



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, October 26, 1990

OVERVIEW

■ Decline in Manufacturing Shipments

Canadian manufacturers' shipments fell 1.4% in August, more than offsetting increases in the previous two months.

■ Consumer Prices Rise at Steady Pace

The year-over-year change in the Consumer Price Index between September 1989 and September 1990 was 4.2%, the same as observed in July and August.

■ Retail Sales Maintain Downward Trend

Retail sales decreased 0.2% in August, maintaining their downward trend despite increases in June and July.

■ Building Permits Fall Further

The preliminary value of building permits fell by 1.7% in August to \$2.4 billion. From February to August, building permits have fallen more than 30%.

■ Wholesale Sales Show Fifth Straight Decline

Seasonally adjusted wholesale merchants' sales fell for a fifth consecutive month in July, but the decline (-0.2%) was much smaller than the previous four.

■ Department Store Sales Post Slight Decrease

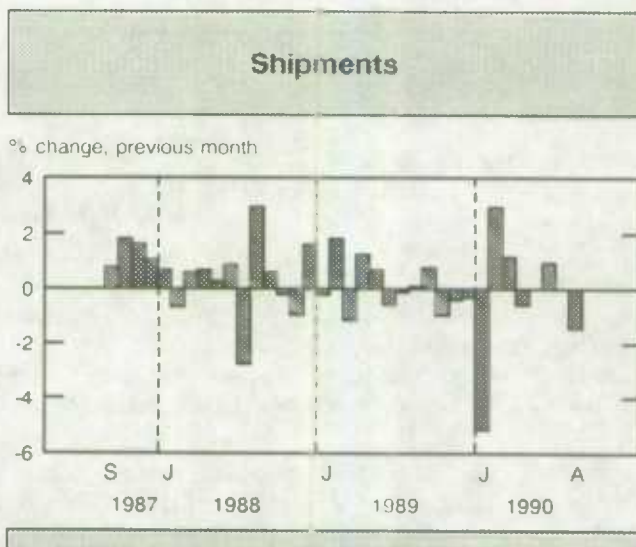
In August, seasonally adjusted sales of department stores including concessions decreased 0.4%, after two consecutive monthly gains.

Decline in Manufacturing Shipments

Preliminary estimates indicate that Canadian manufacturers' shipments fell 1.4% in August, more than offsetting increases in the previous two months. The decline was mostly restricted to the transportation equipment sector, in part due to a slowdown in motor vehicle industries, and to the primary metals industries.

Inventories fell marginally, after five sharp declines. Declines for primary metals and fabricated metal products industries offset increases for transportation equipment and refined petroleum and coal products industries.

(continued on page 2)



STATISTICS CANADA STATISTIQUE CANADA

OCT 26 1990

LIBRARY
BIBLIOTHÈQUE

Canada



Statistics Canada
Statistique Canada

... Decline in Manufacturing Shipments

Unfilled orders increased by 0.4%, contributing to a cumulative increase of 1.1% since May. Increases for the transportation equipment sector, particularly in aircraft industries, were partly offset by decreases for fabricated metal and electrical products industries.

New orders decreased 1.1%. This decline followed four months in which the rate of increase fell from 2.3% in April to 0.1% in July.

For further information order Monthly Survey of Manufacturing, (catalogue number 31-001) or contact Industry Division at (613) 951-9834.

Consumer Prices Rise at Steady Pace

The year-over-year change in the Consumer Price Index between September 1989 and September 1990 was 4.2%, the same as observed in July and August.

The Food index increased 3.9%, compared to the year-over-year rise of 3.6% posted in August. Prices for food purchased from restaurants rose faster than those for food purchased from stores.

The recreation, reading and education index rose 4.8%, a sharper increase than the year-over-year average of 3.8% in the previous four months. The September increase was partly due to an increase in post-secondary tuition fees, particularly in Quebec, where fees increased 70%, the first increase in 20 years.

The housing index increased 4.3%, somewhat faster than the year-over-year increases of the previous two months. The clothing index rose 2.6%, after registering a year-over-year rise of 3.4% in August. The transportation index has been accelerating from a year-over-year increase of 3.7% in June to a rise of 4.3% in September. This acceleration was led by price increases for inter-city public transportation.

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

Retail Sales Maintain Downward Trend

Preliminary estimates indicate that retail sales decreased 0.2% in August to \$16.3 billion. Despite increases in June and July, retail sales have been generally declining since February.

The August decline was primarily attributable to a drop in motor vehicle and recreational vehicle dealers' sales (-2.0%), and, to a lesser extent, to drops in household furniture and appliance store sales (-1.5%) and general merchandise stores sales (-0.3%).

Motor vehicle and recreational vehicle dealers' sales have fluctuated markedly during 1990, but with a generally declining trend. Household furniture and appliance sales have been declining

on average 1.2% per month since February. The decline in general merchandise store sales followed two consecutive monthly increases.

Among other notable trends, sales by supermarkets and grocery stores increased slightly for the third consecutive month, this time by 0.1%.

In the first half of the year, the weakness in retail sales was largely concentrated in Ontario and Quebec, but in August the slowdown spread to Western Canada and the Maritimes, with the notable exception of Newfoundland. This province registered a third consecutive monthly increase in retail sales, contributing to a cumulative rise of 7.3% since June.

For further information, order Retail Trade (catalogue number 63-005) or contact Industry Division at (613) 951-3552.



Building Permits Fall Further

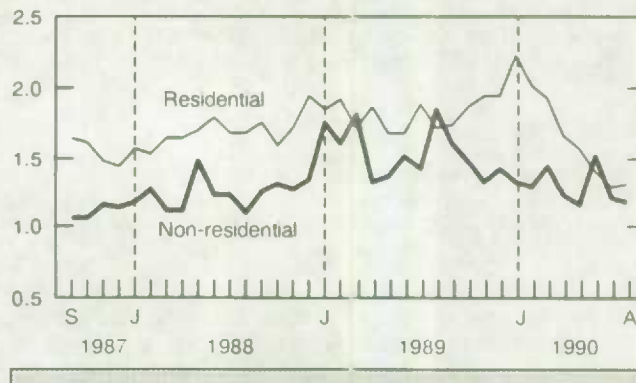
The preliminary value of building permits fell by 1.7% in August to \$2.4 billion, entirely due to a drop in non-residential permits. From February to August, building permits have fallen more than 30%, the largest seven-month cumulative drop since the same period in 1982.

The value of non-residential permits fell 3.9% from July. Despite fluctuations, the value of building permits has fallen a cumulative total of 37.1% since August 1989. In the industrial sector, the value of permits fell 14.5% in August while it declined 25.2% in the institutional sector. These declines were partly offset by an increase of 16.4% in the commercial sector. Ontario was the only province to register gains in non-residential permits.

The value of residential permits rose slightly (0.4%) after a cumulative drop of 42.5% since February. Gains were concentrated in Ontario and the Prairies. The number of dwelling units authorized has been decreasing since the beginning of the year. In August, it fell 2.4% to 149,856 (expressed at an annual rate). This level is comparable to that registered at the beginning of 1985.

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.

Wholesale Sales Show Fifth Straight Drop

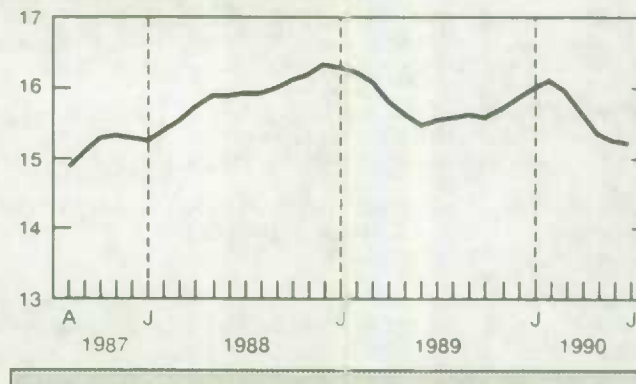
In July, seasonally adjusted wholesale merchants' sales fell for a fifth consecutive month, but the July decline (-0.2%) was much smaller than the previous four.

Five of the nine trade groups posted lower sales in July. Sales by wholesalers of non-farm machinery, equipment and supplies fell 2.4%, in line with the average monthly declines posted in the previous four months. Wholesalers of metals, hardware, plumbing and heating equipment fell for a sixth straight month, this time by 2.3%. Since March 1989, sales by this group have declined 23.8%. Finally, sales by wholesalers of lumber and building materials fell 1.7%, the tenth drop in twelve months. Since July 1989, sales by this trade group have fallen 8.3%.

For further information, order *Wholesale Trade* (catalogue number 63-008) or contact Industry Division at (613) 951-3540.

Wholesale Trade

Billions of dollars, seasonally adjusted



PUBLICATIONS RELEASED FROM OCTOBER 19 TO 25

AGRICULTURE

Fruit and Vegetable Production, October 1990. Catalogue number 22-003 (Canada: \$18.00/\$72.00; United States: US\$21.50/US\$86.00; Other Countries: US\$25.25/US\$101.00).

INDUSTRY

Canned and Frozen Fruits and Vegetables - Monthly, August 1990. Catalogue number 32-011 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Corrugated Boxes and Wrappers, September 1990. Catalogue number 36-004 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Department Store Sales and Stocks, February 1990. Catalogue number 63-002 (Canada: \$14.40/\$144.00; United States: US\$17.30/US\$173.00; Other Countries: US\$20.20/US\$202.00).

Electric Lamps (Light Bulbs and Tubes), September 1990. Catalogue number 43-009 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Factory Shipments of High Pressure Decorative Laminate Sheet, Quarter Ended September 1990. Catalogue number 47-005 (Canada: \$4.75/\$19.00; United States: US\$5.75/US\$23.00; Other Countries: US\$6.75/US\$27.00).

Gas Utilities, July 1990. Catalogue number 55-002 (Canada: \$12.70/\$127.00; United States: US\$15.20/US\$152.00; Other Countries: US\$17.80/US\$178.00).

Mineral Wool Including Fibrous Glass Insulation, September 1990. Catalogue number 44-004 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Monthly Production of Soft Drinks, September 1990. Catalogue number 32-001 (Canada: \$2.70/\$27.00; United States: US\$3.20/US\$32.00; Other Countries: US\$3.80/US\$38.00).

Monthly Survey of Manufacturing, August 1990. Catalogue number 31-001 (Canada: \$17.30/\$173.00; United States: US\$20.80/US\$208.00; Other Countries: US\$24.20/US\$242.00).

Oils and Fats, August 1990. Catalogue number 32-006 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Primary Iron and Steel, August 1990. Catalogue number 41-001 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

Production and Disposition of Tobacco Products, September 1990. Catalogue number 32-022 (Canada: \$5.00/\$50.00; United States: US\$6.00/US\$60.00; Other Countries: US\$7.00/US\$70.00).

INDUSTRIAL, ORGANIZATION AND FINANCE

Industrial Corporations - Financial Statistics, Second Quarter 1990. Catalogue number 61-003 (Canada: \$55.25/\$221.00; United States: US\$66.25/US\$265.00; Other Countries: US\$77.25/US\$309.00).

LABOUR

Employment, Earnings and Hours, July 1990. Catalogue number 72-002 (Canada: \$38.50/\$385.00; United States: US\$46.20/US\$462.00; Other Countries: US\$53.90/US\$539.00).

PRICES

The Consumer Price Index, August 1990. Catalogue number 62-001 (Canada: \$9.30/\$93.00; United States: US\$11.20/US\$112.00; Other Countries: US\$13.00/US\$130.00).

The Consumer Price Index, September 1990. Catalogue number 62-001 (Canada: \$9.30/\$93.00; United States: US\$11.20/US\$112.00; Other Countries: US\$13.00/US\$130.00).

SERVICES, SCIENCE AND TECHNOLOGY

Restaurant, Caterer and Tavern Statistics, February 1990. Catalogue number 63-011 (Canada: \$6.10/\$61.00; United States: US\$7.30/US\$73.00; Other Countries: US\$8.50/US\$85.00).

TRANSPORTATION

Air Carrier Operations in Canada, April - June 1989. Catalogue number 51-002 (Canada: \$24.25/\$97.00; United States: US\$29.00/US\$116.00; Other Countries: US\$34/US\$136.00).

Railway Carloadings, August 1990. Catalogue number 52-001 (Canada: \$8.30/\$83.00; United States: US\$10.00/US\$100.00; Other Countries: US\$11.60/US\$116.00).

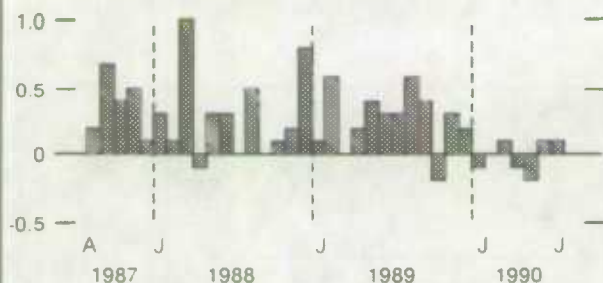
Service Bulletin - Aviation, Vol. 22, No. 10. Catalogue number 51-004 (Canada: \$9.30/\$93.00; United States: US\$11.20/US\$112.00; Other Countries: US\$13.00/US\$130.00).

Service Bulletin - Motor Carrier Freight Quarterly Survey, 1990, Vol. 6, No. 6. Catalogue number 50-002 (Canada: \$9.40/\$75.00; United States: US\$11.25/US\$90.00; Other Countries: US\$13.15/US\$105.00).

CURRENT TRENDS*

Gross Domestic Product

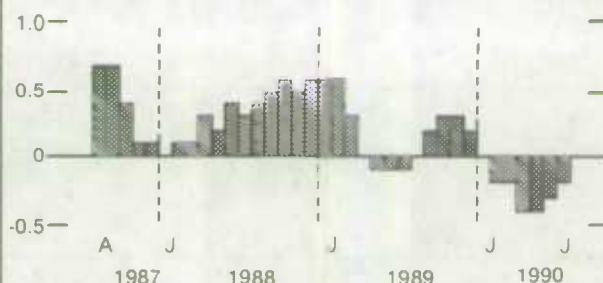
% change, previous month



Real GDP edged up by 0.1% in July, following a similar rise in June and declines in April and May.

Composite Leading Indicator

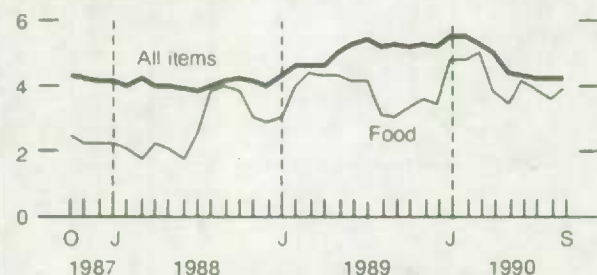
% change, previous month



The composite leading indicator declined 0.2% in July, a sixth consecutive drop.

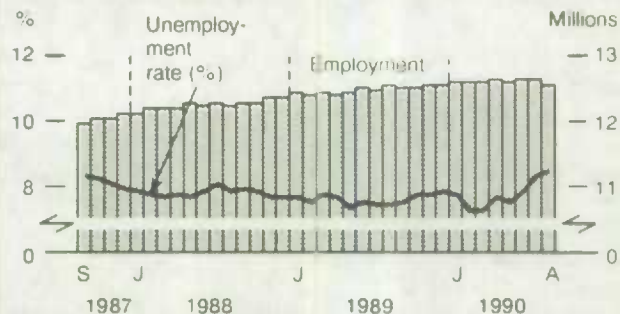
Consumer Price Index

% change, previous year



In September, the year-over-year change in the Consumer Price Index was 4.2%, the same as observed in July and August.

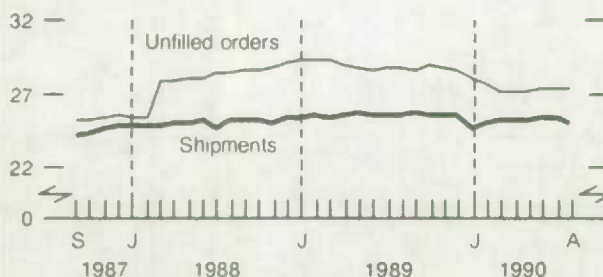
Unemployment Rate and Employment



In September, employment rose by 0.2% after a drop in August, but it remains below the average in the second quarter.

Manufacturing

Billions of dollars



Manufacturers' shipments fell 1.4% in August, more than offsetting increases in the previous two months.

Merchandise Trade

Billions of dollars



In August, merchandise exports fell 4.2% from July. Imports fell 2.2%.

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

Department Store Sales Post Slight Decrease

In August, seasonally adjusted sales of department stores including concessions decreased 0.4%. This decline followed two consecutive monthly gains. Department store sales have remained generally weak during 1990, posting average monthly increases of 0.1%.

Department store stocks gained 1.6% over July, registering a third consecutive monthly increase. The ratio of stocks to sales stood at 4.18, compared to an average of 4.10 in the previous three months.

For further information, order *Department Store Sales and Stocks* (catalogue number 63-002) or contact Industry Division at (613) 951-3552.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	July	512	0.1%	1.3%
Composite Leading Indicator (1981 = 100)	July	143.4	-0.2%	-0.8%
Profits of Industrial Corporations (\$ billion)	2nd Q	4.6	-24%	-53%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	August*	16.3	-0.2%	0.3%
New Motor Vehicle Sales ('000 units)	August	113	-3.0%	-6.3%
LABOUR				
Employment (millions)	Sept.	12.6	0.2%	0.6%
Unemployment Rate (%)	Sept.	8.4	0.1	1.0
Participation Rate (%)	Sept.	67.1	0.1	-0.1
Labour Income (\$ billion)	July	31.8	0.3%	7.2%
Average Weekly Earnings (\$)	July	514.04	0.2%	5.3%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	August	12.0	-4.2%	3.6%
Merchandise Imports (\$ billion)	August	11.1	-2.2%	-2.4%
Merchandise Trade Balance (\$ billion)	August	1.0	-0.3	0.7
MANUFACTURING				
Shipments (\$ billion)	August*	24.6	-1.4%	-3.1%
New Orders (\$ billion)	August*	24.7	-1.1%	-2.4%
Unfilled Orders (\$ billion)	August*	28.0	0.4%	-6.8%
Inventory/ Shipments Ratio	August*	1.51	0.01	0.00
Capacity Utilization (%)	2nd Q	79.7	-0.5	-5.3
PRICES				
Consumer Price Index (1986 = 100)	Sept.*	120.2	0.3%	4.2%
Industrial Product Price Index (1986 = 100)	August	109.2	0.1%	-0.3%
Raw Materials Price Index (1986 = 100)	August	107.3	4.2%	-0.5%
New Housing Price Index (1986 = 100)	August	141.2	-1.1%	-0.6%

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

* New this week.

KEY RELEASE CALENDAR: November 1990*

Monday	Tuesday	Wednesday	Thursday	Friday
			1 Composite Leading Indicator, August	2 Business Conditions Survey, Canadian Manufacturing Industries, 3rd Quarter
5	6	7 Help-wanted Index, October	8 Estimate of Labour Income, August	9 Labour Force Survey, October New Housing Price Index, September Farm Product Price Index, September International Travel, September
12	13 New Motor Vehicle Sales, September	14	15	16 Consumer Price Index, October International Merchandise Trade, September
19	20	21 Retail Trade, September Monthly Survey of Manufacturing, September	22 Wholesale Trade, September	23 Industrial Corporations: Financial Statistics, 3rd quarter Security Transactions with Non-residents, September Department Store Sales and Stocks, September International Travel Account, 3rd quarter
26	27 Building Permits, September	28 Unemployment Insurance Statistics, September Farm Cash Receipts, January-September Net Farm Income 1989	30 Income and Expenditure Accounts, 3rd quarter Balance of Payments, 3rd quarter Financial Flow Accounts, 3rd quarter Gross Domestic Product at Factor Cost by Industry, September Industrial Product Price Index, October Raw Materials Price Index, October Employment, Earnings and Hours, September	

* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.

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: Yves Saint-Pierre (613) 951-1197

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

Catalogue: 11-002E. Price: Canada: \$2.50 per issue, \$125.00 annually; United States: US\$3.00 per issue, US\$150.00 annually; Other Countries: US\$3.50 per issue, US\$175.00. 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 613-951-7277 from all other countries.

Published under the authority of the Minister of Industry, Science and Technology. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the Minister of Supply and Services Canada.

Statistics Canada Library
Bibliothèque Statistique Canada



1010054418