

The Daily

Statistics Canada

Monday, February 5, 1990

FEB 5 1990

For release at 10:00 a.m.

MAJOR RELEASES

LIBRARY
BIBLIOTHÈQUE

- **Composite Leading Indicator, November 1989.** 2
Continued slow growth in the leading indicator in November.
- **Quarterly Business Conditions Survey, Canadian Manufacturing Industries, January 1990** 4
The balance of Canadian manufacturers' opinions concerning orders, inventories and expected production became significantly more negative in January. The transportation equipment industry accounted for most of the change.

DATA AVAILABILITY ANNOUNCEMENTS

Housing Starts, December 1989	7
Railway Carloadings, December 1989	7
Railway Operating Statistics, November 1989	7
Cement, December 1989	7

PUBLICATIONS RELEASED 8

Housing Starts and Completions - Final Release

The December 1989 issue of *Housing Starts and Completions* is the last for Statistics Canada. Starting with January 1990 data, Canada Mortgage and Housing Corporation will be responsible for releasing the data on housing starts in Canada.

For further information on this release, contact P. Fuller (613-748-2355).

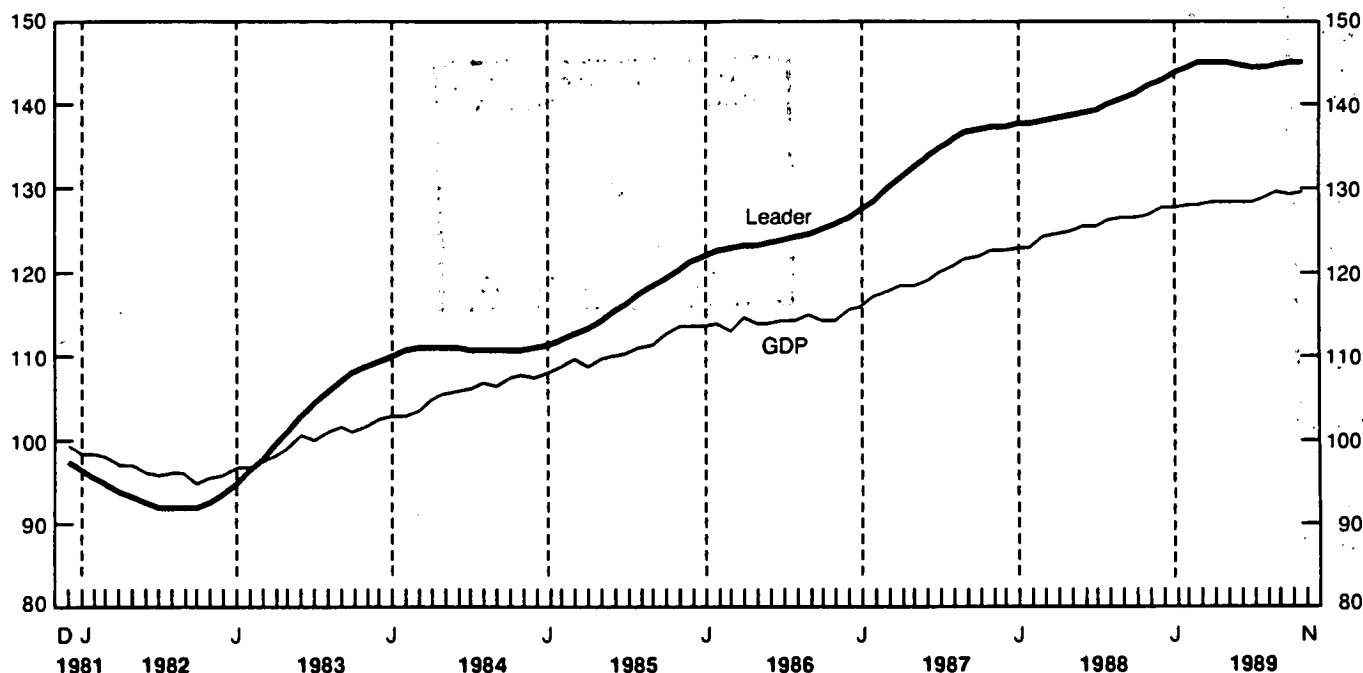
NOT FOR LOAN
NE S'EMPRUNTEStatistics
CanadaStatistique
Canada

Canada

MAJOR RELEASES

Composite Leading Indicator and GDP

1981 = 100



Composite Leading Indicator

November 1989

The Composite Leading Indicator continued to grow slowly in November, posting a second consecutive 0.2% increase. These gains followed a 0.1% increase in September and three marginal monthly declines in the summer. Housing demand continued to grow rapidly, with spillover effects on furniture and appliance sales and manufacturing activity. In total, five of the 10 components were up and four were unchanged. The unsmoothed version of the index also posted a small gain, consistent with continued slow economic growth in the short-term.

The housing index continued to accelerate, largely reflecting further rapid gains in house sales. Sales surpassed their peak level registered early in 1989, due to strength in Western Canada. Meanwhile,

housing starts in December were at their highest level since the spring. Furniture and appliance sales also continued to increase, while employment in business and personal services accelerated. The rate of decline of auto sales moderated slightly, which accounted for the levelling-off of durable goods sales after eight monthly drops. Large gains in labour income in recent months supported the increase in household demand.

New orders for durable goods continued to record their largest gains of the year, partly due to the positive influence strengthening housing demand had on several industries. Export demand for autos turned up slightly. An increase in shipments led to a levelling-off of the ratio of shipments-to-finished goods inventories, after several months of weakness. The average workweek has been unchanged since June, after slight decreases early in 1989.

The United States leading indicator continued to be essentially unchanged for the third straight month, after a short period of decline. The stability in recent months reflects gains in financial markets and domestic demand. Preliminary data for December showed an upturn led by new orders.

The trend of the financial market indicators remained mixed, with a modest gain in the stock market index and a marginal decline in the money supply. The latter decrease followed no change in October and sharper declines during the summer.

Available on CANSIM: matrix 191.

For further information on this release, or about the next release dates, contact F. Roy-Mayrand (613-951-3627), International and Financial Economics Division.

For more information on the economy, order the February issue of *Canadian Economic Observer* (11-010, \$21/\$210), available the week of February 19-23. See "How to Order Publications".

Canadian Leading Indicator

	Percentage Change			Level	
	September	October	November	October	November
Composite Leading Indicator (1981 = 100)					
Smoothed	0.1	0.2	0.2	145.0	145.4
Unsmoothed	0.6	0.0	0.1	146.1	146.3
Retail trade					
Furniture and appliance sales	0.2	0.1	0.3	1,092 ⁴	1,095 ⁴
Other durable goods sales	-0.3	-0.2	0.0	3,793 ⁴	3,793 ⁴
House spending index ¹	0.6	1.5	2.0	139.6	142.4
Manufacturing					
New orders - durable	0.3	1.4	0.8	10,379 ⁴	10,466 ⁴
Shipment-to-inventory ratio - (finished goods ²)	-0.01	-0.01	0.00	1.45	1.45
Average workweek (hours)	0.0	0.0	0.0	38.6	38.6
Business and personal service employment (thousands)	0.1	0.1	0.3	1,717	1,722
United States composite leading index (1967 = 100)	0.0	0.0	0.0	193.4	193.4
TSE300 stock price index (1975 = 1000)	1.8	1.2	0.8	3,914	3,946
Money supply (M1) (\$1981) ³	-0.4	0.0	-0.2	25,954	25,895

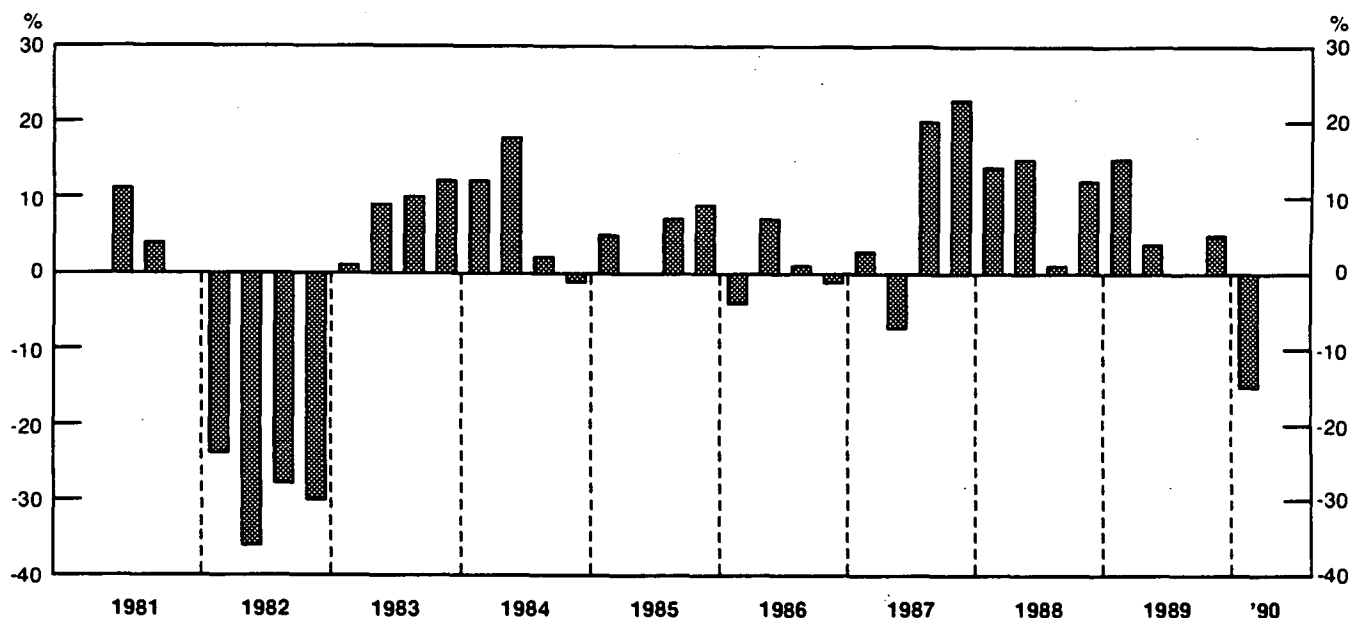
¹ Composite index of housing starts (units) and house sales (MLS).

² Difference from previous month.

³ Deflated by the consumer price index for all items.

⁴ Millions of 1981 dollars.

Balance of Opinion for Expected Volume of Production Next Three Months vs Last Three Months



Quarterly Business Conditions Survey, Canadian Manufacturing Industries

January 1990

Seasonally Adjusted

The balance of opinion concerning the backlog of unfilled orders, orders received, finished product inventories and expected production dropped significantly in the January 1990 survey. Results are close to those recorded in the October 1981 survey, but are still well above the lowest levels experienced during 1982. Most of the decrease was accounted for by the transportation equipment industry. (It should be noted that manufacturers' opinions are given relative to current conditions; comparisons over long periods of time should therefore be interpreted with caution.)

Highlights

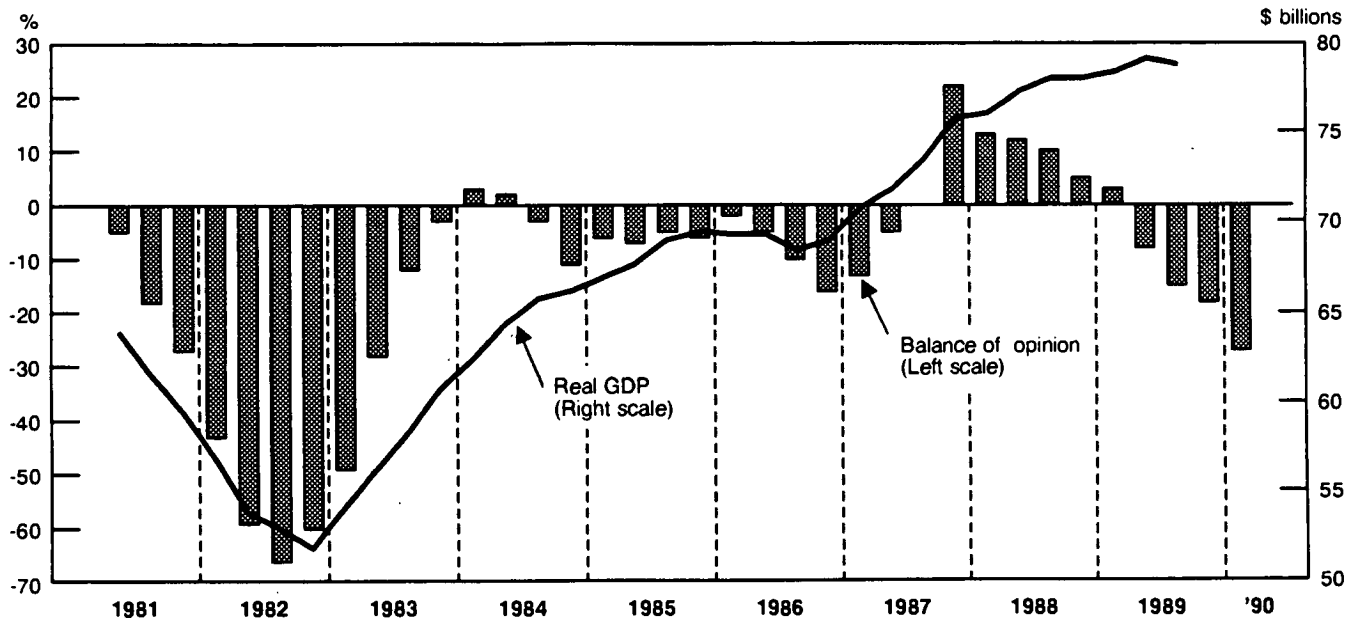
- The balance of opinion concerning the **backlog of unfilled orders** decreased from -18 in October 1989, to -27 in the January 1990 survey. The

transportation equipment industry accounted for most of the decrease. The balance has been declining for the last nine surveys.

The balance of -27 in January is calculated by subtracting the pessimistic 36% indicating "lower than normal" backlog, from the optimistic 9% indicating a "higher than normal" backlog of unfilled orders.

- The balance of opinion concerning **orders received** dropped from -10 to -23. This is the fourth negative balance recorded since the January 1989 survey. All provinces showed a decline in the balance of opinion, with Ontario showing the sharpest decline.
- The balance for **expected production** over the next three months dropped 19 points, from a level of +4 in October 1989 to -15 in January 1990. This is the largest single drop since a 24-point drop in January 1982.
- Following an improvement in the October 1989 survey, the **finished products inventories** balance was down from -16 to -27 in the January 1990 survey.

**Balance of Opinion on Backlog of Unfilled Orders
and Real GDP for Manufacturing Industries**
Seasonally adjusted



Unadjusted

- The main source of production difficulties continued to be a shortage of skilled labour, although the proportion was down to 8%.

The Business Conditions Survey is carried out in January, April, July and October and the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers.

Data users should note the October 1989 results have been revised to include responses received after the first release of these results.

Available on CANSIM (raw data only): matrices 2843-2845.

Note to Users:

Individual responses to the Business Conditions Survey are weighted by the value of the respondent's shipments reported to the annual Census of Manufactures. The proportions, therefore, reflect the magnitude of the individual manufacturer's contribution to the total. The balance is the difference between the proportion associated with the positive-type response (e.g. higher volume of production) and the proportion related to the negative-type response (e.g. lower volume of production). Both the raw data (raw) and seasonally adjusted (s.a.) data are given for the balance. The seasonally adjusted value for the neutral components (e.g. expected production about the same) is calculated by subtracting the sum of the seasonally adjusted values of the other two components from 100.

For further information on this release, contact C. Robillard (613-951-3507), Monthly Survey of Manufacturing Section, Industry Division. □

Business Conditions Survey, Canadian Manufacturing Industries

January 1990

All Manufacturing Industries	January 1989	April 1989	July 1989	October 1989	January 1990
------------------------------	-----------------	---------------	--------------	-----------------	-----------------

Volume of Production During Next Three Months Compared With Last Three Months Will Be:

	Seasonally Adjusted				
About the same	47	52	52	47	43
Higher	34	26	24	28	21
Lower	19	22	24	24	36
Balance	15	4	0	4	-15
			Raw		
Balance	11	20	-13	10	-23

Orders Received Are:

	Seasonally Adjusted				
About the same	61	64	53	63	47
Rising	21	13	21	14	15
Declining	18	23	26	24	38
Balance	3	-10	-5	-10	-23
			Raw		
Balance	1	-6	-4	-13	-26

Present Backlog of Unfilled Orders Is:

	Seasonally Adjusted				
About normal	71	70	71	64	55
Higher than normal	16	11	7	9	9
Lower than normal	13	19	22	27	36
Balance	3	-8	-15	-18	-27
			Raw		
Balance	1	-8	-11	-17	-30

Finished Product Inventory on Hand Is:

	Seasonally Adjusted				
About right	77	67	67	76	63
Too low	8	7	5	4	5
Too high ¹	15	26	28	20	32
Balance	-7	-19	-23	-16	-27
			Raw		
Balance	-8	-20	-22	-15	-28

Sources of Production Difficulties:

	Raw				
Working capital shortage	2	3	3	5	3
Skilled labour shortage	11	13	13	11	8
Unskilled labour shortage	3	3	3	3	1
Raw material shortage	4	6	4	4	5
Other difficulties	11	15	4	5	4
No difficulties	71	65	78	75	82

¹ No evident seasonality.

DATA AVAILABILITY ANNOUNCEMENTS

Housing Starts

December 1989

Total (All Areas)

Seasonally adjusted at an annual rate, December housing starts were up 8.6% to 226,000 units, compared to a revised level of 208,000 in November.

Activity increased in both the single- and multi-family sectors.

On an annual basis, 215,382 dwelling units were started in 1989, a 3.2% drop from the 1988 level.

Urban Centres of 10,000 Population and Over

Housing starts in urban centres increased 10.3% in December, to 193,000 units.

On a regional basis, only the Prairies registered a decrease, while other regions reported increases or remained unchanged.

Available on CANSIM: matrices 23, 24, 25, 29, 440, 986, 988, 4091, 4092.

Order the December 1989 issue of *Housing Starts and Completions* (64-002, \$13.70/\$137), scheduled for release the third week of February. See "How to Order Publications".

For further information on this release, contact P. Pichette (613-951-2585), Investment and Capital Stock Division. ■

Railway Carloadings

December 1989

Revenue freight loaded by railways in Canada totalled 18.9 million tonnes in December 1989, a decrease of 5.5% from the December 1988 figure. The carriers received an additional 0.9 million tonnes from United States connections.

Total loadings in Canada for the year to date showed a decrease of 6.5% from the 1988 period, while receipts from United States connections showed a decrease of 4.8%.

All 1988 figures and 1989 cumulative data have been revised.

Available on CANSIM: matrix 1431.

The December 1989 issue of *Railway Carloadings* (52-001, \$7.90/\$79) will be released the

fourth week of February. See "How to Order Publications".

For further information on this release and seasonally adjusted revenue freight loadings, contact Angus MacLean (613-951-2484), Transportation Division. ■

Railway Operating Statistics

November 1989

The seven major railways reported a combined net income of \$46.0 million in November 1989. Operating revenues of \$626.5 million were down \$15.9 million from the November 1988 figure.

Revenue freight tonne-kilometres were down 2.6% from November 1988. Freight train-kilometres registered a decrease of 2.0%, while freight car-kilometres decreased by 3.3%.

All 1988 figures and 1989 cumulative data have been revised.

Available on CANSIM: matrix 142.

The November 1989 issue of the *Railway Operating Statistics* (52-003, \$10/\$100) is to be released the third week of February. See "How to Order Publications".

For further information on this release, contact Angus MacLean (613-951-2484), Transportation Division. ■

Cement

December 1989

Canadian manufacturers shipped 595 087 tonnes of cement in December 1989, a decrease of 15.8% from the 706 642 tonnes shipped a year earlier and a decrease of 39.1% from the 976 479 tonnes shipped in November 1989.

January-to-December 1989 shipments totalled 11 721 792 tonnes, down 1.0% from the 11 840 938 tonnes shipped during the same period in 1988.

Available on CANSIM: matrices 92 and 122 (series 35).

The December 1989 issue of *Cement* (44-001, \$4.70/\$47) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Roland Joubert (613-951-3527), Industry Division. ■



1010017627

The Daily, February 5, 1990

PUBLICATIONS RELEASED

Production and Inventories of Process Cheese and Instant Skim Milk Powder, December 1989.

Catalogue number 32-024

(Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Production, Sales and Stocks of Major Appliances, December 1989.

Catalogue number 43-010

(Canada: \$4.70/\$47; Other Countries: \$5.60/\$56).

Estimates of Labour Income, July-September 1989.

Catalogue number 72-005

(Canada: \$18/\$72; Other Countries: \$21.50/\$86).

Teachers in Universities, 1986-87.

Catalogue number 81-241

(Canada: \$26; Other Countries: \$31).

Quarterly Demographic Statistics, July-September 1989.

Catalogue number 91-002

(Canada: \$7.25/\$29; Other Countries: \$8.75/\$35).

How to Order Publications

Statistics Canada publications may be purchased by mail order from Publication Sales, Room 1710, Main Building, Statistics Canada, Ottawa K1A 0T6 or phone 613-951-7277.

Please enclose cheque or money order payable to the Receiver General for Canada/Publications and provide full information on publications required (catalogue number, title, issue).

Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, or from authorized bookstore agents or other booksellers.

A national toll-free telephone order service is now in operation at Statistics Canada. The toll-free line (1-800-267-6677) can be used by Canadian customers for the ordering of Statistics Canada products and services.

**The
Daily**

Statistics Canada's Official Release Bulletin for Statistical Information

Catalogue 11-001E. Price: Canada \$105/year; other countries \$126/year

Published by the Communications Division (Director - Douglas Newson)
Statistics Canada, 3-N, R.H. Coats Bldg., Ottawa K1A 0T6.

Senior Editor: Greg Thomson (613-951-1116)

Editor: Bonnie Williams (613-951-1103)

Published under the authority of the Minister of Regional Industrial Expansion. Statistics Canada should be credited when reproducing or quoting any part of this document. Extracts from this publication may be reproduced for individual use without permission provided the source is fully acknowledged. However, reproduction of this publication in whole or in part for purposes of resale or redistribution requires written permission from the Publishing Services Group, Permissions Officer, Canadian Government Publishing Centre, Ottawa, Canada K1A 0S9.