



The Daily

Statistics Canada

Wednesday, April 2, 2003

Released at 8:30 a.m. Eastern time

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NEW PRODUCTS



MAJOR RELEASES

Electronic commerce and technology 2002

Combined private and public sector online sales posted another strong gain in 2002, rising 27.2% from 2001 to \$13.7 billion after an increase of 46.0% in 2001. However, e-commerce sales still accounted for only a small fraction of total operating revenues.

The proportion of private sector businesses selling goods and services online rose marginally from 6.7% in 2001 to 7.5 % in 2002, according to the Survey of Electronic Commerce and Technology. Yet, the value of online orders rose 28.4% from 2001 to \$13.3 billion in 2002. This follows an increase of 84.1% in online sales in 2001.

In contrast, public sector sales over the Internet totalled \$327 million, down 7.8% from 2001. Despite this decline in the value of orders received, the proportion of public sector institutions selling goods and services online rose from 12.8% in 2001 to 14.2% in 2002.

Despite the overall growth, e-commerce sales still accounted for only 0.6% of total private sector operating revenue in 2002, up from 0.5% in 2001 and from 0.2% in 1999.

Electronic business is concentrated in large firms. The 7.5% of businesses that reported selling goods and services online in 2002 accounted for nearly 30% of gross business income in Canada.

The e-commerce market remains volatile. Among the businesses that responded to the survey in both 2001 and 2002, 43% of those that sold online in 2001 stopped selling in 2002. In 2002, seven firms stopped selling over the Internet for every 10 that started.

E-commerce sales highest in wholesale trade sector

For the second straight year, the value of e-commerce sales was highest in wholesale trade, followed by manufacturing, transportation and warehousing, and retail trade. Combined, these industries accounted for 70% of all Internet sales in 2002.

Wholesalers sold \$3.7 billion worth of goods and services over the Internet in 2002, up 93% from 2001. This level represented 1.1% of their total operating revenue. Nearly all (94%) of the e-commerce sales by wholesalers were direct to businesses; only 9% went outside the country.

Manufacturers sold \$2.0 billion worth of goods and services over the Internet, up 16.5%. This

Note to readers

Data in this release are from the 2002 Survey of Electronic Commerce and Technology, which included the entire economy, except for local governments. The survey covered about 21,000 enterprises.

Electronic commerce is defined as sales over the Internet, with or without online payment. Included are the value of orders received over the Internet. Sales using electronic data interchange over proprietary networks and transactions conducted on automatic teller machines are excluded. The value of financial instruments transacted on the Internet such as loans and stocks are not considered e-commerce sales, but the service charges received for conducting these transactions over the Internet are included.

represented 0.3% of their operating revenue. More than 95% of these sales were to other businesses, and 26% went outside Canada.

Transportation and warehousing achieved \$1.9 billion in online sales in 2002, up from \$0.9 billion in 2001. Despite this increase, Internet sales represented 2.4% of their operating revenue.

Retailers attracted \$1.7 billion in online sales in 2002, up 16%. Internet sales represented only 0.5% of their operating revenue, down from 0.6% in 2001.

Large businesses are still the big players in electronic commerce. Enterprises with more than 500 employees were responsible for 41% of sales over the Internet, up slightly from 40% in 2001.

Just over one-quarter of online sales to consumers or households

Only 27% of sales over the Internet were to consumers or households, despite another substantial increase last year. The dollar value of business-to-consumer sales rose 58.5% to \$3.7 billion in 2002. Business-to-business sales reached \$9.7 billion, an increase of 19.8%.

The retail trade sector accounted for 40% of the business-to-consumer market in 2002, the largest share, followed by the finance and insurance sector (16%) and information and cultural industries sector (13%).

Sales to consumers accounted for 97% of Internet sales from the arts, entertainment and recreation sector, followed by the retail trade sector, where they accounted for 84%.

The wholesale trade sector accounted for 36% of the business-to-business market in 2002, the largest share, up from 21% in 2001. It was followed by the

manufacturing sector, which accounted for 20%, and transportation and warehousing, 19%.

Strong gain in online sales destined for domestic market

Although online sales for export in 2002 increased marginally from \$2.7 billion to \$2.9 billion, the value of domestic online sales rose 35.1% to \$10.4 billion in 2002. These sales accounted for nearly four-fifths of total e-commerce sales.

Retail trade had the largest share of the electronic export market, with 33%, followed by manufacturing (17%) and information and cultural industries (13%). More than one-half (56%) of all online sales in the retail trade sector went for export.

One-third of firms make online purchases

The proportion of Canadian businesses buying goods and services over the Internet continued to grow in 2002. About 32% of firms bought goods or services over the Internet, up from 22% in 2001 and 18% in 2000. These same businesses accounted for 65% of all gross business income in Canada.

For the fourth straight year, the proportion of businesses purchasing over the Internet was highest in the information and cultural services industry (60%). This sector includes enterprises involved in publishing, broadcasting, telecommunications, information services and data processing.

Among businesses that did not buy or sell over the Internet, 48% believed that their goods or services did not lend themselves to Internet transactions. About 37% preferred to maintain their current business model. Smaller proportions of these enterprises felt that security was a concern, or that the cost of development and maintenance of a website enabled for e-commerce was too high.

Three-quarters of all firms use the Internet

Although the value of sales over the Internet was small, businesses continued to embrace the Internet in 2002; 76% of them used the Internet, up from 71% in 2001 and 63% in 2000. Firms that used the Internet accounted for 97% of economic activity.

Nearly all (93%) businesses with 20 employees or more used the Internet in the workplace in 2002.

Overall, 52% of private sector employees had Internet access, up from 47% in 2001 and from 39% in 2000.

The proportion of businesses using the Internet advanced in nearly all industry sectors. Advances were strongest in accommodation and food services and in real estate, rental and leasing, both up about 21% from 2001.

Nearly one-third of businesses have a website

About 31% of businesses had a website, up from 26% in 2000. These businesses accounted for 83% of all gross business income.

Three-quarters (74%) of firms conducting business in educational services in the private sector had a website, the highest proportion. They were followed by the information and cultural industries sector, where 68% had a website. Those least likely to have a website were in forestry, logging and support activities (9%).

About 15% of enterprises had an internal communications network, or intranet, up from 12% in 2000. Industries most likely to have an Intranet were information and cultural industries, and finance and insurance.

Public sector embraces information and communication technologies

While Canadian businesses continue to show increases in the adoption of information and communication technologies, the public sector appears to have fully embraced them.

For the third straight year, nearly 100% of public sector organizations used the Internet. Almost 88% had a website and 77% used an intranet, up from 85% and 52% in 2000, respectively.

Available on CANSIM: tables 358-0007 to 358-0012, 358-0014 and 358-0015.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 4225.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Bryan van Tol (613-951-6663; bryan.vantol@statcan.ca), Science, Innovation and Electronic Information Division.

□

Purchasing over the Internet

	2000	2001	2002
	Percentage of enterprises that use the Internet to buy goods or services		
Forestry, logging and support activities	4.5	11.0	20.1
Mining and oil and gas extraction	20.4	14.5	26.4
Utilities	25.5	31.5	41.6
Construction	..	16.7	26.8
Manufacturing	21.3	29.1	40.5
Wholesale trade	22.9	26.4	36.3
Retail trade	13.5	16.9	29.1
Transportation and warehousing	15.0	11.6	19.2
Information and cultural industries	52.7	51.8	59.9
Finance and insurance	20.2	24.9	36.6
Real estate and rental and leasing	8.8	13.4	19.8
Professional, scientific and technical services	35.8	42.1	50.6
Management of companies and enterprises	8.5	8.4	21.1
Administration and support, waste management and remediation services	22.5	30.9	28.5
Educational services (private sector)	41.0	39.3	46.1
Health care and social assistance (private sector)	14.4	20.0	29.5
Arts, entertainment and recreation	15.9	23.2	35.6
Accommodation and food services	10.1	9.4	18.2
Other services (except public administration)	10.5	14.8	23.4
All private sector	18.2	22.4	31.7
All public sector	49.1	54.5	65.2

.. Figures not available.

Internet use and presence of websites

	2001	2002	2001	2002
	Percentage of enterprises that use the Internet		Percentage of enterprises with a website	
Forestry, logging and support activities	68.2	64.3	15.3	9.4
Mining and oil and gas extraction	77.6	81.8	39.2	35.5
Utilities	93.7	93.0	45.1	47.4
Construction	70.5	68.5	24.3	22.9
Manufacturing	82.4	88.5	45.9	54.7
Wholesale trade	81.7	86.0	37.6	40.7
Retail trade	65.2	72.1	26.7	30.7
Transportation and warehousing	57.4	63.7	11.1	15.8
Information and cultural industries	92.9	96.7	65.1	67.5
Finance and insurance	82.0	78.5	47.8	43.2
Real estate and rental and leasing	53.4	64.7	22.3	25.0
Professional, scientific and technical services	90.7	92.4	31.9	33.4
Management of companies and enterprises	63.1	59.0	13.8	23.2
Administration and support, waste management and remediation services	80.0	73.1	39.7	35.1
Educational services (private sector)	93.0	94.9	61.7	74.4
Health care and social assistance (private sector)	70.4	74.6	18.6	18.2
Arts, entertainment and recreation	81.5	86.7	45.8	51.0
Accommodation and food services	48.0	58.1	20.1	21.7
Other services (except public administration)	58.6	67.6	24.5	30.4
All private sector	70.8	75.7	28.6	31.5
All public sector	99.7	99.6	86.2	87.9

Value of Internet sales

	2001	2002	2002	2002	2002	2002
	Percentage of enterprises that use the Internet to sell goods or services		Internet sales with or without online payment	Internet sales as a percentage of total operating revenue	Percentage of Internet sales to consumers	Percentage of Internet sales to outside of Canada
			\$ million			
Forestry, logging and support activities	4.3	5.0	x	x	x	x
Mining and oil and gas extraction	0.2	3.2	19.7	0.0	..	28.1
Utilities	1.4	1.6	x	x	x	x
Construction	0.7	4.1	x	x	x	x
Manufacturing	11.7	12.1	1,956.7	0.3	4.7	25.8
Wholesale trade	12.9	12.6	3,693.4	1.1	6.1	8.7
Retail trade	10.8	11.4	1,718.1	0.5	84.6	56.5
Transportation and warehousing	2.2	3.6	1,923.5	2.4	1.8	..
Information and cultural industries	20.1	18.8	828.5	1.2	57.8	44.8
Finance and insurance	9.6	8.0	851.5	0.4	66.9	3.7
Real estate and rental and leasing	7.3	4.1	90.8	0.2	82.9	14.5
Professional, scientific and technical services	5.8	7.8	983.0	1.4	11.5	29.2
Management of companies and enterprises	4.8	5.9	152.5	0.6	1.2	12.4
Administration and support, waste management and remediation services	10.7	11.0	505.9	1.0	39.9	41.8
Educational services (private sector)	14.0	21.3	44.2	1.5	27.0	31.1
Health care and social assistance (private sector)	0.6	1.4
Arts, entertainment and recreation	10.0	14.1	98.3	1.2	97.2	27.8
Accommodation and food services	3.7	4.4	166.1	0.4	81.8	13.0
Other services (except public administration)	3.6	4.4	87.9	0.4	64.4	7.9
All private sector	6.7	7.5	13,338.5	0.6	27.4	21.9
All public sector	12.8	14.2	327.2		77.2	30.0

.. Figures not available.

x Confidential data.



OTHER RELEASES

Deaths 2000

The gap in life expectancy between men and women has narrowed again, according to new vital statistics data.

Life expectancy at birth, a key indicator of a population's health status, increased slightly to new record highs for both sexes in 2000. A woman born in 2000 could expect to live 82.0 years, up 0.3 years from 1999. A man's life expectancy at birth reached 76.7 years in 2000, up 0.5 years.

The gap in life expectancy between the sexes closed from 5.4 years in 1999 to 5.2 years in 2000, continuing a two-decade-long trend of narrowing. From 1979 to 2000, life expectancy for men improved by 5.4 years, whereas life expectancy for women advanced 3.2 years.

British Columbia had the highest life-expectancy rates for both sexes, as was the case for the last seven years for men and five of the last seven years for women. Men in British Columbia had a life expectancy of 78.2 years in 2000, up from 77.3 in 1999. Women could expect to live 82.9 years, up from 82.6.

A total of 218,062 people died in Canada in 2000, down 0.7% from 1999. This was the first year-over-year decrease in the number of deaths since 1981.

Of these, 111,742 were men, down 1.7% from 1999, and 106,320 were women, a slight 0.4% increase.

The decline in deaths, combined with an increase in Canada's population, resulted in a crude mortality rate of 7.1 deaths per 100,000 population in 2000, down 1.5% from 1999. This was the lowest rate since 1994.

Almost 35% of deaths in 2000 were due to diseases of the circulatory system (over 76,000 deaths); malignant neoplasms (cancers) accounted for 29% (62,600 deaths). Among diseases of the circulatory system, the most common causes of death were ischemic heart disease (19%) and cerebrovascular disease (7%).

One-half (50.1%) of cancer deaths were due to malignant neoplasms in one of four sites: lung, colorectal, breast (female and male), and prostate. Malignant neoplasms of the lung were the cause of over 16,000 deaths in 2000 and alone accounted for one in four deaths from malignant neoplasms.

Note: Statistics Canada has implemented the Tenth Revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) as the national mortality classification standard starting with deaths occurring in 2000. Analysis of trends in data on the cause of death should be conducted with caution.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 3233.

The shelf tables *Deaths, 2000* (84F0211XPB, \$20) are now available. To order this product or custom tabulations, contact Client Services (613-951-1746; hd-ds@statcan.ca), Health Statistics Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Patricia Tully (613-951-1759; patricia.tully@statcan.ca) or Leslie Geran (613-951-5243; leslie.geran@statcan.ca), Health Statistics Division. □

Life expectancy at birth

	Number of deaths			Life expectancy at birth ¹ , 2000	
	1999	2000	1999 to 2000	Men	Women
	% change			In years	
Canada²	219,530	218,062	-0.7	76.7	82.0
Newfoundland and Labrador	4,139	4,339	4.8	74.7	80.2
Prince Edward Island	1,137	1,229	8.1	75.1	81.2
Nova Scotia	7,640	7,879	3.1	75.9	81.2
New Brunswick	6,074	6,088	0.2	75.9	81.6
Quebec	54,592	53,190	-2.6	76.1	82.1
Ontario	81,393	81,290	-0.1	77.1	81.9
Manitoba	9,860	9,892	0.3	75.2	80.8
Saskatchewan	9,044	8,956	-1.0	76.1	81.3
Alberta	17,206	17,273	0.4	77.1	81.9
British Columbia	28,017	27,460	-2.0	78.2	82.9
Yukon ³	135	156	15.6	74.5	78.6
Northwest Territories including Nunavut ³	289	287	-0.7	71.5	76.0
Northwest Territories excluding Nunavut ³	162	157	-3.1	73.9	78.7
Nunavut ³	127	130	2.4	67.0	72.1

¹ Life expectancy is calculated from birth and death data that exclude the following: stillbirths; births and deaths of non-residents of Canada and residents of Canada whose province or territory of residence was unknown; and deaths for which the age of the decedent was unknown. The difference in life expectancy between men and women was calculated on unrounded figures.

² The total for Canada includes deaths of Canadian residents whose province or territory of residence was unknown; there were 4 such cases in 1999, and 23 in 2000.

³ Life expectancy for Yukon, the Northwest Territories and Nunavut should be interpreted with caution because of small underlying counts of births and deaths.

Electric power statistics

January 2003

Colder-than-normal temperatures in Atlantic Canada, Quebec and Ontario led to an increase in electric power generation in its various forms in January. Net generation of electricity increased to 57 300 gigawatt hours (GWh) in January, up 5.5% from January 2002. Exports fell 16.0% to 2 878 GWh, and imports increased from 1 132 GWh to 1 715 GWh.

Hydroelectricity generation was up 3.5% in January to 34 946 GWh, primarily as a result of increased generation in Newfoundland and Labrador, Quebec and British Columbia. Thermal conventional generation was up 4.0% to 15 261 GWh because of an increased requirement to operate thermal stations in Ontario. January saw an increase in generation from all nuclear sources in Canada, up 21.0% to 7 093 GWh.

Available on CANSIM: table 127-0001.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 2151.

The January 2003 issue of *Electric power statistics*, Vol. 71, no. 1 (57-001-XIB, \$9/\$85) is now available. See *How to order products*.

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

Productivity growth from new plants of multinationals

The competitive process that brings new firms into an industry and forces old firms out makes a significant contribution to productivity growth. Most of this has come from new plants created by multinational enterprises in the 1990s, according to a new report that examines plant turnover and productivity growth in Canadian manufacturing.

Each year, a large number of businesses enter and leave the Canadian manufacturing sector. About 40% of manufacturing plants in 1997 were new plants that entered between 1988 and 1997; half of the plants in 1988 were no longer operating in 1997.

New plants undergo both a selection and a learning process as competition culls out less productive plants and the survivors improve productivity. Among the plants that came into existence in the 1980s, the most productive survived the 1990s, and the least productive failed. The surviving new plants experienced growth in output, employment and labour productivity.

New plants were much more productive than the existing plants they displaced. From 1988 to 1997, new plants were 22% more productive than plants that exited. As a result, the process of business creation and business destruction contributed about half a percentage point per year, or 15%, to aggregate labour productivity growth during this 10-year period. The contribution that entry and exit made to productivity growth was larger than their share of employment.

All new plants do not contribute equally to productivity growth. A disproportionately large share of the contribution to labour productivity growth was due to foreign-controlled firms opening up or closing down plants. From 1988 to 1997, foreign-controlled entrants accounted for 20% of employment of all entering plants, and foreign-controlled exiters accounted for 28% of employment of all exiting plants. However, plant turnover of foreign-controlled firms provided 60% of the contribution that entry and exit made to productivity growth.

Foreign-controlled new plants have become an increasingly more important source of productivity growth relative to their domestic-controlled counterparts over the last three decades. Plants started by foreign-controlled firms have become increasingly larger and more productive compared with those opened by domestic-controlled firms.

The report also examined the importance of small independent entrants, compared with the creation of new plants that were part of large multi-plant enterprises. Although small single plant entrants accounted for the most of the new plants created, they had little impact

on aggregate productivity growth. From 1988 to 1997, small independent single-plant entrants accounted for about 85% of all new plants; however, only 15% of the productivity contribution of all new plants came from single independent entrants.

The research paper *Plant turnover and productivity growth in Canadian manufacturing* (11F0019MIE2003193, free) is based on the Annual Survey of Manufactures data from 1973 to 1997 and is now available on Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Social conditions*.

Also available on Statistics Canada's website are a condensed highlight of this research paper (www.statcan.ca/english/studies/eaupdate/renewal.htm) and information on related papers in productivity (www.statcan.ca/english/studies/eaupdate/prod.htm).

To enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588) or Wulong Gu (613-951-0754), Micro-economic Analysis Division. ■

NEW PRODUCTS

Plant turnover and productivity growth in Canadian manufacturing, no. 193
Catalogue number 11F0019MIE2003193
(free).

Electric power statistics, January 2003, Vol. 71, no. 1
Catalogue number 57-001-XIB (\$9/\$85).

Deaths — Shelf tables, 2000
Catalogue number 84F0211XPB (\$20).

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

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCB are electronic versions on compact disc.

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Catalogue 11-001-XIE (11-001-XIE) (11-001-XIE) (11-001-XIE)

The Daily
Statistics Canada

Thursday, June 9, 1997
For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
Given the emphasis on taking urban transit, Canadians are using it less and less. In 1996, about 1.4 billion trips, an average of about 40 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 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.

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Statistics Canada Canada

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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