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I·N·F·O·M·A·T

A WEEKLY REVIEW

75 Years of Excellence / Ans d'excellence

Friday, November 12, 1993

OVERVIEW

- **Growth of Composite Index Accelerates**

  The growth of the composite index accelerated from 0.4% in September to 0.5% in October.

- **Demand for New Motor Vehicles Continues to Contract**

  Sales of new motor vehicles fell for the second straight month in September to a seasonally adjusted level of 97,000 units, leaving sales well below their September 1992 level.

- **Business Capital Expenditures Expected to Rise in 1994**

  Capital spending by large companies is expected to rise by 7.7% in 1994 to $34.0 billion in current dollars.

- **Aggregate Wages and Salaries: Unchanged from July but Up from 1992**

  In August, seasonally adjusted wages and salaries were virtually unchanged from July but were up 2.4% from the amount paid to Canadian workers in August 1992.

- **Both Employment and Unemployment Decline in October**

  The seasonally adjusted level of employment fell by 30,000 in October. However, due to a reduction in the size of the labour force, the unemployment rate also decreased, to a seven-month low of 11.1%.

Growth of Composite Index Accelerates

The composite index continued to advance in October, rising by 0.5% from September. This increase follows gains of 0.6% in July and August and 0.4% in September, and ends a slowing trend that began in June.

Eight of the 10 components contributed to the growth while new orders for durable goods fell slightly. The average workweek remained unchanged at 38.6 hours as firms boosted employment in October for the first time since April.

There was mixed evidence regarding household demand early in the fourth quarter. The housing index improved, climbing by 1.0% in October, as

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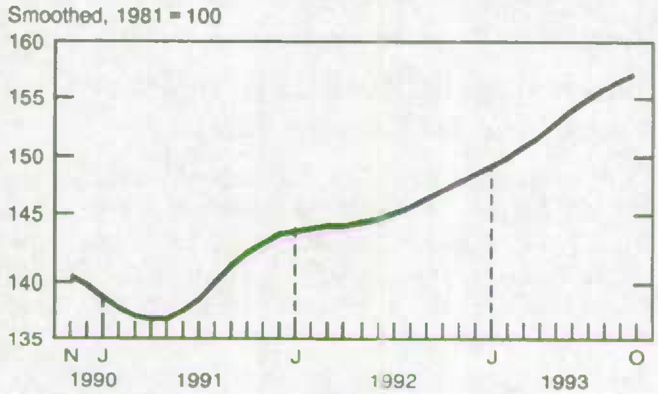
Composite Index



... Growth of Composite Index Accelerates

housing starts continued on a rising trend observed since July. House sales, however, slowed over the summer months and furniture and appliance sales followed suit with only modest growth (0.2%) in August. Sales of durable goods also rose slowly (0.2%) in August. Demand for business and personal services grew by 0.4% in October.

The ratio of manufacturing shipments to stocks regained the ground lost in July, increasing from 1.45 to 1.46 in August. The advance was led by the auto industry but as the U.S. economy improved, smaller gains were also posted by most export-oriented industries.

Financial markets recovered their strength in October. The real money supply accelerated to 0.5% growth, after slowing since July. The stock market index also improved, rising by 2.1%.

The U.S. leading indicator posted a second consecutive monthly increase, and manufacturing employment rose in October for the first time since February. These gains suggest that the upturn of the economy observed in August and September can be sustained. The indicators of household spending also improved along with consumer confidence.

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.)

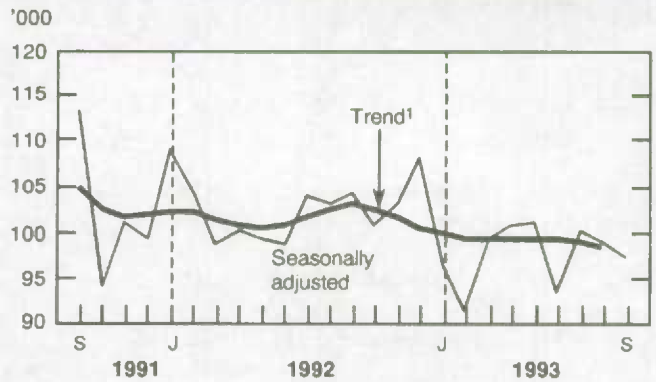
Demand for New Motor Vehicles Continues to Contract

Sales of new motor vehicles fell 1.8% in September to a seasonally adjusted level of 97,000 units. This represents the third decline in four months and a continuation of the generally declining trend evident since October 1992. New motor vehicle sales stood 6.8% below their September 1992 level of 104,000 units.

In September, an increase in truck sales failed to offset a drop in sales of passenger cars. Passenger car sales fell 4.5% to 60,000 units, after increasing by a total of 8.8% in the previous two months. Sales of North American built cars totalled 39,000 units, a drop of 5.8% from August. Sales of imported passenger cars fell for the second month in a row, by 1.9% in September to 21,000 units.

Sales of commercial vehicles advanced by 2.7% to 37,000 units, but the increase did not offset a 5.0% drop posted in August. Sales of commercial vehicles have displayed a pattern of increases and decreases since June.

Sales of New Motor Vehicles, in Units, Canada



[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) 951-3552.

Business Capital Expenditures Expected to Rise in 1994

This annual survey of capital expenditures covers the 300 largest corporations (based on the value of their fixed assets), which accounted for almost 45% of 1992 total business spending. It provides an early indication of future investment in Canada and abroad. Here are a few of its findings:

- Capital spending of the large corporations is expected to rise by 7.7% in 1994 to $34.0 billion in current dollars.
- On average, firms in the survey anticipated an inflation factor of 2.5% in 1994. After adjusting for the anticipated price change, real growth in investment is expected to be 5.2%.
- For 1994, nine of 11 industrial sectors covered show increases. The largest contribution is expected to come from the machinery and equipment industries with expenditures rising $1.1 billion or 24.4%. Other noteworthy increases are also reported for transportation services, energy and wood and paper.

(continued on page 3)

... Business Capital Expenditures Expected to Rise in 1994

- Firms which reported investment outside Canada (68) indicated that their planned level of spending abroad will be $3.4 billion in 1993 and $3.3 billion in 1994. The actual level of spending abroad in 1992 was $2.8 billion.

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

Aggregate Wages and Salaries: Unchanged from July but Up from 1992

Seasonally adjusted wages and salaries paid in August totalled $29.3 billion, almost unchanged from July. Throughout 1993, the monthly changes have ranged from -0.7% to +0.9%. August's level represented a rise of 2.4% from the amount paid to Canadian workers in August 1992.

As in July, most industry groups showed little change in wages and salaries. The biggest growth occurred in health and welfare services (1.2%), commercial services (0.5%) and federal administration (0.3%).

These increases were offset by declines in provincial administration (-2.6%), agriculture, fishing and trapping (-2.5%), finance, insurance and real estate (-0.7%) and mines, quarries and oil wells (-0.4%). In public administration, the decrease was partly due to measures taken in Ontario where public sector employees had to take unpaid holidays.

Declines were recorded in half of the provinces and in the Yukon and Northwest Territories. The steepest drop in wages and salaries was registered in Saskatchewan while Newfoundland led the increases.

Wages and Salaries, August 1993
Seasonally Adjusted

Province/ Territory	Wages and Salaries (millions of $)	% change, previous month	% change, previous year
Canada	**29,339**	**-0.1**	**2.4**
Newfoundland	387	1.8	3.8
Prince Edward Island	96	-0.6	1.8
Nova Scotia	732	0.4	1.2
New Brunswick	592	0.1	2.3
Québec	6,635	0.1	1.4
Ontario	12,328	0.0	1.9
Manitoba	950	0.3	1.4
Saskatchewan	746	-1.6	0.5
Alberta	2,893	-0.4	2.2
British Columbia	3,773	-0.2	6.7
Yukon and Northwest Territories	166	-0.3	0.8

For further information, order Estimates of Labour Income (catalogue number 72-005), or contact Labour Division at (613) 951-4058.

Both Employment and Unemployment Decline in October

Even though the seasonally adjusted level of employment fell by 30,000 in October, the ranks of unemployed Canadians also decreased (by 12,000) because 42,000 persons left the labour force. This was the third consecutive monthly decrease, and pushed the unemployment rate down to a seven-month low of 11.1%.

The level of employment fell by 28,000 among youths, eliminating more than half of the increase posted in September (42,000). Youth employment is down 43,000 since October 1992 and down 374,000 since March 1990. For adults, job losses were concentrated among women. Their employment level fell by 15,000, their third drop in four months.

The October decline was attributable to both full-time (-19,000) and part-time (-11,000) employment. However, in comparison with October 1992, full-time employment was up by 68,000 and part-time employment by 78,000.

Employment in construction fell to its lowest point in six years, down 23,000 in October alone. In transportation, communications and other utilities, employment declined by 21,000 after four consecutive monthly gains that totalled 68,000. Employment also fell in public administration, by 12,000, following a gain of 19,000 in September. Overall, there has been little change in public administration since March 1993. Employment edged down in finance, insurance and real estate, bringing losses over the last five months to 58,000.

(continued on page 4)

... Both Employment and Unemployment Decline in October

In Ontario, employment declined by 15,000, almost offsetting the September gain of 19,000. Employment in Québec fell by 17,000 in October after rising by 31,000 in September. In Alberta, employment increased by 6,000, with a net gain of 39,000 since March 1993.

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

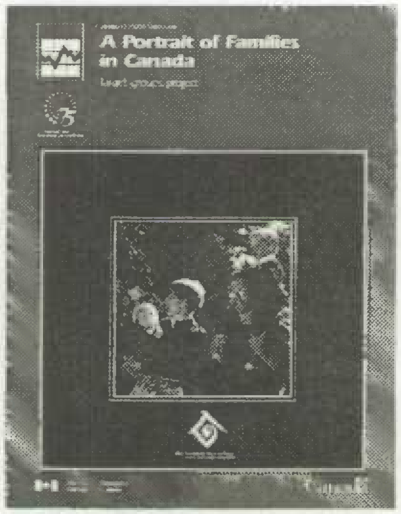
Labour Force Survey Results for October 1993

	Labour Force		Employment		Unemployment	
	'000	% change previous month	'000	% change, previous month	'000	Rate (%)
Canada	**13,942**	**-0.3**	**12,391**	**-0.2**	**1,551**	**11.1**
Newfoundland	233	1.3	186	0.5	47	20.2
Prince Edward Island	66	1.5	54	0.0	13	19.0
Nova Scotia	416	-1.2	354	-1.4	62	14.9
New Brunswick	330	0.6	287	1.4	43	13.0
Québec	3,403	0.1	2,948	-0.6	455	13.4
Ontario	5,352	-0.5	4,794	-0.3	558	10.4
Manitoba	541	-0.6	491	-0.4	50	9.2
Saskatchewan	477	-0.6	442	0.2	35	7.3
Alberta	1,398	0.0	1,268	0.5	130	9.3
British Columbia	1,735	0.2	1,574	0.2	161	9.3

PUBLICATIONS RELEASED FROM NOVEMBER 5 TO 10, 1993

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada (Cdn.$)	United States (US$)	Other Countries (US$)
AGRICULTURE					
Cereals and Oilseeds Review	August 1993	22-007	13.80/138	16.60/166	19.30/193
Fruit and Vegetable Production	October 1993	22-003	24/72	28.80/86	33.60/101
BALANCE OF PAYMENTS					
Canada's Balance of International Payments	Second Quarter 1993	67-001	27.50/110	33/132	38.50/154
CANADIAN CENTRE FOR HEALTH INFORMATION					
Births	1991	84-210	20	24	28
Health Reports, Vol. 5, No. 2	Second Quarter 1993	82-003	26/104	31.25/125	36.50/146
EDUCATION, CULTURE AND TOURISM					
Minority and Second Language Education, Elementary and Secondary Levels	1991-92 Last Edition	81-257	26	31	36
Touriscope: International Travel – Travel between Canada and Other Countries	1992	66-201	34	41	48
HOUSEHOLD SURVEYS					
Labour Force Information	For the week ended October 16, 1993	71-001P	6.30/63	7.60/76	8.80/88
HOUSING, FAMILY AND SOCIAL STATISTICS					
A Portrait of Families in Canada		89-523E	37	44	52
INDUSTRY					
Cement	September 1993	44-001	5/50	6/60	7/70
Factory Sales of Electric Storage Batteries	September 1993	43-005	5/50	6/60	7/70
Footwear Statistics	Quarter Ended September 1993	33-002	5/20	6/24	7/28
Industrial Chemicals and Synthetic Resins	September 1993	46-002	5.60/56	6.70/67	7.80/78
New Motor Vehicle Sales	July 1993	63-007	14.40/144	17.30/173	20.20/202
Production and Shipments of Blow-Moulded Plastic Bottles	Quarter Ended September 30, 1993	47-006	6.75/27	8/32	9.50/38
Pulpwood and Wood Residue Statistics	September 1993	25-001	6.10/61	7.30/73	8.50/85
Shipments of Solid Fuel Burning Heating Products	Quarter Ended September 1993	25-002	4.75/19	5.75/23	6.75/27
Specified Domestic Electrical Appliances	September 1993	43-003	5/50	6/60	7/70
INDUSTRY MEASURES AND ANALYSIS					
Gross Domestic Product by Industry	August 1993	15-001	12.70/127	15.20/152	17.80/178
INTERNATIONAL TRADE					
Summary of Canadian International Trade	August 1993	65-001	18.20/182	21.80/218	25.50/255
LABOUR					
Unemployment Insurance Statistics	August 1993	73-001	14.70/147	17.60/176	20.60/206
TRANSPORTATION					
Railway Carloadings, Vol. 70, No. 9	September 1993	52-001	8.30/83	10/100	11.60/116

NEW FROM STATISTICS CANADA



A Portrait of Families in Canada

In the past several decades, there have been significant changes in the structure of family living in Canada. The most dramatic include the rise in the number of common-law unions, lone-parent families and married-couple families without children living at home.

For example, in 1991, 77% of all families were headed by married couples and 10% were headed by common-law couples. Nearly one million lone-parent families now live in Canada and over 80% are headed by women.

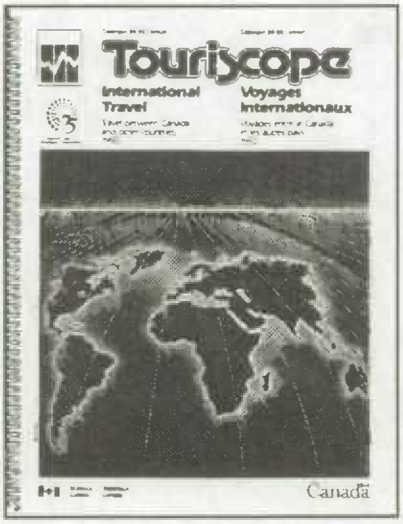
This report was drawn from a variety of sources to give an overview of the demographic and family characteristics, employment, income, housing, family violence, and activity patterns of families.

A Portrait of Families in Canada (catalogue number 89-523E, $37) is now available. For more information, contact Colin Lindsay at (613) 951-2603, fax: (613) 951-0387, Housing, Family and Social Statistics Division.

Health Reports

This issue of *Health Reports* presents the first results of the Transition Homes Survey. In addition, it contains a study on the health risks of smoking, overweight and physical inactivity and their links to social status. It also features a description of adult day care centres in British Columbia and two articles on the use of the Postal Code Conversion File in the health field.

The second quarter 1993 issue of Health Reports (Vol. 5, No. 2) (catalogue number 82-003, $26/$104) is now available. For further information, contact Information Requests at (613) 951-1746, Canadian Centre for Health Information.



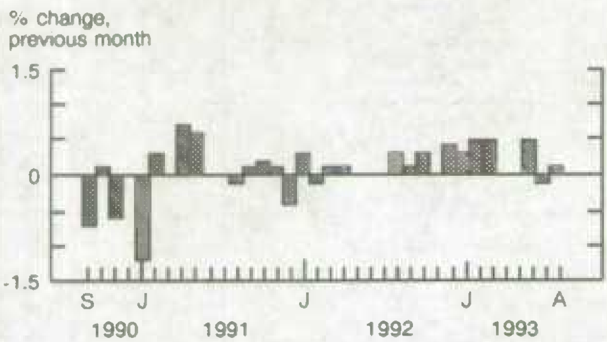
Touriscope: International Travel

The 1992 issue of *Touriscope: International Travel* summarizes annual findings regarding travel to and from Canada in the form of tables, charts, maps and an analytical review. The publication provides a profile of international travellers by province/country of residence, area of destination, mode of transportation, purpose, length of stay, expenditures, age group and sex.

Touriscope: International Travel, Travel between Canada and other countries, 1992 (catalogue number 66-201, $34) is now available. For more information on this release, contact Ruth McMillan at (613) 951-1791, Education, Culture and Tourism Division.

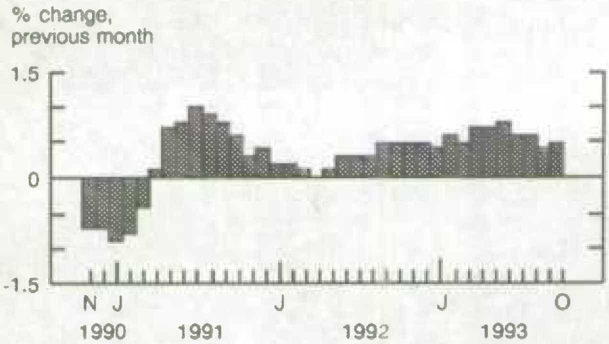
CURRENT TRENDS

Gross Domestic Product



Real gross domestic product at factor cost crept up 0.1% in August after slipping by 0.1% in July.

Composite Index



The growth of the composite index accelerated from 0.4% in September to 0.5% in October.

Consumer Price Index

The year-over-year increase in the all-items CPI was 1.9% in September. The food index rose by 1.2%, a smaller increase than in July (1.6%) and August (1.4%).

Unemployment Rate

The unemployment rate slipped from 11.2% in September to 11.1% in October.

Manufacturing

Canadian manufacturers' shipments increased 3.7% in August to $25.8 billion, while the level of unfilled orders slipped by 0.5% to $24.4 billion.

Merchandise Trade

In August, seasonally adjusted merchandise imports climbed 4.9% to $14.3 billion, while exports edged down 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)	August	517.3	0.1%	2.6%
Composite Leading Indicator (1981=100)	October*	157.2	0.5%	7.1%
Operating Profits of Enterprises ($ billion)	2nd Quarter	14.0	22.8%	35.9%
DOMESTIC DEMAND				
Retail Trade ($ billion)	August	16.3	0.3%	4.7%
New Motor Vehicle Sales ('000 units)	September*	97.0	-1.8%	-6.8%
LABOUR				
Employment (millions)	October*	12.4	-0.2%	1.2%
Unemployment Rate (%)	October*	11.1	-0.1	-0.2
Participation Rate (%)	October*	64.9	-0.2	-0.4
Labour Income ($ billion)	August*	33.2	-0.1%	2.6%
Average Weekly Earnings ($)	August	560.61	-0.1%	1.7%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	August	14.9	-0.3%	10.8%
Merchandise Imports ($ billion)	August	14.3	4.9%	17.0%
Merchandise Trade Balance ($ billion)	August	0.60	-0.72	-0.62
MANUFACTURING				
Shipments ($ billion)	August	25.8	3.7%	7.5%
New Orders ($ billion)	August	25.6	3.7%	6.4%
Unfilled Orders ($ billion)	August	24.4	-0.5%	8.4%
Inventory/ Shipments Ratio	August	1.37	-0.04	-0.06
Capacity Utilization (%)	2nd Quarter	78.3	-0.2	3.3
PRICES				
Consumer Price Index (1986=100)	September	130.7	0.1%	1.9%
Industrial Product Price Index (1986=100)	September	112.9	0.1%	2.7%
Raw Materials Price Index (1986=100)	September	112.0	-1.0%	2.3%
New Housing Price Index (1986=100)	September*	136.6	0.1%	1.6%

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

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A Weekly Review

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