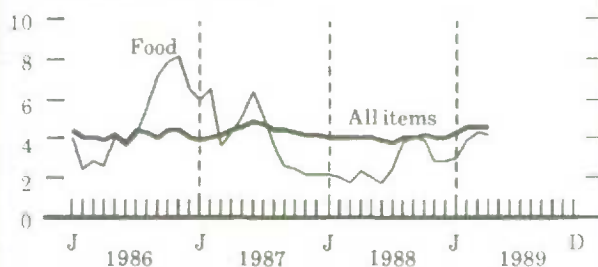
(% change, previous month)



In February, the composite leading indicator rose 0.5%, similar to the monthly increases posted since September.

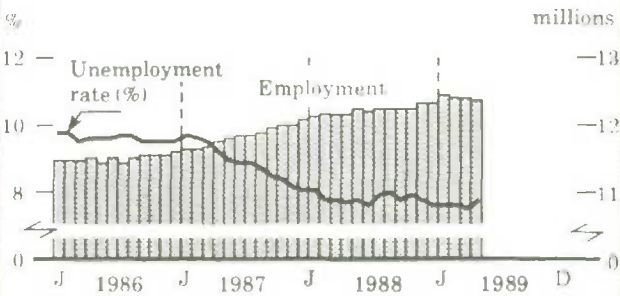
Consumer Price Index

(% change, previous year)



The CPI was 4.6% higher than in April 1988. This rate remains unchanged in three months.

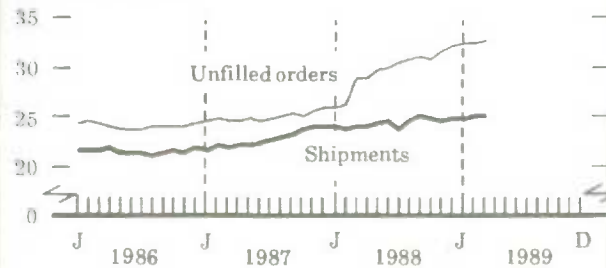
Unemployment Rate and Employment



The employment level fell by 54,000 in April, the largest decline in six months.

Manufacturing

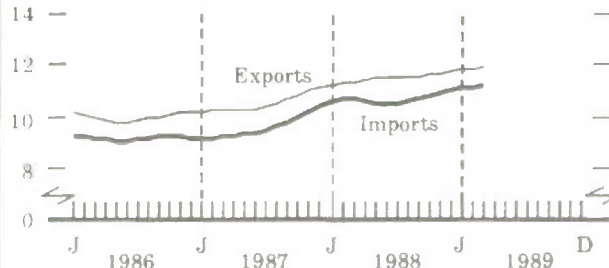
(billions of dollars)



The value of shipments fell 0.7% in March, following six months of fluctuating but moderate growth overall.

Merchandise Trade

(billions of dollars, short-term trend)



In March, merchandise exports remained virtually unchanged from February.

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

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Each centre has facilities to retrieve information from Statistics Canada's computerized data retrieval systems CANSIM and Telichart. A telephone inquiry service is also available with toll free numbers for regional clients outside local calling areas. Many other valuable services – from seminars to consultations – are offered. Call or write your regional reference centre for information.

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LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1981)	Mar.	403	-0.3%	2.5%
Composite Leading Indicator (1981 = 100)	Feb.	144.2	0.5%	4.8%
Profits of Industrial Corporations (\$ billion)	1st Q	9.5	2.7%	3.3%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Mar.	14.0	-0.6%	3.1%
New Motor Vehicle Sales ('000 units)	Apr.*	134	8.6%	3.3%
Housing Starts ('000, annual rates)	Mar.	226	2.3%	4.6%
LABOUR				
Employment (millions)	Apr.	12.4	-0.4%	1.6%
Unemployment Rate (%)	Apr.	7.8	0.3	0.1
Participation Rate (%)	Apr.	66.9	-0.1	0.3
Labour Income (\$ billion)	Feb.	27.6	1.1%	7.5%
Average Weekly Earnings (\$)	Mar.	477.21	0.5%	4.0%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Mar.	11.8	0.0%	0.1%
Merchandise Imports (\$ billion)	Mar.	11.4	0.3%	0.1%
Merchandise Trade Balance (\$ billion)	Mar.	0.4	-0.5	-0.4
MANUFACTURING				
Shipments (\$ billion)	Mar.*	24.6	-0.7%	0.03%
New Orders (\$ billion)	Feb.	24.5	-3.2%	3.5%
Unfilled Orders (\$ billion)	Feb.	29.7	-1.1%	23.9%
Inventory/Shipments Ratio	Mar.*	1.57	0.9	0.03%
Capacity Utilization (%)	4th Q	83.0	-0.7	-1.1
PRICES				
Consumer Price Index (1981 = 100)	Apr.	149.0	0.3%	4.6%
Industrial Product Price Index (1981 = 100)	Apr.	130.9	-0.1%	3.2%
Raw Materials Price Index (1981 = 100)	Apr.	101.7	1.4%	3.9%
New Housing Price Index (1981 = 100)	Mar.	147.1	1.7%	16.7%

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

* New this week.

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Senior Editor: Greg Thomson (613) 951-1116

Editor: Arun S. Maini (613) 951-0434

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