



IN·F·O·M·A·T

A WEEKLY REVIEW

STATISTICS CANADA / STATISTIQUE CANADA

MAY 7 1993

Friday, May 7, 1993

NOT FOR LOAN
NE S'EMPRUNTE PAS



Years of Excellence
Années d'excellence

OVERVIEW

■ Help-wanted Index Remains Unchanged

In April, the seasonally adjusted Help-wanted Index for Canada (1991 = 100) remained unchanged at 87, two points above its year-earlier level.

■ Economy Continues to Grow

Real gross domestic product at factor cost rose for the third straight month, by 0.4% in February. At \$509 billion at annual rates, GDP for the first time climbed above its March 1990 pre-recession peak.

■ Mixed Optimism Among Canadian Manufacturers

Manufacturers took a less concerned view of the state of their unfilled order books and finished product inventories in the quarter beginning in April. The balance of opinion about the expected production in the upcoming quarter remained positive but decreased from the January 1993 survey.

■ After-tax Family Income: Second Annual Drop

Average Canadian family income after tax in 1991 fell 2.6% from 1990 to \$42,612. This decrease marked the second consecutive year of diminishing average income and, as a result, 70% of the gains realized since the recession of the early 1980s have been eroded.

Help-wanted Index Remains Unchanged

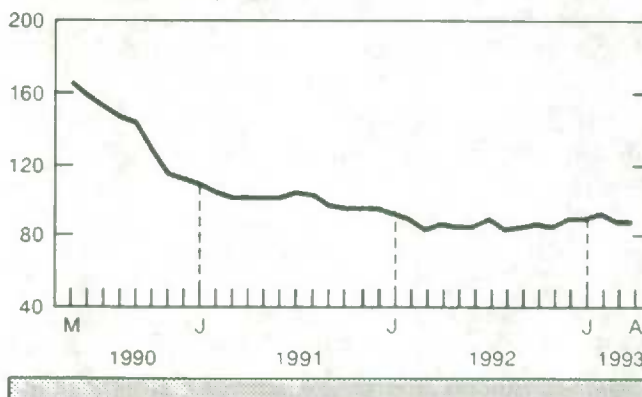
In April, the seasonally adjusted Help-wanted Index for Canada (1991 = 100) remained unchanged at 87, two points above its year-earlier level.

The index reached a low of 83 in March 1992 and fluctuated around this level until November, increased to 88 in December, and remained virtually the same since then.

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Help-wanted Index, Canada

1991 = 100, seasonally adjusted



Statistics Canada / Statistique Canada

Canada

... Help-wanted Index Remains Unchanged

Changes in Indexes by Region from March

- Ontario: rose by seven points to 92;
- British Columbia: advanced by two points to 83;
- Atlantic provinces: increased by one point to 94;
- Québec: edged up by one point to 89;
- Prairie region: fell by five points to 79.

There were more help-wanted ads in the Atlantic region and in Ontario than in April 1992 when the indexes were at 80 and 83, respectively. But the current index for the Prairie region and Québec ran below last year's level. The index remained unchanged in British Columbia.

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

Economy Continues to Grow

After increasing by 0.4% in December and by 0.2% in January, real gross domestic product at factor cost rose 0.4% in February to \$509 billion at annual rates. That was 0.3% above the pre-recession peak in March 1990.

Output of services advanced 0.4% following increases of 0.2% in December and 0.1% in January. Finance, insurance and real estate output climbed 0.7%. Stronger sales of mutual funds were reported in February, coinciding with final year-end contributions to RRSPs. Higher activity at stock exchanges and by security brokers and real estate agents also contributed to the strength.

Transportation and storage services output grew by 1.7% following several monthly declines since September 1992. Transportation output rose 1.0% led by a 3.0% advance in rail services. Trucking services output increased 1.0% after a 0.5% decline in January.

Community, business and personal services expanded 0.4% after a marginal decrease in January. Accommodation and food services gained 1.2%, reflecting a strong increase in accommodation services due to higher occupancy rates for most major cities. Communications output gained 0.7%, its third consecutive monthly increase.

Retail trade fell 0.6% after posting a 1.6% gain in January, as 13 of 18 trade groups recorded lower sales.

Goods production continued to improve, increasing for the fourth consecutive month, by 0.4% in February. Mining output jumped 2.1%, led by an increase of 2.5% for crude oil and natural gas extraction. Coal production increased sharply for the second month in a row following a long strike in British Columbia but still remained below its pre-strike level.

Gross Domestic Product Total Economy

Index (February 1990 = 100)



Output by utilities advanced 1.5% and output in manufacturing edged up 0.2%. Production of durable goods continued to improve, rising by 0.7%, but production of non-durable goods fell 0.4%. From November 1992 to February 1993, most of the gain in the manufacturing sector was attributable to increased production of durable goods. Declines in production of forestry products (-3.9%) and construction activity (-0.2%) partly offset these gains.

For further information, order *Gross Domestic Product by Industry* (catalogue number 15-001) or contact Measures and Analysis Division at (613) 951-9145. (See also "Current Trends" chart on page 5.)

Mixed Optimism Among Canadian Manufacturers

According to the Business Conditions Survey, Canadian manufacturers expressed less concern in the second quarter of 1993 with the state of their unfilled order books and with the levels of their finished product inventories. The balance of opinion about the expected volume of production in the upcoming quarter remained positive, although somewhat lower than in January 1993.

Unfilled orders are the stock of orders that will generate future shipments, assuming that orders are not cancelled. The balance of opinion on unfilled orders showed an eight-point improvement from January 1993 and a major gain when compared to the recent low of -58 recorded in the April 1991 survey.

The balance of -15 is calculated by subtracting the pessimistic 26% who expected their backlog of unfilled orders would be "lower than normal" from the optimistic 11% who expected "higher than normal" backlogs. The remaining 63% felt that their backlog of orders would be about right.

The balance of opinion concerning current levels of finished product inventories gained seven points in April 1993. The largest contributor to this improvement was the transportation equipment industry, where 92% of those surveyed reported finished product inventories are "about right" compared with 62% in the January 1993 survey.

Manufacturers' optimism about the expected volume of production decreased for the first time in five quarters. The balance of opinion dropped eight

Business Conditions Survey

April 1993

	1992			1993	
	Q2	Q3	Q4	Q1	Q2
Balance of opinion* on:					
Production	-2	10	12	19	11
New Orders	-13	-10	-12	13	12
Unfilled Orders	-27	-29	-28	-23	-15
Inventories	-30	-17	-26	-25	-18
Employment	-18	-17	-17	-10	-11

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

points, but still showed significant improvement over the level posted in the April 1992 survey.

The balance of opinion for new orders remained positive and showed little change since the last survey. Two consecutive positive balances for new orders had not been seen since the October 1988 and January 1989 surveys.

The balance of opinion concerning employment prospects for the next three months decreased one point, which is still a substantial improvement from the low of -25 posted during the second quarter of 1991. This indicates that, on balance, employment is expected to decrease but at a slower rate than during 1991.

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

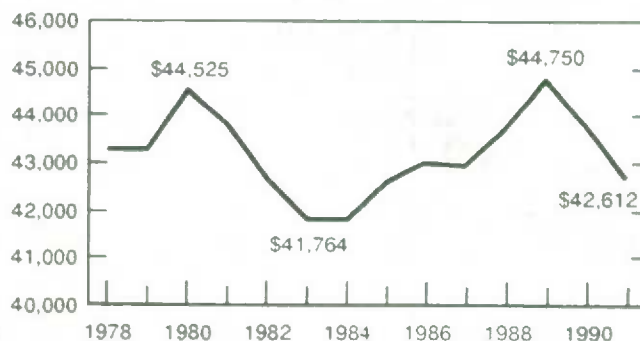
After-tax Family Income: Second Annual Drop

Average family income after tax in 1991 was at \$42,612, down 2.6% from 1990 after adjusting for inflation (as measured by changes in the consumer price index). This decrease marked the second consecutive year of diminishing average income and, as a result, 70% of the gains realized since the recession of the early 1980s have been eroded. When the losses of both recessions are taken into account, real average income after tax in 1991 was 4.3% lower than in 1980.

The decline in real income after tax in 1991 touched various types of families. For female lone-parent families, income fell 4.3% to \$19,832 and for two-parent families, income decreased 2.4% to \$46,575. Among two-parent families, those with three earners saw an income reduction of 2.7% to \$59,419. Average income for families with one earner and with two earners were virtually unchanged at \$34,176 and \$46,966, respectively.

Average Canadian Family Income

After tax in constant (1991) dollars



(continued on page 4)

... After-tax Family Income: Second Annual Drop

On average, families paid \$10,519 in income taxes in 1991 or almost 20% of family income, the same percentage as in 1990. In 1980, income tax payments were 15.4% of family income or \$8,116.

Cash transfer payments, at \$6,372, represented 12.0% of pre-tax family income in 1991, up from 10.7% in 1990. This was the second consecutive increase in transfers as a proportion of family income following a five-year downtrend. In 1980, the rate was 7.9% (or \$4,167 adjusted for inflation).

Families with an income of less than \$10,000 in 1991 received 77.2% of their income as government transfers (Family Allowances, Old Age Security benefits, social assistance, etc.) while for those with \$100,000 and over, only 2.7% of income was in the form of transfer payments.

For further information order Income after tax, distributions by size in Canada, 1991 (catalogue number 13-210) or contact Household Surveys Division at (613) 951-9775.

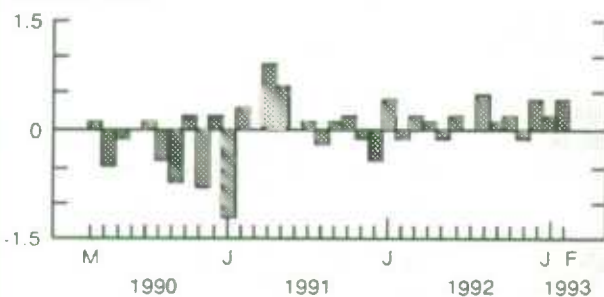
PUBLICATIONS RELEASED FROM APRIL 30 TO MAY 6, 1993

Division/title	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (\$Cdn.)	United States	Other Countries
			\$US		
AGRICULTURE					
Cereals and Oilseeds Review	February 1993	22-007	13.80/138	16.60/166	19.30/193
Livestock Statistics	April 1993	23-603E	90	108	126
HOUSEHOLD SURVEYS					
Income After Tax, Distributions by Size in Canada	1991	13-210	25	30	35
INDUSTRY					
Asphalt Roofing	March 1993	45-001	5/50	6/60	7/70
Coal and Coke Statistics	February 1993	45-002	10/100	12/120	14/140
Crude Petroleum and Natural Gas					
Production	January 1993	26-006	10/100	12/120	14/140
Electric Power Statistics	February 1993	57-001	10/100	12/120	14/140
Gypsum Products	March 1993	44-003	5/50	6/60	7/70
Industrial Chemicals and Synthetic					
Resins	March 1993	46-002	5.60/56	6.70/67	7.80/78
Production and Inventories of Process					
Cheese and Instant Skim Milk Powder	March 1993	32-024	5/50	6/60	7/70
Retail Trade	February 1993	63-005	18.20/182	21.80/218	25.50/255
Rigid Insulating Board	March 1993	36-002	5/50	6/60	7/70
Shipments of Solid Fuel Burning Heating	Quarter Ended				
Products	March 1993	25-002	4.75/19	5.75/23	6.75/27
Steel Wire and Specified Wire Products	March 1993	41-006	5/50	6/60	7/70
The Sugar Situation	March 1993	32-013	5/50	6/60	7/70
Wholesale Trade	February 1993	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Imports by Commodity	February 1993	65-007	55.10/551	66.10/661	77.10/771
Summary of Canadian International Trade	February 1993	65-001	18.20/182	21.80/218	25.50/255
INVESTMENT AND CAPITAL STOCK					
Private and Public Investment in Canada	Intentions 1993	61-205	30	36	42
LABOUR					
Unemployment Insurance Statistics	February 1993	73-001	14.70/147	17.60/176	20.60/206

CURRENT TRENDS

Gross Domestic Product

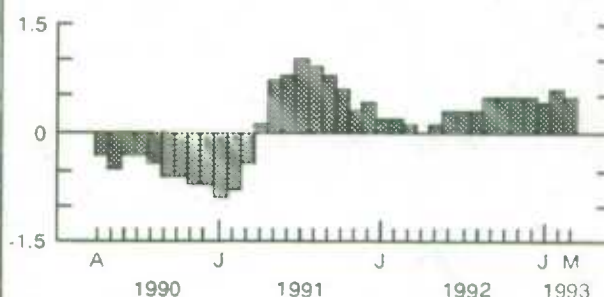
% change,
previous month



Economic growth continued in February: real gross domestic product at factor cost advanced 0.4% after increasing by 0.2% in January and by 0.4% in December.

Composite Leading Indicator

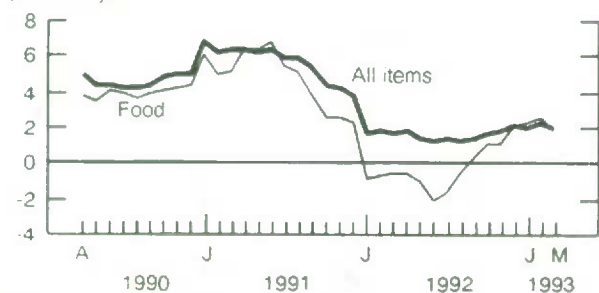
% change,
previous month



The composite leading indicator continued its steady growth, rising by 0.5% in March.

Consumer Price Index

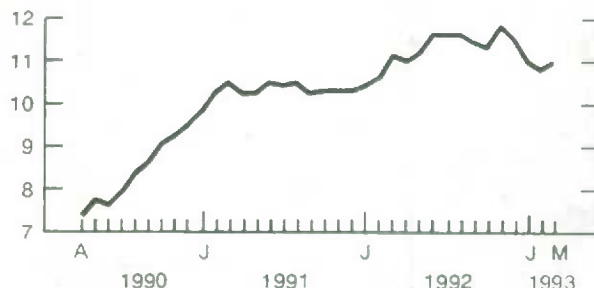
% change,
previous year



The year-over-year increase in the all-items CPI was 1.9% in March, considerably lower than February's 14-month high of 2.3%. The food index rose by 1.7%.

Unemployment Rate

%



In March, the unemployment rate advanced to 11.0% from 10.8% in February.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose by 1.6% in February to \$24.7 billion. The level of unfilled orders increased by 5.0%, rebounding from a 0.5% decrease in January.

Merchandise Trade

Billions
of dollars



The seasonally adjusted value of merchandise exports decreased by 1.5% in February to \$14.4 billion while imports climbed by 4.9% to \$13.3 billion, pushing Canada's trade balance to \$1.1 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)	February*	509.2	0.4%	2.0%
Composite Leading Indicator (1981 = 100)	March	150.5	0.5%	4.5%
Operating Profits of Enterprises (\$ billion)	4th Quarter	8.6	-18.9%	-12.8%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	February	15.9	-0.7%	5.0%
New Motor Vehicle Sales ('000 units)	February	90.5	-5.3%	-11.5%
LABOUR				
Employment (millions)	March	12.4	0.4%	1.3%
Unemployment Rate (%)	March	11.0	0.2	-0.2
Participation Rate (%)	March	65.3	0.3	-0.3
Labour Income (\$ billion)	January	33.0	0.2%	2.9%
Average Weekly Earnings (\$)	February	557.13	0.1%	2.5%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	February	14.4	-1.5%	16.3%
Merchandise Imports (\$ billion)	February	13.3	4.9%	13.4%
Merchandise Trade Balance (\$ billion)	February	1.1	-0.9	0.4
MANUFACTURING				
Shipments (\$ billion)	February	24.7	1.6%	9.6%
New Orders (\$ billion)	February	25.8	6.4%	14.7%
Unfilled Orders (\$ billion)	February	22.6	5.0%	0.9%
Inventory/ Shipments Ratio	February	1.36	-0.03	-0.17
Capacity Utilization (%)	4th Quarter	77.6	2.4	4.1
PRICES				
Consumer Price Index (1986 = 100)	March	129.9	-0.1%	1.9%
Industrial Product Price Index (1986 = 100)	March	112.1	0.1%	3.6%
Raw Materials Price Index (1986 = 100)	March	112.0	1.2%	10.9%
New Housing Price Index (1986 = 100)	February	134.9	0.3%	1.0%

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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