



Infomat

A Weekly Review

Friday, March 29, 1996

OVERVIEW

◆ Net national worth rises

Each Canadian was worth an average of \$83,600 in 1995, up \$1,900 from the year before, as national net worth rose almost 4% to \$2.5 trillion.

◆ Employment growth substantial

Payroll employment enjoyed a second straight month of growth in January, reaching 10,854,000. Gains in December and January amounted to 114,000 employees.

◆ Foreign investors resume purchases of Canadian securities

Following a major sell-off in November and December, non-residents slightly increased their holdings of Canadian securities in January.

◆ Industrial prices drop again

Industrial prices fell for the third time in five months in February, almost entirely due to plummeting pulp prices.

◆ Raw materials rise significantly

Manufacturers paid significantly more for their raw materials in February.

◆ Tuberculosis rate remains stable

Despite the global TB epidemic, Canada's tuberculosis rate virtually stood still in 1994.

Net national worth rises

Each Canadian was worth an average \$83,600 in 1995, up \$1,900 from the year before, as national net worth rose almost 4% to \$2.5 trillion.

The improvement resulted from an increase in national wealth combined with stability in Canada's net foreign indebtedness (what Canadians owe to non-residents less what they owe to us).

However, the rate of growth in net worth slipped for the first time in four years, reflecting a slowdown in the economy.

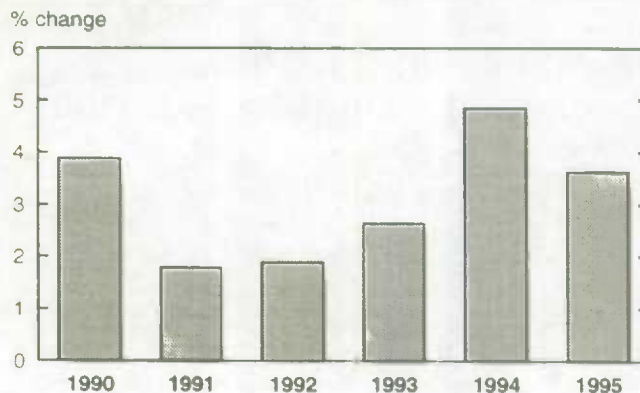
Canada's total national wealth reached \$2.8 trillion last year, up roughly 3%. When the net foreign debt of \$339 billion was subtracted, the country's net worth was \$2.5 trillion.

National wealth includes buildings, capital equipment, consumer durable goods, residential and commercial land and agricultural land. It excludes natural resources such as metal and mineral assets, timber and public land.

Last year's increase in wealth had a broad base, in that all assets grew, albeit at different rates. As in 1994, inventories recorded the fastest growth. Non-residential structures such as

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National net worth



Source: National balance sheet accounts.

Statistics
CanadaStatistique
Canada

Canada

... Net national worth rises

office buildings and factories were the only assets whose value grew at a markedly slower pace.

Canada's net international indebtedness rose a marginal 0.5% in 1995, but actually fell in relation to gross domestic product for a second consecutive year. This continued a three-year slowing trend that largely reflected increased Canadian investment in foreign enterprises and securities. The Canadian dollar, which strengthened through the year, and the reduced demand for funds in the Canadian economy, also had an impact last year.

Household debt grew only 4% in 1995, largely the result of a sluggish housing market and slow demand for consumer durables.

However, the level of consumer debt and mortgages was still 93% of personal disposable income, a record.

Canadian investment abroad grew at roughly twice the rate of non-residents' investment in Canada. However, foreign direct investment in associated companies was up, and non-resident investors acquired a significant amount of bonds, especially federal bonds. That pushed the share of the federal government's long-term debt held by foreigners to 29%.

For further information on this release, contact the information officer, National Accounts and Environment Division, at (613) 951-3640.

Employment growth substantial

Payroll employment enjoyed a second straight month of growth in January, reaching 10,854,000. Gains in December and January amounted to 114,000 jobs.

Manufacturers alone added 20,000 employees to their payrolls in January, continuing a growth trend that began in August. Since then, gains in manufacturing have totalled 64,000 employees, an average of more than 10,000 a month.

Compared with January 1995, employers have added 249,000 jobs, a 2.4% increase. Improvements over the year were concentrated in Ontario (+96,000), British Columbia (+61,000) and, to a lesser extent, Quebec (+37,000).

Growth in business services, which started four years ago, has been even more brisk in recent months. The sector added 23,000 employees in December 1995 and January 1996, and 57,000 since January 1995.

The gains were concentrated in computer and related services and in the offices of architects, engineers and other scientific and technical service companies.

Meanwhile, overall weekly earnings reached \$580.84 in January, up 0.6% from the previous month. Earnings resumed an upward growth trend in November, after remaining stagnant through the first 10 months of 1995. From November through January, earnings rose \$6.53.

Average weekly earnings, January 1996
Seasonally adjusted

Province/ Territory	Industrial aggregate (\$)	% change, previous month	% change, previous year
Canada	580.84	0.6	1.7
Newfoundland	531.40	0.6	-2.0
Prince Edward Island	466.93	-0.2	4.3
Nova Scotia	489.40	-0.2	-1.2
New Brunswick	520.73	0.7	0.3
Quebec	548.69	0.4	1.1
Ontario	620.60	0.3	1.8
Manitoba	512.47	0.3	3.9
Saskatchewan	495.00	0.2	0.6
Alberta	565.92	2.6	2.3
British Columbia	602.88	1.0	3.6
Yukon	689.72	1.1	-0.2
Northwest Territories	732.16	3.4	4.4

Weekly earnings of business services employees have risen significantly in recent months after remaining essentially unchanged for more than a year. In January 1996, those employees earned \$637.51, a 2.1% increase from October 1995, reflecting job gains in the higher-paying industries.

*For further information, order **Employment, earnings and hours** (catalogue 72-002-XPB) and **Annual estimates of employment, earnings and hours, 1983-94** (72F0002XPB) or contact Stephen Johnson, Labour Division, at (613) 951-4090; the Internet: labour@statcan.ca.*

Foreign investors resume purchases of Canadian securities

In January, non-residents slightly increased their holdings of Canadian securities, reversing November and December's major sell-off. Foreigners' investment in bonds and stocks was mostly offset by their continued selling of money market securities.

Foreign investors sold a further \$0.9 billion of Canadian money market paper, bringing the three-month reduction in their holdings to nearly \$7 billion. It again reflected redemptions of federal treasury

bills: since November 1995, the Government of Canada has sharply reduced its outstanding bills by some \$14 billion.

At the same time, non-residents bought \$0.8 billion of Canadian bonds. Foreign investment in \$3.8 billion of new issues was partly offset by retirements of \$2.1 billion and a \$0.9 billion disinvestment in the secondary market of outstanding bonds. Provincial governments and corporations floated most of the new issues in foreign markets. As has been the case for the past two years, over 70% of the new issues were denominated in foreign currencies.

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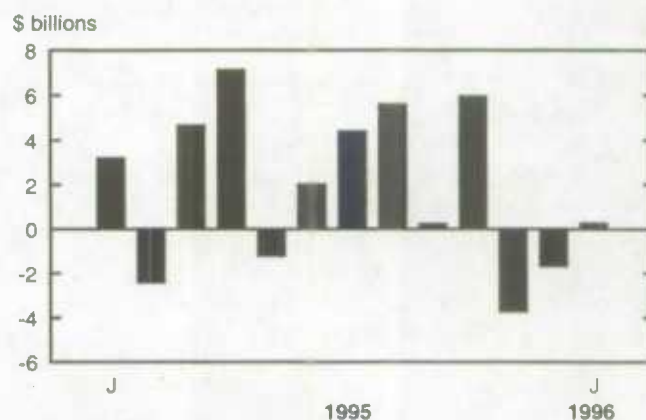
... Foreign investors resume purchases of Canadian securities

Foreigners made their first significant purchase of Canadian stocks (\$0.4 billion) in 15 months in January, following a string of sell-offs that totalled \$5.4 billion over the preceding 14 months. Canadian stock prices, as measured by the TSE 300 index, posted a 5.4% gain in January, the largest monthly increase in two years.

In January, following a small sell-off in December, Canadians posted their largest investment in foreign securities (\$2.2 billion) in two years. Of the \$1.8 billion invested in foreign stock, 70% went to overseas countries as Canadians continued to invest in mainly non-U.S. stock. The remaining \$0.4 billion was invested in foreign bonds, mostly in U.S. government bonds.

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

Foreign investment in Canadian securities*



* Includes bonds, stocks and money market paper.

Industrial prices drop again

Industrial prices fell 0.2% in February, the third monthly decline in five months, almost entirely due to plummeting pulp prices.

A weaker Canadian dollar and an improving market for softwood lumber partly offset the decline. The weakening dollar had the impact of reducing the decline from 0.4% to 0.2%.

On a year-over-year basis, industrial prices rose only 1.9%, the smallest gain since August 1992. The 12-month change, which peaked at 10.3% in January 1995, had declined to 2.5% in January 1996.

The U.S. dollar gained 1% in value against the Canadian dollar between mid-January and mid-February, raising the value of all export prices quoted in U.S. currency. Overall price levels for motor vehicles, pulp, paper and wood products were particularly affected.

Pulp prices, which fell 12.4% in February, have tumbled 21% since November, leaving them at virtually the same level as in February a year ago. In the United States, pulp prices fell almost 10% in February to about 1% higher than in the same month last year.

However, newsprint prices showed an overall rise of 1.2%. The decline in the Canadian dollar contributed to the increase. Most projected price increases for newsprint were not realized.

Inventory build-ups have been putting downward pressure on the prices of pulp and paper products. According to the most recent Statistics Canada figures on manufacturing, inventories of paper and allied products were continuing to increase in January despite declining shipments.

Gasoline and fuel oil prices also fell in February (-1.3%).

Note to readers

The industrial product price index (IPPI) reflects the prices producers receive as goods leave their plants. It does not reflect what consumers pay. Unlike the consumer price index, the IPPI excludes indirect taxes and all costs (including the transportation, wholesale, and retail costs) occurring between when a good leaves a plant and when its final user takes possession.

Canadian producers export many goods. They often quote prices in foreign currencies, particularly for motor vehicles, pulp, paper and wood products. A rise or fall in the value of the Canadian dollar against the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar against the U.S. dollar has been estimated to change the IPPI by about 0.2%.

The strongest industrial sector during the month was sawmilling, where prices rose 2.2% overall, led by softwood lumber (+3.1%). Softwood prices rose across the country, with the strongest increases in Quebec (+7.2%). In British Columbia, which accounts for more than 60% of production, prices rose 2.2%.

Contributing to the February softwood price increases were signs of improvement in residential construction in both Canada and the United States. In Canada, building permits were up in January. In February, there were increases in both housing starts (except for single detached dwellings) and existing home sales. Housing starts also increased in the United States.

For further information, order *Industry price indexes* (catalogue 62-011-XPB), available at the end of April, or contact Paul-Roméo Danis, Prices Division, at (613) 951-3350; fax: (613) 951-2848; the Internet: shadsan@statcan.ca

Raw materials rise significantly

Manufacturers paid significantly more for their raw materials in February.

Overall prices rose 1.6% over January, mainly due to higher prices for hogs, crude oil, metals and wood. All major raw material categories recorded price increases.

Compared with a year earlier, February prices were down 1.2%. Lower prices for metals and logs partly offset higher prices for grains, milk and hogs.

Crude oil prices rose 1.5% in February to the same level as a year earlier. The outlook is for further increases, as demand for crude oil from refineries remains strong and oil stockpiles are at their lowest since the American Petroleum Institute began measuring them in 1987.

Log prices rose 2%, whereas pulpwood prices fell almost 2.5% in February. The weakening demand for pulp has almost eliminated any upward pressure on pulpwood prices for now. However, it appears that stumpage fees may be increasing in Quebec, Ontario and Alberta to comply with the Canada-U.S. softwood lumber agreement.

As a result, the proposed higher stumpage fees and potential lumber shortages in the United States, along with restrictive cutting practices affecting the supply in British Columbia, could add to the upward price pressure for logs.

Metal prices recovered somewhat in February (+2.1%), after falling 6% in January. All major metals rose except aluminum material prices. Higher prices for copper (+2.4%), lead (+8.6%), gold (+3.4%) and nickel (+10.3%) were partly offset by lower prices for aluminum materials (-2.8%).

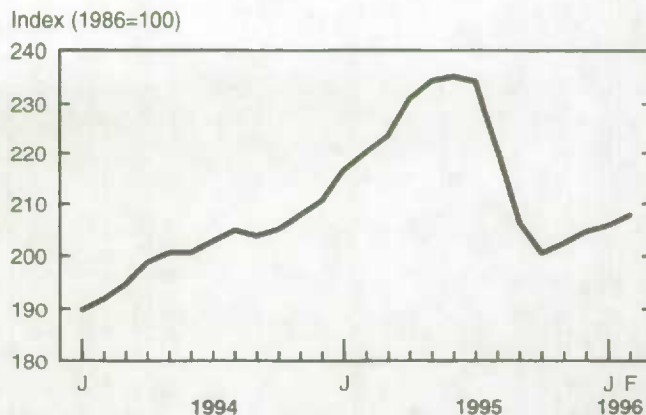
Higher prices for hogs, hides and skins and chickens in February were marginally offset by lower prices for cattle.

Grain prices moved up, led by higher prices for wheat (+3.2%) and barley (+3.1%), the result of strong exports and a poor

Note to readers

The raw materials price index (RMPI) reflects the prices that Canadian manufacturers pay for key raw materials. Many of these prices are set in world markets. Unlike the industrial product price index, the RMPI includes goods that are not produced in Canada.

Wood prices rising again



anticipated winter wheat crop. The coming winter crop has been rated one of the century's 10 driest.

February grain prices were up more than 40% compared with the same month last year.

For further information, order *Industry price indexes* (catalogue 62-011-XPB), available at the end of April, or contact Paul Roméo Danis, Prices Division, at (613) 951-3350; fax: (613) 951-2848, the Internet: shadsan@statcan.ca.

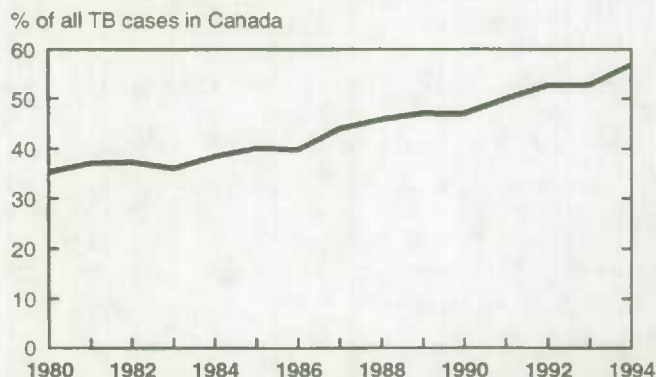
Tuberculosis rate remains stable

Despite the global TB epidemic, Canada's tuberculosis rate virtually stood still in 1994 at 7.1 cases for every 100,000 people. Provincial and territorial health authorities reported 2,074 cases of tuberculosis, a 3.1% increase from 1993.

Since 1980, more than 2 million people have immigrated to Canada. Not surprisingly, foreign-born persons account for an increasing share of Canada's cases. In 1980, just over a third of all cases were diagnosed among immigrants, but by 1994 they accounted for 57% of all cases.

Among immigrants, the proportions of cases according to their origin have changed; partly, this is a reflection of changes in immigration patterns. For example, 38% of the cases among foreign-born persons in 1980 were diagnosed in immigrants from Europe; by 1994, they contributed only 12% of these cases. Asian-born persons, on the other hand, accounted for 48% of the immigrant cases in 1980, but by 1994 their share had risen to 65%. Those born in Africa accounted for 15% in 1994, compared with only 3% in 1980.

Foreign-born persons account for an increasing share of Canada's tuberculosis cases



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... Tuberculosis rate remains stable

Immigrants accounted for more than half of all TB cases in 1994. Nevertheless, based on relative population size, the risk of tuberculosis among aboriginal Canadians was nearly twice as high as the risk among immigrants. In 1994, just under 20% of all cases (398 cases) occurred in aboriginal people (status and non-status Indians, Métis and Inuit), even though they made up only about 3% of the population. Although aboriginal people run the greatest TB risk of any group in Canada, the rate among status Indians has fallen in recent years; in 1994, it dropped to 47 cases per 100,000 people, down from 60 in 1992.

However, a sharp 78% increase in the number of cases reported among non-status Indians contributed to the continuing disproportionately high numbers among aboriginals.

In 1994, tuberculosis rates fell in Prince Edward Island, Newfoundland, Nova Scotia, Saskatchewan and British Columbia. Newfoundland recorded the largest decline. On the other hand, the highest rates were recorded in both territories. In the Northwest Territories, where rates have consistently been the highest in the country, outbreaks in several communities almost doubled the rate of cases.

*For further information, order **Tuberculosis, 1994** (catalogue 82-220-XPB, \$32) or contact Kathryn Wilkins, Health Statistics Division, at (613) 951-1769.*

New from Statistics Canada

Statistics Canada Catalogue 1995 - Supplement



Statistics Canada catalogue

1995 supplement

The *Statistics Canada catalogue, 1995 supplement* describes the new official print publications and CD-ROMs produced by Statistics Canada between January 1994 and December 1995, and lists titles that were discontinued or reinstated during that time. The catalogue also tells about ordering, lists retail distributors, and presents information about discount packages and special offers.

The *Statistics Canada catalogue, 1995 supplement* (catalogue 11-204-SPE, \$5) is now available. See "How to order publications". For further information on this release, contact Tony Moren, Statistics Canada Library, at (613) 951-0951, fax: (613) 951-0939, the Internet: moreton@statcan.ca.

Services indicators

Fourth quarter 1995

The fourth quarter 1995 issue of *Services indicators* features an article titled "Human resources in science and technology in the services sector". Human resources in science and technology are deemed important to Canada's economic growth because of their key role in developing and using new technologies. To gain a better understanding of this vital human resource and its relation to industry, the article examines the group's demographic structure, occupational profile, educational profile and working conditions.

This issue also reviews the fourth-quarter changes in the services sector. In the fourth quarter, services employment, output, consumer spending, imports and exports all increased, while prices remained virtually unchanged.

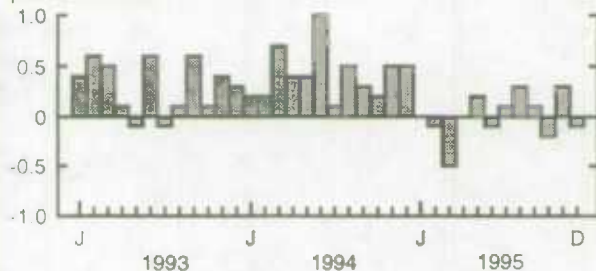
The fourth quarter 1995 issue of *Services indicators* (catalogue 63-016-XPB, \$34/\$112) is now available. See "How to order publications". For further information on this release, contact Deborah Sussman, Services, Science and Technology Division, at (613) 951-2582).



Current trends

Gross domestic product

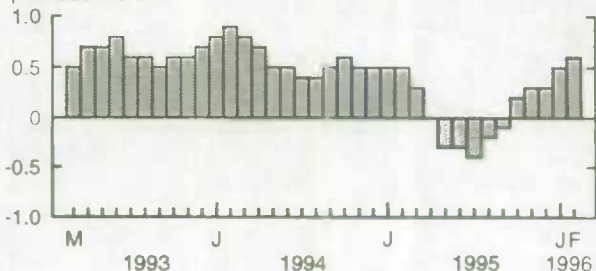
% change,
previous month



Real gross domestic product at factor cost fell 0.1% in December.

Composite index

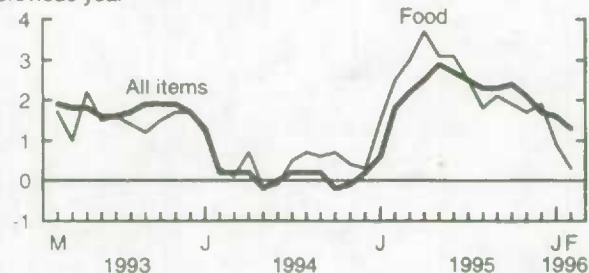
% change,
previous month



The composite index continued to rise in February, up 0.6% from the month before.

Consumer price index

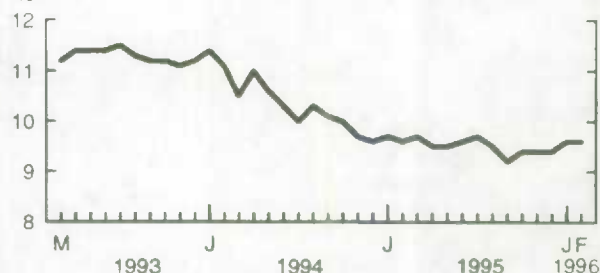
% change,
previous year



Consumers paid 1.3% more for goods and services in February 1996 than the year before. Food prices rose by 0.3%.

Unemployment rate

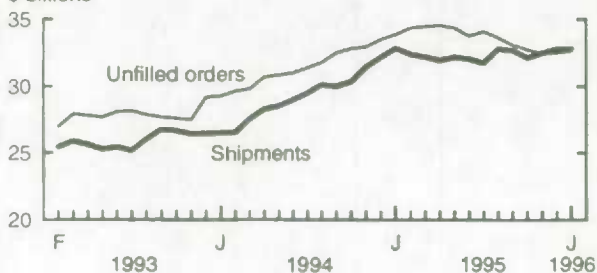
%



In February, the unemployment rate was unchanged at 9.6%.

Manufacturing

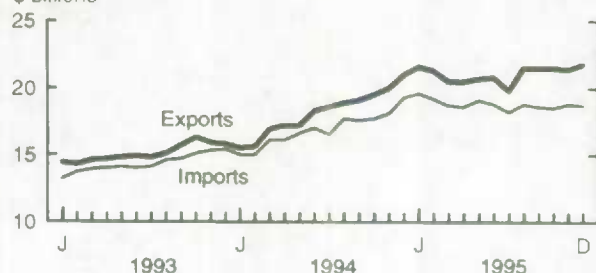
\$ billions



Manufacturers' shipments increased by 0.1% to \$32.8 billion in January. The level of unfilled orders rose 0.5% to \$32.7 billion.

Merchandise trade

\$ billions



The value of merchandise exports increased to \$21.8 billion in December. Imports fell marginally to \$18.7 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)	December	543.0	-0.1%	-0.2%
Composite index (1981=100)	February	174.6	0.6%	0.8%
Operating profits of enterprises (\$ billion)	4th quarter	23.7	0.5%	0.5%
DOMESTIC DEMAND				
Retail trade (\$ billion)	January	17.7	0.3%	-0.1%
New motor vehicle sales ('000 units)	January	94.9	-4.7%	-4.5%
LABOUR				
Employment (millions)	February	13.7	0.3%	1.4%
Unemployment rate (%)	February	9.6	0.0†	0.0†
Participation rate (%)	February	65.1	0.2†	0.1†
Labour income (\$ billion)	December	35.4	0.9%	2.3%
Average weekly earnings (\$)	January*	580.84	0.6%	1.7%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	December	21.8	1.8%	3.9%
Merchandise imports (\$ billion)	December	18.7	-0.5%	-3.0%
Merchandise trade balance (all figures in \$ billion)	December	3.1	0.5	0.1
MANUFACTURING				
Shipments (\$ billion)	January	32.8	0.1%	-0.1%
New orders (\$ billion)	January	33.0	0.4%	-0.6%
Unfilled orders (\$ billion)	January	32.7	0.5%	-3.5%
Inventory/shipments ratio	January	1.38	0.00	0.13
Capacity utilization (%)	4th quarter	82.9	-0.7†	-2.8†
PRICES				
Consumer price index (1986=100)	February	134.4	0.1%	1.3%
Industrial product price index (1986=100)	February*	129.7	-0.2%	1.9%
Raw materials price index (1986=100)	February*	130.6	1.6%	-1.2%
New housing price index (1986=100)	February*	133.0	-0.1%	-2.1%

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

* new this week.

† percentage point.

Publications released from March 22 to 28, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
CANADIAN CENTRE FOR JUSTICE					
Juristat: Youth court statistics	1994-95	85-002	10/90	12/108	14/126
Juristat: Youth custody and probation in Canada	1994-95	85-002	10/90	12/108	14/126
Youth court statistics	1994-95	85-522-XPB	35	42	49
HEALTH STATISTICS					
Hospital morbidity and surgical procedures (microfiche)	1993-94	82-216-XMB	35	42	49
Hospital morbidity and surgical procedures (printed)	1993-94	82-216-XPB	40	48	56
HOUSEHOLD SURVEYS DIVISION					
Income after tax	1994	13-210-XPB	30	36	42
INDUSTRY					
Construction type plywood	January 1996	35-001-XPB	6/60	8/72	9/84
Energy statistics handbook	March 1996	57-601-UPB	330	400	460
Mineral wool including fibrous glass insulation	February 1996	44-004-XPB	6/60	8/72	9/84
New motor vehicle sales	December 1995	63-007-XPB	16/160	20/192	23/224
Production and disposition of tobacco products	February 1996	32-022-XPB	6/60	8/72	9/84
INTERNATIONAL TRADE					
Exports by commodity (microfiche)	December 1995	65-004-XMB	35/350	42/420	49/490
Exports by commodity (printed)	December 1995	65-004-XPB	75/750	90/900	105/1,050
Exports by country (microfiche)	January-December 1995	65-003-XMB	60/200	62/240	84/280
Exports by country (printed)	January-December 1995	65-003-XPB	120/400	145/480	168/560
LIBRARY SERVICES					
Statistics Canada catalogue	1995 supplement	11-204-SPE	5	6	7
SERVICES, SCIENCE AND TECHNOLOGY					
Services indicators	Fourth quarter 1995	63-016-XPB	34/112	41/135	48/157
Telephone statistics	January 1996	56-002-XPB	9/90	11/108	13/126

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Key release calendar: April 1996

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8 Easter	9	10 Innovation in Canadian manufacturing enterprises	11 Life events: How families change, 1993 New housing price index, February 1996	12
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* Release dates for International Trade, the Consumer Price Index and the Labour Force Survey are fixed; dates for other data series may change.

Infomat A weekly review

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