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Operating profits reached \$34.7 billion in the first quarter, up 9.0% from the fourth quarter of 2001.

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Perspectives on labour and income

June 2002 online edition

The June 2002 issue of *Perspectives on labour and income*, available today, features two articles. The first, "Housing conditions: An income issue," examines how Canadians were housed in 2000 and addresses the following questions: What percentage lived in owner-occupied homes? Were their homes in good condition? Was the size suitable for their needs? And what proportion of their income was spent on housing? For more information on this article, contact Sophie Lefebvre (613-951-5870; sophie.lefebvre@statcan.ca), Labour and Household Surveys Analysis Division.

The second article, "Pensions: Immigrants and visible minorities," examines the extent to which registered pension plan coverage of immigrants and members of visible minorities differed from that of other Canadians from 1988 to 1998. For more information on this article, contact René Morissette (613-951-3608; rene.morissette@statcan.ca), Business and Labour Market Analysis Division.

The June 2002 online edition of *Perspectives on labour and income*, Vol. 3, no. 6 (75-001-XIE, \$5/\$48) 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.



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MAJOR RELEASES

Quarterly financial statistics for enterprises

First quarter 2002 (preliminary)

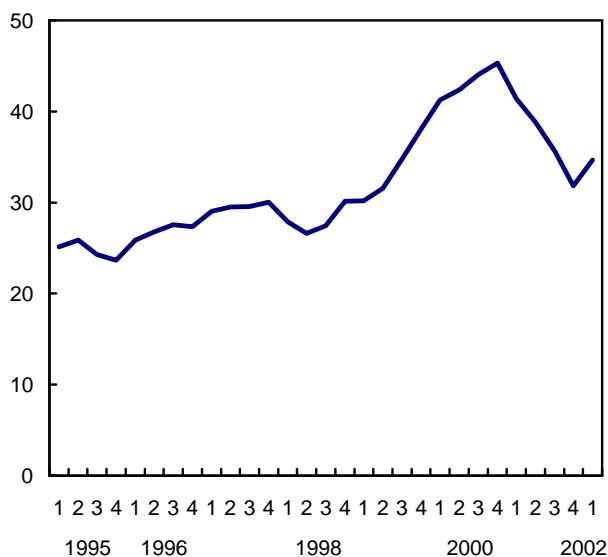
Corporate operating profits rose for the first time in more than a year in the first quarter of 2002, as the economy continued its recovery.

Operating profits reached \$34.7 billion in the first quarter, up 9.0% from the fourth quarter of 2001. This rebound, which followed four straight quarterly declines, put corporate profits just under the level reached in the third quarter of 2001. However, corporate profits were far below the most recent peak of \$45.3 billion in the fourth quarter of 2000.

Quarterly operating profits rebound

\$ billions

Seasonally adjusted



Operating revenues increased 2.7% in the first quarter, whereas operating expenses rose by only 2.3% as businesses continued their restraint in spending.

The improvement in operating profits varied widely across the 24 industry groups. Of these, 17 reported gains in the first quarter, and the rest reported declines.

After falling in each quarter of 2001, operating profits among non-financial industries rose 9.9% in the first three months of 2002. Among the biggest winners were transportation and warehousing (+23.8%) and manufacturing (+18.4%). Operating profits among financial industries increased 6.2%.

Note to readers

These quarterly financial statistics cover the activities of non-government corporations.

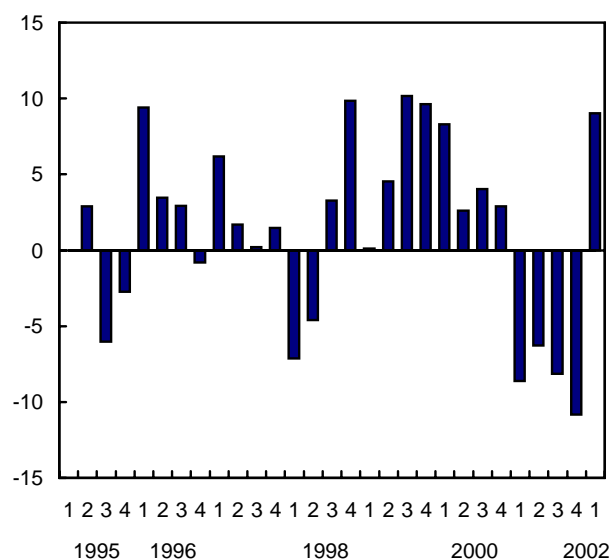
Following benchmarking of the 1999 series, the quarterly financial statistics have undergone major revision from 1995 to date.

For totals mentioned in this article, **all industries** excludes management of companies and enterprises, and other funds and financial vehicles; **non-financial industries** excludes management of companies and enterprises; and **financial and insurance industries** excludes other funds and financial vehicles.

Non-financial industries accounted for 84% of the overall gain in operating profits, and financial and insurance industries accounted for 16%. Only one industry in the financial group, non-depository credit intermediaries, recorded a decrease in operating profits from the fourth quarter.

Operating profits change

%

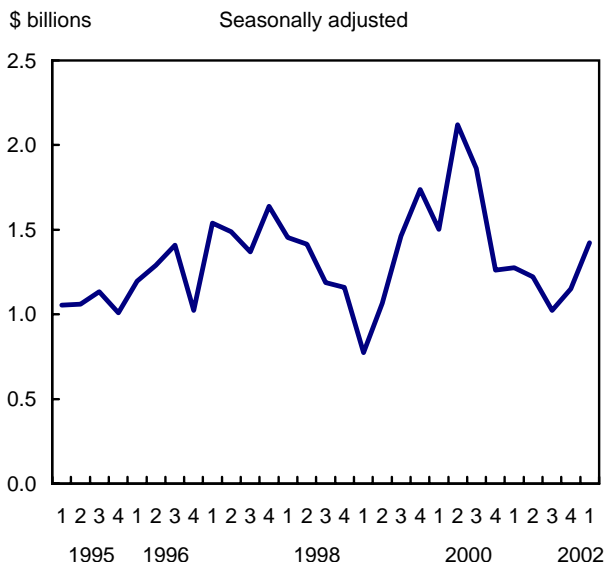


Transportation and warehousing regains some lost ground

The transportation and warehousing industry, whose profits had been dampened by poor results by airlines both prior to and following September 11, is regaining lost ground. First quarter operating profits

rose 23.8% to a five-quarter high, boosted by increased shipments of manufactured goods and lower fuel costs. Operating revenue increased 3.8%, while operating expenses rose only 2.5%.

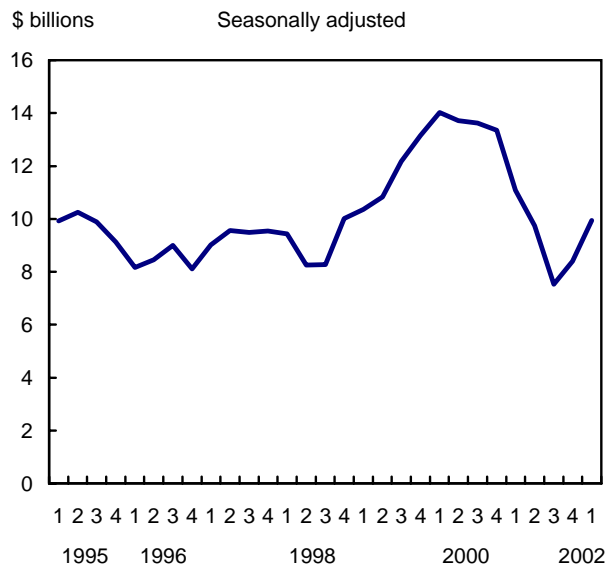
Transportation and warehousing regains some lost ground



Manufacturing profits on the rise

Bolstered by strong foreign and domestic demand for motor vehicles and parts, the manufacturing sector posted an 18.4% rise in operating profits. Unlike in the fourth quarter of 2001, the profit gain within the manufacturing sector was widespread, with 14 of the 17 groups posting increases. Manufacturers of motor vehicles and parts, primary metals, and chemicals, plastic and rubber were the biggest contributors to the quarterly gain in the sector.

Manufacturing profits bolstered by motor vehicle sales



Profits of motor vehicles and parts manufacturers surge

Following several quarters of persistent decline, profits of motor vehicles and parts manufacturers surged to \$1.8 billion in the first quarter from a recent low of \$0.7 billion in the fourth quarter of 2001. The aggressive manufacturers' incentive programs, coupled with low interest rates and high export demand contributed to the revenue and profit gains in the quarter. Operating revenue rose 6.3% compared with a 3.0% increase in operating expenses. Although the New Motor Vehicle Sales Survey indicated that there was a retreat in sales in March, it confirmed that new motor vehicle sales reached an all-time high in the first quarter of 2002.

Primary metals up sharply

After being decimated to their lowest levels in nine years, profits of primary metals producers rose sharply to \$0.3 billion in the first quarter from almost zero in the fourth quarter of 2001. Low fourth quarter profits were partly the result of large provisions for future expenses. Nevertheless, the primary metals industry has increased production to meet the unprecedented demand from the automotive sector and appears to have assumed its traditional role as forerunner to an

economic recovery. Operating revenue for the industry grew 3.9% in the first quarter.

Improved profits for chemical, plastic and rubber producers

Chemical, plastic and rubber producers saw their profits increase 9.0% in the first quarter. Despite little change in quarterly revenues, drastic cost cutting yielded a more profitable first quarter. The Monthly Survey of Manufacturing reported that unfilled orders were on the rise, as demand increased from manufacturers of automobiles, aircraft, high-technology and other manufactured products.

Modest gains by wood and paper manufacturers

Wood and paper manufacturers reported a modest profit gain of 4.5% in the first quarter, compared with a 30.5% decrease in the fourth quarter of 2001. Although the downward trend in prices for pulp and paper products persisted, increased demand for lumber from the hot Canadian and US housing markets resulted in higher prices for lumber products. However, with the imposition by the United States of the countervailing and anti-dumping duties on Canadian softwood exports in May, the effects on the industry's bottom-line in future quarters remain to be seen.

Electronics and computer manufacturers hammered

Electronics and computer manufacturers' profits were hammered as the industry continued to reel under the persistent slump in global demand for electronic and telecommunications products. Although there were indications of an uptick in shipments and unfilled orders in recent months, this has yet to be reflected in the industry's bottom-line profits, which fell 58.8% to \$0.3 billion.

Profits of petroleum and coal producers down

Profits of petroleum and coal producers were down 21.2% on account of several factors, including unusually warm winter weather and oversupply. The Monthly Survey of Manufacturing reported increased March shipments along with rising petroleum prices. Concerns about turmoil in the Middle East, combined with the Organization of the Petroleum Exporting Countries' agreement to curtail supply, boosted prices in March. However, these increased prices and shipments came too late to reverse the industry's performance in the first quarter.

Wholesale posts a strong turnaround but retail profit growth slowed

A strong turnaround for wholesalers was the result of vibrant manufacturing activity in the quarter. Spearheaded by increased shipments of machinery and other wholesale goods, wholesalers recorded an 11.1% increase in operating profits in the first quarter, following an 8.0% decrease in the fourth quarter of 2001.

Retail profits increased 8.8% in the first quarter compared with 36.6% in the fourth quarter of 2001. Although retail sales slowed in February and March, they were still well above the levels of both the prior quarter and first quarter of 2001. Retailers of building materials and garden equipment led the sector with an operating profit gain of 36.4%, followed by the other retail group who saw their profit increase 34.8%. General merchandisers took a breather but managed to record an increase in operating profits of 4.3% to \$0.3 billion. Food and beverage retailers, on the other hand, saw their profits shrink 4.2%.

Other non-financial industries

Other gainers in first quarter operating profits within the non-financial industries included other services (+13.2%), administrative and support, waste management and remediation services (+9.3%) and professional, scientific and technical services (+5.2%). The arts, entertainment and recreation industry, however, saw its profits plummet 25.5%.

Financial industries record a profit turnaround

The financial and insurance industries (which now exclude funds and other financial vehicles) recorded a 6.2% increase in operating profits; this was in contrast to a 22.9% decline in the fourth quarter of 2001. Despite this profit turnaround, operating revenues were down 0.6%, following a 4.1% decrease in the previous quarter. The improved profit was largely the result of a widespread reduction in operating costs.

The lion's share of the operating profit increase was attributable to depository credit intermediaries and other financial intermediaries. In the first quarter, operating profits of depository credit intermediaries rose 13.7%, while those of other financial intermediaries rose 10.4%. Operating profits of non-depository credit intermediaries, however, fell 8.7% to \$1.3 billion because of lower revenue and higher operating expenses. Insurers recorded a modest increase in operating profit of 0.8%.

Modest improvement in profitability ratios

Improvements were registered in all the major profitability ratios. The operating profit margin edged up to 6.4% in the first quarter from a revised 6.0% in the fourth quarter of 2001. Stronger after-tax profits boosted the return on equity of corporations to 8.1% from 6.5%, whereas the return on capital employed increased to 6.3% from 5.6%. The after-tax profits (the numerator in the return-on-equity calculation) increased 27.5%, following a revised decrease of 9.2% in the fourth quarter.

Available on CANSIM: tables 187-0001 and 187-0002.

Quarterly financial statistics for enterprises (61-008-XIE, \$26/\$86) will be available soon. See *How to order products*.

To order data or for general information, contact Jeannine D'Angelo (613-951-2604). To enquire about the concepts, methods or data quality of this release, contact Bill Potter (613-951-2662), Promise Sanipé (613-951-0274) or Jean-Pierre Simard (613-951-0741), Industrial Organization and Finance Division.

Financial statistics for enterprises

	First quarter 2001 ^r	Fourth quarter 2001 ^r	First quarter 2002 ^p	Fourth quarter 2001 to first quarter 2002
Seasonally adjusted				
	\$ billions			% change
All industries				
Operating revenue	559.8	530.8	545.3	2.7
Operating profit	41.4	31.8	34.7	9.0
Net profit	23.9	15.6	19.9	27.5
Non-financial				
Operating revenue	506.8	480.6	495.3	3.1
Operating profit	32.7	24.5	26.9	9.9
Net profit	19.6	12.5	15.4	23.1
Financial				
Operating revenue	53.0	50.2	50.0	-0.6
Operating profit	8.7	7.3	7.8	6.2
Net profit	4.3	3.1	4.5	45.4

^r Revised figures.

^p Preliminary figures.

■

OTHER RELEASES

Housing: An income issue

2000

Two-thirds of households owned their homes in 2000, while the remainder were tenants, according to a new statistical profile of housing. One-half of owners had a mortgage, and the other half were mortgage-free.

The article "Housing: An income issue," available today in the online version of *Perspectives on labour and income*, used data from the 2000 Survey of Household Spending to examine issues such as ownership and income as well as condition of homes.

Only 4 in 10 households in the lowest quintile (the bottom 20% of income recipients) owned their homes, compared with 85% in the top income quintile. Couples were more likely to own their homes than unattached individuals and lone parents.

The vast majority (86%) of households were suitably housed in 2000 — that is, the dwellings did not need major repairs and were big enough for their needs. Female lone-parent families had the highest rate of living in unsuitable housing (23%).

Households in the lowest income quintile were almost three times as likely as those in the top quintile to be living in unsuitable housing — 1 in 5 compared with 1 in 13. Couples with children were almost 50% more likely to be in unsuitable housing than couples without children.

On average, Canadian households spent about one-fifth of their after-tax income on housing. Households in the lowest income quintile spent 39%, almost twice the proportion of those in the top quintile.

One in 5 renters spent more than 40% of their after-tax income on housing. Seven in 10 low-income households were renters.

The article "Housing: An income issue" is available in the June online issue of *Perspectives on labour and income*, Vol. 3, no. 6 (75-001-XIE, \$5/\$48). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sophie Lefebvre (613-951-5870; sophie.lefebvre@statcan.ca), Labour and Household Surveys Analysis Division. ■

Natural gas sales

April 2002 (preliminary)

Natural gas sales totalled 6 285 million cubic metres in April, up 9.1% from April 2001. Colder-than-normal

weather throughout most of Canada resulted in higher sales to the residential (+14.4%) and commercial (+12.1%) sectors. Use of natural gas by the industrial sector (including industrial direct sales) rose 5.6% from April 2001, the result of a higher demand by electric utilities.

Year-to-date sales were up 2.7% from the same period in 2001. Industrial sector sales (including industrial direct sales) posted a 4.6% increase over the same period in 2001.

Natural gas sales

	April 2002 ^P	April 2001	April 2001 to April 2002
	Thousands of cubic metres		% change
Natural gas sales	6 284 676	5 759 184	9.1
Residential	1 696 993	1 483 405	14.4
Commercial	1 258 860	1 122 728	12.1
Industrial	1 538 309	1 598 413	5.6
Direct	1 790 514	1 554 638	
	Year-to-date		
	2002 ^P	2001	2001 to 2002
	Thousands of cubic metres		% change
Natural gas sales	29 591 825	28 809 084	2.7
Residential	8 940 169	8 788 076	1.7
Commercial	6 636 283	6 620 925	0.2
Industrial	6 701 230	6 764 581	4.6
Direct	7 314 143	6 635 502	

^P Preliminary figures.

Available on CANSIM: tables 129-0001 to 129-0004. (The tables will be available in August.)

Note: Since March 2002, direct sales have been allocated to the appropriate sectoral sale category.

The April 2002 issue of *Natural gas transportation and distribution* (55-002-XIB, \$13/\$125) will be available in August. See *How to order products*.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact John Svab (613-951-7382; john.svab@statcan.ca) or Andrew Beimers (613-951-2624; andrew.beimers@statcan.ca), Manufacturing, Construction and Energy Division. ■

Mineral wool including fibrous glass insulation

May 2002

Manufacturers shipped 3 873 276 square metres of R12 factor (RSI 2.1) mineral wool batts in May, up 26.8% from 3 053 536 square metres in April but down 9.5% from 4 280 714 square metres in May 2001.

Year-to-date shipments at the end of May totalled 13 939 324 square metres, a 2.5% decrease from the same period in 2001.

Available on CANSIM: table 303-0004.

The May 2002 issue of *Mineral wool including fibrous glass insulation*, Vol. 54, no. 5 (44-004-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). To enquire about the concepts, methods or data quality of this release, contact Yasmin Sheikh (613-951-2518; sheiyas@statcan.ca), Manufacturing, Construction and Energy Division. ■

Flows and stocks of fixed residential capital

2001 (revised)

The revised annual fixed residential capital flows and stocks series at the provincial level for 2001 are now available.

Available on CANSIM: table 030-0002.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Étienne Saint-Pierre (613-951-2025; saineti@statcan.ca), Investment and Capital Stock Division. ■

Annual Survey of Surveying and Mapping Services

2000

Revenues for surveying and mapping services climbed 18% in 2000 to reach almost 1.5 billion dollars.

Alberta accounted for 90% of the total surveying and mapping revenue growth with an increase of \$207 million. Most of this growth was in the area of geophysical surveying.

Geophysical surveying services represented 45% of total sales; land surveying services came in a close second with 41% of total sales.

The industry's before-tax profit margin was 6.6% in 2000, relatively unchanged from 1999.

Data for 2000 are now available for the surveying and mapping services industry, which includes geophysical as well as non-geophysical surveying and mapping services.

Available on CANSIM: table 360-0006.

For more information about the survey, or to enquire about the concepts, methods or data quality of this release, contact Michel Savard (613-951-3175; fax: 613-951-6696; michel.savard@statcan.ca), Service Industries Division. ■

NEW PRODUCTS

Infomat — A weekly review, June 21, 2002
Catalogue number 11-002-XIE (\$3/\$109).

Infomat — A weekly review, June 21, 2002
Catalogue number 11-002-XPE (\$4/\$145).

Mineral wool including fibrous glass insulation,
May 2002, Vol. 54, no. 5
Catalogue number 44-004-XIB (\$5/\$47).

Service bulletin — Surface and marine transport,
Vol. 18, no. 2
Catalogue number 50-002-XIB (\$10).

Retail trade, April 2002, Vol. 74, no. 4
Catalogue number 63-005-XIB (\$16/\$155).

Wholesale trade, April 2002, Vol. 65, no. 4
Catalogue number 63-008-XIB (\$14/\$140).

Perspectives on labour and income, June 2002,
Vol. 3, no. 6
Catalogue number 75-001-XIE (\$5/\$48).

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

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
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Statistics Canada	
Thursday, June 21, 1997	
For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1996 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 21 trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1996 Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
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RELEASE DATES: JUNE 24 TO 28

(Release dates are subject to change.)

Release date	Title	Reference period
24	Government finance: Revenues, expenditures and surpluses	2001/02
24	Too far to go on? Distance to school and university participation	1995 to 1997
25	Composite Index	May 2002
25	Canada's international transactions in securities	April 2002
26	Employment Insurance	April 2002
26	Family violence in Canada: A statistical profile	2002
27	Industrial Product Price and Raw Materials Price Indexes	May 2002
27	Employment, earnings and hours	April 2002
27	Health Services Access Survey	2001
28	Gross domestic product by industry	April 2002
28	Field crop reporting series	June 2002