



# Infomat

## A Weekly Review

Friday, November 6, 1998

### OVERVIEW

#### ◆ Economic output recovers lost ground

The economy recovered in August after four months of decline, as gross domestic product climbed once again to its previous peak.

#### ◆ Canadian investors sell off a record amount of foreign securities

In August, Canadian investors sold a record amount of foreign securities. Meanwhile, foreign investors retreated from Canadian bond and equity markets, but returned to the Canadian money market.

#### ◆ Industrial prices decline again

In September, industrial prices declined yet again compared with the previous month and the previous year.

#### ◆ Crude oil pushes up raw material prices

Manufacturers paid more for raw materials in September than they did in August, chiefly due to higher prices for crude oil, aluminum materials and copper concentrates.

#### ◆ Growth in average weekly earnings remains moderate

The year-over-year gain in average weekly earnings remained moderate in August, but workers in most industries saw gains that exceeded the inflation rate.

#### ◆ Larger firms more profitable

In 1997, for a sixth consecutive year, larger firms were substantially more profitable than medium-sized and smaller enterprises.

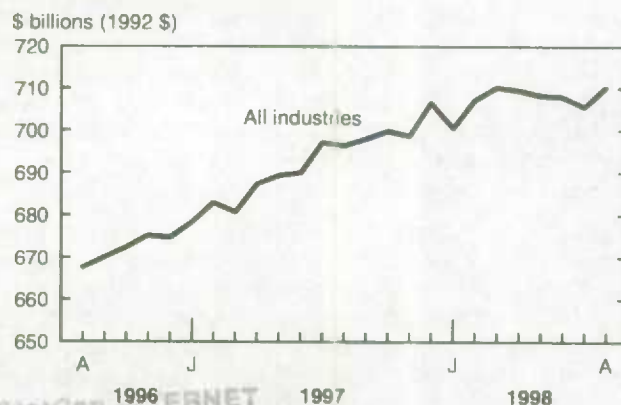
### Economic output recovers lost ground

After four months of decline, the economy recovered lost ground in August. Gross domestic product (GDP) climbed 0.7% to bring the value of economic activity back to its previous peak last reached in March. The primary underlying factor was the recovery from the effects of strikes in June and July. The auto sector led the advance, which was also supported by increased construction activity following the end of labour disputes in Southern Ontario.

Manufacturing output (+2.8%) regained some of the ground lost in the preceding four months. The increases were widespread among 16 of 22 groups, which account for 79% of manufacturing output. Thousands of laid-off autoworkers were back on the job in Canada in August after the GM strike ended. Vehicle production spiked up 24.4% and production of vehicle parts shot up 26.2%. The rebound was reflected in strong exports of vehicles to the United States as dealers began to replenish inventories.

Production of fabricated metal products (+2.2%) responded to higher demand in the auto and construction industries. Makers of metal stampings and hardware equipment recorded the largest gains. Production of furniture also resumed an upward course, led by household furniture (+4.0%), which may have been prompted

Gross domestic product at factor cost



Available also on the StatCan INTERNET  
and the INTRANET mirror site  
Disponibles aussi sur le site INTERNET et  
INTRANET (réplique) de StatCan

(continued on page 2)



Statistics  
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Statistique  
Canada

Canada



### ... Economic output recovers lost ground

by greater completions in new residential construction. Newsprint production surged 8.4% despite labour disputes. Excess capacity in the industry, however, enabled other producers to make up for the production lost at strike-bound facilities.

The overall gains in manufacturing were partly offset by a sharp decline in the output of electrical and electronic products. This was largely centred in the telecommunications equipment industry, following a healthy surge in July. As well, production of machinery continued its downward trend, falling 3.8%. Production of machinery has declined in five of the previous six months.

The construction industry continued to struggle, as output was only back up to June levels and remained flat compared with the previous year. Transportation (+0.9%) was buoyed by a surge in the transportation of cars, trucks and grain. Rail and truck carriers both benefited from a rebound in auto manufacturing and wholesaling. Continued weakness in sales of most primary commodities hampered demand for transportation services.

Volatile global economic conditions hurt financial services (-0.5%), as sales of mutual funds sank to a three-year low.

Unexpected production problems hampered the mining industry in August (-0.8%). Drilling and "other mining" suffered a ninth consecutive monthly decline. Production of non-metals also fell as producers of coal and salt cut output. Production of electric power rose 1.9% in August, partly in response to demand from U.S. customers. Business services continued to surge, led by computer services and by architectural and engineering services.

**Available on CANSIM: matrices 4677-4681.**

*The August 1998 issue of **Gross domestic product by industry** (15-001-XPB, \$15/\$145) will be released shortly. For analytical information, contact Richard Evans (613-951-9145; [evanric@statcan.ca](mailto:evanric@statcan.ca)). For information about purchasing data, contact Kim Lauzon (613-951-9417; [lauzonk@statcan.ca](mailto:lauzonk@statcan.ca)), Industry Measures and Analysis Division. See also "Current Trends" on page 8.*

## Canadian investors sell off a record amount of foreign securities

**I**n August, Canadian investors sold a record amount of foreign securities; however, this only represented a fifth of their significant purchases over the first seven months of this year. Meanwhile foreign investors retreated from Canadian bond and equities markets, but returned to the Canadian money market.

Canadian investors sold off record amounts of foreign bonds (\$2.0 billion) and foreign stocks (\$0.8 billion) in August. Sales of bonds (U.S. treasuries) reduced the year-to-date net acquisition of foreign bonds to a negligible amount. Canadians' disinvestment from foreign equities was restricted to overseas stocks in August. Canadian investors bought almost \$11 billion worth of foreign equities in the first seven months of 1998, largely (60%) U.S. shares. Stock prices in the United States, which fell 14.6% in August, mirrored the declines in most major foreign stock markets during the month.

Meanwhile, foreigners sold off a record \$2.0 billion worth of Canadian stocks in August, following two months of relatively flat investment activity. This contrasts with the \$15 billion that foreigners invested in Canadian stocks during the 13 consecutive months running from May 1997. The latest selling came from U.S. and Asian investors. Underlying the August sell-off was a significant 20.2% decline in Canadian stock prices.

Foreign investors also sold \$0.8 billion worth of Canadian bonds in August, the first net selling in four months. Again in August, foreigners were heavy sellers of outstanding issues, mainly federal bonds. In addition, new issues in foreign markets weakened in August. Total foreign issues fell to \$2.4 billion in August, after having averaged \$4.5 billion in the first seven months of this year. Corporate bonds, which had accounted for half of foreign issues in 1998, stood at their lowest level (\$1.3 billion) since January 1998. Retiring Canadian issues held by foreigners remained low in August at \$1.4 billion.

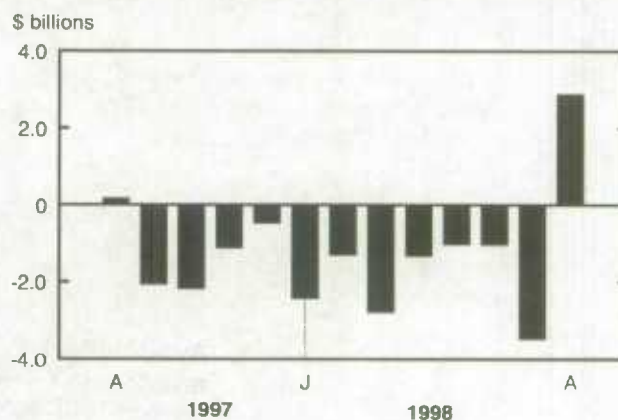
### Note to readers

*The differential between Canadian and U.S. short-term interest rates continued to favour investment in the United States in August. However, for a second straight month, the differential was a small 10 to 15 basis points. After almost a year of long-term interest rates that were marginally higher in the United States, the differential shifted in August in favour of investment in Canada.*

*In August, Canadian stock prices (as measured by the TSE 300 composite index) plummeted 20.2%, bringing the index back to its October 1996 close. At 5,531, the index was 27.8% off its record high closing reached in April 1998. In the United States, stock prices (as measured by the Standard and Poor's 500 index) fell 14.6% in August, returning that index to its November 1997 level.*

*After falling a full two cents (U.S.) in July, the Canadian dollar shed a further 2.38 U.S. cents in August to close at a record low of 63.76 U.S. cents.*

### Canadian investment in foreign stocks and bonds



(continued on page 3)



### ... Canadian investors sell off a record amount of foreign securities

In August, foreigners acquired a net \$1.8 billion of Canadian short-term paper. This came on the heels of a \$7.0 billion reduction in their holdings over the preceding three months. The August activity consisted exclusively of federal treasury bills sold to U.S. residents. The differential between Canadian and U.S. short-term rates, which continued to favour investing in the United

States, was a mere 10 to 15 basis points for a second straight month.

**Available on CANSIM: matrices 2328-2330, 2378-2380 and 4195.**

The August 1998 issue of *Canada's international transactions in securities* (67-002-XPB, \$18/\$176) is now on sale. For further information, contact Don Granger (613-951-1864), Balance of Payments and Financial Flows Division.

## Industrial prices decline again

In September, industrial product prices declined 0.6% compared with August and were down 0.3% from September 1997. The Industrial Product Price Index was 119.4 (1992=100), down from 120.1 in August. The most significant price declines were for motor vehicles, pulp, softwood lumber, and pork. Prices were up 2.1% from August for refined petroleum products.

Exchange rate effects were significant again in September, as the value of the U.S. dollar declined to about C\$1.50 in mid-September, down from about C\$1.52 in mid-August. In mid-September 1997, the exchange rate was about C\$1.39. If the effect of the Canada-U.S. exchange rate were excluded, industrial prices would have edged down only 0.2% from August. The 12-month change, however, would have been -2.4%.

For manufacturers, prices for finished goods (other than capital goods or foods and feeds) were 2.9% higher than a year earlier. However, this increase was basically due to the effect of the Canada-U.S. exchange rate on the prices of exported goods quoted in U.S. dollars. If this effect were removed, the price change would have been -0.4%.

Most of the decline in motor vehicle prices was due to a lower U.S. dollar. About 90% of the vehicles made in Canada are exported, mostly to the United States. Export prices fell for autos (-1.3%) and trucks (-1.2%). By contrast, domestic prices for autos slipped 0.6%, while truck prices in Canada declined 0.3%.

A 6.4% decline in pulp prices was mainly due to the drop in the export price of bleached kraft wood pulp (-8.3%). Kraft wood pulp constitutes over 70% of Canadian pulp production. In the United States, the overall price of wood pulp fell 2.9%. Pulp inventories are relatively high. Softwood lumber prices fell 3.0% in September after two months of increases. Domestic prices were down 2.5% and export prices were down 3.4%. August's increase resulted mainly from concerns over possible events that did not actually occur (such as a rail strike in British Columbia). Prices in September were down across the country. Important contributors to the decline were B.C. Western Red Cedar (-7.0%), and B.C. Douglas Fir (-3.3%). In the United States, overall softwood lumber prices fell 5.1%. The market for lumber was affected by September's declines in housing starts in both Canada and the United States. In the United States, residential building permits were also down in September.

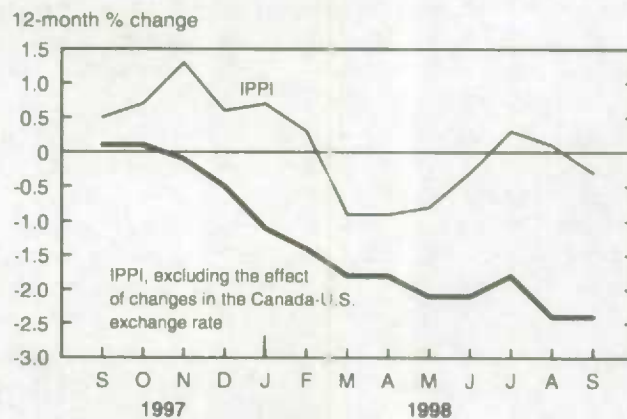
Pork prices fell 6.2% in September to stand 22.6% lower than a year earlier. Oversupply relative to demand, in large part due to the economic problems in Asia, remains a serious problem for the industry.

### Note to readers

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as goods leave their plants. It does not reflect what consumers pay. Unlike the Consumer Price Index (CPI), the IPPI excludes indirect taxes and all costs (including transportation, wholesale and retail costs) occurring between the time when a good leaves a plant and when a final user takes possession.

Canadian producers export many goods. They often quote their prices — particularly for motor vehicles, pulp, paper, and wood products — in foreign currencies. Accordingly, a 1.0% change in the value of the Canadian dollar against the U.S. dollar changes the IPPI by an estimated 0.25%.

### Industrial Product Price Index



In September, manufacturers of goods used mainly as industry inputs (intermediate goods) saw appreciably lower prices (-2.3%) than a year earlier. If the effect of the Canada-U.S. exchange rate were excluded, the declines would have been significantly larger (-4.0% for all intermediate goods and -11.1% for goods used primarily as inputs into basic industries such as primary metals, wood, pulp, chemicals). The notable drop in prices of goods used as inputs into basic industries also reflected the much lower prices for raw materials than a year earlier (-13.0%).

**Available on CANSIM: matrices 1870-1878.**

The September 1998 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available at the end of the month. For further information, contact the Client Services Unit (613-951-3350; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division.



## Crude oil pushes up raw material prices

**M**anufacturers paid 1.6% more for raw materials in September than they did in August, chiefly due to higher prices for crude oil, aluminum materials and copper concentrates. Lower prices for hogs, unrefined sugar and coffee partly offset the overall increase. Excluding the mineral fuels category (90% of which is crude oil), raw material prices actually decreased 1.5% from August. The Raw Materials Price Index in September was 108.1 (1992=100), up from 106.4 (revised) in August.

Compared with September 1997, manufacturers paid 13.0% less for raw materials this September. The major contributors to the price decline on a 12-month basis were crude oil, wood, animal and vegetable products, and non-ferrous metals. Excluding mineral fuels, the 12-month decrease in prices would have been 11.3%.

Crude oil prices, which climbed 11.6% from August to September, remained 19.0% lower than in September 1997. The higher crude prices in September were partially due to OPEC's ongoing supply cuts. Prices were further strengthened when the United States announced it will be buying significantly more oil for its Strategic Petroleum Reserve. However, there is still an oversupply of oil on the world market.

Prices for animals and animal products fell 3.2% from August and were 9.1% lower compared with 12 months earlier. A drop in hog prices (-19.2%) was the only major contributor to the overall monthly decline. Compared with September 1997, hogs prices have deflated by 39.3%. Hog prices remain weak due to both declining demand and oversupply. The surplus of hogs has brought prices down to 1994 levels.

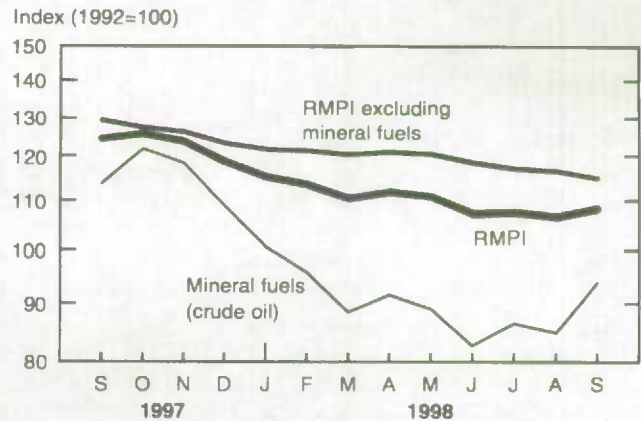
Non-ferrous metal prices increased 0.8% from August to September. Higher prices for copper concentrates (+4.6%), aluminum materials (+5.1%) and gold (+0.9%) were the major contributors. The rise in copper prices was more due to perceptions of demand than to actual depletions in the copper inventory. Compared with September 1997, non-ferrous metal prices were down 12.3%.

Vegetable product prices fell 3.1% in September compared with August. The major contributors were unrefined sugar

### Note to readers

The Raw Materials Price Index (RMPI) reflects prices that manufacturers paid for key raw materials, including some that were not produced in Canada. Prices for many of these commodities are set in world markets.

### Raw Materials Price Index



(-16.8%), coffee (-9.0%) and grains (-2.3%). Sugar prices have been under considerable downward pressure for seven months. The global supply has reached glut levels, and this was recently aggravated by the larger than expected yields of sugar beet crops in Europe. Compared with 12-months earlier, vegetable product prices were down 16.3%. Coffee (-46.7%), grains (-20.0%) and unrefined sugar (-29.3%) were the major contributors. Coffee prices have continued to fall since the start of the year, since Brazil (the world's largest producer) remains on track to harvest its largest coffee crop in more than a decade.

### Available on CANSIM: matrices 1879.

The September 1998 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available at the end of this month. For further information, contact the Client Services Unit (613-951-3350; fax (613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division.

## Growth in average weekly earnings remains moderate

**A**verage weekly earnings rose 1.5% between August 1997 and August 1998. The year-over-year gains in average weekly earnings have been in the range of 1.0% to 2.0% since mid-1997. Despite the modest earnings advance at the aggregate level, workers in most industries saw gains that exceeded the annual inflation rate. From July to August, average weekly earnings increased \$1.36 to \$607.18, as increases were seen in most industries.

Average hours for hourly paid employees were unchanged again in August, resting at June's level of 31.7 hours. Average hours were down by 0.6 hours compared with May 1997, while

average overtime hours were down by 0.3 hours. The reductions in average weekly hours and average overtime hours were offset by increases to the number of hourly rated employees.

Paid employment was essentially unchanged in August. This followed substantial growth in July. Except for manufacturers of durable goods, employment fell slightly or was unchanged in most industries. Employment in durable goods manufacturing grew because employees laid off by automakers and related industries returned to work.

These estimates of employment, earnings and hours are now derived from administrative records; in addition, a new sample was drawn for the Business Payrolls Survey to produce estimates of paid hours, average weekly earnings and average hourly earnings. Estimates derived from administrative records may

(continued on page 5)

### ... Growth in average weekly earnings remains moderate

show a different seasonal pattern than the previous data, which were derived from survey questionnaires. This can only be assessed within the context of a longer time period. Statistics Canada will continue to monitor these impacts and will help users interpret its data. It is recommended that SEPH data, particularly employment data, be used in the context of longer time periods for detailed industry distributions. A description of the methodological changes and their impacts on the data was published in the May 1998 issue of *Employment, earnings and hours*.

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

The August 1998 issue of *Employment, earnings and hours* (72-002-XPB, \$32/\$320) will be available shortly. The historical publication *Annual estimates of employment, earnings and hours 1985-1997* (diskette: 72F0002XDB, \$120) is on sale now. Custom tabulations of the data are available on demand. For further information, contact Robert Frindt (613-951-4090; fax: 613-951-4087; labour@statcan.ca), Labour Division.

### Average weekly earnings, all industries, August 1998 Seasonally adjusted

	\$	% change, previous month	% change, previous year
<b>Canada</b>	<b>607.18</b>	<b>0.2</b>	<b>1.5</b>
Newfoundland	528.88	-0.2	-0.5
Prince Edward Island	480.08	0.9	3.0
Nova Scotia	513.53	-1.1	3.0
New Brunswick	536.28	0.6	2.4
Quebec	572.27	0.4	1.4
Ontario	643.74	0.1	0.7
Manitoba	543.67	0.1	3.3
Saskatchewan	541.32	0.4	3.1
Alberta	618.19	0.3	3.3
British Columbia	617.11	-0.1	0.3
Yukon	673.46	-1.4	-2.7
Northwest Territories	708.74	-1.7	-0.4

## Larger firms more profitable

In 1997, for a sixth consecutive year, larger firms were substantially more profitable than medium and smaller enterprises. Large firms earned an average return on assets of 7.2% last year, well ahead of medium-size firms (4.3%) and smaller firms (4.6%). For large firms, it was the highest rate of return on assets since the 9.0% peak in both 1988 and 1989. Considering that inflation rates over the past few years have been much lower than in the late 1980s, rates of return for the large firms, adjusted for inflation, have fully recovered to those pre-recession highs.

Large firms tend to have higher rates of profitability for several reasons, most relating to economies of scale. They may also benefit from lower relative financing costs. As well, larger firms can tap into domestic and foreign markets that might be unreachable for medium or small firms. And large firms may operate in industries that tend to have greater barriers to entry and less competition than industries dominated by small firms.

Among larger firms, the manufacturing sector posted the healthiest returns on capital employed between 1995 and 1997, with an average of 9.2%. It also topped the 1997 list with a return on capital employed of 9.0%. The transportation, storage, communications and utilities sector was second in the three-year period with an 8.8% return. Finance and insurance industries posted a return of 8.5%. The mining sector earned the lowest three-year average return on capital employed (5.7%). The mining sector was also near the bottom of the list in 1995, 1996 and 1997.

Among the goods-producing industries (includes manufacturing, mining, utilities and trades), the large firms that manufacture sawmill and planing mill products produced the highest rates of return, with a 13.6% average return on capital employed for the period between 1995 and 1997. Motor vehicle parts and accessories was the second most profitable manufacturing industry during the three-year period (13.3% return on capital employed). This industry, together with motor vehicle manufacturers, has consistently been among the top performers over the past several

### Note to readers

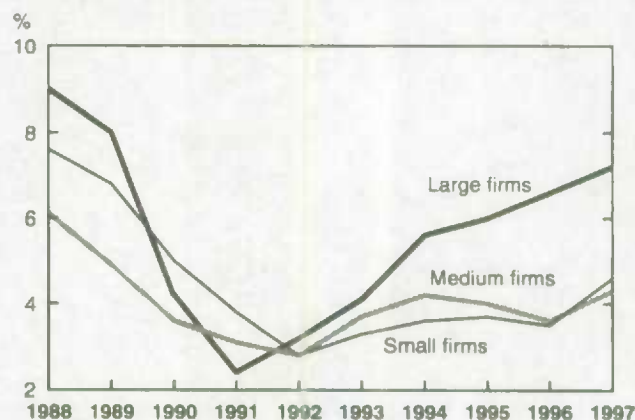
The financial performance indicators were developed from corporate income tax records covering more than 900,000 corporations in Canada. That information is augmented by data from Statistics Canada's quarterly and annual Financial Statistics for Enterprises Survey.

The measure of profitability used is the return on assets, which is used to compare the performance of groups of various sized firms. The formula is pre-tax profit to total assets. It measures how well management has employed the firm's assets to generate earnings.

The measurement used to rank industries from most to least profitable is the return on capital employed. It indicates the number of cents returned (net earnings) for every dollar of capital.

Large firms are those with revenues greater than \$75 million. Medium firms are those with revenues between \$5 million and \$75 million, and small firms are those with revenues between \$50,000 and \$5 million.

### Return on assets of non-financial industries



(continued on page 6)



### ... Larger firms more profitable

years. Posting the lowest returns on capital employed were tobacco product wholesalers (2.9%), wholesalers of books, magazines and periodicals (3.6%), department stores (4.0%) and non-ferrous ore mining (4.0%). In 1997, large companies that mine, smelt and refine non-ferrous metals had the lowest return on capital employed (0.3%) of any goods-producing industry.

Among the 20 service-producing industries (non-financial) between 1995 and 1997, services incidental to the water transport industry registered the highest level of profitability (13.7%). In second place were firms that provide take-out food services and catering services in the food services industry (11.5%). Least profitable in the services-producing group were the other scientific and technical services (1.9%) and the motion picture and video distribution and exhibition (2.6%) industries.

In the financial services industries, independent investment dealers topped the most-profitable list among large companies. Their return on capital employed averaged 15.8% between 1995 and 1997, including returns of 26.5% in 1996. The investment dealers that are subsidiaries of banks were second (14.2% during the three-year period). Schedule A chartered banks posted a return on capital employed of 12.3%. With a return of 5.9%, the Schedule B chartered banks were one of the worst performers over the period, as were consumer and business financing companies (6.1%).

Among smaller firms, the mining sector was the most profitable between 1995 and 1997. Over that three-year period, it earned an average return on assets of 6.5% and was ranked either first or second in each of the three years. Larger firms in the mining sector, with a 4.0% return on assets, did not fare nearly so well. For small firms, the non-financial services sector averaged a 6.1%

return on assets, the second highest result for the three-year period; the results for the larger firms were worse (2.9%). Small manufacturing firms registered a return on assets of 5.1%, well below the 6.9% return posted by the larger firms in the same sector. Wholesale and retail trade and the transportation, storage, communications and utilities sector all reported much lower returns on assets for their smaller sized firms than for their larger firms.

Among small firms in the goods-producing industries, the top return on assets between 1995 and 1997 was earned by manufacturers of non-current-carrying and low-voltage wiring devices (15.8%). In second place was the plastic and synthetic resin industry (10.9%). Biscuit manufacturers fared the worst (-3.2%), followed by brewery products manufacturers (-1.4%).

For small firms, the top-ranked service-producing industries (non-financial) also yielded the highest rates of return among all categories. This was to be expected because most report relatively low asset levels, since the primary asset (human capital) does not appear on the balance sheet. Most industries at the top of the list are in healthcare, including professional practitioners. The highest average return on assets between 1995 and 1997 was recorded by professional membership associations (25.5%) and social services practitioners (25.1%). The worst performers were clothing repair and valet service providers (-3.1%) and social services planning and advocacy agencies (-1.9%).

*Financial performance indicators for Canadian business is now available in three volumes on diskette (Vol. 1, 61F0058XDB, \$170; Vol. 2, 61F0059XDB, \$190; and Vol. 3, 61F0060XDB, \$210). For each volume of the print version, there is a \$30 charge. Volume 3 is also available at the provincial level. For further information, contact Gail Sharland (613-951-9843), Industrial Organization and Finance Division.*

## New from Statistics Canada



### Health reports Autumn 1998

The Autumn 1998 issue of *Health reports* features the following articles: "Multiple-risk behaviour in adolescents and young adults", "Current and future hospitalization after heart attack", "Changing trends in melanoma incidence and mortality", "Maternal education and risk factors for small-for-gestational-age births", and "Maternal education and fetal and infant mortality in Quebec".

Each quarter, *Health reports* provides comprehensive and timely analysis of national and provincial health information, as well as the vital statistics derived from surveys and administrative databases. It is designed to reach a broad audience that includes health professionals, researchers, policy makers, educators and students.

The Autumn 1998 issue of *Health reports* (paper: 82-003-XPB, \$35/\$116; Internet: 82-003-XIE, \$26/\$87) is now available. For further information, contact Mary Sue Devereaux (613-951-4381), Health Statistics Division.

### Area profiles series 1996 Census

The *Area profile series* from the 1996 Census gives a statistical picture of all geographic levels of the country, including small areas. Two profiles from the series are being released today on CD-ROM.

The first profile (95F0253XCB96000, \$5,000) gives complete information from the 1996 Census for the following: Canada, the provinces and territories; census divisions and subdivisions; census metropolitan areas (CMAs) and census agglomerations (CAs); census tracts of CMAs and some tracted CAs; federal electoral districts (1987 representation order) and enumeration areas; federal electoral districts (1996 representation order); and forward sortation areas. Separate CD-ROMs for individual provinces and territories will be available in the near future.

The second profile (95F0268XCB96000, \$1,500) gives the same information for all geographic levels except enumeration areas and forward sortation areas.

These CD-ROMs are packaged with the software Beyond 20/20. This browser's many powerful features allow you to easily search and sort data and to copy tables and charts to other Windows applications.

For further information, contact your nearest Statistics Canada Regional Reference Centre.

### A statistical profile of Canadian communities 1996 Census

A wealth of information about Canadian communities has just become available, free of charge, through Statistics Canada's Internet site. The Agency has posted to its web site the statistical profiles of almost 6,000 towns, villages and cities and Aboriginal communities. A *statistical profile of Canadian communities* includes data from the 1996 Census of Population, as well as a mapping feature.

Each profile contains data on four major components: Population, education, income and work, and families and dwellings. For example, it is possible to find basic information about a community such as the highest level of schooling for the population aged 15 and over, the industrial makeup of the community, and the composition of the families who live there. These data about the community can then be compared with provincial and national data.

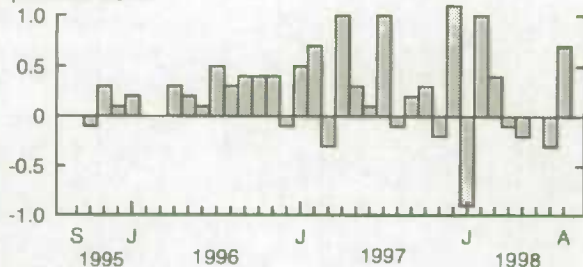
A *statistical profile of Canadian communities* is now available in a simple, user-friendly format at [www.statcan.ca](http://www.statcan.ca). For further information, contact your nearest Statistics Canada Regional Reference Centre.



## Current trends

### Gross domestic product

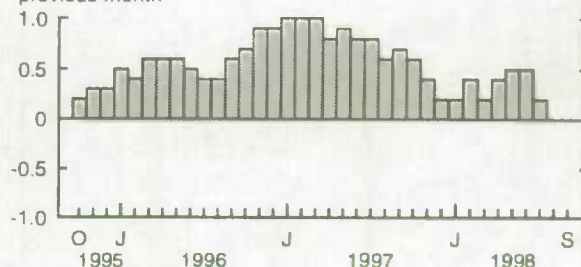
% change,  
previous month



Economic activity increased 0.7% in August, recovering lost ground after four months of decline.

### Composite Index

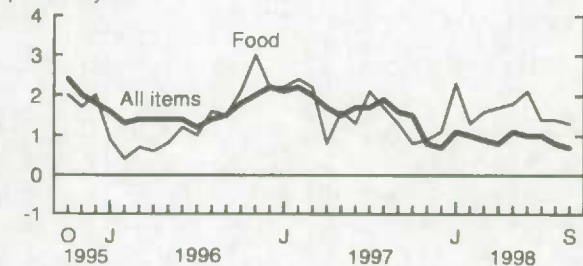
% change,  
previous month



In September, the leading indicator continued to show no growth for a second straight month.

### Consumer Price Index

% change,  
previous year



Consumers paid 0.7% more for goods and services in September 1998 than they did a year earlier. Food prices rose 1.3%.

### Unemployment rate

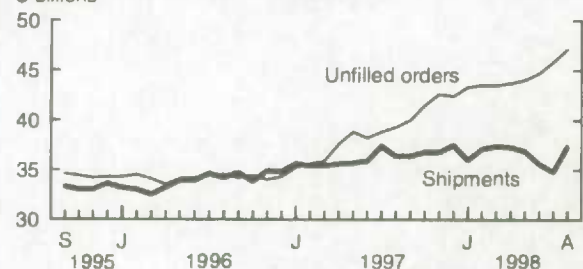
%



In September, the unemployment rate was unchanged at 8.3%.

### Manufacturing

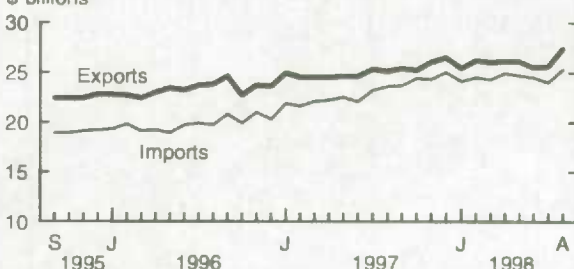
\$ billions



Manufacturers' shipments rebounded a sharp 7.6% in August to \$37.4 billion. The level of unfilled orders increased 3.0% to \$47.1 billion.

### Merchandise trade

\$ billions



In August, the value of merchandise exports climbed 7.1% from July to \$27.4 billion. Imports surged 5.3% to \$25.3 billion.

**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, 1992)	August*	710.2	0.7%	2.0%
Composite Index (1981=100)	September	207.2	0.0%	3.8%
Operating profits of enterprises (\$ billion)	Q2 1998	25.7	- 4.6%	- 4.3%
Capacity utilization (%)	Q2 1998	85.6	- 0.1†	1.3†
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billion)	August	20.7	- 0.2%	4.0%
New motor vehicle sales (thousand of units)	August	120.1	- 1.2%	- 0.6%
<b>LABOUR</b>				
Employment (millions)	September	14.38	0.5%	2.5%
Unemployment rate (%)	September	8.3	0.0†	- 0.7†
Participation rate (%)	September	65.2	0.3†	0.3†
Labour income (\$ billion)	June	38.2	- 0.2%	3.1%
Average weekly earnings (\$)	August	607.18	0.2%	1.5%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billion)	August	27.4	7.1%	9.3%
Merchandise imports (\$ billion)	August	25.3	5.3%	7.1%
Merchandise trade balance (all figures in \$ billion)	August	2.1	0.5	0.6
<b>MANUFACTURING</b>				
Shipments (\$ billion)	August	37.4	7.6%	2.9%
New orders (\$ billion)	August	38.8	8.2%	5.3%
Unfilled orders (\$ billion)	August	47.1	3.0%	20.0%
Inventory/shipments ratio	August	1.34	- 0.08	0.05
<b>PRICES</b>				
Consumer Price Index (1992=100)	September	108.6	- 0.2%	0.7%
Industrial Product Price Index (1992=100)	September	119.4	- 0.6%	- 0.3%
Raw Materials Price Index (1992=100)	September	108.1	1.6%	- 13.0%
New Housing Price Index (1992=100)	August	100.2	0.0%	1.0%

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

\* new this week

† percentage point

## Infomat

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			Canada (C\$)	Outside Canada (US\$)
<b>AGRICULTURE</b>				
Cereals and oilseeds review	August 1998	22-007-XPB	15/149	15/149
Livestock statistics update	Third quarter 1998	23-603-UPE	45/149	45/149
<b>BALANCE OF PAYMENTS AND FINANCIAL FLOWS</b>				
Canada's international transactions in securities	August 1998	67-002-XPB	18/176	18/176
<b>DISTRIBUTIVE TRADES</b>				
New motor vehicles sales	August 1998	63-007-XIB	13/124	13/124
<b>HEALTH STATISTICS</b>				
Health reports	Autumn 1998			
Internet		82-003-XIE	26/87	26/87
Paper		82-003-XPB	35/116	35/116
<b>INTERNATIONAL TRADE</b>				
Exports by commodity	August 1998			
Internet		65-004-XIB	37/361	37/361
Paper		65-004-XPB	78/773	78/773
Imports by commodity	August 1998			
Microfiche		65-007-XMB	37/361	37/361
Paper		65-007-XPB	78/773	78/773
<b>MANUFACTURING, CONSTRUCTION AND ENERGY</b>				
Asphalt roofing	September 1998	45-001-XPB	7/62	7/62
Construction type plywood	August 1998	35-001-XPB	7/62	7/62
Construction type plywood	July 1998	35-001-XPB	7/62	7/62
Crude petroleum and natural gas production	July 1998	26-006-XPB	19/186	19/186
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Energy statistics handbook	October 1998			
Diskette		57-601-XDE	284	284
Paper		57-601-UPB	387	387
Gas utilities	July 1998	55-002-XPB	17/165	17/165
Production and disposition of tobacco products	September 1998	32-022-XPB	7/62	7/62
Refined petroleum products	July 1998	45-004-XPB	21/206	21/206
Sawmills and planning mills	August 1998	35-003-XPB	12/114	12/114
<b>PRICES</b>				
Farm input price index	First quarter 1998	62-004-XPB	25/83	25/83
<b>SCIENCE AND TECHNOLOGY REDESIGN PROJECT</b>				
Science statistics service bulletin, vol. 22, no. 7: Estimation of research and development in the higher education sector	1996/97	88-001-XIB	18/176	18/176
<b>TRANSPORTATION</b>				
Aviation service bulletin	October 1998	51-004-XIB	8/82	8/82
Road motor vehicles: Fuel sales	1997	53-218-XIB	21	21

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