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Infomat
A Weekly Review

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- **Families in low income at lowest level in 10 years**

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- **Gain in income largest for female lone parents**

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- **Student computer access in Canada among best in world**

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GDP growth levels off

Economic activity levelled off in August, after a strong showing in July. Gross domestic product (GDP) rose for the eleventh month in a row, but this increase was only 0.1%.

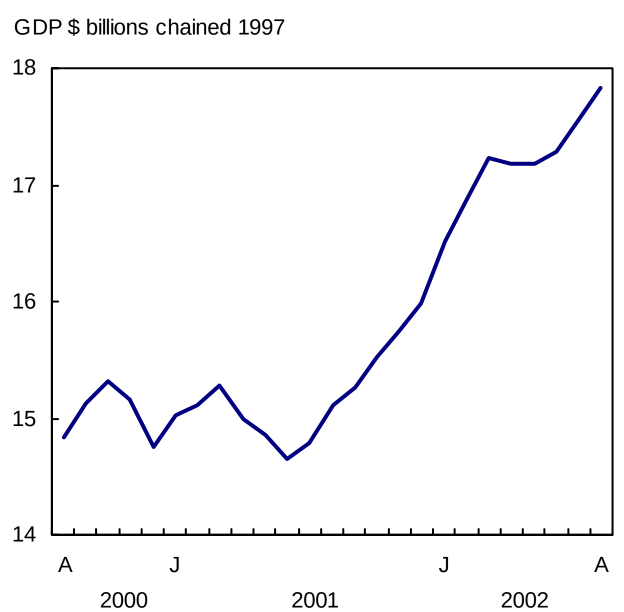
Industrial production fell 0.4% in August after rising 1.6% in July. Lower mining and utilities output more than offset a slight gain in manufacturing.

The mining sector contracted 1.6%, as a result of weakness in the oil patch. Although oil prices reached US$30 a barrel — the highest price since February 2001 — production and exploration in search of new reserves fell in August.

Electricity generation declined 1.7% in August despite record temperatures. Cancelled supplies, unscheduled transmission outages and low water levels were behind this drop.

(continued on page 2)

New house construction continues unabated



GDP growth... *(continued from page 1)*

Manufacturing output edged up 0.1%. Gains by manufacturers of transportation equipment, fabricated metal products, machinery, furniture and food more than compensated for decreased activity by producers of primary metals, printed materials, clothing, computers and electronics.

New home construction advanced a further 1.6% in August. Housing starts soared 6.8%, with the strength evenly divided between single and multiple dwelling starts.

The strength in new home construction continued to stimulate the construction feeder industries such as wood products, glass, glass products, cement, concrete and electric lighting equipment. Manufacturers and wholesalers of household furniture advanced in August, as demand for furnishings to fill new living spaces continued to grow. Demand for new housing also led to increased activity for legal services.

Makers of cars and heavy trucks continued to ramp up production in August. Car buyers flocked to dealerships in droves in August, lured by low interest rates and heavy discounting on 2002 models. The record-setting sales pace depleted inventories at the retail level; this bodes well for future production.

Heavy-truck manufacturers continued to benefit from the implementation of new US emissions standards on diesel engines that came into effect October 1. Fleet operators accelerated the purchase of heavy trucks ahead of the new regulations. Exports of trucks surged 45% in August.

Consumers continued to focus their spending on new houses and cars, but lower spending on other goods and services brought down retail activity for a second consecutive month.

Crop production declined a further 3.5% in August, as western Canada continued to suffer from one of the worst droughts on record. Output is now almost 30% below average 1999 levels. The output of the forestry and logging industry was down for a second consecutive month. Sawmills, still smarting from the recent imposition of softwood lumber duties, reduced their demand for raw material inputs.

The August 2002 issue of ***Gross domestic product by industry*** *(Internet: 15-001-XIE, \$11/\$110) is now available. For general information, contact Yolande Chantigny (1-800-887-4623; imad@statcan.ca). For analytical information, contact Jo Ann MacMillan (613-951-7248; joann.macmillan@statcan.ca), Industry Measures and Analysis Division. (See also "Current trends" on page 6.)*

Canada: A portrait

The 2003 edition of *Canada: A portrait* is a 216-page visual and literary tribute to our land. Its six chapters provide perspective and analytical insights into current trends and issues, and detail challenges and realities we face as a nation, as well as the country's many accomplishments.

Gordon Pinsent, Guy Vanderhaeghe, Nicole Brossard, Rick Mercer, John Kenneth Galbraith and Zacharias Kunuk have each added a personal note of reflection to this portrait.

Canada: A portrait, 2003 *(paper: 11-403-XPE, \$49.95) is now available. For more information, contact Jonina Wood (613-951-1114; woodjon@statcan.ca), Communications Division.*

Innovation analysis bulletin

The October 2002 issue of *Innovation analysis bulletin* features eight articles. The article "Digital divide in Canada" shows that the gap between the haves and have-nots in information and communications technology may be narrowing, but still exists. "The state of telecommunications services in Canada" measures the impact and outcomes of regulatory decisions that have shaped the state of competition within telecommunications services. A third article, "Innovation, growth theory, and the role of knowledge spillovers", discusses the significance of knowledge spillovers, the relation to innovation and growth, and the closely related concept of absorptive capacity.

The October 2002 issue of ***Innovation analysis bulletin*** *(88-003-XIE, free) is now available on Statistics Canada's website (www.statcan.ca). For more information, contact Michael Bordt (613-951-8585; michael.bordt@statcan.ca), Science, Innovation and Electronic Information Division.*

Manufacturers less optimistic about production

Following two quarters of optimism, the mood among manufacturers was more guarded in October. Producers indicated some concerns about lower production prospects and unfilled order levels for the fourth quarter.

The Business Conditions Survey, to which almost 4,000 manufacturers responded, showed 16% of respondents intended to reduce production in the fourth quarter, and eight out of 10 were satisfied with the current level of finished product inventory. More than one-quarter indicated that new orders were on the rise, but satisfaction with the current backlog of unfilled orders slipped.

In October, 81% of manufacturers reported that the current level of finished product inventory was about right. However, 14% of manufacturers stated that inventories were too high and 5% said inventories were too low. According to the Monthly Survey of Manufacturing, finished product inventories rose slightly in August to $18.9 billion after posting four consecutive monthly declines.

About 70% of manufacturers indicated that production prospects for the fourth quarter would remain about the same, down three points from July. About 14% said that production would increase, but 16% reported a drop in output prospects.

In October, 83% of manufacturers reported that orders received were about right or increasing. The proportion of manufacturers that indicated that orders received were rising (26%) was higher than the proportion that said orders were on the decline (17%); this has been the case for three consecutive quarters.

About 16% of manufacturers indicated that the level of unfilled orders was lower than normal and 8% reported that they were higher than normal. Nevertheless, the proportion of manufacturers stating that the current level of unfilled orders was higher than normal or about right stood at a healthy 84% in October. Unfilled orders in August totalled $46.8 billion, down from a high of $50.9 billion in November 2000.

Some 86% of manufacturers indicated that their employment level would change little or increase in the fourth quarter. According to September's Labour Force Survey, employment in manufacturing has risen 132,000 (+5.9%) since the beginning of 2002, returning employment in this sector to the peak reached in December 2000. About 13% of manufacturers expected to increase employment, and 14% intended to lower it.

About 86% of manufacturers reported little in the way of production impediments in October, up two points from July. The proportion reporting a shortage of skilled labour rose one point to 6%. A shortage of unskilled labour was reported by 3% of manufacturers.

For general information, contact the dissemination officer (1-866-873-8789; 613-951-9497; fax: 613-951-9499; manufact@statcan.ca). For analytical information, contact Daniela Ravindra (613-951-3514; daniela.ravindra@statcan.ca), Manufacturing, Construction and Energy Division.

Manufacturers' expectations and business conditions
Seasonally adjusted

	October 2001	January 2002	April 2002	July 2002	October 2002
	% of manufacturers who said				
Volume of production in next three months will be:					
About the same as in previous three months	57	52	58	73	70
Higher	10	18	25	18	14
Lower	33	30	17	9	16
Orders received are:					
About the same	52	50	58	63	57
Rising	5	14	26	20	26
Declining	43	36	16	17	17
Backlog of unfilled orders is:					
About normal	50	65	70	72	76
Higher than normal	4	6	13	13	8
Lower than normal	46	29	17	15	16
Finished product inventory is:					
About right	78	66	82	82	81
Too low	2	4	4	5	5
Too high	20	30	14	13	14
Employment in next three months will:					
Change little from previous three months	67	71	76	75	73
Increase	9	10	11	11	13
Decrease	24	19	13	14	14

Justice spending in Canada

On average, operating the five major sectors of the country's justice system — policing, courts, legal aid plans, criminal prosecutions and adult corrections — cost about $362 per person in the fiscal year 2000/01.

Spending on these justice services has been increasing consistently over the last four years, even after inflation is taken into account. Total spending amounted to just over $11 billion in 2000/01, up about 3% from 1999/2000 and about 10% from 1996/97, when controlling for inflation.

Juristat: Justice spending in Canada, 2000/01*, (Internet: 85-002-XIE, $8/$70; paper: 85-002-XPE, $10/$93) is now available. For more information, contact Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics.*

Families in low income at lowest level in 10 years

The number of families living in low income fell to its lowest level in a decade in 2000. In addition, the low-income rate declined to its lowest level since 1989, as did the number of children under the age of 18 who were living in low-income families.

An estimated 666,000 families of two or more people qualified as low income in 2000, down from 714,000 in 1999.

The low-income rate also declined, from 10.7% in 1996 to 7.9% in 2000, its lowest level since 1989 when it was 7.5%.

This was the fourth consecutive year in which the low-income rate was lower than in the previous year, reflecting the improving economic conditions in the latter part of the 1990s.

Of the estimated 531,000 lone-parent families headed by women, 34% had low income in 2000, down from 38% in 1999. Four out of every five female lone-parent families had earnings in 2000. Of those without earnings, 88% qualified as low income.

Although the low-income rate dropped, the overall financial situation of families below Statistics Canada's low-income cut-off remained about the same. Families with low income would have needed, on average, an additional $6,707 in after-tax dollars to rise above the low-income cutoff.

Low-income cutoffs are lower for smaller families and higher for larger ones, reflecting greater expenditures on necessities. They also vary by community size. For example, in 2000, a family of four in a city of 500,000 or more would be counted as living in low income if its after-tax income was below $29,163. For the same family living in a rural area, the cutoff was $19,120.

In 2000, an estimated 868,000 children under age 18 were living in low income, the lowest number since 1989 when it was 765,000. The proportion of children living in low-income families has been declining since 1996, when it last peaked at 16.7% on an after-tax income basis.

This decline follows overall improvements in the Canadian economy over the same period. In 2000, 12.5% of children lived in low-income families. This rate is among the lowest estimates during the past 20 years.

Just over half of the children in low-income families lived in two-parent families. However, the low-income rate of children living in these families was 8.5%, much lower than that of children living in female lone-parent families (38%).

*The CD-ROM **Income Trends in Canada, 1980-2000** (13F0022XCB, $195) and the publication **Income in Canada, 2000** (Internet: 75-202-XIE, $34) are now available. For more information, contact Client Services (1-888-297-7355; 613-951-7355; income@statcan.ca), Income Statistics Division.*

Gain in income largest for female lone parents

Female lone parents got a significant boost from Canada's strong economy in 2000, recording the largest percentage increase in after-tax income of any family group.

Their average after-tax income was an estimated $29,081, up 8.4% from 1999, mainly the result of an improvement in market income, that is, their total earnings from employment.

However, the average after-tax income of female lone parents was still lower than that of $39,983 among their male counterparts.

After-tax income for families of two or more people, adjusted for inflation, increased for the fifth year in a row to $54,725, up 3% from 1999 and up 12% from 1995.

The major factor in the increases was growth in market income, the result of a healthy job market. Market income was up for the seventh straight year.

From a low of $51,947 in 1993, average market income for families of two or more people rose to $61,634 in 2000, an annual average growth rate of 2.5% during this seven-year period.

Market income increased for all main family types in 2000. Again, female lone parent families incurred the biggest increase (+15%).

At the same time, income taxes rose, while government transfers declined. On average, families of two or more people paid $13,592 in income taxes, up $835 or 6.5% from 1999. Income taxes of unattached individuals averaged $5,169 in 2000, up 12.9% from 1993.

In 2000, the 20% of families with the highest income paid on average $34,708 in income taxes, which made up 51% of all income taxes paid by families. In contrast, the 20% of families with the lowest income paid on average $2,220, or 3.3% of the total income tax for all families.

Government transfers have declined for the fifth year in a row, not only in terms of the average amount received, but also as a share of total income.

In 2000, families of two or more people received 9.8% of their total income from government transfers, down from 12.8% in 1993, mainly because of a considerable drop in Employment Insurance and social assistance payments.

However, the share of government transfers going to the 20% of families with the lowest after-tax income has increased for four consecutive years, from 28% in 1996 to 31% in 2000.

In 2000, the 20% of families with the highest incomes received $11.70 in average market income for every dollar received by the 20% of families with the lowest incomes.

After taxes and transfers, the ratio fell to $5.30 for every dollar. This shows the moderating impact that taxes and transfers have on the differences between the outer ends of the income distribution.

For more information, contact Client Services (1-888-297-7355; 613-951-7355; income@statcan.ca), Income Statistics Division.

Student computer access in Canada among best in world

Data from the Programme for International Student Assessment (PISA) showed that a typical 15-year-old Canadian student attended a school at which there was one computer for every six students in 2000. This was well above the average of one computer for every 13 students within member nations of the Organisation for Economic Co-operation and Development (OECD).

The ratio varied widely from one country to another. In both Australia and the United States, there was one computer for every five students; six students shared a computer in both New Zealand and Norway. In contrast, more than 20 students shared a computer in Germany, Greece, Mexico, Poland, Portugal and Spain.

Just over three-quarters of 15-year-old students in Canada said computers were available for use at school almost every day or a few times a week. Across OECD countries, 56% of 15-year-old students reported they could access a computer at school almost every day, or a few times a week.

Canadian principals surveyed as part of PISA 2000 reported that 80% of school computers were connected to the Internet. Across OECD countries, about one-half of school computers were linked to the Internet.

Access to computers was even higher at home. In Canada, 85% of 15-year-olds said computers were available for use at home almost every day or a few times each week. Greater access at home was true across most OECD countries, in which 70% of 15-year-olds on average had frequent access to computers at home.

Home computers in Canada were less likely to be connected to the Internet than school computers. Only 69% of Canadian 15-year-olds said they had a link to the Internet at home, still exceeding the OECD average of 45%.

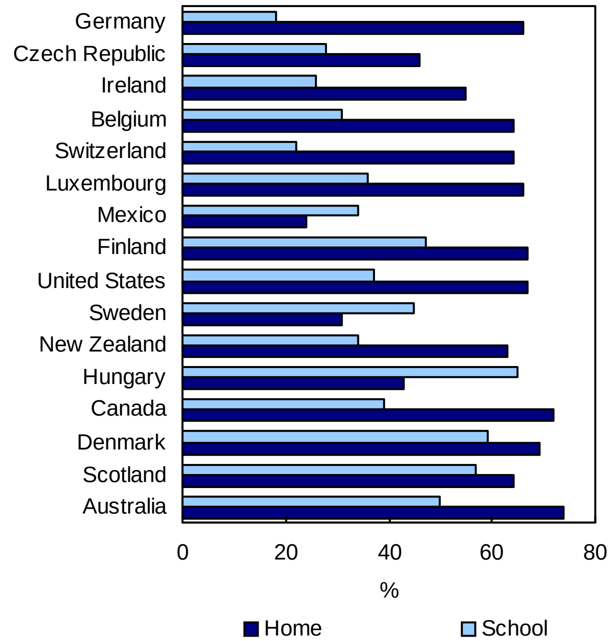
In Canada, 15-year-old students were much more likely to cite frequent use of computers at home than they were to report frequent use at school. Although more than 70% of 15-year-olds used a computer at home almost every day or a few times a week, only 39% did so at school.

On average, across OECD countries, 60% of 15-year-old students reported frequent home use, compared with 38% at school.

In Canada, 15-year-old girls were less likely than boys to have a computer or Internet access at home.

Frequency of computer use

Mean percentages of 15-year-olds who reported having a computer available to use



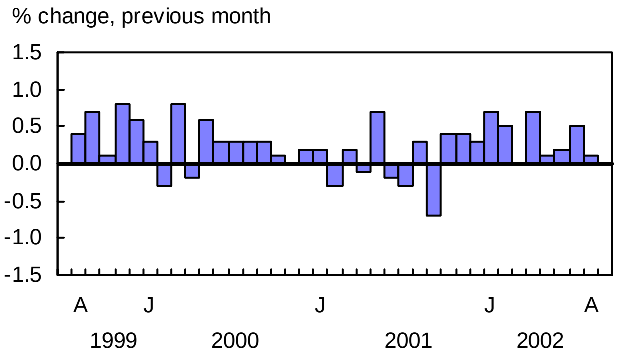
Boys in all OECD countries were more likely than girls to have a computer available at home for use almost every day, a few times each week or between once a week and once a month.

The gender difference may be partly explained by differing attitudes of 15-year-old girls and boys towards computer use. Although 70% of boys felt that it was important to work with a computer, only 58% of girls felt the same way. About 85% of girls reported they felt comfortable using a computer, compared with 92% of boys.

The report ***Education at a glance: OECD indicators, 2002 edition*** *is available on the OECD website (www.oecd.org). The October 2002 issue of* ***Education quarterly review*** *(Internet: 81-003-XIE, $16/$51; paper: 81-003-XPB, $21/$68) is now available. For more information, contact Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-9040; educationstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.*

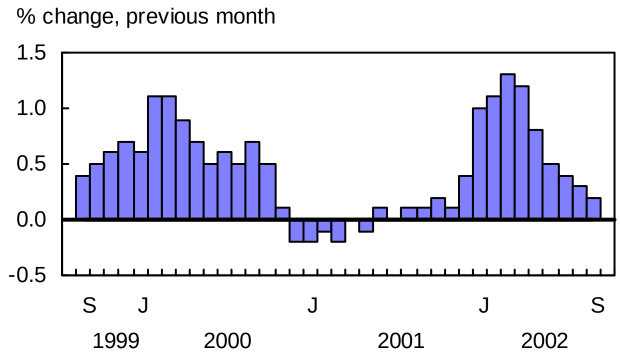
Current trends

Gross domestic product



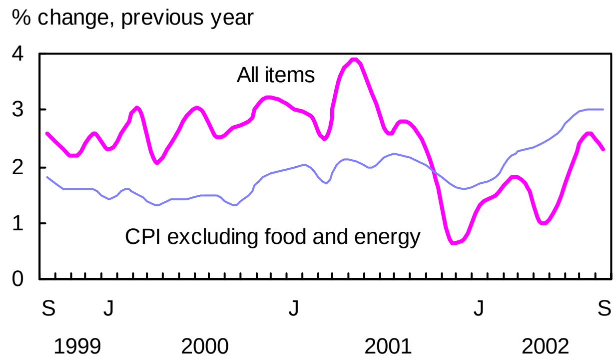
Total economic activity edged up 0.1% in August, following a 0.5% increase in July.

Composite Index



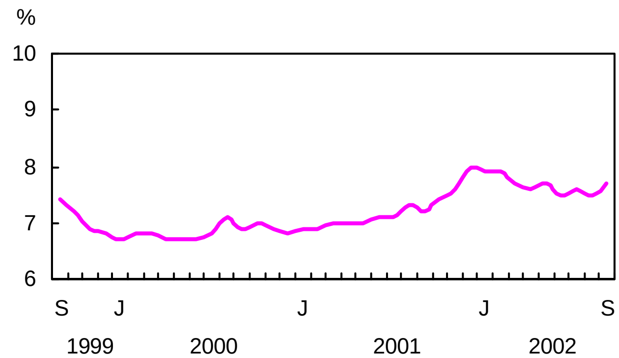
The leading indicator gained 0.2% in September. Growth in housing and manufacturing outweighed a further drop in the stock market.

Consumer Price Index



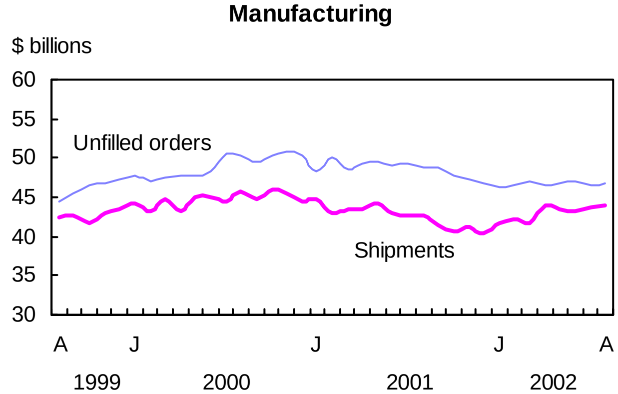
Consumer prices for goods and services were 2.3% higher in September than they were a year earlier. Excluding food and energy, prices rose 3.0%.

Unemployment rate



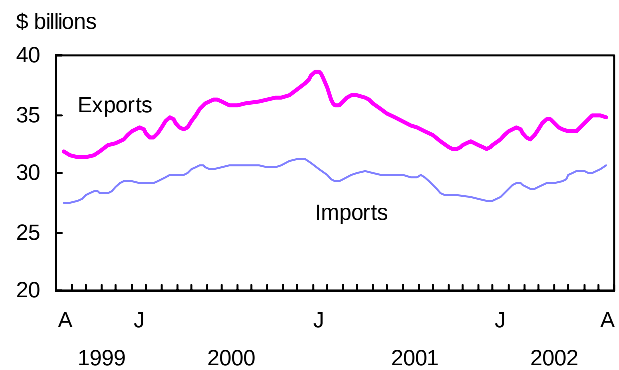
In September, the unemployment rate rose 0.2 percentage points to 7.7%.

Manufacturing



Manufacturers' shipments rose 0.6% in August to $43.9 billion. The backlog of unfilled orders gained 0.8% to $46.8 billion.

Merchandise trade



In August, the value of merchandise exports fell 0.6% to $34.8 billion. Imports rose 2.6% to $30.7 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]	August	979.3	0.1%	3.2%
Composite Index (1992=100)	September	179.1	0.2%	7.6%
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)	August	25.7	0.2%	6.4%
New motor vehicle sales (thousands of units)	August	145.7	4.1%	8.8%
Wholesale trade ($ billions)	August	35.1	1.1%	5.6%
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 ($)	August	679.08	0.3%	1.6%
Help-wanted Index (1996=100)	October*	120.9	-2.7%	-9.4%
Regular Employment Insurance beneficiaries (in thousands)	August	557.8	-2.7%	3.4%
INTERNATIONAL TRADE				
Merchandise exports ($ billions)	August	34.8	-0.6%	3.3%
Merchandise imports ($ billions)	August	30.7	2.6%	3.7%
Merchandise trade balance (all figures in $ billions)	August	4.1	-1.0	0.0
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)	September	120.1	0.0%	2.3%
Industrial Product Price Index (1997=100)	September	108.5	0.7%	0.5%
Raw Materials Price Index (1997=100)	September	116.9	2.1%	5.6%
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 Industry Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.*

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Products released from October 31 to November 6, 2002

SUBJECT AREA Title of product	Period	Catalogue number	Price ($) (issue/subscription)
AGRICULTURE			
Aquaculture statistics	2001	23-222-XIE	free
Cereals and oilseeds review	August 2002	22-007-XIB	11/112
Cereals and oilseeds review	August 2002	22-007-XPB	15/149
Farm Product Price Index	August 2002	21-007-XIB	free
Food consumption in Canada, part II	2001	32-230-XIB	26
Stocks of frozen and chilled meat products	October 2002	23-009-XIE	free
ANALYTICAL STUDIES			
Accounting for greenhouse gases in the standard productivity framework, no. 7		11F0027MIE2002007	free
Assessing the impact of greenhouse gases emissions on Canada's productivity growth, 1981-1996: An experimental approach, no. 9		11F0027MIE2002009	free
BALANCE OF PAYMENTS AND FINANCIAL FLOWS			
Canada's international transactions in securities	August 2002	67-002-XIB	14/132
Canada's international transactions in securities	August 2002	67-002-XPB	18/176
CANADIAN CENTRE FOR JUSTICE STATISTICS			
Graphical overview of the criminal justice indicators	2000-2001	85-227-XIE	26
Juristat: Justice spending in Canada	2000/01	85-002-XIE	8/70
Juristat: Justice spending in Canada	2000/01	85-002-XPE	10/93
CENSUS OPERATIONS			
2001 Census: Collective dwellings		96F0030KIE2001004	free
COMMUNICATIONS			
Canada: A portrait		11-403-XPE	49.95
ENVIRONMENT STATISTICS PROGRAM			
Human activity and the environment: Annual statistics 2002		16-201-XIE	10
Human activity and the environment: Annual statistics 2002		16-201-XPE	40
INDUSTRIAL ORGANIZATION AND FINANCE			
Financial and taxation statistics for enterprises	2000	61-219-XIE	43
INDUSTRY MEASURES AND ANALYSIS			
Gross domestic product by industry	August 2002	15-001-XIE	11/110
INTERNATIONAL TRADE			
Exports by commodity	August 2002	65-004-XMB	37/361
Exports by commodity	August 2002	65-004-XPB	78/773
MANUFACTURING, CONSTRUCTION AND ENERGY			
Cement	September 2002	44-001XIB	5/47
Electric power statistics	August 2002	57-001-XIB	9/85
Production and shipments of steel pipe and tubing	September 2002	41-011-XIB	5/47

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Products released from October 31 to November 6, 2002 – Concluded

SUBJECT AREA Title of product	Period	Catalogue number	Price ($) (issue/subscription)
PRICES			
Industry price indexes	August 2002	62-011-XPB	22/217
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Industrial research and development, intentions, 2002 intentions		88-202-XIB	35
Innovation analysis bulletin	October 2002	88-003-XIE	free
SERVICE INDUSTRIES			
Restaurant, caterer and tavern statistics	August 2002	63-011-XIE	6/55
The effects of recessions on the services industries		63F0002XIB2002041	free
The effects of recessions on the services industries		63F0002XPB2002041	10/35

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