Catalogue 11-002E (Français 11-002F) ISSN 0380-0547

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A WEEKLY REVIEW

Friday, January 10, 1992

OVERVIEW

■ **New Motor Vehicle Sales: Bumping Around**

Sales of new motor vehicles jumped 9.6% in November after a 19.3% plunge in October.

■ **Marginal Increase in Demand for Labour**

In December, the Help-wanted Index increased two points to a level of 72.

■ **Composite Leading Indicator: Slow Growth**

The composite leading indicator advanced by 0.6% in October, less than the 0.8% gain posted in September.

■ **Downturn in Construction Activity**

The value of building permits fell 4.3% to a level of $2.6 billion in October following a sharp increase in September.

■ **Modest Growth in Average Weekly Earnings**

From October 1990 to October 1991, average weekly earnings increased 5.3%. This growth was slightly below the average for the previous three months (5.4%) and lower than the average for 1991 (5.6%).

■ **IPPI Resumes Fall**

The Industrial Product Price Index (IPPI) continued to fall in November, resuming the downward trend which began in February.

This issue **also** includes information on the **Raw Materials Price Index** and the **short-term expectations survey**.

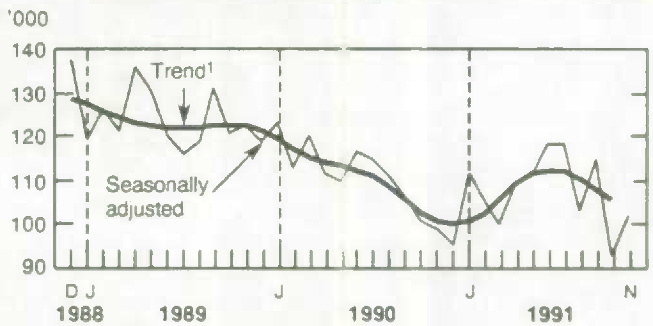
New Motor Vehicle Sales: Bumping Around

Seasonally adjusted new motor vehicle sales totalled 101,000 units in November, a sharp increase of 9.6% over October. This increase contrasted with the plunge in sales a month earlier but was in line with the fluctuating sales levels observed in 1991.

Higher sales were posted for both commercial vehicles and passenger cars. Commercial vehicle sales were up 12.3% in November following a sharp drop in October. Passenger car sales rose 8.3% after falling 17.8% a month earlier. The advance was based on a rise of 11.7% in North American car sales and a 2.5% increase in imported car sales.

For further information, order New Motor Vehicle Sales (catalogue number 63-007) or contact Industry Division at (613) 951-3559.

Sales of New Motor Vehicles, Canada, in Units



[1] The short-term trend represents a moving average of the data.

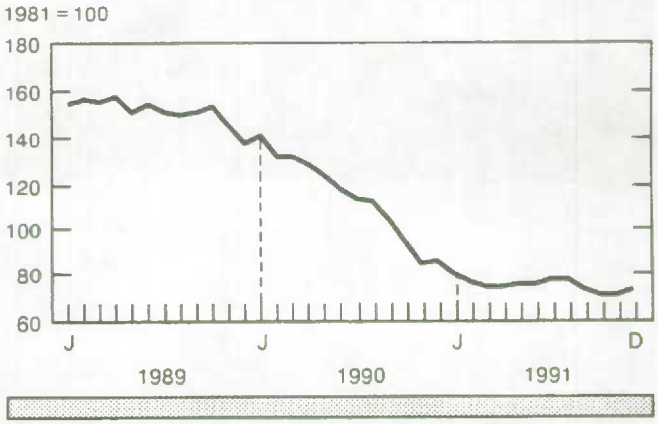
Marginal Increase in Demand for Labour

In December, the seasonally adjusted Help-wanted Index for Canada (1981 = 100), which serves as an early indicator of the demand for labour, advanced two points to 72. After having increased to 77 in July, the index then declined in September and October and remained unchanged at 70 in November.

The Help-wanted Index advanced in four of the five regions but declined in the Prairie provinces. In Ontario, the index climbed 6.3% to a level of 67, the first increase following three consecutive monthly declines. Following no change in November, the British Columbia index was up 4.2% to 75. The index for the Atlantic provinces rose 3.0% to 102, the first gain after posting three monthly decreases. In Quebec, the index increased 2.3% to 89, the second straight monthly increase.

The Help-wanted Index decreased to a level of 49 in the Prairie provinces. The 3.9% drop follows two consecutive monthly increases.

Help-wanted Index, Canada



For further information contact Labour Division at (613) 951-4045.

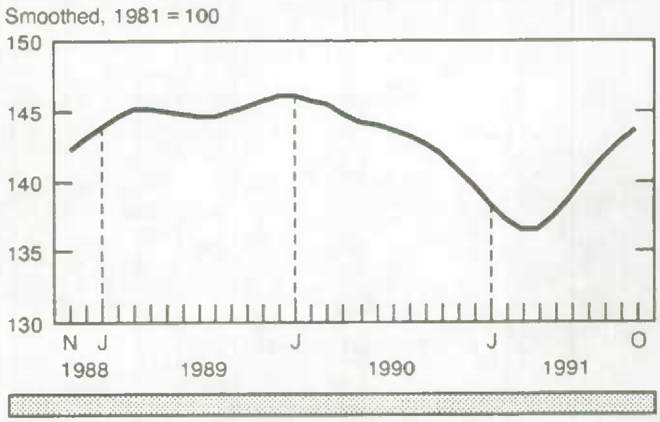
Composite Leading Indicator: Slow Growth

The leading indicator posted a seventh straight gain in October, mainly due to increased demand for manufactured goods. However, its rate of growth slowed due to a drop in auto sales which pulled down consumer spending on durable goods. The 0.6% expansion posted in October represents a further loss of momentum.

The housing index advanced 0.1% in October, down from a peak growth rate of 6.2% in June. Furniture and appliance sales rose for the fourth straight month, up 0.1%, while durable goods sales fell 0.8% due entirely to weak automobile sales.

Demand for manufacturers continued to grow. New orders for durable goods posted their sixth consecutive monthly increase (1.9%), led by transportation equipment and construction materials. Similarly, shipments recorded a sixth straight gain relative to inventories of finished goods.

Composite Leading Indicator



For further information, order the Canadian Economic Observer (catalogue number 11-010) or contact Current Economic Analysis Division at (613) 951-3627. (See also "Current Trends" chart on page 7.)

Downturn in Construction Activity

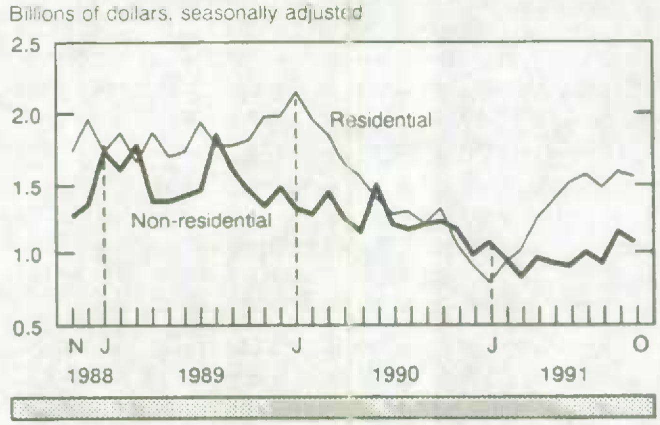
Following a sharp increase of 14.3% in September, the value of building permits fell 4.3% in October to a level of $2,611 million. Both the residential and non-residential sectors contributed to this decline.

The value of residential building permits decreased 2.5% to $1,542 million after posting an 8.0% gain in September. Permits for single-family dwellings fell 8.6% to a level of $1,038 million, while those for multi-family dwellings increased 13.0% to $504 million.

Advance estimates indicate that the value of residential building permits issued in Canada rose to $1,815 million in November, up 16.9% from the revised value for October ($1,553 million). (The addition of data due to the advance estimate for November results in the revision of seasonally adjusted figures for previous months, including October.)

In the non-residential sector, the value of building permits decreased by 6.8% in October to $1,069 million following a sharp increase of 24.4% in September. Commercial permits totalled $420 million; the 16.4% plunge followed an increase twice as large posted in September. After recording sharp increases for two consecutive months, industrial permits fell to $251 million, a 6.8% drop from September. The institutional sector reported a gain of 6.2% (to $398 million) entirely due to a sharp increase in building permits issued in the Atlantic region.

Building Permits



In October, the value of building permits increased in seven of the 10 provinces and in the Yukon and the Northwest Territories.

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

PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, October 1991
Unadjusted Data

Province/Territory	Total: $ millions	Total: % change, previous year	Residential: $ millions	Residential: % change, previous year	Non-residential: $ millions	Non-residential: % change, previous year
Canada	**2,886.7**	**3.1**	**1,631.1**	**20.1**	**1,255.6**	**-12.8**
Newfoundland	38.1	14.1	10.2	-55.3	27.9	163.3
Prince Edward Island	18.7	15.5	10.9	21.2	7.8	8.2
Nova Scotia	78.5	-3.5	29.9	-26.9	48.6	20.2
New Brunswick	39.7	17.0	18.8	-17.5	20.9	87.8
Quebec	593.0	-12.2	316.0	8.9	277.0	-28.1
Ontario	1,217.3	-1.3	734.5	19.7	482.8	-22.2
Manitoba	68.7	20.5	18.4	-21.6	50.3	49.7
Saskatchewan	46.8	21.3	7.0	-29.1	39.8	38.5
Alberta	217.3	5.1	123.9	5.9	93.4	4.1
British Columbia	548.9	32.4	352.1	71.5	196.8	-6.0
Yukon	9.7	105.7	4.5	188.4	5.3	65.5
Northwest Territories	10.0	245.7	5.0	168.8	5.0	384.7

Modest Growth in Average Weekly Earnings

In October, average weekly earnings in Canadian industry were estimated at $551.35, up 5.3% from October 1990. This year-over-year increase was slightly below the average for the previous three months (5.4%) which in turn was lower than the average for 1991 (5.6%).

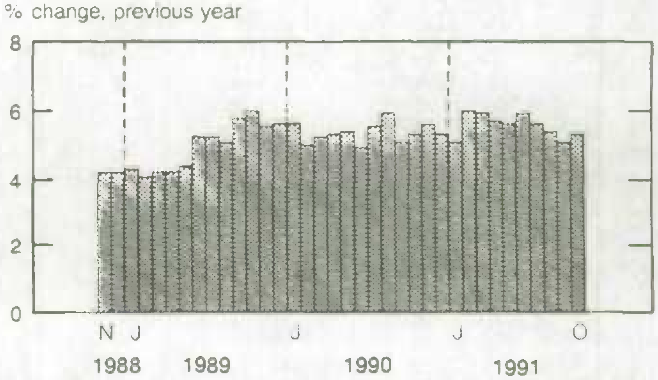
The largest increase occurred in the service-producing industries where average weekly earnings advanced 6.3%, compared to October 1990, to $515.31. Community, business and personal services (+7.8%) contributed to this strength.

In the goods-producing industries, earnings advanced 4.1% over a year earlier to $670.82. Increased earnings in mines, quarries and oil wells (+5.4%) and in manufacturing (+5.2%) were offset by decelerating growth in the construction (-1.0%) and forestry (-0.8%) industries.

Average Weekly Earnings, October 1991
Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over-year % change
Canada	**551.35**	**5.3**
Newfoundland	517.71	5.7
Prince Edward Island	436.68	2.2
Nova Scotia	489.60	5.9
New Brunswick	500.80	6.5
Quebec	540.26	5.3
Ontario	576.49	5.6
Manitoba	489.87	4.5
Saskatchewan	482.56	5.8
Alberta	554.68	6.6
British Columbia	554.40	4.0
Yukon	646.31	2.5
Northwest Territories	763.66	4.4

Average Weekly Earnings



In commercial services, the average growth in earnings for January to October 1991 was 4.2%, compared to 8.1% for the same period in 1990. Services to business management and accommodation and food services contributed to the slower growth in earnings in commercial services.

Six provinces posted year-over-year growth rates exceeding the national average. Prince Edward Island recorded the lowest year-over-year gain in weekly earnings.

In goods-producing industries, employees paid by the hour worked an average of 38.5 hours per week, slightly lower than the average for October 1990 (38.8), and earned on average $16.18 per hour. In service-producing industries, hourly-paid employees worked on average 28.0 hours per week and earned $12.43 per hour.

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

IPPI Resumes Fall

In November, the Industrial Product Price Index (IPPI, 1986=100) was at 107.5, down 0.1% from October's level. The year-over-year decrease between November 1991 and November 1990 was 3.1%, the largest decline posted in 35 years, breaking the previous record registered in October (-2.7%). This sharp drop contrasts with the year-over-year advance recorded in January (2.2%).

Prices fell in eight of the 21 major groups of products, increased in seven and remained unchanged in six. Decreases in the indexes for paper and paper products and chemical and chemical products were partially offset by price increases for lumber, sawmill, and other wood products.

The paper and paper products index posted its fourteenth consecutive monthly decrease. In November, the index fell by 0.3% due to lower prices on both the domestic and export markets. Pulp prices slipped 0.5% in November but the index has plunged 32.1% over the last 12 months. The pulp index was the major contributor to the 12.6% decline in the paper and paper products index.

Prices for organic industrial chemicals fell 4.8%, pushing the chemical and chemical products index down 0.8%. This index has declined by 3.9% over the last 12 months.

(continued on page 5)

... IPPI Resumes Fall

Following 13 straight monthly declines, the primary metal products index remained unchanged in November at 101.7, its lowest level since April 1987.

The lumber, sawmill and other wood products index advanced 1.1% in November, after posting four consecutive monthly declines. This increase reflected higher prices for softwood lumber and ties (1.9%) and for plywood, softwood excluding douglas fir (9.5%).

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

Raw Materials Price Index Posts Strong Increase

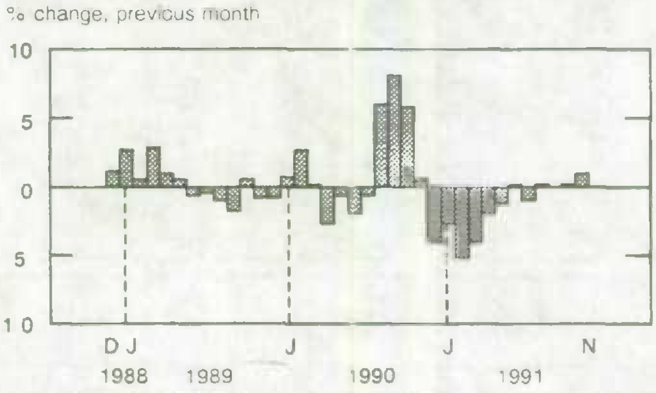
The Raw Materials Price Index (1986=100) was up 1.0% in November to 103.6, the fourth increase in six months. The major contributors to this increase were the mineral fuels component and the non-ferrous metals price index. The RMPI excluding mineral fuels declined 0.2% in November, the ninth straight monthly drop this year.

Higher prices for crude oils (3.4%) and natural gas (5.2%) pushed the mineral fuels price index up 3.3%. This represents the fourth consecutive monthly increase in the index. On a year-over-year basis, the index plunged 33.6% from November 1990, mainly due to a 35.0% drop in the index for crude oils which had peaked in November 1990.

In November, prices for zinc concentrates climbed 7.0% and prices for copper concentrates gained 1.5%, pushing the non- ferrous metals index up 1.3%. The index has been fluctuating since July, following six straight monthly declines.

After increasing 0.4% in October, the animal and animal products index fell 0.8% in November reflecting lower prices for hogs (-13.5%). The decline was partially offset by higher prices of cattle for slaughter (4.7%).

Raw Materials Price Index



For the fourth consecutive month, the wood price index was down in November (-0.6%). Declines in prices for logs and bolts and for softwood pulpwood were partially offset by increases in the prices for hardwood pulpwood.

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

Year-over-year Increase in CPI Expected to be 4.2%

Since April 1990, Statistics Canada has been canvassing a small number of economists for their monthly forecasts of the year-over-year change in the Consumer Price Index, the unemployment rate, merchandise exports and imports and the monthly change in the Gross Domestic Product. On average, 23 economists have participated in the survey.

The Short-term Expectations Survey mean forecast of the year-over-year increase in the CPI for December is 4.2%, with minimum and maximum values of 3.8% and 4.5%, respectively. For November, the mean forecast overestimated the outcome slightly by 0.1%.

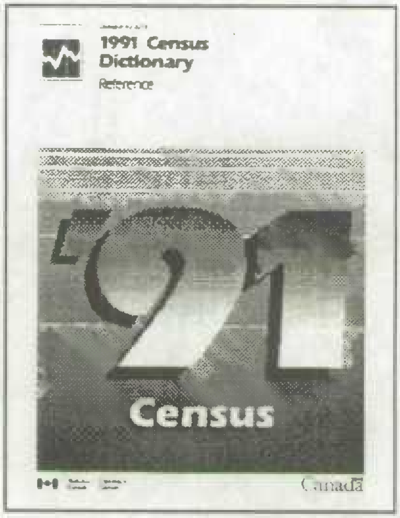
The unemployment rate is expected to be between 10.1% and 10.5% in December, with a mean forecast of 10.4%. In November, the mean forecast matched the actual rate of 10.3%.

The survey showed $11.7 billion as the mean forecast for merchandise exports in November, with minimum and maximum values of $11.3 billion and $12.2 billion. For imports, the forecast for the same period is $11.4 billion with minimum and maximum values of $10.8 billion and $11.8 billion, respectively.

Gross Domestic Product is forecast to show no change between October and November, with minimum and maximum rates of -0.3% and 0.3%, respectively.

For further information contact Diane Lachapelle at (613) 951-0568.

NEW FROM STATISTICS CANADA



The 1991 Census Dictionary

The *1991 Census Dictionary*, the first of the 1991 Census products to be released, is now available. The Dictionary provides detailed information on terms and variables commonly used by the Census, as well as explanations of geographic terminology. Like all reference products, the *1991 Census Dictionary* is a valuable tool for accessing and understanding information more quickly and easily.

For easy reference, the Dictionary is divided into five major sections – one section for each census universe (population, family, household and dwelling) and one section for geography. Each section alphabetically presents terms and definitions, as well as diagrams to illustrate the concepts and variables. Users will find a new and improved index comprised of an alphabetical list of terms and variables, as well as cross-references from commonly used terms and their synonyms to census terminology, including the equivalent term in the other official language.

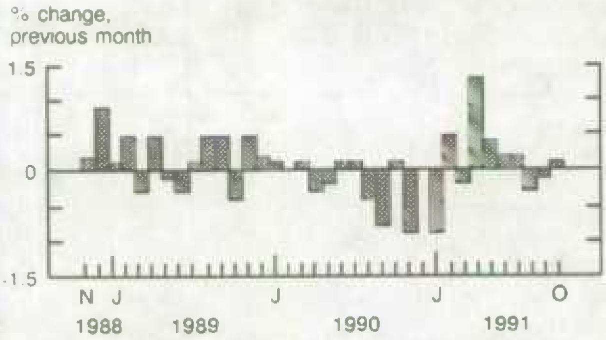
The 1991 Census Dictionary (92-301E, $40) is now available. For further information, contact your nearest statistical reference centre.

PUBLICATIONS RELEASED FROM JANUARY 3 TO 9, 1992

Division/title	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
CENSUS					
1991 Census Dictionary	Reference	92-301E	40	48	56
DEMOGRAPHY					
Quarterly Demographic Statistics	July-September 1991	91-002	7.50/30	9/36	10.50/42
INDUSTRY					
Asphalt Roofing	November 1991	45-001	5/50	6/60	7/70
Corrugated Boxes and Wrappers	November 1991	36-004	5/50	6/60	7/70
Gypsum Products	November 1991	44-003	5/50	6/60	7/70
Production and Inventories of Process Cheese and Instant Skim Milk Powder	October 1991	32-024	5/50	6/60	7/70
Retail Chain and Department Stores	Fiscal year ended March 31, 1990	63-210	34	41	48
The Sugar Situation	November 1991	32-013	5/50	6/60	7/70
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	October 1991	15-001	12.70/127	15.20/152	17.80/178
INTERNATIONAL TRADE					
Imports by Commodity	October 1991	65-007	55.10/551	66.10/661	77.10/771
Summary of Canadian International Trade	October 1991	65-001	18.20/182	21.80/218	25.50/255
INVESTMENT AND CAPITAL STOCK					
Capacity Utilization Rates in Canadian Manufacturing Industries	Third Quarter 1991	31-003	11/44	13.25/53	15.50/62
SERVICES, SCIENCE AND TECHNOLOGY					
Service Industry Service Bulletin, Vol. 3 No. 3 Traveller Accommodation Statistics Preliminary Estimates	1989	63-015	7.20/43	8.65/52	10/60

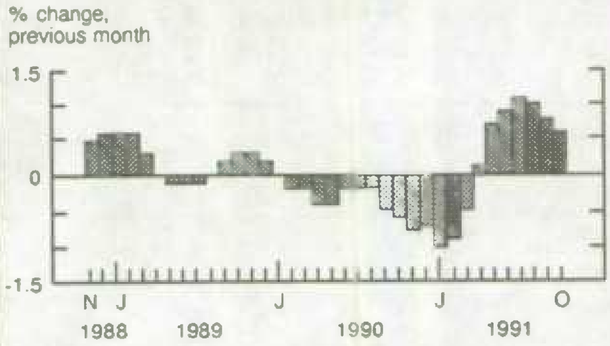
CURRENT TRENDS

Gross Domestic Product



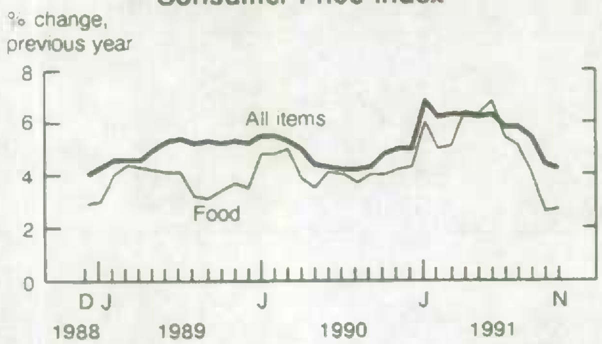
GDP at factor cost edged up 0.1% in October. Service-producing industries posted a 0.3% increase but goods-producing industries fell 0.2%.

Composite Leading Indicator



The composite leading indicator continued to advance in October, rising 0.6%, the seventh straight monthly increase.

Consumer Price Index



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

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

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.

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)	October	505	0.1%	0.2%
Composite Leading Indicator (1981=100)	October*	143.5	0.6%	1.2%
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)	November*	101.3	9.6%	2.6%
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 ($)	October*	551.35	0.8%	5.3%
INTERNATIONAL TRADE				
Merchandise Exports ($ 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)	November*	107.5	-0.1%	-3.1%
Raw Materials Price Index (1986=100)	November*	103.6	1.0%	-17.3%
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.*

I•N•F•O•M•A•T

A Weekly Review

Published by the Communications Division Statistics Canada.

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K1A 0T6.

Catalogue: 11-002E. Price: Canada: $2.50 per issue, $125.00 per year; United States: US$3.00 per issue, US$150.00 per year; Other Countries: US$3.50 per issue, US$175.00. Canadian customers please remember to add 7% GST. To subscribe: send money order or cheque payable to the Receiver General for Canada/Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6. To order by telephone dial: 1-800-267-6677 within Canada or 613-951-7277 from all other countries.