



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, April 20, 1990

OVERVIEW

■ Second Consecutive Advance in Exports

In February, the value of exports rose 0.7%, following a gain of 6.1% in January.

■ Wide Swings in Motor Vehicle Sales Continue

New motor vehicle sales dropped 10.4% in February after posting a substantial gain in the preceding month.

■ New Housing Price Increases Slow

The new housing price index increased 0.1% in February, noticeably lower than the monthly advances registered in recent months.

■ Upturn In Planned Construction Maintained

Building permits were up 5.0% on a month-over-month basis in January, the second month of higher levels.

■ Slight Decline in International Travel

The volume of foreign tourists entering Canada decreased slightly in February, contrasting with the rising trend observed from August to November.

■ Growth of Wages and Salaries Moderates

Wages and salaries continued to advance in January (0.4%), but at a slower pace than in preceding months.

This issue also includes information on **Farm Product Prices** and **Municipal Government Revenue**.

Second Consecutive Advance in Exports

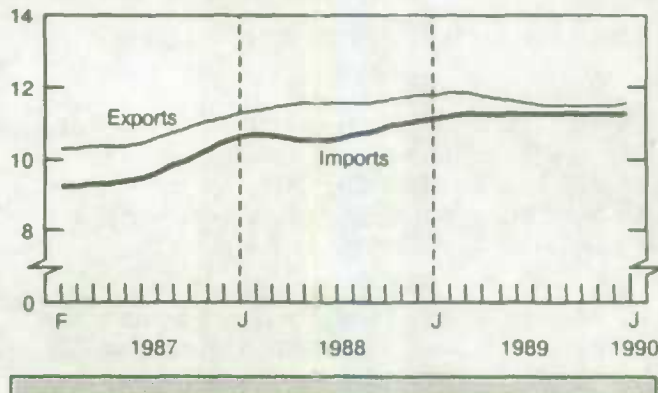
In February, the seasonally adjusted value of exports rose for the second consecutive month. However, the gain of 0.7% was substantially lower than the increase recorded in January. Imports were up 4.5% after dropping slightly in January. As a result of these movements, Canada's trade balance narrowed to a surplus of \$264 million.

The short-term trend for exports increased in January for the third consecutive month. The growth rate of 2% was unchanged from the two preceding months. The trend for exports of machinery and equipment was the most important contributing factor to the overall growth observed in January. The trend for passenger automobiles dropped, continuing a four-month downturn.

(continued on page 2)

Merchandise Trade

Billions of dollars, short-term trend



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Canada

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... Second Consecutive Advance in Exports

The short-term trend for imports was down in January for the third consecutive month. However, it dropped at a slightly lower rate (-0.2%) than that registered in December. This decline was mainly attributable to imports of automotive parts. The falling trend for automotive parts in the last three months of 1989 persisted in January. The short-term trend for energy products rose for the fourth consecutive month.

The short-term trend is a weighted moving average and it is therefore possible that the seasonally adjusted data and the short-term trend may move in different directions. Also, the most recent data month is not included in the analysis of the short-term trend as it frequently undergoes extensive change with the inclusion of data for the following month.

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

Wide Swings in Motor Vehicle Sales Continue

Seasonally adjusted sales of new motor vehicles totalled 114,000 units in February, down 10.4% from January. The sharp decline following an increase in January was in line with fluctuating sales levels in recent months and the general downward trend in sales evident in 1989.

Lower sales were posted for both commercial vehicles and passenger cars. Commercial vehicle sales dropped 16.4%, extending the trend to softer sales noted in 1989. Car sales decreased following three months of strengthening or steady sales.

The decrease in car sales was due to a deceleration in sales of cars manufactured overseas and in North America. Imported car sales have dropped three times in the last four months. Sales of cars built in North America (which includes produc-

Motor Vehicle Sales

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
Passenger cars	-12.4	0.8	0.0	4.7	-7.1
North American	-18.3	2.6	3.6	0.0	-7.9
Imported	2.0	-2.6	-7.4	15.7	-5.7
Commercial vehicles	9.6	3.1	-9.4	19.0	-16.4
Total	-11.5	1.6	-3.2	9.3	-10.4

tion of domestic and foreign-owned companies) were down for the first time since October.

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

New Housing Price Increases Slow

The new housing price index rose 0.1% in February, noticeably lower than the monthly increases posted in recent months. The effect of price increases in almost all cities surveyed was almost completely offset by a decline in Toronto.

Prices were down 0.5% on a month-over-month basis in Toronto, the second significant decline since 1984. Prices had been fairly stable since May. The index for Toronto, reflecting its large market, accounts for more than half of the total Canada housing price index.

In Alberta and British Columbia, housing prices continued to post large advances. Vancouver was the only city to register a modest increase (0.3%).

Housing Price Indexes

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
New Housing	0.3	0.6	0.4	0.5	0.1
land only	0.4	1.2	0.4	0.5	0.5
house only	0.3	0.3	0.4	0.5	-0.2

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

Upturn in Planned Construction Maintained

The value of building permits issued by municipalities increased 5.0% on a month-over-month basis in January. This was the second consecutive advance and it was due a higher level of building intentions in residential construction.

Residential permits rose sharply (13.8%) after edging down slightly in December. This advance continues the upward trend evident since the fall. The single-family dwelling category and the multiple-family dwelling category both rose, but the upturn was more marked for single-family dwellings.

Following an increase in December, the value of non-residential building permits dropped 7.3% in January. This decline was in line with the downturn noted from September to November.

Building Permits

Billions of dollars, seasonally adjusted



For further information, order *Building Permits* (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2583.

Slight Decline in International Travel

The seasonally adjusted volume of foreign travellers staying in Canada for one or more nights decreased slightly in February, contrasting with the rising trend observed from August to November. Despite this decrease, the number of international tourists remained higher than the levels in the previous eight months.

Trips of one or more nights by Canadian residents decreased, continuing the fluctuating trend noted in the preceding three months. Travellers to the United States decreased, after rising in January. Travel to overseas countries was down for a second consecutive month. The volume of trips lasting less than 24 hours dropped sharply for the second time in three months.

Change in Overnight Travel

	Oct.	Nov.	Dec.	Jan.	Feb.
	% change, previous month				
Non-resident travellers from					
All Countries	0.8	0.6	-1.0	4.0	-1.6
-United States	1.3	0.6	-1.1	3.7	-1.8
-Other Countries	-1.4	0.7	-0.7	5.4	-1.0
Resident Returning from					
All Countries	2.1	4.3	-1.4	6.0	-3.7
-United States	1.8	5.0	-2.1	7.5	-4.7
-Other Countries	3.7	-0.8	2.3	-1.6	-2.0

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

Growth of Wages and Salaries Moderates

Seasonally adjusted wages and salaries rose 0.4% for the second consecutive month in January. The growth rate has been decelerating for the last six

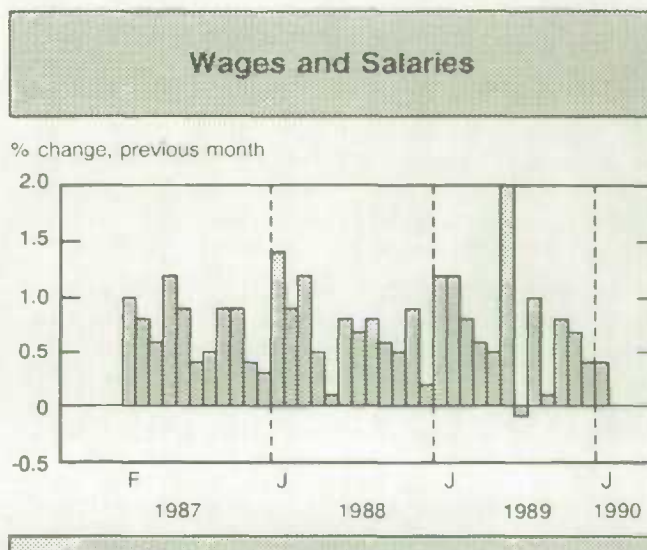
months. The average monthly increase in 1989 was 0.8%, marginally higher than 0.7% recorded in each of the two preceding years.

(continued on page 4)

... Growth of Wages and Salaries Moderates

The estimate of labour income, which is the total of wages and salaries plus supplemental income, was up 0.9% over December. The increase was primarily due to a large rise in supplemental income (5.6%) that resulted from changes in the funding of the Ontario health insurance plan and increases in employer contribution rates for Canada/Quebec pension plans and the unemployment insurance program.

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

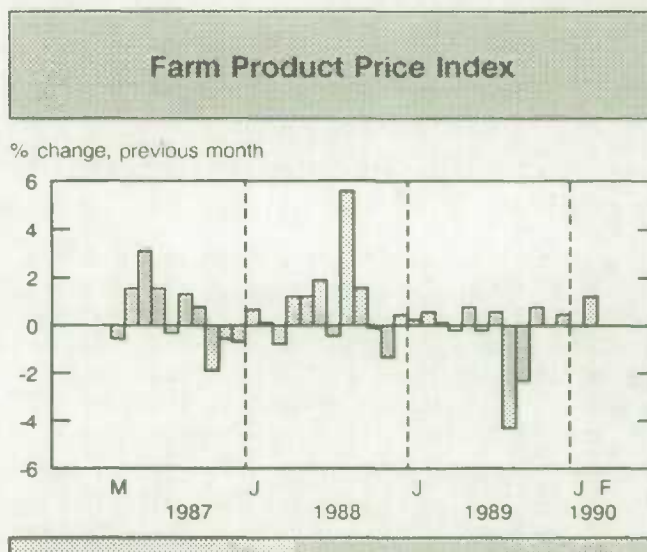


Rising Trend in Farm Product Prices Maintained

In February, the farm product price index (1981=100) was up 1.2% over the previous month. Following notable declines in August and September, the index has registered moderate growth. The advance in February was due to higher prices for crops and livestock.

The crops component rose 0.7%, following a sharp advance in January. Prices for cereals, oilseeds and potatoes all rose in February. Potato prices continued to escalate, but the advance of 1.7% was more moderate than the increases registered in the two preceding months.

The livestock and animal products component was up 1.5% in February, resuming the rising trend that was interrupted by a decline in January.



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

Municipal Government Revenue

Initial estimates indicate that local government total revenue will amount to \$52.1 billion for 1989, up 6.7% from 1988. This increase is higher than the 5.8% average increase in total revenue from 1983 to 1988.

The composition of local government total revenue has been changing steadily in the last 10 years with own-source revenue accounting for more and more of total revenue and transfers from other

governments providing a diminishing share. On average in Canada, own-source revenue now accounts for 54.2% of the total revenue of local governments while transfers from other levels of governments make up the rest of the revenue.

Property taxes are the most important item of local government own-source revenue. Their contribution to total revenue increased from 29.6% in 1980 to 31.1% in 1989.

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... Municipal Government Revenue

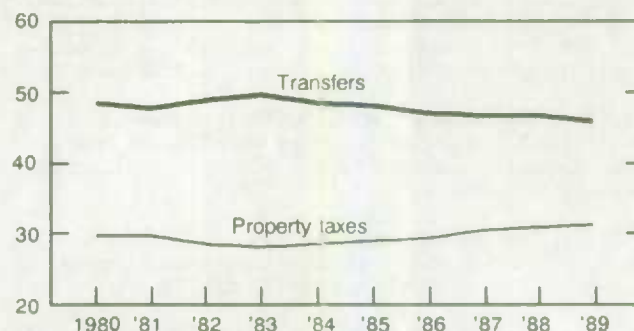
Local governments in Prince Edward Island continue to be the most dependent upon funding from other levels of government with 80.6% of their total revenues stemming from transfers. Local governments in Ontario, on the other hand, remain the least dependent on transfers, with only 41.2% of their total gross revenue coming from other levels of governments.

Total expenditures by local governments for 1989 were expected to reach \$53.8 billion, up 7.5% from 1988. This growth in expenditures is higher than the average increase of 5.9% from 1983 to 1988.

For further information, please contact Public Institutions Division at (613) 951-1809.

Transfers and Property Taxes

% of total revenue



PUBLICATIONS RELEASED FROM APRIL 6 TO 19

AGRICULTURE

Cereals and Oilseeds Review, January 1990. Catalogue number 22-007 (Canada: \$13.10/\$131; Other Countries: \$15.70/\$157).

Fur Production, 1988-1989. Catalogue number 23-207 (Canada: \$32; Other Countries: \$38.40).

CENSUS

Focus on Canada - Canada's North: A Profile, 1986 Census. Catalogue number 98-122 (Canada: \$10; Other Countries: \$11).

User's Guide on Industry, 1986 Census Data. Catalogue number 99-110E (Canada: \$23; Other Countries: \$24).

DEMOGRAPHY

Current Demographic Analysis - News Trends in the Family: Demographic Facts and Features. Catalogue number 91-535E (Canada: \$25; Other Countries: \$30).

Postcensal Estimates of Families, Canada, Provinces and Territories, June 1, 1989. Catalogue number 91-204 (Canada: \$20; Other Countries: \$21).

Population Projections for Canada, Provinces and Territories, 1989-2011. Catalogue number 91-520 (Canada: \$40; Other Countries: \$48).

Projections of Households and Families for Canada, Provinces and Territories, 1989-2011. Catalogue number 91-522 (Canada: \$30; Other Countries: \$36).

Report on the Demographic Situation in Canada, 1988. Catalogue number 91-209E (Canada: \$21; Other Countries: \$25).

EDUCATION, CULTURE AND TOURISM

Film and Video in Canada, 1987-88. Catalogue number 87-204 (Canada: \$21; Other Countries: \$25).

EDUCATION, CULTURE AND TOURISM - Concluded

Touriscope - International Travel, February 1990. Catalogue number 66-001P (Canada: \$5.80/\$58; Other Countries: \$6.40/\$64).

INCOME AND EXPENDITURE

National Income and Expenditure Accounts, Fourth Quarter 1989. Catalogue number 13-001 (Canada: \$18/\$72; Other Countries: \$21.50/\$86).

INDUSTRY

Canadian Forestry Statistics, 1987. Catalogue number 25-202 (Canada: \$26; Other Countries: \$31).

Coal and Coke Statistics, January 1990. Catalogue number 45-002 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Construction Type Plywood, February 1990. Catalogue number 35-001 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

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

Electric Power Statistics, January 1990. Catalogue number 57-001 (Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Exploration, Development and Capital Expenditures for Mining and Petroleum and Natural Gas Wells, Intentions 1990. Catalogue number 61-216 (Canada: \$16; Other Countries: \$19).

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

Footwear Statistics, February 1990. Catalogue number 33-002 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

PUBLICATIONS RELEASED FROM APRIL 6 TO 19 -- Concluded

INDUSTRY - Concluded

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No.6: Pack of Processed Corn, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol.18 No. 7: Pack of Canned Tomatoes and Tomato Products, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No.10: Pack of Canned Pears, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No.14: Pack of Processed Beets, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$121).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18 No. 18: Pack of Processed Brussels Sprouts, 1989. Catalogue number 32-023 (Canada: \$7.40/\$121; Other Countries: \$8.90/\$145).

Fruit and Vegetable Preservation Service Bulletin, Vol. 18, No. 20: Pack of Processed Cauliflower, 1989. Catalogue number 32-023 (Canada: \$7.40/\$74; Other Countries: \$8.90/\$89).

Industrial Chemicals and Synthetic Resins, February 1990. Catalogue number 46-002 (Canada: \$5.30/\$53; Other Countries: \$6.40/\$64).

Monthly Production of Soft Drinks, March 1990. Catalogue number 32-001 (Canada: \$2.60/\$26; Other Countries: \$3.10/\$31).

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

Particleboard, Waferboard and Fibreboard, February 1990. Catalogue number 36-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production and Shipments of Steel Pipe and Tubing, February 1990. Catalogue number 41-011 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Pulpwood and Wood Residue Statistics, February 1990. Catalogue number 25-001 (Canada: \$5.80/\$58; Other Countries: \$7/70).

Specified Domestic Electrical Appliances, February 1990. Catalogue number 43-003 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Steel Wire and Specified Wire Products, February 1990. Catalogue number 41-006 (Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

INDUSTRY MEASURES AND ANALYSIS

Gross Domestic Product by Industry, January 1990. Catalogue number 15-001 (Canada: \$12.10/\$121; Other Countries: \$14.50/\$145).

INTERNATIONAL AND FINANCIAL ECONOMICS

Canada's Balance of International Payments, Fourth Quarter 1989. Catalogue number 67-001 (Canada: \$26.25/\$105; Other Countries: \$31.50/\$126).

INTERNATIONAL TRADE

Imports by Commodity (H.S. Based), January 1990. Catalogue number 65-007 (Canada: \$52.50/\$525; Other Countries: \$63/\$630).

Preliminary Statement of Canadian International Trade, February 1990. Catalogue number 65-001P (Canada: \$5.80/\$58; Other Countries: \$7/\$70).

Summary of Canadian International Trade, January 1990. Catalogue number 65-001 (Canada: \$17.30/\$173; Other Countries: \$20.80/208).

INVESTMENT AND CAPITAL STOCK

Building Permits, December 1989. Catalogue number 64-001 (Canada: \$21/\$210; Other Countries: \$25.20/\$252).

Capacity Utilization Rates in Canadian Manufacturing, Fourth Quarter 1989. Catalogue number 31-003 (Canada: \$10.50/\$42; Other Countries: \$12.50/\$50).

LABOUR

The Labour Force, March 1990. Catalogue number 71-001 (Canada: \$17/\$170; Other Countries: \$20.40/\$204).

Unemployment Insurance Statistics, January 1990. Catalogue number 73-001 (Canada: \$13.70/\$137; Other Countries: \$16.40/\$164).

SERVICES

Communications Service Bulletin - Telecommunication Statistics, Fourth Quarter, 1989. Catalogue number 56-001 (Canada: \$7.80/\$47; Other Countries: \$9.30/\$56).

Telephone Statistics, January 1990. Catalogue number 56-002 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

TRANSPORTATION

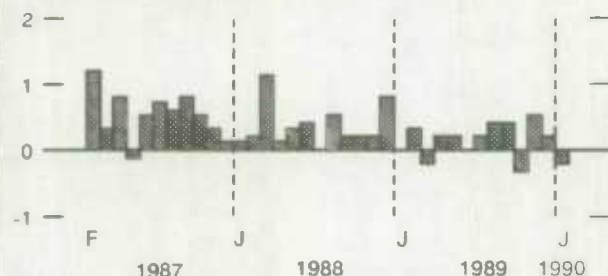
Passenger Bus and Urban Transit Statistics, February 1990. Catalogue number 53-003 (Canada: \$6.80/\$68; Other Countries: \$8.20/\$82).

Railway Carloadings, February 1990. Catalogue number 52-001 (Canada: \$7.90/\$79; Other Countries: \$9.50/\$95).

CURRENT TRENDS*

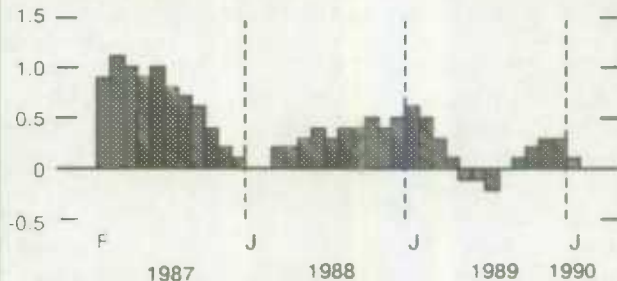
Gross Domestic Product

% change, previous month



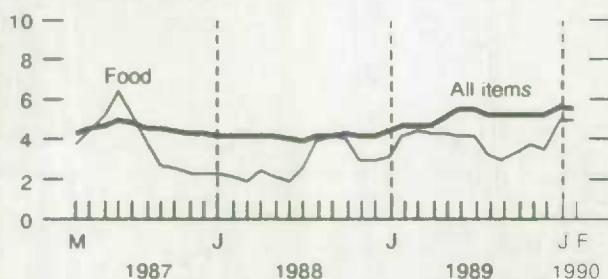
Composite Leading Indicator

% change, previous month

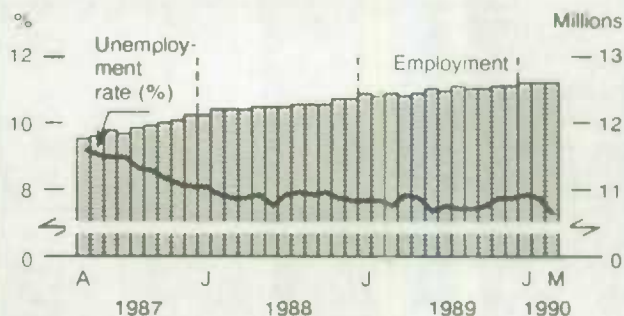


Consumer Price Index

% change, previous year

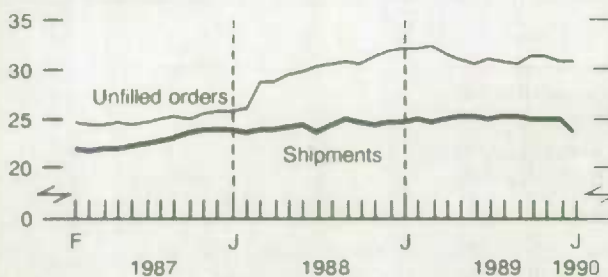


Unemployment Rate and Employment



Manufacturing

Billions of dollars

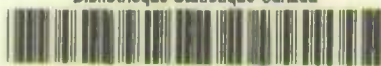


Merchandise Trade

Billions of dollars, short-term trend



* 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)	Jan.	416	-0.2%	2.0%
Composite Leading Indicator (1981 = 100)	Jan.	146.3	0.1%	1.7%
Profits of Industrial Corporations (\$ billion)	4th Q	6.8	-7.0%	-25.3%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	Jan.	16.5	2.0%	5.3%
New Motor Vehicle Sales ('000 units)	Feb.*	114	-10.4%	-8.5%
LABOUR				
Employment (millions)	Mar.*	12.6	-0.1%	1.3%
Unemployment Rate (%)	Mar.*	7.2	-0.5	-0.3
Participation Rate (%)	Mar.*	66.7	-0.5	-0.3
Labour Income (\$ billion)	Jan.*	30.7	0.9%	9.1%
Average Weekly Earnings (\$)	Jan.	499.63	0.6%	5.4%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	Feb.*	11.7	0.7%	-1.1%
Merchandise Imports (\$ billion)	Feb.*	11.4	4.5%	4.0%
Merchandise Trade Balance (\$ billion)	Feb.*	0.3	-0.4	-0.6
MANUFACTURING				
Shipments (\$ billion)	Jan.	23.5	-5.0%	-4.1%
New Orders (\$ billion)	Jan.	23.5	-2.5%	-4.7%
Unfilled Orders (\$ billion)	Jan.	30.7	-0.2%	-4.0%
Inventory/ Shipments Ratio	Jan.	1.64	0.09	0.09
Capacity Utilization (%)	4th Q	80.3	-1.3	-2.4
PRICES				
Consumer Price Index (1981 = 100)	Feb.	155.8	0.6%	5.4%
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)	Feb.*	153.7	0.1%	6.2%

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

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