



# Infomat

## A Weekly Review

Friday, April 28, 1995

### OVERVIEW

#### ■ Number of U.I. beneficiaries lowest in 13 years

In February, the number of Canadians receiving regular U.I. benefits declined to the lowest level in over 13 years.

#### ■ Foreigners sell Canadian securities, particularly short-term paper

In February, foreigners sold more Canadian securities than they bought, while Canadians continued to buy large amounts of foreign securities.

#### ■ Consumer prices up in March

While compared with the month before, the advance of the consumer price index slowed in March, on an annual basis its increase was the largest in two years.

#### ■ Consumer spending on goods declines

Consumer spending on goods declined in February, as retail sales fell.

#### ■ Wholesale inventories surge

In February, wholesale inventory levels shot up for a second month in a row. Concurrently, sales also rose, but at a slower pace.

#### ■ Business productivity best in 10 years

In 1994, Canadian businesses registered their best productivity performance in 10 years.

### Number of U.I. beneficiaries lowest in 13 years

In February, the number of Canadians receiving regular U.I. benefits declined to the lowest level in over 13 years (752,000). This drop in numbers from January was spread across all provinces and territories. Compared with February 1994, there were 21.9% fewer beneficiaries.

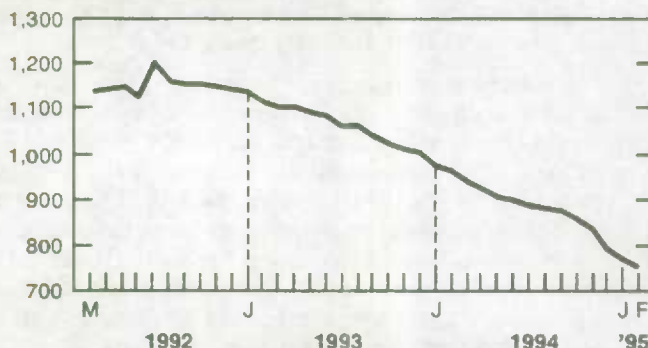
The number of beneficiaries aged 15 to 24 has been falling faster than those in the older age groups, decreasing 50.0% from the peak of July 1992. This compares with drops of 37.3% for those aged 25 to 44 and 29.3% for those 45 and older.

There has also been a long-term decline in the proportion of beneficiaries in the 15-to-24 age group. In February 1995, the number of these beneficiaries represented 13.5% of all beneficiaries, compared with 28.1% a decade earlier. This drop may be explained, at least in part, by a decrease in the population of this age group as well as the fact that since the 1990-92 recession, many young people returned to or stayed in school.

(continued on page 2)

The number of beneficiaries receiving regular benefits

'000, seasonally adjusted



### ... Number of U.I. beneficiaries lowest in 13 years

In terms of benefits, and on an unadjusted basis, Canadians received \$1.4 billion (including regular and special benefits), down 15.0% from February 1994. Compared with the same month in previous years, this was the lowest level since February 1990 when \$1.2 billion was paid in benefits.

#### U.I. beneficiaries receiving regular benefits

February 1995

Seasonally adjusted

Province/territory	Total ('000)	% change, previous month	% change, previous year
<b>Canada</b>	<b>752</b>	<b>-2.2</b>	<b>-21.9</b>
Newfoundland	40	-4.3	-29.7
Prince Edward Island	11	-2.3	-15.7
Nova Scotia	41	-5.5	-20.3
New Brunswick	47	-2.3	-14.1
Quebec	260	-1.4	-18.3
Ontario	188	-2.5	-26.9
Manitoba	19	-2.0	-23.7
Saskatchewan	15	-1.7	-26.6
Alberta	51	-0.5	-22.5
British Columbia	86	-0.4	-16.7
Yukon	1	-7.1	-33.1
Northwest Territories	1	-2.3	-9.9

#### Note to readers

The majority (79.0% in February) of those who collect U.I. benefits receive regular benefits. In addition to regular benefits, claimants can qualify for special benefits (e.g., training, maternity, sickness, and fishing). Data on the number of beneficiaries relate to a specific week of the reference month. Data on benefit payment, benefit weeks, and claims refer to a complete calendar month.

Unless otherwise noted, all figures are seasonally adjusted. Please note that these figures have been revised for 1994 and preceding years.

As for claims, 250,000 people sought financial assistance from the U.I. program. This was virtually unchanged from the number in January. Since mid-1994, the trend for the number of claims received has edged up slightly.

For further information, order Unemployment insurance statistics (catalogue 73-001) or contact Labour Division at (613) 951-4045.

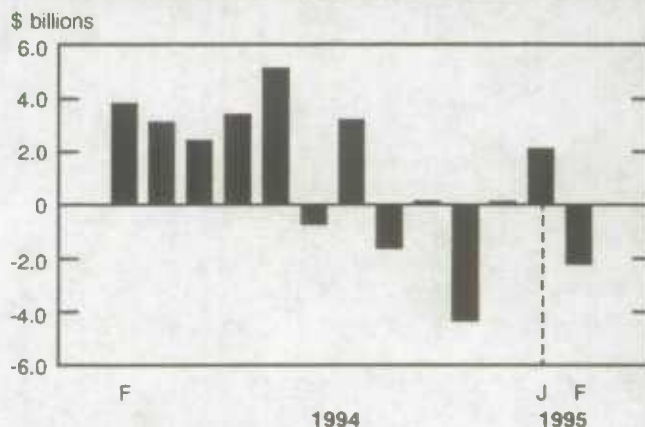
### Foreigners sell Canadian securities, particularly short-term paper

Foreigners sold a net \$2.2 billion Canadian securities in February, reversing January's net investment. It was a continuation of the seesaw pattern of foreign investment and disinvestment that has prevailed since July 1994. At the same time, Canadians continued to acquire foreign securities (\$1.0 billion), with the bulk going to bonds.

Foreign selling of Canadian securities was largely concentrated in short-term paper, mainly Government of Canada treasury bills. Totalling \$2.6 billion, the foreign disinvestment in short-term paper was widespread geographically. This occurred at a time when Canadian short-term interest rates were significantly higher than their U.S. counterparts. Foreigners bought and sold a total of \$49 billion short-term paper, down from the record \$68 billion they traded in December 1994.

Foreigners withdrew a further \$0.4 billion from Canadian stocks. This brought to \$2.0 billion their net selling over the past four months. The net disinvestment by both U.S. and overseas investors contrasted sharply with their heavy accumulation of

#### Foreign investment in Canadian securities<sup>1</sup>



<sup>1</sup> Includes bonds, stocks and money market paper.

recent years. Canadian stock prices, as measured by the TSE 300 index, remained flat. Trading activity was unchanged at \$5.4 billion, well below the monthly average of \$7.3 billion for 1994.

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### ... Foreigners sell Canadian securities, particularly short-term paper

Canadian investors invested a further \$1.0 billion in foreign securities, following a substantial \$1.5 billion in January. February's investment consisted, once again, mostly of foreign bonds; investment in these bonds has totalled an unprecedented \$3 billion over the three months to

February. February's investment was roughly split between U.S. government bonds and overseas bonds.

*For further information, order Canada's international transactions in securities (catalogue 67-002) or contact Balance of Payments Division at (613) 951-1864.*

## Consumer prices up in March

In March, consumers faced slightly higher annual price increases for goods and services than in recent months. Excluding tobacco products, the 12-month movement in the consumer price index (CPI) increased 2.3%, compared with 2.0% in February and January.

The all-items index advanced 2.2% over the last 12 months, the largest annual increase since February 1993. Automobiles, car insurance premiums, gasoline, food, and mortgage interest costs contributed the most to the yearly rise.

Monthly increases in the CPI slowed as the average price of goods and services edged up 0.2%, following a 0.5% rise in February. Most of the upward pressure in March came from higher cablevision rates (9.1%), mortgage interest costs

(0.6%), seasonal price increases for travel tours (6.4%), cigarette prices (2.5%), and higher taxes on gasoline (1.5 cents per litre). In contrast, notable price declines for clothing and footwear (-0.5%), food (-0.2%), and personal care supplies (-0.8%) helped to slow further advances in the CPI.

By region, New Brunswick showed the largest monthly movement (0.5%). Prince Edward Island was the only area that registered no change. Twelve-month price changes were above the national average in Manitoba (2.7%) and Alberta (2.7%). Prince Edward Island and Nova Scotia registered the smallest annual change (0.9%).

*For further information, order The consumer price index (catalogue 62-001) or contact Prices Division at (613) 951-9606. (See also "Current trends" on page 8.)*

## PROVINCIAL PERSPECTIVES

### The Consumer price index, March 1995

% change, previous year\*

Province/territory	All-items	Food	Energy	Housing	Transportation
Canada	2.2	3.0	2.3	1.1	5.6
Newfoundland	1.5	2.8	3.8	0.8	6.4
Prince Edward Island	0.9	-1.8	5.7	1.8	6.9
Nova Scotia	0.9	1.4	4.9	1.3	6.8
New Brunswick	2.2	3.2	2.4	1.6	6.6
Quebec	1.3	1.7	0.0	1.3	3.5
Ontario	2.6	3.9	2.0	1.3	5.8
Manitoba	2.7	2.6	4.6	1.9	6.1
Saskatchewan	2.2	2.1	4.0	1.4	6.4
Alberta	2.7	3.4	5.1	-0.2	8.8
British Columbia	2.6	4.3	3.7	0.0	5.7
Yukon	1.3	-1.2	4.0	1.2	5.5
Northwest Territories	2.5	1.8	4.4	1.2	7.0

\* Data are not seasonally adjusted.

## Consumer spending on goods declines

Consumer spending on goods declined in February as retail sales fell. Before the last two months' slowdown, retail sales had grown steadily since mid-1993.

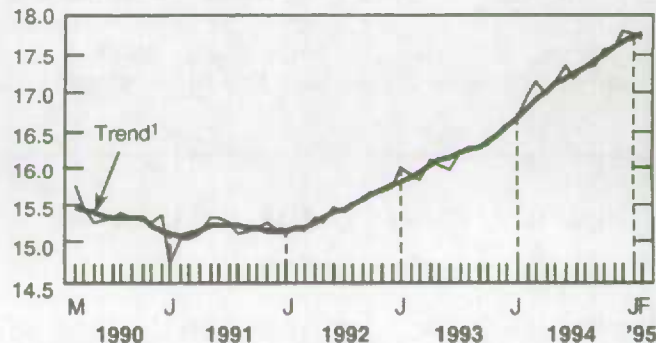
Retail sales decreased 0.5% to \$17.7 billion (seasonally adjusted) after a slight 0.1% decline in January. The latest drop coincides with declines in employment, manufacturing shipments, and a slow housing market. Of the seven sectors, automotive, other retail stores, drug, and furniture all retreated. The food, clothing, and general merchandise sectors advanced.

Quebec retailers reported the largest drop in sales (\$117 million or -2.8% from January). This second consecutive decline brought retail sales in this province to a level slightly below that of April 1994. Weakness in the employment sector and a sluggish housing market were mostly responsible for the decrease.

Early indications of March sales are not encouraging. Estimates indicate a drop in department stores sales and in the number of new motor vehicles sold. These two categories account for about one-third of total retail sales. In addition, employment in trade declined 0.3% from February

## Retail sales

\$ billions, seasonally adjusted



Data prior to 1991 have been adjusted to remove the federal sales tax to be comparable to January 1991 and subsequent data.

¹ Trend represents smoothed seasonally adjusted data.

1995. In the United States, retail sales increased 0.2% after a 1.4% drop in February.

For further information, order Retail trade (catalogue 63-005) or contact Industry Division at (613) 951-9682.

## Wholesale inventories surge

In February, wholesale inventory levels surged for a second month in a row, reaching \$30 billion, an increase of 1.2% over January. Concurrently, sales also rose, but at a slower pace.

The largest buildup in inventories occurred in motor vehicles, parts and accessories, up 3.1%. Higher interest rates, which are dampening consumer spending, and a looming rail strike may have contributed to the rise. The second largest hike was in metals, hardware, plumbing and heating equipment, and supplies, up 3.8%.

Wholesalers' total sales reached \$20.8 billion, up 0.7% from January. Five of the nine trade groups (accounting for about 78% of all sales) contributed to February's increase with food, beverage, drug and tobacco products posting the largest rise followed by motor vehicles, parts, and accessories. Smaller hikes were recorded in three other trade groups, mostly related to industrial and export markets.

The inventories-to-sales ratio remained unchanged from January at 1.44.

For further information, order Wholesale trade (catalogue 63-008) or contact Industry Division at (613) 951-9683.

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## PROVINCIAL PERSPECTIVES

### Retail and wholesale trade, February 1995

Seasonally adjusted

	Retail sales		Wholesale sales	
	\$ millions	% change from previous month	\$ millions	% change from previous month
Canada	17,689	-0.5	20,809	0.7
Newfoundland	287	1.0	177	7.3
Prince Edward Island	75	1.5	42	-1.5
Nova Scotia	541	-0.4	425	0.6
New Brunswick	411	0.5	284	1.1
Quebec	4,122	-2.8	4,755	2.1
Ontario	6,699	0.2	8,903	0.5
Manitoba	595	1.7	697	2.3
Saskatchewan	531	-0.6	746	3.5
Alberta	1,822	-0.2	1,958	-1.4
British Columbia	2,546	0.5	2,800	-0.7
Yukon	18	2.0		
Northwest Territories	41	0.2	22	4.2

### Business productivity best in 10 years

In 1994, Canadian businesses registered their best productivity performance in 10 years. However, despite this growth, the level of productivity was still below that in 1989. The year 1994 saw the second consecutive drop in unit labour cost, resulting from business restructuring and from the fact that wages increased only marginally.

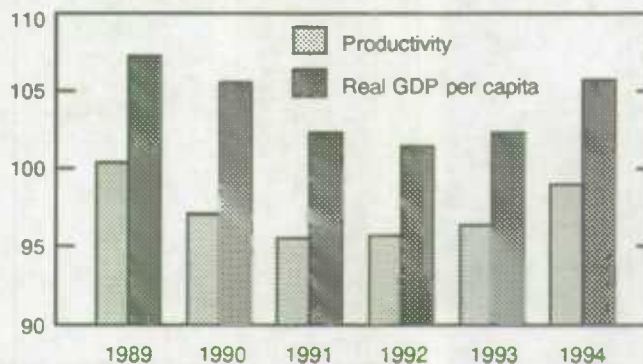
Businesses increased production by 5.3%, finally exceeding the 1989 peak. By comparison, during the 1982 recession and recovery, it only took three years for production to recover to the 1981 pre-recession level. Similarly, actual productivity growth was also weaker than after the 1982 recession. In 1993 and 1994, the first two years of significant recovery, productivity increased 0.7% and 2.6% compared with 3.9% and 4.0% registered during a comparable cyclical phase in 1983 and 1984.

In 1994, as in 1993, manufacturers contributed the most to productivity gains in the business sector. Manufacturers' productivity index increased 5.3% and its level is now slightly above the peak of 1985. This productivity growth, however, was still lower than that observed after the 1982 recession. In addition to manufacturing, the agricultural, retail, and wholesale trade industries also registered strong labour productivity performances.

For the second consecutive year, Canadian businesses recorded a drop in unit labour cost. The

### Productivity and real GDP per capita

index (1986 = 100)



0.7% drop in 1994 followed a 0.5% decline in 1993 which has broken the trend of steadily rising unit labour costs that began in 1962. The decrease in unit labour cost allowed businesses to limit the growth in their production unit cost to 0.8%, and to increase their profits. In 1994, unit labour cost decreased both in the goods and services sectors with the most notable drops in communications, wholesale trade, agriculture, transportation and storage, manufacturing industries and retail trade.

(continued on page 6)

### ... Business productivity best in 10 years

The hourly compensation paid to workers in the business sector rose 1.6%, mainly due to an increase in overtime. This rate is higher than the year before, but is still the second lowest since 1947, the earliest year for which this measure is available. The last two years' small increases were due mainly to collective agreements and an excess supply of workers in the labour market.

Structural changes in the economy, which have modified the distribution of employment by industry, have also contributed to a slowdown in gross payroll. Since 1989, the relative importance of the service sector, where average salary is lower than in the goods-producing sector, has increased. In fact, the numbers of hours worked in the service sector has increased 4.6% from 1989 to 1994 while it decreased 8.0% in the goods sector.

*For further information, contact Input-Output Division at (613) 951-3654.*

## NEW FROM STATISTICS CANADA



### Agricultural financial statistics 1993

*Agricultural financial statistics, 1993* provides a detailed picture of the financial performance of Canadian farms using information from a survey of tax returns of unincorporated and incorporated farmers.

The publication provides key statistics such as operating revenues and expenses by province, type of farm, revenue class, as well as some data on income distribution. Data on off-farm income for operators and farm families involved in a single unincorporated farm add perspective to this financial picture.

*Agricultural financial statistics, 1993 (catalogue 21-205, \$45), a product of a joint venture between Statistics Canada and Agriculture and Agri-Food Canada, is now available. For further information, contact Lina Di Piéto at (613) 951-3171, Agriculture Division.*

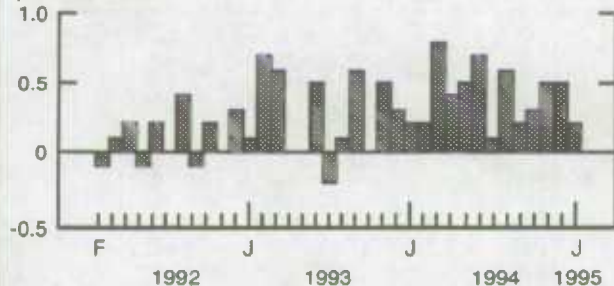


# PUBLICATIONS RELEASED FROM APRIL 21 TO 27, 1995

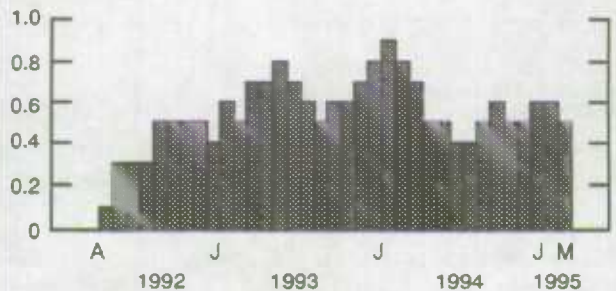
Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
<b>AGRICULTURE</b>					
Agricultural financial statistics	1993	21-205	45	54	63
The dairy review	February 1995	23-001	14/138	17/166	20/194
<b>HOUSEHOLD SURVEYS</b>					
The labour force	March 1995	71-001	23/230	28/276	33/322
<b>INDUSTRY</b>					
Crude petroleum and natural gas production	January 1995	26-006	11/110	14/132	16/154
Electric lamps	March 1995	43-009	6/60	8/72	9/84
Monthly production of soft drinks	March 1995	32-001	3/30	4/36	5/42
Production and disposition of tobacco products	March 1995	32-022	6/60	8/72	9/84
Production, shipments and stocks on hand of sawmills east of the Rockies	February 1995	35-002	11/110	14/132	16/154
Telephone statistics	February 1995	56-002	9/90	11/108	13/126
<b>INTERNATIONAL TRADE</b>					
Canadian international merchandise trade	February 1995	65-001	19/182	22/219	26/255
<b>LABOUR</b>					
Employment, earnings and hours	January 1995	72-002	31/310	38/372	44/143
Unemployment insurance statistics	February 1995	73-001	16/160	20/192	23/224
<b>PRICES</b>					
Consumer price index	March 1995	62-001	10/100	12/120	14/140

## CURRENT TRENDS

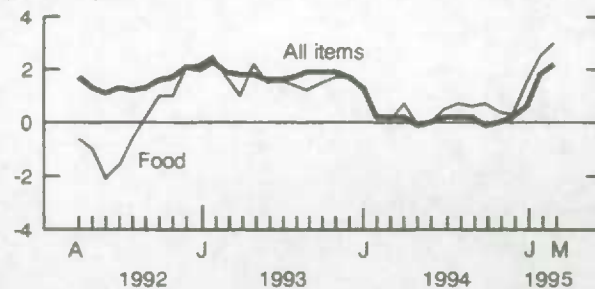
## Gross domestic product

% change,  
previous month

## Composite index

% change,  
previous month

## Consumer price index

% change,  
previous year

## Unemployment rate

%



## Manufacturing

\$ billions



## Merchandise trade

\$ billions



**Note:** All series are seasonally adjusted except the consumer price index.



## LATEST MONTHLY STATISTICS

	Period	Level	Change, previous period	Change, previous year
<b>GENERAL</b>				
Gross domestic product (\$ billion, 1986)	January	546.4	0.2%	5.1%
Composite index (1981 = 100)	March	174.3	0.5%	6.6%
Operating profits of enterprises (\$ billion)	3rd quarter	20.2	11.4%	48.5%
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billion)	February*	17.7	-0.5%	4.2%
New motor vehicle sales ('000 units)	February	101.2	-0.6%	-6.0%
<b>LABOUR</b>				
Employment (millions)	March	13.5	0.1%	2.3%
Unemployment rate (%)	March	9.7	0.1 <sup>†</sup>	-0.9 <sup>†</sup>
Participation rate (%)	March	65.1	0.0 <sup>†</sup>	-0.1 <sup>†</sup>
Labour income (\$ billion)	January	34.8	-0.3%	4.2%
Average weekly earnings (\$)	December	572.69	0.3%	2.5%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billion)	February	21.5	-4.4%	36.7%
Merchandise imports (\$ billion)	February	19.1	-5.0%	27.9%
Merchandise trade balance (all figures in \$ billion)	February	2.4	0.0	1.7
<b>MANUFACTURING</b>				
Shipments (\$ billion)	February	32.6	-1.3%	23.3%
New orders (\$ billion)	February	32.8	-1.0%	21.6%
Unfilled orders (\$ billion)	February	34.1	0.6%	12.5%
Inventory/ shipments ratio	February	1.27	0.04	-0.12
Capacity utilization (%)	4th quarter	84.8	0.9 <sup>†</sup>	4.6 <sup>†</sup>
<b>PRICES</b>				
Consumer price index (1986 = 100)	March*	133.0	0.2%	2.2%
Industrial product price index (1986 = 100)	March*	127.6	0.6%	9.3%
Raw materials price index (1986 = 100)	March*	132.4	0.5%	16.5%
New housing price index (1986 = 100)	February	135.4	-0.3%	-0.4%

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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**KEY RELEASE CALENDAR: May 1995\***

Monday	Tuesday	Wednesday	Thursday	Friday
<b>1</b> Households and the environment, 1994	<b>2</b> Business conditions survey: Canadian manufacturing industries, April	<b>3</b> Building permits March	<b>4</b> Help-wanted index April	<b>5</b> Labour force survey April
<b>8</b>	<b>9</b>	<b>10</b> New housing price index, March	<b>11</b>	<b>12</b> New motor vehicle sales, March  Field crop reporting series: March 31 grain stocks
<b>15</b> Provincial gross domestic product by industry, 1994  Department store sales, March	<b>16</b> Composite index, April	<b>17</b> Monthly survey of manufacturing, March  Travel between Canada and other countries, March	<b>18</b> Canadian international trade March  Canadian economic observer, May	<b>19</b> Retail trade, March
<b>22</b>	<b>23</b> Wholesale trade, March	<b>24</b> Consumer price index April	<b>25</b> Canada's international transactions in securities, March	<b>26</b> Industrial product price index, April  Raw materials price index, April
<b>29</b> Farm cash receipts First quarter, 1995 Net farm income, 1994 (preliminary) Quarterly financial statistics for enterprises, First quarter 1995	<b>30</b> Employment, earnings and hours March Unemployment insurance statistics March	<b>31</b> Real gross domestic product at factor cost by industry, March International travel account, First quarter 1995		

\* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.