Catalogue 11-001E (Français 11-001F) ISSN 0827-0465

The Daily

Statistics Canada

Monday, July 12, 1999
For release at 8:30 a.m.

MAJOR RELEASES

(continued on following page)

Travel-log

Summer 1999

The U.S.-Canada Open Skies Agreement: Three Years Later

In This Issue...

Canada

Travel-log

Summer 1999

The Summer 1999 edition of *Travel-log*, Statistics Canada's quarterly tourism newsletter, features an article titled, "The U.S.-Canada Open Skies Agreement: three years later". An earlier article on the 1995 agreement appeared in *Travel-log*, vol. 16, no. 2. The new article examines the impact of the agreement three years later, addressing questions such as the terms of the agreement as they relate to air passenger travel, the market shares cornered by U.S. and Canadian companies and the possible impact of the agreement on various stakeholders.

Each quarter, *Travel-log* examines the trends of the Travel Price Index. It also features the latest travel indicators, travellers' characteristics and the international travel account.

The Summer 1999 issue of *Travel-log* (87-003-XPB, $13/$42; 87-003-XIB, $10/32) is now available. See *How to order publications.* For more information, contact Monique Beyrouti (613-951-1673; fax: 613-951-2909; *beyrmon@statcan.ca*), Culture, Tourism and the Centre for Education Statistics.

OTHER RELEASES

PUBLICATIONS RELEASED

MAJOR RELEASES

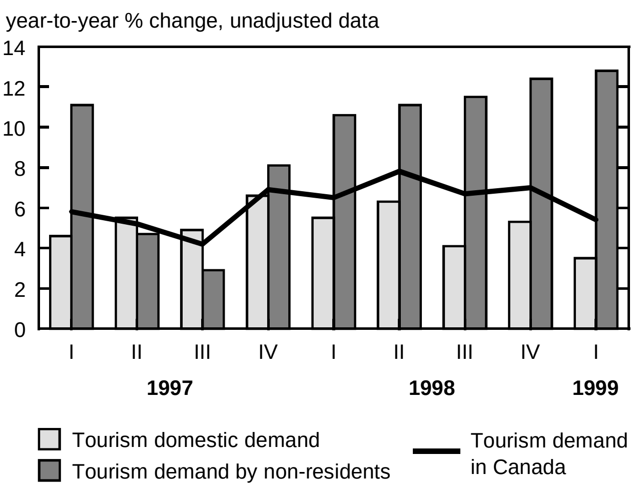
National tourism indicators

First quarter 1999

Tourism expenditures in Canada reached $9.4 billion during the first quarter of 1999, up 5.4% from the same quarter last year. This represents the lowest year-over-year increase since the third quarter of 1997.

Spending by non-residents increased 12.8%, more than three times greater than the increase by Canadian visitors in Canada (+3.5%). Expenditures by foreign visitors continued to set the pace for the sixth straight quarter and for 22 of the last 25 quarters.

Foreign visitors' spending is the source of growth



The increase in tourism spending in Canada was spread across all major categories, with notable gains in hotel accommodation (+8.2%) and passenger air transport (+8.1%).

However, after adjusting for inflation and seasonal variation, tourism expenditures increased at an annualized rate of only 0.8% from the fourth quarter of 1998. The transportation category was the most affected by the slowdown in the overall demand, remaining unchanged from the previous quarter.

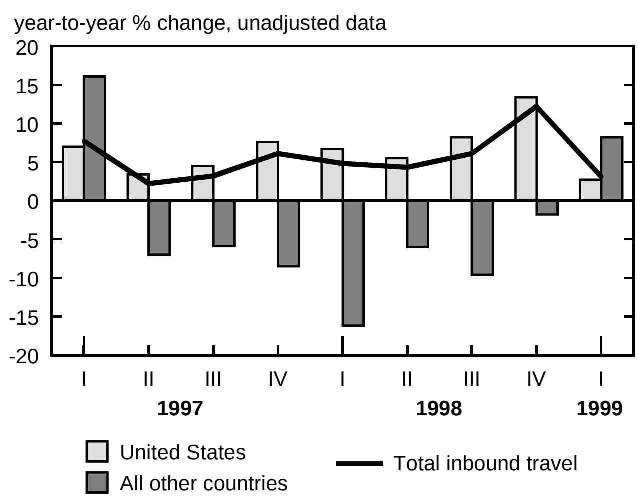
Strong spending by non-residents

Spending by non-residents (or tourism exports) reached $2.0 billion in the first quarter, up 12.8% from the same period in 1998. This means that 21.7 cents of every tourism dollar spent in Canada during the first quarter of 1999 came from foreign visitors. This level surpassed the previous record of 20.2 cents in 1998 and contrasts with a low of 13.9 cents in the first quarter of 1990. The very strong demand from non-residents was felt almost evenly across the major spending categories, with the biggest increase in accommodation (+15.3%) and the smallest in food and beverage services (+11.7%).

> ***Note to readers***
>
> *Data are unadjusted for seasonality and expressed at current prices, unless noted otherwise.*

The strength in expenditures by non-residents was in line with the increased number of visitors from the United States and other countries. U.S. residents continued to take advantage of the appreciation of their currency (up 5.7% from a year ago) against the Canadian dollar. Travellers from the United States made 2.0 million of the more expensive overnight trips, up 11.5% from the first quarter of 1998. Overall, U.S. travellers made 7.6 million same-day and overnight trips combined (+2.7%).

Number of visitors from the United States remains strong while overseas market regains some momentum



A trip to Canada became less costly compared with a year ago for many other foreign visitors such as those from France, the United Kingdom and Japan, whose currencies appreciated over last year.

Visitors from all countries other than the United States made 564,000 trips during the first quarter of 1999, up 8.2% over the same period last year. In particular, the number of travellers from Europe increased 9.5%. Meanwhile, following months of declines due to the Asian economic crisis, tourism from the Asia/Pacific region showed signs of recovery as the number of visitors increased about 4%.

After adjusting for seasonality and inflation, non-resident expenditures posted a modest 0.9% annualized growth rate from the fourth quarter of 1998.

Slowdown in pace of domestic demand

Spending by Canadians on tourism in Canada reached $7.4 billion in the first quarter of 1999, up 3.5% from the first quarter last year. This compares with an average increase of 5.1% for 1998. As was the case last year, less travel outside the country and generally favourable economic conditions at home helped maintain a rise in domestic tourism spending. Spending on transportation rose 4.2% from the first quarter of 1998, while outlays for food and beverage services grew at a more moderate pace of 2.5%.

The number of Canadians visiting the United States dropped 11.2% from a year earlier, the fifth consecutive double-digit decrease. The depreciation of the Canadian dollar versus its U.S. counterpart raised the cost of a trip south of the border. The number of trips by Canadians to other countries increased 4.7%.

After adjusting for seasonal variation and inflation, tourism spending by Canadians in the country increased by an annualized rate of 0.8% from the fourth quarter of 1998. The accommodation and food and beverage services categories recorded slight increases while the transportation category remained unchanged.

Employment generated by tourism

Employment generated by tourism activities reached 499,300 in the first quarter of 1999, up 1.7% from a year earlier. The transportation category had the strongest increase (+5.3%).

On a seasonally adjusted basis, employment in tourism activities rose at an annualized rate of 2.0% in the first three months of 1999 compared with the fourth quarter of 1998. In comparison, employment in the overall business sector rose 2.8% in the first quarter of 1999.

Available on CANSIM: matrices 1835-1854.

The first quarter 1999 issue of *National tourism indicators* (13-009-XPB, $21/$70) is now available. To order, contact the Client Services Officer (613-951-3640; fax 613-951-3618; *iead-info-dcrd@statcan.ca*), Income and Expenditure Accounts Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Katharine Kemp (613-951-3814) or Jacques Delisle (613-951-3796), Income and Expenditure Accounts Division. □

Tourism expenditures

	First quarter 1998	Second quarter 1998	Third quarter 1998	Fourth quarter 1998	First quarter 1999	First quarter 1998 to first quarter 1999
	$ millions at current prices, unadjusted for seasonality					% change
Tourism expenditures						
Tourism demand in Canada	8,939	11,529	17,288	9,293	9,419	5.4
Tourism exports	1,809	3,744	6,274	2,362	2,040	12.8
Tourism domestic demand	7,130	7,785	11,014	6,931	7,379	3.5
Transportation						
Tourism demand in Canada	3,824	4,549	6,096	4,041	4,023	5.2
Tourism exports	450	949	1,636	578	506	12.4
Tourism domestic demand	3,374	3,600	4,460	3,463	3,517	4.2
Accommodation						
Tourism demand in Canada	1,076	1,760	2,708	1,176	1,161	7.9
Tourism exports	412	898	1,368	481	475	15.3
Tourism domestic demand	664	862	1,340	695	686	3.3
Food and beverage services						
Tourism demand in Canada	1,329	1,941	2,989	1,457	1,403	5.6
Tourism exports	443	848	1,405	594	495	11.7
Tourism domestic demand	886	1,093	1,584	863	908	2.5
Other tourism commodities						
Tourism demand in Canada	1,091	1,137	1,737	835	1,136	4.1
Tourism exports	167	352	581	221	189	13.2
Tourism domestic demand	924	785	1,156	614	947	2.5
Other commodities						
Tourism demand in Canada	1,619	2,142	3,758	1,784	1,696	4.8
Tourism exports	337	697	1,284	488	375	11.3
Tourism domestic demand	1,282	1,445	2,474	1,296	1,321	3.0

Tourism expenditures

	1997	1998	1997 to 1998	Fourth quarter 1998	First quarter 1999	Fourth quarter 1998 to first quarter 1999
	$ millions at current prices		% change	$ millions at current prices (seasonally adjusted)		% change (annual rate)
Tourism expenditures						
Tourism demand in Canada	43,987	47,049	7.0	12,026	12,082	1.9
Tourism exports	12,734	14,189	11.4	3,696	3,725	3.2
Tourism domestic demand	31,253	32,860	5.1	8,330	8,357	1.3
Transportation						
Tourism demand in Canada	17,627	18,510	5.0	4,720	4,724	0.3
Tourism exports	3,347	3,613	7.9	923	933	4.4
Tourism domestic demand	14,280	14,897	4.3	3,797	3,791	-0.6
Accommodation						
Tourism demand in Canada	6,188	6,720	8.6	1,719	1,733	3.3
Tourism exports	2,813	3,159	12.3	838	833	-2.4
Tourism domestic demand	3,375	3,561	5.5	881	900	8.9
Food and beverage services						
Tourism demand in Canada	7,085	7,716	8.9	1,993	2,006	2.6
Tourism exports	2,911	3,290	13.0	869	875	2.8
Tourism domestic demand	4,174	4,426	6.0	1,124	1,131	2.5
Other tourism commodities						
Tourism demand in Canada	4,444	4,800	8.0	1,224	1,237	4.3
Tourism exports	1,169	1,321	13.0	345	354	10.9
Tourism domestic demand	3,275	3,479	6.2	879	883	1.8
Other commodities						
Tourism demand in Canada	8,643	9,303	7.6	2,370	2,382	2.0
Tourism exports	2,494	2,806	12.5	721	730	5.1
Tourism domestic demand	6,149	6,497	5.7	1,649	1,652	0.7
	$ millions at 1992 prices		% change	$ millions at 1992 prices (seasonally adjusted)		% change (annual rate)
Tourism expenditures						
Tourism demand in Canada	39,659	41,626	5.0	10,584	10,605	0.8
Tourism exports	11,617	12,668	9.0	3,285	3,292	0.9
Tourism domestic demand	28,042	28,958	3.3	7,299	7,313	0.8
Transportation						
Tourism demand in Canada	15,677	16,285	3.9	4,139	4,137	-0.2
Tourism exports	3,111	3,362	8.1	865	862	-1.4
Tourism domestic demand	12,566	12,923	2.8	3,274	3,275	0.1
Accommodation						
Tourism demand in Canada	5,470	5,681	3.9	1,433	1,440	2.0
Tourism exports	2,479	2,660	7.3	694	690	-2.3
Tourism domestic demand	2,991	3,021	1.0	739	750	6.1
Food and beverage services						
Tourism demand in Canada	6,592	7,015	6.4	1,804	1,812	1.8
Tourism exports	2,706	2,981	10.2	785	789	2.1
Tourism domestic demand	3,886	4,034	3.8	1,019	1,023	1.6
Other tourism commodities						
Tourism demand in Canada	3,932	4,157	5.7	1,054	1,059	1.9
Tourism exports	1,020	1,121	9.9	292	298	8.5
Tourism domestic demand	2,912	3,036	4.3	762	761	-0.5
Other commodities						
Tourism demand in Canada	7,988	8,488	6.3	2,154	2,157	0.6
Tourism exports	2,301	2,544	10.6	649	653	2.5
Tourism domestic demand	5,687	5,944	4.5	1,505	1,504	-0.3

■

Employment Insurance coverage
1998

More than one-half of unemployed people were potentially eligible for the Employment Insurance program in 1998. Four-fifths (80%) of them were actually eligible and almost three-quarters (74%) got some benefits.

In total, an estimated 660,000 of the 1,262,000 unemployed people in 1998, or 52%, were potentially eligible for Employment Insurance (EI).

Of the group potentially eligible for EI benefits, some 489,000 people, or about 74%, received either regular or special EI benefits at some point in their period of unemployment. This includes individuals serving a waiting period during the week of the survey, those who had temporarily stopped collecting benefits that week as well as those who had exhausted their entitlements by reference week.

Coverage of the unemployed population by Employment Insurance

	1997		1998	
	persons '000s	proportion (%)	persons '000s	proportion (%)
Total	**1,362**	**100.0**	**1,262**	**100.0**
Potentially eligible for EI	661	48.5	660	52.3
Not potentially eligible for EI	701	51.5	602	47.7

Just under 5% of individuals were eligible for EI but did not make claims, while a small proportion filed a claim but did not receive benefits for some unspecified reasons.

In total, 80% of all potentially eligible unemployed were actually eligible (i.e., had enough hours of paid work to qualify them for EI).

In 1998, 52.3% of unemployed persons were potentially eligible for EI, more than the 48.5% eligible in 1997. This year-over-year increase is attributable to changes in the composition of the unemployed and, in particular, a decline in unemployed who had been jobless for 12 months or more as well as those who never worked, both of which would increase EI coverage.

Note to readers

This report presents results of the Employment Insurance Coverage Survey, conducted for Human Resources Development Canada by Statistics Canada. A sample of about 8,000 unemployed individuals were surveyed by telephone in 1997 and 1998 to assess the characteristics of jobless people who may or may not receive Employment Insurance (EI) benefits. The survey permits a systematic assessment of the categories of workers and the services received from the EI program.

The sample was derived from individuals who had participated in the Labour Force Survey (LFS) and had finished their series of six monthly LFS interviews. Four cycles of the EI Coverage Survey, with reference weeks in March, June, October and December, were conducted in 1997 and 1998.

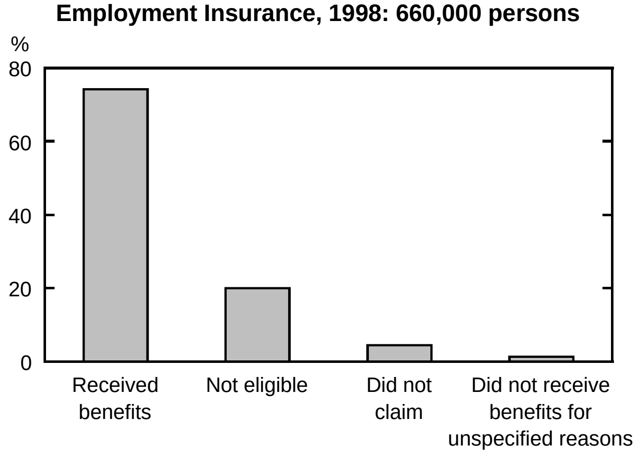
The survey results provide an insight into the characteristics of the unemployed, particularly those who did not collect EI benefits during any given week. It also provides a more meaningful picture of access to insurance benefits than the beneficiary/unemployed (B/U) ratio.

Unemployed persons: *those who, during reference week, did not have a job but were available for work and were either on temporary layoff, had looked for work during the preceding four weeks or had a job to start within the next four weeks.*

Regular benefits: *those paid to workers during a temporary interruption of earnings due to a job loss. The other type of benefits are called special benefits (e.g., paid when individuals can't work because they are sick, pregnant or caring for a new-born or adopted child).*

Potentially eligible for Employment Insurance: *unemployed people who, during reference week, received EI benefits or were in a position to receive them because of their recent insurable employment and subsequent job loss. This includes all unemployed persons with some insurable employment in the last 12 months who did not quit their job without cause or return to school.*

Unemployed individuals potentially eligible for Employment Insurance, 1998: 660,000 persons



Unemployed adult women covered to a lesser extent than men in 1998

Fewer unemployed adult women were potentially eligible for Employment Insurance than men. About two-thirds (66%) of adult men were potentially eligible, compared with only 53% of women.

This difference was due to the higher number of women who had no recent employment on which to base a claim (36% of all unemployed women). The majority of these women were out of the labour market (i.e. managing a home or going to school) before their unemployment started. In comparison, 24% of unemployed men had no recent work experience. Three-quarters of these men were long-term unemployed; that is, they have been unemployed since their last job.

Three in 10 young people potentially eligible for EI

Only about 32% (or 108,000) of young people aged 15 to 24 were potentially eligible for EI. More than one-third of the group that was not potentially eligible never worked before their spell of unemployment and another one-third quit their last job without cause or to go to school, which disqualified them. The remainder had last worked more than 12 months ago or had only uninsured employment.

Unemployed young people also had more difficulty meeting eligibility requirements. Only 56% of those potentially eligible could accumulate sufficient hours of work to become eligible. As a result, one-third of youth who were potentially eligible for EI actually received benefits during a given week of unemployment.

The survey also reveals that 18% of eligible youth did not claim EI benefits while one in six unemployed teenagers aged 15 to 19 did not know about the program.

A profile of individuals not potentially eligible

Under the EI program criteria, few people without recent employment are able to receive benefits. In 1998, about 602,000 unemployed individuals, or 48% of the total, were not potentially eligible for the EI program.

Of these people, about two-thirds, or 400,000, had not worked during the last 12 months or they had never worked at all. About half of those who had last worked more than 12 months prior to the reference week were long-term unemployed; that is, they were unemployed 12 months or more. The others had a period of staying at home or going to school since their last job.

The remaining one-third of those not potentially eligible for benefits were either self-employed or had uninsured employment during the preceding 12 months, had returned to school, or had quit their last job and were excluded from EI because only those who lose their jobs can apply for regular benefits.

Not potentially eligible unemployed by reasons for non-coverage, 1998: 602,000 persons

Coping with unemployment: alternate sources of income

The survey also provided information on how unemployed workers who did not collect EI benefits coped without earnings, as well as the sources of income on which they relied.

In 1998, 34% of all unemployed people who were ineligible lived with their parents and relied on them to meet day-to-day financial needs.

Another 23% lived in households in which the main source of income was social assistance, a further 19% relied on the earnings of a spouse or common-law partner and about 7% relied on their savings. The remainder (24%) used mainly savings, loans, pensions and other sources of funds.

In total, four in every 10 unemployed people not eligible for EI said that they had a difficult time coping. That is, the income they were relying on was not enough to meet regular household expenses. About one-quarter of those relying on the income of a spouse said it was not sufficient. This proportion rose to one-half among people who depended on their savings or on social assistance.

The article *Report of the main results of the Employment Insurance Coverage Survey, 1998* (73F0008XIE) is available free on Statistics Canada's

Web site (*www.statcan.ca*) under *Products and services*, then *Downloadable publications, free*.

For more information or to enquire about the concepts, methods and data quality of this release, contact Client Services (1-888-297-7355 or 613-951-7355; *income@statcan.ca*), Special Surveys Division. ■

OTHER RELEASES

New Housing Price Index

May 1999

The New Housing Price Index increased 0.6% in May compared with May 1998. On a monthly basis, however, there was no change to this index of contractors' selling prices of new houses.

The highest annual changes were in Calgary (+5.1%) and Regina (+3.6%) where higher construction costs, such as materials and labour, as well as higher values for building lots were passed on to new home buyers. On an annual basis, three out of the 21 cities surveyed registered a decrease. As was the case in April this year, the largest annual decreases were in Vancouver (-4.5%) and Victoria (-3.9%). Sudbury-Thunder Bay also had a slight decrease.

New Housing Price Indexes
(1992=100)

	May 1999	May 1998 to May 1999	April to May 1999
		% change	
Canada total	**100.6**	**0.6**	**-**
House only	101.4	1.0	0.1
Land only	101.8	0.1	-0.2
St. John's	96.3	0.2	-
Halifax	110.4	1.3	0.3
Charlottetown	103.1	1.7	-
Saint John-Moncton-Fredericton	93.8	0.3	0.2
Quebec City	100.5	1.7	0.1
Montréal	104.1	1.8	0.2
Ottawa-Hull	98.7	1.4	-0.3
Toronto	103.4	1.6	-
Hamilton	102.6	0.9	0.2
St. Catharines-Niagara	101.0	1.6	-0.1
Kitchener-Waterloo	102.0	1.9	0.8
London	98.3	0.6	0.1
Windsor	105.7	0.4	-0.1
Sudbury-Thunder Bay	99.7	-0.6	-0.1
Winnipeg	112.6	0.6	-
Regina	128.2	3.6	0.6
Saskatoon	114.2	1.5	-
Calgary	128.5	5.1	0.2
Edmonton	109.0	1.3	0.2
Vancouver	84.2	-4.5	-0.4
Victoria	76.0	-3.9	-0.3

- *Nil or zero.*

On a monthly basis, the most significant increases were in Kitchener-Waterloo (+0.8%) and Regina (+0.6%). Marginal decreases occurred in Vancouver and Victoria. Five cities showed no monthly change from April to May.

Note: The total New Housing Price Index for May has fallen below the level of its two components, the House-only Index and the Land-only Index. (This situation has occurred in several previous months.) This happened because the component index series is derived and linked independently. Linking, in particular, creates total indexes that are not, in a strict sense, averages of their sub-indexes.

Available on CANSIM: matrix 9921.

The second quarter 1999 issue of *Construction price statistics* (62-007-XPB,$24/$79) will be available in September. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Louise Chaîné (613-951-3350; fax: 613-951-1539; *infounit@statcan.ca*), Client Services Unit, Prices Division. ■

Cement

May 1999

Manufacturers shipped 1 193 973 tonnes of cement in May, up 7.5% from 1 110 443 (revised) tonnes in May 1998 and up 11.7% from 1 069 224 (revised) tonnes in April 1999.

Year-to-date shipments totalled 3 787 031 (revised) tonnes, up 1.0% from 3 750 513 (revised) during January to May 1998.

Available on CANSIM: matrices 92 and 122 (series 35).

The May 1999 issue of *Cement* (44-001-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 Étienne Saint-Pierre (613-951-9837; *sainteti@statcan.ca*), Manufacturing, Construction and Energy Division. ■

PUBLICATIONS RELEASED

New motor vehicle sales, April 1999
Catalogue number 63-007-XIB
(Canada: $13/$124).

Building permits, May 1999
Catalogue number 64-001-XIB
(Canada: $19/$186).

Travel-log, the U.S.-Canada Open Skies Agreement: three years later, summer 1999
Catalogue number 87-003-XIB
(Canada: $10/$32).

Travel-log, the U.S.-Canada Open Skies Agreement: three years later, summer 1999
Catalogue number 87-003-XPB
(Canada: $13/$42; outside Canada: US$13/US$42).

All prices exclude sales tax.

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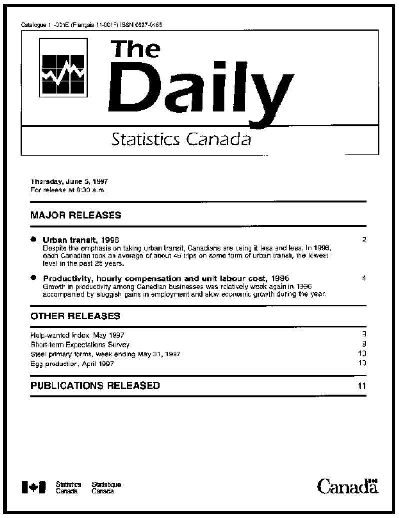
Catalogue 11-001E (Français 11-001F) ISSN 0827-0465

The Daily

Statistics Canada

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

MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **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.

OTHER RELEASES

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PUBLICATIONS RELEASED 11

Statistics Canada Statistique Canada

Canada

Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada,
10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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