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Study: The accelerated pace of the 2008-2009 downturn

The most remarkable features of the contraction that began in 2008 were its speed and its severity, starting in the financial and commodity markets in August 2008. The steep declines in stock, commodity and exchange markets late in 2008 exceeded those of the previous three cycles in all three markets during 1981-1982, the early 1990s, and 2001. In addition, most of these declines occurred in two or three months at the end of 2008, a much more rapid pace than in previous downturns.

With its duration of eight months, the slump in commodity prices between June 2008 and February 2009 was markedly shorter than those in previous cycles. Despite the shorter duration of the retrenchment, the 50% drop of commodity prices in the current cycle was by far the largest.

The Canadian dollar retreated from parity with the US dollar to a monthly low of 79 cents in the 10 months between May 2008 and March 2009, compared with decreases that took place over a year or more in each of the previous three cycles. The 21% drop in the Canadian dollar late in 2008 and early 2009 exceeded declines of less than 10% in the earlier cycles.

The Toronto Stock Exchange peaked in June 2008, and then fell rapidly until early March 2009, a slump covering nine months. This compares with peak-to-trough declines of 12 months in 1981-1982, 14 months in 1989-1990 and 13 months in 2000-2001. The 45% drop in 2008-2009 exceeded the losses of 37% in 1981-1982, 23% in 1989-1990, and 39% in 2000-2001.

While the initial speed of the contraction in output and jobs was unusually swift during the latest downturn, the overall losses did not exceed those of the previous two recessions. Quarterly real gross domestic product (GDP) fell 3.6% in 2008-2009, compared with declines of 3.4% in 1990-1991 and 4.9% in 1981-1982. Nearly two-thirds of the decline occurred between November 2008 and January 2009, a three-month period during which GDP fell 2.5% as Canada's exports decreased 26%.

Similarly, jobs declined by 2.3% in this recession, while they fell by 3.4% in 1990-1992 and 5.4% in 1981-1982. Nearly all of the decrease took place in the four months from November 2008 to February 2009.

According to these measures, the recession in 2008-2009, though quicker to reach bottom, was similar to, or less pronounced than, those in earlier cycles. Moreover, the more severe contractions in financial markets in 2008 were not reflected in the real economy.

While the accelerated pace of cycles was evident in both financial markets and the real economy during the downturn in 2008-2009, the amplitude of the declines was markedly different, having been sharper in financial markets and more muted in the real economy. The role of prices helped reconcile the two.

Stocks and the exchange rate in Canada were driven lower primarily by the sharp drop in commodity prices. The decline in commodity prices was reflected in a record drop of 7.6% in nominal GDP, due mostly to a 4.2% decline in prices, while the decrease in the volume of output was relatively small. It is this sharp retreat in nominal incomes and prices that financial markets anticipated.

Price changes were a key difference between the recessions in the United States and Canada. In the United States, the 3.8% contraction in real GDP through the second quarter of 2009 was slightly larger than that in the previous two recessions. US nominal GDP fell by only 2.4% in the latest recession, implying that prices rose 1.5%, a marked contrast to the record drop in Canada's prices.

Therefore, the 2008-2009 recession in GDP was driven more by prices than by volume in Canada, while in the United States, it was driven more by volume than by prices. The distinction between prices and volume is important for a number of reasons. The volume of output is more closely linked to employment; this helps explain why job losses were more severe in the United States than in Canada. As well, price changes are more easily reversed than changes in output.

Definitions, data sources and methods: survey numbers, including related surveys, 1901 and 3701.

The study "The accelerated pace of the 2008-2009 downturn" is included in the May 2010 Internet edition of the *Canadian Economic Observer*, Vol. 23, no. 5 (11-010-X, free), available from the *Key resource* module of our website under *Publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; ceo@statcan.gc.ca), Chief Economic Analyst. ■

Study: Aboriginal labour market update 2008 and 2009

Aboriginal people aged 15 and over living off reserve experienced sharper declines in employment rates during the recent labour market downturn than non-Aboriginal people.

Between 2008 and 2009, the average employment rate fell faster for off-reserve Aboriginal people than for non-Aboriginal people. As a result, the gap in employment rates between the two groups widened from 3.5 percentage points in 2008 to 4.8 percentage points in 2009. The average employment rate for Aboriginal people in 2009 was 57.0%, compared with 61.8% for non-Aboriginal people.

At the same time, the unemployment rate rose more sharply for Aboriginal people aged 15 and over. Their rate increased from 10.4% in 2008 to 13.9% in 2009, while the rate for non-Aboriginal people rose from 6.0% to 8.1%.

The biggest employer of core-age (ages 25 to 54) Aboriginal people in 2009 was the health care and social assistance field, followed by trade, construction and manufacturing. For core-age non-Aboriginal people, trade was the top employer, followed by manufacturing, health care and social assistance and professional, scientific and technical services.

Canada's manufacturing industry posted the largest employment losses during 2009. Among non-Aboriginal manufacturing workers in the core-age group, employment declined by 8% (-114,000); the bulk of their losses was in Ontario. At the same time, manufacturing employment fell 30% (-7,000) among their Aboriginal counterparts, mostly in the western provinces.

In the construction industry, Aboriginal employment fell by 16% (-4,000), while it decreased 5% (-45,000) among non-Aboriginal workers.

In 2009, nearly 15% of employed core-age Aboriginal people worked in the health care and social assistance industry. Aboriginal employment in this industry increased by 12% (+4,000) between 2008 and 2009, outstripping a 2% increase among non-Aboriginal people.

The labour market downturn had a particularly harsh impact on young people aged 15 to 24. From 2008 to 2009, the employment rate for off-reserve Aboriginal youth fell by 6.8 percentage points, compared with a decline of 4.2 percentage points among non-Aboriginal youth. Both decreases were much

larger than those experienced by workers in the core-age group (ages 25 to 54) over this period.

In 2009, the employment rate was 45.1% for Aboriginal youth, while it was 55.6% for their non-Aboriginal counterparts.

Compared with their counterparts in the other provinces, core-age Aboriginal people in Alberta and British Columbia, two of the provinces hardest hit by the downturn, experienced more pronounced changes in their employment and unemployment rates.

In Alberta, the employment rate for core-age Aboriginal people fell from 75.1% in 2008 to 69.5% in 2009. This decline was more than twice as large as it was for non-Aboriginal people.

In British Columbia, the core-age Aboriginal employment rate fell by 5.6 percentage points to 65.1%, the lowest rate for Aboriginal people among all the provinces.

Note: This report draws on new data from the Labour Force Survey (LFS), which examines the labour market outcomes of Aboriginal populations living off-reserve.

The year 2007 marks the first time that the Aboriginal identity questions were extended to all provinces in the LFS. These identity questions were incorporated at an earlier date in Alberta (2003) and in British Columbia, Saskatchewan and Manitoba (April 2004).

The information in this report excludes the territories.

The Labour Force Survey does not include the population living on Indian reserves. Therefore, the information in this report on the Aboriginal population reflects the situations of the Inuit, Métis and North American Indian people living off-reserve in the provinces.

Although the LFS is a monthly survey, this analysis is based on annual data. The study of annual data is more reliable for small populations such as the Aboriginal population. Moreover, the Atlantic provinces were grouped together to produce more reliable estimates.

Definitions, data sources and methods: survey number 3701.

The study "Aboriginal People Living Off-reserve and the Labour Market: Estimates from the Labour Force Survey, 2008-2009" is now available as part of *The Aboriginal Labour Force Analysis Series* (71-588-X2010001, free). From the *Key resource* module of our website, under *Publications*, choose *Labour*.

For more information, or to order data, contact Client Services (toll-free 1-866-873-8788; 613-951-4090; labour@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact, Yves Decady (613-951-4282; yves.decady@statcan.gc.ca), Labour Statistics Division. ■

Study: Greenhouse gas emissions from private vehicles 1990 to 2007

Greenhouse gas (GHG) emissions produced by private motor vehicles were almost one-third higher in 2007 than they were in the early 1990s. On a per capita basis, high-income households had the highest emissions in 2007.

GHG emissions produced by private vehicles amounted to 70 774 kilotonnes of carbon dioxide equivalent in 2007. This was 3% higher than the level in 2006 and 35% higher than the level in 1990.

Of the three greenhouse gases emitted by vehicles, carbon dioxide accounted for 98%, while methane and nitrous oxide accounted for the remaining 2%.

The increase in emission levels in 2007 was in line with significant increases in household spending on motor vehicles and fuels. This resulted in an increase of 466,472 new motor vehicles on the road compared with the year before.

Over half of this additional fleet consisted of vehicles, such as sport utility vehicles (SUVs), vans and straight trucks. During 2007, SUVs were the only vehicle that recorded a year-over-year increase in the number of kilometres travelled.

Every dollar of personal spending on motor fuels generated 3.2 kg of vehicle emissions in 2007. It remained unchanged from 2006.

On a per capita basis, GHG emissions from private vehicles reached an average of 2 149 kg in 2007. This was 2% higher than the level in 2006 and 14% higher than the 1990 level of 1 887 kg per capita.

Between 1990 and 2007, per capita vehicle emissions increased at almost twice the growth rate of the population.

Households with an annual income of \$100,000 or more had the highest per capita emissions in 2007. They generated 5 737 kg of greenhouse gases per person. People in this income group were more likely to own vehicles that use more fuel per kilometre travelled, such as trucks and SUVs.

Among census metropolitan areas, Kingston recorded the highest per capita emissions of greenhouse gases, at 3 035 kg per person. Greater Sudbury followed, at 2 844 kg.

Montréal had the lowest level of per capita emissions (1 219 kg), mostly due to its type of fleet composition, both in terms of vehicle model year and body type. This led to the use of less fuel per kilometre travelled, and, consequently, to a lower level of emissions per capita.

Canada's transportation sector is a significant source of greenhouse gas emissions. According to Environment Canada, transportation was responsible for 27% of the Canada's total GHG emissions in 2007. Within the transportation sector, road transportation accounted for 69% of GHG emissions.

Note: This study provides estimates of the level of greenhouse gas emissions arising from households' private vehicle operation for the period 1990 to 2007. One of the main data sources used for the study was the Canadian Vehicles Survey, which was expanded following consultations with the survey's funding partners, Transport Canada and Natural Resources Canada. The expansion allowed for a finer level of geographic analysis of the results. These were used in this study to produce the first survey-based vehicle emission estimates for the provinces and census metropolitan areas. Due to lack of data, the three territories were only included in the national emissions results for 1990 to 2007. Therefore, the emission estimates presented in the study by income group, province, or census metropolitan area do not include the three territories.

To order data, to obtain more information, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-0297; environ@statcan.gc.ca), Environment Accounts and Statistics Division. ■

Aircraft movement statistics: Small airports

2009

In 2009, the number of take-offs and landings recorded at 138 Canadian airports without air traffic control towers reached 630,150. Year-over-year increases were recorded at 47 airports. Guelph, Ontario (27,652 movements), followed by Goose Bay, Newfoundland and Labrador (25,964 movements), were the most active sites in 2009.

Available on CANSIM: tables 401-0037 and 401-0038.

Definitions, data sources and methods: survey number 2715.

The 2009 issue of *Aircraft Movement Statistics: Airports without Air Traffic Control Towers: Annual Report (TP 577)* (51-210-X, free) is now available from the *Key resource* module of our website under *Publications*. This report is a joint publication of Statistics Canada and Transport Canada.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-866-500-8400; fax: 613-951-0009; transportationstatistics@statcan.gc.ca), Transportation Division. ■

Pipeline transportation of crude oil and refined petroleum products

January 2010

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 January.

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

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

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; energ@statcan.gc.ca), Manufacturing and Energy Division. ■

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