

# I·N·F·O·M·A·T

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

Friday, November 17, 1989

### OVERVIEW

#### ■ Exports and Imports Continue to Slide

The values of both exports and imports were down for the second time in four months in September.

#### ■ Motor Vehicle Sales Post Sharp Advance

Contrasting with a general downward trend, unit sales of new motor vehicles jumped 10.6% in September.

#### ■ Little Overall Change in the Labour Market

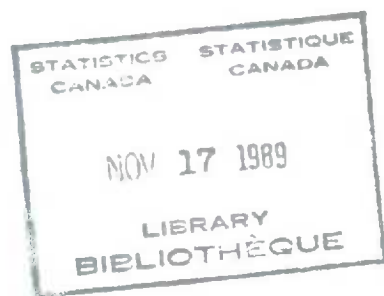
Labour market conditions were basically unchanged for the second consecutive month in October.

#### ■ Farm Product Prices Still Falling

In September, the farm product price index was down 2.5% from the previous month, the second consecutive decrease.

#### ■ Slower Growth in Pension Plan Assets

In 1988, the value of pension plan assets increased 9.9% over the previous year, the lowest growth rate recorded in more than 30 years.



### Exports and Imports Continue to Slide

The value of merchandise exports amounted to \$11.3 billion in September, down 2.8% from August. This was the second decline in the last four months and the sixth since the start of the year. Exports to the United States alone fell 4.3%. Exports to Japan also dropped significantly in September (-10.6%), following a sharp increase in August.

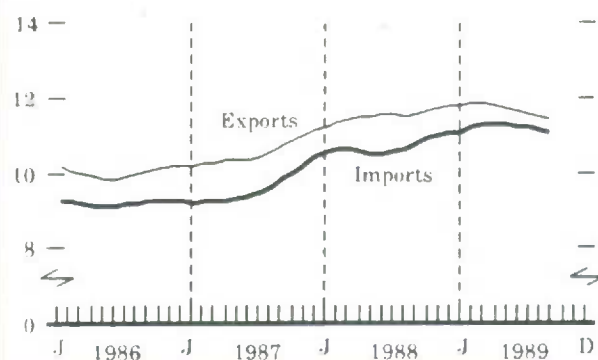
Exports of wheat, which accounted for \$4.4 billion or 3.2% of total exports in 1988, are down sharply so far in 1989. However, wheat exports have advanced in each of the last two months. This month's issue of the *Preliminary Statement of Canadian International Trade* explores the major factors influencing the international grain market.

Imports were also down for the third time in four months, dropping 2.2% from August to \$11.1 billion. This decrease appears to be in line with the most recent statistics on production of cars, which slowed sharply in September following an unusually large increase in

(continued on page 2)

### Merchandise Trade

(billions of dollars, short-term trend)



Statistics Canada  
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Canada

### ... Exports and Imports Continue to Slide

August. Imports of machinery and equipment, which were particularly strong during the first half of the year, also declined in September.

The merchandise trade surplus slipped to \$259 million, down \$82 million from the revised figure for August. The trade balance was declining in the first five months of the year, but the average has been close to \$300 million for the last four months.

*For further information, order the Preliminary Statement of Canadian International Trade (catalogue number 65-001P) or contact International Trade Division at (613) 951-1711.*

### Merchandise Trade

|                       | May                      | June  | July | Aug. | Sept. |
|-----------------------|--------------------------|-------|------|------|-------|
|                       | % change, previous month |       |      |      |       |
| Imports               | 3.4                      | -5.8  | 5.3  | 2.4  | -2.2  |
| Exports               | 9.6                      | -10.3 | 0.0  | 4.1  | -2.8  |
| Balance (millions \$) | 780                      | 175   | 589  | 341  | 259   |

### Motor Vehicle Sales Post Sharp Advance

Sales of new motor vehicles registered a sharp increase of 10.6% in September. This advance contrasts with the general downward trend observed in 1989 and coincided with major incentive programs offered by manufacturers. Higher sales were posted for passenger cars and commercial vehicles.

Passenger car sales rose 9.7%, the second increase in two months. The advance was based on a rise of 16.5% in North American car sales, the third increase in as many months. Imported car sales were down following a significant advance in August. Except for August, imported car sales have been slowing since May. Commercial vehicle sales were up 12.4%, the second large increase in three months.

### Motor Vehicle Sales

|                     | May                      | June | July | Aug. | Sept. |
|---------------------|--------------------------|------|------|------|-------|
|                     | % change, previous month |      |      |      |       |
| Passenger cars      | 3.2                      | 7.8  | 1.5  | 3.2  | 9.7   |
| North American      | 3.1                      | 10.4 | 0.1  | 0.9  | 16.5  |
| Overseas            | 3.4                      | 2.1  | 4.8  | 8.2  | -3.8  |
| Commercial vehicles | 0.1                      | 6.8  | 4.2  | -8.7 | 12.4  |
| Total               | -2.2                     | 7.5  | 0.4  | -0.9 | 10.6  |

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

### Little Overall Change in Labour Market

For the second consecutive month, there was little change in the overall conditions in the labour market. The seasonally adjusted level of employment decreased slightly in October. This was the third marginal decline in the last four months, but a large gain in August more than offset these decreases in employment. The unemployment rate edged up to 7.4% in October as unemployment rose slightly.

Employment among male workers of all ages declined, contrasting with September when a slight decrease in employment was concentrated among young female workers. Employment growth has been concentrated among persons aged 25 and over in 1989.

### Labour Force

|                        | June                   | July | Aug. | Sept. | Oct. |
|------------------------|------------------------|------|------|-------|------|
|                        | Change, previous month |      |      |       |      |
| Labour force ('000)    | 8                      | 4    | 67   | -34   | 10   |
| Employment ('000)      | 58                     | -16  | 73   | 20    | 5    |
| 15-24 years ('000)     | -20                    | -6   | 31   | -30   | -10  |
| 25 years & over ('000) | 78                     | -10  | 42   | 10    | 5    |
| Unemployment ('000)    | -50                    | 20   | -6   | -14   | 15   |
| Unemployment rate      | 7.3                    | 7.5  | 7.4  | 7.3   | 7.4  |

*For further information, order Labour Force Information (catalogue number 71-001P) for summary data or contact Household Surveys Division at (613) 951-4720.*

## Farm Product Prices Still Falling

In September, the farm product price index (1981 = 100) was down 2.5% from the previous month, the second consecutive decrease. These declines were the largest recorded in three years.

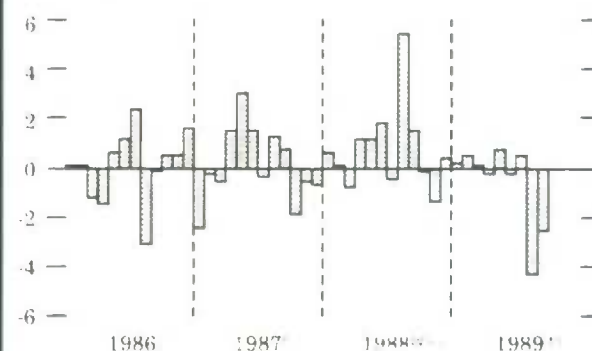
The crops component fell 4.4% as both cereals and potatoes recorded sharp price declines. Lower prices for wheat were a reflection of the quality of wheat marketed in September. Potato prices were down sharply for the second month in a row under the influence of heavier supplies.

The livestock and animal products component was down 1.4% in September. Generally, the livestock index has moved in a relatively narrow range since November 1987 despite substantial fluctuations in the prices of some of its component parts.

For further information, order *Farm Product Price Index* (catalogue number 62-003) or contact Agriculture Division at (613) 951-2441.

### Farm Product Price Index

(% change, previous month)



## Slower Growth in Pension Plan Assets

The book value of assets held in trustee pension funds was estimated to be \$157.8 billion at the end of 1988, an increase of 9.9% over the previous year. This growth rate was the lowest recorded since the survey began in 1957. It was the result of a substantial drop in the income generated from the sale of securities.

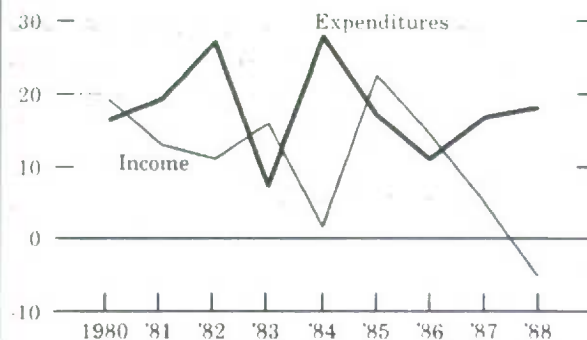
Bonds, stocks and short-term holdings (including cash) continued to be the major forms of investment. Although the amount held in bonds and stocks increased only moderately (less than 10%), short-term holdings grew by over 17%. This suggests that fund managers were holding a larger than usual portion of the assets in a very liquid form, awaiting developments in the capital markets.

Assets were held on behalf of approximately 3.4 million active members, plus an undetermined number of persons who have retired or left their employment. Assets per active member (in 1988 constant dollars) have risen to \$46,000 in 1988 from \$24,500 in 1978.

Income was estimated at \$22.2 billion, down 5.3% from the previous year. This decrease was the first recorded since the survey began in 1957. The full impact of the 1987 stock market adjustment was reflected in the 1988 results as profits on the sale of securities dropped

### Trusteed Pension Funds

%

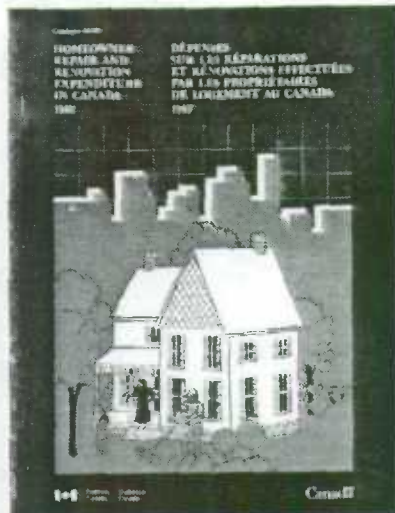


68%. Expenditures were estimated at \$9.2 billion, up 18% from 1987. In the 1970s, the average annual increase in expenditures was 15%, compared to rises of 21% in income. In the 1980s, expenditures grew an average of 18%, while income grew 10%.

For further information, or order *Trusteed Pension Funds: Financial Statistics* (catalogue number 74-201) or contact Labour Division at (613) 951-4033.



## NEW FROM STATISTICS CANADA



### Homeowner Repair and Renovation Expenditure In Canada

*Homeowner Repair and Renovation Expenditure in Canada, 1987* offers a look at the homeowner household market for \$11.5 billion worth of home repairs and maintenance, additions, renovations and installations of equipment and fixtures. These expenditures, averaging \$1,996 per homeowner household in 1987, cover the separate purchase of materials, as well as contract and labour expenditures.

Data covering the 10 provinces are presented by size of area of residence, type of dwelling, value of dwelling, age of household head, income, age of the dwelling and length of occupancy.

For further information, contact Household Surveys Division at (613) 951-9781.

## PUBLICATIONS RELEASED FROM NOVEMBER 10 TO 16

### AGRICULTURE

**Cereals and Oilseeds Review**, August 1989. Catalogue number 22-007 (Canada: \$13.10/\$131; Other Countries: \$15.70/\$157).

**Livestock Report**, October 1, 1989. Catalogue number 23-008 (Canada: \$15.75/\$63; Other Countries: \$19/\$76).

### EDUCATION, CULTURE AND TOURISM

**Education Statistics Bulletin**, Vol. 11, No. 5: **Financial Statistics of Community Colleges, Vocational Schools and Training in Hospitals, 1986-1987**. Catalogue number 81-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Traveller Accommodation Statistics, 1984-1986**. Catalogue number 63-204 (Canada: \$21; Other Countries: \$25).

### INDUSTRY

**Coal and Coke Statistics**, August 1989. Catalogue number 45-002 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

**Department Store Sales and Stocks**, April 1989. Catalogue number 63-002 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

**Electric Power Statistics**, August 1989. Catalogue number 57-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

**Factory Sales of Electric Storage Batteries**, September 1989. Catalogue number 43-005 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Footwear Statistics**, September 1989. Catalogue number 33-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Particleboard, Waferboard and Hardboard**, September 1989. Catalogue number 36-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

### INDUSTRY - Concluded

**Production and Shipments of Steel Pipe and Tubing**, September 1989. Catalogue number 41-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Pulpwood and Wood Residue Statistics**, September 1989. Catalogue number 25-001 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

**Wholesale Trade**, August 1989. Catalogue number 63-008 (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

### INTERNATIONAL TRADE

**Preliminary Statement of Canadian International Trade**, September 1989. Catalogue number 65-001P (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

### LABOUR

**Employment, Earnings and Hours**, August 1989. Catalogue number 72-002 (Canada: \$38.50/\$385; Other Countries: \$46.20/\$462).

**Unemployment Insurance Statistics**, August 1989. Catalogue number 73-001 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

### TRANSPORTATION

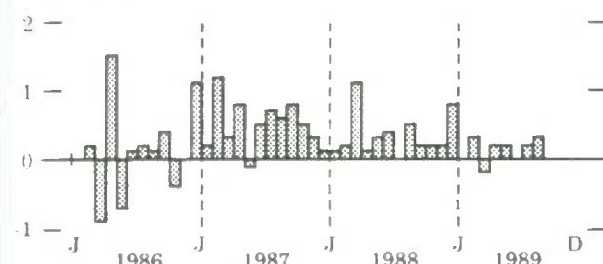
**Passenger Bus and Urban Transit Statistics**, 1987. Catalogue number 53-215 (Canada: \$34; Other Countries: \$41).

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

## CURRENT TRENDS\*

## Gross Domestic Product

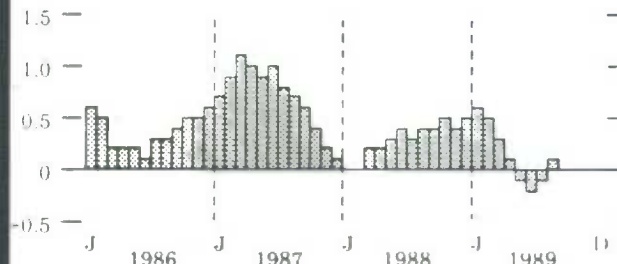
(% change, previous month)



Real gross domestic product rose 0.3% in August, after growing sluggishly since the start of the year.

## Composite Leading Indicator

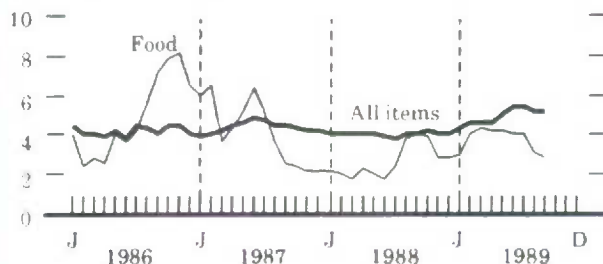
(% change, previous month)



The composite leading indicator rose 0.1% in August, its first increase since April.

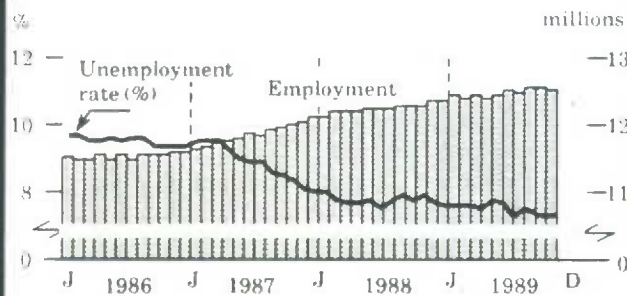
## Consumer Price Index

(% change, previous year)



The year-over-year change in the CPI was 5.2% in September, unchanged from August.

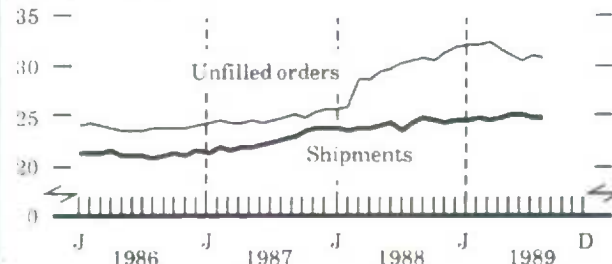
## Unemployment Rate and Employment



Labour market conditions were basically unchanged in October.

## Manufacturing

(billions of dollars)



Manufacturing shipments were up 0.3% in August to \$24.0 billion. This was the first time shipments have grown since May.

## Merchandise Trade

(billions of dollars, short-term trend)



The values of both exports and imports were down for the second time in four months in September.

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





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**LATEST MONTHLY STATISTICS**

|   | Period | Level  | Change<br>Previous<br>Period | Change<br>Previous<br>Year |
|---|--------|--------|------------------------------|----------------------------|
| <b>GENERAL</b>                                  |        |        |                              |                            |
| Gross Domestic Product (\$ billion, 1981)       | Aug.   | 412    | 0.3%                         | 2.4%                       |
| Composite Leading Indicator (1981 = 100)        | Aug.   | 144.8  | 0.1%                         | 3.5%                       |
| Profits of Industrial Corporations (\$ billion) | 2nd Q  | 8.4    | -11.9%                       | 3.3%                       |
| <b>DOMESTIC DEMAND</b>                          |        |        |                              |                            |
| Retail Trade (\$ billion)                       | Aug.   | 14.5   | 0.2%                         | 5.1%                       |
| New Motor Vehicle Sales ('000 units)            | Sept.* | 133    | 10.6%                        | -0.3%                      |
| Housing Starts ('000, annual rates)             | Sept.  | 226    | 10.2%                        | -4.6%                      |
| <b>LABOUR</b>                                   |        |        |                              |                            |
| Employment (millions)                           | Oct.*  | 12.5   | 0.0%                         | 2.2%                       |
| Unemployment Rate (%)                           | Oct.*  | 7.4    | 0.1                          | -0.5                       |
| Participation Rate (%)                          | Oct.*  | 66.9   | -0.1                         | 0.2                        |
| Labour Income (\$ billion)                      | Aug.   | 29.4   | 0.8%                         | 8.1%                       |
| Average Weekly Earnings (\$)                    | Aug.   | 489.06 | 0.2%                         | 5.0%                       |
| <b>INTERNATIONAL TRADE</b>                      |        |        |                              |                            |
| Merchandise Exports (\$ billion)                | Sept.* | 11.3   | -2.8%                        | -1.3%                      |
| Merchandise Imports (\$ billion)                | Sept.* | 11.1   | -2.2%                        | 7.1%                       |
| Merchandise Trade Balance (\$ billion)          | Sept.* | 0.3    | -0.1                         | 0.3                        |
| <b>MANUFACTURING</b>                            |        |        |                              |                            |
| Shipments (\$ billion)                          | Aug.   | 24.8   | 0.3%                         | 2.2%                       |
| New Orders (\$ billion)                         | Aug.   | 24.6   | 2.5%                         | 0.1%                       |
| Unfilled Orders (\$ billion)                    | Aug.   | 30.6   | 0.8%                         | 0.6%                       |
| Inventory/Shipments Ratio                       | Aug.   | 1.55   | -0.01                        | 0.01                       |
| Capacity Utilization (%)                        | 2nd Q  | 82.2   | 0.5                          | -1.5                       |
| <b>PRICES</b>                                   |        |        |                              |                            |
| Consumer Price Index (1981 = 100)               | Sept.  | 152.6  | 0.1%                         | 5.2%                       |
| Industrial Product Price Index (1981 = 100)     | Sept.  | 130.9  | -0.2%                        | 1.5%                       |
| Raw Materials Price Index (1981 = 100)          | Sept.  | 99.2   | 2.6%                         | 4.4%                       |
| New Housing Price Index (1981 = 100)            | Sept.  | 150.8  | 0.5%                         | 11.5%                      |

**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.

Senior Editor: Greg Thomson (613) 951-1116  
Editor: Linda McCormick (613) 951-1197

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

Catalogue: 11-002E. Price: Canada, \$2.10/\$105; other countries, \$2.50/\$126. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-9277 from all other countries.

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