



The Daily

Statistics Canada

Tuesday, May 2, 2000

For release at 8:30 a.m.

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Manufacturers remained positive about production prospects, and were increasingly satisfied with the level of new orders received.

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MAJOR RELEASES

Quarterly Business Conditions Survey, manufacturing industries

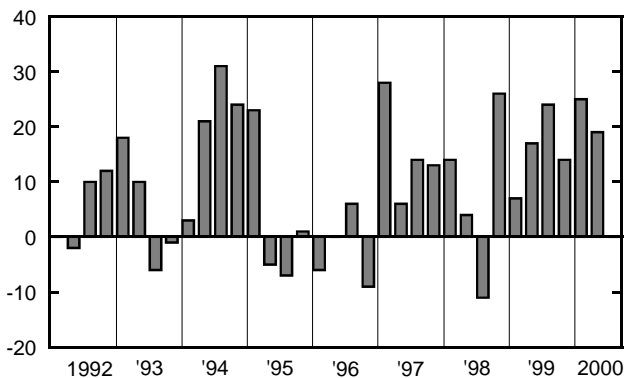
April 2000

In the April survey, more than four in five manufacturers stated that they expected production would be the same or higher in the coming three months. Manufacturers also indicated higher satisfaction with the current level of new orders, and were not overly concerned with the level of finished product inventories on hand.

Manufacturers remained optimistic about production prospects

The proportion of manufacturers stating they would raise production dropped from 39% in January to 33% in April, leaving the balance of opinion at +19, down 6 points. Despite the decrease, more than four in five manufacturers reported that they would produce the same amount or more in the coming three months. Manufacturers in the transportation equipment and primary metal industries were the major contributors to the decrease in the balance of opinion.

Balance of opinion for expected volume of production, next three months versus last three months



The balance of opinion of +19 was determined by subtracting the 14% of manufacturers who stated that

Note to readers

The Business Conditions Survey is conducted in January, April, July and October; the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 5,000 manufacturers, and are weighted by a manufacturer's shipments or employment. Consequently, larger manufacturers have a correspondingly larger impact on the results than do smaller manufacturers.

Data in this release are seasonally adjusted, except for the data on production difficulties.

production prospects for the coming three months were lower than for the preceding three months from the 33% who said that prospects were higher.

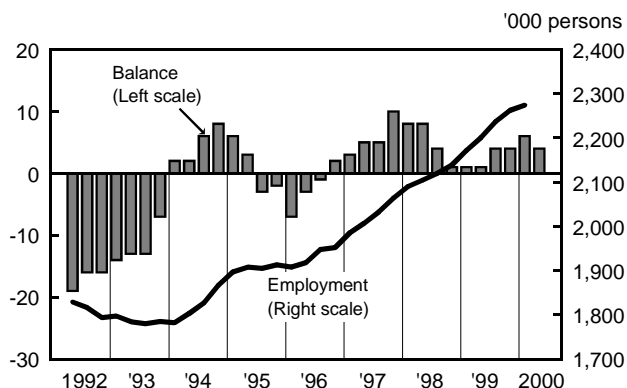
Satisfaction with the level of orders received still increasing

Manufacturers' balance of opinion about their current level of orders received increased 5 points to +25 in April. Some 93% of manufacturers stated that the current level of new orders was about the same or rising when compared with the previous survey. This level of satisfaction about new orders was last observed in the October 1997 survey (+27). According to the Monthly Survey of Manufacturing, \$42.6 billion in new orders were received in February.

Manufacturers anticipate little change in employment levels

Some 76% of manufacturers stated that their workforce would be little changed in the coming three months. Ten percent said they would decrease their workforce, and 14% said they would increase employment levels. The April balance of opinion about employment prospects for the next three months was +4, 2 points lower than in January. The March Labour Force Survey (LFS) reported that employment in manufacturing was 92,900 higher than in March 1999, an increase of 4.3%.

Balance of opinion on employment prospect during the next three months and manufacturing employment (LFS)



The level of finished products inventory still not a major concern

In the April survey, some 83% of manufacturers stated that the current level of finished products inventory was about right. Thirteen percent of manufacturers responded that inventories were too high, and 4% said inventories were too low; the current balance of opinion stood at -9, a 5-point decrease from the January survey. The February Monthly Survey of Manufacturers reported that manufacturers were holding \$17.8 billion in finished products inventory.

Most manufacturers satisfied with current level of unfilled orders

In April, some 80% of manufacturers indicated that the current level of unfilled orders was about normal, down slightly from the January result. Manufacturers' satisfaction with the current level of unfilled orders remained positive, on balance, (+4) in the April survey. Some 12% of manufacturers reported that unfilled orders would be higher than normal; 8% stated they would be lower than normal.

Few manufacturers reported production impediments

In April, 86% of manufacturers reported an absence of production impediments, 2 points lower than the January survey results. A shortage of skilled labour continued to be a concern for 7% of manufacturers, a 1% increase over January.

Available on CANSIM: matrices 2843-2845.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Claude Robillard (613-951-3507; robilcg@statcan.ca), Monthly Survey of Manufacturing Section, Manufacturing, Construction and Energy Division. □

Business Conditions Survey, manufacturing industries

	April 1999	July 1999	Oct. 1999	Jan. 2000	April 2000
	seasonally adjusted				
Volume of production during next three months compared with last three months will be:					
About the same	53	52	46	47	53
Higher	32	36	34	39	33
Lower	15	12	20	14	14
Balance	17	24	14	25	19
Orders received are:					
About the same	73	60	69	62	61
Rising	17	30	25	29	32
Declining	10	10	6	9	7
Balance	7	20	19	20	25
Present backlog of unfilled orders is:					
About normal	78	74	75	81	80
Higher than Normal	9	13	17	11	12
Lower than Normal	13	13	8	8	8
Balance	-4	0	9	3	4
Finished product inventory on hand is:					
About right	79	82	85	84	83
Too low	3	3	4	6	4
Too high ¹	18	15	11	10	13
Balance	-15	-12	-7	-4	-9
Employment during the next three months will:					
Change little	69	70	68	72	76
Increase	16	17	18	17	14
Decrease	15	13	14	11	10
Balance	1	4	4	6	4
	unadjusted				
Sources of production difficulties:					
Working capital shortage	2	4	2	2	1
Skilled labour shortage	8	7	8	6	7
Unskilled labour shortage	1	0	2	1	2
Raw material shortage	1	3	3	2	2
Other difficulties	2	4	3	1	1
No difficulties	85	81	84	88	86

¹ No evident seasonality.

OTHER RELEASES

Foreign control in the Canadian economy 1997

Foreign companies recorded a modest increase in their share of both corporate assets and operating revenues in Canada in 1997, continuing a growth trend that prevailed throughout the 1990s.

Foreign firms controlled 22.6% of assets in Canada in 1997, up from 21.7% the year before and 20.5% in 1988.

Similarly, they accounted for 31.0% of all corporate operating revenues, up marginally from 30.8% in 1996, and 25.7% in 1988.

Since 1988, the proportion of foreign control over corporate assets has increased in all industries except energy, metallic minerals and metal products, and electrical and electronic products. In 1997, foreign firms controlled 71.1% of assets in the chemical, chemical products and textiles industry, the highest level among all industries, and 52.6% of assets in transportation equipment.

The proportion of foreign control over corporate operating revenue has increased since 1988 in all industries except metallic minerals and metal products and electrical and electronic products. As was the case with assets, foreign firms accounted for 66.7% of revenues in the chemical, chemical products and textiles industry, the highest share, and 55.3% in the transportation equipment industry. The strength of foreign control in the transportation equipment industry was largely the result of continuing strong exports of motor vehicles and related automotive equipment by U.S.-controlled firms.

The stronger growth of foreign-controlled firms and the upward trend in the share of foreign-controlled operating revenue were due, in part, to the growth in exports in the early and mid-1990s and to globalization. Foreign-controlled firms are generally larger than Canadian firms, and produce for both the domestic and international markets.

Several large Canadian firms also benefited directly from these international trends. Nevertheless, the majority of Canadian businesses are small and

concentrate their attention on domestic markets. These firms have been less able to exploit the opportunities created by the export-led growth in the mid-1990s.

The relatively strong growth of foreign-controlled firms may also be partly explained by their diversity and greater access to export markets. The distribution network for goods and services is potentially more diverse and far-reaching for foreign-controlled firms than for small Canadian-controlled operations. They are also less dependent on the Canadian domestic market for sales than are Canadian-controlled firms.

The United States continued to dominate the foreign-controlled share of both corporate operating revenue and assets in Canada. American firms controlled 21.1% of operating revenue in 1997, up from 17.3% in 1988. Similarly, they controlled 13.0% of corporate assets in 1997, up from 11.0% a decade earlier.

American-controlled assets increased 0.8% in 1997 compared with 1996. This increase was a major contributor to the growth in the proportion of foreign-controlled assets in 1997.

The report *Corporations Returns Act, 1997 — Foreign control in the Canadian economy* (61-220-XPB, \$40) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Stewart Taylor (613-951-6564), Industrial Organization and Finance Division. ■

Public Service Employee Survey

The public-use microdata file for the Public Service Employee Survey is now available.

For information on the public-use microdata file, contact Client Services (613-951-7355; 1-888-297-7355; fax: 613-951-3012; ssd@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Eddy Ross (613-951-3240; rossed@statcan.ca), Special Surveys Division. ■

PUBLICATIONS RELEASED

Supply and disposition of crude oil and natural gas,
January 2000

Catalogue number 26-006-XPB (\$19/\$186).

Electric power statistics, February 2000

Catalogue number 57-001-XIB (\$9/\$85).

**Corporations Returns Act — Foreign control in the
Canadian economy,** 1997

Catalogue number 61-220-XPB (\$40).

Industry price indexes, February 2000

Catalogue number 62-011-XPB (\$22/\$217).

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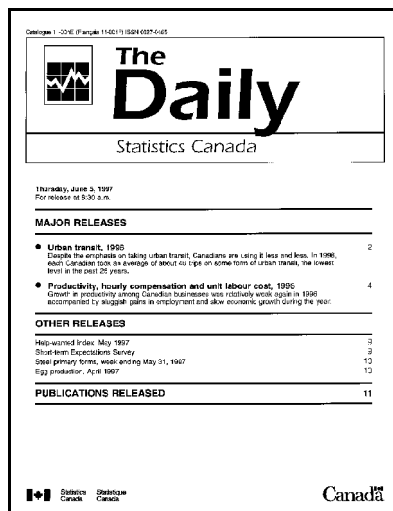
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