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A Weekly Review

Friday, July 8, 1994

OVERVIEW

■ Economy Grows Due to Goods Producers

The economy continued to expand in April mainly because of solid gains in manufacturing, mining and construction industries. Services output slipped 0.2% after a 0.5% gain in each of the two previous months.

■ Help-wanted Index Remains Unchanged

On the heels of five consecutive monthly increases, the help-wanted index (1991 = 100) remained unchanged at 95 in June.

■ Growth in Average Weekly Earnings Continues

Average weekly earnings of workers totalled \$566.66 in April, up 1.9% from a year ago. Some strength has been recorded in the first four months of 1994 after rates of increase decelerated throughout 1993.

■ Non-residential Sector Pushes Building Intentions Down

The value of building permits issued by municipalities fell 7.7% in May after a sharp 11.6% rise in April, but the trend continued to display an upward pattern. The non-residential sector accounted entirely for the decrease while the value of residential building permits advanced for the third month in a row.

■ Aggregate Wages and Salaries Post Moderate Increase

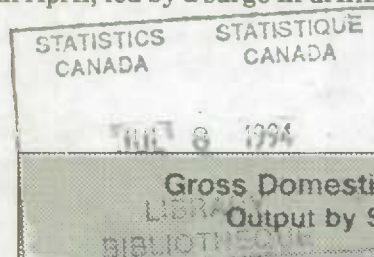
Wages and salaries rose for a second straight month in March. The latest increase was mainly attributable to gains in manufacturing and construction industries.

Economy Grows Due to Goods Producers

Gross domestic product at factor cost grew by 0.3% in April to an annual rate of \$532.8 billion. This increase followed growth of 0.2% in February and 0.6% in March. Goods producers boosted output 1.3% in April, compared with an increase of 0.9% in March. The strength in the goods sector more than offset a 0.2% decline in services output.

Six of seven major goods-producing industries recorded higher output, but the advance was concentrated in manufacturing, mining and construction, which accounted for 90% of the overall gain. Output of fishing fell 2.3% in April, following an increase of 0.7% in March.

Manufacturers raised output 0.8% after boosting production by 1.3% in March. In total, fourteen of 21 industry groups increased production as shipments grew rapidly for a second consecutive month. After increasing by 1.6% in March, mining output grew 3.1% in April, led by a surge in drilling activities. The drop in

*(continued on page 2)*

Index (January 1992 = 100)



... Economy Grows Due to Goods Producers

the value of the Canadian dollar and the lower cost of producing natural gas in Canada compared with the United States were contributing factors. Construction activity rose 1.9% and was led by a 6.0% gain in residential construction. Output of utilities rose 0.9% after two months of declines in a row, and forestry output grew 2.5%.

The decline in services industries was concentrated in retail trade and finance. A drop in transportation and storage services output added to the weakness. Retailers recorded their first decrease in five months with sales falling by 1.9%. Lower sales by motor vehicle dealers accounted for most of the drop. Finance, insurance and real estate services output tumbled 0.5% after a 0.7% drop in March. The decline in mutual fund and securities

brokers' activities in March continued in April as the rise in interest rates started to take effect. After a sharp 3.7% rise in March, transportation and storage services output fell 0.6% in April. The decrease was attributable to a drop in rail transportation which had grown 15.6% in March.

These declines more than offset gains in wholesale trade, communications and education, where activities were disrupted in March because of forced holidays in several Ontario school boards. Output of community, business and personal services remained unchanged in April.

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.)

Help-wanted Index Remains Unchanged

The help-wanted index (1991=100) stayed at 95 in June after having advanced each month in 1994. This compares with practically no change in the index in 1993. The index has increased 8% between January and June 1994, its best performance since the index began a long decline in 1989.

The help-wanted index is an economic indicator that reflects labour market conditions. An inverse relationship exists between the index and the unemployment rate. For example, a long-term increase in the index usually accompanies a decline in the unemployment rate.

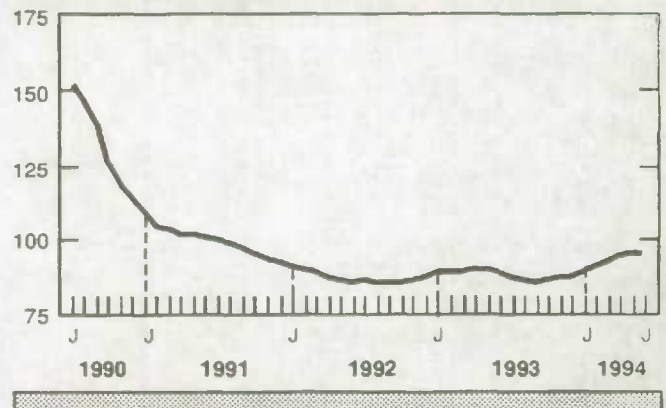
Increases were recorded in three of the five regional help-wanted indexes in June. In Québec, the index rose 7% between January and April, but then declined 3% in May and 2% in June. British Columbia's index fell 2% in June, following four consecutive monthly increases.

The index's performance in the regions was:

- Atlantic region: up 1% to 92
- Québec: down 2% to 96
- Ontario: up 2% to 97
- Prairie region: up 1% to 92
- British Columbia: down 2% to 88.

Help-wanted Index

1991 = 100, seasonally adjusted



The help-wanted index ran above last year's level in all regions.

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

Growth in Average Weekly Earnings Continues

Average weekly earnings stood at \$566.66 in April, up 1.9% from a year earlier. This was the largest year-over-year increase since July 1993. The growth rate has accelerated every month in 1994 but these gains are modest when compared with average increases in recent years. Earnings rose in April for employees paid by the hour, salaried employees, and other employees (including commissioned agents and working owners).

Average weekly earnings rose in 13 of 14 major industry groups but remained unchanged at \$954.05 for mining, quarrying and oil wells. In accommodation, food and beverage services, earnings rose 4.3% from the previous year and stood at \$226.58. This was the third consecutive year-over-year increase after five straight months of declines. Employment for this group increased 0.6% from March to 724,000 employees. For the 1.4 million

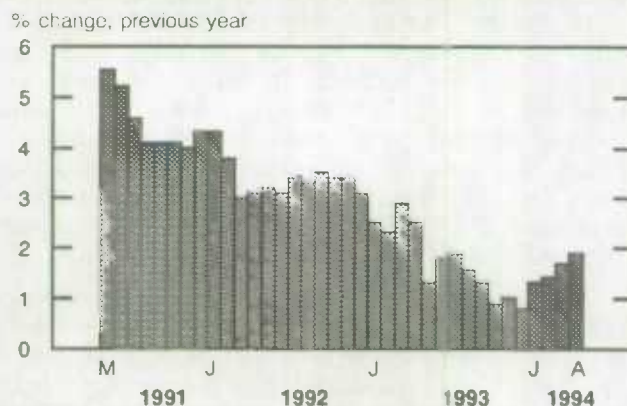
Average Weekly Earnings, April 1994 Seasonally Adjusted

Province/Territory	Industrial Aggregate (dollars)	Year-over- year % change
Canada	566.66	1.9
Newfoundland	529.84	0.4
Prince Edward Island	461.37	1.8
Nova Scotia	498.01	0.7
New Brunswick	502.56	-1.7
Québec	545.95	1.3
Ontario	605.18	3.0
Manitoba	498.92	1.3
Saskatchewan	479.83	1.6
Alberta	549.89	-0.3
British Columbia	570.99	2.8
Yukon	702.46	2.7
Northwest Territories	720.06	0.5

Non-residential Sector Pushes Building Intentions Down

The value of building permits issued by municipalities fell 7.7% in May to \$2.3 billion, following four consecutive monthly increases. May's result did not alter the overall trend which continued to display an upward pattern. On a year-over-year basis, the value of building permits was still 1.6% above the value of permits issued in May 1993. The value of building permits issued in May fell in all regions except the Prairies (+16.6%) and British Columbia (+1.8%).

Average Weekly Earnings



employees in retail trade, earnings increased 3.9% from a year ago to \$342.73. The gain was attributable to increased average weekly hours and to higher average hourly earnings. Finance, insurance and real estate services, which accounted for 645,000 employees, reported average weekly earnings of \$642.96, up 3.7% from April 1993.

Other sizeable year-over-year increases in earnings were registered in wholesale trade (3.3%), manufacturing (2.9%), and business services (2.7%) where weekly earnings averaged \$608.13, \$687.36, and \$604.54, respectively.

Ontario, British Columbia and the Yukon recorded year-over-year growth rates exceeding the average for Canada. In contrast, New Brunswick and Alberta registered negative year-over-year changes in average weekly earnings.

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

Note to users

The building and demolitions permits monthly survey covers 2,400 municipalities. It represents 93% of the population and is an early indicator of building activity. The communities in the remaining 7% of the population are very small, and their levels of building activity have little impact on the overall total. The value of planned construction activities excludes engineering projects (e.g., waterworks, sewers, culverts, etc.) and the land component.

(continued on page 4)

... Non-residential Sector Pushes Building Intentions Down

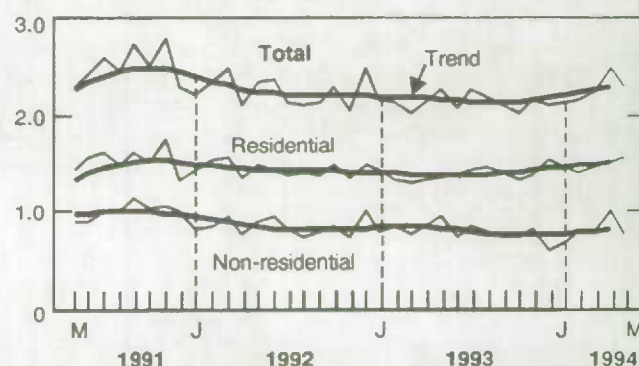
The non-residential sector recorded a drop of 24.2% from April in the value of building permits, to \$746 million. This contrasted with April when a few large projects resulted in an exceptional increase (27.0%). The setback in May followed four consecutive monthly increases and was attributable to a steep fall in planned commercial projects. Sharp declines in the value of non-residential building permits were reported by the three largest provinces: Ontario (-40.0%); Québec (-33.4%); and British Columbia (-25.5%).

So far, recent increases in mortgage interest rates do not appear to have affected the value of construction intentions for the residential sector. In fact, the value of residential building permits posted a third consecutive monthly gain in May, up 3.0% to \$1.6 billion. All regions except Québec (-6.9%) and the Atlantic (-11.8%) shared in the residential sector growth.

The value of residential building permits for the first five months of the year grew by 10.9% from the corresponding period in 1993. This reflects improved employment numbers and lower housing prices.

Building Permits

Billions of dollars, seasonally adjusted



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, May 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	3,098.7	11.0	2,174.6	25.6	924.2	-12.9
Newfoundland	40.7	59.8	27.9	26.5	12.8	276.2
Prince Edward Island	21.6	82.4	8.6	-17.4	13.0	839.1
Nova Scotia	81.9	-4.3	65.8	16.2	16.0	-44.5
New Brunswick	61.5	5.7	45.6	10.3	15.9	-5.5
Québec	726.1	-7.1	468.7	11.1	257.5	-28.4
Ontario	1,010.5	5.6	735.8	33.1	274.7	-32.0
Manitoba	67.7	22.2	47.7	34.8	20.0	0.0
Saskatchewan	37.4	11.3	20.8	28.3	16.6	-4.5
Alberta	363.4	39.3	214.6	19.3	148.8	83.6
British Columbia	674.6	30.4	531.0	36.3	143.6	12.6
Yukon	7.4	83.0	4.9	31.0	2.5	691.2
Northwest Territories	6.0	200.5	3.2	136.1	2.8	333.2

Aggregate Wages and Salaries Post Moderate Increase

For the first time since February 1993, seasonally adjusted wages and salaries paid to workers rose for a second straight month. Wages and salaries advanced 0.4% in March to \$29.5 billion.

Growth in wages and salaries was mainly attributable to increases in manufacturing and construction industries. In manufacturing, wages and salaries grew 0.7% after a strong 1.3% gain in February. Construction wages and salaries increased 2.3% in March. This was only the second increase since January 1993.

Wages and salaries in the finance, insurance and real estate industries declined a substantial 2.5%. This was partly due to lower special payments and to declines in employment and average earnings. Wages and salaries declined by 0.7% in federal administration and by 0.1% in provincial administration.

Note to users

Upon receipt of the 1992 Revenue Canada taxation benchmark, wages and salaries for 1992 were revised downward by \$1.8 billion to \$341 billion. In turn, a \$3.3 billion downward revision was made to wages and salaries for 1993. As a result, the growth in wages and salaries for 1992 was less than expected at 1.6%, while the growth in wages and salaries for 1993 was dampened to 2.1%. The largest downward revision was for Ontario's wages and salaries, slowing the growth rate to 0.5% in 1992 and 1.3% in 1993.

Labour income is wages and salaries (88%) plus supplementary labour income (12%). Wages and salaries include items such as bonuses, gratuities, taxable allowances and retroactive wage payments.

Wages and Salaries, March 1994

Seasonally Adjusted

Province/Territory	Wages and Salaries (millions of \$)	% change, previous month	% change, previous year
Canada	29,461	0.4	1.4
Newfoundland	390	1.6	3.4
Prince Edward Island	95	-0.5	1.2
Nova Scotia	735	1.7	0.0
New Brunswick	587	-2.2	-0.4
Québec	6,681	0.8	1.0
Ontario	12,223	0.2	1.3
Manitoba	974	0.3	0.5
Saskatchewan	751	-0.7	-0.3
Alberta	2,896	0.5	1.7
British Columbia	3,972	-0.8	4.7
Yukon and Northwest Territories	176	1.2	1.5

In British Columbia, wages and salaries fell 0.8% in March but still stood 4.7% above their year-earlier level. This marked the first decline since May 1993. In Québec, wages and salaries increased 0.8% in March, the first strong rise since June 1993. The weakness observed throughout most of 1993 was due to declines in mining, construction, and provincial administration. Ontario's wages and salaries slowed in March to 0.2% growth after a 0.8% increase in February. Manufacturing contributed to the gain in March.

For further information, order *Estimates of labour income* (catalogue number 72-005) or contact Labour Division at (613) 951-4090.

PUBLICATIONS RELEASED FROM JULY 4 TO 7, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other Countries
			US\$		
CENSUS					
Profile of census tracts in Hamilton – part B	1991 Census	95-342	40	48	56
Profile of census tracts in Kamloops, Kelowna and Prince George – part B	1991 Census	95-387	45	54	63
Profile of census tracts in Lethbridge and Red Deer – part B	1991 Census	95-381	35	42	49
Profile of census tracts in London, Sarnia, Clearwater and Windsor – part B	1991 Census	95-347	50	60	70
Profile of census tracts in Victoria – part B	1991 Census	95-392	35	42	49
EDUCATION, CULTURE AND TOURISM					
Touriscope - international travel: national and provincial counts	January-March 1994	66-001	42/168	51/202	59/236
Travel-log: the main overseas tourism markets in Canada	Summer 1994 Vol. 13, No. 3	87-003	10/40	12/48	14/56
HEALTH STATISTICS					
Divorces	1991	84-213	20	24	28
INDUSTRY					
Crude petroleum and natural gas production	March 1994	26-006	11/110	14/132	16/154
Metal mines	1992	26-223	28	34	40
Monthly survey of manufacturing	April 1994	31-001	19/190	23/228	27/266
Rigid insulating board	May 1994	36-002	6/60	8/72	9/84
SOCIAL SURVEY METHODS					
Survey methodology	June 1994 Vol. 20, No. 1	12-001	45	50	55
TRANSPORTATION					
Aviation service bulletin	June 1994 Vol. 26, No. 6	51-004	10/99	12/119	14/139

NEW FROM STATISTICS CANADA



Inter-corporate ownership – 1994

This newest edition of *Inter-corporate ownership*, a unique directory of "who owns and controls whom", references over 69,500 large corporations.

The directory (1,115 pages) presents information in an easy-to-read tiered format, showing at a glance the hierarchy of subsidiaries within each enterprise structure. Entries for each corporation provide country of control and percentage of voting rights held. Inclusion of a standard industrial classification (SIC) and province of head office for most Canadian resident corporations allows study on an industrial or geographical level.

Inter-corporate ownership (catalogue number 61-517, \$350) is now available. In addition to the alphabetical index in each directory, indexes by country of control, province of head office, and SIC-C (company basis) are also available (\$31.25 each). *Inter-corporate ownership* is also available quarterly on a CD-ROM disk.

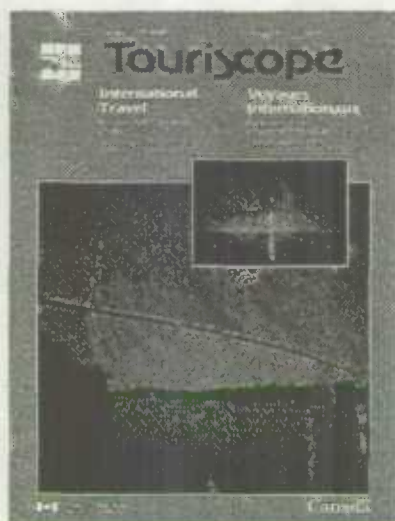
For further information on this release, contact Ron Vanasse (613-951-3469), Industrial Organization and Finance Division.

Travel-log

The feature article in the summer 1994 issue of *Travel-log*, Statistics Canada's quarterly tourism newsletter, is "The main overseas tourism markets in Canada". This issue also analyzes international travel trends and the performance of the travel price index in the first quarter of 1994. The touriscope indicators for the first quarter of 1994 are listed at the centre of the newsletter.

The summer 1994 (vol. 13, no. 3) issue of *Travel-log* (catalogue number 87-003, \$10/\$40) is now available.

For further information on this release, contact Lise Beaulieu-Caron (613-951-1673), Education, Culture and Tourism Division.



Touriscope – international travel: national and provincial counts

This report contains information by month for the past two years on a province-of-entry basis in the form of tables and graphs. Each issue of *Touriscope* reviews recent trends in international travel, providing preliminary estimates of receipts and payments on the travel account for the quarter.

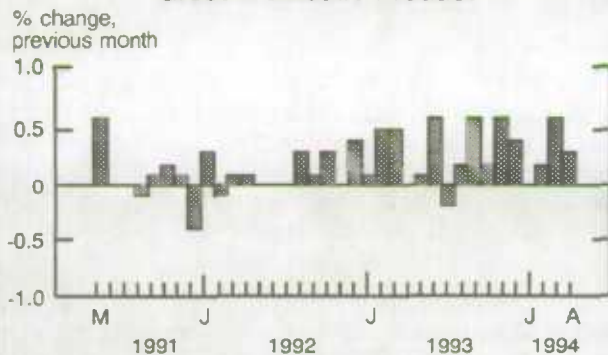
This issue of *Touriscope* also contains a feature article, "Sport participation travel between Atlantic Canada and New England".

The first quarter 1994 issue of *Touriscope international travel: national and provincial counts* (catalogue number 66-001, \$42/\$168) is now available.

For further information on this release, contact Ruth McMillan (613-951-1791), Education, Culture and Tourism Division.

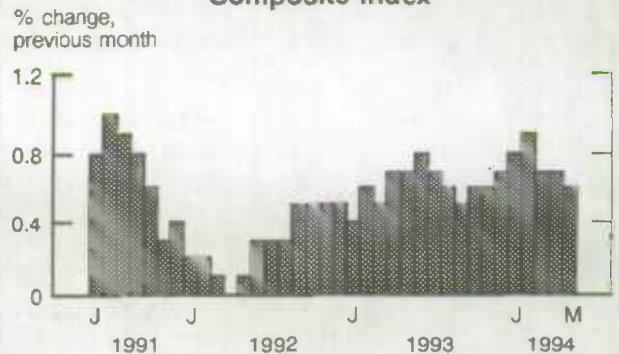
CURRENT TRENDS

Gross Domestic Product



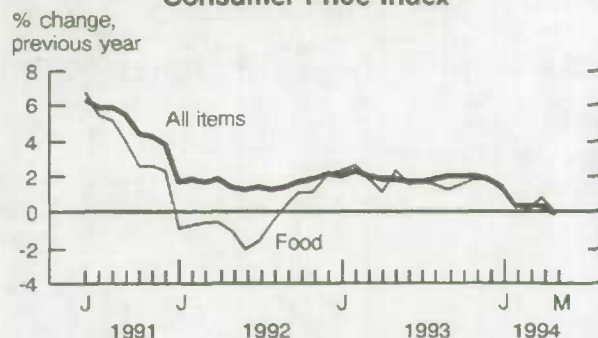
Real gross domestic product at factor cost grew by 0.3% in April after increasing by 0.2% in February and 0.6% in March.

Composite Index



The growth of the composite index eased from 0.7% in April to 0.6% in May but the rate of increase was comparable to its average growth recorded in the last 18 months.

Consumer Price Index



In May, the year-over-year change in the all-items CPI was -0.2%, the first year-over-year decline since August 1955. The food index remained unchanged.

Unemployment Rate



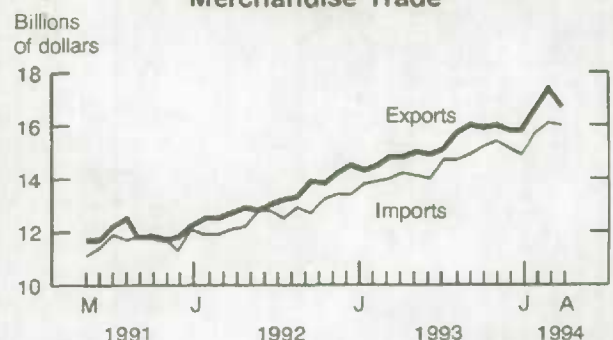
In May, the unemployment rate fell 0.3 percentage points to 10.7% following an increase of 0.4 points in April.

Manufacturing



Canadian manufacturers' shipments rose 1.7% in April to \$27.7 billion. The level of unfilled orders rose 2.4% to \$31.0 billion.

Merchandise Trade



In April, the value of merchandise exports was up 4.9% to \$17.4 billion, while imports climbed 2.7% to \$16.1 billion.

LATEST MONTHLY STATISTICS

	Period	Level	Change Previous Period	Change Previous Year
GENERAL				
Gross Domestic Product (\$ billion, 1986)	April*	532.8	0.3%	3.6%
Composite Leading Indicator (1981 = 100)	May	165.5	0.6%	8.4%
Operating Profits of Enterprises (\$ billion)	1st Quarter	16.7	18.9%	37.7%
DOMESTIC DEMAND				
Retail Trade (\$ billion)	April	17.0	-1.7%	5.7%
New Motor Vehicle Sales ('000 units)	April	102.4	-4.0%	1.8%
LABOUR				
Employment (millions)	May	12.6	0.4%	2.0%
Unemployment Rate (%)	May	10.7	-0.3	-0.7
Participation Rate (%)	May	65.1	0.0	-0.1
Labour Income (\$ billion)	March*	33.6	0.4%	1.8%
Average Weekly Earnings (\$)	April	566.66	0.3%	1.9%
INTERNATIONAL TRADE				
Merchandise Exports (\$ billion)	April	17.4	4.9%	17.8%
Merchandise Imports (\$ billion)	April	16.1	2.7%	15.6%
Merchandise Trade Balance (\$ billion)	April	1.25	0.38	0.45
MANUFACTURING				
Shipments (\$ billion)	April	27.7	1.7%	9.1%
New Orders (\$ billion)	April	28.5	3.4%	13.4%
Unfilled Orders (\$ billion)	April	31.0	2.4%	10.5%
Inventory/ Shipments Ratio	April	1.35	-0.01	-0.03
Capacity Utilization (%)	1st Quarter	79.2	-0.1	1.3
PRICES				
Consumer Price Index (1986 = 100)	May	129.9	-0.2%	-0.2%
Industrial Product Price Index (1986 = 100)	May	117.2	0.3%	4.6%
Raw Materials Price Index (1986 = 100)	May	121.2	3.3%	5.2%
New Housing Price Index (1986 = 100)	April	136.1	0.0%	-0.2%

Note: All series are seasonally adjusted with the exception of the price indexes.

* New this week.

I·N·F·O·M·A·T

A Weekly Review

Published by the Communications Division Statistics Canada,
10-N, R.H. Coats Bldg, Ottawa, Ontario K1A 0T6.

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Catalogue: 11-002E. Price: Canada: \$3.00 per issue, \$130.00 per year; United States: US\$4.00 per issue, US\$156.00 per year; Other Countries: US\$4.00 per issue, US\$182.00. Canadian customers please add 7% GST.

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