



# The Daily

Statistics Canada

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## Releases

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<b>Provincial and territorial gross domestic product, 2001 to 2004</b>	2
Economic output in Western Canada boomed in 2004, while growth everywhere east of Saskatchewan was below the national average, according to revised data for provincial and territorial economic accounts. A detailed analysis for the year 2004 is available in the <i>Provincial and Territorial Economic Accounts Review</i> .	
Telecommunications statistics, second quarter 2005	6
Farm product prices, September 2005	6
Production of eggs and poultry, September 2005	6

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<b>New products</b>	8
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## Releases

### Provincial and territorial gross domestic product

2001 to 2004 (revised)

Economic output in Western Canada boomed last year, while growth everywhere east of Saskatchewan was below the national average, according to revised data for provincial and territorial gross domestic product (GDP).

Nationally, real gross domestic product sat at 2.9% in 2004, up from 2.0% in 2003. The pace of growth in Saskatchewan, Alberta and British Columbia, the Yukon, Northwest Territories all settled above the national average.

Output was particularly strong in Alberta, where growth was well above the national average, settling in at 4.3%. Record oil prices and foreign demand stimulated growth in the energy sector that rippled throughout Alberta's economy.

Production of diamonds jumped again in the Northwest Territories and fuelled growth in all sectors of the territory's economy pushing the economy ahead 5.2%, the highest pace of growth in the country.

#### Note to readers

This release of the provincial economic accounts (PEA) marks the re-introduction of a goods and services split of provincial and territorial exports and imports.

The methodology for calculating and deflating international exports of margins by province has also been refined, resulting in significant improvements in the quality of international exports in the PEA.

A note detailing these changes is included in the fall issue of the Provincial and Territorial Economic Accounts Review.

The only province to experience a decline in output in 2004 was Newfoundland and Labrador, where output fell by 1.4% following two years of stellar growth. The decline was mainly due to production problems on the Terra Nova oil platform and strikes in the public service and mining industries.

In 2004, growth rates were revised up in Prince Edward Island, Nova Scotia, Ontario, Alberta and British Columbia and the Northwest Territories. Rates for Quebec and Manitoba remained unchanged. Rates for Newfoundland and Labrador, New Brunswick, Saskatchewan, the Yukon and Nunavut were revised down.

In general, real GDP for the provinces and territories was revised upwards in 2001, followed by more significant downward revisions in 2002 and 2003.

#### Four-year snapshot: Growth shifts from east to west

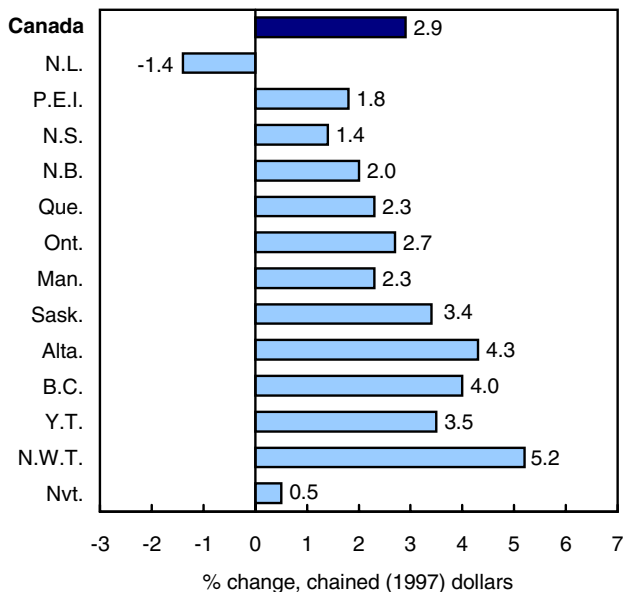
Revised growth rates for real GDP in the provinces and territories are available for the period 2001 to 2004, and are the basis for the following analysis.

Nationally, GDP has been growing steadily since the turn of the millennium. Between 2001 and 2004, economic output nationally increased at an annual average rate of 2.5%.

What is notable, however, is a shift in the source of this growth. In 2001 and 2002, much of the growth was driven by the eastern provinces.

But in 2003 and 2004, as energy and other commodity prices began to increase, the stimulus for national growth shifted west to Saskatchewan's wheat fields, Alberta's oil patch and British Columbia's forests.

#### Real gross domestic product, 2004



**Real gross domestic product growth, chained (1997) dollars**

	2001	2002	2003	2004
	% change			
Newfoundland and Labrador	1.6	16.4	6.2	-1.4
Prince Edward Island	-1.1	5.8	1.5	1.8
Nova Scotia	3.2	4.2	0.9	1.4
New Brunswick	1.7	4.4	1.7	2.0
Quebec	1.5	2.7	2.1	2.3
Ontario	1.8	3.2	1.6	2.7
Manitoba	0.8	1.9	1.8	2.3
Saskatchewan	-1.0	-0.2	3.8	3.4
Alberta	1.7	2.5	3.1	4.3
British Columbia	0.6	3.5	2.7	4.0
Yukon	4.4	0.3	0.0	3.5
Northwest Territories	21.2	6.8	16.8	5.2
Nunavut	5.9	6.4	-4.8	0.5
<b>Canada</b>	<b>1.8</b>	<b>3.1</b>	<b>2.0</b>	<b>2.9</b>

**Biggest growth in Newfoundland and Labrador, and Northwest Territories**

The major exceptions to average growth between 2001 and 2004 were the economies of Newfoundland and Labrador and the Northwest Territories.

In the Northwest Territories, real GDP surged dramatically at an average rate of 12.5% a year, five times the national average, on the strength of diamonds. In Newfoundland and Labrador, the average annual growth rate was 5.7%, more than twice the national average. There, the strength was in oil.

During this period, the Northwest Territories solidified itself as a world leader in diamond production. This resource induced a boom that had a big impact on all sectors of the economy.

At the same time, the value added of the oil and gas extraction industry in Newfoundland and Labrador more than doubled. It is now on par with that of Saskatchewan.

Both regions experienced solid growth in residential and non-residential construction, investment in machinery and equipment and a jump in personal incomes.

**Growth accelerating in Alberta and British Columbia**

Real GDP advanced at an average annual pace of 2.9% in Alberta and 2.7% in British Columbia between 2001 and 2004.

Growth in Alberta has been steadily accelerating since 2001. Increasing oil prices have had a major impact on both personal and corporate incomes.

Personal disposable incomes in Alberta jumped an average of 6.3% during the last four years. Strong corporate incomes drove up investment, particularly in machinery and equipment, in both 2003 and 2004.

Overall, personal disposable income per person in Alberta grew at an annual clip of 4.6%. This was second

only to the diamond-induced growth in the Northwest Territories, and well above the national average of 2.9%.

British Columbia benefited from strong growth in residential construction. Investment in residential construction has been so strong in recent years that by 2004, it accounted for 43% of all business investment in British Columbia. This compared with 32% for the rest of Canada.

**Ontario: Economy at mercy of export markets**

Average annual growth in Ontario between 2001 and 2004 reached 2.3%, just below the national average. During this time, Ontario's economy was at the mercy of the international marketplace, as growth ebbed and flowed with the rise and fall of international exports.

A surge in exports in both 2002 and 2004 pulled the province's growth in line with the national average, while weaker exports and the outbreak of SARS in 2003 drove growth below the national average.

Average growth in personal disposable income per person was lowest in Ontario, averaging only 2.0% a year. While this growth was well below the national average, much of this weakness was a result of an above-average rate of growth in Ontario's population.

While Ontario's growth rate in personal disposable income per person has lagged behind the rest of Canada in recent years, its level ranks behind only Alberta and the Northwest Territories.

**Growth kept in check in Quebec, Manitoba, Saskatchewan**

A weak manufacturing sector kept Quebec's growth in check between 2001 and 2004, while in Manitoba the agricultural sector had a strong dampening effect. Saskatchewan had a shaky start to the decade, but growth has picked up steam.

Real GDP grew at an average annual rate of 2.2% in Quebec, 1.5% in Saskatchewan and 1.7% in Manitoba, all below the national average.

One major bright spot in the Quebec economy over this period was the growth in residential construction, where investment climbed at an annual average pace of 15.8%, the second highest rate in the nation.

This in turn stimulated retail sales as homeowners furnished their new homes and drove up spending on durable goods by an average of 5% a year.

After a shaky start to the decade, Saskatchewan's economy picked up steam in 2003 and 2004, growing well above 3% in both years. This was the result of a strong rebound in crop production in 2003, followed by a surge in manufacturing in 2004.

In Manitoba, poor growing conditions coupled with the fallout of mad cow disease served to dampen growth.

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## Recent growth lacklustre in the Atlantic provinces

Following a stellar performance in 2002, Prince Edward Island's economy posted two years of rather lacklustre growth. The economies of Nova Scotia and New Brunswick experienced similar trends.

Overall, between 2001 and 2004, real GDP grew at an average annual rate of 2.0% in Prince Edward Island, 2.4% in Nova Scotia and 2.5% in New Brunswick.

In Prince Edward Island, a declining real trade balance combined with moderate growth in personal expenditures contributed to a slowdown in growth in 2003 and 2004.

In Nova Scotia, two years of solid growth in 2001 and 2002 were followed by lukewarm gains, as natural gas exports and exploration activity slowed.

In New Brunswick, a surge in production in the petroleum and coal products industry in 2001 and 2002 was followed by declines of 4.9% in 2003 and 3.2% in 2004. Growth in personal expenditures was also well off the national average in both Nova Scotia and New Brunswick. Purchases of durable goods were particularly weak.

## Yukon and Nunavut economies performed well

While the Yukon and Nunavut did not benefit from a "diamond rush" like that of Northwest Territories, both economies performed well over the last four years.

Real GDP grew at an average annual rate of 2.1% in the Yukon and 2.0% in Nunavut.

Business investment surged ahead in both, growing at an average annual rate of 13% in the Yukon and 18% in Nunavut. Likewise, growth in personal disposable income per person was strong, ranking above the national average.

On the other hand, exports of goods declined significantly between 2001 and 2004, serving to restrain growth. Total exports declined at an average annual rate of 1.7% in the Yukon and 14% in Nunavut.

## Detailed analysis and tables

More detailed analysis on today's releases from the national accounts, including additional charts and tables, can be found in the 2004 issue of *Provincial and Territorial Economic Accounts Review*, Vol. 1, no. 2 (13-016-XIE, free), now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *National accounts*.

## Products, services and contact information

### Provincial economic accounts

**Available on CANSIM: tables 384-0001, 384-0002, 384-0004 to 384-0013 and 384-0036.**

**Definitions, data sources and methods: survey number 1902.**

*Provincial Economic Accounts, Tables and Analytical Document, 2004 Estimates* (13-213-PPB, \$54) is now available. The accounts can also be obtained on diskette (13-213-DDB, \$428). The diskette can also be purchased at a lower cost seven business days after the official release date (13-213-XDB, \$86). To purchase any of these products, contact the client services officer (613-951-3810; [iead-info-dcrd@statcan.ca](mailto: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, including labour statistics, contact the information officer (613-951-3640; [iead-info-dcrd@statcan.ca](mailto:iead-info-dcrd@statcan.ca)), Income and Expenditure Accounts Division.

### Provincial gross domestic product by industry

**Available on CANSIM: table 379-0025.**

**Definitions, data sources and methods: survey number 1303.**

To purchase data on provincial gross domestic product by industry at basic prices, contact the client services officer (1-800-887-IMAD; [imad@statcan.ca](mailto:imad@statcan.ca)), Industry Measures and Analysis Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bruce Cooke (613-951-9061; [BruceE.S.Cooke@statcan.ca](mailto:BruceE.S.Cooke@statcan.ca)), Industry Measures and Analysis Division.

### Labour statistics accounts

**Available on CANSIM: tables 383-0009 to 383-0010.**

**Definitions, data sources and methods: survey number 1402.**

For more information, or to enquire about the concepts, methods or data quality, contact Jean-Pierre Maynard (613-951-3654; fax: 613-951-3292;

*productivity@statcan.ca*), Microeconomic Analysis Divisions.

**Provincial input-output tables, 2001 (revised) and 2002 (preliminary)**

Available on CANSIM: tables 379-0023, 379-0024, 381-0009 to 381-0014 and 386-0002.

Definitions, data sources and methods: survey number 1401.

Revised inter-provincial and international trade data for 2001, as well as preliminary data for 2002, are also available.

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; *riouxr@statcan.ca*), Input-Output Division. ■

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## Telecommunications statistics

Second quarter 2005

Growing numbers of Canadians are carrying around a cell phone or personal digital assistant, much to the benefit of the industry that operates wireless telecommunications networks.

The wireless telecommunications industry recruited 438,000 new customers from March to June this year and had 15.5 million subscribers at the end of that period, up 12.6% from the same period last year.

These new customers enabled the wireless industry to achieve record revenues in the second quarter of 2005. Operating revenues jumped 16.1% compared to the second quarter of 2004, reaching \$2.7 billion. The wireless industry accounted for more than 30% of the revenues of the telecommunications services sector in the second quarter, compared to barely 15% five years earlier.

Wireless operating profits reached \$742 million in the second quarter of 2005, up 12.8% compared to the same period in 2004. This is the second best quarterly result in the past five years, closely following the result registered in the third quarter of 2004. The profit margin of 27.6% posted in the second quarter is also one of the highest in the recent history of the industry.

While the wireless market is booming, the traditional wireline market is in decline. At the end of the second quarter of 2005, there were 19.2 million traditional residential and business lines, down 1.4% from the end of the second quarter of 2004. The erosion of this market is a broad trend observed since the end of 2001. It is generally attributed to innovation and technological substitution as well as to competition.

A fundamental change appears to be taking shape. In the last few quarters, the number of residential lines has been falling more rapidly than the number of business lines, whereas the opposite had been true since the erosion phenomenon began. This shift was most obvious in the last quarter. The number of residential lines fell 2% from June 2004 to June 2005, a much larger decrease than the 0.3% drop in the number of business lines.

It seems clear that new habits are taking root among residential users. Consumers are increasingly inclined to change their ways of communicating and their suppliers. The entry of some cable companies into the telephone market will undoubtedly reinforce this trend.

These changes had an impact on the financial performance of operators of traditional wireline systems. The most recent results confirm the marked downward trend in the revenues of this sector. They stood

at \$5.5 billion in the second quarter, down 2.8% from the second quarter of 2004.

Revenue losses have prompted companies in this sector to manage operating costs more vigilantly. This has been done with some success, since the sector's profit margin before interest and taxes has been hovering around 20% since the first quarter of 2003. In the second quarter of 2005, it was 19.8%, slightly below the 20.2% attained the previous year.

**Definitions, data sources and methods: survey number 2721.**

The second quarter 2005 issue of *Quarterly Telecommunications Statistics* (56-002-XIE, \$23/\$43) will be available soon.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel April (613-951-3177) or Cimeron McDonald (613-951-2741), Science, Innovation and Electronic Information Division. ■

## Farm product prices

September 2005

Prices received by farmers in September for grains, oilseeds, specialty crops, potatoes, cattle, hogs, poultry, eggs and dairy products are now available.

The Ontario grain corn price in September was \$110.60 per tonne, down 1% from August 2005 and down 23% from September 2004 when the price was \$143.31.

The September feeder steers price in Alberta was \$114.77 per hundredweight, up 1% from August 2005 and up 35% from the September 2004 price of \$85.10.

**Definitions, data sources and methods: survey number 3436.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gail-Ann Breese (204-983-3445; fax: 204-983-7543; [gail-ann.breese@statcan.ca](mailto:gail-ann.breese@statcan.ca)), Agriculture Division. ■

## Production of eggs and poultry

September 2005 (preliminary)

Egg production was estimated at 48.5 million dozen in September, up 9.4% from September 2004.

Poultry meat production reached 96.3 million kilograms in September, up 0.3% from September 2004.

**Definitions, data sources and methods: survey numbers, including related surveys, 3425 and 5039.**

For further information, or to enquire about the concepts, methods or data quality of this

release, contact Sandy Giefeldt (613-951-2505; [sandy.giefeldt@statcan.ca](mailto:sandy.giefeldt@statcan.ca)) or Barbara Bowen (613-951-3716; [barbara.bowen@statcan.ca](mailto:barbara.bowen@statcan.ca)) Livestock and Animal Products Section, Agriculture Division. ■

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## New products

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**Provincial and Territorial Economic Accounts Review**, 2004, Vol. 1, no. 2  
**Catalogue number 13-016-XIE**  
(free).

**Provincial Economic Accounts, Annual Estimates: Day of Release**, 2004  
**Catalogue number 13-213-DDB** (\$428).

**Provincial Economic Accounts, Annual Estimates: Tables and Analytical Document**, 2004  
**Catalogue number 13-213-PPB** (\$54).

**Provincial Economic Accounts, Annual Estimates**, 2004  
**Catalogue number 13-213-XDB** (\$86).

**Industry Price Indexes**, September 2005, Vol. 31, no. 9  
**Catalogue number 62-011-XIE** (\$19/\$175).

**Industry Price Indexes**, September 2005, Vol. 31, no. 9  
**Catalogue number 62-011-XPE** (\$24/\$233).

**Building Permits**, September 2005, Vol. 49, no. 9  
**Catalogue number 64-001-XIE** (\$15/\$156).

**Cancer Survival Statistics**, 1992 to 1997  
**Catalogue number 82-226-XIE**  
(free).

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**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 six 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 and industry weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- Map-based index, May 1997 3
- Short-term Expectations Survey 8
- Steel primary forms, week ending May 31, 1997 12
- Egg production, Apr. 1997 12

**PUBLICATIONS RELEASED** 11



### Statistics Canada's official release bulletin

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