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Canada has become a major player in the international diamond scene, according to a new profile of the billion-dollar industry, which is adding lustre to the economy of the Northwest Territories.
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NEW PRODUCTS



MAJOR RELEASES

Study: Diamonds are adding lustre to the Canadian economy

1998 to 2003

Canada has become a major player in the international diamond scene, according to a new profile of the billion-dollar industry, which is adding lustre to the economy of the Northwest Territories.

From 1998 to 2002, companies have mined about 13.8 million carats of these precious stones of pure carbon, collectively worth \$2.8 billion. This is roughly equivalent to a 1.5-kilogram bag of ice each day for five years, with each bag worth \$1.5 million.

Recent production data suggest that, by the end of 2003, Canada will have produced almost 15% of the world's supply of diamonds, making it the third largest producer of diamonds, behind Botswana and Russia.

Since 1991, when diamonds were discovered at Point Lake near Lac de Gras in the Northwest Territories, two diamond mines have begun production. A third is expected to be in production in 2005, and a fourth by 2006.

Diamond rush: Dazzling the Northwest Territories economy

Economic output in the Northwest Territories surged ahead 5.1% in 2002, fuelled by the EKATI mine running at full capacity and by construction of the Diavik mine, which neared completion. Diamond mining accounted for just over one-fifth of the Northwest Territories' gross domestic product.

From 1998 to 2001, the number of employees directly involved in diamond mining increased almost seven-fold, from just over 90 to more than 700. More recent figures indicate there are currently about 2,200 jobs related to diamond mining.

The average salary for all workers employed in the diamond mining industry in the Northwest Territories from 1998 to 2001 was \$61,639. The average for production employees, those involved in the mining operations, was slightly higher, at \$64,336.

These average salaries were roughly 30% higher than for all workers employed in the non-metallic mineral mining and quarrying sector across Canada, and 44% higher than the salaries for production employees in this sector.

From 1998 to 2002, companies invested a total of \$2.6 billion in developing Canada's diamond mineral

Note to readers

This release is based on an analytical article titled Diamonds: Adding Lustre to the Canadian Economy, published in the series Analysis in Brief, Statistics Canada's new free, online publication.

BHP Billiton Diamonds Inc., Diavik Diamond Mines Inc. and Aber Diamond Mines Ltd. have signed waivers allowing their statistics on production, employment, capital investment and trade to be published. Statistics Canada appreciates this gesture and thanks them for the consent to use the data in this article.

resources. These costs include exploration, capital investment and repair and maintenance expenses.

Investment in diamond mineral resource development represented roughly 12% of all investment in metal and mineral resource development in Canada during this period.

Five million carats in five years

Diamond production has gone from zero to almost five million carats a year in five years. In 2002, carat recovery increased 34% from 2001. This followed a 53% increase the year before.

The value of production has increased accordingly, from zero prior to 1998 to just over \$800 million in 2002 alone.

With the opening of the Diavik mine in 2003, there has already been a marked increase in production. In the first six months of 2003, almost 4.2 million carats of diamonds were mined in Canada, just 17% less than the total for 2002.

Not only is Canada rich in rough diamonds, but these rough diamonds are also high-quality. In 2001, the average price per carat for a Canadian-mined diamond was \$228. This was the third highest in the world, behind prices for diamonds mined in Namibia and Angola.

The 2003 production data suggest that Canada is poised to become the world's third largest producer of diamonds, producing almost 15% of the world's diamonds by value. This would put Canada just ahead of South Africa, but behind Botswana and Russia.

Trade: From import-driven to export-driven

From 1992 to 1997, Canada's total trade in diamonds — domestic exports plus foreign imports —

remained fairly constant, worth on average \$197 million a year.

During this time, imports, primarily of gem-quality cut and polished diamonds, were responsible for 93% of the Canadian diamond trade.

This changed in 1998, when Canada began producing and exporting rough diamonds. Since then, exports have been responsible for two-thirds of total diamond trade.

From 1998 to 2002, the trade in diamonds grew at an annual average rate of 44%, reaching almost \$1.3 billion in 2002. Almost all this was export-driven. In contrast, the growth of diamond imports has averaged only 5% a year.

During the first six months of 2003, Canada's total trade in diamonds was worth just over \$720 million, of which exports accounted for 81%.

The vast majority of exports, about 95%, consist of rough diamonds. In contrast, the vast majority of imports consist of gem-quality cut and polished stones.

Two countries — Belgium and the United Kingdom — are the principal destinations for diamonds from Canada. Most of the world's mined diamonds are sorted and sold through Antwerp and London.

In 2002, imports from Israel, Belgium, the United States and India accounted for 93% of all the diamonds brought into Canada.

The analytical article *Diamonds: Adding Lustre to the Canadian Economy* (11-621-MIE2004008, free) is now available online in the *Analysis in Brief* series. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Trade*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bruna Santarossa (613-951-0300), International Trade Division. ■

OTHER RELEASES

The culture sector labour force 1991 to 2002

Job growth in the culture sector outpaced that of the overall labour market from 1991 to 2002, according to a new study analysing employment patterns in the sector. However, the boom may have ended in the new millennium for Canada's culture workers.

The 1980s saw a rapid expansion of the culture workforce to meet increased demand for culture goods and services. This period of growth paused with the 1990/91 recession, when jobs, earnings and revenues all fell off. With the end of the recession, the labour market rebounded, and culture workers rode the high employment wave throughout the remainder of the decade.

While the total labour force increased about 20% from 1991 to 2002, the growth in employment in the culture sector was a significantly higher 31%. However, most of the gains in the culture sector occurred before 1999. In fact, between 2000 and 2002, the sector's workforce hardly increased.

The culture workforce peaked at almost 578,000 in 2001 and then declined slightly the following year. In total, just over 577,000 people worked in the culture sector in 2002, representing 3.7% of Canada's total labour force.

About 30% of these individuals worked in culture occupations, such as creative and artistic production, and heritage collection and preservation. In addition, almost four out of every five jobs in culture occupations were full-time.

Self-employment is a striking feature of the culture sector workforce. The number of self-employed workers in the culture sector increased 57% from 1991 to 2002, to reach almost 148,000. Indeed, one in four workers in the culture sector were self-employed in 2002, notably higher than the 15% for the entire workforce.

Public sector policies and programs, levels of business and private investment, consumer demand, and levels of imports and exports all affect the growth of the culture labour force. With only modest growth in Canadians' spending on culture activities throughout the 1990s, much of the increase in culture employment can be attributed to increases in government grants and contributions and the healthy performance of the sector in the export market.

All levels of government have fostered growth of the culture sector, using a variety of measures, including tax incentives for companies and financial support for artists. In particular, federal and provincial government

assistance for export activities has assisted Canadian film and television, publishing and sound recording companies to penetrate foreign markets.

Given the weak domestic market for culture products in the 1990s, combined with the public sector's limited ability to increase funding, future growth in culture employment may depend on opportunities offered by the international marketplace and new technologies.

Focus on Culture, Vol. 14, no. 3 (87-004-XIE, \$8/\$22; 87-004-XPB, \$10/\$29) is now available. See *How to order products*. The preview article from this publication, "The culture sector labour force: Has the 1990s boom turned to bust?", is available online free of charge.

This issue of *Focus on Culture* also contains an article titled "My money, my choice: Exploring consumer spending on entertainment services," a profile of Canada's culture trade with Italy, provincial data on radio listening and data on the sound recording industry.

For information on *Focus on Culture*, contact Client Services (1-800-307-3382; fax: 613-951-9040; cult.tourstats@statcan.ca) or Alice Peters (613-951-4086; fax: 613-951-1333; alice.peters@statcan.ca).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Michel Durand (613-951-1566; michel.durand@statcan.ca), Culture Statistics Program. ■

Federal government finance: Assets and liabilities

As of March 31, 2003

At March 31, 2003, the federal government's net debt (defined as the excess of liabilities over financial assets) fell to \$526.5 billion, down \$8.2 billion from March 31, 2002. A decrease of \$2.7 billion in financial assets and a reduction of \$10.9 billion in liabilities explain this drop.

As a percentage of gross domestic product (GDP), the federal government net debt decreased from 47.6% in 2002 to 43.5% in 2003, the lowest since 1984. Per capita, the net debt decreased from \$17,107 to \$16,691.

These statistics are based on the actual data released in the federal government's public accounts dated March 31, 2003 and converted to Statistics Canada's Financial Management System (FMS). The federal government introduced accrual accounting in their 2003 financial statements. To retain comparability

with prior years, these changes are not included in the FMS presentation. A reconciliation to the public accounts is available.

Federal government net debt
As of March 31

	Net debt \$ millions	Net debt percentage of GDP %	Net debt per capita \$
1971	18,581	19.9	863
1975	24,769	15.1	1,075
1980	72,555	24.0	2,971
1985	209,891	44.5	8,143
1990	362,920	53.6	13,162
1991	395,075	58.3	14,142
1992	428,682	61.9	15,167
1993	471,061	65.9	16,472
1994	513,219	68.4	17,755
1995	550,685	68.7	18,852
1996	578,718	70.6	19,608
1997	588,402	67.8	19,732
1998	581,581	64.1	19,333
1999	574,468	60.5	18,949
2000	561,733	53.9	18,359
2001	545,300	48.9	17,640
2002	534,690	47.6	17,107
2003	526,492	43.5	16,691

Note: The FMS provides a standardized presentation of government accounting for the federal, provincial and local governments in Canada. The individual governments' accounting systems are not directly comparable because the policies and structure of governments differ. The FMS adjusts data from governments Public Accounts and other records to provide detailed data that permit inter-government comparisons as well as compatible national aggregates that are consistent over time. In other words, FMS statistics may not accord with the figures published in government financial statements.

Available on CANSIM: tables 385-0010, 385-0014 and 385-0017 to 385-0019.

Definitions, data sources and methods: survey numbers, including related surveys, 1702, 1709 and 1723.

Data are available through custom and special tabulation.

For general information, or to enquire about the products or services of the Public Institutions Division, contact Joanne Rice (613-951-0767; joanne.rice@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Andy Gareau (613-951-1826)

or Robert Larocque (613-951-1836), Public Institutions Division. ■

Steel primary forms — weekly data
Week ending December 20, 2003 (preliminary)

Steel primary forms production for the week ending December 20 totalled 309 201 metric tonnes, up 3.0% from 300 279 tonnes a week earlier and 22.7% from 251 985 tonnes in the same week of 2002.

The year-to-date total as of December 20 was 15 341 646 tonnes, down 1.1% from 15 512 482 tonnes in the same period of 2002.

Definitions, data sources and methods: survey number 2131.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Coal and coke statistics
October 2003

Data on coal and coke are now available for October.

Available on CANSIM: table 303-0016.

Definitions, data sources and methods: survey numbers, including related surveys, 2003 and 2147.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

Computer and peripherals price indexes
October 2003 (preliminary)

Prices of commercial computers, as measured by the Computer and Peripherals Price Indexes (CPPI), fell 8.1% from September. Desktop prices declined 12.3%, while prices of portables fell 6.7% and those of servers remained unchanged.

Prices of consumer computers, representing computers brands and models normally purchased by consumers and small businesses (desktops and portables), decreased 1.8%, with prices of desktops declining 5.0% and those of portables rising 1.6%.

In the case of computer peripherals, prices of printers and of monitors remained unchanged from September.

These indexes are available at the Canada level only.

Available on CANSIM: tables 331-0001 and 331-0002.

Definitions, data sources and methods: survey number 5032.

For more information on these indexes, contact Client Services (1-866-230-2248; 613-951-9606; infounit@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Fred Barzyk (613-951-2493; fred.barzyk@statcan.ca), Prices Division. ■

NEW PRODUCTS

Analysis in Brief: Diamonds: Adding Lustre to the Canadian Economy, no. 8
Catalogue number **11-621-MIE2004008**
(free).

Focus on Culture, Vol. 14, no. 3
Catalogue number **87-004-XIE** (\$8/\$22).

Focus on Culture, Vol. 14, no. 3
Catalogue number **87-004-XPB** (\$10/\$29).

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, about 40 million Canadians took an average of about 40 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 relatively weak despite their accompanied by sluggish gains in employment and slow economic growth during the year.

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