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I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, October 15, 1993

75 Years of Excellence / Ans d'excellence

OVERVIEW

- **Composite Index Continues to Advance**

  The composite index grew by 0.4% in September after a revised gain of 0.6% in August.

- **The Yukon Led Provincial Economic Growth in 1992**

  Most provincial and territorial economies grew modestly in 1992, with the exception of vigorous growth in the Yukon (10.1%).

- **New Housing Prices Edge Up for Third Straight Month**

  The New Housing Price Index for Canada was up by 0.1% in August. Ten of the urban areas for which the index is calculated showed increases, led by a 1.1% hike in Sudbury-Thunder Bay.

- **Job Market for Youths Improves in September**

  The level of employment increased sharply among youths in September, while adult employment was little changed.

- **Sales of New Motor Vehicles Sagging**

  Sales of new motor vehicles fell for the second time in three months, by 1.2% in August. Sales have been generally weak since January.

- **Farm Product Prices Post Strong Gain**

  The Farm Product Price Index (1986=100) for Canada climbed 1.6% in August to 104.5, the highest level since July 1990.

Composite Index Continues to Advance

After a revised gain of 0.6% in August, the composite index continued its year-long advance, increasing by 0.4% in September. Seven of the 10 component indexes contributed to the growth while manufacturing weakened.

Household demand has remained positive in the third quarter, as full-time employment rebounded and inflation moderated. Demand for business and personal services grew by 0.5% in September, the second best gain of the year. The housing index continued to recover, rising by 0.6%, after picking up in June and July. This upturn

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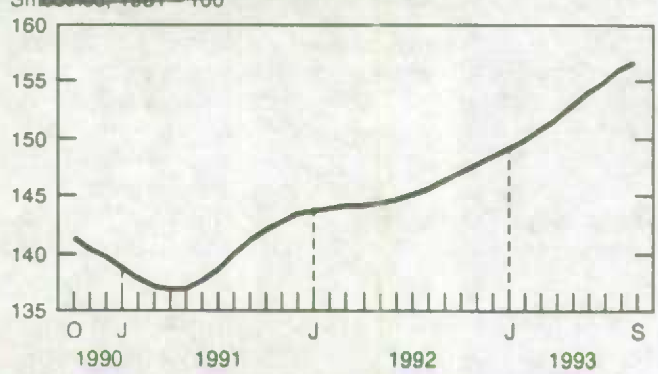
Composite Index

Smoothed, 1981 = 100



... Composite Index Continues to Advance

contributed to strengthen sales of furniture and appliances in July (0.3%). Outlays for other durable goods also firmed in July (0.3%).

Because of falling manufacturing shipments, the ratio of shipments to stocks fell for the first time since February 1992, from 1.46 in June to 1.45 in July. However, most of this decline was confined to the auto industry, as was the weakness in new orders for durable goods (-0.3%). This industry had led growth earlier in the year. The average workweek was unchanged at 38.7 hours and manufacturing employment remained weak in September.

The rate of growth of the financial market indicators moderated in September. The real money supply has eased from a peak rate of growth of 1.3% in June to 0.3% in September. The stock market index followed suit.

The U.S. leading indicator edged up by 0.1% after back-to-back marginal declines. All the manufacturing-related components rose after several months of weakness. Residential building permits also posted a second straight sharp increase, another important sector for Canadian exports.

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.)

The Yukon Led Provincial Economic Growth in 1992

Most provincial and territorial economies grew in 1992 following widespread declines in the previous two years in all but the Western provinces. With the exception of vigorous growth in the Yukon, however, the gains in 1992 were modest, while declines were recorded in Saskatchewan and Newfoundland. The Yukon economy raced ahead as mining contributed more than two-thirds of the 10% advance in output.

Saskatchewan recorded the largest percentage decline (-3.5%), as the grain harvest returned to lower levels following two years of bumper crops. In Newfoundland, output fell for a third consecutive year, by 1.7% in 1992, while the unemployment rate rose to 20%, a level not seen since the mid-eighties.

After setbacks in 1990 and 1991, output in Prince Edward Island recovered 1.1% in 1992, regaining about half the ground lost during the recession. The unemployment rate rose from a pre-recession low of 13.0% in 1988 to 17.7% in 1992, and the population fell 0.5%, the first loss of this magnitude for decades.

Output in Nova Scotia edged forward 0.1%, as the effects of the recession remained evident in many industries. In New Brunswick, production rose 1.9%, recouping losses of the previous two years to stand 0.3% above its pre-recession level. This improvement was reflected in the labour market where employment rose 1.1% in 1992, while the unemployment rate remained stable just under 13%.

The Québec economy emerged from recession, but productivity gains held employment growth back. There were 101,000 fewer jobs in 1992 than in 1990 when employment was at its peak. Output grew 1.3%, following decreases in 1990 and 1991.

Note to Users

This year, coverage includes about 90% of total GDP, up from 75% last year, as the finance, insurance and real estate industries were incorporated in the release. In the coming year, Statistics Canada plans to extend coverage to 100%.

Highlights by industry are now available for each province and territory. For further information, contact Industry Measures and Analysis Division at (613) 951-2018.

Following the slump that pulled Ontario output down by more than 2% in 1990 and 1991, production advanced 0.9% in 1992. The improvement was not sufficient to halt the upward trend in the unemployment rate, however, which climbed to 10.8%, more than double its pre-recession level.

The Manitoba economy improved, advancing by 1.9%, but output was still about 1% less than its all-time 1990 high. In Alberta, a reasonably good year in the oil patch bolstered output 1.7%. This did not create enough jobs, however, to sustain growth in employment, which declined 0.5% in 1992, its first drop in many years.

Production in British Columbia attained a new high in 1992, spurred by the largest influx of people in years. Output advanced 2.7%, the best performance in southern Canada. In the Northwest Territories, mining setbacks restrained growth – production edged ahead 0.4%.

For further information, order Provincial Gross Domestic Product by Industry (catalogue number 15-203) or contact Industry Measures and Analysis Division at (613) 951-2018.

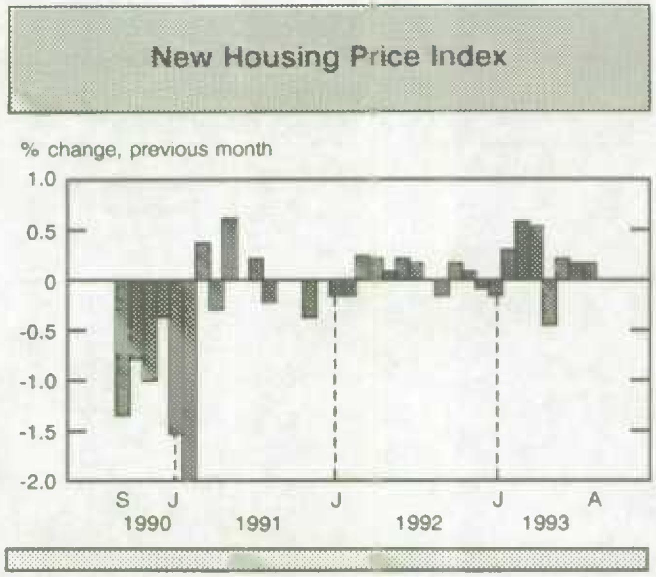
New Housing Prices Edge Up for Third Straight Month

The New Housing Price Index for Canada (1986 = 100) stood at 136.5 in August, up 0.1% from July and 1.3% above its August 1992 level. The index reached a low of 133.5 in February 1991 and remained practically unchanged until February 1993. Since then, the index increased every month except in May when it slipped by 0.4%.

Of 20 urban areas for which the index is calculated, 10 registered increases, six showed declines and four remained unchanged. Sudbury-Thunder Bay led the increases with a 1.1% hike after remaining unchanged at 135.1 in July.

In Toronto, the index climbed 0.6% but still stood 2.0% below its year-earlier level. This was only the second monthly increase in 16 months for the Toronto index. In Vancouver, the index advanced 0.2% and had the largest year-over-year increase (7.6%).

New housing prices fell 1.2% in St. Catharines-Niagara, the fourth drop in five months. On a year-over-year basis, the index was down 3.9% from August 1992, continuing the series of decreases that began in January 1991.



The House Only Index rose 0.3% to 125.9, and the Land Only Index edged up by 0.1% to 169.7.

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

Job Market for Youths Improves in September

In September, the seasonally adjusted level of employment increased by 42,000 among youths, while adult employment was little changed. There were 81,000 more full-time jobs which were partly offset by 37,000 fewer part-time jobs. More students settled for part-time jobs this summer because of difficult labour market conditions, but with their return to school in September, full-time employment for youths resumed its pre-summer level.

Employment in trade has grown by 140,000 since May, rising by 49,000 in September alone. In transportation, communications and other utilities, employment rose by 28,000, the largest of four consecutive monthly increases. Employment also increased in public administration (19,000), returning to about the same level as in April.

The steepest decline was in finance, insurance and real estate (-12,000), bringing the loss since March to 58,000. In manufacturing industries, employment fell by 4,000, the smallest of five consecutive monthly declines that totalled 76,000.

Employment growth was particularly strong in Québec (31,000), followed by Ontario (19,000) and Alberta (9,000). The gains in Québec and Ontario more than offset declines in July and August. Employment fell in New Brunswick (-5,000) for the third month in a row.

Unemployment decreased by 20,000 while the participation rate was unchanged at 65.1. This pushed the unemployment rate down from 11.3% in August to 11.2% in September.

The decline in unemployment was noted mainly among youths (- 13,000) and their unemployment rate dropped to 17.2%, down 0.7 percentage points from August. Among adult women, unemployment fell by 16,000, as employment growth for them outpaced a rise in labour force participation. Unemployment increased slightly among adult men (9,000).

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 8.)

(continued on page 4)

PROVINCIAL PERSPECTIVES

Labour Force Survey Results for September 1993

	Labour Force		Employment		Unemployment	
	'000	% change previous month	'000	% change, previous month	'000	Rate (%)
Canada	**13,984**	**0.2**	**12,421**	**0.4**	**1,563**	**11.2**
Newfoundland	230	-0.9	185	0.5	45	19.6
Prince Edward Island	65	0.0	53	1.9	12	18.4
Nova Scotia	421	-0.2	359	0.0	62	14.7
New Brunswick	328	-0.9	283	-1.7	45	13.7
Québec	3,400	0.9	2,965	1.1	435	12.8
Ontario	5,381	0.2	4,809	0.4	572	10.6
Manitoba	544	0.6	493	0.6	51	9.4
Saskatchewan	480	0.4	441	0.2	39	8.1
Alberta	1,398	0.4	1,262	0.7	136	9.7
British Columbia	1,732	-0.5	1,571	-0.3	161	9.3

Sales of New Motor Vehicles Sagging

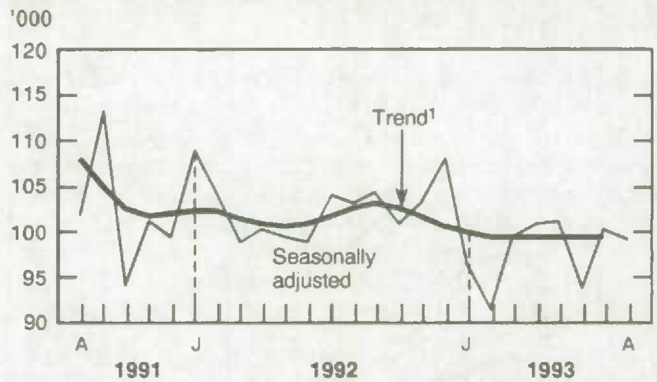
Seasonally adjusted sales of new motor vehicles fell by 1.2% in August to 99,000 units, the second decline in three months. This decrease is in line with the ten-month downtrend in sales. Sales of new motor vehicle were 4.0% below their August 1992 level of 103,000 units. This was the third straight month to show a year-over-year decline.

In August, stronger sales of passenger cars failed to offset a steep drop in truck sales. Car sales increased by 1.1% to 63,000 units, after rising by 7.4% in July. The increase was attributable to higher sales of North American built cars which rose by 1.8% to 41,000 units. In contrast, sales of imported cars edged down by 0.1% to 22,000 units.

Sales of commercial vehicles fell 5.0% to 36,000 units, after climbing by 6.3% in July.

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

Sales of New Motor Vehicles, in Units, Canada



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

Farm Product Prices Post Strong Gain

The Farm Product Price Index (1986=100) for Canada rose to 104.5 in August, a 1.6% increase from the revised July level of 102.9. This was the highest level since July 1990. The index was 5.3% above the previous year's level of 99.2.

The crops index was unchanged at 95.8, as an increase in the potatoes (3.9%) index offset decreases in the cereals (-0.3%) and oilseeds (-1.2%) indexes. The crops index stood 1.1% above its year-earlier level, marking the first year-over-year increase since June 1992. The Canadian Wheat Board accepted wheat and barley deliveries up to August 27, 1993 at 1992/93 crop year prices. Price increases for rye and corn were offset by price decreases for oats and barley in most provinces. Canola and flaxseed prices also fell in most provinces.

The livestock and animal products index rose 2.3% in August to 109.8 – another record high. The index has stood at or near record high levels since the beginning of 1993. The cattle and calves index was up by 3.7% and the hogs index posted its tenth increase (3.6%) in the last 12 months.

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

PUBLICATIONS RELEASED FROM OCTOBER 8 TO 14, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada ($Cdn.)	United States ($US)	Other Countries ($US)
AGRICULTURE					
Cereals and Oilseeds Review	July 1993	22-007	13.80/138	16.60/166	19.30/193
CANADIAN CENTRE FOR HEALTH INFORMATION					
Hospital Annual Statistics, Part 1: Beds and Patient Movement	1989-90	83-242, Part 1	20	24	28
Hospital Annual Statistics, Part 2: Outpatients Services	1989-90	83-242, Part 2	20	24	28
Hospital Annual Statistics, Part 3: Diagnostic and Therapeutic Services	1989-90	83-242, Part 3	20	24	28
Hospital Annual Statistics, Part 4: Personnel	1989-90	83-242, Part 4	20	24	28
Hospital Annual Statistics, Part 5: Administrative and Support Services and Finance	1989-90	83-242, Part 5	20	24	28
Marriages	1991	84-212	20	24	28
Mortality: Summary List of Causes	1991	84-209	30	36	42
Therapeutic Abortions	1991	82-219	15	18	21
EDUCATION, CULTURE AND TOURISM					
Elementary-Secondary School Enrolment	1991-92 (Last Edition)	81-210	26	31	36
HOUSEHOLD SURVEYS					
Labour Force Information	September 1993	71-001P	6.30/63	7.60/76	8.80/88
INDUSTRY					
Crude Petroleum and Natural Gas Production	June 1993	26-006	10/100	12/120	14/140
Electric Lamps (light bulbs and tubes)	August 1993	43-009	5/50	6/60	7/70
Factory Sales of Electric Storage Batteries	August 1993	43-005	5/50	6/60	7/70
Gas Utilities	June 1993	55-002	12.70/127	15.20/152	17.80/178
Gypsum Products	August 1993	44-003	5/50	6/60	7/70
Production and Shipments of Steel Pipe and Tubing	August 1993	41-011	5/50	6/60	7/70
Software Development and Computer Service Industry	1991	63-222	26	31	36
Specified Domestic Electrical Appliances	August 1993	43-003	5/50	6/60	7/70
Steel Wire and Specified Wire Products	August 1993	41-006	5/50	6/60	7/70
INDUSTRY MEASURES AND ANALYSIS					
Provincial Gross Domestic Product by Industry	1984-1992	15-203	35	42	49
INVESTMENT AND CAPITAL STOCK					
Private and Public Investment in Canada	Revised Intentions 1993	61-206	33	40	46
LABOUR					
Unemployment Insurance Statistics	July 1993	73-001	14.70/147	17.60/176	20.60/206
SERVICES, SCIENCE AND TECHNOLOGY					
Industrial Research and Development	1993 Intentions	88-202	44	53	62
TRANSPORTATION					
Aviation in Canada		51-501E	48	58	67

NEW FROM STATISTICS CANADA

Industrial Research and Development

Industry spending intentions on research and development (R&D) for 1993, if realized, will be almost twice the amount spent in 1984. Firms plan to spend more than $5.6 billion on R&D in 1993, up 2.9% from 1992. This is comparable to the 2.3% increase in 1992 and the 3.4% increase in 1991. (Industrial R&D represented 53% of all R&D done in Canada during 1991.)

This publication presents data for the years 1963 to 1993. Topics covered include: current and capital spending on R&D; energy R&D spending by area of technology, R&D spending as a percentage of company sales; sources of funds; personnel engaged in R&D; and foreign payments made and received for technological services. Most historical tables are for the 1989 to 1991 period and are disaggregated by 46 industrial groupings, size of R&D program, employment size, sales size, country of control and province.

Industrial Research and Development, 1993 Intentions (with 1992 preliminary estimates and 1991 actual expenditures) (catalogue number 88-202, $44) is now available. For more information, contact Michel Boucher at (613) 951-7683, Services, Science and Technology Division.

Community Profiles – 1991

Community profiles were developed to meet the data needs of small communities. Using the postal codes on tax returns, it is possible to construct an annual "report card" for areas as small as a single rural postal code or a neighbourhood within a city.

The five community profiles that can be ordered are: population, sources of income, labour force participation, economic dependency and family characteristics. Data are available for more than 20,000 postal areas in Canada. Municipal governments will find these data useful in their planning and evaluation of programs.

For more information on this release, contact Client Services,at Small Area and Administrative Data Division (613)951-9720. Fax: 613-951-4745.

Aviation in Canada

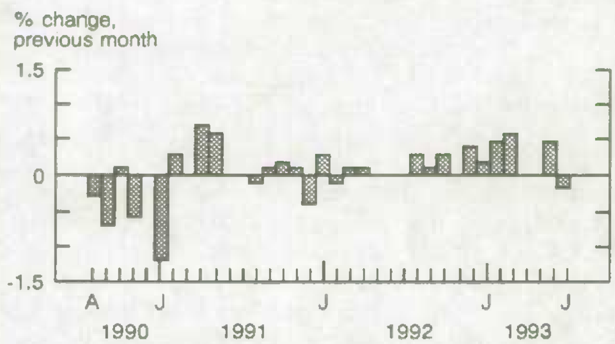
Aviation in Canada: Historical and Statistical Perspectives on Civil Aviation is a compendium that was written for Statistics Canada's 75th anniversary.

This publication describes Canada's aviation industry since its inception. It recounts the historical high points and offers up-to-date analysis on contemporary developments. Among the many topics covered are commercial aviation, private aviation, airports, fares and safety.

Aviation in Canada (catalogue number 51-501E, $48) is now available. For further information, contact Trish Horricks at (819)997-6190, Aviation Statistics Centre, Transportation Division.

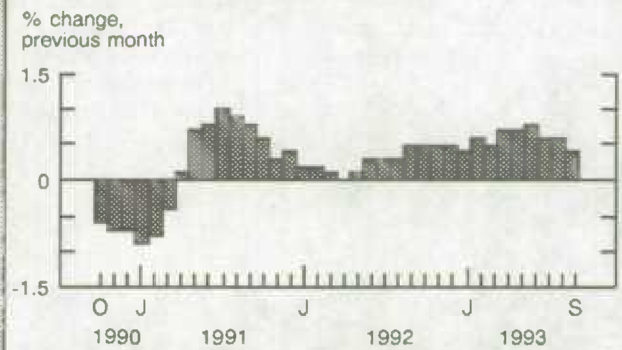
CURRENT TRENDS

Gross Domestic Product



Real gross domestic product at factor cost decreased 0.2% in July, largely due to lower output in manufacturing and mining.

Composite Index



After a revised gain of 0.6% in August, the composite index continued its year-long advance, increasing by 0.4% in September.

Consumer Price Index

The year-over-year increase in the all-items CPI was 1.7% in August and the food index rose by 1.4%.

Unemployment Rate

The unemployment rate fell from 11.3% in August to 11.2% in September.

Manufacturing

Canadian manufacturers' shipments decreased 1.5% to $24.8 billion in July, while the level of unfilled orders slipped by 0.3% to $24.6 billion.

Merchandise Trade

In July, seasonally adjusted merchandise imports climbed 1.1% to $13.9 billion, while exports edged up by 0.2% to $14.9 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)	July	516.0	-0.2%	2.7%
Composite Leading Indicator (1981 = 100)	September*	156.6	0.4%	7.2%
Operating Profits of Enterprises ($ billion)	2nd Quarter	14.0	22.8%	35.9%
DOMESTIC DEMAND				
Retail Trade ($ billion)	July	16.2	0.9%	4.8%
New Motor Vehicle Sales ('000 units)	August*	98.7	-1.2%	-4.0%
LABOUR				
Employment (millions)	September*	12.4	0.4%	1.5%
Unemployment Rate (%)	September*	11.2	-0.1	-0.2
Participation Rate (%)	September*	65.1	0.0	-0.2
Labour Income ($ billion)	July	33.2	0.2%	2.5%
Average Weekly Earnings ($)	July	561.29	0.3%	1.9%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	July	14.9	0.2%	17.2%
Merchandise Imports ($ billion)	July	13.8	1.1%	11.5%
Merchandise Trade Balance ($ billion)	July	1.0	-0.12	0.76
MANUFACTURING				
Shipments ($ billion)	July	24.8	-1.5%	6.8%
New Orders ($ billion)	July	24.7	-2.7%	7.1%
Unfilled Orders ($ billion)	July	24.6	-0.3%	9.8%
Inventory/Shipments Ratio	July	1.41	0.03	-0.08
Capacity Utilization (%)	2nd Quarter	78.3	-0.2	3.3
PRICES				
Consumer Price Index (1986 = 100)	August	130.6	0.1%	1.7%
Industrial Product Price Index (1986 = 100)	August	112.8	0.6%	3.2%
Raw Materials Price Index (1986 = 100)	August	113.2	0.4%	5.3%
New Housing Price Index (1986 = 100)	August*	136.5	0.1%	1.3%

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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