



The Daily

Statistics Canada

Monday, March 17, 1997

For release at 8:30 a.m.

MAJOR RELEASES

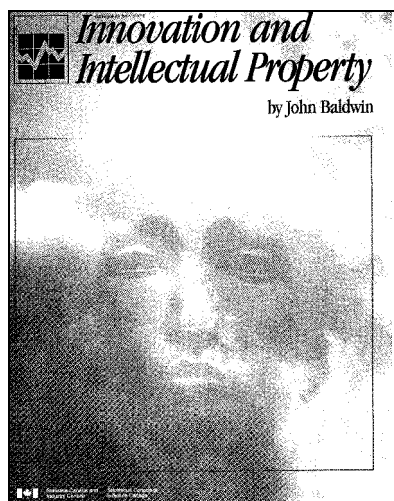
- **Travel between Canada and other countries, January 1997**
 The year started with foreigners setting a new monthly record for overnight trips to Canada. More than one and a half million of the trips made to Canada in January included a stay of at least one night, up 1.8 % from the month before.

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 Canadian manufacturers got off to a strong start in 1997 as demand for cars and trucks in the United States drove up shipments to record levels and a spate of new contracts swelled order books.

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 Despite the importance attributed to providing intellectual property protection, a relatively small proportion (less than 25%) of firms in the Canadian manufacturing sector use any of the statutory forms of protection.

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Innovation and intellectual property

The release announced in today's *Daily* is based on data from the 1993 Survey of Innovation and Advanced Technology. Firms reported their research and development, innovation, technology and intellectual property activities over the period 1989 to 1991.

The publication *Innovation and intellectual property* (88-515-XPE, \$20) is now available. See *How to order publications*.

For further information on this release, contact John Baldwin (613-951-8588), Micro-economics Analysis Division.



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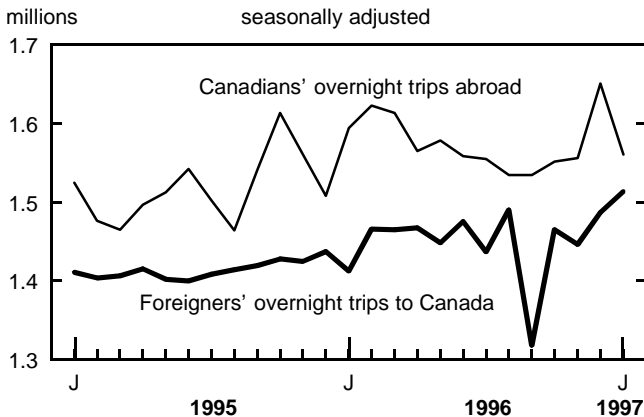
MAJOR RELEASES

Travel between Canada and other countries

January 1997

The year started with foreigners setting a new monthly record for overnight trips to Canada. More than one and a half million of the trips made to Canada in January included a stay of at least one night, up 1.8 % from the month before.

Number of overnight trips to Canada reached another new high in January



The monthly number of overnight trips to Canada by foreign residents rose steadily from mid-1992 to early 1996, when it started to fluctuate. Even so, the level was 100,000 trips higher in January 1997 than it was the previous January.

Americans made nearly three-quarters of the overnight trips to Canada in January (1.1 million), the highest total since February 1988.

Note to readers

Month-to-month comparisons use seasonally adjusted data (data adjusted for variations that repeat annually and for variability caused by the different volumes of travellers associated with different days of the week).

Year-over-year comparisons use unadjusted data (the actual traffic counts). Excursions are same-day trips.

In February 1995, Canada and the United States signed the Open Skies agreement to facilitate air travel between the two countries, already one of the largest transborder air passenger markets in the world. Although it was still not fully implemented, annual results in 1995 and 1996 indicate that the agreement was having an impact. In 1996, Americans flew to Canada more than ever before while undertaking fewer overnight trips by car.

Record number of overnight trips to Canada by overseas residents

Overnight trips to Canada by overseas residents — those from countries other than the United States — reached another new high in January. The long-term trend in overnight trips by overseas residents to Canada has been on the rise, with their number doubling since January 1988.

In 1996, residents of most overseas countries made more overnight trips to Canada than during the previous year. However, while Europeans made more trips to Canada than residents of any other continent last year, Asians registered the greatest annual increases.

The impact of this trend in travel to Canada by Asians is important for the Canadian economy. For example, on average per overnight trip in 1995, Japanese tourists outspent residents of the United Kingdom even though they only stayed half as long.

Estimated number of trips of one or more nights to Canada by residents of selected overseas countries

Origin	Jan. 1997 ^P	Jan. 1996 to Jan. 1997
	unadjusted	
	'000	% change
Europe	70	12.5
France	13	5.5
Germany	10	-13.4
United Kingdom	24	24.4
Other Europe	24	20.7
Asia	61	25.1
Hong Kong	8	37.4
Japan	25	14.3
South Korea	8	18.7
Taiwan	4	30.2
Other Asia	16	42.4
Other countries	27	22.3
Australia	8	2.2
Other countries	19	33.2

^P Preliminary figures.

Canadians' trips overseas remained at peak level, but overnight trips to the United States dropped

In January, Canadians made 321,000 trips to overseas destinations, unchanged from the record high set the previous month. Canadians' travel to overseas countries has been steadily rising since early 1991.

Mexico is the most visited country (other than the United States) by Canadians of every province during the winter months.

Meanwhile, as they have in the past, Canadians made the majority of their overnight international trips to the United States (1.2 million). However, a 6.8 % drop in overnight trips from December to January was the largest monthly decline in three years.

Canadians' overnight trips to the United States peaked in December 1991 and then declined until mid-1994. They have fluctuated ever since.

Overnight visits to Florida, the favourite state with Canadians during the winter season, particularly

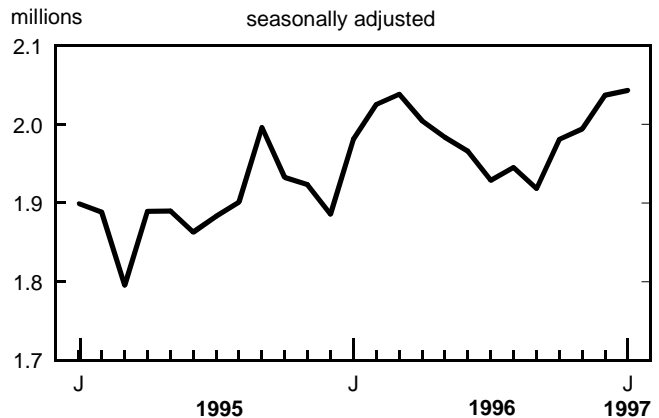
Ontarians and Quebecers, were up last year for the first time since 1993.

Americans make more same-day car trips to Canada

Americans made 2.0 million car excursions to Canada in January, a slight increase from December 1996. It was the highest level in more than 15 years. The number of same-day car trips has increased by more than 40% since the most recent low in January 1994.

The number of same-day car trips by Americans entering Canada via the Rainbow and Whirlpool bridges in Niagara Falls jumped in December 1996 and January 1997, compared with a year earlier. A new casino opened in Niagara Falls in early December.

Car excursions by Americans to Canada reached a 15-year high in January



Meanwhile, Canadians also made a greater number of same-day cross-border car trips in January than during the previous month. The number of Canadian car excursions to the United States has fluctuated since early 1994 and remained well below the peak reached in November 1991, when the Canadian dollar was worth US\$0.88.

Available on CANSIM: matrices 2661-2697, 5780-6046 and 8200-8328.

The January 1997 issue of *International travel, advance information* (66-001-PPB, \$7/\$70) will be available shortly. See *How to order publications*.

For further information on this release, contact Luc Dubois (613-951-1674; fax: 613-951-2909; Internet: duboluc@statcan.ca), International Travel Section, Culture, Tourism and the Centre for Education Statistics.

Same-day cross-border car trips

	Americans to Canada		Canadians to the United States	
	Jan. 1997 ^P	Jan. 1996 to Jan. 1997	Jan. 1997 ^P	Jan. 1996 to Jan. 1997
	unadjusted			
	'000	% change	'000	% change
Canada	1,528	5.8	2,404	-2.1
Place of entry/re-entry				
New Brunswick	99	0.6	351	-6.0
Quebec	67	-0.9	191	-3.7
Ontario	1,182	5.5	1,109	-6.6
Manitoba	14	-0.1	34	-9.0
Saskatchewan	3	-8.8	12	-15.4
Alberta	5	-3.6	9	-3.4
British Columbia	156	17.0	696	10.0
Yukon	1	16.0	1	33.9

^P Preliminary figures.

□

Travel between Canada and other countries

	Nov. 1996 ^r	Dec. 1996 ^r	Januar 1997 ^p	Dec. 1996 to Jan. 1997
	seasonally adjusted			
	'000			% change
Canadian trips abroad				
Car trips to the United States				
Same-day	2,965	2,901	2,925	0.8
One or more nights	754	821	754	-8.2
Total trips, one or more nights				
United States ¹	1,239	1,330	1,239	-6.8
Other countries	316	321	321	0.0
Travel to Canada				
Car trips from the United States				
Same-day	1,994	2,037	2,043	0.3
One or more nights	693	699	700	0.2
Total trips, one or more nights				
United States ¹	1,067	1,104	1,125	2.0
Other countries ²	379	383	388	1.3
	Jan. 1997 ^p	Jan. 1996 to Jan. 1997		
	unadjusted			
	'000			% change
Canadian trips abroad				
Car trips to the United States				
Same-day	2,404			-2.1
One or more nights	451			-10.9
Total trips, one or more nights				
United States ¹	949			-5.1
Other countries	457			7.1
Travel to Canada				
Car trips from the United States				
Same-day	1,528			5.8
One or more nights	270			9.7
Total trips, one or more nights				
United States ¹	470			9.0
Other countries ²	158			18.7

^r Revised figures.

^p Preliminary figures.

¹ Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

² Figures for other countries exclude same-day entries by land only, via the United States.

Monthly Survey of Manufacturing

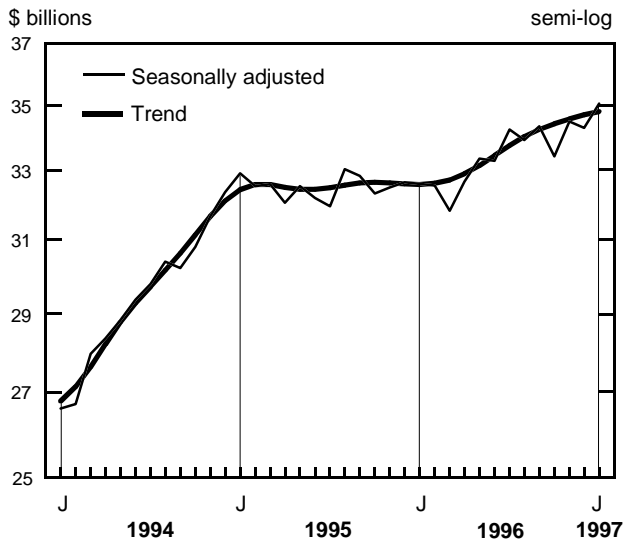
January 1997

Canadian manufacturers got off to a strong start in 1997 as demand for cars and trucks in the United States drove up shipments to record levels and a spate of new contracts swelled order books. January's increase in shipments is significant: after showing some growth in the first half of 1996, shipments were little changed in the second half of the year. Manufacturers also continued to keep a lid on inventories, recording a second consecutive decline, partly reversing increases made in the latter part of 1996.

Motor vehicles drive surge in shipments

Total manufacturing shipments increased 2.2% in January to a record level of \$35.1 billion. After recording a string of increases that ended in July 1996, manufacturing shipments have broken out of the range of alternating ups and downs that had characterized the end of last year. Makers of motor vehicles and parts and primary metals were largely behind the January increase. Increases were concentrated in 12 of 22 major industry groups, which accounted for almost 71% of total shipments.

Motor vehicles drive surge in shipments



Definition

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

New orders represent orders received whether shipped in the current month or not. They are measured as the sum of shipments for the current month (i.e., orders received this month and shipped within the same month) plus the change in unfilled orders.

The driving force behind January's increase came from the motor vehicle and parts industries, which together recorded a 9.2% increase. Shipments of motor vehicles (+10.8%) in particular are thought to be responding to strong demand from U.S. suppliers whose stocks have been depleted by a major inventory correction, and who anticipate an increase in consumer spending.

Excluding the automotive sector, the rest of manufacturing also put in a solid performance, led by the primary metals (+6.0%), the chemical products (+5.1%) and the food (+1.9%) industries.

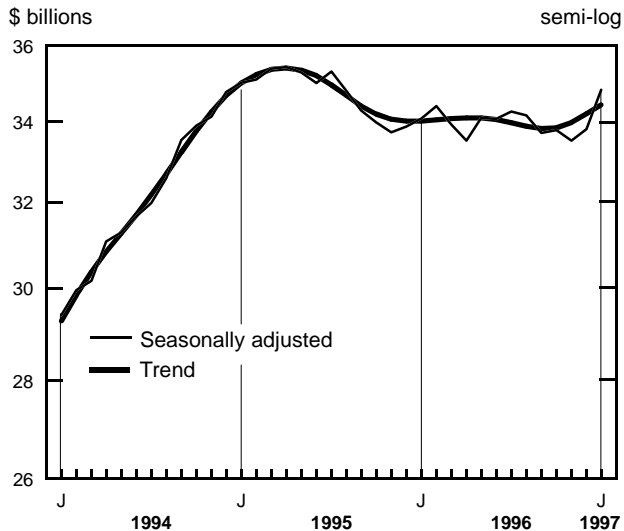
These increases were partly offset by decreases in the beverage and the paper and allied products industries.

Unfilled orders shoot up

Manufacturers' backlog of unfilled orders, a key determinant of future shipments, recorded the largest increase in more than two years, rising 3.0% to \$34.8 billion. January's result is significant because the level of unfilled orders was essentially flat throughout 1996.

Unfilled orders were lifted by orders in the aircraft and parts (+10.9%) and the electrical and electronic parts (+7.0%) industries. This should be good news for the two sectors: the order books of both industries have not kept up with shipments over the last six months.

Unfilled orders shoot up



The largest offsetting decreases were recorded in the fabricated metal products and the motor vehicle parts industries.

New orders rose by 4.3% to \$36.1 billion.

Manufacturers rein in inventories again

Manufacturers reined in inventories once again in January, bringing them down 0.4% to \$45.3 billion.

January's decline is the second in a row, and reverses some of the increases observed in the second half of 1996.

The largest decreases were recorded in the aircraft and parts (-5.0%) and the primary metals (-1.5%) industries. These decreases were partly offset by increases in the refined petroleum and coal products and the wood industries.

The increase in shipments and the decrease in inventories combined to push the inventory-to-shipments ratio down to 1.29, close to the all-time lows observed two years ago.

The positive results in this month's report agree with the latest release of the Business Conditions Survey, in which manufacturers revealed that they expected significant increases in production and orders in the first quarter, and expressed less concern about the level of finished product inventories. However, manufacturers did not expect to increase employment.

Available on CANSIM: matrices 9550-9579 and 9581-9593.

The January 1997 issue of *Monthly Survey of Manufacturing* (31-001-XPB, \$19/\$190) will be available shortly. See *How to order publications*.

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

For further information, please contact Richard Evans of the Monthly Survey of Manufacturing Section (613-951-9834) or Robert Traversy, Information and Classification Section (613-951-9497), Industry Division. □

Shipments, inventories and orders in all manufacturing industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories to shipments ratio
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
	seasonally adjusted								
January 1996	32,593	-0.2	45,071	-0.7	34,079	0.6	32,806	0.1	1.38
February 1996	32,552	-0.1	45,476	0.9	34,398	0.9	32,871	0.2	1.40
March 1996	31,807	-2.3	45,545	0.2	33,918	-1.4	31,326	-4.7	1.43
April 1996	32,663	2.7	45,362	-0.4	33,516	-1.2	32,262	3.0	1.39
May 1996	33,352	2.1	45,057	-0.7	34,085	1.7	33,921	5.1	1.35
June 1996	33,275	-0.2	44,621	-1.0	34,072	0.0	33,262	-1.9	1.34
July 1996	34,240	2.9	44,528	-0.2	34,258	0.5	34,426	3.5	1.30
August 1996	33,910	-1.0	44,711	0.4	34,159	-0.3	33,811	-1.8	1.32
September 1996	34,336	1.3	44,916	0.5	33,705	-1.3	33,883	0.2	1.31
October 1996	33,421	-2.7	45,126	0.5	33,783	0.2	33,499	-1.1	1.35
November 1996	34,489	3.2	45,661	1.2	33,522	-0.8	34,227	2.2	1.32
December 1996	34,291	-0.6	45,493	-0.4	33,814	0.9	34,583	1.0	1.33
January 1997	35,054	2.2	45,322	-0.4	34,820	3.0	36,060	4.3	1.29



Innovation and intellectual property

Despite the importance attributed to providing intellectual property protection, a relatively small proportion (less than 25%) of firms in the Canadian manufacturing sector use any of the statutory forms of protection. Firms are most likely to use trademarks (11%), trade secrets (8.3%) and patents (7.1%).

Protecting the new ideas imbedded in private-sector innovations is seen to be critical for advances in knowledge. Several broad forms of intellectual property protection are supported by the state (patents, copyrights, trademarks, industrial designs, and trade secrets). Firms also protect their innovations with special strategies (complex design, being first in the market, and providing special services attached to new products).

Large firms make greater use of legal protection

Firms that use any one of the legal forms of protection are relatively large. While only one-quarter of manufacturing firms use one of the legal forms of protection, these firms account for about 50% of employment.

Over 62% of firms with more than 500 employees protect themselves with any one of the statutory rights, while fewer than 30% of firms with less than 100 employees do so. Small firms place relatively greater emphasis on trade secrets than other forms of intellectual property protection. As firms grow, they shift their focus away from trade secrets to patents.

Innovation is closely related to use of legal protection

Firms that have recently produced a product or process innovation are seven times more likely to use patents as non-innovative firms, but they also use a wide range of other statutory forms of protection (i.e., industrial designs, and trade secrets).

The overall use of legal forms of protection is low because only a small percentage of firms are innovative and not all innovations use intellectual property protection. Moreover, only a percentage of innovations have sufficient novelty to be granted statutory protection like patents. Only 15% of innovations in large firms are world first — the rest are imitations. The study finds that 80% of world-first innovators protect themselves with a form of statutory protection (either in Canada or abroad) but less than half of other types of innovations use legal protection. Moreover, a portion of these innovations only involve new processes that do not lend themselves to patent protection. Instead, these firms tend to rely on secrecy.

Note to readers

This release was based on data from the 1993 Survey of Innovation and Advanced Technology. Firms reported their research and development, innovation, technology and intellectual property activities over the period 1989 to 1991.

Statutory protection refers to forms of intellectual property protection enshrined in law or enforceable in courts. It includes patents, trademarks, copyright, trade secrets, secrecy agreements, industrial designs law, integrated circuit topographies and plant breeders' rights.

Non-legal or innate protection refers to industrial design and marketing strategies used by companies to reap the benefit of their innovation. These strategies include being first to market a product or using a complex design that is difficult to copy.

Legal protection is generally seen as less effective than other strategies

Canadian firms generally assess the various forms of legal protection as being "less than effective". Manufacturing firms tend to view alternate strategies (e.g., being first in the market or having a more complex product design) as more effective than the legal forms of protection (e.g., patents). However, the value attached to patents increases if a firm is innovative, large, foreign-controlled, and is located in an industry that tends to produce a large number of innovations used by other industries. Firms fitting this description deem legal protection "effective".

On the other hand, all firms view other innate forms of protection (i.e., product complexity or being first in the market) as being equally if not more effective than legal forms of protection. For example, small firms believe that innate strategies are more effective at protecting intellectual assets than patents.

Foreign-controlled firms more likely to use legal protection

Foreign-controlled firms in Canada are more likely to use the legal forms of protection. Some 39% of large foreign-controlled firms possess patents while only 22% of large domestically owned firms do the same. Foreign-controlled firms also rank every form of statutory protection higher than domestically owned firms. This is partly because foreign-owned firms are more likely to be large, innovative and located in industries that are more likely to use forms of protection like patents. When allowance is made for these differences, foreign-controlled firms are slightly more likely to use the various forms of protection, but are significantly more likely to accord them greater importance.

Industry structure affects use of intellectual property

Canada's industrial structure partly determines our relatively low use of intellectual property. Use of intellectual property rights varies dramatically across industries. There are a core set of industries (chemicals, pharmaceuticals, refined petroleum, electrical products, and machinery) that produce many inventions that are used as inputs or as capital

equipment downstream in other industries. These core innovative industries make greater use of almost all forms of statutory protection than do other industries. This is particularly true of patents and trademarks.

The publication *Innovation and intellectual property*, (88-515-XPE, \$20) is now available. See *How to order publications*.

For further information on this release contact John Baldwin (613-951-8588), Micro-economics Analysis Division. ■

OTHER RELEASES

Industrial monitor on CD-ROM

March 1997

Industrial monitor on CD-ROM offers data on 165 manufacturing and 33 non-manufacturing industries covering construction, wholesale and retail trade. This up-to-date information is offered on 24 sectors and can be purchased by individual sector or as a complete package.

For each industry, up to 50 variables are organized in the *Table Viewer* in 5 table types (supply, demand, price, labour/employment, and investment/capital stock). The underlying database is also available via the *Series Browser* for more extensive time series analysis and inter-industry comparisons.

Industrial monitor on CD-ROM is linked to the *Standard industrial classification manual*, provides "pop-up" descriptions for every series, and embodies consistent data conventions — all features designed to make analysis easy and accurate. State-of-the-art functions offer searching, graphing, viewing, exporting and transforming capabilities, providing you with the exact information you require quickly and easily.

The March 1997 issue of *Industrial monitor on CD-ROM* is now available. The full package (15F0015XCB)

costs \$3,000, a savings of more than 40% over the annual subscription price of \$250 per individual sector. You will receive an updated CD-ROM once a month. See *How to order publications*.

For further information on this release, or to request a demonstration CD-ROM, contact Milt Ingalls (613-951-9060), Industry Measures and Analysis Division, or your nearest Statistics Canada Regional Reference Centre. ■

Leisure and personal services

1992 to 1994

Data on leisure and personal service industries for 1992 to 1994 are now available.

Available on CANSIM: matrices 41 and 42.

Leisure and personal services, 1992-1994 (63-233-XPB, \$38) will be available shortly.

For further information, please contact Daniel Salois (951-0379) or Shirley Beyer (613-951-3492), Leisure and Personal Services Section, Services Division. ■

PUBLICATIONS RELEASED

Gross domestic product by industry,
December 1996

Catalogue number 15-001-XPB

(Canada: \$14/\$140; United States: US\$17/US\$168;
other countries: US\$20/US\$196).

Non-metal mines, 1995

Catalogue number 26-224-XPB

(Canada: \$24; United States: US\$29; other countries:
US\$34).

Private and public investment in Canada, intentions
1997, microfiche version

Catalogue number 61-205-XMB

(Canada: \$35; United States: US\$42; other countries:
US\$49).

Private and public investment in Canada, intentions
1997, paper version

Catalogue number 61-205-XPB

(Canada: \$45; United States: US\$54; other countries:
US\$63).

New motor vehicle sales, December 1996

Catalogue number 63-007-XPB

(Canada: \$16/\$160; United States: US\$20/US\$192;
other countries: US\$23/US\$224).

Innovation and intellectual property

Catalogue number 88-515-XPE

(Canada: \$20; United States: US\$20; other countries:
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