

Wednesday, December 20, 2000
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## MAJOR RELEASES

## - Retail trade, October 2000

Retail sales declined $0.9 \%$ in October to $\$ 23.3$ billion, leaving sales slightly below their July level.
Lower October sales by motor and recreational vehicle dealers led to declines in all provinces.

- Labour productivity, hourly compensation and unit labour cost, third
quarter 2000
Accompanying impressive growth in gross domestic product this year, labour productivity in Canadian businesses grew at an annual pace of $1.7 \%, 3.0 \%$ and $2.1 \%$ in each of the first three quarters of 2000 relative to the same quarter a year earlier.
(continued on page 2)


## Health indicators

December 2000
Health indicators is Web-based data publication produced by Statistics Canada and the Canadian Institute for Health Information. It provides a set of indicators that measure the health of the Canadian population and the health care system. These indicators are designed to provide comparable information at the health region and provincial/territorial level, and are based on standard definitions and methods.

The indicators are organized into four categories: health status (including health conditions, mortality rates, measures of well-being); non-medical determinants of health (socio-economic characteristics and health behaviours); health system performance (measures of accessibility, appropriateness, effectiveness of health care services); and community and health system characteristics (contextual information).

Health indicators contains data tables with rates for a variety of indicators organized by sex and by health region. It provides provincial and national rates within each table. These data are produced from a wide range of sources, and are the most recent available.

Selected health region level indicators are also available in the Statistical profile of Canadian communities on Statistics Canada's Web site (www.statcan.ca).

Health indicators (82-221-XIE, free) is available on Statistics Canada's Web site (www.statcan.ca). For more information, contact Jason Gilmore (613-951-7118; jason.gilmore@statcan.ca), Statistics Canada or Phil Taylor (416-481-2002; ptaylor@cihi.ca), Canadian Institute for Health Information.

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# MAJOR RELEASES 

## Retail trade

October 2000
Retail sales declined $0.9 \%$ in October to $\$ 23.3$ billion, leaving sales slightly below their July level. The October decline followed a $0.4 \%$ gain in September and unchanged sales in August. In constant dollars, retail sales fell $0.5 \%$ in October compared with September.

The strong gains in retail sales in the May-to-July period were followed by weaker sales in recent months. In the first four months of 2000, retailers saw volatile sales after a year of strong increases in 1999. Retail sales for the first 10 months of 2000 were $6.3 \%$ higher than in the same period of 1999. This compares with a $5.4 \%$ increase for the first 10 months of 1999.

Excluding sales by motor and recreational vehicle dealers, total retail sales advanced $0.9 \%$ in October. Lower sales by motor and recreational vehicle dealers led to declines in all provinces. Clothing stores and furniture stores joined the automotive sector in reporting lower sales.


General merchandise stores (+3.1\%), which showed the strongest sales gain in October, reported important declines in the previous two months. Also, stores classified as other retail $(+0.9 \%)$ and food stores ( $+0.6 \%$ ) reported advances, after virtually unchanged sales in September. The other retail category includes liquor stores, sporting goods stores, hardware stores and bookstores. Drug stores was the only sector to report significant back-to-back increases in September (+1.0\%) and October ( $+0.5 \%$ ).

## Auto sector posted its largest sales decline in a year

Retailers in the automotive sector posted a $3.3 \%$ sales decrease in October, after five consecutive monthly gains that ranged from $0.5 \%$ to $1.9 \%$. The October decline in the auto sector resulted from a $5.8 \%$ drop in sales by motor and recreational vehicle dealers.

With the exception of October's decline, sales in the automotive sector had been advancing strongly since the spring, after some volatility at the start of 2000. Prior to this year, retailers in this sector saw a period of strong increases that started in the fall of 1998. Motor and recreational vehicle dealers, the largest component of the auto sector, experienced strong sales in the spring and summer of 2000 by making extensive use of attractive financing and large cash rebates. However, reduced incentives at both the start of and in the early fall of 2000 resulted in weaker sales gains in this period.

Lower prices for women's clothing contributed to about half of October's $1.4 \%$ sales decline in the clothing sector. This follows a $3.5 \%$ sales increase in September, which was partly owing to a significant price increase. All types of stores in the clothing sector reported lower sales in October. Retailers in the clothing sector have seen strong sales since the fall of 1999, after a period of slower growth in the spring and summer of that year.

Consumers returned to general merchandise stores in October and increased their purchases by 3.1\% compared with September. This gain completely offset the declines reported in September ( $-1.1 \%$ ) and August (-1.7\%). These declines were partly attributable to lower sales of big ticket items. Sales in general merchandise stores have generally been increasing since early in the spring, following a period of volatility that began in the summer of 1999.

## Retail sales down in all provinces

Lower sales by motor and recreational vehicle dealers in October affected retail trade in all provinces. Retail sales in New Brunswick (-2.7\%), Prince Edward Island (-2.6\%), Saskatchewan (-1.7\%), Nova Scotia (-1.6\%), Alberta ( $-1.3 \%$ ) and British Columbia (-1.1\%) were down by at least $1.0 \%$ in October.

October's sales declines in Ontario ( $-0.9 \%$ ) and Quebec ( $-0.2 \%$ ) essentially offset their respective increases reported in the previous month. Ontario's decline came after five consecutive monthly gains. In Quebec, retail sales have shown little progress since the increases of $2.7 \%$ in July and $1.6 \%$ in June. Quebec retailers saw a period of volatile sales in the first half
of 2000. Retail sales had generally been rising since the summer of 1996 in Ontario and since the summer of 1998 in Quebec.

## Related indicators for November

Total employment advanced $0.4 \%$ in November compared with October. This increase marked a fourth consecutive monthly gain in employment after the slight declines observed in July and June. Preliminary figures from the automotive industry indicate that the number of new motor vehicles sold in November recovered slightly from the $12.4 \%$ decline reported in October. The number of housing starts in November ( $-5.5 \%$ ) lost about half of the cumulative gain of the previous two months.

Available on CANSIM: matrices 2399, 2400 (main matrices), 2299, 2397, 2398, 2401-2416 and 2418-2420.

The October 2000 issue of Retail trade (63-005-XIB, \$16/\$155; 63-005-XPB, \$21/\$206) will be available soon. See How to order products.

Retail sales estimates for November will be released on January 22, 2001.

To order data, or for general information, contact the Client Services Unit (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Paul Gratton (613-951-3541; gratpau@statcan.ca), Distributive Trades Division.

|  |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Retail sales |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

[^0]|  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: |
| Retail sales |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

[^1]
## Labour productivity, hourly compensation and unit labour cost

## Third quarter 2000

In a period of impressive growth in real domestic demand and in labour hours, labour productivity in the Canadian business sector grew at an annual pace of $2.1 \%$ from the third quarter of 1999 to the third quarter of 2000.

The labour productivity increase in the third quarter follows annual increases of $3.0 \%$ in the second quarter and $1.7 \%$ in the first quarter. In 1999, the average annual increase was $1.4 \%$. The annualized rates of growth for the first three quarters of 2000 largely exceed the average growth of $1.0 \%$ observed since 1988.

Calculated on an annual basis, Canadian business productivity has been positive for the last 17 quarters - since early 1996. During the period, productivity growth was highest in 1997. After slowing down in 1998, productivity growth increased steadily in 1999 and 2000.

Labour productivity growth increased steadily since the end of 1998


Quarterly growth rates are sometimes quite volatile. Between 1995 and the third quarter of 1998, labour productivity growth fluctuated more than it did in the last two years. The quarterly growth rates alternated between declines or only small increases in most quarters of 1995, the whole of 1996 and the first three quarters of 1998 and dramatic growth during the second quarter of 1995 and the whole year of 1997. In the short run, productivity is pro-cyclical. Productivity grows more slowly when economic growth is low and it frequently declines during a recession; it increases during a recovery and the subsequent period of expansion.

## Note to readers

Quarterly series on labour productivity growth and related variables are available today for the first time. These series are available from the first quarter of 1987 up to the third quarter of 2000. In the future, these data should be published two months after the end of the reference quarter. The new quarterly data complement the regular program of productivity statistics that has until now produced only annual estimates. The quarterly estimates are meant to help those who are more focused on the analysis of the short-run relationship between output, employment, remuneration and hours worked.

In this release, the use of the word "productivity" refers to labour productivity. These productivity estimates are based on the value-added concept of output. To ensure consistency with annual data, the quarterly index of productivity growth based on real value added is benchmarked to the annual estimates that are derived from a Fisher chained index up to the most current year for which the input-output tables are available, currently 1997. After 1997, it is constructed from a Laspeyres volume index with 1992 as the base year. More precisely, it is based on the growth of the industry real GDP index at factor cost for the business sector from which the GDP arising from owner-occupied dwellings is subtracted.

The quarterly estimates provided here are limited to the overall business sector. This aggregate excludes all non-business production activities as well as the rents of owner-occupied dwellings. Corresponding exclusions are also made to labour compensation and hours worked to make output and labour input data consistent with one another. In 1992, the value added by the business sector accounted for around 71\% of Canadian economy.

Labour productivity, or real GDP per hour worked, is the ratio of output to labour input (hours worked). Economic performance as measured by labour productivity must be interpreted carefully, since these estimates reflect changes in the other factors of production in addition to growth in productive efficiency.

Labour compensation includes all payments in cash or in kind made by domestic producers to persons at work as remuneration for work. This includes the salaries and supplementary labour income of paid workers, plus an imputed labour income for self-employed workers.

Unit labour cost is the labour cost per unit of output. It is calculated as the ratio of labour compensation to real GDP. It is also the equivalent of the ratio between labour compensation per hour worked and labour productivity.

## Wage costs are under control in the business sector

The growth in unit labour cost is derived by comparing the pace of growth in hourly compensation with the increase in labour productivity. Unit labour cost grows when hourly compensation grows faster than the rise in labour productivity. The growth in unit labour cost is frequently used as an indicator of inflationary pressure that arises when wage increases are growing faster than labour productivity growth. These wage increases can increase the labour costs of businesses and, eventually, prices.

In the third quarter of 2000, the growth of hourly compensation was $3.1 \%$ relative to the third quarter of 1999. But, over the same time period, unit labour cost increased by only $1.0 \%$, owing to the substantial increase of labour productivity (+2.1\%). Since the first quarter of 1999, unit labour cost has been relatively stable, growing in a range of $0.5 \%$ to $1.5 \%$. This is considerably below the rates of increase seen in 1997 and 1998.

## Available on CANSIM: matrix 9484.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588; fax: 613-951-5403; baldjoh@statcan.ca) or Jean-Pierre Maynard, (613-951-3654; fax: 613-951-5403; maynard@statcan.ca); Micro-economic Analysis Division.

Business sector: Labour productivity and related variables


Note: The year-over-year change is the growth rate of a given quarter compared with the same quarter in the previous year.

## OTHER RELEASES

## Employment Insurance

October 2000 (preliminary)

The estimated number of Canadians (unadjusted for seasonal trends) who received regular Employment Insurance benefits was 356,870 in October, a decrease of $9.6 \%$ from October 1999. In all provinces and territories except Nunavut the number of regular employment insurance benefit recipients decreased from a year ago.

Number of beneficiaries receiving regular benefits

|  | $\begin{array}{r} \text { Oct. } \\ 1999 \end{array}$ | $\begin{gathered} \text { Oct. } \\ 2000^{p} \end{gathered}$ | $\begin{array}{r} \hline \text { Oct. } \\ 1999 \\ \text { to } \\ \text { Oct. } \\ 2000 \\ \hline \end{array}$ |
| :---: | :---: | :---: | :---: |
|  | unadjusted for seasonality |  |  |
|  |  |  | \% change |
| Canada | 394,920 | 356,870 | -9.6 |
| Newfoundland | 29,620 | 27,340 | -7.7 |
| Prince Edward Island | 5,800 | 5,470 | -5.7 |
| Nova Scotia | 23,000 | 22,570 | -1.9 |
| New Brunswick | 24,650 | 23,400 | -5.1 |
| Quebec | 146,200 | 131,430 | -10.1 |
| Ontario | 76,220 | 69,840 | -8.4 |
| Manitoba | 9,020 | 7,950 | -11.9 |
| Saskatchewan | 7,640 | 7,430 | -2.7 |
| Alberta | 24,560 | 18,850 | -23.2 |
| British Columbia | 46,250 | 40,770 | -11.8 |
| Yukon Territory | 860 | 760 | -11.6 |
| NorthWest Territories | 770 | 680 | -11.7 |
| Nunavut | 260 | 320 | 23.1 |

## p Preliminary figures.

Regular benefit payments (adjusted for seasonal trends) decreased by $11.9 \%$ from October 1999, but were up $0.4 \%$ from September to $\$ 587.4$ million. From September to October, the number of claims received increased by $2.2 \%$ to 212,200.

Statistics Canada and Human Resources Development Canada have discovered an underestimation in the calculation of the number of beneficiaries of Employment Insurance. This affects the beneficiaries file from January 1997 to April 2000. Consequently, the departments have agreed to correct the underestimation and conduct an historical revision to correct the data series dating back to January 1997.

The preliminary data on the number of beneficiaries, aggregated at the provincial level for September and October were tabulated by Human Resources Development Canada and provided to Statistics Canada. These preliminary data are unadjusted for seasonal trends.

Note: Users are cautioned against making any analytical comparisons between these data and any
monthly or historical data previously released in The Daily and on CANSIM.

Employment Insurance statistics

p Preliminary figures.
Note: All beneficiaries includes all claimants receiving regular benefits (e.g., due to layoff) or special benefits (e.g., due to illness).

## Available on CANSIM: matrices 5700-5704.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Justin Lacroix (613-951-4090, fax: 613-951-4087; labour@statcan.ca), Labour Statistics Division.

## Financial and taxation statistics for enterprises <br> 1998

Total operating revenues of Canadian enterprises increased a modest 2.1\% in 1998 from 1997, much slower than the average annual growth rate of $7.6 \%$ during the previous five years, according to data in Financial and taxation statistics for enterprises.

This slower growth marks the first sign of a flattening revenue curve for these enterprises, which reported total operating revenues of just over \$1.7 trillion in 1998.

This slower increase has been attributed to the Asian economic crisis in 1998, which created a wave of business pessimism. Nevertheless, just over two-thirds of the 62 industrial groupings reported increases in revenue.

Financial and taxation statistics for enterprises provides a comprehensive statistical portrait of the financial performance of business enterprises between 1994 and 1998. It analyses 62 industrial groupings on the basis of factors such as total operating revenues, operating profits and return on capital employed. There are also data on corporate income taxes paid to federal, provincial and territorial governments.

Total operating profits reported for 1998 were $\$ 131.7$ billion, down $3.2 \%$ from 1997. This was the first year since 1992 that annual operating profits declined from the previous year. Operating profits in the non-financial sector fell $2.0 \%$ to $\$ 98.8$ billion, while those in the financial sector declined $6.5 \%$ to $\$ 32.9$ billion. Industries with the largest operating profits included the chartered banks, electricity, petroleum and natural gas, and motor vehicles, parts and accessories.

Return on capital employed increased from 6.2\% in 1994 to $6.7 \%$ in 1997, then eased back to $6.5 \%$ in 1998. The slightly lower return in 1998 was mainly the result of a decline in operating profits.

Corporate income taxes paid to federal, provincial and territorial governments fell $6.7 \%$ to $\$ 26.4$ billion in 1998 from a revised $\$ 28.3$ billion in 1997. This decrease reflected the temporary economic slowdown in 1998. Increased corporate income tax expenses by the non-financial sector were more than offset by lower expenses by the financial sector. Five industries - petroleum and natural gas, motor vehicles, parts and accessories, chartered banks, telecommunication carriers and chemical products booked almost $\$ 8.6$ billion, or slightly over one-third of total corporate income tax expenses for all industries in 1998.

About 69\% of Canadian enterprises were small, with annual operating revenue less than $\$ 5$ million, while about $7 \%$ were large, with operating revenue exceeding $\$ 75$ million per year. The large enterprises, however, generated about 61\% of total operating revenues and almost $76.4 \%$ of the total operating profits for all enterprises in 1998.

Note: Data exclude the investment and holding companies industry, to eliminate possible double counting of data. The chartered banks industry includes other deposit-accepting intermediaries not elsewhere specified. A 10-year time series of
the key performance indicators (such as operating revenue, operating profits and return on capital employed) of 63 industrial groupings will be included in this publication. Data by more detailed industrial classification, about 153 industrial groupings, are also available.

Starting with the reference year 1999, significant changes will be implemented to the financial and taxation statistics program, which will affect the comparability and the historical continuity of the financial statistics. Data will be collected and compiled on the new North American Industrial Classification basis to provide for greater international comparability of economic data. Data will differ markedly from the Standard Industrial Classification for Companies and Enterprises now in use. Changes will also be made to certain methodological aspects of the program. They will be explained in detail in the publication.

Key performance data of Canadian enterprises

|  | 1994 | 1998 | Average annual change 1994 to 1998 |
| :---: | :---: | :---: | :---: |
|  | \$ bill |  | \% |
| All industries ${ }^{1}$ Key financial data |  |  |  |
| Operating revenue | 1,366.5 | 1,745.7 | 6.3 |
| Operating profits | 96.6 | 131.7 | 8.1 |
| Total assets | 2,513.5 | 3,283.9 | 6.9 |
| Corporate income taxes paid | 16.7 | 26.4 | 12.1 |
|  | \% |  |  |
| Selected financial ratios |  |  |  |
| Operating profit margin | 7.1 | 7.5 |  |
| Return on equity | 7.8 | 9.0 |  |
| Return on capital employed | 6.2 | 6.5 |  |
|  | \% distr |  |  |
| Distribution by size of enterprises |  |  |  |
| Number of enterprises 76.3 |  |  |  |
| Small | 76.3 | 68.6 |  |
| Medium | 20.0 | 24.3 |  |
| Large | 3.7 | 7.1 |  |
| Operating revenue |  |  |  |
| Small | 19.9 | 18.6 |  |
| Medium | 22.1 | 20.2 |  |
| Large | 58.0 | 61.2 |  |
| Operating profits |  |  |  |
| Small | 10.4 | 12.0 |  |
| Medium | 14.8 | 11.6 |  |
| Large | 74.8 | 76.4 |  |

1 Data excludes the investment and holding companies industry.
Available on CANSIM: matrices 4100-4167.

Financial and taxation statistics for enterprises (61-219-XPB, $\$ 57$ ) will be available soon. See How to order products.

For more information on financial performance data, contact Promise Sanipe (613-951-0274; fax: 613-951-0318; promise.sanipe@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Paula Helmer (613-951-9852; fax: 613-951-0318; helmpau@statcan.ca), Industrial Organization and Finance Division.

## Sawmills and planing mills

October 2000
Sawmills produced 6038.1 thousand cubic metres of lumber and ties in October, a $1.4 \%$ decrease from 6125.7 thousand cubic metres in October 1999.

Year-to-date production was 58045.0 thousand cubic metres, down $0.9 \%$ from 58580.1 thousand cubic metres produced during the same period in 1999.

## Available on CANSIM: matrices 53 and 122 (series 2).

The October 2000 issue of Sawmills and planing mills ( $35-003-\mathrm{XIB}, \$ 9 / \$ 86$ ) is now available. See How to order products.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gilles Simard (613-951-3516; simales@statcan.ca), Manufacturing, Construction, and Energy Division.

## Construction type plywood <br> October 2000

Canadian firms produced 159132 cubic metres of construction-type plywood in October, up 3.8\% from the 153332 cubic metres produced during October 1999.

Year-to-date production totalled 1638599 cubic metres, an increase of $1.7 \%$ from the 1611253 cubic metres produced during the same period in 1999.

## Available on CANSIM: matrix 122.

The October 2000 issue of Construction type plywood (35-001-XIB, $\$ 5 / \$ 47$ ) is now available. See How to order products.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sara Breen (613-951-3521; sara.breen@statcan.ca), Manufacturing, Construction and Energy Division.

## Domestic air travel

Second quarter 1999 (preliminary)
Air passenger origin and destination data are now available for the first six months of 1999. The data represent passengers who travelled on scheduled flights for trips within Canada. Passengers carried by WestJet Airlines, Canada 3000 and Royal Aviation are not included in these statistics.

The air travel market data are available in electronic (.txt) format. To order data, for more information, or to enquire about the concepts, methods or data quality of this release, contact Carol Gudz (613-951-0124), Transportation Division.

## NEW PRODUCTS

Construction type plywood, October 2000
Catalogue number 35-001-XIB (\$5/\$47).
Sawmills and planing mills, October 2000
Catalogue number 35-003-XIB ( $\$ 9 / \$ 86$ ).
Aviation service bulletin, Vol. 32, no. 12
Catalogue number 51-004-XIB ( $\$ 8 / \$ 82$ ).
Health indicators, December 2000
Catalogue number 82-221-XIE
(Free).

Science statistics, Vol. 24, no. 6
Catalogue number 88-001-XIB (\$6/\$59).

## All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCD are electronic versions on compact disc.

## How to order products





[^0]:    ${ }_{p}$ Revised figures.
    $p$ Preliminary figures.

[^1]:    $r$ Revised figures.
    $p$ Preliminary figures.

