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Infomat
A Weekly Review

Friday, August 5, 1994

OVERVIEW

Help-wanted Index Inching Ahead

The help-wanted index edged up by 1% in July following no change in June. The index has still gained 9% so far this year, its best performance since the index began a long decline in 1989.

Economy Expands for Fourth Straight Month

The economy continued to expand in May, led by another strong gain in manufacturing.

International Transactions in Services: Deficit Widens

Canadian individuals, companies and governments exported a record $26.9 billion in services in 1993. Canada still generated a deficit as imports of services reached a new high.

The Labour Market: Mid-year Review

After more than a year of economic growth, the pace of job creation finally increased enough to nudge the unemployment rate below 11% in the second quarter of 1994.

Cigarette Sales Unchanged From A Year Ago

Although cigarette production and domestic sales by manufacturers rose sharply in June, total sales for the first six months of 1994 were virtually unchanged from the corresponding period in 1993.

Help-wanted Index Inching Ahead

The help-wanted index (1991 = 100) advanced by a slight 1% in July following no change in June. The index stood at 96, nine points above its year-earlier level of 87. Between January and July 1994, the index has gained 9%, its best performance since the index began a long decline in 1989.

More help-wanted ads appeared in four of the five regions in July. The indexes for both Québec and the Prairie provinces were up by 2%. While the index advanced throughout 1994 in the Prairie provinces, the rise in Québec followed declines in May and June. In British Columbia, the index fell for the second consecutive month. Of all the regions, Ontario showed the strongest advance between January and July (13%).

The index's performance in the regions was:

- Québec: up 2% to 98
- Prairie provinces: up 2% to 94
- Atlantic provinces: up 1% to 93
- Ontario: up 1% to 98
- British Columbia: down 1% to 87.

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

Help-wanted Index

Statistics Canada Statistique Canada

Canada

Economy Expands for Fourth Straight Month

Gross domestic product at factor cost grew 0.3% in May to an annual rate of $535.3 billion. This increase followed growth of 0.1% in February, 0.7% in March, and 0.4% in April. Manufacturers, who generated most of the growth in the goods sector in March and April, accounted for approximately three-quarters of the gain in May.

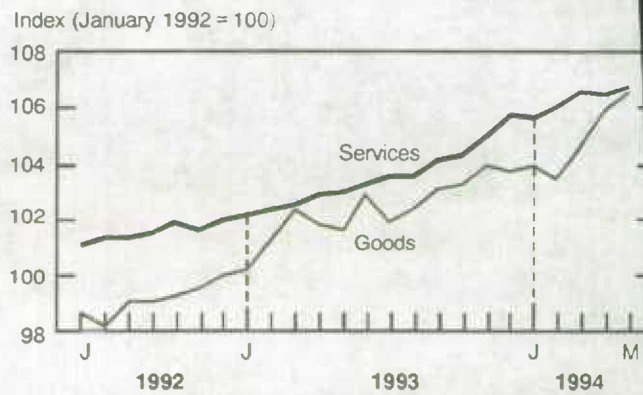
Production of goods rose a further 0.6% in May. It has grown by 1.0% a month on average since March. Manufacturers raised production a further 0.9% following growth of 1.5% in March and 1.0% in April. These were the largest gains for a three-month period since the December 1986 to February 1987 period. Despite declines in exports of manufactured goods in April and May, production and shipments continued to grow, indicating strength in domestic demand.

Construction activity rose 0.6% after increasing by 1.9% in April. Non-residential construction rose 2.4%, reflecting increases in all types of projects. Residential construction, accountable for the overall gain in April, slipped 0.2% in May.

Output in mining increased for a fourth consecutive month, by 0.3% in May. A 2.9% rise in production of crude oil and natural gas accounted for most of the gain.

Output of services advanced 0.2% after slipping by 0.1% in April. The increase reflected sizeable gains in wholesale and retail trades and in transportation and storage services. Smaller gains in community, business and personal services and in communications added to the overall strength.

Gross Domestic Product
Output by Sector



A 0.4% decline in finance, insurance and real estate services slowed the overall advance in services. The weakness in the finance group continued for the third straight month and was still concentrated in mutual funds and brokerage-related activities.

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 7.)

International Transactions in Services: Deficit Widens

Canadian residents (individuals, companies and governments) exported a record $26.9 billion in services in 1993 but they still generated a $13.8 billion deficit as their purchases of foreign services reached a new high of $40.7 billion.

Exports of travel, freight, business, government and other services together grew by 9%, their fastest growth rate in five years. At the same time, imports of services grew nearly as quickly (+8%).

Canada incurred deficits in the three largest services categories:business, travel, and freight. A small deficit remained virtually unchanged for government administrative services, whereas a small surplus grew in a range of miscellaneous services.

Canadian companies purchased $4.8 billion more in business services than they sold abroad in 1993. This compares with a deficit closer to $4.0 billion in each of the previous four years. The increase occurred largely because of trading with the United States, with whom the deficit in business services widened by nearly $500 million to $4.3 billion. Canadian businesses continued to encounter large deficits for royalties, patents and trademarks, and management and administrative services.

American visitors boosted their spending by 12% to a record $5.1 billion, while overseas visitors boosted their spending by 6% to a new high of $3.7 billion. That resulted in a total increase of 9% in all spending by foreigners, the biggest increase since Expo 1986. Because foreign travellers spent more in Canada while Canadian travellers moderated their spending abroad, the travel deficit narrowed to $7.9 billion, down from a record $8.2 billion deficit in 1992.

(continued on page 3)

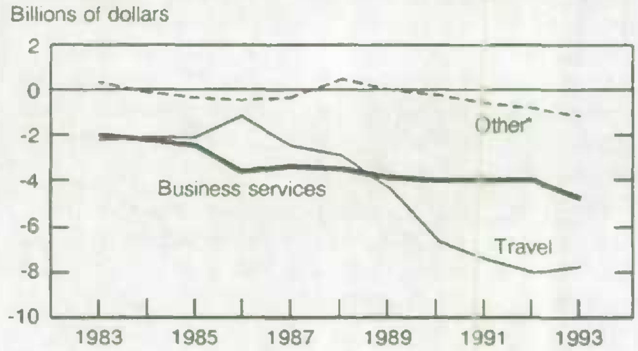
nternational Transactions in Services: ficit Widens

For a second year in a row, Canadian residents id more than they received for freight and ipping services (which include costs of ansporting merchandise by air, water, rail, truck d pipeline). The deficit more than doubled, rising om $300 million to $700 million, because of a wer surplus on inland freight, which accounted for ost of freight services.

Note to users

International transactions in services comprise the following categories: travel, freight and shipping (transportation), business services, government and other services. Such services, along with merchandise trade, investment income and unilateral transfers, make up the current account of the balance of payments.

Deficits in the three largest services categories



* Includes freight and shipping, government and other services.

For further information, order Canada's international transactions in services, 1992 and 1993 (catalogue number 67-203) or contact Balance of Payments Division at (613) 951-9055.

The Labour Market: Mid-year Review

The 1994 issue of *The labour market: mid-year review* summarizes changes and trends in the labour market during the first six months of 1994. The supplement will be included in the Autumn 1994 issue of *Perspectives on labour and income*.

After more than a year of economic growth, the pace of job creation finally increased enough to nudge the unemployment rate below 11% in the second quarter of 1994.

Despite a difficult January – record cold, a dock-workers strike, and major shutdowns in the auto sector all hampered production, shipments and employment – a number of indicators over the first four months of 1994 pointed to a strengthening economic recovery. This performance was consistent with a rise in consumer confidence in the fourth quarter of 1993 and at the beginning of 1994.

Other highlights from the report include:

- Between December 1993 and June 1994, employment jumped by 139,000 . The monthly gains averaged 23,000, considerably more than the monthly average of 13,000 in 1993.
- All of the employment growth from the end of 1993 to mid-1994 was full-time employment. In fact, part-time employment dropped by 46,000 over the same period.
- Although the recent improvements in the labour market are encouraging, the pace of job creation among adult workers must accelerate even more if employment growth is to keep up with their population growth. In fact, in June 1994, the employment rate (employment/population ratio) of adult men stood below their March 1990 rate; the rate for adult women was down only slightly.

For further information, order Perspectives on labour and income (catalogue number 75-001E) or contact Labour and Household Surveys Analysis Division at (613) 951-4740.

Cigarette Sales Unchanged From A Year Ago

Cigarette production and domestic sales by manufacturers were both very strong in June. However, total sales of 24.97 billion cigarettes in the first half of 1994 were 0.2% lower than in the corresponding period in 1993. The domestic sales component increased 38.4%, whereas exports plunged 64.1%. (See note to users.)

Cigarette production for the first six months of 1994 has risen 10.2% from the same period in 1993. Since total sales were at the same level, this has resulted in much higher inventories than a year earlier.

In June, tobacco manufacturers produced 5.96 billion cigarettes, a 20.2% increase from June 1993. This increased production has been reflected in both higher inventories and higher sales by manufacturers.

Inventories rose to 6.02 billion cigarettes, a 22.9% increase from June 1993. Domestic sales in June totalled 4.68 billion cigarettes, up 51.2% from June 1993, while exports totalled 547 million cigarettes, down 66.0% from a year earlier.

Data on cigarette consumption will be available from the adults' smoking habits survey and will be released in September.

For further information, order Production and disposition of tobacco products (catalogue number 32-022) or contact Industry Division at (613) 951-3511.

Note to users

Sales and export data are aggregates of shipments reported by Canadian manufacturers and are not retail level sales or final consumption.

Total cigarette sales include domestic excise-duty-free sales, in addition to domestic and export sales. Exports are excise-duty-free, cross-border shipments to any country outside Canada.

PUBLICATIONS RELEASED FROM JULY 29 TO AUGUST 4, 1994

Division/title of publication	Period	Catalogue Number	Price: Issue/Subscription Canada (Cdn.$)	United States (US$)	Other Countries (US$)
AGRICULTURE					
Farm product price index	May 1994	62-003	8/76	10/92	11/107
CENSUS					
Profile of census tracts in Halifax – part b	1991 Census	95-315	35	42	49
Profile of census tracts in Kingston, Oshawa and Peterborough – part b	1991 Census	95-345	45	54	63
Profile of census tracts in Moncton and Saint John – part b	1991 Census	95-322	40	48	56
Profile of census tracts in North Bay, Sault Ste. Marie, Sudbury and Thunder Bay – part b	1991 Census	95-349	50	60	70
Profile of census tracts in Regina and Saskatoon – part b	1991 Census	95-368	40	48	56
INDUSTRY					
Construction type plywood	May 1994	35-001	6/60	8/72	9/84
Corrugated boxes and wrappers	June 1994	36-004	6/60	8/72	9/84
Electric lamps (light bulbs and tubes)	June 1994	43-009	6/60	8/72	9/84
Gypsum products	June 1994	44-003	6/60	8/72	9/84
Mineral wool including fibrous glass insulation	June 1994	44-004	6/60	8/72	9/84
Monthly production of soft drinks	June 1994	32-001	3/30	4/36	5/42
Production and disposition of tobacco products	June 1994	32-022	6/60	8/72	9/84
Production, shipments and stocks on hand of sawmills east of the Rockies	May 1994	35-002	11/110	14/132	16/154
Production, shipments and stocks on hand of sawmills in British Columbia	May 1994	35-003	8/80	10/96	12/112
Quarterly report on energy supply-demand in Canada	1993-IV	57-003	34/136	41/164	48/191
Retail trade	May 1994	63-005	20/200	24/240	28/280
Rigid insulating board	June 1994	36-002	6/60	8/72	9/84
Specified domestic electrical appliances	June 1994	43-003	6/60	8/72	9/84
The sugar situation	June 1994	32-013	6/60	8/72	9/84
INVESTMENT AND CAPITAL STOCK					
Private and public investment in Canada	Revised intentions 1994	61-206	36	44	51
NATIONAL ACCOUNTS AND ENVIRONMENT					
Financial flow accounts, quarterly estimates	First quarter 1994	13-014	35/140	42/168	49/196
PRICES					
Industry price indexes	May 1994	62-011	20/200	24/240	28/280
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, caterer and tavern statistics	May 1994	63-011	7/70	9/84	10/98
TRANSPORTATION					
Aviation service bulletin	July 1994, Vol. 26, No. 7	51-004	10/99	12/119	14/139

NEW FROM STATISTICS CANADA

Profiles of census tracts-part b

The last five census tract profiles from the 1991 Census are now available. Each publication provides data collected from a 20% sample of households on characteristics such as home language, ethnic origin, place of birth, education, religion, labour force activity, housing costs, and income.

Census tracts are presented in numerical order within each centre. Data for the component census subdivisions are also shown.

The Area Profile Series publications are listed under "Publications released" on page 5 of today's Infomat. For further information on this release, contact your nearest Statistics Canada Regional Reference Centre.

The labour market: mid-year review

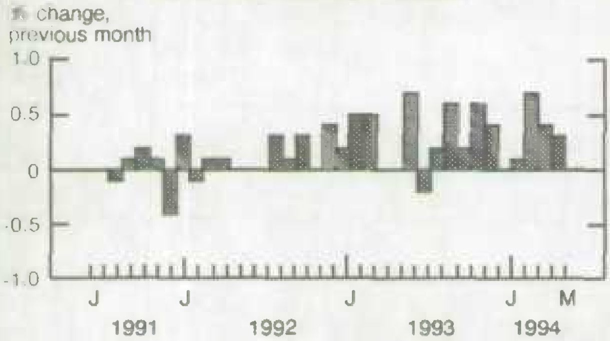
Perspectives on labour and income announces the advance availability of its supplement, *The labour market: mid-year review*. This special supplement summarizes changes and trends in the labour market during the first six months of 1994.

It can be ordered today and is available via fax service only at a cost of $15 payable by VISA or MasterCard. To order the supplement, contact Suzanne David at (613) 951-4628, Labour and Household Surveys Analysis Division.

The regular release date for the autumn 1994 issue of *Perspectives on labour and income* (catalogue number 75-001E, $14/$56), including *The labour market: mid-year review*, will be in early September.

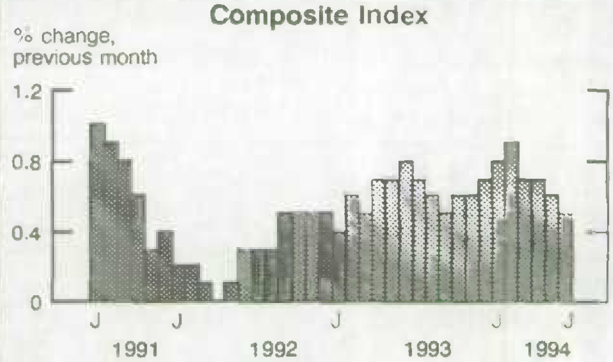
CURRENT TRENDS

Gross Domestic Product



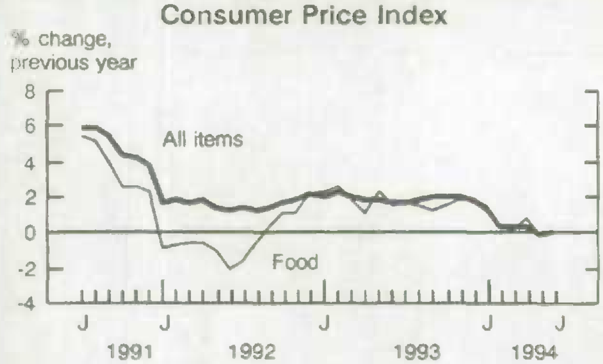
In May, real gross domestic product at factor cost grew by 0.3%, led by another strong gain in manufacturing.

Composite Index



The growth of the leading index eased from 0.6% in May to 0.5% in June, a slowdown from more rapid increases since October 1993.

Consumer Price Index



In June, consumers paid the same amount for the consumer price index's basket of goods and services as they did in June 1993. The food index edged down by 0.1%.

Unemployment Rate

The unemployment rate declined from 10.7% in May to 10.3% in June.

Manufacturing

Canadian manufacturers' shipments rose 1.5% in May to $28.3 billion. The level of unfilled orders declined for the first time in six months (-0.2%), to $31.2 billion.

Merchandise Trade

In May, the value of merchandise imports climbed 6.2% to $17.0 billion, while exports fell 2.5% to $16.7 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)	May*	535.3	0.3%	4.1%
Composite Leading Indicator (1981 = 100)	June	166.4	0.5%	8.1%
Operating Profits of Enterprises ($ billion)	1st Quarter	16.7	18.9%	37.7%
DOMESTIC DEMAND				
Retail Trade ($ billion)	May	17.1	1.0%	6.8%
New Motor Vehicle Sales ('000 units)	May	103.8	1.2%	3.0%
LABOUR				
Employment (millions)	June	12.6	0.1%	1.4%
Unemployment Rate (%)	June	10.3	-0.4	-1.0
Participation Rate (%)	June	64.7	-0.4	-0.8
Labour Income ($ billion)	April	33.7	0.5%	2.4%
Average Weekly Earnings ($)	May	563.57	-0.2%	2.0%
INTERNATIONAL TRADE				
Merchandise Exports ($ billion)	May	16.7	-2.5%	13.1%
Merchandise Imports ($ billion)	May	17.0	6.2%	20.2%
Merchandise Trade Balance ($ billion)	May	-0.32	-1.43	-0.93
MANUFACTURING				
Shipments ($ billion)	May	28.3	1.5%	11.7%
New Orders ($ billion)	May	28.2	-1.4%	11.5%
Unfilled Orders ($ billion)	May	31.2	-0.2%	11.2%
Inventory/ Shipments Ratio	May	1.32	-0.02	-0.07
Capacity Utilization (%)	1st Quarter	79.2	-0.1	1.3
PRICES				
Consumer Price Index (1986 = 100)	June	130.2	0.2%	0.0%
Industrial Product Price Index (1986 = 100)	June	118.2	0.6%	5.5%
Raw Materials Price Index (1986 = 100)	June	124.0	2.2%	7.9%
New Housing Price Index (1986 = 100)	May	136.0	-0.1%	0.1%

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

I•N•F•O•M•A•T

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