



# I·N·F·O·M·A·T

## A WEEKLY REVIEW

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Friday, November 1, 1991

### OVERVIEW

#### ■ Economic Growth Slows

Gross domestic product at factor cost fell 0.3% in August following four straight monthly increases. Service-producing industries posted a 0.5% decrease but goods-producing industries remained at July's level.

#### ■ Downturn in Construction Activity

The preliminary value of building permits issued dropped 7.2% in August; both the residential and non-residential sectors contributed to this decrease.

#### ■ Growth in Average Weekly Earnings Still Strong

In August, average weekly earnings in Canadian industry were estimated at \$546.86, up 5.4% from the same period last year.

#### ■ Number of Unemployment Insurance Beneficiaries Falling

The seasonally adjusted number of regular unemployment insurance beneficiaries decreased 0.4% in August, the fourth straight monthly decline following eight monthly increases.

#### ■ Lower Animal Prices Push Down RMPI

The Raw Materials Price Index (RMPI) fell 0.9% in September to 102.7. The decline was mainly due to price decreases for animals and animal products.

#### ■ Eighth Straight Drop of Industrial Product Price Index

The IPPI slipped 0.2% in September, the eighth straight monthly decline. On a year-over-year basis, the index fell 2.4%, the largest decrease posted in thirty-five years.

This issue also includes information on Refined Petroleum Products, Foreign Visits and Provincial Real Gross Domestic Product by Industry.

### Economic Growth Slows

Gross domestic product at factor cost fell 0.3% in August following four consecutive monthly increases. Service-producing industries posted a 0.5% decrease while goods-producing industries remained at July's level after recording four straight increases.

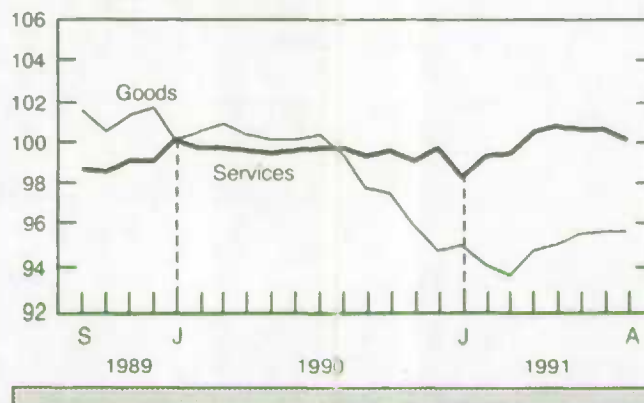
Lower sales reported by motor vehicle dealers and real estate agents and less activity in the grain storage system accounted for almost 80% of the drop in service-producing industries. Retail trade fell 1.6% in August, followed by transportation and storage services (-1.3%), community, business and personal services (-0.8%) and finance, insurance and real estate (-0.5%). These declines were partly offset by advances in communications (+0.9%) and wholesale trade (+0.4%).

The pause in goods-producing industries followed gains of 0.5% in June and 0.2% in July. Manufacturing and mining accounted for most of

(continued on page 2)

#### Gross Domestic Product Output by Sector

Index (January 1990 = 100)



Statistics  
Canada

Statistique  
Canada

Canada

### ... Economic Growth Slows

the losses, but agriculture and fishing also posted lower output. Construction and utilities contributed most of the gains, but forestry also increased.

## Downturn in Construction Activity

The preliminary value of building permits issued in Canada dropped 7.2% to \$2,353 million in August, down from July's revised \$2,537 million. Both the residential and non-residential sectors were responsible for this third decrease in 1991.

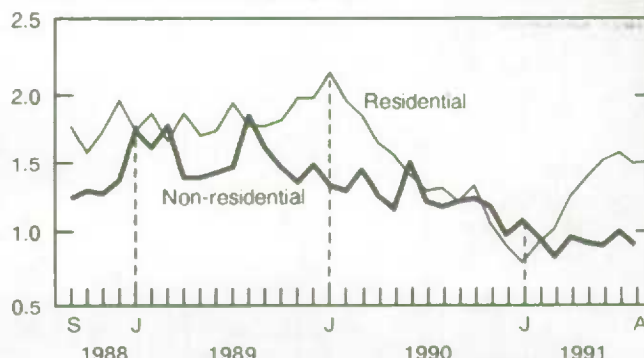
Residential building permits declined 6.0% to a level of \$1,459 million, ending the upward trend noted since February. Residential permits declined as a result of a sharp decrease in the multi-family dwelling sector (-12.4%) and to a lesser extent the single-family dwelling sector (-3.3%). Only the Atlantic region (+6.2%) and British Columbia (+1.2%) reported gains in the value of residential building permits.

The value of non-residential building permits fell 9.2% in August, continuing the generally downward trend noted in recent months. Declines in the commercial (-27.7%) and institutional (-8.4%) sectors were only partially offset by a sharp advance in the industrial sector (+71.9%). British Columbia (-40.4%) and Ontario (-11.9%) were the only regions

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001), or contact *Industry Measures and Analysis Division* at (613) 951-9164. (See also "Current Trends" chart on page 7.)

### Building Permits

Billions of dollars, seasonally adjusted



to report declines in the value of non-residential building permits.

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

## Growth in Average Weekly Earnings Still Strong

In August, average weekly earnings in Canadian industry were estimated at \$546.86, a 5.4% increase over a year earlier. The yearly earnings growth rate exceeded the average year-over-year advances for 1990 (5.3%) and 1989 (5.0%).

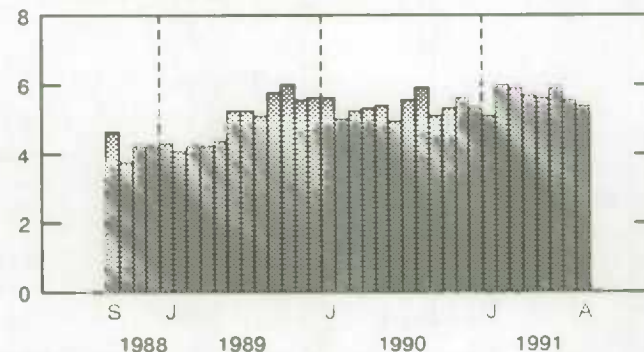
### Average Weekly Earnings, August 1991

Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over year % change
<b>Canada</b>	<b>546.86</b>	<b>5.4</b>
Newfoundland	517.08	5.3
Prince Edward Island	430.54	3.1
Nova Scotia	484.73	5.7
New Brunswick	493.40	6.4
Quebec	535.77	5.4
Ontario	573.15	5.5
Manitoba	489.05	4.3
Saskatchewan	472.67	5.8
Alberta	547.59	5.4
British Columbia	547.95	5.9
Yukon	636.19	3.7
Northwest Territories	757.70	4.9

### Average Weekly Earnings

% change, previous year



There was a sharp difference in the pattern of growth of goods-producing industries compared to that of services. For the former, the average year-to-year growth in earnings for January to August 1991 was 5.0%, compared to a hike of 5.8% over the same

(continued on page 3)



### ... Growth in Average Weekly Earnings Still Strong

period in 1990. Mines, quarries and oil wells, manufacturing and construction all contributed to the slower gain. In service-producing industries, earnings grew by 6.6% from January to August 1991, compared to 5.7% growth over the same period in 1990. Non-commercial services, transportation, communication and utilities, and finance, insurance and real estate contributed to this increase.

### Number of Unemployment Insurance Beneficiaries Falling

The seasonally adjusted number of beneficiaries who received regular unemployment insurance benefits decreased by 0.4% to 1,165,000 in August, the fourth straight monthly decrease following eight consecutive monthly increases.

The number of regular UI beneficiaries fell in Ontario (-4.4%), British Columbia (-4.0%), Newfoundland (-3.2%) and the Northwest Territories (-2.7%) but rose in Prince Edward Island (+4.9%), Quebec (+2.4%), Saskatchewan (+2.2%) and Manitoba (+2.0%).

Total benefit payments decreased 6.1% to a level of \$1,490 million following a 3.0% increase in July. After rising in July, the number of benefit weeks was down 7.8% to 5.8 million in August.

For further information, order *Unemployment Insurance Statistics* (catalogue number 73-001) or contact Labour Division at (613) 951-4039.

### Lower Animal Prices Push Down RMPI

The Raw Materials Price Index (RMPI) (1986 = 100) fell 0.9% in September to 102.7, the seventh monthly decrease posted this year. The decline was mainly due to lower prices for animals and animal products. Prices dropped in three of the RMPI's seven components while four registered increases. The RMPI excluding mineral fuels fell 1.6%.

The animal and animal products index, which carries one-quarter of the overall weight, dropped 3.9% in September. Sharply lower prices for hogs (-15.6%), poultry (-5.2%) and cattle for slaughter (-3.4%) were responsible for the fall.

Declines in prices for logs and bolts (-1.4%), and hardwood and softwood pulpwood (-0.2% and -1.2%, respectively) pushed the wood index down 1.3% to a level of 122.7.

Mineral fuels, which account for roughly one-third of the RMPI index, rose 0.5% to 105.1 in September. The major contributor to this increase was a 0.6% increase in prices of crude mineral oils.

In August, employees paid by the hour in the goods-producing industries worked on average 31.8 hours per week, down from 32.3 a year ago, and earned on average \$15.86 per hour. In the service-producing industries, employees worked an average of 28.9 hours per week, compared to 29.1 in August 1990, and earned on average \$12.06 per hour.

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

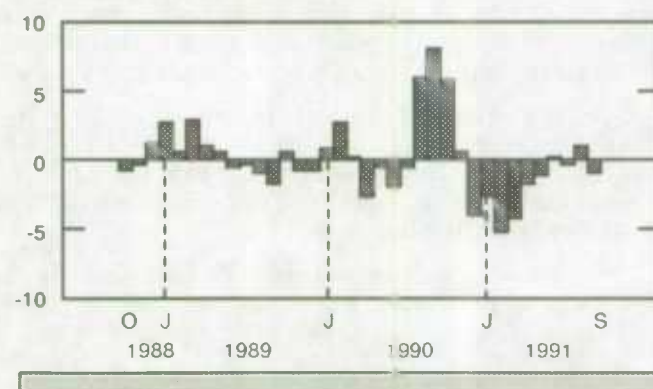
#### U.I. Beneficiaries Receiving Regular Benefits

Millions, seasonally adjusted



#### Raw Materials Price Index

% change, previous month



The vegetable products index went up 1.6%, largely due to a 7.1% jump in wheat prices and a 4.1% rise in oilseed prices.

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

## Eighth Straight Drop of Industrial Product Price Index

In September, the Industrial Product Price Index (1986=100) was at 107.6, down 0.2% from August's revised level of 107.8, and the eighth consecutive monthly drop. The year-over-year decrease between September 1991 and September 1990 was 2.4%, the largest decrease posted since the introduction of the complete set of price indexes for manufactured goods in 1956. Of the 21 major groups of products, prices fell in 13, remained unchanged in four and increased in four.

A 3.0% drop in pulp prices was mainly responsible for the 0.8% decrease in the paper and paper products index. This was the twelfth consecutive monthly decline for the index.

The primary metal products index also recorded its twelfth straight decrease, falling 0.7% in

September to 102.5, its lowest level since April 1987. The decline was largely the effect of price decreases for nickel products (-5.7%), aluminum products (-2.4%) and other non-ferrous metal products (-2.4%). A rise in prices of 4.0% for copper and copper alloy products helped moderate the overall fall.

Lower prices for most products in the petroleum and coal products index pushed the index down by 0.4%. The lumber, sawmill and other wood products index slipped 0.1% in September; lower prices for Douglas fir plywood (-7.9%) and other softwood plywood (-9.2%) were partially offset by increases for pulpwood chips (+2.0%).

Prices for tobacco and tobacco products were up 5.5%, due mainly to a rise for cigarettes (8.0%).

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

## Higher Sales of Refined Petroleum Products

Preliminary estimates indicate that the seasonally adjusted sales of refined petroleum products advanced in two of the four major components, raising total sales by 1.6% in September to 6.6 million cubic metres (m<sup>3</sup>).

Sales of motor gasoline increased 5.4% and diesel fuel oil 3.2%. Light fuel oil and heavy fuel oil sales posted declines of 20.0% and 2.8%, respectively.

*For further information contact Industry Division at (613) 951-3562.*

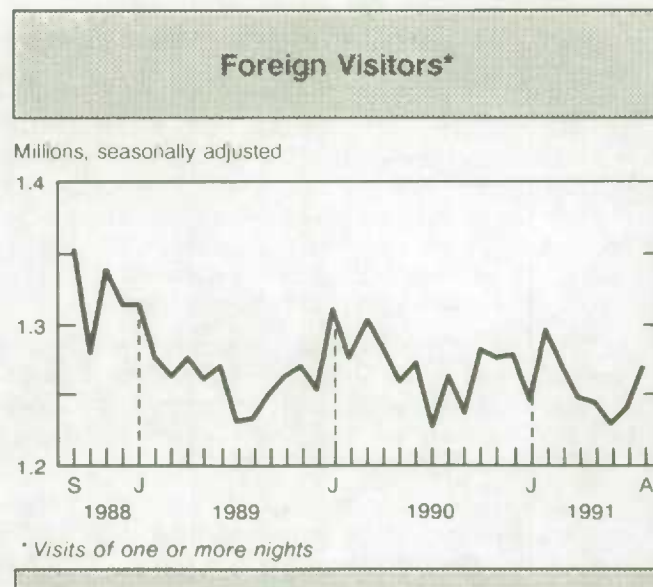
## Number of Foreign Visitors Up

Following a 0.8% rise in July, the seasonally adjusted number of foreign travellers on trips of one or more nights to Canada increased by 2.4% in August, reversing a downward trend noted from March to June. The number of travellers from both the United States and other countries rose by 2.4%.

On a seasonally adjusted basis, overnight trips by Canadian residents to the U.S. advanced 1.9% in August, the third successive monthly increase, but trips to other countries fell 3.6% following two straight monthly increases.

Same-day automobile visits by Canadians to the United States showed a marginal increase of 0.3% in August, after posting three consecutive monthly declines.

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





## Provincial Real Gross Domestic Product by Industry

Statistics Canada has improved the timeliness and coverage of the provincial estimates of real Gross Domestic Product by Industry. Previously the estimates were published three and a half years after the reference period; the lag has now been reduced to less than one year. This analysis highlights the behaviour of real output of the goods-producing industries by province. These industries accounted for 36% of national GDP in the base year 1986.

Nationally, GDP slowed sharply to a 0.3% gain in 1990 after easing from 4.6% growth in 1988 to 2.6% in 1989. Even though GDP recorded a small increase in 1990, it fell in the last three quarters of that year as well as in the first quarter of 1991, when Canada was in a recession.

Goods production slumped earlier and more sharply in the recession than services, slowing from a gain of 4.8% in 1988 to 1.1% in 1989 and tumbling 2.5% in 1990. Growth of services eased only slightly in 1989 when output advanced 3.4% following a gain of 4.5% the preceding year. In 1990, however, services output slackened considerably, gaining only 1.9%.

The impact of the recession was not evenly distributed among goods producers in the provinces and territories. The sharp decline in manufacturing affected Quebec, Ontario and British Columbia the

## Gross Domestic Product at Factor Cost in 1986 Prices, by Province, Goods Industries

	1989	1990	1989	1990
	(millions of dollars)		(% change)	
<b>Canada</b>	<b>179,894</b>	<b>175,414</b>	<b>1.1</b>	<b>-2.5</b>
Newfoundland	2,025	1,963	-4.1	-3.1
Prince Edward Island	402	405	-0.7	0.6
Nova Scotia	3,749	3,796	2.3	1.3
New Brunswick	3,489	3,562	2.9	2.1
Quebec	40,170	38,838	0.9	-3.3
Ontario	75,068	70,852	1.6	-5.6
Manitoba	5,319	5,481	2.8	3.0
Saskatchewan	6,087	6,561	1.7	7.8
Alberta	23,877	24,427	-1.7	2.3
British Columbia	18,709	18,535	2.8	-0.9
Yukon	313	315	-4.1	0.7
Northwest Territories	687	680	5.3	-1.0

most; a bumper crop in 1990 cushioned the effects of the recession in the Prairies. The Maritimes, the Prairies and the Yukon produced more goods in 1990 than in 1989. New Brunswick was the only province to increase goods output every year since 1986 while Newfoundland, Prince Edward Island, Saskatchewan and the Northwest Territories produced less in 1990 than in 1986.

For further information, order *Provincial Gross Domestic Product by Industry* (catalogue number 15-203) or contact *Industry Measures and Analysis Division* at (613) 951-3621.

## NEW FROM STATISTICS CANADA



### Public Sector Employment and Remuneration 1990-91 (With Historical Data from 1986)

The Public Institutions Division is pleased to present the first edition of its new annual publication on Canadian public sector employment and remuneration. This edition includes employment and remuneration data for federal, provincial, territorial and local government as well as data for federal, provincial and territorial business enterprises for the period 1986 to 1991.

This publication has been designed to replace all of the division's former quarterly government employment publications. It includes quarterly, annual and functional tables and charts as well as short notes on various aspects of government employment. Also included are an analysis of public sector employment and remuneration concepts, and tables showing the relationship of data presented under these concepts to other series such as those of the Public Service Commission, the Treasury Board and the System of National Accounts.

Public Sector Employment and Remuneration 1990/91 (*With Historical Data from 1986*) (72-209, \$35) is now available.

For further information on this release contact the *Data Dissemination and External Relations Section* (613-951-0885) or the *Employment Section* (613-951-8306), *Public Institutions Division*.

# PUBLICATIONS RELEASED FROM OCTOBER 25 TO 31, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
				\$US	
AGRICULTURE					
The Dairy Review	August 1991	23-001	12.20/122	14.60/146	17.10/171
CURRENT ECONOMIC ANALYSIS					
Canadian Economic Observer	October 1991	11-010	22/220	26/260	31/310
INCOME AND EXPENDITURE ACCOUNTS					
National Income and Expenditure Accounts	Quarterly Estimates 1984-Q1, 1991-Q2	13-001	20/80	24/96	28/112
INDUSTRY					
Canned and Frozen Fruits and Vegetables – Monthly	August 1991	32-011	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies	August 1991	35-002	10/100	12/120	14/140
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	June 1991	15-001	12.70/127	15.20/152	17.80/178
Gross Domestic Product by Industry	July 1991	15-001	12.70/127	15.20/152	17.80/178
JUSTICE					
Juristat Service Bulletin – Violent Offence Cases Heard in Youth Courts	1990-91	85-002	3.60/90	4.30/108	5/126
LABOUR					
Unemployment Insurance Statistics	July 1991	73-001	14.70/147	17.60/176	20.60/206
LABOUR AND HOUSEHOLD SURVEYS					
Adult Literacy in Canada: Results of a National Study		89-525E	35	42	49
PRICES					
Construction Price Statistics	Second Quarter 1991	62-007	18/72	21.50/86	25.25/101
PUBLIC INSTITUTIONS					
Public Sector Employment and Remuneration	1990-91	72-209	35	42	49



## CURRENT TRENDS

### Gross Domestic Product

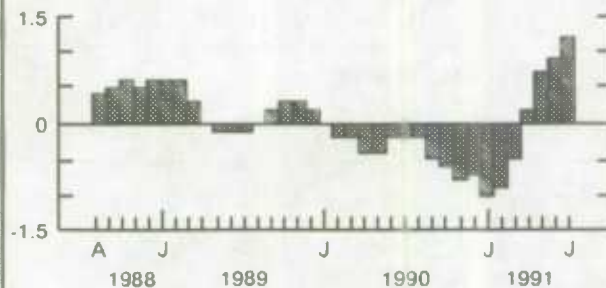
% change,  
previous month



GDP at factor cost fell 0.3% in August. Service-producing industries posted a 0.5% decrease but goods-producing industries remained at July's level.

### Composite Leading Indicator

% change,  
previous month



The composite leading indicator advanced 1.2% in July, the fourth consecutive monthly increase.

### Consumer Price Index

% change,  
previous year



The all-items CPI fell 0.2% in September, posting the largest month-to-month drop in almost nine years and the food index declined 1.3% between August and September.

### Unemployment Rate

%



The unemployment rate fell 0.4 points to 10.2 in September, returning to the level observed in April.

### Manufacturing

Billions  
of dollars



Shipments rose 1.2% to \$23.6 billion in August but unfilled orders continued to fall.

### Merchandise Trade

Billions  
of dollars



Exports grew to \$12.4 billion in August while imports fell to \$11.3 billion, pushing the trade balance up to \$1.1 billion.

**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
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	August*	503	-0.3%	-0.9%
Composite Leading Indicator (1981 = 100)	July	140.5	1.2%	-2.2%
Profits of Industrial Corporations (\$ billion)	2nd Quarter	11.8	0.0%	-26.7%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	August	14.9	-1.3%	-6.8%
New Motor Vehicle Sales ('000 units)	August	103.7	-11.9%	-6.3%
<b>LABOUR</b>				
Employment (millions)	September	12.4	0.2%	-1.7%
Unemployment Rate (%)	September	10.2	-0.4	1.7
Participation Rate (%)	September	66.2	-0.3	-1.3
Labour Income (\$ billion)	July	32.4	0.5%	3.5%
Average Weekly Earnings (\$)	August*	546.86	0.5%	5.4%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	August	12.4	2.1%	0.1%
Merchandise Imports (\$ billion)	August	11.3	-3.6%	0.0%
Merchandise Trade Balance (\$ billion)	August	1.1	0.68	0.01
<b>MANUFACTURING</b>				
Shipments (\$ billion)	August	23.6	1.2%	-3.7%
New Orders (\$ billion)	August	23.4	2.7%	-4.6%
Unfilled Orders (\$ billion)	August	24.0	-0.8%	-12.3%
Inventory/ Shipments Ratio	August	1.49	-0.03	-0.05
Capacity Utilization (%)	2nd Quarter	71.3	1.2	-5.6
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	September	126.7	-0.2%	5.4%
Industrial Product Price Index (1986 = 100)	September*	107.6	-0.2%	-2.4%
Raw Materials Price Index (1986 = 100)	September*	102.7	-0.9%	-13.0%
New Housing Price Index (1986 = 100)	August	134.4	-0.2%	-6.1%

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

\* New this week.

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## A Weekly Review

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