



The Daily

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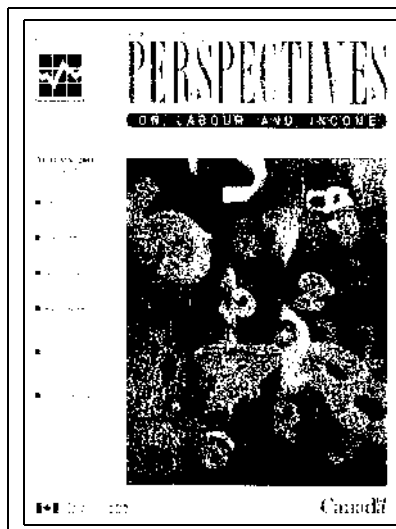
MAJOR RELEASES

- **Industrial capacity utilization rates, second quarter 2001** 2
Industries lowered their use of production capacity for the fourth consecutive quarter to 83.2% in the second quarter of 2001. The rate was down 0.4 percentage points compared with the first three months of the year.

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Perspectives on labour and income

Autumn 2001

The lead article in the autumn issue of Perspectives on labour and income, "Who contributes to RRSPs? A re-examination," looks at the influence of income, as well as sex, age and pension coverage, on RRSP participation. The second article in this issue offers an historical perspective on industrial strife - strikes, lockouts and workdays lost - in Canada, while another measures low income intensity among urban and rural Canadian families. "Liberal arts degrees and the labour market" and "Employment and earnings of postsecondary graduates" examine the labour market experiences of recent graduates. Completing this issue is an annual update of union statistics.

The Autumn 2001 issue, Vol. 13, no. 3, of *Perspectives on labour and income* (75-001-XPE, \$18/\$58) is now available. See *How to order products*.

For more information, contact Henry Pold (613-951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.

MAJOR RELEASES

Industrial capacity utilization rates

Second quarter 2001

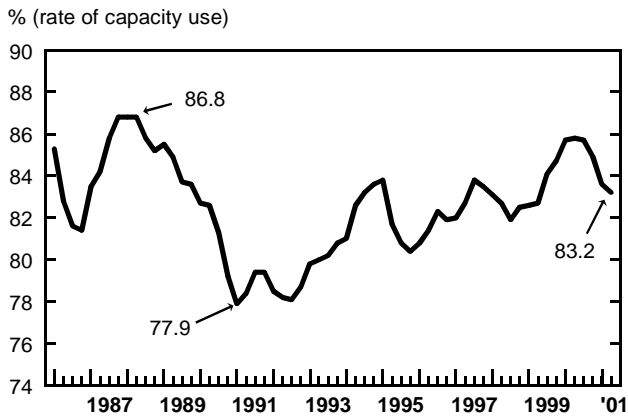
Industries lowered their use of production capacity for the fourth consecutive quarter to 83.2% in the second quarter of 2001. The rate was down 0.4 percentage points compared with the first three months of the year.

As in the first quarter, the decline in the rate was largely due to falling demand for telecommunications equipment but was smaller than in the first quarter. The second-quarter decline was slowed by a sharp increase in mining production and an upturn in the automotive industries.

Note to readers

An industry's capacity use is the ratio of its actual output to its estimated potential output. Statistics Canada derives estimates of an industry's potential output from measures of its capital stock. In addition, since 1987 Statistics Canada has been surveying companies for their estimates of annual capacity use, in order to produce survey-based industry measures. A company's measure of its level of operation, as a percentage of potential, takes into account changes in the obsolescence of facilities, capital-to-labour ratios and other characteristics of production techniques. The surveyed rates anchor the calculated quarterly series and ensure they reflect such changes.

Capacity use down another notch



The construction sector, which has been hit by strikes, also contributed to the decrease in the rates. On the other hand the logging and forestry sector, mining industries and utilities posted higher rates of capacity use. (The rates have been revised back to the first quarter of 1999 to reflect revisions in the source data.)

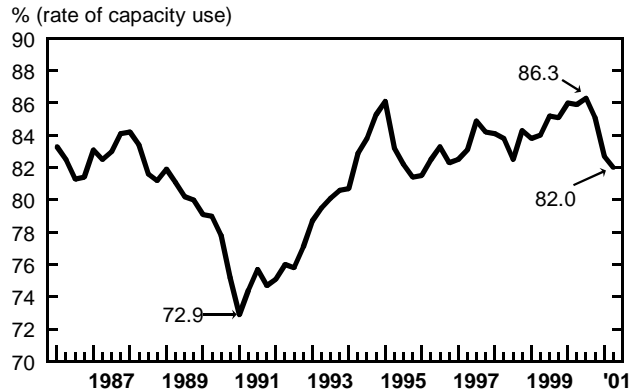
Capacity use has dropped 2.6 percentage points since it started falling in the third quarter of 2000.

Slumping telecommunications group pulls manufacturing down

The rate of capacity use in the manufacturing sector was 82.0%, down 0.7 percentage points from the preceding quarter. Of the 22 industry groups in the manufacturing sector, 14 had lower rates. The most significant decreases were reported in the following

groups: electrical and electronic products, fabricated metal products, machinery, and furniture and fixtures.

Manufacturing reduced capacity use for third consecutive quarter



The May increase in the production of telecommunications equipment was short-lived. Largely because of a 14.3% slump in the output of telecommunications equipment in June, the rate of capacity use for electrical and electronic products tumbled 10.2 percentage points to 70.9% in the second quarter of 2001. The rate has dropped 28.8 percentage points from its peak in the third quarter of 2000.

Lower production in most components of the fabricated metal products sector pushed the rate of capacity use down 2.5 percentage points to 77.9%. This is the first time since the first quarter of 1998 that the rate for this sector has fallen below 80.0%.

Plants producing agricultural, sawmill and other machinery suffered the ill effects of a labour dispute in

the second quarter, while shrinking demand forced other establishments to shorten their work week. As a result, the rate for machinery manufacturing fell to 74.5%, down 4.3 percentage points from the previous quarter.

In the furniture and fixture manufacturing industry, the rate dropped from 81.1% in the first three months of 2001 to 75.4% in the second quarter. Lower output was reported in office and other institutional furniture manufacturing.

Rising U.S. demand for automotive products tempered the decline in capacity use in manufacturing. This upswing led to higher Canadian production of motor vehicles, which pushed the rate of capacity use in transportation equipment manufacturing up to 89.7%, an increase of 5.2 percentage points. Higher demand for automotive products in turn benefited the rubber and plastic products manufacturing groups. Production of rubber products was up 3.5% from the previous quarter, and the industry's rate of capacity use rose to 96.5%. Plastic products industries posted a rate of 84.1%, up 4.7 percentage points from the previous quarter.

Rate of capacity use sharply higher in the mining sector

Exceptionally dry weather in April combined with highly favourable market conditions motivated producers to expand their exploration activities and contributed to a record rate of capacity use of 97.2% in the mining and quarrying industries. In contrast, after holding steady for two consecutive quarters, the rate for petroleum and natural gas extraction declined 1.2 percentage points to 67.9%.

Logging and forestry industries benefited from sustained residential construction activity in Canada and the United States and increased demand from sawmills in the second quarter of 2001. The rate of capacity use rose to 83.2%, 2.3 percentage points higher than in the first quarter.

In utilities, the rate rose slightly to 85.4% as a 3.8 percentage point drop in the rate for the gas distribution industry was more than offset by a 0.8 percentage point gain for electric power.

The construction industry lowered its capacity use to 90.3% as a result of a strike by 15,000 construction workers in Quebec in May. The rate was down 0.8 percentage points compared with the first quarter.

Available on CANSIM: table 0280001 and matrix 3140.

As of September 17, Daily releases will refer only to CANSIM II table numbers. CANSIM II contains more than 2 million data time series depicting economic and social conditions in Canada. Data are updated on the day that new values for these series are released. Real-time access to CANSIM II is available on Statistics Canada's Web site (www.statcan.ca) from the *Our products and services* page. For more information, contact Louis Boucher (613-951-8906; louis.boucher@statcan.ca).

For further information on this release, contact Mychèle Gagnon (613-951-0994) or Richard Landry (613-951-2579), Investment and Capital Stock Division. □

Industrial capacity utilization rates

	Second quarter 2000 ^r	First quarter 2001 ^r	Second quarter 2001	Second quarter 2000 to second quarter 2001	First to second quarter 2001
	percentage point change				
Total non-farm goods-producing industries	85.8	83.6	83.2	-2.6	-0.4
Logging and forestry	93.1	80.9	83.2	-9.9	2.3
Mining (including milling), quarrying and oil wells	77.5	77.1	77.9	0.4	0.8
Mining (including milling) and quarrying	91.1	92.6	97.2	6.1	4.6
Crude petroleum and natural gas	70.3	69.1	67.9	-2.4	-1.2
Manufacturing	85.9	82.7	82.0	-3.9	-0.7
Durable goods	88.7	81.8	80.3	-8.4	-1.5
Wood	86.3	82.6	82.5	-3.8	-0.1
Furniture and fixture	86.7	81.1	75.4	-11.3	-5.7
Primary metal	91.1	86.3	87.2	-3.9	0.9
Fabricated metal products	85.0	80.4	77.9	-7.1	-2.5
Machinery	84.2	78.8	74.5	-9.7	-4.3
Transportation equipment	89.6	84.5	89.7	0.1	5.2
Electrical and electronic products	96.6	81.1	70.9	-25.7	-10.2
Non-metallic mineral products	80.7	72.8	76.9	-3.8	4.1
Other manufacturing	80.6	78.0	75.8	-4.8	-2.2
Non-durable goods	82.1	84.1	84.6	2.5	0.5
Food	81.2	82.2	84.0	2.8	1.8
Beverage	82.9	83.6	83.1	0.2	-0.5
Tobacco products	76.2	74.2	77.5	1.3	3.3
Rubber products	91.2	92.5	96.5	5.3	4.0
Plastic products	80.8	79.4	84.1	3.3	4.7
Leather and allied products	68.5	69.3	68.1	-0.4	-1.2
Primary textile	78.2	80.9	81.1	2.9	0.2
Textile products	79.7	72.3	69.1	-10.6	-3.2
Clothing	84.4	82.2	80.8	-3.6	-1.4
Paper and allied products	92.4	90.4	89.0	-3.4	-1.4
Printing, publishing and allied	80.7	80.0	79.5	-1.2	-0.5
Refined petroleum and coal products	93.4	96.1	92.3	-1.1	-3.8
Chemical and chemical products	76.6	88.1	87.8	11.2	-0.3
Construction	90.9	91.1	90.3	-0.6	-0.8
Electric power and gas distribution systems	86.0	85.2	85.4	-0.6	0.2
Electric power	87.0	86.7	87.5	0.5	0.8
Gas distribution	78.9	74.4	70.6	-8.3	-3.8

^r Revised figures



OTHER RELEASES

New housing price index

July 2001

The price of new homes in Canada continues to increase at a strong rate. The New Housing Price Index, an index of contractors' selling prices, rose 3.0% in July compared to July 2000. This was the highest annual increase since May 1990, when the index advanced 3.8%.

From June to July, the index rose 0.3%.

New Housing Price Indexes (1992=100)

	July 2001	July 2000 to July 2001 % change	June 2001 to July 2001
Canada total	106.3	3.0	0.3
House only	109.2	4.0	0.4
Land only	103.7	1.0	-
St. John's	101.7	2.4	2.4
Halifax	117.9	2.1	-
Charlottetown	107.1	1.8	-
Saint John-Moncton- Fredericton	94.1	0.6	0.4
Québec	105.8	3.3	-
Montréal	114.1	5.8	-
Ottawa-Hull	120.5	12.9	0.4
Toronto	109.4	2.5	0.1
Hamilton	108.4	2.7	0.5
St. Catharines- Niagara	109.3	2.1	0.1
Kitchener-Waterloo	109.8	3.2	0.4
London	104.1	2.4	-
Windsor	106.4	-0.1	-0.1
Sudbury-Thunder Bay	97.1	-1.4	-
Winnipeg	119.3	1.3	-
Regina	135.8	3.0	-
Saskatoon	120.0	3.3	-
Calgary	135.8	2.8	0.4
Edmonton	114.2	1.5	0.5
Vancouver	84.1	1.1	0.6
Victoria	72.6	1.0	0.3

- Nil or zero

Monthly rises occurred in 11 of the 21 urban centres surveyed. The largest advance was in the St. John's census metropolitan area, where the index was up 2.4% from June. Higher prices for land, labour and building materials, in particular lumber, were among the reasons for the increase. Notable advances were also seen in Vancouver (+0.6%), Hamilton (+0.5%) and Edmonton (+0.5%).

Windsor posted a slight decrease (-0.1%) and 9 urban centres registered no change from June to July.

On a year-over-year basis, Ottawa-Hull continued to post the country's largest increase (+12.9%) for new

homes, followed by Montreal, Quebec and Saskatoon. Sudbury-Thunder Bay and Windsor were the only two urban centres which registered year-over-year decreases.

Available on CANSIM: table 3270005 and matrix 9921

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The third quarter 2001 issue of *Construction Price Statistics* (62-007-XPB, \$24/\$79) will be available in December 2001. See *How to Order Publications*. For further information on this release, contact Suzie Boyd (613-951-9606, fax: 613-951-1539, infounit@statcan.ca), Client Services Unit, Prices Division or Susan Morris (613-951-2035, [morrus@statcan.ca](mailto:morrisus@statcan.ca)), Prices Division. ■

For-hire motor carriers of freight, top carriers

Second quarter 2001

The top 82 for-hire motor carriers of freight (Canada-based trucking companies earning \$25 million or more annually) generated operating revenues of \$1.78 billion during the first quarter. Average revenue per carrier was \$21.7 million, up 4.0% from the second quarter of 2000. Average per-carrier expenses climbed 4.5% to \$20.5 million. Overall fuel expenses increased almost 15% from the second quarter of 2000, however this represents the lowest increase in two years.

The operating ratio (operating expenses divided by operating revenues) for all top for-hire carriers was 0.94, unchanged from the second quarter of 2000. A ratio of greater than 1.00 represents an operating loss.

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

NEW PRODUCTS

Supply and disposition of crude oil and natural gas,
May 2001
Catalogue number 26-006-XPB (\$19/\$186).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Perspectives on labour and income, August 2001,
Vol. 13, no. 3
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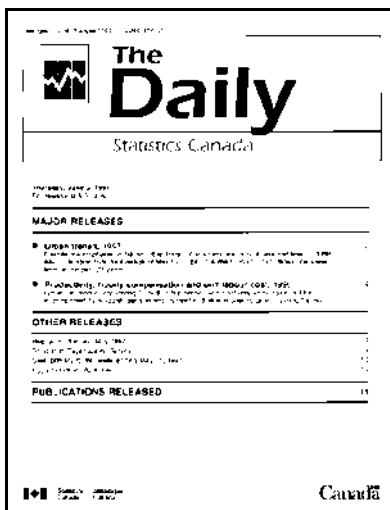
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