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A WEEKLY REVIEW

Friday, August 9, 1991

OVERVIEW

■ Increase in the Demand for Labour

In July, the seasonally adjusted Help-wanted Index increased 2.7% to a level of 77.

■ Rises in Wages and Salaries Accelerate

The seasonally adjusted estimate of wages and salaries for May rose 0.6% from April, the largest monthly increase in one year.

■ Leading Indicator: Second Advance Following 14 Declines

The composite leading indicator was up 0.7% in May, the second straight increase following 14 months of decline.

■ Prices of Non-residential Building Construction Continue to Fall

The composite price index for non-residential building construction fell 0.3% in the second quarter to 121.4. This is the fourth consecutive quarterly drop in the Canada index.

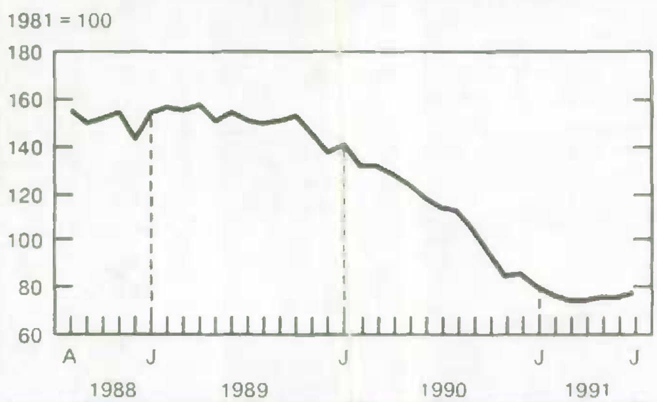
Increase in the Demand for Labour

In July, the seasonally adjusted Help-wanted Index (1981 = 100), which serves as an indicator of the demand for labour, increased 2.7% to a level of 77. After reaching a peak of 157 in April 1989, the Help-wanted Index for Canada declined to a low of 74 in March 1991. The index advanced to 75 in May, remained unchanged in June and rose to 77 in July. Ontario, Quebec and British Columbia posted gains, while the Prairie provinces and the Atlantic provinces registered losses.

In Ontario, the Help-wanted Index climbed 5.7% to a level of 74, the second straight increase following two consecutive declines. Following a 7.9% drop in June, the Quebec index was up 4.9% to 86. The British Columbia index rose 3.7%, the second straight monthly increase.

(continued on page 2)

Help-wanted Index, Canada



... Increase in the Demand for Labour

In July, the index decreased to a level of 104 in the Atlantic provinces. The 4.6% drop is the fourth decline in the past five months. The Help-wanted Index was also lower in the Prairie region. The 3.8% loss returned the index to the declining trend begun October 1990 but interrupted in June 1991.

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

Help-wanted Index (1981 = 100)
Seasonally Adjusted

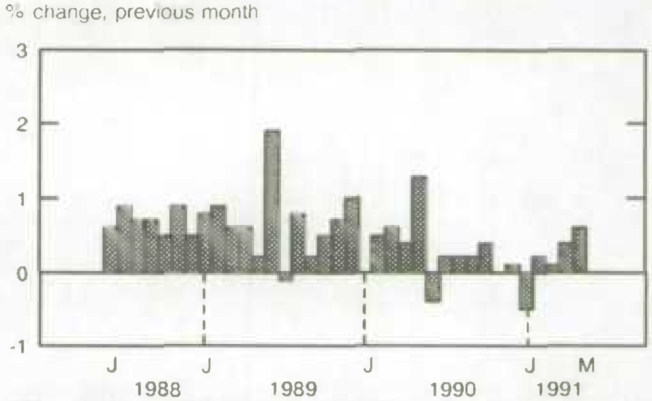
	Index	% change, previous month	% change, previous year
Canada	77	2.7	-31.9
Atlantic	104	-4.6	-42.9
Quebec	86	4.9	-27.7
Ontario	74	5.7	-31.5
Prairies	51	-3.8	-37.0
British Columbia	85	3.7	-27.4

Rises in Wages and Salaries Accelerate

In May, the seasonally adjusted estimate of wages and salaries rose 0.6%, the largest monthly increase since May 1990. This advance followed three smaller increases in April, March and February. Of the 14 industry groups, 10 registered gains.

The largest increase in wages and salaries was recorded in the construction industry. The 2.9% advance followed two consecutive months of decline and was the largest rise in 16 months. Wages and salaries in the mines, quarries and oil wells industry were up 1.8%, following a 2.2% drop in April. The manufacturing industry posted a 1.4% increase in wages and salaries, the third straight rise after having decreased in 10 of the previous 11 months. The next largest percent changes were recorded in the trade industry (1.2%) and in personal services (1.0%).

Wages and Salaries



Partially offsetting these increases were lower wages and salaries in four industries. After rising for four straight months, federal administration posted a 4.9% drop in May, the largest recorded since June 1990. Wages and salaries in the forestry industry were down 2.3%, the first fall following three months of advance. Declines were also registered in the finance, insurance and real estate industry and in local administration.

In May, the largest monthly increase in wages and salaries was registered in Ontario, followed by Alberta and Prince Edward Island. Declines were noted in Saskatchewan, Manitoba and Newfoundland. (See accompanying table.)

Wages and Salaries, May
Seasonally Adjusted

Province	Wages and Salaries (millions of $)	% change, previous month	% change, previous year
Canada	**28,635**	**0.6**	**1.7**
Newfoundland	384	-0.1	1.1
Prince Edward Island	87	0.8	2.3
Nova Scotia	720	0.4	0.3
New Brunswick	571	0.6	2.8
Quebec	6,472	0.4	0.2
Ontario	12,480	1.3	1.6
Manitoba	919	-1.5	-0.3
Saskatchewan	692	-2.0	-1.6
Alberta	2,751	0.8	3.9
British Columbia	3,412	0.6	3.2

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

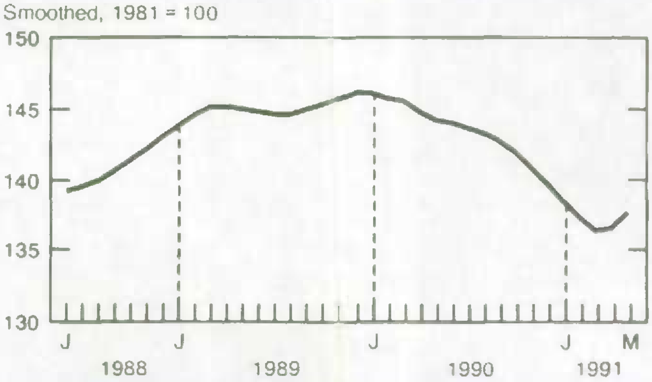
Leading Indicator: Second Advance Following 14 Declines

The composite leading indicator rose 0.7% in May, the second consecutive gain following 14 straight monthly declines. Gains in the U.S. leading index as well as in the manufacturing and services components have reinforced the initial upturn led by housing and financial market indicators.

The indicators of household demand continued to recover from the sharp drops registered early in the year. The housing index was up 6.3%, the second straight gain after a year of declines. Possibly due to weak sales for new homes, sales of furniture and appliances fell 0.4, the fifth straight monthly drop. Sales of other durable goods and employment in services rose slowly, the latter being the second consecutive rise following seven declines.

Largely due to auto exports to the United States and construction materials, new orders for durable goods rose (0.3%) for the first time since August 1990. The ratio of shipments to inventories edged up (0.01%) for the first time in 10 months, as firms continued to reduce inventories. The average workweek was unchanged, after registering seven straight months of decline.

Composite Leading Indicator



The TSE 300 index posted a fourth straight gain, while the real money supply rose for the second straight month.

The U.S. leading indicator grew 0.3% in May, its second consecutive increase.

For further information, order the Canadian Economic Observer (catalogue number 11-010) or contact Current Economic Analysis Division at (613) 951-3627.

Prices of Non-residential Building Construction Continue to Fall

The composite price index (1986 = 100) for non-residential building construction, which includes commercial, industrial and institutional buildings, fell 0.3% in the second quarter to 121.4. This represents the fourth consecutive quarterly drop in the index.

On a year-over-year basis, prices dropped 4.8% from the second quarter of 1990. This is the largest annual reduction since this price index started in 1972 and is considerably larger than the first quarter 1991 year-over-year decrease (-2.9%). But it should be borne in mind that the Goods and Services Tax is excluded from the 1991 data whereas the Federal Sales Tax is included in the data prior to 1991.

Of the seven cities surveyed, all registered declines. Vancouver showed the largest quarterly decrease, although the 1.1% decline was notably less than the 2.4% drop recorded in the first quarter. The Calgary index was down 0.7%, the largest fall since the first quarter of 1985, as was the Ottawa index, following a 1.1% drop in the first quarter and a 0.7% gain in the fourth quarter of 1990. Declines were also registered in Montreal (-0.4%), Edmonton (-0.3%), Halifax (-0.2%) and Toronto (-0.1%). For Toronto, this is in contrast to the previous quarter when it had the largest decrease (-3.2%).

Non-residential Building Construction Price Indexes*
Second Quarter 1991
(1986 = 100)

	Index	% change, previous quarter	% change, previous year
Composite	**121.4**	**-0.3**	**-4.8**
Halifax	109.6	-0.2	-2.8
Montreal	113.8	-0.4	-4.6
Ottawa	124.3	-0.7	-0.4
Toronto	125.4	-0.1	-5.6
Calgary	121.9	-0.7	-1.1
Edmonton	123.4	-0.3	-0.5
Vancouver	115.4	-1.1	-6.1

**Note:* *Effective January 1, 1991, the Goods and Services tax is excluded but the Provincial Sales Tax is included as before.*

For further information, contact Prices Division at (613) 951-9607.

PUBLICATIONS RELEASED FROM AUGUST 2 TO 8, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
AGRICULTURE					
Cereals and Oilseeds Review	May 1991	22-007	13.80/138	16.60/166	19.30/193
BALANCE OF PAYMENTS					
Canada's International Transactions in Securities	May 1991	67-002	15.80/158	19/190	22.10/221
EDUCATION, CULTURE AND TOURISM					
Culture Service Bulletin 1988-89 in an Historical Perspective Vol. 14, No. 4	1988-89	87-001	4.90/49	5.90/59	6.90/69
Travel-log – Touriscope: Domestic Travel – A Decade of Change, Vol. 10, No. 3	Summer 1991	87-003	10.50/42	12.50/50	14.75/59
INDUSTRY					
Cement	June 1991	44-001	5/50	6/60	7/70
Coal and Coke Statistics	May 1991	45-002	10/100	12/120	14/140
Department Store Monthly Sales by Province and Metropolitan Area	May 1991	63-004	2.70/27	3.20/32	3.80/38
Department Store Sales and Stocks	January 1991	63-002	14.40/144	17.30/173	20.20/202
Electric Power Statistics	May 1991	57-001	10/100	12/120	14/140
Factory Sales of Electric Storage Batteries	June 1991	43-005	5/50	6/60	7/70
Footwear Statistics	June 1991	33-002	5/50	6/60	7/70
Gypsum Products	June 1991	44-003	5/50	6/60	7/70
Industrial Chemicals and Synthetic Resins	June 1991	46-002	5.60/56	6.70/67	7.80/78
Production of Selected Biscuits	January-June 1991	32-026	6.75/13.50	8.10/16.20	9.45/18.90
Shipments of Solid Fuel Burning Heating Products	Quarter Ended June 1991	25-002	4.75/19	5.75/23	6.75/27
Specified Domestic Electrical Appliances	June 1991	43-003	5/50	6/60	7/70
Rubber and Plastic Products Industries	1988	33-250	35	42	49
Wood Industries	1988	35-250	49	59	69
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	May 1991	15-001	12.70/127	15.20/152	17.80/178
INVESTMENT AND CAPITAL STOCK					
Building Permits	Annual Summary 1990	64-203	56	67	78
LABOUR					
Unemployment Insurance Statistics	May 1991	73-001	14.70/147	17.60/176	20.60/206
SERVICES, SCIENCE AND TECHNOLOGY					
Science Statistics Service Bulletin Provincial Distribution of R&D in Canada, Vol. 15 No. 4	1979 to 1989	88-001	7.10/71	8.50/85	9.90/99
STANDARDS					
Index to Statistics Canada Surveys and Questionnaires	1990	12-205	26	31	36
TRANSPORTATION					
Service Bulletin Surface and Marine Transport, Vol. 7, No. 4		50-002	9.40/75	11.25/90	13.15/105

NEW FROM STATISTICS CANADA

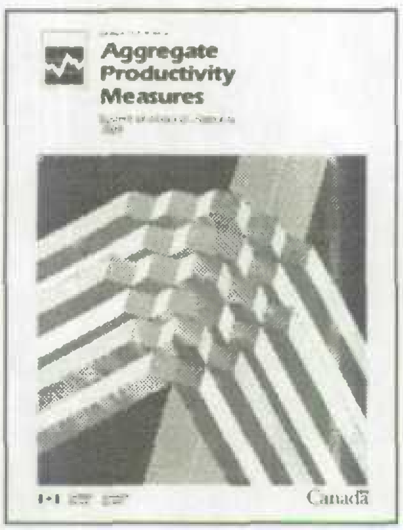
Travel-log – Touriscope

Summer 1991

The Summer issue of *Travel-log*, Statistics Canada's quarterly tourism newsletter, features an in-depth look at domestic travel trends over the past decade. Selected highlights include:

- Domestic travel was relatively flat, but Canadians have been travelling outside the country in record numbers;
- Business travel boomed between 1980 and 1990;
- Short holidays or getaways grew in popularity;
- Hotels gained a larger share of business and leisure travel;
- Senior travellers were the fastest growing age segment over the 10-year period.

For further information, order Travel-log – Touriscope (catalogue number 87-003) or contact Education, Culture and Tourism Division at (613) 951-9169.



Aggregate Productivity Measures

1989

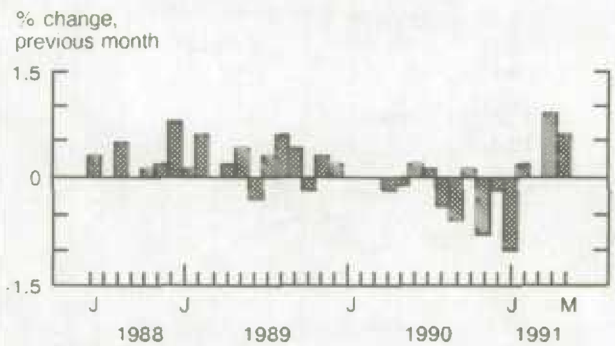
The 1989 issue of *Aggregate Productivity Measures* contains labour productivity and experimental multifactor productivity for several business-sector industries. While multifactor productivity was introduced in the previous issue of this publication, the current issue reports on the progress of the multifactor productivity program by introducing an additional productivity measure and a framework for the interpretation of alternative productivity models. Because of the ongoing interest in analyzing the competitiveness of Canadian industries, the publication compares the labour and multifactor productivity indexes of Canada to those of the United States.

Available on CANSIM: matrices 7916-7938 (labour productivity) and 7900, 7901, 7903 (multifactor productivity).

For further information, order Aggregate Productivity Measures (catalogue number 15-204E) or contact Input-Output Division at (613) 951-3687.

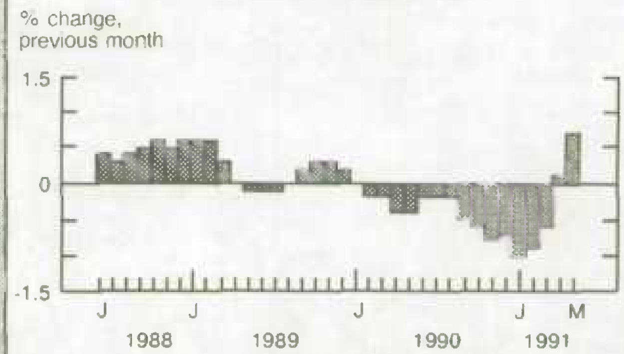
CURRENT TRENDS

Gross Domestic Product



Real GDP at factor cost rose 0.6% in May, the second consecutive increase

Composite Leading Indicator



The Composite Leading Indicator increased 0.7% in May, the second straight gain following 14 months of decline.

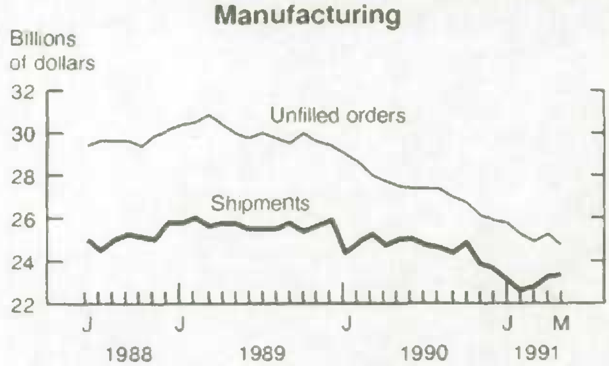
Consumer Price Index

The CPI was up 0.5% in June as the food component climbed sharply due to a surge in fresh vegetable prices.

Unemployment Rate

In June, the seasonally adjusted unemployment rate rose 0.2 percentage points to the March level of 10.5%.

Manufacturing



Shipments rose 0.9% in May, the third consecutive increase, while unfilled orders registered a 1.8% decline.

Merchandise Trade

Total merchandise exports fell 3.5% in May and imports dropped 6.2% to the lowest monthly total since July 1988.

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)	May	506	0.6%	-1.0%
Composite Leading Indicator (1981 = 100)	May*	137.5	0.7%	-4.6%
Profits of Industrial Corporations ($ billion)	1st Quarter	12.3	-15.9%	-28.9%
DOMESTIC DEMAND				
Retail Trade ($ billion)	May	15.2	1.5%	-4.1%
New Motor Vehicle Sales ('000 units)	May	109.8	2.5%	0.4%
LABOUR				
Employment (millions)	June	12.4	-0.1%	-2.0%
Unemployment Rate (%)	June	10.5	0.2	2.9
Participation Rate (%)	June	66.6	0.1	-0.3
Labour Income ($ billion)	May*	32.2	0.6%	1.8%
Average Weekly Earnings ($)	May	536.88	0.3%	5.7%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	May	11.6	-3.5%	-7.2%
Merchandise Imports ($ billion)	May	10.4	-6.2%	-7.6%
Merchandise Trade Balance ($ billion)	May	1.2	0.3	0.05
MANUFACTURING				
Shipments ($ billion)	May	23.3	0.9%	-6.3%
New Orders ($ billion)	May	22.8	-2.3%	-7.5%
Unfilled Orders ($ billion)	May	24.7	-1.8%	-10.2%
Inventory/ Shipments Ratio	May	1.56	-0.03	0.01
Capacity Utilization (%)	1st Quarter	70.5	-4.3	-11.8
PRICES				
Consumer Price Index (1986 = 100)	June	126.7	0.5%	6.3%
Industrial Product Price Index (1986 = 100)	June	108.6	-0.2%	-0.7%
Raw Materials Price Index (1986 = 100)	June	104.0	-0.2%	0.4%
New Housing Price Index (1986 = 100)	May	131.2	0.8%	-9.9%

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

A Weekly Review

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