



Infomat

A Weekly Review

Friday, November 17, 2000

OVERVIEW

◆ Non-residential building permits have best monthly performance in 11 years

The value of building permits issued by municipalities grew by 1.2% in September. The non-residential sector reported its best monthly performance since August 1989. A decline in residential construction tempered the overall increase.

◆ Investment income up sharply for investors

Total investment income reported by savers and investors rose 12.2% in 1999. Much of this increase was attributable to investors, whose investment income rose dramatically. The number of taxfilers reporting investment income grew by 5.2%.

◆ Value of financial services posts slower growth

Deposit-accepting intermediaries, which were not immune to the turbulence in global financial markets late in 1998, produced services worth \$41.6 billion in 1998, up 0.8% from 1997.

◆ Consumer spending stimulates service sector growth

Service sector output grew at a healthy rate of 0.9% in the second quarter. This was partly a result of higher consumer spending, which posted its strongest increase since the first quarter of 1997.

◆ Canadians feel safe

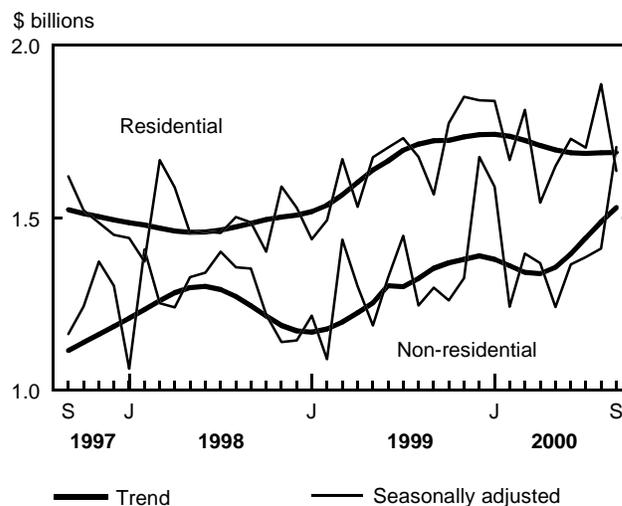
Overall, Canadians feel safer than they used to: 91% reported being satisfied with their personal safety in 1999, up from 86% in 1993. One in every four Canadians reported having been a victim of at least one crime, a proportion similar to those seen in 1993 and 1988.

Non-residential building permits have best monthly performance in 11 years

Municipalities issued building permits worth \$3.3 billion in September, up 1.2% from August. Non-residential building projects advanced strongly, reporting their best monthly performance since August 1989. In contrast, after a strong showing in August, residential building projects declined, mainly because of a marked slow-down in construction of multi-family dwellings.

In September, the value of non-residential permits climbed 20.8% to \$1.7 billion, increasing for a fourth straight month. After a decline in August, commercial projects increased 16.5%, mainly because of the construction of warehouses and office buildings. A project for a large plant in the St. Catharines-Niagara area helped push the overall industrial component up 25.8%. Institutional projects advanced 24.3%, owing to a large jump in university building projects in Ontario. This was the best monthly performance this year for the institutional component.

Value of building permits



(continued on page 2)



... Non-residential building permits have best monthly performance in 11 years

In the residential sector, the value of building permits fell 13.4% to \$1.6 billion in September. Multi-family dwelling projects fell 34.2% to \$429 million, after a significant surge in August. Permits for single-family dwellings were also down, falling 2.4% to \$1.2 billion. Among the provinces, the largest decreases in dollar terms occurred in British Columbia and Ontario. Increases in residential building projects were recorded only in Quebec, Manitoba and Newfoundland.

Between January and September, the total value of building permits was the strongest it had been for the same period of any year since 1989. Projects totalled \$28.2 billion, up 8.2% from the same nine months in 1999.

Stimulated by the construction of single-family and multi-family units, the year-to-date value of permits in the residential sector climbed 6.8% to \$15.5 billion. This represents the best performance for the January-to-September period since 1989.

Ontario and Quebec registered the largest increases in dollar terms, chiefly as a result of an increase in single-family dwelling projects in the Toronto and Montreal metropolitan areas.

The non-residential sector kept its momentum. Since the start of 2000, the value of non-residential building permits has reached \$12.7 billion, 10.0% higher than between January and September of 1999, and the best performance for the first nine months since 1989. All three components advanced. Among the provinces, the most significant increases in dollar terms occurred in Ontario and Alberta. In Ontario, the low vacancy rate for office space in the Ottawa area has led to a significant increase in permits for office buildings. In Alberta, Calgary played a dominant role. As well, the Montreal area saw a sizable increase in manufacturing plant projects.

*The September 2000 issue of **Building Permits** (64-001-XIB, \$19/\$186) is now available. For more information, contact Vere Clarke (613-951-6556; clarver@statcan.ca), Investment and Capital Stock Division.*

Investment income up sharply for investors

The number of Canadians who reported investment income and the value of the income they received both increased in 1999 compared with 1998. About 7.9 million taxfilers reported investment income on their 1999 income tax forms, up 5.2%. The total amount they reported receiving rose 12.2% to \$29.9 billion. Both rates of growth were the highest since 1995.

Much of the increase in investment income was attributable to investors. Both the number of investors and their investment income increased dramatically in 1999. About 3.1 million taxfilers reported dividend income, up 24.0% compared with 1998, while their investment income increased 17.4% to \$21.3 billion. These increases were the largest during the 1990s.

Note to readers

Investment income recipients are either savers or investors. A saver is a taxfiler who reported interest income from Canadian sources or foreign interest or dividend income. An investor is a taxfiler who reported dividend income received from taxable Canadian corporations. An investor may also have received interest income. Investment income refers to the interest and dividend income from investments in non-tax-sheltered vehicles. All figures are adjusted for inflation as measured by the Consumer Price Index.

Among the provinces and territories, Newfoundland recorded the highest increase for both the number of dividend recipients (+84.6% to almost 34,000) and their investment income (+33.4% to \$106.1 million). Investors in Yukon were alone in reporting a decline in investment income (-18.1%) from \$16.5 million in 1998 to \$13.8 million in 1999.

The number of savers declined again in 1999, falling 4.2% to 4.8 million. However, interest income increased 1.2% to \$8.6 billion. The drop in savers is consistent with the declining trends since 1991. The exception occurred in 1995, when both the number of savers and their interest income strongly increased. In this they followed the Bank of Canada's Bank Rate, which rose from 5.8% in 1994 to 7.3% in 1995.

Databanks for savers (17C0009, variable price), investors (17C0007, variable price) and investment income (17C0008, variable price) are available for Canada, the provinces and territories, cities, towns, Census Metropolitan Areas, Census Divisions, as well as areas as small as forward sortation areas (the first three letters of the postal code) and letter carrier routes. For more information, contact Client Services (613-951-9720; fax: 613-951-4745; saadinfo@statcan.ca), Small Area and Administrative Data Division.

Investors, 1999

	Number of people reporting dividends	% change, previous year	Investment income (\$ millions)	% change, previous year
Canada	3,096,120	24.0	21,296.6	17.4
Newfoundland	33,500	84.6	106.1	33.4
Prince Edward Island	13,720	57.0	57.7	22.6
Nova Scotia	85,240	28.9	524.6	21.7
New Brunswick	59,810	49.5	292.2	28.7
Quebec	661,960	26.0	4,165.8	14.7
Ontario	1,254,010	23.9	9,151.6	19.0
Manitoba	120,140	18.0	618.3	14.2
Saskatchewan	116,110	20.4	544.9	18.6
Alberta	330,720	18.5	2,603.0	12.7
British Columbia	415,260	20.5	3,205.7	19.3
Yukon	2,740	42.7	13.8	-18.1
Northwest Territories	2,330	36.3	10.7	17.4
Nunavut	580	13.7	2.3	0.4

Value of financial services posts slower growth

Deposit-accepting intermediaries produced services worth \$41.6 billion in 1998, up 0.8% from a revised \$41.3 billion in 1997. This increase was tempered by uncertainty in financial markets in the fourth quarter of 1998, particularly in Asia, Eastern Europe and Latin America.

Overall, net interest income slipped by 0.4% to \$23.9 billion in 1998. Higher short-term rates, coupled with consumer preferences for better-yielding investments, put pressure on net interest margins. Volatility in financial markets overseas and growth in securitization transactions also played a role in lowering net interest income.

However, the decline was offset by a 2.5% gain in non-interest income, which reached \$17.8 billion. Investors shifted to high-quality government bonds and other secure investments, reducing the value of traded securities and their sales volume. This hurt non-interest income, since the major part of the revenues generated by trading and investment services fall into this category. But the share of non-interest income continued to grow, from 42.0% of the value of services produced in 1997 to 42.7% in 1998. This is because a broader range of fee-based activities was offered, outside traditional retail banking services.

Retail banking services remained dominant among deposit-accepting intermediaries in 1998, with the value of such services surpassing the value of services of each of the other major activities. Deposit-accepting intermediaries produced retail banking services worth \$28.2 billion in 1998, up 1.5% from the previous year. This segment generated 67.7% of the total value of services produced in 1998.

Electronic financial services continued to expand, fueled by greater use of electronic devices such as automated teller machines, debit cards and telephone and computer banking services. Thus, the value of services produced by electronic financial services was 10.0% higher than in 1997. As a result, this segment accounted for 4.6% of the total value of services produced in 1998, up slightly from 4.2% in 1997.

Note to readers

Deposit-accepting intermediaries are chartered banks, trust companies, caisses populaires and credit unions. The **value of services produced** in Canada is the sum of net interest and non-interest income. This is not to be confused with service charges. **Net interest income** is the difference between interest income and interest expenses. **Non-interest income** covers revenue from brokerage and other securities services, credit services, trading income, deposit and payment service charges, mutual fund management, card services, foreign exchange non-trading, insurance, securitization revenues, trans-sectoral income, etc.

There was increased demand for fiduciary services in 1998. As a result, the value of services produced was 38.0% higher than in 1997. These activities accounted for 1.6% of the total value of services produced by deposit-accepting intermediaries, up from 1.2% in 1997. Interestingly, 89.4% of the value of fiduciary services was generated by non-interest income. The demand for this type of service has been accelerated in part by baby boomers.

The value of corporate and institutional services was down 2.6% from 1997. More importantly, the contribution of this particular segment continued to decline, from 8.4% in 1997 to 8.1% in 1998. In this category, net interest income declined by 11.1% in 1998, in part because of narrowed spreads in interest margins brought about by more competition from alternative sources of financing, in particular through capital markets.

The value of services produced by treasury and investment banking fell by 4.4% from 1997 to 1998, but its share rose from 18.0% to 19.0% during the same period. More volatile global trading conditions weakened the securities market, and as a result non-interest income fell 6.2%.

For more information, contact Mario Vella (613-951-1395; mario.vella@statcan.ca) or Martin Pacheco (613-951-0396; martin.pacheco@statcan.ca), Industrial Organization and Finance Division.

Value of services produced by deposit-accepting intermediaries, 1998

	Net interest income		Non-interest income		Value of services produced in Canada		Share of the value of services produced	
	\$ millions	% change, previous year	\$ millions	% change, previous year	\$ millions	% change, previous year	%	% point change, previous year
Total	23 859	-0.4	17 753	2.5	41 612	0.8	100.0	0.0
Retail banking services	20 434	-0.1	7 732	6.0	28 166	1.5	67.7	0.5
Corporate and institutional finance	1 578	-11.1	1 802	6.2	3 380	-2.6	8.1	-0.3
Electronic financial services	488	1.5	1 414	13.3	1 902	10.0	4.6	0.4
Treasury and investment banking	1 289	4.9	6 214	-6.2	7 503	-4.4	18.0	-1.0
Fiduciary services	70	180.0	591	30.2	661	38.0	1.6	0.4

Consumer spending stimulates service sector growth

In the second quarter, output in services increased 0.9% in real terms compared with the first quarter. But as is often the case in periods of economic expansion, the goods sector grew even more rapidly (+1.1%). The growth in services was partly the result of a 1.8% increase in consumer spending, the strongest increase since the first quarter of 1997.

Among services, GDP growth was highest in the telecommunications carriers and other telecommunications services industry (+3.8%). In that industry, consumer spending rose 2.7%, partly because of higher prices for cablevision and partly as a result of price increases for inter-city air, rail and bus transportation.

Service industries created 255,000 jobs from April to June, a 2.4% increase from the first quarter. This was not unexpected, as many services industries such as retail trade and food services get busier with the onset of spring.

Canada's trade deficit in services reached \$1.6 billion in the second quarter, the sector's highest trade deficit in a year. The increase was largely the result of a decline in spending in Canada by travellers from the United States.

Compared with the second quarter of 1999, service sector output was up 3.9% in real terms. This growth rate was similar to rates posted during the past four quarters. However, it fell short of the 6.1% rise in output for the goods sector. Personal spending on services rose 4.9% in nominal terms, while consumer prices for services increased 2.2%.

Output in the telecommunications carriers and other telecommunication services industry increased 17.0% from the second

Key services indicators, second quarter 2000

	Growth since first quarter 2000	Growth since second quarter 1999
	%	
Gross domestic product (real)	0.9	3.9
Consumer spending	1.8	4.9
Prices	1.1	2.2
Exports	2.3	8.7
Imports	1.0	7.6
Employment	2.4	2.6

quarter of 1999, owing to greater demand for wireless telecommunications, calling feature services and data communications.

From the second quarter of 1999 to the second quarter of 2000, employment in services climbed by 282,800. More than one-third of the new jobs were in health care and social assistance. Employment also rose strongly in transportation services, retail trade, administrative and support services and accommodation services. More than four-fifths of services jobs were full-time positions. As a result, full-time workers accounted for almost 78% of the labour force in services, compared with 94% in the goods sector.

The second quarter edition of Services indicators (online: 63-016-XIB, \$26/\$87; print: 63-016-XPB, \$35/\$116) is now available. For more information, contact Jamie Carson (613-951-6739; jamie.carson@statcan.ca), Services Industries Division.

Canadians feel safe

One in every four Canadians reported having been a victim of at least one crime last year, according to results from the 1999 General Social Survey (GSS) on Victimization. This was similar to the proportions reported in 1993 (23%) and 1988 (24%). Rates of personal and household property theft increased in comparison with 1993. Rates of sexual assault, assault, robbery, breaking and entering, motor vehicle/parts theft and vandalism remained relatively stable.

On the whole, Canadians feel safer than they used to: 91% of them reported being very satisfied or somewhat satisfied with their personal safety in 1999, up from 86% in 1993. Women and men expressed similar levels of overall satisfaction with their safety. However, women were more fearful than men in specific situations, such as while waiting for or using public transportation alone after dark, when they were home alone in the evening or when walking alone in their area after dark.

As regards the crime level in their neighbourhood, 54% of Canadians felt that it had remained relatively stable during the previous five years. This proportion was up considerably from 1993, when 43% felt this way. Furthermore, 29% of the population felt that crime in their neighbourhood had increased during the previous five years, compared with 46% in 1993.

Of the incidents reported to the GSS, roughly 6 out of 10 were not reported to the police. The decline in reporting was particularly evident for more minor crime types, that is, vandalism, theft of

Note to readers

This article presents an overview of the findings of the 1999 General Social Survey on Victimization, which are compared to the previous surveys conducted in 1993 and 1988. Nearly 26,000 people were interviewed between February and December 1999 in order to determine their perceptions of crime, their personal safety and the work of the police and the penal justice system. This number represents more than double the sample for the previous two surveys.

The survey measured the occurrence of eight specific offences: four against the person (sexual assault, robbery, assault and theft of personal property) and four against household property (vandalism, theft of household property, motor vehicle/parts theft, and breaking and entering).

household property and theft of personal property. A primary reason why victims do not choose to report such incidents is that they do not believe they are serious enough.

Criminal victimization does not affect all Canadians equally. Men and women stood about the same chance of becoming a victim of a personal crime in 1999. However, men were more likely to be victims of assault or robbery, while women were four times more likely to be victims of sexual assault. The risk also varies with age, income and place of residence. Those at greatest

(continued on page 5)

... Canadians feel safe

risk of personal victimization include young people aged 15 to 24, urban dwellers, persons with a low household income and those who frequently go out in the evening. With respect to household crime, urban dwellers, persons with a high household income and renters are among those at greater risk.

Rates of victimization were generally higher in western Canada than in the east, for both household and personal crimes. In particular, the Regina Metropolitan Area had the highest rates for these two categories of crimes, followed by Vancouver. Toronto had the lowest rate for personal crime, and Toronto and Saint John shared the lowest rate of household crime. These findings are similar to police-reported data.

Overall, more than 80% of Canadians felt that their local police force was doing a good or average job of enforcing the law and ensuring the safety of citizens. Public satisfaction with the police was slightly better in 1999 than in 1993. On the other hand, they were less satisfied with the performance of the criminal courts, the prison system and the parole system.

Juristat: Criminal victimization in Canada, 1999, vol. 20, no. 10 (online: 85-002-XIE, \$8 /\$70; print: 85-002-XPE, \$10/\$93) is now available. For more information, contact Information and Client Services (1 800 387-2231; 613-951-9023), Canadian Centre for Justice Statistics.

New from Statistics Canada

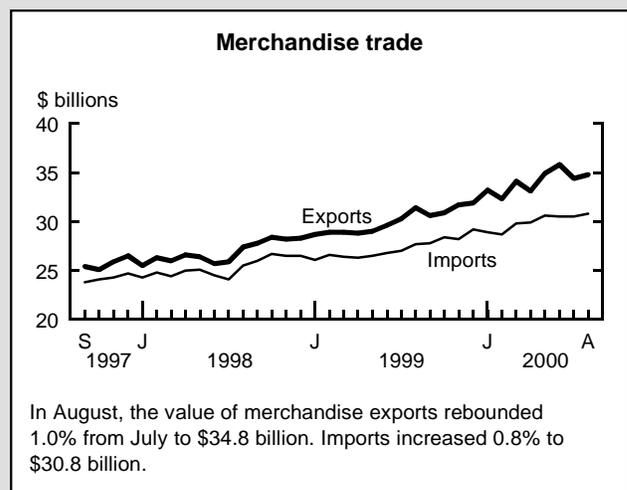
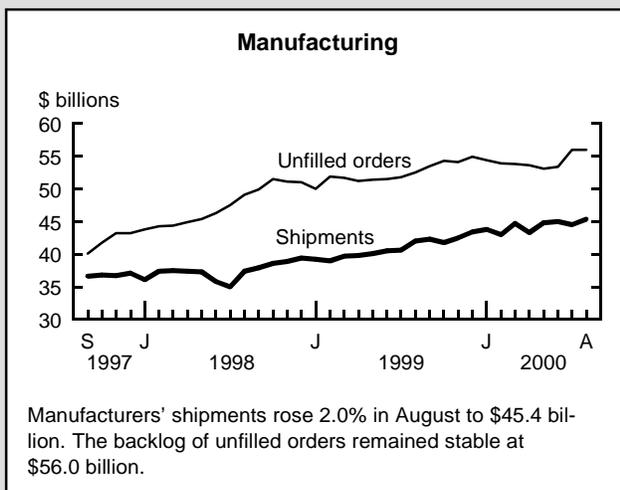
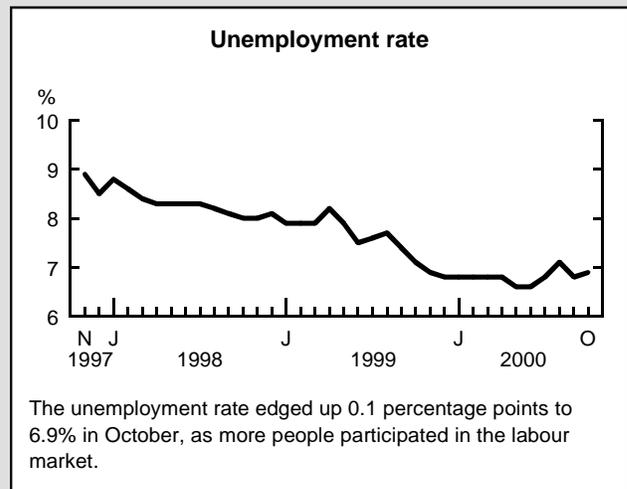
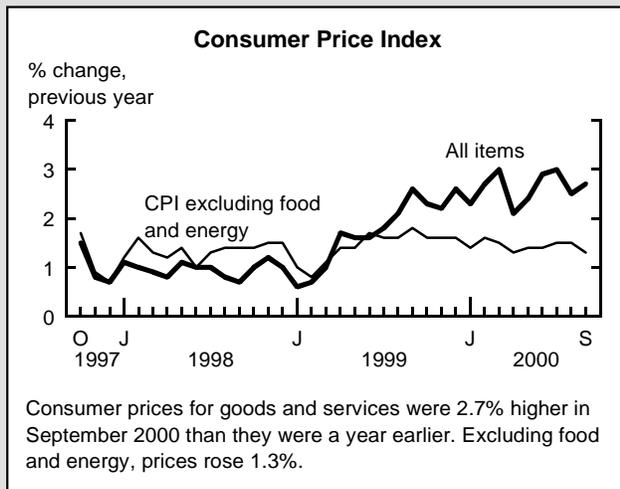
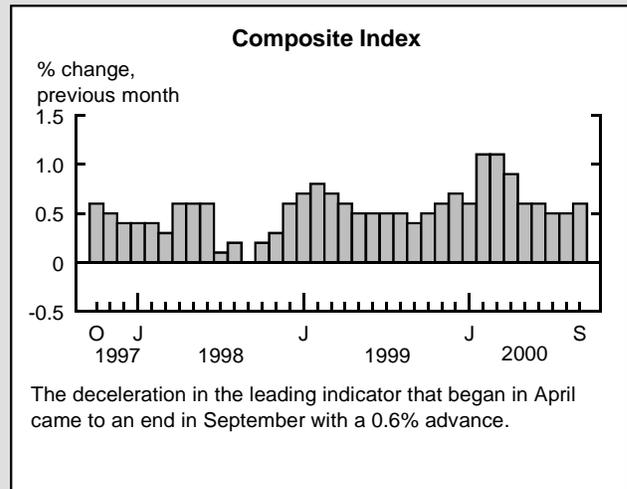
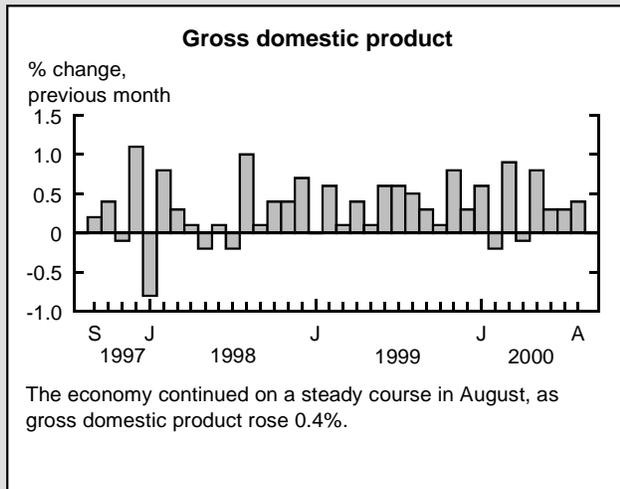
Information and communications technologies and electronic commerce in Canadian industry 1999

This report analyzes in detail the results of the world's first economy-wide survey conducted by a national statistical agency that measured the magnitude of electronic commerce, or Internet-based commercial transactions. This survey, which was conducted by Statistics Canada in conjunction with Industry Canada, provided among other things the first set of comprehensive data on the extent of computer use and Internet use, as well as the availability of Web sites in the public and private sectors.

According to the survey, the volume of Internet-based sales with or without online payment in 1999 was \$4.4 billion. Total private sector Internet-based sales were \$4.2 billion, and accounted for 0.2% of economic activity in terms of total operating revenue.

*The working paper **Information and communications technologies and electronic commerce in Canadian industry** (88F0006XIB, no. 4) is now available free of charge at www.statcan.ca. On the "Products and services page", choose "Research papers (free)", then "Science and Technology", then "Science Innovation and Electronic Information Division, working papers". For more information, contact Cathy Bakker (613-951-2929; fax: 613-951-9920; cathy.bakker@statcan.ca), Science, Innovation and Electronic Information Division.*

Current trends



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

Latest monthly statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product (\$ billion, 1992)	August	792.6	0.4%	4.4%
Composite Index (1992=100)	October*	167.6	0.7%	9.0%
Operating profits of enterprises (\$ billion)	Q2 2000	51.9	1.7%	21.6%
Capacity utilization (%)	Q2 2000	87.9	0.4†	4.1†
DOMESTIC DEMAND				
Retail trade (\$ billion)	August	23.4	0.1%	5.7%
Department store sales (\$ billions)	September	1.49	-1.1%	-4.4%
New motor vehicle sales (thousand of units)	September*	142.5	1.8%	7.8%
Wholesale trade (\$ billion)	August	32.0	-0.8%	5.6%
LABOUR				
Employment (millions)	October	14.98	0.1%	2.3%
Unemployment rate (%)	October	6.9	0.1†	-0.2†
Participation rate (%)	October	66.0	0.1†	0.5†
Average weekly earnings (\$)	August	630.37	0.6%	3.0%
Help-wanted Index (1996=100)	October	178	2.3%	8.5%
INTERNATIONAL TRADE				
Merchandise exports (\$ billion)	August	34.8	1.0%	10.7%
Merchandise imports (\$ billion)	August	30.8	0.8%	11.3%
Merchandise trade balance (all figures in \$ billion)	August	4.0	0.1	0.2
MANUFACTURING				
Shipments (\$ billion)	August	45.4	2.0%	8.0%
New orders (\$ billion)	August	45.4	-3.6%	6.2%
Unfilled orders (\$ billion)	August	56.0	0.0%	6.6%
Inventory/shipments ratio	August	1.32	-0.01	0.05
PRICES				
Consumer Price Index (1992=100)	September	114.4	0.4%	2.7%
Industrial Product Price Index (1992=100)	September	128.4	0.5%	4.0%
Raw Materials Price Index (1992=100)	September	149.1	3.0%	18.1%
New Housing Price Index (1992=100)	September*	103.7	0.2%	2.4%

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

* new this week

† percentage point

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A weekly review

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Products released from November 9 to 15, 2000

SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
AGRICULTURE			
Grain trade of Canada	1998-99	22-201-XIB	33
Production of eggs	September 2000	23-003-XPB	110
CULTURE, TOURISM AND THE CENTRE FOR EDUCATION STATISTICS			
Focus on culture, Vol. 12, no. 2		87-004-XIE	7/20
Focus on culture, Vol. 12, no. 2		87-004-XPB	9/27
INDUSTRY MEASURES AND ANALYSIS			
Industrial monitor on CD-ROM	November 2000	15F0015XCB	995
INVESTMENT AND CAPITAL STOCK			
Building permits	September 2000	64-001-XIB	19/186
LABOUR STATISTICS			
Employment, earnings and hours	August 2000	72-002-XPB	32/320
MANUFACTURING, CONSTRUCTION AND ENERGY			
Industrial chemicals and synthetic resins	September 2000	46-002-XIB	5/47
Natural gas transportation and distribution	July 2000	55-002-XIB	13/125
Primary iron and steel	September 2000	41-001-XIB	5/47
Production and shipments of steel pipe and tubing	September 2000	41-011-XIB	5/47
Refined petroleum products	May 2000	45-004-XIB	16/155
Refined petroleum products	May 2000	45-004-XPB	21/206
Supply and disposition of crude oil and natural gas	July 2000	26-006-XPB	19/186
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Information and communications technologies and electronic commerce in Canadian industry, no. 4	November 2000	88F0006XIB	no charge

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