

CHEMICAL AND CHEMICAL PRODUCTS

Total costs between the two countries were fairly comparable until 1981 when domestic costs jumped 11.5 per cent above U.S. levels. By 1984, total Canadian costs were 25 per cent higher than in the U.S.

Unit material costs accounted for 73 per cent of total costs in Canada and 67 per cent in the U.S. in 1982. Over the 1971 to 1984 period, the average annual growth rate in Canadian unit material costs was 11.6 per cent compared to 9.3 per cent in the U.S. By 1984, unit material costs for domestic producers were 36 per cent above U.S. costs.

Unit labour costs fluctuated slightly above and below U.S. levels throughout the 1981 to 1984 period, and by the end of the period were 5 per cent lower than those in the U.S. Canadian labour productivity fluctuated between 60 and 70 per cent of U.S. levels over most of the interval, and was only about 65 per cent of the U.S. value in 1982.

U.S. unit depreciation payments grew at an average annual rate of 10.4 per cent over the period. In 1982, they were 33 per cent above Canadian levels. They accounted for 6.7 per cent of total U.S. costs and 3.7 per cent of total Canadian costs in this year.

Unit interest payments increased dramatically over the period in both countries, but were 93 per cent higher in Canada in 1982. They accounted for a very small share of total costs in each country throughout the period.

After adjusting for the exchange rate, Canadian costs were 4 per cent below U.S. levels in 1984.