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TELECOMMUNICATIONS INDUSTRIES – 2000

The data presented in this Bulletin are from the Annual Survey of Telecommunications. The Bulletin presents structural and regional indicators that complement, and are used to benchmark, the current national indicators published in catalogue 56-002 XIE – *Quarterly Telecommunications Statistics*. The last segment of the analytical section of this Bulletin provides highlights from the more recent quarterly data.

In addition to the tables provided here, updated tables similar to those found in Telecommunications in Canada 1999, (56-203-XIE) can be ordered on a cost recovery basis.

Introduction

The telecommunications services sector is a key component of the Information and Communications Technologies sector (ICT) as a provider of access to the network infrastructure necessary to process, transmit or receive information. The increasing level of connectivity of Canadian households, businesses and institutions observed

in recent years would not be possible without the upgrades made to the infrastructure and the launching of new technologies and services by this sector.

Under the impetus of regulatory, technological and market changes, the telecommunications sector is evolving in a number of ways:

- wireless access accounts for much of the growth in connections to the Public switched telephone network (PSTN);
- the relative importance of the different segments of the sector is changing rapidly;
- the financial performance and position of the different segments differ significantly;
- the revenue sources for the industry are evolving.

The next sections look at some indicators of those changes.

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The PSTN continues to expand in large part through wireless technology

The number of access paths (in voice grade equivalents) to the PSTN¹ surpassed 29 million in 2000, up 8.8% from the previous year.

Growth was observed in both the numbers of fixed and mobile accesses but at much different rates. The number of fixed accesses grew 2.7% while the number of mobile accesses jumped 26.3%. Mobile connections accounted for 77.1% of additional connections to the PSTN in 2000.

The growth in fixed access was mainly in specialty business applications, in particular ISDN and Centrex connections. The number of individual lines increased a modest 1.0%. Individual lines remained the most widely used method of accessing the fixed network, but its relative importance is declining. In 2000, 78.1% of fixed access paths were individual lines compared to 81.8% two years earlier. The number of party lines and of public telephone lines continued to decline as a result of network upgrades and increased penetration of mobile telecommunications.

The wireless network is also changing. The number of digital connections surpassed the number of analogue connections in 2000. The trend towards greater digitization continued in 2001 and 2002. At the end of the second quarter of 2002, digital connections accounted for 68.2% of connections to the wireless network.

Investments in networks remained strong in 2000

Investments by the telecommunications sector continued to be strong in 2000 at \$7.4 billion, an increase of 23.1% over the previous year. This increase followed a decline of 7.2% the previous year. From 1998 to 2000, investments by this sector totalled \$19.8 billion. This represents \$1.62 of investments per dollar of operating profits generated by the sector during that period and 22.4% of its operating revenues.

The share of total investments going into the wireless network continued to grow in 2000. That share went from 23.0% in 1999 to 27.2% in 2000. The gradual transformation of the network from analogue to digital technology was at the origin of the strong growth of investments into the wireless network.

Close to 80 per cent of investments in 2000 were made in Quebec (25.0%), Ontario (44.5%) and Alberta (10.3%). The provincial share of investments surpassed the population share in those three Provinces and was below the population share in other regions of the country.

The telecommunications sector's debt remained high

The sizeable investments made by the sector have translated into significant debt. Despite an improvement in its debt ratio from 72.6 to 68.6, the sector's level of debt remained twice the average for non-financial industries.

The financial position of the different industry segments varied widely. The wireless segment debt remained higher than the value of its assets. In 2000, the debt reached \$9.9 billion while the assets were valued at \$7.9 billion. The wireline and resellers segments both saw an improvement of their debt position.

The relative importance of the different segments of the telecommunications sector is changing

The increased penetration of wireless services and consolidations within the sector is reflected in the changing relative importance of the various segments of the sector.

The wireless segment's share of the sector's revenues and employment reached 18.1% and 15.2% in 2000, up from 15.4% and 13.4% two years earlier. This trend was also observed for labour costs. This segment's share was 13.2% in 2000 compared to 12.0% in 1998.

¹ The number of access paths to the public switched telephone network (PSTN) provides an indication of the level of connectivity of Canadian households, businesses and institutions. A broader measure of connectivity would include Internet access.

Revenues of the resellers industry dropped 12.5% in 2000 and their share of total sector revenues declined to 2.7% in 2000 from 3.3% the previous year. This reflects the transformation of some resellers into facilities based carriers, the disappearance of some resellers as a result of strong competition and the integration of the activities of some resellers within those of facilities based carriers.

Operating profits rose in 2000

The operating profits of the sector were \$4.5 billion in 2000, 14.0% higher than in the previous year. The sector's profit margin also improved to 14.5% from 13.5% the previous year. However, the wireline industry was the only segment within the sector to show both a profit and an improvement in its profit margin compared to the previous year.

The wireless and resellers industries continued to incur operating losses but the situation improved for both segments. The \$11.5 million operating loss of wireless operators represented 0.2% of operating revenues. In 1999, these operators had supported a loss representing 2.0% of their revenues. Resellers incurred a 15.9% operating loss in 2000, down from 23.4% the previous year.

Data and high speed services explain much of the growth in revenues for the wireline industry

The potential for revenue growth in the wireline industry's traditional voice services markets is limited by strong competition in the long distance market, by limitations on price increases for local services, and by the high penetration of local services. In 2000, revenues from the provision of long distance services declined 6.1% and local service revenues increased a modest 5.3%. Optional features were the fastest growing voice services with a 6.9% increase in revenues. In total, revenues from voice services remained essentially unchanged from the previous year. The share of total revenues of these services declined to 57.2% from 60.1% in 1999.

The industry therefore had to rely on other sources of revenues for growth. The fastest growing markets for the industry in 2000 were Internet access services (108.2%), data and high speed switched services (34.2%) and other services such as network engineering and management.

A shift towards part-time employment

The number of persons working in the industry grew 2.9% to 95,914 in 2000 mainly as a result of increased part time employment. For the second consecutive year, part time employment grew at a faster rate than full-time employment. Part-time workers represented 13.8% of the sector's workforce in 2000 compared to 13.4% in 1999 and 12.8% in 1998. The gradual shift towards part-time employment translates into a full-time equivalent workforce level that was 1.6% lower in 2000 than in 1998.

The financial performance of telecommunications operators varied by province

In 2000, operating revenues increased at a rate above the 6.4% national average in Newfoundland, Ontario and Alberta and below the national average in the other Provinces.

The most significant improvements in profitability, as measured by the operating profit margin, were in Manitoba (from 16.7 to 23.7), Quebec (from 10.5 to 13.1) and New Brunswick (from 21.0 to 25.3). Profit margins were lower in Quebec, Ontario and Saskatchewan than in other Provinces. The lower market concentration observed for most telecommunications services in Quebec and Ontario² is likely resulting in a downward pressure on the operator's profit margins.

Nationally, labour costs fell by 3.4% and the largest declines were experienced in Quebec (-15.6%) and Alberta (-8.6%).

Telecommunication employment increased by 2.9% nationally but the level of employment varied considerably by province. Quebec and Ontario experienced increases of 3.7% and 9.6%, while employment in Saskatchewan, Alberta and British

² See Ertl and McCarrell, *The State of Telecommunications Services, Connectedness Series, Volume no. 8, October 2002*.

Columbia declined by 3.6%, 7.5% and 1.0%, respectively.

Recent trends

Many of the trends observed from 1998 to 2000 have persisted in 2001 and 2002, but significant changes have occurred in the recent past.

The number of access paths (in voice grade equivalents) to the PSTN surpassed 31 million in 2001. Mobile connections continued to account for the expansion of the PSTN. The number of fixed accesses remained stable in 2001 and is declining in 2002. This decline, after many years of expansion, largely results from technology substitution. The increased penetration of high speed Internet has reduced the need for customers to take additional lines, and there is an apparent substitution of fixed access by wireless access.

Investments by the telecommunications sector continued to be strong in 2001 at \$7.7 billion, an increase of 4.8% over the previous year. However, this marked a slowdown in the rate of growth of these expenditures. In the first six months of 2002, capital expenditures dropped 30.8% compared to the same period in 2001. This decline supports the proposition that the industry has sufficient network capacity to meet the current and anticipated level of demand for services and reflects the efforts by most telecommunications services providers to improve their financial position.

After spending many years building networks, broadening their customer base and incurring operating losses, the wireless segment of the telecommunications sector has significantly improved its financial performance. The segment realised a 0.9% operating profit in 2001 and its profit margin jumped to 14.6% in the first half of 2002. The improved financial performance of the wireless segment is largely the result of continued strong growth in subscriptions and revenues.

The wireline segment remained profitable but is returning lower profit margins. The segment realised an 18.0% profit in 2001 and a 15.9%

profit for the first half of 2002. The effects of competition on pricing and technology substitution are having an impact on the segment revenues which in turn affect profitability.

Statistics Canada publishes updated information on this sector on a quarterly basis in the Daily (www.statcan.ca). Detailed results are presented in publication 56-002 XIE – Quarterly Telecommunications Statistics.

History of the Survey

The Telecommunications Industry (NAICS 5133) is playing a critical role in the social and economic development of Canada. Clearly, its influence is expanding as Canadians increase their use of new products and services employing telecommunications applications, such as electronic media, e-commerce and mobile communications.

Significant technological innovations and deregulation in recent years led to the introduction of many new services and service providers necessitating changes to the 'Telephone survey', designed in 1971. The Annual Survey of Telecommunications Service Providers was introduced in 1997 in response to these changes. The new survey focuses on providing meaningful measures of the telecommunications industry's financial performance as well as aspects of the industry's network infrastructure. In addition, statistical changes such as the introduction of the North American Industry Classification System (NAICS) and the need to harmonise the redesigned annual survey with a new quarterly survey has had an impact on the nature of the data collected.

About the data

The data supplied by industry respondents relates to their financial and operating systems and are of good accounting quality. In instances where respondents were unable to provide the requested data, tax records were consulted to complete missing data. Where this was not possible, data was imputed based upon: data provided by the respondent relating to the

missing data, their previous reports, reports from respondents that had similar operating profiles to those firms with missing data, or a combination of the above. Imputation was required for some smaller sized respondents whose operations had a limited impact on aggregated results, or for larger firms to provide missing secondary detail (subsets of higher level data). Data sets that consisted of a high level of imputed data points have not been published.

Annual data published for 1996 or earlier is not always comparable to data collected for the 1997 and subsequent reporting periods due to changes in the survey introduced in 1997. Infrastructure relating to access lines and wireless subscribers is comparable across survey periods.

A complete description of the survey's underlying concepts and methodology is available on Statistics Canada's web site (www.statcan.ca) under Statistical methods/Surveys/Annual Survey of Telecommunications.

For more information

In addition to the information provided in this publication, special tables and analytical services are available on a cost recovery basis from the Telecommunications Section; Science, Innovation and Electronic Information Division. For further information, contact Advisory Services Division at 1 800 263-1136; Facsimile 1 877 287-4369; infostats@statcan.ca.

Feedback

Any suggestions or comments on this survey and publication should be sent to Cimeron McDonald (613-951-2741 or cimeron.mcdonald@statcan.ca) or Michael Lynch (613-951-2201 or michael.lynch@statcan.ca), Telecommunications Section, Science, Innovation and Electronic Information Division, Statistics Canada, Ottawa, Ontario; K1A 0T6.

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TABLE 1. Key Operating Indicators, by NAICS Telecommunications Industries, 2000

	51331	51332	51333	51334/9	5133
Income Statement (\$ 000)					
Operating revenue	23,990,815	5,579,275	843,249	457,394	30,870,733
Operating expenses	19,398,293	5,590,813	977,545	426,353	26,393,004
Operating profit	4,592,522	(11,538)	(134,296)	31,041	4,477,729
Operating profit margin (%)	19.1	(0.2)	(15.9)	6.8	14.5
Non-Operating Revenues and Expenses					
Investment income	656,107	12,747	18,654	1,908	689,416
Gains (losses) from asset sales, for exchange, etc.	(50,483)	(33,728)	(1,859)	(640)	(86,710)
Interest expense	(1,766,917)	(675,456)	(39,389)	(14,453)	(2,496,215)
Write-offs and valuation adjustments	(122,252)	(22)	(8,363)	(50,476)	(181,113)
Other non-operating revenues and expenses	349,339	(74,577)	(15,266)	(19,580)	239,916
Other non-operating revenues and expenses - Total	(934,206)	(771,036)	(46,223)	(83,241)	(1,834,706)
Income tax	(1,681,679)	(25,986)	(6,127)	15,083	(1,698,709)
Net income (losses)	1,976,637	(808,560)	(186,646)	(37,117)	944,314
Balance Sheet (\$ thousands)					
Assets	57,424,326	7,879,432	1,163,847	1,439,224	67,906,829
Liabilities	34,737,706	9,946,713	834,809	1,060,944	46,580,172
Equity	22,686,620	(2,067,281)	329,038	378,280	21,326,657
Employment (persons)					
Full-time	66,181	11,648	3,626	1,195	82,650
Part-time	9,840	3,094	293	37	13,264
Total	76,021	14,742	3,919	1,232	95,914
Total full-time equivalent employees	70,851	13,528	3,754	1,209	89,229
Labour Expenses (\$ thousands):					
Full-time	4,450,042	655,880	174,385	83,954	5,364,261
Part-time	313,989	105,875	6,176	991	427,031
Total	4,764,031	761,755	180,561	84,945	5,791,292
Average full-time remuneration (salaries, wages and benefits) (\$)	67,240	56,308	48,093	70,254	64,903
Average part-time remuneration	31,909	34,219	21,078	26,784	32,195
Revenue per employee (full-time equivalent) (\$)	338,609	412,424	224,627	378,324	345,972
Capital Expenditures (\$ thousands)					
Construction	1,308,028	641,217	x	x	2,217,274
Machinery and equipment	3,681,873	1,364,445	x	x	5,147,724
Total	4,989,901	2,005,662	101,447	267,988	7,364,998
Wireline Network					
PSTN access lines	19,526,878	...	...	...	19,526,878
PSTN access lines (voice-grade equivalents)	20,347,014	...	...	...	20,347,014
PSTN access lines per 100 persons (voice grade)					66.1
Mobile Telephony Subscribers					
Digital	...	4,444,031	...	...	4,444,031
Analogue	...	4,282,605	...	...	4,282,605
Total	...	8,726,636	...	...	8,726,636
Mobile telephony subscribers per 100 persons					28.3
Access paths to the PSTN					28,253,514
Access paths to the PSTN (voice-grade equivalents)					29,073,650
Access paths to the PSTN per 100 persons (voice grade)					94.4

... Figures not available

... Figures not appropriate or not applicable

x Suppressed to meet the confidentiality requirements of the *Statistics Act*

5133 - Telecommunication Industry

51331 - Wired (or Wireline) Telecommunications Industry

51332 - Wireless Telecommunication Industry

51333 - Reseller Telecommunication Industry

51334/9 - Satellite and Other Telecommunications Industry

TABLE 2. Key Operating Indicators, Telecommunications (NAICS 5133), 2000-1998

	2000	1999	1998	2000/1999	1999/1998
Income Statement (\$ 000)					
Operating revenue	30,870,733	29,012,720	28,491,465	6.4	1.8
Operating expenses	26,393,004	25,084,592	24,664,503	5.2	1.7
Operating profit	4,477,729	3,928,128	3,826,962	14.0	2.6
Operating profit margin (%)	14.5	13.5	13.4	7.4	0.7
Non-Operating Revenues and Expenses					
Investment income	689,416	523,474	259,252	31.7	101.9
Gains (losses) from asset sales, for exchange, etc.	(86,710)	82,419	58,338	(205.2)	41.3
Interest expense	(2,496,215)	(2,052,921)	(1,926,013)	21.6	6.6
Write-offs and valuation adjustments	(181,113)	(360,855)	..	(49.8)	..
Other non-operating revenues and expenses	239,916	(72,517)	..	(430.8)	..
Other non-operating revenues and expenses - Total	(1,834,706)	(1,880,400)	(1,608,423)	(2.4)	16.9
Income tax	(1,698,709)	(1,219,951)	(1,564,325)	39.2	(22.0)
Net income (losses)	944,314	827,777	(327,336)	14.1	(352.9)
Balance Sheet (\$ thousands)					
Assets	67,906,829	50,856,010	46,988,241	33.5	8.2
Liabilities	46,580,172	36,934,262	33,238,550	26.1	11.1
Equity	21,326,657	13,921,748	13,749,691	53.2	1.3
Employment (persons)					
Full-time	82,650	80,682	83,242	2.4	(3.1)
Part-time	13,264	12,537	12,185	5.8	2.9
Total	95,914	93,219	95,427	2.9	(2.3)
Total full-time equivalent employees	89,229	87,735	90,675	1.7	(3.2)
Labour Expenses (\$ thousands):					
Full-time	5,364,261	5,513,784	5,057,249	(2.7)	9.0
Part-time	427,031	481,985	451,562	(11.4)	6.7
Total	5,791,292	5,995,769	5,508,811	(3.4)	8.8
Average full-time remuneration (salaries, wages and benefits) (\$)	64,903	68,340	60,754	(5.0)	12.5
Average part-time remuneration	32,195	38,445	37,059	(16.3)	3.7
Revenue per employee (full-time equivalent) (\$)	345,972	330,686	314,215	4.6	5.2
Capital Expenditures (\$ thousands)					
Construction	2,217,274	1,565,133	2,180,550	41.7	(28.2)
Machinery and equipment	5,147,724	4,417,175	4,267,535	16.5	3.5
Total	7,364,998	5,982,308	6,448,085	23.1	(7.2)
Wireline Network					
PSTN access lines	19,526,878	19,187,283	18,771,356	1.8	2.2
PSTN access lines (voice-grade equivalents)	20,347,014	19,806,248	19,293,717	2.7	2.7
PSTN access lines per 100 persons (voice grade)	66.1	64.9	63.8	1.8	1.7
Mobile Telephony Subscribers					
Digital	4,444,031	2,592,725	1,407,031	71.4	84.3
Analogue	4,282,605	4,318,313	3,938,995	(0.8)	9.6
Total	8,726,636	6,911,038	5,346,026	26.3	29.3
Mobile telephony subscribers per 100 persons	28.3	22.7	17.7	24.7	28.2
Access paths to the PSTN	28,253,514	26,098,321	24,117,382	8.3	8.2
Access paths to the PSTN (voice-grade equivalents)	29,073,650	26,717,286	24,639,743	8.8	8.4
Access paths to the PSTN per 100 persons (voice grade)	91.8	85.5	79.7	7.4	7.3

.. Figures not available

TABLE 3. Key Operating Indicators, Wireline Telecommunications (NAICS 51331), 2000-1998

	2000	1999	1998	2000/1999	1999/1998
Income Statement (\$ 000)					
Operating revenue	23,990,815	22,823,457	23,059,411	5.1	(1.0)
Operating expenses	19,398,293	18,630,395	19,035,725	4.1	(2.1)
Operating profit	4,592,522	4,193,062	4,023,686	9.5	4.2
Operating profit margin (%)	19.1	18.4	17.4	3.8	5.7
Non-Operating Revenues and Expenses					
Investment income	656,107	499,322	237,544	31.4	110.2
Gains (losses) from asset sales, for exchange, etc.	(50,483)	77,052	74,025	(165.5)	4.1
Interest expense	(1,766,917)	(1,430,307)	(1,441,045)	23.5	(0.7)
Write-offs and valuation adjustments	(122,252)	(309,547)	..	(60.5)	..
Other non-operating revenues and expenses	349,339	26,552	..	1,215.7	..
Other non-operating revenues and expenses - Total	(934,206)	(1,136,928)	(1,129,476)	(17.8)	0.7
Income tax	(1,681,679)	(1,252,401)	(1,412,623)	34.3	(11.3)
Net income (losses)	1,976,637	1,803,733	492,961	9.6	265.9
Balance Sheet (\$ thousands)					
Assets	57,424,326	41,289,708	38,271,597	39.1	7.9
Liabilities	34,737,706	26,952,736	23,691,702	28.9	13.8
Equity	22,686,620	14,336,972	14,579,895	58.2	(1.7)
Employment (persons)					
Full-time	66,181	65,030	69,729	1.8	(6.7)
Part-time	9,840	9,116	9,846	7.9	(7.4)
Total	76,021	74,146	79,575	2.5	(6.8)
Total full-time equivalent employees	70,851	70,657	75,580	0.3	(6.5)
Labour Expenses (\$ thousands):					
Full-time	4,450,042	4,603,733	4,330,823	(3.3)	6.3
Part-time	313,989	398,364	363,424	(21.2)	9.6
Total	4,764,031	5,002,097	4,694,247	(4.8)	6.6
Average full-time remuneration (salaries, wages and benefits) (\$)	67,240	70,794	62,109	(5.0)	14.0
Average part-time remuneration	31,909	43,699	36,911	(27.0)	18.4
Revenue per employee (full-time equivalent) (\$)	338,609	323,018	305,099	4.8	5.9
Capital Expenditures (\$ thousands)					
Construction	1,308,028	1,170,679	1,186,267	11.7	(1.3)
Machinery and equipment	3,681,873	3,087,993	3,442,789	19.2	(10.3)
Total	4,989,901	4,258,672	4,629,056	17.2	(8.0)
Wireline Network					
PSTN access lines	19,526,878	19,187,283	18,771,356	1.8	2.2
PSTN access lines (voice-grade equivalents)	20,347,014	19,806,248	19,293,717	2.7	2.7
PSTN access lines per 100 persons (voice grade)	66.1	64.9	63.8	1.8	1.7

.. Figures not available

TABLE 4. Key Operating Indicators, Wireless Telecommunications (NAICS 51332), 2000-1998

	2000	1999	1998	2000/1999	1999/1998
Income Statement (\$ 000)					
Operating revenue	5,579,275	4,700,430	4,376,878	18.7	7.4
Operating expenses	5,590,813	4,792,720	4,552,559	16.7	5.3
Operating profit	(11,538)	(92,290)	(175,681)	(87.5)	(47.5)
Operating profit margin (%)	(0.2)	(2.0)	(4.0)	(90.0)	(50.0)
Non-Operating Revenues and Expenses					
Investment income	12,747	17,546	14,119	(27.4)	24.3
Gains (losses) from asset sales, for exchange, etc.	(33,728)	2,880	(12,128)	(1,271.1)	(123.7)
Interest expense	(675,456)	(582,588)	(456,771)	15.9	27.5
Write-offs and valuation adjustments	(22)	(45,834)	..	(100.0)	..
Other non-operating revenues and expenses	(74,577)	(78,536)	..	(5.0)	..
Other non-operating revenues and expenses - Total	(771,036)	(686,532)	(454,780)	12.3	51.0
Income tax	(25,986)	(10,901)	(114,851)	138.4	(90.5)
Net income (losses)	(808,560)	(789,723)	(743,032)	2.4	6.3
Balance Sheet (\$ thousands)					
Assets	7,879,432	7,184,639	6,971,061	9.7	3.1
Liabilities	9,946,713	8,186,787	8,123,625	21.5	0.8
Equity	(2,067,281)	(1,002,148)	(1,152,564)	106.3	(13.1)
Employment (persons)					
Full-time	11,648	11,103	10,578	4.9	5.0
Part-time	3,094	2,962	2,201	4.5	34.6
Total	14,742	14,065	12,779	4.8	10.1
Total full-time equivalent employees	13,528	12,308	12,151	9.9	1.3
Labour Expenses (\$ thousands):					
Full-time	655,880	696,292	573,914	(5.8)	21.3
Part-time	105,875	75,573	85,370	40.1	(11.5)
Total	761,755	771,865	659,284	(1.3)	17.1
Average full-time remuneration (salaries, wages and benefits) (\$)	56,308	62,712	54,255	(10.2)	15.6
Average part-time remuneration	34,219	25,514	38,787	34.1	(34.2)
Revenue per employee (full-time equivalent) (\$)	412,424	381,900	360,207	8.0	6.0
Capital Expenditures (\$ thousands)					
Construction	641,217	214,484	678,207	199.0	(68.4)
Machinery and equipment	1,364,445	1,159,571	784,411	17.7	47.8
Total	2,005,662	1,374,055	1,462,618	46.0	(6.1)
Mobile Telephony Subscribers					
Digital	4,444,031	2,592,005	1,406,403	71.5	84.3
Analogue	4,282,605	4,318,313	3,938,995	(0.8)	9.6
Total	8,726,636	6,910,318	5,345,398	26.3	29.3
Mobile telephony subscribers per 100 persons	28.3	22.6	17.7	24.7	28.2

.. not available for a specific reference period

TABLE 5. Key Operating Indicators, Reseller Telecommunications (NAICS 51333), 2000-1998

	2000	1999	1998	2000/1999	1999/1998
Income Statement (\$ 000)					
Operating revenue	843,249	963,502	636,585	(12.5)	51.4
Operating expenses	977,545	1,188,493	681,820	(17.7)	74.3
Operating profit	(134,296)	(224,991)	(45,235)	(40.3)	397.4
Operating profit margin (%)	(15.9)	(23.4)	(7.1)	(32.1)	229.6
Non-Operating Revenues and Expenses					
Investment income	18,654	3,909	473	377.2	726.4
Gains (losses) from asset sales, for exchange, etc.	(1,859)	384	(12,725)	(584.1)	(103.0)
Interest expense	(39,389)	(21,200)	(11,518)	85.8	84.1
Write-offs and valuation adjustments	(8,363)	(306)	..	2,633.0	..
Other non-operating revenues and expenses	(15,266)	(17,561)	..	(13.1)	..
Other non-operating revenues and expenses - Total	(46,223)	(34,774)	(23,770)	32.9	46.3
Income tax	(6,127)	80,499	(4,281)	(107.6)	(1,980.4)
Net income (losses)	(186,646)	(179,266)	(72,361)	4.1	147.7
Balance Sheet (\$ thousands)					
Assets	1,163,847	865,018	352,293	34.5	145.5
Liabilities	834,809	813,814	425,156	2.6	91.4
Equity	329,038	51,204	(72,863)	542.6	(170.3)
Employment (persons)					
Full-time	3,626	3,146	1,825	15.3	72.4
Part-time	293	439	111	(33.3)	295.5
Total	3,919	3,585	1,936	9.3	85.2
Total full-time equivalent employees	3,754	3,336	1,871	12.5	78.3
Labour Expenses (\$ thousands):					
Full-time	174,385	117,822	73,066	48.0	61.3
Part-time	6,176	7,116	1,843	(13.2)	286.1
Total	180,561	124,938	74,909	44.5	66.8
Average full-time remuneration (salaries, wages and benefits) (\$)	48,093	37,451	40,036	28.4	(6.5)
Average part-time remuneration	21,078	16,210	16,604	30.0	(2.4)
Revenue per employee (full-time equivalent) (\$)	224,627	288,820	340,238	(22.2)	(15.1)
Capital Expenditures (\$ thousands)					
Construction	x	x	x	x	x
Machinery and equipment	x	x	x	x	x
Total	101,447	140,196	26,846	(27.6)	422.2

.. Figures not available

x Suppressed to meet the confidentiality requirements of the *Statistics Act*

TABLE 6. Key Operating Indicators, Satellite and Other Telecommunications (NAICS 51334/9), 2000-1998

	2000	1999	1998	2000/1999	1999/1998
Income Statement (\$ 000)					
Operating revenue	457,394	525,331	378,983	(12.9)	38.6
Operating expenses	426,353	472,984	352,650	(9.9)	34.1
Operating profit	31,041	52,347	26,333	(40.7)	98.8
Operating profit margin (%)	6.8	10.0	6.9	(32.0)	44.9
Non-Operating Revenues and Expenses					
Investment income	1,908	2,697	6,527	(29.3)	(58.7)
Gains (losses) from asset sales, for exchange, etc.	(640)	2,103	7,381	(130.4)	(71.5)
Interest expense	(14,453)	(18,826)	(16,413)	(23.2)	14.7
Write-offs and valuation adjustments	(50,476)	(5,168)	..	876.7	..
Other non-operating revenues and expenses	(19,580)	(2,972)	..	558.8	..
Other non-operating revenues and expenses - Total	(83,241)	(22,166)	(2,505)	275.5	784.9
Income tax	15,083	(37,148)	(32,372)	(140.6)	14.8
Net income (losses)	(37,117)	(6,967)	(4,983)	432.8	39.8
Balance Sheet (\$ thousands)					
Assets	1,439,224	1,516,645	1,351,328	(5.1)	12.2
Liabilities	1,060,944	980,925	984,086	8.2	(0.3)
Equity	378,280	535,720	367,242	(29.4)	45.9
Employment (persons)					
Full-time	1,195	1,403	845	(14.8)	66.0
Part-time	37	20	27	85.0	(25.9)
Total	1,232	1,423	872	(13.4)	63.2
Total full-time equivalent employees	1,209	1,417	856	(14.7)	65.5
Labour Expenses (\$ thousands):					
Full-time	83,954	95,937	68,256	(12.5)	40.6
Part-time	991	932	925	6.3	0.8
Total	84,945	96,869	69,181	(12.3)	40.0
Average full-time remuneration (salaries, wages and benefits) (\$)	70,254	68,380	80,776	2.7	(15.3)
Average part-time remuneration	26,784	46,600	34,259	(42.5)	36.0
Revenue per employee (full-time equivalent) (\$)	378,324	370,735	442,737	2.0	(16.3)
Capital Expenditures (\$ thousands)					
Construction	x	x	x	x	x
Machinery and equipment	x	x	x	x	x
Total	267,988	209,385	327,132	28.0	(36.0)

.. Figures not available

x Suppressed to meet the confidentiality requirements of the *Statistics Act*

TABLE 7. Profit and Loss Statement, by Province, Telecommunications (NAICS 5133), 2000

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
<i>(thousands of dollars)</i>						
Operating Revenues						
Local telephony	x	x	270,357	216,274	2,167,971	4,150,651
Long distance telephony	x	x	x	126,991	1,174,669	2,949,603
Data and high speed services	x	x	x	x	502,198	982,209
Other telecommunications services n.e.c.	x	x	201,948	x	2,475,379	3,547,771
Telecommunications operating revenues	434,314	x	693,386	x	6,320,217	11,630,234
Other operating revenues	68,597	x	98,603	x	700,279	1,493,603
Total - Operating Revenues	502,911	x	791,989	629,319	7,020,496	13,123,837
Operating Expenses						
Telecommunications operating expenses	x	x	541,014	x	5,675,081	10,542,417
Other operating expenses	x	x	57,963	x	428,206	1,185,489
Total - Operating Expenses	388,961	x	598,977	470,139	6,103,287	11,727,906
Operating Profit	113,950	x	193,012	159,180	917,209	1,395,931
(%)	22.7	x	24.4	25.3	13.1	10.6

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Nunavut Northwest Territories	Canada
<i>(thousands of dollars)</i>						
Operating Revenues						
Local telephony	395,092	303,495	1,376,438	1,373,532	x	10,461,964
Long distance telephony	x	175,536	708,351	894,810	x	6,560,307
Data and high speed services	x	x	x	132,318	x	1,857,723
Other telecommunications services n.e.c.	207,159	x	x	1,101,469	x	8,643,067
Telecommunications operating revenues	780,967	x	2,700,446	3,502,129	x	27,523,061
Other operating revenues	82,695	x	231,737	461,209	x	3,347,672
Total - Operating Revenues	863,662	804,964	2,932,183	3,963,338	x	30,870,733
Operating Expenses						
Telecommunications operating expenses	646,664	x	2,218,507	3,204,644	x	24,425,656
Other operating expenses	12,491	x	52,625	94,667	x	1,967,348
Total - Operating Expenses	659,155	699,506	2,271,132	3,299,311	x	26,393,004
Operating Profit	204,507	105,458	661,051	664,027	x	4,477,729
(%)	23.7	13.1	22.5	16.8	x	14.5

x Suppressed to meet the confidentiality requirements of the *Statistics Act*

TABLE 8. Profit and Loss Statement, by Province, by Industry, 2000

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
<i>(thousands of dollars)</i>						
Total Operating Revenues						
Wireline (51331)	x	83,652	653,186	525,438	5,664,754	10,146,992
Wireless (51332)	x	x	x	x	1,173,318	2,214,270
Other (51333, 51334, 51339)	x	-	x	x	182,424	762,575
Total 5133	502,911	x	791,989	629,319	7,020,496	13,123,837
Total Operating Expenses						
Wireline (51331)	274,247	58,128	501,494	x	4,805,416	8,166,533
Wireless (51332)	x	x	88,202	68,674	1,127,983	2,689,622
Other (51333/4/9)	x	-	9,281	x	169,888	871,751
Total 5133	388,961	x	598,977	470,139	6,103,287	11,727,906
Operating Profit						
Wireline (51331)	x	25,524	151,692	x	859,338	1,980,459
Wireless (51332)	x	x	x	x	45,335	(475,352)
Other (51333/4/9)	x	-	x	x	12,536	(109,176)
Total 5133	113,950	x	193,012	159,180	917,209	1,395,931
Operating Profit (%)						
Wireline (51331)	x	30.5	23.2	x	15.2	19.5
Wireless (51332)	x	x	x	x	3.9	(21.5)
Other (51333/4/9)	x	-	x	x	6.9	(14.3)
Total 5133	22.7	x	24.4	25.3	13.1	10.6
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Nunavut Northwest Territories	Canada
<i>(thousands of dollars)</i>						
Total Operating Revenues						
Wireline (51331)	x	x	2,078,586	3,013,248	x	23,990,815
Wireless (51332)	x	x	801,056	769,931	x	5,579,275
Other (51333/4/9)	x	x	52,541	180,159	x	1,300,643
Total 5133	863,662	804,964	2,932,183	3,963,338	x	30,870,733
Total Operating Expenses						
Wireline (51331)	x	x	1,636,789	2,338,722	x	19,398,293
Wireless (51332)	103,867	x	576,583	763,887	x	5,590,813
Other (51333/4/9)	x	x	57,760	196,702	x	1,403,898
Total 5133	659,155	699,506	2,271,132	3,299,311	x	26,393,004
Operating Profit						
Wireline (51331)	x	x	441,797	674,526	x	4,592,522
Wireless (51332)	x	x	224,473	6,044	x	(11,538)
Other (51333/4/9)	x	x	(5,219)	(16,543)	x	(103,255)
Total 5133	204,507	105,458	661,051	664,027	x	4,477,729
Operating Profit (%)						
Wireline (51331)	x	x	21.3	22.4	x	19.1
Wireless (51332)	x	x	28.0	0.8	x	(0.2)
Other (51333/4/9)	x	x	(9.9)	(9.2)	x	(7.9)
Total 5133	23.7	13.1	22.5	16.8	x	14.5

- nil or zero

x Suppressed to meet the confidentiality requirements of the *Statistics Act*

TABLE 9. Profit and Loss Statement, by Province, Telecommunications (NAICS 5133), 2000-1999

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
<i>(thousands of dollars)</i>						
Total Operating Revenues						
2000	502,911	x	791,989	629,319	7,020,496	13,123,837
% of Total	1.6	x	2.6	2.0	22.7	42.5
1999	438,865	x	773,484	601,610	7,165,787	11,638,490
% of Total	1.5	x	2.7	2.1	24.7	40.1
% Change	14.6	x	2.4	4.6	(2.0)	12.8
Total Operating Expenses						
2000	388,961	x	598,977	470,139	6,103,287	11,727,906
% of Total	1.5	x	2.3	1.8	23.1	44.4
1999	338,457	x	599,310	475,493	6,414,937	10,388,309
% of Total	1.3	x	2.4	1.9	25.6	41.4
% Change	14.9	x	(0.1)	(1.1)	(4.9)	12.9
Operating Profit						
2000	113,950	x	193,012	159,180	917,209	1,395,931
% of Total	2.5	x	4.3	3.6	20.5	31.2
1999	100,408	x	174,174	126,117	750,850	1,250,181
% of Total	2.6	x	4.4	3.2	19.1	31.8
% Change	13.5	x	10.8	26.2	22.2	11.7
Operating Profit (%)						
2000	22.7	x	24.4	25.3	13.1	10.6
% of Total	156.6	x	168.3	174.5	90.3	73.1
1999	22.9	x	22.5	21.0	10.5	10.7
% of Total	169.6	x	166.7	155.6	77.8	79.3
% Change	(0.9)	x	8.4	20.5	24.8	(0.9)

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Nunavut Northwest Territories	Canada
<i>(thousands of dollars)</i>						
Total Operating Revenues						
2000	863,662	804,964	2,932,183	3,963,338	x	30,870,733
% of Total	2.8	2.6	9.5	12.8	x	100.0
1999	814,492	777,108	2,727,352	3,858,137	x	29,012,720
% of Total	2.8	2.7	9.4	13.3	x	100.0
% Change	6.0	3.6	7.5	2.7	x	6.4
Total Operating Expenses						
2000	659,155	699,506	2,271,132	3,299,311	x	26,393,004
% of Total	2.5	2.7	8.6	12.5	x	100.0
1999	678,177	x	2,199,664	3,125,212	x	25,084,592
% of Total	2.7	x	8.8	12.5	x	100.0
% Change	(2.8)	x	3.2	5.6	x	5.2
Operating Profit						
2000	204,507	105,458	661,051	664,027	x	4,477,729
% of Total	4.6	2.4	14.8	14.8	x	100.0
1999	136,315	x	527,688	732,925	x	3,928,128
% of Total	3.5	x	13.4	18.7	x	100.0
% Change	50.0	x	25.3	(9.4)	x	14.0
Operating Profit (%)						
2000	23.7	13.1	22.5	16.8	x	14.5
% of Total	163.4	90.3	155.2	115.9	x	100.0
1999	16.7	x	19.3	19.0	x	13.5
% of Total	123.7	x	143.0	140.7	x	100.0
% Change	41.9	x	16.6	(11.6)	x	7.4

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TABLE 10. Capital Expenditure and Labour, by Province, Telecommunications (NAICS 5133), 2000-1999

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
(thousands)						
Capital Expenditures						
2000	88,788	x	220,091	92,620	1,842,457	3,275,852
% of Total	1.2	x	3.0	1.3	25.0	44.5
1999	80,736	x	89,472	131,621	1,416,215	2,568,308
% of Total	1.3	x	1.5	2.2	23.7	42.9
% Change	10.0	x	146.0	(29.6)	30.1	27.5
Total Employment						
2000	1,734	x	2,784	2,288	21,442	38,937
% of Total	1.8	x	2.9	2.4	22.4	40.6
1999	x	x	x	x	20,677	35,520
% of Total	x	x	x	x	22.2	38.1
% Change	x	x	x	x	3.7	9.6
Total Labour Costs						
2000	x	17,501	144,037	118,342	1,235,209	2,339,531
% of Total	x	0.3	2.5	2.0	21.3	40.4
1999	x	x	131,253	108,906	1,464,316	2,274,404
% of Total	x	x	2.2	1.8	24.4	37.9
% Change	x	x	9.7	8.7	(15.6)	2.9
Labour Costs % of Operating Revenue						
2000	x	x	18.2	18.8	17.6	17.8
% of Total	x	x	96.9	100.2	93.8	95.0
1999	x	x	17.0	18.1	20.4	19.5
% of Total	x	x	82.1	87.6	98.9	94.6
% Change	x	x	7.2	3.9	(13.9)	(8.8)

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Nunavut Northwest Territories	Canada
(thousands)						
Capital Expenditures						
2000	223,049	133,859	760,806	680,562	x	7,364,998
% of Total	3.0	1.8	10.3	9.2	x	100.0
1999	188,906	167,517	461,830	824,912	x	5,982,308
% of Total	3.2	2.8	7.7	13.8	x	100.0
% Change	18.1	(20.1)	64.7	(17.5)	x	23.1
Total Employment						
2000	3,079	4,346	6,506	13,905	x	95,914
% of Total	3.2	4.5	6.8	14.5	x	100.0
1999	x	4,506	7,036	14,044	x	93,219
% of Total	x	4.8	7.5	15.1	x	100.0
% Change	x	(3.6)	(7.5)	(1.0)	x	2.9
Total Labour Costs						
2000	149,252	230,532	543,618	894,201	x	5,791,292
% of Total	2.6	4.0	9.4	15.4	x	100.0
1999	x	235,170	594,963	863,853	x	5,995,769
% of Total	x	3.9	9.9	14.4	x	100.0
% Change	x	(2.0)	(8.6)	3.5	x	(3.4)
Labour Costs % of Operating Revenue						
2000	17.3	28.6	18.5	22.6	x	18.8
% of Total	2.8	2.6	9.5	12.8	x	100.0
1999	x	30.3	21.8	22.4	x	20.7
% of Total	x	2.6	9.5	12.8	x	100.0
% Change	x	(5.4)	(15.0)	0.8	x	(9.2)

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TABLE 11. Selected Operating Indicators, by Province, Telecommunications (NAICS 5133), 2000

	Newfoundland	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Establishments	6	4	14	7	68	115
Capital Expenditures			<i>(thousands of dollars)</i>			
Construction	25,345	x	50,188	19,414	543,647	1,013,499
Machinery and equipment	63,443	x	169,903	73,206	1,298,810	2,262,353
Total - Capital expenditures	88,788	x	220,091	92,620	1,842,457	3,275,852
% of operating revenues	17.7	x	27.8	14.7	26.2	25.0
Employment			<i>(persons)</i>			
Full-time	x	x	x	x	18,095	32,410
Part-time	x	-	x	x	3,347	6,527
Total - Employment	1,734	x	2,784	2,288	21,442	38,937
Labour Costs			<i>(thousands of dollars)</i>			
Salaries and wages	x	16,405	134,736	110,912	1,103,538	2,103,191
Benefits	x	1,096	9,301	7,430	131,671	236,340
Total - Labour Costs	x	17,501	144,037	118,342	1,235,209	2,339,531
% of operating revenues	x	x	18.2	18.8	17.6	17.8
Wireless Subscribers			<i>(subscribers)</i>			
Total - Mobile telephony	79,209	x	220,485	169,058	1,602,158	3,821,640
Total - Paging	11,944	x	31,279	24,785	851,634	784,846
Total - Other	10,550	111	980	775	51,462	54,386
Switches	x	x	x	x	285	298
Cell sites (Mobile telephony)	x	x	x	x	1,502	2,616
Population	537,877	138,341	942,315	755,617	7,381,766	11,697,569
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Nunavut Northwest Territories	Canada
Establishments	13	7	27	40	7	308
Capital Expenditures			<i>(thousands of dollars)</i>			
Construction	10,347	6,430	292,543	240,893	x	2,217,274
Machinery and equipment	212,702	127,429	468,263	439,669	x	5,147,724
Total - Capital expenditures	223,049	133,859	760,806	680,562	x	7,364,998
% of operating revenues	25.8	16.6	25.9	17.2	x	23.9
Employment			<i>(persons)</i>			
Full-time	3,030	4,001	5,390	12,116	x	82,650
Part-time	49	345	1,116	1,789	x	13,264
Total - Employment	3,079	4,346	6,506	13,905	x	95,914
Labour Costs			<i>(thousands of dollars)</i>			
Salaries and wages	127,722	215,159	525,335	752,844	x	5,200,529
Benefits	21,530	15,373	18,283	141,357	x	590,763
Total - Labour Costs	149,252	230,532	543,618	894,201	x	5,791,292
% of operating revenues	17.3	28.6	18.5	22.6	x	18.8
Wireless Subscribers			<i>(subscribers)</i>			
Total - Mobile telephony	x	266,075	1,090,581	1,187,047	x	8,726,636
Total - Paging	x	6,788	105,687	246,981	x	2,093,283
Total - Other	x	x	5,076	7,079	x	140,294
Switches	x	x	421	452	x	2,717
Cell sites (Mobile telephony)	x	x	1,451	1,356	x	7,836
Population	1,146,444	1,021,963	3,009,860	4,060,133	98,949	30,790,834

- nil or zero

x Suppressed to meet the confidentiality requirements of the *Statistics Act*