



# IN·F·O·M·A·T

## A WEEKLY REVIEW

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FEB 5 1993

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Friday, February 5, 1993

## OVERVIEW

### ■ Demand for Labour Stabilizes

In January, the seasonally adjusted Help-wanted Index for Canada (1991 = 100) remained unchanged at 88.

### ■ Marginal Decrease in Gross Domestic Product

Real gross domestic product at factor cost took a step down in November after four months of growth.

### ■ Downturn in Planned Construction Activity

The value of building permits issued in Canada fell by 7.9% in November; the decline follows two straight monthly increases which totalled 7.8%.

### ■ Growth in Average Weekly Earnings Moderate

Average weekly earnings in Canadian industries recorded a year-over-year increase of 3.4% in November.

### ■ Atlantic Provinces Led Provincial Economic Growth in 1991

Among all the provinces and territories, the Atlantic provinces registered the strongest growth in gross domestic product in 1991 (2.1%).

### ■ Improvement in Business Conditions Outlook

Canadian manufacturers' opinions concerning business conditions improved between the October 1992 and January 1993 surveys. However, the level of concern about finished product inventory levels remained high.

### Demand for Labour Stabilizes

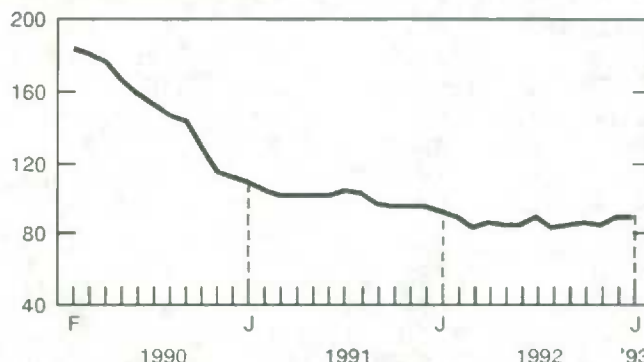
In January, the seasonally adjusted Help-wanted Index for Canada (1991 = 100) remained unchanged at 88. After reaching a peak of 217 in February 1989, the revised Help-wanted Index for Canada generally decreased until March 1992 when it stood at 83. Between March and November, it fluctuated around this level, then increased four points to 88 in December.

The index for the Atlantic provinces was up by two points, to 93. Similarly, the index for Québec advanced two points, to 89. Ontario's index recorded the steepest decline in January, falling seven points to 84. The index lost one point in both the Prairie provinces and British Columbia, to 82 and 88, respectively.

(continued on page 2)

### Help-wanted Index, Canada

1991 = 100, seasonally adjusted



Statistics  
Canada

Statistique  
Canada

Canada

### ... Demand for Labour Stabilizes

In comparison with January 1992, the Help-wanted Index ran below last year's level in the Atlantic provinces, Québec and Ontario. The index remained unchanged in the Prairie provinces and increased by one point in British Columbia.

## Marginal Decrease in Gross Domestic Product

Real gross domestic product at factor cost edged down by 0.1% in November following four consecutive monthly increases. Goods producers boosted output but this was outweighed by a cutback in services, as finance, insurance and real estate dropped sharply.

Goods producers increased output by 0.2% after no change in October. Most of the gain was attributable to manufacturers, but utilities and forestry also recorded higher production.

Manufacturers boosted output 0.6% in November as 13 of 21 major groups increased production. Production of transportation equipment, up 3.8%, and output of primary metals, up 5.1%, accounted for most of the gain. These gains were partly offset by declines in electrical products (-2.9%), printing and publishing, (-3.0%), paper and allied products (-1.3%) and food products.

Services output slipped 0.2%, the largest decline since June 1991. Finance, insurance and real estate output tumbled 1.1% as the prime rate surged to 9.75%. Lower activity by real estate agents, security brokers and mutual funds accounted for most of the weakness. Communications output fell 0.8% following an advance of 1.4% in October. Output of telecommunications carriers and the post office accounted for most of the decrease. Trans-

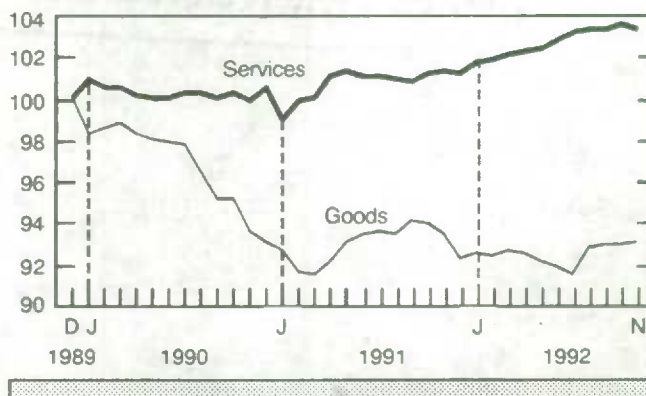
### Note to Users

The Help-wanted Index has been rebased to 1991 (1991 = 100) and all values have been revised.

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

### Gross Domestic Product Output by Sector

Index (December 1989 = 100)



portation and storage services output fell for the third straight month, this time by 0.4%. Wholesale trade advanced 0.2%, led by higher sales of apparel and dry goods, food and miscellaneous products. Retail trade edged up by 0.2% after a 0.7% gain in October.

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 7.)

## Downturn in Planned Construction Activity

After two straight monthly increases totalling 7.8%, the value of building permits issued in Canada fell by 7.9% in November to a seasonally adjusted level of \$2,086 million. The decline reflected drops in both the residential and non-residential sectors. On a year-over-year basis, the value of building permits dropped for the sixth straight month, this time by 27.6%.

A 6.9% decline in the value of residential building permits more than offset a 4.9% gain in October. At \$1,369 million, the value was 24.3% below its year-earlier level. Building permits decreased 7.1% to \$1,011 million in the single-

family dwelling sector and 6.1% to \$357 million in the multi-family dwelling sector.

Ontario (-19.4%) and Québec (-10.8%) reported drops in planned residential construction while the Prairies (+6.6%), British Columbia (+2.4%) and the Atlantic provinces (+2.4%) showed gains.

### Advance Estimate for December

An advance estimate suggests that the value of residential building permits issued in Canada increased by 12.4% in December to \$1,549 million.

In the non-residential sector, the value of building permits decreased for the first time in three months, from \$796 million in October to \$717

(continued on page 3)



### ... Downturn in Planned Construction Activity

million in November. The value of building permits for industrial projects plummeted 27.8% to \$120 million. The Prairies (-50.6%), British Columbia (-30.8%), Ontario (-29.8%) and Québec (-5.1%) were the principal contributors to this fall.

The value of building permits for institutional projects also decreased, down 13.6% to \$249 million, mainly because of declines in Québec (-45.9%), the

Prairies (-28.0%) and British Columbia (-17.8%). In contrast, the value of building permits for commercial projects edged up by 2.1% to \$348 million.

*For further information, order Building Permits (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-9690.*

## PROVINCIAL PERSPECTIVES: BUILDING PERMITS

### Building Permits, November 1992

Unadjusted Data

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year	(\$ millions)	% change, previous year
<b>Canada</b>	<b>1,919.5</b>	<b>-25.1</b>	<b>1,203.1</b>	<b>-21.4</b>	<b>716.4</b>	<b>-30.7</b>
Newfoundland	16.0	-0.2	8.3	-24.8	7.7	54.3
Prince Edward Island	7.1	-35.4	4.9	36.6	2.2	-69.8
Nova Scotia	50.0	20.4	33.5	47.3	16.5	-12.2
New Brunswick	26.2	-5.8	14.7	23.4	11.5	-27.8
Québec	353.2	-45.2	217.0	-27.8	136.1	-60.4
Ontario	700.7	-42.9	407.3	-51.4	293.5	-24.6
Manitoba	32.7	11.1	17.8	48.1	14.9	-14.4
Saskatchewan	23.2	74.9	11.5	75.8	11.7	74.0
Alberta	209.4	6.7	145.0	61.6	64.4	-39.5
British Columbia	496.2	41.3	340.1	46.9	156.2	30.4
Yukon	2.9	-30.2	1.8	33.5	1.1	-59.5
Northwest Territories	1.7	67.2	1.2	212.3	0.5	-22.9

## Growth in Average Weekly Earnings Moderate

Average weekly earnings in Canadian industries edged up to a seasonally adjusted level of \$556.51 in November, a gain of 3.4% in comparison with November 1991. The year-over-year growth in earnings continues to be smaller than in previous years, mainly because of lower wage settlements.

Weekly earnings in goods-producing industries were \$689.71 in November, up 2.9% from a year earlier. The rate of growth has decelerated, from 3.4% in August to 3.3% in September to 3.2% in October, and now to 2.9%. In November, earnings grew by 1.8% from the previous month in the forestry component and by 0.3% in manufacturing.

In the service-producing industries, earnings gained 0.3% to \$516.17 and were 3.8% above their year-earlier level. Finance, insurance and real estate (0.9%), accommodation, food and beverage services (0.5%) and wholesale trade (0.4%) led the monthly increase.

Employment advanced to 9,910,000 after five months of decline. Most industries showed some employment growth, led by retail trade (1.6%), wholesale trade (2.5%), business services (0.6%) and durable goods manufacturing (0.3%). For retail trade, this was the strongest month-to-month increase since May 1991. Business services have generally shown an improving trend since May after declining for the first four months of 1992.

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

## Atlantic Provinces Led Provincial Economic Growth in 1991

At the Canada level, gross domestic product at factor cost (GDP) has slackened considerably since 1988 and increased only marginally in 1991. Revised estimates indicate that the slowdown affected all provinces and territories but was less marked in the Atlantic provinces, which posted four of the five best performances in the country, particularly New Brunswick (2.6%) and Nova Scotia (1.9%). The Yukon, with a decrease of 5.3%, was more severely affected due to a substantial drop in corporation profits before taxes.

Final domestic demand dropped 1.4% in real terms in 1991, as consumer spending and business investment fell. Only British Columbia recorded final domestic demand real growth rates consistently higher than those at the Canada level over the 1988-1991 period.

Real personal spending on consumer goods and services fell 1.7% in 1991, the first drop since 1982. All provinces and territories experienced declines, with the exception of British Columbia where consumer outlays remained relatively stable.

Two of the three components of business investment recorded declines at the national level. Residential construction recorded the bigger drop at 11.8%, as housing starts declined. Non-residential construction slipped by 4.1% in 1991, the first decline since 1986. The third component, machinery and equipment, showed a small increase of 0.5%.

The rate of inflation, as measured by the implicit price index for final domestic demand, was 2.9% in Canada, down 0.8% from 1990. Saskatchewan was the only province with an inflation rate below the national level over the entire 1988-1991 period.

Labour income increased by 2.8% at the Canada level, the weakest performance in more than a decade. Only British Columbia and the Northwest Territories posted labour income increases above the national average from 1988 to 1991. Corporation profits before taxes, which have been falling since 1989, dropped by 30.2% at the national level in 1991. The weak performance of the metallic minerals and metal products industries affected most provinces and territories, most notably the Yukon (-42.9%) and the Northwest Territories (-35.3%).

### Note to Users

The introduction of the Goods and Services Tax (GST) on January 1st, 1991 and the simultaneous elimination of the Federal Sales Tax (FST) had important effects in the Provincial Economic Accounts. For this reason, comparisons of aggregate economic activity between 1991 and earlier years are more appropriately based on GDP at factor cost, which excludes indirect taxes less subsidies and is unaffected by the break.

*For further information, order Provincial Economic Accounts, Annual Estimates (catalogue number 13-213) or contact National Accounts and Environment Division at (613) 951-3789.*

## PROVINCIAL PERSPECTIVES

### Provincial Economic Accounts, 1991 Revised Estimates

Province/Territory	GDP at Factor Cost Annual % Change		Share of Canadian GDP at Factor Cost		Final Domestic Demand at 1986 Prices Annual % Change	
	1990	1991	1990	1991	1990	1991
Canada	3.2	0.0	100.0	100.0	0.2	-1.4
Newfoundland	4.1	1.8	1.3	1.4	-0.7	0.2
Prince Edward Island	5.6	1.1	0.3	0.3	0.6	0.3
Nova Scotia	5.6	1.9	2.5	2.6	0.9	-2.5
New Brunswick	4.0	2.6	2.0	2.0	0.4	-0.5
Quebec	3.4	0.1	22.8	22.9	0.7	-2.1
Ontario	0.3	-0.9	39.8	39.6	-1.6	-1.3
Manitoba	3.7	-1.9	3.6	3.5	0.9	-2.3
Saskatchewan	6.2	-2.6	3.3	3.2	1.2	-1.2
Alberta	8.3	-0.6	11.4	11.3	2.2	-2.5
British Columbia	6.7	1.4	12.4	12.6	3.3	0.5
Yukon	11.3	-5.3	0.2	0.2	9.0	3.9
Northwest Territories	1.9	-1.6	0.4	0.4	-10.7	-5.6

## Improvement in Business Conditions Outlook

According to the Business Conditions Survey, Canadian manufacturers expressed more optimistic views for the first quarter of 1993. With the exception of finished product inventory levels, the balance of opinion has greatly improved from what was recorded in the fourth quarter of 1992.

Manufacturers' optimism about the expected volume of production rose for the third consecutive quarter. The balance of opinion was +18, six points higher than the October 1992 survey.

The proportion of manufacturers reporting rising levels of new orders jumped 16 percentage points to 29% in the first quarter and the proportion reporting declining levels dropped 12 percentage points to 13%. The balance of opinion jumped 28 points to +16, a level not exceeded since the fourth quarter of 1987 and the first positive balance since the second quarter of 1989.

Unfilled orders are the stock of orders which will generate future shipments, assuming that orders are not cancelled. Of those surveyed, 29% reported that their backlog of unfilled orders is lower than normal, compared to 35% who felt this way in the fourth quarter of 1992. The balance of opinion on unfilled orders stood at -23 in the January 1993 survey, a five-point improvement and a major gain when compared to the recent low of -58 recorded during the second quarter of 1991.

### Business Conditions Survey

January 1993

	1992				1993
	Q1	Q2	Q3	Q4	Q1
Balance of opinion * on:					
Production	-12	-2	10	12	18
New Orders	-20	-13	-10	-12	16
Unfilled Orders	-51	-27	-29	-28	-23
Inventories	-31	-30	-17	-26	-27
Employment	-19	-18	-17	-17	-12

\* The balance between the proportion of positive responses, such as higher volumes of production, and negative responses, such as lower volumes of production.

Canadian manufacturers indicated that they are still concerned about the relatively high levels of finished product inventories on hand. The current balance of opinion decreased one point to -27.

For the first time, this release features data on expectations for employment in manufacturing. The balance of opinion concerning employment prospects for the next three months increased five points to -12, a substantial improvement from the low of -25 posted during the second quarter of 1991. This indicates that, on balance, manufacturing employment is still expected to decrease but there is less pessimism about employment prospects than previously.

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



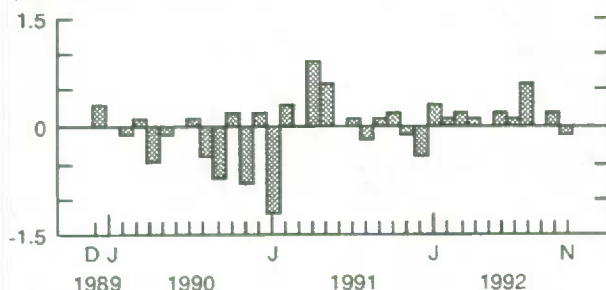
# PUBLICATIONS RELEASED FROM JAN. 29 TO FEB. 4, 1993

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
<b>AGRICULTURE</b>					
Cereals and Oilseeds Review	November 1992	22-007	13.80/138	16.60/166	19.30/193
<b>EDUCATION, CULTURE AND TOURISM</b>					
Film and Video	1990-91	87-204	22	26	31
<b>INDUSTRY</b>					
Gas Utilities	October 1992	55-002	12.70/127	15.20/152	17.80/178
Production of Selected Biscuits	December 1992	32-026	6.75/13.50	8.10/16.20	9.45/18.90
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	November 1992	35-003	7.10/71	8.50/85	9.90/99
Shipments of Solid Fuel Burning	Quarter Ended				
Heating Products	December 1992	25-002	4.75/19	5.75/23	6.75/27
<b>INTERNATIONAL TRADE</b>					
Imports by Commodity	November 1992	65-007	55.10/551	66.10/661	77.10/771
Summary of Canadian International Trade	November 1992	65-001	18.20/182	21.80/218	25.50/255
<b>LABOUR</b>					
Estimates of Labour Income	July-September 1992	72-005	22.50/90	27/108	31.50/126
<b>PRICES</b>					
Consumer Prices and Price Indexes	July-September 1992	62-010	18/72	21.50/86	25.25/101
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Radio and Television Broadcasting	1991	56-204	26	31	36
<b>TRANSPORTATION</b>					
Canadian Civil Aviation	1991	51-206	36	43	50
Railway Carloadings	December 1992	52-001	8.30/83	10/100	11.60/116
Railway Operating Statistics	October 1992	52-003	10.50/105	12.60/126	14.70/147

## CURRENT TRENDS

### Gross Domestic Product

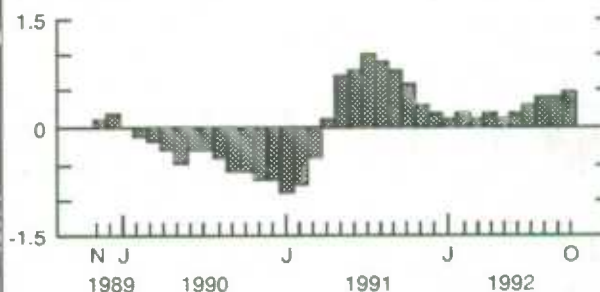
% change,  
previous month



Real gross domestic product at factor cost edged down by 0.1% in November following four straight monthly increases.

### Composite Leading Indicator

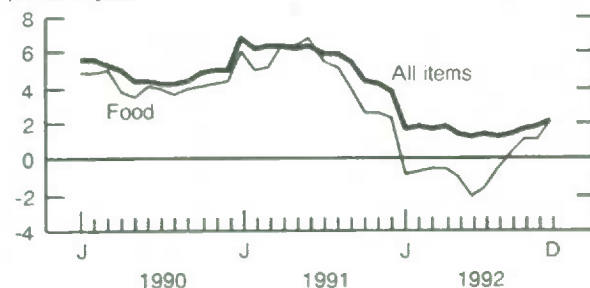
% change,  
previous month



In October, the leading indicator rose by 0.5% after increasing by 0.4% in August and September.

### Consumer Price Index

% change,  
previous year



The year-over-year increase in the all-items CPI rose to a one-year high of 2.1% in December. The food index also showed an increase of 2.1%.

### Unemployment Rate

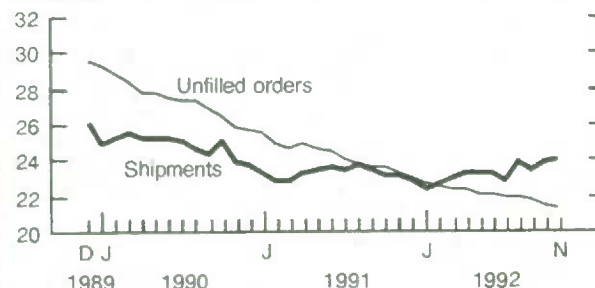
%



In December, the unemployment rate fell to 11.5% from a nine-year high of 11.8% in November.

### Manufacturing

Billions  
of dollars



Canadian manufacturers' shipments increased by 0.6% in November to \$23.9 billion. The level of unfilled orders was down for the third straight month to \$21.3 billion.

### Merchandise Trade

Billions  
of dollars



The seasonally adjusted value of merchandise exports fell by 2.0% in November while imports rose by 4.4%, pushing Canada's trade balance to \$1 billion.

**Note:** All series are seasonally adjusted except the consumer price index.





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**LATEST MONTHLY STATISTICS**

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	November*	505.8	-0.1%	1.2%
Composite Leading Indicator (1981 = 100)	October	147.8	0.5%	3.3%
Operating Profits of Enterprises (\$ billion)	3rd Quarter	10.7	6.3%	-15.0%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	November	15.6	0.5%	2.7%
New Motor Vehicle Sales ('000 units)	November	103.7	3.7%	2.1%
<b>LABOUR</b>				
Employment (millions)	December	12.3	0.5%	-0.1%
Unemployment Rate (%)	December	11.5	-0.3	1.2
Participation Rate (%)	December	65.5	-0.1	-0.3
Labour Income (\$ billion)	October	32.7	0.4%	2.4%
Average Weekly Earnings (\$)	November*	556.51	0.3%	3.4%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	November	13.7	-2.0%	16.3%
Merchandise Imports (\$ billion)	November	12.7	4.4%	9.1%
Merchandise Trade Balance (\$ billion)	November	1.0	-0.8	0.9
<b>MANUFACTURING</b>				
Shipments (\$ billion)	November	23.9	0.6%	3.6%
New Orders (\$ billion)	November	23.8	1.8%	4.8%
Unfilled Orders (\$ billion)	November	21.3	-0.3%	-8.5%
Inventory/ Shipments Ratio	November	1.43	-0.01	-0.08
Capacity Utilization (%)	3rd Quarter	75.0	0.9	1.0
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	December	129.1	0.0%	2.1%
Industrial Product Price Index (1986 = 100)	December	111.0	0.4%	3.5%
Raw Materials Price Index (1986 = 100)	December	110.2	-0.2%	10.6%
New Housing Price Index (1986 = 100)	November	134.8	0.1%	0.7%

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**

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