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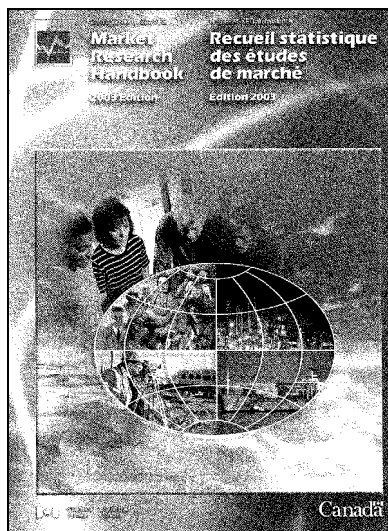
Wednesday, November 12, 2003

Released at 8:30 a.m. Eastern time

MAJOR RELEASES

- **Public infrastructure and the performance of the Canadian economy, 1961 to 2000** 3
Canada's \$157.3 billion in publicly-owned infrastructure — roads, mass transit, water supplies, wastewater treatment facilities and so on — have a tangible impact on productivity and the economic performance of the Canadian business sector, according to two new studies.

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Market research handbook 2003 edition

The 2003 edition of the *Market research handbook* is now available. Since 1975, the *Market Research Handbook* has been an authoritative source of socio-economic information reflecting key characteristics of local and national markets in Canada. By providing accurate and timely statistics on the changing demographics, standards of living and economic characteristics of Canadian society, the handbook helps businesses locate target markets, track their market share, and assess their competitive position.

The 2003 edition contains the latest data from the 2001 Census and a wide range of other surveys, and incorporates a number of features designed to make it more user-friendly. Features include a user's guide, annotated charts to reveal salient trends, helplines for each of the data sources, and references to CANSIM, Statistics Canada's Canadian Socio-economic Information Management System.

Market research handbook (63-224-XIB, \$101; 63-224-XPB, \$134) is now available. See *How to order products*. For more information, contact the Small Business and Special Surveys Division (1-877-679-2746) or view the product description online (www.statcan.ca/english/ads/63-224-XPB/index.htm).



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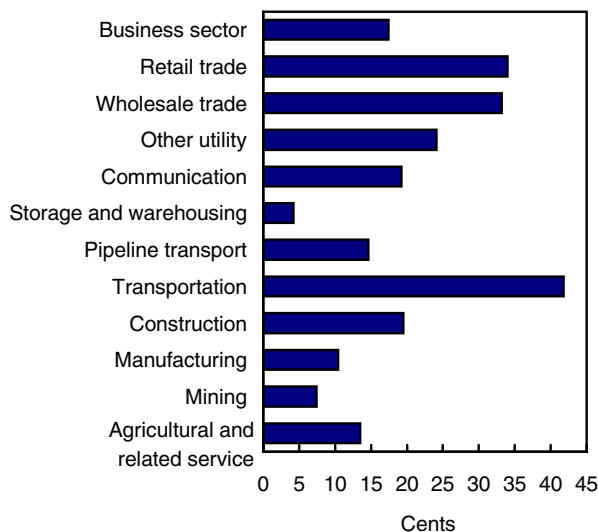
MAJOR RELEASES

Public infrastructure and the performance of the Canadian economy 1961 to 2000

Canada's \$157.3 billion in publicly-owned infrastructure — roads, mass transit, water supplies, wastewater treatment facilities and so on — has a tangible impact on the productivity and the economic performance of the Canadian business sector, according to two new studies.

Public infrastructure, or "public capital," lowers the costs of producing a given level of output in virtually every Canadian industry within the business sector, the studies found.

Marginal benefits of \$1 of public infrastructure capital to the Canadian business sector (average cents for the 1961-2000 period)



In doing so, gains in infrastructure have had a modest, but direct, impact on productivity, which represents the output for every unit of labour and capital employed in production.

During the past 40 years, growth in infrastructure has accounted for just under one-fifth, about 18%, of multifactor productivity gains in the business sector, a measure of the efficiency with which inputs are used to produce goods and services.

In the simplest terms, a well-constructed highway allows a truck driver to avoid back roads and to transport

Note to readers

This release is based on analysis from two new reports. The first, *Public Infrastructure in Canada: Where do we stand?*, examines the size of Canada's investment in infrastructure, how it has evolved over the last 40 years and how it has contributed to Canada's standards of living.

The second, *Public capital and its contribution to the productivity performance of the Canadian business sector*, quantifies the contribution of public infrastructure to the performance of the Canadian business sector from 1961 to 2000. It also evaluates the effects of capital investment on the business sector's demand for labour, capital formation and intermediate inputs, estimates the marginal benefits of public capital, and identifies the contribution of public capital and other economic factors to the productivity growth rate in the business sector.

For the purpose of these studies, **public infrastructure** is defined as the engineering construction capital spending of public administrations — federal, provincial/territorial and municipal. In this context, public infrastructure includes transportation systems, such as subways and highways, mass transit, water supply, and wastewater treatment facilities.

goods to market in less time. Hence, public investment in a highway enables private companies to produce their products at a lower total cost. This would permit products to be sold at lower prices, and lower prices can be expected to lead to growth in output.

The studies showed that within the business sector as a whole, each \$1 increase in net capital stock, or infrastructure, between 1961 and 2000 generated on average about 17 cents of cost-savings each year. The impact varied widely among the 37 industries in the business sector, but each one benefited.

Industries that are the most intensive users of infrastructure incur the biggest savings. For example, a \$1 increase in net capital stock during the past four years generated savings of 42 cents for the transportation industry, savings of about 34 cents for the wholesale and retail trade groups, and savings of about 20 cents for the construction industry.

Huge stock of public infrastructure

Canada has a huge stock of public infrastructure. In 2002, it amounted to an estimated \$157.3 billion, or about 4% of non-financial capital assets in the economy.

The 2002 estimate was about 17 times the total of just \$9.3 billion in 1961, which represented 6.2% of non-financial capital assets in the economy.

Four decades ago, local governments held only 31% of all infrastructure, while the federal government held 24% and the provincial governments, 45%.

In 2002, local governments' share accounted for more than half, while the federal share was down to a modest 6.8%. The share of provincial governments dropped moderately to 40.8%.

In 2000, roads and highways accounted for the largest share of infrastructure for all three levels of government: 69% of the provincial capital assets, 45% among local governments, and 19% for the federal government.

Capital stock of public administrations in Canada

	Total			Federal		Provincial		Local	
	\$ billion	\$ billion	%	\$ billion	%	\$ billion	%		
1961	9.3	2.2	23.9	4.2	45.3	2.9	30.9		
1973	29.2	4.4	15.1	14.6	50.1	10.2	34.8		
1979	64.4	7.7	12.0	33.2	51.5	23.6	36.6		
1988	113.7	10.9	9.6	54.4	47.8	48.5	42.6		
2000	155.2	11.2	7.2	65.1	41.9	78.9	50.9		
2002	157.3	10.6	6.8	64.3	40.8	82.4	52.4		

Note: Net of linear depreciation.

Assets in second place varied widely. Among local governments, it was sanitary sewers, accounting for 17%. For provincial governments, it was bridges (10%), and for the federal government, it was docks, wharves, piers and terminals (13%).

Public infrastructure factor in growth of standard of living

From 1971 to 1979, Canada's standard of living increased 3.02%. However, it slowed down markedly during the following two decades. The growth rate was only 1.9% during the 1980s and 1.5% during the 1990s.

The growth in Canada's standard of living reflects the impact of many factors, two of which are public infrastructure capital productivity and the extent to which public infrastructure capital keeps up with the growth of the Canadian population. These can be measured, respectively, as real gross domestic product per unit of real public infrastructure capital and real public infrastructure capital stock per person.

During the 1990s, public infrastructure per person advanced 0.87%, which was virtually unchanged from the growth rate of the 1980s. This was only about one-half of the 1.7% rate of growth experienced in the 1970s, and reflects the fact that public infrastructure fell short of the population increase.

Contribution of public infrastructure capital to Canada's standards of living

	GDP per person	Real GDP per unit of real public infrastructure capital	Real public infrastructure capital stock per person
	average annual growth rates (%)		
1971 to 2000	2.04	0.93	1.10
1971 to 1979	3.02	1.29	1.71
1979 to 1988	1.90	1.04	0.85
1988 to 2000	1.49	0.61	0.87

During the last three decades, the efficiency with which the Canadian economy has used public infrastructure, or real GDP per unit of real public infrastructure capital, has shown a steady slowdown.

Definitions, data sources and methods: survey number, including related surveys, 1402, 1806 and 2820.

The research papers *Public infrastructure in Canada: Where do we stand?* (11-624-MIE2003005, free) and *Public capital and its contribution to the productivity performance of the Canadian business sector* (11F0027MIE2003017, free) are now available online. To access the Analytical Studies Research Paper Series, select *Studies* from the home page, then, under *Browse periodical and series*, choose *Free and for sale*; under *Series* select *Analytical studies*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Tarek M. Harchaoui (613-951-9856; fax: 951-951-3292; harctar@statcan.ca), Micro-Economic Analysis Division. ■

OTHER RELEASES

New Housing Price Index

September 2003

The New Housing Price Index (1997=100) rose 0.5% in September, unchanged from August's monthly increase. On a 12-month basis, this index of contractors' selling prices rose 5.1%, up from August's annual increase of 4.7%.

New Housing Price Indexes

(1997=100)

	September 2003	September 2002 to September 2003	August to September 2003
	% change		
Canada total	117.9	5.1	0.5
House only	124.5	6.5	0.6
Land only	105.5	1.6	0.3
St. John's	114.2	4.2	1.4
Halifax	119.7	4.2	0.0
Charlottetown	105.6	0.8	0.5
Saint John-Fredericton-Moncton	103.7	2.9	0.0
Québec	124.4	10.1	1.3
Montréal	128.5	7.4	0.8
Ottawa-Gatineau	139.2	3.3	1.1
Toronto	120.9	5.3	0.3
Hamilton	122.2	6.2	-0.3
St. Catharines-Niagara	121.8	6.2	0.0
Kitchener-Waterloo	120.4	2.8	0.1
London	115.5	4.9	0.2
Windsor	102.1	0.0	0.0
Sudbury-Thunder Bay	96.4	0.2	0.0
Winnipeg	114.9	3.2	0.6
Regina	126.6	6.0	0.5
Saskatoon	115.9	4.7	1.3
Calgary	131.8	4.9	0.6
Edmonton	125.4	5.2	1.7
Vancouver	96.6	3.4	0.1
Victoria	98.7	8.6	0.6

Prices were up in 15 of the 21 urban centres surveyed. Edmonton led the way with an increase of 1.7%, followed by St. John's (+1.4%), Québec (+1.3%), Saskatoon (+1.3%) and Ottawa-Gatineau (+1.1%). Home builders in these areas noted higher prices for labour, land and building materials, such as lumber and drywall. Significant increases were observed in Montréal (+0.8%), Winnipeg (+0.6%), Calgary (+0.6%), Victoria (+0.6%), Charlottetown (+0.5%) and Regina (+0.5%).

New home prices also rose in Toronto (+0.3%), London (+0.2%), Kitchener-Waterloo (+0.1%) and Vancouver (+0.1%).

Five of the survey centres registered no monthly change and the only decrease was registered in Hamilton (-0.3%), as a result of competitive factors.

For the seventh consecutive month, Québec posted the largest 12-month increase for new homes (+10.1%) followed by Victoria (+8.6%) and Montréal (+7.4%).

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2003 issue of *Capital expenditure price statistics* (62-007-XPB, \$24/\$85) will be available in January. See *How to order products*.

The New Housing Price Index for October will be released on December 10.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Perry Kirkpatrick (613-951-9606, fax: 613-951-1539; infounit@statcan.ca) or Susan Morris (613-951-2035; morrus@statcan.ca), Prices Division. ■

Study: Retail clothing sales in Canada 2002

Hip clothing and celebrity endorsements — these are all part and parcel of unisex clothing stores, the champions of Canada's retail clothing industry.

Unisex clothing stores are located in virtually every shopping mall, usually with men's wear on one side and women's on the other. During the past six years, these stores have captured a growing share of the market from traditional men's and women's clothing stores.

A new article — the second in Statistics Canada's new free online publication *Analysis in brief* — analyses sales trends in the \$21-billion retail clothing sector from 1997 to 2002. It uses data from the Quarterly Retail Commodity Survey and the Monthly Retail Trade Survey.

In 1997, unisex clothing stores — referred to as "other clothing stores" in the Monthly Retail Trade Survey — accounted for just over one-quarter (26%) of all clothing and accessories sales in Canada. By 2002, this proportion had ballooned to almost one-third (32%), with estimated sales of \$6.7 billion.

Owners of specialized men's clothing stores have watched as some shoppers abandoned their outlets to buy men's wear from unisex clothing stores, leaving in their wake a dramatic drop in sales for these retailers in 2001 and 2002. Despite this, men still prefer to purchase suits at men's clothing stores over other types of stores.

Women's clothing stores still have a stronghold on women's apparel and accessories. However, competition from unisex clothing chains is weakening this grip.

In 2002, purchases of women's clothing and accessories account for over 50 cents of every dollar spent on clothing and accessories, almost twice as much as the amount spent on men's clothing and accessories.

Overall, consumers spent \$307 billion in retail stores in 2002, with clothing and accessories representing almost 7% of the total, or around \$21 billion. This was almost as much as the \$23 billion motorists spent last year on gasoline and motor oil.

Definitions, data sources and methods: survey numbers, including related surveys, 2008 and 2406.

The analytical article *A new look: Retail clothing sales in Canada* (11-621-MIE2003006, free) is now available online.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jane Lin (613-951-9691), Distributive Trades Division ■

Guide to culture statistics

The *Guide to Culture Statistics* is a new Internet product developed by the Culture Statistics Program to facilitate access to culture information from Statistics Canada.

The guide provides links to information on culture surveys, to data and to analysis. Detailed data tables, previously available only for a fee and in paper or diskette version at the time of each survey's release, are now available free of charge, thanks to the support of the Canadian Cultural Observatory, within the Department of Canadian Heritage.

Topics in the guide include film and video production and distribution, movie theatres, TV viewing and radio listening, the performing arts, book and periodical publishing, heritage institutions, government and private sector funding of culture, culture trade and investment, the culture labour force, Canadians' consumption of culture, and more.

The *Guide to culture statistics* (87-008-GIE, free) is now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Arts, culture and recreation*.

For more information, contact Client Services (1-800-307-3382; cult.tourstats@statcan.ca) or Mary Cromie (613-951-6864; mary.cromie@statcan.ca), Culture, Tourism and the Centre for Education Statistics. ■

NEW PRODUCTS

Analysis in brief: A new look: Retail clothing sales in Canada, no. 6
Catalogue number 11-621-MIE2003006
(free).

Economic analysis research paper series: Public capital and its contribution to the productivity performance of the Canadian business sector, no. 17
Catalogue number 11F0027MIE2003017
(free).

Insights on the Canadian economy: Public infrastructure in Canada: Where do we stand?, no. 5
Catalogue number 11-624-MIE2003005
(free).

Market research handbook, 2003
Catalogue number 63-224-XIB (\$101).

Market research handbook, 2003
Catalogue number 63-224-XPB (\$134).

Culture trade and investment project: culture goods trade estimates: Data tables,
Catalogue number 87-007-XIE
(free).

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Catalogue number 87-009-XIE
(free).

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Guide to culture statistics,
Catalogue number 87-008-GIE
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All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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


MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, adult Canadians took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 3
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