



Service Bulletin Surface and Marine Transport

Transportation Division

Aussi disponible en français

All prices exclude sales tax

Catalogue 50-002-XIE is published eight times/year on Internet for CND \$11.00 per issue. A Print-on-Demand service is also available at a different price. It can be ordered via Internet: infostats@statcan.ca or by calling our National toll-free line 1-800-267-6677.

Vol. 20, No. 4

**Couriers and local messengers industry
2001 (revised) and 2002 (preliminary)**

In 2002, the couriers and local messengers industry included 19,691 establishments providing a variety of services, from letter delivery by bicycle messenger to high-tech equipment delivery in Canada and other countries. The number of establishments increased 4% from 2001.

The industry generated operating revenues of about \$5.4 billion in 2002, up 5% from the previous year. However, the impact that this gain had on company profitability was offset by an overall increase of 7% in operating expenses. The largest upswing in operating costs was in repairs and maintenance, which jumped 12%. The industry's operating margin – the difference between revenues and expenses – was \$326 million, down 18% compared with 2001. This marks the second consecutive year in which the operating margin has shrunk.

The North American Industry Classification System (NAICS) divides the industry into two segments: courier companies, which provide national and international delivery services, and local messenger businesses, which provide delivery services within a smaller region, such as a city or a metropolitan area. Courier companies provide mostly next-day or overnight delivery services, while local messenger businesses specialize in same-day delivery.

While couriers accounted for only about 12% of the industry's establishments in 2002, they generated roughly 78% of the total operating revenues. Courier establishments had an average operating margin of about \$86,000, down 27% from 2001. Local messengers, on the other hand, accounted for 88% of the establishments but only 22% of the industry's operating revenues. They had an average operating margin of about \$7,000, down 30% from 2001. This segment's modest operating margin is largely due to the fact that it includes a large number of independent contractors and owner-operators who use it as personal income.

The largest expense item for couriers was wages, salaries and benefits (40%), followed by other purchased services (34%). The picture was very different for local delivery services. Their largest expense item was other purchased services (56%), which made up a much larger portion of total expenses than the second-largest item, wages, salaries and benefits (21%). One explanation for this would be that couriers tend to have paid employees while local messengers prefer to use independent contractors or owner-operators.

July 2004

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Large and medium-size courier and local messenger firms delivered nearly 501 million pieces, generating just over \$4.2 billion in delivery revenue in 2002. Couriers moved 87% of all items and earned 88% of the revenue. A breakdown by activity shows that second-day and other services earned only 39% of the revenue even though they accounted for 55% of all pieces delivered. In contrast, next-day and overnight services accounted for one-half of the revenue but just 32% of the total pieces delivered.

In the industry as a whole, each piece generated an average of \$8.43 in delivery revenue, down slightly from \$8.57 in 2001. Next-day and overnight services generated the largest average revenue per piece among couriers (\$13.42), while same-day services generated the largest average revenue per piece among local messengers (\$7.55).

Ontario remained the dominant province in the industry, as nearly one-half of the delivery revenue was generated from shipments originating in this province. Canadian destinations accounted for 79% of total delivery revenue, while shipments to the United States made up about 18% of the total.

The couriers and local messengers industry depends to a large extent on relatively costly fleets of vehicles and equipment to provide its delivery services. For couriers, most of the vehicles used were cube/step vans (62%), semi-trailers (16%) and automobiles (7 %). For local messengers, the mostly commonly used equipment was automobiles (52%) and cube/step vans (31%). In all, the industry had nearly 23,000 vehicles and various pieces of equipment in 2002.

Differences by company size

The data are also presented by company size (based on annual revenue).^{*} There are three categories: large companies, with revenues of \$25 million or more; medium-sized firms, with between \$1 million and \$24,999,999 in revenue; and small companies, with less than \$1 million.

In 2002, large firms made up about 1% of the total number of businesses in the industry, but earned 72% of the operating revenues. Not surprisingly, this group also had the highest average operating margin (\$624,000). Medium-sized companies also accounted for 1% of the total businesses but had 11% of the industry's operating revenues. The group's average operating margin was \$63,000. Small firms accounted for 98% of the industry's businesses, but only 18% of the operating revenue. This group also had the lowest average operating margin (\$7,000).

^{*} The term "enterprise" refers to an entity that directs and controls the allocation of resources and the economic activity and can produce a full set of financial statements. The term "establishment" refers to the smallest entity for which data on the value of production, the cost of the raw materials used, and the cost and quantity of labour used in production are available. For complete definitions, please see NAICS.

Table 1: Survey of the Couriers and Local Messengers Industry, Canada, 2002
Preliminary Revenue and Expenses by Province and Territory, All Carriers (thousands of dollars)

	Nfld. & Labrador	P.E.I.	N.S.	N.B.	Quebec	Ontario	Manitoba	Sask.	Alberta	British Columbia	Terri- tories	Canada
Estimated number of carriers in population	240	X	440	440	5,150	8,222	1,019	524	1,776	1,811	X	19,691
Revenue												
Revenue from sales of goods and services	49,213	X	134,987	X	1,003,520	X	176,669	X	X	676,712	X	5,363,829
Other operating revenue	1,491	X	5,169	X	31,106	X	5,667	X	X	25,546	X	201,053
Total operating revenue	50,704	X	140,156	206,217	1,034,626	2,530,479	182,336	115,797	586,032	702,258	X	5,564,882
Non-operating revenue	21	X	111	47	625	3,769	221	139	744	2,211	X	7,914
Total revenue	50,725	X	140,267	206,264	1,045,251	2,524,247	182,556	115,936	586,776	704,469	X	5,572,796
Expenses												
Salaries, wages and benefits	19,150	X	53,361	74,631	356,686	857,250	57,792	39,485	181,233	222,775	X	1,867,327
Cost of energy and supplies	2,607	X	8,758	11,727	77,189	148,557	12,327	7,437	37,130	39,892	X	346,389
Rental and leasing expenses	1,821	X	6,051	6,005	45,830	111,076	8,922	5,706	26,741	27,129	X	240,022
Repair and maintenance expenses	2,381	X	4,411	7,040	41,208	74,169	5,980	4,963	19,054	19,449	X	179,321
Property and business taxes	189	X	708	998	5,691	11,979	771	753	2,847	2,846	X	26,856
Other purchased services	17,091	X	44,773	72,993	362,398	906,913	67,221	38,711	225,654	275,109	X	2,016,022
Depreciation expenses	1,264	X	3,929	4,478	25,467	63,199	4,343	3,524	14,416	16,135	X	137,177
Other operating expenses	2,582	X	11,034	7,908	64,602	222,378	14,158	6,559	42,325	52,692	X	426,015
Total operating expenses	47,085	X	133,026	185,779	979,073	2,395,521	171,513	107,138	549,399	656,027	X	5,239,128
Non-operating expenses	453	X	1,276	1,197	10,729	19,599	1,338	1,150	5,056	5,268	X	46,223
Total expenses	47,538	X	134,302	186,976	989,802	2,415,119	172,851	108,287	554,455	661,295	X	5,285,352
Net operating margin	3,618	X	7,130	20,438	55,553	134,958	10,822	8,659	36,633	46,231	X	325,754
Operating ratio	0.93	X	0.95	0.90	0.95	0.95	0.94	0.93	0.94	0.93	X	0.94

Also available on CANSIM tables 402-0001, 402-0002 and 402-0003. "X" means confidential data under the Statistics Act. Data may not sum up due to rounding.

Table 2: Survey of the Couriers and Local Messengers Industry, Canada, 2002 Preliminary Revenue and Expenses by Activity and by Size, All Carriers (thousands of dollars)

	Activity			Size			Total
	Couriers	Local Messengers	Total	Large (>25 \$ M)	Medium (1-25 \$ M)	Small (<1 \$ M)	
Estimated number of carriers in population	2,353	17,339	19,691	278	257	19,156	19,691
Revenue							
Revenue from sales of goods and services	X	X	5,363,829	X	X	965,728	5,363,829
Other operating revenue	X	X	201,053	X	X	9,249	201,053
Total operating revenue	4,339,104	1,225,778	5,564,882	3,991,910	597,994	974,978	5,564,882
Non-operating revenue	6,002	1,912	7,914	X	X	4,276	7,914
Total revenue	4,345,106	1,227,690	5,572,796	X	X	979,253	5,572,796
Expenses							
Salaries, wages and benefits	1,634,345	232,982	1,867,327	1,549,078	137,523	180,726	1,867,327
Cost of energy and supplies	251,439	94,950	346,389	207,911	39,194	99,284	346,389
Rental and leasing expenses	197,454	42,568	240,022	179,602	21,537	38,883	240,022
Repair and maintenance expenses	141,830	37,491	179,321	104,770	8,024	66,526	179,321
Property and business taxes	21,731	5,125	26,856	20,337	1,928	4,591	26,856
Other purchased services	1,396,782	619,240	2,016,022	1,311,898	345,987	358,137	2,016,022
Depreciation expenses	106,432	30,745	137,177	92,986	9,941	34,250	137,177
Other operating expenses	379,546	46,469	426,015	351,900	17,588	56,527	426,015
Total operating expenses	4,137,558	1,109,570	5,239,128	3,818,482	581,722	838,924	5,239,128
Non-operating expenses	38,379	7,844	46,223	X	X	12,625	46,223
Total expenses	4,175,937	1,117,414	5,285,352	X	X	851,549	5,285,352
Net operating margin	201,546	116,208	325,754	173,429	16,271	136,054	325,754
Operating ratio	0.95	0.91	0.94	0.96	0.97	0.86	0.94

Also available on CANSIM tables 402-0001, 402-0002 and 402-0003. "X" means confidential data under the Statistics Act. Data may not sum up due to rounding.

Table 3: Survey of the Couriers and Local Messengers Industry, Canada, 2002 Preliminary Revenue, Number of Pieces and Average Revenue Per Piece by Type of Services, Carriers Over \$1 Million

	Activity				Total	
	Couriers		Local Messengers		All Carriers	
	Value	%	Value	%	Value	%
Delivery revenue (\$ '000)						
Same-day services	5,522	0%	459,636	91%	465,157	11%
Next-day / overnight services	2,089,238	56%	42,611	8%	2,131,849	50%
Second-day / other services	1,628,175	44%	1,378	0%	1,629,553	39%
All delivery services	3,722,935	100%	503,625	100%	4,226,560	100%
Number of pieces (' 000)						
Same-day services	612	0%	60,910	91%	61,522	12%
Next-day / overnight services	155,656	36%	6,009	9%	161,665	32%
Second-day / other services	278,058	64%	231	0%	278,289	55%
All delivery services	434,327	100%	67,150	100%	501,476	100%
Average revenue per piece (\$)						
Same-day services	9.02	n.a.	7.55	n.a.	7.56	n.a.
Next-day / overnight services	13.42	n.a.	7.09	n.a.	13.19	n.a.
Second-day / other services	5.86	n.a.	5.97	n.a.	5.86	n.a.
All delivery services	8.57	n.a.	7.50	n.a.	8.43	n.a.

Data may not sum up due to rounding.

Table 4: Survey of the Couriers and Local Messengers Industry, Canada, 2002 Preliminary Origin and Destination of Shipments, Carriers over \$1 Million

	Couriers		Local Messengers		Total	
	\$ '000	%	\$ '000	%	\$ '000	%
Origin of shipments						
Atlantic	159,002	4%	17,402	3%	176,404	4%
Quebec	731,070	20%	68,844	14%	799,914	19%
Ontario	1,790,269	48%	214,476	43%	2,004,745	47%
Prairies	477,377	13%	101,741	20%	579,119	14%
British Columbia	418,086	11%	97,424	19%	515,510	12%
Territories	X	X	X	X	5,175	0%
Origin outside Canada	X	X	X	X	145,693	3%
Total Delivery Revenue	3,722,935	100%	503,625	100%	4,226,560	100%
Destination of shipments						
Canada	2,826,756	76%	495,616	98%	3,322,372	79%
United States	758,591	20%	4,642	1%	763,233	18%
All other countries	137,587	4%	3,367	1%	140,954	3%
Total Delivery Revenue	3,722,935	100%	503,625	100%	4,226,560	100%

"X" means confidential data under the Statistics Act. Data may not sum up due to rounding.

Table 5 : Survey of the Couriers and Local Messengers Industry, Canada, 2002 Preliminary Fleet and Equipment in service, Carriers over \$1 Million

	Couriers	Local Messengers	Total
Bicycles	0	551	551
Automobiles	1,091	4,277	5,368
Cube / Step Vans	9,036	2,532	11,568
Road Tractors	868	162	1,030
Trailers	2,292	187	2,479
5 - Ton Trucks	351	374	725
Warehouse equipment	X	X	260
Other equipment	X	X	877
Total number of vehicles and equipment	14,592	8,266	22,858

"X" means confidential data under the Statistics Act. Data may not sum up due to rounding.

NOTE:

In 2002, minor changes were made in the coverage of the sample frame, the survey methodology, and the questionnaire (for more information about these changes, please refer to <http://www.statcan.ca/english/sdds/4703.htm>). For consistency, 2001 data were revised wherever possible. Nevertheless, the changes may have resulted in greater variability in the estimates between the two years, especially for small firms. Although the overall impact on the data is marginal, we felt it best to warn the reader.

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For: **Definitions, data sources and methods: survey number [4703](#).**

Symbol legend

The symbols described in this document apply to all data published by Statistics Canada from all origins including surveys, censuses and administrative sources, as well as straight tabulations and all estimations.

. not available for any reference period

.. not available for a specific reference period

... not applicable

0 true zero or a value rounded to zero

0^S value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded

^P preliminary

^r revised

x confidential to meet secrecy requirements of the *Statistics Act*

^E use with caution

F too unreliable to be published

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