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A Weekly Review

Friday, December 17, 1999

OVERVIEW

- **Strong export demand lifts capacity use rates**

  Propelled by strong export demand, producers significantly increased their use of productive facilities in the third quarter to 86.0%—their highest operating rate since the 1987-88 economic expansion.

- **Business profits on the rise**

  Operating profits for enterprises increased in the third quarter by 7.6%, as businesses took advantage of surging commodity prices and strong domestic and U.S. demand for Canadian products. It was the fourth consecutive quarterly increase in profits.

- **Robust intentions to build new housing**

  Municipalities issued building permits in October worth \$3.1 billion, up from September by 6.1% on robust intentions to build new housing. A slight decline in non-residential permits tempered the overall increase.

- **Fewer new vehicles sold as truck sales fall**

  In October, lower truck sales caused total new motor vehicle sales to drop 4.3%. This decrease followed four consecutive advances.

- **Household spending rises slightly**

  In 1998, household spending climbed from the previous year by 3%. Personal taxes claimed just over 21% of the average household budget, while shelter costs absorbed about 20%. Households spent more on home furnishings and equipment and on alcoholic beverages.

- **RRSPs: Decline in contributors and in contributions**

  In 1998, for the first time in seven years, the number of contributors and the amount contributions declined. These RRSP declines occurred despite 1997's increase in employment income and in recipients of employment income.

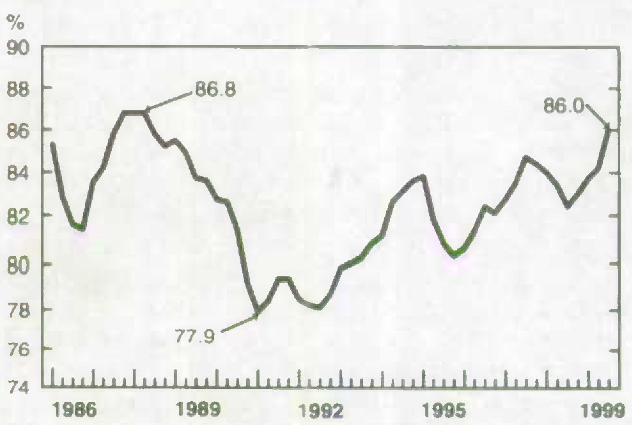
Strong export demand lifts capacity use rates

Propelled by strong export demand, industries churned out goods at their highest operating rate since the 1987-88 economic expansion. In the third quarter, producers significantly increased their use of productive facilities to 86.0%. Capacity use rates have risen in each of the past four quarters, but the increase in the third quarter (+1.8 percentage points) was equal to the total increase of the three previous quarters combined. Several industries recorded rates of capacity use in the third quarter that indicated they are approaching production limits. For example, 7 of the 22 industry groups in manufacturing posted rates higher than 90%.

The overall rate of capacity use is approaching the peak of the late 1980s because growth of production capacity over the past year has not kept pace with the strong growth seen in output. However, the Survey of Private and Public Investment released in July reported that spending on plant and equipment in 1999 will likely regain record levels. By far the largest part of this spending will be for machinery and equipment, as businesses strive to incorporate the latest technological advances into their production processes.

The impetus for the overall growth in capacity use came mainly from manufacturers, who are responding to strong demand for

Industrial capacity utilization rate



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... Strong export demand lifts capacity use rates

exports. In particular, the booming U.S. economy benefited producers of automotive products, computers and telecommunications equipment. Manufacturers raised their rate of capacity use to its highest level in 25 years in the third quarter, up 2.1 percentage points to 87.6%. Sixteen of the 22 industry groups in manufacturing raised their rates.

Producers of automotive products, responding to strong demand from the United States, pushed the capacity use rate of the entire transportation equipment group of industries up to 95.6%—a new high. Exports of computers and of television and telecommunications equipment led to robust output growth, so the electrical and electronic products industries also recorded a new peak rate of capacity use in the third quarter (93.3%). Output of newsprint and pulp both increased in the quarter, raising the rate of capacity use for the paper and allied products industries to 93.8%. Consumer spending on household furniture and appliances increased in the quarter. Consequently, producers of furniture and fixtures stepped up output and raised their capacity use rate to 86.3%.

The most notable decline in the third quarter occurred in the refining industries, due to scheduled maintenance shutdowns (-3.0 percentage points to 94.4%). The rate for primary metal industries also fell. That was due to strikes and shutdowns at several base metal mines in July.

Capacity use rose in the third quarter in most of the non-manufacturing industries. In the mining sector, capacity use rose to 74.1%, as an increased rate in the mining and quarrying industries more than offset a decreased rate in the crude petroleum and natural gas industry. Output in mining and quarrying rose in the quarter, as activity by drilling and rigging companies jumped in response to rising oil prices. Output of crude oil and natural gas declined in the quarter, as maintenance shutdowns curtailed output in August and September. Production of electricity rose in July because of an increase in the use of air conditioning equipment due to unusually warm weather. It then dropped back in August as temperatures cooled, and then it rose again in September because exports of electricity to the United States surged 15%. For the third quarter as a whole, electricity generation increased over the second quarter, leading to a gain of 2.3 percentage points in the rate of capacity use in electric power systems.

Construction industries stepped up their use of capacity in the quarter. This was mostly due to increased building activity on non-residential projects. Logging and forestry industries also raised their capacity use rate, as exports of forestry products rose.

> ***Note to readers***
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> *An industry's capacity use is the ratio of its actual output to its estimated potential output. Statistics Canada derives estimates of an industry's potential output from measures of its capital stock. A company's measure of its level of operation, as a percentage of potential, takes into account changes in the obsolescence of facilities, capital-to-labour ratios and other characteristics of production techniques. The rates of capacity use have been revised back to the first quarter of 1993.*

Available on CANSIM: matrix 3140.

For further information, contact Susanna Wood (613-951-0655) or Richard Landry (613-951-2579), Investment and Capital Stock Division.

Business profits on the rise

Operating profits for enterprises increased in the third quarter by 7.6%, as businesses took advantage of surging commodity prices and strong domestic and U.S. demand for Canadian products. Four consecutive quarters of expansion have now lifted profits to $39.8 billion. Operating revenues were up in the quarter by 1.4% to $414.1 billion. Compared with the third quarter of 1998, profits have grown 30.5%.

The third-quarter gains were concentrated in the non-financial enterprises, where profits jumped from the previous quarter by 12.4% to $28.9 billion. The booming manufacturing sector led the charge. The resource sector benefited from the soaring commodity prices. Financial enterprises suffered a 3.5% slide in operating profits, however, down to $10.9 billion—the lowest in a year. Their revenues were off 0.7% to $49.5 billion. Higher profits of banks (booked-in-Canada), trust companies, credit unions and insurers were more than offset by profit declines in funds and other vehicles and among other financial intermediaries.

Looking at the manufacturing sector in detail, it reported robust 10.5% growth in profits in the third quarter, up to a record $11.7 billion. Eleven of the 17 manufacturing groups showed improved profits. Except for a pause in last quarter, manufacturers' sales and profits have risen for four quarters. Manufacturers of electronic and computer equipment posted a stellar third quarter (+46.1% to $1.3 billion) on strong international demand for telecommunications equipment. Sales of computers and related software have been upbeat for the past year, bolstered by increasing interest in Internet technology.

> ***Note to readers***
>
> *The first quarter of 1999 marked a change in these statistics. They are being presented on the basis of the new North American Industry Classification System. The Financial Statistics for Enterprises Survey is also undergoing significant methodological changes that will not be completed until the data release for the first quarter of 2000. This means that the quarterly statistics for 1999 may be subject to significant revision.*

Also in high gear were makers of motor vehicles and parts. Their operating profits advanced 4.9% from the previous quarter to $2.6 billion. Sales surged 6.1% to a record $36.6 billion. Demand from the United States propelled automotive exports up by 4.9%. And in Canada, sales of new vehicles have been strong throughout this year, rising 5.5% in the third quarter alone. Meanwhile, manufacturers of wood and paper products saw profits rise 8.8% to $1.6 billion. Wood and paper profits have been on an

(continued on page 3)

... Business profits on the rise

upswing for two years. Certainly, the strong North American housing market has been a boon for lumber producers, while third-quarter wood prices were well ahead of year-earlier levels. And greater demand for pulp, particularly from the strengthening Asian economies, pared inventories and firmed prices. The newsprint supply glut eased, as well, but prices still remained below year-earlier levels.

In the resources sector, soaring crude oil prices lifted operating profits for mineral fuels to $1.9 billion, a 68.0% increase from the previous quarter and more than three times the year-earlier quarter. Companies also reaped the benefits of cost-cutting and efficiency programs put in place when oil prices collapsed last year. Natural gas producers churned out higher third-quarter profits on strong North American demand and pipeline expansions. In mining (except mineral fuels) profits spiked 38.9% to $0.6 billion, as most metals staged a comeback. Nickel gains have been sparked by strong demand from stainless steel producers, while copper has benefited from increased usage in the vibrant North American housing industry. Most metal prices in the third quarter were above 1998 levels, but remained well below the highs seen in 1995.

Available on CANSIM: matrices 8330-8383.

For further information about financial industries, contact Robert Moreau (613-951-2512). For more information on non-financial industries, contact Bill Potter (613-951-2662). For analytical information, contact Jean-Pierre Simard (613-951-0741), Industrial Organization and Finance Division.

Robust intentions to build new housing

Municipalities issued building permits in October worth $3.1 billion, up from September by 6.1% on robust intentions to build new housing. Permits in the residential sector climbed 14.4% to $1.8 billion—the best showing since early 1990. This rise reflected strength in intentions to build both multi- and single-family dwellings. In contrast, non-residential building permits fell 3.6% to $1.3 billion, mainly due to declines in the institutional component.

During the first 10 months of 1999, construction intentions reached $29.3 billion, up from the year-earlier period by 5.8%—the best result since the construction peak of 1989. Housing intentions recorded the largest increase, up 10.0% to $16.2 billion, while non-residential permits rose a marginal 0.9% to $13.0 billion.

In October, permits to build multi-family dwellings posted their second best monthly performance this year (+39.5% to $556 million), while permits for single-family dwellings advanced significantly (+5.7% to $1.2 billion). Recent increases in mortgage rates have apparently not altered consumer confidence, as economic indicators such as retail sales and economic growth remain on an upward trend. These indicators, combined with the growth in full-time employment, point to an active housing market in the months ahead. Notably, both components rose in Ontario in October, whereas only the permits for multi-family dwellings increased in British Columbia and Quebec. In Alberta, permits made their fourth consecutive monthly decline.

Note to readers

The monthly Building and Demolitions Permits Survey covers 2,600 municipalities and represents 94% of the population. It is an early indicator of building activity. The value of planned construction activities shown in this article excludes engineering projects (waterworks, sewers, culverts etc.) and land.

Building permits, October 1999
Seasonally adjusted[1]

	Total		Residential		Non-residential	
	$ millions	% change, previous quarter	$ millions	% change, previous quarter	$ millions	% change, previous quarter
Canada	**3,061.4**	**6.1**	**1,776.2**	**14.4**	**1,285.1**	**-3.6**
Newfoundland	26.7	23.1	11.8	-7.3	14.9	66.1
Prince Edward Island	14.3	10.6	6.1	24.5	8.2	2.1
Nova Scotia	93.5	88.3	47.4	62.7	46.1	124.8
New Brunswick	45.8	24.9	24.9	31.2	20.9	18.2
Quebec	518.1	12.3	277.4	17.1	240.7	7.3
Ontario	1,391.9	1.7	867.2	12.8	524.7	-12.5
Manitoba	76.6	-15.9	30.1	-20.8	46.5	-12.4
Saskatchewan	53.8	-7.6	25.1	33.7	28.7	-27.2
Alberta	421.9	-3.7	219.0	-6.1	202.9	-1.0
British Columbia	405.5	19.3	264.2	41.2	141.3	-7.6
Yukon	6.0	36.0	1.7	9.6	4.3	50.0
Northwest Territories	3.2	137.9	0.9	56.7	2.3	199.2
Nunavut	4.0	70.1	0.4	-78.5	3.6	456.5

[1] *Data may not add to totals due to rounding. Some percentage changes should be interpreted with caution because of the small numbers involved.*

(continued on page 4)

... Robust intentions to build new housing

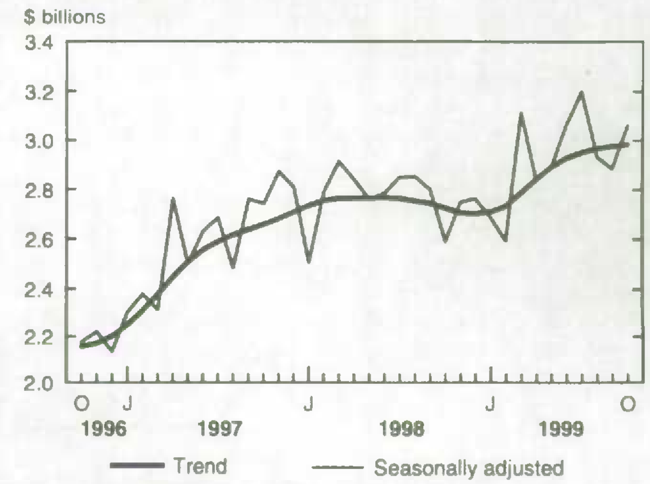
In the non-residential sector, the year-to-date value of building permits reached $13.0 billion in October, up from the year-earlier period a modest 0.9%. October's decline in the sector resulted from a sharp drop in permits for institutional building projects—down 34.9% from September's record-setting level. Except for the welfare/home category, all categories of institutional building projects declined, especially the education category. However, the value of institutional permits issued between January and October was the highest on record for that period at $3.1 billion (+11.5% over 1998).

Industrial construction intentions increased in October by 27.8%, led by gains in the factories/plants category. However, for the first 10 months of 1999, industrial permits, at $3.2 billion, were down from a year earlier by 5.4%. The commercial component showed a slight rise in October (+1.6%), with the largest gain occurring in recreation projects. On a 10-month basis, commercial projects were down 0.2% to $6.8 billion.

The most significant monthly increases in the non-residential sector in dollar terms occurred in Nova Scotia (school building projects) and in Quebec (commercial projects). The largest decrease occurred in Ontario, mainly in the institutional component. As well, declines occurred in all the Western provinces.

Available on CANSIM: matrices 80 (levels 3-7 and 33-48), 129, 137, 443, 989-992, 994, 995 and 4073.

Total value of building permits



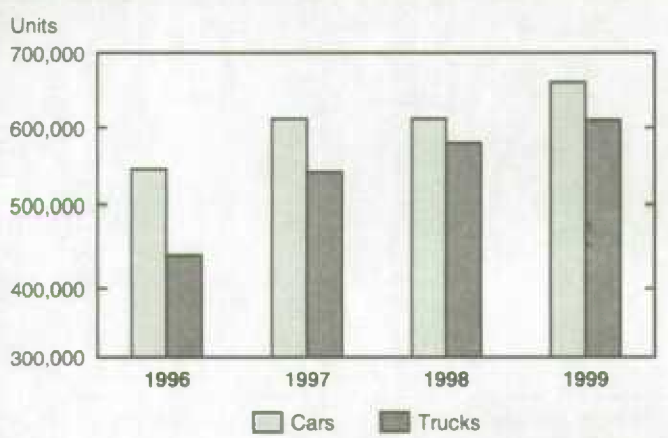
The October 1999 issue of ***Building permits*** *(64-001-XIB, $19/$186) can be downloaded at www.statcan.ca. For general information, contact Joanne Bureau (613-951-9689; burejoa@statcan.ca). For further analytical information, contact Sébastien LaRochelle-Côté (613-951-2025; sebastien.larochelle-cote@statcan.ca), Investment and Capital Stock Division.*

Fewer new vehicles sold as truck sales fall

In October, lower truck sales caused total new motor vehicle sales to drop 4.3%. Manufacturers' reported sales totalled 128,311 vehicles, a decline from September of 5,804 units. This decrease followed four consecutive monthly advances.

Truck sales fell 9.1% to 59,449 units. The fall had more to do with structural factors: supply may not have been able to keep pace with demand, as 1999 models sold out early and demand for trucks was grow. October marked the largest decline in truck sales since October 1998, when a 12.4% sales drop occurred because promotional incentives were cut back. Despite this October's slump, truck sales have generally been rising since the start of the year.

New motor vehicle cumulative sales, January to October



Note to readers

Cars include those used for personal and commercial purposes (such as taxis or rental cars). Trucks are minivans, sport-utility vehicles, light and heavy trucks, vans, coaches and buses.

New vehicles built in North America include those made or assembled in Canada, the United States or Mexico. All others are considered imports (manufactured overseas).

For reasons of confidentiality, data for the Yukon, the Northwest Territories and Nunavut are included with the British Columbia data. Unless otherwise noted, all data are seasonally adjusted.

Sales of North American-built cars rose in October by 1.5%. As a result, the number of new cars sold increased a slight 0.2% from September to 68,861 units. Although it was only slight, this increase was the fifth advance in as many months. As for imported cars, following an 8.9% jump in September, the number sold fell in October by 3.8%.

Despite the decline in October, new vehicle sales during the first 10 months of 1999 were up from a year-earlier by 6.6%. During this same 10-month period, cumulative sales of cars climbed 7.8%, while truck sales advanced 5.3%. The strong cumulative performance for the total of new vehicles was reflected in all provinces except the three Prairie provinces.

(continued on page 5)

... Fewer new vehicles sold as truck sales fall

Unadjusted for seasonal factors, new motor vehicle sales were up from October 1998 by 10.0%. The number of vehicles sold increased in all provinces except Manitoba (-5.0%) and Saskatchewan (-2.9%), the two provinces where truck sales in October dropped off the most. Dealers in New Brunswick posted the largest yearly gain in vehicles sold (+20.0%), followed by those in Prince Edward Island (+16.2%), Ontario (+15.6%) and Nova Scotia (+12.1%). There were also advances in Quebec (+8.4%), the region formed by British Columbia, the Yukon, the Northwest Territories and Nunavut (+5.9%), Alberta (+2.7%) and Newfoundland (+0.8%). The small gain by dealers in Newfoundland was also attributable to a decline in truck sales.

Available on CANSIM: matrix 64.

*The October 1999 issue of **New motor vehicle sales** (63-007-XIB, $13/$124) can be downloaded from the Internet at www.statcan.ca. To order data, or for general information, contact Client Services (613-951-3549, 1 877 421-3067, retailinfo@statcan.ca), Distributive Trades Division. For analytical information, contact Clérance Kimanyi (613-951-6363, kimacle@statcan.ca), Distributive Trades Division.*

Household spending rises slightly

Last year, households spent an average of $51,360 on everything from clothing to car maintenance to travel, for an overall increase from 1997 of 3%. Of the average household's budget, personal taxes claimed just over 21%, while shelter costs absorbed about 20%. Transportation and food each took up just over 10% of household spending. These proportions were virtually unchanged from 1997.

Households spent almost 12% more on home furnishings and equipment in 1998 than they did the previous year. This increase was mainly due to higher spending on furniture, art, antiques and decorative ware (+16%). Spending rose 6% for tobacco products and alcoholic beverages—particularly for the latter.

In 1998, households in the lowest income quintile spent an average of $16,900. That contrasts with total household spending in the highest income quintile of $101,770. After adjusting for household size differences, total spending per person was $10,630 in the lowest income households and $30,190 in households with the highest incomes.

As for spending on food, the average for the lowest income households was $1,930 per person, whereas it was $2,660 for households with the highest incomes. Similarly, spending on shelter averaged $3,400 per person for the lowest income households and $4,800 for households with the highest incomes. Taken together, food and shelter accounted for half of all spending in the lowest income households. By contrast, the households with the highest incomes devoted only one-quarter of their budgets to these two basic categories. One-third of their budgets went to pay personal income taxes, whereas income taxes claimed only 3% of the budget in households with the lowest incomes.

Average household spending was highest last year in the Northwest Territories at $71,200. Among the provinces, households in Ontario continued to show the highest average household spending at $57,170. Households in Newfoundland spent on average $41,010, still the lowest among the provinces and the territories.

Canadians are more plugged in than ever before. Last year, 45% of households owned a computer, 25% had access to the Internet from home and 26% had a cell phone—all higher percentages than in 1997. For those who reported it, spending on computer equipment and supplies was approximately the same as in 1997 at $1,000 on average. For households that reported spending on Internet services, it increased by 11% from 1997 to an average of $242. Households that bought cellular services in 1998 spent an average of $490, down from 1997 by 4%.

The 20% of households with the highest incomes were four times more likely in 1998 to have a computer than those in the lowest income group (74% compared with 18%). Similarly, Internet access from home was six times more common for households in the highest income group (48% compared with 8%).

Ownership rates of most other household equipment were stable or showed only a slight increase from 1997 to 1998. The rate of home ownership was also stable, at just under 65% of all households.

Note to readers

The data for this article come from the 1998 Survey of Household Spending. Figures on Internet use produced by this survey are comparable with those from the Household Internet Use Survey for 1998, which were presented in Infomat on May 7, 1999. For analysis, this article on spending categorises households into five income levels or quintiles. Each quintile represents one in five or 20% of all households.

Ownership of household equipment

	1997	1998
	% of households	
Colour TV	99	99
Microwave	88	89
VCR	87	88
Washer	81	81
Dryer	77	79
Cablevision	75	73
CD player	65	67
Freezer	59	59
Dishwasher	49	51
Computer	40	45
Modem	25	32
Cell phone	22	26
Internet use from home	17	25
Owned vehicle	79	79
Automobile	67	65
Van or truck	31	32

(continued on page 6)

... Household spending rises slightly

Summary data for 1998 household spending are available on Statistics Canada's Web site free of charge, as are data on dwelling characteristics and household equipment. At www.statcan.ca, the menu path is "Canadian statistics", "The people", followed by "Families, households and housing" and then "Expenditures". Detailed tables on spending (62F0031XDB) and on dwelling characteristics and household equipment (62F0041XDB) are now available. Custom tabulations can also be ordered. A report titled ***Spending patterns in Canada, 1998*** *(62-202-XIB/XPB) will be released in June 2000. For further information, contact Client Services (1 888 297-7355; 613-951-7355; income@statcan.ca), Income Statistics Division.*

RRSPs: Decline in contributors and in contributions

Last year, for the first time in seven years, fewer Canadians contributed to a registered retirement savings plan (RRSP), and the amount of their contributions declined as well. These declines occurred despite a 4.6% increase in employment income in 1997 and a 2.4% increase in recipients of employment income.

In the 1998 tax year, about 6 million taxfilers contributed to an RRSP. That was down from the previous year by a slight 0.6%. They contributed $26.6 billion, down 3.8% from the record $27.7 billion set aside in 1997 (after adjusting for inflation as measured by the Consumer Price Index). For comparison, between 1991 and 1997, RRSP contributions increased at an average annual rate of 5.7%. In 1997, the pace of growth slowed considerably from the previous year both in contributions and in number of contributors.

Last year, the proportion of taxfilers contributing to an RRSP was only 29%, down slightly from previous years. The highest proportion occurred in Alberta (33%), followed by Ontario (31%). Last year, taxfilers contributed only 11.0% of their total allowable limit (also known as RRSP room) of $242.1 billion. (Total room is the sum of unused RRSP room carried forward from previous years plus new room that accrued for 1998.)

RRSP contributions dropped in 1998 in every province and territory, with the largest percentage declines occurring in Prince Edward Island and New Brunswick. Meanwhile, the number of contributors fell in every province except Ontario, Manitoba and Alberta. However, the increase in contributors in each of those three provinces was less than 1%. Saskatchewan reported the largest decline in RRSP contributors, followed by New Brunswick.

The average RRSP contributor last year was 42 years old. As in past years, taxfilers in the group aged 45 to 54 showed the highest rate of RRSP participation (44%). The highest contributions on average were made by those aged 65 or older ($6,706). This was partly because rollovers are permitted into an RRSP at the time of retirement (such transfers are over and above the normal deduction limits). However, the value of these rollovers is declining because only retiring allowances and severance pay relative to years of employment prior to 1996 are now eligible for transfer into an RRSP.

RRSP contributors and contributions, 1998

	Contributors	% change, previous year	Contributions ($ millions)	% change, previous year[1]
Canada	**6,121,750**	**-0.6**	**26,631.4**	**-3.8**
Newfoundland	64,410	-2.2	266.1	-4.7
Prince Edward Island	20,790	-2.9	80.8	-16.7
Nova Scotia	142,350	-1.9	578.3	-7.9
New Brunswick	104,840	-3.4	394.1	-11.1
Quebec	1,415,490	-2.0	5,555.3	-9.8
Ontario	2,445,620	0.8	11,423.9	-0.6
Manitoba	231,050	0.2	867.7	-1.6
Saskatchewan	202,340	-4.4	762.3	-8.5
Alberta	659,120	0.7	2,952.7	-1.0
British Columbia	820,930	-1.8	3,675.5	-3.6
Yukon	5,770	-5.3	26.4	-10.3
Northwest Territories	7,000	-5.3	36.7	-7.4
Nunavut	2,040	-1.4	11.5	-7.5

[1] *Calculated using 1997 contributions expressed in constant 1998 dollars.*

Income is also obviously an important factor in RRSP participation. In 1998, those with a total income of $80,000 or more made the highest contributions on average ($13,298), followed by those with total income between $60,000 and $79,999 who made an average contribution of $6,356.

Databanks for ***RRSP contributors*** *(17C0006),* ***RRSP contribution limits*** *(17C0011) and* ***Canadian taxfilers*** *(17C0010) are available. They can be tablulated for Canada, the provinces and territories, cities, towns, census metropolitan areas, census divisions, as well as areas as small as forward sortations (the first three characters of a postal code) and letter carrier routes. Room data for the 1999 tax year are also available. For further information, contact Client Services (613-951-9720; fax: 613-951-4745; saadinfo@statcan.ca), Small Area and Administrative Data Division.*

New from Statistics Canada

Canadian social trends
Winter 1999

The Winter 1999 issue of *Canadian social trends* features articles about family characteristics of problem kids, Internet use by households, relocating to give or to receive care, mapping the conditions of First Nations communities, moving to be better off, and the well-being of married seniors.

Each quarter, this magazine integrates statistical information from many sources to examine emerging social trends and issues. It also presents the latest social indicators, as well as information about Statistics Canada's products and services.

The Winter 1999 issue of ***Canadian social trends*** *(11-008-XPE, $11/$36) is now available. For further information, contact Susan Crompton (613-951-2556; cstsc@statcan.ca), Housing, Family and Social Statistics Division.*

Low-income cutoffs
1998

The before-tax low-income cutoffs (LICOs) for 1998 are now available. Each year, these cutoffs are updated to reflect cost-of-living increases indicated by the annual change in the Consumer Price Index.

Although low-income cutoffs are often referred to as poverty lines, they have no official status as such, and Statistics Canada does not recommend their use for this purpose. For more information, refer to the article "On poverty and low income". It is posted at Statistics Canada's Web site (www.statcan.ca). Look under "Concepts, definitions and methods", followed by "Discussion papers or new surveys", then "Feature article on poverty and low income".

The cutoffs for 1980 to 1998 are presented in the latest edition of ***Low income cut-offs*** *(13-551-XIB, free). Both the 1992-base and 1986-base LICOs are contained in the report. For further information, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division.*

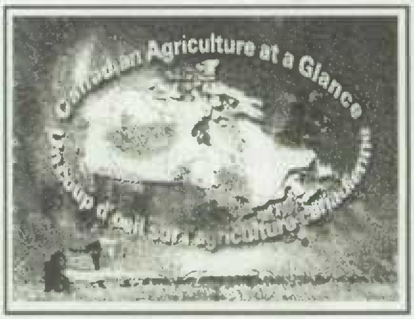
New from Statistics Canada

Canada-U.S. comparisons of purchasing power parities and real spending
1981 to 1998

The third quarter's release of the national economic and financial accounts included Canada-U.S. comparisons of annual purchasing power parities and real spending for the years 1981 to 1998. A purchasing power parity (PPP) is the price ratio for a specific commodity in two countries, with the prices stated in the currencies of the two compared countries. An important use of PPPs is to deflate the spending of one country into the prices of the other, allowing for real or volume comparisons of spending between the two countries. For example, the purchasing power parity for GDP was 84 U.S. cents per Canadian dollar in 1998—25% higher than the market exchange rate of 67 U.S. cents for the same period.

A feature article describing the PPP estimates appears in the third quarter 1999 issue of ***National income and expenditure accounts*** *(13-001-XPB, $44/$145). To obtain a copy of the article, or for more information, contact Katharine Kemp (613-951-3814) or Jacques Delisle (613-951-3796), Income and Expenditure Accounts Division.*

Canadian agriculture at a glance



In more than 40 short, readable articles, this lively and educational book derived from the Census of Agriculture brings to life many aspects of Canada's agricultural sector. Many authors have blended census numbers with numerous other data sources for a new perspective on familiar subjects. Half the articles are by authors from outside Statistics Canada.

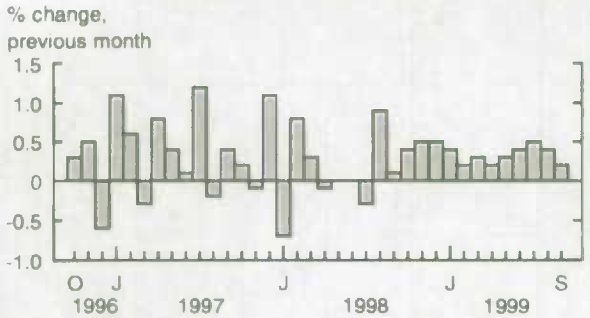
Full-colour maps, photographs, charts and graphs add visual interest to over 300 pages of wide-ranging subjects. Titles such as "The revolution in tillage", "What is value-added anyway?", "The ups and downs of Canadian wheat prices," and "The foods we eat: a recipe for change" are meant to whet the appetite of non-agricultural readers.

For others more familiar with agriculture, the book has its own value-added components. Features on issues confronting the sector and explanations of the factors that shape agriculture in Canada add valuable analytical depth.

The final product in the 1996 Census of Agriculture series of publications, ***Canadian agriculture at a glance*** *(96-325-XPB, $49), is now available. For more information, contact Lynda Kemp (613-951-3841; fax: 613-951-1680; lynda.kemp@statcan.ca), Agriculture Division.*

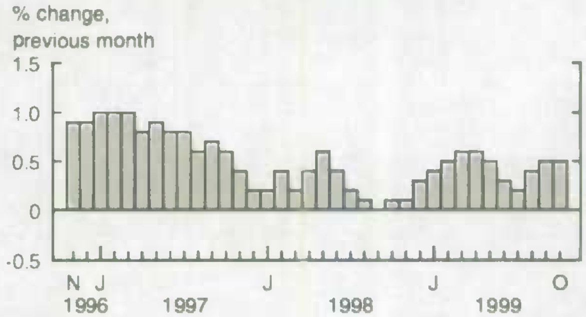
Current trends

Gross domestic product



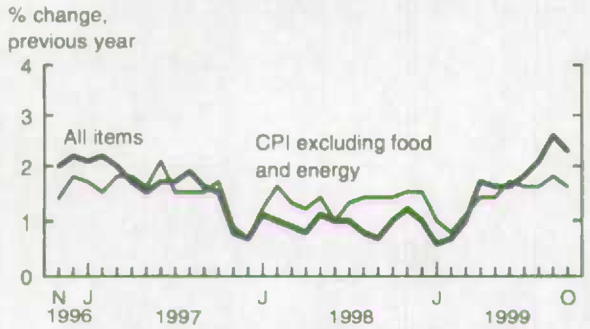
Economic activity continued to advance in September (+0.2%). This extended the expansion to 14 months – the longest uninterrupted string of advances in more than a decade.

Composite Index



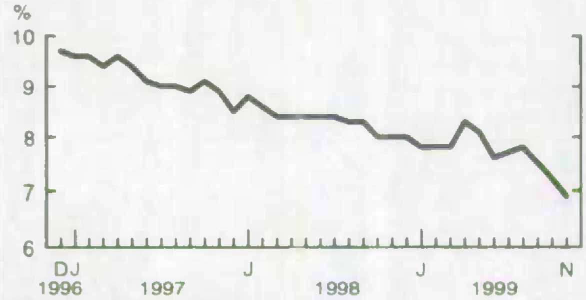
In October, the leading indicator continued to show growth of 0.5%, the same as in September.

Consumer Price Index



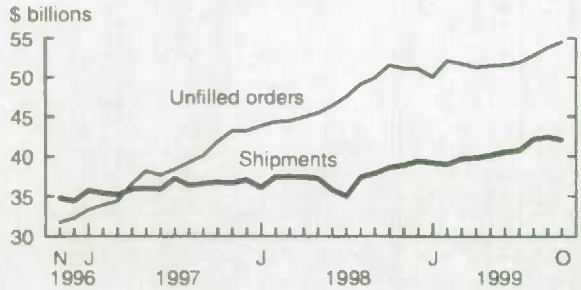
Consumer prices for goods and services were 2.3% higher in October 1999 than they were a year earlier. Excluding food and energy, prices rose 1.6%.

Unemployment rate



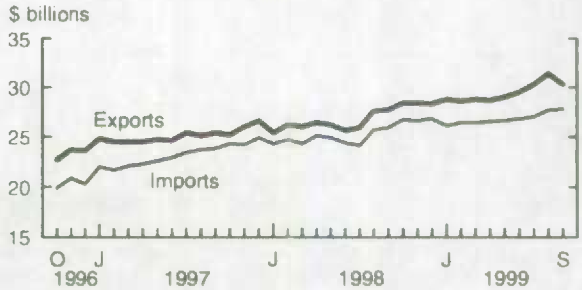
In November, the unemployment rate fell 0.3 percentage points to 6.9%, its lowest level since August 1981.

Manufacturing



Manufacturers' shipments decreased 0.7% in October to $42.0 billion. The backlog of unfilled orders grew for a sixth consecutive month, rising 1.8% to $54.5 billion.

Merchandise trade



In September, the value of merchandise exports dropped 3.2% from August to $30.4 billion. Imports increased 0.4% to $27.8 billion.

***Note:** All series are seasonally adjusted except the Consumer Price Index.*

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product ($ billion, 1992)	September	755.1	0.2%	4.4%
Composite Index (1981=100)	October	218.3	0.5%	5.1%
Operating profits of enterprises ($ billion)	Q3 1999	39.8	7.6%	30.5%
Capacity utilization (%)	Q3 1999	86.0	1.8†	3.6†
DOMESTIC DEMAND				
Retail trade ($ billion)	September	22.2	0.4%	6.9%
Department store sales ($ billions)	October*	1.57	0.3%	10.7%
New motor vehicle sales (thousand of units)	October*	128.3	-4.3%	12.7%
Wholesale trade ($ billion)	September	30.2	-1.0%	9.0%
LABOUR				
Employment (millions)	November	14.88	0.4%	2.4%
Unemployment rate (%)	November	6.9	-0.3†	-1.1†
Participation rate (%)	November	65.5	0.0†	0.0†
Average weekly earnings ($)	September	613.92	0.3%	1.5%
Help-wanted Index (1996=100)	November	162	0.0%	11.0%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	September	30.3	-3.2%	9.5%
Merchandise imports ($ billion)	September	27.8	0.4%	7.5%
Merchandise trade balance (all figures in $ billion)	September	2.5	-1.1	0.7
MANUFACTURING				
Shipments ($ billion)	October*	42.0	0.7%	8.9%
New orders ($ billion)	October*	43.0	-0.8%	6.8%
Unfilled orders ($ billion)	October*	54.5	1.8%	5.8%
Inventory/shipments ratio	October*	1.31	0.03	-0.02
PRICES				
Consumer Price Index (1992=100)	October	111.5	0.1%	2.3%
Industrial Product Price Index (1992=100)	September	123.1	0.5%	3.1%
Raw Materials Price Index (1992=100)	September	125.5	3.5%	16.1%
New Housing Price Index (1992=100)	October*	101.5	0.2%	1.3%

Note: All series are seasonally adjusted with the exception of the price indexes.
** new this week*
† percentage point

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Canadian agriculture at a glance		96-325-XPB	49	49
Field crop reporting series, seasonal, vol. 78, nos. 1 to 8		22-002-XIB	11/66	
BALANCE OF PAYMENTS AND FINANCIAL FLOWS				
Canada's international transactions in securities	September 1999	67-002-XPB	18/176	18/176
CANADIAN CENTRE FOR JUSTICE STATISTICS				
Juristat, vol. 19, no. 12: Justice spending in Canada				
Internet		85-002-XIE	8/70	
Paper		85-002-XPE	10/93	10/93
CENSUS				
Coverage, 1996 Census technical reports	1996 Census			
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Print		92-370-XPB	15	15
HOUSING, FAMILY AND SOCIAL STATISTICS				
Canadian social trends	Winter 1999	11-008-XPE	11/36	11/36
INTERNATIONAL TRADE				
Exports by country	Jan.-Sept. 1999	65-003-XPB	124/412	124/412
INVESTMENT AND CAPITAL STOCK				
Building permits	October 1999	64-001-XIB	19/186	
LABOUR STATISTICS				
Employment, earnings and hours	September 1999	72-002-XPB	32/320	32/320
MANUFACTURING, CONSTRUCTION AND ENERGY				
Electric lamps, light bulbs and tubes	October 1999	43-009-XIB	5/47	
	November 1999	43-009-XIB	5/47	
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Pulpwood and wood residue statistics	October 1999	25-001-XIB	6/55	
Steel wire and specified wire products	October 1999	41-006-XIB	5/47	
Supply and disposition of crude oil and natural gas	August 1999	26-006-XPB	19/186	19/186
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