



Infommat

A Weekly Review

Friday, July 5, 1996

OVERVIEW

◆ Economic growth resumes

Gross domestic product resumed growth in April after remaining almost flat in February and March.

◆ End of strike increases employment

The return to work of striking Ontario government employees and the addition of temporary Census workers accounted for the strong gain in the number of employees in April.

◆ Help-wanted ads post second straight rise

Led by Ontario, Quebec and the Prairie provinces, the help-wanted index increased in June for the second straight month.

◆ Canadians spend less on services abroad

In 1995, for the second straight year, Canadians reduced their net spending abroad on travel, commercial, transportation and government services.

◆ Employment, along with wages and salaries, continues to drop in public sector

Public sector employment, along with wages and salaries, continued to fall in 1995. Employment dropped 1.8%, while wages and salaries decreased 1.0%.

Economic growth resumes

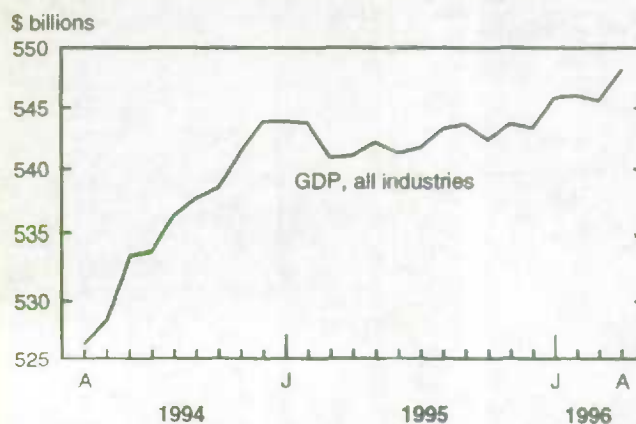
Gross domestic product at factor cost resumed growth in April (+0.5%) after remaining almost flat in February and March, when strikes in the Ontario government and the U.S. auto industry curbed production. Besides recovery from the strikes, April's advance reflected widespread gains in manufacturing, as well as higher activity in community, business and personal services, and in the finance group. Smaller increases in construction and wholesale trade added to the overall gain. A decline in the mining sector restrained growth the most, but decreases also occurred in transportation and storage, retail trade, and utilities.

Manufacturing production jumped 1.1% in April, to reach its highest level since September 1995. While production of transportation equipment contributed about three-quarters of the overall gain, output increased in 15 of the 21 major groups. Producers of chemicals, primary metals, and foodstuffs as well as wood and plastic products were among those who raised output the most. Lower production of electrical and electronic equipment, and paper and allied products restrained growth in manufacturing.

Community, business and personal services rose 1.0%, led by a gain in amusement services. A surge in sales by lottery corporations and the first full month of operations of the Hull Casino were responsible for the gain. Business services, which have been growing rapidly since last October, rose 1.0% in April.

(continued on page 2)

Gross domestic product at factor cost



... Economic growth resumes

Financial and related services advanced 0.4% after remaining unchanged in March. Strong activity on stock exchanges and solid gains by security brokers and mutual funds were mostly responsible for the gain. Real estate activities receded after growing rapidly during the previous four months.

Construction advanced 0.4%, with activity on residential and non-residential building projects increasing for the second straight month. Dwelling starts climbed sharply in May, suggesting that home building will continue to grow in the short-term. Erosion in the number of building permits issued, however, suggests that growth will remain moderate.

Wholesalers' activities advanced 0.3% in April — a somewhat slower increase than in recent months, but a sixth consecutive monthly gain, nonetheless. Sales of lumber and building materials, as well as metals, hardware, plumbing and heating equipment, and foodstuffs advanced the most.

Output in the mining sector tumbled 3.6%, due to a sharp drop in drilling activity and lower production of crude oil and natural gas.

Note to readers

GDP of an industry is the value added by labour and capital in transforming inputs purchased from other industries into outputs.

Monthly GDP by industry is valued at 1986 prices. All data are seasonally adjusted at annual rates.

Retail sales dropped 0.7%, with sales falling in almost every trade group. Sales by retailers of furniture and appliances slumped after improving somewhat in the first months of 1996. Purchases in supermarkets maintained their downward trend, while sales by general merchandise stores continued to improve slowly. Retailers of clothing enjoyed a pickup in sales, but it was not enough to fully recoup March's loss.

Available on CANSIM: matrices 4670-4674.

The April 1996 issue of Gross domestic product by industry (15-001-XPB, \$14/\$140) will be available in July. For further information, contact Michel Girard (613-951-9145), Industry Measures and Analysis Division. (See also "Current trends" on page 7.)

End of strike increases employment

The end of the Ontario government workers' strike and the hiring of temporary Census workers accounted for the strong gain in the number of employees in April, which offset two months of declines. Employees' weekly earnings dropped slightly (-\$1.20), led by significant decreases in construction, transportation, communication and other utilities, business services, and public administration.

Manufacturing employment advanced slightly; the motor vehicle parts and accessories, and other machinery industries recorded significant employment gains. Increases in average hourly earnings for manufacturing employees continued to be moderate, rising by only 1.9% since April 1995.

Employment



Average weekly earnings, April 1996

Seasonally adjusted

Province/ Territory	Industrial aggregate (\$)	% change, previous month	% change, previous year
Canada	575.48	-0.2	1.3
Newfoundland	521.16	-2.8	-3.5
Prince Edward Island	480.51	0.3	6.2
Nova Scotia	486.40	-0.9	-1.5
New Brunswick	514.20	-1.0	0.2
Quebec	546.73	-1.0	0.8
Ontario	615.37	0.0	1.7
Manitoba	509.38	-0.6	2.3
Saskatchewan	487.64	-0.6	0.5
Alberta	553.92	-0.7	0.2
British Columbia	595.26	-0.4	0.6
Yukon	691.68	-0.6	5.2
Northwest Territories	721.66	0.1	2.4

The return of the Ontario strikers added 38,000 employees to public administration employment, after the strike caused a drop of similar magnitude in March. Census workers further boosted the public administration payroll, since they were undergoing training in the last week of April. The addition of Census workers, who are relatively lower paid, also accounted for the drop in weekly earnings in public administration.

Employment was almost unchanged in transportation, communication and other utilities (+700). However, two major strikes and ongoing industry restructuring significantly affected its component industries.

The number of employees in construction fell, mainly among special trade contractors, with smaller declines recorded in residential and industrial construction. Weekly earnings dropped,

(continued on page 3)

... End of strike increases employment

driven down by a decline in hours worked, especially for employees paid by the hour.

At the provincial level, Ontario led the employment gain with 52,000 in April. Most of the other provinces had small employment changes, except for New Brunswick (+4,000) and Quebec (+8,000).

Available on CANSIM: matrices 4285-4466, 9438-9452, 9639-9664 and 9899-9911.

Employment, earnings and hours (72-002-XPB, \$31/\$310) will be available in mid-July. For further information, contact Stephen Johnson (613-951-4090; fax: 613-951-4087; the Internet: labour@statcan.ca), Labour Division.

Help-wanted ads post second straight rise

The help-wanted index increased 1% in June to 89, led by Ontario, Quebec and the Prairie provinces. After declining 15% from November 1994 through March 1996, the index posted only the second monthly increase since January 1995.

Ontario recorded a second consecutive month of growth, increasing 2% from May to 94.

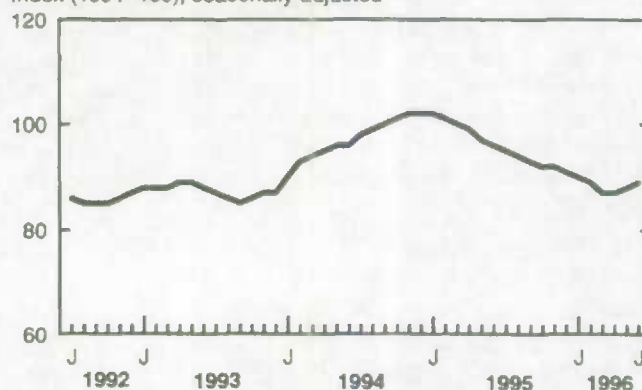
For the fourth consecutive month, the index in the Prairie region grew, this month by 1% to 92. The 8% growth recorded by the Prairies in the first half of 1996 is largely attributable to Alberta, where the index climbed 11%. Manitoba and Saskatchewan have also contributed to the rise; after little change in the first quarter of 1996, they recorded continuous monthly growth during the second quarter.

Quebec increased 2% from May to reach 89, the first monthly rise since January 1995.

The two remaining regions recorded monthly declines. The Atlantic region decreased 1% to stand at 102. After rising 4% during the first four months of 1996, the index has lost all gains in

Help-wanted index

Index (1991=100), seasonally adjusted



Note to readers

The help-wanted index is compiled from the number of help-wanted ads published in 22 newspapers in 20 metropolitan areas. The index is a measure of the intention of companies to hire new workers. These indexes have been seasonally adjusted and smoothed to ease month-to-month comparisons.

Help-wanted index, June 1996

(1991=100)

Seasonally adjusted

	Level	% change, previous year	% change, previous month
Canada	89	-7	1
Atlantic provinces	102	0	-1
Quebec	89	-13	2
Ontario	94	-9	2
Prairie provinces	92	6	1
British Columbia	65	-13	-1

the last two months to return to the January 1996 level. Declines were recorded in all Atlantic provinces, except Newfoundland, where the level was unchanged from May.

In British Columbia, the index dropped 1% to stand at 65, the lowest level recorded since May 1985.

Available on CANSIM: matrix 105 (levels 8, 9 and 10).

For further information, contact Michael Scrim (613-951-4090; fax: 613-951-4087; the Internet: labour@statcan.ca), Labour Division.

Canadians spend less on services abroad

In 1995, for the second straight year, Canadians reduced their net spending abroad on all services: travel, commercial, transportation and government services.

The deficit on services in 1995 totalled \$9.4 billion, down \$1.2 billion from the year before. The deficit represents the difference between the amount Canadians earn exporting services, and what they pay out importing services. In 1995, Canada exported \$36.5 billion in services (up 10% from 1994) and imported \$45.9 billion from foreigners (+6%).

(continued on page 4)

... Canadians spend less on services abroad

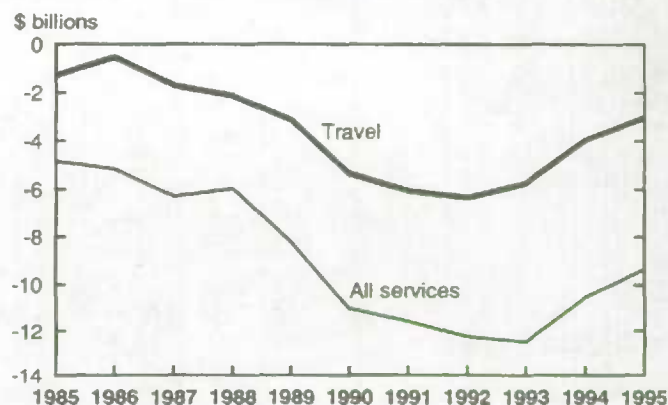
Most of the decrease in the services deficit stemmed from lower net payments on travel. In fact, after peaking at \$6.4 billion in 1992, the deficit on travel has been gradually shrinking, down to \$3.0 billion in 1995. This reflects the fact that while foreign visitors have been steadily increasing their spending in Canada over the past several years, Canadian travellers have maintained a steady rate of spending abroad. The decline of the Canadian dollar against the U.S. dollar has played a major role in this scenario.

Trade in services, which accounts for roughly 15% of all goods and services trade, is an important part of Canada's commercial dealings with the rest of the world. Unlike trade in goods, where Canada traditionally generates substantial surpluses, trade in services generally produces deficits.

In the area of commercial services, Canadian businesses spent \$5.1 billion more than they earned from abroad in 1995. This was slightly below the record deficit of 1994. Foreign purchases amounted to \$18.0 billion, while sales reached \$12.9 billion. Overall, Canadian businesses reduced somewhat their deficit with the European Union, but widened those with the United States and other OECD countries. Canada's trade in commercial services displays some significant features:

- Transactions with foreign affiliates represent 55% of all commercial services imports and 40% of exports.
- Companies that are under foreign control continued to deal mainly with their parent companies abroad, while companies controlled by Canadian interests traded chiefly with unrelated clients.

Total services and travel deficit



- Six categories of exports outpaced the compounded growth rate (10% annually, 1989-1994) for all commercial services: computer and information services; royalties; non-insurance financial services; architectural, engineering and other technical services; insurance, and non-financial trading commissions.
- While commercial services are transacted mainly by companies in the services sector, very sizeable amounts are traded by other industries as well.

Canada's international transactions in services, 1994 and 1995 (67-203-XPB, \$35) is now available. For further information, contact Hugh Henderson (613-951-9049), Balance of Payments Division.

Employment, along with wages and salaries, continues to drop in public sector

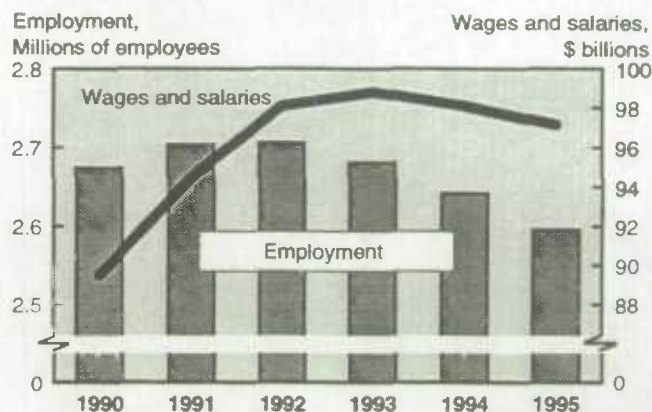
In 1995, public sector employment fell for the third straight year (-46,000 jobs or -1.8%). Federal government employment, which declined for a fourth straight year (-5.8% in 1995), accounted for almost half the overall decrease. Over two-thirds of the reduction in federal employment occurred in the departments of National Defence, Human Resources Development, Public Works and Government Services, Transport, and Environment.

Note to readers

The public sector, as defined by Statistics Canada, is divided into two main components: governments and government business enterprises. The government component comprises the three levels of government (federal, provincial and territorial, and local).

Government business enterprises are organizations engaged in commercial operations. They are similar to private business enterprises, but are controlled by government.

Public sector employment and wages and salaries



Provincial and territorial government employment also fell for a fourth consecutive year (-1.5% in 1995). Alberta, Ontario, Quebec and Nova Scotia recorded the largest percentage declines; British Columbia, Newfoundland and New Brunswick all posted higher employment.

(continued on page 5)

... Employment, along with wages and salaries, continues to drop in public sector

By 1995, public sector employment had dropped by 110,000 since its peak in 1992. Over this period, employment declines have been concentrated in the federal government (-42,000 or -10.1%), the provincial and territorial governments (-48,000 or -4.6%), and provincial and territorial business enterprises (-21,000 or -14.3%). Since 1992, employment by local government business enterprises has fallen by 4.4%, while local government, and federal government business enterprises showed little change.

Wages and salaries in the public sector fell by nearly \$1 billion (-1.0%) after a marginal decline in 1994. Reductions in wages and

salaries have lagged behind employment losses due to the effects of severance pay and buy-out packages.

Federal government wages and salaries fell by \$400 million (-2.4%) in 1995, while the provincial and territorial governments also recorded a \$400 million decline (-1.2%). Wages and salaries for provincial and territorial government business enterprises dropped by \$100 million.

Available on CANSIM: matrices 2720, 2860 and 2862-2864.

Public sector employment and wages and salaries, 1995 (72-209-XPB, \$42) will be available in Autumn 1996. For further information, contact Ferhana Ansari (613-951-1843), Public Institutions Division.

Public sector employment, and wages and salaries, 1995

	Employment		Wages and salaries	
	Number of employees	% change, 1994-1995	\$ millions	% change, 1994-1995
Total public sector	2,595,498	-1.8	97,137	-1.0
Total government	2,275,133	-1.6	83,489	-1.0
Federal	371,015	-5.8	16,185	-2.4
Provincial/territorial	1,004,721	-1.5	33,897	-1.2
Local	899,397	0.2	33,407	0.0
Total government business enterprises	320,365	-3.1	13,648	-1.0
Federal	144,115	-3.5	5,547	-0.5
Provincial/territorial	125,826	-3.0	5,871	-1.7
Local	50,425	-2.1	2,230	-0.1

Note: figures may not add to the total due to rounding.

New from Statistics Canada



Les transactions
internationales
de services
du Canada
1994 et 1995

Canada's international transactions in services

1994 and 1995

Services are a key component of Canada's international trading performance. This publication provides the latest details on dollar-value services that Canadians exported to foreigners (a record \$37 billion in 1995), and the amount they purchased from foreigners (\$46 billion).

Some of the data — such as spending on post-secondary education — are new, and the individual types of services are now regrouped according to new international categories designed to improve comparisons among countries.

Policy-makers, researchers and planners will find this a unique source of information on cross-border trade in services. Historical tables on travel and transportation, with extra detail on commercial services, are accompanied by analysis, definitions and data sources.

Canada's international transactions in services, 1994 and 1995 (67-203-XPB, \$35) is now available. For further information, contact Hugh Henderson (613-951-9049), Balance of Payments Division.

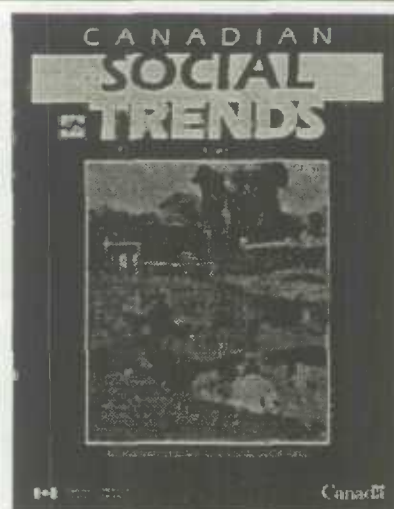
Canadian social trends

Summer 1996

The summer 1996 issue of *Canadian social trends* features the following articles: "Fifteen years of AIDS in Canada", "Causes of death: How the sexes differ", "International students in Canada", "Canada's cultural labour force" and "Condominium living".

Each quarter, *Canadian social trends* integrates data from many sources to examine emerging social trends and issues. It also features the latest social indicators, as well as information about Statistics Canada's products and services. This issue marks the 10th anniversary of publication.

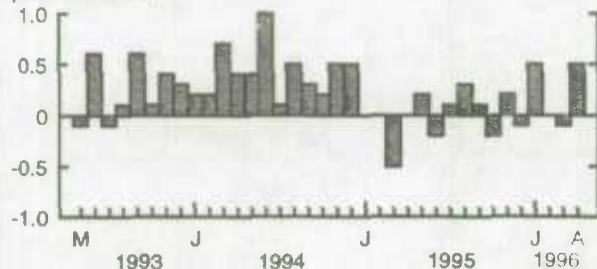
The summer 1996 issue of Canadian social trends (11-008-XPE, \$10/\$34) is now available. For further information, contact Cynthia Silver (613-951-2556), Housing, Family and Social Division.



Current trends

Gross domestic product

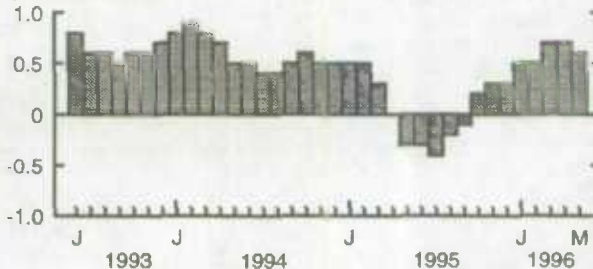
% change,
previous month



Real gross domestic product at factor cost rose 0.5% in April.

Composite Index

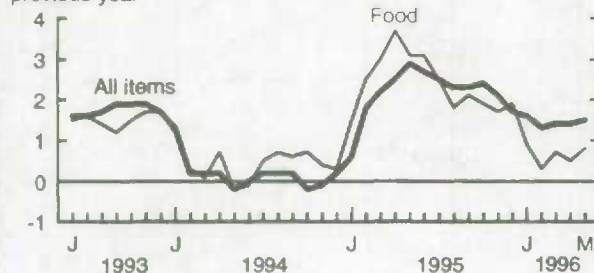
% change,
previous month



The composite index grew by 0.6% between April and May.

Consumer price index

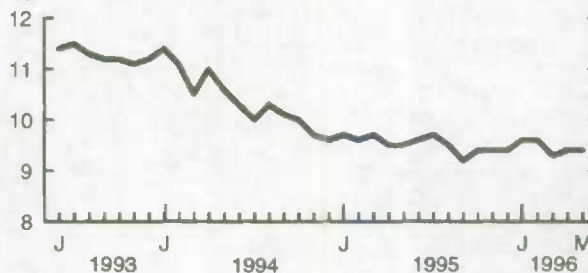
% change,
previous year



Consumers paid 1.5% more for goods and services in May 1996 than the year before. Food prices rose by 0.8%.

Unemployment rate

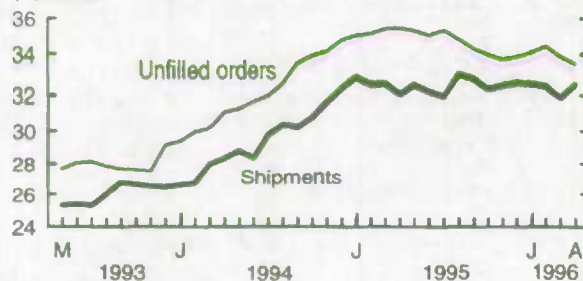
%



In May, the unemployment rate was unchanged at 9.4%.

Manufacturing

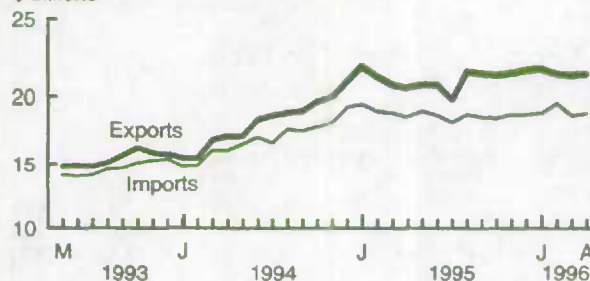
\$ billions



Manufacturers' shipments rose 2.2% in April to \$32.5 billion. The level of unfilled orders fell 1.0% to \$33.6 billion.

Merchandise trade

\$ billions



In April, the value of merchandise exports rose 0.8% from March to \$21.5 billion. Imports advanced 1.0% to \$18.9 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)	April	548.1	0.5%	1.3%
Composite index (1981=100)	May	177.8	0.6%	2.7%
Operating profits of enterprises (\$ billion)	1st quarter	21.6	-7.5%	-7.2%
Capacity utilization (%)	1st quarter	82.8	-0.1†	-3.0†
DOMESTIC DEMAND				
Retail trade (\$ billion)	April	17.8	0.0%	2.2%
New motor vehicle sales ('000 units)	April	89.8	-6.5%	1.2%
LABOUR				
Employment (millions)	May	13.7	-0.1%	1.4%
Unemployment rate (%)	May	9.4	0.0†	-0.1†
Participation rate (%)	May	64.8	-0.1†	-0.1†
Labour income (\$ billion)	March	35.2	-1.0%	2.2%
Average weekly earnings (\$)	April	575.48	-0.2%	1.3%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	April	21.5	0.8%	4.4%
Merchandise imports (\$ billion)	April	18.9	1.0%	1.6%
Merchandise trade balance (all figures in \$ billion)	April	2.6	0.0	0.6
MANUFACTURING				
Shipments (\$ billion)	April	32.5	2.2%	1.6%
New orders (\$ billion)	April	32.2	2.7%	0.4%
Unfilled orders (\$ billion)	April	33.6	-1.0%	-5.3%
Inventory/shipments ratio	April	1.40	-0.03	0.03
PRICES				
Consumer price index (1986=100)	May	135.7	0.3%	1.5%
Industrial product price index (1986=100)	May	129.5	0.5%	0.9%
Raw materials price index (1986=100)	May	137.9	-0.9%	3.4%
New housing price index (1986=100)	April	131.6	-0.5%	-2.7%

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 June 28 to July 4, 1996

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Division/title of publication	Period	Catalogue number	Price: Issue/Subscription		
			Canada (Cdn.\$)	United States	Other countries
					US\$
AGRICULTURE					
Fruit and vegetable production	Selected years	22-003SXPB	30/60	36/72	42/84
Field crop reporting series, no. 4: Preliminary estimates of principal field crop areas, Canada	1996	22-002-XPB	15/85	18/102	21/119
BALANCE OF PAYMENTS					
Canada's international transactions in services	1994 and 1995	67-203-XPB	35	42	49
CANADIAN CENTRE FOR JUSTICE STATISTICS					
Juristat: Adult correctional services in Canada - Highlights	1994-1995	85-002-XPB	10/90	12/108	14/126
Juristat: Adult community corrections services in Canada	1994-1995	85-002-XPB	10/90	12/108	14/126
HEALTH STATISTICS					
Birth and deaths					
Microfiche version	1994	84-210-XMB	25	30	35
Paper version	1994	84-210-XPB	35	42	49
Causes of death	1994	84-208-XPB	60	72	84
Hospital statistics: preliminary annual report					
Microfiche version	1994-1995	83-241-XMB	25	30	35
Paper version	1994-1995	83-241-XPB	30	36	42
HOUSEHOLD SURVEY METHODS					
Survey methodology		12-001-XPB	45	50	55
HOUSING, FAMILY AND SOCIAL STATISTICS					
Canadian social trends	Summer 1996	11-008-XPE	10/34	13/41	15/48
INDUSTRY					
Asphalt roofing	May 1996	45-001-XPB	6/60	8/72	9/84
Coal and coke statistics	April 1996	45-002-XPB	11/110	14/132	16/154
Crude petroleum and natural gas production	March 1996	26-006-XPB	18/180	22/216	26/252
Electric power statistics	April 1996	57-001-XPB	11/110	14/132	16/154
Gas utilities	March 1996	55-002-XPB	16/160	20/200	23/230
Retail trade	April 1996	63-005-XPB	20/200	24/240	28/280
Steel wire and specified wire products	April 1996	41-006-XPB	6/60	8/72	9/84
INTERNATIONAL TRADE					
Imports by commodity					
Microfiche version	April 1996	65-007-XMB	35/350	42/420	49/490
Paper version	April 1996	65-007-XPB	75/750	90/900	105/1,050
NATIONAL ACCOUNTS AND ENVIRONMENT					
National tourism indicators, quarterly estimates	1st quarter 1995-1st quarter 1996	13-009-XPB	21/70	21/70	21/70
National tourism indicators, historical estimates	1986-1995	13-220-XPB	44	44	44
PRICES					
Construction price statistics	1st quarter 1996	62-007-XPB	23/76	28/92	33/107
Consumer prices and price indexes	1st quarter 1996	62-010-XPB	24/80	29/96	34/112
TRANSPORTATION					
Aviation: Service bulletin	Selected years	51-004-XPB	11/105	13/126	15/147
Railway operating statistics	December 1995	52-003-XPB	12/120	15/144	17/168

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