



# IN·F·O·M·A·T

## A WEEKLY REVIEW

Friday, March 16, 1990

### OVERVIEW

#### ■ Little Change in Labour Market Conditions

The unemployment rate was down slightly to 7.7% in February, returning to the level registered in November and December.

#### ■ Growth of Wages and Salaries Moderates

Wages and salaries rose 0.4% in December, the fifth month of generally slower growth.

#### ■ Motor Vehicle Sales Rise Sharply

The jump in new motor vehicle sales in January was in line with the trend of fluctuating sales levels, but contrasts with the downward trend evident in 1989.

#### ■ Slight Acceleration in Growth of New House Prices

The new housing price index rose 0.5% in January, marginally higher than the increases posted in recent months.

#### ■ Continuing Advance in Farm Product Prices

The farm product price index was up 0.5% in January, maintaining the upward trend observed in the previous four months.

#### ■ Number of Tourists Resumes Upward Trend

In January, the number of tourists to Canada resumed the rising trend observed from August to November.

### Little Change in Labour Market Conditions

The results of the February labour force survey show little overall change in labour market conditions. The unemployment rate edged down to 7.7%. The unemployment rate has changed very little in the last four months. Employment showed modest growth, while unemployment decreased slightly for the first time since September.

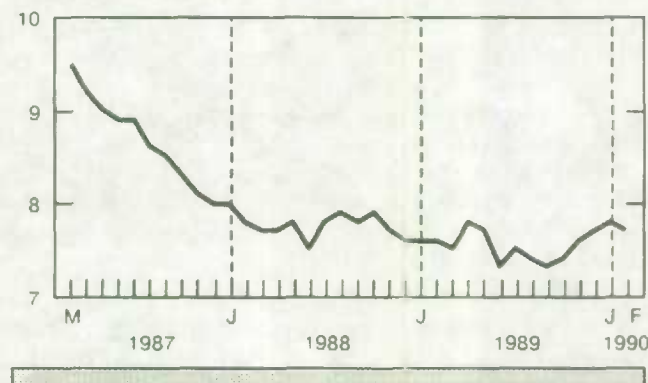
Employment was up by 22,000 in February, the second month in a row of growth. The gains were concentrated among persons 25 years of age and over. Employment for persons aged 15 to 24 declined slightly, extending a downward trend noted in recent months. The downturn has affected young men in particular.

Full-time employment showed a notable increase for the second consecutive month after registering a decline in the last quarter of 1989. The

(continued on page 2)

#### Unemployment Rate

Percent, seasonally adjusted



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### ... Little Change in Labour Market Conditions

February increase was concentrated among women. Part-time employment, on the other hand, was unchanged as a decline among women was offset by a gain for men.

The level of employment rose by 27,000 in Ontario, the first significant change since October 1989. In British Columbia, employment dropped by 18,000, the second downward movement in three months.

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

### Labour Force

	Oct.	Nov.	Dec.	Jan.	Feb.
	Change, previous month				
Labour force ('000)	13	60	-10	60	6
Employment ('000)	0	29	-16	42	22
15-24 years ('000)	-10	1	-15	-12	-5
25 years & over ('000)	10	28	-1	54	27
Unemployment ('000)	13	31	6	18	-16
Unemployment rate	7.5	7.7	7.7	7.8	7.7

### Growth of Wages and Salaries Moderates

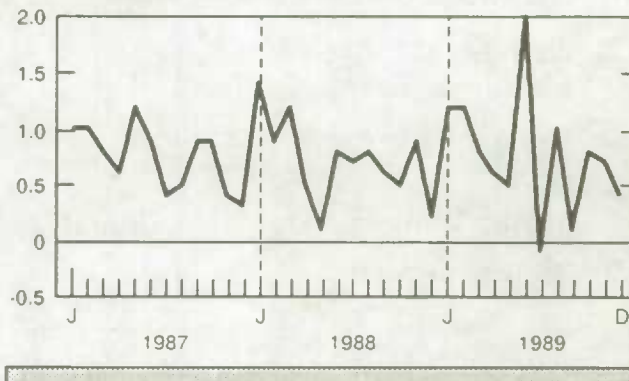
Seasonally adjusted wages and salaries increased 0.4% in December over the previous month. December was the fifth month in which the growth rate of wages decelerated. The average monthly increase in 1989 was 0.8%, marginally higher than 0.7% recorded in each of the two preceding years.

Wages and salaries in education and related services posted a strong increase of 2.3% in December. This gain followed strike activity in the fall. In manufacturing, the industry group with the largest payroll, wages rose 0.2% to continue the trend of slower growth noted in the three previous months. Higher wages and salaries were also noted for commercial and personal services, the second month of stronger growth.

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

### Wages and Salaries

% change, previous month



### Motor Vehicle Sales Rise Sharply

Seasonally adjusted sales of new motor vehicles totalled 127,000 units in January, up 8.8% over December. The sharp rise following a decrease in December was in line with fluctuating sales levels in recent months, but contrasted with the general downward trend in sales evident in 1989. The January increase in sales was mainly attributable to incentives and cut-rate financing on selected models during the month.

Higher sales were posted for both commercial vehicles and passenger cars. Commercial vehicle sales were up 18.2%, contrasting with the trend to softer sales noted in 1989. Car sales rose for the third consecutive month. Other than these increases, car sales have declined for the last two years, with the rate of decline accelerating in 1989.

The increase in car sales was due to a large jump in sales of cars manufactured overseas. Imported car

### Motor Vehicle Sales

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
Passenger cars	9.8	-12.4	1.3	0.6	4.4
North American	17.0	-18.3	3.1	4.6	-0.2
Imported	-4.5	2.0	-2.3	-7.6	15.0
Commercial vehicles	15.1	-9.6	4.4	-11.2	18.2
Total	11.5	-11.5	2.4	-3.5	8.8

sales were essentially flat in 1989. Sales of cars built in North America (which includes production of domestic and foreign-owned companies) were down slightly from December, continuing the downward trend evident throughout 1989.

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



## Slight Acceleration in Growth of New House Prices

The new housing price index rose 0.5% in January, slightly higher than the monthly increases posted in recent months. Housing prices escalated throughout 1989, but increases were generally more moderate in the last half of the year. Alberta and British Columbia have recently been a major source of upward pressure on the index.

In Calgary and Edmonton, new housing prices were up by more than 1% during January, in line with increases posted in recent months. The housing market in both cities strengthened noticeably in 1989. The monthly advances in British Columbia were even larger: 5.2% in Victoria and 3.2% in Vancouver. The index for Vancouver indicated sharply rising prices throughout 1989 and surpassed its 1981 reference level.

## Housing Price Indexes

	Sept.	Oct.	Nov.	Dec.	Jan.
	% change, previous month				
New Housing	0.5	0.3	0.6	0.4	0.5
land only	0.8	0.4	1.2	0.4	0.5
house only	0.5	0.3	0.3	0.4	0.5

Cities in Southern Ontario continued to post more moderate gains in January. Most cities registered increases lower than the advance at the national level.

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

## Rising Trend in Farm Product Prices Maintained

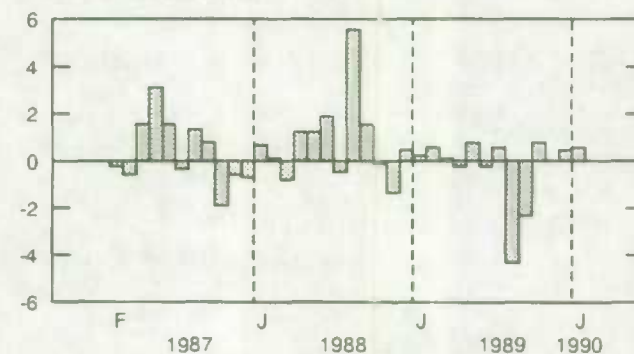
In January, the farm product price index (1981=100) was up 0.5% over the previous month, the fourth consecutive increase. The index had dropped sharply in August when the Canadian Wheat Board initial prices for the 1989-90 crop year came into effect. The advance in January was due to higher prices for crops.

The crops component rose 4.4%, the most significant monthly advance since August 1988. Prices for cereals, oilseeds and potatoes all rose in January. Potato prices continued to escalate as stocks reached their lowest level since January 1984.

The livestock and animal products component was down 2.0% in January. This decline runs counter to the trend of higher prices evident throughout 1989.

## Farm Product Price Index

% change, previous month



For further information, order *Farm Product Price Index* (catalogue number 62-003) or contact *Agriculture Division* at (613) 951-2436.

## Number of Tourists Resumes Upward Trend

The seasonally adjusted volume of foreign travellers staying in Canada for one or more nights increased in January, resuming the rising trend observed from August to November. Despite these increases, the number of international tourists has yet to reach the levels recorded prior to a downturn from January to June 1989.

Trips of one or more nights by Canadian residents to the United States increased following a

sharp decline in December. The growth of 7.6% was slightly higher than the strong gains posted in preceding months. Travel to overseas countries was down after a five-month upturn. The volume of trips lasting less than 24 hours resumed the rising trend that had been interrupted in December.

For further information, order *International Travel - Advance Information* (catalogue number 66-001P) or contact *Education, Culture and Tourism Division* at (613) 951-8933.

## PUBLICATIONS RELEASED FROM MARCH 9 TO 15

### AGRICULTURE

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

**Livestock Report**, January 1, 1990. Catalogue number 23-008 (Canada: \$15.75/\$63; Other Countries: \$19/\$76).

### CENSUS

**Focus on Canada Series - Affordability of Housing in Canada**, 1986 Census. Catalogue number 98-130 (Canada: \$10; Other Countries: \$11).

**Focus on Canada - Women and the Labour Force**, 1986 Census. Catalogue number 98-125 (Canada: \$10; Other Countries: \$11).

**User's Guide to the Quality of 1986 Census Data: Coverage**, 1986 Census. Catalogue number 99-135E (Canada: \$23; Other Countries: \$24).

### EDUCATION, CULTURE AND TOURISM

**Focus on Culture**, Spring 1990. Catalogue number 87-004 (Canada: \$6/\$24; Other Countries: \$7.20/\$28.80).

**Public Libraries in Canada**, 1987. Catalogue number 87-205 (Canada: \$29; Other Countries: \$35).

### INDUSTRY

**Asphalt Roofing**, January 1990. Catalogue number 45-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Canada's Mineral Production**, 1989 (Preliminary Estimates). Catalogue number 26-202 (Canada: \$21; Other Countries: \$25).

**Electric Lamps (Light Bulbs and Tubes)**, January 1990. Catalogue number 43-009 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

**Factory Sales of Electric Storage Batteries**, January 1990. Catalogue number 43-005 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Gas Utilities**, November 1989. Catalogue number 55-002 (Canada: \$12.10/\$121; Other Countries: \$14.50/\$145).

**Oils and Fats**, January 1990. Catalogue number 32-006 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

**Retail Trade**, October 1989. Catalogue number 63-005 (Canada: \$16.80/\$168; Other Countries: \$20.20/\$202).

### INDUSTRY MEASURES AND ANALYSIS

**Gross Domestic Product by Industry**, December 1989. Catalogue number 15-001 (Canada: \$12.10/\$121; Other Countries: \$14.50/\$145).

### INTERNATIONAL TRADE

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

### SCIENCE AND CAPITAL INVESTMENT

**Housing Starts and Completions**, December 1989. Catalogue number 64-002 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

### SERVICES

**Business Services**, 1985-1987. Catalogue number 63-232 (Canada: \$29; Other Countries: \$35).

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

### TRANSPORTATION

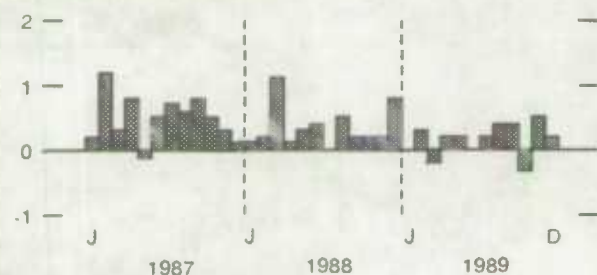
**Shipping in Canada**, 1988. Catalogue number 54-205 (Canada: \$34; Other Countries: \$41).



## CURRENT TRENDS\*

### Gross Domestic Product

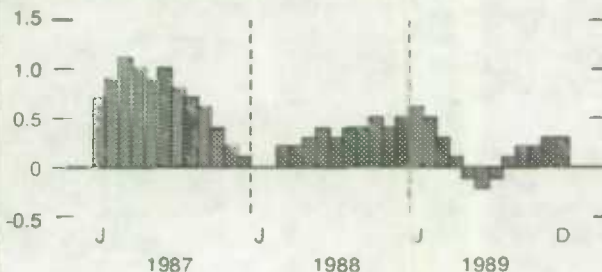
% change, previous month



Real gross domestic product increased by a moderate 0.5% in the fourth quarter of 1989, while the implicit price index rose 0.9%.

### Composite Leading Indicator

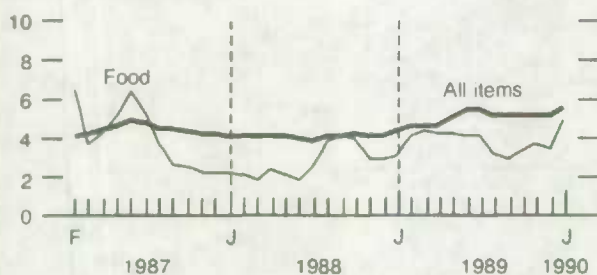
% change, previous month



The composite leading indicator rose for the fourth consecutive month in December.

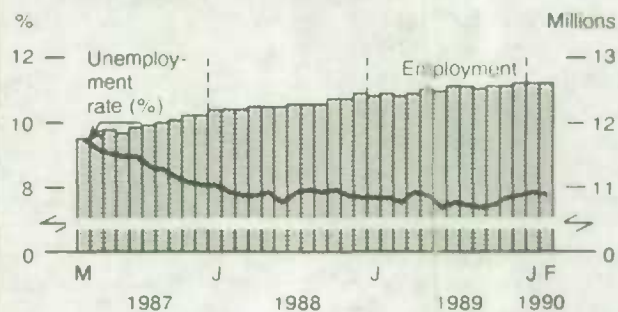
### Consumer Price Index

% change, previous year



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

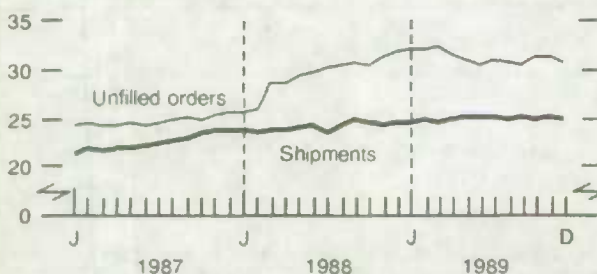
### Unemployment Rate and Employment



The unemployment rate was down slightly to 7.7% in February, returning to the level registered in November and December.

### Manufacturing

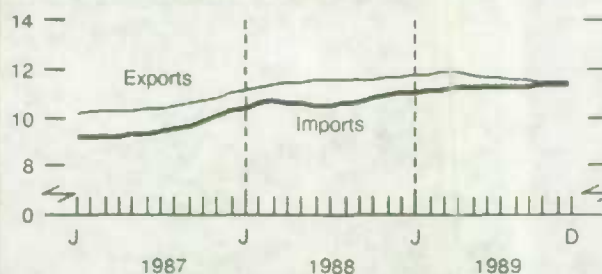
Billions of dollars



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
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1981)	Dec.	416	0.2%	2.0%
Composite Leading Indicator (1981 = 100)	Dec.	145.9	0.3%	2.1%
Profits of Industrial Corporations (\$ billion)	4th Q	6.8	-7.0%	-25.3%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	Dec.	14.6	0.4%	2.5%
New Motor Vehicle Sales ('000 units)	Jan.*	127	8.8%	3.7%
<b>LABOUR</b>				
Employment (millions)	Feb.*	12.6	0.2%	1.6%
Unemployment Rate (%)	Feb.*	7.7	-0.1	-0.1
Participation Rate (%)	Feb.*	67.2	-0.1	-0.2
Labour Income (\$ billion)	Dec.*	30.0	0.4%	9.5%
Average Weekly Earnings (\$)	Dec.	497.47	0.4%	5.8%
<b>INTERNATIONAL TRADE</b>				
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
<b>MANUFACTURING</b>				
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
<b>PRICES</b>				
Consumer Price Index (1981 = 100)	Jan.	154.9	0.8%	5.5%
Industrial Product Price Index (1981 = 100)	Jan.	130.4	0.1%	-0.3%
Raw Materials Price Index (1981 = 100)	Jan.	100.3	1.2%	3.0%
New Housing Price Index (1981 = 100)	Jan.*	153.5	0.5%	8.7%

**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

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