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Canada 16th in productivity

MONTREAL (CP) – Canada has fallen to 16th place in the world scale of productivity – from fourth place in 1970 – and the country had better snap out of the decline, warns the chairman of a major distribution company.

Jeannine Guillevin Wood, of Guillevin International, said in a speech Monday that Canadian companies do not even take advantage of the productivity aids that are readily available.

A survey among small- and medium-sized businesses in Quebec in 1989 indicated that 65 per cent of them did not use any productivity aids, such as computers for designing, management and inventory controls, or robots.

In training employees, Guillevin added that Canadian companies devote an average of three hours per year per employee, compared with 100 to 200 hours in Europe, the United States and Japan.

It takes an average of seven years in Canada to bring to market a new technology, she said. Americans take three years and the Japanese 1.7.

Guillevin, who built an electrical appliance shop into an international electric parts distributor with nearly \$500 million in sales, said compa-

nies have to wake up "before we find ourselves with a marginal and obsolete economy."

She told the Canadian Club that the country's era of natural resource exploitation has to give way to more emphasis on its manufacturing sector.

Only 24 per cent of Canada's workforce is in the manufacturing sector, compared with 28 per cent in the U.S. and 34 per cent in Germany.

"We must keep in mind that the manufacturing sector is the principal generator of economic strength for a country."

She said a North American trading bloc including Mexico is inevitable, and is nothing for Canadians to fear. Cheap Mexican labour is not such a big threat to Canadian workers, she said.

"What counts is not its abundance at a cheap rate, but its efficiency, productivity, devotion to work and quality of training."

Guillevin added that to improve productivity, Canada has to end its political debates.

"At a time when most countries are governed by economic reason, we are paralyzed by constitutional questions which drain all our energies."

The article EM9102 reprinted above is used, together with EM8903, in Figure 11.5b of the STAT 221 Course Materials.