



# Infomat

A Weekly Review

Thursday, April 4, 1996

## OVERVIEW

### ◆ Economic activity picks up

Economic activity picked up in January, as output advanced in several industries. Gross domestic product rose 0.4%, its fastest monthly growth in a year.

### ◆ Weaker exports pull down trade surplus

Canada's trade surplus fell in January in the wake of weaker exports and slightly increased imports.

### ◆ Housing sector begins to bounce back

The value of building permits issued for housing soared in February, in the wake of lower mortgage rates and stronger demand for homes.

### ◆ Non-standard employment on the rise

Most employed Canadians still have only one full-time, permanent paid job. However, the percentage of people taking various forms of non-standard work is increasing.

### ◆ After-tax family incomes recover ground in 1994

In 1994, following four consecutive years of decline, the after-tax income of families recovered some ground, primarily due to renewed strength in the labour market.

## Economic activity picks up

**E**conomic activity picked up in January, as output advanced in several industries, leaving production at its highest level since December 1994. Overall, GDP at factor cost rose 0.4%, the biggest jump in a year. Total production stood at \$546 billion.

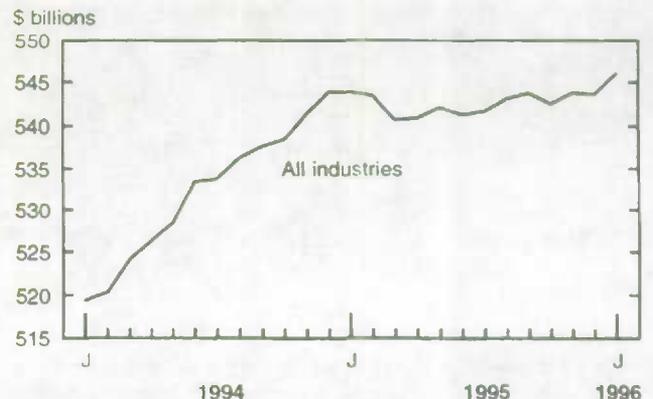
January's increase reflected strong employment growth, mostly in services, during December and January. Output advanced in several industry sectors, notably manufacturing and the services-producing industries. Production in the mining sector also improved, but activity in construction and government services weakened again.

Manufacturing production jumped 1.2% in January, with gains in electrical and electronic products, and primary metals leading the way. Increases in the output of chemicals, paper and allied products, as well as fabricated metal products, also contributed to the advance. Overall, output rose in 13 of the 21 major industry groups, compared with only 6 in December and 10 in November.

Fabrication of electrical and electronic products rose 3.9% following a 3.7% decline in December. Producers of primary metals boosted output 6.1% after several months of low production. Smelting and refining of non-ferrous metals accounted for about half the gain.

*(continued on page 2)*

Gross domestic product at factor cost



### ... Economic activity picks up

Manufacturers of paper and allied products raised output 1.5% after a 1.0% gain in December. Newsprint companies boosted their output, but production of pulp and paperboard and building board remained unchanged.

Transportation equipment manufacturers trimmed production 2.6%, offsetting a gain in December.

Activity in community, business and personal services rose a further 0.6% in January, after growing 0.4% a month on average over the previous five months. Growth in business services remained high for a third straight month.

Financial and related services advanced 0.3% following a pause in December. A rebound in real estate activity and a strong gain in mutual funds led the increase. Housing resales improved in January for the first time since August 1995 with gains concentrated in Quebec and Ontario.

Retail trade rose 0.3% in January. Wholesale activity advanced 0.5% after remaining virtually unchanged for several months. Output in the mining sector rose 1.0% due mainly to higher production of natural gas and stronger activity in base metal mines. Uranium production was particularly strong.

For further information, order *Gross domestic product by industry* (catalogue 15-001-XPB), or contact Michel Girard, Industry Measures and Analysis Division at (613) 951-9145.

## Weaker exports pull down trade surplus

Canada's trade surplus fell to \$2.6 billion in January from a record \$3.1 billion the month before, in the wake of weaker exports and slightly increased imports.

The trade surplus with the United States rose to \$3.2 billion, a new record, while the balance with the European Union moved into a deficit. Surpluses with Japan and non-OECD trading partners declined.

Canada's exports stood at \$21.4 billion in January, down 1.8% from a record level in December. Imports moved ahead 0.7% to \$18.9 billion.

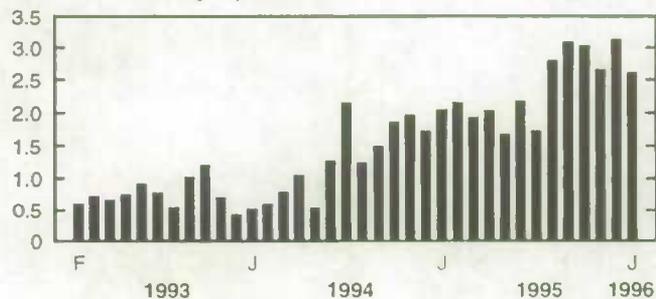
Weaker sales of forestry and agricultural products caused most of the decline in exports, despite continued strength in exports of machinery and an increase in industrial goods and energy products. While shipments bound for the United States reached a 12-month high, exports to all remaining partners, especially the European Union, lost ground.

Much of the export slowdown in January came from the forestry sector. All forestry products, particularly lumber and wood pulp, recorded declines. Lumber's weakness continued to reflect softer prices and reduced sales to Japan, as total exports fell 11.0%. Lower overseas shipments more than offset increased sales to the United States, where construction of new homes advanced 4.4%.

Agricultural exports dropped 11.5% in January, on the heels of a three-month growth spurt. Automotive exports fell 2.5% after reaching a four-month peak in December. Much of the drop was in auto parts, reflecting a dip in vehicle output south of the border.

### Trade balance

\$ billions, seasonally adjusted



Imports were bolstered by gains in automotive and energy products. In contrast to exports, most of this growth reflected strengthening shipments from Europe and non-OECD countries. Imports from the United States and Japan declined in January.

Automotive products, which accounted for the bulk of import growth, rose 5.2%. Car imports advanced the most (+13.5%), boosted by stronger shipments from Europe and Asia. Truck imports rose 12.2%.

Imports of energy products grew 22.9% as crude oil recovered from a dip in December. Petroleum and coal products advanced for a third straight month.

For further information, order *Canadian international merchandise trade* (catalogue 65-001-XPB) or contact Suzie Carpentier, International Trade Division at (613) 951-9647.

## Housing sector begins to bounce back

The value of building permits issued for housing soared in February, in the wake of lower mortgage rates and stronger demand for new and existing homes. These are encouraging signs for the housing sector, where the value of building permits in 1995 hit a 10-year low. Applications in the non-residential sector also rose.

February's strong increase in new housing intentions was due mainly to an 83.1% surge in plans for multi-family dwellings, particularly condominium-type apartments. This, together with the recent upswing in the single-family component, led the residential sector as a whole to a remarkable increase of 28.7% to \$1.4 billion.

The housing market has shown signs of improvement in recent months. The resale market has recorded its third straight monthly increase. In addition, the number of unsold homes

(continued on page 3)

### ... Housing sector begins to bounce back

continued to shrink and prices began to stabilize. Canada Mortgage and Housing Corporation's latest survey reported a 13.3% rise in housing starts in February. This also suggests that there will be further growth in construction employment, particularly in the residential sector.

February's advance in the total value of residential building permits was most significant in Ontario and British Columbia.

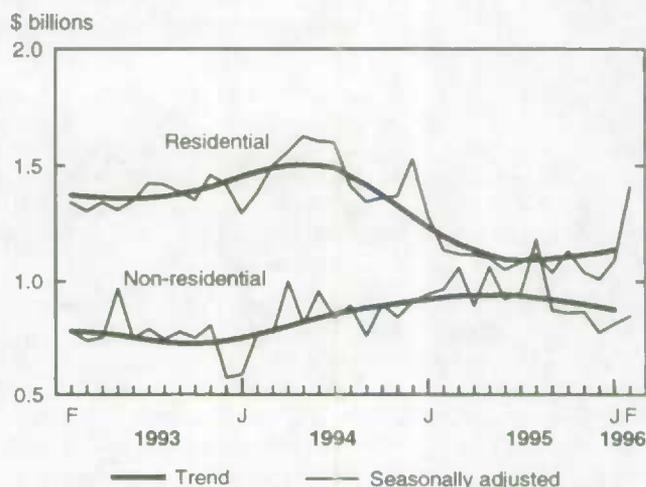
Non-residential building permits rose 4.3% to \$0.8 billion, the second consecutive monthly jump. It came mainly from the large commercial component and, to a lesser extent, from institutional projects. By contrast, industrial construction permits, after recording an exceptional performance in January, posted a sharp 30.7% drop in February. Quebec and British Columbia reported the largest increases in the non-residential sector.

#### Note to readers

The Building and demolitions permits monthly survey covers 2,400 municipalities representing 93% of the population. It provides an early indication of building activity. The communities representing the other 7% of the population are very small, and their levels of building activity have little impact on the total.

Unless otherwise stated, all data are seasonally adjusted. The value of planned construction activities shown in this release excludes engineering projects (e.g., waterworks, sewers, culverts, etc.) and land.

### Building permits



February's total value of building permits rose to \$2.3 billion, up 18.3% from the preceding month.

For further information, order *Building permits* (catalogue 64-001-XPB) or contact Joanne Bureau, Investment and Capital Stock Division at (613) 951-9689.

### Building permits, February 1996 Seasonally adjusted

Province/Territory	Total		Residential		Non-residential	
	(\$ millions)	% change, previous month	(\$ millions)	% change, previous month	(\$ millions)	% change, previous month
<b>Canada</b>	<b>2,256</b>	<b>18.3</b>	<b>1,408</b>	<b>28.7</b>	<b>848</b>	<b>4.3</b>
Newfoundland	31	137.1	27	196.1	4	-4.2
Prince Edward Island	7	82.2	4	2.1	3	2123
Nova Scotia	55	26.8	39	24.4	16	33.4
New Brunswick	37	-5.1	24	12.3	14	-24.9
Quebec	454	43.2	211	26.6	244	61.5
Ontario	888	4.9	574	28.1	314	-21.2
Manitoba	36	-25.2	20	-0.2	16	-42.7
Saskatchewan	38	30.8	18	33.4	20	28.6
Alberta	189	-5.1	115	1.9	74	-14.2
British Columbia	516	41.2	374	40.9	143	42.2
Yukon	3	16.4	2	13.0	0	42.2
Northwest Territories	3	81.2	1	0.7	1	1492

### Non-standard employment on the rise

Most employed Canadians still have only one full-time, permanent paid job. However, the number of people taking on alternative types of employment — voluntarily and involuntarily — is rising. As a result, more workers are holding non-standard jobs, that is, they are either part-time or temporary employees, hold more than one job, or are self-employed with no employees.

In 1994, 33% of workers were engaged in non-standard work, up from 28% in 1989. Youths were over-represented among non-standard workers, even more than they had been in 1989. The proportion of 15- to 24-year-old women in non-standard employment jumped from 49% in 1989 to 64% in 1994.

By 1994, 23% of all jobs were part-time, although only 17% of all workers were classified as such, up from 11% in 1976. Over this period the number of part-time jobs rose at an average rate of 6.9% annually, compared with 1.5% for full-time jobs.

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### ... Non-standard employment on the rise

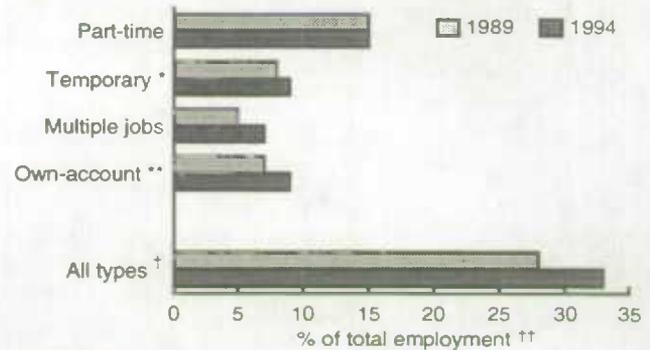
The increase in part-time employment was most notable among 15- to 24-year-olds. To some extent, part-time work continues to be a phenomenon of the services sector.

Partly because of rising part-time rates, multiple jobholding has also become more common. Between 1989 and 1994, the proportion of workers with two or more jobs rose from 5% to 7%; rates were higher among women, particularly those aged 15 to 24. By 1994, almost one million working-age Canadians were holding two or more jobs. The highest rates of multiple jobholding were in retail trade and social services.

In 1994, over one million (or 9%) of 15- to 64-year-old workers were self employed on their own account (that is, they had no paid employees). Own-account self-employment continues to be the preserve of older workers. Between 1989 and 1994, the strongest growth in own-account self-employment was recorded in construction and business services, sectors where it might be easier to start a business. As well, almost one million workers were in temporary or contract positions in 1994.

This increase in non-standard work is not unique to Canada: employers in other industrialized countries have also been relying more on non-standard workers, although the definitions, patterns and rates may vary.

### Types of non-standard work



\* Employees only (excludes self-employed).

\*\* Self-employed without paid employees.

† Persons in more than one category are counted only once.

†† For temporary workers, this calculation excludes the self-employed.

For further information, order the Winter 1995 edition of *Perspectives on labour and income* (catalogue 75-001E) or contact Suzanne David, Labour and Household Surveys Analysis Division at (613) 951-4628.

## After-tax family incomes recover ground in 1994

In 1994, after four consecutive years of decline, the after-tax incomes of families recovered some ground, primarily due to renewed strength in the labour market. The average after-tax family income in 1994 was \$43,486, a 1.3% increase from 1993 after adjusting for inflation.

Consequently, after-tax income recovered over \$500 (19.1%) of the almost \$3,000 lost since 1989, the peak year for income. This improvement stemmed from increased earnings. After four years of decline, average income before transfers grew by about \$1,000 from its 1993 level, to \$47,380.

At \$6,774, average family transfer payments were virtually unchanged for a second straight year. Income tax paid by families averaged \$10,668, \$446 higher than in 1993. This increase occurred because families had more earnings to tax.

In 1994, the combination of personal income taxes and government transfer payments narrowed the after-tax income gap between those at the top and those at the bottom of the income scale. Families in the lowest quintile (the lowest 20%) saw their average incomes rise to \$16,733 after taxes from \$4,660 before transfers. The highest-income families, on the other hand, saw their average incomes fall to \$80,084 after taxes from a pre-tax, pre-transfer average of \$104,540.

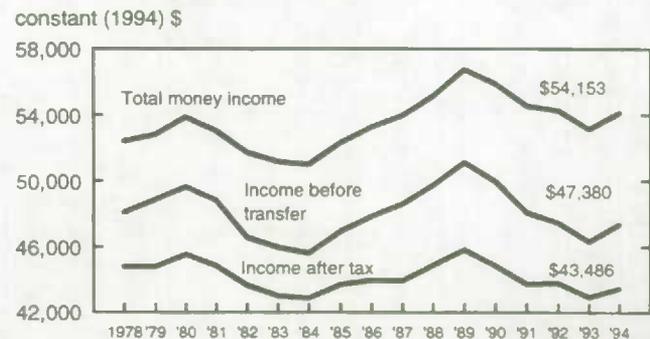
For further information, order *Income after tax, distributions by size in Canada, 1994* (catalogue 13-210-XPB) or contact Réjean Lasnier, Household Surveys Division, at (613) 951-5266, the Internet: [income@statcan.ca](mailto:income@statcan.ca).

### Note to readers

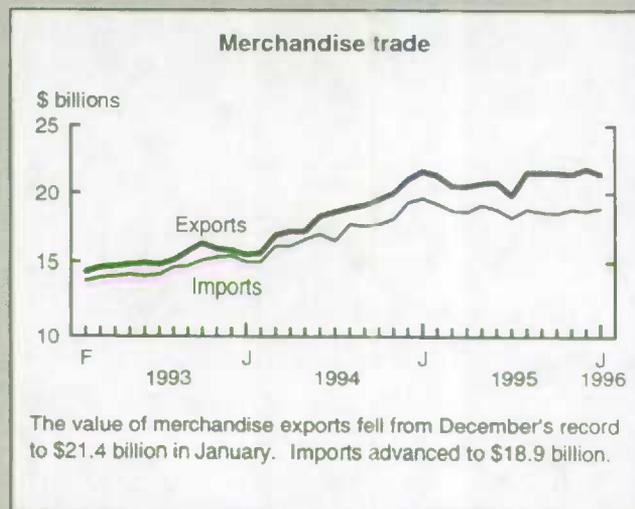
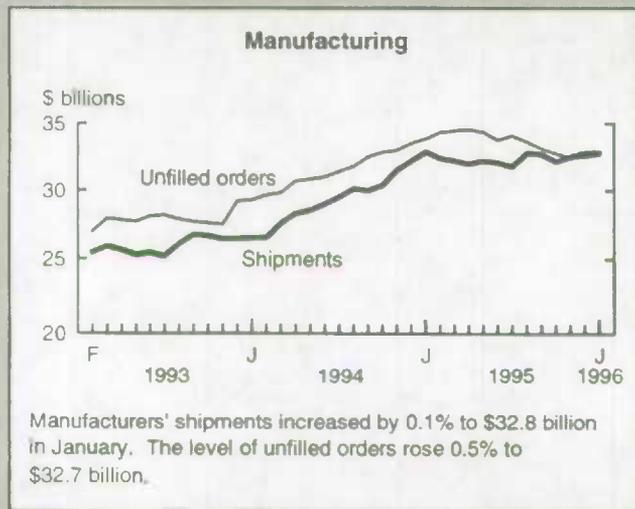
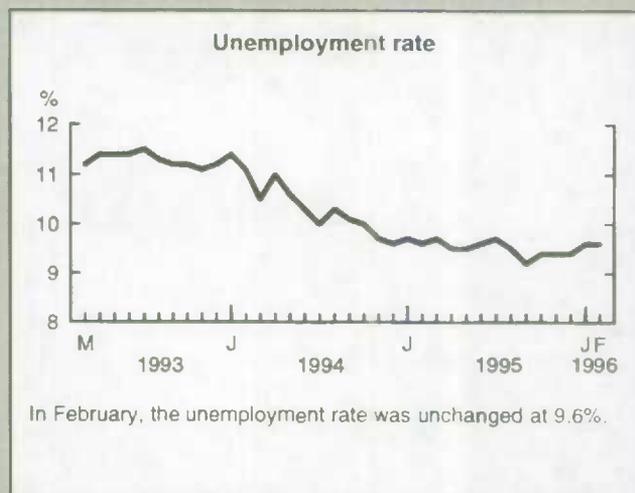
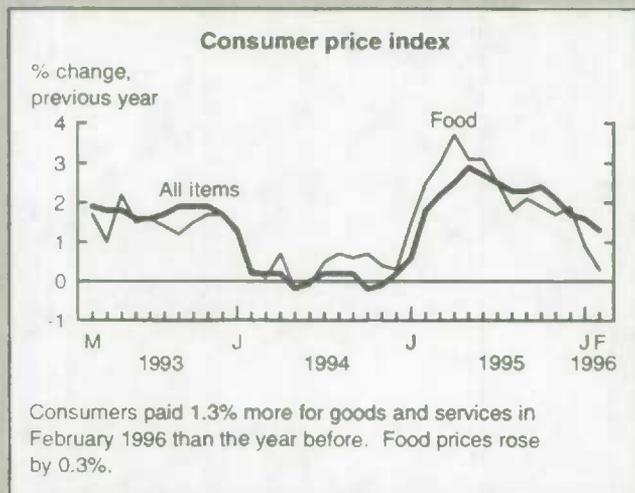
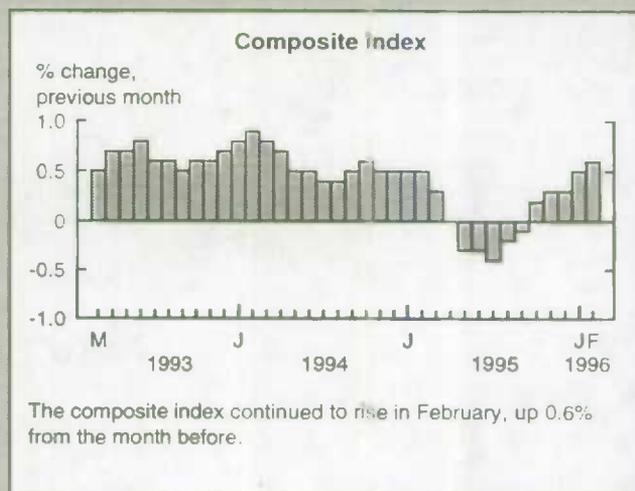
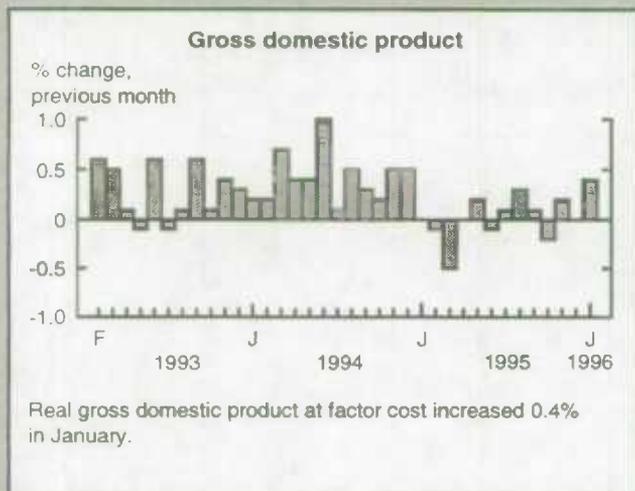
After-tax income is calculated by adding cash government transfer payments (such as Old Age Security, Canada/Quebec Pension Plan benefits, Child Tax Benefits, and Unemployment Insurance benefits) to income before transfers (mainly from work and investment) and then by subtracting income taxes paid.

Dollar amounts and percentages are calculated by using averages and constant (1994) dollars.

### Average total money income, income before transfers and income after tax for families



## Current trends



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*	546.0	0.4%	0.4%
Composite index (1981=100)	February	174.6	0.6%	0.8%
Operating profits of enterprises (\$ billion)	4th quarter	23.7	0.5%	0.5%
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billion)	January	17.7	0.3%	-0.1%
New motor vehicle sales ('000 units)	January	94.9	-4.7%	-4.5%
<b>LABOUR</b>				
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%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billion)	January*	21.4	-1.8%	-1.3%
Merchandise imports (\$ billion)	January*	18.9	0.7%	-4.2%
Merchandise trade balance (all figures in \$ billion)	January*	2.6	-0.5	0.1
<b>MANUFACTURING</b>				
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†
<b>PRICES</b>				
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.

## Infomat

### A weekly review

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## Publications released from March 29 to April 3, 1996

Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
			US\$		
<b>BALANCE OF PAYMENTS</b>					
Canada's balance of international payments	4th quarter 1995	67-001-XPB	36/120	44/144	51/168
<b>HEALTH STATISTICS</b>					
Health reports	Spring 1996	82-003-XPB	34/112	41/135	48/157
Tuberculosis statistics					
Microfiche version	1994	82-220-XMB	25	30	35
Paper version	1994	82-220-XPB	32	39	45
<b>INDUSTRY</b>					
Coal and coke statistics	January 1996	45-002-XPB	11/110	14/132	16/154
Crude petroleum and natural gas production	December 1995	26-006-XPB	18/180	22/216	26/252
Electric lamps	February 1996	43-009-XPB	6/60	8/72	9/84
Gas utilities	December 1995	55-002-XPB	16/160	20/200	23/230
Oils and fats	January 1996	32-006-XPB	6/60	8/72	9/84
Products shipped by Canadian manufacturers	1993	31-211-XPB	65	78	91
Retail trade	January 1996	63-005-XPB	20/200	24/240	28/280
Steel wire and specified wire products	January 1996	41-006-XPB	6/60	8/72	9/84
Vending machine operators	March 31, 1995	63-213-XPB	24	29	34
<b>NATIONAL ACCOUNTS AND ENVIRONMENT</b>					
National economic and financial accounts	4th quarter 1995	13-001	42/140	51/168	59/196
<b>PRICES</b>					
Construction price statistics	4th quarter 1995	62-007	23/76	28/92	33/107
Industry price indexes	January 1996	62-011-XPB	21/210	26/252	30/294
<b>PUBLIC INSTITUTIONS</b>					
Public sector finance	1995-1996	68-212-XPB	65	78	91
<b>SERVICES, SCIENCE AND TECHNOLOGY</b>					
Science statistics service bulletin: Software research and development in Canadian industry, 1993	March 1996	88-001-XPB	8/76	10/92	12/107
<b>TRANSPORTATION</b>					
Aviation	March 1996	51-004	11/105	13/126	15/147
Railway operating statistics	November 1995	52-003-XPB	12/120	15/144	17/168

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