



Infomat

A Weekly Review

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Friday, January 13, 1995

OVERVIEW

■ Employment growth highest in seven years

1994 saw the highest number of jobs created in a year since 1987. December's unemployment rate stood at 9.6%.

■ Rising mortgage rates and lower demand cause drop in building intentions

Construction intentions for new housing dropped for the fifth straight month in November, resulting from rising mortgage rates and a weaker demand for homes.

■ New car sales decrease in November

Continuing their fluctuating trend, sales of new cars and trucks declined in November 1994.

■ Employers plan to hire more workers

In December 1994, employers placed more help-wanted ads to attract workers.

■ Raw materials prices increase steadily

In November 1994, manufacturers paid 13.2% more for raw materials than in November 1993, the highest year-over-year increase in four years.

■ Product price hikes highest in 12 years

High exports and exchange rate movements saw the year-over-year price increase in November at its highest rate since 1982.

Employment growth highest in seven years

At the close of the year in 1994, employment had increased 2.9% (362,000) from December 1993. This growth, all of which was in full-time employment, represented the highest number of jobs created in a year since 1987. The gains were spread among all regions of the country and in both the goods- and service-producing sectors. Compared with the month before, December's employment was virtually unchanged. The unemployment rate stood at 9.6%.

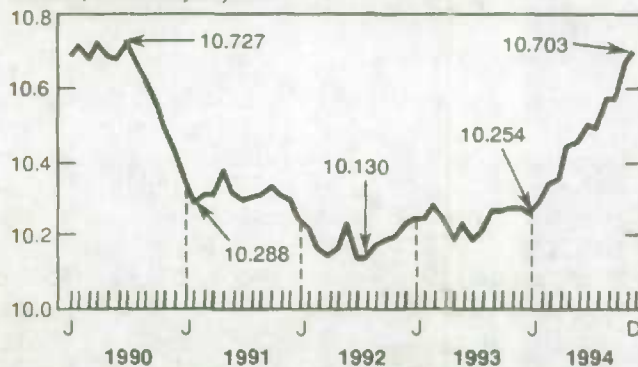
During 1994, full-time employment rose 431,000 (4.2%). These gains, coupled with smaller increases the year before, have returned full-time employment to within 23,000 of the pre-recession level. In December alone, full-time employment grew by 27,000 while part-time employment fell by 28,000.

Keeping with the year's trend of steep growth, employment for adults increased, but was offset by declines in youth employment. Despite monthly fluctuations, youth employment was little changed in 1994 and remains 341,000 below its pre-recession level of March 1990.

(continued on page 2)

Full-time employment

Millions, seasonally adjusted



... Employment growth highest in seven years

In manufacturing, employment increased slightly in December 1994, bringing gains since a year ago to 116,000 (6.4%). The employment hikes are consistent with growth during the year in exports, manufacturing shipments and the backlog of unfilled orders by manufacturers.

Employment in construction has fallen back slightly (-25,000), after posting large increases in the first five months of the year. This recent weakness coincides with the slowdown in housing starts and the drop in residential building permits.

During 1994, employment also increased in other primary industries (4.2%) and in community, business, and personal services (3.6%).

Strong growth in full-time employment during the year lowered the number of jobless by 212,000.

Note to users

A number of changes will be introduced to the January 1995 labour force survey to be released on February 10, 1995. A feature article describing these changes will appear in the December 1994 issue of The labour force (catalogue 71-001). The changes include the rebasing of survey estimates to the 1991 Census results, inclusion of non-permanent residents in the target population, and adoption of new subprovincial regions.

The unemployment rate fell from 11.2% in December 1993 to 9.6% in December 1994.

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.)

PROVINCIAL PERSPECTIVES

Labour force survey, December 1994

Seasonally adjusted

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	Rate (%)
Canada	14,176	-0.1	12,820	0.0	1,356	9.6
Newfoundland	237	-0.4	188	0.0	49	20.7
Prince Edward Island	67	0.0	57	0.0	10	15.0
Nova Scotia	422	0.5	370	0.8	52	12.3
New Brunswick	345	1.5	305	1.7	40	11.6
Quebec	3,478	0.5	3,056	-0.3	422	12.1
Ontario	5,412	-0.1	4,955	0.1	457	8.4
Manitoba	541	-0.7	498	-0.6	43	7.9
Saskatchewan	477	-0.4	448	0.0	29	6.1
Alberta	1,422	-0.1	1,314	-0.2	108	7.6
British Columbia	1,790	-0.2	1,639	0.4	151	8.4

Rising mortgage rates and lower demand cause drop in building intentions

Construction intentions for new housing dropped for the fifth straight month in November, resulting from rising mortgage rates and a weaker demand for new and existing homes. The value of building permits issued by municipalities fell 1.7% from October, to \$2,170 million. These declines in construction intentions suggest a further slowdown in construction employment.

Most of November's declines occurred in the residential sector (-2.6%), which has been steadily slipping since June. However, for the first 11 months of 1994, residential permits were still 6.6% above their value during the same period in 1993. Within the residential sector, single-family intentions - representing 71% of the total value of

building permits - constituted the largest decline, 4.1% since October. Single-family permits have shown some signs of picking up in the first part of 1994, but have been steadily falling since June.

In terms of dwelling units, the annualized number issued in November decreased 6.6% from October to 128,000 units, the lowest level since January 1991.

Non-residential building intentions were virtually unchanged from October (-0.3%) at \$874 million. Declines in commercial and institutional construction intentions offset a strong increase in planned industrial projects, which were the strongest since November 1990, mirroring the continued strength of the economic recovery. For the first 11 months of 1994, non-residential intentions were 6.0% higher than during the same period in 1993.

(continued on page 3)

Rising mortgage rates and lower demand cause drop in building intentions

Compared with October, the only increases in the total value of building permits in November occurred in the Prairies (4.7%) and British Columbia (4.0%). By contrast, Quebec recorded the most significant decrease (-9.9%). For the first 11 months of 1994, the value of total permits was on the rise in all regions compared with the same period in 1993. The largest contributions to the overall gain came from Ontario (10.0%) and Quebec (7.5%).

Note to users

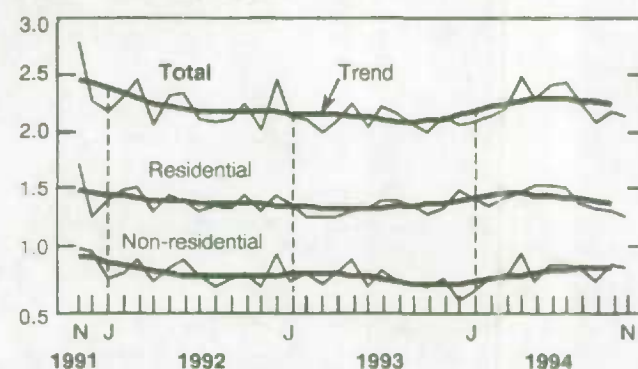
The building and demolitions permits monthly survey covers 2,400 municipalities and represents 93% of the population. It provides an early indication of building activity.

The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

Unless otherwise stated, all data are seasonally adjusted.

Value of building permits issued

\$ billions, seasonally adjusted



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

PROVINCIAL PERSPECTIVES

Building permits, November 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	2,104.7	-2.8	1,208.4	-7.7	896.3	5.0
Newfoundland	16.3	-6.5	10.3	-15.7	6.0	15.7
Prince Edward Island	7.7	-6.3	3.3	-47.9	4.4	133.3
Nova Scotia	53.1	3.9	29.8	-13.6	23.4	40.2
New Brunswick	28.5	-7.3	11.6	-12.2	17.0	-3.6
Quebec	432.7	-1.7	218.4	-6.3	214.2	3.5
Ontario	789.0	4.7	437.4	-2.2	351.6	14.8
Manitoba	27.7	-21.4	12.8	-7.0	14.9	-30.7
Saskatchewan	46.5	88.4	15.5	107.7	31.0	80.0
Alberta	203.9	9.8	113.6	-18.7	90.3	96.3
British Columbia	494.0	-19.5	351.6	-12.2	142.3	-33.2
Yukon	2.2	-5.6	1.5	-18.2	0.8	35.2
Northwest Territories	3.1	102.0	2.5	670.7	0.6	-53.0

New car sales decrease in November

Continuing their trend of monthly fluctuations, sales of new cars and trucks declined in November after two monthly increases. Manufacturers and importers of new motor vehicles reported sales drops for six of the first eleven months of the year. However, total sales for 1994 will surpass those

of the previous two years and bring to an end five consecutive years of annual declines.

Seasonally adjusted sales of new motor vehicles declined 4.3% in November. Car sales dropped 3.6%, while truck sales (including minivans, light trucks, and sport-utility vehicles) fell 5.2%. For the first 11 months of 1994, combined car and truck

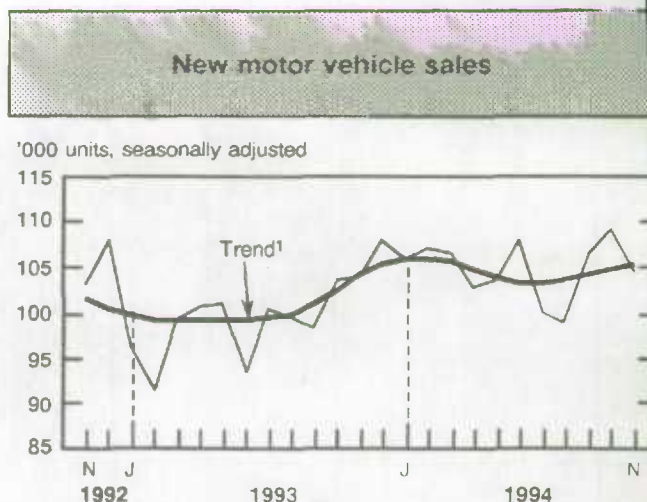
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... New car sales decrease in November

sales were 6% higher than for the same period of 1993 and almost 3% higher than for the same period of 1992. While truck sales advanced 14% over the 1993 period and 20% over the 1992 period, car sales jumped by only 1% from 1993 and declined by 7% from 1992.

Sales by the Big Three auto makers for the first eleven months of 1994 accounted for 74% of all new motor vehicles sold, up from 72% for the comparable period of 1993. The share of sales accounted for by transplants (vehicles built by foreign manufacturers in North America) grew to 10% from 7% in each of the previous two years.

With consumer demand for minivans and sport-utility vehicles on the rise, the share of passenger car sales has declined to 60% for the first eleven months of 1994 from 66% for the same period in 1992. Within the new car market, however, the Big Three auto makers have increased their share relative to their Japanese and European competitors. The Big Three's new car sales for the first 11 months of 1994 accounted for 66%, up from 61% in 1992.



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

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

Employers plan to hire more workers

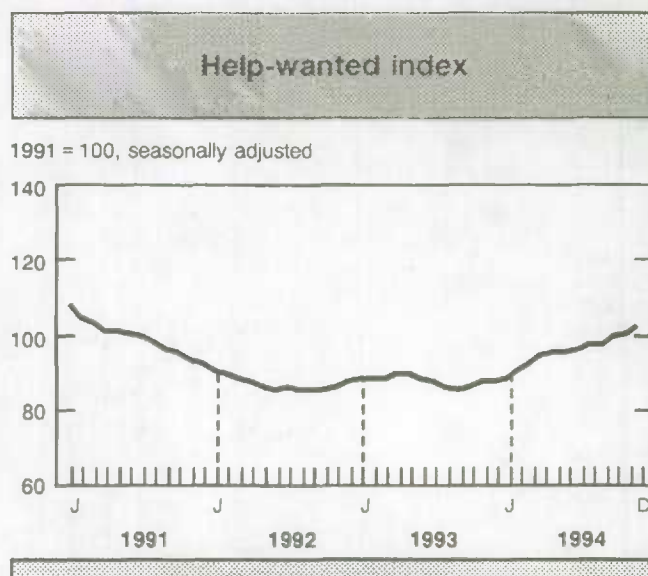
In December 1994, employers placed more help-wanted ads to attract workers. The seasonally adjusted help-wanted index (1991=100) increased 2% from the month before to 102. Since its low of 85 in September 1993, the index gained 20%.

The 12-month average of the index dropped from a peak of 209 in 1988 to 86 in 1992. The following year it increased only slightly, but in 1994, it jumped 10 points to 97.

Increases in the index are consistent with rising levels of employment and decreases in the unemployment rate. Compiled from 22 newspapers published in 20 metropolitan areas, the index is an early indicator of change in the labour market.

Across Canada, between November and December 1994, the index moved as follows:

Atlantic provinces: up 2% to 103
 Quebec: down 1% to 102
 Ontario: up 2% to 107
 Prairies: down 1% to 96
 British Columbia: down 1% to 84



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

Raw materials prices increase steadily

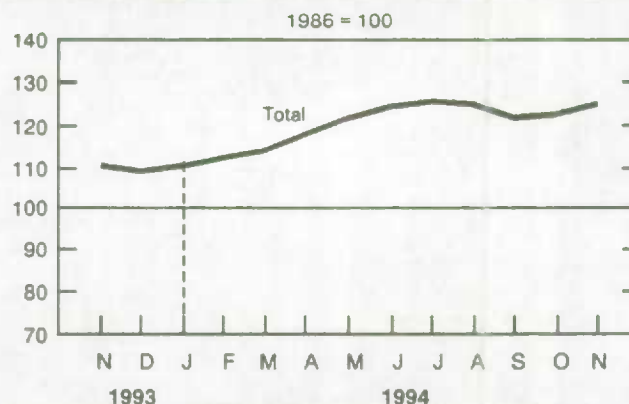
In November 1994, manufacturers paid 13.2% more for raw materials than in November 1993, the highest year-over-year increase in four years. Prices rose 2.2% from the month before. November's increase, led by non-ferrous metals, crude oil, wood, and vegetable products ended a three-month period in which prices of raw materials had begun to level off.

Non-ferrous metal prices have grown almost monthly since November 1993, rising more than 50% over the 12-month period. Recently, all metals have been subject to varying degrees of market speculation. However, increased industrial activity in the G7 countries combined with a restocking of metal inventories has had a strong influence on the surge of metal prices.

Crude oil prices have increased almost 5% in the last two months, and 16% since November 1993. OPEC's November decision to freeze output in 1995 will add to the pressure for higher prices if world demand grows. The new U.S. insurance system for crude oil shipping has already pushed crude prices up. The weather, Canadian-U.S. exchange rates, and non-OPEC production will also affect future prices.

Wood prices, having increased 33% in 1993 have been edging up almost monthly in 1994. Prices were up 12% this November compared with a year earlier and 1.4% compared with last month. Strong demand for wood, cutting controls that affect supply, and higher stumpage fees are keeping prices at historical highs.

Raw materials prices



Prices for vegetable products maintained a rising trend from the end of 1992 to June 1994. After fluctuating for the following five months, prices in November ended up marginally below June's level. Higher November prices for sugar, canola, raw tobacco, barley, and wheat offset prices for corn and oats.

Live hog prices, which fell for the third consecutive month have declined almost 30% since August. Large herd sizes and producers' unwillingness to carry stock over the winter are causing prices to drop.

For further information, order Industry price indexes (catalogue 62-011) or contact Prices Division at (613) 951-3350.

Product price hikes highest in 12 years

High exports and exchange rate movements saw the 12-month November price increase at 7.2%, its highest rate since 1982. Signs of potential pressure on consumer prices were not evident. Producer prices rose 0.8% from their October level.

November's increase, led by exported non-ferrous metals, lumber and timber, and newsprint and pulp, was driven mainly by world market conditions. Petroleum products and exported motor vehicles were also important contributors. The only significant declines occurred in pork and poultry.

The 12-month change in Canadian industrial prices remained much higher than in the other G7 industrialized countries: more than six percentage points above that in the United States and more than four percentage points above those in Germany, the United Kingdom, and France. The structure of the Canadian economy and interna-

tional exchange rate movements continued to be important contributors to these differences.

For the fourth time this year, the year-over-year change in domestic prices at the manufacturers' level (little over 2%) was about a percentage point higher than at the consumer level (about 1%, excluding the effect of tobacco taxes). Faced with a relatively weak retail market, distributors and retailers seem to be absorbing part of the rise in manufacturing prices while trying to hold down labour and other costs.

Overall, conditions remained good for Canadian producers while Canadian consumers did not see any strong increases in prices. The ongoing world recovery, strong orders for investment goods, and the lack of sustained growth in retail sales suggest this pattern may continue.

For further information, order Industry price indexes (catalogue 62-011) or contact Prices Division at (613) 951-3350.

PUBLICATIONS RELEASED FROM JANUARY 6 TO 12, 1995

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
AGRICULTURE					
Farm input price index	3rd quarter 1994	62-004	20/80	24/96	28/112
BALANCE OF PAYMENTS					
Canada's international transactions in securities	October 1994	67-002	17/170	21/204	24/238
EDUCATION, CULTURE AND TOURISM					
Performing arts	1992-1993	87-209	30	36	42
Touriscope - international travel (national and provincial counts)	3rd quarter 1994	66-001	42/168	51/202	59/236
Travel-log	Winter 1995	87-003	10/40	12/48	14/56
HOUSEHOLD SURVEYS					
Labour force information	December 10, 1994	71-001P	10/100	12/120	14/140
INDUSTRY					
Cement	November 1994	44-001	6/60	8/72	9/84
Coal and coke statistics	October 1994	45-002	11/110	14/132	16/154
Electric power statistics	October 1994	57-001	11/110	14/132	16/154
Retail trade	October 1994	63-005	20/200	24/240	28/280
Specified domestic electrical appliances	November 1994	43-003	6/60	8/72	9/84
PRICES					
Construction price statistics	3rd quarter 1994	62-007	19/76	23/92	27/107
TRANSPORTATION					
Air passenger and destination, domestic report	1993	51-204	39	47	55
Surface and marine transport service bulletin	Vol. 10, no.6	50-002	11/80	14/96	16/112

NEW FROM STATISTICS CANADA



Touriscope international travel (national and provincial counts)

This report contains tables and graphs of monthly data for the past two years on a province-of-entry basis. Each issue of *Touriscope* reviews recent trends in international travel, providing preliminary estimates of receipts and payments on the travel account for the quarter. The feature article in this issue is "Canadians' favourite sunspot: Florida."

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

Travel-log

The main article in the winter 1995 issue of *Travel-log*, a quarterly tourism newsletter, features a profile of Americans travelling in Canada.

Each quarter, *Travel-log* examines international travel trends and the travel price index. It also features the latest tourism indicators, as well as information about Statistics Canada's products and services related to tourism.

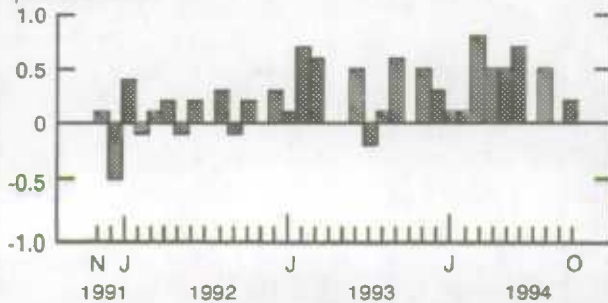
The winter 1995 (vol. 14, no. 1) issue of *Travel-log* (catalogue 87-003, \$10/\$40) is now available. For further information on this release, contact Lise Beaulieu-Caron (613) 951-1673, fax: (613) 951-2909, Education, Culture and Tourism Division.



CURRENT TRENDS

Gross domestic product

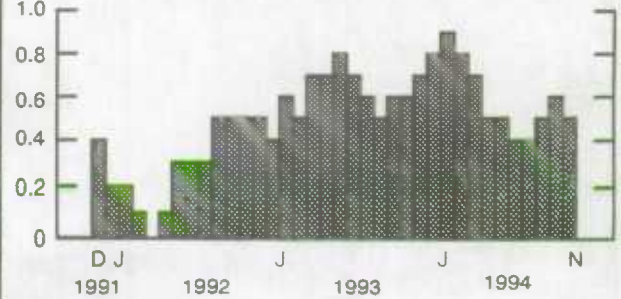
% change,
previous month



Real gross domestic product at factor cost grew 0.2% in October.

Composite Index

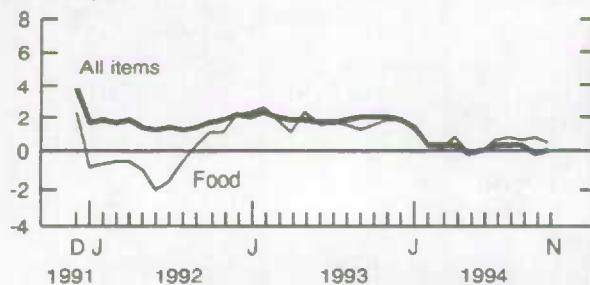
% change,
previous month



The growth of the composite index was little changed at 0.5% in November.

Consumer price index

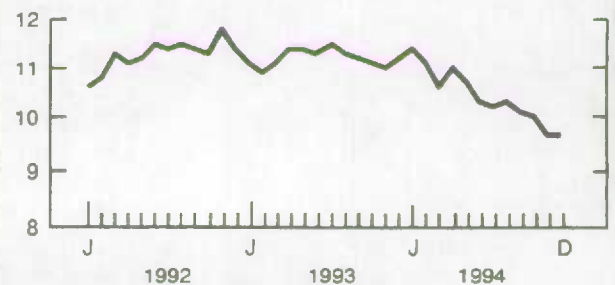
% change,
previous year



Consumers paid 0.1% less for goods and services in November 1994 than the year before. Food prices rose by 0.4%.

Unemployment rate

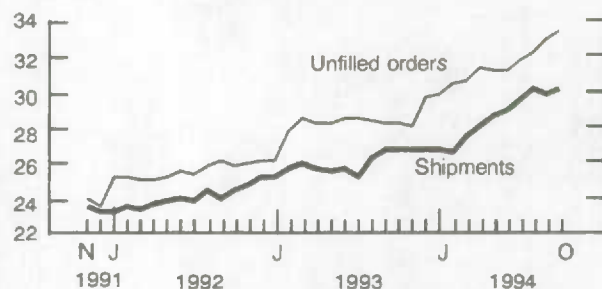
%



In December, the unemployment rate remained unchanged at 9.6%.

Manufacturing

\$ billions



Manufacturers' shipments jumped 1.0% in October to \$30.0 billion. The level of unfilled orders grew 1.0% to \$33.3 billion.

Merchandise trade

\$ billions



The value of merchandise exports increased \$555 million in October, to \$19.4 billion. Imports rose by \$216 million, to \$17.7 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)	October	535.6	0.2%	4.1%
Composite index (1981 = 100)	November	170.4	0.5%	7.5%
Operating profits of enterprises (\$ billion)	3rd quarter	20.2	11.4%	48.5%
DOMESTIC DEMAND				
Retail trade (\$ billion)	October	17.6	1.6%	8.0%
New motor vehicle sales ('000 units)	November*	104.3	-4.3%	0.4%
LABOUR				
Employment (millions)	December*	12.8	0.0%	2.9%
Unemployment rate (%)	December*	9.6	0.0 [†]	-1.6 [†]
Participation rate (%)	December*	64.9	-0.1 [†]	-0.2 [†]
Labour income (\$ billion)	October*	34.3	-0.3%	3.3%
Average weekly earnings (\$)	October	568.20	0.0%	2.0%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	October	19.4	2.9%	21.5%
Merchandise imports (\$ billion)	October	17.7	1.2%	19.1%
Merchandise trade balance (all figures in \$ billion)	October	1.7	0.3	0.6
MANUFACTURING				
Shipments (\$ billion)	October	30.0	1.0%	13.1%
New orders (\$ billion)	October	30.3	-0.6%	14.2%
Unfilled orders (\$ billion)	October	33.3	1.0%	18.7%
Inventory/ shipments ratio	October	1.29	-0.01	-0.06
Capacity utilization (%)	3rd quarter	82.9	1.6	5.3
PRICES				
Consumer price index (1986 = 100)	November	131.4	0.5%	-0.1%
Industrial product price index (1986 = 100)	November	122.2	0.8%	7.2%
Raw materials price index (1986 = 100)	November	124.8	2.2%	13.2%
New housing price index (1986 = 100)	November*	135.9	-0.1%	-0.3%

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

A weekly review

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