



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, April 3, 1992

OVERVIEW

■ Leading Indicator Shows No Growth

Following nine months of expansion, the composite leading indicator remained unchanged in January.

■ Economic Activity Remains Sluggish

Real gross domestic product at factor cost edged up 0.1% in January after a 0.5% drop in December and a flat November.

■ Construction Activity Declines Further

Following a 15.9% drop in December, the value of building permits issued in Canada continued to decline, falling 12.1% in January to \$2,128 million.

■ Growth in Average Weekly Earnings Continues

Average weekly earnings in Canadian industries were \$553.47 in January, up 5.2% from the same period in 1991.

■ Industrial Product Prices Continue to Rise

After a 0.1% increase in January, the Industrial Product Price Index jumped 0.8% to a level of 108.2 in February.

■ Raw Material Prices Post Strong Increase

After two months of decline, the Raw Material Price Index rose 1.7% in February, largely due to higher prices for animal products and for non-ferrous metals.

This issue also includes information on births in Canada.

Leading Indicator Shows No Growth

Growth of the composite leading indicator decelerated further in January, to no change following nine months of expansion. Most of the weakness originated in widespread declines in manufacturing demand. Four of the 10 components recorded declines while four increased and two remained unchanged.

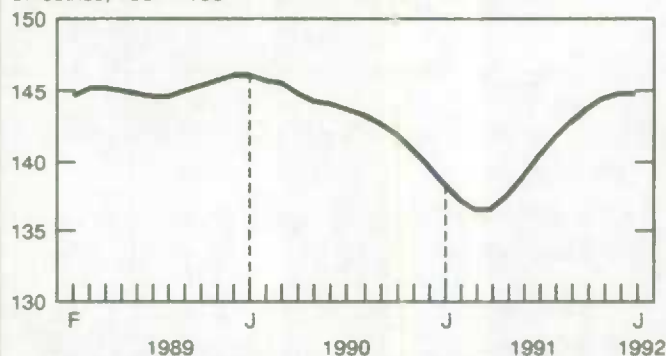
The indicators of household demand were mixed, as labour market conditions continued to deteriorate and household demand for debt remained weak. Auto sales remained sluggish in January and dampened the overall sales of durable goods.

As housing starts fell to their lowest level since May 1991, the housing index posted its third straight decline, falling 2.0%. Following a 0.4% rise in December, furniture and appliance sales

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Composite Leading Indicator

Smoothed, 1981 = 100



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... Leading Indicator Shows No Growth

edged up 0.1% in January, as the recovery of sales of existing homes that began in November was interrupted that month.

New orders for durable goods in manufacturing noted a second straight drop in January, down 1.8%, due to weaknesses in most industries as sluggish household demand accompanied lower business investment intentions for 1992.

The financial market indicators picked up the most, followed by gains in the U.S. leading index. The stock market index expanded by 0.3% in

January, after weakening the previous two months, and the real money supply increased by 0.4%. The U.S. leading indicator grew steadily at 0.2%. Unlike in Canada, signs of an upturn in final demand were much more marked in the U.S., partly because their labour market conditions improved slightly, according to the U.S. household survey.

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.)

Economic Activity Remains Sluggish

Real gross domestic product at factor cost crept up 0.1% in January after a 0.5% drop in December and a flat November. Output in January was 1.3% above the level recorded in January 1991 but 0.7% below its peak in July 1991.

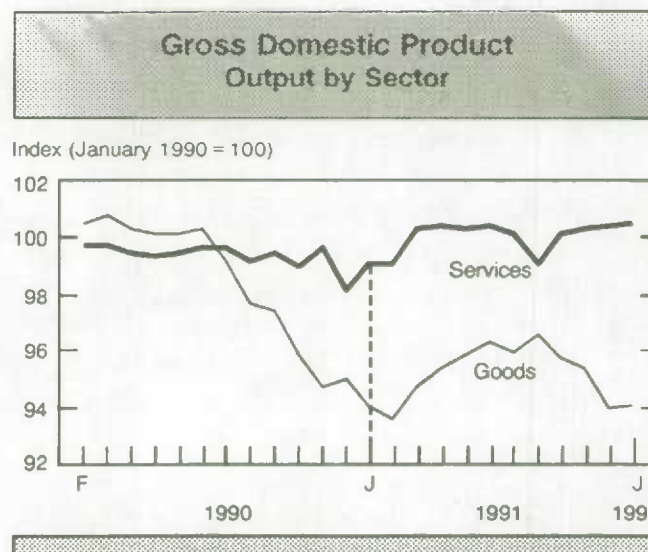
Goods production advanced 0.1% following average monthly declines of 0.9% in the previous three months, but was still 1.0% below its level of a year earlier. Manufacturing accounted for most of the dollar gain, rising 0.7% in January following declines of 2.0% in December, 0.6% in November and 1.4% in October. Forestry (2.4%), utilities (0.2%) and agriculture (0.1%) also contributed to the strength. The largest dollar losses were recorded by construction (-0.7%) and mining (-1.1%).

The growth in service-producing industries slowed from 0.4% in October to 0.3% in November and to 0.1% in December and January 1992. Gains in finance, insurance and real estate (0.6%) and in transportation and storage (0.7%) were partially offset by a decline in community, business and personal services (-0.4%). On a year-over-year basis, services output was 2.5% above January 1991.

Construction Activity Declines Further

Following a 15.9% drop in December, the value of building permits issued in Canada continued to fall in January, down 12.1% to \$2,128 million. This decline was entirely attributable to the non-residential sector.

After recording a 26.3% plunge in December, the value of residential building permits rose 2.7% to \$1,368 million in January. Both the single-family dwelling sector and the multi-family dwelling sector recorded increases. The value



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 8.)

increased 2.0% to \$904 million for the former, and jumped 20.4% to \$464 million for the latter. The Atlantic provinces reported the largest gain in the value of residential building permits, up 12.4%, which followed a 0.3% increase in December. Quebec was the only province to report a loss in January, down 15.3%, following a 9.3% fall in December.

Advance estimates for February indicate that the value of residential building permits issued in Canada increased to \$1,445 million, up 6.2% from the revised value for January (\$1,361 million). The

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... Construction Activity Declines Further

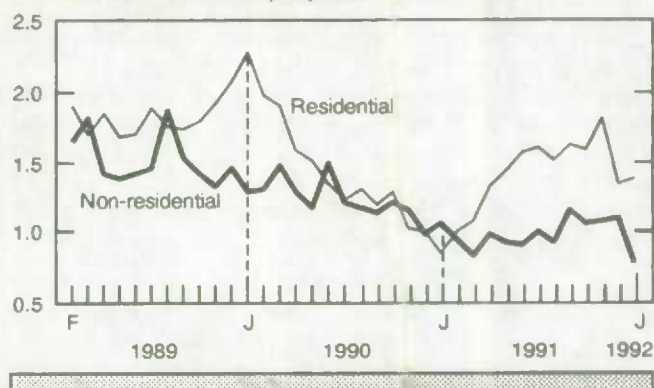
addition of data due to the advance estimate for February results in the revision of seasonally adjusted figures for previous months, including January.

The value of building permits issued in the non-residential sector plummeted 30.3% to \$760 million, the steepest decline reported since August 1982 when a drop of 34.8% was recorded. All three sectors posted declines, led by the institutional sector where the value of building permits totalled \$226 million, down 49.6% from December's level. Industrial permits plunged 42.6% to \$112 million and the commercial sector reported a loss of 5.5% to \$422 million. All regions reported declines in the value of non-residential building permits in January.

For further information, order *Building Permits* (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2025.

Building Permits

Billions of dollars, seasonally adjusted



PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, January 1992

Unadjusted Data

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year
Canada	1,312.7	0.7	757.7	58.0	555.0	-32.7
Newfoundland	5.9	-23.6	1.4	-54.6	4.5	-2.1
Prince Edward Island	2.1	-23.8	1.6	27.1	0.5	-66.4
Nova Scotia	33.7	-18.8	15.5	6.0	18.2	-32.3
New Brunswick	11.0	-63.0	2.6	96.6	8.4	-70.6
Quebec	207.4	7.2	91.8	18.9	115.7	-0.5
Ontario	525.5	-17.4	292.7	62.8	232.7	-49.0
Manitoba	22.9	3.6	8.9	4.9	14.0	2.8
Saskatchewan	13.2	-28.9	4.5	185.5	8.7	-48.8
Alberta	128.4	1.3	87.7	81.6	40.6	-48.2
British Columbia	361.3	62.2	249.8	74.3	111.5	40.3
Yukon	0.7	19.3	0.6	26.7	0.1	-3.3
Northwest Territories	0.6	-61.2	0.5	152.5	0.1	-93.7

Growth in Average Weekly Earnings Continues

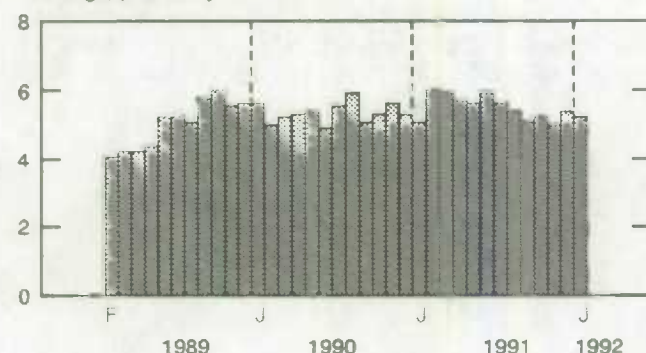
In January, average weekly earnings in Canadian industries were \$553.47, up 0.4% for the second straight month, and up 5.2% from January 1991. The yearly earnings growth rate continued to rise, from 5.0% in 1989 to 5.3% in 1990 and to 5.5% in 1991.

The sharp difference in the pattern of growth of goods-producing industries compared to that of services continued in January. For the former, the year-over-year growth in earnings was 4.9%, to a level of \$676.14. Manufacturing (5.5%) and mines, quarries and oil wells (4.9%) contributed to the

(continued on page 4)

Average Weekly Earnings

% change, previous year



... Growth in Average Weekly Earnings Continues

gain. While the annual average weekly earnings for 1991 rose 4.7% to \$656.84, the increase was lower than the 5.7% rise posted in 1990.

In service-producing industries, earnings grew by 5.5% between January 1991 and January 1992, to \$518.69. Community, business and personal services (6.0%) and finance, insurance and real estate (4.9%) contributed to this rise. In 1991, the increase in annual average weekly earnings was 6.4% to a level of \$506.24, up from the 5.8% growth noted in 1990.

In January, employees paid by the hour in the goods-producing industries worked on average 37.8 hours per week, compared to 37.5 in January 1991, and earned on average \$16.29 per hour. In service-producing industries, hourly-paid employees worked on average 27.4 hours in January 1992, unchanged from the number of hours worked in January 1991, and earned \$12.58 per hour.

Five of the 10 provinces and one territory showed year-over-year growth rates exceeding the national average of 5.2%. Prince Edward Island recorded the lowest year-over-year gain in weekly earnings.

Average Weekly Earnings, January 1992

Unadjusted Data

Province/Territory	Industrial Aggregate (dollars)	Year-over-year % change
Canada	553.47	5.2
Newfoundland	516.26	2.5
Prince Edward Island	439.18	0.5
Nova Scotia	492.05	4.7
New Brunswick	500.05	4.0
Quebec	539.92	4.2
Ontario	577.85	5.8
Manitoba	494.71	5.7
Saskatchewan	486.42	5.4
Alberta	559.49	5.3
British Columbia	558.53	5.4
Yukon	659.73	2.4
Northwest Territories	767.05	5.2

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

Industrial Product Prices Continue to Rise

After a 0.1% increase in January, the Industrial Product Price Index (IPPI, 1986=100) jumped 0.8% to a level of 108.2 in February. This second straight monthly advance represents the largest increase since September 1990 and only the second gain in 13 months. Of the 21 major groups of products, prices advanced in 16, fell in three and remained unchanged in two.

A 2.6% rise in the value of the U.S. dollar had an upward effect on prices of exports denominated in U.S. currency. Price increases were widespread in February but leading the gains was the lumber, sawmill and other wood products index, up for the fourth straight month, this time by 4.1%.

All components of the primary metal products index recorded increases in February, pushing the index up 2.6%, the first rise in 17 months. The

autos, trucks and other transport equipment index registered a 1.7% gain, the third increase in as many months and the steepest increase since November 1986. Higher prices for fresh and frozen pork (4.6%), fresh and frozen beef and veal (3.5%) and dairy products (0.9%) pushed the meat, fish and dairy products index up 1.3% in February. The paper products index posted its second straight increase and only the second rise in 17 months, up 1.2%, due mainly to higher prices for sulphate woodpulp (3.8%) and for newsprint and other paper for printing (1.3%).

With a decline of 1.3%, the petroleum and coal products index recorded the only significant decrease in February; the indexes for beverages and tobacco products both edged down 0.1%.

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

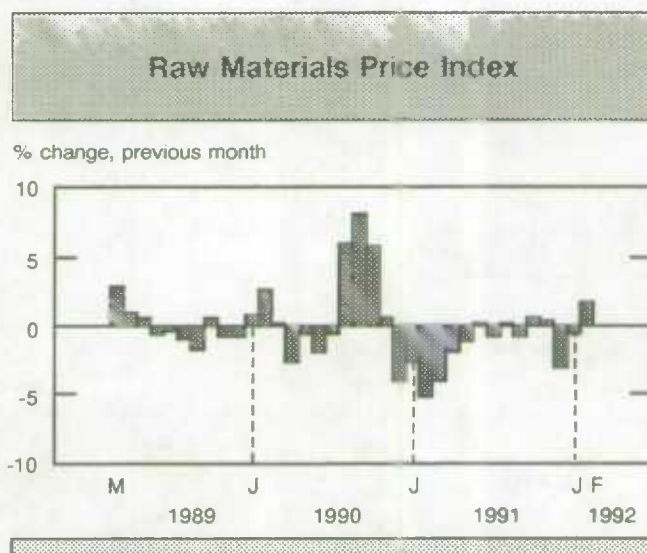
Raw Material Prices Post Strong Increase

In February, the Raw Materials Price Index (RMPI, 1986=100) rose 1.7% to a level of 100.8, posting the steepest increase in 16 months. Five of the seven RMPI components were up but the overall increase was mainly attributable to the animal products and non-ferrous metals indexes. However, compared to February 1991, the RMPI fell 9.1%, the 12th consecutive month to have a year-over-year decline.

The rate of growth of the animal products index has accelerated, from 0.4% in December to 1.0% in January and to 3.4% in February, as prices for hogs jumped 13.6% and prices of cattle for slaughter increased 5.7%. Prices of copper concentrates gained 8.2% and prices of aluminum materials climbed 10.2%, pushing the non-ferrous metals index up for the second straight month, this time by 5.7%.

Higher prices of logs and bolts pushed the wood price index up 2.3% in February, the third increase in as many months after four declines in a row. The increase was partially offset by a 1.3% drop in softwood pulp prices.

Moderating the overall increase, the mineral fuels index, which accounts for roughly one-third of the RMPI index, dropped 1.3% in February, as a result of lower prices for crude oils (-1.6%) and



natural gas (-0.9%). This represents the third consecutive monthly decline for the mineral fuels index. On a year-over-year basis, the mineral fuels index plunged 20.8% from February 1991, mainly due to a 22.3% drop in crude oil prices. Excluding mineral fuels, the RMPI advanced by 3.2% in February.

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

More Babies for the Nineties?

In 1990, the number of live births in Canada increased by 3.2%, to 405,486. The number of live births declined in the mid-1980s and reached a low in 1987 at 369,792, but between 1987 and 1990, the number of live births increased by 9.7%.

The birth rate (number of live births per 1,000 population) continued on an upward trend after recording annual declines from 1982 until 1987. In 1990, the rate was 15.3, up 2.0% from 1989, and returned to its 1981 level.

The fertility rate (average number of children born per woman during childbearing years) increased to 1.86 in 1990 from 1.76 in 1989. Between 1987 and 1990, the fertility rate advanced by 12.5%.

For further information, contact the Canadian Centre for Health Information at (613) 951-1764.

Birth Rates, by Province and Territory 1990

	Birth Rate	% Change Previous Year
Newfoundland	13.3	-2.2
Prince Edward Island	15.4	3.4
Nova Scotia	14.4	1.4
New Brunswick	13.6	0.7
Quebec	14.5	5.1
Ontario	15.5	2.0
Manitoba	15.9	-0.6
Saskatchewan	16.1	-2.4
Alberta	17.4	-2.8
British Columbia	14.6	2.1
Yukon	21.3	12.1
Northwest Territories	29.3	6.1

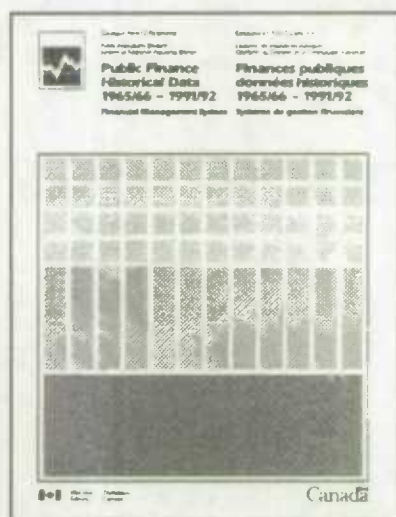
PUBLICATIONS RELEASED FROM MARCH 27 TO APRIL 2

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
AGRICULTURE					
Farm Product Price Index	January 1992	62-003	7.10/71	8.50/85	9.90/99
BALANCE OF PAYMENTS					
Canada's International Investment Position	1991	67-202	37	44	52
EDUCATION, CULTURE AND TOURISM					
Community Colleges and Related Institutions: Postsecondary Enrolment and Graduates	1989	81-222	27	32	38
Salaries and Salary Scales of Full-Time Teaching Staff at Canadian Universities	1988-89	81-258	22	26	31
University Finance Trend Analysis	1980-81 to 1989-90	81-260	39	47	55
HOUSEHOLD SURVEYS					
Homeowner Repair and Renovation Expenditure in Canada	1990	62-201	26	31	36
Labour Market Activity Survey – Profiles – Canada's Men	1988	71-206	12	14	17
INCOME AND EXPENDITURE ACCOUNTS					
Provincial Economic Accounts	1986-1990	13-213	40	48	56
INDUSTRIAL ORGANIZATION AND FINANCE					
Quarterly Financial Statistics for Enterprises	Fourth Quarter 1991	61-008	23/\$92	27.50/110	32.25/129
INDUSTRY					
Canadian Forestry Statistics	1989	25-202	27	32	38
Canned and Frozen Fruits and Vegetables – Monthly	December 1991	32-011	5/50	6/60	7/70
Department Store Monthly Sales by Province and Metropolitan Area	December 1991	63-004	2.70/27	3.20/32	3.80/38
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies	January 1992	35-002	10/100	12/120	14/140
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	January 1991	35-003	7.10/71	8.50/85	9.90/99
The Sugar Situation	February 1992	32-013	5/50	6/60	7/70
INVESTMENT AND CAPITAL STOCK					
Exploration, Development and Capital Expenditures for Mining and Petroleum and Natural Gas Wells	Intentions 1992	61-216	17	20	24
JUSTICE					
Juristat Service Bulletin: Correctional Services in Canada, Vol. 12, No.8.	Highlights for 1990-91	85-002	3.60/90	4.30/108	5/126
Juristat Service Bulletin: Trends in Custodial Counts and Admissions, Vol. 12, No. 9		85-002	3.60/90	4.30/108	5/126
PUBLIC INSTITUTIONS					
Public Finance Historical Data	1965/66-1991/92	68-512	56	67	78

PUBLICATIONS RELEASED – Concluded

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
				\$US	
SERVICES, SCIENCE AND TECHNOLOGY					
Indicators of Science and Technology, Vol. 2, No. 4	1990	88-002	18/72	21.50/86	25.25/101
Telephone Statistics Vol. 16, No. 1	January 1992	56-002	8.30/83	10/100	11.60/116
STATISTICS CANADA					
Statistics Canada Publications List	1992	11-209E	No Charge		
PRICES					
Construction Price Statistics	Fourth Quarter 1991	62-007	18/72	21.50/86	25.25/101
TRANSPORTATION					
Passenger Bus and Urban Transit Statistics	January 1992	53-003	7.10/71	8.50/85	9.90/99
Railway Carloadings	January 1992	52-001	8.30/83	10/100	11.60/116
Service Bulletin – For-Hire Trucking, Vol. 7, No. 8.	1989	50-002	9.40/75	11.25/90	13.15/105
Service Bulletin – Canada – US Traffic, Vol. 8, No. 1	1987-1989	50-002	9.40/75	11.25/90	13.15/105
Service Bulletin: Motor Carrier Freight Quarterly Survey, Vol. 8, No. 2	Third Quarter 1991	50-002	9.40/75	11.25/90	13.15/105
Trucking in Canada	1989	53-222	45	54	63

NEW FROM STATISTICS CANADA



Public Finance Historical Data

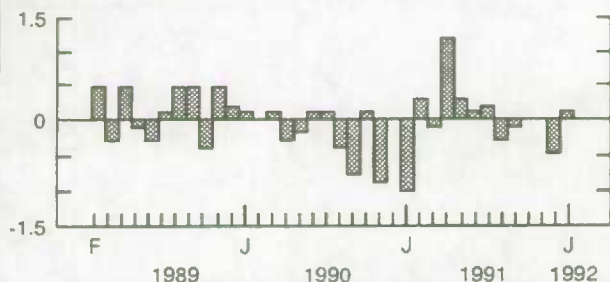
Public Finance Historical Data, 1965/66-1991/92 is released today. For the first time, the Public Institutions Division is publishing 26 years of government revenue and expenditure statistics for the federal, provincial and local governments in Canada based on a common universe, classification, concept and methodology. Also included are consolidated revenues and expenditures, which provide an indication of the total size of government by eliminating inter-governmental revenues and expenditures.

For more information on this release, contact Terry Moore (613-951-8561) or Donald Dubreuil (613-951-0767). *Public Finance Historical Data, 1965/66-1991/92* (Catalogue number 68-512) can be ordered from Publication Sales (613) 951-7277.

CURRENT TRENDS

Gross Domestic Product

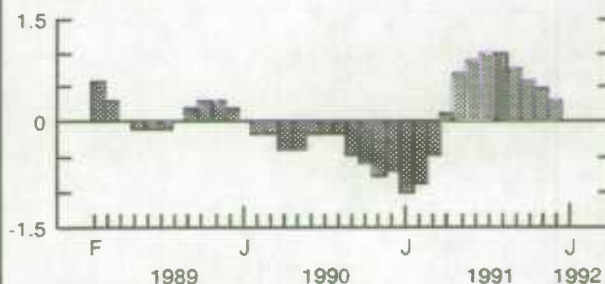
% change,
previous month



Real gross domestic product at factor cost edged up 0.1% in January after a 0.5% drop in December and a flat November.

Composite Leading Indicator

% change,
previous month



Following nine months of expansion, the composite leading indicator remained unchanged in January.

Consumer Price Index

% change,
previous year



In February, the year-over-year increase in the all-items CPI stood at 1.7% while the food index declined 0.8%.

Unemployment Rate

%



In February, the unemployment rate advanced 0.2 percentage points to a seven-year high of 10.6.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments fell 2.4% to \$21.9 billion in January, the fifth straight monthly decline. Unfilled orders fell 1.3% to \$22.9 billion, the ninth decrease in a row.

Merchandise Trade

Billions
of dollars



Exports increased by 5.4% to \$12.2 billion in January and imports rose by 1.6% to \$11.1 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)	January*	502	0.1%	1.3%
Composite Leading Indicator (1981 = 100)	January*	144.7	0.0%	4.6%
Operating Profits of Enterprises (\$ billion)	4th Quarter	10.3	-18.0%	-29.0%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	January	15.0	0.0%	2.8%
New Motor Vehicle Sales ('000 units)	January	109.0	7.7%	-2.2%
LABOUR				
Employment (millions)	February	12.3	-0.1%	-0.1%
Unemployment Rate (%)	February	10.6	0.2	1.4
Participation Rate (%)	February	65.6	-0.1	-1.2
Labour Income (\$ billion)	December	31.8	-1.4%	2.3%
Average Weekly Earnings (\$)	January*	553.47	0.4%	5.2%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	January	12.2	5.4%	3.3%
Merchandise Imports (\$ billion)	January	11.1	1.6%	-0.2%
Merchandise Trade Balance (\$ billion)	January	1.1	0.45	0.41
MANUFACTURING				
Shipments (\$ billion)	January	21.9	-2.4%	-4.3%
New Orders (\$ billion)	January	21.6	-2.4%	-5.5%
Unfilled Orders (\$ billion)	January	22.9	-1.3%	-11.1%
Inventory/ Shipments Ratio	January	1.55	-0.03	-0.08
Capacity Utilization (%)	4th Quarter	70.2	-1.5	-2.5
PRICES				
Consumer Price Index (1986 = 100)	February	127.1	0.1%	1.7%
Industrial Product Price Index (1986 = 100)	February*	108.2	0.8%	-2.2%
Raw Materials Price Index (1986 = 100)	February*	100.8	1.7%	-9.1%
New Housing Price Index (1986 = 100)	January	133.7	-0.1%	-1.8%

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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Senior Editor: Greg Thomson (613) 951-1116

Editor: Louise Larouche (613) 951-1197

R.H. Coats Building, Tunney's Pasture, Ottawa, Ontario
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