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The Daily

Statistics Canada

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MAJOR RELEASES

(continued on following page)

The Composition of business establishments in smaller and larger communities in Canada

In collaboration with the Rural Secretariat, Agriculture and Agri-food Canada, Statistics Canada releases today the third in its series of analysis bulletins that profiles trends in rural Canada.

The bulletin, *The Composition of business establishments in smaller and larger communities in Canada*, shows that there was a large number of new business starts in both smaller and larger communities from 1993 to 1996. Smaller communities have relatively more businesses than their share of the total population and small communities are more likely to have smaller businesses. Producer-service businesses have a relatively lower presence in smaller communities while distributive services, personal services and social services are almost equally spread across smaller and larger communities.

The Composition of business establishments in smaller and larger communities in Canada (21-006-XIE) is now available free on the Internet at *www.statcan.ca*. See *How to order publications*.

For further information, contact Robert Mendelson (613-951-5385; fax: 613-951-2848; *mendrob@statcan.ca* or call 1-800-465-1991).

OTHER RELEASES

PUBLICATIONS RELEASED

REGIONAL REFERENCE CENTRES

1998 Labour force historical review on CD-ROM

Does the labour market have an impact on your business? The *1998 Labour force historical review on CD-ROM* lets you discover labour market patterns or trends in seconds. Thousands of cross-classified data series, from 1976 to 1998, are available at the click of a mouse. Monthly and annual average series are available on a range of subjects, including labour force status by demographic, education and family characteristics, unemployment by duration and reason for leaving a last job, average hourly wages by industry and occupation, and trends in the labour markets of metropolitan areas, economic regions and more.

This year's CD includes industry and occupation data based on new and more current classification systems. It also contains an easy-to-use data browser, tutorials, the Labour Force Survey Guide, a coefficient of variation calculator and more. This CD lets you view the data most appropriate for your needs with quick-charting features that let you discover data patterns in seconds, rather than hours.

The *1998 Labour force historical review on CD-ROM* (71F0004XCB, $195) is now available. LAN and bulk prices are available upon request. To order this new edition, contact your nearest Statistics Canada Regional Reference Centre or order via e-mail at *order@statcan.ca*.

For more information about the product, contact Marc Lévesque at 613-951-2793 or refer to the Internet site at *www.statcan.ca*.

MAJOR RELEASES

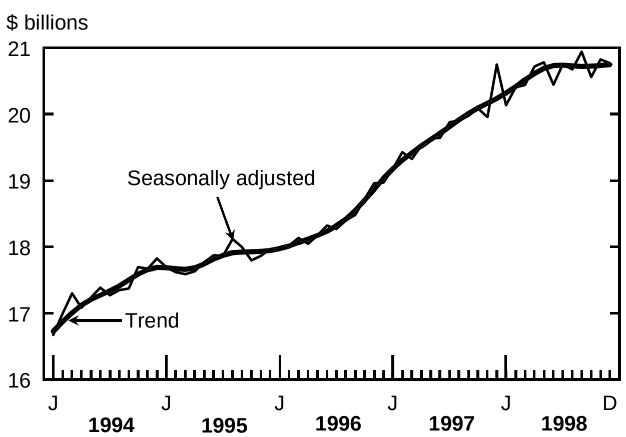
Retail trade

December 1998 and Annual 1998 (preliminary)

Diminishing sales in clothing and food stores held back retail sales in December to $20.8 billion, down 0.3% from November. For 1998, retail sales reached $247 billion, up 4.3% from 1997. By comparison, the increase for 1997 was 7.6%, but a significant portion of this was due to higher prices. Excluding the price effect, retail sales rose by 5.7% in 1997 and 4.4% in 1998.

December's level of sales mirrored that observed since the spring of 1998. After increasing by 3.2% from January to May 1998, retail sales remained generally flat for the rest of the year. Prior to the spring of 1998, sales had generally been increasing since early 1996.

Small decline in retail sales in December



Lower prices in December failed to stimulate demand of clothing

In December, clothing stores reported the largest decline (-3.8%) of all sectors. This followed a 1.8% gain in November. Prices of clothing and footwear fell for a second consecutive month in December (-1.8%). Retailers started to lower prices of clothing and footwear in November to liquidate high levels of stocks accumulated since the fall because of warmer than usual weather.

Despite lower prices in December, sales were down in men's clothing (-3.3%), women's clothing (-4.6%) and other clothing stores (-5.3%). However, shoe store sales increased 4.2%. Overall, sales in clothing stores have declined slowly since the spring of 1998, following a year of increases.

Furniture stores (+1.3%), general merchandise stores (+0.7%) and the automotive sector (+0.6%) ended 1998 with rising sales in December. On the other hand, sales from food stores (-1.0%) and drug stores (-0.6%) diminished.

> ***Note to readers***
>
> *At the end of every calendar year, seasonally adjusted figures are revised to equal the sum of the unadjusted estimates. Revised seasonally adjusted figures are presented this month for September to December 1998. Revisions for the 1998 calendar year will be released this April.*

Overall consumer demand remains weak despite annual increase in total retail sales

Despite a 4.3% increase in 1998, retail sales remained generally flat for most of the year due to sluggish sales in all sectors, except for furniture stores. Excluding sales by motor and recreational vehicle dealers, total retail sales increased 4.4%. The increase of 4.3% in retail sales for 1998 was mostly due to rising sales at the beginning of the year. However, starting in the spring of 1998, dampened consumer demand began to affect total spending in stores.

Employment grew considerably in 1998 (+2.8%), posting the best performance of the decade. However, the small gains in average weekly earnings and the high level of consumer credit may have contributed to faltering retail sales since the spring of 1998.

Furniture stores continued to experience solid growth in 1998

After posting a 10.0% increase in 1997, retail sales in the furniture sector advanced 8.4% in 1998 to reach $12.6 billion. This was the largest increase among all retail sectors in 1998. Within this sector, both household furniture and appliance stores (+8.9%) and household furnishings stores (+6.5%) showed significant sales increases. Retail sales in furniture stores have generally been increasing since early 1996. The activity level of the last two years in the housing market may have helped to stimulate demand of furniture and household appliances.

Retail stores classified in the "other" category posted the second largest increase in sales (+7.3%) in 1998. The most significant increase in this sector came from retailers of "other durable goods" (+13.8%) such as sporting goods, jewellery, music and cameras. Sales in this sector as a whole have generally been rising since early 1997.

General merchandise retailers showed a 6.9% increase in sales during 1998. Department stores sales rose 6.2% despite store closures and restructuring activities in the year. However, this was considerably less than the 11.2% increase reported by department stores in 1997. After two years of advances, sales in department stores have weakened since the spring of 1998. Sales by other general merchandise stores advanced 7.8% in 1998. Overall, sales in other general merchandise stores have generally been increasing since the end of 1995.

After reporting the highest annual increase among all sectors in 1997 (+10.5%), retailers in the automotive sector experienced a significantly weaker increase in 1998 (+2.6%), with sales reaching $95.1 billion. Sales from gasoline service stations declined in 1998 (-6.3%) due to low prices of petroleum products. Sales of automotive parts, accessories and services increased 6.3% in 1998. Motor and recreational vehicle dealers experienced a 4.1% rise in sales. Retail sales in the automotive sector have flattened out since the spring of 1998 after generally increasing since mid-1996.

Rising sales at the beginning of the year enabled retailers in drug stores (+5.8%), clothing stores (+4.4%) and food stores (+3.4%) to show increases in 1998. After the spring of 1998, sales in drug stores and clothing stores started to decline and sales in food stores flattened out.

Retail sales by sector

	1997	1998	1997 to 1998
	$ millions		% change
Furniture	11,605	12,579	8.4
Other	25,093	26,919	7.3
General merchandise	26,183	27,979	6.9
Drug	12,298	13,009	5.8
Clothing	13,385	13,972	4.4
Total, all stores	**237,278**	**247,432**	**4.3**
Food	55,949	57,836	3.4
Automotive	92,765	95,138	2.6

Ontario's retailers lead the way

In 1998, retailers in Ontario posted the strongest growth (+8.0%), well above the national average (+4.3%). They also reported a similar increase in 1997 (+7.8%). In Ontario, furniture stores were the best performing sector for the second consecutive year, followed closely by drug stores. In 1998, retail sales in the automotive sector in Ontario advanced at about the same rate as the overall provincial increase. Unlike most other provinces, retail sales in Ontario continued to increase in 1998, despite some weakness near the end of the year. Retail sales in the province have generally been increasing since mid-1996.

New Brunswick retailers posted the second highest sales advance in 1998 (+6.0%) with strong increases in all retail sectors. This annual increase was also above the national average and twice the province's 1997 growth rate (+2.9%). Despite this increase, retail sales in New Brunswick during the second half of 1998 generally declined in the automotive sector and flattened out in general merchandise stores.

The three other Atlantic provinces also posted increasing retail sales in 1998. Advancing sales in Prince Edward Island (+4.5%), Nova Scotia (+4.0%) and Newfoundland (+3.1%) were led by furniture and clothing stores. The increase in Newfoundland also came from higher sales in general merchandise stores. Total sales have been rising since fall 1997 in Newfoundland and since spring 1997 in Nova Scotia. However, retail sales in Prince Edward Island have generally been declining since the summer of 1998 after two years of increases.

Stagnant sales in the automotive sector during 1998 limited the overall increase in Quebec's retail sales. Retail sales in Quebec rose 2.6% compared with a 7.3% increase in 1997. Sales rose significantly in furniture and general merchandise stores during 1998. Overall, retail sales in Quebec have risen very slowly since the spring of 1998 after a period of stronger increases that began in the fall of 1997.

Declining prices of farm products may have had an effect on the sales performance of retailers in Manitoba (+2.4%) and Saskatchewan (+0.2%) during 1998. Sales in Manitoba were strong in furniture stores but increases in food and automotive stores remained below the provincial average. After rising since early 1996, sales in Manitoba remained flat throughout 1998. The weak performance of retailers in Saskatchewan came from a significant decline in automotive stores. Retailers in Saskatchewan experienced declining sales in the first half of 1998 and stagnant sales for the remaining of the year. Prior to 1998, retail sales in Saskatchewan had generally been rising since early 1996.

In 1998, strong sales in general merchandise and furniture stores pushed up total retail sales in Alberta (+4.8%) at a rate slightly above the national average. Retail sales in Alberta generally increased for the first half of 1998 but remained flat for the rest of the year.

British Columbia (-1.5%) was the only province in which retail sales declined in 1998, due to diminishing sales in automotive, drug, furniture and food stores. Weak consumer confidence resulting from the Asian economic crisis and low commodity prices on world markets may have had a dampening effect on retail sales in British Columbia during 1998. After rising from the fall of 1996 to the end of 1997, retail sales in the province generally declined in 1998.

Retail sales by province and territories

	1997	1998	1997 to 1998
	$ millions		% change
Ontario	86,458	93,362	8.0
New Brunswick	5,584	5,920	6.0
Alberta	26,939	28,225	4.8
Prince Edward Island	996	1,041	4.5
Canada	**237,278**	**247,432**	**4.3**
Nova Scotia	7,294	7,587	4.0
Newfoundland	3,704	3,820	3.1
Quebec	55,539	56,995	2.6
Manitoba	8,589	8,792	2.4
Northwest Territories	508	517	1.9
Yukon	309	313	1.3
Saskatchewan	7,622	7,634	0.2
British Columbia	33,736	33,226	-1.5

Related indicators

Sources in the automotive industry indicated a rise in the number of new motor vehicles sold in January. Employment increased for a seventh consecutive month in January (+0.6%). Housing starts fell for a third consecutive month in January, down 1.4% from December. The Canada Real Estate Association also reported a decline in housing resale in January.

Available on CANSIM: matrices 2299, 2398-2417, 2419 and 2420.

The December 1998 issue of *Retail trade* (63-005-XPB, $21/$206) will be available shortly. See *How to order publications*.

For more information, contact the Client Services Unit (613-951-3549; 1-877-421-3067; *retailinfo@statcan.ca*). For analytical information, or to enquire about the concepts, methods and data quality of this release, contact Paul Gratton (613-951-3541, *gratpau@statcan.ca*), Retail Trade Section, Distributive Trades Division. □

Retail sales

	Dec. 1997	Sept. 1998[r]	Oct. 1998[r]	Nov. 1998[r]	Dec. 1998[p]	Nov. to Dec. 1998	Dec. 1997 to Dec. 1998
	seasonally adjusted						
	$ millions					% change	
Food	**4,742**	**4,848**	**4,842**	**4,902**	**4,853**	**-1.0**	**2.3**
Supermarkets and grocery stores	4,379	4,489	4,470	4,540	4,496	-1.0	2.7
All other food stores	364	359	372	363	357	-1.7	-1.8
Drug and patent medicine stores	**1,047**	**1,078**	**1,088**	**1,079**	**1,072**	**-0.6**	**2.4**
Clothing	**1,127**	**1,166**	**1,168**	**1,189**	**1,144**	**-3.8**	**1.5**
Shoe stores	136	136	135	133	139	4.2	2.4
Men's clothing stores	130	131	130	132	128	-3.3	-1.3
Women's clothing stores	360	366	364	382	364	-4.6	1.3
Other clothing stores	502	534	540	541	513	-5.3	2.1
Furniture	**1,017**	**1,069**	**1,063**	**1,078**	**1,092**	**1.3**	**7.4**
Household furniture and appliance stores	808	866	858	868	882	1.6	9.1
Household furnishings stores	208	204	205	209	210	0.1	0.6
Automotive	**8,418**	**8,151**	**7,785**	**7,959**	**8,009**	**0.6**	**-4.9**
Motor and recreational vehicle dealers	5,973	5,687	5,300	5,485	5,533	0.9	-7.4
Gasoline service stations	1,317	1,260	1,260	1,246	1,228	-1.4	-6.8
Automotive parts, accessories and services	1,128	1,204	1,225	1,228	1,248	1.7	10.7
General merchandise trade	**2,254**	**2,354**	**2,343**	**2,331**	**2,347**	**0.7**	**4.1**
Retail stores not elsewhere classified	**2,145**	**2,273**	**2,268**	**2,288**	**2,253**	**-1.6**	**5.0**
Other semi-durable goods stores	688	702	712	726	699	-3.8	1.6
Other durable goods stores	542	576	572	567	568	0.2	4.8
All other retail stores not elsewhere classified	915	995	983	995	986	-0.9	7.7
Total, retail sales	**20,749**	**20,939**	**20,558**	**20,825**	**20,768**	**-0.3**	**0.1**
Total excluding motor and recreational vehicle dealers	**14,776**	**15,252**	**15,258**	**15,340**	**15,235**	**-0.7**	**3.1**
Provinces and territories							
Newfoundland	320	326	324	327	315	-3.8	-1.5
Prince Edward Island	88	87	85	85	84	-0.9	-3.8
Nova Scotia	631	635	638	643	644	0.2	2.1
New Brunswick	498	496	480	491	491	0.1	-1.4
Quebec	4,736	4,810	4,755	4,828	4,820	-0.2	1.8
Ontario	7,686	7,937	7,810	7,921	7,882	-0.5	2.5
Manitoba	748	756	727	734	735	0.1	-1.8
Saskatchewan	670	653	625	633	633	0.1	-5.5
Alberta	2,404	2,417	2,308	2,353	2,343	-0.4	-2.6
British Columbia	2,897	2,752	2,736	2,740	2,752	0.4	-5.0
Yukon	28	27	26	26	26	-0.5	-5.2
Northwest Territories	44	44	43	44	43	-1.3	-2.6

p *Preliminary figures.*
r *Revised figures.*

Retail sales

	Dec. 1997	Nov. 1998r	Dec. 1998p	Dec. 1997 to Dec. 1998
	unadjusted			
	$ millions			% change
Food	**4,982**	**4,567**	**5,224**	**4.9**
Supermarkets and grocery stores	4,544	4,222	4,785	5.3
All other food stores	438	344	439	0.3
Drug and patent medicine stores	**1,316**	**1,058**	**1,342**	**2.0**
Clothing	**1,874**	**1,311**	**1,917**	**2.3**
Shoe stores	170	151	176	3.3
Men's clothing stores	260	157	260	0.2
Women's clothing stores	583	398	592	1.5
Other clothing stores	861	606	889	3.3
Furniture	**1,458**	**1,168**	**1,581**	**8.5**
Household furniture and appliance stores	1,193	942	1,313	10.0
Household furnishings stores	265	226	269	1.5
Automotive	**7,722**	**7,552**	**7,448**	**-3.5**
Motor and recreational vehicle dealers	5,165	5,003	4,866	-5.8
Gasoline service stations	1,321	1,225	1,219	-7.7
Automotive parts, accessories and services	1,237	1,323	1,363	10.2
General merchandise stores	**3,768**	**2,860**	**3,948**	**4.8**
Retail stores not elsewhere classified	**3,345**	**2,248**	**3,526**	**5.4**
Other semi-durable goods stores	1,066	758	1,081	1.4
Other durable goods stores	1,011	557	1,075	6.3
All other retail stores not elsewhere classified	1,268	933	1,370	8.1
Total, retail sales	**24,465**	**20,762**	**24,987**	**2.1**
Total excluding motor and recreational vehicle dealers	**19,300**	**15,759**	**20,121**	**4.2**
Provinces and territories				
Newfoundland	384	337	389	1.5
Prince Edward Island	103	83	102	-0.6
Nova Scotia	756	651	788	4.2
New Brunswick	587	495	591	0.6
Quebec	5,217	4,704	5,432	4.1
Ontario	9,338	8,044	9,758	4.5
Manitoba	898	737	899	0.1
Saskatchewan	795	644	769	-3.3
Alberta	2,901	2,348	2,874	-0.9
British Columbia	3,406	2,657	3,305	-3.0
Yukon	30	23	28	-4.8
Northwest Territories	50	41	50	-0.4

p *Preliminary figures.*
r *Revised figures.*

■

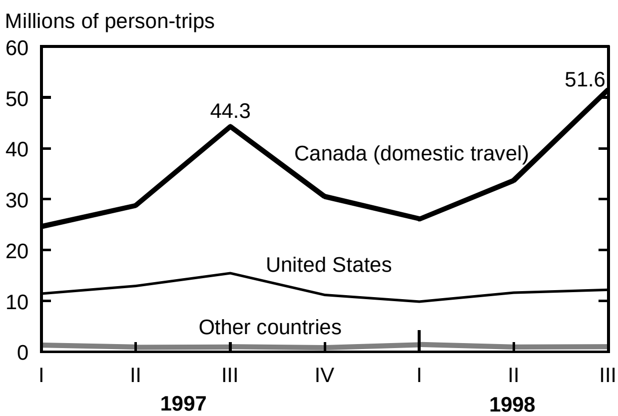
Domestic travel

Third quarter of 1998

The number of domestic trips by Canadians in Canada reached 51.6 million in the third quarter of 1998, an increase of 16.4% over the third quarter of 1997. A decrease in the number of trips abroad and the favourable economic climate for employment and personal income were both factors in the increase in domestic travel.

Overall, 80 % of trips made by Canadians in the third quarter of 1998 were domestic, compared with 72% in 1997. This was largely due to a 21% drop in the number of trips to the United States in the third quarter of 1998, owing to the weakness of the Canadian dollar.

Trips by Canadians, by quarter



Exceptional weather and aggressive advertising led Canadians to visit Canada during their vacations. Of the 51.6 million trips made, nearly half (25 million) were pleasure trips, a 21.2% increase compared with the third quarter of 1997.

Spending on domestic travel was also up in the third quarter of 1998; it grew 12.4% to $6.5 billion. After adjusting for inflation, this was an increase of nearly 10%.

Of the $6.5 billion that travellers spent on domestic travel, $4.7 billion was spent in the province of residence and $1.8 billion was spent in other provinces.

Strong increases in the third quarter of 1998, combined with an economic climate favourable to tourism at the start of the year, resulted in a 13.9% increase in the number of person-trips to reach 111.3 million over the first nine months of 1998. Spending also increased 16.8% during the first nine months to reach $14.4 billion.

Note to reader

Data in this release came from the Canadian Travel Survey, a supplement to the Labour Force Survey. In the third quarter of 1998, the Canadian Travel Survey sampled 31,700 households.

Domestic travel is defined as any trip covering 80 kilometres or more one way, taken by a Canadian and having a Canadian destination.

Figures on the number of travellers are measured in person-trips, that is, the number of trips made by one Canadian multiplied by the number of people who were on each of those trips. For example, if four persons go on a trip together, it is counted as four person-trips. The distribution of person-trips by province is based on the province of destination rather than the province of residence.

Expenditures by residents are all travel expenditures made in the traveller's province of residence. Expenditures by non-residents are travel expenditures made by travellers in a province other than their province of residence.

The number of trips increased in all provinces

Estimates of the number of trips, expressed in person-trips, were greater for all provinces in the third quarter of 1998 compared with the third quarter of 1997. The provinces that registered the greatest gains were Quebec (+29.8%), for a total of 11.1 million person-trips; Manitoba (+22.6%), with 2.2 million person-trips; New Brunswick (+19.2%), with 1.4 million person-trips; Ontario (+16.8%), with 18.6 million person-trips; and Nova Scotia (+13.4%), with 2.3 million person-trips. The gains in Quebec and Manitoba had been anticipated because of the increased number of requests for information at tourist information centres.

In general, Canadians used the summer to take pleasure trips and participate in ecotourism-related activities, cultural visits and sports activities. The number of person-trips related to sports activities was 20.1 million, representing two person-trips out of five, a 23% increase over the third quarter of 1997. Hiking and bird watching, both ecotourism-related activities, were also on the increase, accounting for 9.7 million and 2.1 million person-trips respectively.

Tourism spending is concentrated in Quebec and Ontario

Fifty-eight percent of person-trips made in the third quarter of 1998 were in Quebec and Ontario, which together accounted for 51% of domestic tourism spending. However, those provinces' relative share of spending declined, because, on average, the trips made were of shorter duration. In Quebec, the average number of nights was 3.4 and in Ontario it was 3.5, both below the Canadian average of 3.9 nights.

Quebec and Ontario were mainly visited by travellers from those provinces. In fact, 88% of the 11.1 million person-trips in Quebec were made by Quebecers, while in Ontario, 91% of the 18.6 million person-trips were made by Ontarians.

Distribution of person-trips and expenditures by province
Third quarter of 1998

	Person-trips		Expenditures		Average number of nights
	millions	% of total	$ millions	% of total	
Canada[1]	**51.6**	**100**	**6,528**	**100**	**3.9**
Newfoundland	0.9	1.7	174	2.7	5.0
Prince Edward Island	0.5	1.0	107	1.6	6.8
Nova Scotia	2.3	4.4	290	4.4	4.9
New Brunswick	1.4	2.7	209	3.2	4.2
Quebec	11.1	21.5	1,276	19.5	3.4
Ontario	18.6	36.0	2,050	31.4	3.5
Manitoba	2.2	4.3	222	3.4	3.8
Saskatchewan	2.5	4.8	259	4.0	4.2
Alberta	6.3	12.2	853	13.1	3.8
British Columbia	5.7	11.0	1,063	16.3	5.0

[1] *Includes interprovincial estimates for Yukon and the Northwest Territories.*

Trips last longer in coastal provinces

Canadians who visited Canada's coasts spent more time on their trip than those who visited the inland provinces. The average number of nights in Prince Edward Island was 6.8, a province that has become much more accessible since the opening of the Confederation Bridge in June 1997. By comparison, Canadians stayed an average of 5.8 nights in the third quarter of 1997 and 6.0 nights in the third quarter of 1996.

British Columbia, which was designated a prime international destination by the North American Travel Journalists' Association, succeeded in attracting large numbers of visitors from the United States. It was also able to attract Canadian travellers, who stayed on average 5.0 nights. British Columbia's share of domestic travel spending was 16.3%.

Tourism in the Atlantic provinces is largely based on trips by residents of other provinces

Prince Edward Island has the greatest share of domestic travel spending by non-residents. At $97 million, this share represents 90.7% of the total. New Brunswick ranks second with non-resident tourism spending of $121 million, representing 57.9% of the total. The province has been especially aggressive in its advertising to attract residents of neighbouring provinces to come bask on its beaches. Nova Scotia, benefitting from renewed interest in the Titanic, received an increased number of visitors from other provinces. The tourism expenditures of non-residents amounted to $135 million, representing 46.6% of tourism spending in Nova Scotia.

Tourism expenditures of provincial residents and non-residents
Third quarter of 1998

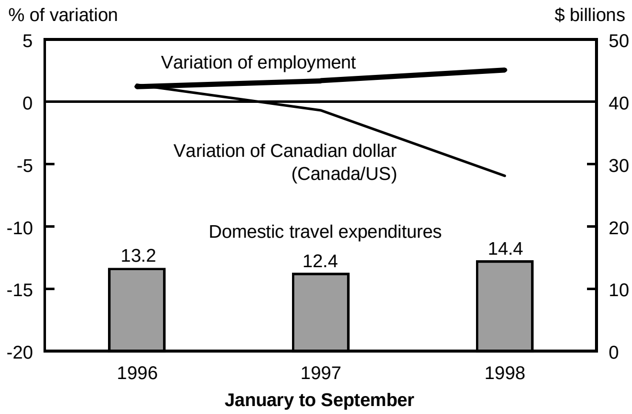
	Total	Residents	Non-residents	% non-residents
	$ millions			
Canada total[1]	**6,528**	**4,738**	**1,790**	**27.4**
Newfoundland	174	114	60	34.5
Prince Edward Island	107	10	97	90.7
Nova Scotia	290	155	135	46.6
New Brunswick	209	88	121	57.9
Quebec	1,276	998	278	21.8
Ontario	2,050	1,750	300	14.6
Manitoba	222	151	71	32.0
Saskatchewan	259	169	90	34.7
Alberta	853	582	271	31.8
British Columbia	1,063	721	342	32.2

[1] *Includes interprovincial estimates for Yukon and the Northwest Territories.*

Tourism spending in the first nine months of 1998 is above the 1996 and 1997 levels

A favourable economic climate boosted tourism spending during the first nine months of the year. In particular, employment grew by 2.6% and the value of the Canadian dollar declined by 5.9% in relative to the U.S. dollar during this period.

Domestic travel expenditures versus two economic indicators



Various statistical profiles and microdata files are available on request. To request data, contact Michèle Lanoue at (613-951-6321; fax: 613-951-2909; *lanomic@statcan.ca*). For more information, or to enquire about the concepts, methods and data quality of this release, contact Lizette Gervais-Simard at (613-951-1672; fax: 613-951-2909; *gervliz@statcan.ca.*), Travel, Tourism and Recreation Section. ■

Livestock statistics
January 1, 1999

Canada's herd of cattle and calves declined for the third year in a row in 1998, while the number of hogs declined in the fourth quarter.

As of January 1, 1999, cattle and calf inventories stood at 12.8 million head, down 2.0% from the previous year and down 4.4% from the peak of 13.4 million as of January 1, 1996.

Hog inventories reached 12.5 million head as of January 1, 1999, down 1.1% from October, but up 3.9% over the 12.0 million head held last January. This represents the second consecutive increase in annual hog numbers.

The inventory of sheep and lambs at January 1 stood at 654,900 head, up 6.0% over the 617,700 on farms the previous year. It appears that farmers are using a period of low prices to rebuild their herds.

Livestock inventories, January 1

	Cattle		Hogs	
	1998	1999	1998	1999
	000's head			
Canada	**13,072**	**12,810**	**12,003**	**12,473**
Atlantic	311	308	346	357
Quebec	1,356	1,297	3,611	3,615
Ontario	2,147	2,095	3,192	3,441
Manitoba	1,238	1,215	1,927	2,100
Saskatchewan	2,416	2,385	906	958
Alberta	4,959	4,880	1,843	1,854
British Columbia	646	630	179	149

Downward slide in cattle numbers expected to continue into 1999

The downward trend in cattle numbers is expected to continue into 1999 as both heifers for breeding and beef cow numbers also declined during 1998.

The number of steers and heifers available for slaughter at January 1, 1999 declined 4.8% from the previous year. This is the first drop since January 1995 and indicates that the Canadian beef supply will be lower in the coming year as farmers continue to liquidate their herds.

The herd expansion that occurred during the 1990s, and that appears to be ending, was accompanied by an acceleration of Canadian exports of live cattle. The Canada-U.S. Free Trade Agreement in 1989 led to a major reorganization of the cattle industry. Production and slaughter facilities on both sides of the border became more specialized and the North American cattle and beef markets became more integrated.

Note to readers

The January Livestock Survey is a telephone survey of 9,000 farm operators, conducted from mid-December to early January. Farmers were asked to report the number of livestock they had on their farm as of January 1, 1999.

During the 1980s, on average, one in every ten head of live cattle produced in Canada was exported. During the 1990s, this ratio climbed to one in every three head. The bulk of these exports originated in Western Canada and was destined for the United States. Despite rising inventories in the United States, this expansion indicates a structural change in the Canadian cattle industry.

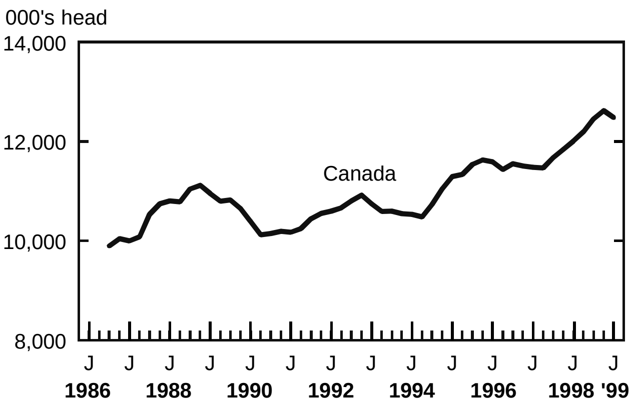
Hog herds shrank marginally in last quarter of 1998

Record low prices and reduced demand for exports have forced hog producers to decrease their herds in the last quarter of 1998. While total hog inventories at January 1, 1999 were up 3.9% over last year, the final quarter of 1998 showed a marginal decline of 1.1% over the previous three months. This was the first such quarter-to-quarter slip since April 1997.

There have been strong efficiency gains in the Canadian hog industry over the last three to four years. The average Canadian hog farm is getting larger and producing an increasing number of hogs per sow while becoming more feed efficient. Though these gains occurred throughout Canada, Western Canada experienced more rapid change this decade.

Over the last few years, expansion in the industry has been driven by strong export markets for both pork and live animals, despite the current economic slowdown in Asia that has diminished demand. Canadian farmers continue to compete in the North American market and take advantage of the lower Canadian dollar. This advantage may be temporary, as the overall situation south of the border parallels that in Canada where slaughterhouses have been operating above capacity and the stocks of frozen pork on both sides of the border have risen to record levels.

January hog inventories, 1986 to 1999



Available on CANSIM: matrices 1150, 1151, 1166, 5645, 9500-9510.

Data are available in the updates to the *Livestock statistics binder* (23-603-UPE, $45). See *How to order publications*.

For more information or to enquire about the concepts, methods and data quality of this release, contact Robert Plourde (613-951-8716; *plourob@statcan.ca*), Livestock Section, Agriculture Division. ■

OTHER RELEASES

Electric lamps
December 1998

Light bulb and tube manufacturers sold 31.7 million light bulbs and tubes in December 1998, a 6.8% increase from the 29.7 million sold in December 1997.

Sales for 1998 totalled 294.4 million, a decrease of 5.3% from the 310.9 million sold in 1997.

The December 1998 issue of *Electric lamps* (43-009-XIB, $5/$47) is now available.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Russell Kowaluk (613-951-0600; *kowarus@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Steel primary forms
December 1998

Steel primary forms production for December 1998 totalled 1 238 895 tonnes, a 6.8% decrease from 1 329 266 tonnes in December 1997.

Production for 1998 reached 15 832 839 tonnes, up 2.4% from 15 458 635 tonnes in 1997.

Available on CANSIM: matrix 58 (level 2, series 3).

The December 1998 issue of *Primary iron and steel* (41-001-XIB, $5/$47) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Andy Shinnan (613-951-3515; *shinand@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Shipments of rolled steel
December 1998

Rolled steel shipments for December 1998 totalled 1 048 369 tonnes, down 9.5% from 1 159 056 tonnes in November and down 10.8% from 1 175 131 tonnes in December 1997.

Shipments for 1998 totalled 14 057 433 tonnes, down 3.0% from 14 497 841 tonnes in 1997.

Available on CANSIM: matrices 58 and 122 (series 22-25).

The December 1998 issue of *Primary iron and steel* (41-001-XIB, $5/$47) will be available shortly. See *How to order publications.*

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Andy Shinnan (613-951-3515; *shinand@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Deliveries of major grains
January 1999

Data on January grain deliveries are now available.

Available on CANSIM: matrix 976-981.

Delivery data are in the January issue of *Cereals and oilseeds review* (22-007-XPB, $15/$149), which will be available in April. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality for this release, contact Rick Burroughs (613-951-2890) or Susan Anderson (613-951-3859), Grain Marketing Unit, Agriculture Division. ■

PUBLICATIONS RELEASED

Gross domestic product by industry, November 1998
Catalogue number 15-001-XPB
(Canada: $15/$145; outside Canada: US$15/US$145).

Rural and small town Canada, Analysis bulletin: The composition of business establishments in smaller and larger communities in Canada, vol. 1, no. 3
Catalogue number 21-006-XIE
(Free).

Primary iron and steel, December 1998
Catalogue number 41-001-XIB
(Canada: $5/$47; outside Canada: US$5/US$47).

Electric lamps, light bulbs and tubes, December 1998
Catalogue number 43-009-XIB
(Canada: $5/$47; outside Canada: US$5/US$47).

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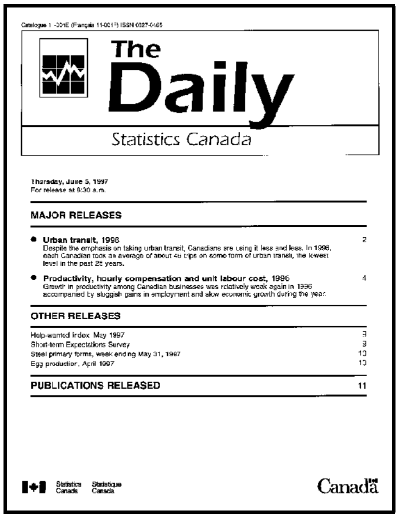

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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

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- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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