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A Weekly Review

Friday, October 14, 1994

OVERVIEW

■ Provincial economies resume growth in 1993

By the second year following the recession, nearly all provincial economies resumed growing.

■ Unemployment rate falls as employment rises

In September 1994, rising employment pushed the unemployment rate down to 10.1%, its lowest rate since the beginning of 1991.

■ Wages and salaries dip in July

Wages and salaries dropped 0.7% in July after a record jump of 1.4% in June.

■ New house prices virtually unchanged

In August, new house prices rose a slight 0.1%.

■ Motor vehicle sales drop once more

New motor vehicle sales declined for the second consecutive month in August.

■ Farm product prices continue to fall

In August, prices received by farmers for their products continued to decline, as a fall in crop prices more than offset a slight increase in livestock and animal products.

Provincial economies resume growth in 1993

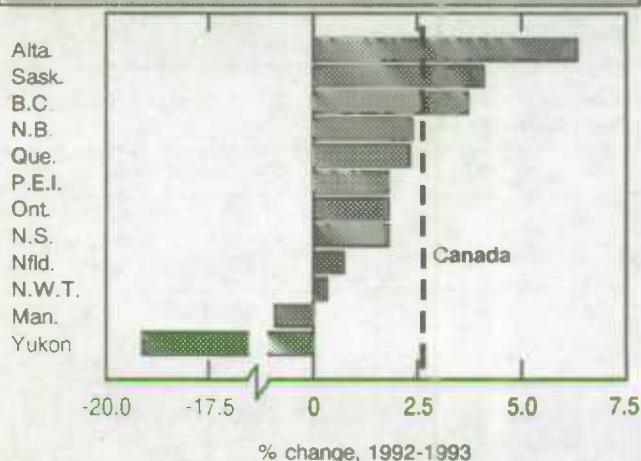
By the second year following the recession, nearly all provincial economies resumed growing. The western provinces, except Manitoba, expanded faster than the rest of Canada in 1993, mainly because of a surge in the oilpatch and a strong agricultural output. Output in the eastern and central provinces was below the national average of 2.6%.

Fuelled by the energy sector, Alberta's output grew 6.3%, the fastest pace in Canada and the province's seventh annual increase. Production advanced 3.7% in British Columbia, its ninth consecutive rise, while Saskatchewan recorded the biggest turnaround, growing a record 4.1% in 1993 after a drop of 1.7% the year before. Manitoba was the only western province to register a decline in production (-0.9%) as heavy rains spoiled wheat crops.

In central Canada, the automotive sector helped boost Quebec to its first increase in four years (2.3%). Ontario's economy grew 1.8% due also to the automotive sector, which in this province experienced its second successful year. Both economies, however, remained well below their pre-recession peaks of 1989.

(continued on page 2)

Provincial gross domestic product



... Provincial economies resume growth in 1993

In Atlantic Canada, a decline in fish landings due to the cod moratorium restrained growth. Nonetheless, Newfoundland's output increased for the first time since 1989 (0.7%), bolstered by the construction of the Hibernia platform. In Nova Scotia, widespread gains in services lifted production 1.8%. New Brunswick registered its best performance since 1987 (2.4%), propelled by the highest rate of growth of its manufacturing industries for years.

Yukon's economy, severely hit by the Faro mine closure, tumbled 19.1%. In contrast, output in the Northwest Territories advanced marginally (0.3%) following three years of declines.

For further information, order Provincial gross domestic product by industry, 1984-1993 (catalogue 15-203) or contact Industry Measures and Analysis Division at (613) 951-2018.

Gross domestic product Constant 1986 dollars

	1990	1991	1992	1993
	% change			
Canada	-0.3	-1.8	0.7	2.6
Newfoundland	-2.1	-3.3	-1.1	0.7
Prince Edward Island	-1.1	0.4	1.2	1.8
Nova Scotia	-0.4	-1.4	0.8	1.8
New Brunswick	-0.2	-1.4	-0.3	2.4
Quebec	0.0	-3.0	-0.1	2.3
Ontario	-2.2	-2.4	0.4	1.8
Manitoba	1.1	-4.6	1.9	-0.9
Saskatchewan	3.7	0.0	-1.7	4.1
Alberta	2.8	0.3	1.5	6.3
British Columbia	1.6	0.5	2.9	3.7
Yukon	6.9	-4.2	10.9	-19.1
Northwest Territories	-3.5	-1.6	-1.1	0.3

Unemployment rate falls as employment rises

In September 1994, rising employment (66,000 higher than August) pushed the unemployment rate down by 0.2 percentage points to 10.1%. This scenario continued the strong employment growth begun in January 1994, bringing year-to-date gains to 327,000.

Since January, almost all the employment growth has been in full-time work, which has increased by 316,000 over the period. In contrast, between the trough of April 1992 and January 1994, only about half the gains were accounted for by full-time work. In September alone, full-time employment rose by 79,000.

Between April 1992 and January 1994 employment growth occurred solely in the services sector. Since the beginning of the year, goods producers - particularly in manufacturing, agriculture and other primary industries - have begun to post gains as well: 6.0% (193,000). However, despite this year's growth, and despite production having returned to its pre-recession level, employment in goods remains 7.7% below its level of March 1990. Year-to-date employment growth in services recorded a rise of 1.4% (131,000).

Across Canada, during September, employment increased by 36,000 in Ontario, 20,000 in Alberta and 16,000 in British Columbia, leading to falling unemployment rates in these provinces. Since January, employment has grown by 3.3% in both Ontario and Alberta and by 3.8% in British Columbia.

(continued on page 3)

PROVINCIAL PERSPECTIVES

Labour force survey results for September 1994 Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	14,174	0.3	12,746	0.5	1,428	10.1
Newfoundland	238	-0.4	187	-1.1	51	21.4
Prince Edward Island	67	3.1	55	1.9	12	17.8
Nova Scotia	420	-1.4	367	-0.5	53	12.6
New Brunswick	338	0.9	296	0.3	42	12.4
Quebec	3,448	-0.2	3,029	-0.1	419	12.2
Ontario	5,424	0.5	4,926	0.7	498	9.2
Manitoba	540	0.4	491	1.0	49	9.1
Saskatchewan	470	0.0	438	0.0	32	6.8
Alberta	1,417	1.1	1,304	1.6	113	8.0
British Columbia	1,814	0.4	1,653	1.0	161	8.9

Unemployment rate falls as employment rises

In New Brunswick, where there was little change in September, employment has grown by 4.2% since January, well above the national average of 2.6%. September's gain of 5,000 in Manitoba offset comparable losses in the preceding month. Employment levels did not change significantly in the other provinces.

The number of unemployed fell 29,000 in September, bringing the level of unemployment down 164,000 since January and the unemployment rate down 1.3 percentage points to 10.1%. Between January and September, about half the decline in the number of unemployed (-83,000) occurred among adult men aged 25 and over.

For further information, order Labour force information (catalogue 71-001P) or contact Household Surveys Division at (613) 951-9448. (See also "Current trends" on page 8.)

Wages and salaries dip in July

Seasonally adjusted wages and salaries dropped 0.7% in July to \$29.9 billion after a record increase of 1.4% in June. Despite the province-wide July drop, the year-to-date growth remained 2.2%. Lower wages and salaries in manufacturing, and in finance, insurance and real estate were mostly behind the July decline.

The finance, insurance and real estate industry recorded a significant fall (-2.7%) in wages and salaries, due mostly to declining employment, lower average weekly earnings, fewer commissions and bonuses, and higher interest rates. Although wages and salaries for this industry saw a 2.0% growth in June, five of the last seven months posted declines.

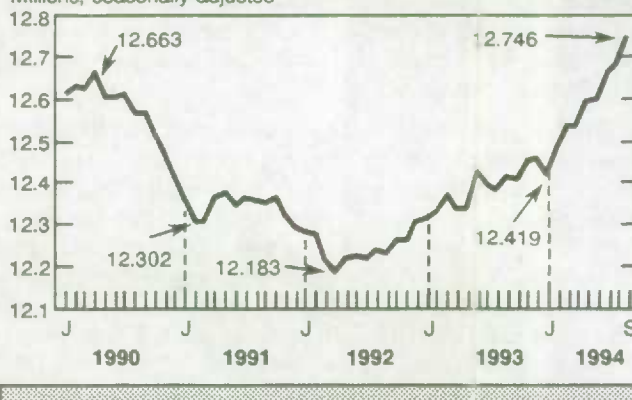
Wages and Salaries, July 1994

Seasonally adjusted

Province/ Territory	Wages and salaries (\$ millions)	% change, previous month	% change, previous year
Canada	29,862	-0.7	2.9
Newfoundland	383	0.7	1.9
Prince Edward Island	94	-2.5	0.2
Nova Scotia	739	-0.8	2.0
New Brunswick	600	1.0	1.8
Québec	6,669	-0.7	0.9
Ontario	12,413	-0.6	2.9
Manitoba	997	-1.0	4.7
Saskatchewan	762	-0.5	1.2
Alberta	2,926	-0.9	2.7
British Columbia	4,088	-0.7	6.1
Yukon and Northwest Territories/Abroad	182	0.1	4.8

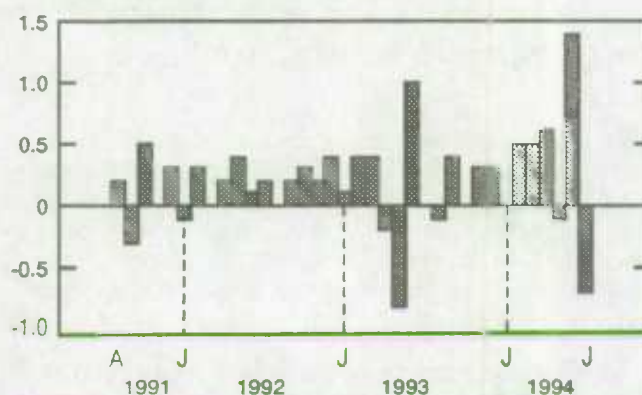
Employment

Millions, seasonally adjusted



Total wages and salaries

% change, previous month, seasonally adjusted



The year-to-date growth in unadjusted wages and salaries was 1.0% compared with the 1993 annual growth rate of 3.6%.

In manufacturing, the 0.1% decline in wages and salaries resulted from lower levels of employment – primarily in Ontario, Manitoba and British Columbia – as well as temporary shutdowns in the automotive sector.

Wages and salaries declined across the country except in Newfoundland, New Brunswick, the Yukon, and the North West Territories. Canadians working abroad who receive a Revenue Canada T4 form belonged to the few who reported increased wages and salaries.

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

New house prices virtually unchanged

In August 1994, the new housing price index (1986=100) stood at 136.2, a slight 0.1% higher than the month before. The estimated house only index rose 0.2% while the estimated land only index remained unchanged.

In 6 of the 20 urban areas surveyed, contractors reported stable or offsetting new home selling prices. In the 10 urban areas registering monthly price rises, the largest was recorded for Halifax (2.0%). Increased land values due to higher acquisition and servicing costs along with higher lumber prices accounted for the price hikes in this city. Increases in other cities were all 0.3% or less. Of the 4 cities recording declines, the largest was for St.Catharines-Niagara (-0.7%).

Between August 1993 and August 1994, the new housing price index dropped 0.2%. Decreases during the year were led by St.Catharines-Niagara (-4.0%), Kitchener-Waterloo (-2.6%), Vancouver (-2.5%), Victoria (-1.4%), and Québec City (-0.9%). Offsetting increases occurred in Regina (4.2%), Halifax (3.8%), Winnipeg (3.4%), Calgary (3.0%) and Saskatoon

Motor vehicle sales drop once more

Seasonally adjusted new motor vehicle sales declined by 1.5% in August following an 8.2% drop in July. Shortages of some popular models along with increases in interest rates may have contributed to the declining trend. Year-to-date sales, however, remained above those of 1993, due mostly to truck sales.

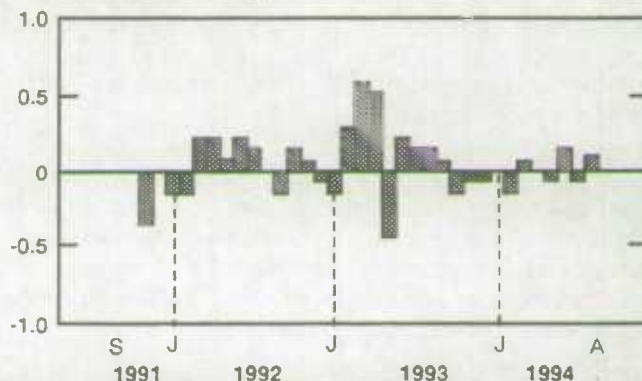
Both passenger car and truck sales were down in August, by 1.3% and 1.7% respectively. Falling car sales were attributable to a decline in the sale of imports. In contrast, sales of North American-built passenger cars remained stable. Compared with the corresponding period in 1993, year-to-date sales of imports were down 25.9%, while sales of North American-built cars increased by 15.9%.

Canadians purchased 94,000 (unadjusted) new motor vehicles in August, bringing the year-to-date total to 874,000, 5.9% higher than last year's figure. Truck sales accounted for the majority of this gain with a 13.4% rise over 1993; car sales jumped by 1.5% for the corresponding period.

The August 1994 market share of North American-built passenger cars sold in Canada rose to 69.8%, up from 62.7% a year earlier. Most of this

New housing price index

% change, previous month

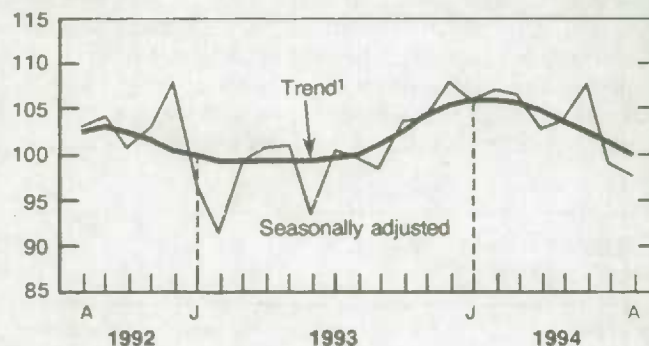


(1.0%). The index for Toronto, which is Canada's largest new residential construction market registered no change from a year ago.

For further information, order Construction price statistics (catalogue 62-007) or contact Prices Division at (613) 951-3350.

New motor vehicle sales

'000 units



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

increase in market share was due to "transplants," that is, vehicles built by foreign manufacturers in North America. The Japanese import market share dropped to 22.6% from 30.7%.

For further information, order New motor vehicle sales (catalogue 63-007) or contact Industry Division at (613) 951-3551.

Farm product prices continue to fall

In August, prices received by farmers for their products continued to decline, as a fall in crop prices more than offset a slight increase in livestock and animal products.

The crops index fell 10.0% in August, with declines in cereals (-17.4%), oilseeds (-5.8%), and a slight rise in potatoes (0.9%). Cereal prices declined in the west due to lower Canadian Wheat Board initial prices for wheat and barley for the 1994/95 crop year, which began August 1. As a result of good harvest projections in eastern Canada and the United States, corn prices also fell. With record Canadian and world oilseed production anticipated in 1994, the August drop in oilseed prices followed an 8.9% slide in July. Strong potato prices caused August's farm product prices to increase in New Brunswick and Prince Edward Island.

Cattle prices have been at or near record levels since the beginning of 1993. Since May of this year, prices have been gradually declining because of increased U.S. supplies. Slaughter to the end of August was up 1.8%. Hog prices have remained stable since spring, despite growing production. More pork has been frozen instead of sold as fresh product. Domestic hog slaughter to the end of August was up 1.0% from the same period last year, while in the United States slaughter increased 0.2%.

The farm product price index August 1994

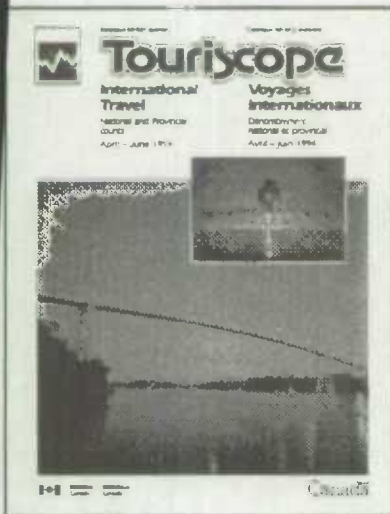
Province	Crops		Livestock and animal products	
	% change from		% change from	
	July 1994	August 1993	July 1994	August 1993
Canada	-10.0	-14.6	1.4	-2.5
Newfoundland	0.0	-8.3	2.6	-6.4
Prince Edward Island	5.4	16.2	2.4	-22.4
Nova Scotia	-1.1	-0.6	0.2	-3.1
New Brunswick	22.2	0.5	-0.3	-7.8
Quebec	-0.6	8.4	1.2	-0.3
Ontario	-4.3	3.0	1.8	-0.7
Manitoba	-8.2	-15.4	2.1	-0.1
Saskatchewan	-20.2	-29.6	1.0	-9.2
Alberta	-13.2	-23.6	1.4	-6.8
British Columbia	-0.4	-10.7	1.5	4.1

For further information, order Farm product price index (catalogue 62-003) or contact Agriculture Division at (613) 951-2441.

PUBLICATIONS RELEASED FROM OCTOBER 7 TO THE 13, 1994

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
AGRICULTURE					
Livestock statistics	September 1994	23-603E	90	108	126
DEMOGRAPHY					
Quarterly demographic statistics	April-June 1994	91-002	8/32	10/39	12/45
EDUCATION, CULTURE AND TOURISM					
Touriscope - international travel (national and provincial counts)	April-June 1994	66-001	42/168	51/202	59/236
HOUSEHOLD SURVEYS					
Labour force information	week ended September 17, 1994	71-001P	10/100	12/120	14/140
INDUSTRY					
Asphalt roofing	August 1994	45-001	6/60	8/72	9/84
Cement	August 1994	44-001	6/60	8/72	9/84
Chemical and chemical product industries	1992	46-250	38	46	54
Coal and coke statistics	July 1994	45-002	11/110	14/132	16/154
Electric power statistics	July 1994	57-001	11/110	14/132	16/154
Rigid insulating board	August 1994	36-002	6/60	8/72	9/84
Specified domestic electrical appliances	August 1994	43-003	6/60	8/72	9/84
Steel wire and specified wire products	August 1994	41-006	6/60	8/72	9/84
The sugar situation	August 1994	32-013	6/60	8/72	9/84
Wholesale trade	July 1994	63-008	16/160	20/192	23/224
INDUSTRY MEASURES AND ANALYSIS					
Provincial gross domestic product by industry	1984-1993	15-203	50	60	70
INTERNATIONAL TRADE					
Export by commodity	July 1994	65-004	60/600	72/720	84/840
LABOUR					
Estimates of labour force	April-June 1994	72-005	24/96	29/116	34/135
SERVICES, SCIENCE AND TECHNOLOGY					
Restaurant, caterer and tavern statistics	July 1994	63-011	7/70	9/84	10/98
Science statistics service bulletin: total spending on research and development in Canada	1971-1994	88-001	8/76	10/92	12/107
TRANSPORT					
Air carrier operations in Canada	October-December 1993	51-002	25/99	30/119	35/139
Air carrier traffic at Canadian airports	July-September 1993	51-005	33/130	39/156	46/182
Railway operating statistics	April 1994	52-003	12/120	15/144	17/168
Railway operating statistics	May 1994	52-003	12/120	15/144	17/168

NEW FROM STATISTICS CANADA



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* includes a text that 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 features an article, "The main overseas tourism markets in Canada".

The April-June 1994 issue of Touriscope: international travel (national and provincial counts) (catalogue 66-001, \$42/\$168) is now available. For further information on this release, contact Ruth Martin (613) 951-1791, Education, Culture and Tourism Division.

Construction price statistics

Construction price statistics presents a quarterly roundup of price indexes relating to the construction industry's inputs and outputs and to capital expenditures made by all industries in Canada. It contains tabular data for four recent years, technical notes on important concepts and practices, contact names and phone numbers. It also serves as a reference on historical, electronic and related series.

This compendia of price measures will prove valuable to analysts engaged in economic and financial analyses including cost assessments for fixed asset investments, appraisals or asset revaluations, contract escalations, monitoring or restating construction budgets, and productivity studies.

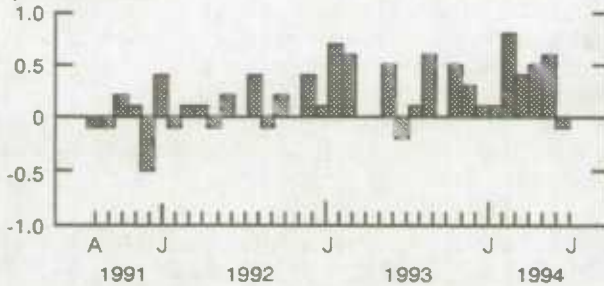
The second quarter 1994 issue of Construction price statistics (catalogue 62-007, \$19/\$76) is now available. For further information on this release, contact Les Graham at (613) 951-9615, fax: (613) 951-2848, Prices Division.



CURRENT TRENDS

Gross domestic product

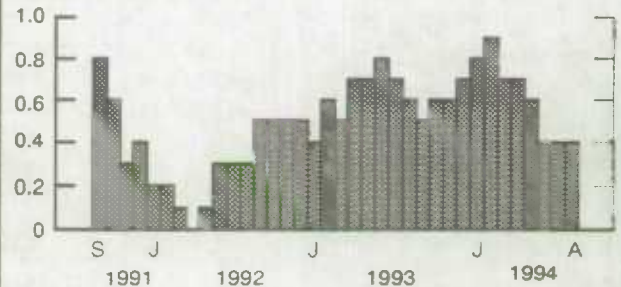
% change,
previous month



In July, real gross domestic product at factor cost fell 0.1%, due mainly to cutbacks in services.

Composite index

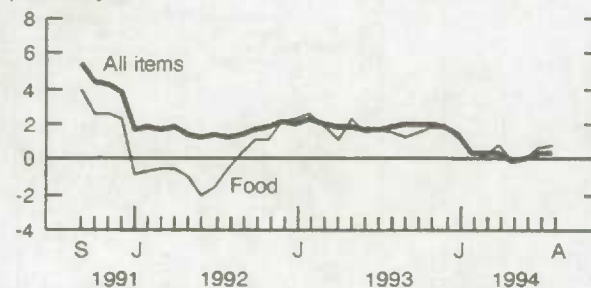
% change,
previous month



In August, the composite index rose by 0.4% for the third month in a row.

Consumer price index

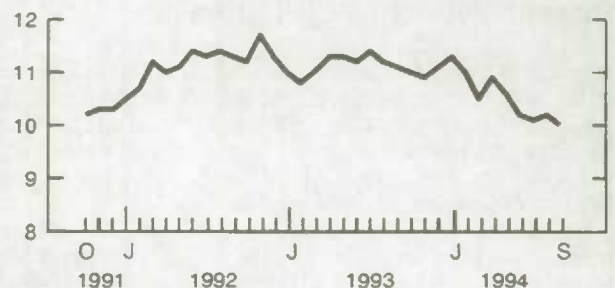
% change,
previous year



Consumers paid 0.2% more for goods and services in August 1994 than the year before. Food prices rose by 0.7%.

Unemployment rate

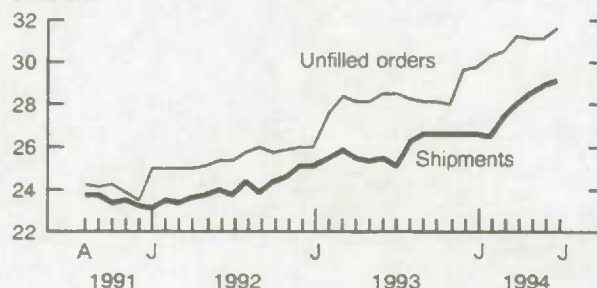
%



In September, the unemployment rate fell to 10.1%, its lowest rate since January 1991.

Manufacturing

Billions
of dollars



Canadian manufacturers' shipments rose 1.1% in July to \$29.1 billion. The level of unfilled orders grew 1.5% to \$31.6 billion.

Merchandise trade

Billions
of dollars



The value of merchandise exports increased by \$205 million in July to reach a monthly record of \$18.5 billion. Imports fell by \$804 million, to \$16.2 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)	July	530.5	-0.1%	3.9%
Composite leading indicator (1981 = 100)	August	167.7	0.4%	7.1%
Operating profits of enterprises (\$ billion)	2nd quarter	18.1	10.9%	29.5%
DOMESTIC DEMAND				
Retail trade (\$ billion)	July	17.1	-1.8%	5.7%
New motor vehicle sales ('000 units)	August*	97.5	-1.5%	-1.9%
LABOUR				
Employment (millions)	September*	12.7	0.5%	2.7%
Unemployment rate (%)	September*	10.1	-0.2 [†]	-1.1 [†]
Participation rate (%)	September*	65.1	0.1 [†]	0.0 [†]
Labour income (\$ billion)	July*	34.1	-0.7%	3.1%
Average weekly earnings (\$)	July	568.15	-0.5%	1.8%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	July	18.5	1.1%	24.5%
Merchandise imports (\$ billion)	July	16.2	-4.7%	15.5%
Merchandise trade balance (all figures in \$ billion)	July	2.34	1.01	0.12
MANUFACTURING				
Shipments (\$ billion)	July	29.1	1.1%	16.2%
New orders (\$ billion)	July	29.6	2.6%	17.9%
Unfilled orders (\$ billion)	July	31.6	1.5%	11.2%
Inventory/ shipments ratio	July	1.30	0.02	-0.12
Capacity utilization (%)	2nd quarter	77.9	2.4	4.1
PRICES				
Consumer price index (1986 = 100)	August	130.8	0.1%	0.2%
Industrial product price index (1986 = 100)	August	120.1	0.6%	6.4%
Raw materials price index (1986 = 100)	August	123.9	-1.0%	9.4%
New housing price index (1986 = 100)	August*	136.2	0.1%	-0.2%

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

* new this week

† percentage point

I·N·F·O·M·A·T

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