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The Daily

Statistics Canada

Friday, December 13, 2002
Released at 8:30 am Eastern time

MAJOR RELEASES

(continued on page 2)

Perspectives on labour and income

Winter 2002

The Winter 2002 issue of *Perspectives on labour and income*, released today, contains seven articles. "Approaching retirement" looks at older workers who lost or left a career job, and their subsequent labour market activity over two years. "Union wage premium" examines the wage differential between unionized and non-unionized workers. "Family spending power" discusses the use of an equivalence scale to compare the spending power of different types of families. "Cumulative earnings among young workers" examines the extent to which changes in cumulative earnings can explain changes in wealth holdings of families. A related article, "Earnings over time," looks at the role of permanent or transitory factors in changes in the variance of wages and salaries. "Income and wealth" explores these two concepts, which although intimately related, are not synonymous. "Working smarter" looks at some effects of technology implementation on workers and the workplace.

Rounding out the issue are key labour and income facts on employment in 2000, as well as the latest labour- and income-related news, and the annual cumulative index.

The Winter 2002 issue of *Perspectives on labour and income*, Vol. 14, no. 4 (75-001-XPE, $18/$58) is now available. See *How to order products*. For more information, contact Henry Pold (613-951-4608; *henry.pold@statcan.ca*), Labour and Household Surveys Analysis Division.

OTHER RELEASES

NEW PRODUCTS

RELEASE DATES: December 16 to 20

MAJOR RELEASES

Labour productivity, hourly compensation and unit labour cost

Third quarter 2002

Slower economic growth was associated with a slowdown in third-quarter labour productivity growth in the business sector. The quarterly growth rate in productivity was only 0.2%, compared with 0.7% in the second quarter and 0.9% in the first. This was the slowest productivity growth rate since the third quarter of 2001.

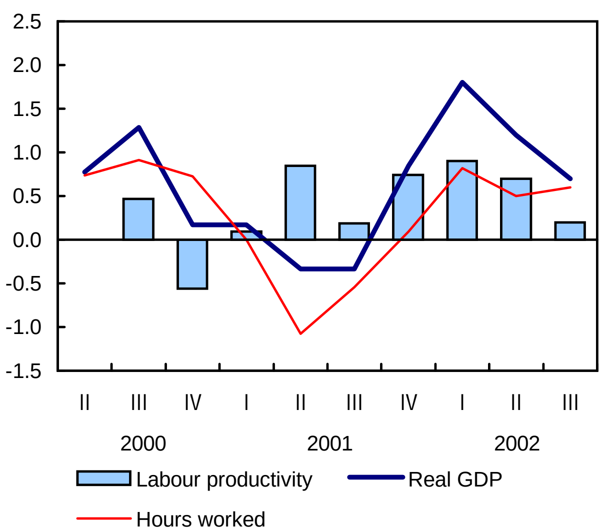
Labour productivity, output and hours worked in the business sector

	Productivity	Real GDP	Hours worked
	Quarterly % change		
Third quarter 2001	0.2	-0.3	-0.5
Fourth quarter 2001	0.7	0.8	0.1
First quarter 2002	0.9	1.8	0.8
Second quarter 2002	0.7	1.2	0.5
Third quarter 2002	0.2	0.7	0.6

On an annual basis, productivity has risen 2.6% from the third quarter of 2001. This is the same growth rate experienced in each of the two previous quarters. Year-over-year performance remains comparable with the above-average annual productivity growth rates recorded in 1999 and 2000.

Productivity growing at a slower pace in the business sector

Quarterly % change



> ***Note to user***
>
> *Beginning today, the quarterly release of labour productivity and related variables is presented in an abridged format. The new format includes a summary analysis of productivity growth. A more detailed analysis, including additional graphs and tables, is available on Statistics Canada's website (www.statcan.ca).*

Canada–United States comparison

Growth in real output (GDP) in the third quarter was less in Canada than in the United States for the first time since the fourth quarter of 2001. On a quarter-to-quarter basis, the output of Canadian businesses rose 0.7% in the third quarter, less than the 1.2% growth rate of the second quarter and the 1.8% rate in the first. In contrast, the growth in output of American businesses rebounded at a rate of 1.3% in the third quarter, after having increased only 0.1% in the second.

In the third quarter, hours worked continued to grow in Canada. In contrast, American businesses continued to reduce their workforces. Hours worked in Canada grew for the fourth consecutive quarter, up 0.6% in the third quarter. This rate was slightly higher than that of the second quarter and the average rate for the last four quarters (+0.5%). In comparison, hours worked in American businesses fell 0.1% in the third quarter. This was the sixth consecutive quarterly decline in the United States.

The combination of less pronounced output growth in Canada and continuing higher employment growth led to lower productivity gains in Canada than in the United States. In the third quarter, Canadian productivity grew only 0.2%, compared with 1.3% in the United States. In the second quarter, quarterly productivity growth in Canada (+0.7%) had surpassed that of the United States (+0.5%).

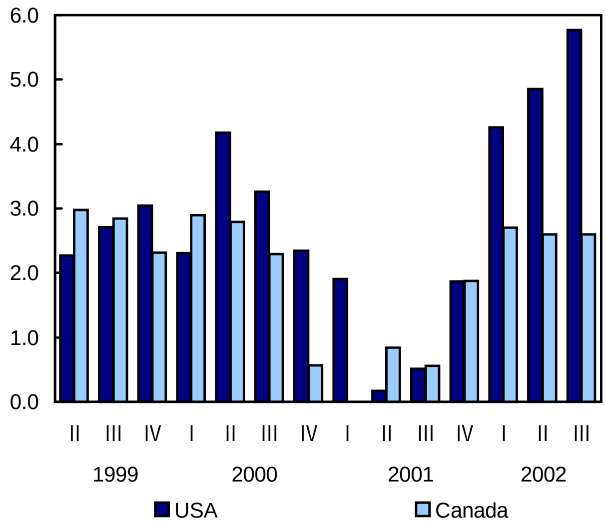
On a year-to-year basis, the growth in the output of Canadian businesses was 4.7% in the third quarter, compared with 3.8% in the United States. This advantage in output growth goes back to the first quarter of 1999.

Despite Canada's faster annual growth in output, the productivity growth of Canadian businesses (+2.6%) was less than that of their American competitors (+5.8%) for a third consecutive quarter. However, initial estimates of quarterly differences in productivity have been reduced over the last two years, when the United States revised its estimates downward substantially. Canada has revised its estimates upward, but much more modestly.

The better productivity performance of the United States stemmed from very different labour market performance in the two countries. In the third quarter, hours worked fell at an annual pace of 1.9% in the United States, but increased 2.0% in Canada. Canada has outpaced the United States for the last three years in terms of annual employment growth.

US productivity has been higher than that of Canada since the start of 2002

Year-over-year % change

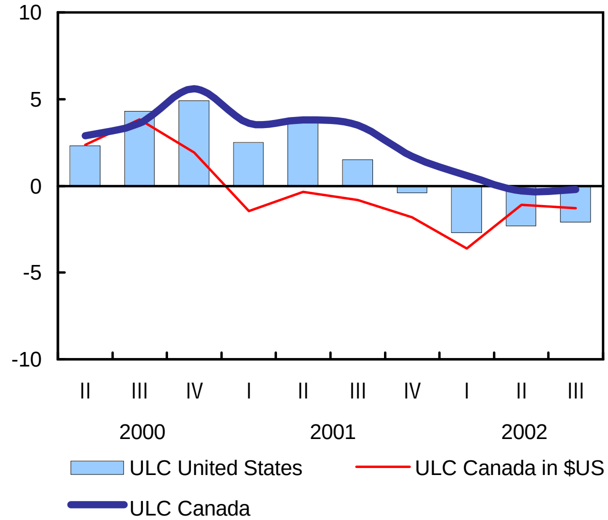


Growth in labour costs remains low in Canada and the United States

In the third quarter, unit labour costs rose a slight 0.2% in Canada, and dropped 0.1% in the United States, when these costs are expressed in their respective national currencies. Compared with the third quarter of 2001, American businesses also developed a slight advantage over Canadian business. Measured in US dollars, the unit labour cost of Canadian businesses fell 1.3% in the third quarter from a year ago, and fell 2.2% in the United States over the same period.

Labour cost declines in both countries for the second consecutive quarter

Year-over-year % change



Available on CANSIM: table 383-0008.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 1402.

A more detailed analysis, including additional graphs and tables, is available on Statistics Canada's website (*www.statcan.ca*).

A technical note on quarterly estimates of labour productivity is available on request. To order a copy, send an e-mail message to *productivity.measures@statcan.ca*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Pierre Maynard (613-951-3654; Fax: 613-951-5403; *maynard@statcan.ca*), Micro-Economic Analysis Division. □

Business sector: Labour productivity and related variables for Canada and the United States

	Third quarter 2000	Fourth quarter 2000	First quarter 2001	Second quarter 2001	Third quarter 2001	Fourth quarter 2001	First quarter 2002	Second quarter 2002	Third quarter 2002
	% change from previous quarter, seasonally adjusted								
Canada									
Labour productivity	0.5	-0.6	0.1	0.8	0.2	0.7	0.9	0.7	0.2
Real GDP	1.3	0.2	0.2	-0.3	-0.3	0.8	1.8	1.2	0.7
Hours worked	0.9	0.7	0.0	-1.1	-0.5	0.1	0.8	0.5	0.6
Hourly compensation	0.8	0.8	1.4	1.4	0.3	0.4	1.0	0.7	0.3
Unit labour cost	0.4	1.4	1.2	0.7	0.1	-0.3	0.1	-0.2	0.2
Unit labour cost in US$	0.3	-1.5	1.1	-0.2	-0.2	-2.4	-0.8	2.4	-0.4
United States									
Labour productivity	0.1	0.5	-0.3	-0.1	0.4	1.9	2.0	0.5	1.3
Real GDP	0.1	0.2	-0.2	-0.7	-0.2	0.9	1.4	0.1	1.3
Hours worked	0.0	-0.3	0.1	-0.7	-0.7	-0.9	-0.6	-0.3	-0.1
Hourly compensation	2.0	1.0	0.7	0.1	0.2	0.4	0.7	1.1	1.3
Unit labour cost	1.9	0.4	1.1	0.2	-0.3	-1.5	-1.2	0.6	-0.1
	% change from same quarter of previous year, seasonally adjusted								
Canada									
Labour productivity	2.3	0.6	0.0	0.8	0.6	1.9	2.7	2.6	2.6
Real GDP	5.4	3.6	2.4	1.3	-0.3	0.3	1.9	3.5	4.7
Hours worked	3.1	3.1	2.4	0.5	-0.9	-1.5	-0.7	0.8	2.0
Hourly compensation	6.0	6.1	3.6	4.5	4.0	3.6	3.2	2.5	2.5
Unit labour cost	3.6	5.6	3.6	3.8	3.5	1.7	0.6	-0.3	-0.2
Unit labour cost in US$	3.8	1.9	-1.5	-0.3	-0.8	-1.8	-3.6	-1.1	-1.3
United States									
Labour productivity	3.3	2.4	1.9	0.2	0.5	1.9	4.3	4.8	5.8
Real GDP	4.1	2.2	1.4	-0.7	-1.0	-0.3	1.4	2.3	3.8
Hours worked	0.7	-0.1	-0.5	-0.9	-1.5	-2.2	-2.8	-2.5	-1.9
Hourly compensation	7.7	7.3	4.5	3.9	2.0	1.5	1.4	2.4	3.5
Unit labour cost	4.3	4.9	2.6	3.6	1.5	-0.4	-2.8	-2.4	-2.2

Source: *US data are from Bureau of Labor Statistics, Productivity and costs - Third quarter 2002, published in NEWS, December 4, 2002*

■

Composite Index

November 2002

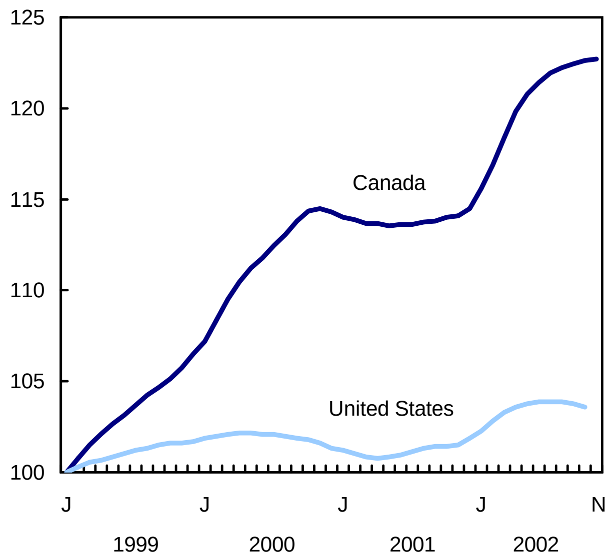
The leading index continued to grow slowly in November, up 0.1% after three straight monthly increases of 0.2%. Household demand fuelled the growth of three of the four components that advanced. Two components were unchanged and four declined, the same as in October. The levelling off of growth in recent months after the deceleration that began at the turn of the year largely reflects a stabilizing of the stock market.

Housing remains robust, with housing starts hovering close to their high for the year. As a result, furniture and appliance sales continued to grow steadily. These gains were reinforced by higher employment in business services (+0.5%).

The US leading indicator posted a second straight retreat, with the majority (7 out of 10) of its components in decline. The weakness of those components related to household demand in the United States contrasts with the gains in household spending in Canada.

Composite Index

(January 1999=100)



Available on CANSIM: table 377-0003.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 1601.

A more detailed analysis of the components is available on Statistics Canada's website (*www.statcan.ca*). From the *Canadian statistics* page, choose *Economic conditions*, then click on the banner ad for *Canadian economic observer*. From that page, choose *Issues of CEO*, then *Composite Index*. For more information on the economy, the November issue of *Canadian economic observer* (11-010-XPB, $23/$227) 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 Francine Roy (613-951-3627), Current Economic Analysis Group. □

Composite Index

	June 2002	July 2002	August 2002	September 2002	October 2002	November 2002	Last month of data available
							% change
Composite leading indicator (1992=100)	**177.5**	**178.3**	**178.7**	**179.0**	**179.3**	**179.4**	**0.1**
Housing index (1992=100)[1]	127.9	126.4	125.9	126.2	127.8	129.6	1.4
Business and personal services employment ('000)	2,545	2,545	2,544	2,546	2,554	2,566	0.5
S & P/TSX stock price index (1975=1,000)	7,591	7,384	7,136	6,840	6,558	6,443	-1.8
Money supply, M1 ($ millions, 1992)[2]	107,434	108,162	109,207	110,117	110,913	111,029	0.1
U.S. composite leading indicator (1992=100)[3]	110.2	110.3	110.3	110.3	110.2	110.0	-0.2
Manufacturing							
Average workweek (hours)	39.1	39.1	39.2	39.2	39.1	39.1	0.0
New orders, durables ($ millions, 1992)[4]	21,336	21,751	22,043	22,021	22,117	22,070	-0.2
Shipments/inventories of finished goods[4]	1.74	1.77	1.79	1.81	1.83	1.83	0.00[5]
Retail trade							
Furniture and appliance sales ($ millions, 1992)[4]	1,767	1,773	1,778	1,784	1,789	1,796	0.4
Other durable goods sales ($ millions, 1992)[4]	7,780	7,749	7,712	7,680	7,671	7,655	-0.2
Unsmoothed composite	179.7	179.2	179.5	179.4	178.6	180.2	0.9

1 *Composite index of housing starts (units) and house sales (multiple listing service).*
2 *Deflated by the Consumer Price Index for all items.*
3 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.*
4 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the second preceding month.*
5 *Difference from previous month.*

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OTHER RELEASES

Dairy statistics

October 2002 (preliminary)

Dairy farmers sold 599 000 kilolitres of milk and cream to dairies in October 2002. Fluid milk sales stood at 247 000 kilolitres, and industrial milk sales at 352 000 kilolitres. Industrial milk is used to manufacture butter, cheese, yogurt, ice cream, milk powders and concentrates.

The fourth quarter 2002 issue of *The dairy review* (23-001-XIB, $27/$89) will be available in February 2003. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Anna Michalowska (1-800-465-1991; 613-951-2442; fax: 613-951-3868), Agriculture Division. ■

Interprovincial and international trade

1998 (revised) and 1999 (preliminary)

Revised interprovincial and international trade data for 1998, as well as preliminary data for 1999, are now available. The data are in line with provincial input–output tables released in *The Daily* on November 7.

Available on CANSIM: table 386-0002.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 1403.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Ronald Rioux (613-951-3697; fax: 613-951-0489), Input–Output Division. ■

NEW PRODUCTS

Infomat — a weekly review, December 13, 2002
Catalogue number 11-002-XIE ($3/$109).

Infomat — a weekly review, December 13, 2002
Catalogue number 11-002-XPE ($4/$145).

Farm Financial Survey, 2001
Catalogue number 21F0008XIB
(free).

Production of eggs, October 2002
Catalogue number 23-003-XIB
(free).

New motor vehicle sales, October 2002, Vol. 74, no. 10
Catalogue number 63-007-XIB ($13/$124).

Useful information for construction
Catalogue number 64F0004XIE
(free).

Perspectives on labour and income, Winter 2002, Vol. 14, no. 4
Catalogue number 75-001-XPE ($18/$58).

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

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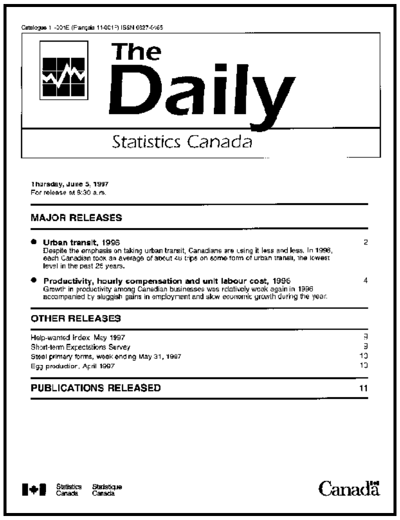

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The Daily

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

Help-wanted Index, May 1997	9
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Egg production, April 1997	10

PUBLICATIONS RELEASED 11

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RELEASE DATES: DECEMBER 16 TO 20

(Release dates are subject to change.)

Release date	Title	Reference period
16	**Multifactor productivity growth**	1981 to 2000
17	**Monthly Survey of Manufacturing**	October 2002
18	**Canadian international merchandise trade**	October 2002
18	**Travel between Canada and other countries**	October 2002
18	**Employment Insurance**	October 2002
18	**The labour market: A Canada–United States comparison**	November 2002
19	**Wholesale trade**	October 2002
19	**Low income among recent immigrants**	1980 to 1999
20	**Consumer Price Index**	November 2002