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I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, March 11, 1994

OVERVIEW

- **Sales of New Motor Vehicles Remain Stronger than a Year Ago**
  The trend in new motor vehicle sales has been rising since June 1993. In January 1994, seasonally adjusted sales stood nearly 10% above their year-earlier level.

- **Help-wanted Index Inching Ahead**
  The Canada Help-wanted Index (1991 = 100) advanced 2% to 90 in February. The index has registered only slight changes since bottoming 18 months ago.

- **Aggregate Wages and Salaries: Modest 2.5% Gain in 1993**
  The amount paid in wages and salaries rose 2.5% in 1993 to $351.5 billion. Even though the growth rate was higher than rates posted in 1991 and 1992, they still remain the lowest in 30 years.

- **Trusteed Pension Funds Report Stronger Asset Gains**
  The value of assets held in trusteed pension funds reached almost $254 billion at the end of the third quarter of 1993. Half of the new investments were in short-term securities.

- **Increased RRSP Withdrawals Reflect Hard Economic Times**
  Analysis of tax returns shows that $3.2 billion was pulled out from RRSP savings in 1991 – 42% of that by people under 45.

- **High-cost Health Care System not Necessarily Better**
  Compared with Canada, many European countries spent a lower percentage of gross domestic product on health care in 1991, but they still ranked equal or higher on a number of health indicators.

Sales of New Motor Vehicles Remain Stronger than a Year Ago

Seasonally adjusted sales of new motor vehicles totalled 106,000 units in January, up 9.7% from their year-earlier level of 96,000 units. On a monthly basis, however, sales fell 1.0% after three straight months of increases totalling 8.3%.

Sales of North American built cars amounted to 47,000 units in January, up 14.2% from a year earlier. Sales of imported passenger cars totalled 17,000 units in January, 17.7% below last year's level. Sales of commercial vehicles grew by 21.4% from January 1993, to 41,000 units.

The trend in new motor vehicle sales has been rising since June 1993. Sales of North American built cars and trucks, vans and buses (including light trucks, mini-vans and sport utility vehicles)

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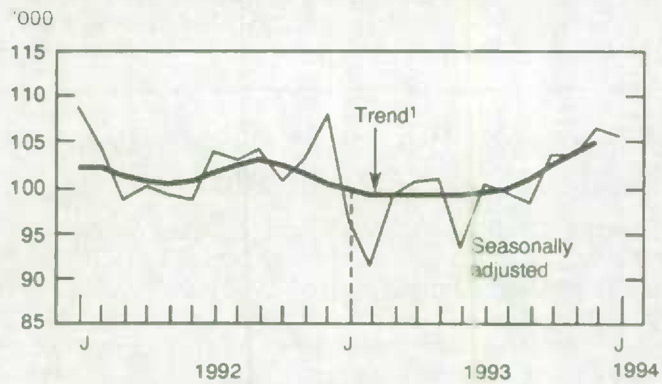
Sales of New Motor Vehicles, in Units, Canada



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

... Sales of New Motor Vehicles Remain Stronger than a Year Ago

continued to show an upward trend. In contrast, the trend for imported passenger car sales has been generally declining since February 1992.

In January, 77.0% of passenger cars sold in Canada were North American manufactured vehicles (up from 69.6% a year earlier), the highest share of sales achieved since April 1985. The share of Japanese manufactured passenger cars fell to 18.2% from 23.0% for the same period.

For further information, order New Motor Vehicle Sales (catalogue number 63-007) or contact Industry Division at (613) 951-3552.

Help-wanted Index Inching Ahead

Seasonally adjusted, the Help-wanted Index (1991=100) for Canada advanced 2% to 90 in February. 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 90 in February 1994.

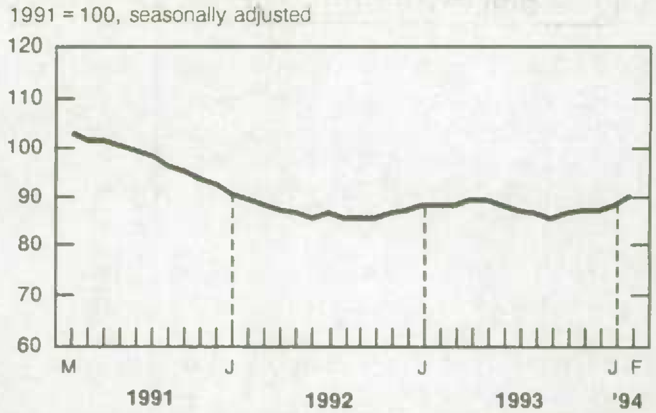
In January 1988, Ontario's Help-wanted Index peaked at 279, its highest level since 1981. By September 1993, it had fallen to 83. Since then, the index has made modest gains, advancing 2% between January and February 1994 to 89.

The Quebec index reached in March 1989 its highest level (212) since 1981. By October 1992 it had fallen to 85. In 1993, the index increased slightly. In February 1994, it advanced 2% to 96.

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 and edged up to 85 in February.

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. Then it advanced to 84 in January 1994 and crawled up to 85 in February.

Help-wanted Index, Canada



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 had made modest gains but in February 1994 it fell again, by 2% to 87.

For further information, contact Labour Division at (613) 951-4039.

Aggregate Wages and Salaries: Modest 2.5% Gain in 1993

Seasonally adjusted wages and salaries increased marginally in December to $29.5 billion. During 1993, monthly changes ranged from a 0.7% decrease to a 1.0% rise. This brought the amount paid in wages and salaries for 1993 to $351.5 billion, up 2.5% from 1992. Though the rate of growth accelerated from 1.5% in 1991 to 2.1% in 1992 and to 2.5% in 1993, these rates still remain the lowest in 30 years.

In 1993, strong growth was recorded in forestry. Wages and salaries grew 7.5% compared with a marginal increase of 0.3% in 1992. In commercial and personal services, wages and salaries were up by 4.9% following a rise of 2.4% in 1992. Wages and salaries advanced 4.5% in finance, insurance and real estate, up from 3.2% growth in 1992. Wages and salaries in manufacturing posted a solid 2.9% increase in 1993, up substantially from zero change in 1992.

(continued on page 3)

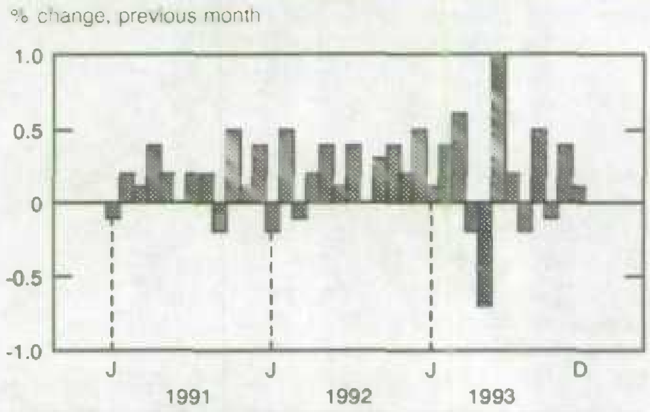
... Aggregate Wages and Salaries: Largest Gain in Three Years

Wages and salaries continued to increase in education and related services (2.6%), health and welfare services (3.3%), federal administration (0.4%) and local administration (2.8%). However, these growth rates were less than those that occurred in 1992. Provincial administration showed a 0.1% decline in wages and salaries compared to 3.2% growth in 1992. Provincial administration was affected by unpaid leave in several provinces.

Wages and Salaries, December 1993
Seasonally Adjusted

Province	Wages and Salaries (millions of $)	% change, previous month	% change, previous year
Canada	**29,535**	**0.1**	**1.7**
Newfoundland	395	0.8	1.4
Prince Edward Island	97	2.0	0.9
Nova Scotia	727	-0.3	1.6
New Brunswick	589	0.8	0.8
Québec	6,626	0.0	0.8
Ontario	12,432	-0.1	1.5
Manitoba	956	-0.4	-0.5
Saskatchewan	758	0.8	1.4
Alberta	2,879	0.1	0.4
British Columbia	3,923	1.8	7.3
Yukon and Northwest Territories	169	-1.9	1.0

Wages and Salaries



British Columbia had the strongest growth (6.2%) in wages and salaries in 1993. New Brunswick (2.5%), Prince Edward Island (2.4%) and Ontario (2.3%) showed increases close to the national rate. The remaining provinces and territories had increases of 2.0% or less, with the lowest growth occurring in Saskatchewan (0.8%).

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

Trusteed Pension Funds Report Stronger Asset Gains

The value of assets held in trusteed pension funds reached almost $254 billion at the end of the third quarter of 1993, up 2.6% from the second quarter. This marked their largest quarterly increase in six quarters. On a year-over-year basis, assets were up 9.0%, an annual rate higher than in the previous three quarters.

These assets represent one of the largest pools of capital in Canada, second only to the financial assets of chartered banks. Data are based on a survey of 177 funds that hold 86% of total assets.

Because of continuing low interest rates and a hesitant stock market, half of the new investments made during the third quarter of 1993 were in short-term securities. This brought their proportion of total assets to 8.7%, the highest level in over two years. Just 25% of the new money went into stocks, compared with an average of 60% during the previous three years.

Investment outside Canada reached almost $27 billion, up 3.2% from the second quarter. The foreign content remained at about 11%. Although this proportion has been rising since legislative changes to increase the limit took effect in 1991, it was still well below the 18% permitted.

Third quarter net income of trusteed pension funds soared 31% from 1992 to $5.8 billion, the third largest annual growth rate since 1980. Investment income, still the single largest component of fund revenue (39%), decreased 4% following two years of almost no growth. From 1988 to 1991, when interest rates were higher, investment income represented from 50% to 60% of total income. Employer contributions, representing 21% of total income, rose by a significant 24% from the second quarter.

For further information, order Quarterly Estimates of Trusteed Pension Funds (catalogue number 74-001) or contact Labour Division at (613) 951-4034.

Increased RRSP Withdrawals Reflect Hard Economic Times

A feature article entitled "*RRSP Withdrawals*" is presented in the Spring issue of *Perspectives on Labour and Income*. It examines the demographic profile of taxfilers making withdrawals from their RRSP savings.

More and more Canadians with RRSP savings are dipping into their funds before retirement age. In 1991, the number of persons under 65 who cashed in RRSPs increased 22% from 1990 to 604,000 and the amount withdrawn grew 27% to $3.2 billion. Only one-quarter were between 55 and 64 when they drew on their RRSP savings. A striking 55% were under the age of 45, not the age for early retirement, and they withdrew 42% of the total.

The average amount withdrawn was $5,270: $5,700 for men and just over $4,700 for women. Women accounted for 44% of those making early withdrawals while men accounted for 56%. The study also showed that nearly 20% of those under 65 making withdrawals – 16% of men and 24% of women – had reported no income from employment or unemployment insurance that year.

Ontario, which experienced extensive job losses in 1991, had not only the largest rate of increase in the number of persons making withdrawals (29%) but also the highest average withdrawal ($5,640). Quebec residents withdrew an average $5,340, the second highest amount.

RRSP withdrawals in 1991 by persons under 65

	Number of persons	Average amount withdrawn
	'000	$
Canada	**604**	**5,270**
Newfoundland	8	4,440
Prince Edward Island	2	4,550
Nova Scotia	17	4,610
New Brunswick	13	4,670
Québec	117	5,340
Ontario	249	5,640
Manitoba	23	4,620
Saskatchewan	21	4,680
Alberta	64	4,750
British Columbia	89	5,150
Yukon/Northwest Territories	1	4,710

For further information, order Perspectives on Labour and Income (catalogue number 75-001E) or contact Labour and Household Surveys Analysis Division at (613) 951-7569.

High-cost Health Care System not Necessarily Better

An article published in the third quarter 1993 issue of *Health Reports* presents an overview of health care systems in Canada and selected OECD countries (Australia, France, Finland, Germany, Sweden, the United States and the United Kingdom). It covers the organization of health care systems, health care expenditure, the availability and utilization of health services, and the health status of the population.

Data show that compared with Canada, many European countries spent a lower percentage of gross domestic product (GDP) on health care, but they still ranked equal or higher on a number of health indicators.

Canada allocated 10% of its GDP to health care in 1991, second only to the United States, at 13.4%. Nevertheless, Sweden and Finland, which spent less than 9% of GDP on health care, had better infant mortality rates than Canada and their percentages of low birth-weight babies were among the lowest.

By contrast, the United States, which had the highest health-care spending as a percentage of GDP, also had the highest infant mortality rate (9.1 deaths per 1,000 live births in 1989) and the highest percentage of low birth-weight babies (7.1% in 1990) among the eight countries studied.

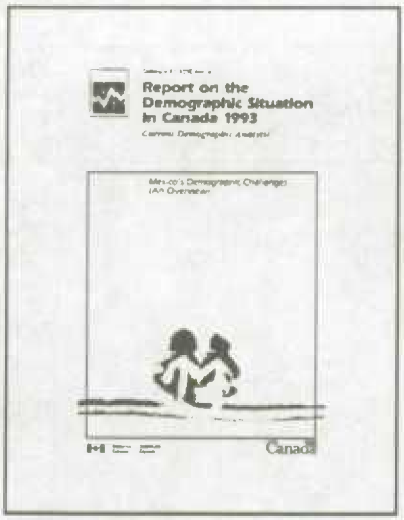
Clearly, health care expenditure is only one of many factors upon which a country's health status depends.

For further information, order Health Reports (catalogue number 82-003) or contact Canadian Centre for Health Information at (613) 951-1746.

PUBLICATIONS RELEASED FROM MARCH 4 TO 10, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada (Cdn.$)	United States US$	Other Countries US$
AGRICULTURE					
Cereals and Oilseeds Review	December 1993	22-007	13.80/138	16.60/166	19.30/193
The Dairy Review	December 1993	23-001	12.20/122	14.60/146	17.10/171
CANADIAN CENTRE FOR HEALTH INFORMATION					
Deaths	1991	84-211	20	24	28
CENSUS					
Fertility	1991 Census	92-327E	20	24	28
DEMOGRAPHY					
Report on the Demographic Situation in Canada	1993	91-209E	26	31	36
INDUSTRY					
Asphalt Roofing	January 1994	45-001	5/50	6/60	7/70
Cement	January 1994	44-001	5/50	6/60	7/70
Crude Petroleum and Natural Gas Production	November 1993	26-006	10/100	12/120	14/140
Department Store Sales and Stocks	November 1993	63-002	14.40/144	17.30/173	20.20/202
Electric Power Statistics	December 1993	57-001	10/100	12/120	14/140
Gypsum Products	January 1994	44-003	5/50	6/60	7/70
Industrial Chemicals and Synthetic Resins	January 1994	46-002	5.60/56	6.70/67	7.80/78
New Motor Vehicle Sales	November 1993	63-007	14.40/144	17.30/173	20.20/202
Pack of Processed Carrots	1993	32-239	13	16	18
Primary Iron and Steel	December 1993	41-001	5/50	6/60	7/70
Production and Inventories of Process Cheese and Instant Skim Milk Powder	January 1994	32-024	5/50	6/60	7/70
Production and Shipments of Blow-moulded Plastic Bottles	Quarter Ended December 31, 1993	47-006	6.75/27	8/32	9.50/38
Quarterly Shipments of Office Furniture Products	Quarter Ended December 31, 1993	35-006	6.75/27	8/32	9.50/38
Rigid Insulating Board (Wood Fibre Products)	January 1994	36-002	5/50	6/60	7/70
Specified Domestic Electrical Appliances	January 1994	43-003	5/50	6/60	7/70
The Sugar Situation	January 1994	32-013	5/50	6/60	7/70
Wholesale Trade	December 1993	63-008	14.40/144	17.30/173	20.20/202
INTERNATIONAL TRADE					
Summary of Canadian International Trade	December 1993	65-001	18.20/182	21.80/218	25.50/255
LABOUR					
Trusteed Pension Funds	Financial Statistics 1992	74-201	39	47	55
Unemployment Insurance Statistics	December 1993	73-001	14.70/147	17.60/176	20.60/206
NATIONAL ACCOUNTS AND ENVIRONMENT					
Provincial Economic Accounts	Annual Estimates 1988-1992	13-213	40	48	56
SERVICES, SCIENCE AND TECHNOLOGY					
Science Statistics Service Bulletin: Research and Development Personnel in Canada	1981-1991 Vol. 18, No. 1	88-001	7.10/71	8.50/85	9.90/99
Telephone Statistics	December 1993	56-002	8.30/83	10/100	11.60/116

NEW FROM STATISTICS CANADA



Current Demographic Situation in Canada –1993

Statistics Canada's latest report on the demographic trends of the nation has been released.

Examining the standard demographic indicators, the publication places Canada in an international context. It features the most recent marriage data and an analysis of unemployment and female labour force participation.

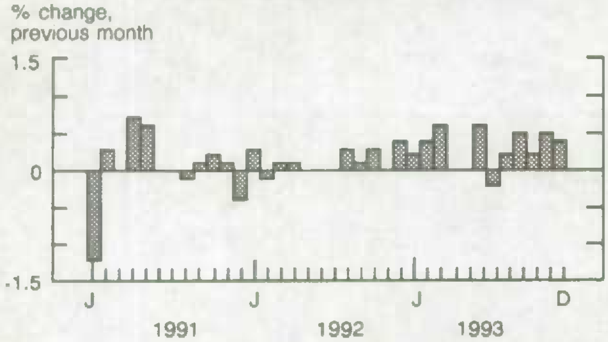
This edition also presents a review of the demography of Mexico, focussing on emergent trends in the population and in the workforce.

Report on the Demographic Situation in Canada, 1993 (catalogue number 91-209E, $26) is now available.

For further information, contact Jean Dumas at (613) 951-2327 or 951-2326, Research and Analysis Section, Demography Division.

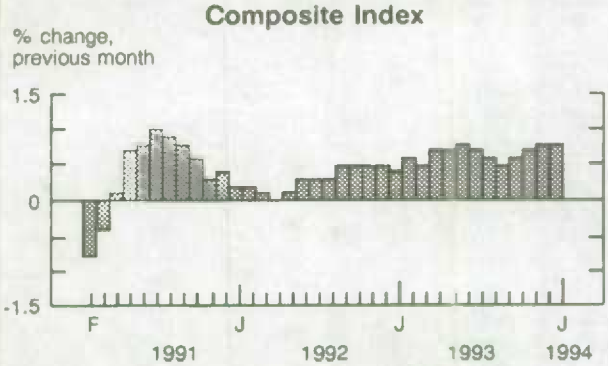
CURRENT TRENDS

Gross Domestic Product



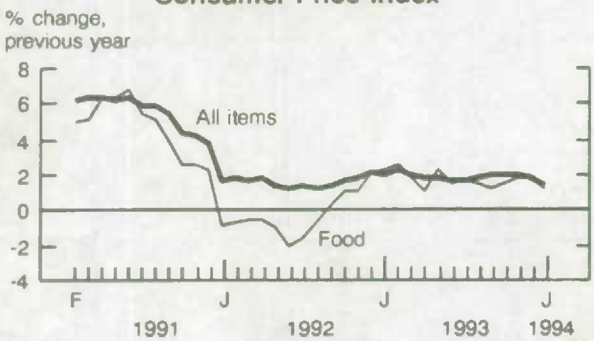
Real gross domestic product at factor cost grew by a sound 0.4% in December following increases of 0.2% in October and 0.5% in November.

Composite Index



The growth of the leading indicator continued in January, increasing by 0.8% for the second consecutive month.

Consumer Price Index



In January, the year-over-year increase in the all-items CPI was 1.3%. The food index rose by 1.2%.

Unemployment Rate

The unemployment rate advanced 0.2 points in January to 11.4%.

Manufacturing

Canadian manufacturers' shipments fell 0.1% in December to $26.4 billion. The level of unfilled orders rose 6.4% to $25.2 billion, the highest level since April 1991.

Merchandise Trade

In December, the value of merchandise exports grew by 0.9% to $15.9 billion, while imports continued to set records, climbing by 2.2% to $15.3 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)	December	526.7	0.4%	3.7%
Composite Leading Indicator (1981=100)	January	161.0	0.8%	8.2%
Operating Profits of Enterprises ($ billion)	4th Quarter	14.0	11.4%	86.6%
DOMESTIC DEMAND				
Retail Trade ($ billion)	December	16.4	0.9%	4.5%
New Motor Vehicle Sales ('000 units)	January*	106.0	-1.0%	9.7%
LABOUR				
Employment (millions)	January	12.4	-0.3%	0.9%
Unemployment Rate (%)	January	11.4	0.2	0.3
Participation Rate (%)	January	65.0	-0.1	-0.2
Labour Income ($ billion)	December*	33.5	0.1%	1.9%
Average Weekly Earnings ($)	December	562.04	0.0%	0.9%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	December	15.9	0.9%	11.7%
Merchandise Imports ($ billion)	December	15.3	2.2%	15.8%
Merchandise Trade Balance ($ billion)	December	0.52	-0.18	-0.44
MANUFACTURING				
Shipments ($ billion)	December	26.4	-0.1%	7.0%
New Orders ($ billion)	December	27.9	6.2%	12.1%
Unfilled Orders ($ billion)	December	25.2	6.4%	13.1%
Inventory/ Shipments Ratio	December	1.33	-0.01	-0.07
Capacity Utilization (%)	4th Quarter	80.1	1.6	3.3
PRICES				
Consumer Price Index (1986=100)	January	131.3	0.0%	1.3%
Industrial Product Price Index (1986=100)	January	114.5	0.0%	2.3%
Raw Materials Price Index (1986=100)	January	110.2	2.3%	1.8%
New Housing Price Index (1986=100)	December	136.2	-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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