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A Weekly Review

Friday, March 10, 2000

OVERVIEW

◆ **Business investment boom spurs economic growth**

Led by business investment, gross domestic product advanced in the fourth quarter by 1.1%. Growth for the entire year was 4.2%.

◆ **Manufacturing forges ahead**

In December, gross domestic product advanced 0.4%. Manufacturing led the growth in December, as did construction and retail sales.

◆ **Current account returns to a deficit**

Canada's current account of transactions with foreigners returned to a deficit in the fourth quarter. This was due to a lower surplus on goods trading. Last year, the deficit in the current account narrowed considerably.

◆ **Corporate profits reach all-time high**

In 1999, the annual operating profits of Canadian corporations reached a record $158.1 billion, up 19.8% from 1998. This was the result of a thriving manufacturing sector and rising commodity prices.

◆ **Large retailers post healthy gains**

In December, large retailers' sales reached $8.9 billion, an increase from a year earlier of 6.7%. In 1999, the large retailers' sales grew on an annual basis by 6.1%, even though some stores left the survey group.

◆ **Bus industry shows marginal improvement**

The financial picture for the bus industry improved marginally in the first half of 1999. The number of passengers riding urban transit rose. The bus industry's sightseeing segment has shown significant growth recently.

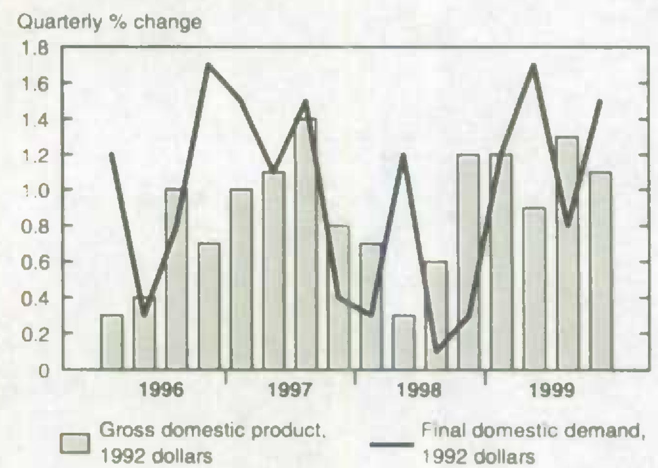
Business investment boom spurs economic growth

Gross domestic product (GDP) advanced 1.1% in the fourth quarter of 1999, the 18th consecutive increase. This marks the longest string of uninterrupted quarterly growth since the mid-1960s. Growth for the year was 4.2%.

The fourth-quarter growth was led by business investment, which gathered momentum after stalling in the previous quarter. Machinery and equipment purchases led, climbing 6.6%, as virtually all categories made solid advances. Most notable were those seen for computers (+8.8%), autos (+10.9%), other transportation equipment (+10.8%), and telecommunications equipment (+7.6%). Business investment in non-residential construction grew 2.2%, while investment in housing accelerated to a healthy 1.9% increase. Robust expansion throughout the latter half of the 1990s has brought the volume of capital investment to an unprecedented level, both in absolute terms and as a percentage of GDP.

Businesses invested in inventories in the fourth quarter, in tandem with rising sales. The accumulation was concentrated in durable goods and occurred among manufacturers (largely,

GDP and domestic demand



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Statistics Canada Statistique Canada

Canada

... Business investment boom spurs economic growth

electrical and electronic products) and wholesalers (motor vehicles and parts, machinery and equipment). Retailers drew down stocks. Last year, economy-wide inventories-to-sales ratios declined.

Consumer spending slowed slightly in the fourth quarter, increasing just 0.9%. The late arrival of winter in many areas of the country dampened overall spending growth. Demand fell for natural gas, electricity and other heating fuels, and consumers postponed purchases of items like winter footwear. Spending on motor vehicle repairs and parts also declined as winter maintenance was put off. Consumer purchases of motor vehicles posted another healthy advance, rising 2.4% on top of a surge in the third quarter.

Exports grew a strong 1.8%, but this actually marked a deceleration from the more robust growth seen in the previous quarter. Machinery and equipment (e.g., telecommunications equipment), forestry products, industrial goods and materials and autos were important contributors to export growth. Meanwhile, energy products declined for a second consecutive quarter.

Corporation profits increased in the fourth quarter by 7.8% in nominal terms. That came on top of a double-digit increase in the third quarter. Corporation profits took off in 1999, soaring more than 25%. This surge pushed profits to a record level nearly 18% above their previous peak in 1997. (See article on page 5.)

Personal income grew steadily in the fourth quarter, matching the previous quarter's increase (+1.2%). In 1999 as a whole, personal income grew a steady 3.7%, nearly matching the growth of the previous year. Labour income growth accelerated to 4.5% last year, as the job market continued to improve and average earnings began to gain ground. Investment income, meanwhile, grew slower than that, at 2.3%. Farm income recovered somewhat, but remained more than 40% below the high reached in 1996. Other unincorporated business income picked up speed, increasing 4.8%. Growth in government transfer payments slowed to 0.7%.

Investment growth strengthened last year as economy-wide saving increased. Growth in business investment in plant and equipment accelerated to 10.4%, continuing the stellar performance seen throughout the late 1990s. Machinery and equipment purchases climbed nearly 15%. Computer purchases led the way, surging nearly 40% in preparation for Y2K, but double-digit gains occurred in many other areas. The only weak spots were agricultural machinery (-11.8%) and industrial machinery (-0.5%).

Business investment in non-residential buildings rose a solid 4.6%. Residential investment recovered from declines in 1998, attaining its highest level since the late 1980s.

Although a downtrend in personal saving has persisted since early in the 1990s, saving by other sectors has moved in to fill the gap as a source of funds for investment in the Canadian economy. In 1999, annual domestic saving was 7.1% of GDP, compared with 5.0% in 1998. Undistributed corporate earnings vaulted nearly 60% last year. Provincial government surpluses burgeoned, while the federal surplus on a national accounts basis (which includes the federal public service pension fund) increased. And so, Canada's reliance on non-residents' savings to finance domestic investment diminished after rising in the two prior years.

Available on CANSIM: matrices 701-726, 728-735, 737-744, 748-750, 796, 797, 6520-6585 and 6597-6624.

The fourth quarter 1999 issue of ***National economic and financial accounts, quarterly estimates*** *(13-001-XPB, $44/$145) presents the full report. For information about other products and services available on this subject, contact Client Services (613-951-3810; iead-info-dcrd@statcan.ca). For further analytical information, contact the Information Officer (613-951-3640), Income and Expenditure Accounts Division.*

Gross domestic product at 1992 prices[1]

	% change	Annualized % change	Year-over-year % change
First quarter 1999	1.2	5.1	3.4
Second quarter 1999	0.9	3.6	4.0
Third quarter 1999	1.3	5.5	4.7
Fourth quarter 1999	1.1	4.6	4.7
1999	**4.2**	...	**4.2**

[1] *The change is the growth rate from one period to the next. The annualized change is the growth rate compounded annually. The year-over-year change is the growth rate of a given quarter compared with the same quarter of the previous year.*
... *Figures not appropriate or not applicable.*

> ***Note to readers***
>
> *Overall, cumulative GDP growth over the current 18-quarter expansion period stands at 15.8%. Higher growth was achieved in a shorter expansion period following the recession in the early 1980s, over which real GDP grew almost 20% in 15 quarters. Prior to that, the longest period of sustained growth in the Canadian economy was from 1961 to 1966, when GDP grew 42% over a period spanning nearly six years.*

Manufacturing forges ahead

On the heels of strong economic expansion in November, gross domestic product (GDP) advanced in December by 0.4%, pushing fourth-quarter growth to 1.1%. This was the 17th consecutive monthly increase. Uninterrupted monthly gains throughout 1999 resulted in an annual growth rate considerably higher than the previous year's. This reflected a year of strong growth in full-time employment and sustained export demand from the United States.

Manufacturing, construction and retail sales led the economic growth in December. Each accounted for more than 20% of the monthly increase of $3.1 billion. Business services, financial services and utilities also made significant contributions. The expansion in December was somewhat dampened by a decline in wholesaling activity, reduced air traffic and lower demand for hotel accommodations.

Manufacturing output remained strong and rose 0.5%. This followed a 1.8% surge in November. The year-end spurt, on top of a strong third quarter, vaulted manufacturers' annual output up from 1998 by 6.3%—significantly higher than the 3.9% advance posted in 1998. December production was higher in 16 of the 22 major industry groups, representing 82.7% of total manufacturing. The largest contributors were makers of machinery, automotive products and chemical products. Output of electrical and electronic products was unchanged, even though the fabrication of telecommunications equipment climbed 4.3% for an annual gain of 35.7%. Of the six groups that failed to advance in December, the only significant decline was in printing and publishing, where production was down 1.7%, capping a dismal year.

Manufacturing output

Note to readers

Monthly gross domestic product by industry is valued at 1992 prices. The estimates presented here are seasonally adjusted at annual rates.

Construction ended the year on a positive note, up 1.8%—the strongest monthly gain in almost three years. Homebuilding, which advanced 3.1% in December, climbed 5.8% in 1999. Non-residential building activity was flat in the month, but recorded a gain of 4.8% for the year, a significant improvement from 1998.

Retailing activity rose in December by 1.6%, driven largely by motor vehicle dealers. Wholesale trade was off 0.8%. However, this year-end decline did little to spoil a banner year that saw sales advance 11.2%—wholesalers' best showing since 1985. Explosive sales of computers, computer software and other electronic machinery (+44.6%) were the driving force.

Indeed, much of the improvement in economic growth in 1999 was linked to computers, telecommunications and automotive products. Most of last year's strength was concentrated in sharply higher production of motor vehicles (+22.4%), vehicle parts (+13.6%), telecommunications equipment (+35.7%), and computers and peripherals (+27.4%). Collectively, makers of these products accounted for more than half of last year's gain in total factory output.

Communications services advanced 13.4% in 1999, largely due to the rapid expansion of telecommunications carriers' output. In addition, a 23.3% surge in demand for computer consultants and related services propelled business services higher (+7.8%).

The economic expansion in 1999 was somewhat hampered, however, by a 2.8% decline in the mining sector, which continued a downward slide from 1998. Metal mining output dropped 9.3%, production of crude oil and natural gas was off 2.4%, and drilling activities fell 5.3% after a precipitous decline in 1998. Diamond mining in the Northwest Territories provided the only sparkle, as output of non-metal mining grew 14.5%.

Available on CANSIM: matrices 4677-4681.

The December 1999 issue of ***Gross domestic product by industry*** *(15-001-XPB, $15/$145) presents the full report. To purchase data, contact Yolande Chantigny (1 800 877-4623; imad@statcan.ca). For further analytical information, contact Richard Evans (613-951-9145; evanric@statcan.ca), Industry Measures and Analysis Division.* *See also "Current trends" on page 9.*

Current account returns to a deficit

In the fourth quarter, the balance in Canada's current-account transactions with foreigners returned to a deficit (seasonally adjusted). The balance showed a modest surplus in the third quarter. That means that, in the fourth quarter, residents of Canada spent $1.3 billion more abroad on goods, services, investment income and transfers than they earned from abroad. A lower surplus on goods, following a very strong third-quarter surplus, accounted for over 90% of the change in the balance.

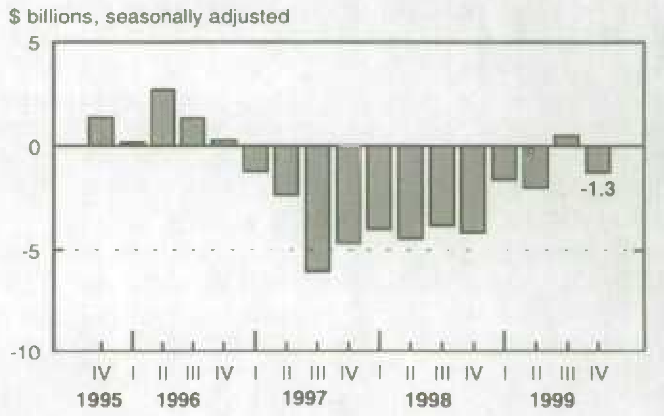
The surplus on goods trading narrowed by $1.6 billion to $8.5 billion, as an increase in commodity imports was twice that for exports. With the United States, the merchandise trade surplus shrank as export growth slowed from its exceptional rise in the previous quarter. With other trading partners, the existing deficits widened due to stronger growth in imports than in exports.

For 1999 as a whole, the deficit in the current account narrowed considerably, from $16.4 billion in 1998 to $4.3 billion. This narrowing was driven by a $15.1 billion increase in the goods surplus, which was partly offset by a higher deficit on investment income.

Last year, exports outpaced imports and produced a merchandise trade surplus of $33.9 billion—the third largest on record. Canadian businesses expanded their sales abroad by some 12% to $360.6 billion, above the near-10% average growth recorded for the 1990s. Last year's strength came chiefly from automotive products. Imports last year advanced 8% to $326.7 billion. Most notably, demand for foreign products increased for automotive products (mainly parts) and for non-industrial machinery. In 1999, the goods trade with the United States produced an unprecedented surplus of $60.5 billion. That was tempered by larger deficits than ever with other trading partners.

In the financial and capital account (data unadjusted for seasonal factors), Canadian investors continued to accumulate foreign assets in the fourth quarter. Indeed, strong Canadian demand for foreign securities resulted in a record investment for the quarter and the year both. A fourth-quarter investment of $8.2 billion in foreign equities went mostly into shares on American exchanges. As well, Canadians channelled $7.5 billion of direct investment into foreign companies in the fourth quarter. That was similar to the value seen in the second quarter. For 1999 as a whole, Canadian direct investment abroad reached a robust $25.8 billion, but that amount was down substantially from the record set in 1998. Acquisitions played a much smaller role in 1999 than they did in 1998.

Current account balance



Canada's official reserve assets rose a substantial $4.3 billion during the fourth quarter. This followed a negligible rise in the third quarter. For 1999, Canada augmented its official reserves by $8.8 billion, second only to the $10.2 billion in 1988.

For a third quarter in a row, Canadian liabilities rose. Mainly, this occurred because foreign direct investors injected substantial funds into Canada: foreigners bought several existing Canadian companies in the fourth quarter. The acquisitions were centred in the financial industries and in resources, and they involved share exchanges. This activity brought the foreign direct investment for the year to a record high of $36.1 billion, some 50% higher than in 1998. Moreover, last year was the first since 1992 when foreign direct investment in Canada was greater than Canadian direct investment abroad. The United States accounted for all of last year's growth in this type of activity.

However, foreigners accumulated only a modest amount of Canadian portfolio securities in the fourth quarter ($2.7 billion). In the quarter, they added to their holdings of Canadian bonds and stocks, but sold off some of their holdings of money market paper. As a result, their annual accumulation of Canadian securities fell to its lowest level in 25 years.

Available on CANSIM: matrices 2325-2327, 2355, 2360-2377 and 3183.

*The fourth quarter 1999 issue of **Canada's balance of international payments** (print: 67-001-XPB, $38/$124; online at www.statcan.ca: 67-001-XIB, $29/$93) presents the full report. For further information, contact Arthur Ridgeway (613-951-8907) or Patrick O'Hagan (613-951-1798), Balance of Payments and Financial Flows Division.*

Corporate profits reach all-time high

> *Note to readers*
>
> *Beginning with the first quarter of 1999, quarterly statistics for enterprises have been presented on the basis of the North American Industry Classification System. In addition, the Quarterly Survey of Financial Statements is undergoing significant methodological changes that will not be completed until the data for the first quarter of 2000 are released. As a result, the quarterly statistics for 1999 may be subject to significant revisions.*

In 1999, the annual operating profits of Canadian corporations reached a record $158.1 billion, up 19.8% from 1998. This was the result of a thriving manufacturing sector and rising commodity prices. It was the sixth annual increase in seven years. In 1998, profits declined to $132.0 billion, down 9.6% from 1997.

Manufacturers' operating profits jumped 39.1% in 1999, propelled by an 11.2% rise in operating revenue. Strong domestic and export demand, which kept factories busy throughout most of the year, boosted total shipments to their strongest gain since 1995.

Makers of motor vehicles and parts saw their operating profits vault 83.7% to $10.3 billion in 1999. Their operating revenue totalled $141.2 billion, up 25.8%. Low interest rates, high consumer confidence and an improving labour market all contributed to robust North American sales.

Financial statistics for enterprises[p]
Seasonally adjusted

	Q4 1998	Q3 1999	Q4 1999	Q3 1999 to Q4 1999
	$ billions			% change
All industries				
Operating revenue	399.1	416.5	422.6	1.5
Operating profit	34.6	40.7	43.9	7.8
Non-financial industries				
Operating revenue	349.7	368.4	373.9	1.5
Operating profit	22.7	30.4	32.9	8.3
Financial industries				
Operating revenue	49.4	48.1	48.7	1.4
Operating profit	11.9	10.3	11.0	6.5

p Preliminary data, see note to readers.

The annual operating profits of wood and paper manufacturers climbed 61.8% to $6.9 billion. Exports of forestry products rose 10.6% for the year. Manufacturers of electronic and computer equipment, who rode a wave of rising Internet popularity, boosted operating profits 55.6% to $4.4 billion. Domestic and foreign demand for telecommunications and other high-tech equipment was robust, lifting operating revenue to record highs.

Soaring prices for crude oil almost tripled annual operating profits in the mineral fuels industry, up to $6.5 billion. Crude oil prices more than doubled in 1999, ignited by OPEC's agreement in the spring of 1999 to tighten production quotas.

In the fourth quarter of 1999, operating profits of Canadian corporations surged 7.8% to a record $43.9 billion. In the manufacturing sector, profits rose 6.3% to $13.6 billion, buoyed by rising commodity prices. Wood and paper producers reported a 13.8% rise in profits. Growing Asian and U.S. demand for pulp and wood products firmed prices and profits during the quarter. The mineral fuels (extraction) industry's profits swelled 10.2% to $2.4 billion. Many companies reported record profits and expanded their capital spending plans in light of the high world prices for crude oil.

Available on CANSIM: matrices 8330-8383.

For further information, contact Jean-Pierre Simard (613-951-0741) or Bill Potter (613-951-2662), Industrial Organization and Finance Division.

Large retailers post healthy gains

> *Note to readers*
>
> *Over the course of 1999, the composition of the survey's group of large retailers changed: Eaton's, Marks and Spencer and Aventure Electronique all went out of business, while the food stores in the group restructured. All data in this report are unadjusted for seasonal factors.*

In December, large retailers' sales reached $8.9 billion, an increase from a year earlier of 6.7%. Sales at the large retailers' food stores rose 6.5%, department store sales advanced 1.8% and sales for the rest of the group climbed 10.7%. The large retailers' major product lines recorded healthy increases except for the clothing, footwear, and accessories category, which was affected by the closure of Eaton's. It showed only a small year-over-year gain in December (+1.0%).

For the second consecutive month, the largest year-over-year percentage increases in sales were in health and personal care products (+14.5%) and in hardware, lawn and garden products (+12.2%). In the later category, sales of nursery stock (includes commodities such as natural Christmas trees and cuttings) and cut flowers boosted sales.

Housewares also posted strong sales growth in December (+10.4%), mostly due to sales of household cleaning supplies. Tableware sales, which fell compared with a year earlier for a second consecutive month, were affected by the closure of Eaton's. Sales of other non-electric household supplies such as flashlights and batteries rose significantly (+$18.9 million), which may have resulted from shoppers preparing for Y2K.

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... Large retailers post healthy gains

In the home furnishings and electronics product line, December was another good month for large retailers, as sales rose 9.1%. Sporting and leisure goods also showed a good result (+8.3%), as sales of hunting, fishing and camping equipment leaped 47.6%. Concerns related to Y2K may have contributed to the increased sales of items such as camp stoves, lanterns and sleeping bags. Other notable sales increases were seen for books, newspapers and other periodicals (+12.6%) and for pre-recorded audio and video tapes (+7.2%).

For the year 1999, the large retailers' sales reached $72.1 billion, an advance over 1998 of 6.1%. This advance occurred even though some stores left the survey group. Sales at the large retailers' food stores were up 3.4%, department store sales rose 6.3% and sales for the remaining stores advanced 8.7%. Last year, food stores accounted for 37.2% of the large retailers' sales, while department store sales accounted for 24.9% and the rest of the group accounted for the other 37.9%.

For a second consecutive year, health and beauty products outperformed the large retailers' other product lines by posting the largest annual sales increase (+15.8%). Sales of hardware, lawn and garden products grew 10.0%, while sales of home furnishings and electronics increased 9.4%. Within this latter category, sales of home furnishings and decorating products (e.g., drapes, bedding, artwork) jumped 10.8%. Sales of furniture, household appliances and home electronics (e.g., televisions, VCRs, computers, video cameras) were up from 1998 by 8.9%.

Last year, the large retailers' sales of sporting and leisure goods increased 6.8%. Sporting goods made the largest annual sales increase (+$110.0 million). Despite several months of sluggish sales at the end of 1999, their annual sales of clothing, footwear and accessories rose 5.4%. And, finally, even with the restructuring of food stores, the large retailers' food and beverage sales were up annually by 2.6%.

To order data, or for general information, contact Client Services (613-951-3549 or 1 877 421-3067; retailinfo@statcan.ca). For further analytical information, contact Catherine Draper (613-951-0669; drapcat@statcan.ca), Distributive Trades Division.

Sales for the group of large retailers
Not seasonally adjusted

	December 1998	December 1999	December 1998 to December 1999	1998	1999	1998 to 1999
	$ millions		% change	$ millions		% change
Commodities, total	**8,354**	**8,913**	**6.7**	**67,954**	**72,105**	**6.1**
Food and beverages	2,376	2,508	5.6	24,357	25,000	2.6
Clothing, footwear and accessories	2,101	2,122	1.0	13,944	14,695	5.4
Home furnishings and electronics	1,391	1,518	9.1	9,202	10,066	9.4
Health and personal care products	575	659	14.5	4,697	5,438	15.8
Housewares	375	414	10.4	3,243	3,465	6.8
Sporting and leisure goods	609	659	8.3	3,122	3,396	8.8
Hardware, lawn and garden products	222	249	12.2	2,579	2,837	10.0
All other goods and services	704	783	11.1	6,810	7,208	5.9

Bus industry shows marginal improvement

The financial picture for the Canadian bus industry improved marginally in the first half of 1999 compared with the first half of 1998. The number of passengers riding urban transit rose, but the number using scheduled inter-city buses declined. Gross revenues for the industry, excluding subsidies, increased 0.6% over the same period to $1.59 billion. At the same time, total expenditures slipped 0.2% to $2.37 billion.

Over the longer term, revenues in the first half of 1999 climbed 11% compared with the first half of 1995 (the earliest year of comparable data), while expenditures increased just under 3%.

The sightseeing segment of the bus industry has shown significant growth in recent years. For the first half of 1999, companies that specialise in sightseeing tours reported gross revenues of $8 million. That compares with $1 million in the first half of 1995. In 1999, 15 sightseeing companies reported data, compared with only three companies in 1995. Several companies began operating in 1997 and 1998, especially in Ontario and British Columbia.

Note to readers

The data are derived from quarterly surveys completed by about 100 urban transit and 300 other bus companies that gross at least $200,000 a year. The latter provide scheduled inter-city, charter, school bus, shuttle and sightseeing services. The data exclude all school bus companies with annual revenues less than $2 million. Because of survey changes, 1995 is used as a base year for historical comparisons.

In the first half of last year, scheduled inter-city bus services recorded revenues of $122 million, up from the year-earlier first

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... Bus industry shows marginal improvement

half by 4.3%. However, over the same period, the number of passengers using scheduled inter-city buses fell 5.4%, from 6.93 million down to 6.55 million. Despite this decline, travel by inter-city bus has been growing on a yearly basis since 1994. As a rule, the first six months of a calendar year account for just under half of the number of scheduled inter-city passengers carried during the entire year.

As for urban transit services, these buses carried 718 million passengers during the first half of 1999, up 0.6% from 714 million in the first half of 1998. This represents a slowing growth rate from first-half gains of 1.6% in 1997 and 2.0% in 1998.

Between the first halves of 1998 and 1999, gross revenue (excluding subsidies) for urban transit services increased 1.7% to \$919 million. Expenditures were up a marginal 0.4% to \$1.74 billion. The growth in passenger numbers and the improvement in operating revenue over expenditures have been a pattern in recent years, as transit companies promote their services. These improvements follow several years of declining urban transit ridership.

Available on CANSIM: matrices 346 and 347.

To order data, or for general information, contact Robert Larocque (613-951-2486; laroque@statcan.ca). For analytical information, contact Harold Kohn (613-951-0162; kohnhar@statcan.ca), Transportation Division.

New from Statistics Canada

International travel, travel between Canada and other countries 1998

The 1998 issue of *International travel, travel between Canada and other countries* provides a comprehensive summary of international travel to and from Canada by trip and traveller characteristics.

This publication is an essential reference tool for tourism industry decision-makers or researchers, among others. For example, users can find out how the top 10 overseas markets to Canada shifted in 1998. The publication also examines how Canadians cut back their travel to most U.S. states, whereas American travellers to Canada increased their trips from most states compared with 1997.

The 1998 issue of ***International travel, travel between Canada and other countries*** *(print: 66-201-XPB, \$42; online at www.statcan.ca: 66-201-XIB, \$32) is now available. For further information, contact Michel Campbell (613-951-9169; fax: 613-951-2909), Tourism Statistics Program.*

New from Statistics Canada

StatCan: CANSIM directory disc
March 2000

The final issue of the *StatCan: CANSIM directory disc* is a CD-ROM that contains a guide to the data contained in the CANSIM time series database. It also includes the *Statistics Canada thesaurus* and the *Statistical data documentation system (SDDS)*, a database of the surveys and statistical programs used at Statistics Canada.

Finding information in this Windows version of the CD-ROM is easy. Specially designed dialogue boxes guide users through the most typical searches. Hyperlinks between the CANSIM matrices and the SDDS surveys allow quick access to more detail for both.

The March 2000 edition of ***StatCan: CANSIM directory disc*** *(10F0005XCB, $30) is now available. To order a copy, or for further information, contact your nearest Statistics Canada Regional Reference Centre.*

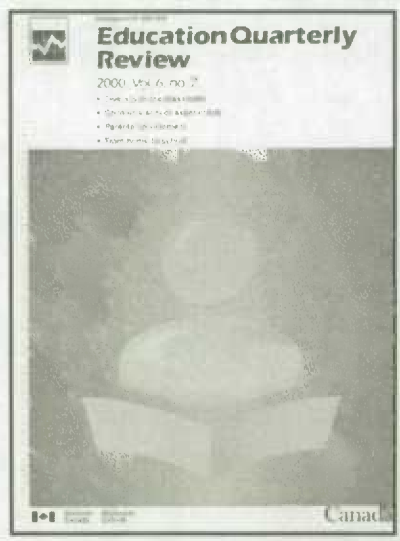
Inventory of retirement income programs

A new report identifies Statistics Canada data sources that provide information on Canada's retirement income programs. Many different divisions of Statistics Canada have information on these programs, or on the people affected by them. This inventory provides a description of the different sources available and the people to contact for further information.

It includes information about relevant publications and about pertinent output and data elements produced by surveys and databases. It does not provide an exhaustive description of these data sources; instead it focuses on the information that can be used for research or analysis of retirement income programs.

Retirement income programs: An inventory of data/information available at Statistics Canada *(13F0026MIE, free) is now available on Statistics Canada's Web site (www.statcan.ca). The menu path is "Products and services", "Downloadable research papers" and then "Income, expenditures, pensions, assets and debts". For more information, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division.*

Education quarterly review
Vol. 6, no. 2, March 2000

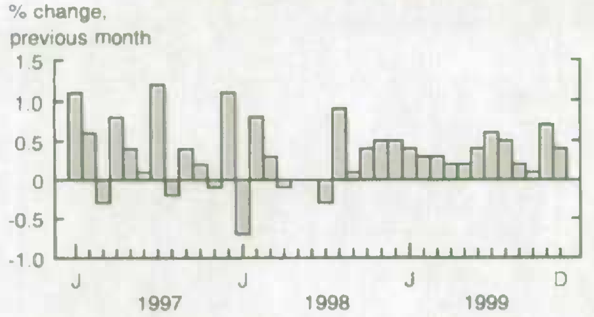


Statistics Canada's flagship publication for education statistics, *Education quarterly review*, analyzes and reports on current issues and trends in education. The March 2000 issue includes a report on the characteristics of elementary students receiving special education. Other analytical papers in this issue examine the school experiences of children; parental involvement and children's academic achievement; and, how children cope with the transition from home to school. All of the papers in this issue are based on data from the National Longitudinal Survey of Children and Youth.

The March 2000 issue of ***Education quarterly review*** *(print: 81-003-XPB, $21/$68; online at www.statcan.ca: 81-003-XIE, $16/$51) is now available. For more information, contact Jim Seidle (613-951-1500; jim.seidle@statcan.ca), Centre for Education Statistics.*

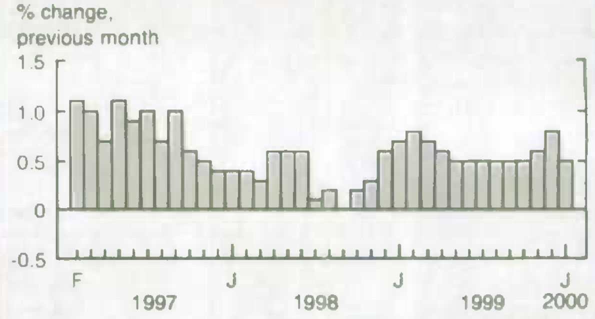
Current trends

Gross domestic product



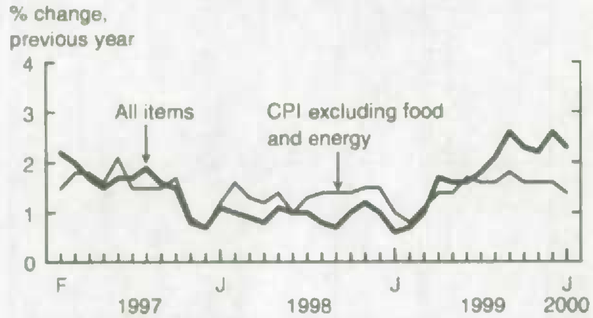
On the heels of strong expansion in November, economic activity advanced 0.4% in December. This was the 17th consecutive monthly increase, surpassing a mark set in 1988.

Composite Index



In January, the growth of the leading indicator returned to 0.5% after reaching 0.8% in December on the heels of preparations for the arrival of the year 2000.

Consumer Price Index

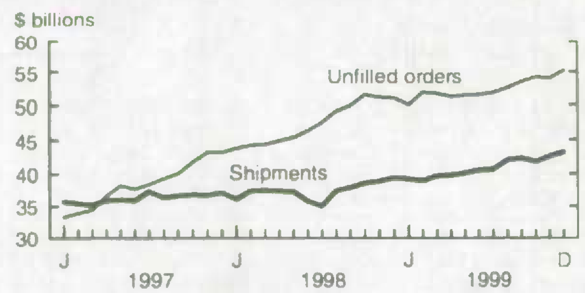


Consumer prices for goods and services were 2.3% higher in January 2000 than they were a year earlier. Excluding food and energy, prices rose 1.4%.

Unemployment rate

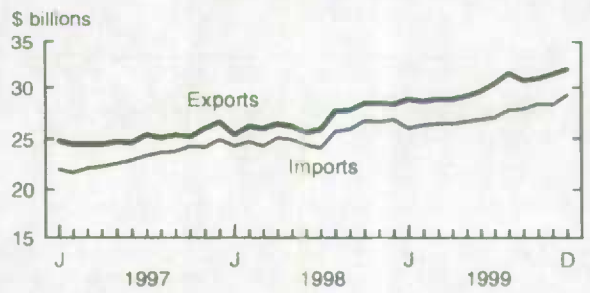
In January, the unemployment rate remained unchanged at December's downward revised 6.8%, the lowest since April 1976.

Manufacturing



Manufacturers' shipments climbed 1.3% in December to $43.2 billion. The backlog of unfilled orders increased 2.2% to $55.2 billion after slipping in November.

Merchandise trade



In December, the value of merchandise exports rose 1.4% from November to $31.9 billion. Imports jumped 3.2% to $29.2 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)	December	766.6	0.4%	4.6%
Composite Index (1992=100)	January	156.7	0.5%	7.2%
Operating profits of enterprises ($ billion)	Q4 1999	43.9	7.8%	27.1%
Capacity utilization (%)	Q4 1999*	86.8	1.3†	4.0†
DOMESTIC DEMAND				
Retail trade ($ billion)	December	22.3	2.0%	8.8%
Department store sales ($ billions)	January*	1.53	7.0%	1.2%
New motor vehicle sales (thousand of units)	December	144.0	8.5%	21.9%
Wholesale trade ($ billion)	December	31.3	0.2%	9.8%
LABOUR				
Employment (millions)	January	14.79	0.3%	2.8%
Unemployment rate (%)	January	6.8	0.0†	-1.1†
Participation rate (%)	January	65.7	0.1†	0.1†
Average weekly earnings ($)	December	619.91	0.9%	1.8%
Help-wanted Index (1996=100)	February*	170	1.2%	13.3%
INTERNATIONAL TRADE				
Merchandise exports ($ billion)	December	31.9	1.4%	12.9%
Merchandise imports ($ billion)	December	29.2	3.2%	8.9%
Merchandise trade balance (all figures in $ billion)	December	2.7	-0.5	1.3
MANUFACTURING				
Shipments ($ billion)	December	43.2	1.3%	9.7%
New orders ($ billion)	December	44.4	4.8%	13.1%
Unfilled orders ($ billion)	December	55.2	2.2%	8.2%
Inventory/shipments ratio	December	1.29	-0.01	-0.01
PRICES				
Consumer Price Index (1992=100)	January	111.4	-0.1%	2.3%
Industrial Product Price Index (1992=100)	January	124.5	0.0%	4.4%
Raw Materials Price Index (1992=100)	January	134.9	0.5%	30.0%
New Housing Price Index (1992=100)	December	102.0	0.2%	1.7%

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

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Livestock statistics updates	2000	23-603-UPE	45/149	45/149
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS				
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