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# The Daily

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# MAJOR RELEASES

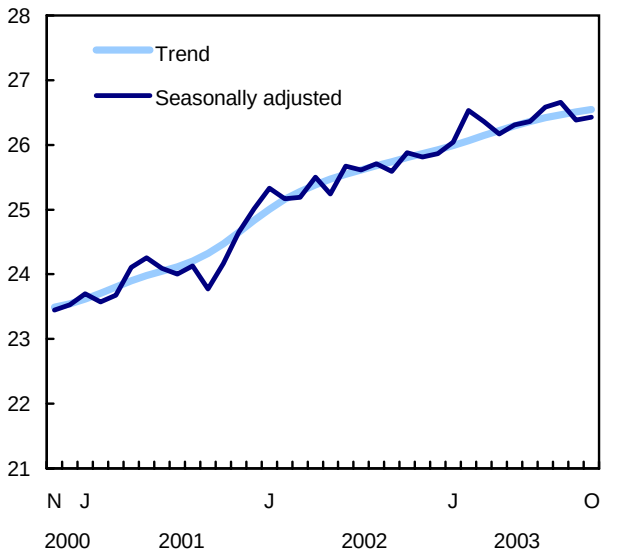
## Retail trade

October 2003

Retail sales advanced marginally in October, as consumer spending remained weak in several sectors. Sales by retailers edged up 0.2% to $26.4 billion in October, after falling 1.0% in September.

Lower gasoline prices at the pump depressed overall retail sales growth in October. Retailers of big ticket items, such as auto dealers and household furniture and appliance stores, as well as general merchandisers, clothing stores and drug stores posted essentially flat sales. Food retailers were the exception, with a sizable sales increase in October.

**Retail sales up marginally in October**




Although sales by retailers have generally been increasing since the fall of 2001, year-over-year growth has decelerated so far in 2003. Cumulative retail sales for the first ten months of 2003 were up 3.5%, a much weaker performance than the 6.4% growth observed in the same period of 2002. In fact, the 2003 year-to-date sales growth has been the weakest since 1996, when cumulative retail sales for the first ten months of the year rose by only 2.7%.

Once prices are taken into account, total retail sales advanced 0.6% in October, following a 1.0% decline in September.

***Note to readers***

*Estimates from the Monthly Retail Trade Survey are classified according to the 1980 Standard Industrial Classification.*

***Special study***

Christmas: Consumers' Season, *the latest article in the* Analysis in Brief *series (11-621-MIE2003007, free) analyses trends in Christmas retail sales from 1998 to 2002. It uses data from two Statistics Canada surveys: the Monthly Retail Trade Survey and the Quarterly Retail Commodity Survey.*

### Food retailers enjoy Thanksgiving

Food retailers enjoyed above-average sales for Thanksgiving in 2003. Consumers increased purchases in food stores by 1.9% in October, after reducing spending by 1.1% in September. Food retailers, which bagged record sales in 2002 and early 2003, have not experienced any sales growth since April.

Food stores faced several challenges in 2003, such as the August electrical blackout in Ontario, the mad cow scare and the SARS outbreak. Despite these challenges, cumulative sales in food stores for the first ten months of 2003 were 5.5% above those in the same period of 2002.

### Mixed signals in furniture sector

Sales by household furniture and appliance stores, which account for 80% of all sales in the furniture sector, remained essentially flat in October (-0.1%). However, sales of floor coverings, draperies, bedding and home decorating products sold in household furnishings stores jumped 2.7%. Consequently, sales in the overall furniture sector advanced 0.5% in October, after falling 1.8% in September.

Retailers in the furniture sector, while still surfing the housing wave, have shown relatively weaker sales growth compared with the previous six years. For the first ten months of 2003, sales in furniture stores were up 5.7% from the same period of 2002. This compares with annual sales gains of at least 8.0% from 1997 to 2002.

### Weak October for retailers in several sectors

Sales in the automotive sector declined 0.8% in October, after falling 2.2% in September. Within the auto sector, gasoline service stations suffered a 4.4% price-induced sales decline, while motor and

recreational vehicle dealers and auto parts and services stores posted essentially flat sales in October.

The flat sales posted by motor and recreational vehicle dealers in October followed two consecutive months of declines. Aggressive incentive programs, introduced in the fall of 2001, and still available to shoppers for purchasing or leasing new vehicles have failed to create additional sales growth for auto dealers. In the four-month period from October 2001 to January 2002, sales by motor and recreational vehicle dealers jumped 18.7%. Afterwards, sales have remained essentially unchanged but still at record levels.

General merchandisers had another lacklustre month in October, following the 0.8% sales decline in September. Within this sector, sales remained unchanged for both department stores and other general merchandise stores. Despite recent weaknesses, sales by general merchandisers have been increasing since early 2003, after a period of essentially flat sales in the second half of 2002.

Consumer spending edged down 0.2% in the clothing sector in October. The 1.6% sales gain reported by other clothing stores, commonly know as unisex clothing stores, was offset by declines in the more specialized women's and men's clothing stores and shoe stores. Attracting slightly more than one-half of every dollar spent in the clothing sector, unisex clothing stores have experienced a cumulative sales gain of 4.6% in the first ten months of 2003. In contrast, year-to-date sales have fallen for men's clothing stores (-6.7%), shoe stores (-1.3%) and women's clothing stores (-0.5%).

Drug stores posted essentially flat sales (-0.1%) in October, after reporting a sizable 2.0% increase in September. Sales in drug stores have generally been increasing since the spring of 2000.

**Six provinces post above-average increases**

Retail sales advances in Nova Scotia (+4.3%), Alberta (+2.0%), Prince Edward Island (+1.4%), Quebec (+0.8%), British Columbia (+0.6%) and New Brunswick (+0.3%) were above average in October. Within these provinces, retailers in Quebec, Nova Scotia and Prince Edward Island managed to offset, in part, their sales declines suffered in September.

**Related indicators for November**

For a third consecutive month, total employment continued to advance at a rapid pace in November (+0.3%). Close to 218,000 jobs have been created since the start of 2003, with slightly more than three-quarters of these jobs created in September, October and November. Despite a severe drop in housing starts in November (-10.2%), the largest in eight months, the activity on new housing projects remained at record levels. In fact, November's housing starts were 3.5% above the average level observed in 2002. The number of new motor vehicles sold in November declined by an estimated 2% from October, based on preliminary data from the auto industry. This has been the fourth consecutive monthly sales decline for new motor vehicles.

**Available on CANSIM: tables 080-0001 to 080-0005 and 076-0005.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2406 and 2408.**

The October 2003 issue of *Retail Trade* (63-005-XIB, $18/$166) will be available soon. See *How to order products*.

Data on retail trade for November 2003 will be released on January 27, 2004.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; *retailinfo@statcan.ca*). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Paul Gratton (613-951-3541), Distributive Trades Division.

## Retail sales

| | October 2002 | July 2003[r] | August 2003[r] | September 2003[r] | October 2003[p] | September to October 2003 | October 2002 to October 2003 |
|---|---|---|---|---|---|---|---|
| | seasonally adjusted | | | | | | |
| | $ millions | | | | | % change | |
| **Food** | **5,680** | **5,840** | **5,877** | **5,811** | **5,920** | **1.9** | **4.2** |
| Supermarkets and grocery stores | 5,289 | 5,430 | 5,472 | 5,402 | 5,510 | 2.0 | 4.2 |
| All other food stores | 391 | 410 | 405 | 409 | 410 | 0.3 | 4.8 |
| **Drug and patent medicine stores** | **1,306** | **1,368** | **1,356** | **1,384** | **1,382** | **-0.1** | **5.8** |
| **Clothing** | **1,371** | **1,370** | **1,342** | **1,375** | **1,372** | **-0.2** | **0.1** |
| Shoe stores | 155 | 150 | 147 | 150 | 147 | -2.5 | -5.2 |
| Men's clothing stores | 112 | 104 | 106 | 106 | 105 | -1.0 | -6.2 |
| Women's clothing stores | 396 | 404 | 401 | 404 | 395 | -2.3 | -0.3 |
| Other clothing stores | 709 | 712 | 688 | 714 | 726 | 1.6 | 2.4 |
| **Furniture** | **1,535** | **1,633** | **1,670** | **1,640** | **1,647** | **0.5** | **7.3** |
| Household furniture and appliance stores | 1,226 | 1,310 | 1,346 | 1,311 | 1,309 | -0.1 | 6.8 |
| Household furnishings stores | 309 | 323 | 324 | 329 | 338 | 2.7 | 9.5 |
| **Automotive** | **10,422** | **10,662** | **10,666** | **10,429** | **10,347** | **-0.8** | **-0.7** |
| Motor and recreational vehicle dealers | 6,883 | 7,158 | 7,032 | 6,835 | 6,840 | 0.1 | -0.6 |
| Gasoline service stations | 2,057 | 1,964 | 2,099 | 2,047 | 1,957 | -4.4 | -4.8 |
| Automotive parts, accessories and services | 1,482 | 1,541 | 1,535 | 1,547 | 1,550 | 0.2 | 4.6 |
| **General merchandise stores** | **2,826** | **2,923** | **2,954** | **2,931** | **2,931** | **0.0** | **3.7** |
| Department stores | 1,655 | 1,707 | 1,733 | 1,714 | 1,714 | 0.0 | 3.6 |
| Other general merchandise stores | 1,171 | 1,216 | 1,221 | 1,217 | 1,217 | 0.0 | 3.9 |
| **Retail stores not elsewhere classified** | **2,742** | **2,785** | **2,793** | **2,812** | **2,831** | **0.7** | **3.3** |
| Other semi-durable goods stores | 802 | 797 | 799 | 825 | 825 | 0.0 | 2.9 |
| Other durable goods stores | 679 | 673 | 682 | 681 | 691 | 1.5 | 1.8 |
| All other retail stores not elsewhere classified | 1,261 | 1,315 | 1,312 | 1,307 | 1,316 | 0.7 | 4.4 |
| **Total, retail sales** | **25,882** | **26,582** | **26,658** | **26,382** | **26,431** | **0.2** | **2.1** |
| **Total excluding motor and recreational vehicle dealers** | **18,998** | **19,424** | **19,626** | **19,546** | **19,592** | **0.2** | **3.1** |
| **Provinces and territories** | | | | | | | |
| Newfoundland and Labrador | 423 | 451 | 461 | 444 | 434 | -2.4 | 2.6 |
| Prince Edward Island | 111 | 110 | 112 | 111 | 112 | 1.4 | 0.6 |
| Nova Scotia | 769 | 780 | 780 | 751 | 783 | 4.3 | 1.9 |
| New Brunswick | 606 | 622 | 612 | 600 | 602 | 0.3 | -0.7 |
| Quebec | 5,916 | 6,119 | 6,157 | 6,113 | 6,159 | 0.8 | 4.1 |
| Ontario | 9,745 | 9,970 | 9,963 | 9,948 | 9,882 | -0.7 | 1.4 |
| Manitoba | 889 | 915 | 912 | 917 | 905 | -1.3 | 1.8 |
| Saskatchewan | 762 | 780 | 798 | 790 | 766 | -3.0 | 0.4 |
| Alberta | 3,168 | 3,324 | 3,291 | 3,216 | 3,279 | 2.0 | 3.5 |
| British Columbia | 3,399 | 3,415 | 3,475 | 3,394 | 3,413 | 0.6 | 0.4 |
| Yukon | 34 | 34 | 34 | 34 | 33 | -3.3 | -2.6 |
| Northwest Territories | 43 | 45 | 45 | 45 | 44 | -0.7 | 3.1 |
| Nunavut | 18 | 18 | 19 | 20 | 18 | -8.2 | 1.8 |

[r] *Revised figures.*
[p] *Preliminary figures.*

## Retail sales

| | October 2002 | September 2003[r] | October 2003[p] | October 2002 to October 2003 |
|---|---|---|---|---|
| | unadjusted | | | |
| | $ millions | | | % change |
| **Food** | **5,668** | **5,592** | **6,039** | **6.5** |
| Supermarkets and grocery stores | 5,284 | 5,203 | 5,635 | 6.6 |
| All other food stores | 384 | 389 | 405 | 5.3 |
| **Drug and patent medicine stores** | **1,313** | **1,336** | **1,410** | **7.3** |
| **Clothing** | **1,481** | **1,378** | **1,512** | **2.1** |
| Shoe stores | 174 | 153 | 170 | -2.5 |
| Men's clothing stores | 117 | 97 | 111 | -5.0 |
| Women's clothing stores | 417 | 410 | 420 | 0.6 |
| Other clothing stores | 772 | 719 | 811 | 5.1 |
| **Furniture** | **1,560** | **1,652** | **1,682** | **7.9** |
| Household furniture and appliance stores | 1,234 | 1,318 | 1,322 | 7.1 |
| Household furnishings stores | 326 | 334 | 361 | 10.8 |
| **Automotive** | **10,326** | **10,550** | **10,202** | **-1.2** |
| Motor and recreational vehicle dealers | 6,654 | 6,987 | 6,521 | -2.0 |
| Gasoline service stations | 2,121 | 2,109 | 2,056 | -3.1 |
| Automotive parts, accessories and services | 1,551 | 1,455 | 1,625 | 4.8 |
| **General merchandise stores** | **2,942** | **2,689** | **3,066** | **4.2** |
| Department stores | 1,734 | 1,544 | 1,803 | 4.0 |
| Other general merchandise stores | 1,208 | 1,145 | 1,263 | 4.5 |
| **Retail stores not elsewhere classified** | **2,624** | **2,722** | **2,770** | **5.6** |
| Other semi-durable goods stores | 781 | 821 | 810 | 3.6 |
| Other durable goods stores | 602 | 626 | 629 | 4.5 |
| All other retail stores not elsewhere classified | 1,241 | 1,275 | 1,331 | 7.3 |
| **Total, retail sales** | **25,914** | **25,921** | **26,682** | **3.0** |
| **Total excluding motor and recreational vehicle dealers** | **19,260** | **18,934** | **20,160** | **4.7** |
| **Provinces and territories** | | | | |
| Newfoundland and Labrador | 418 | 437 | 428 | 2.5 |
| Prince Edward Island | 108 | 111 | 111 | 2.1 |
| Nova Scotia | 761 | 726 | 793 | 4.2 |
| New Brunswick | 612 | 586 | 611 | -0.1 |
| Quebec | 5,977 | 5,951 | 6,267 | 4.9 |
| Ontario | 9,737 | 9,849 | 9,964 | 2.3 |
| Manitoba | 892 | 903 | 917 | 2.8 |
| Saskatchewan | 783 | 778 | 791 | 1.0 |
| Alberta | 3,189 | 3,171 | 3,329 | 4.4 |
| British Columbia | 3,346 | 3,313 | 3,377 | 0.9 |
| Yukon | 33 | 34 | 32 | -1.7 |
| Northwest Territories | 42 | 43 | 44 | 3.7 |
| Nunavut | 18 | 20 | 18 | 2.0 |

[r] *Revised figures.*
[p] *Preliminary figures.*

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# Survey of Suppliers of Business Financing

2002

Canadian businesses reduced slightly the total debt they owed to the major suppliers of financing for a second consecutive year in 2002. A decline in the debt load of large borrowers offset increased debt among smaller borrowers.

As of December 31, 2002, suppliers of financing reported their business clients owed them $358.5 billion, mainly in the form of loans, mortgages and lines of credit. This was a 0.4% decline from 2001, which was less than the 0.7% decline recorded in 2000, as economic growth strengthened in 2002.

Lease amounts outstanding grew for the second consecutive year, posting a 4.2% increase to $22.8 billion in 2002. This followed growth of 8.3% in 2001.

### Smaller borrowers owed more, larger borrowers less

Large borrowers, those authorized to borrow $1 million or more, saw their debt load fall 1.4% following a similar decline of 1.5% in 2001.

Lower exports to the United States in 2002, along with declining inventory levels and lower capital investment, may have reduced the financing needs of these businesses. As well, suppliers may have become more selective in their lending to large borrowers as a result of the increased loan losses they experienced in the latter part of 2001 through 2002.

In contrast, smaller borrowers, those authorized to borrow less than $1 million, increased their debt over the past two years. It rose 1.4% in 2001 and 2.4% in 2002.

Smaller borrowers are mainly smaller businesses, which tend to serve only the domestic market, while large borrowers are much more likely to sell into export markets.

Combined with historically low interest rates, the relative strength of the Canadian economy over the past two years, compared with that of our principal export market to the south, may have encouraged smaller borrowers to take on more debt.

### Dominance of domestic banks slips

Domestic banks remained the dominant suppliers of financing to businesses, but their share of the market slipped. As of December 31, 2002, they had total outstanding debt amounting to $196.0 billion.

Domestic banks, with 77% of their loan portfolio outstanding to large borrowers, experienced a decline in their market share. It fell to 54.7% in 2002 from 56.8% two years earlier.

The next largest suppliers were finance companies, other banks, insurance companies and credit unions and caisses populaires.

As debt outstanding to large borrowers has declined since 2000, so have the market shares of most lenders who supply primarily large borrowers.

Insurance companies, which have 96% of their loans with large borrowers, experienced a decline in market share from 11.5% to a 10.7% between 2000 and 2002. Other banks, with 84% of loans to large borrowers, recorded a smaller decline.

Conversely, finance companies and credit unions and caisses populaires posted increases in market

***Note to readers***

*Statistics Canada conducts the Survey of Suppliers of Business Financing in partnership with Industry Canada and the Department of Finance as part of a larger program of research into financing for small- and medium-sized enterprises. Since most suppliers of financing do not track the employment size of their business clients, they were asked to group their clients by authorization size, that is, by the maximum amount they were allowed to borrow. Note that authorization size is not a measure of business size.*

*The survey was based on a census of enterprises in selected finance and leasing industries, including government business enterprises, with assets of $5 million or more. Excluded from the survey were government programs, private not-for-profit organizations, informal suppliers such as business "angels" and family members, and foreign suppliers.*

***Domestic banks** include the six large domestic banks and several smaller ones as defined by the Office of the Superintendent of Financial Institutions.*

***Other banks** include foreign banks, trust companies and all other deposit-accepting institutions except **credit unions and caisses populaires**, which appear in their own category.*

***Finance companies** include non-deposit accepting enterprises that provide financing to businesses, often for the purchase of goods and services. Debt financing is commonly provided; however, companies that purchase accounts receivable or provide both debt and lease financing are also included here. Examples include the acceptance companies of vehicle and equipment manufacturers, factoring companies and many government business enterprises. Enterprises providing only lease financing are usually classified as leasing companies.*

***Portfolio managers, venture capital companies and financial funds** include enterprises typically engaged in managing or investing pools of assets. Examples include mutual fund companies, investment advisors, venture capital companies, labour-sponsored venture capital funds, mutual funds and segregated funds.*

***Insurance companies** include life, health, and property and casualty insurers and re-insurers.*

***Leasing companies** include enterprises providing lease financing, usually for vehicles or equipment.*

share as their loan portfolios continued to be focussed on small borrowers.

The market share of finance companies, whose loan portfolio is evenly split between smaller and large borrowers, rose to 11.8% from 10.2%.

Credit unions and caisses populaires, with 71% of their loan business with smaller borrowers, saw their market share rise to 8.6% from 7.3%.

**Improvement in loss rates**

Suppliers reported total losses of $2.1 billion on their business lending in 2002, a substantial drop from the year-earlier level of $2.7 billion. Credit losses in 2001 and 2002 originated from volatility in the telecommunications, energy and aerospace sectors.

The loss rate, that is, total losses in 2002 as a percentage of total debt outstanding at December 31, 2002, improved to 0.59% from 0.76% the year before.

Most suppliers saw their loss rates decline in 2002 from the previous year. Exceptions included the domestic banks, which saw loss rates increase to 0.50% from 0.46%, and finance companies, where rates rose to 0.71% from 0.65%.

Loss rates also fell across all authorization sizes in 2002, although they generally remained higher for lending to smaller borrowers compared to large borrowers.

**Leasing showed growth**

Lease amounts outstanding grew for the second consecutive year, posting an increase of 4.2% to $22.8 billion in 2002. This followed growth of 8.3% in 2001.

Finance companies led the way. They reported a 15.7% jump in amounts outstanding in 2002. Two healthy years of growth have propelled the share of the leasing market held by finance companies from 40.6% in 2000 to 47.2% in 2002.

Domestic banks were the next largest suppliers of lease financing, as they accounted for 29.1% of total amounts outstanding. They reported only a small 1.0% increase in amounts outstanding in 2002 and, consequently, saw their market share slip from the year-earlier level of 30.1%.

**Definitions, data sources and methods: survey number 2514.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mike Paju (613-951-1522; *mike.paju@statcan.ca*) or Bruno Morin (613-951-0396; *bruno.morin@statcan.ca*), Industrial Organization and Finance Division.

## Debt outstanding
As of December 31

| | 2000[r] | 2001[r] | 2002 | 2000 to 2001 | 2001 to 2002 |
|---|---|---|---|---|---|
| | amount ($ billions) | | | % change | |
| **Authorization size** | | | | | |
| Less than $50,000 | 8.5 | 8.7 | 9.4 | 1.9 | 7.7 |
| $50,000 to $249,999 | 35.4 | 36.3 | 37.2 | 2.6 | 2.4 |
| $250,000 to $999,999 | 49.4 | 49.6 | 50.3 | 0.4 | 1.4 |
| $1 million and more | 269.4 | 265.3 | 261.6 | -1.5 | -1.4 |
| **Total** | **362.7** | **359.9** | **358.5** | **-0.7** | **-0.4** |

[r] *Revised figures.*

## Debt outstanding
As of December 31

| | 2000[r] | 2001[r] | 2002 |
|---|---|---|---|
| | share (%) | | |
| **Type of supplier** | | | |
| Domestic banks | 56.8 | 55.7 | 54.7 |
| Finance companies | 10.2 | 10.8 | 11.8 |
| Other banks | 11.8 | 11.4 | 11.2 |
| Insurance companies | 11.5 | 11.3 | 10.7 |
| Credit unions, caisses populaires | 7.3 | 7.9 | 8.6 |
| Portfolio managers, venture capital companies, financial funds | 2.1 | 2.6 | 2.7 |
| Leasing companies | 0.3 | 0.3 | 0.3 |
| **Total** | **100.0** | **100.0** | **100.0** |

[r] *Revised figures.*

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# Canada's demographic situation: Fertility of immigrant women

Fertility rates among foreign-born women start to decline relatively soon after they arrive in Canada, and eventually reach those of women who were born in Canada, according to a new study in the latest edition of the *Report on the Demographic Situation in Canada*, available today.

This change in fertility levels may be an indicator of how these immigrant women integrate into the mainstream of Canadian society, since their fertility tends increasingly to mirror that of Canadian-born women the longer they live in Canada.

This finding is important because Canada is relying more and more on immigration for its population increase as the rate of natural increase — births in excess of deaths — has declined. Since the mid-1990s, net international migration has accounted for more than one-half the total growth in population.

In 2001, Canada received more than 250,000 immigrants. Nearly 70% of the nation's population growth resulted from international migration in this year. Foreign-born population accounted for 18.4% of Canada's population in 2001, the highest proportion in 70 years.

The study used census data to examine fertility rates of immigrant and Canadian-born women over a quarter of a century.

The fertility rate among immigrant women who arrived from 1996 to 2001 was 3.1 children per woman. In contrast, among women who had arrived in Canada 10 to 14 years earlier, the rate was 1.5. (In 2000, the total fertility rate in Canada was also 1.5 children per woman, the lowest rate on record.)

The study found that the tendency for fertility rates to converge was especially noticeable among women who immigrated before the age of 15, and who therefore received part of their education in Canada.

Fertility rates varied from one place of birth to another. Fertility rates remained high during the 25 year period under study for immigrant women from some regions, such as South Asia, Central-Western Asia and the Middle East.

The study also examined fertility rates among the Canadian-born daughters of immigrant women, the second-generation of Canadians. From 1996 to 2001, the total fertility rate for these daughters was 1.4 children per woman, less than 1.8 children per woman among all first-generation immigrant women.

***Note to readers***

*This release is based on articles in the 2002 edition of the Report on the demographic situation in Canada.*

*The report's first part consists of a comprehensive review of Canada's demographic situation, describing recent trends in population growth, marriages, divorces, fertility, abortions, mortality and migration.*

*The second part consists of two studies. The first assesses how the fertility of immigrant women evolved between 1976-1981 and 1996-2001. It examines whether the fertility behaviour of immigrant women is tending to converge with that of Canadian-born women, and if so, how rapidly this is occurring for different immigrant groups. It also estimates the fertility of immigrants' children, the second-generation of Canadians.*

*A second study identifies determinants that promote dependence-free aging, an important topic as the large cohorts of baby-boomers grow older.*

## Fertility rates down for both immigrant and Canadian-born women

The 2001 Census enumerated 337,700 children aged less than five who were born in Canada to mothers who had immigrated.

One indication of the higher fertility of these women is the fact that these youngsters accounted for 22% of all children in this age group. This was somewhat larger than the proportion of immigrants in the entire population (18.4%).

During the studied period, fertility rates declined for both Canadian-born women and their immigrant counterparts.

Among Canadian-born women, the rate fell 10% from 1.64 children per woman during 1976–1981, to 1.47 during 1996–2001. During the same time frame, rates for immigrant women also declined 10%, from 2.03 children per woman to 1.82.

The fastest decline occurred among women from southern Europe, whose rates plunged from 2.17 children to 1.62, a 25% decrease.

Even though it has declined steeply, the fertility of Asian-born women was still 29% higher than that of Canadian-born women during 1996–2001. Among Asian-born women, fertility fell from 2.54 children per woman during 1976–1981 to 1.89 during 1996–2001.

Data from the 2001 Census showed that fertility rates among immigrant women from some regions substantially exceeded the level of two children during 1996–2001. These regions were: South Asia (2.5 children per woman); Central-West Asia and the Middle East (2.2); and Africa (2.4).

**Dependence-free aging: Seniors' independence can be prolonged by adopting healthy habits**

Canadian seniors can maintain an independent lifestyle longer if they look after themselves. Beyond individual characteristics over which people have no control, chronic conditions and living habits are major factors influencing the long-term maintenance of independence in old age, according to a second study in this report.

The study used longitudinal data from the National Population Health Survey from 1994 to 2000 to assess factors that determine dependence-free aging for seniors aged 65 or over. It found that some 53% of seniors living in private households who are independent in their activities of daily living in 1994 were still independent six years later.

Seniors who were physically active saw their chances of remaining independent during this six-year period increase by more than 50%, compared with those who did not regularly engage in physical activities. Seniors who have never smoked were almost twice as likely as smokers to maintain their independence.

Among chronic conditions, diabetes, heart disease and bronchitis or emphysema significantly lowered their odds of remaining independent.

The study suggests that promoting good health could help delay — and prevent — the onset of some functional health problems among seniors, thereby making them less dependent on both their family and the public health care system.

**Demographic situation: Lowest fertility rate on record**

This report also provides a comprehensive review of Canada's demographic situation, describing recent trends in population growth, marriages, divorces, fertility, abortions, mortality and migration.

In 2000, Canada's total fertility rate was 1.49 children for every woman, the lowest on record. Fertility in Canada was near the levels of European countries (1.4), but lower than the level observed in the United-States (2.1).

The fertility rate varied between 1.25 children in Newfoundland and Labrador, and 1.79 for women in Saskatchewan.

The decline in fertility rates was especially significant among women aged 20 to 24. In 2000, their rate slipped below the threshold of 60 per thousand for the first time. During the past 30 years, it has fallen by more than one-half.

Fertility was lower in census metropolitan areas than in non-metropolitan areas. The rate for all such urban centres was 1.48 children for every woman, compared with 1.67 in non-metropolitan areas.

All census metropolitan areas east of Oshawa had fertility rates below the national average. St-John's had a fertility rate of 1.24 children per woman. Oshawa had the highest rate (1.66), and Victoria the lowest (1.23).

The 2002 issue of the *Report on the Demographic Situation in Canada* (91-209-XPE, $35) is now available. See *How to order products*.

For more information on the article "The fertility of immigrant women and their Canadian-born daughters," contact Alain Bélanger (613-951-2326), Demography Division.

For information on the article "Healthy aging: The determinants of aging without loss of independence among older Canadians," contact Laurent Martel (613-951-2352), Demography Division. ■

# OTHER RELEASES

## Services indicators

Third quarter 2003

Economic output for services industries advanced 0.4% in the third quarter, rising to a level 2.3% higher than in the third quarter of 2002.

Growth, however, was slower than the 0.7% gain in the first quarter and the 0.5% increase in the second.

An analysis in the latest issue of *Services Indicators* shows that services industries experienced a recovery from the impact of SARS, mad cow disease and the operations in Iraq in the third quarter.

However, unlike the manufacturing sector, many services industries could not recuperate losses incurred as a result of the mid-August power blackout in Ontario. Telecommunication services and arts, entertainment and recreation industries were prime examples.

On the positive side, tourism and travel to Canada from other countries recovered from a sluggish first half. This was reflected in a strong upturn in real output for the traveller accommodation industry which advanced 2.9% from the second quarter. This followed a 9.9% decline in output in the previous quarter.

Total employment in accommodation services also expanded, rising 15.5% from the second quarter. Compared with the third quarter of 2002, employment stood almost 5% higher this quarter.

The food services industry also fared better than average in the third quarter, as output rose 1.2%, its first gain since the third quarter of 2002. Other positive developments were a strong housing market and low interest rates, leading to important gains in real estate services and in financial and insurance industries.

The third quarter issue of *Services Indicators* also contains an article entitled "Building the perfect system: An analysis of the computer system design and related services industries." The study shows that these industries employ about 128,000 people and have been experiencing strong revenue growth in recent years. The vast majority of firms (96%) in these industries are small in size, that is, they have fewer than 10 employees. However, large firms, which represent only 1% of companies in these industries, account for almost half of all employees and revenues earned.

The third quarter 2003 issue of *Services Indicators*, Vol. 10, No. 3 (63-016-XIB, $28/$94; 63-016-XPB, $38/$125) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gaston Levesque (613-951-9344; *levegas@statcan.ca*), Service Industries Division. ■

## Annual Survey of Traveller Accommodation

2002

Data for 2002 for the traveller accommodation industry (NAICS industry category 721, which includes hotels and motor hotels, motels and other accommodation industries) are now available. These data provide information on revenue, expenses, salaries and wages, and profit margin. Also available are the percentage distributions of revenue and expenses by source, employment, and client base.

Tourism continued to be affected by the events of September 11, 2001, as well as the global economic slowdown. More tourists opted for familiar destinations and chose to travel by land rather than air. Tourism spending decreased 1.1% in 2002 compared with the previous year. Airlines and hotels located near airports that depend on long-haul traffic faced difficulties. Spending on passenger air transport dropped 5.6% while hotels located near the airports experienced significant drops in their occupancy rates.

Although some pockets in the tourism sector were harder hit than others, overall the traveller accommodation industry saw increases in revenues and maintained healthy profits. Estimates for all traveller accommodation industries indicate that over 16,400 establishments generated $12.8 billion in operating revenue in 2002. In current dollars, this is an increase of 4.9% over 2001.

The hotels and motels group accounted for 88% of all traveller accommodation revenues, while other traveller accommodations like campgrounds, outfitters, cottages, and bed and breakfasts generated the remaining 12%. For the surveyed establishments, rooms/guest units continued to account for the largest share of revenues, followed by meals and beverages. Over 30% of total operating revenues was spent on salaries, wages and benefits, the most significant operating expense item.

Across the country, performance of the traveller accommodation industry displayed a regional pattern. The eastern provinces enjoyed strong double-digit operating profit margins, and had increased operating revenues, revenues per available room and occupancy rates compared to the previous year. This can be attributed, in part, to a hot, dry summer with perfect weekend weather through the season and a warm September. In addition, heightened marketing initiatives in the Atlantic provinces helped to promote tourism.

Ontario and Quebec each had revenue growth hovering around 6%, and exceeded their profit margins achieved in the previous year. Quebec saw an increase in its number of US visitors in the summer of 2002.

Ontario also had an overall increase in its share of accommodation revenue from foreign clients.

Revenue growth for the western provinces and territories was generally less robust than in the east in 2002. As well, operating profits were comparatively less stellar in Nunavut, Yukon and Manitoba, with margins of 2.9%, 4.5% and 6.9%, respectively. Only Alberta, at 14.1%, exceeded the Canadian average of 12.1%.

The moderate revenue growth in the west can be explained, in part, by the overall decrease in their share of accommodation revenues from foreign visitors. Among the world's top tourism spenders are the United States, Germany and Japan, which were affected by slowdowns in their economies and 9/11-induced travel nervousness. The weather undoubtedly also had an impact on accommodation revenues in the west. Occupancy rates dropped in Saskatchewan and Alberta, which suffered through a devastating prairie drought in 2002. Moreover, the late start to winter in British Columbia with a lack of snow in December resulted in hotel cancellations.

**Available on CANSIM: table 351-0002.**

**Definitions, data sources and methods: survey number 2418.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Veronica Utovac (613-951-0813; *veronica.utovac@statcan.ca*) or Joan Farnworth (613-951-6303; *joan.farnworth@statcan.ca*), Service Industries Division. □

**Selected financial statistics for traveller accommodation**[1]

| | Number of establishments | Operating revenue | Salaries, wages and benefits | Operating expenses | Operating margin |
|---|---|---|---|---|---|
| | | $ millions | | | % |
| Canada | | | | | |
| 2001 | 16,330 | 12,165.4 | 3,649.5 | 10,682.7 | 12.2 |
| 2002 | 16,406 | 12,766.2 | 3,827.2 | 11,218.9 | 12.1 |
| Newfoundland and Labrador | | | | | |
| 2001 | 422 | 155.6 | 52.2 | 136.1 | 12.6 |
| 2002 | 442 | 163.2 | 53.7 | 142.2 | 12.8 |
| Prince Edward Island | | | | | |
| 2001 | 197 | 69.2 | 25.9 | 63.5 | 14.9 |
| 2002 | 214 | 77.9 | 24.4 | 66.3 | 14.0 |
| Nova Scotia | | | | | |
| 2001 | 578 | 302.9 | 94.3 | 263.7 | 12.9 |
| 2002 | 586 | 328.5 | 99.6 | 280.2 | 14.7 |
| New Brunswick | | | | | |
| 2001 | 494 | 206.2 | 66.1 | 182.7 | 11.4 |
| 2002 | 509 | 228.5 | 71.3 | 196.3 | 14.1 |
| Quebec | | | | | |
| 2001 | 3,102 | 1,995.7 | 632.6 | 1,756.6 | 12.0 |
| 2002 | 3,127 | 2,130.3 | 682.2 | 1,865.5 | 12.4 |
| Ontario | | | | | |
| 2001 | 4,865 | 3,943.3 | 1,149.6 | 3,415.8 | 13.4 |
| 2002 | 4,696 | 4,181.4 | 1,223.3 | 3,608.4 | 13.7 |
| Manitoba | | | | | |
| 2001 | 704 | 570.2 | 132.2 | 520.8 | 8.7 |
| 2002 | 705 | 605.1 | 146.4 | 563.4 | 6.9 |
| Saskatchewan | | | | | |
| 2001 | 850 | 452.7 | 122.3 | 403.5 | 10.9 |
| 2002 | 855 | 470.0 | 123.7 | 430.1 | 8.5 |
| Alberta | | | | | |
| 2001 | 1,641 | 1,941.2 | 568.3 | 1,641.0 | 15.5 |
| 2002 | 1,642 | 2,024.6 | 600.3 | 1,738.9 | 14.1 |
| British Columbia | | | | | |
| 2001 | 3,178 | 2,370.0 | 760.1 | 2,148.0 | 9.4 |
| 2002 | 3,320 | 2,405.6 | 762.3 | 2,184.9 | 9.2 |
| Yukon | | | | | |
| 2001 | 170 | 76.5 | 25.4 | 76.3 | 0.2 |
| 2002 | 170 | 70.5 | 18.7 | 67.3 | 4.5 |
| Northwest Territories | | | | | |
| 2001 | 93 | 58.8 | 14.5 | 52.7 | 10.5 |
| 2002 | 97 | 55.8 | 14.5 | 51.2 | 8.4 |
| Nunavut | | | | | |
| 2001 | 38 | 23.2 | 6.0 | 22.1 | 4.5 |
| 2002 | 42 | 24.9 | 7.0 | 24.1 | 2.9 |

[1] *Estimates for the most recent year are preliminary. Preliminary data are subject to revision. As a result of rounding, components may not add to total (where applicable).*

■

## Trends in family income

1980 to 2001

Data on trends in family income for the past two decades are now available in a new electronic publication, *Income Trends in Canada, 1980–2001*.

This publication provides users with 45 multi-dimensional tables containing data from the Survey of Labour and Income Dynamics (SLID), available for the first time directly on the Internet.

These tables include data on various income measures, such as earnings, market income, government transfers, income taxes, and after-tax income. They are broken down by province and 15 selected census metropolitan areas, and by various characteristics, such as age, sex and income quintile. They also include data on the incidence and persistence of low income in Canada.

After reaching a high of 49.9% in 1985, the low income rate for lone-parent families dropped

below 30% for the first time in 2001, reaching a level of 28.6%. Based on after-tax family income, most family types recorded increases in average family income in the 20-year period from 1981 to 2001, even after taking the impact of inflation into account. Elderly families and elderly persons living alone, on average, had about $3,000 more. Families with children had almost $10,000 more. Lone-parent families had almost $5,000 more.

In 2001, after-tax family income rose for the fifth straight year, the result mainly of higher government transfers and lower personal income taxes. After-tax income for families (of two or more) reached an estimated $58,000, up 3.4% after adjusting for inflation, even though average market income changed little in 2001. Government transfers grew for all family types, except female lone-parent families. Government transfers to female lone-parent families have edged down over the last several years, as their average market income has risen.

Also available is the *Survey of Labour and Income Dynamics: A Survey Overview*, which provides information on the purpose, content, methodology and products and services pertaining to SLID. Its HTML, menu-driven format enables users to discover all main elements of the survey, from content to methodology to products and services, in one, easy-to-use document.

Introduced in 1993, SLID is now an important source for income data on Canadian families, households and individuals. SLID's longitudinal dimension allows evaluation of concurrent and often related events. It yields greater insight into the nature and extent of low income in Canada, and the socio-economic shifts that individuals and families live through. It also enables analysis of how these socio-economic shifts vary with changes in paid work, family make-up, receipt of government transfers and other factors.

SLID also provides information on a broad selection of human capital variables, labour force experiences and demographic characteristics such as education, family relationships and household composition.

**Available on CANSIM: tables 202-0101, 202-0102, 202-0201, 202-0202, 202-0301, 202-0401, 202-0403, 202-0404, 202-0501, 202-0601, 202-0603, 202-0701, 202-0702, 202-0704 to 202-0706, 202-0802, 202-0804, 202-0807 and 202-0901.**

**Definitions, data sources and methods: survey numbers, including related surveys, 3502 and 3889.**

*Survey of Labour and Income Dynamics: A Survey Overview* (75F0011XIE, free) is now available online.

*Income Trends in Canada, 1980-2001* (13F0022XIE, $195) is also available online, as well as in its traditional, CD-ROM format (13F0022XCB, $195), released on June 25, 2003.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Client Services (1-888-297-7355; 613-951-7355; *income@statcan.ca*), Income Statistics Division. ■

## Industrial chemicals and synthetic resins

October 2003

Data on industrial chemicals and synthetic resins for October are now available.

**Available on CANSIM: table 303-0014.**

**Definitions, data sources and methods: survey number 2183.**

The October 2003 issue of *Industrial Chemicals and Synthetic Resins*, Vol. 46, no. 10 (46-002-XIE, $6/$51) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; *manufact@statcan.ca*), Manufacturing, Construction and Energy Division. ■

# NEW PRODUCTS

**Income trends in Canada**, 1980–2001
**Catalogue number 13F0022XIE** ($195).

**Industrial chemicals and synthetic resins**, October 2003, Vol. 46, no. 10
**Catalogue number 46-002-XIE** ($6/$51).

**Analytical paper series - Service Industries Division: Research and development in Canada's service sector**, no. 46
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**Services indicators**, Third quarter 2003, Vol. 10, no. 3
**Catalogue number 63-016-XIB** ($28/$94).

**Services indicators**, Third quarter 2003, Vol. 10, no. 3
**Catalogue number 63-016-XPB** ($38/$125).

**Survey of Labour and Income Dynamics - Survey overview**
**Catalogue number 75F0011XIE**
(free).

**Film, video and audio-visual production: data tables**
**Catalogue number 87-010-XIE**
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**Report on the demographic situation in Canada**, 2001–2002
**Catalogue number 91-209-XPE** ($35).

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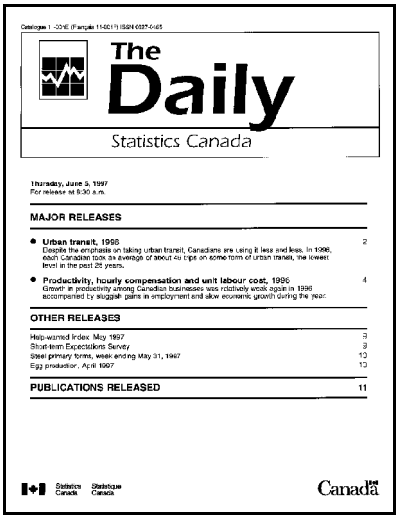

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