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Releases

New products and studies

Releases

Study: Canadian labour productivity differences across firm size classes, 2002 to 2008

Measuring the impact of an industrial structure on productivity requires estimates of differences in productivity across size classes. The study "Canadian Labour Productivity Differences across Firm Size Classes, 2002 to 2008" provides labour productivity estimates for small, medium-sized and large firms in the Canadian business sector. These are defined as 0 to 99, 100 to 499 and 500 employees or more.

The share of both gross domestic product (GDP) and hours worked in small and medium-sized firms remained larger than that of large firms from 2002 to 2008. However, the share of small and medium business sector GDP declined from 55.6% in 2002 to 52.1% and the small- and medium-sized firm share of hours worked declined from 71.6% in 2002 to 68.4% in 2008.

Large firms had considerably higher labour productivity, defined as GDP per hour worked. For the total business sector, labour productivity in 2008 was $71.6/hour in large firms compared with $42.3/hour in medium-sized firms and $34.6/hour in small firms.

Large firms have a greater presence in industries that require substantial capital. The scale effects are sufficiently important that small firms and medium firms in capital-intensive industries experience larger productivity disadvantages. In 2008, their labour productivity was about half that of large firms in these industries.

On the other hand, nominal GDP per hour worked of small and large firms differed by less in the services sector where large firms accounted for a much lower share of total GDP and hours worked. Overall, small firms in these industries were about 77% as productive as large firms in 2008, while medium-sized ones were about 90% as productive.

Canadian labour productivity in large firms increased between 2002 and 2008 at an average rate of 3.8% per year. In contrast, the productivity of small firms increased at an annual rate of 4.7% per year. The labour productivity of medium-sized firms increased at an average of 2.4% per year.

The gap between labour productivity of small and large firms narrowed in industries where large firms were less dominant. This catch-up phenomenon was less prevalent in industries where large firms were more important (mainly capital intensive industries) such as mining and oil and gas, utilities, manufacturing, transportation and information.

An economy that is characterized by a smaller share of small and less productive firms will have a higher aggregate level of productivity. Using the results for 2002, the study shows that if the share of hours worked in large firms had increased by 10%, aggregate labour productivity in the total business sector would have risen by about 2%. A 25% increase in the share of hours worked in large firms would yield a gain of about 4% in labour productivity.

The research paper "Canadian Labour Productivity Differences Across Firm Size Classes, 2002 to 2008", part of the *Canadian Productivity Review* series (15-206-X), is now available from the *Browse by key resource* module of our website under *Publications*.

Similar studies from the Economic Analysis Division are available online (*www.statcan.gc.ca/economicanalysis*).

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Danny Leung (613-951-2574), Economic Analysis Division.

Television broadcasting, 2012 (final)

Operating revenues in the television broadcasting sector totalled $7.6 billion in 2012, up 1.8% from 2011.

This moderate annual growth follows two years of expansion, especially in the pay and specialty television segment, which was not affected as much by the economic downturn of 2008.

Operating revenues for private conventional television have fallen below the level of 2008, the year of the economic downturn, after two years of growth in 2010 and 2011.

Pay and specialty television maintained their upward trend, with operating revenues increasing 5.9% from 2011 to $4.0 billion in 2012. Operating revenues of private conventional television fell 5.2% to $2.1 billion in 2012. Operating revenues for public and non-commercial television rose 1.7% to $1.6 billion.

Both subscription revenues and advertising revenues contributed to the growth of pay and specialty television in 2012. Subscription revenues were up 8.4% while advertising revenues advanced 2.4%. Subscription revenues accounted for 66.1% of operating revenues.

In 2012, advertising revenues for the television broadcasting sector declined 2.3% to $3.5 billion. Private conventional television saw its advertising revenues decrease 5.9% to $1.8 billion. This segment has always captured the biggest market share of advertising revenues in the television broadcasting sector (52.7% in 2012), though the share has been continually decreasing since 2005.

By comparison, the share of total advertising revenues of pay and specialty television rose from 25.4% in 2005 to 36.2% in 2012, amounting to $1.3 billion.

For the first time since 1996, public and non-commercial television had a surplus of $8.7 million in 2012 with a profit margin before interest and taxes of 0.5%. The Local Programming Improvement Fund (LPIF) added to this segment's strong performance with contributions of $47.1 million in 2012, up 15.7% over 2011. The LPIF's contribution was almost on par with local air time sales ($47.6 million).

The profit margin for private conventional television was 0.7% in 2012, while its profits before interest and taxes were $13.9 million. Pay and specialty television posted a profit margin before interest and taxes of 23.1% in 2012, down from 24.9% in 2011. Their profits before interest and taxes amounted to $916.6 million.

Programming and production expenses for the entire industry rose 8.2% to $4.7 billion in 2012. For the second straight year, specialty television had the highest programming and production expenses at $1.7 billion (+14.7%), followed by conventional television at $1.5 billion (+6.1%). For the first time, the public and non-commercial television segments spent $1.0 billion on programming and production.

Programming and production expenses had the largest impact on the profitability of the different television industry segments. The programming and production expenses for private conventional television increased by $84 million in 2012. By comparison, these expenses for this segment fell by $174 million in 2011. The contributions of the LPIF, which had a hand in the strong performance of private conventional television in the past two years, fell 1.5% in 2012 to $64.5 million. This amount was set to decrease as of September 1, 2012 from 1.5% to 1.0% to 0.5% annually and will eventually be eliminated, as the LPIF is set to be phased out in 2014 following a review by the Canadian Radio-television and Telecommunications Commission (CRTC). The regulating authority concluded that after 2014, the LPIF will have played its role to help local television maintain and improve its programming.

Table 1
Financial indicators: Television broadcasting industries[1]

	2011	2012	2011 to 2012
	millions of dollars		% change
Total operating revenues by type of broadcaster	7,482.1	7,616.4	1.8
Conventional television	3,734.0	3,648.9	-2.3
Private conventional television	2,163.0	2,050.8	-5.2
Public and non-commercial television	1,571.0	1,598.2	1.7
Pay and specialty television[2]	3,748.1	3,967.5	5.9
Specialty television[2]	2,892.4	3,130.1	8.2
Pay television[2]	855.6	837.4	-2.1
Total operating revenues by source	7,482.1	7,616.4	1.8
Air time	3,577.8	3,494.2	-2.3
Subscription	2,419.4	2,622.7	8.4
Grants	1,032.0	1,033.9	0.2
Local programming improvement fund	106.1	111.5	5.1
Other revenues	346.7	354.1	2.1
Sale of airtime by type of broadcaster	3,577.8	3,494.2	-2.3
Conventional television	2,343.6	2,230.0	-4.8
Private conventional television	1,959.0	1,843.1	-5.9
Public and non-commercial television	384.6	386.9	0.6
Pay and specialty television[2]	1,234.3	1,264.3	2.4
Specialty television[2]	1,232.7	1,263.0	2.5
Pay television[2]	1.6	1.2	-23.1

1. North American Industry Classification System 2007 (51512 - Television Broadcasting and 51521 - Pay and Specialty Television).
2. Statistics published by the Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Analysis Branch.

Table 2
Financial indicators: Television broadcasting industries[1]

	2011	2012
	%	
Profit margin (before interest and taxes) by type of broadcaster (private), total	18.5	15.5
Private conventional television	7.2	0.7
Pay and specialty television[2]	24.9	23.1
Market share by type of broadcaster (revenue)		
Conventional television	49.9	47.9
Private conventional television	28.9	26.9
Public and non-commercial television	21.0	21.0
Pay and specialty television[2]	50.1	52.1
Specialty television[2]	38.7	41.1
Pay television[2]	11.4	11.0
Market share by type of broadcaster (air time)		
Conventional television	65.5	63.8
Private conventional television	54.8	52.7
Public and non-commercial television	10.7	11.1
Pay and specialty television[2]	34.5	36.2
Specialty television[2]	34.5	36.1
Pay television[2]	0.0	0.0

1. North American Industry Classification System 2007 (51512 - Television Broadcasting and 51521 - Pay and Specialty Television).
2. Statistics published by the Canadian Radio-television and Telecommunications Commission (CRTC), Industry Statistics and Analysis, Broadcast Analysis Branch.

Available in CANSIM: table 357-0001.

Definitions, data sources and methods: survey number 2724.

The publication *Television Broadcasting Industries*, 2012 (56-207-X), is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

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Production and disposition of tobacco products, July 2013

Canadian manufacturers produced 2.2 billion cigarettes in July, up 15.5% from the previous month. The total number of cigarettes sold increased by 11.2% to 2.1 billion.

Available in CANSIM: table 303-0062.

Definitions, data sources and methods: survey number 2142.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Pipeline transportation of crude oil and refined petroleum products, September and October 2012

Data on the net receipts of crude oil and equivalent hydrocarbons, liquefied petroleum gases and refined petroleum products, pipeline exports of crude oil and deliveries of crude oil by pipeline to Canadian refineries are now available for September and October.

Available in CANSIM: tables 133-0001 to 133-0005.

Definitions, data sources and methods: survey numbers 2148 and 2191.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Investment in new housing construction, June 2013

Data on the investment in new housing construction (including single dwellings, semi-detached dwellings, row housing, apartments and condominiums) are now available for June.

Available in CANSIM: table 026-0017.

Definitions, data sources and methods: survey number 5155.

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

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New products and studies

New products

Television Broadcasting Industries, 2012
Catalogue number 56-207-X (HTML | PDF)

New studies

The Canadian Productivity Review: "Canadian Labour Productivity Differences Across Firm Size Classes, 2002 to 2008", No. 32
Catalogue number 15-206-X2013032 (HTML | PDF)


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