



Infommat

A Weekly Review

Friday, December 12, 2003

INSIDE

◆ SPOTLIGHT: The environment

Today's *Spotlight* is on the environment. A new study shows that Canada has one of the largest renewable supplies of fresh water in the world. However, Canadians are among the highest consumers of water on a per capita basis, and some of Canada's fresh water resources are being threatened.

◆ Number of adult offenders behind bars edges up

The number of adults behind bars in Canada on any given day in 2001/02 rose slightly from the previous year, according to a new report. About 32,000 adults on average were in a federal penitentiary or in a provincial or territorial jail.

◆ Canadian farmers enjoy big rebound in crop production

Production of major field crops has rebounded this year from one of the worst seasons in a quarter century. Final figures for 2003 show production rose across the board, ranging from a 10% gain in durum wheat to a 78% jump in barley production.

Economy adds more jobs as factories resume hiring

The economy added 54,000 jobs in November as Canada's manufacturing sector, hit by a sharp rise in the value of the loonie, underwent somewhat of a revival.

November's gain, the third consecutive monthly increase, lowered the national unemployment rate from 7.6% in October to 7.5%.

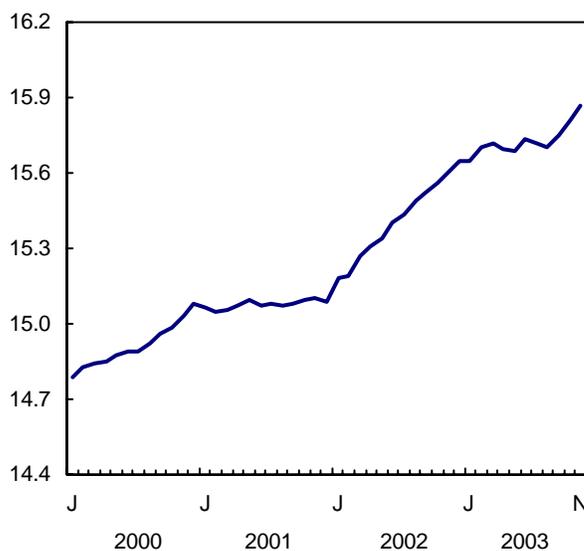
In 11 months this year, employment has increased by 218,000, or 1.4%, over the same period in 2002. However, three-quarters of these new jobs, 166,000, were added between September and November alone.

An estimated 24,000, or 44%, of the additional jobs in November were in manufacturing, mainly in Ontario and Quebec. Despite this gain, factory employment remained 3.3% below the level in November 2002 when the downward trend began in the sector.

(continued on page 2)

Employment

Millions, seasonally adjusted



Economy adds more... (continued from page 1)

The retail and wholesale trade sector also recorded a strong gain of 18,000, mostly in retail clothing stores. Between January and November, this sector has created 45,000 jobs, although virtually all the gain occurred during the last three months.

The recent strength in employment has been mostly in full-time jobs.

Employment rose in all three major age groups, but young people made the biggest gain, about 22,000 jobs, primarily in retail sales. The increase among adult women was all in part-time work, while gains for men were all in full-time.

The unemployment rate for adult men in November was 6.5%; adult women, 6.2%; and young people, 13.3%.

Among the provinces, Quebec recorded the strongest gain in employment. In October and November combined, its economy created a total of 80,000 jobs, cutting the unemployment rate to 9.1%.

Quebec's largest increase occurred in the manufacturing sector, with growth spread across a number of industries. According to Statistics Canada's latest Monthly Survey of Manufacturing, Quebec factories reported a strong increase in shipments.

Elsewhere, New Brunswick's economy created 5,000 new jobs in November, mostly in construction and manufacturing.

Employment declined, albeit marginally, in three provinces: Newfoundland and Labrador, Ontario and Manitoba.

Newfoundland and Labrador lost 3,000 jobs in November, mainly in trade and accommodation. It was the second consecutive decline, and left employment there at about the same level as at the end of 2002. The province's unemployment rate rose almost a full percentage point to 17.4%.

South of the border, the unemployment rate in the United States slipped to 5.9% in November, the lowest level in eight months.

For more information, contact Vincent Ferrao (613-951-4750), Labour Statistics Division.

Only limited evidence of "hollowing-out" among head offices

A new study has found only limited support for the contention that corporate Canada is shedding head office employment. The possible decline of head offices, commonly referred to as "hollowing-out," has received considerable attention over the last two years, especially from those concerned with the migration of head offices to other countries.

Overall, the study found relatively few sectors that showed patterns of decline in head office employment. Most importantly, in some important sectors – for example, mining and oil and gas extraction, and professional, scientific and technical services – employment in head offices actually increased.

The analysis was based on a detailed count of the number of head offices in Canada and their employment, provided by Statistics Canada's Business Register for 1999 to 2002.

During this four-year period, the number of head office units in Canada increased slightly, as did employment in head offices.

Recently, there has been concern that Canadian firms were becoming "hollowed-out" corporations that would no longer demand the services of financial markets, or of key business services. Much of this discussion has been based on anecdotal or indirect evidence.

Provincially, head office employment was highest in Ontario and Quebec. Among cities, Toronto solidified its position as Canada's leading head-office centre.

You can read the research paper *Hollowing-out, trimming-down or scaling-up? An analysis of head offices in Canada, 1999-2002* (11F0027MIE2003019) on Statistics Canada website (www.statcan.ca).

For more information, contact John Baldwin (613-951-8588), Micro-economic Analysis Division.

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SPOTLIGHT: The environment

Canada's fresh water resources under threat

Canada has one of the largest renewable supplies of fresh water in the world. However, the signs of looming distress over this vital resource are all around us, according to a new report, which points out that some of Canada's fresh water resources are being threatened.

Consider the evidence: Since 1850, some 1,300 glaciers have lost between 25% and 75% of their mass, with most of this reduction occurring in the last 50 years.

Along the eastern slope of the Rocky Mountains, glacier cover is receding rapidly, and total cover is now close to its lowest level in 10,000 years.

The navigability of the St. Lawrence Seaway is at risk because of low water levels. In the early part of the 1900s, water levels in the port of Montreal averaged two metres above the long-term average low-water mark. At the turn of the millennium, this margin had declined to less than one metre.

Canadians are also among the highest consumers of water on a per capita basis.

Most recent statistics from the Organisation for Economic Co-operation and Development (OECD) show that in 1999, each Canadian on average used 1,471 cubic metres of water. Among OECD member countries, Canada was second only to the United States, where each American used 1,870 cubic metres. (There are 1,000 litres in a cubic metre of water.)

Despite considerable efforts to curb pollution, water quality still appears to be a major concern for Canadians.

From 1995 to 2000, the supply of bottled water increased 61%. In 1995, each Canadian consumed 17.9 litres of bottled water. Five years later, that number had jumped to 27.6 litres.

Many municipalities have been forced to issue boil-water orders. Agricultural run-off has contaminated drinking water supplies, as in the case of Walkerton, Ontario, and industries discharge hundreds of different substances into rivers and lakes daily. In 2001, more than 2,600 industrial facilities reported chemical discharges to water bodies.

Quick glance: Other environmental highlights

A quick look at other environmental highlights from the report Human activity and the environment: Annual statistics 2003:

In 2000, the waste management industry in Canada handled 7.5 million tonnes of materials for recycling or re-use. The majority of this material was generated by two provinces: Quebec (37%) and Ontario (32%).

From 1989 to 2003, Canada's total protected land area increased from 29 million hectares to 82 million hectares.

In 2000, Canadian industries spent more than \$3 billion on environmental protection. This marked the first time since 1995 that spending had surpassed the \$3-billion mark.

In 1961, resource-based industries dominated Canada's exports, accounting for two-thirds of goods and services sent abroad. By 1999, however, this group of industries represented less than one-third of the value of exports.

The study pointed to some specific problem areas. Many municipal water and wastewater treatment facilities are aging, and the growing population is adding stress to these facilities.

In 1997, the Canadian Water and Wastewater Association estimated that \$5.4 billion in additional investment would be required each year from 1997 to 2012 to modernize and improve all water and wastewater treatment plants.

Most Canadians get their drinking water from municipal treatment plants. However, millions of people still rely on shallow ground water resources, which are generally safe but have a higher risk of exposure to contaminants.

Ammonia and nitrogen represented over 94% of the total industrial discharges into water in 2001. Ammonia alone accounted for almost one-half of the pollutants released into the Fraser River in British Columbia, and 42% of the pollutants discharged into Lake Ontario.

You can read the full report *Human activity and the environment: Annual statistics, 2003* on Statistics Canada's website (www.statcan.ca).

For more information, contact Murray Cameron (613-951-3740), Environment Accounts and Statistics Division.

River basin in B.C. Interior has potential water problems

Over the past 30 years, the population of British Columbia's Okanagan-Similkameen river basin has more than doubled, the fastest growth rate among the 23 major river basins in Canada.

However, this scenic region in the British Columbia interior also has one of Canada's lowest renewable supplies of fresh water.

The Okanagan-Similkameen basin has only 0.1% of the country's renewable supply of fresh water. In comparison, the Great Lakes-St. Lawrence basin has 6.8% of the renewable supply of fresh water, the Pacific Coastal basin has 15.8%, and the Northern Quebec basin has 16.0%.

From 1971 to 2001, the population of the Okanagan-Similkameen basin increased 137% to 285,145.

In 2001, the Okanagan-Similkameen river basin ranked first in Canada in terms of the number of people for each square km of surface water, and second only to the Great Lakes-St. Lawrence river basin in terms of population density for every square km of land.

Number of adult offenders behind bars edges up

The number of adults behind bars in Canada on any given day in 2001/02 rose slightly from the previous year, according to a new report. However, Canada's incarceration rate remained unchanged.

About 32,000 adults on average were in a federal penitentiary or in a provincial or territorial jail. This level was slightly higher than it was a year earlier, but it was down 2% from the level in 1993/94.

These people accounted for about one-fifth of the 155,000 adult offenders who were under the supervision of correctional services agencies in Canada in 2001/02. The remaining 80% were under some kind of community supervision.

Among the 122,700 adults under community supervision, 83% were on probation, 10% were serving a conditional sentence and another 7% were on parole or statutory release.

Canada's incarceration rate, including federal, provincial and territorial inmates, was 133 adult inmates for every 100,000 adults in the population in 2001/02. In general, this rate has been declining since its high of 153 for every 100,000 adults in 1994/95.

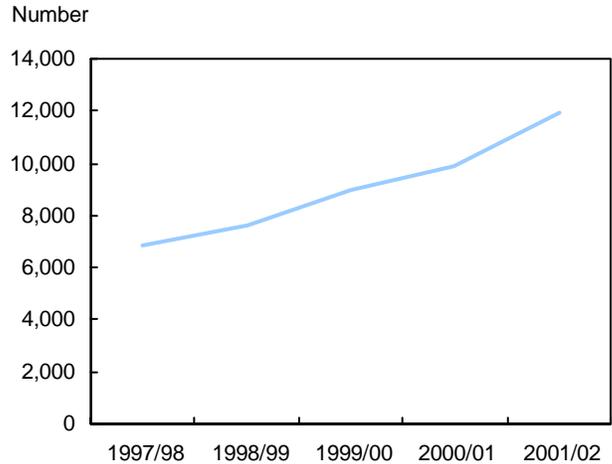
While Canada's incarceration rate was among the highest in the western world, it was one of a handful recording a decline from 1996 to 2000.

The average number of offenders in sentenced provincial/territorial custody declined in every province and territory from 1993/94 to 2001/02. In contrast, the average number of people in remand increased 55% from 1993/94.

In 2001/02, there were slightly more than 361,000 admissions to correctional services in Canada, up 5% from the previous year. Just over two-thirds related to some form of custody, while the remaining one-third related to community supervision.

Just over one-half of admissions to custody (126,000) were for remand. In fact, the increase in provincial and territorial admissions to custody has been fuelled mainly by an 8% jump in the number of admissions to remand and other temporary detention.

Average count of offenders serving a conditional sentence



Note: Because of missing data for some years, data from New Brunswick, the Northwest Territories and Nunavut have been excluded.

In the federal system, an inmate cost Canadians an average of \$199.57 per day in constant 1992/93 dollars, compared with \$114.14 per inmate each day at the provincial/territorial level.

The difference takes into account a number of factors, such as the higher level of security required at federal facilities, and the requirement to provide more extensive programming for offenders serving longer sentences.

The federal cost has increased 18% since 1999/2000, while the average in the provincial/territorial system has declined slightly over the same period.

You can read the *Juristat: Adult correctional services in Canada, 2001/02* (85-002-XIE2003011; 85-002-XPE2003011) and the publication, *Adult correctional services in Canada, data tables, 2001/02* (85-211-XIE2002000) on Statistics Canada's website (www.statcan.ca).

For more information, contact Information and Client Services (613-951-9023), Canadian Centre for Justice Statistics.

Canada, Australia: similar growth in standard of living

Despite a labour productivity gap in favour of Australia, Canada's standard of living grew at the same pace as Australia's during the late 1990s, according to a new study comparing the two countries.

This is a significant achievement, given that the OECD has identified Australia's as one of the "miracle economies" of the 1990s.

From 1995 to 2000, gross domestic product (GDP) per capita in Canada increased at an annual average rate of 3.0%, just marginally above the average of 2.9% in Australia.

This occurred despite a widening gap between the two countries in terms of labour productivity. In Australia, productivity rose at an average annual pace of 2.5% during this five-year period, compared with only 1.5% in Canada. But Canada's growth in living standard kept up with Australia's because Canada put in relatively more working time per person.

In 2001, GDP per capita in Canada was about \$28,900, slightly higher than \$27,300 in Australia. Australia's population was roughly 20 million, about two-thirds of Canada's population of nearly 31 million.

For more information, contact Tarek Harchaoui (613-951-9856), Micro-economic Analysis Division.

Canadian farmers enjoy big rebound in crop production

Production of major field crops has rebounded this year from one of the worst seasons in a quarter century. The increase in production was the first since 1999 and was widespread.

Final figures for 2003 from a survey of 32,000 growers show that production rose across the board, ranging from a 10% gain in durum wheat to a 78% jump in barley production. While improvements were most dramatic on the Prairies, they were not limited to the west.

The situation was a substantial turnaround from 2002, when weather, disease and insects reduced yields and downgraded quality for those producers who were fortunate to have a crop to harvest.

Conditions this year varied considerably across the west, especially in the second half of the year when dry conditions prevailed in the south and west. However, harvesting conditions were good, and the quality of grains and oilseeds was high.

In eastern Canada, farmers also experienced favourable growing conditions in most parts, resulting in a record corn crop in Quebec and a record crop of winter wheat in Ontario.

Total wheat production in western Canada was up 45% to 21.1 million tonnes, nearly hitting its five-year average. This gain couldn't have come at a better time for farmers, as end stocks of world wheat are forecast at a 20-year low.

Production of spring wheat, the major cash crop in the west, came in just below its five-year average. Big gains were reported in all western provinces; 20% in Manitoba; 59% in Saskatchewan and 88% in Alberta.

November production estimates

	2002	2003	2002 to 2003
	'000 tonnes		% change
Total wheat	16,198	23,552	45
Spring wheat	10,767	16,440	53
Barley	7,489	12,328	65
Grain corn	8,999	9,587	7
Canola	4,178	6,669	60
Durum wheat	3,877	4,280	10
Oats	2,911	3,691	27
Soybeans	2,336	2,268	-3
Field peas	1,366	2,124	55
Flaxseed	679	754	11

Production of canola, used to make margarine, returned to normal this year. Farmers harvested an estimated 6.6 million tonnes, up 60%. Industry forecasters predict that exports are expected to increase this year, the result of increased shipments to Mexico and China.

Barley production surpassed its five-year average, which is good news for growers. They can expect improved export opportunities to emerge, the result of declines in barley production in the European Union and Eastern Europe.

In eastern Canada, grain corn production was up 7%, as Quebec growers reported a record tonnage. However, soybean production was down this year, the result of a lower harvested area and a lower yield in Ontario.

For more information, contact David Roeske (613-951-0572), Agriculture Division.

Building permits ahead of last year's pace

The value of building permits for the first 10 months of 2003 was still well ahead of last year's level, despite declines in intentions in October in both the residential and the non-residential sectors.

Builders took out a total of \$4.3 billion worth of permits in October, down 4.9% from September. Housing permits fell 3.3% and the value of non-residential permits declined 7.7%.

However, prospects are good for an exceptional year. On a year-to-date basis, total intentions were up 8.9% from the first 10 months of 2002 to \$42.6 billion. Municipalities have issued \$26.4 billion worth of housing permits, up 7.2%, while the value of non-residential permits has increased 11.8%.

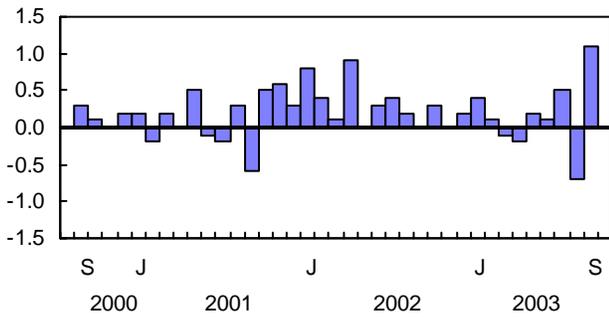
Regionally, the largest advance in the value of construction intentions so far this year occurred in Toronto, with Montreal close behind.

For more information, contact Étienne Saint-Pierre (613-951-2025), Investment and Capital Stock Division.

Current trends

Gross domestic product

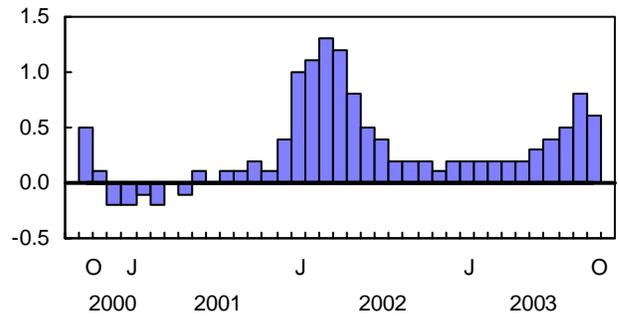
% change, previous month



Total economic activity increased 1.1% in September, after a 0.7% decrease in August.

Composite Index

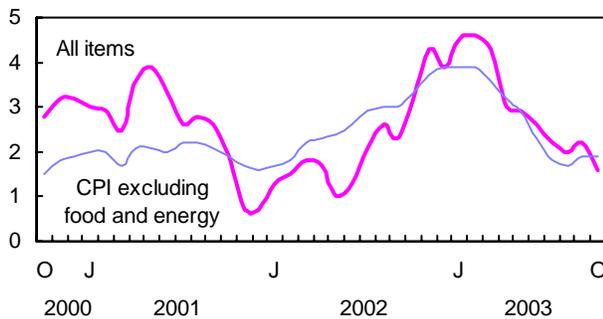
% change, previous month



The leading indicator grew 0.6% in October after rising 0.8% in September.

Consumer Price Index

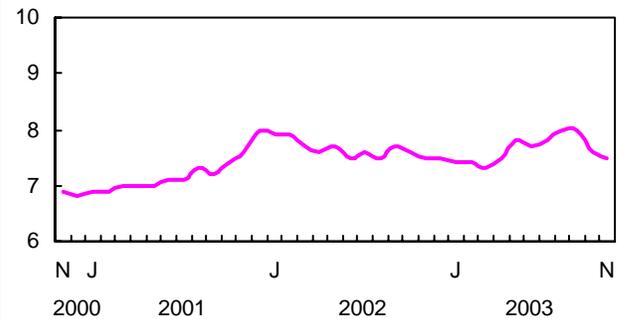
% change, previous year



Consumer prices for goods and services were 1.6% higher in October than they were a year earlier. Excluding food and energy, prices rose 1.9%.

Unemployment rate

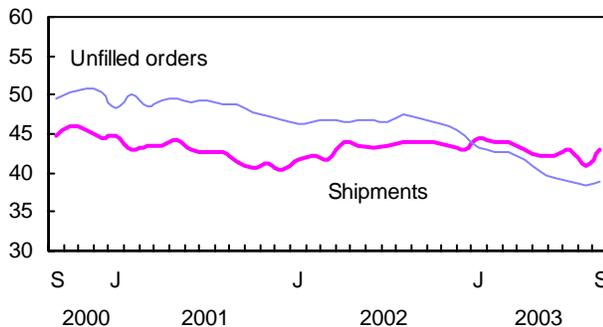
%



In November, the unemployment rate fell to 7.5%.

Manufacturing

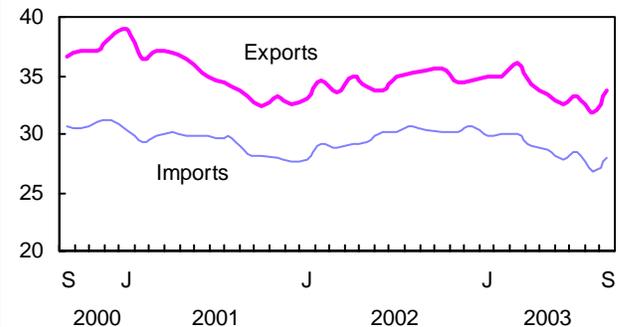
\$ billions



Manufacturers' shipments increased 5.2% in September to \$43.0 billion. The backlog of unfilled orders increased 1.1% to \$38.8 billion.

Merchandise trade

\$ billions



In September, exports increased 4.7% to \$33.7 billion. Imports increased 4.9% to \$28.0 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	September	1,018.1	1.1%	1.9%
Composite Index (1992=100)	October	185.0	0.6%	3.8%
Operating profits of enterprises (\$ billions)	Q3 2003	41.6	3.7%	11.3%
Capacity utilization rate (%) ²	Q2 2003	82.5	-1.2†	-1.1†
DOMESTIC DEMAND				
Retail trade (\$ billions)	September	26.4	-0.8%	3.3%
New motor vehicle sales (thousands of units)	September	145.3	1.9%	-3.3%
Wholesale trade (\$ billions)	September	36.6	6.1%	3.2%
LABOUR				
Employment (millions)	November*	15.9	0.3%	1.7%
Unemployment rate (%)	November*	7.5	-0.1†	0.0†
Participation rate (%)	November*	67.6	0.1†	0.3†
Average weekly earnings (\$)	September	692.75	1.08%	1.33%
Regular Employment Insurance beneficiaries (in thousands)	September	579.90	-1.2%	4.6%
INTERNATIONAL TRADE				
Merchandise exports (\$ billions)	September	33.7	4.7%	-4.9%
Merchandise imports (\$ billions)	September	28.0	4.5%	-7.6%
Merchandise trade balance (all figures in \$ billions)	September	5.6	0.3	0.5
MANUFACTURING				
Shipments (\$ billions)	September	43.0	5.2%	-2.5%
New orders (\$ billions)	September	43.4	8.0%	-0.2%
Unfilled orders (\$ billions)	September	38.8	1.1%	-17.3%
Inventory/shipments ratio	September	1.42	-1.2	-1.1
PRICES				
Consumer Price Index (1992=100)	October	122.4	-0.2%	1.6%
Industrial Product Price Index (1997=100)	October	104.9	-0.9%	-3.8%
Raw Materials Price Index (1997=100)	October	108.3	1.1%	-7.8%
New Housing Price Index (1992=100)	October*	118.4	0.4%	5.0%

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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SUBJECT AREA Title of product	Period	Catalogue number	Price (\$) (issue/subscription)
AGRICULTURE			
Farm product price index	September 2003	21-007-XIB	Free
Field crop reporting series	Vol. 82, no. 8	22-002-XIB	12/71
Field crop reporting series	Vol. 82, no. 8	22-002-XPB	17/95
Production of eggs	October 2003	23-003-XIB	Free
Rural and small town Canada analysis bulletin: Rural economic diversification - A community and regional approach	1986-1996	21-006-XIE	Free
ANALYTICAL STUDIES			
Hollowing-out, trimming-down or scaling-up?			
An analysis of head offices in Canada	1999-2002	11F0027MIE2003019	Free
Prosperity and productivity: A Canada-Australia comparison	No. 18	11F0027MIE2003018	Free
BALANCE OF PAYMENTS AND FINANCIAL FLOWS			
Canada's balance of international payments	Q2 2003	67-001-XIB	32/100
CANADIAN CENTRE FOR JUSTICE STATISTICS			
Adult correctional services in Canada (data tables)	2001-2002	85-211-XIE2002000	30
Juristat: Adult correctional services in Canada	2001-2002	85-002-XIE2003011	9/75
Juristat: Adult correctional services in Canada	2001-2002	85-002-XPE2003011	11/100
CENSUS OPERATIONS			
2001 Provincial and Territorial Profiles, 2001 Census	2001	94F0046XIE	Free
Portrait of Official Language Communities in Canada, 2001 Census	2001	94F0040XCB	60
HOUSING, FAMILY AND SOCIAL STATISTICS			
Canadian social trends	Winter 2003	11-008-XIE	9/29
Canadian social trends	Winter 2003	11-008-XPE	12/39
INDUSTRIAL ORGANIZATION AND FINANCE			
Quarterly financial statistics for enterprises	Q3 2003	61-008-XIE	28/93
INVESTMENT AND CAPITAL STOCK			
Building permits	October 2003	64-001-XIE	15/156
LABOUR STATISTICS			
Labour force information	Nov. 8-15, 2003	71-001-XIE	9/84
LABOUR AND HOUSEHOLD SURVEYS ANALYSIS			
Perspectives on labour and income	Winter 2003	75-001-XPE	20/63
MANUFACTURING, CONSTRUCTION AND ENERGY			
Electric power generation, transmission and distribution	2001	57-202-XIB	26
Primary iron and steel	September 2003	41-001-XIB	6/51
Shipments of solid fuel burning heating products	Q3 2003	25-002-XIB	7/21
Cement	October 2003	44-001-XIB	6/51
PRICES			
Industry price indexes	October 2003	62-011-XIE	19/175
Industry price indexes	October 2003	62-011-XPE	24/233
SCIENCE, INNOVATION AND ELECTRONIC INFORMATION			
Bioproducts development by Canadian biotechnology firms: Findings from the 2001 biotechnology use and development survey	2001	88F0006XIE2003013	Free
Canada's journey to an information society	1997 to 2002	56-508-XIE	Free
SERVICE INDUSTRIES			
Restaurant, caterer and tavern statistics	September 2003	63-011-XIE	7/59
TRANSPORTATION			
Shipping in Canada	2001	54-205-XIE	43

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