

I·N·F·O·M·A·T

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

Friday, February 23, 1990

OVERVIEW

■ Annual Merchandise Trade Surplus Lowest Recorded Since 1979

The stronger expansion in imports than exports in 1989 lessened the trade surplus by more than half, to \$4.7 billion.

■ Consumer Price Index Spurts Ahead

In January, the CPI advanced by 0.8%, an increase that contrasted sharply with the 0.1% decline observed in December.

■ Manufacturers' Shipments Slow in 1989

The value of shipments (in current dollars) rose 2.9%, less than half the 7.5% increase experienced in 1988.

■ More Women Now Graduating From Universities than Men

In the 1987-88 academic year, 54% of all university graduates were women, up from 37% in 1970-71.

■ Homeowner Repair and Renovation Expenditures Lucrative Market

In 1988, 71% of homeowners incurred some costs for repairs and renovations, for a total market worth \$11.1 billion.

■ This issue also contains information on Household Facilities and Equipment and Trusted Pension Funds.

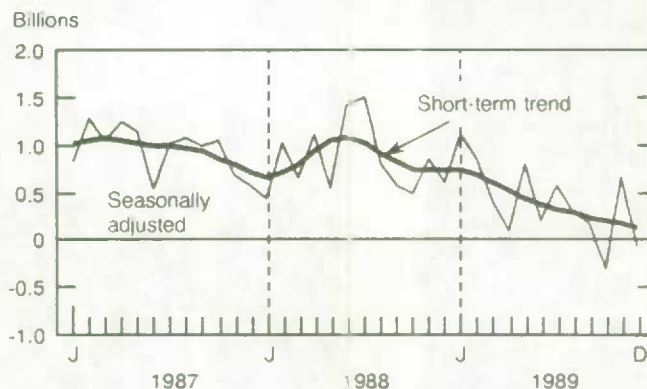
Annual Merchandise Trade Surplus Lowest Since 1979

Merchandise exports, which totalled approximately \$11.5 billion in October and November, fell 4.9% in December. This decline brought total exports to about \$11.0 billion, their lowest monthly level since July 1988. Exports of automotive products alone accounted for more than half of the overall drop observed, and exports of industrial goods, notably precious metals, also posted a significant decline.

Following increases in August and October, imports remained relatively stable at \$11.0 billion in December. The short-term trend for imports, which had been increasing for most of the year, showed a slight decline in November.

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Merchandise Trade Balance



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... Annual Merchandise Trade Surplus Lowest Recorded Since 1979

The drop in exports in December resulted in a deficit of \$91 million, a level much inferior to the deficit noted in October. The surplus with the United States fell to \$208 million, its lowest level since September 1981. In 1989, the stronger expansion in imports than exports lessened the trade surplus by \$5.1 billion to \$4.7 billion, its lowest level since 1979.

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

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
Exports	4.4	-2.4	1.1	-0.1	-4.9
Imports	7.5	-1.8	5.6	-8.1	1.5
Balance (millions \$)	267	191	-314	636	-91

Consumer Price Index Spurs Ahead

The All-items Consumer Price Index (CPI) for Canada advanced by 0.8% between December 1989 and January 1990, reaching a level of 154.9 (1981=100). This increase contrasted sharply with the 0.1% decline observed in December. Six of the seven major components increased, ranging from 0.1% for the health and personal care index, to 2.6% for the food index, while the recreation, reading and education index fell 0.9%.

Consumer Price Index

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
All-items	0.1	0.4	0.3	-0.1	0.8
Food	-0.4	0.4	-0.1	-0.6	2.6
Clothing	0.3	0.1	-0.4	-0.8	0.6
Transportation	0.0	-0.2	1.3	0.0	0.8

Most of the large increase in the food index resulted from a sharp rise in fresh vegetable prices, following the extensive crop damage in Florida in late December. Much of the other upward pressure resulted from increases of 0.7% in the housing index and 0.8% in the transportation index.

In seasonally adjusted terms, the All-items Index advanced by 0.8% in January, following a modest 0.2% rise observed in December.

The year-over-year increase in the CPI between January 1989 and January 1990 was 5.5%, up noticeably from the 5.1% rise reported for December 1989. The compound annual rate of increase based on the seasonally adjusted index levels over the latest three-month period (October 1989 to January 1990) was 6.2%, up sharply from the 4.0% increase reported for the three-month period ending in December.

For further information, order the *Consumer Price Index* (catalogue number 62-001) or contact Prices Division at (613) 951-9606.

Manufacturers' Shipments Slow in 1989

The total value of shipments in 1989 was estimated at \$297.0 billion, 2.9% higher than the 1988 value. This was less than half the 7.5% increase experienced in 1988.

Major groups which posted the largest increases in shipments for 1989 compared with 1988 (in order of dollar impact) were: transportation equipment (+5.8%), electrical and electronic products (+7.5%), fabricated metal products (+4.5%) and printing and publishing industries (+6.0%). Only four of the 22 major groups experienced declines.

Manufacturing Activity

	Aug.	Sept.	Oct.	Nov.	Dec.
	% change, previous month				
Shipments	1.1	0.9	-1.5	0.3	-0.6
New orders	-1.6	-0.1	3.4	-2.7	-2.5
Unfilled orders	-0.6	-1.4	2.7	0.1	-1.4
Inventory to shipments ratio	1.55	1.53	1.55	1.54	1.55

(continued on page 3)

... Manufacturers' Shipments Slow in 1989

On a provincial basis, the largest increases in shipments in 1989, in order of dollar impact, occurred in Ontario, Quebec, British Columbia and Alberta. Only Newfoundland experienced a decline from 1988 shipment levels.

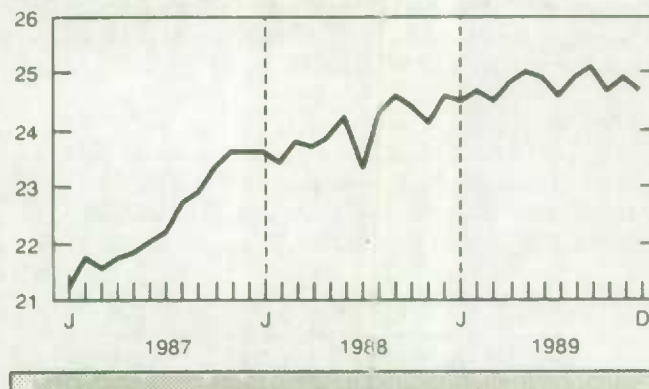
In December, manufacturers continued to keep inventories in line with shipments, as both decreased by about 0.5% in December. Unfilled orders and new orders were also down, continuing an irregular pattern of change in recent months.

The short-term trends for shipments, inventories and new orders have been declining for the last two to four months. The trend for unfilled orders has increased 0.2% a month for the last three months, after bottoming out in August.

For further information, order the *Monthly Survey of Manufacturing* (catalogue number 31-001) or contact Industry Division at (613) 951-9497.

Manufacturers' Shipments

Billions of dollars, seasonally adjusted



More Women Now Graduating From Universities than Men

- In the 1987-88 academic year, 54% of all university graduates were women, up from 37% in 1970-71.
- Also in 1988, women comprised 44% of the total labour force, up from about one-third in 1970.
- Women are marrying later: by 1986, six in 10 females aged 20 to 24 years were not married, up from 43.5% in 1971.
- In 1987, females with full-time employment earned only 66% of their male counterparts. However, young or never-married women were more likely to have full-time earnings comparable to males.

- Women have comprised a small proportion of adults charged with criminal offences and impaired driving, but the rate is increasing. In 1988, women accounted for 17% of all adults charged with criminal offences, up from 15% in 1979. Impaired driving offences committed by women rose from 5% to 8% in the same period.
- Visible minority women have a higher labour force participation rate (64.5%) than the total for all women (55.9%). However, they tend to be clustered in clerical and service jobs.

For further information, order *Women in Canada* (catalogue number 89-503E) or contact Housing, Family and Social Statistics Division at (613) 951-2556.

Homeowner Repairs and Renovations Lucrative Market

In 1988, the average homeowner household spent \$1,856 on repairs and renovations to their homes, for a total market worth \$11.1 billion. Some 71% of homeowners incurred costs for repairs and renovations.

Work done under a contract involving labour and materials, as well as the hire of labour only, accounted for 64% of aggregate repair and renovation expenditures. The remaining 36% was spent on materials purchased separately by the household.

While only 5.5% of homeowners that reported repairs and renovations incurred expenditures of \$10,000 or more, this group accounted for 40% of aggregate expenditures.

(continued on page 5)

PUBLICATIONS RELEASED FROM FEBRUARY 16 TO 22

AGRICULTURE

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

CENSUS

X **Family Income: Economic Families - The Nation**, 1986 Census. Catalogue number 98-118 (Canada: \$29; Other Countries: \$31).

EDUCATION, CULTURE AND TOURISM

Periodical Publishing, 1987-88. Catalogue number 87-203 (Canada: \$16; Other Countries: \$19).

Sound Recording, 1987-88. Catalogue number 87-202 (Canada: \$21; Other Countries: \$25).

HOUSEHOLD SURVEYS

Homeowner Repair and Renovation Expenditure in Canada, 1988. Catalogue number 62-201 (Canada: \$25; Other Countries: \$30).

Household Facilities by Income and Other Characteristics, 1989. Catalogue number 13-218 (Canada: \$35; Other Countries: \$42).

INDUSTRY

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

Construction Type Plywood, December 1989. Catalogue number 35-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Fruit and Vegetable Production, December 1989. Catalogue number 22-003 (Canada: \$17.20/\$69; Other Countries: \$20.70/\$83).

Monthly Production of Soft Drinks, January 1990. Catalogue number 32-001 (Canada: \$2.60/\$26.00; Other Countries: \$3.10/\$31.00).

New Motor Vehicle Sales, August 1989. Catalogue number 63-007 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

Oil Pipe Line Transport, November 1989. Catalogue number 55-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

→ **Oils and Fats**, December 1989. Catalogue number 32-008 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

Production and Disposition of Tobacco Products, January 1990. Catalogue number 32-022 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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Shipments of Plastic Film and Bags Manufactured from Resin, Quarter Ended December 31, 1989. Catalogue number 47-007 (Canada: \$6.50/\$26; Other Countries: \$7.75/\$31).

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INTERNATIONAL AND FINANCIAL ECONOMICS

Canadian Economic Observer, February 1990. Catalogue number 11-010 (Canada: \$21/210; Other Countries: \$25.20/\$252).

INTERNATIONAL TRADE

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JUSTICE

Juristat Service Bulletin, Vol. 10 No. 2: **National Summary of Alternative Measures Services for Young Persons**, February 1990. Catalogue number 85-002 (Canada: \$3.70/\$37; Other Countries: \$4.40/\$44). OK

LABOUR

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PRICES

The Consumer Price Index, January 1990. Catalogue number 62-001 (Canada: \$8.90/\$89; Other Countries: \$10.70/\$107).

TRANSPORTATION

Aviation Statistics Centre Service Bulletin, Vol. 22 No. 2. Catalogue number 51-004 (Canada: \$8.90/\$89; Other Countries: \$10.70/\$107).

... Homeowner Repair and Renovation Expenditures Lucrative Market

Highlights

- Homeowners in the baby boom age group (35 to 44 years of age) remained the most lucrative market for repair and renovations, responsible for 30% of aggregate expenditures.
- Young homeowners under 35 spent almost half (48%) of their repair and renovation dollar on separate materials. At the other end of the age

spectrum, those homeowners aged 65 years or over spent 80% of their repair and renovations dollar on work involving some paid labour.

- Homeowners who moved in 1988 spent more on repairs and renovations (\$2,718 on average), than those who moved into their homes before the survey year (\$1,761).

For further information, order Homeowner Repair and Renovation Expenditure in Canada, 1988 (catalogue number 62-201) or contact Household Surveys Division at (613) 951-9781.

Household Facilities and Equipment

In 1988, average household income, at \$40,684, was 1.4% higher than in 1987 on an inflation-adjusted basis. Average household income ranged from \$20,145 for one-person households (22.9% of total households), to \$46,616 for single-family households (72.4% of total households) and \$49,555 for multi-unit households (4.7% of total households).

The presence of the fastest growing consumer items, microwave ovens and video cassette recorders (VCRs) had large differences by income groups. Microwave ovens were found in 35% of households with income under \$10,000, compared with 83.3% of households with income of \$70,000 and over. For VCRs, the rates were 26.8% for households under

\$10,000 and 81.5% of households over \$70,000. Overall, 63.4% of households had a microwave and 58.8% had a VCR in 1989, compared to 12.4% with microwaves and 6.4% with VCRs in 1983.

Widely held household items such as telephones, radios, refrigerators and televisions showed little variation by income. Less widely held items exhibited a strong relationship to income. Gas barbecues, found in 12.5% of households with income under \$10,000, increased to 71.8% of households with income of \$70,000 and over. For the same income groups, freezers increased from 31.9% to 72.4% and air conditioners from 12.1% to 40.3%.

For further information, Household Facilities by Income and Other Characteristics (catalogue number 13-218) or contact Household Surveys Division at (613) 951-4634.

Trusted Pension Funds

Third quarter 1989 income of trusted pension funds was \$6.3 billion, up 23% over that of 1988. This increase, the largest recorded in the past decade, is largely explained by a 132% growth in profits generated from the sale of securities, following a 64% drop the previous year. Profits constituted 16.5% of the revenue in 1989 and amounted to \$1.0 billion, just slightly below the high of \$1.2 billion recorded in the third quarter of 1987.

The book value of assets held in trusted pension funds at the end of the third quarter of 1989 was estimated at \$168.6 billion, up 2.5% over the previous quarter and 10.7% over the amount held one year earlier. Both the quarter-to-quarter and

year-to-year rates of increase were up slightly from the lows recorded after the 1987 stock market adjustment.

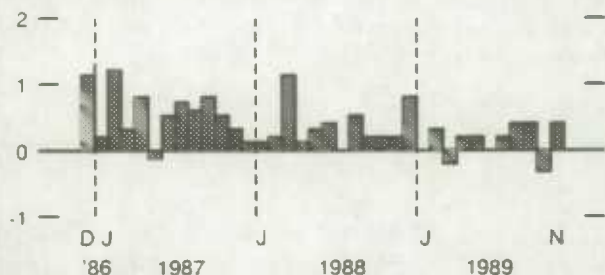
The two major forms of investment continued to be bonds, accounting for 46% of total assets, and stocks, accounting for 28% of the total assets. Cash, deposits, short-term securities plus some accruals and receivables represented 13% of total assets; mortgage holdings accounted for another 5%. The remaining assets were divided between such investment vehicles as real estate and pooled, mutual and segregated funds.

For further information, Quarterly Estimates of Trusted Pension Funds (catalogue number 74-001) or contact Labour Division at (613) 951-4034.

CURRENT TRENDS*

Gross Domestic Product

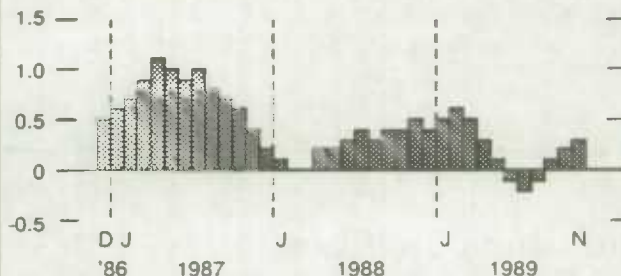
% change, previous month



Real gross domestic product increased 0.4% in November, following a 0.3% decline in October and a 0.4% gain in September.

Composite Leading Indicator

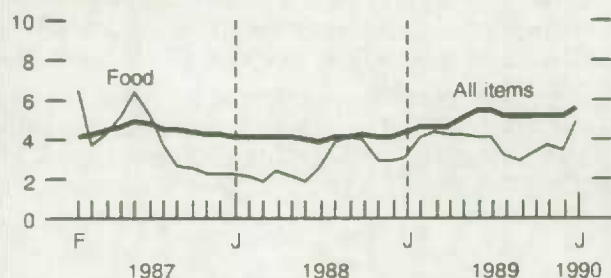
% change, previous month



The composite leading indicator in November indicated continued slow growth in the short-term.

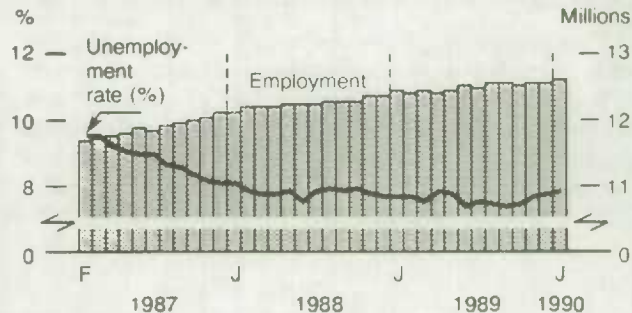
Consumer Price Index

% change, previous year



In January, the CPI posted a year-over-year rise of 5.5%, up noticeably from 5.1% in December.

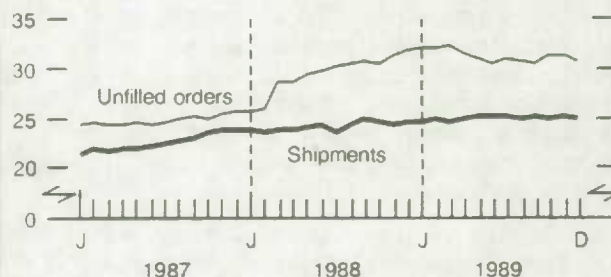
Unemployment Rate and Employment



Employment rose by 42,000 in January, but an even larger gain in the size of the labour force pushed the unemployment rate up slightly.

Manufacturing

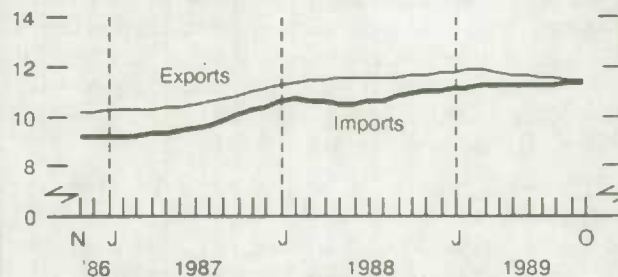
Billions of dollars



The value of shipments decreased 0.5% in December, while unfilled orders fell 1.4%.

Merchandise Trade

Billions of dollars, short-term trend



As a result of a marked drop in imports and a slight increase in exports, the trade balance showed a surplus of \$679 million in November.

* 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)	Nov.	414	0.4%	2.3%
Composite Leading Indicator (1981 = 100)	Nov.	145.4	0.2%	2.3%
Profits of Industrial Corporations (\$ billion)	3rd Q	7.4	-11.1%	-21.4%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Nov.	14.6	0.8%	4.2%
New Motor Vehicle Sales ('000 units)	Dec.	117	-2.8%	-15.4%
Housing Starts ('000, annual rates)	Dec.	226	8.6%	1.3%
LABOUR				
Employment (millions)	Jan.	12.6	-0.3%	1.2%
Unemployment Rate (%)	Jan.	7.8	0.1	0.2
Participation Rate (%)	Jan.	67.3	0.2	0.1
Labour Income (\$ billion)	Nov.	29.9	0.6%	7.8%
Average Weekly Earnings (\$)	Nov.	496.58	-0.1%	5.7%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Dec.*	11.0	-4.9%	-4.3%
Merchandise Imports (\$ billion)	Dec.*	11.0	1.5%	1.7%
Merchandise Trade Balance (\$ billion)	Dec.*	-0.1	-0.7	-0.7
MANUFACTURING				
Shipments (\$ billion)	Dec.*	24.7	-0.6%	0.4%
New Orders (\$ billion)	Dec.*	24.2	-2.5%	-3.1%
Unfilled Orders (\$ billion)	Dec.*	30.8	-1.4%	-3.0%
Inventory/ Shipments Ratio	Dec.*	1.55	0.01	0.01
Capacity Utilization (%)	3rd Q	81.7	-0.7	-2.0
PRICES				
Consumer Price Index (1981 = 100)	Jan.*	154.9	0.8%	5.5%
Industrial Product Price Index (1981 = 100)	Dec.	130.2	-0.3%	0.2%
Raw Materials Price Index (1981 = 100)	Dec.	99.1	-0.9%	4.9%
New Housing Price Index (1981 = 100)	Dec.	152.8	0.4%	9.2%

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

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