

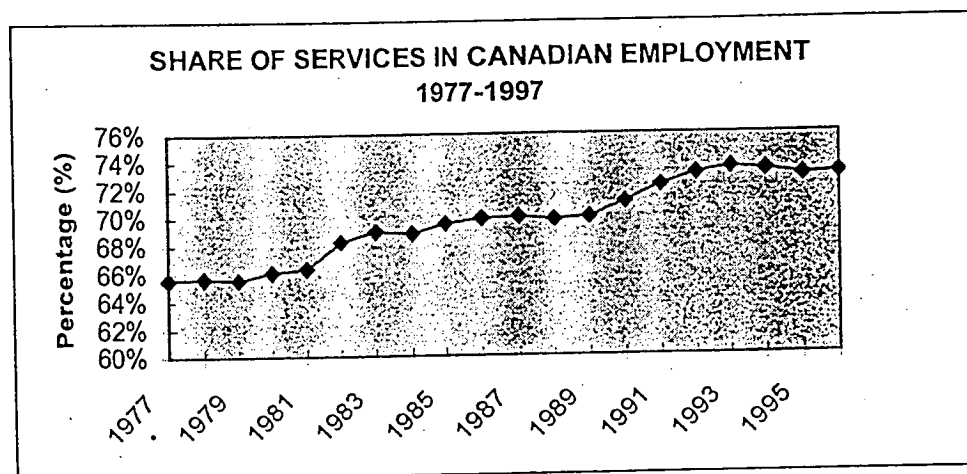
2.2 PERFORMANCE OF CANADIAN SERVICES INDUSTRIES⁶¹

The following provides a review of the performance of Canadian services industries in terms of employment, output, productivity, R&D and interprovincial data.⁶²

2.2.1 Employment

Services have dominated employment in Canada since the beginning of the sixties when a shift in employment patterns occurred from the goods to service sector. The goods sector's share of employment decreased from 60% in 1946 to 26 % in 1996.⁶³ Chart 1 shows that since 1977, the share of services trade reached 73% in 1997 compared to 66% in 1977.

CHART 1



Source: Statistics Canada matrix # 72-201

Chart A on the evolution of employment in Canada between 1977 and 1997 is presented in the Annex and shows that the annual growth rate of employment in services declined from 1985 to 1992. The growth in services producing industries occurred mainly in the business and personal services as well as in the community, business and personal services categories over the 1977-1997 period (see Chart B in the Annex).

⁶¹ In this section, all service data used come from Statistics Canada publications from 1986 to 1997. The value added services data are taken from the 15-001 publication on GDP at factor costs by industry. It is calculated in constant dollars of 1992 to remove the effects of inflation. For employment, data come from the Labour Force Survey and are seasonally adjusted from 1977 to 1996. Labour productivity of the service sector are also available using real GDP per person-hour. R&D and interprovincial data are taken from the Statistics Canada's publications *Research and Development in a Service Economy* (1997) and *Economic Benefits of Interprovincial Trade in Canada* (1996).

⁶² Data may cover a maximum of thirty years or according to the availability of data.

⁶³ ECC report (1991)