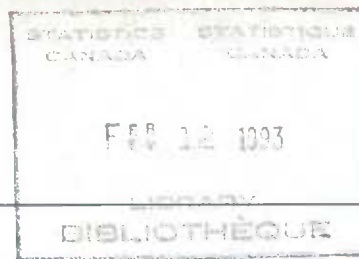




IN·F·O·M·A·T

A WEEKLY REVIEW

NOT FOR LOAN
NE S'EMPRUNTE PAS



Friday, February 12, 1993

OVERVIEW

■ New Housing Prices Edge Down

The New Housing Price Index (1986=100) for Canada stood at 134.7 in December, down 0.1% from the level posted in November.

■ Leading Indicator Advances Steadily

The growth of the composite leading indicator was 0.4% in January, in line with the revised monthly gains of 0.4% or 0.5% recorded since October.

■ Aggregate Wages and Salaries Maintain Slower Gains

Seasonally adjusted wages and salaries continued to rise marginally, increasing by 0.2% in November.

■ New Motor Vehicles: 1992 Annual Sales Hit Nine-year Low

Sales of new motor vehicles totalled 1.2 million units in 1992, a decrease of 4.7% from 1991 and the lowest yearly sales level since 1983.

■ Unemployment Rate: Half-point Drop in January

The seasonally adjusted unemployment rate fell to 11.0% in January from 11.5% in December.

■ Farm Product Prices Higher than a Year Ago

The Farm Product Price Index (1986=100) advanced to 98.2 in December, a rise of 1.0% from its year-earlier level. This was the first year-over-year increase since July 1989.

■ Farm Input Price Index Increases

In the fourth quarter of 1992, the Farm Input Price Index was 2.6% higher than a year earlier, the first year-over-year rise since the first quarter of 1991.

New Housing Prices Edge Down

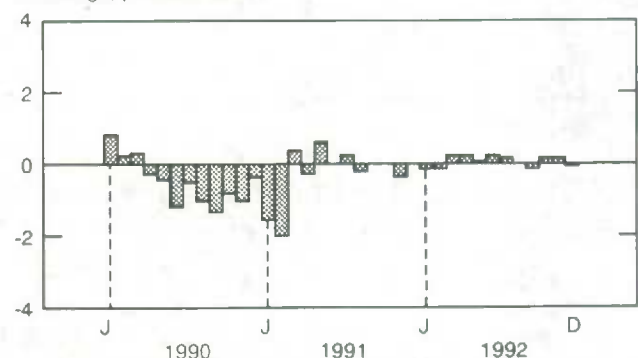
The New Housing Price Index (NHPI, 1986=100) for Canada showed little change between June 1991 and February 1992. From March, the index increased by 0.1% or 0.2% per month, except in September when it slipped by 0.1%. In December, the NHPI edged down by 0.1% to 134.7 but was 0.6% above its year-earlier level of 133.9.

Eight of the cities for which the index is calculated recorded declines, while seven posted increases and five had no change. Windsor recorded the steepest monthly drop in new housing prices,

(continued on page 2)

New Housing Price Index

% change, previous month



Statistics Canada
Statistique Canada

Canada

... New Housing Prices Edge Down

falling by 1.1%, while the largest increase was registered in Saskatoon (0.7%). The index for Toronto edged down by 0.1% in December and had the steepest year-over-year drop (-4.1%).

The House Only Index declined by 0.2% to 124.5 and stood 0.3% below its year-earlier level. The Land Only Index advanced by 0.2% to 166.1 and was 3.6% above its December 1991 level.

For further information, order Construction Price Statistics (catalogue number 62-007), or contact Prices Division at (613) 951-9607.

Leading Indicator Advances Steadily

The composite leading indicator continued to advance in January, rising by 0.4% from December. This gain follows revised monthly increases of 0.4% or 0.5% since October. Financial markets and employment improved steadily as interest rates returned to their pre-October levels. Demand for durable goods improved at both the retail and manufacturing levels, reflecting gains in both export and domestic demand.

The gain in durable goods sales was more broadly based as auto sales rose steadily before rising sharply in December to their best level of the year. Furniture and appliance sales also continued to firm. These gains outpaced a second straight drop in the housing index (-3.4%) as housing starts declined markedly in January after a slowdown in house sales in the fall.

The growth of new orders for durable goods picked up to 0.8% in November, its best gain in more than a year. Strong auto demand in both Canada and the U.S. led the gain, while capital goods industries such as wood and primary metals also contributed.

The real money supply grew steadily, by 0.5% in January. The stock market index posted a smaller decline in January (-0.3%) than in December (-0.4%) and November (-0.7%).

The U.S. leading indicator grew by 0.4% in December, after little change since September.

Note to Users

A More Timely Composite Index

The leading index for November used to be published early in February. However, at this time, five of the 10 components are available for January and one is available for December. To take advantage of all available information, Statistics Canada is proposing to construct an index which assembles all components for the latest month available. This means that the January data for five of the components will be combined with the December value of the U.S. leading indicator and the November data on manufacturing and retail trade.

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 7.)

Aggregate Wages and Salaries Maintain Slower Gains

Seasonally adjusted wages and salaries grew by 0.2% in November, in line with the monthly increases of the preceding seven months. At \$29.1 billion, aggregate wages and salaries were 2.5% higher than in November 1991.

Wages and salaries advanced by 2.4% in forestry, but did not recoup the 3.2% drop posted in October. In finance, insurance and real estate, wages and salaries increased by 1.1% for the second straight month. After rising by 0.9% in October, wages and salaries in federal administration and other government offices grew by 1.0%. Gains were also noted in manufacturing (0.6%) and health and welfare services (0.5%).

(continued on page 3)

... Aggregate Wages and Salaries Maintain Slower Gains

Wages and salaries declined by 1.6% in provincial administration after a drop of 1.0% in October. Wages and salaries also decreased in education and related services (-0.6%) and in transportation, communications and other utilities (-0.3%).

Wages and salaries increased by 1.0% in Prince Edward Island but the rise did not quite offset a 1.0% drop posted in October. Similarly, Alberta recorded a rise of 0.8% in November following a 0.8% decrease in October. Wages and salaries in British Columbia grew for the fifth straight month, by 0.6% in November.

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

Wages and Salaries, November 1992

Seasonally Adjusted

Province	Wages and Salaries (millions of \$)	% change, previous month	% change, previous year
Canada	29,118	0.2	2.5
Newfoundland	386	-0.4	-2.2
Prince Edward Island	93	1.0	3.8
Nova Scotia	722	-0.3	0.5
New Brunswick	579	-0.5	1.1
Québec	6,565	-0.7	1.8
Ontario	12,234	0.5	2.1
Manitoba	951	0.4	1.9
Saskatchewan	731	-0.2	-0.1
Alberta	2,928	0.8	3.9
British Columbia	3,718	0.6	4.5
Yukon and Northwest Territories	167	-0.5	2.1

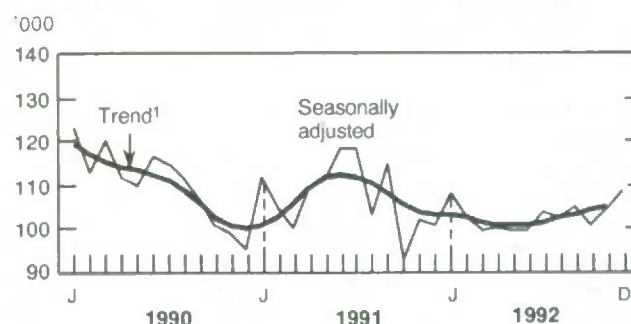
New Motor Vehicles: 1992 Annual Sales Hit Nine-year Low

New motor vehicle sales totalled 1,227,000 units in 1992, a decrease of 4.7% from 1991 and the lowest yearly sales level since 1983. The number of passenger cars sold in 1992 amounted to 798,000 units, a drop of 8.6% from the number of cars sold in 1991. However, sales of commercial vehicles were buoyant in 1992 as they grew by 3.6% from 1991 to 429,000 units.

In spite of the decline in annual sales, December sales of new motor vehicles increased by 4.3% from November to a seasonally adjusted level of 109,000 units. At 46,000 units, sales of North American passenger cars rose by 9.5% in December, a fourth straight monthly increase. Partly offsetting this gain, sales of imported passenger cars dropped 8.2% to 21,000, the third monthly decline in a row.

Sales of commercial vehicles continued to advance in December, rising by 6.0% to 41,000 units. Sales increased every month since May, except in October when they dropped by 8.3%. In December, sales of commercial vehicles were 21.1% above the previous year's level.

New Motor Vehicle Sales, Canada, in Units



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

For further information, order *New Motor Vehicle Sales* (catalogue number 63-007) or contact Industry Division at (613) 951-9824.

Unemployment Rate: Half-point Drop in January

In January, the unemployment rate fell to 11.0% from 11.5% in December, after climbing to a nine-year high of 11.8% in November. The withdrawal of youths from the labour force (-44,000) put downward pressure on their unemployment rate, dropping it 0.6 percentage points to 17.2%. For young women, the rate declined by 1.3 percentage points to 14.2%.

All provinces registered lower unemployment rates, with the exception of British Columbia where the rate edged up by 0.1 percentage points.

As 56,000 persons left the labour force in January and employment advanced by 9,000, unemployment decreased by 65,000 to 1.53 million. The level of employment increased for the sixth straight month, bringing the gain for the period

(continued on page 4)

... Unemployment Rate: Half-point Drop in January

extending from August 1992 to January 1993 to 107,000. Full-time employment rose for the fifth successive month, by 35,000 in January, all among adults. Part-time employment fell by 26,000, with losses concentrated among women and youths.

The goods-producing sector accounted for the employment growth. The largest increase was in construction (18,000) followed by manufacturing (8,000) and agriculture (6,000). Employment rose by 43,000 in Ontario, the largest of five consecutive monthly increases, but dropped by 20,000 in Québec and fell by 19,000 in British Columbia.

Results from the January Labour Force Survey also show that over the last three years, the number of long-term unemployed Canadians (those looking

for work for more than a year) nearly tripled, up from an average of 62,000 in 1990 to 172,000 in 1992.

The incidence of long-term unemployment grew with increasing age. In 1992, 5% of unemployed youths were out of work for more than a year, compared with 12% of unemployed adults aged 25 to 44 and 16% of those aged 45 or more. In the 1981-82 recession, long-term unemployment continued to increase into the recovery period. While overall unemployment reached its peak in December 1982, long-term unemployment only started to decline in 1985.

For further information, order *The Labour Force* (catalogue number 71-001), or contact Household Surveys Division at (613) 951-4720. (See also "Current Trends" chart on page 7.)

PROVINCIAL PERSPECTIVES

Labour Force Survey Results for January 1993

	Labour Force		Employment		Unemployment	
	'000	% change previous month	'000	% change, previous month	'000	Rate (%)
Canada	13,847	-0.4	12,319	0.1	1,528	11.0
Newfoundland	231	-3.3	186	-1.6	45	19.5
Prince Edward Island	66	1.5	55	3.8	11	16.2
Nova Scotia	411	-0.7	355	-0.3	56	13.6
New Brunswick	330	0.3	290	0.7	40	12.1
Québec	3,397	-0.9	2,950	-0.7	447	13.2
Ontario	5,335	0.1	4,780	0.9	555	10.4
Manitoba	538	-0.6	490	0.4	48	8.9
Saskatchewan	482	-0.6	439	-0.5	43	8.9
Alberta	1,360	-0.4	1,235	-0.2	125	9.2
British Columbia	1,699	-1.1	1,532	-1.2	167	9.8

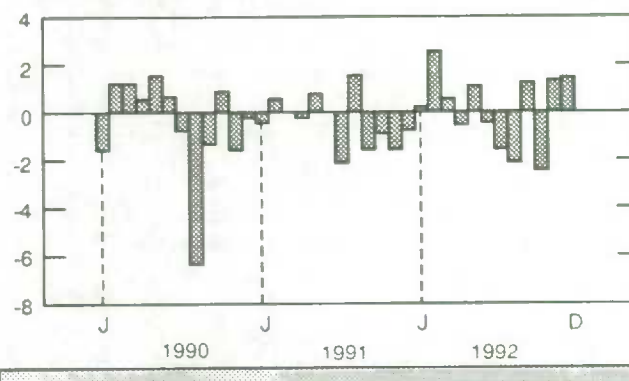
Farm Product Prices Higher than a Year Ago

The Farm Product Price Index (1986=100) rose to 98.2 in December, a 1.4% increase from the revised November level of 96.8. This represents a second straight monthly advance but the index still remains at low levels not seen since 1987. On a year-over-year basis, the index posted its first increase since July 1989 as it advanced by 1.0%.

Both the crops and the livestock and animal products indexes recorded gains in December. The crops index was up for the second consecutive month, this time by 1.2%, but the index stood 13.9% below its year-earlier level. The cereals index also advanced for the second straight month, by 1.9% in December, due to higher prices for wheat and barley. After increasing by 6.0% in November, the oilseeds index advanced a further 1.9% in December to its highest level since July 1990.

Farm Product Price Index

% change, previous month



(continued on page 5)

... Farm Product Prices Higher than a Year Ago

Partly offsetting these gains, the potatoes index fell 3.1% following an increase of 5.0% in November. The index has dropped in four of the last five months and remained 17.5% below its year-earlier level. Canadian potato production for the 1992-93 crop year is estimated to be 23.4% above the previous year's level.

The livestock and animal products index rose 1.5%, the fourth gain in five months. The hogs component advanced for the fourth consecutive month, by 1.8% in December and the cattle and calves index increased by 2.6%.

For further information, order Farm Product Price Index (catalogue number 62-003), or contact Agriculture Division at (613) 951-2441.

The Farm Product Price Index

December 1992

Province	Crops		Livestock and Animal Products	
	% change from		% change from	
	Nov. 1992	Dec. 1991	Nov. 1992	Dec. 1991
Canada	1.2	-13.9	1.5	10.5
Newfoundland	0.9	2.6	-0.1	2.0
Prince Edward Island	0.7	-29.6	-0.5	5.1
Nova Scotia	-1.0	-7.4	0.7	2.5
New Brunswick	-8.6	-13.2	9.5	5.5
Québec	4.6	1.7	0.9	5.6
Ontario	3.0	-8.2	1.3	11.5
Manitoba	-0.4	-11.7	4.9	23.1
Saskatchewan	0.5	-22.9	0.3	8.9
Alberta	0.3	-14.4	1.6	15.7
British Columbia	1.1	-2.6	1.8	4.8

Farm Input Price Index Increases

After declining by 0.9% in the third quarter of 1992, the Farm Input Price Index (FIPI, 1986=100) increased by 1.4% in the fourth quarter of 1992 to a level of 108.1 and was 2.6% higher than a year earlier. The year-over-year change had been negative for the last six quarters.

Of the seven major groups that are updated quarterly, four rose and three declined. The animal production index was up 4.9% from the third quarter and had the largest impact on the increase of the FIPI. Higher prices for feeder cattle (9.6%), mainly

in Eastern Canada, and weanling pigs (13.5%), mainly in Western Canada, contributed to the rise of the animal production index.

The machinery and motor vehicles index rose 1.1% in the fourth quarter as all three of its components grew. The interest index had an offsetting impact. It declined by 2.8% as the non-mortgage component decreased 3.3% and the mortgage component fell 1.7%. The interest index dropped 9.7% below its year-earlier level.

For further information, order Farm Input Price Indexes (catalogue number 62-004) or contact Prices Division at (613) 951-9606.

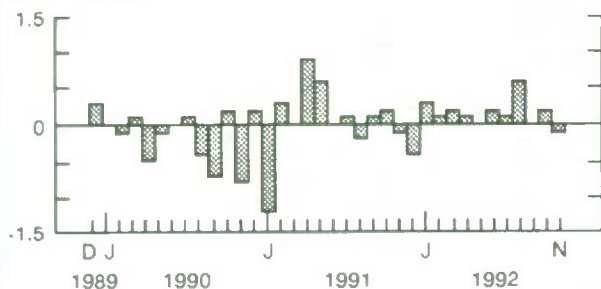
PUBLICATIONS RELEASED FROM FEBRUARY 5 TO 11, 1993

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
AGRICULTURE					
Fruit and Vegetable Production	December 1992	22-003	18/72	21.50/86	25.25/101
EDUCATION, CULTURE AND TOURISM					
Education Statistics Bulletin: Education Price Index – Selected Inputs, Elementary and Secondary Level, Vol. 15, No. 1	1991	81-002	4.90/49	5.90/59	6.90/69
HOUSEHOLD SURVEYS					
Historical Labour Force Statistics	1992	71-201	67	80	94
Labour Force Information	January 1993	71-001P	6.30/63	7.60/76	8.80/88
INDUSTRY					
Asphalt Roofing	December 1992	45-001	5/50	6/60	7/70
Cement	December 1992	44-001	5/50	6/60	7/70
Coal and Coke Statistics	November 1992	45-002	10/100	12/120	14/140
Construction Type Plywood	November 1992	35-001	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	October 1992	26-006	10/100	12/120	14/140
Department Store Sales and Stocks	September 1992	63-002	14.40/144	17.30/173	20.20/202
Electric Power Statistics	November 1992	57-001	10/100	12/120	14/140
Gypsum Products	December 1992	44-003	5/50	6/60	7/70
Industrial Chemicals and Synthetic Resins	December 1992	46-002	5.60/56	6.70/67	7.80/78
New Motor Vehicle Sales	September 1992	63-007	14.40/144	17.30/173	20.20/202
Oil Pipeline Transport	November 1992	55-001	10/100	12/120	14/140
Production and Inventories of Process Cheese and Instant Skim Milk Powder	December 1992	32-024	5/50	6/60	7/70
Retail Chain and Department Stores	Fiscal Year Ended March 31, 1991	63-210	34	41	48
Retail Trade	November 1992	63-005	18.20/182	21.80/218	25.50/255
Rigid Insulating Board	December 1992	36-002	5/50	6/60	7/70
Wholesale Trade	November 1992	63-008	14.40/144	17.30/173	20.20/202
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	November 1992	15-001	12.70/127	15.20/152	17.80/178
INTERNATIONAL TRADE					
Exports by Commodity	November 1992	65-004	55.10/551	66.10/661	77.10/771
INVESTMENT AND CAPITAL STOCK					
Building Permits	November 1992	64-001	22.10/221	26.50/265	30.90/309
LABOUR					
Unemployment Insurance Statistics	November 1992	73-001	14.70/147	17.60/176	20.60/206
SERVICES, SCIENCE AND TECHNOLOGY					
Telephone Statistics	1991	56-203	36	43	50
TRANSPORTATION					
Passenger Bus and Urban Transit Statistics	1990	53-215	36	43	50
Surface and Marine Transport Service Bulletin: Rail Traffic, 1992; and Motor Carriers of Freight Survey – Financial and Operating Statistics, Vol. 9, No. 1	1990	50-002	9.40/75	11.25/90	13.15/105

CURRENT TRENDS

Gross Domestic Product

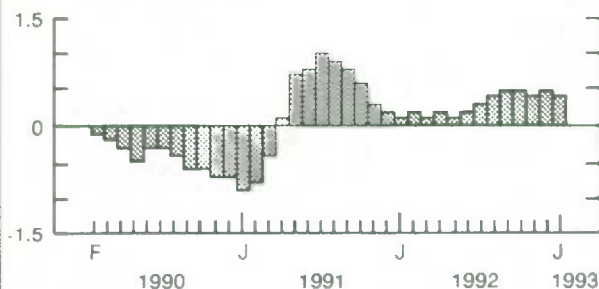
% change,
previous month



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

Composite Leading Indicator

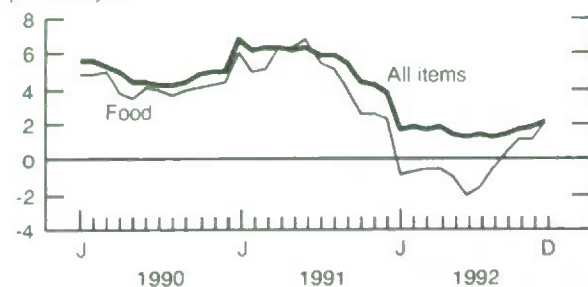
% change,
previous month



The growth of the composite leading indicator was 0.4% in January, in line with the revised monthly gains of 0.4% or 0.5% recorded since October.

Consumer Price Index

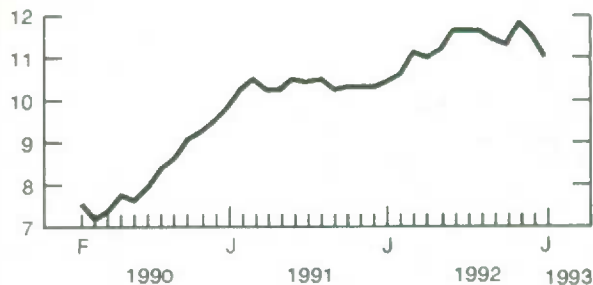
% change,
previous year



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 January, the unemployment rate fell to 11.0% from 11.5% in December.

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
GENERAL				
Gross Domestic Product (\$ billion, 1986)	November	505.8	-0.1%	1.2%
Composite Leading Indicator (1981 = 100)	January*	148.8	0.4%	3.7%
Operating Profits of Enterprises (\$ billion)	3rd Quarter	10.7	6.3%	-15.0%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	November	15.6	0.5%	2.7%
New Motor Vehicle Sales ('000 units)	December*	108.5	4.3%	8.2%
LABOUR				
Employment (millions)	January*	12.3	0.1%	0.3%
Unemployment Rate (%)	January*	11.0	-0.5	0.5
Participation Rate (%)	January*	65.2	-0.3	-0.5
Labour Income (\$ billion)	November*	32.7	0.0%	2.5%
Average Weekly Earnings (\$)	November	556.51	0.3%	3.4%
INTERNATIONAL TRADE				
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
MANUFACTURING				
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
PRICES				
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)	December*	134.7	-0.1%	0.6%

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

* New this week.

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