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Couriers and local messengers industry

2002 (revised) and 2003 (preliminary)

In 2003, the couriers and local messengers industry included 20,512 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 2002.

The industry generated operating revenues of about \$5.7 billion in 2003, up 3% from the previous year. Operating expenses totalled nearly \$5.4 billion in 2003, up 3% from 2002. The largest increase in operating expenses were property and business taxes up 32%, followed by repair and maintenance expenses up 19%.

The industry's operating margin – the difference between revenues and expenses – was \$370 million, up 13% compared with 2002, marking the stop of two consecutive years of decline.

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.

While couriers accounted for only about 13% of the industry's establishments in 2003, they generated roughly 79% of the total operating revenues. Courier establishments had an average operating margin of about \$102,000, up 15% from 2002.

Local messengers, on the other hand, accounted for 87% of the establishments but only 21% of the industry's operating revenues. They had an average operating margin of about \$5,600, down 17% from 2002. 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.

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The largest expense item for couriers was wages, salaries and benefits (39%), followed by other purchased services (36%). The picture was very different for local delivery services. Their largest expense item was other purchased services (52%), which made up a much larger portion of total expenses than the second-largest item, wages, salaries and benefits (23%). One explanation for this would be that couriers tend to have paid employees while local messengers prefer to use independent contractors or owner-operators.

Large and medium-size courier and local messenger firms delivered nearly 489 million pieces, generating just over \$4.3 billion in delivery revenue in 2003. A breakdown by activity shows that second-day and other services earned only 38% of the revenue even though they accounted for 54% of all pieces delivered. In contrast, next-day and overnight services accounted for more than one-half of the revenue but just 33% of the total pieces delivered.

Of the total, large and medium-size courier firms moved 86% of all items and earned 88% of the revenue. These firms provided almost all of the two days or more services, gathering virtually 100% of the revenue earned. They also accounted for most of the next-day and overnight services, earning 98% of overall revenue.

For their part, large and medium-size local messenger firms moved 14% of all pieces delivered, while they earned 12% of the overall revenues. These firms specialized mainly in same-day delivery services, taking almost 98% of all revenues from these services in 2003.

In the industry as a whole, each piece generated an average of \$8.85 in delivery revenue, up slightly from \$8.43 in 2002. Next-day and overnight services generated the largest average revenue per piece among couriers (\$13.68), while second day – other services generated the smallest average revenue per piece (\$6.16).

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 77% of total delivery revenue while shipments to the United States made up about 18% of the total.

The couriers were mainly responsible for international shipments services, taking 98% of the total revenue from in or out of Canada shipments.

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 (61%), semi-trailers (17%) and other equipment (7%).

For local messengers, the mostly commonly used equipment was automobiles (49%), cube/step vans (33%) and bicycles (8%). Overall, the industry had over 23,000 vehicles and various pieces of equipment in 2003.

Differences by enterprise size

The data are also presented by enterprise 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 \$25 million in revenue; and small companies, with less than \$1 million.

In 2003, large firms made up about 1% of the total number of businesses in the industry, but earned 71% of the operating revenues. Not surprisingly, this group also had the highest average operating margin (\$835,000).

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 \$66,000.

Small firms accounted for about 98% of the industry's businesses, but only 18% of the operating revenue. This group also had the lowest average operating margin (\$5,800).

Table 1: Survey of the Couriers and Local Messengers Industry, Canada, 2003 Preliminary Revenue and Expenses by Province and Territory, All Carriers(thousands of dollars)

	N.L.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	N.W.T	Y.T.	Nvt.	Canada
Estimated number of carriers in population	257	54	451	456	5,300	8,554	1,056	589	1,891	1,879	7	13	3	20,512
Revenue														
Revenue from sales of goods and services	50,923	5,733	128,815	133,034	1,086,159	2,514,522	191,679	118,809	578,586	688,238	X	6,492	X	5,505,103
Other operating revenue	1,471	X	6,237	4,451	45,030	122,352	6,048	3,369	22,089	30,616	X	X	X	242,102
Total operating revenue	52,394	X	135,052	137,486	1,131,189	2,636,874	197,728	122,178	600,675	718,854	X	X	X	5,747,204
Non-operating revenue	X	X	28	65	1,254	2,295	99	204	639	1,207	X	X	X	5,930
Total revenue	X	X	135,080	137,551	1,132,444	2,639,169	197,827	122,382	601,313	720,061	X	X	X	5,753,134
Expenses														
Salaries, wages and benefits	19,468	1,952	51,029	43,768	388,707	880,211	59,049	41,677	194,060	226,354	X	1,624	X	1,908,973
Cost of energy and supplies	2,791	223	9,042	8,239	76,544	147,603	10,370	7,254	38,713	37,751	X	X	X	339,124
Rental and leasing expenses	1,791	201	6,146	5,221	47,394	108,873	8,172	4,035	26,401	28,559	X	138	X	237,020
Repair and maintenance expenses	2,180	285	5,305	4,459	47,802	88,884	6,031	8,177	25,067	24,208	X	318	X	212,824
Property and business taxes	217	24	951	757	7,088	16,688	937	609	4,079	3,948	X	67	X	35,367
Other purchased services	17,135	1,880	43,974	51,972	383,594	985,980	77,213	40,335	216,437	287,778	152	X	X	2,109,510
Depreciation expenses	1,300	176	3,499	3,778	27,593	59,942	4,450	3,694	15,527	14,892	X	153	X	135,075
Other operating expenses	2,496	819	7,926	7,241	70,940	194,624	16,376	6,309	42,578	49,776	X	478	X	399,754
Total operating expenses	47,378	5,560	127,872	125,435	1,049,661	2,482,805	182,596	112,090	562,862	673,265	X	6,136	X	5,377,646
Non-operating expenses	439	47	1,195	1,170	9,213	18,145	1,275	1,002	6,492	4,863	X	35	X	43,919
Total expenses	47,816	5,608	129,067	126,605	1,058,874	2,500,949	183,871	113,092	569,354	678,128	X	6,172	X	5,421,565
Net operating margin	X	X	7,180	12,051	81,528	154,069	15,131	10,088	37,812	45,589	X	X	X	369,558
Operating ratio	X	X	0.95	0.91	0.93	0.94	0.92	0.92	0.94	0.94	X	X	X	0.94

Also available on CANSIM tables 402-0001, 402-0002 and 402-0003.
Data may not sum up due to rounding.

Table 2: Survey of the Couriers and Local Messengers Industry, Canada, 2003 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	2,624	17,888	20,512	283	246	19,983	20,512
Revenue							
Revenue from sales of goods and services	4,291,171	1,213,931	5,505,103	3,873,638	621,967	1,009,497	5,505,103
Other operating revenue	234,422	7,680	242,102	228,226	3,795	10,080	242,102
Total operating revenue	4,525,593	1,221,611	5,747,204	4,101,864	625,763	1,019,577	5,747,204
Non-operating revenue	3,458	2,472	5,930	992	519	4,419	5,930
Total revenue	4,529,052	1,224,083	5,753,134	4,102,856	626,282	1,023,996	5,753,134
Expenses							
Salaries, wages and benefits	1,647,789	261,184	1,908,973	1,535,986	152,596	220,391	1,908,973
Cost of energy and supplies	262,583	76,541	339,124	215,662	36,993	86,469	339,124
Rental and leasing expenses	201,104	35,915	237,020	178,086	25,047	33,887	237,020
Repair and maintenance expenses	153,195	59,629	212,824	106,795	13,554	92,476	212,824
Property and business taxes	25,526	9,841	35,367	23,296	4,801	7,270	35,367
Other purchases services	1,522,274	587,236	2,109,510	1,410,852	328,435	370,223	2,109,510
Depreciation expenses	106,463	28,611	135,075	91,261	11,043	32,771	135,075
Other operating expenses	338,349	61,405	399,754	303,741	37,009	59,004	399,754
Total operating expenses	4,257,283	1,120,364	5,377,646	3,865,678	609,478	902,491	5,377,646
Non-operating expenses	34,978	8,941	43,919	27,399	6,529	9,991	43,919
Total expenses	4,292,260	1,129,305	5,421,565	3,893,077	616,007	912,482	5,421,565
Net operating margin	268,310	101,247	369,558	236,187	16,285	117,086	369,558
Operating ratio	0.94	0.92	0.94	0.94	0.97	0.89	0.94

Also available on CANSIM tables 402-0001, 402-0002 and 402-0003.
Data may not sum up due to rounding.

Table 3: Survey of the Couriers and Local Messengers Industry, Canada, 2003 Preliminary Revenue, number of pieces and average revenue per piece by type of services, Carriers over \$1 million

	Activity				Total	
	Courier		Local Messengers		All Carriers	
	Value	%	Value	%	Value	%
Delivery revenue (\$ '000)						
Same-day services	9,076	0%	470,416	91%	479,491	11%
Next-day / overnight services	2,158,765	57%	46,637	9%	2,205,402	51%
Second-day / other services	1,637,118	43%	1,625	0%	1,638,743	38%
All delivery services	3,804,958	100%	518,678	100%	4,323,636	100%
Number of pieces (' 000)						
Same-day services	990	0%	60,158	91%	61,147	13%
Next-day / overnight services	155,575	37%	5,600	8%	161,175	33%
Second-day / other services	265,918	63%	282	0%	266,200	54%
All delivery services	422,483	100%	66,039	100%	488,522	100%
Average revenue per piece (\$)						
Same-day services	9.17	n.a.	7.82	n.a.	7.84	n.a.
Next-day / overnight services	13.88	n.a.	8.33	n.a.	13.68	n.a.
Second-day / other services	6.16	n.a.	5.76	n.a.	6.16	n.a.
All delivery services	9.01	n.a.	7.85	n.a.	8.85	n.a.

Data may not sum up due to rounding.

Table 4: Survey of the Couriers and Local Messengers Industry, Canada, 2003 Preliminary Origin and Destination of Shipments, Carriers over \$1 million

	Couriers		Local Messengers		Total	
	\$ '000	%	\$ '000	%	\$ '000	%
Origin of shipments						
Maritimes	164,415	4%	24,160	5%	188,575	4%
Quebec	738,594	19%	78,869	15%	817,463	19%
Ontario	1,781,409	47%	223,192	43%	2,004,601	46%
Prairies	496,484	13%	123,077	24%	619,561	14%
British Columbia	432,124	11%	61,787	12%	493,911	11%
Territories	5,487	0%	X	X	X	X
Origin outside Canada	186,446	5%	X	X	X	X
Total Delivery Revenue	3,804,958	100%	518,678	100%	4,323,637	100%
Destination of shipments						
Canada	2,820,218	74%	508,172	98%	3,328,391	77%
United States	770,367	20%	5,966	1%	776,333	18%
All other countries	214,374	6%	4,539	1%	218,913	5%
Total Delivery Revenue	3,804,958	100%	518,678	100%	4,323,637	100%

Data may not sum up due to rounding.

Table 5: Survey of the Couriers and Local Messengers Industry, Canada, 2003 Preliminary Fleet and Equipment in service, Carriers over \$1 million

	Couriers	Local Messengers	Total
Bicycles	0	625	625
Automobiles	929	3,892	4,821
Cube / Step Vans	9,259	2,638	11,897
Road Tractors	868	160	1,028
Trailers	2,535	161	2,696
5 - Ton Trucks	380	420	800
Warehouse equipment	241	54	295
Other equipment	1,017	52	1,069
Total number of vehicles and equipment	15,229	8,002	23,231

Note: In 2002, minor changes were made in the coverage of the sample frame (BR), 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

confidential to meet secrecy requirements of the *Statistics Act*

^E use with caution

F too unreliable to be published

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