

Canada's labour productivity drops for second straight quarter

By David Ljunggren

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The labour productivity of Canadian businesses fell by 0.6 per cent in the third quarter, the second consecutive decline, as the number of hours worked grew faster than business output, Statistics Canada said on Wednesday.

The drop was the largest since the 1.2 percent decline in the second quarter of 2015, which also marked the last time that productivity fell for two quarters in a row.

Real gross domestic product of businesses rose by 0.3 per cent in the third quarter, sharply down from 1.2 per cent in the second quarter.

The number of hours worked on production in the business sector grew by 0.9 per cent after rising by 1.3 per cent in the second quarter.

Overall labour costs per unit of production grew by 1.2 per cent as the average pay per hour worked edged up by 0.6 per cent on strength in both the goods- and service-producing industries.