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The Daily

Statistics Canada

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Releases

Releases

Business Conditions Survey: Manufacturing industries

January 2008

Apprehension best describes the mood of manufacturers as they looked ahead to the first quarter of 2008. Manufacturers are expecting tougher times as the rapid run-up in the value of the Canadian dollar and record crude oil prices may be taking a toll on the sector.

As a result, manufacturers were anticipating to lower production and employment levels in the coming three months.

The Business Conditions Survey is a quarterly survey that requests manufacturers' opinions on production impediments, finished product inventory levels, new and unfilled order levels and production and employment prospects in the coming three months. The voluntary survey was conducted in the first two weeks of January and attracted over 3,000 responses from manufacturers.

More manufacturers expect to decrease production

In January, the proportion of manufacturers stating they would decrease production over the next three months stood at 33%, a 9 point jump from October. This was partially offset by 19% of manufacturers stating they would increase production, which was down 5 points from October. As a result, the balance of opinion for January stood at -14, a drop of 14 points from the previous survey. The balance of opinion for production prospects has not been this negative since it stood at -23 in January 2002.

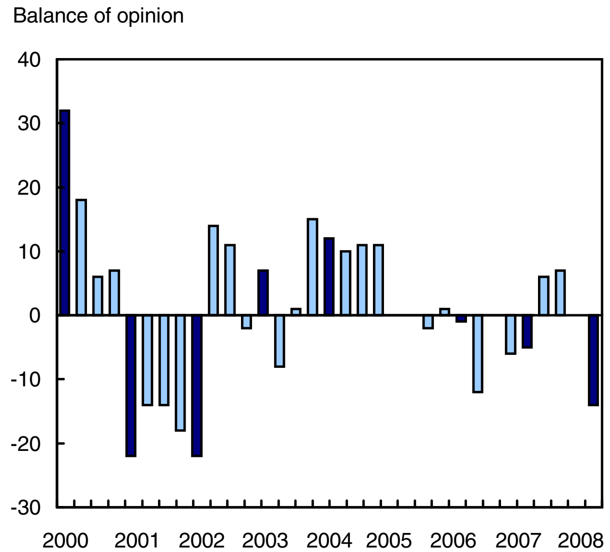
The provinces were evenly split in terms of their production prospects with the big manufacturers, Ontario, Quebec and Alberta plus New Brunswick and Newfoundland and Labrador posting negative balances. Opinions were positive in the five remaining provinces.

Producers of transportation equipment and electric equipment, appliance and components industries were the major contributors to the lowered balance. In all, 14 of the 21 manufacturing industries posted a negative balance for production prospects in the first quarter of 2008. Bucking this negative trend were manufacturers in the primary metal industry, with 41% indicating they planned to increase production.

The balance of opinion was determined by subtracting the proportion of manufacturers who expected production would be decreasing in the coming three months from the proportion who expected production would be increasing.

> ***Note to readers***
>
> *The Business Conditions Survey is conducted in January, April, July and October; the majority of responses are recorded in the first two weeks of these months. Results are based on replies from over 3,000 manufacturers and are weighted by a manufacturer's shipments or employment. Consequently, larger manufacturers have a correspondingly larger impact on the results than smaller manufacturers.*
>
> *Except for the data on production difficulties, data in this release are seasonally adjusted.*

Balance of opinion for expected volume of production for the next three months



Satisfaction with level of new orders increases

The balance of opinion concerning current levels of new orders increased 5 points to +2 in January. The number of manufacturers who stated that orders received were declining was down 4 points to 18% from the October survey. In contrast, those stating new orders were rising increased 1 point to 20% in January. With the exception of October, the new orders balance has been positive since the January 2007 survey.

Producers in primary metal and machinery industries were the major contributors to the improved balance of opinion for orders received. According to November's Monthly Survey of Manufacturing, new orders for all manufacturing industries jumped 8.1% from October to just under $53.2 billion.

Manufacturers' satisfaction with levels of unfilled orders improves

In January, 72% of manufacturers described the backlog of unfilled orders as normal, down 4 points from October. The January balance of opinion improved 7 points to -2, largely as a result of more manufacturers (13%) indicating that the current level of unfilled orders was higher than normal.

Meanwhile, 15% reported a lower than normal backlog, down 2 points from last quarter. Producers in transportation equipment, primary metal and paper industries were the major contributors to the improved unfilled orders balance of opinion. With the exception of the April 2007 survey, the balance of opinion for unfilled orders has been negative since October 2004, reaching a low of -23 in April 2005.

According to November's Monthly Survey of Manufacturing, unfilled orders increased 4.9% to almost $56.2 billion, after back-to-back decreases in September and October. In November, the backlog of orders stood $13.8 billion higher than the same month one year earlier.

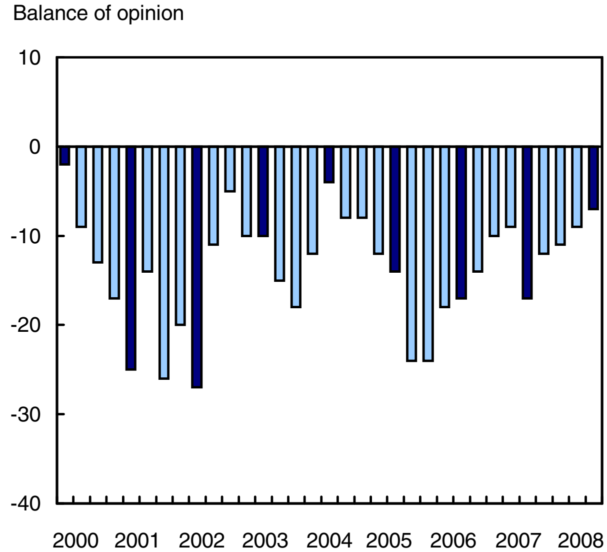
Manufacturers less concerned with finished product inventories

In January, 83% of manufacturers reported that the current level of finished product inventories was about right, unchanged from October. Some 12% stated that inventories were too high, while 5% said inventories were too low. This left the balance of opinion at -7, a 2 point improvement from the October balance. According to November's Monthly Survey of Manufacturing, finished product inventories stood at almost $22.3 billion, down 3.8% from almost $23.2 billion posted one year earlier in the November 2006 survey.

Manufacturers' employment prospects are negative

The balance of opinion for employment prospects for the next three months decreased 4 points to -4. Some 62% of manufacturers stated that they would keep their current work force, while 17% indicated they would increase it and 21% indicated that they expected to decrease employment in the first quarter of 2008. Regionally, negative balances in Newfoundland and Labrador (-18), New Brunswick (-1) Quebec (-8) and Ontario (-9) were slightly offset by positive balances in the remaining provinces, where many manufacturers continued to express difficulty in finding skilled labour.

Balance of opinion for current level of finished-product inventory



According to the December Labour Force Survey, manufacturing employment fell 33,000 to just under 2 million people. Following a decline of 2.4% in 2006, employment in this industry was further reduced by an estimated 6.2% in 2007.

Fewer manufacturers face production impediments

The proportion of manufacturers reporting production impediments dropped 8 points to 28% in the January survey. The main issues cited were labour shortages, the high value of the Canadian dollar and record oil prices. The greatest concern remained skilled labour shortages at 12%, which was a 4 point improvement from the October survey. Manufacturers in Prince Edward Island (34%) Manitoba (31%) and Saskatchewan (62%) continued to express the greatest concerns regarding skilled labour shortages.

Available on CANSIM: tables 302-0007 and 302-0008.

Definitions, data sources and methods: survey number 2152.

Business Conditions Survey data for April will be released on April 29.

For general information or to order data, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; fax: 613-951-9499; *manufact@statcan.ca*). To enquire about the concepts, methods or data quality of the release, contact Claude Robillard (613-951-3507;

claude.robillard@statcan.ca), Manufacturing, Construction and Energy Division.

Business Conditions Survey, manufacturing industries: Production prospects balance of opinion for select industries

	January 2007	April 2007	July 2007	October 2007	January 2008
Major group industries	Seasonally adjusted				
Non-durable goods	**12**	**3**	**10**	**-11**	**-5**
Food	18	19	7	1	-5
Chemical products	2	-5	15	2	-2
Petroleum and coal products	11	-3	-10	-28	1
Paper	19	8	-5	-16	-8
Plastic and rubber products	-25	-6	5	-13	-17
Durable goods	**-1**	**6**	**2**	**14**	**-15**
Transportation equipment	-19	4	16	22	-31
Primary metal	15	13	-26	7	21
Wood products	-6	-9	0	-11	-20
Fabricated metal products	8	3	5	4	2
Machinery	-2	-2	-10	12	9
Computer and electronic products	-24	19	-4	-37	-35

Business Conditions Survey: Manufacturing industries

	January 2007	April 2007	July 2007	October 2007	January 2008
	Seasonally adjusted				
Volume of production during next three months compared with last three months will be:					
About the same (%)	59	62	62	51	48
Higher (%)	18	22	22	24	19
Lower (%)	23	16	15	24	33
Balance of opinion	-5	6	7	0	-14
New orders are:					
About the same (%)	52	66	56	60	61
Rising (%)	25	22	25	19	20
Declining (%)	22	11	19	22	18
Balance of opinion	3	11	6	-3	2
Present backlog of unfilled orders is:					
About normal (%)	68	68	70	76	72
Higher than normal (%)	11	16	13	8	13
Lower than normal (%)	21	16	18	17	15
Balance of opinion	-10	0	-5	-9	-2
Finished product inventory is:					
About right (%)	77	78	80	83	83
Too low (%)	3	5	5	4	5
Too high[1] (%)	20	17	16	13	12
Balance of opinion	-17	-12	-11	-9	-7
Employment during the next three months will:					
Change little (%)	66	68	67	64	62
Increase (%)	15	17	17	18	17
Decrease (%)	19	15	16	18	21
Balance of opinion	-4	2	1	0	-4
	Unadjusted				
	%				
Sources of production difficulties					
Working capital shortage	2	2	2	3	2
Skilled labour shortage	11	12	11	16	12
Unskilled labour shortage	4	4	4	6	4
Raw material shortage	4	4	4	5	6
Other difficulties	2	7	8	5	4
No difficulties	77	71	72	64	72

1. *No evident seasonality.*

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Rail transportation

2006 (preliminary)

The Canadian railway industry continued its strong performance in 2006, with operating revenues increasing for the eighth consecutive year. For the year, operating revenues rose 5.9% from 2005 to $10.4 billion.

The commodities transported within, into and out of Canada in 2006 totalled 282.8 million metric tonnes, a 0.8% increase from 2005. Coal continued to be the main commodity.

Among the factors contributing to the gain in operating revenues were a favourable economic climate, increases in freight rates and higher fuel surcharges stemming from higher prices for crude oil. The increase was also a result of past and current industry initiatives focusing on the performance and profitability of the Canadian railway industry.

These initiatives include stronger customer-focused marketing strategies, improvements in service and consistency of delivery, increased training of employees, and the acquisition of more powerful, fuel efficient locomotives that allow railways to carry more freight using less resources. As well, railways have and continue to focus on extending their market reach through investments in and alliances with other carriers.

Steady growth in revenues since turn of the millennium

The success of the industry's initiatives can be seen during the period from 1999 to 2006 in which revenues grew by 34.8%, an annual average gain of 4.0%.

This increase was significantly higher than the average annual decline of 2.1% the industry experienced during the 1990 to 1992 recession. It was also more than twice than 1.8% average growth rate between 1993 and 1998 following the recession.

Freight transportation revenues, which comprised 89.9% of the total of operating revenues for the industry, grew 6.8% to $9.4 billion in 2006. In addition, passenger transportation revenues rose 4.1% to $294.5 million.

Operating expenses increased for the industry as well in 2006 but at a lesser rate than revenues. For 2006, operating expenses increased 3.8% to $7.8 billion, compared with $7.5 billion in 2005. The increase in operating expenses was mainly the result of higher costs associated with rail operations and general expenses.

From 1999 to 2006, operating expenses increased 15.8%, less than half the growth rate of the industry's operating revenues.

Rise in net operating profit

As a result of the industry's strong performance in 2006, net operating profit climbed 13.0% to $2.6 billion from $2.3 billion in 2005. At the same time, net income, after tax and extraordinary items, increased 11.8% to $1.9 billion from $1.7 billion in 2005.

The rail industry also saw its total assets grow in 2006 to $19.5 billion, a 4.6% increase over $18.7 billion in 2005. The balance of the property accounts, which include land, equipment and ways and structures, rose 3.2% to $25.9 billion in 2006. Over the last eight years, the rail industry's assets have increased 31.9%.

Employment in the rail industry continued its decline in 2006 to 34,137, down 2.5% from the 34,995 in 2005. Employment in 2006 represented 78.7% of the level of 43,356 in 1999 and only 15.9% of the 215,000 recorded in 1956.

In contrast, the average annual salary of employees continued advancing in 2006. For the year, the average annual salary stood at $71,260, up 0.8% from $70,689 in 2005 and 23.4% above $57,731 in 1999.

The total number of rail passengers edged down 0.6% from 2005 to 4.2 million. The total number of passenger-kilometres declined 1.9% to 1.5 billion. As a result, the average passenger trip dropped 1.2% in 2006 to 342 kilometres from 346 kilometres in 2005.

Total commodity tonnage edges up

On an origin and destination basis, the total tonnage of commodities transported within, into and out of Canada edged up 0.8% to 282.8 million metric tonnes.

Coal continued to be the main commodity transported in 2006. Mixed loads or unidentified freight was in second place, and wheat in third. These three commodities accounted for 28% of the total tonnage in 2006.

Compared to 2005 levels, coal declined 6.3% to 32 million metric tonnes in 2006. Mixed loads or unidentified freight increased 9.0% to 25.4 million metric tonnes, while wheat increased 16.8% to 21.8 million metric tonnes.

The surge in wheat in 2006 was the result of a good harvest year and increased orders.

From a regional traffic perspective, railways shipped 30.7 million metric tonnes from the Atlantic region to all destinations in 2006, down 2.6% from the previous year.

In terms of commodities transported between the Atlantic region and Quebec in 2006, iron ore and concentrates continued to be the main commodity transported with 20.4 million metric tonnes, a 0.4% decline from 2005.

Traffic from Quebec to the United States and Mexico accounted for 46% of all traffic originating from Quebec in 2006. The main commodity transported between the province and the two countries was paper and paper board (except printed products) at 1.7 million metric tonnes, up 4.8% from the previous year.

The United States and Mexico accounted for 46% of all of Ontario's markets in 2006. The main commodity transported from Ontario to the two countries was metallic waste and scrap, the tonnage of which rose 42.0% from 2005 to 1.6 million metric tonnes.

In the reverse direction, coal remained the main commodity transported to Ontario from the United States and Mexico in 2006. Coal increased 9.9% over 2005 to 2 million metric tonnes.

British Columbia and its ports continued to be the main destination for all commodities originating in Saskatchewan in 2006, accounting for 36.0% of Saskatchewan's traffic. The main commodity transported in 2006 was potash, which declined 21.2% to 4.7 million metric tonnes.

Within British Columbia itself, coal remained the main commodity transported in 2006, accounting for 64% of the total tonnage shipped within the province. Overall, coal declined 15.5% from 2005 to 20.1 million metric tonnes.

Available on CANSIM: tables 404-0004 to 404-0022.

Definitions, data sources and methods: survey numbers, including related surveys, 2734 and 2736.

The publication *Rail in Canada*, 2006 (52-216-XWE, free) is now available from the *Publications* module of our website.

To obtain data or more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (toll-free 1-866-500-8400; *transportationstatistics@statcan.ca*), Transportation Division. ■

Railway carloadings

November 2007

Following a strong rebound in October, railway loadings fell in November as four of the industry's top five largest commodity classifications by tonnage declined.

Canadian railways loaded 24.5 million metric tonnes of freight in November, a 3.8% drop from the 25.4 million metric tonnes loaded in October. The industry's main transportation systems, non-intermodal and intermodal, both saw decreases in the number of loadings.

Non-intermodal freight loadings declined 4.1% in November to 21.9 million metric tonnes from the 22.8 million metric tonnes reported in October.

The fall in non-intermodal loadings was primarily a result of reduced tonnage in four commodity classifications: iron ore and concentrates (-16.4%), lumber (-7.9%), potash (-7.7%) and wheat (-1.7%)

Despite November's decreased loadings, a number of commodities saw higher loadings, including hydrocarbon and waste-based commodities.

Hydrocarbon commodities with increased loadings include other refined petroleum and coal products (+11.4%), coal (+10.1%) and gaseous hydrocarbons, including liquid propane gas (+6.0%). The increase in hydrocarbon commodities was a result of rising demand for transportation fuels and exports.

Waste commodities with increased loadings include non-metallic waste and scrap (+27.0%), other manufactured and miscellaneous goods (+20.7%), and metallic waste and scrap (+9.3%). The increase in waste commodities was also a result of rising demand for exports.

Intermodal freight loadings fell 1.6% in November to 2.6 million metric tonnes. Container loadings decreased 1.4% to 2.5 million metric tones in November, while trailer loadings decreased 7.9% to 82,000 metric tonnes.

Rail freight traffic, either destined for or passing through Canada from the United States, decreased 5.2% to 2.9 million metric tonnes in November.

On a year-over-year basis, non-intermodal loadings fell 1.6% from November 2006, while intermodal loadings rose 6.1%. Traffic received from the United States continued its strong advance in 2007, surging 17.1% from November 2006.

The annual increase in tonnage from US inbound traffic resulted in a 20.9% rise in the number of carloadings.

Available on CANSIM: table 404-0002.

Definitions, data sources and methods: survey number 2732.

The November 2007 issue of *Monthly Railway Carloadings*, Vol. 84, no. 11 (52-001-XWE, free) is now available from the *Publications* module of our website.

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

Aircraft movement statistics: Major airports

December 2007

For the first time in 18 months, aircraft take-offs and landings at Canadian airports with NAV CANADA air traffic control towers and flight service stations decreased in year-over-year monthly comparisons. These 95 airports reported 370,661 movements in December 2007 compared with 384,523 movements at 95 airports in December 2006, a decrease of 3.6% (-13,862 movements).

Itinerant movements (flights from one airport to another) decreased by 2.9% (-8,113 movements) in December 2007 compared with the same month a year earlier.

Local movements (flights that remain in the vicinity of the airport) decreased by 5.6% (-5,749 movements) in December 2007 compared with December 2006.

Available on CANSIM: tables 401-0007 to 401-0020.

Definitions, data sources and methods: survey number 2715.

The December 2007 issue of *Aircraft Movement Statistics: NAV CANADA Towers and Flight Service Stations*, Vol. 1, no. 12 (51-007-XWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (toll-free 1-866-500-8400; *transportationstatistics@statcan.ca*), Transportation Division.

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Natural gas liquids and liquefied petroleum gases

May to September 2007

Data on the supply and demand for natural gas liquids and liquefied petroleum gases are now available from May to September.

Available on CANSIM: table 132-0001.

Definitions, data sources and methods: survey number 7524.

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

Financial statistics of community colleges and vocational schools

2005/2006

Data for the 2005/2006 academic year coming from the Financial Statistics of Community Colleges and Vocational Schools Survey are now available. The survey provides financial information (income and expenditures) on all community colleges and public vocational schools in Canada.

Definitions, data sources and methods: survey number 3146.

For more information, to order data, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-307-3382; 613-951-7608; fax: 613-951-4441; TTY: 1-800-363-7629; *educationstats@statcan.ca*), Culture, Tourism and the Centre for Education Statistics. ■

Asphalt roofing

December 2007

Data on asphalt roofing are now available for December.

Available on CANSIM: table 303-0052.

Definitions, data sources and methods: survey number 2123.

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; *manufact@statcan.ca*), Manufacturing, Construction and Energy Division. ■

New products

Aircraft Movement Statistics: NAV CANADA Towers and Flight Service Stations, December 2007, Vol. 1, no. 12
Catalogue number 51-007-XWE
(free).

Aircraft Movement Statistics: Airports Without Air Traffic Control Towers, April 2007, Vol. 2, no. 4
Catalogue number 51-008-XWE
(free).

Monthly Railway Carloadings, November 2007, Vol. 84, no. 11
Catalogue number 52-001-XWE
(free).

Rail in Canada, 2006
Catalogue number 52-216-XWE
(free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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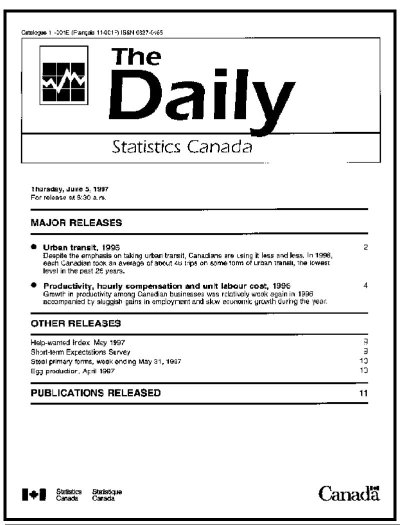
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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

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PUBLICATIONS RELEASED 11

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