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I·N·F·O·M·A·T

A WEEKLY REVIEW

Friday, May 6, 1994

OVERVIEW

- **Help-wanted Index Advancing Slowly**
  Since bottoming out at 85 in September 1993, the Canada Help-wanted Index (1991 = 100) has made modest gains – it increased every month in 1994, reaching 94 in April.

- **Little Change in Planned Construction Activity**
  The value of building permits issued in March totalled $2,200 million. The poor performance in non-residential construction almost entirely offset a 4.6% increase in the residential sector.

- **Economy Moves Ahead Slowly**
  Real gross domestic product at factor cost crept up 0.1% in February, the same rate of increase reported in January.

- **Economic Growth Picks Up in 1993**
  Preliminary estimates indicate that all provinces and territories, except for Nova Scotia, Manitoba and the Yukon, experienced stronger economic growth in 1993 than in 1992.

- **Average Weekly Earnings Showing Marginal Growth**
  In February, average weekly earnings of workers stood at $565.33. The year-over-year increase was 1.5%, up from 1.3% in January and 0.8% in December 1993.

- **Improvement in Business Conditions Outlook**
  Manufacturers expressed more optimistic views for the second quarter of 1994. With the exception of employment prospects, the balance of opinion has greatly improved from what was recorded in January.

Help-wanted Index Advancing Slowly

Seasonally adjusted, the Help-wanted Index (1991 = 100) for Canada increased for the fourth straight month, by 2% in April. Following a drop to 85 in September 1993, the index has made modest gains – reaching 94 in April.

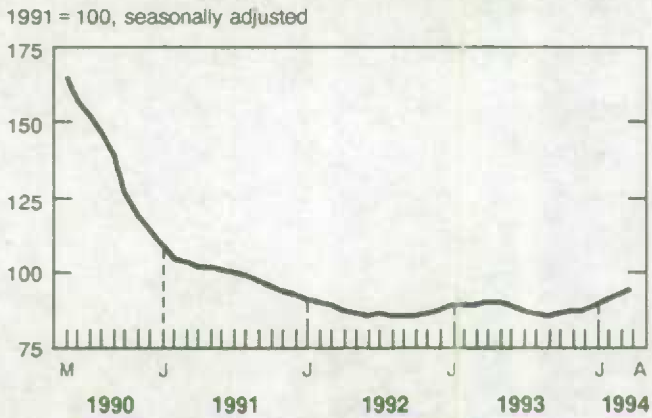
Increases were recorded in all five regional Help-wanted indexes in April:

- Québec: rose by 2% to 101;
- Ontario: rose by 2% to 94;
- Prairie region: rose by 2% to 89;
- British Columbia: rose by 2% to 89;
- Atlantic region: rose by 1% to 90.

Compared to April 1993, more help-wanted ads appeared in Québec, Ontario, British Columbia and the Prairie region when the indexes were at 91, 89, 86 and 83, respectively. But the current index for the Atlantic region ran below last year's level (93).

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

Help-wanted Index



Little Change in Planned Construction Activity

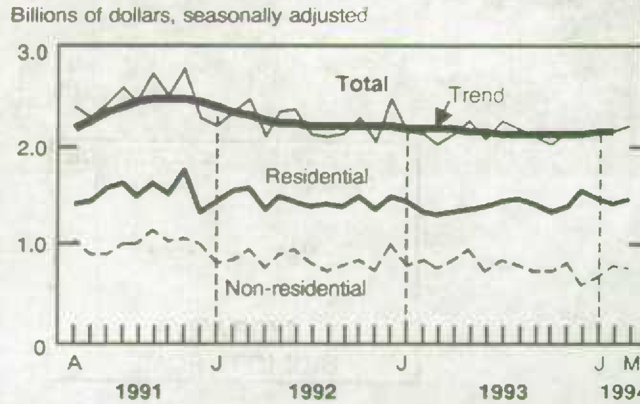
The seasonally adjusted value of building permits issued in March rose 1.8% to $2,200 million. Although this was the third consecutive monthly increase, the trend remained flat.

After two straight months of decline, the value of residential building permits rebounded in March, rising by 4.6% to $1,451 million. The single-family dwelling component spurred this rise, increasing by 11.7% to $1,049 million. The trend in residential building permits has been increasing slowly since early 1993.

The value of non-residential building permits fell 3.2% to $749 million in March, down from February's level of $773 million. The decline followed two straight months of increases. Since early 1993, the trend in non-residential permits has been sloping gradually at a decreasing rate. It has tended to offset marginal increases in residential construction.

All regions except Ontario (+22.9%) reported declines in the non-residential sector. Ontario reported its third straight monthly increase, to $294 million, following the low of $181 million reported in December 1993.

Building Permits



Québec (+22.9%) and Ontario (+15.9%) showed the most significant gains in the residential sector, reflecting higher intentions in all of the sector's components. British Columbia recorded the only drop in residential intentions (-23.3%) due to both the single- and multi-family dwelling components.

For further information, order Building permits (catalogue number 64-001) or contact Investment and Capital Stock Division at (613) 951-2025.

PROVINCIAL PERSPECTIVES: BUILDING PERMITS

Building Permits, March 1994
Unadjusted Data (Adjusted Data Not Available by Province)

Province/Territory	Total		Residential		Non-residential	
	($ millions)	% change, previous year	($ millions)	% change, previous year	($ millions)	% change, previous year
Canada	**2,312.1**	**8.2**	**1,629.9**	**10.6**	**682.1**	**2.7**
Newfoundland	10.4	71.1	5.1	12.3	5.3	243.9
Prince Edward Island	12.9	-28.9	4.7	180.8	8.1	-50.5
Nova Scotia	40.2	-6.3	25.6	46.0	14.6	-42.5
New Brunswick	19.4	3.9	12.0	32.6	7.4	-23.1
Québec	576.9	19.6	432.5	18.1	144.4	24.0
Ontario	785.1	14.1	524.3	18.1	260.9	6.9
Manitoba	44.5	-24.1	32.7	13.0	11.8	-60.3
Saskatchewan	24.3	35.8	11.8	4.4	12.4	90.1
Alberta	253.5	9.6	183.5	6.2	70.0	19.4
British Columbia	541.1	-4.7	395.5	-4.8	145.6	-4.4
Yukon	2.2	84.3	0.9	-24.0	1.3	5052.0
Northwest Territories	1.6	-61.3	1.2	116.2	0.4	-89.6

Economy Moves Ahead Slowly

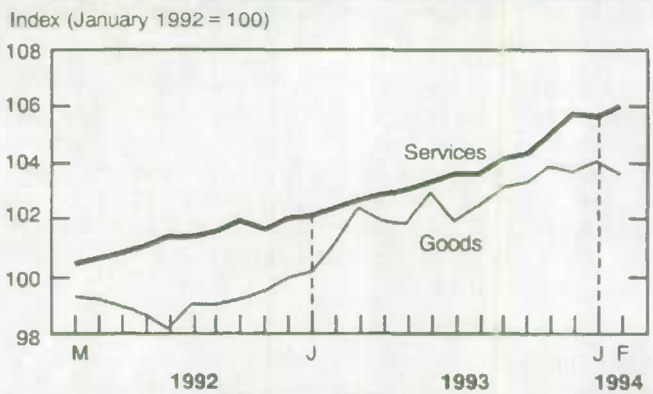
Real gross domestic product at factor cost crept up 0.1% in February, the same rate of increase reported in January. A rebound in community, business and personal services accounted for about half the 0.4% advance in services output. Goods production fell 0.4% after a similar rise in January, when cold weather spurred a number of energy-related industries.

Community, business and personal services rose 1.1%, the third gain in four months and the largest increase since September 1989. Higher output by hotels and restaurants and by business professionals sparked the advance. Amusement services also contributed, rising by 3.0%. Retailers enjoyed a 1.0% gain in sales following increases of 0.9% in December and 1.1% in January. Sales by supermarkets and department stores rose the most in February.

Growth in finance, insurance and real estate services slowed to an advance of 0.4% after increasing by 1.8% in December and 0.7% in January. Another strong advance in mutual fund activity was partly offset by lower activity by securities brokers and real estate agents. As mining activity subsided, lower royalty payments were responsible for most of the slower growth in the finance group.

Output of transportation and storage services fell 1.4% after declining by 1.6% in January. Sales by wholesalers fell for the second month in a row, this time by 0.6%. Only three of 11 trade groups recorded higher sales in February.

Gross Domestic Product
Output by Sector



The decline in goods production was not only due to lower output by utilities – after a surge in January – but also to cutbacks in mining, manufacturing and forestry. Higher activity in construction moderated the drop.

After declining by 0.3% in January, construction activity rebounded in February, rising by 0.7%. Residential construction advanced 2.6%, mainly due to apartment construction, but activity on non-residential building projects continued to slump, dropping 2.1%.

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 8.)

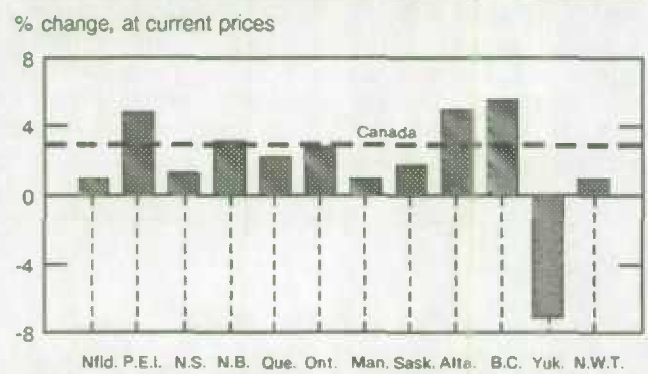
Economic Growth Picks Up in 1993

Economic growth picked up in 1993, at the Canada level, as gross domestic product (GDP) at factor cost in current dollars expanded by 2.9%, compared with 1.4% growth in 1992. Except for Nova Scotia, Manitoba and the Yukon, all provinces and territories experienced stronger economic growth in 1993 than in 1992.

Personal income increased the most in Saskatchewan (3.4%), British Columbia (2.2%) and New Brunswick (2.1%), although levels of personal income per person were highest in the Yukon and Ontario.

Nova Scotia and Manitoba were the only two provinces to experience a slowdown from more rapid increases in 1992. Output in Nova Scotia slowed to an advance of 1.3% in 1993 after strong growth of 2.5% in 1992. In Manitoba, production rose 0.9% after increasing by 1.7% in 1992.

Growth of GDP at factor cost in 1993



(continued on page 4)

...Economic Growth Picks Up in 1993

After vigorous growth in 1992 (10.7%), the Yukon recorded the only percentage decline (-7.1%) in 1993. The decrease reflected a sharp 70.0% drop in corporation profits before taxes.

British Columbia recorded the largest percentage increase (5.5%) as population growth, coupled with the robust increase in employment, fuelled the housing industry and personal expenditure on consumer goods and services. In addition, total investment spending was bolstered by a 13.4% hike in machinery and equipment spending.

Alberta's GDP at factor cost grew 4.9% in 1993, the second highest increase in the country. Corporation profits before taxes jumped 61.8%, particularly in the petroleum and gas and wood and paper sectors. Strength in the key sectors of Prince Edward Island's economy led to a 4.7% increase in the province's GDP, among the best performances in the country.

Output in New Brunswick increased for the second consecutive year, growing by 3.0% in 1993. In Ontario, production expanded 2.8%, driven by merchandise exports, especially automobiles. The Québec economy, although stronger than in 1992 (0.6%), rose by only 2.1%. Employment and earnings both rose modestly.

Newfoundland, along with Manitoba and the Northwest Territories, had the weakest increase (0.9%).

For further information contact National Accounts and Environment Division at (613) 951-3640.

Average Weekly Earnings Showing Marginal Growth

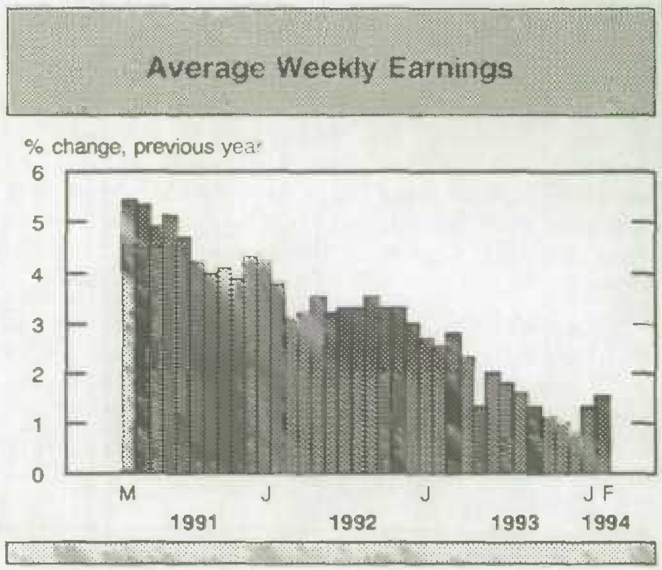
Average weekly earnings stood at $565.33 in February, up 1.5% from a year earlier. This was the largest year-over-year change since August 1993. The growth rate has accelerated from 0.8% in December 1993 to 1.3% in January 1994 and to 1.5% in February. Despite these increases, the longer-term trend in earnings has continued to show a decreasing rate of advance since peaking at 6.4% in September 1989.

In February, the largest year-over-year change in earnings was registered in finance, insurance and real estate (7.0%); for the 636,000 employees in that sector, average weekly earnings rose to $657.26. Increased activity in securities markets and RRSPs contributed to higher commissions in the finance industries in February.

All of the remaining major industry groups recorded growth of less than 3.0%. In the public-sector industries of health and social services and educational and related services, as well as public administration, the effects of budgetary restrictions continued to restrain average weekly earnings growth – all reported year-over-year earnings increases of 1.0% or less.

Note to users

The survey of employment, payrolls and hours covers all industries except agriculture, fishing and trapping, religious organizations, private households and defence services.



Average weekly earnings decreased in two sectors, on a year-over-year basis. In mining, quarrying and oil wells, earnings fell 2.5% to $933.97, the first drop since May 1993. The slowdown was concentrated in Alberta and Ontario, and was due in part to decreases in both average weekly hours and average hourly earnings for employees paid by the hour. In construction industries, average weekly earnings edged down by 0.1%, to stand at $639.23. The decline in earnings accompanied a drop of 4,000 in employment, resulting 14,000 fewer employees in construction since November 1993.

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

Improvement in Business Conditions Outlook

In April, only 19% of manufacturers expected their volume of production for the coming three months to decrease, down from 29% in the January survey. This contrasted with 33% of manufacturers who expected their production would be higher, leaving the balance of opinion at +14. This is the second survey in a row to show significantly improved production prospects. The transportation equipment industry was the greatest contributor to the increase.

The proportion reporting rising new orders is 39%, up from 28%, while the proportion reporting declining orders remained unchanged at 11%. Half of manufacturers reported new orders were about the same. The balance of opinion for new orders improved significantly, reaching +28 – a new record. The previous record of +26 was recorded in the October 1983 survey.

The proportion reporting a higher-than-normal backlog of orders is 25%, up from 16% in the January survey, while 10% felt that their unfilled order books are lower-than-normal, down from 16%. The balance of opinion concerning the backlog of unfilled orders moved from 0 in January to +15.

The percentage reporting their inventory levels were "about right" was 80, up from 65% in the previous survey; 5% said they were "too low" and 15% "too high". The balance of opinion improved by 13 points, moving from -23 in January to -10 in April.

Business Conditions Survey
April 1994

	1993			1994	
	Q2	Q3	Q4	Q1	Q2
Balance of opinion * on:					
Production	10	-6	-4	4	14
New Orders	12	1	6	17	28
Unfilled Orders	-15	-21	-4	0	15
Inventories	-18	-17	-24	-23	-10
Employment	-13	-13	-8	2	-2

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

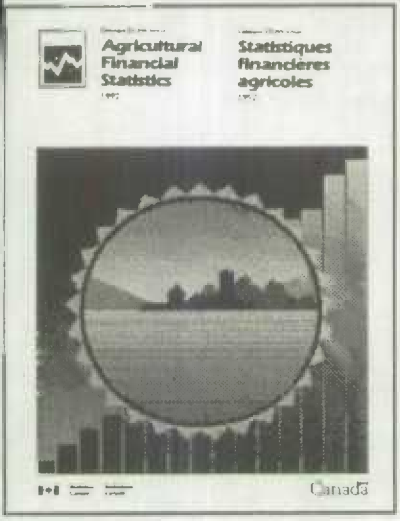
The level of concern about employment prospects remained less optimistic. The survey found 18% plan to reduce employment over the next three months, unchanged from the previous survey, while 66% plan no change in employment. Only 16% plan to increase employment. The balance of opinion showed a four-point decrease, from +2 to -2 in the April survey. This may indicate that manufacturers have met their current employment needs following an increase of 74,000 manufacturing jobs in February and March.

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

PUBLICATIONS RELEASED FROM APRIL 29 TO MAY 5, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.$)	United States	Other Countries
				US$	
AGRICULTURE					
Agriculture financial statistics	1992	21-205	45	54	63
Cereals and oilseeds review	February 1994	22-007	15/144	18/173	21/202
BALANCE OF PAYMENTS					
Canada's international transactions in securities	February 1994	67-002	17/170	21/210	24/240
INDUSTRY					
Coal and coke statistics	February 1994	45-002	11/110	13/130	15/150
Crude petroleum and natural gas production	January 1994	26-006	10/100	12/120	14/140
Direct selling in Canada	Fiscal year ended March 31, 1993 (1992)	63-218	24	29	34
Electric power statistics	February 1994	57-001	11/110	13/130	15/150
Gypsum products	March 1994	44-003	5/50	6/60	7/70
Production and inventories of process cheese and instant skim milk powder	March 1994	32-024	5/50	6/60	7/70
Production, shipments and stocks on hand of sawmills east of the Rockies (excluding Newfoundland and Prince Edward Island)	February 1994	35-002	10/100	12/120	14/140
The sugar situation	March 1994	32-013	5/50	6/60	7/70
Wholesale trade	February 1994	63-008	16/160	19/190	22/220
INTERNATIONAL TRADE					
Summary of Canadian international trade	February 1994	65-001	18.20/182	21.80/218	25.50/255
LABOUR					
Help-wanted index	1981-1993	71-540	27	32	38
SERVICES, SCIENCE AND TECHNOLOGY					
Telephone statistics	February 1994	56-002	9/90	11/110	13/130
STANDARDS					
Index to Statistics Canada surveys and questionnaires	1993	12-205	28	34	40

NEW FROM STATISTICS CANADA



Agricultural financial statistics – 1992

Agricultural financial statistics gives a detailed picture of the 1992 financial performance of Canadian farms as revealed by data compiled from a survey of tax returns of unincorporated and incorporated farmers.

Agricultural financial statistics presents data on key variables such as: operating revenues and expenses (by province); type of farm; revenue class; and some distributional data on income. Data on off-farm income for operators and farm families who are involved in single, unincorporated farms add perspective to this financial picture.

Agricultural financial statistics, 1992 (catalogue number 21-205, $45), jointly produced by Statistics Canada and Agriculture and Agri-Food Canada, is now available. For further information on this release, contact Lina Di Piétro (613-951-3171), Agriculture Division.

Inter-corporate ownership

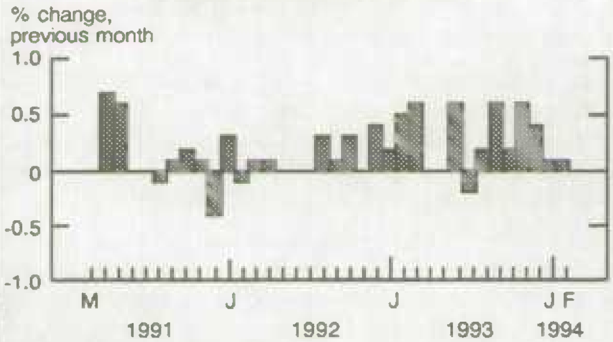
Who controls Canadian business? The *Inter-corporate ownership* database is now available quarterly on CD-ROM. This powerful research tool allows you to examine the ownership structures, degree and extent of foreign ownership, industry, and province of head office of 75,000 large Canadian companies. The search software lets you browse the database and target corporations of interest, even if you are unsure of a corporation's exact name. You can also identify groups of companies, such as all foreign-owned resource companies headquartered in British Columbia. You can save, print and/or download search results to your favourite spreadsheet or word processing software for future use or for linking with other data sources.

Inter-corporate ownership, first quarter 1994 is now available on CD-ROM. For a limited period, an annual subscription (four quarters) costs $3,000, which is 40% off the regular subscription price. A 50% discount is available to educational institutions. Single copies can be purchased for $1,750.

For further information on this release, contact Janice McMechan (613-951-6904) or Jack Lothian (613-951-2608), Industrial Organization and Finance Division, or contact your nearest Statistics Canada Regional Reference Centre.

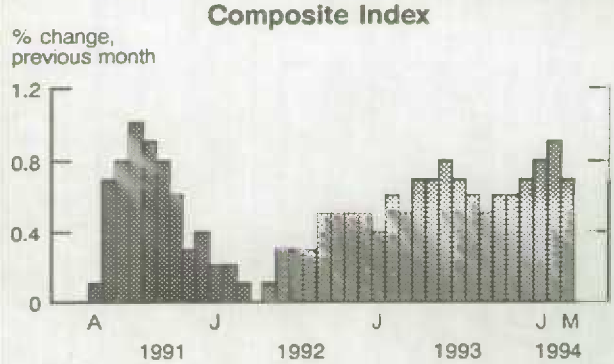
CURRENT TRENDS

Gross Domestic Product



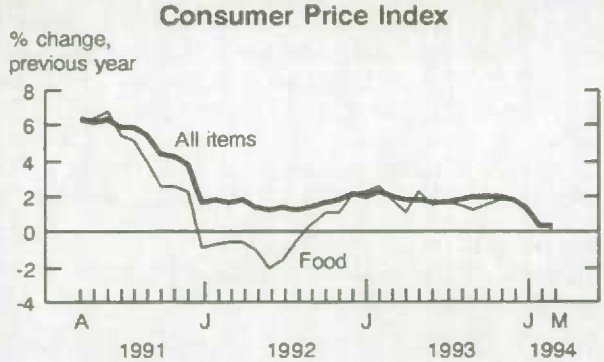
Real gross domestic product at factor cost crept up 0.1% in February, the same rate of increase reported in January.

Composite Index



The leading indicator continued to advance in March, rising by 0.7% from February. This increase follows a revised monthly gain of 0.9% in February — a 29-month high.

Consumer Price Index



In March, the year-over-year change in the all-items CPI was 0.2%, the same rate of increase reported in February. The food index rose by 0.1%.

Unemployment Rate

In March, the unemployment rate fell by half a percentage point to 10.6%. The decline was due to a combination of employment growth and a reduction in the size of the labour force.

Manufacturing

Canadian manufacturers' shipments fell 0.3% in February to $26.1 billion. The level of unfilled orders rose 0.8% to $25.5 billion.

Merchandise Trade

In February, the value of merchandise exports fell by 1.5% to $15.4 billion, while imports remained virtually unchanged at $14.7 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)	February*	527.9	0.1%	3.3%
Composite Leading Indicator (1981=100)	March	163.3	0.7%	8.5%
Operating Profits of Enterprises ($ billion)	4th Quarter	14.0	11.4%	86.6%
DOMESTIC DEMAND				
Retail Trade ($ billion)	February	16.8	0.9%	6.4%
New Motor Vehicle Sales ('000 units)	February	107.0	0.6%	17.2%
LABOUR				
Employment (millions)	March	12.5	0.4%	1.3%
Unemployment Rate (%)	March	10.6	-0.5	-0.5
Participation Rate (%)	March	64.8	-0.2	-0.6
Labour Income ($ billion)	January	33.5	0.3%	2.0%
Average Weekly Earnings ($)	February*	565.33	0.3%	1.5%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	February	15.4	-1.5%	9.5%
Merchandise Imports ($ billion)	February	14.7	0.0%	10.2%
Merchandise Trade Balance ($ billion)	February	0.76	-0.23	-0.03
MANUFACTURING				
Shipments ($ billion)	February	26.1	-0.3%	4.3%
New Orders ($ billion)	February	26.3	0.8%	-1.0%
Unfilled Orders ($ billion)	February	25.5	0.8%	6.7%
Inventory/ Shipments Ratio	February	1.38	0.02	0.01
Capacity Utilization (%)	4th Quarter	80.1	1.6	3.3
PRICES				
Consumer Price Index (1986=100)	March	130.1	-0.2%	0.2%
Industrial Product Price Index (1986=100)	March	116.3	0.4%	3.6%
Raw Materials Price Index (1986=100)	March	112.8	1.3%	1.1%
New Housing Price Index (1986=100)	February	136.0	-0.1%	0.8%

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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Editor: Louise Larouche (613) 951-1197
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