

## Statistics Canada

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## **MAJOR RELEASES**

- Characteristics of international travellers, fourth quarter 2001 and annual 2001
   Foreign visitors continued travelling to Canada in record numbers in 2001 despite a sharp decline in visitors from overseas and a collapse in business travel from the United States following September 11.
- International travel account, first quarter 2002 Canada's international travel deficit recorded its seventh consecutive decline in the first quarter of 2002. The deficit fell from a revised \$90 million in the fourth quarter of 2001 to an estimated \$30 million in the first quarter of 2002.

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### **MAJOR RELEASES**

# Characteristics of international travellers

Fourth quarter 2001 and annual 2001

Foreign visitors continued travelling to Canada in record numbers in 2001 — despite a sharp decline in visitors from overseas and a collapse in business travel from the United States following September 11.

Canada welcomed 19.6 million overnight foreign travellers in 2001, matching the record high set in 2000 in the 22 years data on international travellers' characteristics have been collected. Americans accounted for four out of every five travellers, or about a record 15.6 million.

Overnight travel from the United States rose 2.4% in 2001 compared with the previous year, the highest percentage increase since 1998. However, overnight travel from overseas countries fell a significant 8.2%.

A sharp drop in the number of overnight travellers from the United States following the events of September 11 was not enough to reverse the overall rising trend during the first three quarters of 2001. Business travel from south of the border, for example, plunged 23.7% during the final three months of the year.

Americans stayed more nights in Canada in 2001 (+8.1% to 63.4 million nights) and they spent more money (+9.0% to \$8.1 billion) than a year earlier.

#### Fewer Americans flew to Canada

Travel by air from the United States fell 1.8% last year, likely because of September 11. As a result, the proportion of overnight American travellers flying to Canada declined for the first time since 1997. In 2001, just over 24% of American visitors came by air, down from just over 25% the year before.

Almost 60% of overnight trips by Americans to Canada were for a holiday or vacation, and these trips rose 7.1% from 2000. However, business travel declined 13.5% in 2001.

Almost all provinces posted record highs in the number of American overnight visitors in 2001. Newfoundland had a 28.9% increase in American visitors — the biggest increase among the provinces.

#### Note to readers

The next release of the Characteristics of International Travellers for the first quarter of 2002, scheduled for 28 August 2002, will include revisions for 2000 and 2001.

These revisions will incorporate the results of several methodological initiatives that have been developed in the past two years (in partnership with the Canadian Tourism Commission) to improve the quality of the information collected by the International Travel Survey.

Since the beginning of 2002, the production schedule for a given quarter has been extended by three months in order to accommodate the implementation of these initiatives.

As a result, starting with the first quarter of 2002, the release of final estimates on the Characteristics of International Travellers will be delayed by three months and will be preceded by the release of preliminary estimates. For instance, the preliminary estimates for the first quarter of 2002 will be released at the end of August, five months after the end of the reference quarter. The release of final estimates for this quarter will occur at the end of November, eight months after the end of the reference quarter.

American visits were down in only two provinces: Alberta and Prince Edward Island. Overnight visits to Ontario, the most popular destination for American travellers, were up in 2001 (+4.0%) following two straight annual declines.

New York State continued to be the largest source of American travellers, sending 2.0 million visitors, or about 13% of the total. However, residents of Pennsylvania (+12.9%) recorded the largest increase among the top 10 states of origin.

## Travel from overseas down for the first time in three years

About 4.0 million tourists came from overseas countries in 2001, down 8.2% from 2000, the first setback since 1998. These travellers stayed a little longer (+1.2% to 49.7 million nights) but spent slightly less (-0.8% to \$5.1 billion).

Of the top 12 overseas markets for Canada, the largest declines in travel were recorded by Taiwan (-27.1%) and Japan (-18.0%). The only major overseas markets to record increases were South Korea (+5.2%) and Mexico (+4.6%).

Canada's top 10 major overseas tourist markets

	2000	2001	2000 to
			2001
	Visits ('0	000)	% change
United Kingdom	866	826	-4.5
Japan	500	410	-18.0
France	404	356	-11.8
Germany	385	337	-12.5
Australia	173	162	-6.2
Mexico	143	149	4.6
South Korea	134	141	5.2
Hong Kong	137	124	-9.8
Taiwan	160	116	-27.1
Netherlands	128	115	-10.4

## Canadian travel to the United States plunges to near-record low

Overall last year, Canadians took 13.5 million overnight trips to the United States, down 7.8% from 2000. This number is only 0.6% above the lowest level ever recorded in 1998, when the Canadian dollar averaged US\$0.67.

Business travel was off 17.9% in 2001, while pleasure travel, which represents more than one-half of all overnight trips south of the border was down 5.2%.

Canadians made 4.6 million overnight trips by air to the United States in 2001, down 13.4%. Since the Open Skies Agreement came into effect in 1995, the proportion of Canadians flying to the United States had grown continually from 25.9% of all overnight trips in 1995 to 36.6% in 2000. However, this proportion declined to 34.3% last year, in part because of September 11.

Car travel fell to a record low of 7.6 million overnight trips, compared with 14.3 million overnight trips in 1991.

The 10 most popular states visited by Canadians all suffered a decline in overnight visits in 2001. Nevada, California and Pennsylvania each registered double-digit decreases. New York remained the most popular state last year, and the only one to attract more than 2 million Canadian travellers. Florida attracted almost 1.9 million Canadians, but this was down 5.7% from 2000. Canadians spent 35.7 million nights and more than \$2.2 billion in Florida in 2001.

## United Kingdom no longer most popular overseas destination

Overall, the number of overnight trips to overseas destinations increased 7.0% in 2001, despite a sharp 10.4% decline in the fourth quarter. However, Canadians were more inclined to travel directly to their destination. Trips taken directly to overseas destinations rose 8.8%, while trips to overseas destinations via the United States fell 2.7%.

For the first time in 22 years, the United Kingdom was not the most popular destination for Canadians travelling overseas. Among the top 10 countries visited by Canadians, the United Kingdom suffered the largest drop in the number of Canadian visitors (-16.5%), partly due to the foot-and-mouth epidemic. Last year Canadians made 737,000 visits to Mexico, which ranked second since 1996, compared with 670,000 to the United Kingdom.

Among the top 10 destinations for Canadians, Cuba, the Dominican Republic and Switzerland all recorded double-digit growth.

Business trips by Canadians to overseas countries fell 10.2% to 683,000, while pleasure trips rose 14.9% to more than 3 million.

Top 10 overseas countries visited by Canadians

	2000	2001	2000
			to
			2001
	Visits ('0	000)	% change
Mexico	731	737	0.8
United Kingdom	803	670	-16.5
France	442	476	7.8
Cuba	273	401	46.9
Dominican Republic	195	271	38.9
Germany	277	242	-12.7
Italy	211	216	2.1
Switzerland	124	144	16.8
Netherlands	154	144	-6.0
Spain	132	138	5.1

## Steep drop in US business travel in the fourth quarter

In the fourth quarter of 2001, overnight travel from the United States to Canada fell for the first time after three consecutive quarterly increases. Americans made 2.5 million overnight trips to Canada, down 3.1% compared with the same quarter of 2000.

Business travel was the most affected as the number of American business travellers coming to Canada plunged 23.7% in the fourth quarter. However, trips to visit friends and relatives rose 4.0%, while pleasure travel went up 2.4%.

Air travel fell 12.7% in the fourth quarter, primarily because of the drop in business travel. However, car travel was up 2.7%.

Canadians made 2.3 million overnight trips to the United States in the fourth quarter, down a substantial 20.4% from the same period in 2000, and the fifth consecutive quarterly decline.

September 11 events aggravated the decline in overnight travel from overseas countries that started in the second quarter of 2001. Overseas residents took 630,000 overnight trips to Canada in the fourth quarter, down 20.3%.

Among Canada's 12 most important overseas markets, all except South Korea posted declines in overnight trips to Canada in the fourth quarter. Trips from South Korea rose 1.6%. This was not enough to offset the large declines in the number of trips from other Asian countries, which made Asia the second worst inbound region (-28.5%) after South America (-29.2%).

This release summarises data now available from the International Travel Survey. Tables as well as various statistical profiles and micro-data files of characteristics of international travellers for the fourth quarter and year 2001 are now available on request.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Élaine Fournier (613-951-5907) or Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-2909; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

### International travel account

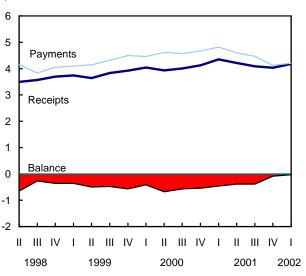
First quarter 2002 (preliminary)

Canada's international travel deficit — the difference between what Canadians spend abroad and what foreigners spend in Canada — recorded its seventh consecutive decline in the first quarter of 2002. The deficit fell from a revised \$90 million in the fourth quarter of 2001 to an estimated \$30 million in the first quarter of 2002. This was the lowest deficit since the third quarter of 1986 when Vancouver hosted the world's fair.

This result was mostly due to an increase in spending by foreign residents in Canada, which exceeded the growth recorded in Canadian spending abroad. From January to March, foreign travellers injected just under \$4.2 billion in the Canadian economy, 3.6% more than in the fourth quarter. Canadian travellers spent \$4.2 billion outside the country, up 2.0% from the fourth quarter. In both cases, this was the first increase since the first quarter of 2001.

## Canada's travel deficit lowest since the third quarter of 1986

\$ billions



Foreign residents made 11.4 million same-day and overnight trips to Canada in the first quarter, an 8.0% rise from the fourth quarter of 2001. Also, travel outside the country by Canadian residents increased 6.1% to 9.8 million trips.

#### Note to readers

This International travel account analysis is based on preliminary quarterly data (seasonally adjusted) unless otherwise stated. Amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education and medical spending. Payments represent spending by Canadians travelling abroad, including education and medical spending.

Overseas countries are those other than the United States.

#### Travel deficit with the United States fell

Canada's travel deficit with the United States declined from a revised \$67 million in the fourth quarter to \$40 million in the first quarter of 2002, due to a larger increase in both the number of trips and travel spending made by American residents.

Americans took slightly less than 10.4 million same-day and overnight trips this side of the border in the first quarter, 8.2% more than in the fourth quarter of 2001. They spent an estimated \$2.5 billion in Canada, up 3.6% compared with the fourth quarter. During the first quarter of 2002, the Canadian dollar averaged a depreciation of 0.9% against the US dollar.

Canadians spent just under \$2.6 billion south of the border in the first quarter, up 2.4% from the fourth quarter. Their number of trips increased 6.9% to 8.7 million.

## Increased spending from overseas resulted in travel surplus with countries other than the United States

Overseas travellers spent slightly more than \$1.6 billion in Canada, a 3.6% increase compared with the fourth quarter. They made 6.1% more trips in the first quarter, up to just over 1.0 million.

Canadian residents, for their part, took 1.1 million trips to overseas destinations in the first quarter, up slightly (+0.6%) from the fourth quarter. Their spending on those trips rose 1.5% to just over \$1.6 billion.

Consequently, Canada's travel balance with countries other than the United States showed a surplus of \$10 million in the first quarter of 2002, after recording a revised deficit of \$24 million in the fourth quarter. This was the first travel surplus with overseas countries in more than 10 years. During the period, the Canadian dollar appreciated against several major European currencies, including the Euro.

### International travel account receipts and payments

First	Fourth	First	Fourth
quarter	quarter	quarter	quarter
2001 <sup>r</sup>	2001 <sup>r</sup>	2002 <sup>p</sup>	2001
			to
			first
			quarter
			2002

	Seasonally adjusted <sup>1</sup>			
	\$	millions		% change
United States				
Receipts	2 574	2 451	2 538	3.6
Payments	2 983	2 518	2 578	2.4
Balance	-409	-67	-40	
All other countries				
Receipts	1 778	1 583	1 641	3.6
Payments	1 829	1 607	1 630	1.5
Balance	-51	-24	10	
Total				
Receipts	4 352	4 034	4 178	3.6
Payments	4 812	4 124	4 208	2.0
Balance	-460	-90	-30	

Revised figures.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Jocelyn Lapierre (613-951-3720) or Client (1-800-307-3382) 613-951-7608; 613-951-2909; cult.tourstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

Preliminary figures.

Data may not add to totals due to rounding.

## **OTHER RELEASES**

### **Employment Insurance**

March 2002 (preliminary)

The estimated number of Canadians (adjusted for seasonality) receiving regular Employment Insurance benefits in March was down 0.8% from February to 548,790. Led by Quebec (-1.9%), seven of the provinces and territories showed month-to-month declines while the four western provinces reported increases. Compared with March 2001 the number of regular beneficiaries was up 9.2% at the national level.

Regular benefit payments made in March totalled \$646.3 million, down 12.6% from February and up 3.5% from March of last year. The number of initial and renewal claims received fell 13.5% to an estimated 206,280 in March, 14.9% lower than in March 2001.

### Number of beneficiaries receiving regular benefits

	Mar.	Feb.	Mar.
	2002 <sup>p</sup>	2002	2001
		to	to
		Mar.	Mar.
		2002	2002
<u>-</u>	Seas	onally adjusted	
		% change	
Canada	548,790	-0.8	9.2
Newfoundland and			
Labrador	36,960	-1.3	7.6
Prince Edward Island	8,300	-1.7	1.0
Nova Scotia	30,330	-0.7	2.7
New Brunswick	34,610	-0.9	1.1
Quebec	185,520	-1.9	6.8
Ontario	132,600	-0.2	12.6
Manitoba	13,550	0.4	10.1
Saskatchewan	11,210	1.9	3.5
Alberta	30,130	3.7	22.3
British Columbia	64,490	1.5	18.1
Yukon	720	-2.7	-8.9
Northwest Territories			
and Nunavut	980	0.0	4.3
	ι	Jnadjusted	_
Northwest Territories	730	1.4	-2.7
Nunavut	320	-8.6	6.7

Preliminary figures.

**Note:** Employment Insurance Statistics Program (EI) data are produced from an administrative data source and may, from time to time be affected by changes to the *Employment Insurance Act*.

The number of beneficiaries is a measure of all persons who received EI benefits for the week containing the fifteenth day of the month. The regular benefit payments series measures the total of all monies individuals received for the entire month.

These different reference periods must be taken into consideration when comparisons are made between the two series.

#### **Employment Insurance statistics**

	Mar. 2001	Feb. 2002	Mar. 2002	Feb. to Mar. 2002	Mar. 2001 to Mar.
		Seas	sonally ad	iusted	2002
			borially as	Juotou	
				% (	change
Regular beneficiaries Regular benefits paid	502,700	553,480 <sup>p</sup>	548,790 <sup>p</sup>	-0.8	9.2
(\$ millions)	624.7	739.7	646.3	-12.6	3.5
Claims received ('000)	242.4	238.4	206.3	-13.5	-14.9
			Unadjuste	d	
				% (	change
All beneficiaries ('000) Regular beneficiaries	844.1	1,022.8 <sup>p</sup>	997.5 <sup>p</sup>	-2.5	18.2
('000)	646.3	725.7 <sup>p</sup>	706.5 <sup>p</sup>	-2.6	9.3
Claims received ('000) Payments (\$ millions)	207.8 1.133.0	192.7 1,380.3	182.9 1.334.7	-5.1 -3.3	-12.0 17.8
Payments (\$ millions)	1,133.0	1,360.3	1,334.7	-3.3	17.0
		Year-to-da	te (Januar	y to Marc	ch)
			2001	2002	2001 to 2002
		•			% change
Claims received ('000) Payments (\$ millions)			749.7 3,581.0	733.0 4,245.1	-2.2 18.5

<sup>p</sup> Preliminary figures.

Note: All beneficiaries includes all claimants receiving regular benefits (e.g., due to layoff) or special benefits (e.g., due to illness).

The act allows each province or administrative region of Human Resources Development Canada to have certain autonomy in applying administrative procedures regarding renewal claims. Data users must note that month-to-month changes in levels may be affected by different administrative procedures for renewal claims between one province, territory or region and another.

Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0012, 276-0015 and 276-0016.

To order data, or for general information, contact the Client Services Unit (1-866-873-8788; 613-951-4090; labour@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091) or Dominique Pérusse (613-951-4064), Labour Statistics Division.

### **Department store sales and stocks** April 2002

After two successive monthly declines, department store sales jumped 2.0% in April to \$1.78 billion (seasonally adjusted). April's increase brought department store sales back to essentially the same level as January.

Department store sales have maintained an upward movement since the spring of 2000, although growth was weak in the summer of 2001. Before the spring of 2000, sales had been declining since September 1999.

In April, average department store sales per location totalled \$2.41 million, up 0.7% from the most recent peak reached in January 2002. Average sales per location in April were 2.7% higher than in July 2001, the peak for that year. There were 741 locations in April, up from 728 in July 2001.

At the national level, department store sales unadjusted for seasonality advanced 7.1% in April compared with the same period a year earlier. During the same one-year period, sales increased in all provinces. Quebec (+10.2%) and Ontario (+7.5%) were the only provinces to exceed the national growth rate.

#### Department store sales including concessions

	April	April	April	Jan.	JanApril
	2001	2002	2001	to	2001
			to	April	to
			April	2002	JanApril
			2002		2002
		Not	t seasonally	adjusted	
				\$	
	\$ mil	lions	% change	millions	% change
Canada	1,486.1	1,591.0	7.1	5,514.4	8.8
Newfoundland and Labrador and, Prince Edward					
Island <sup>1</sup>	32.3	34.4	6.5	123.6	17.7
Nova Scotia	42.6	44.2	3.9	161.6	15.9
New Brunswick	33.1	33.7	1.8	119.1	8.2
Quebec	279.0	307.4	10.2	1,033.2	12.6
Ontario	628.1	675.4	7.5	2,334.3	8.1
Manitoba	61.4	64.5	5.0	220.6	5.0
Saskatchewan	53.9	55.9	3.9	194.2	6.6
Alberta British Columbia, Yukon, Northwest Territories and	183.0	193.5	5.7	681.5	8.2
Nunavut <sup>1</sup>	172.9	182.0	5.3	646.4	5.3

For reasons of confidentiality, data for Newfoundland and Labrador and, Prince Edward Island are combined as are data for British Columbia, Yukon, Northwest Territories and Nunavut.

#### Available on CANSIM: tables 076-0001 to 076-0003.

For general information or to obtain data, contact the Client Services Unit (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). To enquire about the concepts,

methods or data quality of this release, contact Clérance Kimanyi (613-951-6363; *clerance.kimanyi* @ *statcan.ca*), Distributive Trades Division.

## Crude oil and natural gas

March 2002 (preliminary)

Crude oil production totalled 11 590 900 cubic metres in March, up 3.5% from the same month a year earlier. The advance was due to increased production from Terra Nova in Newfoundland and Labrador. Newfoundland and Labrador crude oil production increased by 91.0% or 3.9 million barrels compared with March 2001. Synthetic crude oil production was up 12.4%, however, total production of crude oil and equivalent hydrocarbons in Alberta was down 3.0% compared with March 2001.

#### Crude oil and natural gas

	Mar. 2001	Mar. 2002	Mar. 2001 to Mar. 2002
	Thousands of o	ubic metres	% change
Crude oil and equivalent hydrocarbons <sup>1</sup>			
Production	11 193.9	11 590.9	3.5
Exports	6 886.7	6 794.5	-1.3 -14.1
Imports <sup>2</sup> Refinery receipts	5 140.3 9 311.6	4 416.9 8 733.1	-14.1 -6.2
remory receipts	9 911.0	0 700.1	0.2
	Millions of cu	bic metres	% change
Natural gas <sup>3</sup>	44.000.4	45,400.0	
Marketable production Exports	14 892.4 9 340.0	15 463.8 9 765.9	3.8 4.6
Canadian domestic sales <sup>4</sup>	7 194.0	7 760.5	7.9
			Jan - Mar 2001
	Jan. to	Jan. to	to
	Mar. 2001	Mar. 2002	Jan - Mar 2002
	Thousands of c	cubic metres	% change
Crude oil and equivalent hydrocarbons <sup>1</sup>			
Production	32 257.5	33 420.6	3.6
Exports	19 967.8	19 683.9	-1.4
Imports <sup>2</sup>	14 817.6 27 156.1	13 008.9 26 097.0	-12.2 -3.9
Refinery receipts	27 156.1	26 097.0	-3.9
	millions of cul	bic metres	% change
Natural gas <sup>3</sup>			
Marketable production	44 034.2	44 177.5	0.3
Exports Canadian domestic sales <sup>4</sup>	29 098.8 23 071.2	28 138.2 23 299.8	-3.3 1.0
			***

Disposition may differ from production because of inventory change, industry own-use, etc.

<sup>&</sup>lt;sup>2</sup> Crude oil received by Canadian refineries from foreign countries for processing. Data may differ from International Trade Division (ITD) estimates because of timing differences and the inclusion of crude oil landed in Canada for future re-export in the ITD data.

Disposition may differ from production because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations, etc.

Includes direct sales.

Exports, which accounted for 58.6% of total production, decreased by 1.3% over March 2001.

The year-to-date production of crude oil advanced 3.6% over the same period last year, while crude oil exports fell 1.4%.

Marketable natural gas increased 3.8% from March 2001, while domestic sales (+7.9%) and exports (+4.6%) of natural gas grew over the same period.

Year-to-date marketable production of natural gas rose 0.3%, while Canadian domestic sales grew 1.0% and exports of natural gas were down 3.3% over the same period in 2001.

#### Available on CANSIM: tables 126-0001 and 131-0001.

The March 2002 issue of *Supply and disposition of crude oil and natural gas* (26-006-XPB, \$19/\$186) will be available in July. See *How to order products*.

To order data, or for general information, contact the Dissemination Officer at (1-866-873-8789 or 613-951-9497; energ@statcan.ca). To enquire about the concepts, methods and data quality of this release, contact Gerry Desjardins (613-951-4368; desjger@statcan.ca) or Eleonore Harding (613-951-5708; hardele@statcan.ca), Manufacturing, Construction and Energy Division.

## Asphalt roofing

April 2002

Production of asphalt shingles totalled 3 846 042 metric bundles in April, up 16.0% from 3 315 825 metric bundles (revised) in April 2001.

Year-to-date production to the end of April amounted to 13 862 099 metric bundles, a 10.5% increase from 12 539 614 metric bundles (revised) in the same period in 2001.

#### Available on CANSIM: table 303-0006.

The April 2002 issue of *Asphalt roofing*, Vol. 54, no. 4 (45-001-XIB, \$5/\$47) is now available. See *How to order products*.

For general information or to order data, contact the Dissemination Officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca). For more information, or to enquire about the concepts, methods, and data quality of this release, contact Gilles Simard (613-951-3516; simales@statcan.ca), Manufacturing, Construction and Energy Division.

## Monthly railway carloadings

March 2002

The freight loaded by railways in Canada during March totalled 20.0 million metric tonnes (excluding intermodal traffic), down 0.9% compared with March 2001. The intermodal tonnage, represented by container-on-flat-cars and trailer-on-flat-car advanced 2.7% to 2.0 million metric tonnes compared with same period a year earlier.

#### Available on CANSIM: table 404-0002.

The March 2002 issue of *Monthly railway carloadings*, Vol. 79, no. 3 (52-001-XIE, \$8\$77) is now available. See *How to order products*.

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

# The importance of new firms in Canadian manufacturing

1989 to 1997

The dynamic process that brings new firms into an industry and forces old firms out dramatically reshapes Canada's industrial landscape, according to a new report that examines competitive restructuring in the manufacturing sector.

Each year, a large number of firms attempts to break into markets. According to this report, between 15% and 20% of all firms are new each year in Canada. The proportion is slightly higher in services industries than in manufacturing.

However, because they are usually smaller on average than established companies, these new firms account for a less significant share of total employment, between 2% and 4%, depending on how their size is measured.

Five years down the road, however, some of these new companies have grown and prospered, while many have gone out of business. This study found that the new companies that originally represented 15% to 20% of the total accounted for only 5% to 6% five years later.

Despite this decline in share, they still accounted for 2.5% of total employment. The reason is that the firms that have survived have grown so much that the importance of the entry cohort is more or less maintained over the first five years of existence.

Over time, the cumulative impact of successive cohorts of new entrants can be significant. In the

manufacturing sector, 10 years of entrants account for some 16% of shipments, while 20 years of entrants account for about 34% of shipments. Similar long-run estimates are apparent for the services sector as well.

The report concludes that new firms entering into manufacturing are important for two reasons. First, a large percentage of firms in any period are recent entrants. And while many new firms do not survive, some do and they grow. Taken together, successive cohorts of recent entrants, both the more and less mature, account for a significant proportion of output at any point in time.

Three different databases were used to determine the extent to which the impact of entry depended on the data file used. These were Statistics Canada's Business Register file; the Longitudinal Employment Analysis Program; and the Annual Survey of Manufactures.

Different databases will yield slightly different results because of the characteristics of each file. For example, a file may capture the business universe at a different level of organizational structure or at a different stage of the business life cycle. The earlier the existence of businesses is detected, the larger the entry rate.

The report analyzes how specific measures may vary across files, depending on how each determines whether a firm is new. It examines the importance of entry by using the employment share of new entrants as well as their share of the business population. Characteristics of firms, such as employment, are usually measured differently within each file, so differences in employment-weighted measures will vary as a consequence.

The differences between short- and long-term entry rates are used to explore the importance of new firms at different stages of their evolution (after one year, five years, and so on).

The research paper *The importance of entry to Canadian manufacturing with an appendix on measurement issues*, no. 189 (11F0019MIE, free) is now available on Statistics Canada's Web site (www.statcan.ca). From the *Products and services* page; choose *Research papers* (free), then *Social conditions*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Desmond Beckstead (613-951-6199), Micro-economic Analysis Division.

### **NEW PRODUCTS**

The importance of entry to Canadian manufacturing with an appendix on measurement issues, no, 189 Catalogue number 11F0019MIE2002189 (free).

Asphalt roofing, April 2002, Vol. 54, no. 4 Catalogue number 45-001-XIB (\$5/\$47).

**Monthly railway carloadings**, March 2002, Vol. 79, no. 3

Catalogue number 52-001-XIE (\$8/\$77).

Imports by commodity, March 2002, Vol. 59, no. 3 Catalogue number 65-007-XMB (\$37/\$361).

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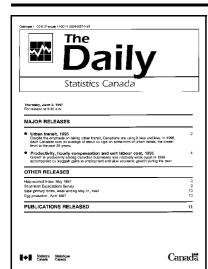
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