



# Infomat

## A Weekly Review

Friday, March 14, 2003

### INSIDE

#### ◆ University degree still pays, census shows

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#### ◆ Value of building permits reaches a record high

Last year's record activity in building permits has spilled over into 2003. Builders took out a stunning \$4.3 billion in building permits in January, eclipsing the previous monthly record of \$4.0 billion set in October 2002. January's level was 12.3% higher than in December 2002.

#### ◆ Higher returns on investment in the biotech sector

Biotechnology companies are experiencing extremely rapid growth, according to a joint study by Statistics Canada and Industry Canada. New biotechnology products and processes are now reaching the market, and companies are experiencing an increasing return on research and development investment.

## Economy keeps pumping out jobs

Canada's unemployment rate remained unchanged in February at 7.4%, even though the economy pumped out 55,000 new jobs. Since the start of 2002, the economy has created 613,000 new jobs, a growth rate of 4.1%.

The unemployment rate held steady because 54,500 people entered the labour force to look for work.

In contrast, in the United States, the economy lost 308,000 jobs in February, and its unemployment rate edged up to 5.8% from 5.7%.

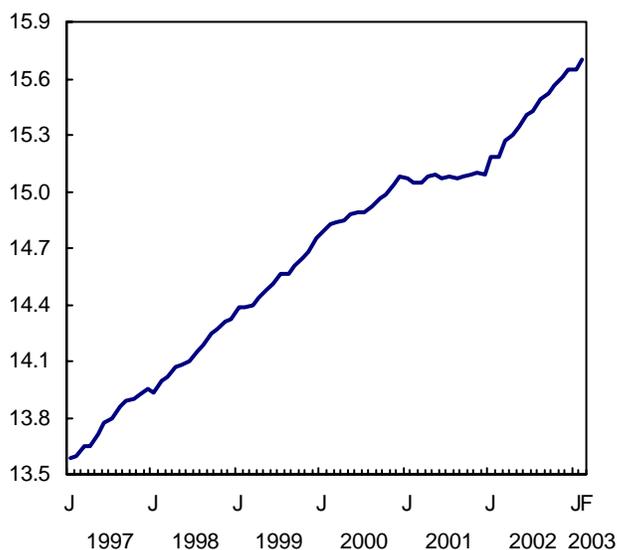
Canada's upward trend in full-time employment continued in February with an increase of 27,500, bringing gains over the last 14 months to an estimated 409,000 (+3.3%).

Part-time employment increased by 27,700, erasing most of the decline in January. Since the start of 2002, there has been strong growth in the number of part-time jobs with gains totalling 204,000 (+7.4%).

*(continued on page 2)*

### Employment

Millions, seasonally adjusted



### Economy keeps pumping... (continued from page 1)

In February, employment among young people aged 15 to 24 rose by 30,000, mostly in full-time. This increase more than offset the decline in January and pushed the youth unemployment rate down to 13.2% from 13.7%. A large share of the youth employment gains in February was among students aged 15 to 19 in Ontario.

There was also added employment in February among adults. For adult women, the increase was 15,000, all in part-time jobs. Among adult men, there was a slight gain of 10,000, nearly all in full-time.

The unemployment rate among adult women was unchanged at 6.1%. Among adult men, it edged up from 6.3% to 6.4%, as more men aged 25 and over joined the labour force in search of work.

Factory employment rose by 21,000, with gains spread across most provinces. The largest increases were in wood and furniture production and in food processing. Manufacturing employment was a pillar of strength over the first eight months of 2002, but it weakened in the later part of the year.

In Ontario, employment increased by 28,000, continuing the upward trend that began in the second half of 2002. The gains in February were among young people, mostly students aged 15 to 19, and adult women. The largest increases were in professional, scientific and technical services, public administration, as well as trade. These increases were only partly offset by a decline in education services. The unemployment rate edged down from 6.8% to 6.7%.

Following strong job growth in 2002, employment in Quebec changed little for the second consecutive month. In February, there were 19,000 more people working part-time, while full-time employment edged down 10,000. The unemployment rate edged up from 8.4% to 8.6%, as more people entered the labour force in search of work.

Employment rose by 12,000 in British Columbia, all in full-time. This increase offset declines over the previous five months,

### Labour Force Survey, February 2003

Seasonally adjusted<sup>1</sup>

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change previous month	'000	rate (%)
<b>Canada</b>	<b>16,960.6</b>	<b>0.3</b>	<b>15,702.8</b>	<b>0.4</b>	<b>1,257.9</b>	<b>7.4</b>
Newfoundland and Labrador	265.0	0.2	218.6	0.7	46.4	17.5
Prince Edward Island	76.5	0.7	67.8	0.3	8.8	11.5
Nova Scotia	478.0	-0.2	435.4	0.3	42.6	8.9
New Brunswick	392.2	0.8	350.2	0.2	41.9	10.7
Quebec	3,998.5	0.4	3,655.3	0.2	343.2	8.6
Ontario	6,664.9	0.4	6,219.9	0.5	445	6.7
Manitoba	597.2	0.1	566.7	-0.1	30.5	5.1
Saskatchewan	518.6	0.1	487.6	-0.1	31.0	6.0
Alberta	1,789.7	-0.3	1,699.3	0.2	90.4	5.1
British Columbia	2,180.1	0.6	2,002.0	0.6	178.1	8.2

<sup>1</sup> Data are for both sexes aged 15 and over.

leaving employment in the province at about the same level as in August 2002. Job gains in February were mainly in manufacturing, health care and social assistance, as well as public administration, mostly federal and local government. Even though there were added jobs in the province, the unemployment rate was unchanged in February at 8.2%, the result of an increase in labour force participation.

In Alberta, employment edged up slightly, as an increase of about 8,000 in full-time employment was partly offset by a decline of 4,000 in part-time jobs. This left employment in the province up 59,000, or 3.6%, since the start of 2002.

**Labour force information** (Internet: 71-001-XIE, \$8/\$78) is now available. For general information, contact Client Services (1-866-873-8788; 613-951-4090; labour@statcan.ca). For analytical information, contact Vincent Ferrao (613-951-4750), Labour Statistics Division. (See also "Current trends" on page 7.)

### Continued demand for new housing pushes prices up

The price of a new home in Canada rose 0.3% in January from December, as measured by the New Housing Price Index (1992=100). Compared with January 2002, this index of contractors' selling prices increased 5.1%, sustaining the momentum experienced in December 2002.

Continued demand for new housing, along with increased costs to builders for skilled labour and building materials, helped push prices upward on a national basis.

Thirteen of the 21 urban centres surveyed registered monthly increases. Of the centres with the strongest growth, Saint John–Moncton–Fredericton, Québec, Montréal and St. Catharines–Niagara led the way with increases of 1.2%. Significant increases were also observed in Halifax (+1.0%) and London (+0.9%).

The first quarter 2003 issue of *Capital expenditure price statistics* (paper: 62-007-XPB, \$24/\$79) will be available in July. For more information, contact Rebecca McDougall (613-951-9606; infounit@statcan.ca), Prices Division.

## University degree still pays, census shows

**A**verage annual earnings surpassed \$30,000 for the first time in 2000, as working Canadians began reaping the benefits of globalization and the knowledge-based economy, according to new data from the 2001 Census. The census showed clearly that higher education is a gateway to higher earnings.

Average earnings among the more than 16.4 million people aged 15 and over who had employment income in 2000 was \$31,757, up from \$29,596 in 1990 and \$29,229 in 1980.

Among individuals who worked on a full-time basis for a full year, earnings in 2000 were \$43,231, compared with \$41,013 a decade earlier.

The gain in average earnings during the past decade was the result of three factors: the demand for highly skilled workers in the face of advancing technologies and globalization; an aging workforce of baby boomers who experienced substantial gains in earnings during the decade; and more working people with university education.

As a result, the number of earners in higher income brackets — those who make \$80,000 or more a year and especially those who make \$100,000 or more — soared during the 1990s.

At the same time, the number of individuals making \$20,000 or less a year represented four out of every 10 people with employment income in Canada. This is essentially the same

proportion as in 1990. Although 59% of these low earners who worked full-time had a high school education or less, about 16% had completed a university education.

In 2000, women aged 15 and over who had employment income made 64 cents for every \$1 earned by their male counterparts. The gap was smaller for younger women. In 1980, women earned only 52 cents on the dollar.

The census showed that a university education still pays. More than 60% of people in the lowest earnings category did not have more than a high school education in 2000, while more than 60% of those in the top category had a university degree.

Canada's university graduates continued to earn the most. In 2000, they made on average \$25,545 more than full-time workers with just a high school diploma.

Data showed university-educated people working full-time had average earnings of \$61,823, compared with \$41,825 for college graduates and \$36,278 for those with high school diplomas.

The census also showed that it is older groups with higher education and more work experience who made the most significant earnings gains. A clear generational divide has opened up in the labour market with younger groups on a lower earnings track than older, more experienced groups.

Recent immigrants earned substantially less than their Canadian-born counterparts, even after 10 years in the country. This was true for both immigrants with low levels of education and those with a university degree.

*For more information, contact Media Relations (613-951-4636).*

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### Strong homebuilding demand fuels sawmill shipments

Canadian sawmills shipped 72.5 million cubic metres of lumber in 2002, up 2.8% from 2001. Strong homebuilding demand in Canada was the main factor behind 2002's increase and lessened the impact of the softwood lumber dispute with the United-States.

Despite the countervailing penalties in force throughout most of 2002, the strong demand for lumber in the United States and a favourable exchange rate saw Canadian lumber exports, as measured by the International Trade Division, rise marginally, up 0.7% from 2001.

British Columbia's shipments rose 7.9% in 2002; increases were also reported in the Prairie provinces and Nova Scotia. Quebec (-6.2%) and Ontario (-6.4%), on the other hand, recorded losses in 2002. Lumber shipments decreased marginally in New Brunswick.

*The December 2002 issue of **Sawmills and planing mills** (Internet: 35-003-XIB, \$9/\$86) is now available. For more information, contact the dissemination officer (1-866-873 8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division.*

## Canadians better educated than ever

Canada entered the 21st Century with a population better educated than ever, according to new data from the 2001 Census. The legacy of the 1990s was the tremendous growth in the number of Canadians with a college or university education, a trend that began at the end of the Second World War.

Three developments set the stage for advances in education between 1991 and 2001: first, a labour market preference for skilled workers to compete in a global and technologically advanced economy; second, immigration rules designed to attract highly skilled immigrants; and third, the recession of the early 1990s, which was particularly difficult for Canadian youth.

The increases in education were dramatically apparent for those aged 25 to 34. People from this generation were aged 15 to 24 when the recession of the 1990s hit. Many of them may have opted to stay in school rather than face uncertain prospects in the labour market.

According to the census, 28% of all individuals aged 25 to 34 had university qualifications and 21% held a college diploma. Another 12% had trade credentials. In all, 61% of people in this age group had qualifications beyond high school. In comparison, at the time of the 1991 Census, 49% of those aged 25 to 34 had post-secondary credentials.

This growth has shifted the education profile of the adult population (25 and over) as a whole. From 1991 to 2001, the proportion of adults with university credentials grew from 15% to 20%. Another 16% had a college diploma in 2001, up from

12% a decade earlier. The proportion with a trade certificate remained stable at 12%.

Education levels rose for both men and women. In 2001, 21% of men aged 25 and over were university graduates, up from 17% in 1991. The proportion of male college graduates increased from 10% to 13% over the decade.

The growth among women was even greater. The proportion of university graduates among adult women jumped from 14% in 1991 to 20% in 2001. About 18% had college credentials in 2001, up from 14%.

In all, the number of Canadians aged 25 and over with university, college or trade credentials grew by 2.7 million, a 39% increase and more than 2.5 times the population growth for that same age group.

In 2001, 1.1 million people in the working-age population (25 to 64) had doctorates, master's degrees or other qualifications above the bachelor level, such as degrees in law, medicine, dentistry and veterinary science. This was a 50% increase from 750,000 in 1991.

In terms of field of study, changes during the decade reflect increasing numbers of students choosing technology and business fields. Of the 1.2 million increase in university graduates from 1991 to 2001, about 12% had graduated in business and commerce. Another 11% had studied engineering.

The census also revealed that 61% of working-age immigrants who arrived in the 1990s had trade, college or university credentials in 2001.

*For more information, contact Media Relations (613-951-4636).*

## Value of building permits reaches a record high

Last year's record activity in building permits has spilled over into 2003. Builders took out a stunning \$4.3 billion in building permits in January, eclipsing the previous monthly record of \$4.0 billion set in October 2002. January's level was 12.3% higher than in December 2002.

Feverish construction intentions for new housing, both single-family and multi-family dwellings, were responsible for this new peak.

The value of building permits in the residential sector hit a monthly record of \$2.8 billion. This was up 14.4% from December, and 7.2% higher than the previous record set in April 2002.

Builders took out \$2.0 billion worth of single-family permits in January, up 11.5% from December and 6.3% higher than the previous record set in October 2002. It was the fifth monthly gain in the last six months.

Construction intentions for multi-family dwellings increased 21.8% to \$838 million, the second highest level on record.

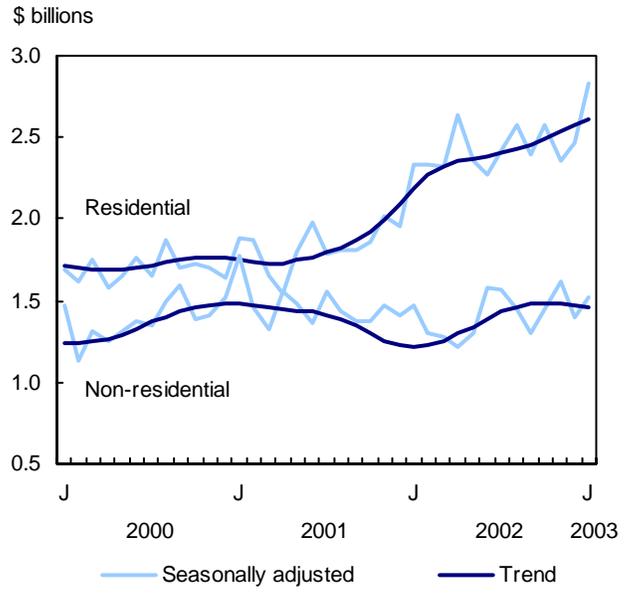
Conditions enticing consumers to enter the new home market are still in place and help to explain the good results in January. Mortgage rates are low and have a positive impact on the affordability of housing.

The largest contribution to the monthly gain (in dollars) in the residential sector came from Ontario (+24.4%), largely the result of a jump in multi-family permits in the Toronto area. Quebec came second (+45.6%). In Quebec, this level was the highest on record; in Ontario, only the April 2002 level was higher. Manitoba and Saskatchewan also set new monthly records in the value of housing permits in January.

On the non-residential side, municipalities issued permits worth \$1.5 billion, up 8.7% from December.

Commercial construction intentions fuelled the gain in non-residential permits for January. The value of commercial permits

Value of building permits



jumped 52.6%, the highest value since January 2001. This increase was largely the result of gains in the office building and trade and services categories.

Intentions in the industrial component declined 18.6% to \$253 million; manufacturing buildings showed the greatest loss. Institutional intentions plunged 25.4% to \$374 million, pushed down by the medical and hospital category.

*The January 2003 issue of **Building permits** (Internet: 64-001-XIE, \$14/\$145) is now available. To order data, contact Vere Clarke (1-800-579-8533; 613-951-6556). For more information, contact Étienne Saint-Pierre (613-951-2025), Investment and Capital Stock Division.*

## Higher returns on investment in the biotech sector

**B** iotechnology companies are experiencing extremely rapid growth, according to a joint study by Statistics Canada and Industry Canada using data from the Biotechnology Use and Development Survey for 1997 and 1999.

New biotechnology products and processes are now reaching the market, and companies are experiencing an increasing return on research and development investment in biotechnology.

In 1999, almost 6,600 biotechnology products were on the market, compared with only 1,758 in 1997. This increase is also reflected in revenues.

Biotechnology revenues of large firms (those with more than 150 employees) amounted to \$1.4 billion in 1999. This was more than 3.5 times the level two years earlier. Revenue from exports also more than tripled during the same period.

In 1997, for every \$1 spent in the past on research and development in biotechnology, firms earned \$1.65 in revenues. By 1999, this figure was \$2.36.

Spending on research and development in biotechnology is concentrated in the human health sector. From 1997 to 1999, spending on research and development in this sector went up about \$294 million. Biotechnology revenues in this sector alone reached more than \$1 billion in 1999, and about 97 out of 225 firms that declared biotech revenues came from this sector. There is also growing activity in the agriculture and food processing sector.

Small firms (those with fewer than 50 employees) face a serious commercialization challenge. Most of them are low-revenue earners, and their biggest challenge is bringing their products onto the market.

The study shows that revenue earning and spending on research and development are directly and positively linked to a firm's size. As a result, small firms will likely face continued pressure for consolidation or strategic alliances. As firms grow larger, they are likely to increase the amount they spend on biotechnology research and development, and earn more revenues.

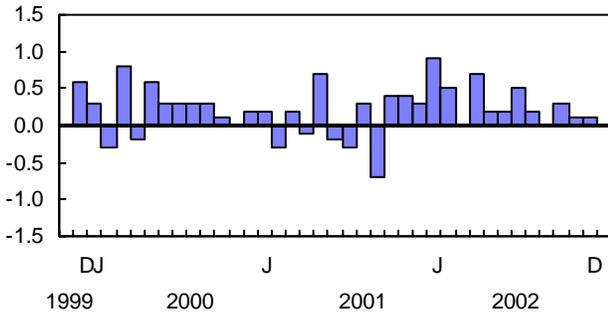
*The study **How is the Canadian biotechnology evolving?** (88F0006XIE, free) is now available on Statistics Canada's website ([www.statcan.ca](http://www.statcan.ca)). For more information, contact Namatié Traoré (613-951-4489), Science, Innovation and Electronic Information Division.*



## Current trends

### Gross domestic product

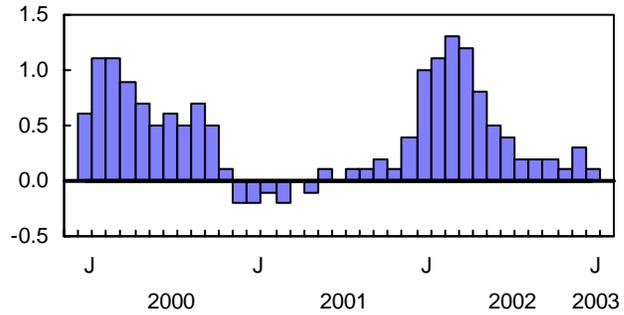
% change, previous month



Total economic activity edged up 0.1% in December, the same as in November.

### Composite Index

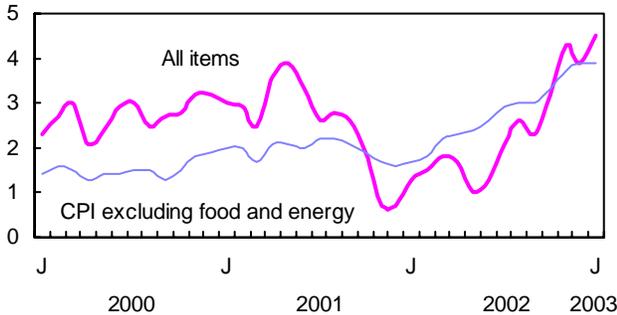
% change, previous month



The leading indicator grew 0.1% in January after rising 0.3% in December.

### Consumer Price Index

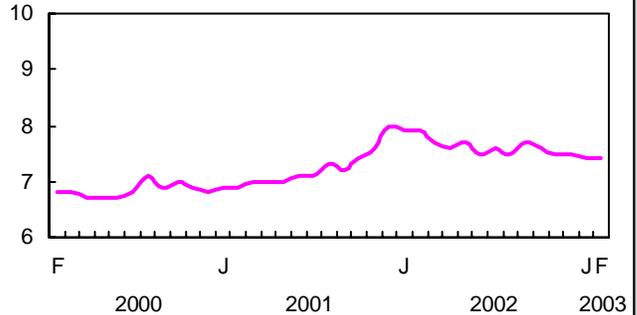
% change, previous year



Consumer prices for goods and services were 4.5% higher in January than they were a year earlier. Excluding food and energy, prices rose 3.9%.

### Unemployment rate

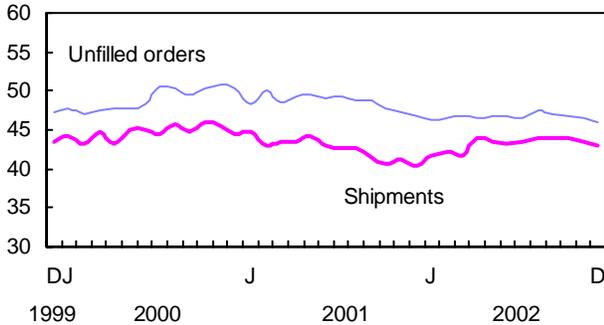
%



In February, the unemployment rate was unchanged at 7.4%.

### Manufacturing

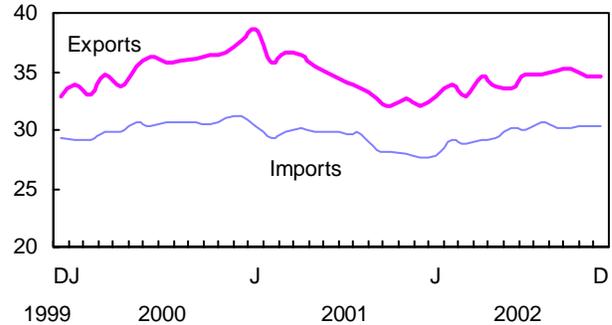
\$ billions



Manufacturers' shipments declined 0.9% in December to \$43.0 billion. The backlog of unfilled orders declined 1.1% to \$46.0 billion.

### Merchandise trade

\$ billions



In December, the value of merchandise exports fell 0.3% to \$34.5 billion. Imports rose 0.5% to \$30.4 billion.

Note: All series are seasonally adjusted except the Consumer Price Index.

## Latest statistics

	Period	Level	Change, previous period	Change, previous year
<b>GENERAL</b>				
Gross domestic product (\$ billions, 1997) <sup>1</sup>	December	989.2	0.1%	3.8%
Composite Index (1992=100)	January	180.1	0.1%	6.6%
Operating profits of enterprises (\$ billions)	Q4 2002	41.9	5.1%	32.8%
Capacity utilization rate (%) <sup>2</sup>	Q4 2002*	82.9	-0.2†	2.5†
<b>DOMESTIC DEMAND</b>				
Retail trade (\$ billions)	December	25.9	0.2%	3.7%
New motor vehicle sales (thousands of units)	January*	129.0	-14.1%	-11.8%
Wholesale trade (\$ billions)	December	36.1	0.3%	9.1%
<b>LABOUR</b>				
Employment (millions)	February*	15.7	0.4%	3.4%
Unemployment rate (%)	February*	7.4	0.0†	-0.4†
Participation rate (%)	February*	67.5	0.2†	1.1†
Average weekly earnings (\$)	December	685.42	0.21%	2.17%
Help-wanted Index (1996=100)	February	111.4	-0.2%	-11.5%
Regular Employment Insurance beneficiaries (in thousands)	December	547.8	-0.5%	-2.1%
<b>INTERNATIONAL TRADE</b>				
Merchandise exports (\$ billions)	January*	35.0	1.3%	6.3%
Merchandise imports (\$ billions)	January*	30.0	-1.3%	8.0%
Merchandise trade balance (all figures in \$ billions)	January*	4.9	0.8	-0.2
<b>MANUFACTURING</b>				
Shipments (\$ billions)	December	43.0	-0.9%	6.6%
New orders (\$ billions)	December	42.5	-1.6%	7.0%
Unfilled orders (\$ billions)	December	46.0	-1.1%	-1.7%
Inventory/shipments ratio	December	1.47	0.02	-0.08
<b>PRICES</b>				
Consumer Price Index (1992=100)	January	121.4	0.8%	4.5%
Industrial Product Price Index (1997=100)	January	108.4	0.3%	2.0%
Raw Materials Price Index (1997=100)	January	125.6	5.2%	22.2%
New Housing Price Index (1992=100)	January*	113.1	0.3%	5.1%

*Note:* All series are seasonally adjusted with the exception of the price indexes.

\* new this week

† percentage point

<sup>1</sup> 1997 replaces 1992 as the base year used in determining prices for gross domestic product by industry. Also, valuation has been changed from factor cost to basic prices.

<sup>2</sup> Calculation of the rates of capacity use is now based on the 1997 North American Industry Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.

# Infomat

## A weekly review

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## Products released from March 6 to 12, 2003

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
<b>AGRICULTURE</b>			
Cereals and oilseeds review	December 2002	22-007-XIB	11/112
Cereals and oilseeds review	December 2002	22-007-XPB	15/149
Farm product price index	December 2002	21-007-XIB	free
Production of eggs	January 2003	23-003-XIB	free
<b>INTERNATIONAL TRADE</b>			
Exports by commodity	December 2002	65-004-XMB	37/361
Exports by commodity	December 2002	65-004-XPB	78/773
<b>INVESTMENT AND CAPITAL STOCK</b>			
Building permits	January 2003	64-001-XIE	14/145
<b>LABOUR STATISTICS</b>			
Employment, earnings and hours	December 2002	72-002-XIB	24/240
Labour force information, week ending February 15, 2003		71-001-XIE	8/78
<b>MANUFACTURING, CONSTRUCTION AND ENERGY</b>			
Cement	January 2003	44-001-XIB	5/47
Construction type plywood	December 2002	35-001-XIB	5/47
Electric power statistics	December 2002	57-001-XIB	9/85
Production and disposition of tobacco products	January 2003	32-022-XIB	5/47
Sawmills and planing mills	December 2002	35-003-XIB	9/86
<b>PRICES</b>			
Capital expenditure price statistics	Q3 2002	62-007-XPB	24/79
<b>PUBLIC INSTITUTIONS</b>			
Public sector statistics	2001-2002	68-213-XIE	46
<b>SCIENCE, INNOVATION AND ELECTRONIC INFORMATION</b>			
How is the Canadian biotechnology evolving: A comparison of the 1997 and 1999 Biotechnology Use and Development Surveys		88F0006XIE	free
<b>TRANSPORTATION</b>			
Monthly railway carloadings	October 2002	52-001-XIE	8/77

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