



The Daily

Statistics Canada

Thursday, May 3, 1990

For release at 10:00 a.m.

MAJOR RELEASES

- Quarterly Business Conditions Survey, Canadian Manufacturing Industries, April 1990** 2
 Pessimism concerning orders and finished product inventories remained high in the April 1990 survey. The balance of opinion on production prospects improved between the January and April 1990 surveys, but remained negative.
- Provincial Economic Accounts, Preliminary Estimates for 1989** 5
 Among all provinces and territories, British Columbia registered the strongest growth of GDP in 1989.

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MAJOR RELEASES

Quarterly Business Conditions Survey, Canadian Manufacturing Industries

April 1990

Seasonally Adjusted

Pessimism concerning orders and finished product inventories remained high in the April 1990 survey. The balance of opinion on production prospects improved between the January and April 1990 surveys but remained negative following 10 positive quarterly balances. Also the improvement, particularly for the transportation equipment industries, was from unusually low levels in the January survey due to plant closures. The balance for the backlog of unfilled orders weakened for the tenth quarterly survey in a row.

Highlights

- The balance of opinion concerning **expected volume of production** over the next three months increased 10 points from a level of -13 in January to -3 in April 1990. Although the balance of opinion on production prospects improved between the January and April 1990 surveys, it remained negative following 10 positive quarterly balances. Also the improvement, particularly for the transportation equipment industries, was from unusually low levels in the January survey due to plant closures. (It should be noted that the balance of -3 in April is calculated by subtracting the pessimistic 30% indicating "lower than normal" volume of production, from the optimistic 27% indicating a "higher than normal" volume of expected production.)
- The balance of opinion concerning the **backlog of unfilled orders** decreased from -28 in January 1990 to -35 in the April 1990 survey. Decreases in transportation equipment, primary metal, refined petroleum and coal products and fabricated metal product industries accounted for most of the decline. The balance has been declining for the last 10 surveys.

Note: 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.

- The **finished products inventories** balance decreased slightly from -27 in January to -29 in April 1990 and remained at a high negative level.
- The April 1990 balance for **orders received** remained unchanged at a level of -23. Although the balance remained unchanged, 13 of the 22 major industrial groupings indicated an improvement in orders received. However, the balance remained at a high negative level.

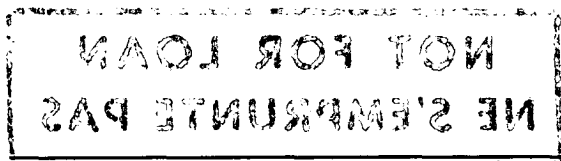
Unadjusted

The main **source of production difficulties** continued to be a shortage of skilled labour, although the proportion was down to 7% from highs of 13% in April and July 1989. This was followed closely by a shortage working capital, which increased two percentage points to 5%.

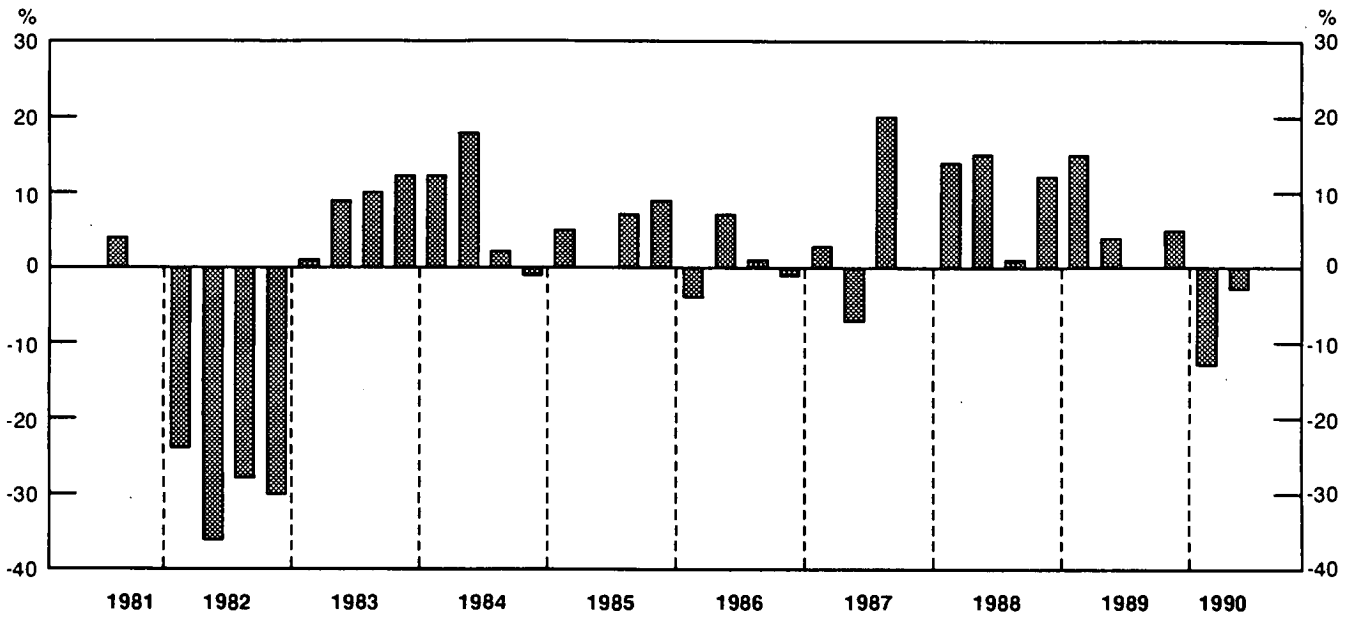
The Business Conditions Survey is carried out in January, April, July and October and the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers. Data users should note the January 1990 results have been revised to include responses received after the first release of these results.

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

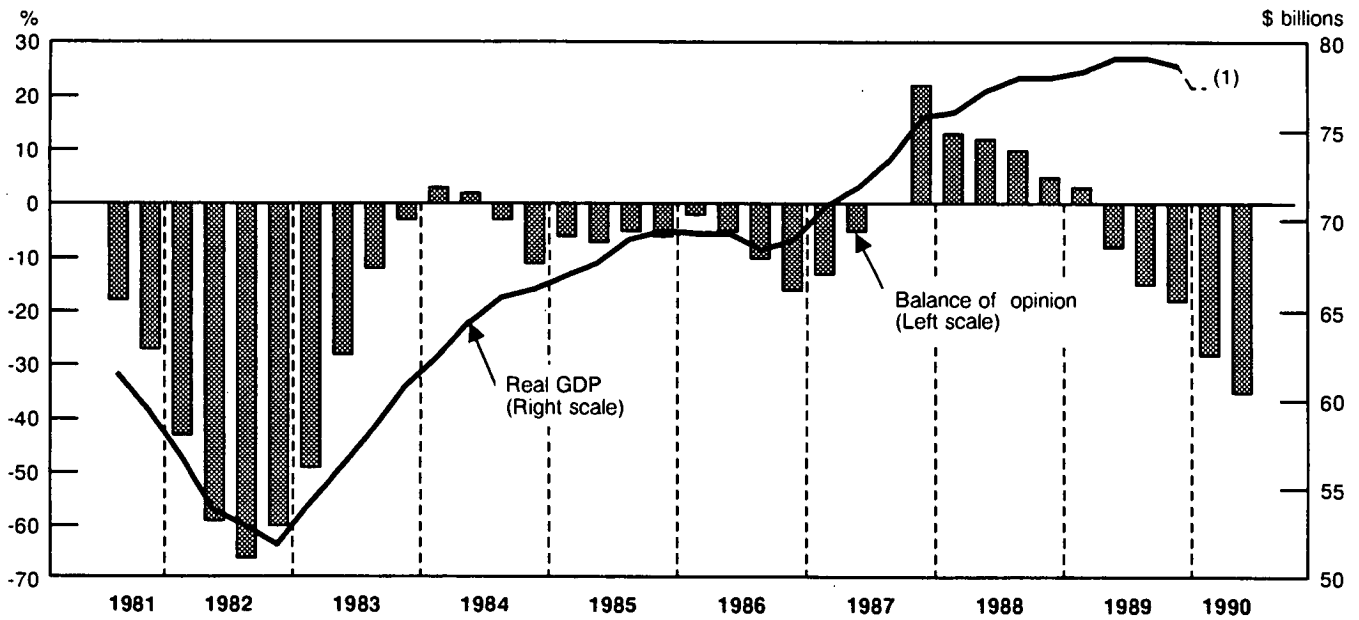
For further information on this release, contact C. Robillard (613-951-3507), Monthly Survey of Manufacturing Section, Industry Division. ☐



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



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



(1) ----- January and February 1990

Business Conditions Survey, Canadian Manufacturing Industries

April 1990

All Manufacturing Industries	April 1989	July 1989	October 1989	January 1990	April 1990
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Volume of production during next three months compared with last three months will be:

Seasonally adjusted

About the same	52	52	47	41	43
Higher	26	24	29	23	27
Lower	22	24	24	36	30
Balance	4	0	5	-13	-3
			Raw		
Balance	20	-13	10	-22	15

Orders received are:

Seasonally Adjusted

About the same	64	53	63	47	49
Rising	13	21	14	15	14
Declining	23	26	23	38	37
Balance	-10	-5	-9	-23	-23
			Raw		
Balance	-6	-4	-13	-26	-20

Present backlog of unfilled orders is:

Seasonally Adjusted

About normal	70	71	64	55	53
Higher than normal	11	7	9	9	6
Lower than normal	19	22	27	37	41
Balance	-8	-15	-18	-28	-35
			Raw		
Balance	-8	-11	-17	-30	-37

Finished product inventory on hand is:

Seasonally Adjusted

About right	67	67	76	63	57
Too low	7	5	4	5	7
Too high ¹	26	28	20	32	36
Balance	-19	-23	-16	-27	-29
			Raw		
Balance	-20	-22	-15	-28	-29

Sources of production difficulties:

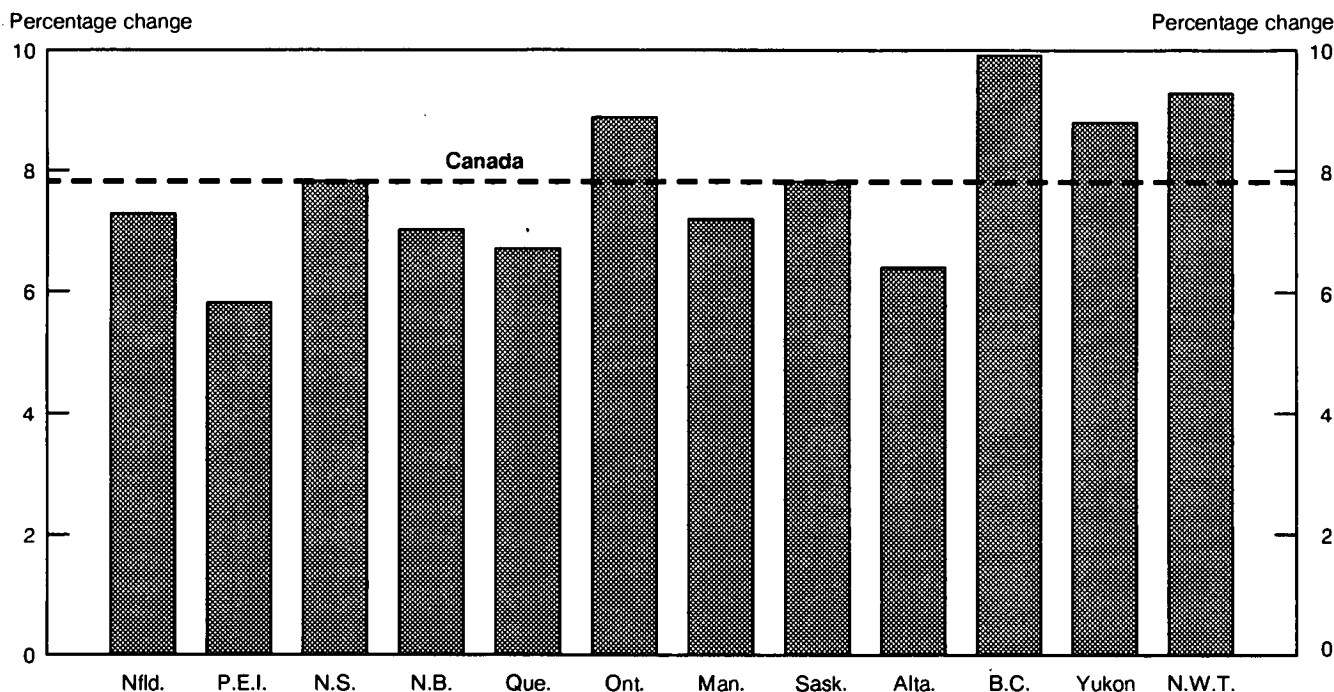
Raw

Working capital shortage	3	3	5	3	5
Skilled labour shortage	13	13	11	8	7
Unskilled labour shortage	3	3	3	1	1
Raw material shortage	6	4	4	5	4
Other difficulties	15	4	5	4	4
No difficulties	65	78	75	82	81

¹ No evident seasonality.

Chart 1

GDP Growth in 1989 (at current prices)



Provincial Economic Accounts

Preliminary Estimates for 1989

British Columbia's Gross Domestic Product at market prices registered the strongest increase at 9.9% in 1989 (see Table 1 and Chart 1), while economic growth was above the national average in Ontario (8.9%), the Yukon (8.8%) and the Northwest Territories (9.3%).

Economic activity in British Columbia continued its expansionary phase for a third consecutive year; the 1989 performance is explained by the strength of investment in fixed capital and the large 2.5% increase of its population. Ontario's share of domestic production increased from 41.1% to 41.5% in 1989, although its economy has been weakening, while Quebec's share decreased from 23.9% to 23.6% as economic growth was below the national average for the first time since 1985 (see Table 2).

Final domestic demand rose 4.5% in volume terms during 1989 at the Canada level (see Chart 2 and Table 3). Capital spending, which led the national economy for a fifth consecutive year, explains

in large part the disparities in the provincial and territorial growth rates of real domestic demand in 1989. New Brunswick, British Columbia and the Northwest Territories, which recorded strong growth in investment, registered the largest annual increases in real final domestic demand at 5.5%, 8.7% and 16.5% respectively; the decrease in Saskatchewan (-0.3%) and the small increase in the Yukon (0.6%) reflect drops in investment.

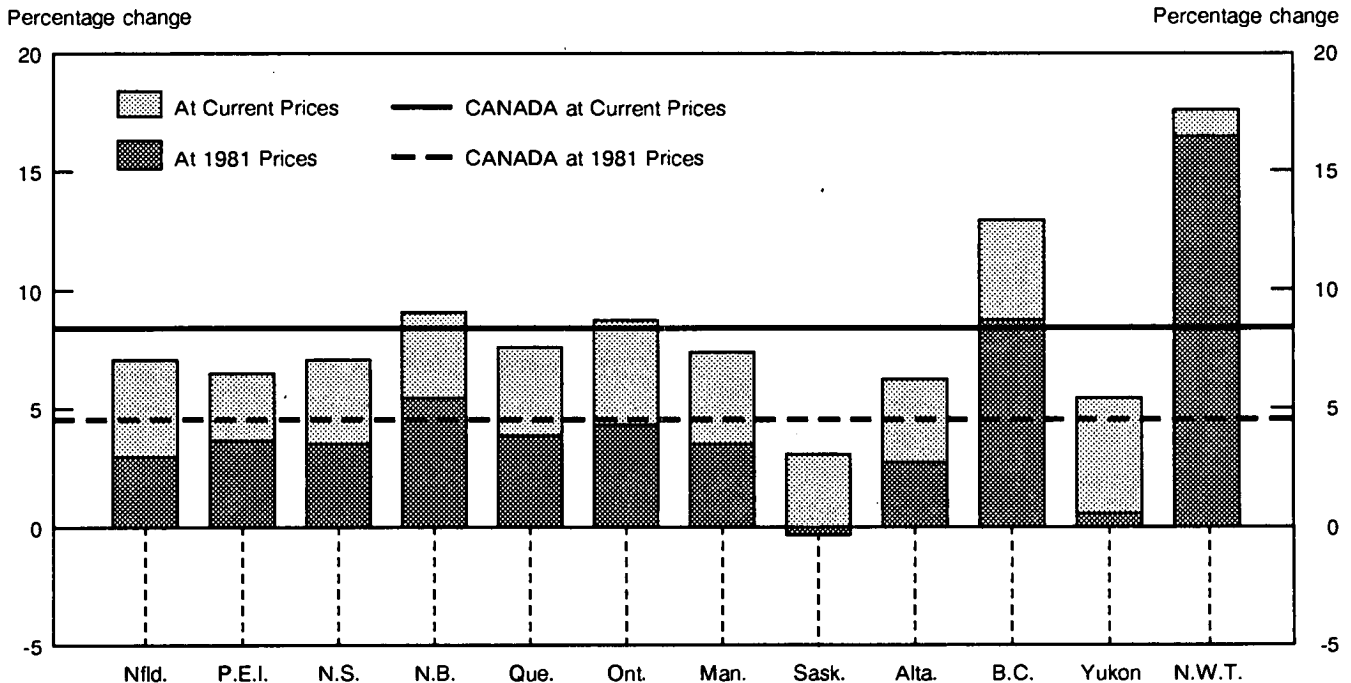
The rate of inflation in 1989 as measured by the final domestic demand implicit price index was 3.8% compared to 2.7% in 1988. The highest rates of price increase were recorded in Ontario (4.1%), British Columbia (4.3%) and the Yukon (4.9%).

Components of Income

Labour income increased strongly in Ontario (10.3%) and in British Columbia (11.8%); Ontario's share continued its climb to 43.1% in 1989 compared to 42.7% in 1988 and 38.8% in 1981. For the second consecutive year, Manitoba and Saskatchewan had the smallest increases at 6.2% and 4.8%, respectively.

Chart 2

Final Domestic Demand in 1989



Corporate profits before taxes grew only in Alberta, the Yukon and the Northwest Territories, where higher prices for crude petroleum, natural gas and certain metals were important factors. The drop in profits of 2.8% at the national level was reflected in all the other provinces. Interest and miscellaneous investment income rose substantially in the country, as interest rates were higher during the year.

The accrued net income of farm operators from farm production declined 20.7% in 1989 after a 37.9% increase in 1988. This drop is explained by higher expenses, lower subsidies and lower accrued earnings of the Canadian Wheat Board as exports of grains fell in 1989. The largest decrease occurred in Alberta (-67.1%), following a strong rise of 163.4% in 1988, while a good crop permitted Saskatchewan's net farm income to post a 19.5% gain.

Components of Demand

The growth in real personal expenditure on consumer goods and services (4.0%) weakened for the second consecutive year; only Manitoba and British Columbia

recorded a stronger increase than in the previous year. The relative strength in British Columbia, attributable partly to increased immigration and interprovincial migration, was widespread in that expenditures grew much faster than the corresponding national average rate in all major components of consumer spending. Alberta also posted a substantial increase in real personal expenditure on consumer goods and services mostly due to sales of new trucks, furniture and household equipment. For the second year in a row, Saskatchewan recorded the smallest growth in expenditures at 1981 prices following weakness in new vehicle sales and in the semi-durable and non-durable goods components. Real expenditures on services grew strongly in Prince Edward Island (4.1%), Quebec (4.6%), Ontario (4.9%) and the Northwest Territories (4.4%), in spite of noticeable price increases.

Real business investment in fixed capital remained strong in 1989 (+6.9%) for the fifth consecutive year, sustained by rapid growth in domestic demand and a relative decline in machinery

and equipment prices. Capital outlays grew the most in New Brunswick (16.3%), British Columbia (17.1%) and the Northwest Territories (37.7%). They dropped by 8.2% in Saskatchewan, reflecting a decrease in residential and non-residential construction.

The growth in real business purchases of machinery and equipment, which affected all provinces and territories, was mostly responsible for the increase of investment in fixed capital. The demand for machinery and equipment was that much stronger given that the prices were decreasing in most provinces and territories. Business non-residential construction investment growth slowed to 3.6% following a 12.1% rise in 1988; the weakness in capital spending of the oil and gas industry adversely affected the Saskatchewan and Alberta economies.

In 1989, residential construction activity increased 4.1% in volume terms, a rate similar to that of 1988. The housing market was especially active in Western Canada, notably in Alberta, British Columbia and the Yukon. The jump in outlays on residential construction was very large in British Columbia (21.6%) despite higher prices. Substantial decreases in the volume of

new construction work-put-in-place occurred in Prince Edward Island, Quebec, Manitoba and Saskatchewan.

Government current expenditure on goods and services at 1981 prices continued to rise more slowly than other major demand components in 1989; the growth rates varied only slightly across the country. Expenditures at 1981 prices grew less in Newfoundland and British Columbia, where the rise in prices was the strongest.

Gross Domestic Product estimates for the provinces and territories are available on CANSIM: matrices 2610-2619, 2621-2631, 2633, 4995-4998, 6949 and 6950. 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 1989 issue of *Provincial Economic Accounts, Preliminary Estimates* (13-213P, \$25) will be released in May. The data are also available immediately on printouts and micro-computer diskettes.

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

Table 1
Gross Domestic Product at Market Prices, Annual percentage change

	1982	1983	1984	1985	1986	1987	1988	1989
	(percent)							
Newfoundland	9.0	8.4	8.4	7.1	6.1	9.8	6.1	7.3
Prince Edward Island	4.2	10.8	11.3	1.8	13.0	6.1	11.4	5.8
Nova Scotia	15.2	13.8	11.1	11.5	8.5	7.3	6.7	7.8
New Brunswick	9.6	14.8	11.8	7.5	10.9	9.5	7.2	7.0
Atlantic Canada	11.3	12.7	10.7	8.8	8.9	8.5	6.9	7.3
Quebe	5.8	7.0	9.4	6.9	8.6	11.8	9.9	6.7
Ontario	4.2	10.7	12.9	7.0	9.6	11.2	10.9	8.9
Central Canada	4.8	9.3	11.6	7.0	9.2	11.4	10.5	8.1
Manitoba	6.5	6.4	10.8	6.9	4.4	5.8	10.1	7.2
Saskatchewan	2.9	3.2	7.6	6.4	-1.7	-0.2	8.6	7.8
Alberta	5.9	4.7	6.4	10.9	-11.1	1.9	7.2	6.4
British Columbia	3.2	4.4	6.2	6.6	4.7	9.2	9.5	9.9
Yukon	2.0	-13.8	15.5	6.3	19.8	26.0	7.7	8.8
Northwest Territories	30.2	16.9	18.8	22.6	-0.2	4.3	1.8	9.3
Western Canada	4.8	4.6	7.1	8.5	-2.6	5.0	8.6	8.0
Canada	5.2	8.4	9.6	7.5	5.6	9.1	9.3	7.8

Table 2
Provincial Distribution of Gross Domestic Product at Market Prices

	1982	1983	1984	1985	1986	1987	1988	1989
	(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	2.3	2.4	2.4	2.5	2.6	2.5	2.5	2.5
New Brunswick	1.8	1.9	1.9	1.9	2.0	2.0	2.0	1.9
Atlantic Canada	5.7	5.9	5.9	6.0	6.2	6.1	6.1	6.0
Quebec	23.1	22.9	22.8	22.6	23.3	23.9	23.9	23.6
Ontario	36.7	37.7	38.6	38.5	40.0	40.8	41.1	41.5
Central Canada	59.8	60.6	61.4	61.1	63.3	64.7	65.0	65.1
Manitoba	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.5
Saskatchewan	3.9	3.8	3.7	3.7	3.4	3.1	3.1	3.1
Alberta	14.2	13.7	13.3	13.7	11.6	10.8	10.5	10.4
British Columbia	12.3	11.9	11.6	11.4	11.4	11.3	11.3	11.5
Yukon	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Northwest Territories	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Western Canada	34.5	33.5	32.7	32.9	30.5	29.2	28.9	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

	1982	1983	1984	1985	1986	1987	1988	1989
	(percent)							
Newfoundland	4.4	4.9	3.4	1.8	2.8	1.5	5.3	3.0
Prince Edward Island	-1.2	6.3	7.1	3.3	3.1	4.1	6.5	3.6
Nova Scotia	1.5	5.4	3.4	4.5	2.3	1.9	5.2	3.5
New Brunswick	1.2	-0.1	4.1	5.8	3.5	3.0	6.2	5.5
Atlantic Canada	1.9	3.6	3.8	4.2	2.8	2.2	5.6	4.0
Quebec	-4.1	3.5	5.7	5.4	4.2	6.1	5.3	3.9
Ontario	-3.1	3.8	5.6	7.3	7.2	6.9	6.6	4.3
Central Canada	-3.5	3.7	5.6	6.6	6.0	6.6	6.1	4.1
Manitoba	-2.6	3.4	6.6	5.9	4.6	0.7	2.6	3.5
Saskatchewan	-5.9	4.3	1.4	3.7	0.9	4.1	2.5	-0.3
Alberta	-5.0	-6.2	-3.5	6.2	-0.7	3.2	8.2	2.7
British Columbia	-8.3	0.1	0.5	4.6	2.3	5.4	7.5	8.7
Yukon	-9.6	-5.4	-2.7	2.0	15.0	4.9	5.2	0.6
Northwest Territories	13.0	-6.6	-7.1	-12.7	-16.0	-13.0	11.6	16.5
Western Canada	-5.8	-1.6	-0.3	4.9	1.1	3.6	6.6	5.0
Canada	-3.7	2.1	3.4	5.7	4.0	5.6	6.2	4.5

DATA AVAILABILITY ANNOUNCEMENTS

Shipments of Solid Fuel-burning Heating Products

First Quarter 1990

Shipments of solid fuel-burning heating products totalled \$9.6 million for the first quarter 1990, a decrease of 10.7% from the \$10.8 million shipped during the first quarter of 1989.

Manufacturers' shipments of Canadian-made solid fuel-burning heating products are now available, as are data on the number of units shipped.

The 1990 first quarter issue of *Shipments of Solid Fuel-burning Heating Products* (25-002, \$4.75/\$19) will be available at a later date. See "How to Order Publications".

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

Railway Carloadings

Seven-day Period Ending April 14, 1990

Revenue freight loaded by railways in Canada during the week totalled 4.8 million tonnes, an increase of 2.8% over the same period last year.

Piggyback traffic decreased 8.7% from the same period last year. The number of cars loaded decreased 10.3% during the same period.

The tonnage of revenue freight loaded to date this year is 3.9% higher than that loaded in the previous year.

Note: Piggyback traffic includes trailers and containers on flat cars. Piggyback traffic numbers are included in total carload traffic. All 1989 figures and 1990 cumulative data have been revised.

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

Railway Carloadings

March 1990

Revenue freight loaded by railways in Canada totalled 21.3 million tonnes in March 1990, an increase of 3.7% over the March 1989 figure. The carriers received an additional 1.2 million tonnes from United States connections.

Total loadings in Canada for the year to date showed an increase of 4.8% from the 1989 period, while receipts from United States connections showed an increase of 6.5%.

All 1989 figures and 1990 cumulative data have been revised.

Available on CANSIM: matrix 1431.

The March 1990 issue of *Railway Carloadings* (52-001, \$7.90/\$79) is to be released the fourth week of May. See "How to Order Publications".

For seasonally adjusted revenue freight loadings, contact Angus MacLean (613-951-2484), Transportation Division. ■

Cement

March 1990

Canadian manufacturers shipped 767 211 tonnes of cement in March 1990, an increase of 2.9% over the 745 751 tonnes shipped a year earlier and an increase of 45.8% over the 526 387 tonnes shipped in February 1990.

January-to-March 1990 shipments reached 1 780 389 tonnes, up 5.4% over the 1 689 747 tonnes shipped during the same period in 1989.

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

The March 1990 issue of *Cement* (44-001, \$5/\$50) 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. ■

Gypsum Products

March 1990

Manufacturers shipped 24 902 thousand square metres of plain gypsum wallboard in March 1990, down 2.9% from the 25 657 thousand square metres shipped in March 1989 and up 21.6% from the 20 473 thousand square metres shipped in February 1990.

Year-to-date shipments were 66 883 thousand square metres, a decrease of 4.9% from the January to March 1989 period.

Available on CANSIM: matrices 39 and 122 (series 11).

The March 1990 issue of *Gypsum Products* (44-003, \$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. ■

Rigid Insulating Board

March 1990

Shipments of rigid insulating board totalled 2 685 thousand square metres (12.7 mm basis) in March 1990, a decrease of 19.8% compared to 3 348 thousand square metres (12.7 mm basis) in March 1989.

January to March 1990 shipments totalled 7 699 thousand square metres (12.7 mm basis), compared to 8 466 thousand square metres (12.7 mm basis) for the same period in 1989, a decrease of 9.1%.

Available on CANSIM: matrices 31 (series 1) and 122 (series 4-7).

The March 1990 issue of *Rigid Insulating Board* (36-002, \$5/\$50) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Sandra Bohatyretz (613-951-3531), Industry Division. ■

Asphalt Roofing

March 1990

Shipments of asphalt shingles totalled 3 365 968 metric bundles in March 1990, an increase of 24.7% over the 2 699 940 bundles shipped a year earlier.

January to March 1990 shipments were 7 646 412 bundles, up 2.8% over 7 437 993 bundles shipped during the same period in 1989.

Available on CANSIM: matrices 32 and 122 (series 27 to 28).

The March 1990 issue of *Asphalt Roofing* (45-001, \$5/\$50) will be available at a later date. See "How to Order Publications".

For further information on this release, contact Sandra Bohatyretz (613-951-3531), Industry Division. ■

Process Cheese and Instant Skim Milk Powder

March 1990

Production of process cheese in March 1990 totalled 6 753 023 kilograms, an increase of 8.4% over February 1990, but a decrease of 15.4% from March 1989. The 1990 year-to-date production totalled 20 699 656 kilograms, compared to the corresponding 1989 amount of 19 056 354 kilograms.

Total production of instant skim milk powder during the month was 513 863 kilograms, an increase of 68.2% over February 1990 and an increase of 20.7% over the (revised) March 1989. Year-to-date production totalled 1 272 624 kilograms, compared to the 1 417 566 kilograms reported for the corresponding period in 1989.

Available on CANSIM: matrix 188 (series 1.10).

The March 1990 issue of *Production and Inventories of Process Cheese and Instant Skim Milk Powder* (32-024, \$4.70/\$47) will be available at a later date. See "How to Order Publications".

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

Apparent Per Capita Disappearance of Poultry Products

1989

The apparent per capita disappearance of stewing hen and chicken was 23.2 kilograms in 1989 compared to 23.9 kilograms in 1988. Turkey remained the same at 4.5 kilograms per capita.

Per capita disappearance for eggs was 16.4 dozen in 1989, compared to 16.8 dozen in 1988.

Available on CANSIM: matrices 1136 and 1137.

For further information on this release, contact Ruth McMillan (613)951-2549, Livestock and Animal Products Section, Agriculture Division. ■

PUBLICATIONS RELEASED

Prices for publications in the United States and "Other Countries" are expressed in \$U.S.

Coal and Coke Statistics, February 1990.
Catalogue number 45-002
(Canada: \$10/100; U.S.: \$12/\$120; Other Countries: \$14/\$140).

Imports, Merchandise Trade (H.S. Based), 1989.
Catalogue number 65-203
(Canada: \$166; U.S.: \$199; Other Countries: \$232).

Summary of Canadian International Trade (H.S. Based), February 1990.
Catalogue number 65-001
(Canada: \$18.20/\$182; U.S.: \$21.80/\$218; Other Countries: \$25.50/\$255).

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**The
Daily**

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