Catalogue 11-002E (Français 11-002F) ISSN 0380-0547

Infomat

A Weekly Review

Friday, November 15, 2002

INSIDE

- **Value of building permits falls but remains strong**

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- **Productivity up when greenhouse gas emissions taken into account**

  Multifactor productivity in Canada increased at an average annual rate of 0.77% from 1981 to 1996. However, after taking account of the increase in the output per unit of CO_2 emissions, an experimental framework shows that productivity grew at an average annual rate of 0.9% from 1981 to 1996.

- **Incarceration rate drops, but community supervision rises**

  On any given day in 2000/01, 31,500 adults on average were in a federal penitentiary or in a provincial or territorial jail. In addition, there were 119,900 adult offenders under some kind of supervision in the community in 2000/01.

Part-time work spurs employment growth

Employment rose by an estimated 33,000 jobs in October, bringing gains so far in 2002 to 459,000 (+3.0%). Growth was entirely in part-time work; decreases in full-time employment were more than offset by gains in part-time.

Because of the overall increase, the unemployment rate fell 0.1 percentage points to 7.6%.

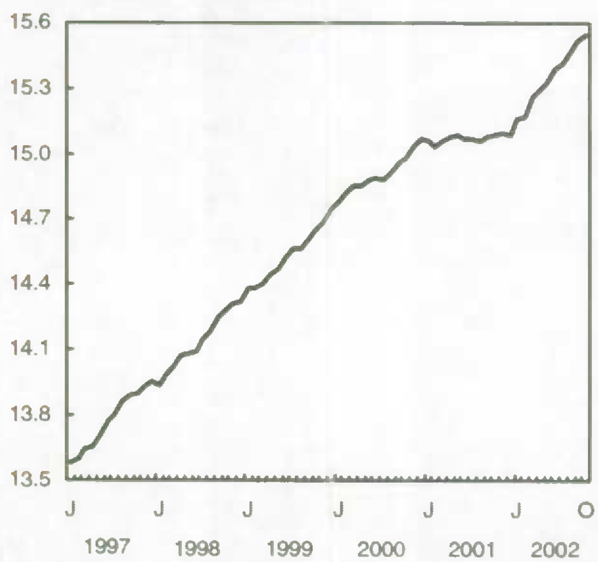
Over the last two months, part-time employment has been the main vehicle for growth, with gains totalling 99,000. So far in 2002, part-time work has risen by 224,000 (+8.2%), and full-time employment has grown by 235,000 (+1.9%).

Employment in construction increased 20,000 in October, reflecting continued consumer demand for housing. Employment in this industry has been on an upward trend since April, bringing gains to 64,000 (+7.6%) so far in 2002.

(continued on page 2)

Employment

Millions, seasonally adjusted



Part-time work... *(continued from page 1)*

Accommodation and food services added 20,000 jobs in October, accounting for almost all of this industry's growth in 2002 (+2.5%).

Jobs in management, administrative and other support services increased 18,000 in October, bringing gains for the year to 33,000 (+5.9%).

Because of a rise in jobs in ambulatory care services, employment in health care and social assistance edged up 12,000 in October, bringing gains so far this year to 78,000 (+5.0%).

Job growth in agriculture totalled 11,000 in October. Gains for the month were mainly in livestock production.

Employment in manufacturing edged down 15,000 in October. Despite two months of losses totalling 32,000, employment in this industry is up 117,000 (+5.3%) so far in 2002. Employment in transportation and warehousing also fell 15,000. Despite October's losses, employment in this industry is up 27,000 (+3.6%) so far this year.

Employment in education dropped 17,000 in October. Job losses were concentrated in post-secondary schools. Even with this decline, job growth in the industry is up 4.9% (+48,000) so far in 2002.

Self-employment rose 39,000 in October, bringing gains so far this year to 130,000 (+5.7%). Since the upward trend began in April, strength in self-employment has been spurred by growth in professional, scientific and technical services, agriculture, and health care and social assistance.

Following seven months of steady increases, employment in the public sector fell 21,000 in October. Despite this decline, employment in the public sector is up 3.7% so far this year.

Employment among adult women increased by 24,000 in October, almost all in part-time. The unemployment rate for adult women fell 0.3 percentage points to 6.0%. For adult men, a sharp drop in full-time employment was offset by strong growth in part-time work. Youth employment changed little in October, as full-time gains were offset by part-time losses. The youth unemployment rate was 13.9%, up 0.2 percentage points from September.

Labour Force Survey, October 2002
Seasonally adjusted[1]

	Labour force		Employment		Unemployment	
	'000	% change, previous month	'000	% change, previous month	'000	rate (%)
Canada	**16,831.8**	**0.2**	**15,549.5**	**0.2**	**1,282.4**	**7.6**
Newfoundland and Labrador	258.6	0.6	211.3	-1.1	47.2	18.3
Prince Edward Island	76.6	-1.2	67.6	-1.0	9.1	11.9
Nova Scotia	473.5	-0.5	428.5	-0.3	44.9	9.5
New Brunswick	388.8	0.2	346.9	-0.4	41.9	10.8
Quebec	3,934.1	0.1	3,614.3	0.3	319.9	8.1
Ontario	6,613.7	0.2	6,139.5	0.3	474.2	7.2
Manitoba	600.9	0.6	569.0	0.1	31.8	5.3
Saskatchewan	519.8	0.8	489.6	0.5	30.1	5.8
Alberta	1,785.8	0.4	1,683.2	0.4	102.6	5.7
British Columbia	2,180.1	0.0	1,999.6	-0.1	180.5	8.3

[1] *Data are for both sexes aged 15 and over.*

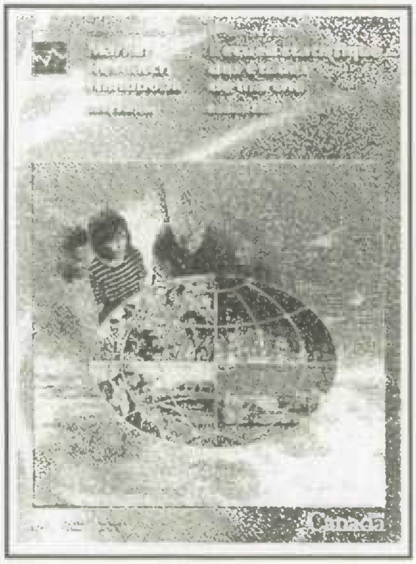
Employment rose 20,000 in Ontario, with gains spread across several industries. Job growth in October caused the unemployment rate to dip 0.1 percentage points to 7.2%.

In Quebec, employment changed little in October, as full-time losses were offset by part-time gains. The unemployment rate in October fell 0.3 percentage points to 8.1%.

In British Columbia, employment was unchanged, as decreases in full-time jobs were mostly offset by gains in part-time. As a result, the provincial unemployment rate edged up to 8.3% from 8.1% the previous month.

Employment was up slightly in Alberta, causing the unemployment rate to dip 0.1 percentage points to 5.7. There was little change in employment for the other provinces in October.

***Labour force information** (Internet: 71-001-XIE, $8/$78) is now available for the week ending October 19. For general information, contact Client Services (1-866-873-8788; 613-951-4090; labour@statcan.ca). For analytical information, contact Geoff Bowlby (613-951-3325) or Vincent Ferrao (613-951-4750), Labour Statistics Division. (See also "Current Trends" on page 6.)*



Market research handbook
2002 edition

The 2002 edition of the *Market research handbook* is now available. Since 1975, this handbook has been an authoritative source of socio-economic information reflecting key characteristics of local and national markets. By providing accurate and timely statistics on the changing demographics, standards of living, and economic characteristics of Canadian society, this product helps businesses locate target markets, track their market share, and assess their competitive position.

Including the latest data from the 2001 Census and a wide range of other surveys, the 2002 edition incorporates a number of features designed to make it more user-friendly. Features include a user's guide, annotated charts to reveal salient trends, help lines for each of the data sources, and references to CANSIM.

*The **Market research handbook** (Internet: 63-224-XIB, $94; paper: 63-224-XPB, $125) is now available. For general information about this publication, see the product description on Statistics Canada's website (www.statcan.ca). From the home page, choose* Our products and services, *then click on the banner ad for the* Market research handbook. *For more information, contact the Small Business and Special Surveys Division at 1-877-679-2746.*

Value of building permits falls but remains strong

The value of building permits fell in September for a second straight month, as construction intentions retreated in both the residential and non-residential sectors. Builders took out $3.7 billion worth of permits, down 6.9% from August.

The total value of building permits reached $34.4 billion for the first nine months of 2002, up 16.4% from the same period of 2001. This strong performance is the result of feverish demand for new housing since the beginning of the year.

Housing permits declined 4.4% to $2.4 billion. Despite this decline, housing construction intentions remained strong. September's level was virtually the same as the monthly average since the beginning of the year, making 2002 an exceptional year so far.

Single-family permits reached $1.8 billion, up 1.0% from August and a second consecutive monthly increase. The value of multi-family permits dropped 16.1% from August to $674 million.

On a year-to-date basis, residential permits are up 35.2% from the same period of 2001. The buoyant performance in housing this year is linked to low mortgage rates and strong job growth, as well as to the low stock of dwellings available for rent or resale.

Non-residential intentions in September declined for the second straight month, down 11.3% from August to $1.3 billion. This drop was the largest in dollar terms since March 2001. All three non-residential components — commercial, industrial and institutional — fell.

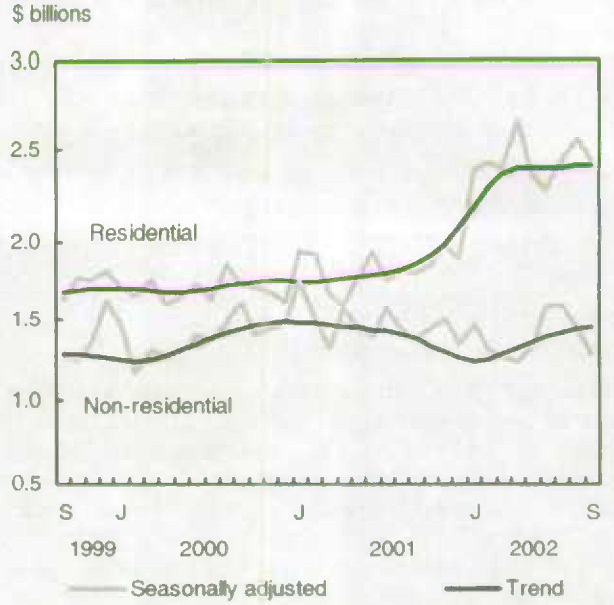
Institutional intentions tumbled 13.7% to $400 million, the second marked decrease in a row. All categories of institutional buildings except religious buildings and social homes declined, especially educational buildings.

The commercial building component fell 7.0% to $638 million, the third straight monthly decline. The trade and services category showed the most significant loss after a substantial increase in August.

The industrial component dipped 17.8% to $237 million, pushed down by a large drop in the manufacturing plants category. This was the second monthly decrease in a row.

The cumulative value of non-residential permits from January to September totalled $12.4 billion, down 6.5% from the same period of 2001.

Value of building permits



Half of the 28 census metropolitan areas recorded monthly decreases in the value of non-residential permits. By far, the largest decline occurred in Toronto, where intentions fell in the trade and services and warehouse categories. However, this occurred following relatively high commercial levels in August. Victoria recorded the highest increase because of large projects in the restaurant category.

Among the provinces, the most significant monthly decline occurred in Ontario, where intentions fell 31.2% to $486 million. It was the third monthly decline in Ontario, as intentions fell in eight of the province's 11 census metropolitan areas. Alberta posted the largest growth (+25.1% to $242 million) with an increase in all three components.

*The September 2002 issue of **Building permits** (Internet: 64-001-XIE, $14/$145) is now available. For general information, contact Vere Clarke (1-800-579-8533; 613-951-6556; clarver@statcan.ca). For analytical information, contact Valérie Gaudreault (613-951-1165; gaudval@statcan.ca), Investment and Capital Stock Division.*

Couriers and local messengers

Operating revenues of businesses in the couriers and local messengers industry climbed to $5.0 billion from $4.7 billion in 1999. There are two main segments of the industry: courier businesses mainly providing next-day/overnight and second-day delivery services to national and international destinations, and local messenger businesses mainly providing same-day delivery services in local areas.

Couriers accounted for only 11% of the 17,657 businesses in the industry but 80% of the operating revenues. Couriers experienced an 11% operating margin increase in 2000, but the margin for local messengers declined 2%.

Next-day or overnight services continued to account for more than half of the total delivery revenue but just one-third of the total pieces delivered. Ontario continued to dominate the industry, accounting for the origin of shipment of over half of delivery revenue.

*A special article, including an analytical text, data tables and graphs, will soon be available in the **Service bulletin - Surface and marine transport** (Internet: 50-002-XIB, $10). For more information, contact Joe Foti (613-951-6354; foti@statcan.ca), Transportation Division.*

Productivity up when greenhouse gas emissions taken into account

The usual concepts of productivity define output conventionally, ignoring any associated negative outputs in the form of environmental degradation.

The conventional measure of productivity growth used by Canada and other developed countries generally ignores pollutants, such as greenhouse gas emissions, that result from the industrial process. A new study, titled *Accounting for greenhouse gases in the standard productivity framework*, proposes an experimental framework that allows for environmental effects to be incorporated into productivity estimates.

This experimental framework aggregates conventionally measured outputs and carbon dioxide (CO_2) emissions using an implicit, or "shadow," price for these emissions. This price is calculated using multivariate statistical analysis. The study used data on industry costs, output and emissions that are maintained by the Canadian Productivity Accounts to calculate the extent to which changes in industry costs have responded to changes in emissions from 1981 to 1996.

Canadian industries have reduced their emissions of CO_2 relative to their marketed outputs during the past two decades. From 1981 to 1996, CO_2 emissions grew at an annual average of about 1.9%. This was less than the 2.9 % growth in economic output posted by Canadian businesses. As a result, economic output per unit of CO_2 emitted increased. This improvement is as real a productivity gain as those generated from increased labour or capital productivity.

All the gains in labour usage, capital usage and CO_2 emissions can be considered jointly in a multifactor productivity measure. According to the study, if this had been done, productivity growth from 1981 to 1996 would have been 17% higher than in the present multifactor productivity estimates, which ignore the increased emission efficiency of Canadian businesses.

Multifactor productivity, which measures the efficiency with which firms transform inputs such as capital, labour and materials into products and services, is a key indicator of economic performance. It is measured as the growth rate of outputs minus the growth rate of combined inputs.

According to the current conventional measurement, multifactor productivity among Canadian industries increased at an average annual rate of 0.77% from 1981 to 1996.

However, after taking account of the increase in the output per unit of CO_2 emissions, the revised estimates show productivity grew at an annual average rate of 0.9% from 1981 to 1996. This represents a 17% increase over the conventional measure. While this may seem a small difference, 0.1% per year compounded over 15 years is quite significant in terms of its cumulative effect.

Not all industries did better under the new framework and the results do not apply uniformly throughout the entire period. For example, the increase was slightly greater for the business sector as a whole in the 1990s compared to the 1980s.

The average annual multifactor productivity growth rate for the primary sector was around 1.5% from 1981 to 1996, down from 1.6% when CO_2 emissions are not included in the analysis. In contrast, the average annual growth rate for manufacturing was 0.8% over the same period, up from 0.7% under the conventional framework.

The report ***Accounting for greenhouse gases in the standard productivity framework****, no. 7 (11F0027MIE, free) is available on Statistics Canada's website (www.statcan.ca). For more information, contact Tarek M. Harchaoui (613-951-9856; harctar@statcan.ca) or John R. Baldwin (951-8588; baldjoh@statcan.ca), Micro-economic Analysis Division.*

Human activity and the environment: Annual statistics

Human activity and the environment: Annual statistics 2002 is the first annual update of the more extensive environment statistics compendium, *Human activity and the environment*, which is published every five years. This annual publication is intended to provide quick access to updated statistical tables in a format that is convenient and easy to read.

The feature article "Air quality in Canada" discusses, among other things, the impact of air quality on health and the environment, and what governments and businesses are doing to address air quality concerns.

Human activity and the environment: Annual statistics 2002 *(Internet: 16-201-XIE, $10; paper: 16-201-XPE, $40, including CD-ROM) is now available. For more information, contact Murray Cameron (613-951-3740; murray.cameron@statcan.ca), Environment Accounts and Statistics Division.*

Incarceration rate drops, but community supervision rises

On any given day in 2000/01, 31,500 adults on average were in a federal penitentiary or in a provincial or territorial jail. Of these, 40% were in federal custody, and 35% were sentenced offenders in provincial or territorial facilities. About 24% had been held in remand awaiting further court appearances.

In addition, there were 119,900 adult offenders under some kind of supervision in the community in 2000/01. Almost 84% were on probation, 8% were on conditional sentences and another 8% were on parole or statutory release.

The incarceration rate was 133 adult inmates per 100,000 adults in 2000/01, down 2% from 1999/2000. The incarceration rate refers to the average count of adults in custody (in temporary detention, remand, or sentenced custody) compared with the adult population.

Although the incarceration rate declined, the community supervision rate per 100,000 adults increased 12% from 1990/91 to 2000/01. During these years, the overall rate of persons supervised by correctional services increased 8%.

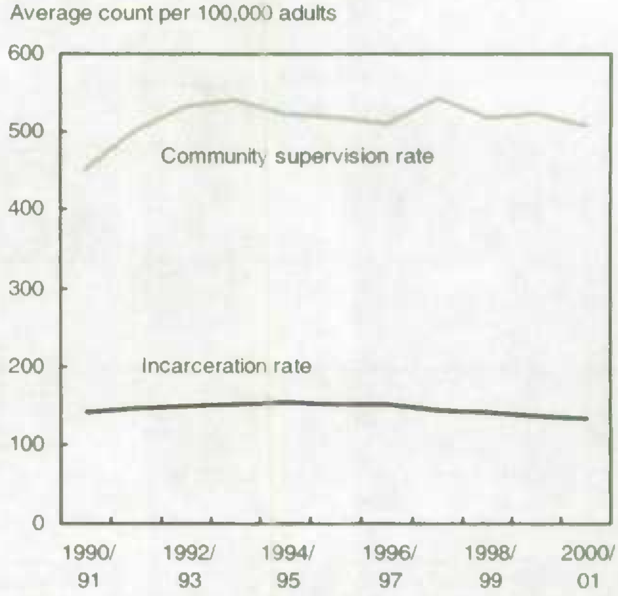
In 2000/01, almost 224,400 adults were admitted to provincial or territorial jail (excluding New Brunswick). Of these, 53% were remanded awaiting a court disposition, and another 36%, or 80,900, were sent to prison as the result of a court sentence. Individuals held in temporary detention, such as immigration holds, accounted for the remaining 11%.

Of the 7,700 adult offenders in federal prisons in 2000/01, 55% were admitted to sentenced custody, 42% for parole revocation, and the remaining offenders for other reasons.

In 2000/01, 109,500 adults began community programs; 75% of these were probationers, 16% were on a conditional sentence and another 10% were on some other form of conditional release from prison such as parole or statutory release.

Three-quarters of all admissions to provincial or territorial sentenced custody in 2000/01 were for three months or less. About two-thirds of all admissions to federal sentenced custody were for less than four years. Offenders admitted to federal custody on a life sentence accounted for only 4% of all sentenced federal admissions.

Incarceration and community supervision



In 2000/01, federal, provincial and territorial governments spent $2.5 billion operating adult correctional systems, compared with $2.4 billion in 1999/2000. Three-quarters was spent on custodial services, with the remainder spent on community supervision programs, headquarters and parole boards.

Federal operating expenditures on corrections (including parole) reached $1.3 billion, up 23% from 1995/96 after adjusting for inflation. Spending on correctional services in the provinces and territories amounted to $1.2 billion, up 12% from 1995/96.

***Juristat: Adult correctional services in Canada**, 2000/01, Vol. 22, no. 10 (Internet: 85-002-XIE, $8/$70; paper: 85-002-XPE, $10/$93) is now available. For more information, contact Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics.*

Graphical overview of the criminal justice indicators

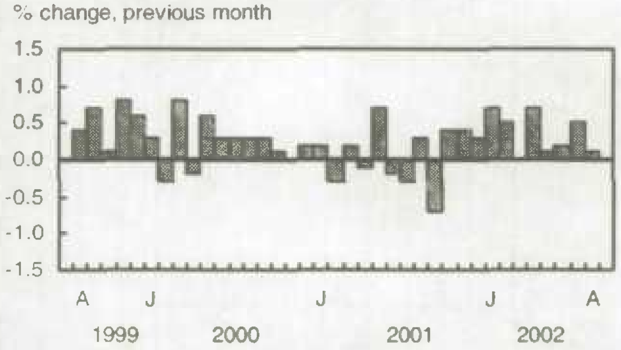
Graphical overview of the criminal justice indicators, 2000-2001 contains 99 graphics illustrating current and historical data from a number of Statistics Canada surveys. The graphics show data on police-reported crime statistics, adult provincial and territorial criminal court activity, and youth court activity.

The graphics also present data on the adult correctional population, police administration, and environmental factors that may influence crime and the justice system. Some focus issues are represented, such as family violence, justice sector employment, and criminal victimization. Each graphic is accompanied by a short explanatory text.

***Graphical overview of the criminal justice indicators**, 2000-2001 (Internet: 85-227-XIE, $26) is now available. For more information, contact Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics.*

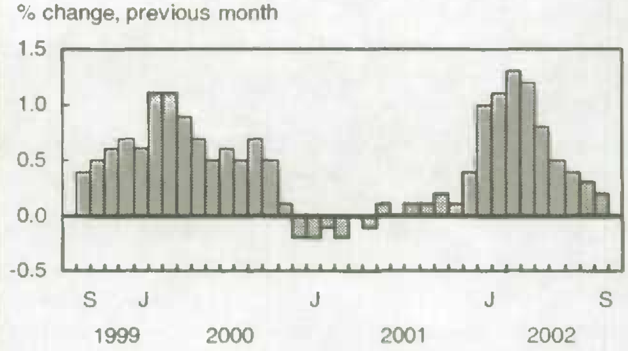
Current trends

Gross domestic product



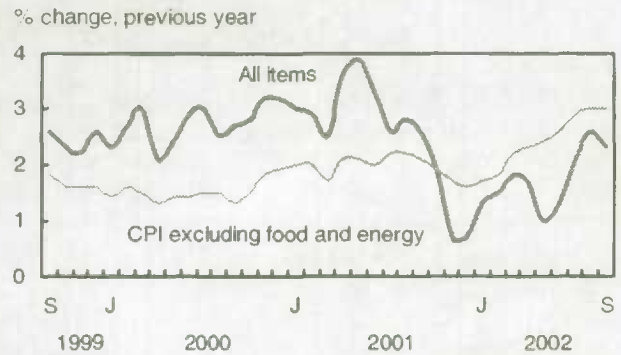
Total economic activity edged up 0.1% in August, following a 0.5% increase in July.

Composite Index



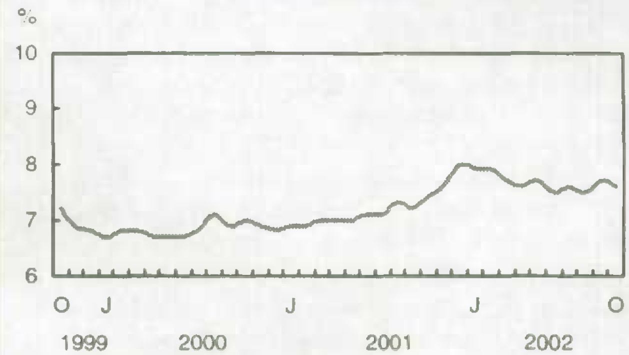
The leading indicator gained 0.2% in September. Growth in housing and manufacturing outweighed a further drop in the stock market.

Consumer Price Index



Consumer prices for goods and services were 2.3% higher in September than they were a year earlier. Excluding food and energy, prices rose 3.0%.

Unemployment rate

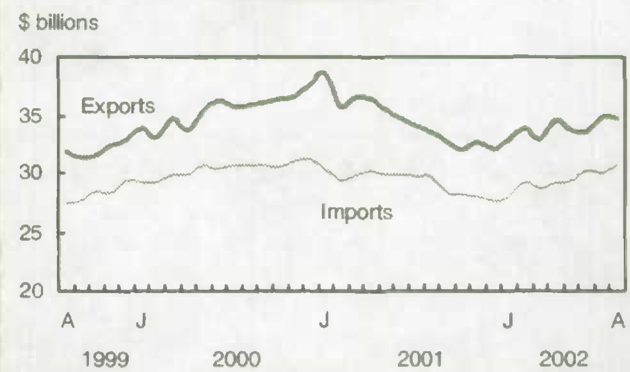


In October, the unemployment rate fell 0.1 percentage points to 7.6%.

Manufacturing

Manufacturers' shipments rose 0.6% in August to $43.9 billion. The backlog of unfilled orders gained 0.8% to $46.8 billion.

Merchandise trade



In August, the value of merchandise exports fell 0.6% to $34.8 billion. Imports rose 2.6% to $30.7 billion.

Note: All series are seasonally adjusted except the Consumer Price Index.

Latest statistics

	Period	Level	Change, previous period	Change, previous year
GENERAL				
Gross domestic product ($ billions, 1997)[1]	August	979.3	0.1%	3.2%
Composite Index (1992=100)	September	179.1	0.2%	7.6%
Operating profits of enterprises ($ billions)	Q2 2002	38.8	10.7%	-0.2%
Capacity utilization rate (%)[2]	Q2 2002	83.2	1.3†	-0.1†
DOMESTIC DEMAND				
Retail trade ($ billions)	August	25.7	0.2%	6.4%
New motor vehicle sales (thousands of units)	September*	145.5	-0.4%	12.2%
Wholesale trade ($ billions)	August	35.1	1.1%	5.6%
LABOUR				
Employment (millions)	October*	15.5	0.2%	3.1%
Unemployment rate (%)	October*	7.6	-0.1†	0.2†
Participation rate (%)	October*	67.2	0.0†	1.3†
Average weekly earnings ($)	August	679.08	0.3%	1.6%
Help-wanted Index (1996=100)	October	120.9	-2.7%	-9.4%
Regular Employment Insurance beneficiaries (in thousands)	August	557.8	-2.7%	3.4%
INTERNATIONAL TRADE				
Merchandise exports ($ billions)	August	34.8	-0.6%	3.3%
Merchandise imports ($ billions)	August	30.7	2.6%	3.7%
Merchandise trade balance (all figures in $ billions)	August	4.1	-1.0	0.0
MANUFACTURING				
Shipments ($ billions)	August	43.9	0.6%	2.9%
New orders ($ billions)	August	44.3	3.0%	5.0%
Unfilled orders ($ billions)	August	46.8	0.8%	-4.1%
Inventory/shipments ratio	August	1.43	0.01	-0.08
PRICES				
Consumer Price Index (1992=100)	September	120.1	0.0%	2.3%
Industrial Product Price Index (1997=100)	September	108.5	0.7%	0.5%
Raw Materials Price Index (1997=100)	September	116.9	2.1%	5.6%
New Housing Price Index (1992=100)	September*	111.2	0.2%	4.2%

Note: All series are seasonally adjusted with the exception of the price indexes.

* *new this week*

† *percentage point*

[1] *1997 replaces 1992 as the base year used in determining prices for gross domestic product by industry. Also, valuation has been changed from factor cost to basic prices.*

[2] *Calculation of the rates of capacity use is now based on the 1997 North American Industry Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification.*

Infomat

A weekly review

Published by the Official Release Unit, Communications Division, Statistics Canada, 10th floor, R.H. Coats Bldg., Ottawa, Ontario, K1A 0T6.

Price per issue: paper, $4; online at www.statcan.ca, $3. Annual subscription: paper, $145; online, $109. All prices are in Canadian dollars and exclude applicable sales taxes. Shipping charges will be added for delivery outside Canada.

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November

SUBJECT A' Title of product	Period		ce ($) (issue/subscription)
AGRICULTURE			
Livestock statistics	Q3 2002	23-603-XIE	34/112
FAMILY AND LABOUR STUDIES			
Update on family and labour studies		89-001-XIE	free
INCOME AND EXPENDITURE ACCOUNTS			
Provincial economic accounts, annual estimates	2001	13-213-DDB	400
Provincial economic accounts, annual estimates – Tables and analytical document	2001	13-213-PPB	50
INVESTMENT AND CAPITAL STOCK			
Building permits	September 2002	64-001-XIE	14/145
LABOUR STATISTICS			
Employment, earnings and hours	August 2002	72-002-XIB	24/240
Labour force information, week ending October 19, 2002		71-001-XIE	8/78
MANUFACTURING, CONSTRUCTION AND ENERGY			
Construction type plywood	August 2002	35-001-XIB	5/47
Industrial chemicals and synthetic resins	September 2002	46-002-XIE	5/47
Non-metallic mineral mining and quarrying	2000	26-226-XIB	free
Shipments of solid fuel burning heating products	Q3 2002	25-002-XIB	6/19
SMALL BUSINESS AND SPECIAL SURVEYS			
Market research handbook	2002	63-224-XIB	94
Market research handbook	2002	63-224-XPB	125

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