



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, June 28, 1991

OVERVIEW

■ Sharp Gain in Building Permits

The value of building permits jumped 16.7% in April; both residential and non-residential sectors contributed to this increase.

■ Capacity Utilization Down for the Twelfth Straight Quarter

The capacity utilization rate in the manufacturing industries dropped 3.2 percentage points to 70.5% in the first quarter of 1991, the twelfth consecutive quarterly decline.

■ Sharp Increase in Non-resident Investment

In April, non-resident net investment in Canadian bonds rebounded to a substantial \$3.9 billion, second only to the record \$4.1 billion of February 1991.

■ Growth in Average Weekly Earnings Continues

In April, average weekly earnings were estimated at \$535.06, a 5.7% increase over a year earlier.

■ Fourth Straight Drop in Industrial Product Price Index

The IPPI fell 0.3% in May, the fourth straight monthly drop.

■ Higher Crude Oil Prices Push Up RMPI

Following five months of decline, the Raw Materials Price Index rose 1.1% in May, largely due to upward pressure from higher crude oil prices.

■ Eighth Straight Monthly Increase in Regular UI Beneficiaries

In April, the number of persons receiving regular unemployment insurance benefits rose for the eighth consecutive month. Increases were registered in all provinces and territories.

This issue also contains information on **Retail Trade, Wholesale Trade** and the **Department Store Sales**.

Sharp Gain in Building Permits

Following a 1.7% decline in March, the value of building permits jumped 16.7% in April to \$2,135 million, the largest gain since 1985. Both the residential and non-residential construction sectors contributed to this increase.

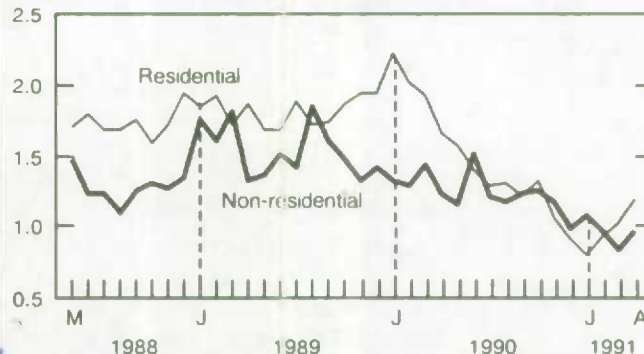
The value of residential building permits climbed 18.2% in April to a level of \$1,183 million, the third straight increase. The increase was attributable to a 21.3% gain in the single-family dwelling sector and a 12.2% rise in the multi-family dwelling sector.

Non-residential building permits increased 15.0% to \$952 million, following two monthly losses. Non-residential permits have been generally declining since August 1989. In April all three components reported increases in the value of building permits. The value of permits in the industrial sector advanced 60.2% to \$176 million, the second gain following five monthly declines.

(continued on page 2)

Building Permits

Billions of dollars, seasonally adjusted



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... Sharp Gain in Building Permits

Commercial permits gained 2.9% to \$484 million, following large drops in March and February. The institutional sector increased 17.9% in April, following a 23.1% drop in March.

Capacity Utilization Down for the Twelfth Straight Quarter

In the first quarter, the capacity utilization rate in the manufacturing sector dropped 3.2 percentage points to 70.5%. Although this level is well below the 81% average recorded over the past 10 years, it is still above the all-time low of 67.6% registered in the fourth quarter of 1982.

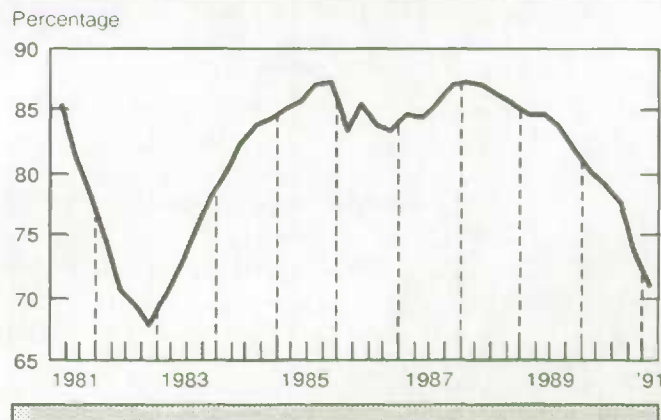
Lower production levels were recorded in virtually all of the 22 industry groups. Any production increases simply added to inventory levels as shipments declined in all major groups.

In the durable goods manufacturing industries, the capacity utilization rate dropped 4.6 percentage points to 66.3%, the eleventh straight decline and the largest drop since 1975. Utilization was down 9.1 percentage points in the non-metallic mineral products industry reflecting a decline in construction activity. A decrease in exports of wood products caused a 7.5 percentage point drop in the utilization rate of the wood industry. Capacity utilization in the transportation equipment manufacturing industry was also down due to lower exports of and demand for motor vehicles and parts.

Capacity utilization in the non-durable goods manufacturing industries, which has been falling steadily since the second quarter of 1988, fell 1.6 percentage points in the first quarter to 75.1%. Because production of intermediate goods fell (due

For further information, order *Building Permits* (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2585.

Capacity Utilization Rate in Manufacturing



to weak markets for final demand goods), capacity utilization rates were down in the rubber (5.8 percentage points) and plastic (5.0 percentage points) products industries. Lower production and shipments of refined petroleum accounted for the 10.7 percentage point drop in capacity utilization in the petroleum and coal products industries.

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.

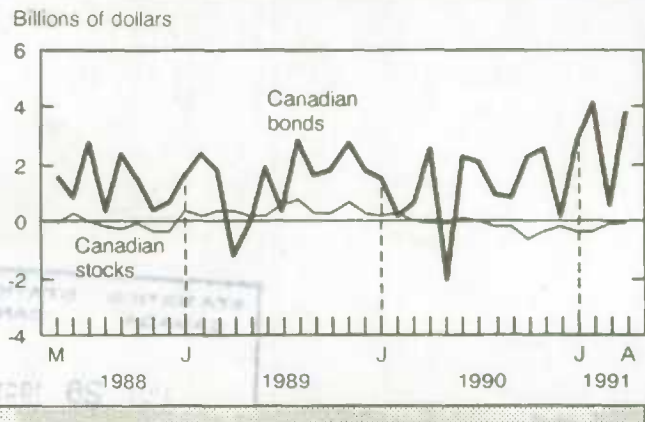
Sharp Increase in Non-resident Investment

In April, non-residents invested a net \$3.4 billion in all Canadian securities, well above the \$1.3 billion average monthly investment recorded for the first three months of 1991. The rise was due to sharply higher net foreign investment in Canadian bonds.

Net investment by non-residents in Canadian bonds amounted to \$3.9 billion, up substantially from \$0.5 billion in March and second only to the record \$4.1 billion of February 1991. A continued high level of new bonds issued abroad was primarily responsible for the jump.

New bond sales to non-residents remained strong at \$3.8 billion in April. The provinces and their enterprises continued to be the driving force behind the high level of new issue activity abroad.

Security Transactions



(continued on page 3)

... Sharp Increase in Non-resident Investment

In the secondary market, non-residents invested a net \$0.7 billion in Canadian bonds, partly offsetting their \$1.6 billion net sell-off in March.

Non-residents reduced their holdings of Canadian money market paper by \$0.4 billion, the fourth consecutive net disinvestment contributing to a cumulative drop of \$2.8 billion. A net disinvestment in Government of Canada treasury bills was partially offset by a net investment in other paper.

Non-residents continued to reduce their holdings of Canadian stocks (-\$0.1 billion), bringing

to \$3.0 billion the net disinvestment over the last 10 months.

Canadian residents acquired a net amount of \$1.0 billion of foreign securities, the second highest monthly investment ever recorded. The net investment in foreign securities in the past three months is \$1.8 billion, two-thirds of which was in the United States.

For further information, order Canada's International Transactions in Securities (catalogue number 67-002) or contact Balance of Payments Division at (613) 951-1864.

Growth in Average Weekly Earnings Continues

In April, average weekly earnings in Canadian industry were estimated at \$535.06, a 5.7% increase over a year earlier. The yearly earnings growth rate was high relative to the average year-over-year gains for 1990 (5.3%) and 1989 (5.0%).

Earnings growth in goods-producing industries was 4.2% compared with annual growth rates of 5.8% in 1990 and 5.4% in 1989. The highest year-over-year increase was posted in the mines, quarries and oil wells industry. The 5.4% increase was equal to the average annual growth rate for 1990, but well below that of 1989. After posting the highest year-over-year increase for two consecutive months, earnings growth in the forestry industry was moderate, standing between the averages for 1989 and 1990. Earnings in manufacturing and construction grew at significantly lower rates than the averages for the two previous years.

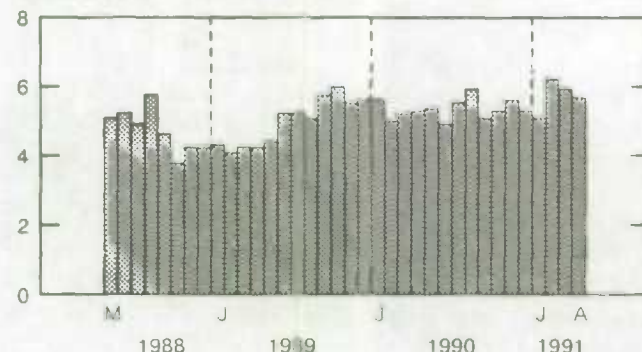
In service-producing industries earnings growth was 7.0%, accelerating from average annual growth rates of 5.8% in 1990 and 4.8% in 1989. Earnings growth in transportation, communication and other utilities, finance, insurance and real estate, and community, business and personal services was also high compared to annual averages for the two previous years.

In goods-producing industries, employees paid by the hour worked an average of 37.5 hours per week, lower than the average for April 1990 (38.4), and earned on average \$15.97 per hour. In service-producing industries, hourly-paid employees worked on average 27.6 hours per week and earned \$12.09.

For further information, order Employment, Earnings and Hours (catalogue number 72-002) or contact Labour Division at (613) 951-4090.

Average Weekly Earnings

% change, previous year



Average Weekly Earnings, April 1991

Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over-year % change
Canada	535.06	5.7
Newfoundland	511.94	8.1
Prince Edward Island	435.24	4.1
Nova Scotia	481.48	5.4
New Brunswick	486.87	4.8
Quebec	525.90	6.3
Ontario	556.61	5.1
Manitoba	476.62	3.4
Saskatchewan	465.26	5.8
Alberta	536.08	7.5
British Columbia	541.25	6.6
Yukon	631.29	3.7
Northwest Territories	728.21	6.4

Fourth Straight Drop in Industrial Product Price Index

In May, the Industrial Product Price Index edged down 0.3% to 108.9, the fourth consecutive monthly decline. Of the 21 major groups of products, prices decreased in 10, increased in eight and were unchanged in three.

A 4.3% drop in the prices for aluminum products and a 5.4% fall in the prices of other non-ferrous metal products were responsible for a 2.1% decrease in the primary metal products index. This was the eighth straight decline in the index.

The paper and paper products index also recorded its eighth straight decrease, falling an estimated 1.4%. The decline was largely the effect of

a 4.1% drop in pulp prices which have generally been declining since February 1990 as a result of weak demand and over-capacity in the industry. Lower prices were registered on both the domestic and export markets.

Lower prices for fuel oils and other fuel pushed the petroleum and coal products index down 1.3%, the fifth straight monthly decrease.

After increases of 1.7% in April and 1.1% in March that followed nine consecutive monthly declines, the lumber, sawmill and other wood products index was up a further 2.0% in May. Higher prices were registered for softwood lumber, Douglas fir plywood and other softwood plywood.

For further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9607.

Higher Crude oil Prices Push Up RMPI

The Raw Materials Price Index (1986 = 100) was up 1.1% in May to 104.4, following five consecutive monthly declines. The major contributor to this increase was a rise in the mineral fuels component. Out of the RMPI's seven components, three registered increases while the remaining four posted declines.

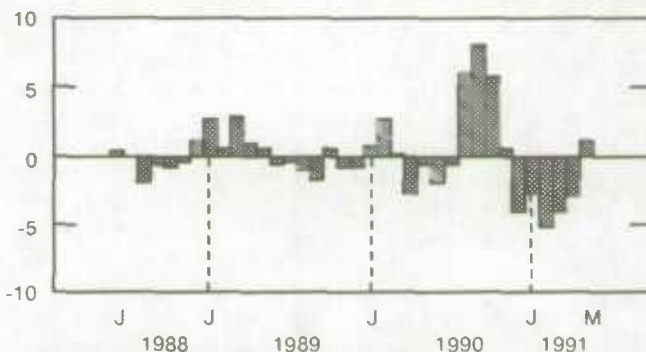
Mineral fuels, which accounts for approximately one-third of the index, rose 5.2% in May. This was mainly attributable to a 5.6% increase in crude mineral oil prices, the first gain since November 1990. The RMPI excluding mineral fuels decreased by 0.7%.

After increasing (1.0%) in April, for the first time in 11 months, the vegetable products index fell 1.1% in May reflecting lower prices for grains (-2.0%) and unrefined sugar (-10.2%).

In May, the animal and animal products index was up 1.0% following two consecutive decreases. Rises in the prices for hogs and fresh fish were

Raw Materials Price Index

% change, previous month



partially offset by decreases in the prices for chickens and cattle.

For further information, order *Industry Price Indexes* (catalogue number 62-011) or contact Prices Division at (613) 951-9607.

Eighth Straight Monthly Increase in Regular UI Beneficiaries

In April, the seasonally adjusted number of regular unemployment insurance beneficiaries rose 2.4% to 1.2 million, the highest level since March 1983. This was the eighth straight monthly increase. The number of regular UI beneficiaries was higher in all provinces and territories. (See accompanying table.)

Seasonally adjusted total benefit payments for the month rose 1.4% to a level of \$1.4 billion, following a 3.5% increase in March. After rising 1.3% in March, the number of benefit weeks (in all of April) advanced 4.9% to 6.1 million.

For further information, order *Unemployment Insurance Statistics* (catalogue number 73-001) or contact Labour Division at (613) 951-4044.

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... Eighth Straight Monthly Increase in Regular UI Beneficiaries

UI Beneficiaries Receiving Regular Benefits,

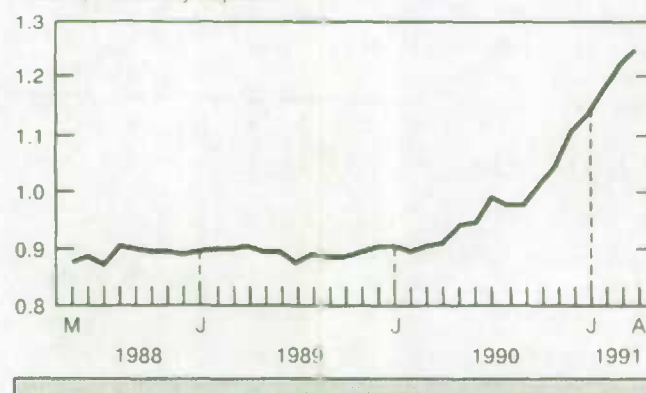
April 1991

Seasonally Adjusted

Province/Territory	Total (thousands)	% change, previous month	% change, previous year
Canada	1,248.9	2.4	38.0
Newfoundland	70.1	0.5	6.1
Prince Edward Island	12.5	0.9	9.9
Nova Scotia	53.6	1.5	16.2
New Brunswick	59.3	1.5	14.3
Quebec	400.5	2.3	27.3
Ontario	366.9	3.1	84.5
Manitoba	34.0	1.9	22.5
Saskatchewan	25.8	3.6	18.4
Alberta	77.2	2.8	31.7
British Columbia	143.0	1.1	35.8
Yukon	1.7	8.8	16.0
Northwest Territories	1.7	5.0	30.5

U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



Slight Rise in Retail Trade

After declining 0.9% in March, estimates indicate that retail sales increased 0.4% in April to a level of \$14.9 billion. In the first four months of 1991, retail sales have fluctuated markedly while registering an average monthly decrease of about 0.4%.

The overall gain was primarily due to increases reported by automotive related industries. Motor

vehicle and recreational vehicle dealers posted a 2.5% advance, the largest monthly gain since May 1990. Automotive parts, accessories and services stores registered a 3.2% increase in sales, following four consecutive monthly losses. After declining for two straight months, sales by gasoline service stations were up 2.1% in April.

(continued on page 5)

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, April 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	14,901	0.4	14,249	1.1
Newfoundland	277	0.2	157	2.6
Prince Edward Island	60	0.0	35	19.1
Nova Scotia	492	1.6	344	2.4
New Brunswick	393	2.7	231	-0.6
Quebec	3,669	-0.8	3,536	0.0
Ontario	5,428	0.3	5,957	1.7
Manitoba	513	-0.2	481	7.2
Saskatchewan	431	-2.7	448	-0.5
Alberta	1,589	1.1	1,305	-1.4
British Columbia	1,957	0.7	1,739	1.5
Yukon and Northwest Territories	43.6	0.1	16	13.9

... Slight Rise in Retail Trade

Partly offsetting these increases were lower sales by supermarkets and grocery stores (-1.0%), following a 1.9% gain in March. Sales by all other food stores were down (-5.1%) as were sales of general merchandise stores (-0.5%).

In April, six provinces recorded higher retail sales.

For further information, order Retail Trade (catalogue number 63-005) or contact Industry Division at (613) 951-3551.

Wholesale Trade Continues to Rise

Wholesale trade rose by 1.1% to \$14.2 billion in April, a smaller rise than the 2.7% gain in March. This was the third straight increase.

Five of the nine trade groups registered higher sales, although two accounted for most of the overall gain. Wholesalers of machinery, equipment and supplies (for uses other than farming) reported an increase of 2.7%, the third straight monthly gain. Sales by wholesalers of other products (farm and paper products; agricultural supplies; industrial and household chemicals; etc.) posted 3.4% rise following a 5.5% loss in March. Increases were also

registered for wholesale sales of household goods which jumped 6.8%, reversing the declining trend begun in September 1990, for motor vehicles, parts and accessories (0.6%) and for lumber and building materials (0.1%).

Sales of farm machinery, equipment and supplies fell 7.5% after rising significantly in March (12.4%) and February (15.0%). Wholesale sales of apparel and dry goods were down for the second straight month (-1.1%).

Regionally, seven provinces and the territories posted sales increases.

For further information, order Wholesale Trade (catalogue number 63-008) or contact Industry Division at (613) 951-9683.

Department Store Sales Down

After showing no movement in March and rising 9.6% in February, seasonally adjusted department store sales fell 1.7% in April to \$1.1 billion. Lower sales were recorded in 24 of the 40 major commodity lines. The most pronounced decreases were in the footwear, clothing and accessories lines, while the largest increases were registered by the furniture and appliance categories.

Department store inventories totalled \$4.9 billion at the end of April, an increase of 0.7%. Although this was the third straight increase, the rate of growth has been slowing.

The ratio of stocks to sales was up 2.5% to 4.54:1, slightly higher than the 4.46:1 average ratio observed since the beginning of 1991.

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

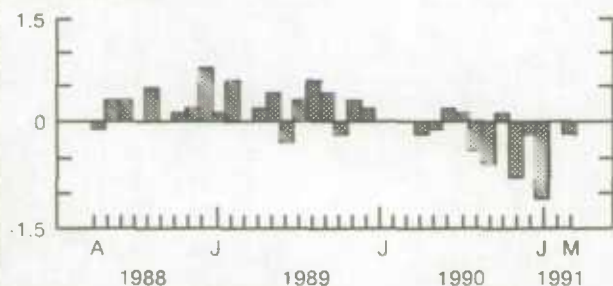
PUBLICATIONS RELEASED FROM JUNE 21 TO 27, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Grain Trade of Canada	1989-90	22-201	39	47	55
Livestock and Animal Products Statistics	1990	23-203	56	67	78
Stocks of Food Commodities in Cold Storage and Other Warehouses	1990	32-217	34	41	48
FINANCIAL FLOWS					
Canadian Economic Observer	June 1991	11-010	22/220	26/260	31/310
INDUSTRY					
Canned and Frozen Fruits and Vegetables - Monthly	February 1991	32-011	5/50	6/60	7/70
Construction Type Plywood	April 1991	35-001	5/50	6/60	7/70
Corrugated Boxes and Wrappers	May 1991	36-004	5	6	7
Furniture and Fixtures Industries	1988	35-251	35	42	49
Gas Utilities	February 1991	55-002	12.70/127	15.20/152	17.80/178
Mineral Wool Including Fibrous Glass Insulation	May 1991	44-004	5/50	6/60	7/70
Monthly Survey of Manufacturing	March - April 1991	31-001	17.30/173	20.80/208	24.20/242
Pack of Apples and Apple Products	1989	32-241	13	16	18
Production and Disposition of Tobacco Products	May 1991	32-022	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies	April 1991	35-002	10	12	14
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	April 1991	35-003	7.10	8.50	9.90
Refined Petroleum Products	March 1991	45-004	18.20/182	21.80/218	25.50/255
Retail Commodity Survey	1989	63-541	75	90	105
INTERNATIONAL TRADE					
Exports by Country	January-March 1991	65-003	82.75/331	99.25/397	115.75/463
Preliminary Statement of Canadian International Trade	April 1991	65-001P	10/100	12/120	14/140
LABOUR					
Unemployment Insurance Statistics	1991	73-202S	38	46	53
PRICES					
Industry Price Indexes	April 1991	62-011	18.20/182	21.80/218	25.50/255
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	April 1991	63-011	6.10/61	7.30/73	8.50/85
Telephone Statistics	April 1991	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Aviation Statistics Centre - Service Bulletin	Vol. 23, No. 6	51-004	9.30/93	11.20/112	13/130
Passenger Bus and Urban Transit Statistics	March 1991	53-003	7.10/71	8.50/85	9.90/99
	April 1991	53-003	7.10/71	8.50/85	9.90/99

CURRENT TRENDS

Gross Domestic Product

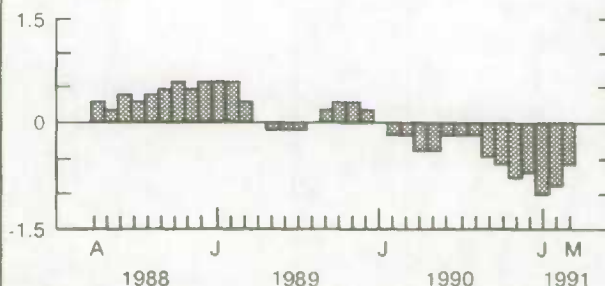
% change,
previous month



Real 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 fell for the fourteenth straight month in March, but at the slowest rate since October 1990.

Consumer Price Index

% change,
previous year



In May, the Consumer Price Index year-over-year increase was down 0.1 percentage points to 6.2%.

Unemployment Rate

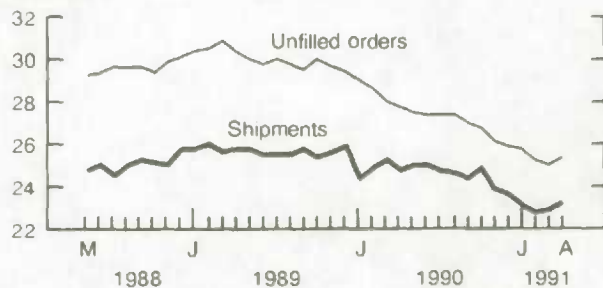
%



In May, the seasonally adjusted unemployment rate rose 0.1 percentage points to 10.3.

Manufacturing

Billions
of dollars



Shipments rose 2.2% in April and unfilled orders increased 1.4%, the first gain since August 1990.

Merchandise Trade

Billions
of dollars



Total merchandise exports advanced 4.5% in April. Imports registered a 6.5% increase, following declines in March and February.

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)	March	136.2	-0.6%	-6.3%
Profits of Industrial Corporations (\$ billion)	1st Quarter	12.3	-15.9%	-28.9%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	April*	14.9	0.4%	-6.4%
New Motor Vehicle Sales ('000 units)	April	106.8	6.8%	-3.9%
LABOUR				
Employment (millions)	May	12.4	0.3%	-1.8%
Unemployment Rate (%)	May	10.3	0.1	2.6
Participation Rate (%)	May	66.5	0.1	-0.4
Labour Income (\$ billion)	February	31.7	-0.3%	2.1%
Average Weekly Earnings (\$)	April*	535.06	0.5%	5.7%
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)	April	23.2	2.2%	-5.9%
New Orders (\$ billion)	April	23.5	5.0%	-3.5%
Unfilled Orders (\$ billion)	April	25.2	1.4%	-8.8%
Inventory/ Shipments Ratio	April	1.58	-0.06	0.01
Capacity Utilization (%)	1st Quarter	70.5	-4.3	-11.8
PRICES				
Consumer Price Index (1986 = 100)	May	126.1	0.5%	6.2%
Industrial Product Price Index (1986 = 100)	May*	108.9	-0.3%	-0.6%
Raw Materials Price Index (1986 = 100)	May*	104.4	-1.1%	-1.1%
New Housing Price Index (1986 = 100)	April	130.2	-0.3%	-10.9%

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

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KEY RELEASE CALENDAR: JULY 1991*

Monday	Tuesday	Wednesday	Thursday	Friday
1	2 Composite Leading Indicator, April	3 Help-wanted Index, June	4	5 Labour Force Survey, June
8	9 New Housing Price Index, May	10	11 New Motor Vehicle Sales, May Farm Product Price Index, May	12 International Travel, May
15	16 Survey of Manufacturing, May	17	18 Preliminary Statement of International Trade, May	19 Consumer Price Index, June
22 Retail Trade, May Department Store Sales and Stocks, May	23 Wholesale Trade, May	24 Unemployment Insurance, May	25 International Transactions in Securities, May Farm Input Price Index, 2 nd Quarter	26 Industrial Product Price Index, June Raw Materials Price Index, June
29 Employment, Earnings and Hours, May	30 Building Permits, May	31 Real Gross Domestic Product at Factor Cost by Industry, May		

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