

IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, January 3, 1992

OVERVIEW

■ Economic Activity Sluggish

Real gross domestic product edged up 0.1% in October following two consecutive monthly declines. Service-producing industries posted a 0.3% increase but goods-producing industries fell 0.2%.

■ Higher Vehicle Prices Push Up Consumer Price Index

The all-items CPI for Canada rose 0.4% to a level of 127.0 in November, largely due to higher prices for 1992-model cars and trucks.

■ Non-resident Investment Surges

Non-residents invested a record \$6.1 billion in Canadian securities in October, breaking the previous record posted in August.

■ Unemployment Insurance Beneficiaries Decrease

The number of beneficiaries receiving regular unemployment insurance benefits decreased in October, continuing the downward trend evident since May.

■ Retail Sales Continue to Fall

Seasonally adjusted retail sales fell 1.7% to a level of \$14.7 billion in October, posting the seventh decline in 12 months.

■ Wholesale Sales Decline

Sales of wholesale merchants fell for the second consecutive month in October (-0.8%), with seven of the nine trade groups posting declines compared to five in September.

This issue also contains information on department store sales and on quarterly demographic statistics.

Economic Activity Sluggish

Real gross domestic product at factor cost edged up 0.1% in October following declines of 0.3% in August and 0.1% in September. Service-producing industries advanced 0.3%, the first increase in three months, but goods-producing industries fell 0.2%, posting the second drop in three months.

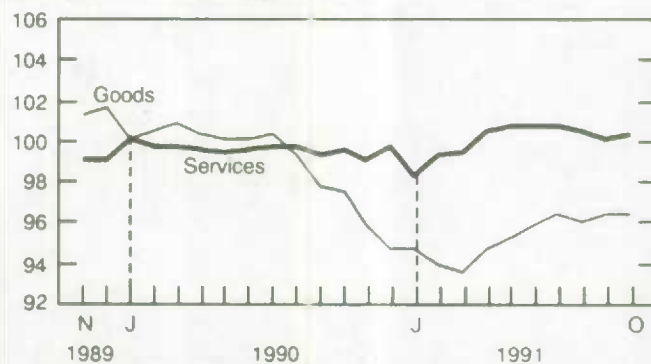
Federal government and transportation and storage output, where the effects of the strikes were most pronounced in September, rebounded in October. Grain storage services jumped 18.7% in October and urban transportation rose 7.5%. Finance, insurance and real estate services advanced 1.1% and communications services were up 0.9%. These increases were partly offset by declines in retail trade (-1.2%) and in community, business and personal services (-0.6%).

Manufacturing (-1.0%), utilities (-0.6%) and forestry (-3.9%) accounted for the lower output of goods-producing industries while construction (+1.6%) and mining (+1.1%) recorded the largest gains. Agriculture and fishing posted marginal

(continued on page 2)

Gross Domestic Product Output by Sector

Index (January 1990 = 100)



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... Economic Activity Slow

increases. Manufacturers of paper, transportation equipment and fabricated metal products accounted for approximately three-quarters of the loss in October as 13 of the 21 major groups cut production.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001), or contact *Industry Division* at (613) 951-9164. (See also "Current Trends" chart on page 8.)

Higher Vehicle Prices Push Up Consumer Price Index

The all-items Consumer Price Index for Canada rose 0.4% in November, wiping out the two straight declines posted in September and October. Four of the seven major components registered increases ranging from 0.1% for housing to 1.7% for transportation.

As in November 1989 and 1990, the large increase in the transportation index resulted mainly from higher prices for new motor vehicles. Prices of new-model vehicles are reported in November and take into account changes in quality, warranty conditions and standard equipment adjustments. Declines in the operation of automotive vehicles component (-0.2%) and in air transportation fares (-1.1%) partly offset a 4.5% gain in the index for automotive vehicles.

Higher prices for personal care services, toilet preparations and cosmetics, and prescription eyeglasses pushed the health and personal care index up 0.6% in November.

After posting four consecutive monthly declines, the food index increased 0.2% in November, largely due to a rise in the fresh vegetables component (15.7%).

The housing index edged up 0.1% in November, recording the eighth straight monthly increase. The gain was mainly attributable to higher charges for rent (0.2%) and piped gas (1.4%) while the mortgage interest cost and maintenance and repair indexes declined 0.2% and 0.3%, respectively.

Much of the downward pressure on the all-items index resulted from decreases in the clothing index (-0.5%) and in the tobacco products and alcoholic beverages index (-0.1%) while the recreation, reading and education index remained flat in November.

For further information, order *Consumer Price Index* (catalogue number 62-001) or contact *Prices Division* at (613) 951-9606. (see also "Current Trends" chart on page 8.)

PROVINCIAL PERSPECTIVES: CONSUMER PRICES

The Consumer Price Index, Percentage change, November 1991/1990 *

Province/territory	All-items	Food	Transportation	All items excluding Food and Energy	Housing
Canada	4.2	2.6	-1.3	5.2	3.5
Newfoundland	4.1	1.4	0.3	5.8	3.3
Prince Edward Island	6.4	4.5	3.8	6.8	4.7
Nova Scotia	4.4	3.7	1.3	5.1	3.3
New Brunswick	5.1	3.1	1.7	6.5	3.5
Quebec	5.8	1.9	0.1	7.3	4.6
Ontario	3.2	1.4	-1.8	4.3	3.0
Manitoba	4.1	3.5	-1.6	5.2	4.6
Saskatchewan	3.5	3.5	-1.4	4.3	2.5
Alberta	4.1	4.3	-3.2	5.4	4.1
British Columbia	3.8	5.7	-1.5	4.5	2.3
Yukon	5.4	4.8	0.5	6.0	4.5
Northwest Territories	6.0	6.0	1.9	6.2	2.9

* Data are not seasonally adjusted

Non-resident Investment Surges

In October, non-residents invested \$6.1 billion in Canadian securities, \$1.1 billion higher than the previous record investment posted in August. The year-to-date foreign investment of \$26 billion in Canadian securities is nearly equivalent to the annual record of 1986.

New bonds issued by Canadian governments attracted most of the investment. Non-residents purchased a massive \$6.6 billion of Canadian bonds in October, shattering the previous record of February 1991 by \$2.5 billion.

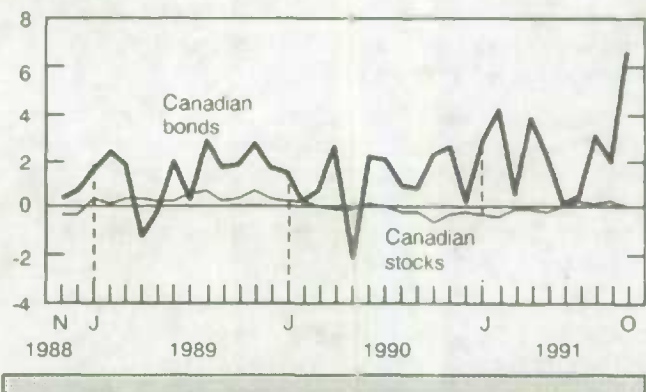
Net foreign investment in outstanding Canadian bonds totalled \$0.8 billion, slightly below the net investment of the previous two months. This contrasted with the first seven months of the year which saw non-residents reduce their holdings by \$3.6 billion. In October, non-residents traded a record \$36 billion of outstanding Canadian bonds, largely Government of Canada issues.

There was a net foreign disinvestment of \$0.7 billion in October in short-term paper of all levels of government after non-residents sold a net \$0.5 billion of Canadian money market instruments.

Net foreign investment in Canadian stocks declined by \$45 million in October, following three months of net investment totalling \$435 million. Net disinvestment by U.S. residents (\$99 million) was partially offset by net buying from overseas investors (\$54 million).

Security Transactions

Billions of dollars



Canadian residents reduced their holdings of foreign securities by \$0.7 billion, following eight months of net investment totalling \$4.8 billion. Residents did acquire, however, a net \$0.4 billion of foreign equities, bringing to \$3.6 billion their net investment in foreign equities this year.

For further information, contact Balance of Payments Division at (613) 951-1864.

Unemployment Insurance Beneficiaries Decrease

The number of beneficiaries receiving regular unemployment insurance benefits totalled 1.1 million in October, down 1.9% from the level posted in September. This decrease continues a downward trend observed in recent months.

Total benefit payments amounted to \$1,550 million in October, 0.2% less than a month earlier but up 28.8% over the same period in 1990. The number of benefit weeks advanced 1.2% to 5.9 million in October, following a 0.9% gain in September.

Declines in the number of beneficiaries were posted in eight of the 10 provinces. The Northwest Territories, Saskatchewan and Prince Edward Island recorded increases while the number remained unchanged in the Yukon.

For further information, order *Unemployment Insurance Statistics* (catalogue number 73-001) or contact Labour Division at (613) 951-4045.

U.I. Beneficiaries Receiving Regular Benefits, October 1991

Seasonally Adjusted

Province/Territory	Total (000)	% change, previous month
Canada	1,100	-1.9
Newfoundland	65.7	-4.9
Prince Edward Island	13.2	0.2
Nova Scotia	53.3	-0.9
New Brunswick	57.8	-0.5
Quebec	362.6	-0.7
Ontario	282.5	-3.6
Manitoba	31.9	-5.5
Saskatchewan	25.0	1.4
Alberta	74.5	-0.7
British Columbia	124.3	-2.1
Yukon	1.6	0.0
Northwest Territories	1.7	3.3

Retail Sales Continue to Fall

Estimates indicate that retail sales totalled \$14.7 billion in October, a fall of 1.7% from the revised September figure. The weak level of sales was broadly based. Of the 16 trade groups, 12 posted declines ranging from 0.1% for general merchandise stores to 7.1% for men's clothing stores.

Sizeable sales fluctuations recorded by motor vehicle and recreational vehicle dealers over the last three months have dominated the movement of retail sales. The 7.0% drop reported in October followed a gain of 3.8% in September and a sharp decline in August (-7.4%).

Other significant losses were attributed to shoe stores (-5.5%), other durable goods stores (-3.9%), household furniture and appliance stores (-2.7%), all

other food stores (-1.7%) and supermarkets and grocery stores (-0.4%). The decrease for supermarkets and grocery stores was the sixth decline in the last seven months. Partly offsetting these declines were gains by "all other retail stores" (+3.1%) followed by automotive parts, accessories and services stores (+1.7%), household furnishings stores (+1.5%) and drug and medicine stores (+1.0%).

All provinces registered lower sales in October but sales advanced in the Northwest Territories and the Yukon.

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

PROVINCIAL PERSPECTIVES

Retail and Wholesale Trade, October, 1991

	Retail Sales		Wholesale Sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	14,700	-1.7	14,947	-0.8
Newfoundland	282	-1.6	162	-3.9
Prince Edward Island	58	-2.2	37	-3.2
Nova Scotia	473	-2.3	359	-0.7
New Brunswick	377	-0.7	237	-7.2
Quebec	3,609	-1.6	3,723	-1.5
Ontario	5,380	-2.7	6,151	-0.5
Manitoba	496	-2.4	501	-2.2
Saskatchewan	425	-4.8	492	-0.4
Alberta	1,524	-5.4	1,387	1.0
British Columbia	1,976	-2.7	1,880	-0.1
Yukon	14	0.5	18	-9.8
Northwest Territories	30	0.7		

Wholesale Sales Decline

Seasonally adjusted wholesale merchant's sales were down 0.8% to \$14.9 billion in October, with seven of the nine trade groups posting declines compared to five in September.

Wholesalers of motor vehicles, parts and accessories recorded the largest decrease, falling 2.6%, followed by metals, hardware, plumbing and heating equipment and supplies (-1.3%) and sales of lumber and building materials (-1.2%). Suppliers of food, beverage, drug and tobacco products and wholesalers of other machinery, equipment and supplies both posted declines of 0.6%.

Modest gains were reported by suppliers of household goods (+0.3%) and other products (+0.2%). Other products include farm and paper products, agricultural supplies and industrial and household chemicals.

Alberta was the only province to record higher sales (+1.0%) while lower sales ranged from -0.1% in British Columbia to -9.8% in the Yukon and Northwest Territories.

For further information, order Wholesale Trade (catalogue number 63-008) or contact Industry Division at (613) 951-3540.

Pre-Christmas Sales Slow

Even though shopping malls were filled with Christmas decorations in October, consumers were spending less than expected. Department store sales fell 0.8% to a level of \$1,055 million (including concessions) in October, extending the downward trend observed since the beginning of 1991.

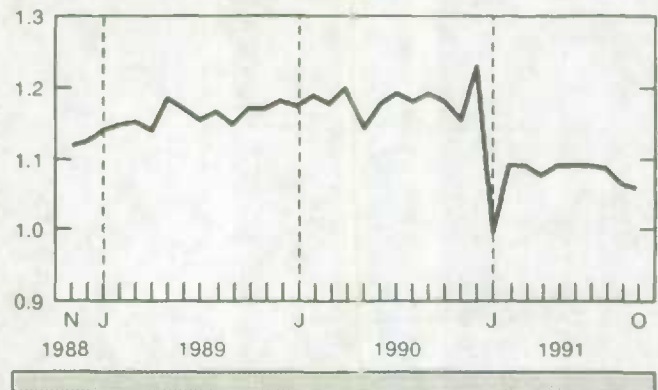
Declines were recorded in 24 of the 40 major commodity lines and were most pronounced in the gasoline, oil, auto accessories, repairs and supplies category (-8.8%), followed by women's and misses' coats and suits (-7.7%), men's clothing (-5.1%), lamps, pictures, mirrors and all other home furnishings (-4.6%), furniture (-3.9%) and girls and teenage girls' wear (-1.9%).

Partly offsetting these declines, sales increased significantly in the following categories: toys and games (9.0%), food and kindred products (6.9%), men's and boys footwear (3.8%), plumbing, heating and building materials (3.6%) and jewellery (3.2%).

Department store stocks totalled \$5,124 million at the end of October, 0.2% lower than the revised September value of \$5,133 million. The ratio of stocks to sales stood at 4.86, an increase over the 4.83 ratio observed in September.

Department Store Sales

Billions of dollars, seasonally adjusted



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

Canada's Population Up

Canada's population was estimated at 27,125,800 on October 1, 1991, an increase of 381,500 persons over the last 12 months. The annual growth rate remained at 1.4% but the annual number of births continued to grow.

There were 410,700 births between October 1, 1990 and September 30, 1991, compared to 396,800 the year before. The natural population increase (births minus deaths) progressed by 11,100 to 212,800, compared to the previous year, due to the fact that deaths grew by 2,800 to 197,900.

A total of 207,800 immigrants entered Canada in the last 12 months, 1.2% less than a year earlier, while the number of emigrants increased 3.2% to 39,100, bringing the net migration total to 168,700.

British Columbia, Alberta and Ontario again recorded annual growth rates exceeding the national level. The Northwest Territories and the Yukon also posted rates above the national average. Saskatchewan's growth rate, although negative, improved from a year earlier.

Preliminary postcensal estimates of population October 1, 1991

	Population (numbers)		Annual growth rate (%)	
	1991 PP	1990 PR	1991	1990
Canada	27,125,800	26,744,300	1.4	1.4
Newfoundland	575,600	573,100	0.4	0.1
Prince Edward Island	129,100	130,200	-0.8	0.1
Nova Scotia	903,700	895,700	0.9	0.6
New Brunswick	727,300	724,600	0.4	0.7
Quebec	6,872,600	6,797,800	1.1	1.1
Ontario	9,961,200	9,803,400	1.6	1.6
Manitoba	1,096,700	1,092,600	0.4	0.5
Saskatchewan	994,900	996,900	-0.2	-0.6
Alberta	2,538,500	2,487,200	2.0	1.8
British Columbia	3,244,100	3,162,500	2.6	2.7
Yukon	27,300	26,400	3.2	2.5
Northwest Territories	55,000	54,100	1.6	1.7

PP Preliminary postcensal estimates.

PR Updated postcensal estimates.

Note: Figures have been rounded.

Note to users:

These estimates are based on 1986 Census counts. The 1991 Census counts are scheduled for release in April 1992.

For further information, order *Quarterly Demographic Statistics* (catalogue number 91-002) or contact Demography Division at (613) 951-2320.

PUBLICATIONS RELEASED FROM DECEMBER 20 TO 24, 1991

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
The Dairy Review	October 1991	23-001	12.20/122	14.60/146	17.10/171
HOUSEHOLD SURVEYS					
FLUX: Two Years in the Life of the Canadian Labour Market	1986-87	71-538E	45	54	63
INDUSTRY					
Mineral Wool Including Fibrous Glass Insulation	November 1991	44-004	5/50	6/60	7/70
Monthly Production of Soft Drinks	November 1991	32-001	2.70/27	3.20/32	3.80/38
Primary Iron and Steel	October 1991	41-001	5/50	6/60	7/70
Production and Disposition of Tobacco Products	November 1991	32-022	5/50	6/60	7/70
Production and Shipments of Steel Pipe and Tubing	October 1991	41-011	5/50	6/60	7/70
Refined Petroleum Products	September 1991	45-004	18.20/182	21.80/218	25.50/255
Rigid Insulating Board	November 1991	36-002	5/50	6/60	7/70
LABOUR					
Work Injuries	1988-1990	72-208	30	36	42
PRICES					
The Consumer Price Index	November 1991	62-001	9.30/93	11.20/112	13/130
SERVICES, SCIENCE AND TECHNOLOGY					
Industrial Research and Development Statistics	1989	88-202	44	53	62
Service Bulletin - Service Industry	1989	63-015	7.20/43	8.65/52	10/60
Telephone Statistics	October 1991	56-002	8.30/83	10/100	11.60/116
TRANSPORTATION					
Air Charter Statistics	1990	51-207	36	43	50
Road Motor Vehicles, Fuel Sales	1990	53-218	17	20	24
Service Bulletin Aviation	Vol. 23, No. 12	51-004	9.30/93	11.20/112	13/130

NEW FROM STATISTICS CANADA



Industrial Research and Development 1989 (with 1990 and 1991 estimates)

In 1991, Canadian firms plan to perform about \$5.2 billion of research and development (R&D), an increase of 5.9% over 1990. This represents 54% of all R&D performed in Canada.

Industrial Research and Development Statistics, 1989 presents statistical information for the years 1963 to 1991. Among the topics covered are current and capital expenditures on research and development, energy R&D expenditures by area of technology, software R&D expenditures, R&D expenditure as a percentage of company sales, sources of funds for intramural R&D, personnel engaged in R&D, and foreign payments made and received for technological services. Most historical tables are presented for 1987 to 1991 and disaggregated by 46 industrial groupings, size of R&D program, employment size, sales size, country of control, and by province.

Industrial Research and Development Statistics, 1989 (with 1990 and 1991 estimates) (88-202, \$44) is now available. For more information on this release, contact Michel Boucher (613-951-7683), Services, Science and Technology Division.

Focus on Culture Winter 1991

The Winter issue of Focus on Culture contains articles on television viewing, performing arts companies and the forthcoming report of the National Advisory Committee on Culture Statistics.

Highlights

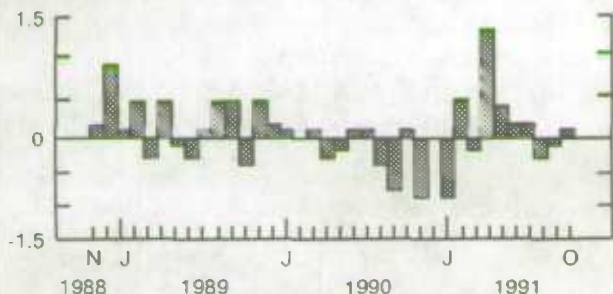
- In 1989, Canadians watched an average of 23.4 hours of television per week, down from 24.3 hours in 1984. The time spent watching material played back on a VCR (including rented videotapes) is included in the viewing data.
- For both sexes, it is the younger adults, especially in the 18 to 24 age group, who demonstrated the greatest drop in television viewing. In this age group, women's average viewing decreased two hours per week while men reported a drop of one and a half hours.
- The \$3.4 million deficit of performing arts companies in 1988-89 was nine times greater than in the previous year and represented the largest deficit since 1985-86.
- Total corporate support for performing arts companies reached \$22 million in 1988-89, up \$2.7 million from the previous year.

The Winter 1991 issue (Volume 3, Number 4) of Focus on Culture (87-004, \$6.25/\$25) is now available. For more information contact Iain McKellar (613-951-9038), Education, Culture and Tourism Division.

CURRENT TRENDS

Gross Domestic Product

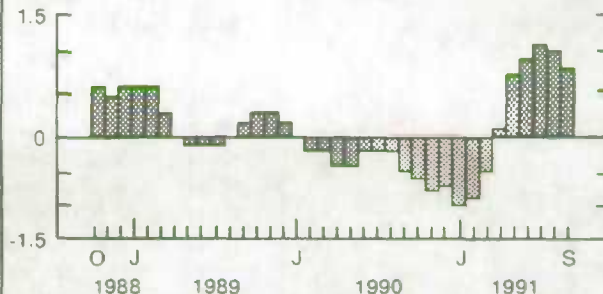
% change,
previous month



GDP at factor cost edged up 0.1% in October. Service-producing industries posted a 0.3% increase but goods-producing industries fell 0.2%.

Composite Leading Indicator

% change,
previous month



The composite leading indicator continued to advance in September, rising 0.8%, the sixth straight monthly increase.

Consumer Price Index

% change,
previous year



In November, the all-items CPI was up 4.2% year-over-year, while the food index advanced 2.6%.

Unemployment Rate

%



The unemployment rate remained at 10.3 in November, unchanged from the level observed in October.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments fell by 1.5% to \$23.0 billion in October but unfilled orders edged up 0.1% to \$24.0 billion.

Merchandise Trade

Billions
of dollars



Slightly increased exports and reduced imports caused Canada's trade balance to change from a deficit of \$286 million in September to a surplus of \$69 million in October.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	October*	505	0.1%	0.2%
Composite Leading Indicator (1981 = 100)	September	142.9	0.8%	0.2%
Profits of Industrial Corporations (\$ billion)	3rd Quarter	13.0	10.0%	-22.2%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	October*	14.7	-1.7%	-7.3%
New Motor Vehicle Sales ('000 units)	October	92.1	-19.8%	-8.4%
LABOUR				
Employment (millions)	November	12.3	-0.4%	-1.2%
Unemployment Rate (%)	November	10.3	0.0	1.2
Participation Rate (%)	November	66.0	-0.3	-0.8
Labour Income (\$ billion)	September	32.6	0.0%	4.0%
Average Weekly Earnings (\$)	September	544.92	-0.3%	4.7%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	October	11.7	0.3%	-6.1%
Merchandise Imports (\$ billion)	October	11.6	-2.7%	4.0%
Merchandise Trade Balance (\$ billion)	October	0.07	0.36	-1.0
MANUFACTURING				
Shipments (\$ billion)	October	23.0	-1.5%	-7.0%
New Orders (\$ billion)	October	23.1	-0.8%	-5.9%
Unfilled Orders (\$ billion)	October	24.0	0.1%	-10.0%
Inventory/ Shipments Ratio	October	1.51	0.01	-0.03
Capacity Utilization (%)	3rd Quarter	72.0	1.4	-6.4
PRICES				
Consumer Price Index (1986 = 100)	November*	127.0	0.4%	4.2%
Industrial Product Price Index (1986 = 100)	October	107.6	0.0%	-2.7%
Raw Materials Price Index (1986 = 100)	October	102.6	0.0%	-17.7%
New Housing Price Index (1986 = 100)	October	134.4	0.0%	-4.1%

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

* New this week.



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KEY RELEASE CALENDAR: JANUARY 1992*

Monday	Tuesday	Wednesday	Thursday	Friday
		1	2	3 Employment, earnings and hours, October Industry Selling Price Index, November Raw Materials Price Index, November Sales of Refined Petroleum Products, November
6 Building Permits, October	7 Canadian Composite Leading Indicator, October	8 Help-wanted Index, December	9 New Motor Vehicle Sales, November	10 Labour Force Survey, December New Housing Price Index, November Department Store Sales by Province and Metropolitan Area, November
13 Estimates of Labour Income, October	14 Farm Product Price Index, November	15	16 Monthly Survey of Manufacturing, November	17 Preliminary Statement of Canadian International Merchandise Trade, November Travel Between Canada and Other Countries, November
20	21 Consumer Price Index, December Retail Trade, November Sales of Natural Gas, November	22 Department Store Sales and Stocks, November	23 Wholesale Trade, November Canada's International Transactions in Securities, November	24
27	28	29 Unemployment Insurance Statistics, November Industry Selling Price Index, December Raw Materials Price Index, December	30 Employment, Earnings and Hours, November Sales of Refined Petroleum Products, December	31 Real Gross Domestic Product at Factor Cost by Industry, November Building Permits, November Field Crop Reporting Series: No. 1, December 31 Grain Stocks

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

I·N·F·O·M·A·T**A Weekly Review**

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