



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, February 7, 1992

OVERVIEW

■ Wages and Salaries Up Marginally

In November, seasonally adjusted wages and salaries edged up 0.1% from the revised October figure, to a level of \$29.3 billion.

■ Demand for Labour Declines

The Help-wanted Index continued its decline in January, falling three points. Between January and December 1991, the index fell eight points.

■ Leading Indicator Registers Decelerating Trend

The growth in the composite leading indicator slowed from 0.6% in October to 0.4% in November.

■ Economic Growth Slows

Real gross domestic product crept up 0.1% in November after a 0.2% gain in October.

■ Alberta Led Provincial Economic Growth in 1990

Among all the provinces and territories, Alberta registered the strongest growth in gross domestic product in 1990 (7.5%).

■ Residential Sector Propels Building Permits

The value of building permits issued in Canada rose 10.1% in November, largely due to a sharp rise in the residential sector.

■ Less Optimism on Business Conditions in First Quarter

Canadian manufacturers expressed pessimistic views on the business conditions they expect in the first quarter of 1992.

This issue also includes information on the short-term expectations survey.

Wages and Salaries Up Marginally

In November, seasonally adjusted wages and salaries were virtually unchanged, up 0.1% from the revised October figure, to a level of \$29.3 billion. However, the year-over-year increase between November 1990 and November 1991 was 3.0%.

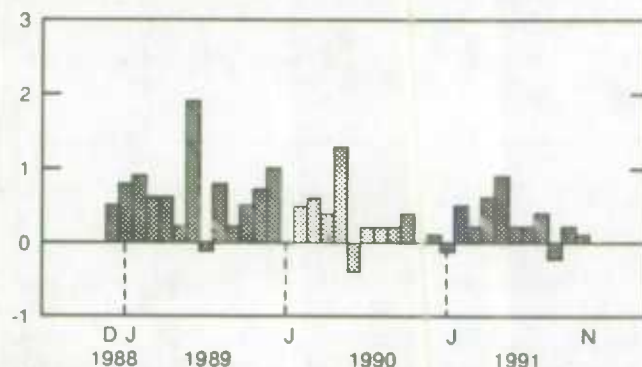
For the second consecutive month, the largest increase in wages and salaries was recorded in federal administration. A 3.5% gain followed a jump of 10.2% in October. Increases in wages and salaries were also noted in local administration (1.0%), in education and related services (0.8%), in commercial and personal services (0.4%) and in mines, quarries and oil wells (0.3%).

Partially offsetting these gains were lower wages and salaries in six industries. Manufacturing recorded a 0.9% drop, the third straight

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Wages and Salaries

% change, previous month



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... Wages and Salaries Up Marginally

monthly decrease, while the construction industry continued to decline for the sixth consecutive month, down 0.7%. Forestry registered a 2.5% loss, the fourth straight monthly decline and provincial administration fell 0.8%.

The Atlantic provinces posted high gains in November, except for New Brunswick which advanced by 0.4%. Prince Edward Island and Nova Scotia both increased by 1.7%, followed by Newfoundland (1.0%). British Columbia recorded its eighth consecutive monthly advance, up 1.1%. These gains were moderated by a 0.7% decline in Ontario and by marginal changes in the remaining provinces. (See accompanying table.)

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

Wages and Salaries, November 1991

Seasonally Adjusted

Province	Wages and Salaries (millions of \$)	% change, previous month	% change, previous year
Canada	29,251	0.1	3.0
Newfoundland	396	1.0	2.6
Prince Edward Island	88	1.7	0.9
Nova Scotia	737	1.7	1.3
New Brunswick	582	0.4	4.9
Quebec	6,567	0.3	1.7
Ontario	12,667	-0.7	2.8
Manitoba	940	0.6	0.5
Saskatchewan	724	-0.2	0.3
Alberta	2,815	0.2	4.8
British Columbia	3,560	1.1	5.9

Demand for Labour Declines

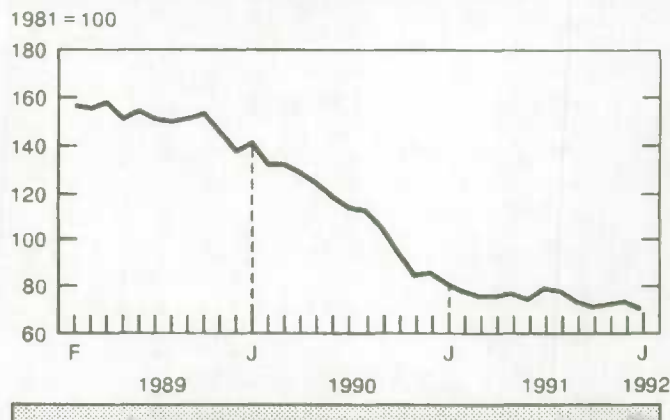
The Help-wanted Index for Canada continued its decline, falling three points in January to 69, its lowest level in almost eight years. After reaching a peak of 157 in April 1989, the index started a decline which accelerated in 1990. In 1991, the index fell eight points between January and December, from 80 to 72.

Help-wanted indexes fell in three of the five regions in January. Ontario posted the steepest decrease at 10.4%. The index fell to 60, its lowest level since August 1983. After a 2.7% increase in December, the British Columbia index plunged 9.3% to 68. In the Prairie provinces, the index registered a 6.1% drop, the second straight monthly decline.

The Atlantic provinces registered a gain of 5.8%, the second in as many months and Quebec's index advanced 1.1%, returning to its November level of 88.

Compared with January 1991, the Help-wanted Index was lower in all regions, with declines ranging from 27.0% in the Prairie provinces to 1.0% in Quebec.

Help-wanted Index, Canada



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

Leading Indicator Registers Decelerating Trend

The composite leading indicator posted its eighth straight monthly increase but the rate of growth continued to decelerate as household demand weakened due to sluggish labour market conditions. The growth in the composite leading indicator slowed from 0.6% in October to 0.4% in November. Three of the 10 components recorded declines, two more than in October.

After a downturn in sales of durable goods due to slow auto sales in October, sales continued to decline in November, falling 0.8%. The housing index posted its first decrease in November, down 1.0%, after growing steadily since March.

The growth of new orders for durable goods slowed to 0.6% from increases of 1.8% in October and 2.3% in September, due to declines in industries related to business investment. Exports of aircraft,

(continued on page 3)

... Leading Indicator Registers Decelerating Trend

machinery and industrial goods fell in November, while employment in business services weakened. Furniture and appliance sales rose for the fifth consecutive month, up 0.1%. Shipments also eased, which slowed the growth of their ratio to inventories.

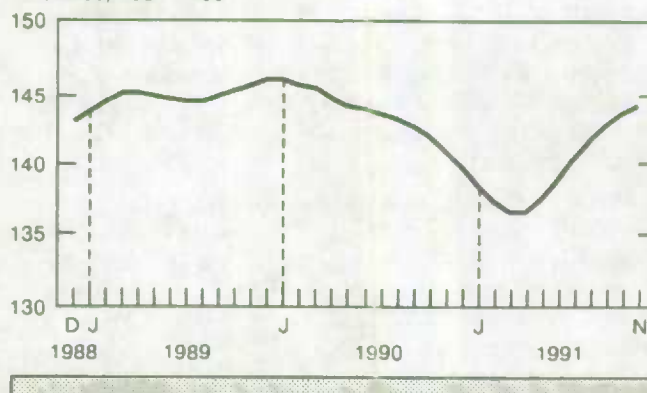
The TSE 300 index fell 0.1%, although it subsequently recovered in December, and the money supply rose 0.3% in November, after no growth in October.

The advance of the U.S. leading indicator slowed, from 0.5% in October to 0.3% in November, largely due to a sharp drop in consumer confidence.

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 8.)

Composite Leading Indicator

Smoothed, 1981 = 100



Economic Growth Slows

Real gross domestic product at factor cost edged up 0.1% in November following a 0.2% gain in October. Output for these two months averaged 0.1% above the third quarter level.

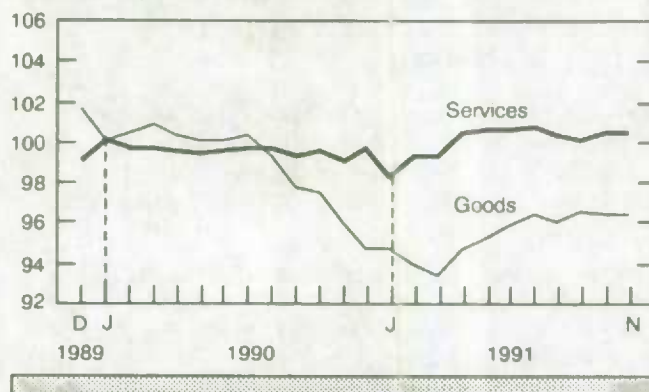
Service-producing industries advanced 0.1% in November after a 0.5% increase in October. Federal government output continued to recover from the effects of the strikes which extended into the first few days of October, growing by 1.8% after a jump of 8.2% in October. Retail trade advanced 0.5% in November but did not recoup the 1.2% loss posted in October. Motor vehicle sales accounted for about 70% of the gain while service station operators and grocers posted the largest losses. Transportation and storage rose 0.1% in November as storage and pipeline services advanced in combination with higher carloadings of wheat, potash and iron ore.

These increases were partly offset by declines in communications (0.8%) and in community, business and personal services (0.1%). This represents the seventh consecutive monthly decline for community, business and personal services.

Goods-producing industries increased 0.1% in November partly offsetting the 0.2% decline posted in October. Construction output rose 0.3%, its eighth straight monthly increase, as non-

Gross Domestic Product Output by Sector

Index (January 1990 = 100)



residential construction gained 2.0% and residential construction advanced 0.5%. Mining output rose 0.1% following a 0.7% advance in October while manufacturing posted a marginal decline.

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.)

Alberta Led Provincial Economic Growth in 1990

At the Canada level, gross domestic product at market prices slipped to a 3.5% gain in 1990, less than half of 1989's growth rate. Among all the provinces and territories, Alberta posted the strongest growth in gross domestic product (7.5%) while Manitoba, Quebec, the Northwest Territories and Ontario experienced below-average growth rates.

Ontario posted its weakest growth rate (1.8%) since 1985 and saw its share of domestic production decrease from 42.0% in 1989 to 41.3% in 1990. In Quebec, economic growth slowed for the third year in a row, dropping to 2.9% and its share of domestic production declined marginally from 23.1% to 23.0%.

Final domestic demand grew 0.6% in volume terms during 1990 at the Canada level, the smallest increase since 1982. The Yukon and British Columbia had much higher growth rates of 6.5% and 3.3%, respectively, with business investment accounting for much of the strength in both cases.

Lower inflation in Canada during 1990, as measured by the implicit price index for final domestic demand, was accounted for in large part by

Gross Domestic Product at Market Prices, Annual Percentage Change

	1987	1988	1989	1990
Canada	9.1	9.7	7.3	3.5
Newfoundland	8.9	7.8	6.5	3.7
Prince Edward Island	6.1	12.1	6.5	5.0
Nova Scotia	7.1	7.9	6.7	5.9
New Brunswick	7.9	8.1	7.5	5.1
Quebec	10.4	9.4	5.4	2.9
Ontario	10.4	12.7	7.8	1.8
Manitoba	5.8	10.7	6.4	3.3
Saskatchewan	0.4	5.6	7.0	4.2
Alberta	3.9	4.5	5.5	7.5
British Columbia	9.7	10.6	10.7	4.9
Yukon	30.8	11.2	6.5	4.5
Northwest Territories	4.5	5.7	8.3	2.4

a marked reduction in the implicit price index for residential construction in Ontario and by a weak price increase for durable goods all across the country.

For further information, order the *Provincial Economic Accounts, Annual Estimates* (catalogue number 13-213) or contact National Accounts and Environment Division at (613) 951-9152.

Residential Sector Propels Building Permits

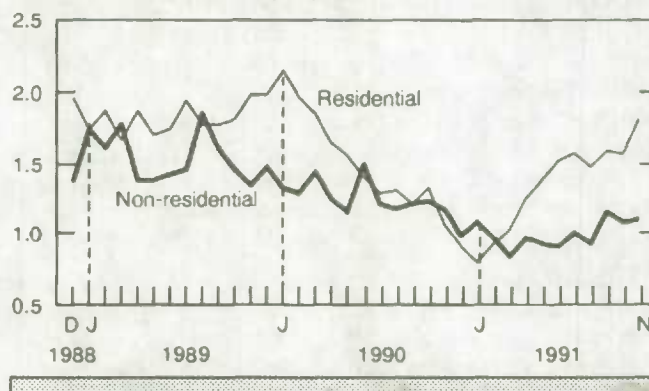
After a 3.8% decline in October, the seasonally adjusted value of building permits issued in Canada jumped 10.1% in November to \$2,889 million. The increase was mainly attributable to the residential sector.

In November, the value of residential building permits climbed 15.8% to \$1,801 million after posting a 1.7% decline in October. Both the single-family dwelling sector and the multi-family dwelling sector recorded increases. Residential permits jumped by 20.6% to \$1,261 million for the former and were up by 6.1% to a level of \$540 million for the latter. Ontario reported the largest gain (38.8%) in the value of residential building permits, its third consecutive increase, followed by Quebec with a 12.6% rise. British Columbia was the only region to report a loss in November (-17.4%).

Advance estimates for December indicate that the value of residential building permits issued in Canada fell to \$1,286 million, down 26.9% from the revised value for November (\$1,760 million). (The addition of data due to the advance estimate for

Building Permits

Billions of dollars, seasonally adjusted



December results in the revision of seasonally adjusted figures for previous months, including November.)

(continued on page 5)

... Residential Sector Propels Building Permits

Following a 6.6% drop in October, the value of building permits issued in the non-residential sector advanced 1.7% to \$1,088 million in November. The increase was entirely due to the commercial sector where the value of building permits totalled \$549 million, up 27.8% from October's level. Industrial permits plunged 29.8% to \$172 million and the institutional sector reported a loss of 7.2% to \$367 million.

Quebec recorded the only increase in the value of non-residential building permits in November (59.4%), while sharp declines were reported in the Atlantic region (-33.2%), British Columbia (-20.8%) and the Prairies (-19.6%).

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, November 1991 Unadjusted Data

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year
Canada	2,560.2	25.4	1,527.1	66.1	1,033.1	-8.0
Newfoundland	16.0	-18.8	11.0	-12.8	5.0	-29.5
Prince Edward Island	11.0	66.0	3.6	-23.6	7.4	277.1
Nova Scotia	41.5	-27.1	22.8	-33.9	18.8	-16.8
New Brunswick	27.8	-35.3	11.9	15.2	15.9	-51.4
Quebec	641.9	40.9	299.0	38.8	343.0	42.9
Ontario	1,226.6	42.9	837.3	120.3	389.2	-18.6
Manitoba	29.4	-45.9	12.0	-23.2	17.4	-55.1
Saskatchewan	13.3	-6.3	6.5	63.9	6.7	-33.8
Alberta	196.2	-8.7	89.7	10.1	106.5	-20.2
British Columbia	351.3	16.3	231.5	47.3	119.7	-17.3
Yukon	4.2	23.7	1.3	-17.4	2.9	60.4
Northwest Territories	1.0	-92.1	0.4	-80.9	0.6	-94.2

Less Optimism on Business Conditions in First Quarter

Canadian manufacturers expressed pessimistic views on the business conditions they expect in the first quarter of 1992. With the exception of orders received, the balance of opinion is close to, or lower than, what was recorded a year earlier. However, it is still above the record low posted during the 1981-82 recession.

Canadian manufacturers' balance of opinion concerning the volume of production fell to -13, down from -1 in the last quarter of 1991 but well above the -36 recorded in April 1982. The proportion of manufacturers expecting higher production levels declined to 20% while the proportion expecting lower production levels advanced to 33%.

The balance of opinion for the backlog of unfilled orders posted a record 20-point drop to -50 in January 1992. The balance had reached a record low of -66 during the third quarter of 1982. The

Business Conditions Survey January 1992

	1991				1992
	Q1	Q2	Q3	Q4	Q1
Balance of opinion*					
on:					
Production	-12	-12	3	-1	-13
New orders	-42	-40	-14	-8	-19
Unfilled orders	-46	-58	-50	-30	-50
Inventories	-37	-38	-25	-18	-32

* The balance between the proportion of positive responses, such as higher volumes of production, and negative responses, such as fewer orders received.

following industries contributed to this decrease: transportation equipment, primary metals and electrical and electronic products.

(continued on page 6)

... Less Optimism on Business Conditions in First Quarter

The proportion of manufacturers reporting rising levels of new orders fell to 17% from 21% in the fourth quarter of 1991, and the proportion reporting declining levels advanced to 36% in the first quarter of 1992, from 29%. The largest percentage of manufacturers thought their levels of new orders were about the same (47%).

More than half of manufacturers (62%) thought their levels of finished product inventory were about right while the proportion believing their inventory levels were too high increased to 35%.

For further information contact Industry Division at (613) 951-3507.

Year-over-year Increase in CPI Expected to Decelerate

The Short-term Expectations Survey mean forecast of the year-over-year increase in the CPI for January is 2.3%, significantly lower than the 3.8% actual value registered for December. The minimum and maximum values are 1.3% and 3.8%, respectively. The mean forecast for December was overestimated by 0.4%.

The unemployment rate is expected to be between 10.1% and 10.5% in January, with a mean forecast of 10.3%. For December, the mean forecast overestimated the actual rate by 0.1%.

The survey showed \$11.7 billion as the mean forecast for merchandise exports in December, with minimum and maximum values of \$11.2 billion and \$12.0 billion. For imports, the forecast for the same period was \$11.2 billion with minimum and maximum values of \$10.9 billion and \$11.5 billion, respectively.

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

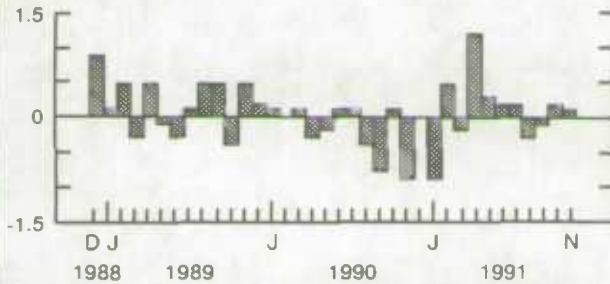
PUBLICATIONS RELEASED FROM JAN. 31 TO FEB. 6, 1992

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
AGRICULTURE					
Field Crop Reporting Series No. 1		22-002	12/80	14/96	16/112
BALANCE OF PAYMENTS					
Canada's Balance of International Payments	Third Quarter 1991	67-001	27.50/110	38.50/132	38.50/154
INCOME AND EXPENDITURE ACCOUNTS					
National Income and Expenditure Accounts	1979-1990	13-201	39	47	55
National Income and Expenditure Accounts	1984 Q1-1991 Q3	13-001	20/80	24/96	28/112
INDUSTRY					
Asphalt Roofing	December 1991	45-001	5/50	6/60	7/70
Cement	December 1991	44-001	5/50	6/60	7/70
Coal and Coke Statistics	November 1991	45-002	10/100	12/120	14/140
Factory Sales of Electric Storage Batteries	December 1991	43-005	5/50	6/60	7/70
Gypsum Products	December 1991	44-003	5/50	6/60	7/70
Pack of Processed Peas	1991	32-235	13	16	18
Production and Disposition of Tobacco Products	December 1991	32-022	5/50	6/60	7/70
Production and Inventories of Process Cheese and Instant Skim Milk Powder	December 1991	32-024	5/50	6/60	7/70
Production of Selected Biscuits	Semi-annual Period Ended December 1991	32-026	6.75/13.50	8.10/16.20	9.45/18.90
Production, Sales and Stocks of Major Appliances	December 1991	43-010	5/50	6/60	7/70
Rigid Insulating Board	December 1991	36-002	5/50	6/60	7/70
Shipments of Solid Fuel					
Burning Heating Products	Quarter Ended December 1991	25-002	4.75/19	5.75/23	6.75/27
Wholesale Trade Statistics, Wholesale Merchants, Agents and Brokers	1988	63-226	34	41	48
INTERNATIONAL TRADE					
Summary of Canadian International Trade	November 1991	65-001	18.20/182	21.80/218	25.50/255
LABOUR					
Employment, Earnings and Hours	October 1991	72-002	38.50/385	46.20/462	53.90/539
POST-CENSAL SURVEYS					
Canadians with Impaired Hearing, Vol. 5		82-615	35	42	49
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, Caterer and Tavern Statistics	September 1991	63-011	6.10/61	7.30/73	8.50/85
Restaurant, Caterer and Tavern Statistics	October 1991	63-011	6.10/61	7.30/73	8.50/85
Restaurant, Caterer and Tavern Statistics	November 1991	63-011	6.10/61	7.30/73	8.50/85
Science Statistics Service Bulletin, Vol. 16, No. 1		88-001	7.10/71	8.50/85	9.90/99
Service Industries Service Bulletin, Vol. 3, No. 5	1987 to 1989	63-015	7.20/43	8.65/52	10/60
TRANSPORTATION					
Railway Operating Statistics	September 1991	52-003	10.50/105	12.60/126	14.70/147

CURRENT TRENDS

Gross Domestic Product

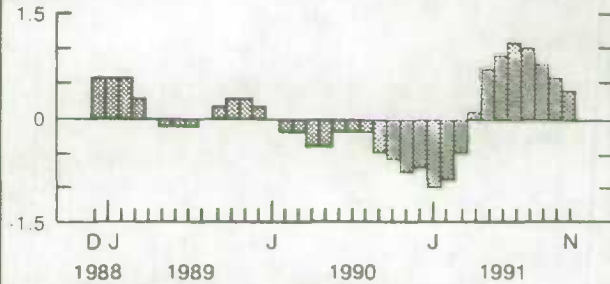
% change,
previous month



Real gross domestic product crept up 0.1% in November after a 0.2% gain in October.

Composite Leading Indicator

% change,
previous month



The growth in the composite leading indicator slowed from 0.6% in October to 0.4% in November.

Consumer Price Index

% change,
previous year



In December, the year-over-year increase in the all-items CPI stood at 3.8%, the lowest rate posted since July 1988, while the food index advanced 2.2%.

Unemployment Rate

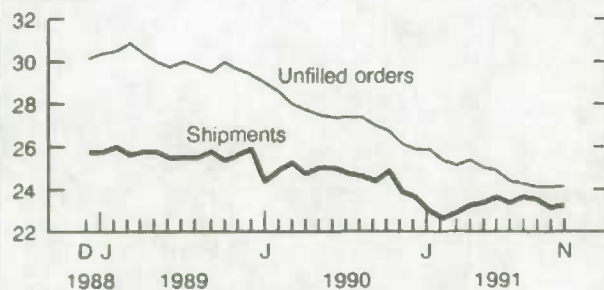
%



In December, the unemployment rate remained at 10.3 for the third consecutive month.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose 0.6% to \$23.1 billion in November, but unfilled orders were down 0.3% to \$24.0 billion, resuming the pattern of monthly declines evident since April 1989.

Merchandise Trade

Billions
of dollars



Both exports and imports posted declines in November. Exports fell 1.5% to \$11.6 billion while imports dropped 2.8% to \$11.3 billion.

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)	November*	506	0.1%	1.2%
Composite Leading Indicator (1981 = 100)	November*	144.1	0.4%	2.4%
Profits of Industrial Corporations (\$ billion)	3rd Quarter	13.0	10.0%	-22.2%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	November	14.8	0.7%	-6.0%
New Motor Vehicle Sales ('000 units)	November	101.3	9.6%	2.6%
LABOUR				
Employment (millions)	December	12.3	-0.2%	-1.0%
Unemployment Rate (%)	December	10.3	0.0	1.0
Participation Rate (%)	December	65.8	-0.2	-0.9
Labour Income (\$ billion)	November*	32.6	-0.1%	3.2%
Average Weekly Earnings (\$)	November	549.15	-0.3%	5.0%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	November	11.6	-1.5%	-3.3%
Merchandise Imports (\$ billion)	November	11.3	-2.8%	1.9%
Merchandise Trade Balance (\$ billion)	November	0.29	0.15	-0.61
MANUFACTURING				
Shipments (\$ billion)	November	23.1	0.6%	-2.5%
New Orders (\$ billion)	November	23.1	0.2%	-0.2%
Unfilled Orders (\$ billion)	November	24.0	-0.3%	-8.1%
Inventory/ Shipments Ratio	November	1.49	-0.01	-0.11
Capacity Utilization (%)	3rd Quarter	72.0	1.4	-6.4
PRICES				
Consumer Price Index (1986 = 100)	December	126.4	-0.5%	3.8%
Industrial Product Price Index (1986 = 100)	December	107.6	0.1%	-3.1%
Raw Materials Price Index (1986 = 100)	December	101.3	-1.6%	-15.7%
New Housing Price Index (1986 = 100)	November	133.9	-0.4%	-3.5%

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

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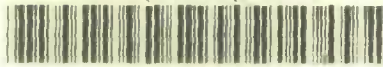
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