Catalogue 11-001E (Français 11-001F) ISSN 0827-0465

The Daily

Statistics Canada

Wednesday, June 30, 1999
For release at 8:30 a.m.

MAJOR RELEASES

(continued on following page)

Education in Canada

1998

Need more data on education in Canada? Want to research issues and trends in more depth? Consult *Education in Canada*, our annual review of statistics on Canadian education. This publication summarizes data on institutions, enrolment, graduates, teachers and finance for all levels of education. Its 71 tables, covering 206 pages, present a comprehensive overview of the key variables in Canadian education.

Ten-year time series are shown for most variables at the Canada level and five-year time series at the provincial level. The publication also provides demographic data from the Census of Canada as well as educational attainment, labour force participation rates and unemployment rates of the adult population from the Labour Force Survey.

Education in Canada, 1998 (81-229-XPB, $51) is now available. An Internet version (81-229-XIB, $38) will be available shortly. See *How to order publications*.

For more information on this release, contact Jim Seidle (613-951-1500; fax: 613-951-9040; *seidjim@statcan.ca*), Culture, Tourism and the Centre for Education Statistics.

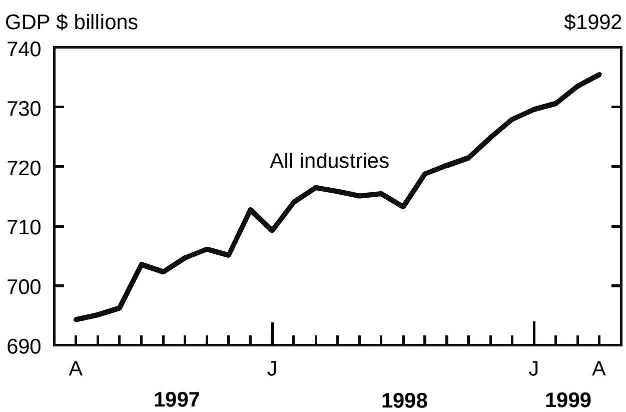
OTHER RELEASES

MAJOR RELEASES

Gross domestic product by industry at factor cost
April 1999

Broad-based increases in most service industries led to a 0.3% advance in gross domestic product (GDP) in April. The latest rise was the economy's ninth consecutive monthly gain, marking the longest uninterrupted string of increases in more than a decade.

Economy records ninth consecutive increase



The construction industry continued to expand after a mid-1998 slump, while strong computer sales lifted wholesaling activity. Other service industries, notably transportation, business, real estate, and health and social services also experienced growth in April. Both manufacturing and mining production, however, were little changed, while retailing activity fell off after a strong showing in the first quarter.

Booming computer sales led wholesalers higher

Wholesaling activity rose 1.2% in April, extending the robust growth that has marked the industry for over a year. As in previous months, wholesalers benefited primarily from booming demand for computer equipment, although distributors of automotive goods also enjoyed a good month. These gains were partly offset by declines for wholesalers of beverages, drugs and tobacco products.

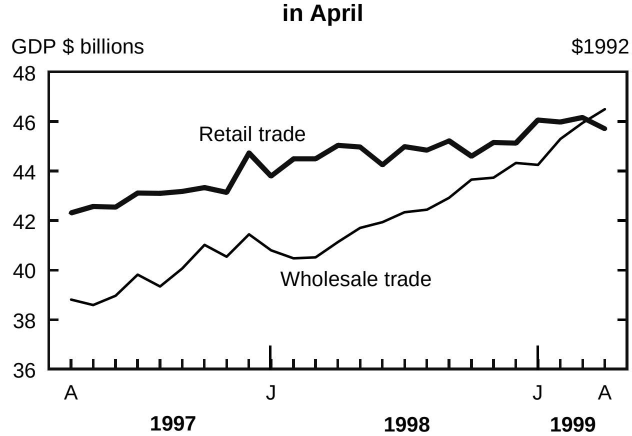
Note to readers

The gross domestic product (GDP) of an industry is the value added by labour and capital in transforming inputs purchased from other producers into outputs. Monthly GDP by industry is valued at 1992 prices. The estimates presented here are seasonally adjusted at annual rates.

Retail sales retreated in April

Retailing activity dropped 1.0% in April, as consumers shied away from big-ticket items after a strong spending increase in the first quarter. Auto dealers and furniture stores showed the largest declines, but most store types reported slower sales activity in April. Moreover, after a peak of activity at the turn of the year, sellers of many types of durable and semi-durable goods continued to move fewer of their wares, while service stations pumped less gasoline. On the positive side, department store sales edged up after receding in the past two months. Shoe stores also had a good month, partly offsetting recent declines.

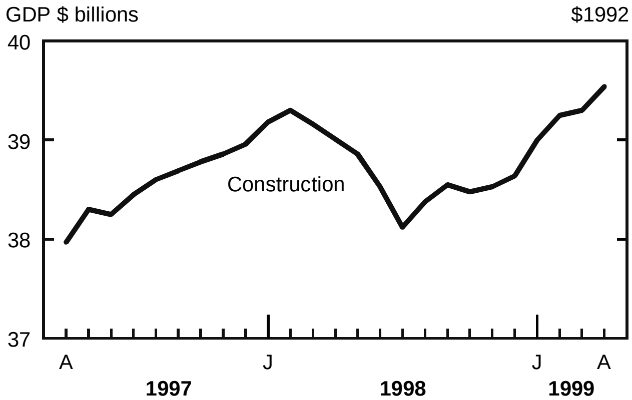
Retailers, wholesalers moved in opposite directions in April



Construction industry continued to advance

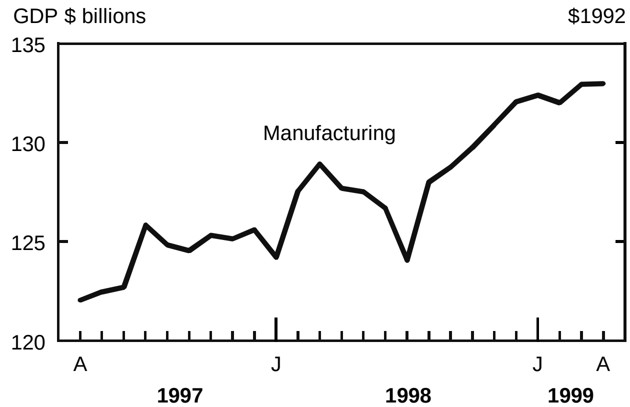
Construction activity increased for the eighth time in the past nine months, rising 0.6% in April. Building activity was buttressed by a surge in non-residential construction projects. Residential construction also increased in April, reflecting improved demand for new housing. While residential construction activity has been slow in the Western provinces, growth in Ontario, which bore the brunt of last summer's slowdown, has been robust in recent months. These gains were partly offset by repair and engineering construction, which fell in April after rising in the previous two months.

Construction industry continued to rise after mid-1998 slump



output 4.3% in April. Pent-up home-building demand in the United States, where a residential construction boom continues, helped exports of sawn lumber surge 20.5% in April.

Factory output little changed in April



Manufacturing output levelled off in April

Factory output was little changed in April, after a strong 0.7% gain in March. The April pause came on the heels of an extended period of growth that followed a strike-induced slump in the middle of 1998. Increased production by manufacturers of wood products, machinery, and electrical and electronic products was offset by lower output of transportation equipment and primary metal products. Twelve of 22 major industry groups, accounting for more than 43% of total manufacturing production, advanced in April.

The machinery industry recorded the second largest percentage increase in over a year, as makers of compressors and pumps, and other machinery raised output. The industry was also buttressed by higher output of agricultural machinery, as these producers tentatively reported improving market conditions after a bruising period of shrinking demand during the previous 18 months that prompted a cut in production of more than 50%.

The start of a new quota year under the Canada-U.S. softwood lumber agreement sparked a sharp production increase in the wood products industry. Lumber mills, whose output had been constrained by the agreement's quota allotments in the closing months of the previous quota period, sought to make up for the foregone production by raising

Output of electrical and electronic products rose 0.7% in April, as the electronic parts and computer equipment industries both raised production, the latter for the third consecutive month. However, these gains were partly offset by declines from makers of telecommunications equipment and energy wire and cable, as manufacturers in these industries curtailed production slightly after several months of strong growth.

Factories making plastic products raised output 1.9% in April, marking the eleventh increase in the past 12 months. Production in this industry has been spurred by recent capital investment to build up capacity in order to keep pace with the rising demand for new molded plastic products.

Manufacturing of transportation equipment fell 1.2% in April, erasing the previous month's gain. Lower production of automobiles, paralleling a steeper drop in exports, was only partly offset by an increase at auto parts plants. Despite the drop in April, output of motor vehicles was 17% higher than in April 1998. The railroad rolling stock industry experienced a sharp drop in production, the decline being partly attributable to a strike. Makers of personal recreational vehicles were hampered by lower demand.

Output of primary metal products dropped 1.4% in April, as a shutdown contributed to the curtailing of production at steel mills after a series of strong gains. Despite the April decline, output of steel was still at high levels after soaring in recent months to make up for lower imports.

Production of chemicals dropped 0.6% in April, as output of pharmaceutical products receded after an increase in March that was partly attributable to new product launches. This decline was partly offset by higher output of organic chemicals, which increased sharply after a five-month slide.

Offshore oil buoyed struggling mining sector

Output in the mining sector was essentially unchanged in April. Weakness in both metal mines, non-metal mines and in drilling and rigging services was offset by a surge in output from the oil and gas industry following the return to normal production of the Hibernia oil platform.

Nevertheless, the increase in oil and gas production was only the first in seven months, and production in April was 3.8% below April 1998 levels. Output of gold fell substantially in April, bringing this industry's production to 15.7% below the most recent peak reached in October 1997. Potash production was hampered by layoffs caused by weak international demand. Moreover, after rising sharply in recent months, new diamond production has stabilized, depriving the mining sector of one of its key sources of growth.

Other industries

Providers of business services were busier in April, spurred by increased demand for architects, engineers and scientists and continued growth at computer service and consulting firms. The end of a strike by federal grain handlers translated into higher output for the transportation and storage services industry, as a backlog of grain was cleared by rail companies and grain elevators.

Increased housing sales boosted activity of real estate agents in April for the third consecutive month. Gains of 0.3% in the non-business sector resulted mainly from higher output of the health, social services and education industries, as well as by increased defence activity resulting from the crisis in Kosovo.

Available on CANSIM: matrices 4677-4681.

The April 1999 issue of *Gross domestic product by industry* (15-001-XPB, $15/$145) is scheduled for release in early July. See *How to order publications*.

For information on the concepts, methods or data quality of this release, contact Richard Evans (613-951-9145; *evanric@statcan.ca*). For information about the purchase of data, contact Kim Lauzon (1-800-877-4623; *IMAD@statcan.ca*), Industry Measures and Analysis Division. □

Gross domestic product at factor cost by industry at 1992 prices

	Nov. 1998r	Dec. 1998r	Jan. 1999r	Feb. 1999r	March 1999r	April 1999p	March to April 1999	April 1999	April 1998 to April 1999
	seasonally adjusted								
	month-to-month % change						$ change[1]	$ level[1]	% change
All industries	**0.5**	**0.4**	**0.2**	**0.1**	**0.4**	**0.3**	**1,910**	**735,448**	**2.7**
Goods-producing industries	**0.6**	**0.7**	**0.3**	**-0.1**	**0.3**	**0.2**	**477**	**240,537**	**1.7**
Agriculture	0.1	0.2	-1.6	0.7	0.6	0.2	29	11,848	-0.7
Fishing and trapping	-7.3	6.1	4.6	2.7	-6.5	1.4	9	643	-17.0
Logging and forestry	1.1	1.0	0.4	-2.4	0.0	0.1	5	4,767	2.0
Mining, quarrying and oil wells	0.4	0.7	-0.3	-0.7	-1.3	0.0	-10	26,282	-7.5
Manufacturing	0.9	0.9	0.3	-0.3	0.7	0.0	44	132,979	4.1
Construction	0.1	0.3	0.9	0.6	0.1	0.6	234	39,537	1.4
Other utilities	0.0	0.6	1.0	0.4	-0.1	0.7	166	24,481	1.9
Services-producing industries	**0.4**	**0.3**	**0.2**	**0.3**	**0.5**	**0.3**	**1,433**	**494,911**	**3.3**
Transportation and storage	0.5	-0.1	-1.5	1.3	0.3	0.3	115	32,999	1.9
Communications	1.3	1.7	0.8	1.9	0.1	0.2	49	26,903	14.2
Wholesale trade	0.2	1.4	-0.2	2.3	1.4	1.2	555	46,495	13.0
Retail trade	1.2	-0.1	2.1	-0.2	0.4	-1.0	-448	45,708	1.5
Finance and insurance	0.4	0.3	-0.4	-1.9	1.7	0.4	153	39,764	0.1
Real estate and insurance agent	0.2	0.2	0.1	0.4	0.4	0.3	273	80,396	2.3
Business services	1.1	0.8	0.3	0.7	1.0	0.5	203	43,446	7.7
Government services	0.1	0.0	0.1	-0.1	0.2	0.2	74	42,995	0.8
Education	-0.1	-0.1	0.0	-0.4	0.2	0.4	143	40,109	-0.3
Health and social services	-0.2	0.1	0.3	-0.5	-0.5	0.5	219	48,289	-0.2
Accommodation and food	1.0	-0.8	0.7	-1.3	0.3	0.3	53	18,736	-0.3
Other services	-0.1	0.0	0.3	0.6	-0.1	0.2	44	29,071	1.9
Other aggregations									
Industrial production	0.7	0.8	0.3	-0.3	0.3	0.1	200	183,742	2.0
Non-durable manufacturing	0.4	1.0	-0.1	-0.4	0.1	0.0	-18	57,238	1.2
Durable manufacturing	1.3	0.8	0.6	-0.2	1.1	0.1	62	75,741	6.5
Business sector	0.6	0.5	0.3	0.2	0.5	0.2	1,515	609,310	3.3
Non-business sector	0.0	0.0	0.1	-0.2	0.0	0.3	395	126,138	0.3

r *Revised figures.*
p *Preliminary figures.*
1 *Millions of dollars at annual rate.*

■

Labour productivity, hourly compensation and unit labour cost

1998

The Canadian business sector recorded a gain in labour productivity of 0.7% in 1998, a result of a slowdown in economic growth during the year, strikes in key sectors of the economy and continued strong growth in hours worked.

This gain, which represents the increase in real gross domestic product (GDP) for every hour worked, followed a 2.9% jump in labour productivity in 1997, the strongest in more than a decade.

The slowdown in 1998 was most pronounced in goods-producing industries (-0.1%). Manufacturing, one of the principal components of this sector, posted a 0.7% gain in labour productivity following a 3.4% increase in 1997. Productivity in 1998 declined 1.5% in the logging and forestry industries and 1.3% in the construction industry.

On the other hand, productivity increased a solid 1.5% among services-producing industries, led by a 3.8% increase in retail trade and a 3.4% increase in wholesale trade.

Overall in 1998, GDP grew at a slightly slower pace than it did the year before. The economy was hit by major strikes in the construction industry, an airline pilots' strike, the General Motors strike in the United States and labour problems in the paper industry, among others.

Labour productivity shows the same average growth over the two last decades

Analysis of year-over-year growth in productivity reveals an irregular pattern; sharp increases such as the one recorded in 1997 are often followed by lower increases, such as that which occurred in 1998. This is because unanticipated fluctuations in output often lead to delays in the adjustment of the number of workers employed. Erratic fluctuations in yearly estimates of the increase in labour productivity need to be averaged in order to display the underlying long-term trends in the data.

Note to readers

***Labour productivity**, or **real gross domestic product (GDP) per hour worked**, is the ratio between output and labour input (hours worked). Economic performance as measured by labour productivity must be interpreted carefully, since these estimates reflect changes in the other factors of production in addition to growth in productive efficiency. In this release, the term "productivity" refers to labour productivity.*

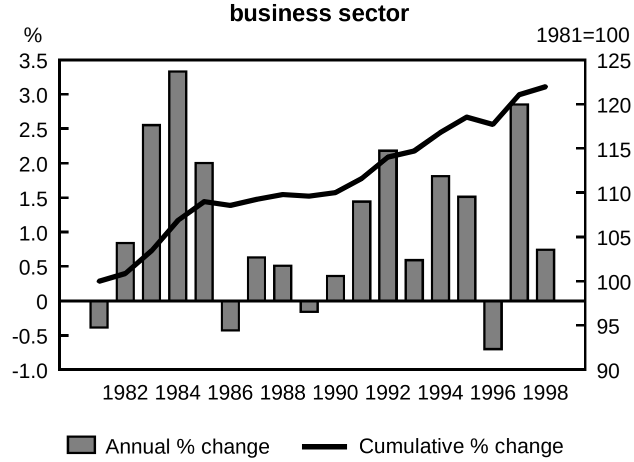
***Unit labour cost** is the labour cost per unit of output. It is calculated as the ratio between labour compensation and real gross domestic product. It is also the equivalent of the ratio between labour compensation per hour worked and labour productivity. Unit labour cost will increase when labour compensation per hour worked increases more rapidly than labour productivity.*

***Total labour compensation** includes all payments in cash or in kind by domestic producers to persons at work as remuneration for work. This includes the salaries and supplementary labour income of paid workers, plus an imputed labour income for self-employed workers.*

***Business sector** used for productivity measures excludes all non-commercial activities as well as the rental value of owner occupied dwellings. Corresponding exclusions are also made to labour inputs. Business GDP as defined here accounted for about 71% of GDP in 1992.*

***Business sector goods** include agriculture, fishing, forestry, mining activities, manufacturing, construction and public utilities. **Business sector services** comprise transportation and storage, communications, wholesale and retail trade, finance, insurance and real estate, business services, private education and private health services, accommodation and food services, and other services.*

Irregular movements in labour productivity over the short-term tend to hide the long-term trend – business sector



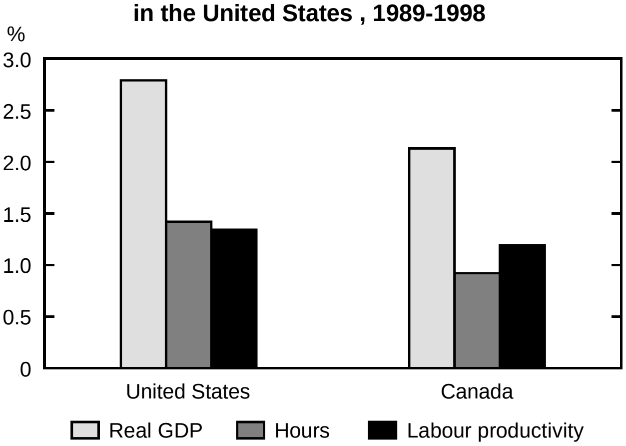
Between 1989 and 1998, labour productivity grew by an average of 1.2% per year, which is exactly the same rate as in the 1981-1989 cycle but slightly above the 1.1% rate over the 1973-1981 period.

Productivity growth higher in the United States in 1998

American businesses recorded a better performance than their Canadian counterparts in 1998. In the United States, labour productivity increased 2.3% compared with the 0.7% rate in Canada. This was a reversal of the situation in 1997 when labour productivity in Canada advanced 2.9% compared with 1.5% in the United States.

However, during the past 10 years, productivity growth has increased at about the same rate in both countries — an average of 1.2% in Canada compared with 1.3% in the United States. Despite this similarity, output as well as hours worked have increased at a faster pace in the United States over the last 10 years.

Canada-United States: similar productivity performance but with much more growth in output and in hours worked in the United States , 1989-1998



Cost of labour climbed more rapidly in the United States

In Canada, the 1998 rate of growth of hourly compensation (+4.0%) was slower than in 1997 when it was 5.6% (revised upward from 4.1%). Goods-producing businesses and services-producing businesses contributed about equally to the overall increase. Much higher-than-average gains in hourly compensation were recorded in mining, quarrying and oil wells (+8.5%), transportation and storage (+6.8%) and business services (+6.6%).

In 1998, the cost of labour climbed more rapidly in the United States than in Canada. Preliminary estimates show that hourly compensation was up 4.4% in the United States compared with 4.0% in Canada.

Since 1989, Canadian workers have received lower pay increases than their American counterparts in most years. From 1989 to 1998, hourly compensation increased on average 3.1% in Canada compared with 3.8% in the United States. During the previous cycle (1981-1989), the gap was similar but it favoured Canadian workers.

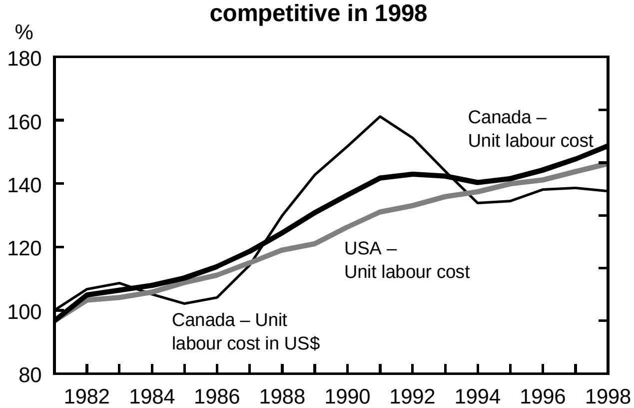
Unit labour cost increased more rapidly in Canada for third straight year

Another key measure — unit labour cost — has increased more rapidly in Canada than in the United States for the third consecutive year. Unit labour cost is the ratio of hourly compensation to labour productivity. Unit labour cost climbs when hourly compensation rises faster than labour productivity.

In 1998, unit labour cost increased 3.2% in Canada compared with the upward revised growth to 2.6% in 1997. The 1998 increase in the United States was 1.9%. In Canada, unit labour costs decreased in retail trade (-2.8%), logging and forestry (-1.6%) and communications and other utilities (-0.7%).

Between 1989 and 1998, unit labour costs for Canadian businesses increased 1.9% per year on average, less than the 2.4% average for their American counterparts.

The decrease in the Canada-U.S. exchange rate continued to make Canadian unit labour costs competitive in 1998



For both countries, these unit labour costs are calculated in their own currencies. However, when the

Canadian measure is converted into U.S. dollars, the unit labour costs of Canadian businesses fell 0.7% in 1998 because the Canadian dollar depreciated substantially in that year. Except for 1996, Canadian unit labour costs expressed in U.S. dollars have generally grown more slowly than American labour costs since 1992.

Unit labour costs increased in the manufacturing sector

In manufacturing, lacklustre growth in productivity and pay increases that were close to the Canadian average resulted in a 3.3% rise in unit labour costs. This increase is well above the trend seen in this industry since 1992. From 1992 to 1998, the manufacturing sector's unit labour costs declined by an average of 0.1% per year.

The 3.9% decrease in the value of the Canadian dollar in 1998 undoubtedly helped Canadian manufacturers remain competitive in labour costs with their American counterparts. Comparable American productivity and unit labour-cost figures for manufacturing in 1998 that will be published later this summer by the Bureau of Labor Statistics in Washington, D.C. will allow for a more definitive comparison of manufacturing performance in Canada and the United States.

Available on CANSIM: Matrices 9460-9472 and 9475-9483.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588; *baldjoh@statcan.ca*) or Jean-Pierre Maynard, (613-951-3654; *maynard@statcan.ca*), fax: 613-951-5403, Micro-economic Studies and Analysis Division.

Labour productivity measures and unit labour cost, Canada

	1966-1973	1973-1981	1981-1989	1989-1998	1996[r]	1997[r]	1998[p]
	annual % change						
Business sector							
Labour productivity	3.8	1.1	1.2	1.2	-0.7	2.9	0.7
Real GDP	5.2	3.4	3.1	2.1	2.2	5.4	3.4
Hours	1.4	2.2	2.0	0.9	2.9	2.5	2.7
Hourly compensation	8.1	11.2	5.6	3.1	1.4	5.6	4.0
Unit labour cost	4.2	9.9	4.4	1.9	2.1	2.6	3.2
Business sector - services							
Labour productivity	3.5	1.3	0.9	1.0	-0.5	2.9	1.5
Real GDP	6.4	5.0	3.8	2.8	2.7	5.8	4.6
Hours	2.8	3.7	2.8	1.7	3.2	2.8	3.0
Hourly compensation	7.9	10.6	5.9	3.2	2.1	6.7	4.1
Unit labour cost	4.3	9.2	4.9	2.1	2.7	3.7	2.6
Business sector - goods							
Labour productivity	4.2	1.3	1.7	1.7	-0.8	2.9	-0.1
Real GDP	4.4	1.9	2.5	1.4	1.6	5.0	2.0
Hours	0.2	0.6	0.8	-0.3	2.4	2.0	2.0
Hourly compensation	8.3	11.9	5.4	3.0	0.3	3.8	3.7
Unit labour cost	3.9	10.5	3.6	1.2	1.1	0.9	3.8
Manufacturing industries							
Labour productivity	3.8	1.3	2.3	2.1	-1.4	3.4	0.7
Real GDP	5.1	1.6	3.0	2.0	1.2	6.5	3.9
Hours	1.2	0.3	0.7	-0.1	2.7	3.0	3.2
Hourly compensation	6.9	11.7	5.6	3.3	-0.8	3.8	4.0
Unit labour cost	3.0	10.3	3.2	1.1	0.7	0.4	3.3

[p] *preliminary*
[r] *revised*
Note: *Due to rounding, productivity estimates are not exactly equal to the differences between the rate of growth of output and of hours worked.*

Growth rate of productivity measures, business sector, Canada and United States

Year	Canada labour productivity	United States labour productivity	Canada hourly compensation	United States hourly compensation	Canada unit labour cost in Can$	Canada unit labour cost in US$	United States unit labour cost in US$
1982	0.8	-0.6	10.7	7.6	9.8	6.7	7.9
1983	2.6	3.3	4.3	4.2	1.7	1.9	0.9
1984	3.3	2.4	4.9	4.3	1.6	-3.3	1.8
1985	2.0	1.7	4.6	4.9	2.5	-2.8	3.2
1986	-0.4	2.6	3.3	5.1	3.7	1.9	2.5
1987	0.6	0.0	5.4	3.9	4.7	9.8	3.9
1988	0.5	0.7	6.1	4.8	5.6	13.8	4.0
1989	-0.2	0.9	5.5	2.8	5.7	9.9	1.9
1990	0.4	0.6	5.1	5.7	4.8	6.3	4.9
1991	1.4	0.6	5.8	4.7	4.3	6.2	4.1
1992	2.2	3.4	3.2	5.2	1.0	-4.2	1.7
1993	0.6	0.1	0.1	2.5	-0.5	-6.8	2.4
1994	1.8	0.7	0.3	1.9	-1.5	-7.0	1.3
1995	1.5	0.3	2.5	2.3	0.9	0.4	2.0
1996	-0.7	2.7	1.4	3.7	2.1	2.8	0.9
1997	2.9	1.5	5.6	3.6	2.6	0.3	2.1
1998	0.7	2.3	4.0	4.4	3.2	-0.7	1.9
1966-1973	3.8	2.7	8.1	7.1	4.2	5.3	4.3
1973-1981	1.1	1.1	11.2	9.4	9.9	7.5	8.2
1981-1989	1.2	1.3	5.6	4.7	4.4	4.6	3.3
1989-1998	1.2	1.3	3.1	3.8	1.9	-0.4	2.4

Note: *United States data in connection with productivity and related indicators were published on June 8th, 1999 by the Bureau of Labor Statistics, Washington, D.C.*

■

OTHER RELEASES

Quarterly Survey of Financial Statistics for Enterprises

First quarter 1999 (preliminary)

Operating profits of Canadian businesses increased for the second consecutive quarter, rising 4.7% to $36.3 billion in the first quarter of 1999. This gain came on the heels of a 13.3% profit jump in the final quarter of 1998. The improved results of the past six months have reversed four quarters of decline, where profits fell from $39.1 billion in the third quarter of 1997 to $30.6 billion in the third quarter of 1998.

The first quarter profit gain was concentrated in the non-financial enterprises, where operating profits advanced 6.4% to $24.3 billion. Financial enterprises posted a modest 1.4% profit rise, as gains in funds and other financial vehicles were largely offset by declines in the profits of deposit-taking institutions.

The manufacturing sector enjoyed a third consecutive quarter of growth, as profits expanded 1.4% to $10.4 billion. Strong consumer demand for motor vehicles, both domestically and from south of the border, kept up the momentum in the motor vehicles and parts manufacturing enterprises.

Wood and paper manufacturing enterprises continued to rebound, as operating profits rose 19.9% to $1.5 billion. The booming U.S. housing market has strengthened lumber prices, but Canadian exporters remain restricted by the Canada-U.S. softwood lumber agreement. Lumber producers benefited from increased domestic housing starts in the first quarter.

The wholesale trade sector enjoyed broadly based profit increases in the first quarter, with solid gains reported in motor vehicles and parts and machinery (including computers and communications equipment).

As reported in the March retail trade release, retailers have enjoyed rising sales since the fall of 1998. In the first quarter of 1999, retailers posted a 13.6% gain in operating profits on an impressive 2.5% upswing in operating revenue. General merchandise stores and other retailers led the increases.

Profit gains were fairly widespread in the services sectors, with particularly strong results reported by enterprises engaged in professional, scientific and technical services.

Note: Beginning with the first quarter of 1999, significant changes have been made to the Quarterly Survey of Financial Statistics for Enterprises which affect the comparability and the historical continuity of these financial statistics. Data analysts are advised that the statistics are now presented on the basis of the North American Industry Classification System (NAICS Canada 1997) that differs markedly from the 1980 Standard Industrial Classification for Companies and Enterprises (SIC-C) previously in use. In addition, the survey is undergoing significant methodological changes. These changes were not all completed in time for application in the first quarter of 1999. Consequently, these results were produced by converting SIC-C based estimates to the NAICS Canada 1997 basis. As a result, the first quarter estimates are not as reliable as usual and should be interpreted with caution. The fully redesigned NAICS Canada 1997-based survey will be in place for the second quarter of 1999 release. For this reason, the first quarter results are preliminary only and may be subject to significant revision. Historical data on a NAICS Canada 1997 basis for 1988 to 1998 is available on CANSIM. The previous SIC-C based series has been terminated as of the fourth quarter of 1998.

Available on CANSIM: matrices 8330-8383.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Mark Marcogliese (613-951-9840; *marcogm@statcan.ca*) or Jean-Pierre Simard (613-951-0741; *jpsimard@statcan.ca*), Industrial Organization and Finance Division. ■

Energy supply and demand

Second quarter 1998

Production of primary energy in Canada totalled 3 771 petajoules in the second quarter of 1998, up 2.8% from the same quarter in 1997. The advance was due to increases in the production of crude oil, natural gas and natural gas liquids. Production of coal and primary electricity declined from the same quarter in 1997.

In this quarter, total exports of primary energy products rose 11.5% over the second quarter of 1997. Gains were recorded by crude oil, natural gas, natural gas liquids and electricity. Imports of primary energy products increased 15.2%, with virtually all products recording gains. The 12.1% increase in fuels used for electricity generation is largely due to increased use of coal in Ontario.

Final demand for energy in Canada was 3.8% lower during the second quarter of 1998 than in the same quarter in 1997. The decrease was widespread, with declines recorded by the industrial (-3.2%), residential and farm (-13.6%) and commercial and government (-7.3%) sectors. The decrease by the industrial sector was due to lower energy demand by manufacturing and the mining and oil and gas extraction industries. The transportation sector posted a 3.1% gain.

Energy supply and demand

	Second quarter 1997	Second quarter 1998	Second quarter 1997 to second quarter 1998
	Petajoules[2]		% change
Production[1]	**3,669**	**3,771**	**2.8**
Exports[1]	1,769	1,973	11.5
Imports[1]	525	605	15.2
Availability[1](supply)	2,365	2,326	-1.6
Electricity generation[1]	264	296	12.1
Producer consumption	231	235	1.7
Non-energy use	210	200	-4.8
Final demand[3]	**1,652**	**1,590**	**-3.8**
Industrial	532	515	-3.2
Transportation	545	562	3.1
Residential and farm	316	273	-13.6
Commercial and government	259	240	-7.3
	Year-to-date		
	1997	1998	1997 to 1998
	Petajoules[2]		% change
Production[1]	**7,496**	**7,750**	**3.4**
Exports[1]	3,611	3,954	9.5
Imports[1]	1,004	1,134	12.9
Availability[1] (supply)	5,131	5,090	-0.8
Electricity generation[1]	560	624	11.4
Producer consumption	482	504	4.6
Non-energy use	396	385	-2.8
Final demand[3]	3,715	3,594	-3.3
Industrial	1,127	1,101	-2.3
Transportation	1,045	1,086	3.9
Residential and farm	894	794	-11.2
Commercial and government	649	614	-5.4

1 *Primary energy sources include coal, crude oil, natural gas, natural gas liquids, and hydro and nuclear electricity.*
2 *A 30 litre gasoline fill-up contains about one gigajoule of energy. A petajoule is one million gigajoules.*
3 *Final demand represents the addition of industrial, transportation, residential and farm, and commercial and government.*

During the first six months of the year, production of primary energy was 3.4% higher than the same period in 1997. Exports of primary energy products rose 9.5% while imports (mainly crude oil and coal) increased 12.9%. Final demand for energy in Canada decreased 3.2%.

Available on CANSIM: matrices 4945, 4946, 4950-4962 and 7976-8001.

The first and second quarter 1998 issues of *Quarterly report on energy supply/demand in Canada* (57-003-XPB, $43/$141), will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gary Smalldridge (613-951-3567; *smalgar@statcan.ca*), Energy Section, Manufacturing, Construction and Energy Division. ■

Electric power statistics
April 1999

Net generation of electricity decreased to 43 339 gigawatt hours (GWh), down 0.4% from April 1998. Exports increased 5.7% to 3 921 GWh and imports increased from 1 126 GWh to 1 305 GWh.

Low water reservoir levels led to a 5.9% decrease in generation of hydro-electricity to 2 645 GWh. This reduced capability coupled with colder weather in most provinces led to a 14.7% increase in thermal conventional generation to 11 019 GWh. Generation from nuclear sources was up 1.6% to 5 675 GWh.

Year-to-date net generation at the end of April totalled 189 897 GWh, up 0.05% from the previous year. Year-to-date exports (10 471 GWh) were down 20.6%, whereas year-to-date imports (6 363 GWh) rose 26.3% from the previous year.

Available on CANSIM: matrices 3987-3999.

The April 1999 issue of *Electric power statistics* (57-001-XPB, $12/$114) will be available in early July. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact André Lefebvre (613-951-3560; *alefeba@statcan.ca*), Energy Section, Manufacturing, Construction and Energy Division. ■

Coal and coke statistics
April 1999

Fewer deliveries to port and lower domestic demand drove down coal production for the ninth consecutive month in April. Coal production totalled 5 836 kilotonnes, down 7.0% from April 1998. Year-to-date production stood at 24 278 kilotonnes, down 6.2%.

Exports in April increased 0.2% from April 1998 to 2 796 kilotonnes. Exports to Japan (the largest consumer of Canadian coal) increased 13.6% to 925 kilotonnes during the same period. Year-to-date figures show total exports of 10 895 kilotonnes, 4.4% below last year's level.

Coke production in April increased to 271 kilotonnes, up 1.7% from April 1998.

Available on CANSIM: 9.

The April 1998 issue of *Coal and coke statistics* (45-002, $12/$114) will be available in early July. See *How to order publications*.

For more information, or to enquire about the methods, concepts and data quality of this release, contact André Lefebvre (613-951-3560; *alefeba@statcan.ca*), Energy Section, Manufacturing, Construction and Energy Division. ■

New firms and failing firms in industry: a portrait

The research study, *A portrait of entrants and exits*, available today, examines the nature of the entry and exit of firms in Canadian industry — why some entrants survive and others fail.

The industrial population undergoes dynamic change over time. Competition constantly leads some firms to grow and others to decline. The amount of market share transferred in a typical industry over a decade ranges between 30% and 40%. An important part of this turnover comes from the entry and exit of firms.

This study reviews information on the extent of this process and its contribution to productivity and innovation. It develops a detailed portrait of the characteristics of new firms that survive and those that fail. In doing so, it investigates the type of competencies that are developed in both groups of firms.

The study shows that small firms in general and entrants in particular are heterogeneous when it comes to their innovative activity, meaning that their innovative activities vary widely. Some focus on research and development and new products. Others focus on new technologies and still others stress the development of human capital.

In addition, the paper examines the competitive environment that new firms face and the connection between growth and innovation. It also examines the complementary skills that are developed by innovators.

Finally, the paper focuses on the causes of failure. It enhances earlier findings showing that firms that fail differ from surviving firms in terms of basic competencies such as management, financial management and marketing capabilities.

The research study *A portrait of entrants and exits* (11F0019MPE, no. 121) is now available. The paper is also available free on the Internet at *www.statcan.ca* under *Products and services* then *Research papers*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588), Director, Micro-Economic Analysis Division. ■

For-hire motor carriers of freight (top carriers)

First quarter 1999

The top 84 for-hire motor carriers (Canada-based carriers earning $25 million or more annually) generated operating revenues totalling $1.49 billion and incurred $1.41 billion in operating expenses during the first quarter of 1999. These revenues and expenses reflect the addition of nine top carriers over the first quarter of 1998. The operating ratio (operating expenses divided by operating revenues) for top for-hire carriers improved by one point to 0.95 compared with the 0.96 posted in the first quarter of 1998 (any ratio greater than 1.00 represents an operating loss).

First quarter 1999 data on the top for-hire carriers, taken from the Quarterly Motor Carriers of Freight Survey, provide results from 65 general freight carriers and 19 specialized freight carriers.

For more information or to enquire about the concepts, methods and data quality of this release, contact Gilles Paré (613-951-2517; fax: 613-951-0579; *paregil@statcan.ca*), Transportation Division. ■

Railway carloadings

Seven-day period ending June 14, 1999

Non-intermodal traffic loaded during the seven-day period ending June 14, increased 6.8% to 4.8 million tonnes compared with the same period last year. The number of cars loaded increased 7.6%.

Intermodal traffic tonnage totalled 383 000 tonnes, a 13.9% increase from the same period last year. The year-to-date figures increased 12.3%.

Total traffic increased 7.3% during the period. This brought the year-to-date total to 115.3 million tonnes, a 2.1% decrease from the previous year.

All year-to-date figures have been revised.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009, *laroque@statcan.ca*), Transportation Division. ■

Production and disposition of tobacco products

May 1999

Strong cigarette production by tobacco product manufacturers boosted inventories in May. In preparation for summer plant closings, inventories are usually built up at this time of year. Sales also increased but stayed below production.

During May, 4.6 billion cigarettes were produced, up 12% from April and 11% from May 1998. Year-to-date production reached 21.8 billion cigarettes, which was slightly above last year's figure.

Manufacturers' shipments of four billion cigarettes in May grew 8% over the month before and 1% over May 1998. Year-to-date shipments, at 18.5 billion cigarettes, were marginally lower than the level of shipments at the end of May 1998.

From June to August, many plants in the industry have seasonal shutdowns, interrupting production. In this case, cigarettes are shipped out of stocks, which are augmented for the purpose. During May, they rose 6% to 6.8 billion at month's end. This was 10% more than closing inventories of May last year.

Available on CANSIM: matrix 46.

The May 1999 issue of *Production and disposition of tobacco products* (32-022-XIB, $5/$47) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Peter Zylstra (613-951-3511; *zylspet@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Airport activity statistics

Second quarter 1998

Preliminary airport activity data for second quarter 1998 are now available.

The June issue of the *Aviation statistics centre service bulletin* (51-004-XIB) will be available soon. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Rolf Hakka (613-951-0068), Aviation Statistics Centre, Transportation Division. ■

Restaurant, caterers and taverns

April 1999

Estimated total receipts of restaurants, caterers and taverns for April total $2.3 billion, an increase of 5.8% over the April 1998 estimate.

The estimates along with historical revisions to the 1991-1998 estimates are available on CANSIM.

Available on CANSIM: matrix 62.

For more information, or to enquire about the concepts methods and data quality of this release, contact Bill Birbeck (613-951-3506), Services Industries Division. ■

PUBLICATIONS RELEASED

Production and disposition of tobacco products, May 1999
Catalogue number 32-022-XIB
(Canada: $5/$47).

Air passenger origin and destination, Canada-United States report, 1997
Catalogue number 51-205-XIB
(Canada: $35).

Air passenger origin and destination, Canada-United States report, 1997
Catalogue number 51-205-XPB
(Canada: $47; outside Canada: US$47).

Gas utilities, March 1999
Catalogue number 55-002-XPB
(Canada: $17/$165; outside Canada: US$17/US$165).

Canada's international transactions in securities, April 1999
Catalogue number 67-002-XPB
(Canada: $18/$176; outside Canada: US$18/US$176).

Education in Canada, 1998
Catalogue number 81-229-XPB
(Canada: $51; outside Canada: US$51).

Science statistics service bulletin, vol. 23, no. 3
Catalogue number 88-001-XIB
(Canada: $6/$59).

All prices exclude sales tax.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; and -XPB or -XPE denote a paper version.

How to order publications

Simplify your data search with the *Statistics Canada Catalogue* (11-204-XPE, $16; outside Canada: US$16).

Its keyword index will guide you to statistics on Canada's social and economic activity.

Order publications by phone:

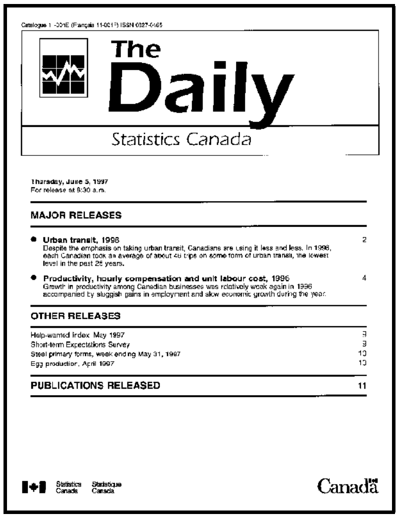
Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:	**1-800-267-6677**
From other countries call:	**1-613-951-7277**
To fax your order:	**1-877-287-4369**
Address changes or account inquiries:	**1-800-700-1033**

To order a publication by mail write: Statistics Canada, Circulation Management, Operations and Integration Division, Ottawa, K1A 0T6. Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet: write to *order@statcan.ca* or download an electronic version by accessing Statistics Canada's Web site *(www.statcan.ca),* under the headings *Products and services, Downloadable publications.*

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Catalogue 11-001E (Français 11-001F) ISSN 0827-0465

The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** — 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** — 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

Help-wanted Index, May 1997	9
Short-term Expectations Survey	9
Steel primary forms, week ending May 31, 1997	10
Egg production, April 1997	10

PUBLICATIONS RELEASED — 11

Statistics Canada Statistique Canada

Canada

Statistics Canada's official release bulletin

Catalogue 11-001E.

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

To access *The Daily* on the Internet, visit our site at *http://www.statcan.ca*. To receive *The Daily* each morning by E-mail, send an E-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Editor: Dan Smythe (613-951-1103, smytdan@statcan.ca)
Head of Official Release: Chantal Prévost (613-951-1088), prevcha@statcan.ca

RELEASE DATES: JULY 1999

(Release dates are subject to change.)

Release date	Title	Reference period
6	**National Longitudinal Survey on Children and Youth: 12- and 13-year-olds**	1996-1997
6	**Estimates of labour income**	April 1999
7	**Building permits**	May 1999
7	**Help-wanted Index**	June 1999
9	**Labour Force Survey**	June 1999
12	**National tourism indicators**	First quarter 1999
12	**Employment insurance coverage**	1998
12	**New Housing Price Index**	May 1999
14	**New motor vehicle sales**	May 1999
15	**Travel between Canada and other countries**	May 1999
15	**Services indicators**	First quarter 1999
16	**Consumer Price Index**	June 1999
16	**Composite Index**	June 1999
19	**Monthly Survey of Manufacturing**	May 1999
20	**Canadian international merchandise trade**	May 1999
20	**Wholesale trade**	May 1999
21	**Canadian crime statistics**	1998
21	**Retail trade**	May 1999
22	**Canada’s international transactions in securities**	May 1999
27	**Employment insurance**	May 1999
28	**Private and public investment in Canada**	1999
28	**Employment, earnings and hours**	May 1999
29	**Industrial Product Price Index**	June 1999
29	**Raw Materials Price Index**	June 1999
30	**Real gross domestic product at factor cost by industry**	May 1999