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I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, March 15, 1991

OVERVIEW

- **Capacity Utilization: Sharpest Decline in Eight Years**

  Capacity utilization in manufacturing industries dropped 4.6% to 74% in the fourth quarter of 1990. This was the largest quarterly drop since the second quarter of 1982.

- **New Motor Vehicle Sales Rebound**

  Preliminary estimates indicate that sales of all new motor vehicles rose 18.6% in January, after generally declining in the previous two years.

- **Employment Continues to Drop**

  In February, the estimated level of employment dropped by 0.5% to 12.3 million persons, representing a 2.3% decline since September.

- **New Housing Price Index Maintains Downward Trend**

  The New Housing Price Index fell 2.0% in January, the tenth consecutive monthly decline.

- **Number of Foreign Visitors Decreases**

  In January, the number of non-resident visits of one night or more to Canada fell 3.1%, following a slight rise in December.

- **Farm Product Price Index Unchanged**

  The Farm Product Price Index was unchanged in January, after generally declining in the previous six months.

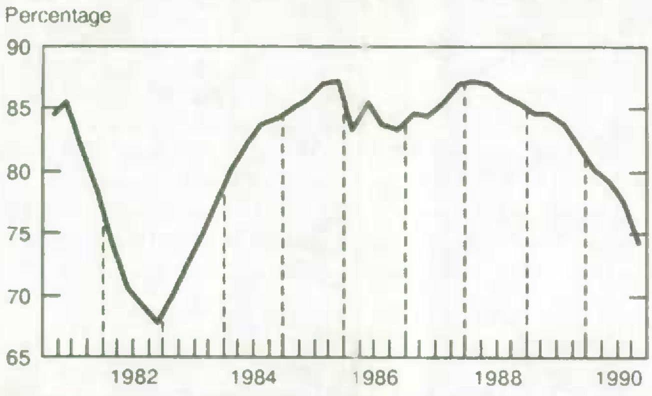
Capacity Utilization: Sharpest Decline in Eight Years

Capacity utilization in manufacturing industries dropped 4.6% to 74% in the fourth quarter of 1990, the lowest level since the second quarter of 1983. This is the largest quarterly drop since the second quarter of 1982. Lower production levels were posted in all of the major industry groups, except for petroleum and coal industries.

In durable goods industries, capacity utilization fell 6.0% to 71.1%. With the decline in construction activity, capacity utilization fell by 9.6% in non-metallic mineral products industries and by 6.8% in wood industries. Lower demand from the construction and automobile industries explains the 9.2% reduction in capacity utilization for the primary metals industries.

(continued on page 2)

Capacity Utilization Rate in Manufacturing



... Capacity Utilization: Sharpest Decline in Eight Years

In non-durable goods industries, capacity utilization fell 3.4% to 77.1%. Manufacturers of consumer goods responded to weak markets by depleting inventories. Capacity utilization fell in clothing (-6.7%), leather (-4.9%) and food (-1.1%) industries. Among intermediate inputs, rubber products posted a decline of 8.1%, while primary textiles registered a decrease of 8.7%.

The only increase in capacity utilization was in the petroleum and coal products industries (3.8%), coinciding with higher oil prices.

For further information, order Capacity Utilization Rates in Canadian Manufacturing Industries (catalogue number 31-003) or contact Investment and Capital Stock Division at (613) 951-9685.

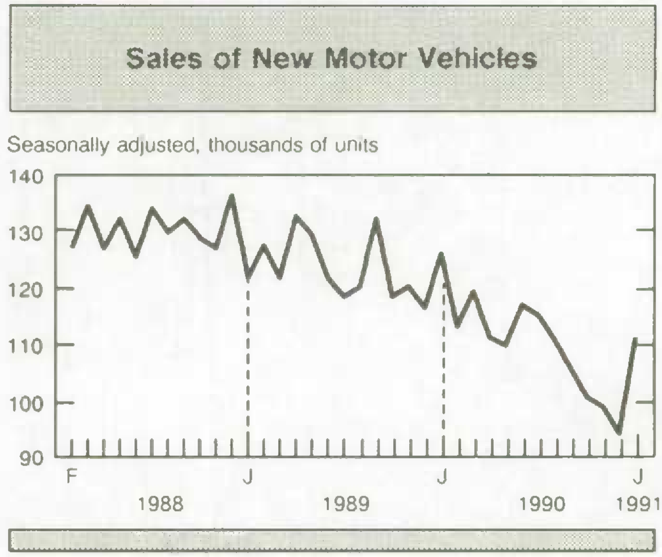
New Motor Vehicle Sales Rebound

Preliminary estimates indicate that sales of all new motor vehicles rose 18.6% in January, after generally declining in the previous two years.

Passenger car sales rose 25.6%, recovering most of the drop of the previous six months. Exceptional passenger car fleet sales appear to have accounted for about half of the monthly increase. The replacement of the Federal Sales Tax by the Goods and Services Tax also affected sales of other passenger cars.

Sales of North American passenger cars increased by 44.7% to 57,000 units, the highest level since September 1989. Sales of imported passenger cars fell by 6.9% to 22,000, the lowest level in six years.

Truck sales rose 4.3%, after falling an average of 2.8% per month in the previous 11 months.



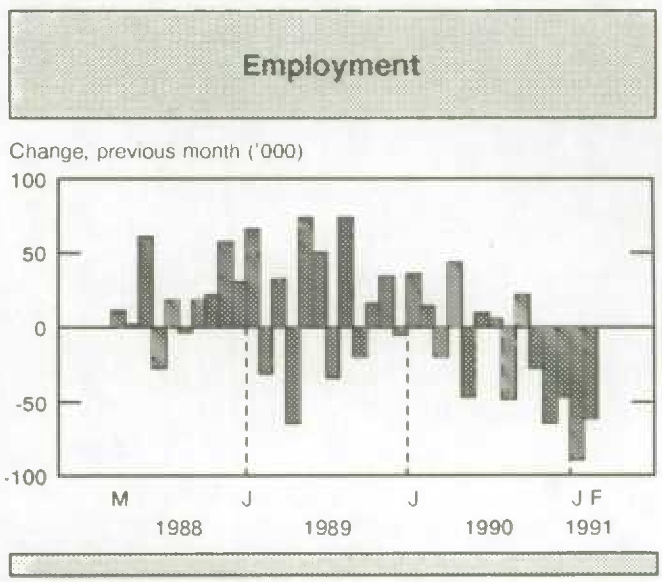
For further information, order New Motor Vehicle Sales (catalogue number 63-007) or contact Industry Division at (613) 951-3552.

Employment Continues to Drop

In February, the estimated level of employment dropped by 0.5% to 12.3 million persons, representing a cumulative decline of 2.3% since September. Over the five-month period, the employment losses were entirely among full-time workers (-3.2%), while part-time employment continued to increase (2.8%). In February as in the four previous months the decline in employment was concentrated among persons 25 years and over.

The unemployment rate rose by half of a percentage point to 10.2%, the highest level since August 1985 and a full three points above the eight-year low in March 1990. For women, the rate edged up from 9.3 to 9.5. For men the rate rose from 9.9 to 10.8.

The labour force increased by 0.1%, after declining a cumulative 0.8% in the previous three months. The increase was limited to men as participation of women in the labour force was unchanged.



For further information, order Labour Force Information (catalogue number 71-001P) or contact Household Surveys Division at (613) 951-4740.

PROVINCIAL PERSPECTIVES

Labour Force Survey Results for February 1991

	Labour Force		Employment		Unemployment	
	'000	% change previous month	'000	% change, previous month	'000	Rate (%)
Canada	**13,688**	**0.1**	**12,289**	**-0.5**	**1,399**	**10.2**
Newfoundland	247	..	202	-1.4	45	18.2
Prince Edward Island	63	-1.6	53	-1.9	11	17.1
Nova Scotia	426	-0.5	378	-1.3	48	11.3
New Brunswick	330	0.3	292	0.7	38	11.5
Québec	3,387	0.4	2,976	0.3	411	12.1
Ontario	5,233	-0.3	4,737	-1.5	496	9.5
Manitoba	541	0.4	495	-0.4	46	8.5
Saskatchewan	485	-0.2	448	-0.9	37	7.6
Alberta	1,343	-0.2	1,241	0.2	102	7.6
British Columbia	1,630	0.5	1,468	0.2	162	9.9

Infomat's New Look

Last week's *Infomat* showed its new colours. Readers who subscribed to both *Infomat* and *The Daily* suggested that the masthead of the two publications should have different colours. We started punching three holes in our bulletin for those of you who keep *Infomat* on file. In addition, last week we changed the presentation of the **Current Trends** page to make it clearer.

This week, we introduce a new feature **Provincial Perspectives** (see above). Every week starting now this new table will give provincial detail for one of the week's releases.

New Housing Price Index Maintains Downward Trend

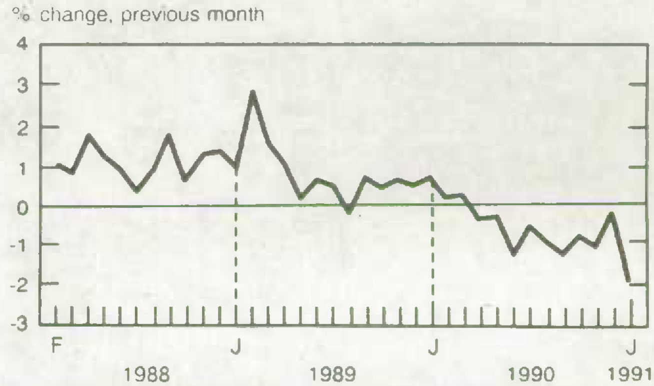
In January, the New Housing Price Index fell 2.0%, the tenth consecutive monthly decline. The weakness was widespread. Out of 20 cities for which indexes are compiled, 12 posted decreases and four showed no change.

The index for Toronto, which accounts for over one-third of the total index weight for Canada, dropped by 3.9%, after posting average monthly declines of 1.0% in the previous 12 months. In Kitchener-Waterloo, the index decreased by 1.7%, the ninth consecutive decline. The index for London fell by 1.2%, the first decline in one year and a half. The index for Sudbury and Thunder Bay declined by 1.0%, following three months of no change.

All other cities for which indexes are compiled posted changes of 0.5% or less. Among other notable facts, the index for Quebec City registered its first decline since the start of the survey in 1981.

For Canada, the house only index continued to fall at a faster rate than the land only index.

New Housing Price Index



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

Number of Foreign Visitors Decreases

In January, the number of visits of one night or more to Canada by non-residents fell 3.1%, following a slight rise in December. The number of visitors from the United States decreased 3.6%, after two months of little change. Visits from countries other than the United States fell by 1%, in contrast with the modest upward trend posted in the last months of 1990.

Trips of one or more nights out of the country by Canadians declined by 5% from December, reflecting decreases in both visits to the United States (-4.2%) and visits to other countries (-9.4%).

Total trips to Canada by non-residents (about two-thirds of which are same-day trips by American residents) fell 6.6% in January. Total trips by Canadians out of the country (about three-quarters of which are same day-trips to the United States) declined by 2.6%.

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

Farm Product Price Index Unchanged

The Farm Product Price Index was unchanged in January after generally declining in the previous six months.

The crops index fell 0.1%. The cereals component decreased by 0.1%, mainly as a result of lower Canadian Wheat Board prices for wheat. The oilseeds component declined by 0.8% to its lowest level since December 1987. The decrease resulted from lower prices for soybeans, flax and canola. The potatoes component rose 1.2%, the first increase in nine months.

The livestock and animal products index declined by 0.1%. The hogs component fell 1.8%, maintaining its downward trend from the peak in June. The cattle component rose 1.2%, but was still inside the narrow range within which it has fluctuated for the last two years.

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

PUBLICATIONS RELEASED FROM MARCH 8 TO 14, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
EDUCATION, CULTURE AND TOURISM					
Culture Communiqué – Specialization : A Characteristic of Book Publishing	1988-89	87-001	4.90/49	5.90/59	6.90/69
ENVIRONMENT AND WEALTH ACCOUNTS					
Financial Flow Accounts	Fourth Quarter, 1990	13-014	12.50/50	15/60	17.50/70
HOUSEHOLD SURVEYS					
Labour Force Information	For the Week Ended February 16, 1991	71-001P	6.30/63	7.60/76	8.80/88
INDUSTRY					
Asphalt Roofing	January 1991	45-001	5/50	6/60	7/70
Electric Power Statistics	December 1990	57-001	10/100	12/120	14/140
Gypsum Products	January 1991	44-003	5/50	6/60	7/70
Quarterly Shipments of Office Furniture Products	Quarter Ended December 31, 1990	35-006	6.75/27	8/32	9.50/38
New Motor Vehicle Sales	May 1990	63-007	14.40/144	17.30/173	20.20/202
New Motor Vehicle Sales	June 1990	63-007	14.40/144	17.30/173	20.20/202
Non-Residential General Contractors and Developers, The Construction Industry	1987	64-207	22	26	31
Production and Inventories of Process Cheese and Milk Powder	January 1991	32-024	5/50	6/60	7/70
Production, Sales and Stocks of Major Appliances	January 1991	43-010	5/50	6/60	7/70
The Sugar Situation	January 1991	32-013	5/50	6/60	7/70
Refined Petroleum Products	November 1990	45-004	18.20/182	21.80/218	25.50/255
Residential General Contractors and Developers, The Construction Industry	1987	64-208	22	26	31
Rigid Insulating Board (Wood Fibre Products)	January 1991	36-002	5/50	6/60	7/70
Specified Domestic Electrical Appliances	January 1991	43-003	5/50	6/60	7/70
Vending Machine Operators	1989	63-213	22	26	31
Wholesale Trade	December 1990	63-008	14.40/144	17.30/173	20.20/202
INCOME AND EXPENDITURE ACCOUNTS					
National Income and Expenditure Accounts	Quarterly Estimates 1983 Q1 – 1990 Q3	13-001	20/80	24/96	28/112
INVESTMENT AND CAPITAL STOCK					
Building Permits	December 1990	64-001	22.10/221	26.50/265	30.90/309
INTERNATIONAL TRADE					
Exports by Commodity	December 1990	65-004	55.10/551	66.10/661	77.10/771
Imports by Commodity	December 1990	65-007	55.10/551	66.10/661	77.10/771
PRICES					
Farm Input Price Index	Fourth Quarter 1990	62-004	12.25/49	14.75/59	17.25/69
Industry Price Indexes	December 1990	62-011	18.20/182	21.80/218	25.50/255
SERVICES, SCIENCES AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	September 1990	63-011	6.10/61	7.30/73	8.50/85
Telephone Statistics	December 1990	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Air Carrier Operations in Canada	January-March 1990	51-002	24.25/97	29/116	34/136
Passenger Bus and Urban Transit Statistics	September 1990	53-003	7.10/71	8.50/85	9.90/99
Service Bulletin – Surface and Marine Transport	February 1991	50-002	9.40/75	11.25/90	13.15/105
Shipping in Canada	1989	54-205	41	49	57

NEW FROM STATISTICS CANADA

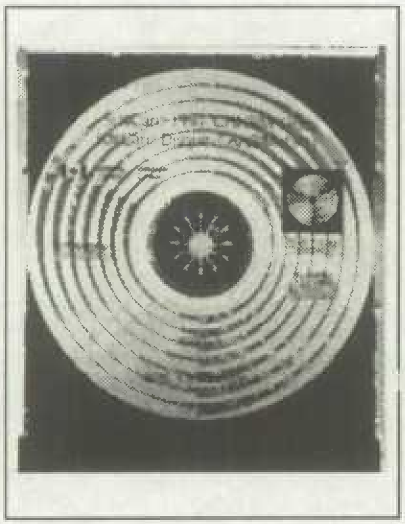
Shipping in Canada

1989

Cargo traffic at Canadian ports totalled 363 million tonnes in 1989, which was 7% lower than the 1988 record of 390 million tonnes. The poor 1988 Canadian grain harvest had a negative impact on both domestic and international shipping, as the volume of wheat shipped fell by nearly 40% in 1989. Vancouver continued to dominate overall port activity with 64 million tonnes handled. Montreal remained Canada's leading container port in 1989, with five million tonnes of containerized cargo.

Shipping in Canada presents a wide range of information pertaining to domestic and international shipping at Canadian ports, from commodity traffic flows to trends in containerization. Also included in this issue are the final results of the 1988 financial survey of Canadian-domiciled marine carriers.

For further information, order Shipping in Canada, 1989 (catalogue number 54-205) or contact Michel Cloutier (613) 951-8699, Marine Transport Unit, Transportation Division.



StatCan: 1991 CANSIM Disc

A comprehensive selection of Canadian data and easy-to-use software make the *StatCan: 1991 CANSIM Disc* a valuable resource for information on Canada's economy.

Building on the response to its predecessor (StatCan: Selected Data Disc 1989), the *StatCan: 1991 CANSIM Disc* contains more data, enhanced software and a tutorial.

A modified, personal computer-searchable version of the CANSIM Main Base Series Directory enables researchers to identify the approximately 170,000 CANSIM time series on the disc. Data can be retrieved and displayed in tabular or graphic format, and printed or recorded to a file for further manipulation.

A thesaurus is also available as a guide to definitions and terms used by Statistics Canada, thereby helping in the search for data on the compact disc.

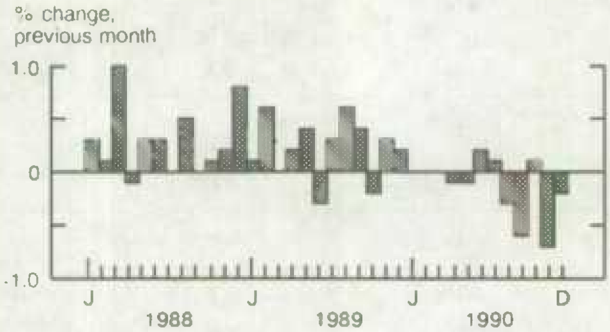
Access to this combination of data, reference material and search and retrieval software is easy. A few key strokes at a personal computer will give information on topics ranging from farm cash receipts for livestock in Alberta to retail gasoline prices in Newfoundland.

The *StatCan: 1991 CANSIM Disc* can be purchased for $1,995 on an annual basis or for $2,995 as a semi-annual subscription. An educational discount is also available: $995 annually or $1,495 for a semi-annual subscription.

For more information on the StatCan: 1991 CANSIM Disc, contact the Electronic Data Dissemination Division (613) 951-8200, FAX: (613) 951-1134.

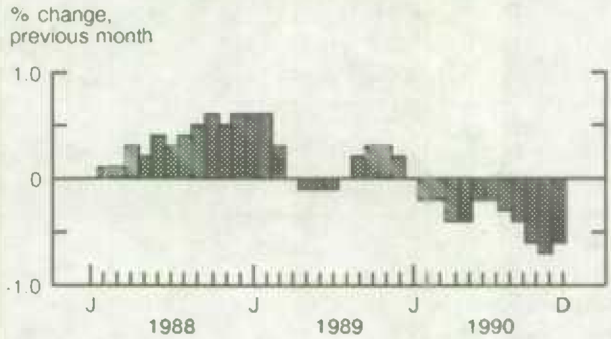
CURRENT TRENDS

Gross Domestic Product



After a monthly decline of 0.7% in November, gross domestic product at factor cost fell 0.2% in December.

Composite Leading Indicator

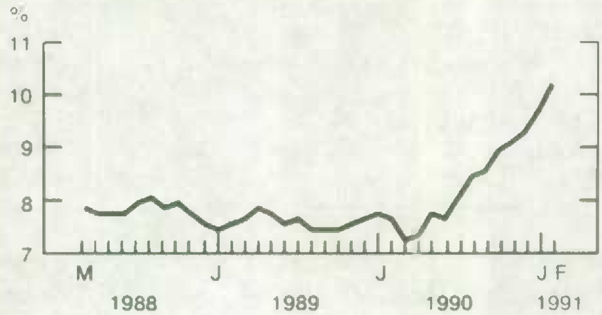


The leading indicator maintained its downward trend in December, dropping by 0.6%, slightly less than the 0.7% drop in November.

Consumer Price Index

The Consumer Price Index registered a year-over-year increase of 6.8% in January, the highest in over seven years.

Unemployment Rate



In February, the unemployment rate rose to 10.2%, a full three points above the eight-year low in March 1990.

Manufacturing

Shipments were down 0.3% in December, following a sharp decrease in November. Unfilled orders maintained their downward trend.

Merchandise Trade

In the aggregate, the value of exports and imports did not vary greatly from November to December.

Note: All series are seasonally adjusted except the consumer price index.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product ($ billion, 1986)	December	503	-0.2%	-1.7%
Composite Leading Indicator (1981=100)	December	139.9	-0.6%	-4.2%
Profits of Industrial Corporations ($ billion)	3rd Q	5.2	13.6%	-29.5%
DOMESTIC DEMAND				
Retail Trade ($ billion)	December	16.2	0.8%	-0.1%
New Motor Vehicle Sales ('000 units)	January*	100.5	18.6%	-11.7%
LABOUR				
Employment (millions)	February*	12.3	-0.5%	-2.6%
Unemployment Rate (%)	February*	10.2	0.5	2.6
Participation Rate (%)	February*	66.4	0.0	-0.8
Labour Income ($ billion)	December	31.9	-0.3%	4.3%
Average Weekly Earnings ($)	December	523.41	0.1%	5.4%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	December	12.0	-0.4%	2.6%
Merchandise Imports ($ billion)	December	10.8	0.2%	-2.0%
Merchandise Trade Balance ($ billion)	December	1.1	-0.1	0.5
MANUFACTURING				
Shipments ($ billion)	December	23.9	-0.3%	-5.1%
New Orders ($ billion)	December	23.7	-0.6%	-5.0%
Unfilled Orders ($ billion)	December	26.9	-0.8%	-10.2%
Inventory/ Shipments Ratio	December	1.57	0.01	0.05
Capacity Utilization (%)	4th Quarter*	74	-3.6	-7.8
PRICES				
Consumer Price Index (1986=100)	January	125.0	2.6%	6.8%
Industrial Product Price Index (1986=100)	January	110.7	0.0%	1.8%
Raw Materials Price Index (1986=100)	January	114.4	-6.4%	8.0%
New Housing Price Index (1986=100)	January*	133.4	-2.0%	-8.8%

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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