



Infomat

A Weekly Review

Friday, October 18, 2002

INSIDE

◆ New motor vehicle sales rebound

After two months of decreases, new motor vehicle sales turned around in August. Sales rose 4.1%, erasing declines in June and July. Sales of 145,748 new vehicles were reported in August, bringing sales to a level exceeded only in December 2001 and January 2002.

◆ Non-residential construction reaches record high

Investment in non-residential construction reached a record high in the third quarter, as the private and public sectors both increased spending. Overall, businesses and governments spent nearly \$6.7 billion in the third quarter, up 3.5% from the second.

◆ Consumers shopping more online

An estimated 2.2 million households spent almost \$2 billion shopping on the Internet in 2001, according to the Household Internet Use Survey. These households placed 13.4 million orders over the Internet from various locations.

Employment gains all in part-time jobs

Employment increased by 41,000 in September, all in part-time work and mainly in Ontario. Despite the employment gain, the unemployment rate rose 0.2 percentage points to 7.7%, as more people entered the labour market in search of work.

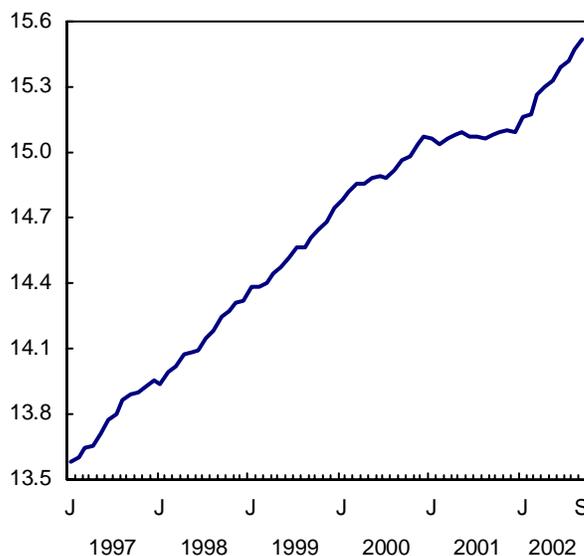
So far in 2002, employment has increased by 2.8%, with gains totalling 427,000. Over this nine-month period, full-time employment rose 2.1% and the number of workers employed part-time grew by 6.2%.

Despite a slight loss of 17,000 jobs in September, manufacturing remains a major source of strength with gains totalling 132,000 since the beginning of 2002. The strength in manufacturing employment contrasts with the United States, where the number of factory jobs has fallen 2.4% over the first nine months of 2002.

(continued on page 2)

Employment

Millions, seasonally adjusted



Employment gains... (continued from page 1)

Employment advanced by 30,000 in transportation and warehousing, with gains concentrated in trucking. Health care and social assistance employment increased by 20,000 in September, offsetting the decline in August. Since the start of 2002, employment in this industry has climbed 4.2%.

Professional, scientific and technical services employment rose by 16,000 in September. This brings year-to-date gains to 4.4%, most of which occurred in Quebec and British Columbia.

Employment strength among adult women continued in September, with a gain of 42,000 jobs, mostly full-time. So far in 2002, employment among adult women has increased by 3.0%. Job gains among adult men have increased 2.5% to 173,000 so far in 2002, with full-time employment up by 143,000.

Almost half of the overall employment gain was among self-employed workers and was concentrated in Ontario. Self-employment has strengthened since March, bringing year-to-date gains to 4.0% after a two-year period of steady losses.

In September, employment rose by 32,000 in Ontario, after an increase of 44,000 in August. This was much stronger than the average monthly increase of 10,000 observed from January to July. The unemployment rate edged up 0.1 percentage points in September to 7.3% as a result of increased labour force participation.

In Quebec, employment edged up 9,000 following declines totalling 21,000 over July and August. Overall employment in the province is up 3.3% so far in 2002, as a result of robust growth in the first half of the year. The unemployment rate in September edged down 0.1 percentage points to 8.4%.

Employment rose by 5,000 in New Brunswick and was spread among several industries. This brought job gains so far in 2002 up 3.4% to 11,000. In September, the unemployment rate fell 0.3 percentage points to 10.2%.

Employment also increased in Saskatchewan, bringing gains over the first nine months of the year to 21,000. Despite the fact

Labour Force Survey, September 2002 Seasonally adjusted¹

| | Labour force | | Employment | | Unemployment | |
|---------------------------|-----------------|--------------------------|-----------------|--------------------------|----------------|------------|
| | '000 | % change, previous month | '000 | % change, previous month | '000 | rate (%) |
| Canada | 16,805.7 | 0.4 | 15,516.7 | 0.3 | 1,289.0 | 7.7 |
| Newfoundland and Labrador | 257.1 | -0.1 | 213.7 | -1.5 | 43.3 | 16.8 |
| Prince Edward Island | 77.5 | 0.8 | 68.3 | 1.3 | 9.3 | 12.0 |
| Nova Scotia | 476.0 | -0.1 | 429.6 | 0.0 | 46.4 | 9.7 |
| New Brunswick | 388.1 | 1.3 | 348.4 | 1.6 | 39.7 | 10.2 |
| Quebec | 3,931.7 | 0.1 | 3,602.5 | 0.2 | 329.2 | 8.4 |
| Ontario | 6,602.9 | 0.7 | 6,119.2 | 0.5 | 483.7 | 7.3 |
| Manitoba | 597.1 | 0.2 | 568.3 | 0.4 | 28.8 | 4.8 |
| Saskatchewan | 515.7 | 1.3 | 487.4 | 1.2 | 28.3 | 5.5 |
| Alberta | 1,779.5 | 0.0 | 1,676.7 | -0.8 | 102.8 | 5.8 |
| British Columbia | 2,180.0 | 0.4 | 2,002.5 | 0.1 | 177.5 | 8.1 |

¹ Data are for both sexes aged 15 and over.

that more people were working, the unemployment rate edged up 0.1 percentage points to 5.5%, as a result of an increase in labour force participation.

In Alberta, employment fell by 13,000, with small declines in a number of industries. In September, the unemployment rate increased 0.7 percentage points to 5.8%.

Employment declined by 3,000 in Newfoundland and Labrador, mostly because of losses in the service-producing industries. The unemployment rate rose 1.1 percentage points to 16.8%

Labour force information (Internet: 71-001-XIE, \$8/\$78), is now available for the week ending September 21. For general information, contact Client Services (1-866-873-8788; 613-951-4090; labour@statcan.ca). For analytical information, contact Geoff Bowlby (613-951-3325) or Vincent Ferrao (613-951-4750), Labour Statistics Division. (See "Current Trends" on page 6.)

Approaching retirement

A new study, based on data from the Survey of Labour and Income Dynamics, shows that almost two in five older workers who ended a full-time career job from 1993 to 1997 began a new job within two years.

Among the younger group aged 50 to 54, 58% of those ending a full-time career job began a new full-time job within two years. These changes may have been part of their career progression. However, 26% still had no job at the end of the two years.

Among those aged 55 to 59, less than one-third left a career job to begin another full-time job and 54% did not work again within the two years, suggesting that they could be early retirees.

Almost 60% of women were likely to remain without a job, compared with almost one-half of men. More than one-third of men began a new full-time job.

The article "Approaching retirement" is available in the September 2002 online edition of *Perspectives on labour and income* (Internet: 75-001-XIE, \$5/\$48). For more information, contact Wendy Pyper (613-951-0381; wendy.pyper@statcan.ca), Labour and Household Surveys Analysis Division.

New motor vehicle sales rebound

New motor vehicle sales rose 4.1% in August, erasing declines in June and July. Sales of 145,748 new vehicles were reported, bringing sales to a level exceeded only in December 2001 and January 2002.

New motor vehicle sales most recently peaked in December 2001. Since then, monthly sales have maintained a high average level of 143,437 units. As a result, sales continued at a record-setting pace during the first eight months of 2002, 10.0% higher than in the same period of 2001.

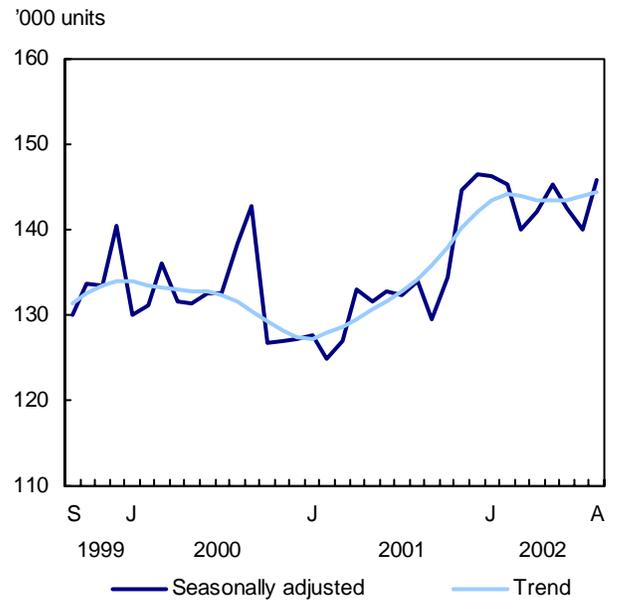
In August, year-end inventory clear-outs and other dealer incentives pushed truck sales up 4.8% to 66,705 vehicles. Before this, sales had fallen 2.5% in June and 2.8% in July. New truck sales have levelled off in recent months, following a period of growth that began in the summer of 2001. Truck sales were stable in the first part of 2001, following a period of declines in the fall of 2000.

Manufacturers reported dealer sales of 79,043 new cars in August, up 3.6% from July. Continued incentives and clearances of 2002 models pushed North American-built car sales up 7.3% in August. In contrast, sales of overseas-built passenger cars fell 4.5%.

In August, new motor vehicle sales were up in most provinces. Manitoba and New Brunswick led the way, with increases of over 10% each. Manitoba's gain pushed sales to new heights, whereas New Brunswick's increase recuperated losses posted in the previous four months.

Newfoundland and Labrador and Ontario each posted a 7.5% gain in August. The surge in sales for Ontario followed a 5.0% drop in July. Newfoundland and Labrador posted a third consecutive sales increase.

New motor vehicle sales



Sales in the region formed by British Columbia and the territories dropped 5.0% and sales in Saskatchewan fell 1.4%. The remaining provinces posted gains in new motor vehicle sales ranging from 2.0% to 3.6%.

*The August 2002 issue of **New motor vehicle sales** (Internet: 63-007-XIB, \$13/\$124) is now available. For general information, contact Client Services (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, contact Elton Cryderman (613-951-0669; elton.cryderman@statcan.ca), Distributive Trades Division.*

Canadian Vehicle Survey

Vehicles covered in the *Canadian Vehicle Survey* travelled an estimated 71.7 billion kilometres in the first quarter. Among them, vehicles weighing less than 4,500 kilograms (and not used as a bus) travelled 65.6 billion kilometres, or 91% of the total during the quarter.

The survey measures the activity of all on-road vehicles registered in Canada with the exception of some vehicles such as motorcycles, construction equipment and road maintenance equipment.

*The first quarter 2002 issue of **The Canadian Vehicle Survey** (53F0004XIE, free) is now available on Statistics Canada's website (www.statcan.ca). From the Our products and services page, choose Free publications, then Transport and warehousing. For more information, contact the Transportation Division (1-866-500-8400; transportationstatistics@statcan.ca).*

Non-residential construction reaches record high

Investment in non-residential construction reached a record high in the third quarter, as the private and public sectors both increased spending. Overall, businesses and governments spent nearly \$6.7 billion in the third quarter, up 3.5% from the second.

This broke the previous record of \$6.5 billion set in the second quarter. Investment rose significantly in all three components - commercial, industrial and institutional. The business sector accounted for 71% of total investment.

Spending on institutional construction amounted to \$2.0 billion, up 3.8%. Investment in commercial construction reached \$3.4 billion, up 2.2%, and spending on industrial buildings rose 6.7% to \$1.3 billion.

At the provincial level, the strongest increase in dollar terms occurred in Ontario, where investment rose 8.2% to \$3.0 billion. Investment in Alberta fell 10.7% to \$659 million.

Non-residential investment rose in 21 of 28 census metropolitan areas. Toronto, Calgary and Montréal recorded the largest decreases; Thunder Bay had the biggest gain. Census metropolitan areas accounted for 67% of total investment in non-residential building construction, practically unchanged from the second quarter.

On a year-to-date basis, investment in non-residential construction from January to September reached \$19.6 billion, 3.9% higher than in the same period of 2001.

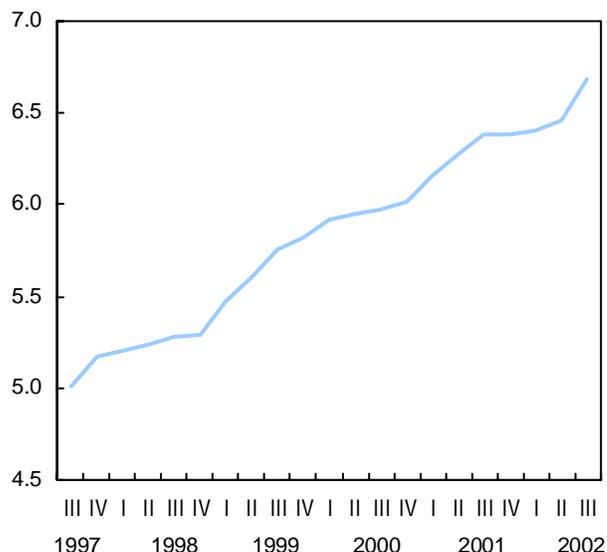
Investment in non-residential construction

Seasonally adjusted

| | Third quarter 2002 | Second quarter to third quarter 2002 |
|---------------------------|-----------------------|--|
| | \$ millions | % change |
| Canada | 6,688 | 3.5 |
| Newfoundland and Labrador | 49 | -29.1 |
| Prince Edward Island | 79 | 9.0 |
| Nova Scotia | 94 | 11.7 |
| New Brunswick | 140 | 0.6 |
| Quebec | 1,620 | 2.8 |
| Ontario | 2,977 | 8.2 |
| Manitoba | 216 | 17.5 |
| Saskatchewan | 174 | -5.4 |
| Alberta | 659 | -10.7 |
| British Columbia | 632 | 3.1 |
| Yukon | 6 | -13.0 |
| Northwest Territories | 26 | -26.5 |
| Nunavut | 16 | 185.9 |

Non-residential building construction

\$ billions, seasonally adjusted



Government investment in non-residential construction increased for the sixth consecutive quarter. At this pace, investment will likely exceed annual record levels. From January to September, governments spent \$5.4 billion on institutional projects, which represents 98% of the total for all of 2001. Growth in the third quarter was led by gains in projects for hospitals, clinics and health units.

The increase in investment in the commercial sector in the third quarter halted a series of four straight quarterly declines. The third-quarter gain was led mainly by an increase in investment in malls, stores and shopping centres, which surpassed growth in the usually stronger office building sector. This reflects the strong performance of the Canadian economy in the last few months, especially in retail sales.

Investment in industrial construction recorded its first increase after two straight quarterly declines. Year-to-date industrial investment at the end of September was up 5.9% from the same period of 2001.

Growth in corporate profits since the beginning of 2002 could have given more autonomy in construction spending. Also, encouraging production outlook from manufacturers that came out of July's Business Conditions Survey could have set favourable conditions for investment decisions.

For more information, contact Valérie Gaudreault (613-951-1165; valerie.gaudreault@statcan.ca), Investment and Capital Stock Division.

Consumers shopping more online

An estimated 2.2 million households spent almost \$2 billion shopping on the Internet in 2001, according to the Household Internet Use Survey (HIUS). These households placed 13.4 million orders over the Internet from various locations.

In 2000, an estimated 1.5 million households spent about \$1.1 billion, placing 9.1 million orders from home.

Direct comparisons with 2000 data cannot be made because the 2001 electronic commerce component of the HIUS was redesigned to be able to capture Internet shopping from households that regularly used the Internet from various locations, solely for household purposes. In previous years, household electronic commerce data were collected only if the Internet shopping was conducted from home.

In 2001, an estimated 4 million households, about one-third of all households in Canada, had at least one member that used the Internet to support purchasing decisions, either by window shopping or by placing orders online.

Just over 57% of these households made a commitment to order, and in four out of five cases paid for items over the Internet.

Survey estimates showed that 7.2 million households, or about 60% of all Canadian households, regularly use the Internet from various access points such as home, work, school, public libraries and other locations.

About 1.7 million households, or 14% of the total, used the Internet to narrow their purchasing decisions, but did not commit

to ordering or purchasing online.

In 2001, 784,000 households used the Internet for the first time to order products, bringing the total number of electronic commerce households to 2.2 million. Almost one-fifth of households placed an order over the Internet from various locations for personal or household consumption.

Households that ordered products or services online in 2001 placed an average of 5.9 orders from any location; the average value of each order was \$148. About 16% of electronic commerce households used the Internet to make travel arrangements. Households also used the Internet to order tickets to concerts, ballet, sporting events or movies.

Households in British Columbia had the highest average expenditure on the Internet in 2001, and those in Quebec had the lowest. This reflects the fact that British Columbia has one of the highest adoption rates for Internet use and that Quebec has one of the lowest.

Households in British Columbia that ordered products online from any location reported an average annual expenditure of \$1,394. The national average for households that ordered products was \$880. In 2001, Ontario households from various locations purchased \$828 million in goods and services over the Internet, accounting for 42% of the \$2 billion total.

For more information, contact Jonathan Ellison (613-951-5882; jonathan.ellison@statcan.ca), Science, Innovation, and Electronic Information Division.

National tourism indicators

Real spending in Canada by foreign and Canadian travellers rose 0.5% from the first quarter. This was the second consecutive quarterly gain, after a dip in tourism spending in 2001. Spending remained 2.6% below the peak reached in the first quarter of 2001.

Spending by Canadian residents in the second quarter, up 1.9% from the first, propelled the recovery in tourism forward. This mirrored the gains in the total Canadian economy over the past two quarters. However, the increase in the domestic market was partly offset by a decline in spending from international visitors.

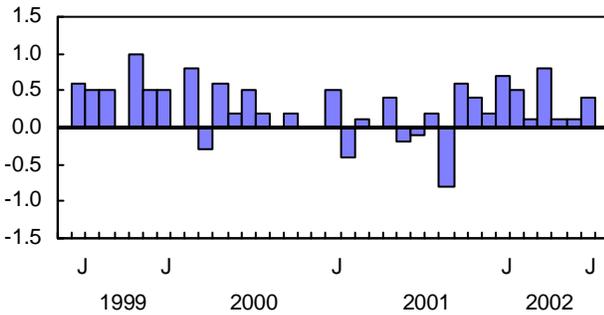
After a large jump in the first quarter, spending by international visitors was down 2.9% in the second quarter. Visits were down from all origins, particularly from Europe and countries other than the United States, down 6.4% from the first quarter; US visits were down 3.1%.

*The second quarter 2002 issue of the **National tourism indicators** (13-009-XIB, free) is now available on Statistics Canada's website (www.statcan.ca). For more information, contact Jacques Delisle (613-951-3796) or Jamie Temple (613-951-0269), Income and Expenditure Accounts Division.*

Current trends

Gross domestic product

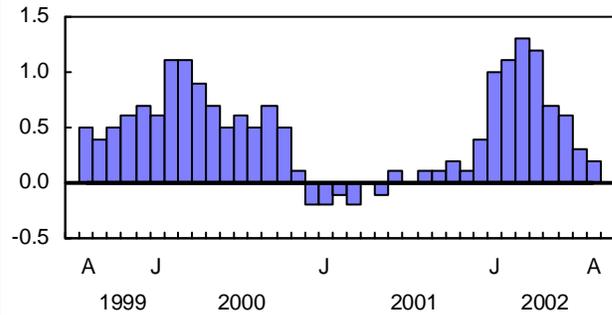
% change, previous month



Total economic activity rose 0.4% in July, following a 0.1% increase in June.

Composite Index

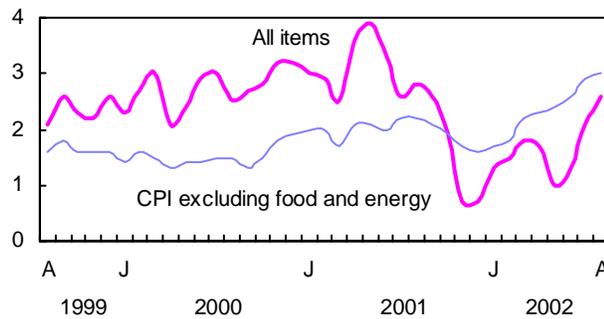
% change, previous month



The leading indicator gained 0.2% in August. Manufacturing continued to account for most of the components that rose.

Consumer Price Index

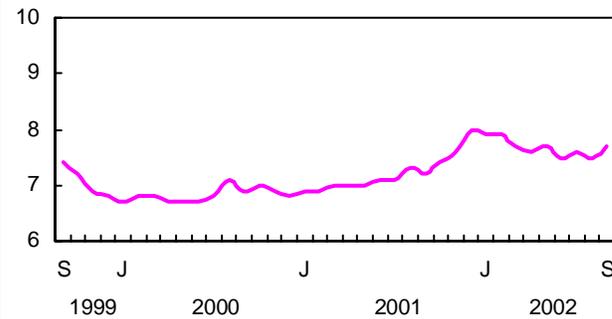
% change, previous year



Consumer prices for goods and services were 2.6% higher in August than they were a year earlier. Excluding food and energy, prices rose 3.0%.

Unemployment rate

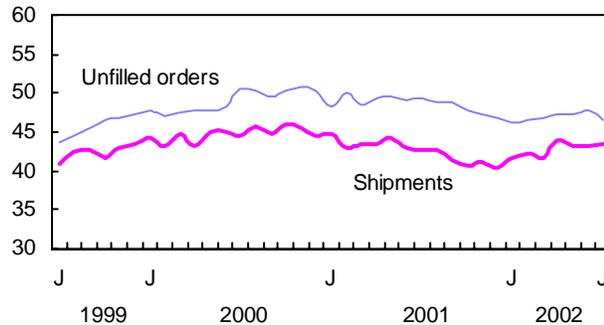
%



In September, the unemployment rate rose 0.2 percentage points to 7.7%.

Manufacturing

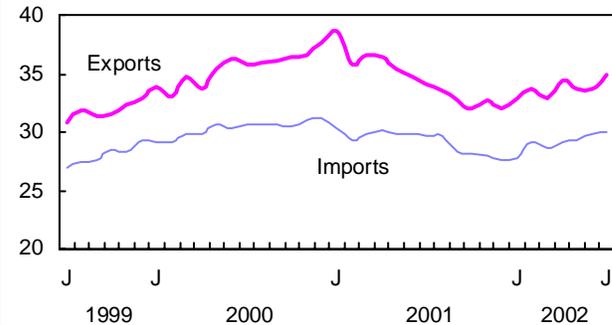
\$ billions



Manufacturers' shipments rose 1.0% in July to \$43.6 billion. The backlog of unfilled orders declined 0.9% to \$46.6 billion.

Merchandise trade

\$ billions



In July, the value of merchandise exports jumped 3.4% to \$34.9 billion. Imports rose 0.2% to \$30.0 billion.

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

Latest statistics

| | Period | Level | Change, previous period | Change, previous year |
|---|------------|--------|----------------------------|--------------------------|
| GENERAL | | | | |
| Gross domestic product (\$ billions, 1997) ¹ | July | 977.9 | 0.4% | 3.4% |
| Composite Index (1992=100) | August | 178.4 | 0.2% | 7.3% |
| Operating profits of enterprises (\$ billions) | Q2 2002 | 38.8 | 10.7% | -0.2% |
| Capacity utilization rate (%) ² | Q2 2002 | 83.2 | 1.3† | -0.1† |
| DOMESTIC DEMAND | | | | |
| Retail trade (\$ billions) | July | 25.6 | -0.3% | 6.5% |
| New motor vehicle sales (thousands of units) | August* | 145.7 | 4.1% | 8.8% |
| Wholesale trade (\$ billions) | July | 34.7 | 0.7% | 4.9% |
| LABOUR | | | | |
| Employment (millions) | September* | 15.5 | 0.3% | 2.9% |
| Unemployment rate (%) | September* | 7.7 | 0.2† | 0.5† |
| Participation rate (%) | September* | 67.2 | 0.2† | 1.4† |
| Average weekly earnings (\$) | July | 677.97 | 0.3% | 1.8% |
| Help-wanted Index (1996=100) | September | 124.2 | -2.1% | -10.4% |
| Regular Employment Insurance beneficiaries (in thousands) | July | 573.2 | 3.9% | 3.8% |
| INTERNATIONAL TRADE | | | | |
| Merchandise exports (\$ billions) | July | 34.9 | 3.4% | 2.5% |
| Merchandise imports (\$ billions) | July | 30.0 | 0.2% | 1.1% |
| Merchandise trade balance (all figures in \$ billions) | July | 4.9 | 1.1 | 0.5 |
| MANUFACTURING | | | | |
| Shipments (\$ billions) | August* | 43.9 | 0.6% | 2.9% |
| New orders (\$ billions) | August* | 44.3 | 3.0% | 5.0% |
| Unfilled orders (\$ billions) | August* | 46.8 | 0.8% | -4.1% |
| Inventory/shipments ratio | August* | 1.43 | 0.01 | -0.08 |
| PRICES | | | | |
| Consumer Price Index (1992=100) | August | 120.1 | 0.4% | 2.6% |
| Industrial Product Price Index (1997=100) | August | 107.6 | 0.6% | 0.4% |
| Raw Materials Price Index (1997=100) | August | 115.8 | 1.1% | 1.5% |
| New Housing Price Index (1992=100) | August | 111.0 | 0.5% | 4.2% |

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

* new this week

† percentage point

¹ 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.

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

Infomat

A weekly review

Published by the Official Release Unit, Communications Division,
Statistics Canada, 10th floor, R.H. Coats Bldg., Ottawa, Ontario, K1A 0T6.

Price per issue: paper, \$4; online at www.statcan.ca, \$3. Annual subscription:
paper, \$145; online, \$109. All prices are in Canadian dollars and exclude
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| Production of eggs | August 2002 | 23-003-XIB | free |
| ANALYTICAL STUDIES | | | |
| The evolution of job stability in Canada: Trends and comparisons to US results, no. 162 | | 11F0019MIE2002162 | free |
| DISTRIBUTIVE TRADES | | | |
| New motor vehicle sales | August 2002 | 63-007-XIB | 13/124 |
| HEALTH STATISTICS | | | |
| Mortality, summary list of causes - Shelf tables | 1999 | 84F0209XPB | 20 |
| INVESTMENT AND CAPITAL STOCK | | | |
| Building permits | August 2002 | 64-001-XIE | 14/145 |
| LABOUR STATISTICS | | | |
| Labour force information, week ending September 21, 2002 | | 71-001-XIE | 8/78 |
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