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The Daily

Statistics Canada

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MAJOR RELEASES

OTHER RELEASES

MAJOR RELEASES

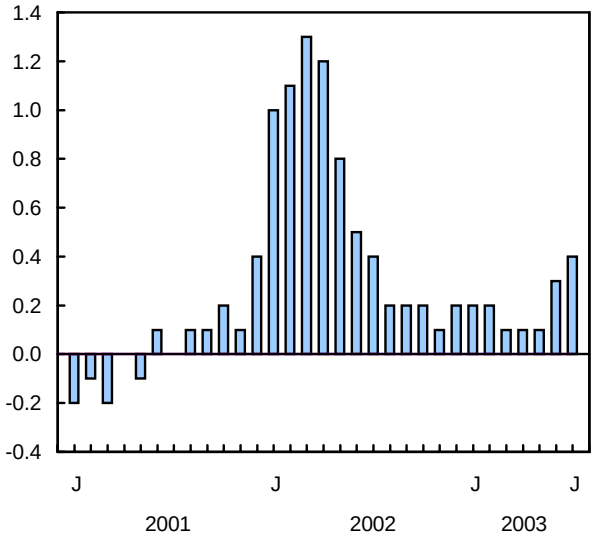
Leading indicators

July 2003

The composite leading index posted its largest increase in a year with a 0.4% gain in July, after a 0.3% advance in June. The improved prospects for growth reflect continued strength in household spending and an upturn in business investment (evident in the upward revision to investment plans at mid-year). Even the export sector picked up after being the source of much of the slowdown so far this year, as the US leading index rose while the exchange rate backed off from its recent highs. The one negative component was due to rising inventories in the manufacturing sector

Composite index

Smoothed % change



All of the indicators related to household demand improved. Housing recorded its third straight increase, as starts of multiple units surged. The strength in housing spilled over into an acceleration of spending on furniture and appliances.

The stock market picked up steam in July, lifting growth over the last four months to its strongest since August 2000.

In manufacturing, rising inventories in export-based industries, where sales slumped, raised the overall ratio of shipments to inventories for the fourth straight month. These industries also led the cuts to production and the average workweek in May. The overall trend of hours worked was stabilized by gains in several consumer-related industries, which hit their highest level on record back to 1991, while new orders turned up.

Available on CANSIM: table 377-0003.

Definitions, data sources and methods: survey number 1601.

A more detailed analysis of the components is available on Statistics Canada's website (*www.statcan.ca*). From the *Canadian statistics* page, choose *Economic conditions*, then click on the banner ad for *Canadian economic observer*. From that page, choose *Issues of CEO*, then *Composite Index*. For more information on the economy, consult the July 2003 issue of *Canadian economic observer*, Vol. 16, no. 7 (11-010-XIB, $17/$170; 11-010-XPB, $23/$227), now available. See *How to order products*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Francine Roy (613-951-3627), Current Economic Analysis Group. □

Leading indicators

	February 2003	March 2003	April 2003	May 2003	June 2003	July 2003	Last month of data available % change
Composite leading indicator (1992=100)	180.5	180.7	180.9	181.1	181.7	182.5	0.4
Housing index (1992=100)[1]	131.3	130.5	129.1	129.3	130.6	131.1	0.4
Business and personal services employment ('000)	2,610	2,623	2,625	2,620	2,627	2,627	0.0
S&P/TSX stock price index (1975=1,000)	6,512	6,530	6,534	6,583	6,665	6,806	2.1
Money supply, M1 ($ millions, 1992)[2]	110,533	109,944	109,899	111,227	112,065	113,398	1.2
U.S. composite leading indicator (1992=100)[3]	110.0	110.1	110.1	110.0	110.1	110.2	0.1
Manufacturing							
Average workweek (hours)	39.2	39.2	39.2	39.2	39.2	39.2	0.0
New orders, durables ($ millions, 1992)[4]	21,474	21,131	20,985	21,034	20,918	21,041	0.6
Shipments/inventories of finished goods[4]	1.78	1.78	1.77	1.76	1.75	1.74	-0.01[5]
Retail trade							
Furniture and appliance sales ($ millions, 1992)[4]	1,822	1,836	1,842	1,848	1,851	1,858	0.4
Other durable goods sales ($ millions, 1992)[4]	7,634	7,608	7,654	7,650	7,666	7,696	0.4
Unsmoothed composite leading indicator	180.9	180.8	181.0	182.0	183.7	185.0	0.7

1 *Composite index of housing starts (units) and house sales (multiple listing service).*
2 *Deflated by the Consumer Price Index for all items.*
3 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.*
4 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the second preceding month.*
5 *Difference from previous month.*

■

Participation in export markets and productivity performance in Canadian manufacturing

1974 to 1996

Companies that expanded into export markets during the 1990s as a result of free trade had a profound impact on the growth of productivity in the country's manufacturing sector, according to a new research paper.

The study, which tracked export activity among manufacturing plants over a two-decade period from 1974 to 1996, showed that a substantial part of total gains in productivity that occurred during the 1990s came from manufacturing plants that were exporters.

These plants accounted for almost three-quarters of productivity growth during the decade, even though they accounted for less than 50% of employment.

The study, released today by Statistics Canada and published in the August issue of the *Canadian Journal of Economics*, showed that more productive plants participate in export markets. Once they become exporters, the more successful plants go through a learning process, and as a result, improve their productivity even further, relative to their counterparts that do not export.

Productivity, measured by output per worker, is closely associated with increases in the standard of living. Productivity grows when firms enhance the amount of capital that each employee can utilize, as well as when firms grow in size. Growth in productivity can also occur as a result of other efficiency improvements.

From 1974 to 1996, the proportion of plants that exported increased from 16% to 24%. At the same time, the proportion of their shipments that went into export markets increased from 24% to 33%.

More productive plants participate in export markets

The study found that the more productive plants generally participate in export markets. Among plants that were initially non-exporters, it was the more productive ones that expanded into export markets, while the less productive plants remained non-exporters.

As well, among the plants that were in export markets, the more productive ones were more likely to remain there.

Becoming a participant in export markets improved a plant's productivity even further. The study showed that there is a learning process at work that builds on existing plant history. After entry to export markets, productivity growth was higher for the plants that entered these markets than for plants that did not enter export markets.

Note to readers

The report Participation in export markets and productivity performance in Canadian manufacturing *examines the relationship between productivity of a manufacturing plant and its participation in exporting activities. It uses a longitudinal database for the Canadian manufacturing sector to track plants between 1974 and 1996, and to examine the size of their exports for select years during this period.*

To examine this relationship, the study divided plants into four groups for each of four periods: 1974–1979; 1979–1984; 1984–1989; and 1990–1996. The four groups are plants that continuously exported over a period, plants that entered export markets during a period, plants that exited export markets during a period, and those that never exported during a period.

These improvements became larger over the last three decades, as trade liberalization intensified.

Exporting had a second effect on productivity growth. For those plants that exported continuously throughout each period, productivity increased more rapidly when the export intensity of these plants, that is, the ratio of exports to production, increased.

Gains from exporting varied across plant types

The productivity gains from moving into export markets were greater for domestic-controlled plants than for foreign-controlled ones. They were also greater for younger plants than for older plants.

Younger plants and domestic plants were more likely to benefit from information gain during exposure to foreign markets, because their information acquisition systems were less fully developed than those of either older or foreign-owned plants.

Entry to export markets was not the only factor associated with faster productivity growth. An increase in export intensity of plants that were continuous exporters was also associated with improved productivity performance. In this case, both domestic- and foreign-controlled plants showed faster productivity gains.

While this study demonstrated that participation in export markets improved productivity, it did not fully answer how this occurred. However, one source may be accumulation of capital, in that exporting activities are associated with a transformation of production processes from being less capital intensive to more capital intensive. Future studies will explore sources of productivity gains from exporting.

The economic analysis research paper *Participation in export markets and productivity performance in Canadian manufacturing* (11F0027MIE2003011, free) is now available on Statistics Canada's website

(*www.statcan.ca*). From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *National accounts*.

Also available on Statistics Canada's website is information on related papers on productivity (*www.statcan.ca/english/studies/eaupdate/prod.htm*) as well as on trade (*www.statcan.ca/english/studies/eaupdate/trade.htm*).

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588) or Wulong Gu (613-951-0754), Micro-economic Analysis Division. ■

OTHER RELEASES

Apartment Building Construction Price Index

Second quarter 2003

The composite price index for apartment building construction (1997=100) was 116.7 in the second quarter, up 0.7% from the first quarter and 2.9% from the second quarter of 2002, the same year-to-year increase as those of the previous two quarters.

Ottawa recorded the highest quarterly change (+1.3%), followed by Halifax and Toronto (both +1.1%), Edmonton and Calgary (both +0.6%) and Montréal (+0.4%). Vancouver showed a drop of 0.1%.

Ottawa also saw the highest year-to-year gain from the second quarter of 2002 (+4.3%), followed by Toronto (+4.2%), Calgary (+3.3%), Edmonton (+3.0%), Halifax (+2.6%), Montréal (+2.4%) and Vancouver (+0.9%).

Apartment Building Construction Price Index
(1997=100)

	Second quarter 2003	Second quarter 2002 to second quarter 2003	First quarter to second quarter 2003
		% change	
Composite	**116.7**	**2.9**	**0.7**
Halifax	112.8	2.6	1.1
Montréal	116.6	2.4	0.4
Ottawa	121.8	4.3	1.3
Toronto	124.6	4.2	1.1
Calgary	120.7	3.3	0.6
Edmonton	118.3	3.0	0.6
Vancouver	109.4	0.9	-0.1

Note: The apartment building construction price indexes provide an indication of new construction cost changes in seven major urban areas across Canada (Halifax, Montréal, Ottawa, Toronto, Calgary, Edmonton and Vancouver).

Besides each of the urban areas' indexes and the composite index, there are further breakdowns of cost changes by trade groups within the building (structural, architectural, mechanical and electrical). These price indexes are derived from surveys of general and special trade-group contractors who report on the categories of costs (material, labour, equipment, taxes, overhead and profits) relevant to the detailed construction specifications included in the surveys.

Available on CANSIM: table 327-0040.

Definitions, data sources and methods: survey numbers, including related surveys, 2317 and 2330.

The second quarter 2003 issue of *Capital expenditure price statistics* (62-007-XPB, $24/$79) will be available in October. See *How to order products*.

For more information or to enquire about the concepts, methods and data quality of this release, contact Rebecca McDougall (613-951-9606; fax: 613-951-1539; *infounit@statcan.ca*), Prices Division. ■

Steel pipe and tubing

June 2003

Data on production and shipments of steel pipe and tubing are now available for June.

Available on CANSIM: table 303-0003.

Definitions, data sources and methods: survey number 2105.

The June 2003 issue *Production and shipments of steel pipe and tubing*, Vol. 27, no. 6 (41-011-XIB,$5/$47) 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. ■

Coal and coke statistics

May 2003

Data on coal and coke are now available for May.

Available on CANSIM: tables 303-0016 and 303-0017.

Definitions, data sources and methods: survey numbers, including related surveys, 2003 and 2147.

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; *energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Restaurants, caterers and taverns

June 2003

Total receipts of restaurants, caterers and taverns in June were an estimated $2.89 billion, down 0.4% from the June 2002 estimate.

Available on CANSIM: table 355-0001.

Definitions, data sources and methods: survey number 2419.

The June 2003 issue of *Restaurant, caterer and tavern statistics* (63-011-XIE, $6/$55) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts methods or data quality of this release, contact Bill Birbeck (613-951-3506), Services Industries Division. ■

NEW PRODUCTS

Infomat — a weekly review, August 15, 2003
Catalogue number 11-002-XIE ($3/$109).

Infomat — a weekly review, August 15, 2003
Catalogue number 11-002-XPE ($4/$145).

Economic analysis research paper series: Participation in export markets and productivity performance in Canadian manufacturing, no. 11
Catalogue number 11F0027MIE2003011
(free).

Environmental protection expenditures in the business sector, 2000
Catalogue number 16F0006XIE
(free).

Monthly Survey of Manufacturing, June 2003, Vol. 57, no. 6
Catalogue number 31-001-XIE ($15/$147).

Production and shipments of steel pipe and tubing, June 2003, Vol. 27, no. 6
Catalogue number 41-011-XIB ($5/$47).

Industry price indexes, June 2003, Vol. 29, no. 6
Catalogue number 62-011-XPE ($22/$217).

New motor vehicle sales, June 2003, Vol. 75, no. 6
Catalogue number 63-007-XIB ($13/$124).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or –XDE are electronic versions on diskette and -XCB or –XCE are electronic versions on compact disc.

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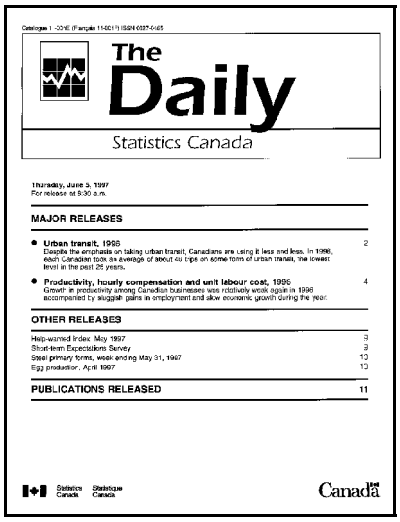

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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 40 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

Help-wanted Index, May 1997 9
Short-term Expectations Survey 9
Steel primary forms, week ending May 31, 1997 10
Egg production, April 1997 10

PUBLICATIONS RELEASED 11

Statistics Canada Statistique Canada

Canada

Statistics Canada's official release bulletin

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RELEASE DATES: AUGUST 18 TO 22

(Release dates are subject to change.)

Release date	Title	Reference period
18	**Canada's international transactions in securities**	June 2003
19	**Consumer Price Index**	July 2003
19	**Livestock statistics**	
20	**Wholesale trade**	June 2003
21	**Retail trade**	June 2003
22	**July 31 estimates of production of principal field crops**	2003