



IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, November 6, 1992

OVERVIEW

■ Help-wanted Index Still Increasing

The Help-wanted Index for Canada (1981=100) advanced two points in October to 65, after increasing by one point in September.

■ GDP: Best Gain in 15 Months

As production of goods surged 1.2% in August, real gross domestic product at factor cost rose 0.5%, its best gain in over a year.

■ Growth in Leading Indicator Accelerates

In August, the composite leading indicator rose 0.4% as eight of the 10 components grew, up from five in July.

■ Construction Activity Continues to Decline

The seasonally adjusted value of building permits issued in Canada fell for the third straight month in August, this time by 4.3%.

■ Business Capital Expenditures: Up Slightly in 1993 but Down in 1994

Capital spending by large companies is expected to advance by 0.3% in 1993 but to decrease by about 1.1% in 1994.

■ Little Change in Business Conditions Outlook

Canadian manufacturers remained optimistic about the expected volume of production in the fourth quarter of 1992.

■ Popularity of CD Players and VCRs Still Growing

Compact disc (CD) players were found in 26.9% of Canadian households in 1992, up sharply from 20.9% in 1991, while 73.8% of households had VCRs compared to 68.6% in 1991.

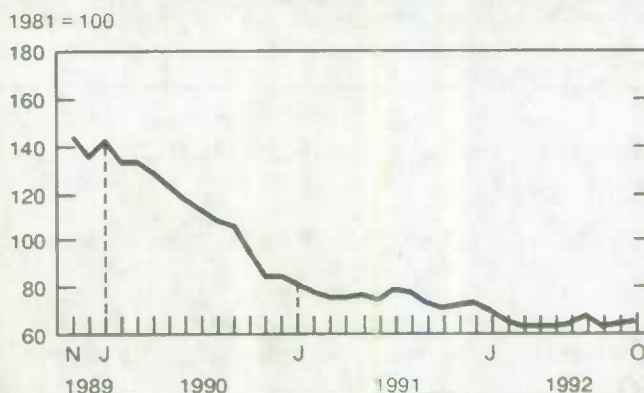
Help-wanted Index Still Increasing

After increasing by one point in September, the Help-wanted Index for Canada (1981=100) advanced a further two points in October to 65 but the index was five points below the previous year's level. The index serves as an early indicator of demand for labour by monitoring changes in the number of help-wanted advertisements published in 20 major metropolitan areas.

There were encouraging gains in four of the five regions, but a decline in the index for Ontario had a moderating effect on the overall increase. In the Atlantic provinces, the index rose 13 points to 103, after remaining at 90 for three months, and the index for British Columbia advanced five points to 74. The indexes for both Québec and the Prairie provinces were up by two points, to 73 and 43, respectively. In Ontario, the index slipped one point, from 61 to 60.

(continued on page 2)

Help-wanted Index, Canada



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... Help-wanted Index Still Increasing

In spite of recent gains, the Help-wanted index ran below last year's level in all regions except for British Columbia where it increased by one point.

The index fell 10 points in Québec, six points in both Ontario and the Prairie provinces, and two points in the Atlantic provinces.

For further information, contact Labour Division at (613) 951-4039.

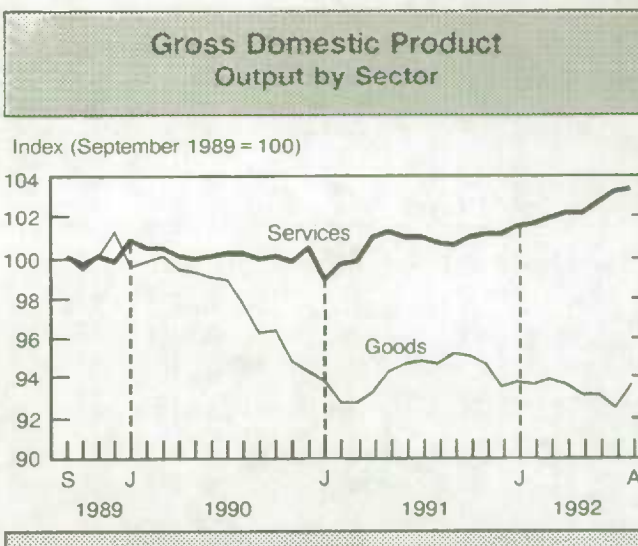
GDP: Best Gain in 15 Months

After increasing by 0.2% in June and by 0.1% in July, real gross domestic product at factor cost rose 0.5% in August and was 1.3% above the level of a year earlier. Goods producers boosted output 1.2% following four monthly declines that averaged 0.4% while output of services slowed.

Most of the advance in the goods-producing industries came from manufacturers. Manufacturing output surged 1.7% as 13 of the 21 major groups increased production. Manufacturers of paper and allied products (9.6%), primary metals (6.8%) and transportation equipment (3.0%) accounted for most of the advance. The resolution of labour disputes in the pulp industry and the resumption of auto parts production following plant shutdowns in July were contributing factors. These gains were partly offset by losses in food processing (-1.7%), printing and publishing (-2.4%) and wood products (-1.9%).

Mining output grew 2.9%, led by an increase of 2.7% for crude oil and natural gas extraction. Output of utilities rose 1.3% following three consecutive monthly declines. In the construction sector, output dropped 0.5%, its fifth decline in as many months.

Following gains of 0.4% in June and 0.5% in July, output of services slowed to an increase of 0.2% in August. Higher activity by mutual funds and increased royalties led a 0.4% advance in finance, insurance and real estate. Community, business and personal services inched ahead 0.1% and retail trade advanced 0.4% as nine of 18 trade groups



recorded higher sales. Following increases in June and July, transportation and storage output rose a further 0.3% in August.

The gains in services were mitigated by a 0.7% drop in the output recorded by the communications industry. Wholesale trade was unchanged as gains by wholesalers of food and machinery and equipment were offset by losses by wholesalers of petroleum products, hardware and other products.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact *Industry Measures and Analysis Division* at (613) 951-9145. (See also "Current Trends" chart on page 8.)

Growth in Leading Indicator Accelerates

Growth of the composite leading indicator continued to accelerate, from 0.2% in June to 0.3% in July and to 0.4% in August. Eight of the 10 leading indicators contributed to the growth, compared to five in July, as manufacturing demand returned to a positive trend.

The housing index lost some strength as housing starts fell 0.4% in urban centres. The index increased 0.8% in August following gains of 1.5% in June and 1.8% in July. Furniture and appliance

sales growth slowed from 0.3% in July to 0.1% in August and sales of other durable goods edged up by 0.3%.

After alternating between gains and losses since March, manufacturers' new orders for durable goods rose 0.7% in August. The auto industry accounted for the change, as assemblies recovered from longer than usual plant shutdowns in July. Auto sales remained sluggish, however, and more layoffs were announced recently. A hike in shipments lifted the ratio of shipments to inventories by 0.02 points.

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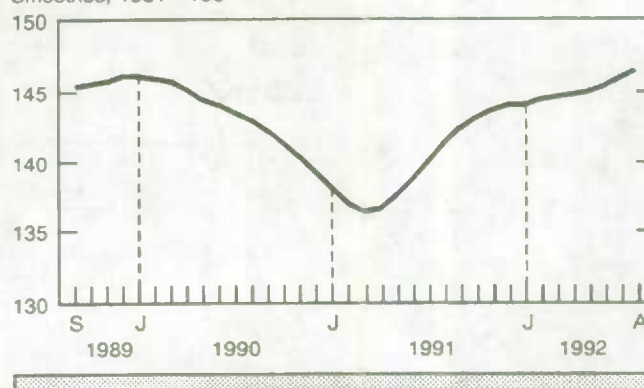
... Growth in Leading Indicator Accelerates

The financial market indicators remained mixed in August. The money supply expanded by 0.3% after three consecutive monthly gains of 0.1% while stock market prices dropped for the sixth straight month, by 0.3% in August. The advance in the U.S. leading indicator continued to slow, from 0.4% in June to 0.3% in July and to 0.2% in August.

For further information, order *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



Construction Activity Continues to Decline

Following declines of 2.0% in June and 6.9% in July, the seasonally adjusted value of building permits issued in Canada fell a further 4.3% in August to \$2,094 million. This decline was entirely attributable to the non-residential sector. On a year-over-year basis, the value of building permits was 13.4% lower than in August 1991.

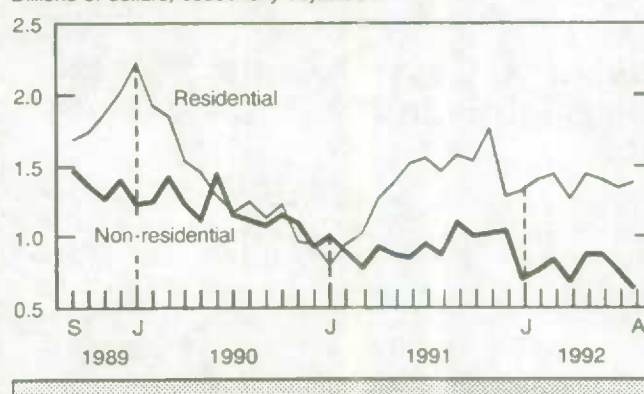
There was a sharp 16.2% drop in the value of non-residential permits, from \$804 million in July to \$674 million in August. This decline pushed the value of these permits to their lowest since January 1986. The downturn was entirely attributable to the commercial sector as the value of projects slumped 30.9% to a seven-year low of \$322 million. In contrast, the value of building permits for institutional projects increased 5.5% to \$223 million. The value of permits for industrial projects increased 2.0% to \$129 million.

The only advance in the value of non-residential building permits occurred in Québec (6.4%), while the Prairies (-37.3%), British Columbia together with the Yukon and Northwest Territories (-19.3%), and Ontario (-18.3%) reported steep decreases.

After recording two consecutive monthly declines, the value of residential building permits rebounded in August, by 2.6% to \$1,420 million. The value increased 2.5% to \$998 million in the single-family dwelling sector and rose 3.0% to \$422 million in the multi-family dwelling sector. Québec reported the only decline in the value of residential building permits, down 4.1%. This represents the third straight monthly decline for Québec. All other regions showed increases, ranging from 0.9% in Ontario to 9.3% for the British Columbia region.

Building Permits

Billions of dollars, seasonally adjusted



Advance Estimate for September

An advance estimate for September, which includes revisions to data for previous months including August, suggests that the value of residential building permits was down 0.7%.

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

(continued on page 4)

... Construction Activity Continues to Decline

PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, August 1992

Unadjusted Data

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year
Canada	2,148.8	-17.1	1,419.2	-6.1	729.6	-32.4
Newfoundland	36.9	17.9	20.3	-8.1	16.6	80.1
Prince Edward Island	17.1	72.3	8.1	17.9	9.0	194.5
Nova Scotia	49.7	-17.2	41.2	-15.2	8.4	-25.7
New Brunswick	48.0	4.1	28.6	26.5	19.4	-17.4
Québec	415.9	-23.1	240.3	-22.1	175.5	-24.5
Ontario	758.3	-31.9	513.2	-22.8	245.1	-45.4
Manitoba	47.3	-42.1	29.7	22.8	17.6	-69.4
Saskatchewan	33.7	-11.8	17.6	51.2	16.1	-39.5
Alberta	207.0	-17.3	143.7	17.4	63.3	-50.5
British Columbia	521.8	27.8	366.3	33.5	155.5	16.1
Yukon	5.1	-37.2	4.9	30.0	0.1	-96.5
Northwest Territories	8.0	142.5	5.1	194.0	2.9	85.2

Business Capital Expenditures: Up Slightly in 1993 but Down in 1994

This annual survey of capital expenditures conducted by Statistics Canada covers the 300 largest corporations (based on the value of their fixed assets), which account for approximately 50% of total business capital expenditures. It provides an early indication of future investment in Canada and abroad. Here are a few of its findings:

- Capital spending is expected to advance marginally in 1993, by 0.3% to \$39.4 billion in current dollars, but to decline in 1994, by about 1.1% to \$39.0 billion.
- For 1993, eight of the 11 industrial sectors covered show increases. The largest contribution is expected to come from the wood and paper industries with expenditures rising \$0.4 billion or 22.0%. Other noteworthy increases are also reported for metallic minerals

and metal products and communications. These increases are almost offset by declines in machinery and equipment industries and in energy industries.

- For 1994, seven sectors show decreases. The drops are led by the machinery and equipment industries and by energy industries.
- On average, firms in the survey anticipated an inflation factor of 3.0% in 1993 and 3.3% in 1994. After adjusting for the anticipated price change, real growth in investment is expected to decline by 2.6% in 1993 and by a further 4.2% in 1994.
- Firms which reported investment outside Canada (74) indicate that their planned level of spending abroad will be \$3.7 billion in 1992, \$3.9 billion in 1993 and \$3.7 billion in 1994. The actual level of spending abroad in 1991 was \$4.0 billion.

For further information contact Investment and Capital Stock Division at (613) 951-0655.

Little Change in Business Conditions Outlook

According to the Business Conditions Survey conducted in October, Canadian manufacturers' opinions about the expected volume of production in the fourth quarter of 1992 and the current backlog of unfilled orders were virtually unchanged from the July survey. However, a smaller proportion of manufacturers indicated that orders received were rising.

About 48% of manufacturers believed that production during the next three months would remain at its current level. The proportion of manufacturers who felt that upcoming production would be higher fell by two percentage points to 31% while the proportion who felt that production would be lower dropped by one percentage point to 21%.

Unfilled orders are the stock of orders which will generate future shipments, assuming that orders

are not cancelled. Of those surveyed, 37% reported that their backlog of unfilled orders was lower than normal, an improvement of two percentage points from July. The balance of opinion on unfilled orders for the fourth quarter (-31) was virtually unchanged from the third quarter (-30).

The proportion of manufacturers reporting rising levels of new orders fell to 12% from 21% in the third quarter and the proportion reporting declining levels fell to 27% in the fourth quarter, from 31%.

The percentage of manufacturers who thought their levels of finished product inventory were about right slipped two percentage points to 68%. The proportion of manufacturers who felt that finished product inventory levels were too high increased by six points. Only 3% of manufacturers felt that their finished product inventory levels were too low.

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

Popularity of CD Players and VCRs Still Growing

Data from the 1992 survey of *Household Facilities and Equipment* show that the popularity of compact disc (CD) players and video cassette recorders (VCRs) continues to increase. CD players were found in 26.9% of Canadian households in 1992, up sharply from 20.9% in 1991, while 73.8% of households had VCRs compared to 68.6% in 1991.

Other highlights from the report include:

- Microwave ovens continue to be popular. More than three out of four households (76.0%) have a microwave. Microwave ovens are most popular in Saskatchewan and Alberta where 81% of households have them.

- The proportion of households with camcorders (or video cameras) almost doubled over the past two years. In 1992, 10.2% of households owned camcorders, compared to 5.6% in 1990. Camcorders are most popular in Alberta (14.0%) and British Columbia (11.7%).
- The popularity of home computers almost doubled in the last six years, increasing from 10.4% of households in 1986 to 20.0% in 1992. Home computers are most popular in British Columbia (25.0%) and least popular in Prince Edward Island (10.9%).

*For further information, order *Household Facilities and Equipment, 1992* (catalogue number 64-202), or contact Household Surveys Division at (613) 951-9778.*

PUBLICATIONS RELEASED FROM OCT. 30 TO NOV. 5, 1992

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
				\$US	
AGRICULTURE					
Cereals and Oilseeds Review	August 1992	22-007	13.80/138	16.60/166	19.30/193
Livestock Report	October 1992	23-008	16.50/66	19.75/79	23/92
EDUCATION, CULTURE AND TOURISM					
Book Publishing	1990-91	87-210	17	20	24
Education Statistics Bulletin: Adult Education and Training Survey, Vol. 14, No. 6	1990	81-002	4.90/49	5.90/59	6.90/69
Education Statistics Bulletin: Full-Time Enrolment in Trade and Vocational Programs in Canada, Vol. 14, No. 7	1989-1990	81-002	4.90/49	5.90/59	6.90/69
HOUSEHOLD SURVEYS					
Household Facilities and Equipment	1992	64-202	28	34	39
INDUSTRY					
Asphalt Roofing	September 1992	45-001	5/50	6/60	7/70
Cement	September 1992	44-001	5/50	6/60	7/70
Coal and Coke Statistics	August 1992	45-002	10/100	12/120	14/140
Crude Petroleum and Natural Gas Production	July 1992	26-006	10/100	12/120	14/140
Gypsum Products	September 1992	44-003	5/50	6/60	7/70
Electric Power Statistics	August 1992	57-001	10/100	12/120	14/140
Production and Inventories of Process Cheese and Instant Skim Milk Powder	September 1992	32-024	5/50	6/60	7/70
Refined Petroleum Products	July 1992	45-004	18.20/182	21.80/218	25.50/255
Rigid Insulating Board	September 1992	36-002	5/50	6/60	7/70
Shipments of Solid Fuel Burning Heating Products	Quarter Ended September 1992	25-002	4.75/19	5.75/23	6.75/27
The Sugar Situation	September 1992	32-013	5/50	6/60	7/70
Wholesale Trade	August 1992	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Imports by Commodity	August 1992	65-007	55.10/551	66.10/661	77.10/771
SERVICES, SCIENCE AND TECHNOLOGY					
Business Services	1988-1990	63-232	30	36	42
Restaurant, Caterer and Tavern Statistics	August 1992	63-011	6.10/61	7.30/73	8.50/85
Telephone Statistics	August 1992	56-002	8.30/83	10/100	11.60/116

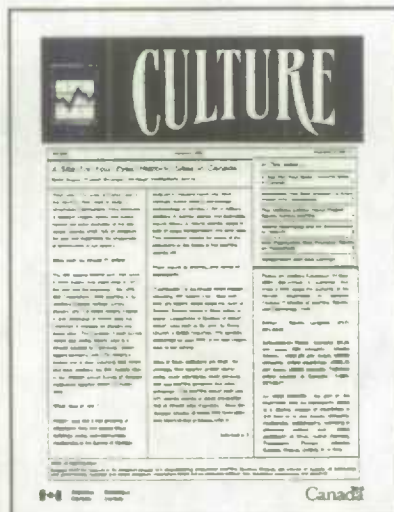
NEW FROM STATISTICS CANADA



Health Reports

This issue of *Health Reports* features an historical chronicle on tuberculosis that pulls together data from a 50-year period. It also presents an analytical study that compares the mortality of Canadian residents born in Canada and Scandinavia to the mortality of residents of the four Scandinavian countries. In addition, an article on care-giving in Canada analyzes the amount of time and effort spent on care-giving by both men and women.

The second quarter 1992 issue of Health Reports, Vol. 4, No. 2 (catalogue number 82-003, \$26/104) is now available. For further information on this release, contact Nelson Nault (613-951-2990), Canadian Centre for Health Information.



Focus on Culture

The autumn issue of *Focus on Culture* contains articles on historic sites, arts consumers, sound recording, the Cultural Labour Force Project and the completely revised publication on periodicals.

Highlights

- Attendance at the 368 historic sites reported in the 1989-1990 Survey of Heritage Institutions reached almost 17 million. In the 1976 Heritage Survey, 200 "restorations" (historic sites) were reported and these drew over 7.8 million visitors.
- At least once a year, two-thirds of Canadians attend a live classical or popular performance, two-thirds go to a movie and just over half visit a museum or art gallery.

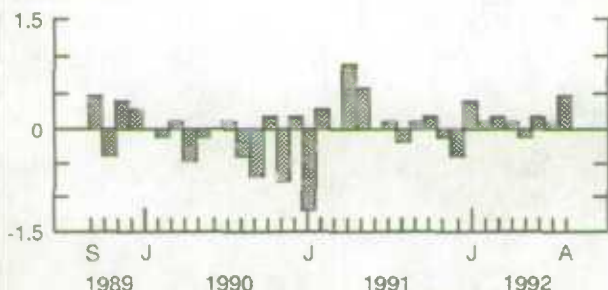
- Sound recording companies reported 4,665 new releases in 1990-91 (including 618 with Canadian content) and sales of \$509 million (including \$54 million from releases with Canadian content).

The Autumn 1992 issue of Focus on Culture, Vol. 4, No. 3 (catalogue number 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

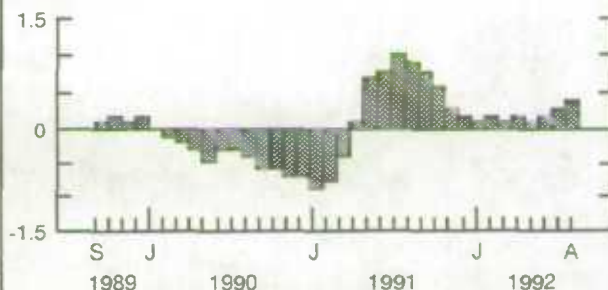
% change,
previous month



As production of goods surged 1.2% in August, real gross domestic product at factor cost rose 0.5%, its best gain in over a year.

Composite Leading Indicator

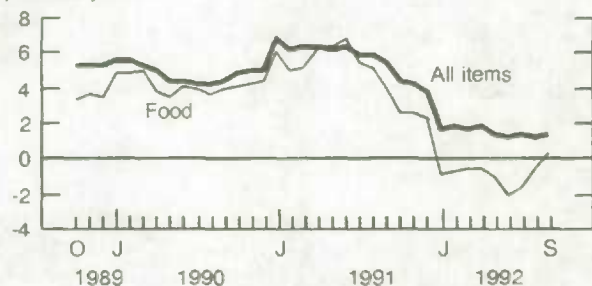
% change,
previous month



In August, the composite leading indicator rose 0.4% as eight of the 10 components grew, up from five in July.

Consumer Price Index

% change,
previous year



The year-over-year increase in the all-items CPI stood at 1.3% in September. The food index showed an increase of 0.2%, ending the eight-month series of declines.

Unemployment Rate

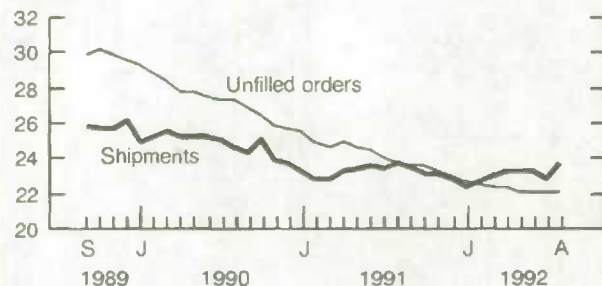
%



The seasonally adjusted unemployment rate fell to 11.4% in September after staying at 11.6% for the previous three months.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments jumped 4.1% in August to \$23.7 billion and unfilled orders were unchanged at \$21.9 billion.

Merchandise Trade

Billions
of dollars



In August, exports were up 0.7% to \$13.0 billion after increasing 1.3% in July. Imports fell by 0.4% for the second straight month to \$12.2 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)	August*	505.3	0.5%	1.3%
Composite Leading Indicator (1981=100)	August*	146.4	0.4%	3.7%
Operating Profits of Enterprises (\$ billion)	2nd Quarter	9.7	-8.5%	-17.8%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	August	15.5	0.5%	2.6%
New Motor Vehicle Sales ('000 units)	August	102.2	-1.1%	-0.7%
LABOUR				
Employment (millions)	September	12.2	0.1%	-1.1%
Unemployment Rate (%)	September	11.4	-0.2	1.2
Participation Rate (%)	September	65.3	-0.2	-0.8
Labour Income (\$ billion)	July	32.4	0.3%	2.3%
Average Weekly Earnings (\$)	August	551.21	0.0%	3.2%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	August	13.0	0.7%	5.3%
Merchandise Imports (\$ billion)	August	12.2	-0.4%	5.9%
Merchandise Trade Balance (\$ billion)	August	0.80	0.15	-0.02
MANUFACTURING				
Shipments (\$ billion)	August	23.7	4.1%	0.6%
New Orders (\$ billion)	August	23.7	4.5%	1.6%
Unfilled Orders (\$ billion)	August	21.9	0.0%	-7.4%
Inventory/ Shipments Ratio	August	1.44	-0.05	-0.06
Capacity Utilization (%)	2nd Quarter	73.4	0.6	0.1
PRICES				
Consumer Price Index (1986=100)	September	128.3	-0.1%	1.3%
Industrial Product Price Index (1986=100)	September	109.8	0.5%	2.1%
Raw Materials Price Index (1986=100)	September	109.8	1.9%	7.9%
New Housing Price Index (1986=100)	August	134.7	0.0%	0.2%

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

* New this week.

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