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Releases

Releases

Study: Firm turnover and productivity growth in the retail trade sector
1984 to 1998

Competition arising from firm turnover has been responsible for almost all the productivity growth in Canada's retail trade sector. The annual rate of labour productivity growth in retailing was 2.4% from 1984 to 2007, while it was only 1.3% in the business sector as a whole.

Turnover occurs as some firms gain market share and others lose it. Some of this turnover is a result of the entry of new firms and the exit of existing firms. Another part arises from the growth and decline in continuing firms.

During the 1980s and 1990s, the retail trade sector underwent considerably more firm turnover than the manufacturing sector, and more of this turnover came from firms that entered and left.

The restructuring due to firm turnover in retailing that was associated with the entry of big box stores into Canada, shifted output and input from less productive exiting firms and incumbent firms that shrank, to more productive entering firms and existing firms that expanded.

On average, firms that entered the retail trade sector from 1984 and 1998 had labour and multifactor productivity that were about 20% higher than the firms that exited during this 15-year period.

The retail trade sector has had high rates of firm turnover. About 60% of firms present in 1984 were no longer in existence by 1998. At the outset, exiting firms accounted for 25% of total sales and 30% of total employment.

About 70% of firms that were in operation in 1998 were new firms that had entered the retail trade sector during the previous 15 years. They accounted for 42% of total sales and 41% of total employment.

Firm entry and exit accounted for 70% of labour productivity growth in the retail trade sector. Restructuring and firm turnover among surviving firms accounted for 35% of overall productivity growth.

Note to readers

This study focused on the dynamics of productivity growth in the service sector by examining retail trade industries in Canada from 1984 to 1998. Data were derived by linking two administrative databases, the Longitudinal Employment Analysis Program and the Corporate Tax Statistical Universal File.

Without this competitive restructuring, overall productivity growth in the retail trade sector would have been negative because the productivity of an average incumbent declined slightly over the period.

The importance of restructuring in retail trade stands in sharp contrast to its effect on the Canadian manufacturing sector, where entry and exit and firm turnover accounted for only about 50% of labour productivity growth over a 10-year time period on average.

In the manufacturing sector, only part of overall productivity growth came from firm turnover and the reallocation of resources from the less to the more productive. The remainder was a result of internal, organic productivity growth taking place across all producers on average.

Within the retail trade sector, foreign-controlled firms made a substantial contribution to aggregate productivity growth.

Foreign-controlled firms contributed 30% of labour productivity growth and 45% of multifactor productivity growth in retail trade during the study period. This was mainly a result of the entry of foreign-controlled firms and the expansion of more productive foreign-controlled existing firms.

The contribution of foreign-controlled firms to productivity growth was disproportionately larger than their contribution to sales.

The research paper "Firm turnover and productivity growth in the Canadian retail trade sector" is now available as part of *The Economic Analysis Research Paper Series* (11F0027MWE2008053, free), from the *Analytical studies* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Wulong Gu (613-951-0754), Micro-economic Analysis Division. ■

Farm product prices

October 2008

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

The Alberta canola price in October was $441.34 per metric tonne, down 8% from September 2008. However, it was up 15% from October 2007 when the price was $384.99.

The October slaughter cattle price in Quebec was $70.15 per hundredweight, down 5% from September 2008. The price of slaughter cattle in Quebec increased 44% from October 2007 when it stood at $48.68.

Farm commodity prices are now available on CANSIM. Prices of over 35 commodities are available by province, some series going back 20 years.

Available on CANSIM: table 002-0043.

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 Nickeisha Patterson (613-951-3249: fax: 613-951-3868; *nickeisha.patterson@statcan.gc.ca*), Agriculture Division. ■

Cable and satellite television

2007

The cable television industry customer base increased considerably in 2007, especially as a result of the industry's expansion into the telephone market.

The total number of subscribers to the principal services offered by cable distributors (television, Internet access and telephone) reached 14.2 million on August 31, 2007. This was 1.6 million more subscribers compared with the same period in 2006. More than half of these new customers were telephone service subscribers.

This major advance into the telephone market was part of a process of diversification of services which started just over 10 years ago with the launch of Internet access services.

Canadian households and businesses continued to connect to the Internet via cable in large numbers, albeit at a slower pace than in the past. The number of subscribers to this service grew from 4.0 million in 2006 to 4.5 million in 2007.

As has been the case for several years, there were much fewer new customers for cable distributors in their traditional television services market. Nevertheless, in 2007 they reported the second best results in 10 years, with a net increase of 126,862 subscribers. For the first time since the introduction of digital satellite television in 1997, cable distributors did not lose market share to competitors using wireless technologies.

The number of wireless television services subscribers, largely by satellite, grew 1.4% to 2.7 million in 2007.

The addition of numerous clients to their telecommunications services in the past few years had a major impact on the source of operating revenues for the cable industry. Their television subscription revenues dropped from 92.1% of total subscription revenues at the beginning of the decade to 60.6% in 2007.

Available on CANSIM: table 353-0003.

Definitions, data sources and methods: survey number 2728.

The publication *Cable Television Industry*, 2007 (56-209-XWE, free), is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel April (613-951-3177; *daniel.april@statcan.gc.ca*), Science, Innovation and Electronic Information Division. □

Subscribers to cable by type of service and technology

	2005	2006	2007	2006 to 2007	2006 to 2007
	thousands			change in thousands	% change
Subscribers to cable by type of service					
Television	7,620.2	7,790.4	7,917.3	126.9	1.6
Internet access	3,381.1	3,961.7	4,534.6	572.9	14.5
Telephony	211.7	927.5	1,784.9	857.4	92.4
Total	**11,212.9**	**12,679.6**	**14,236.7**	**1,557.1**	**12.3**
Subscribers to wireless cable services					
Television	2,491.5	2,628.6	2,664.4	35.8	1.4

Cable revenues by source

	2005	2006	2007	2006 to 2007
	$ millions			% change
Television programming subscription revenues	3,612.8	3,887.2	4,134.9	6.4
Telecommunication services subscription revenues	1,491.7	2,030.8	2,686.0	32.3
Total subscription revenues	**5,104.5**	**5,918.0**	**6,820.9**	**15.3**

■

Labour statistics consistent with the System of National Accounts
2004 to 2007 (revised)

The Productivity Measures Program today publishes revised data of hours worked, number of jobs and annual average hours covering the entire Canadian economy, by sector, by industry and by province and territory, from 2004 to 2007. These revised data are consistent with the revised provincial and territorial economic accounts for 2004 to 2007 that were released in *The Daily* of November 6, 2008. However, these revised data also incorporate revisions to the Survey of Employment, Payroll and Hours published in March 2008.

These data are based on the integration of various sources of labour market statistics that are confronted to the provincial and territorial economic accounts to produce a labour database consistent with the concepts, coverage and industry coding of the accounts. They are subdivided into job categories: employee jobs, self-employed jobs and total jobs. The data are available for the business sector, the non-business sector and the total economy.

Available on CANSIM: tables 383-0009 and 383-0010.

Definitions, data sources and methods: survey number 5103.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Pierre Maynard (613-951-3654; fax: 613-951-3618; *maynard@statcan.gc.ca*), Income and Expenditure Accounts Division. ■

Total income of farm families
2006

Data on total income of farm families for 2006 are now available.

Available on CANSIM: tables 002-0024 to 002-0033.

Definitions, data sources and methods: survey number 3447.

The data will appear in the publication *Extraction System of Agricultural Statistics* (21F0001XBB, free), which will soon be available. The publication *Statistics on Income of Farm Families, 2006* (21-207-XWE, free) will be available early next year.

For custom data requests, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-465-1991; *agriculture@statcan.gc.ca*), Agriculture Division. ■

British Columbia Smoking Survey
2006

Data for the British Columbia Smoking Survey are now available for 2006.

Definitions, data sources and methods: survey number 5101.

For more information, to order custom tabulations, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-1746; *hd-ds@statcan.gc.ca*), Health Statistics Division. ■

New products

Economic Analysis Research Paper Series: "Firm turnover and productivity growth in the Canadian retail trade sector", no. 53
Catalogue number 11F0027MWE2008053
(free).

Cable and Satellite Television Industry, 2007
Catalogue number 56-209-XWE
(free).

Employment, Earnings and Hours, September 2008, Vol. 86, no. 9
Catalogue number 72-002-XIB
(free).

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

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

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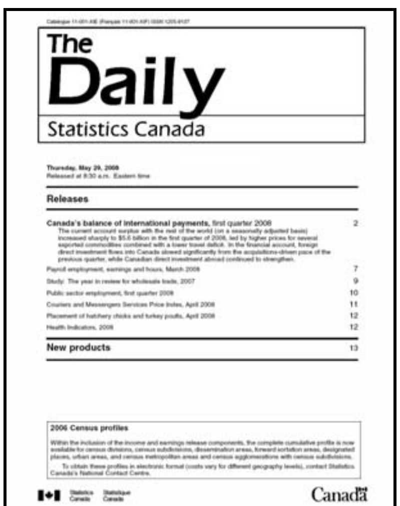
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