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

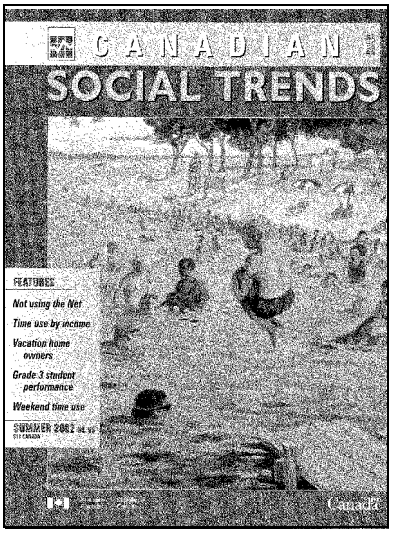
The Daily

Statistics Canada

Tuesday, June 11, 2002
Released at 8:30 am Eastern time

MAJOR RELEASES

(continued on page 2)



Canadian social trends

Summer 2002

Each quarter, *Canadian social trends* integrates data from many sources to examine emerging social trends and issues. The summer 2002 issue contains five articles. The feature article, "Better things to do or dealt out of the game? Internet dropouts and infrequent users," examines the characteristics of Internet dropouts and infrequent users, and compares them with those of Canadians who use the Net regularly; "Time or money? How high and low income Canadians spend their time" looks at the activities and time use of Canadians in high and low income households; "A little place in the country: A profile of Canadians who own vacation property" presents a brief profile of the characteristics of households that own a vacation home; "Ontario Grade 3 student achievement" identifies factors that influenced Ontario Grade 3 student achievement in reading, writing and mathematics; finally, "No time to relax? How full-time workers spend the weekend" explores what Canadian adults aged 25 and over who are employed full-time do over the course of an average day on the weekend.

This issue of *Canadian social trends* also features the latest social indicators, as well as information about Statistics Canada's products and services.The summer 2002 issue of *Canadian social trends*, no. 65 (11-008-XIE, $8/$27; 11-008-XPE, $11/$36) is now available. See *How to order products*.

For more information, contact Susan Crompton (613-951-2556; *cstsc@statcan.ca*), Housing, Family and Social Statistics Division.

OTHER RELEASES

NEW PRODUCTS

MAJOR RELEASES

Industrial capacity utilization rates

First quarter 2002

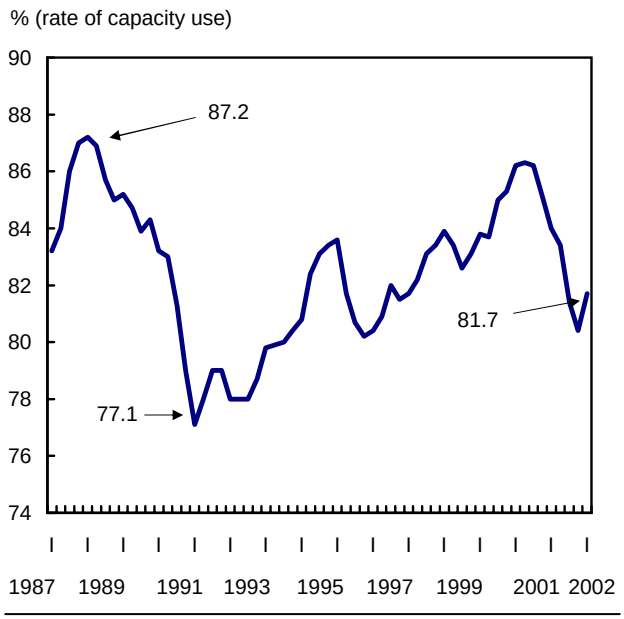
Led by the manufacturing sector, industries raised their rate of capacity use from January to March, halting a string of six consecutive quarterly declines.

Industries operated at 81.7% capacity in the first three months of the year, up from 80.4% in the fourth quarter of 2001. It was the first increase since the second quarter of 2000, when the rate reached 86.3%.

The increase was largely attributable to the manufacturing sector, which recorded its biggest gain in capacity use in more than three years, and more particularly to motor vehicle and automotive parts manufacturers, who benefited from strong demand. Of the 21 major industry groups in this sector, 17 posted an increase in their rate of capacity use. Rates also rose in electrical energy, construction, and mining and oil and gas extraction, but the rate in logging and forestry dropped sharply. (Rates of capacity use have been revised back to the first quarter of 2000 to incorporate revisions in source data.)

The economic recovery that began in the fourth quarter of 2001 continued in the first quarter of 2002. Employment growth helped to restore consumer confidence and bolster domestic demand. Also, the recovery of the US economy favoured exports to that country and contributed to stronger foreign demand.

Upturn in capacity use



Note to readers

*An **industry's rate of 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.*

To meet rising demand, manufacturers responded in the fourth quarter of 2001 by drawing on their inventories. However, in the first quarter of 2002, their response was to increase production, and as a result, the unused capacity margin declined. According to April's Business Conditions Survey, manufacturers reported that inventory levels had been brought under control, orders were up and it was time to step up production.

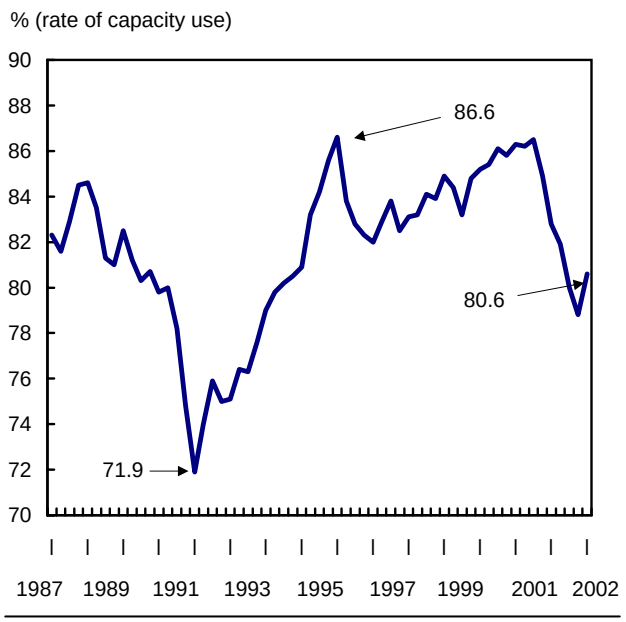
Auto industry gives the manufacturing sector a boost

After five consecutive declines, manufacturers increased their capacity use to 80.6% in the first quarter, from 78.8% in the fourth quarter of 2001. This was the largest increase since the fourth quarter of 1998, when the rate climbed 1.6 percentage points to 84.8%. The rise in the rate was widespread, with 17 of the 21 major industry groups in the manufacturing sector registering an increase. Five industry groups in the manufacturing sector posted especially robust increases: transportation equipment, wood products, computer and electronic products, chemicals, and plastics and rubber products.

Contributing the most to the increase in the manufacturing sector's rate was the transportation equipment manufacturing group. Its rate of capacity use rose 3.3 percentage points to 88.1%. Financial incentives offered by automobile dealers and the strength of US demand gave a powerful boost to motor vehicle sales. Output in the motor vehicle industry rose 2.6% in the first quarter, following production cutbacks since June 2001 to reduce inventory levels. The production of automotive parts also rose (+4.7%) in the first quarter of 2002 following a similar increase in demand. The increased demand for automotive products in turn stimulated the manufacture of plastics

and rubber products. That industry's rate of capacity use rose 2.9 percentage points to 83.5%.

Manufacturing rebounds



In the wood products group, the rate of capacity use was 85.5%, up 4.6 percentage points from the fourth quarter of 2001. Manufacturers of wood products increased their output 5.6% on the strength of the residential market in both Canada and the United States. The increased demand for new homes also affected manufacturers of glass and glass products, cement and concrete as well as gypsum, who raised their production and contributed to the increase in the rate for the non-metallic mineral products group. The rate in that industry rose 3.7 percentage points to 80.0%. Furniture manufacturers also increased their capacity use to meet the increased demand for articles to furnish these new homes, thus pushing the rate up 3.2 percentage points to 74.8%.

In the field of computer and electronic products manufacturing, the rate of capacity use advanced 4.7 percentage points to 65.7%. This was the first increase since the peak of 99.5% reached in the third quarter of 2000. Manufacturers of computers and peripheral equipment, communications equipment, telephone equipment, semi-conductors and other electronic components posted especially robust increases and contributed to the rise in the rate for this industry.

The chemicals manufacturing industry group operated at 78.4% capacity, up 3.0 percentage points from the fourth quarter of 2001. Most of the industries in this group increased their production, but growth was especially strong among pharmaceutical manufacturers, who posted a 6.8% increase in output in the first quarter of 2002.

Among non-manufacturing sectors, only logging and forestry declines

The increased production in the manufacturing sector had a spill-over effect on production activity in the electrical energy sector. Increased demand for electricity in manufacturing contributed to a 1.8% rise in the output of the electrical energy sector and an increase in its rate of capacity use to 87.7%, up 1.5 percentage points from the fourth quarter of 2001.

Capacity use in the construction industry advanced 0.9 percentage points to 90.7%. That advance was attributable to residential construction, which saw its output increase 7.4%. Increased consumer confidence, low interest rates and strong employment growth led consumers to purchase new homes in record numbers. Also, homebuilding benefited from an exceptionally mild winter.

Output rose 2.2% in the oil and gas extraction industry and the rate of capacity use advanced 1.0 percentage point to 70.2%.

In the logging and forestry industry, output fell 7.7% and the rate declined 5.8 percentage points to an all-time low of 70.0%.

Available on CANSIM: table 028-0002.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mychèle Gagnon (613-951-0994) or Richard Landry (613-951-2579), Investment and Capital Stock Division. □

Industrial capacity utilization rates

	First quarter 2001[r]	Fourth quarter 2001[r]	First quarter 2002	First quarter 2001 to first quarter 2002	Fourth quarter 2001 to first quarter 2002
				Percentage point change	
Total industrial	**84.0**	**80.4**	**81.7**	**-2.3**	**1.3**
Forestry and logging	88.4	75.8	70.0	-18.4	-5.8
Mining and oil and gas extraction	78.4	73.4	74.2	-4.2	0.8
Oil and gas extraction	72.2	69.2	70.2	-2.0	1.0
Mining	90.9	82.2	82.6	-8.3	0.4
Electric power generation, transmission and distribution	89.0	86.2	87.7	-1.3	1.5
Construction	90.3	89.8	90.7	0.4	0.9
Manufacturing	82.8	78.8	80.6	-2.2	1.8
Food	81.2	82.2	82.1	0.9	-0.1
Beverage and tobacco products	78.1	76.3	74.3	-3.8	-2.0
Beverage	79.3	78.7	76.6	-2.7	-2.1
Tobacco	75.2	70.4	68.5	-6.7	-1.9
Textile mills	82.3	79.1	79.2	-3.1	0.1
Textile product mills	80.2	75.0	76.2	-4.0	1.2
Clothing	86.4	77.8	81.6	-4.8	3.8
Leather and allied products	76.2	69.1	70.2	-6.0	1.1
Wood products	82.7	80.9	85.5	2.8	4.6
Paper	91.3	88.3	86.6	-4.7	-1.7
Printing and related support activities	80.6	72.4	72.1	-8.5	-0.3
Petroleum and coal products	96.8	95.8	95.9	-0.9	0.1
Chemicals	82.6	75.4	78.4	-4.2	3.0
Plastics and rubber products	80.8	80.6	83.5	2.7	2.9
Plastic products	79.1	79.4	83.4	4.3	4.0
Rubber products	84.9	83.6	83.8	-1.1	0.2
Non-metallic mineral products	78.6	76.3	80.0	1.4	3.7
Primary metal	85.7	85.9	87.0	1.3	1.1
Fabricated metal products	82.2	79.1	80.0	-2.2	0.9
Machinery	80.2	77.6	77.9	-2.3	0.3
Computer and electronic products	81.6	61.0	65.7	-15.9	4.7
Electrical equipment, appliances and components	82.5	66.5	66.9	-15.6	0.4
Transportation equipment	82.3	84.8	88.1	5.8	3.3
Furniture and related products	86.9	71.6	74.8	-12.1	3.2
Miscellaneous manufacturing	83.2	77.6	77.9	-5.3	0.3

[r] *Revised figures.*

■

Internet dropouts and infrequent users

2000

Just over 232,000 Canadian households that had used the Internet regularly (in a typical month) reported that they no longer did so, according to the 2000 Household Internet Use Survey.

Over half of these "dropout" households (those who no longer use the Internet regularly) used to surf the Internet at least once a week. By far the most common reason to drop out was that they had "no need" for the Internet (30% of dropout households).

This suggests that either the Internet did not have what these people were looking for, or they were content to use more conventional sources of information that do not demand expensive equipment or special skills. It may also indicate lack of time or difficulty finding what they were searching for.

Some 17% of households that had previously used the Internet regularly no longer did so because it was too expensive and 14% had quit the Internet because they lost access to a computer. These reasons are similar to those given by Internet dropouts in the United States. In September 2000, 11% of American dropouts said they had quit the Internet because their connection had proved too costly and 21% said they no longer had a personal computer.

Internet dropouts and infrequent users (those who have not used the Net in the past month, but have used it at some time in the past 12 months) are more likely to be employed and more likely to be women, compared with people who use the Internet regularly (five or more hours a week). They are also less likely to live in households with incomes over $60,000 a year or to have a postsecondary education.

Lack of experience more common to infrequent users

People's degree of comfort or familiarity with new technologies may play a role in their decision to use the Internet. Infrequent users and dropouts do score somewhat lower on the technology use index than regular users, suggesting that the fewer of these devices people use, the less likely they are to use other types of technologies. (The index measures people's use of fax machines, cell phones, ATMs, answering machines, pagers, cable TV, satellite dishes and DVD players.)

Although only a small percentage of Canadian dropout households cited difficulty or complexity as their reason for giving up on the Internet, some of the earlier US research identified complexity and frustration as some of the principal barriers to access.

Given the improvement and proliferation of search engines in recent years, these issues may no longer present a serious impediment to potential users, but the original research does suggest that inexperience may play a role in deciding not to use the Internet.

According to the 2000 General Social Survey (GSS), infrequent users are more recent, and therefore less experienced, users. About 40% have learned to navigate the Internet within the last year, compared with only 14% of regular users.

As they gain more experience, infrequent users may then move on to more regular use or drop out, depending on how useful they find the Internet.

Being comfortable with surfing the Internet is undoubtedly linked to the user's level of comfort with using a computer. Infrequent users were not nearly as likely as regular Internet users to perform activities such as word processing, bookkeeping, data entry and analysis, and game playing. Only 20% of infrequent users described their computer skills as very good or excellent, compared with 57% of regular Internet users.

Four out of 10 adults have never used the Internet

According to the 2000 GSS, 42% of Canadian adults (about 10.3 million) had never used the Internet. Although non-users were quite different from Internet users, many of these differences stemmed from the fact that they were older than users. Almost 75%

Note to readers

This release is based on an article in the summer 2002 edition of Canadian social trends*. It uses data from the 2000 Household Internet Use Survey (HIUS) and the 2000 General Social Survey (GSS) on access to and use of information communication technology.*

The HIUS, introduced in 1997 to measure the adoption of Internet services by Canadian households, collects data from about 34,000 private households in all 10 provinces.

In 2000, the questionnaire included a brief series of questions for households that had used the Internet on a regular basis in the past but no longer did so. Because the objective of the HIUS is to collect data at the household level, information about the behaviour of individual members of the household is not available.

This missing piece of the puzzle is addressed by the 2000 GSS, which collected detailed information about individuals' use of technology, allowing researchers to focus on personal use of the Internet. GSS data were collected over a 12-month period from January to December 2000 from almost 25,100 respondents aged 15 and over living in private households in all 10 provinces.

were aged 40 or over and their average age was 54. In comparison, the average age of regular users was 34 years.

Almost half of non-users were homemakers, retired or caring for children; over half were women. Non-users were also less technologically inclined than users, scoring an average of 3.1 out of 8.0 on the technology use index; regular users scored 4.7.

Only 22% of all non-users were interested in learning to use the Internet. The top three reasons they gave for not learning were cost, lack of access to a computer or to the Internet and not having enough time.

The article "Better things to do or dealt out of the game? Internet dropouts and infrequent users" is now available in the summer 2002 issue of *Canadian social trends*, no. 65 (11-008-XIE, $8/$27; 11-008-XPE, $11/$36). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Susan Crompton (613 951-2556, *cstsc@statcan.ca*), Housing, Family and Social Statistics Division. ■

OTHER RELEASES

New Housing Price Index

April 2002

The New Housing Price Index (1992=100) rose 0.6% in April from March. Compared with April 2001, the index of contractors' selling prices increased 3.7%, continuing the rise in year-over-year increases.

Monthly rises occurred in 14 of the 21 urban centres surveyed. The largest monthly advance was Ottawa–Gatineau (+2.3%). Increased material costs were a factor in this month's increase, but the primary impetus was high demand.

Montréal followed with an increase of 1.5%, citing labour and material costs, as well as higher land servicing fees. Montréal builders added that the market was good.

New Housing Price Index
(1992=100)

	April 2002	April 2001 to April 2002	March to April 2002
		% change	
Canada	**109.4**	**3.7**	**0.6**
House only	113.4	4.9	0.9
Land only	104.6	1.2	0.2
St. John's	103.1	3.6	-0.2
Halifax	122.4	4.0	1.0
Charlottetown	107.7	0.6	-
Saint John–Moncton–Fredericton	94.7	1.9	-
Québec	107.9	3.4	0.6
Montréal	119.3	5.6	1.5
Ottawa–Gatineau	128.6	8.0	2.3
Toronto	112.0	2.9	0.5
Hamilton	110.3	3.0	0.7
St. Catharines–Niagara	110.8	2.2	0.9
Kitchener–Waterloo	111.2	2.6	0.2
London	106.6	2.5	0.6
Windsor	107.0	0.6	-
Sudbury–Thunder Bay	97.5	0.5	0.4
Winnipeg	121.6	1.9	0.2
Regina	137.5	1.3	-
Saskatoon	121.4	1.4	-
Calgary	141.0	5.1	0.4
Edmonton	119.8	6.1	0.5
Vancouver	86.0	3.2	0.4
Victoria	72.8	0.7	-

\- *Nil or zero.*

Halifax (+1.0%) builders reported that labour and material were up, and the new home market was good. St. Catharines–Niagara registered an increase of 0.9%; increased building costs and a good market accounted for this. Hamilton's index increased 0.7% for the same reasons.

London and Québec showed increases of 0.6% each. London builders cited a good market, while Québec reported increased labour and material costs, as well as some increased land prices.

Toronto and Edmonton both showed upward movement of 0.5%, due to good markets, as well as some increased building costs.

Sudbury–Thunder Bay, Calgary and Vancouver posted gains of 0.4% each. Vancouver reported a good market, while Sudbury–Thunder Bay and Calgary builders stated that material and labour costs were up. Kitchener–Waterloo and Winnipeg also saw increases (+0.2%) due to higher operating costs; Kitchener–Waterloo saw some land price increases, as well.

Six urban centres showed no monthly change: Charlottetown, Saint John–Moncton–Fredericton, Windsor, Regina, Saskatoon and Victoria.

Only one centre posted a decrease compared with March: St. John's (-0.2%), where prices went down as a result of competitive pricing.

On an annual basis, Ottawa–Gatineau still led the way with the largest 12-month increase (+8.0%) for new homes. Edmonton was right behind at 6.1%, followed by Montréal (+5.6%) and Calgary (+5.1%). There were no annual decreases in April.

Available on CANSIM: table 327-0005.

The second quarter 2002 issue of *Capital expenditure price statistics* (62-007-XPB,$24/$79) will be available in September. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Louise Chaîné (613-951-0785; fax: 613-951-1539; *infounit@statcan.ca*) or Anne Williamson (613-951-2035; *willann@statcan.ca*), Prices Division. ■

NEW PRODUCTS

Canadian social trends, summer 2002, no. 65
Catalogue number 11-008-XIE ($8/$27).

Canadian social trends, summer 2002, no. 65
Catalogue number 11-008-XPE ($11/$36).

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

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCB are electronic versions on compact disc.

How to order products

Order products by phone:

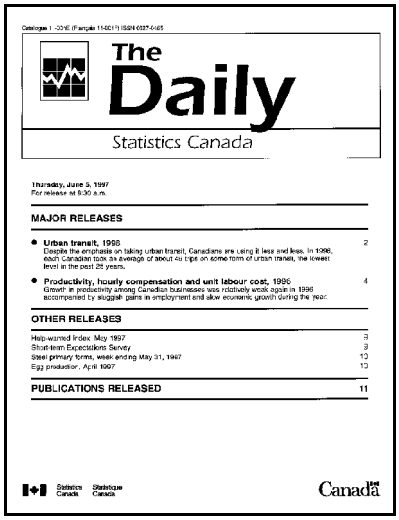
Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

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 product by mail write: Statistics Canada, Circulation Management, Dissemination 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 and Fee publications ($).*

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


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 40 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".