



IN·F·O·M·A·T

A WEEKLY REVIEW



Friday, June 7, 1991

OVERVIEW

■ Turnaround in the Demand for Labour

The seasonally adjusted Help-wanted Index, which serves as an indicator of the demand for labour, increased in May. The 1.4% gain was the largest rise since January 1990.

■ Manufacturing Shipments: First Increase in Five Months

Manufacturing shipments rose 0.5% in March, reflecting an increase in the motor vehicles, parts and accessories industry.

■ Economic Slowdown Resumes

Real Gross Domestic Product at factor cost was 0.2% lower in March than it had been in February, largely due to lower output in manufacturing and construction.

■ Operating Profits Continue to Fall Sharply

Operating profits of financial and non-financial enterprises dropped 12.3% in the fourth quarter of 1990.

■ Travel Account Deficit Improves Moderately

In the first quarter of 1991, international travel transactions produced a seasonally adjusted deficit of \$1.1 billion, slightly lower than the deficits recorded for the previous four quarters.

■ Dependence on Government Transfer Payments Increasing

Between 1971 and 1989, cash transfer payments by the federal, provincial and local governments climbed 156% (in 1989 dollars) to a level of \$75.9 billion.

■ Year-Over-Year Increase in CPI Expected to Fall Slightly

For May, the Short-term Expectations Survey mean forecast of the year-over-year change in the Consumer Price Index is 6.2%, slightly lower than the 6.3% actual value registered for March and April.

Turnaround in the Demand for Labour

The seasonally adjusted Help-wanted Index for Canada advanced one point to 75 in May 1991. This rise follows a declining trend that began in May 1989, accelerated during 1990 and then slowed in recent months. The increase was restricted to the Atlantic provinces and Quebec as the indexes in all other provinces continued to decline.

In the Atlantic provinces the Help-wanted Index jumped 10.3% to a level of 118. This increase returned the Atlantic region index to just over its January 1991 level (117). In Quebec the index rose 3.5%, the second consecutive gain following seven monthly declines.

(continued on page 2)

Help-wanted Index, Canada



Statistics
Canada

Statistique
Canada

Canada

... Turnaround in the Demand for Labour

The index was down from 55 to 52 in the Prairie provinces. This 5.5% drop was the eighth straight monthly decline. After having decreased for seven straight months, the British Columbia index rose in April, but was down again (-2.5%) in May. The index for Ontario fell 1.5% to 66, its lowest level since September 1983.

For further information, contact Labour Division at (613) 951-4044.

Help-wanted Index (1981 = 100)

May, 1991

	Index	% change, previous month	% change, previous year
Canada	75	1.4	-39.0
Atlantic	118	10.3	27.2
Quebec	89	3.5	-37.3
Ontario	66	-1.5	-44.5
Prairies	52	-5.5	-39.5
British Columbia	78	-2.5	-33.3

Manufacturing Shipments: First Increase in Five Months

In March, Canadian manufacturers' shipments grew 0.5% to \$22.6 billion, following decreases in the four previous months. The increase was due to the motor vehicles, parts and accessories industry which climbed 13.1% in March following a cumulative drop of 28% since November. The jump in the automotive industries was partly offset by a 1.2% decrease for the remainder of manufacturing, the fifth consecutive monthly decline.

Inventory levels fell by 0.3% to \$37.3 billion, the fifth drop in the last six months. A decrease in the refined petroleum and coal products industry (-6.7%) was partly offset by increases in the paper and allied products (3.1%) and primary metal (2.0%) industries.

The inventories to shipments ratio decreased from 1.66 in February to 1.65 in March, the first decline since October 1990.

Unfilled orders for all manufacturing industries fell 1.2%, the seventh straight monthly drop, to reach a level of \$25.0 billion. A decrease in transportation equipment industries accounted for most of the decline. Following drops averaging 2.7% over the previous four months, new orders increased 1.2% in March to a level of \$22.3 billion.

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

Manufacturers' Shipments

Billions of dollars, seasonally adjusted



Manufacturing Shipments, March 1991

Unadjusted Data

Province	Total	
	\$ millions	% change, previous year
Canada	23,015	-12.9
Newfoundland	117	-12.9
Prince Edward Island	26	-11.5
Nova Scotia	535	5.1
New Brunswick	462	-10.8
Quebec	5,772	-8.9
Ontario	11,970	-15.3
Manitoba	474	-24.9
Saskatchewan	279	-3.8
Alberta	1,479	-6.1
British Columbia	1,898	-16.2

Economic Slowdown Resumes

Due largely to lower output in manufacturing and construction, real Gross Domestic Product at Factor cost was 0.2% lower in March 1991 than in February.

Real GDP has been declining steadily since October 1990 with the exception of February, in which it remained unchanged.

(continued on page 3)

... Economic Slowdown Resumes

Goods production fell for the ninth consecutive month. The 1.3% decrease left output 8.4% below that of March 1990. More than three-quarters of the decrease was attributable to declines in the manufacturing and construction industries.

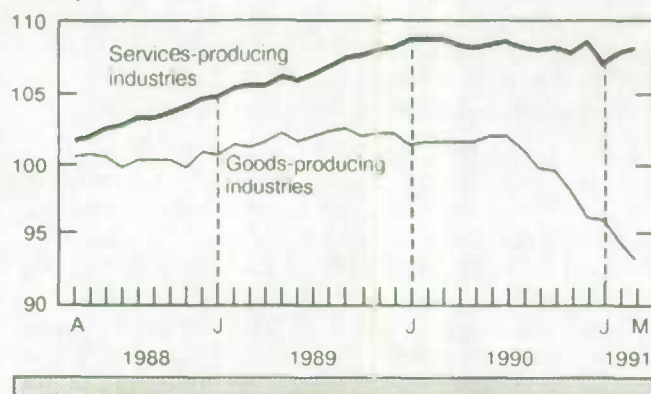
Manufacturing output was down 1.6% after falling 0.7% in February. Declines in March were widespread as 18 of the 21 major industry groups cut back production. Only 10 of these 21 groups had reduced output in February. Output in construction fell by 2.1%, more than the 1.3% average drop registered over the previous five months. The rates of decline for residential and non-residential construction slowed to 1.9% and 0.7% respectively. With the exception of utilities and forestry, all other major areas continued to fall.

Services industries continued to recover, adding 0.4% in March to a 0.8% gain in February. Large gains registered in wholesale trade and finance, insurance and real estate services were only partly offset by losses in retail trade and transportation and storage.

Wholesale trade jumped 4.1%, its second consecutive advance since tumbling 7.3% in January. This was the largest monthly gain since February 1987. Finance, insurance and real estate advanced a further 0.5% following a 2.0% increase

Output by Sector

January 1988 = 100



in February. Gains were also registered in community business and personal services and communications. Retail trade output was down 1.9% in March compared to a 4.7% drop in January and a 2.6% rebound in February. Transportation and storage output fell 0.9% following a 0.6% increase in February.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact *Industry Measures and Analysis Division* at (613) 951-3621.

Operating Profits Continue to Fall Sharply

In the fourth quarter of 1990, seasonally adjusted operating profits of financial and non-financial enterprises declined 12.3%. Over the past eight quarters operating profits have fallen seven times and are now reduced to \$14.6 billion, 63% of the fourth quarter 1988 peak of \$23.0 billion.

Operating profits in the non-financial industries were down 13.1% to \$11.2 billion. This decrease was over five percentage points greater than any of the six declines of the past seven quarters. Due to weakened demand and the continuing strength of the Canadian dollar, profits in the wood and paper industry plunged 125.9% to -\$127 million, the eleventh straight quarterly drop. Operating profits of the motor vehicles, parts and tires industry were down 71.1% to \$187 million, well below the profit levels registered for the three previous quarters. Decreases were also registered in non-ferrous metals (-58.0%) and transportation services (-33.4%). The only significant profit increase was in petroleum and natural gas. The 20.6% increase, due

largely to higher petroleum product and crude oil prices during the Persian Gulf crisis, brought profits to \$2.7 billion.

In the financial industries, operating profits declined 9.4% to \$3.4 billion, following a 9.6% rise in the third quarter. Chartered banks registered profit levels 24% lower than the previous quarter, but comparable to the average quarterly profits posted in 1988, 1989 and the first two quarters of 1990. Profits of property and casualty insurers rose 63% to \$495 million, 65% higher than the \$300 million average quarterly operating profits registered throughout 1988 and 1989.

Profitability, as measured by the rate of return on shareholders' equity, declined to 2.7% from 5.6% in the third quarter and 6.9% in the second quarter of 1990.

Due to higher debt levels and lower shareholders' equity, the debt to equity ratio (an indicator of solvency) rose slightly to 1.05 from 1.04. In the two years ending in 1989, this indicator averaged around 1.01.

For further information contact *Industrial Organization and Finance Division* at (613) 951-9843.

Travel Account Deficit Improves Moderately

In the first quarter of 1991, the international travel account showed a seasonally adjusted deficit of \$1.1 billion, slightly lower than the deficits recorded for the previous four quarters. The improvement was due to higher receipts from foreign travellers and lower payments by Canadian residents abroad.

Payments to the United States increased 2% from the previous quarter to \$2.1 billion, the third consecutive quarterly increase. Spending by Canadian residents in all countries other than the United States plunged 11.7% following a 3.3% drop in the previous quarter. Prior to the fourth quarter of 1990 spending in all countries other than the United States had not declined in over two years.

Receipts from the United States were 1.5% higher than in the previous quarter and receipts from all other countries were up 1.9%. In both cases this was the second straight increase.

International Travel 1st Quarter, 1991

	1990				1991
	Q1	Q2	Q3	Q4	Q1
millions of dollars					
Receipts	1,828	1,862	1,859	1,888	1,919
Payments	2,973	2,975	3,072	3,107	3,022
Balance	-1,144	-1,113	-1,214	-1,219	-1,103

After showing a marked improvement during Expo 86, the travel account balance has shown a generally downward trend, the only exception being a slight recovery brought by the Winter Olympics in the first quarter of 1988.

For further information, order *Travel Between Canada and Other Countries* (catalogue number 66-001) or contact Education, Culture and Tourism Division at (613) 951-8933.

Dependence on Government Transfer Payments Increasing

Between 1971 and 1989, cash transfer payments by the federal, provincial and local governments climbed 156% (in 1989 dollars) to a level of \$75.9 billion. This amount represents 11.6% of the total value of goods and services produced in Canada. Transfer payments have increased more rapidly per capita than the national income.

In 1989, roughly 15% of all unattached individuals were totally dependent on government transfers. These payments accounted for 18% of single's total income, compared with only 10% in 1971. Approximately 24% of all unattached individuals received three or more types of transfer payments in 1989, accounting for 60% of their total income.

About 5% of families depended completely on government transfers in 1989. Transfers accounted for 10% of the total income for all families, up four percentage points from 1971. Approximately 28% of all families received three or more types of transfer payments in 1989; such payments made up 26% of the total income of this group.

Excluding government transfers, the income of about one-half of all unattached individuals and female-headed, lone-parent families qualified them for the low-income category.

For further information, order the *Summer 1991 edition of Perspectives on Labour and Income* (catalogue number 75-001E) or contact Labour and Household Surveys Division at (613) 951-6901.

Year-Over-Year Increase in CPI Expected to Fall Slightly

The mean forecast of the year-over-year increase in the Consumer Price Index for May is 6.2%, with minimum and maximum values of 5.9% and 6.5% respectively. The actual rate of increase of the CPI has held steady at 6.3% for March and April.

The unemployment rate is expected to be between 9.8% and 10.4% in May with a mean forecast of 10.2%. In April, the mean forecast missed the turning point of the actual series and was half a percentage point over the actual rate for the first time since the survey began.

The mean forecast for the trade balance in April is \$931 million with maximum and minimum values for these estimates ranging from \$500 million to \$1,300 million. The tendency to underestimate the trade balance continued in March.

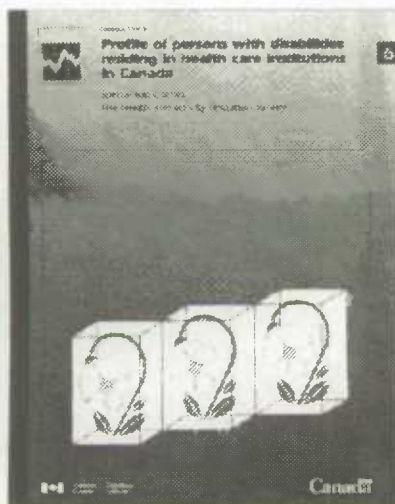
Note: For 14 months, Statistics Canada has been canvassing a small group of economists and asking them to forecast each month the year-over-year change in the Consumer Price Index, the unemployment rate and the merchandise trade balance. On average, 23 economists have participated in the survey.

For further information contact Christian Lajule at (613) 951-3351.

PUBLICATIONS RELEASED FROM MAY 31 TO JUNE 6, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Farming Facts	1991	21-522E	3	3.50	4
INCOME AND EXPENDITURE ACCOUNTS					
Provincial Economic Accounts	Preliminary estimates 1990	13-213P	26	31	36
INDUSTRY					
Asphalt Roofing	April 1991	45-001	5/50	6/60	7/70
Cement	April 1991	44-001	5/50	6/60	7/70
Gypsum Products	April 1991	44-003	5/50	6/60	7/70
Oil Pipe Line Transport	February 1991	55-001	10/100	12/120	14/140
Pack of Selected Processed Vegetables	1990	32-240	13	16	18
Production and Inventories of Process Cheese and Instant Skim Milk Powder	April 1991	32-024	5/50	6/60	7/70
Production, Sales and Stocks of Major Appliances	April 1991	43-010	5/50	6/60	7/70
Quarterly Shipments of Household Furniture Products	Quarterly Ended March 1991	35-007	6.75/27	8/32	9.50/38
Rigid Insulating Board (Wood Fibre Products)	April 1991	36-002	5/50	6/60	7/70
The Sugar Situation	April 1991	32-013	5/50	6/60	7/70
Wholesale Trade	February 1991	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Imports by Commodity	March 1991	65-007	55.10/551	66.10/661	77.10/771
INVESTMENT AND CAPITAL STOCK					
Capital and Repair Expenditures - Manufacturing Sub-Industries	Intentions 1991	61-214	17	20	24
POST CENSAL SURVEY PROGRAM					
Profile of Persons with Disabilities Residing in Health Care Institutions in Canada, Special Topic Series - The Health and Activity Limitation Survey	May 1991	82-615, Volume 6	35	42	49
PRICES					
Consumer Prices and Price Indexes	Oct.-Dec. 1990	62-010	18/72	21.50/86	25.25/101
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	February 1991	63-011	6.10/61	7.30/73	8.50/85
Telephone Statistics	March 1991	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Passenger Bus and Urban Transit Statistics	January 1991	53-003	7.10/71	8.50/85	9.90/99
Service Bulletin - Surface and Marine Transport	May 1991	50-002	9.40/75	11.25/90	13.15/105

NEW FROM STATISTICS CANADA



Profile of Persons with Disabilities Residing in Health Care Institutions in Canada

1986-87

The latest publication in the special topic series on disability in Canada is now available. Highlights include:

- Across Canada, over one-quarter million persons (255,090) were long-term residents of health care institutions and homes for seniors. Virtually all (96.9%) had some degree of activity limitation.
- Females with disabilities were more likely to be institutionalized than males (9.2% versus 5.6%, respectively).

The data are from the Health and Activity Limitation Survey (HALS), a post-censal survey of persons with disabilities. This report compares disabled adults residing in institutions to those residing in households and examines such topics as the nature and severity of the disability and barriers faced in daily living.

For further information, order Profile of Persons with Disabilities Residing in Health Care Institutions in Canada (catalogue number 82-615, Volume 6) or contact Post-censal Surveys Program at (613)951-2050.

Environmental Information System

In your business or research, do you analyze the social and economic factors that influence environmental conditions? Statistics Canada's *Environmental Information System* is now available to assist you.

The system contains a broad selection of Statistics Canada data sets that are key in the analysis of environmental issues. Over 1,000 demographic, agricultural and manufacturing variables are geographically coded to permit the aggregation of data for common environmental units such as river basins, ecological zones and soil regions. A selection of data on physical characteristics of the environment is also available.

Data in the system may be combined with information provided by the client and tabulated within standard or client-supplied boundaries. Output from the system can be in the form of tables, maps or diskettes.

For further information, contact Environment and Wealth Accounts Division at (613)951-3742.

Guide to Managing Statistics Canada Publications in Libraries

This new guide provides librarians with advice on building a reference collection of Statistics Canada publications in order to have at least 10 years of the most recently revised data. The guide features a comprehensive listing of all catalogued publications released since 1917, by Statistics Canada publication number. In addition to suggested retention policy, the entries provide links between current and discontinued publications and other useful reference notes. The guide replaces the uncatalogued Retention Guidelines for Statistics Canada Publications in Libraries and will be updated annually.

For further information, contact Statistics Canada Library at (613)951-0953 (FAX: (613)951-0939).

CURRENT TRENDS

Gross Domestic Product

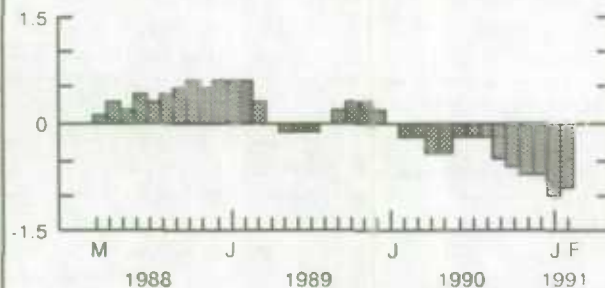
% change,
previous month



Read GDP at factor cost was down 0.2% in March largely due to lower output in manufacturing and construction.

Composite Leading Indicator

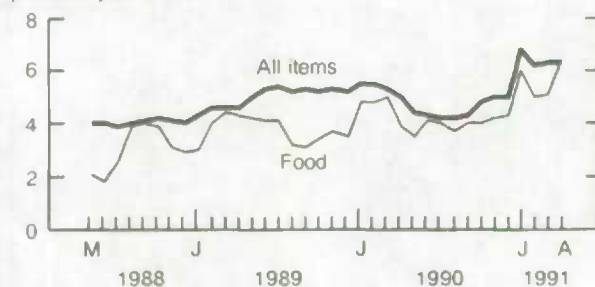
% change,
previous month



The composite leading indicator declined for the thirteenth consecutive month in February.

Consumer Price Index

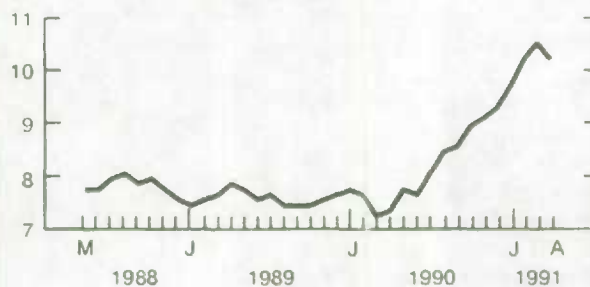
% change,
previous year



In April, the Consumer Price Index year-over-year increase remained at its March level of 6.3%.

Unemployment Rate

%



In April, the seasonally adjusted unemployment rate fell for the first time since June 1990.

Manufacturing

Billions
of dollars



Manufacturing shipments rose 0.5% in March following decreases in the four previous months.

Merchandise Trade

Billions
of dollars



In March, imports fell 4.6% while exports decreased marginally (-0.2%).

Note: 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, 1986)	March*	496	-0.2%	-3.2%
Composite Leading Indicator (1981 = 100)	February	137.1	-0.9%	-5.9%
Profits of Industrial Corporations (\$ billion)	3rd Quarter	5.2	13.6%	-29.5%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	March	14.6	-1.3%	-9.1%
New Motor Vehicle Sales ('000 units)	March	99.0	-4.5%	-17.2%
LABOUR				
Employment (millions)	April	12.3	0.3%	-2.4%
Unemployment Rate (%)	April	10.2	-0.3	2.9
Participation Rate (%)	April	66.4	-0.1	-0.5
Labour Income (\$ billion)	February	31.7	-0.3%	2.1%
Average Weekly Earnings (\$)	March	532.22	0.7%	5.9%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	March	11.2	-0.2%	-9.9%
Merchandise Imports (\$ billion)	March	10.0	-4.6%	-11.9%
Merchandise Trade Balance (\$ billion)	March	1.2	0.5	0.1
MANUFACTURING				
Shipments (\$ billion)	March*	22.6	0.5%	-9.9%
New Orders (\$ billion)	March*	22.3	1.2%	-8.8%
Unfilled Orders (\$ billion)	March*	25.0	-1.2%	-10.6%
Inventory/ Shipments Ratio	March*	1.66	0.01	0.03
Capacity Utilization (%)	4th Quarter	74	-3.6	-7.8
PRICES				
Consumer Price Index (1986 = 100)	April	125.5	0.0%	6.3%
Industrial Product Price Index (1986 = 100)	April	109.7	-0.3%	0.5%
Raw Materials Price Index (1986 = 100)	April	103.3	-1.4%	-2.6%
New Housing Price Index (1986 = 100)	March	130.6	0.2%	-11.0%

*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**Published by the Communications Division
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