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MAJOR RELEASES

- **Monthly Survey of Manufacturing,** October 2003 3
  Shipments decreased 1.1% to $42.5 billion in October, as manufacturers gave back some of the large gains of September. Against the backdrop of a rising Canadian dollar, manufacturers managed to reduce inventories (-0.6%) for the sixth consecutive month, but failed to fill their books with new orders (-3.2%).

- **Canada's international investment position,** third quarter 2003 8
  Canada's net liability to foreign residents — the difference between its external assets and foreign liabilities — declined to $223.4 billion at the end of September, down from a revised $231.7 billion at the end of June.

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Aboriginal Peoples of Canada: A useful analytical tool on CD-ROM
2001

The *Aboriginal Peoples of Canada* CD-ROM contains 14 tables presenting 2001 Census data on the demographic, cultural, social and economic characteristics of Aboriginal peoples of Canada. The data are presented for the Aboriginal identity and the Aboriginal origin populations, and for the geographical locations where these populations reside, including areas with urban/rural and Indian reserve designations. The data are presented for Canada, the provinces, the territories and the census metropolitan areas. Census standard data products are accompanied by a software program (Beyond 20/20) to retrieve and browse the statistical tables with ease.

The CD-ROM *Aboriginal Peoples of Canada* (94F0041XCB, $60) is now available. See *How to order products*.

Additional topic-based tabulations for the "Canada's workforce: Paid work" and "Income of individuals, families and households" topics are available online at no cost for various levels of geography. From the *Census* page, choose *Data*, then *Topic-based tabulations*.

For more information about these topic-based tabulations, contact the nearest Statistics Canada Regional Reference Centre.

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MAJOR RELEASES

Monthly Survey of Manufacturing

October 2003

Shipments decreased 1.1% to $42.5 billion in October, as manufacturers gave back some of the large gains of September. Against the backdrop of a rising Canadian dollar, manufacturers managed to reduce inventories (-0.6%) for the sixth consecutive month, but failed to fill their books with new orders (-3.2%).

Shipments tumble in October

October's decrease in shipments was broadly based, spanning 15 of 21 industries, accounting for 71% of total shipments.

A number of factors contributed to the pause in shipments. In some industries, October marked the return to more normal shipments levels following quarter-end boosts to production in September and the large bounce-back (+5.4%) after the Ontario blackout. Lower industrial prices in October also contributed to decreases in some industries.

Another key factor impacting export-reliant manufacturers was the appreciating value of the Canadian dollar against the US greenback, which reached a 10-year high in October. Many of Canada's manufacturing outputs are destined for US markets.

Shipments by province and territory

	September 2003	October 2003	September to October 2003
	seasonally adjusted		
	$ millions		% change
Newfoundland and Labrador	219	190	-13.6
Prince Edward Island	124	114	-8.0
Nova Scotia	716	706	-1.4
New Brunswick	1,081	997	-7.8
Quebec	9,889	9,789	-1.0
Ontario	22,905	22,685	-1.0
Manitoba	994	992	-0.2
Saskatchewan	647	653	0.8
Alberta	3,515	3,581	1.9
British Columbia	2,877	2,770	-3.7
Yukon, Northwest Territories and Nunavut	5	6	8.6

Ontario and British Columbia report the biggest decreases

Ontario led the eight provinces reporting lower shipments in October. Shipments fell $221 million (-1.0%) to $22.7 billion, following a 9.0% blackout-related recovery in September. Decreases in Ontario's computer and chemical industries offset a strong boost in food manufacturing.

Lower prices for paper and wood products contributed to a $107 million (-3.7%) decrease in shipments by British Columbia manufacturers. Quebec's shipments receded $100 million (-1.0%) in October, as a result of decreases in the computer and paper industries.

US manufacturing on the road to recovery

In contrast to Canada's decline in shipments, manufacturers in the United States are in the midst of an economic recovery. Shipments rose 0.7% in October, the fifth increase in the last six months. Year-to-date shipments for 2003 were 2.1% above shipments in the same period of 2002. This compared with a 0.9% decrease in Canada over the same period.

The computer and electronic products industry (+2.6%) led the US durable goods sector in October and

Note to readers

In addition to current-month estimates, data for the previous three months are regularly revised. Factors influencing revisions include late receipt of company data, incorrect information reported earlier, replacement of estimates with actual figures (once available), and seasonal adjustments. Consult the appropriate CANSIM tables for revised data.

***Non-durable goods industries** include food, beverage and tobacco products, textile mills, textile product mills, leather and allied products, paper, printing and related support activities, petroleum and coal products, chemicals and plastic and rubber products.*

***Durable goods industries** include clothing, wood products, non-metallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electrical equipment, appliance and components, transportation equipment, furniture and related products and miscellaneous manufacturing.*

***Unfilled orders** are a stock of orders that will contribute to future shipments assuming that the orders are not cancelled.*

***New orders** are those received whether shipped in the current month or not. They are measured as the sum of shipments for the current month plus the change in unfilled orders. Some people interpret new orders as orders that will lead to future demand. This is inappropriate since the "new orders" variable includes orders that have already been shipped. Readers should take note that the month-to-month change in new orders may be volatile. This will happen particularly if the previous month's change in unfilled orders is closely related to the current month's change.*

Not all orders will be translated into Canadian factory shipments because portions of large contracts can be subcontracted out to manufacturers in other countries.

were at their highest level since April 2001. In addition, US unfilled orders jumped 1.6%, the eighth increase in the last nine months. Again, the computer industry led all industries in orders.

Time will tell if the robust recovery of the US manufacturing sector and of the economy in general will translate into increased production for their Canadian counterparts. The appreciated dollar will continue to challenge Canada's competitiveness in manufacturing.

Manufacturers hire workers in November

On a positive note, in November, Canadian manufacturers posted the largest employment gain in 12 months. According to the Labour Force Survey, manufacturing employment rose by 24,000 and was spread across several industries. Despite November's gain, factory employment remained 78,000 (-3.3%) below the level of November 2002. Employment was little changed in October.

November's employment increase supports the latest results of the Business Conditions Survey. The report indicated that the vast majority of manufacturers (86%) would maintain or add to their workforce in the fourth quarter.

Computer and motor vehicle manufacturing pull down shipments

Following September's quarter-end boost (+16.7%), shipments of computer and electronic products returned to more normal levels in October, dropping 12.1% to $1.5 billion. January-to-October shipments remained 15% below levels of the same period of 2002.

Motor vehicle manufacturing slipped 2.5% to $5.0 billion, following September's recovery (+16.2%) from the electrical blackout. Despite the introduction of 2004 models, attractive incentives and near-record low interest rates, motor vehicle sales have been slowing both in Canada and in the United States in recent months.

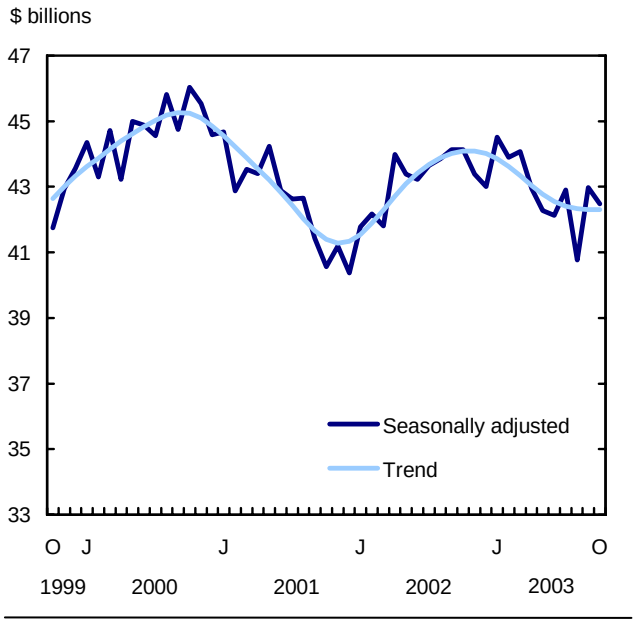
Lower industrial prices in October contributed to fewer shipments of chemical products (-3.0%) and petroleum and coal products (-3.3%).

Exports of boneless beef boost food shipments

Partly offsetting the decline in shipments for October, food manufacturers benefited from the re-opening of the US border to selected exports of Canadian beef products.

Shipments of boneless beef contributed to a 2.7% rise in food shipments in October, the first full month since the ban was partly lifted. Mexico also accepted Canadian beef exports as of October 2. Year-to-date shipments of animal slaughtering (excluding poultry) remained 11.3% below levels of 2002.

Manufacturers report fewer shipments in October



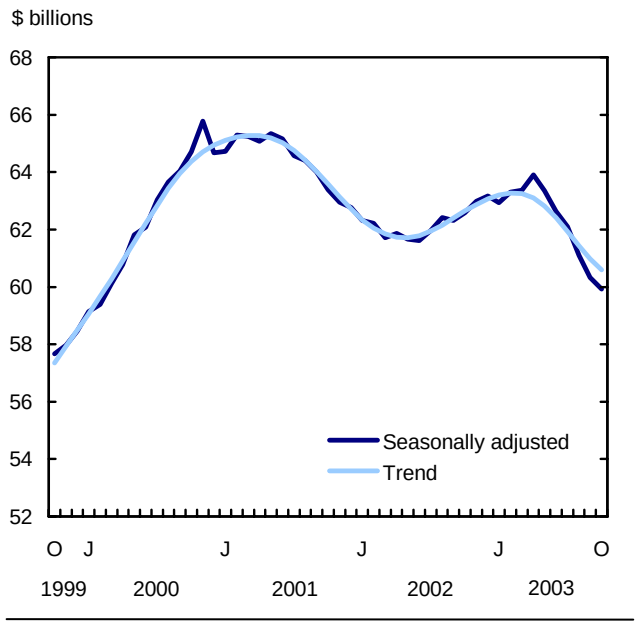
Manufacturers continue to tighten inventories

In October, inventories fell to $59.9 billion, as manufacturers shaved another 0.6% from their stocks, the sixth decline in a row. In recent years, volatility in global demand has contributed to greater awareness and control of inventory levels. By October, manufacturers had sliced 6.2% in inventories since the recent high in April ($63.9 billion).

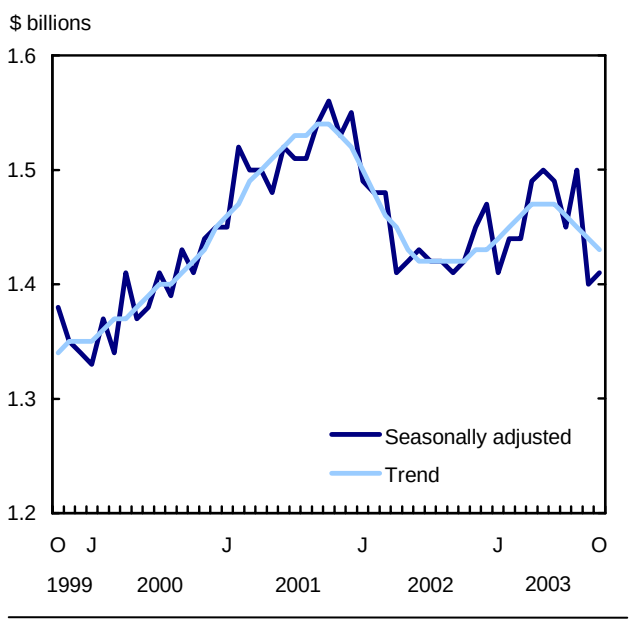
Inventories at all three stages of fabrication decreased in October. Goods-in-process inventories, which have been trending down since autumn 2002, fell 1.9% to $14.9 billion. Raw materials (-0.3%) and finished products (-0.1%) also declined.

The primary contributors to October's decrease included the aerospace (-3.5%), fabricated metal products (-2.7%) and wood products (-1.6%) industries.

Inventories decrease six months straight



The inventory-to-shipment ratio edges up



The inventory-to-shipment ratio remains near a 3-year low

October's drop in shipments offset lower inventories, contributing to a slight rise in the inventory-to-shipment ratio to 1.41, from September's three-year low (1.40). The ratio has settled down somewhat following recent volatility. Meanwhile, the trend of the inventory-to-shipment ratio has been edging down over the last few months.

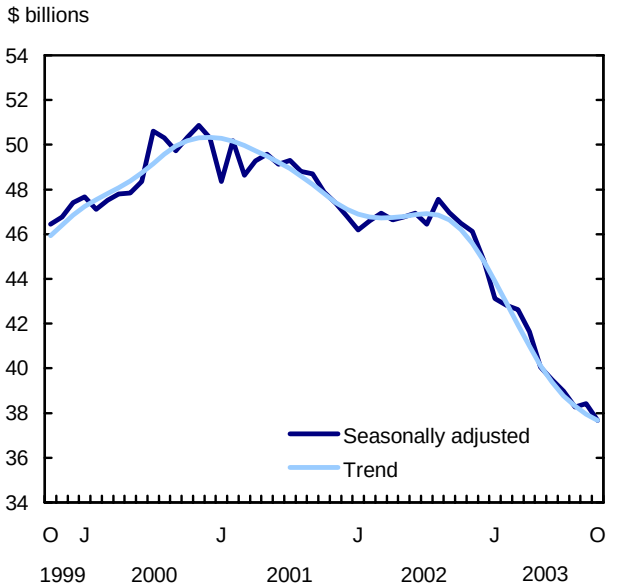
The finished-product inventory-to-shipment ratio remained unchanged at 0.44 for the second consecutive month. This ratio is a measure of the time that would be required in order to exhaust finished products if shipments were to remain at their current level.

Unfilled orders decrease again

Unfilled orders fell 2.0% to $37.7 billion in October, a six-year low. This followed a 0.4% rise in September, the only increase in unfilled orders in the preceding 13 months. The main contributors included aerospace products and parts (-3.2%), computers (-6.1%) and plastics and rubber products manufacturing (-11.9%).

During the last year, order cancellations and weaker demand contributed to almost a 20% drop in the value of unfilled orders compared with one year ago. In October 2002, unfilled orders were $46.5 billion.

Further declines in unfilled orders



Manufacturers receive fewer new orders in October

There were fewer new orders (-3.2%) on the books for manufacturers in October. Orders stood at $41.7 billion, following September's big boost in new order announcements (+7.6%). Widespread decreases were reported, led by the computer and plastics and rubber products industries.

Available on CANSIM: tables 304-0014 and 304-0015.

Definitions, data sources and methods: survey number 2101.

The October 2003 issue of the *Monthly Survey of Manufacturing* (31-001-XIE, $17/$158) will be available soon. See *How to order products*.

Data for shipments by province in greater detail than normally published may be available on request.

All data are benchmarked to the 1998 Annual Survey of Manufactures.

Data from the November 2003 Monthly Survey of Manufacturing will be released on January 21, 2004.

For general information or to order data, contact the dissemination officer (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 Russell Kowaluk (613-951-0600; *kowarus@statcan.ca*), Manufacturing, Construction and Energy Division.

Shipments, inventories and orders in all manufacturing industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories-to-shipments ratio
	seasonally adjusted								
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change	
October 2002	44,132	0.0	62,580	0.4	46,491	-1.0	43,660	0.3	1.42
November 2002	43,385	-1.7	62,989	0.7	46,127	-0.8	43,021	-1.5	1.45
December 2002	42,998	-0.9	63,161	0.3	44,820	-2.8	41,690	-3.1	1.47
January 2003	44,520	3.5	62,929	-0.4	43,123	-3.8	42,823	2.7	1.41
February 2003	43,901	-1.4	63,307	0.6	42,807	-0.7	43,584	1.8	1.44
March 2003	44,070	0.4	63,368	0.1	42,616	-0.4	43,879	0.7	1.44
April 2003	42,953	-2.5	63,898	0.8	41,630	-2.3	41,967	-4.4	1.49
May 2003	42,285	-1.6	63,358	-0.8	40,057	-3.8	40,711	-3.0	1.50
June 2003	42,128	-0.4	62,635	-1.1	39,504	-1.4	41,576	2.1	1.49
July 2003	42,897	1.8	62,085	-0.9	38,972	-1.3	42,365	1.9	1.45
August 2003	40,771	-5.0	61,085	-1.6	38,274	-1.8	40,073	-5.4	1.50
September 2003	42,974	5.4	60,320	-1.3	38,410	0.4	43,110	7.6	1.40
October 2003	42,481	-1.1	59,930	-0.6	37,660	-2.0	41,731	-3.2	1.41

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change
October 2002	35,834	0.1	59,130	0.5	44,532	-0.9	35,434	1.1
November 2002	35,260	-1.6	59,403	0.5	44,195	-0.8	34,923	-1.4
December 2002	35,740	1.4	59,410	0.0	42,967	-2.8	34,511	-1.2
January 2003	36,284	1.5	59,376	-0.1	41,307	-3.9	34,624	0.3
February 2003	35,825	-1.3	59,728	0.6	41,027	-0.7	35,546	2.7
March 2003	35,735	-0.3	59,873	0.2	40,886	-0.3	35,593	0.1
April 2003	34,914	-2.3	60,409	0.9	39,950	-2.3	33,979	-4.5
May 2003	34,350	-1.6	59,963	-0.7	38,451	-3.8	32,850	-3.3
June 2003	34,328	-0.1	59,323	-1.1	37,904	-1.4	33,781	2.8
July 2003	34,547	0.6	58,864	-0.8	37,383	-1.4	34,025	0.7
August 2003	33,868	-2.0	58,018	-1.4	36,677	-1.9	33,162	-2.5
September 2003	35,136	3.7	57,165	-1.5	36,864	0.5	35,323	6.5
October 2003	34,689	-1.3	56,810	-0.6	36,089	-2.1	33,914	-4.0

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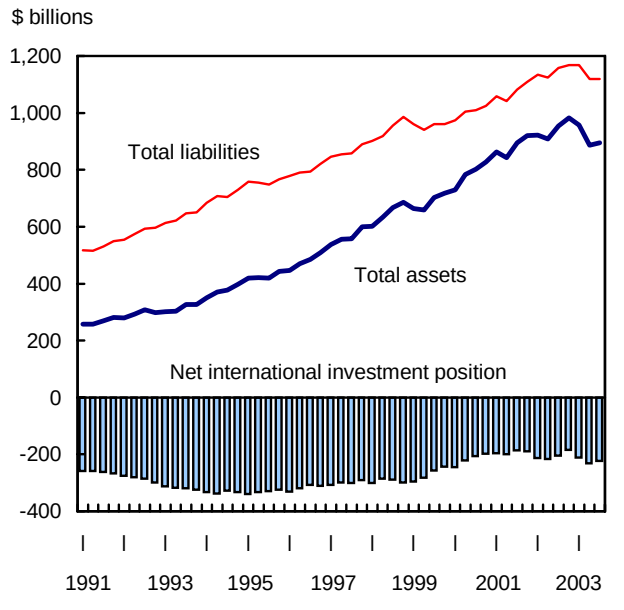
Canada's international investment position

Third quarter 2003

Canada's net liability to foreign residents — the difference between its external assets and foreign liabilities — declined to $223.4 billion at the end of September, down from a revised $231.7 billion at the end of June. The net foreign liability had increased during the first half of 2003.

Canada's international investment position



At the end of September, Canada's net external debt represented 18.4 % of its gross domestic product, down almost a full percentage point from 19.3 % in the second quarter.

The third-quarter decline occurred as the value of Canada's assets abroad edged up, while the nation's foreign liabilities remained virtually unchanged.

Canada's international assets rose $8.6 billion, or 1%, from the second quarter to $895.2 billion. The dollar, which lost ground against major currencies, added $6.0 billion to the value of these assets.

Canada's international liabilities were relatively stable at $1,118.7 billion. Large outflows in portfolio investment were offset by the decline in the loonie against foreign currencies, and by inflows in the direct and other investment category.

Note to readers

The value of assets and liabilities denominated in foreign currency are converted to Canadian dollars at the end of each period for which a balance sheet is calculated. Most of Canada's foreign assets are denominated in foreign currencies while less than half of our international liabilities are in foreign currencies.

When the Canadian dollar is appreciating in value, the restatement of the value of these assets and liabilities in Canadian dollars lowers the recorded value. The opposite is true when the dollar is depreciating.

Canadian direct investment abroad rises

After two quarters of substantial declines, Canadian direct investment abroad rose $7.8 billion to $386.5 billion. An increase in investment in the third quarter of $4.9 billion, combined with the decrease of the Canadian dollar, contributed to this increase.

The major portion of the increase was spread among many countries other than the United States, while Canadian investors increased their position in the United States by only $1.1 billion to $168.9 billion.

Canada's direct investment in the United States accounted for only 43.7% of its total direct investment abroad at the end of September, the lowest proportion ever.

Foreign equity investment up

Stronger global equity markets encouraged Canadians investors to buy foreign equities in the third quarter. As a result, foreign stock position reached $193.8 billion at the end of September, up $3.5 billion from the end of June.

Canadian holdings of foreign bonds marginally increased to $41.1 billion.

Again, most of the increase in portfolio investment abroad, $3.1 billion, was in markets outside the United States. Holdings of foreign stocks and bonds by Canadians in the United States reached $132.6 billion at the end of September.

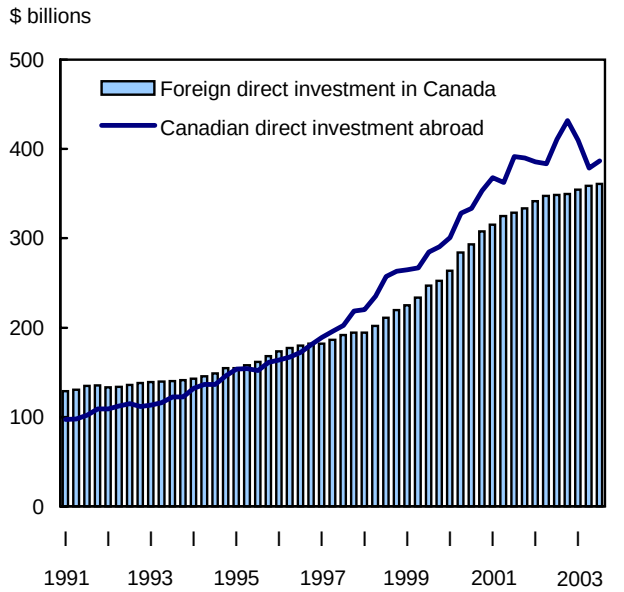
Slight gain in foreign direct investment in Canada

Foreign direct investors increased their foreign direct investment position in Canada for the 26th consecutive quarter. Even without any major transactions during the third quarter, they added $2.0 billion, mostly as reinvested earnings, to their position, which reached $360.7 billion at the end of September.

Over the 26 quarters, foreign direct investment in Canada almost doubled the level of $181.9 billion reached in the first quarter of 1997.

The net direct investment position — the difference between Canadian direct investment abroad and foreign direct investment in Canada — still contributed to Canadian's wealth, as it increased to $25.8 billion at the end of September.

Foreign direct investment position



Substantial decline of foreign holdings of federal government bonds

Foreign portfolio investment fell $9.5 billion to $505.7 billion. Foreign investors reduced their holdings of federal government bonds by $15.8 billion to $61.7 billion. This was the lowest level in 12 years, as the federal government continued to pay down its external debt.

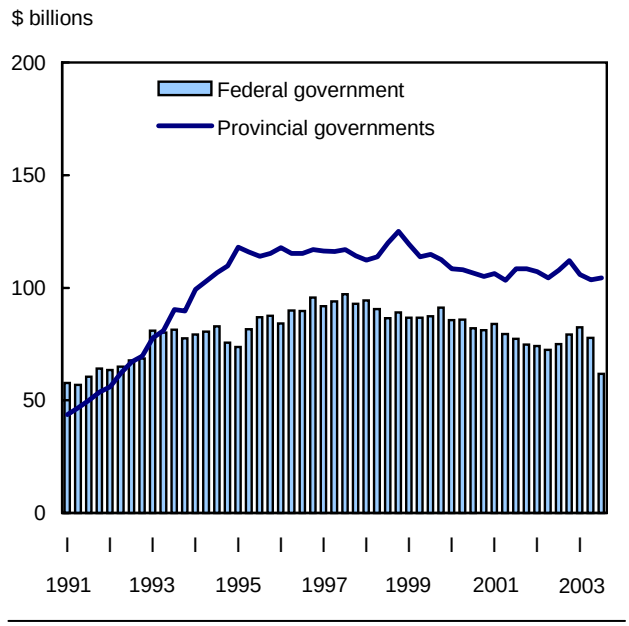
Foreign holdings of Canadian bonds from all sources reached $407.8 billion at the end of September, down $9.2 billion from the end of June.

Foreign holdings of Canadian money market paper fell more than 10% to $21.1 billion, the lowest level in two years.

With the good performance of the Canadian stock market, foreign investors acquired Canadian shares during the quarter. At the end of September, they held $76.8 billion, the highest level since the first quarter of 2001.

The S&P/TSX composite index gained over 6% between June and September.

Portfolio investment position in Canadian bonds



Available on CANSIM: tables 376-0042, 376-0055 to 376-0057 and 376-0059.

Definitions, data sources and methods: survey number 1537.

The third quarter 2003 issue of *Canada's international investment position* (67-202-XIE, $23/$51) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Éric Simard (613-951-7244), Balance of Payments Division.

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Canada's international investment position at period-end

	2001	2002	First quarter 2003	Second quarter 2003	Third quarter 2003
			$ billions		
Assets					
Canadian direct investment abroad	389.7	431.8	410.0	378.7	386.5
Portfolio investment abroad					
Foreign bonds	37.1	40.0	41.1	40.9	41.1
Foreign stocks	203.5	219.2	203.9	190.3	193.8
Other investment					
Loans	68.6	71.1	73.7	66.2	59.8
Allowances	-11.9	-12.0	-12.1	-11.8	-11.8
Deposits	108.9	102.3	115.3	100.1	98.7
Official international reserves	53.3	56.2	50.5	47.2	47.7
Other assets	70.4	74.7	74.8	74.9	79.3
Total assets	919.6	983.3	957.3	886.6	895.2
Liabilities					
Foreign direct investment in Canada	333.6	349.4	354.4	358.7	360.7
Portfolio investment					
Canadian bonds	421.4	443.7	433.9	417.0	407.8
Canadian stocks	74.1	73.7	73.6	74.7	76.8
Canadian money market	21.5	25.2	24.5	23.5	21.1
Other investment					
Loans	55.5	58.5	55.9	53.0	52.4
Deposits	181.1	194.5	204.1	170.0	178.1
Other liabilities	21.8	22.4	22.1	21.5	21.7
Total liabilities	1,109.0	1,167.3	1,168.5	1,118.3	1,118.7
Net international investment position	**-189.4**	**-184.0**	**-211.2**	**-231.7**	**-223.4**

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OTHER RELEASES

Internet Service Provider Industry
2002

Canadian Internet service providers continued to respond to the economic and competitive challenges facing them in 2002, as operating revenues rose 13% to $1.4 billion. This rate of growth was strong but significantly less than the gains of 27% in 2001 and 72% in 2000.

Although the industry continued to post an operating loss in 2002, the industry landscape appears to be improving. The surging increase in operating expenses recorded in previous years came to a dramatic halt in 2002, as expenses declined for the first time in the industry's history. Total operating expenses dropped 3% to $1.5 billion in 2002. This is a remarkable change from the roughly 36% jump in operating expenses recorded in 2001.

The resulting overall operating margin for internet service providers improved from a loss of 22.2 cents for every dollar of revenue in 2001, to a loss of 4.9 cents for every dollar of revenue in 2002.

Despite improving margins, the provision of Internet access remains a costly business for most internet service providers. Telecommunications expenses (including leased line charges from upstream providers) remained the single largest expense item, comprising 35% of total industry operating expenses. Salaries, wages and benefits followed accounting for another 27%.

Internet access revenues accounted for almost 85% of all revenues in 2002, a decrease of 3% from 2001. Broadband access revenues were up roughly 7% and surpassed dial-up revenues for the first time. Broadband access generated roughly 53% of access revenues in 2002 and 45% of total operating revenues.

Survey findings indicated a 10% increase from 2001 in the number of Internet service providers offering broadband services. Approximately 76% of all surveyed firms stated that they generated at least a portion of their revenues from broadband access in 2002. However, only a small proportion (13%) of these firms reported generating 50% or more of their revenues from broadband access services. Many firms offering broadband also had significant revenues from dial up access.

Despite strong growth in broadband access, the forecasted demise of dial-up Internet access by industry analysts has been greatly exaggerated. Dial-up access revenues, though steadily declining, still accounted for 47% of access revenues and 40% of total operating revenues in 2002. Dial-up continued to remain the most common access service provided, with 91% of all firms generating at least a portion of their revenues from dial-up access. Approximately 54% of Internet service providers generated the majority of their revenues from dial-up access in 2002.

Internet service providers continued to diversify their services in 2002, with roughly nine out of every ten firms reporting revenues from other services in addition to Internet access. Website hosting services remained the most common non-access related service.

According to 2002 survey responses, intense competition remained a major concern and the greatest impediment to future growth for most Internet service providers.

Note: This survey covers firms that generate the majority of their revenues from Internet access. It does not include firms coded to the cable and other program distribution industry (North American Industry Classification System 513220).

Available on CANSIM: table 354-0006.

Definitions, data sources and methods: survey number 4303.

Results from the 2002 Annual Survey of Internet Service Providers and Related Services are now available for Canada. Included are summary statistics for operating revenue, operating expenses, salaries and benefits, number of firms and number of employees. Also available are data for revenues earned by type of service provided and data for detailed operating expense items.

To order a free copy of the data release package, or to enquire about the concepts, methods or data quality of this release, contact Heather Archibald (613-951-0403; *heather.archibald@statcan.ca*; fax: 613-951-6696), Service Industries Division.

For analytical articles on this industry and others, see the Service Industries Division Analytical Paper Series, available online. ■

Software development and computer services
2002

For the second consecutive year, lackluster growth characterized the computer systems design and related services industry in Canada. Operating revenues climbed a modest 2.0% to $18.33 billion in 2002. This growth rate contrasts sharply with the annual double-digit rates recorded throughout the 1990's.

Firms in Ontario accounted for more than half of operating revenues (52.3%) in 2002, but this share has slipped for the second year in a row. It was 55.9% in 2000. In fact, Ontario and New Brunswick were the only provinces where operating revenues declined in both 2001 and 2002. In contrast, Quebec posted the largest revenue share increase, reaching 23.1% in 2002, up from 20.6% in 2001.

The industry's operating profit margin nearly doubled to 5.1%. Revenues and profits were higher, despite a significant drop (-12.9%) in the value of exports. Exports generated just $2.48 billion in revenues in 2002, down from $3.01 billion in 2000. Systems design firms were able to offset the loss in export revenues by increasing their domestic revenues by 4.8%.

Typical systems design services including technical consulting, systems design and development, application customization and information technology support accounted for 65.3% of revenues, followed by the sale of hardware purchased for resale (8.2%), information technology infrastructure and network management services (6.1%) and the sale of packaged software (5.1%).

Operating revenues for the software publishing industry dropped 8.7% to $5.36 billion, making 2002 the first time operating revenues decreased since statistics have been available on a NAICS basis (1997). The four provinces with the highest revenue shares (Ontario, Quebec, British Columbia and Alberta respectively) all experienced declining revenues.

In terms of profitability, firms managed to reduce their combined operating loss from 9.0% in 2001 to just 0.9%. This improvement was partly attributable to a sharp drop in salary expenses, down 15.9% from 2001. Firms trimmed their number of employees in an effort to cope with declining revenues.

Exports were once again a key source of revenues, accounting for 43.9% of operating revenues.

Packaged software sales generated the bulk of industry revenues, 53.9%, followed by information technology technical support services at 16.8% and the customization and integration of packaged software at 8.5%.

Operating revenues climbed to $2.53 billion for the data processing, hosting and related services industry. This was an increase of 11.3% from 2001, and more than double the level of 1999. Firms operating in Ontario continue to account for the lion's share of revenues (68.9%), followed by Quebec (18.6%), Alberta (5.2%) and British Columbia (5.0%).

Firms in the industry posted an operating profit of 5.8% in 2002, after nearly breaking even in 2001 (-0.3%) and sustaining a large loss (-8.3%) in 2000.

Exports accounted for a far smaller share (2.7%) of operating revenues in 2002 than in 2001 (7.5%). In total, exports generated less than $100 million in revenues for the industry's firms.

Canadian businesses were the principal purchasers of services from the data processing industry, generating nearly 90 cents out of every dollar earned. In fact, business clients in the financial services sector accounted for 36 cents out of every dollar earned.

In terms of services provided, business process management services accounted for 32.0% of revenues followed by data management services (14.7%), information technology infrastructure and network management services (9.3%), application service provisioning (8.4%) and website hosting (7.6%).

Available on CANSIM: table 354-0005.

Definitions, data sources and methods: survey number 2410.

Results from the 2002 Annual Survey of Software Development and Computer Services are now available. Detailed tables at the provincial level for a range of industry characteristics including revenues, expenses, and employment are included in the data release package.

For a free copy of the data release package or to enquire about the concepts, methods and data quality of this release, contact Jim Hines (613-951-0640; *jim.hines@statcan.ca*), Service Industries Division.

For analytical articles on this industry and others, see the Service Industries Division Analytical Paper Series, available online. ■

Engineering services industry

2002

The engineering services industry generated $10.87 billion in operating revenues in 2002, up 4.0% from 2001. Fee income amounted to $8.12 billion, representing three quarters of operating revenues. The industry's operating profit margin slightly improved to 10.9%.

Market share of the 20 largest firms increased to 35% of revenues in 2002, up from 30% in 2001. This segment is dominated by international players while the remainder of the industry is comprised mainly of small privately-held and Canadian-owned entities.

Revenues for firms in Alberta rose 13.8% in 2002, placing Alberta ahead of Quebec and second only to

Ontario. In recent years, Alberta has closely trailed Quebec after narrowly surpassing it for the first time in 1999. Ontario recorded meagre growth of 0.7% and British Columbia contracted 1.7% after an exceptionally good year in 2001.

Engineering services firms operating in Ontario had a market share of 35%, followed by those in Alberta (24%), Quebec (22%) and British Columbia (13%).

Canadian engineering firms have had a longstanding global reach. In 2002, foreign fee income accounted for 12.0% of operating revenues, amounting to $1.30 billion compared with $1.08 billion in 2001. The less-than-favourable market conditions in the United States and Europe were more than offset by a surge of exports to Africa and other regions. More than half (57%) of the foreign fee income was generated from countries other than the United States.

Engineering services accounted for 0.5% of the Canadian economy in 2002, contributing $5.88 billion to gross domestic product. This industry is comprised of establishments primarily engaged in applying principles of engineering in the design, development and utilization of machines, materials, instruments, structures, processes and systems.

Available on CANSIM: table 360-0005.

Definitions, data sources and methods: survey number 2439.

Results from the 2002 Annual Survey of Engineering Services are now available. The data release package includes supplementary tables at the provincial level for a range of industry characteristics providing breakdowns of revenues, expenses, and employment.

To order a free copy of the data release package, contact Denyse Brazeau (613-951-5634, *denyse.brazeau@statcan.ca*, fax: 613-951-6696), Service Industries Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kyoomars Haghandish (613-951-6304, *kyoomars.haghandish@statcan.ca*, fax: 613-951-6696), Service Industries Division. ■

Monthly railway carloadings

October 2003

Total freight carried by Canadian railways in October reached 27 million tonnes, up 7.7% from September and 5.3% from October 2002.

Loadings for intermodal traffic, that is "containers on flat cars" and "trailers on flat cars," totalled 2.4 million tonnes, up 19% from October 2002 and 12.7% from September 2003. Cumulative tonnage for January to October reached 21.9 million tonnes, compared with 20.5 million tonnes for the same period of 2002.

Total non-intermodal carloadings were at their highest levels since May 2002. October's wheat and cereal grain loadings were up again this month, showing an increase of over a half million tonnes over the same month last year. Although still down from the same month last year, coal was up 12.2% from September, continuing its rise from a low in August of 1.9 million tonnes. Traffic received from the United States rose to its highest point since 1999, with over 57 thousand carloadings; this could be a reflection of the economic recovery observed in the United States. With the approach of winter, carloads of gaseous hydrocarbons, including liquefied propane gases, have risen 34.8% from September.

Non-intermodal traffic on Canadian railroads totalled 276 thousand carloads and 21.7 million tonnes. This represents a 4.4% increase in tonnage from October 2002 and a 6.5% increase from September 2003.

The cumulative total for the first ten months of 2003 (excluding intermodal loadings) climbed to 192.8 million tonnes, compared with 200.0 million tonnes in 2002.

Traffic received from the United States destined for Canada or passing through Canada back into the United States reached 2.8 million tonnes, up 13.7% from September. From January to October, US loadings reached 25.3 million tonnes, compared with 22.2 million tonnes in the same period of 2002.

Available on CANSIM: table 404-0002.

Definitions, data sources and methods: survey number 2732.

The October 2003 issue of *Monthly Railway Carloadings*, Vol. 80, no. 10 (52-001-XIE, $9/$83) is now available.

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

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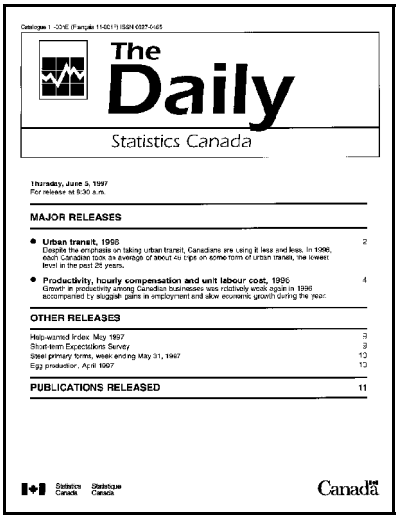

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Statistics Canada

Thursday, June 5, 1997
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