

The Daily

Statistics Canada

Friday, February 2, 1990

For release at 10:00 a.m.

MAJOR RELEASE

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| ● Provincial Economic Accounts, Estimates for 1988 | 2 |
| All regions experienced strong growth in 1988. | |

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PUBLICATIONS RELEASED

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MAJOR RELEASE

Provincial Economic Accounts

Estimates for 1988

Economic growth varied among provinces and territories in 1988, but was more evenly spread across the country than in 1987 (see Chart 1 and Table 1). The increase in GDP was highest in Prince Edward Island (11.4%), reflecting the good potato crop, and above the national average as well in Quebec (9.9%), Ontario (10.9%), Manitoba (10.1%) and British Columbia (9.5%). Higher grain prices and increased investment in Alberta were major factors in the resurgence of the Saskatchewan and Alberta economies.

Although the GDP growth rates for the provinces and territories varied in a narrow range, Ontario's share of domestic production increased from 40.8% to 41.1% in 1988 (see Table 2), with a corresponding decline in Alberta's share.

Final domestic demand rose 6.2% in volume terms during 1988 (see Chart 2 and Table 3). Real business outlays for plant and equipment, which rose 18.9%, explain in large part the disparities in the provincial and territorial growth rates of real final domestic demand. Alberta (8.2%), British Columbia (7.5%) and Northwest Territories (11.6%), which recorded strength in that demand component, registered the largest annual increases in real final domestic demand. The more moderate expansion in Manitoba (2.6%) and Saskatchewan (2.5%) reflects weakness in business investment and in personal expenditure on goods and services.

The rate of inflation in 1988 as measured by the final domestic demand implicit price index was 2.7%, compared to 3.4% in 1987. The highest rates of price increase were recorded in Ontario (3.3%), Prince Edward Island (3.0%) and Manitoba (3.0%), while the Northwest Territories and Alberta registered increases of only 0.9% and 1.9%, respectively.

Components of Demand

Real personal expenditure on consumer goods and services grew 4.3% in 1988, with Ontario and the Northwest Territories recording the highest growth at 4.9%. The relative strength in Ontario was widespread in that expenditures on durable, semi-

Note to Users:

This release contains revised estimates at current prices for the period 1985-1988 (preliminary estimates were released for 1988 in April 1989). It also contains, for the first time, newly developed estimates of final domestic demand at constant prices by province and territory, together with associated implicit price indexes. These data are now available annually for the period 1971-1988. The next issue of Provincial Economic Accounts, Annual Estimates 1984-1988 (13-213), which will appear in March, will include a set of appendix tables presenting the entire new dataset and a short technical paper explaining the methodology behind the estimates.

The new estimates are also available immediately through CANSIM, in matrices 6918-6946, and can be obtained on MS-DOS microcomputer diskettes from the Income and Expenditure Accounts Division. The new series will be kept up to date henceforth according to the normal Provincial Economic Accounts release schedule: preliminary estimates will be published approximately four months after the reference year, with revised and more complete estimates available about nine months thereafter.

durable and non-durable goods and on services were all above the corresponding national average growth rates. In addition, the associated price index growth for Ontario was higher than at the Canada level for each of the four subgroups. In current dollar terms, the Canada increase in consumer spending of 8.2% was surpassed only by that of Ontario at 9.5%.

Real consumer spending grew only 1.5% in Saskatchewan and 2.0% in Manitoba. These moderate increases are largely explained by weakness in new motor vehicle sales and in the semi-durable and non-durable components. The expenditure on restaurants and accommodation generated by the 1988 Winter Olympic Games spurred the services component to grow 4.9% in volume terms in Alberta.

Investment spending led the economy in 1988. Business investment in fixed capital rose 14.2% in volume terms. Highest growth was registered in Alberta (23.4%), New Brunswick (22.4%) and British Columbia (21.0%). After five consecutive years of declines, the Northwest Territories recorded an increase of 19.7%, mostly due to machinery and equipment purchases. Investment outlays recorded the smallest growth in Manitoba and Saskatchewan.

Chart 1
GDP Growth In 1988
(at current prices)

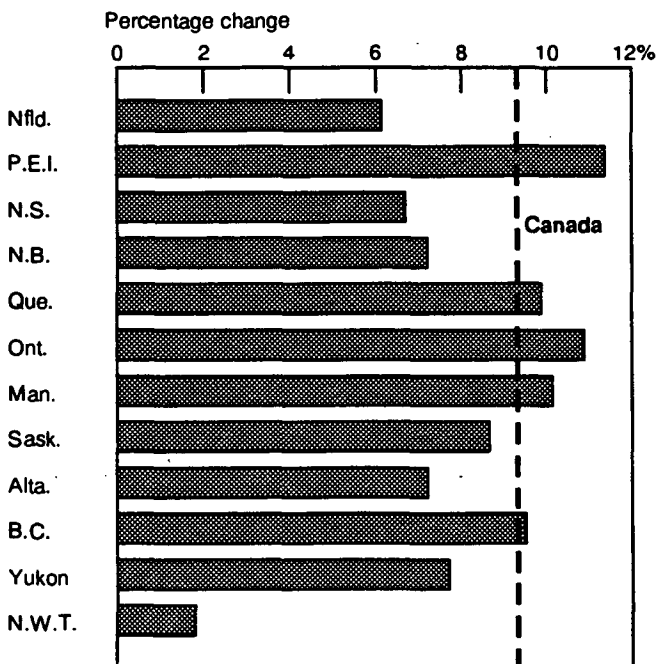
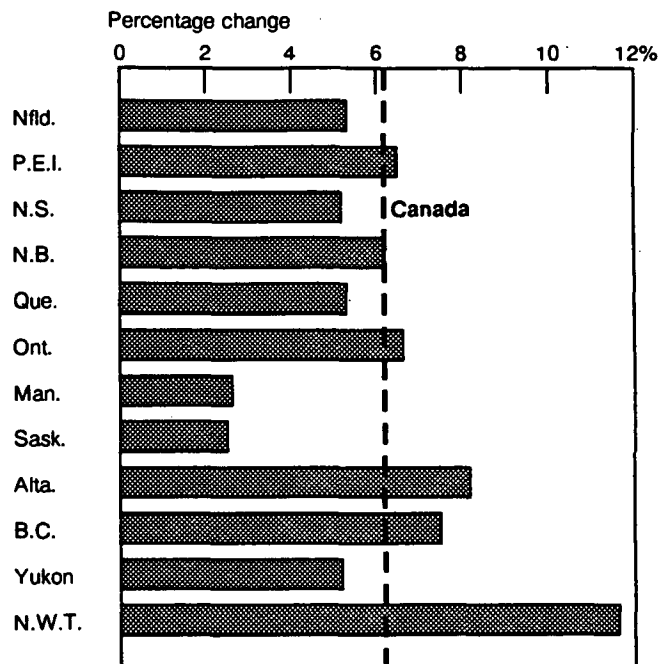


Chart 2
Final Domestic Demand Growth in 1988
(at 1981 prices)



In Central Canada, residential construction grew much less rapidly in 1988 than in 1987 (4.6% vs. 16.4%). This moderate increase was the lowest since the drop recorded in 1982. With respect to plant and equipment, the investment boom in Quebec and Ontario which began in 1985 continued into 1988. Alberta, British Columbia, the Yukon and the Northwest Territories are finally recovering from weak investment outlays since 1981.

Total government current expenditure on goods and services rose more slowly than other major demand components in 1988. In current dollars, the increases ranged from 4% to 8% in all provinces and territories, except for Prince Edward Island (11.4%) and Nova Scotia (3.4%). Combined with increases in revenues ranging from 8% to 15% in all provinces and territories, the overall government balance for all levels combined (federal, provincial, local, hospitals, Canada and Quebec Pension Plans) improved in all provinces and territories with the exception of the Northwest Territories.

Components of Income

Increases in labour income ranged from 4.5% in Saskatchewan, to 10.3% in the Yukon for a national average of 9.0%. Labour income growth was also strong in Ontario (10.0%) and Quebec (9.1%). Substantial increases in corporate profits were registered in Quebec, Ontario, Manitoba and British Columbia, due in part to higher metal prices. The drop in the price of crude petroleum adversely affected the profits in Saskatchewan (-13.2%) and Alberta (-10.9%).

Prince Edward Island had its highest level of accrued net income of farm operators from farm production since 1981, due to the good potato crop in 1988. Farm income reached a record level in Alberta as well, due to increased livestock production and higher grain prices. The introduction of methodological changes relating to the pricing of grain and potato production partly explains the growth registered in 1988. The crops are valued on the basis of harvest period prices for the period 1985-1988, whereas previously they were valued using sales-weighted calendar year average prices. Despite those high levels in 1988, farm income estimates

have been revised substantially from 1985 to 1988, primarily in a downward direction, reflecting new information from the Census of Agriculture and from the Canadian Wheat Board Annual Report. Estimated farm expenses were revised up, implying the downward revisions.

Slowed by increased taxes, personal disposable income grew at a slightly lower rate than personal income in 1988. Growth in personal disposable income was significantly below average in Saskatchewan and marginally below average in Nova Scotia, New Brunswick and Manitoba.

Available on CANSIM: for Provincial Economic Accounts, matrices 2610-2619, 2621-2631, 2633, 4995-5035, 5037-5046, 5048-5056, 5058-5076, 5078-5087, 5089-5097, 5099, 6745-6825, 6949-6950, 6953-

6966 and for National Income and Expenditure Accounts, matrices 6670-6676, 6678-6680 and 6685. The estimates of final domestic demand at 1981 prices are presented in CANSIM matrices 6918-6932 and their associated implicit price indexes in matrices 6933-6946.

The 1988 issue of *Provincial Economic Accounts* (catalogue 13-213, \$50) will be released in March. See "How to Order Publications".

The data are also available in printouts and micro computer diskettes at \$80.00 directly from the Income and Expenditure Accounts Division.

For further information on this release, contact Michel Vallières, (613-951-0438), Income and Expenditure Accounts Division. □

Table 1
Gross Domestic Product at Market Prices, Annual Percentage Change

	1981	1982	1983	1984	1985	1986	1987	1988
	(percent)							
Newfoundland	13.4	9.0	8.4	8.4	7.1	6.1	9.8	6.1
Prince Edward Island	19.3	4.2	10.8	11.3	1.8	13.0	6.1	11.4
Nova Scotia	16.7	15.2	13.8	11.1	11.5	8.5	7.3	6.7
New Brunswick	18.6	9.6	14.8	11.8	7.5	10.9	9.5	7.2
Atlantic Canada	16.6	11.3	12.7	10.7	8.8	8.9	8.5	6.9
Quebec	12.9	5.8	7.0	9.4	6.9	8.6	11.8	9.9
Ontario	14.6	4.2	10.7	12.9	7.0	9.6	11.2	10.9
Central Canada	14.0	4.8	9.3	11.6	7.0	9.2	11.4	10.5
Manitoba	17.6	6.5	6.4	10.8	6.9	4.4	5.8	10.1
Saskatchewan	15.6	2.9	3.2	7.6	6.4	-1.7	-0.2	8.6
Alberta	15.7	5.9	4.7	6.4	10.9	-11.1	1.9	7.2
British Columbia	16.9	3.2	4.4	6.2	6.6	4.7	9.2	9.5
Yukon	3.8	2.0	-13.8	15.5	6.3	19.8	26.0	7.7
Northwest Territories	-3.2	30.2	16.9	18.8	22.6	-0.2	4.3	1.8
Western Canada	16.1	4.8	4.6	7.1	8.5	-2.6	5.0	8.6
Canada	14.9	5.2	8.4	9.6	7.5	5.6	9.1	9.3

Table 2
Provincial Distribution of Gross Domestic Product at Market Prices

	1981	1982	1983	1984	1985	1986	1987	1988
	(percent)							
Newfoundland	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Prince Edward Island	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Nova Scotia	2.0	2.3	2.4	2.4	2.5	2.6	2.5	2.5
New Brunswick	1.7	1.8	1.9	1.9	1.9	2.0	2.0	2.0
Atlantic Canada	5.3	5.7	5.9	5.9	6.0	6.2	6.1	6.1
Quebec	22.9	23.1	22.9	22.8	22.6	23.3	23.9	23.9
Ontario	37.1	36.7	37.7	38.6	38.5	40.0	40.8	41.1
Central Canada	60.0	59.8	60.6	61.4	61.1	63.3	64.7	65.0
Manitoba	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.6
Saskatchewan	4.0	3.9	3.8	3.7	3.7	3.4	3.1	3.1
Alberta	14.1	14.2	13.7	13.3	13.7	11.6	10.8	10.5
British Columbia	12.6	12.3	11.9	11.6	11.4	11.4	11.3	11.3
Yukon	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northwest Territories	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Western Canada	34.7	34.5	33.5	32.7	32.9	30.5	29.2	28.9
Canada	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 3
Final Domestic Demand at 1981 Prices, Annual Percentage Change

	1981	1982	1983	1984	1985	1986	1987	1988
	(percent)							
Newfoundland	2.0	4.4	4.9	3.4	1.8	2.8	1.5	5.3
Prince Edward Island	-2.4	-1.2	6.3	7.1	3.3	3.1	4.1	6.5
Nova Scotia	4.4	1.5	5.4	3.4	4.5	2.3	1.9	5.2
New Brunswick	-0.4	1.2	-0.1	4.1	5.8	3.5	3.0	6.2
Atlantic Canada	2.0	1.9	3.6	3.8	4.2	2.8	2.2	5.6
Quebec	0.1	-4.1	3.5	5.7	5.4	4.2	6.1	5.3
Ontario	4.8	-3.1	3.8	5.6	7.3	7.2	6.9	6.6
Central Canada	2.9	-3.5	3.7	5.6	6.6	6.0	6.6	6.1
Manitoba	3.8	-2.6	3.4	6.6	5.9	4.6	0.7	2.6
Saskatchewan	7.9	-5.9	4.3	1.4	3.7	0.9	4.1	2.5
Alberta	11.6	-5.0	-6.2	-3.5	6.2	-0.7	3.2	8.2
British Columbia	6.8	-8.3	0.1	0.5	4.6	2.3	5.4	7.5
Yukon	8.2	-9.6	-5.4	-2.7	2.0	15.0	4.9	5.2
Northwest Territories	37.9	13.0	-6.6	-7.1	-12.7	-16.0	-13.0	11.6
Western Canada	8.8	-5.8	-1.6	-0.3	4.9	1.1	3.6	6.6
Canada	4.7	-3.7	2.1	3.4	5.7	4.0	5.6	6.2

DATA AVAILABILITY ANNOUNCEMENTS

Poultry Products Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the poultry products industry (SIC 1012) totalled \$1,932.4 million, up 5.4% over \$1,832.8 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Brian Preston (613-951-3511), Industry Division. ■

Fluid Milk Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the fluid milk industry (SIC 1041) totalled \$3,789.0 million, up 4.9% over \$3,611.4 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Brian Preston (613-951-3511), Industry Division. ■

Leather Tanneries Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the leather tanneries industry (SIC 1711) totalled \$252.0 million, up 16.5% over \$216.3 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Footwear Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the footwear industry (SIC 1712) totalled \$1,002.2 million, down 2.0% from \$1,022.9 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Luggage, Purse and Handbag Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the luggage, purse and handbag industry (SIC 1713) totalled \$156.1 million, down 7.0% from \$167.9 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Broad Knitted Fabric Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the broad knitted fabric industry (SIC 1831) totalled \$490.1 million, up 12.2% over \$437.0 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Carpet, Mat and Rug Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the carpet, mat and rug industry (SIC 1921) totalled \$1,083.4 million, up 17.0% over \$926.0 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Hygiene Products of Textile Materials Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the hygiene products of textile materials industry (SIC 1994) totalled \$394.5 million, up 5.0% over \$375.9 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Men's and Boys' Suit and Jacket Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the men's and boys' suit and jacket industry (SIC

2432) totalled \$444.0 million, up 7.6% over \$412.8 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Andy Shinnan (613-951-3510), Industry Division. ■

Machine Shop Industry

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the machine shop industry (SIC 3081) totalled \$1,194.5 million, up 8.9% over \$1,097.3 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Bruno Pépin (613-951-9837), Industry Division. ■

Other Metal Fabricating Industries n.e.c.

1987 Census of Manufactures

In 1987, the value of shipments and other revenue for the other metal fabricating industries n.e.c. (SIC 3099) totalled \$1,257.1 million, up 16.6% over \$1,077.8 million in 1986.

Data for the industry will be published at a later date (31-203, \$58). See "How to Order Publications".

For further information on this release, contact Bruno Pépin (613-951-9837), Industry Division. ■



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PUBLICATIONS RELEASED

Crude Petroleum and Natural Gas Production,
October 1989.
Catalogue number 26-006
(Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Electric Power Statistics, October 1989.
Catalogue number 57-001
(Canada: \$9.50/\$95; Other Countries: \$11.40/\$114).

Industrial Corporations - Financial Statistics,
Third Quarter 1989.
Catalogue number 61-003
(Canada: \$52.50/\$210; Other Countries: \$63/\$252).

Construction Price Statistics, Third Quarter 1989.
Catalogue number 62-007
(Canada: \$17.25/\$69; Other Countries: \$20.75/\$83).

Industry Price Indexes, November 1989.
Catalogue number 62-011
(Canada: \$17.30/\$173; Other Countries: \$20.80/\$208).

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