



# IN·F·O·M·A·T

A WEEKLY REVIEW

Friday, February 4, 1994



## OVERVIEW

### ■ Help-wanted Index Remains Near 10-year Low

The Canada Help-wanted Index (1991 = 100) advanced slightly (1%) to 88 in January. The index has registered only slight changes since bottoming 18 months ago.

### ■ Gross Domestic Product Posting Solid Gains

Gross domestic product at factor cost rose 0.3% in November, reflecting a 0.4% increase in services output. For October and November, together, production averaged 0.7% above its third quarter level, accelerating from the 0.5% rate recorded in that quarter.

### ■ Manufacturing Outlook Brightens

Manufacturers responding in January to the Business Conditions Survey were positive concerning employment prospects. The balance of opinion regarding the expected volume of production, the current level of orders received, and the backlog of unfilled orders also improved.

### ■ Average Weekly Earnings Showing Marginal Growth

Average weekly earnings of workers in Canadian industry increased 1.0% between November 1992 and November 1993, continuing to record the lowest year-over-change in 10 years.

### ■ Employment Recovering Slowly

The economy performed better in 1993 than it did in 1992, but only 43% of the employment losses incurred in 1991 and 1992 were recovered. The unemployment rate in 1993 improved marginally from 1992.

## Help-wanted Index Remains Near 10-year Low

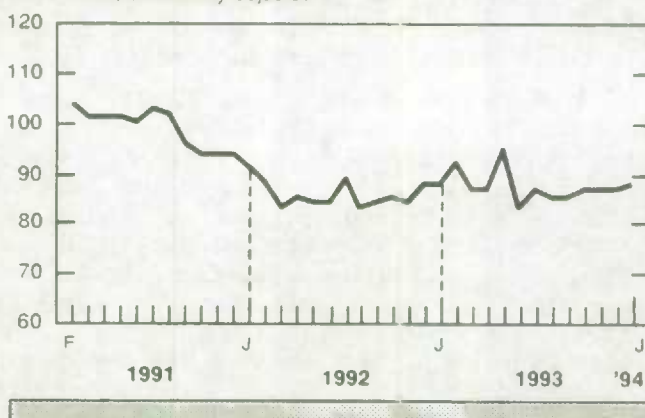
Seasonally adjusted, the Help-wanted Index (1991 = 100) for Canada advanced by a slight 1% to 88 in January. After cresting at 215 in March 1989, the Help-wanted Index declined until June 1992, when it bottomed out at 85. Throughout the rest of 1992, the index changed only slightly, but by early 1993 it reached 89. Following a drop to 85 in September 1993, the index has made modest gains—reaching 88 in January 1994.

In the Atlantic provinces, the Help-wanted Index reached a peak in May 1989 at 183—its highest level since 1981. It then generally declined until May 1992, when it fell to 82. Since then, the Atlantic provinces' index has made modest gains. Between December 1993 and January 1994, it advanced 3% to 89.

(continued on page 2)

### Help-wanted Index, Canada

1991 = 100, seasonally adjusted



Statistics  
Canada

Statistique  
Canada

Canada

### ... Help-wanted Index Remains Near 10-year Low

The Quebec index reached its highest level (212) since 1981 in March 1989. By October 1992 it had fallen to 85. In 1993, the index increased slightly. Between December 1993 and January 1994, it advanced 1% to 94.

In January 1988, Ontario's Help-wanted Index peaked at 279 its highest level since 1981. By September 1993, it had fallen to 83. Since then, the index has made modest gains, advancing 2% to 87 between December 1993 and January 1994.

The index for the Prairie provinces stood at 174 in September 1989 (it was at 224 in June 1981). It had fallen to 80 in July 1992; since then, it recovered to 84 in both December 1993 and January 1994.

The Help-wanted Index for British Columbia reached 169 in November 1989, its highest level since 1981. By October 1993, it had fallen to 82; but in January 1994 it advanced moderately to 84 (+2%).

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

## Gross Domestic Product Posting Solid Gains

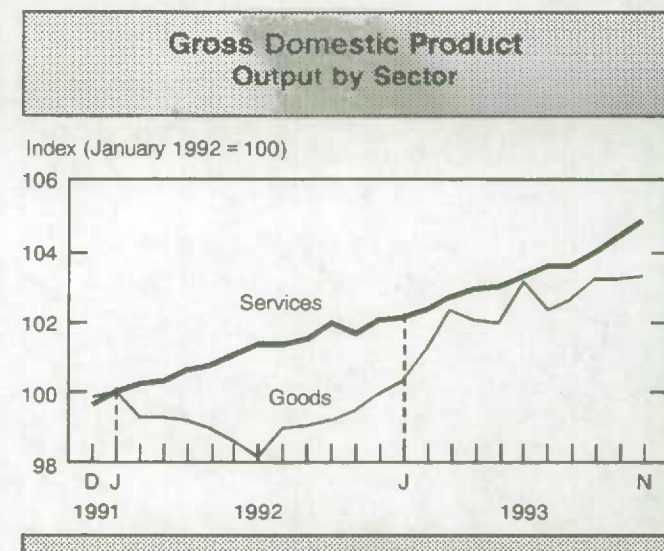
Following increases of 0.5% in September and 0.2% in October, real gross domestic product at factor cost rose 0.3% in November. In October and November, together, output averaged 0.7% above its third-quarter level, accelerating from a 0.5% rate recorded in that quarter. Output of services advanced 0.4% in November following similar increases in the previous two months. Production of goods just inched ahead 0.1% despite a solid gain in manufacturing.

The financial group of industries and wholesale trade contributed most to the overall gain in services. Community, business and personal services, and communications also posted solid gains, while declines in transportation and storage, retail trade, and government services moderated the increase.

Finance, insurance and real estate rose 1.0% after increasing 0.2% in September and 0.9% in October. The gain was mostly due to another strong advance in mutual fund activity. In November, assets of mutual funds were about 60% higher than a year earlier. Real estate activity also improved after falling in the previous four months. Sales rose in most provinces and the number of houses listed for sale increased for the first time since last June.

Wholesalers boosted sales 1.7%, the seventh consecutive substantial gain, with sales of machinery and equipment advancing the most. Community, business and personal services advanced 0.6% following a 0.3% decline in October. Amusement and recreational services accounted for two-thirds of the increase due to gains in lotteries and race-track operations. Communications services advanced 1.3% reflecting widespread gains. Output of telecommunication carriers rose 1.0%, led by a gain in long-distance calls.

Retail sales dropped 0.5% after remaining almost flat the previous three months. Lower sales by department stores, general merchandise stores, as well as liquor stores were responsible for most of



the weakness. Sales by motor vehicle dealers improved slightly.

The advance in goods production was concentrated in manufacturing. Construction activity also increased following several declines, but mining output fell sharply for a second consecutive month, offsetting most of these gains.

Manufacturers boosted production 0.6% in November, the fourth consecutive monthly gain. Production in October and November averaged 1.6% above its third-quarter level, while employment rose 1.6% in the fourth quarter as a whole. Increases in the production of electrical and electronic products as well as chemicals and metal fabricated products contributed most to the overall gain in November, while manufacturers of primary metal products recorded the largest decline. Twelve of 21 major groups recorded higher output.

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 6.)



## Manufacturing Outlook Brightens

Manufacturers' balance of opinion concerning employment prospects increased substantially to a positive level between the October 1993 and January 1994 business conditions surveys. The balance of opinion concerning the expected volume of production, the current level of orders received, and the backlog of unfilled orders also improved.

In January 1994, the balance of opinion concerning employment prospects in the coming three months increased by nine points to +1. The balance had not been positive since April 1989, when it stood at +4. This is a major improvement from the balance of -13 recorded in the April and July 1993 surveys and from the lows posted in 1991 in January (-24) and April (-26).

The balance of +1 in January is calculated by subtracting the pessimistic 18% who expected a decrease in employment in the next three months from the optimistic 19% who anticipated an increase in employment. The remaining 63% expected little change in employment levels.

The balance of opinion for current orders received increased by seven points to +13 between the October 1993 and January 1994 surveys. The largest contributors to this increase were the primary metal and machinery industries.

In January 1994, 30% of manufacturers expected their volume of production for the coming three months would be higher. This was offset by 30% of manufacturers who expected their production to decrease, leaving the balance of opinion at zero. This is a four-point improvement over the balance of -4 posted in the October 1993 survey.

The balance of opinion concerning the backlog of unfilled orders increased slightly, from -4 in October 1993 to -3 in January 1994. Although still negative, this is a significant advance from the -15 to -21 posted in the January, April and July 1993 surveys.

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

## Average Weekly Earnings Showing Marginal Growth

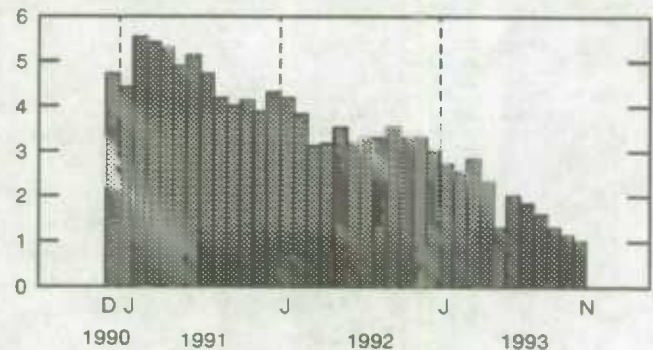
Average weekly earnings stood at \$560.27 in November, up 1.0% from November 1992. The year-over-year growth of 1.0% was the same as in October and continued the deceleration in growth observed since August 1990. Lower wage settlements, payroll cuts and a shift in employment toward lower-paying industries contributed to the low growth in average weekly earnings. Year-to-date, growth in earnings for 1993 was 1.8% compared with 3.4% in 1992.

Those industries that recorded earnings growth of 1% or less in November accounted for 55% of all employees. Average weekly earnings were actually lower than in the previous year in accommodation, food and beverage services (-1.1%) and logging and forestry (-0.4%). Average weekly earnings in accommodation, food and beverage services declined on a year-over-year basis for the second consecutive month, led by lower earnings in food and beverage industries. Food and beverage industries, which accounted for 543,700 employees in November, reported an average weekly earnings decrease of 2.0%.

In contrast, finance, insurance and real estate continued to record substantial average weekly earnings growth. This was the result of strong earnings growth in finance and insurance (+6.5%), which was partly offset by a decline in real estate (-1.8%).

### Average Weekly Earnings

% change, previous year



Finance and insurance industries have recorded substantial earnings growth throughout 1993. Higher commissions, due in part to increased activity in securities markets, contributed to the strong year-to-date growth in average weekly earnings in finance and insurance (+6.7%).

All provinces and territories except for Newfoundland, Nova Scotia, Ontario and British Columbia recorded year-over-year changes in earnings of 1% or less.

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



## Employment Recovering Slowly

The economy performed better in 1993 than it did in 1992, but only 43% of the employment losses incurred in 1991 and 1992 were recovered. The unemployment rate in 1993 improved marginally from 1992.

Employment rose in most provinces in 1993, with the largest increase in British Columbia (+2.9%). Newfoundland and Nova Scotia were the only two provinces that experienced employment declines, while employment in Saskatchewan remained at the same level.

After three consecutive years of substantial declines, employment losses in the goods-producing industries slowed in 1993.

The services-producing industries experienced much higher employment growth (+148,000) in 1993 than in 1992, most of it in the community, business and personal services industry.

Not only did youths (15 to 24 year-olds) suffer the most in the recent recession, but in 1993 their

employment level dropped a further 47,000. By contrast, the employment level for adults (aged 25 and over) in 1993 surpassed the 1990 peak for this group by about 123,000.

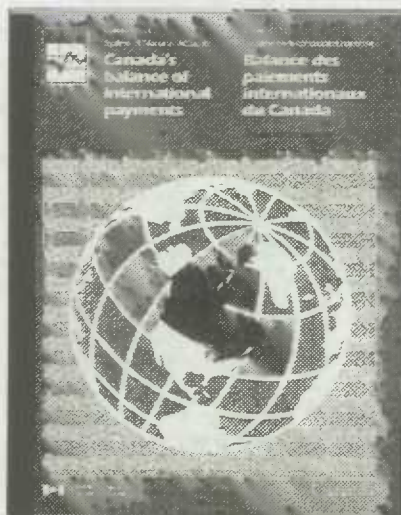
Nearly 60% of the total growth in employment in 1993 was accounted for by part-time workers; almost three-quarters of these 85,000 additional part-time workers were adults.

Despite some growth in employment, the number of unemployed remained high in 1993 (1.6 million). Neither youths nor adults saw their unemployment rate change significantly: it stalled at 17.7% for youths, edged down to 10.1% for adult men, and rose marginally to 9.6% for adult women.

For more information on "The Labour Market: Year-end Review," contact Cécile Dumas at (613) 951-6894, Labour and Household Surveys Analysis Division.

To order via fax service (\$15), contact Suzanne David at (613) 951-4628, Household Surveys Analysis Division.

## NEW FROM STATISTICS CANADA



### Current Account Reconciliation with United States

(Article in Canada's Balance of International Payments, Third Quarter 1993, Publication)

The annual Canada-United States reconciliation of the current account statistics has now been carried out for 1991 and 1992. The reconciliation process restates both the Canadian and the United States current accounts into a common format using the same principles and concepts. This permits a focus on other differences between the two countries' systems that are statistical in nature, and leads to improvements in official estimates. Currently, over 80% of the data used to estimate bilateral current account transactions are obtained through the exchange of data by the two countries.

Analytical text is accompanied by 15 tables which present summary and supporting details for major accounts – merchandise trade, services, investment income and transfers, with particular emphasis on services and investment income.

The reconciliation article is available in the third quarter issue of *Canada's Balance of International Payments* (67-001, \$27.50/\$110) that was released on January 28. For more information, contact Hugh Henderson at (613) 951-9049, Balance of Payments Division.

# PUBLICATIONS RELEASED FROM JANUARY 28 TO FEBRUARY 3

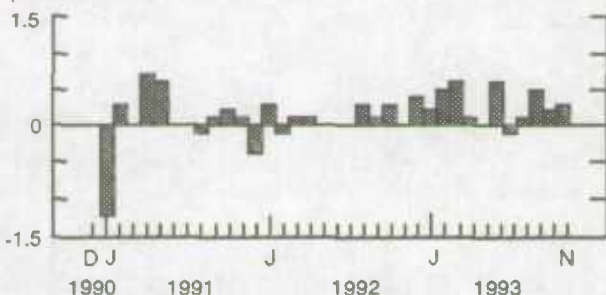
Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
<b>AGRICULTURE</b>					
Cereals and Oilseeds Review	November 1993	22-007	13.80/138	16.60/166	19.30/193
Field Crop Reporting Series: No. 1 – Stocks of Grain	December 31, 1993	22-002	12/80	14/96	16/112
The Dairy Review	November 1993	23-001	12.20/122	14.60/146	17.10/171
<b>BALANCE OF PAYMENTS</b>					
Canada's Balance of International Payments	Third Quarter 1993	67-001	27.50/110	33/132	38.50/154
<b>INDUSTRY</b>					
Asphalt Roofing	December 1993	45-001	5/50	6/60	7/70
Coal and Coke Statistics	November 1993	45-002	10/100	12/120	14/140
Construction Type Plywood	November 1993	35-001	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	October 1993	26-006	10/100	12/120	14/140
Electric Power Statistics	November 1993	57-001	10/100	12/120	14/140
Gypsum Products	December 1993	44-003	5/50	6/60	7/70
Production, Shipments and Stocks on Hand of Sawmills East of the Rockies (Excluding Newfoundland and Prince Edward Island)	November 1993	35-002	10/100	12/120	14/140
Production, Shipments and Stocks on Hand of Sawmills in British Columbia	November 1993	35-003	7.10/71	8.50/85	9.90/99
Rigid Insulating Board	December 1993	36-002	5/50	6/60	7/70
The Sugar Situation	December 1993	32-013	5/50	6/60	7/70
Vending Machine Operators	Fiscal Year Ended March 31, 1993 (1992)	63-213	22	26	31
Wholesale Trade	November 1993	63-008	14.40/144	17.30/173	20.20/202
<b>INTERNATIONAL TRADE</b>					
Summary of Canadian International Trade	November 1993	65-001	18.20/182	21.80/218	25.50/255
<b>LABOUR</b>					
Pension Plans in Canada	January 1, 1992	74-401	39	47	55
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Telephone Statistics	November 1993	56-002	8.30/83	10/100	11.60/116



## CURRENT TRENDS

### Gross Domestic Product

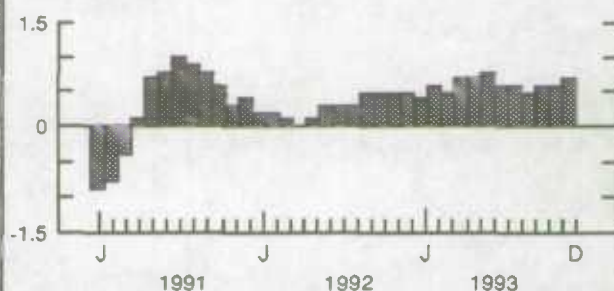
% change,  
previous month



Economic growth continued in November: real gross domestic product at factor cost rose 0.3% after gains of 0.5% in September and 0.2% in October.

### Composite Index

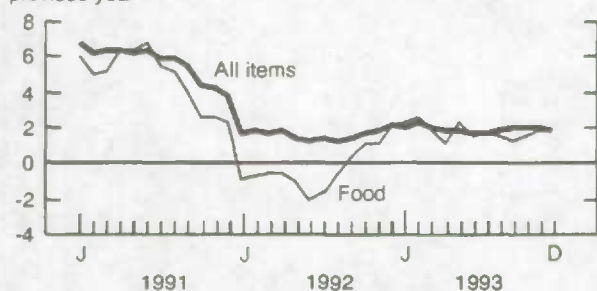
% change,  
previous month



The composite index continued to strengthen in December, rising by 0.7% from November.

### Consumer Price Index

% change,  
previous year



In December, the year-over-year increase in the all-items CPI was 1.7%. The food index also rose by 1.7%, unchanged from November.

### Unemployment Rate

%



After four months of declines, the unemployment rate advanced 0.2 points in December to 11.2%, returning to the same level as in September.

### Manufacturing

Billions  
of dollars



Canadian manufacturers' shipments rose 0.5% in November to \$26.5 billion. The level of unfilled orders fell 0.7% to \$23.6 billion, the fifth straight monthly decline.

### Merchandise Trade

Billions  
of dollars



In November, the value of merchandise exports fell 2.8% to \$15.8 billion, while imports climbed 3.0% to a record \$15.0 billion.

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

## LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
<b>GENERAL</b>				
Gross Domestic Product (\$ billion, 1986)	November*	523.4	0.3%	3.4%
Composite Leading Indicator (1981 = 100)	December	159.6	0.7%	7.7%
Operating Profits of Enterprises (\$ billion)	3rd Quarter	13.0	-6.9%	23.8%
<b>DOMESTIC DEMAND</b>				
Retail Trade (\$ billion)	November	16.3	-0.2%	3.8%
New Motor Vehicle Sales ('000 units)	November	103.0	0.5%	0.2%
<b>LABOUR</b>				
Employment (millions)	December	12.5	0.1%	1.2%
Unemployment Rate (%)	December	11.2	0.2	-0.3
Participation Rate (%)	December	65.1	0.1	-0.4
Labour Income (\$ billion)	October	33.3	-0.2%	2.1%
Average Weekly Earnings (\$)	November*	560.27	-0.3%	1.0%
<b>INTERNATIONAL TRADE</b>				
Merchandise Exports (\$ billion)	November	15.8	-2.8%	12.7%
Merchandise Imports (\$ billion)	November	15.0	3.0%	16.7%
Merchandise Trade Balance (\$ billion)	November	0.74	-0.89	-0.37
<b>MANUFACTURING</b>				
Shipments (\$ billion)	November	26.5	0.5%	8.8%
New Orders (\$ billion)	November	26.4	1.0%	8.0%
Unfilled Orders (\$ billion)	November	23.6	-0.7%	6.9%
Inventory/ Shipments Ratio	November	1.33	0.00	-0.09
Capacity Utilization (%)	3rd Quarter	78.6	0.2	3.1
<b>PRICES</b>				
Consumer Price Index (1986 = 100)	December	131.3	-0.2%	1.7%
Industrial Product Price Index (1986 = 100)	December	114.5	0.5%	3.2%
Raw Materials Price Index (1986 = 100)	December	107.6	-2.2%	-1.3%
New Housing Price Index (1986 = 100)	November	136.3	-0.1%	1.1%

*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

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