

# Statistics Canada

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### **MAJOR RELEASES**

- Industrial capacity utilization rates, second quarter 2003 Industries cut back drastically on capacity use between April and June, as the impact of SARS, the mad cow scare and a stronger Canadian dollar took their toll on the economy. The industrial capacity utilization rate fell from 82.5% in the first quarter to 81.2% in the second quarter.
- Postsecondary Education Participation Survey, 2002 Typical full-time university students spent more than \$11,000 to put themselves through an eight-month academic year in 2001/02. This was above the median of \$9,330 reported by college students, and well above the \$4,550 reported by CEGEP students in Quebec.

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### **MAJOR RELEASES**

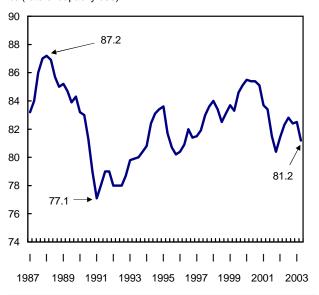
## Industrial capacity utilization rates

Second quarter 2003

Industries cut back drastically on capacity use between April and June, as the impact of SARS, the mad cow scare and a stronger Canadian dollar took their toll on the economy. The industrial capacity utilization rate fell from 82.5% in the first quarter to 81.2% in the second quarter. This was the lowest level since the fourth quarter of 2001, when the rate reached 80.4%. The percentage decline was also the largest since the third quarter of 2001, when the rate fell 1.9 percentage points. (Capacity utilization rates have been revised back to the first quarter of 2001 to include revisions in the source data.)

#### Big drop in capacity use

% (rate of capacity use)



Despite some indications of a modest recovery in the American economy in June, international demand remained soft in the second quarter and contributed to a decline in production in the manufacturing sector. In May, the discovery of a single case of mad cow disease led to the closure of the borders of foreign countries to Canadian beef exports and severely

#### 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.

affected food producers. The rising Canadian dollar and the imposition of tariffs slowed down sawmill operations, which had difficulties selling in American markets. An increase in domestic demand for consumer goods and housing wasn't able to offset these factors.

The latest Business Conditions Survey indicated that manufacturers did not expect to increase production in the next three months. The rise in the Canadian dollar remained a source of concern.

The only industrial sector to record an increase in capacity utilization during the second quarter was construction, which benefited from the gains in residential and non-residential building investment. Its rate rose from 84.5% to 85.1%.

# Weak international demand pulls down manufacturing

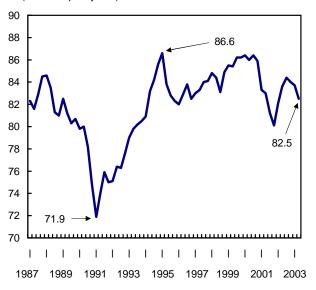
Declines in capacity use were fairly widespread in the manufacturing sector, where rates fell in 15 of 21 manufacturing groups.

Manufacturers used less of their production capacity for a third straight quarter. The sector's rate in the second quarter was 82.5%, down from 83.7% in the first. Weak international demand was one of the key factors underlying a 1.4% decrease in production in manufacturing.

Among the components of manufacturing, the strongest contributors to the decline in capacity use were transportation equipment, wood products, primary metals, rubber and plastic products and machine industries. Capacity use rose for manufacturers of chemical products and petroleum and coal products.

#### Manufacturing down for a third consecutive quarter

% (rate of capacity use)



Capacity use for transportation equipment manufacturers fell from 87.7% to 86.0%. Cutbacks in the production of automotive parts, due to a decline in the production of automotive vehicles in the United States, as well as aerospace parts and products were behind a 1.8% drop in production in this industry.

After five consecutive quarterly increases, wood product manufacturers reduced their capacity utilization from 99.8% in the first quarter to 96.0% in the second. Because of the strength of the Canadian dollar and deterrent tariffs, sawmills had difficulty selling on the American market. This contributed significantly to a 3.9% drop in production of wood products.

Capacity use among primary metal manufacturers fell by 2.6 percentage point to 90.6%, as most trimmed production in the second quarter.

Plastics and rubber manufacturing industries ran at 86.4% capacity in the second quarter, down from 88.5% in the first. Production in this industry fell 2.2%.

Capacity use among machinery manufacturers fell from 79.0% to 77.0%. An increase in production of machines for agricultural, construction, mining and industrial use could not offset declines in other components. Manufacturers of motors, turbines

and machine tools alone cut production by 14.1%. Consequently, output fell 2.7% overall in the machinery industry.

Capacity use increased in a handful of manufacturing sectors, such as chemical product manufacturers, where the rate rose from 84.0% to 85.2%. This was the industry's highest rate since the fourth quarter of 1996, when it hit 85.6%. Pharmaceutical product manufacturers and pesticide, fertilizer and other agricultural chemical product manufacturers were behind the gain.

After three consecutive quarterly declines, capacity utilization in the petroleum and coal product industry increased by 2.3 percentage points, reaching 95.6%. The gain was due to a 4.5% increase in production for refineries and producers of other petroleum and coal products.

### Sharp drops in capacity use in other sectors

Other industrial groups recorded sharp drops in capacity utilization, including forestry and logging, electric power and mining and oil and gas extraction.

In the forestry and logging sector, production fell 7.6%. As a result, companies reduced capacity use from 83.8% to 77.6%.

Similarly, production fell 4.5% in the electrical power sector, where capacity use hit 83.8%, down from 88.5%. This was the largest decline since the first quarter of 1990, when the rate fell 5.0 points.

Despite an increase in drilling activity in June, production in the mining sector fell by 3.6%. As a result, its capacity utilization rate settled at 81.1%, down 3.5 percentage points compared to the previous quarter. In the oil and gas extraction sector, the rate fell a slight 0.2 percentage points to 66.2%.

#### Available on CANSIM: table 028-0002.

# Definitions, data sources and methods: survey number 2821.

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	canacity	utilization	rates
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	Second quarter	First quarter	Second quarter	Second quarter	First to	
	2002 <sup>r</sup>	2003 <sup>r</sup>	2003	2002	second	
	2002	2000	2000	to	quarter	
				second	2003	
				quarter	2000	
				2003		
				percentage point cha	nange	
Total industrial	82.3	82.5	81.2	-1.1	-1.3	
Forestry and logging	78.9	83.8	77.6	-1.3	-6.2	
Mining and oil and gas extraction	72.0	72.3	71.0	-1.0	-1.3	
Oil and gas extraction	68.3	66.4	66.2	-2.1	-0.2	
Mining	79.5	84.6	81.1	1.6	-3.5	
Electric power generation, transmission and						
distribution	88.5	88.5	83.8	-4.7	-4.7	
Construction	84.3	84.5	85.1	0.8	0.6	
Manufacturing	83.6	83.7	82.5	-1.1	-1.2	
Food	82.0	80.1	79.2	-2.8	-0.9	
Beverage and tobacco products	79.4	77.1	78.4	-1.0	1.3	
Beverage	81.4	82.2	83.3	1.9	1.1	
Tobacco	74.0	63.1	64.8	-9.2	1.7	
Textile mills	77.1	74.6	75.2	-1.9	0.6	
Textile product mills	80.5	77.1	74.7	-5.8	-2.4	
Clothing	81.3	82.3	77.3	-4.0	-5.0	
Leather and allied products	71.4	66.8	64.3	-7.1	-2.5	
Wood products	94.0	99.8	96.0	2.0	-3.8	
Paper	89.5	93.4	93.5	4.0	0.1	
Printing and related support activities	74.9	71.5	72.3	-2.6	0.8	
Petroleum and coal products	97.1	93.3	95.6	-1.5	2.3	
Chemical	80.2	84.0	85.2	5.0	1.2	
Plastics and rubber products	89.2	88.5	86.4	-2.8	-2.1	
Plastic products	89.4	88.5	87.3	-2.1	-1.2	
Rubber products	88.6	88.4	84.0	-4.6	-4.4	
Non-metallic mineral products	83.2	89.2	89.0	5.8	-0.2	
Primary metal	90.6	93.2	90.6	0.0	-2.6	
Fabricated metal products	84.6	84.5	83.4	-1.2	-1.1	
Machinery	79.4	79.0	77.0	-2.4	-2.0	
Computer and electronic products	68.2	62.6	61.0	-7.2	-1.6	
Electrical equipment, appliance and						
component	74.6	73.2	72.3	-2.3	-0.9	
Transportation equipment	88.7	87.7	86.0	-2.7	-1.7	
Furniture and related products	81.9	81.8	80.3	-1.6	-1.5	
Miscellaneous manufacturing	82.5	82.8	79.9	-2.6	-2.9	

<sup>&</sup>lt;sup>r</sup> Revised figures.

# Postsecondary Education Participation Survey

2002

Typical full-time university students spent more than \$11,000 to put themselves through an eight-month academic year in 2001/02, according to a new statistical snapshot of young Canadians aged 18 to 24 in 2002.

First-ever data from the Postsecondary Education Participation Survey (PEPS) provide a comprehensive picture of how much young people are paying to go to university, college and CEGEP.

The survey found that median spending for full-time university students (the point at which half of students spent more and half spent less) amounted to \$11,200, the highest of these three levels of postsecondary education. The median for college students was \$9,330 and the one for CEGEP students was \$4,550.

Students who responded to the survey were asked about everything on which they had spent money for the current academic year. This included educational spending such as tuition, fees, books, and supplies, as well as myriad non-educational expenses, such as computers, insurance, rent, meals, utilities, clothing, transportation and so on.

The survey also showed that as of March 2002, almost 1,622,000 young people, or an estimated 62% of all those aged 18 to 24, had taken some form of postsecondary program after leaving high school.

Of these young people, 44%, or about 712,000, had applied for a government student loan at some point in their postsecondary school life. Some 564,000, or four out of five of those who applied, actually received one.

The vast majority (86%) of the young people who entered postsecondary programs did so before they turned 20. Almost two-thirds (64%) began their postsecondary studies within 12 months of finishing high school, and over one-half started within three months.

About 255,000 young Canadians began their first experience with postsecondary education in September 2000. By March 2002, three-quarters (77%) of them were still in school, and 16% had quit. The remainder, about 7%, had graduated from short-term programs and were no longer in school.

# Financing: What students say it costs for a year of full-time postsecondary education

If all full-time postsecondary students are considered as a group, the median amount they spent for an academic year of about eight months was \$9,740. A median of \$3,700 was spent for tuition, fees and books and \$5,400 was spent on miscellaneous

#### Note to readers

This release is based on the report Access, persistence and financing: First results from the Postsecondary Education Participation Survey, available today. The survey was conducted by Statistics Canada in partnership with Human Resources Development Canada and the Policy Research Initiative in February and March 2002.

More than 5,000 young people aged 18 to 24 in the 10 provinces participated in the survey. In Quebec, the age range was 17 to 24.

The survey collected information on three themes: access to postsecondary education, persistence in programs, and ways in which students financed their education.

The survey included only young people who were not in high school at the time of the survey. They were asked a series of questions about their educational background and whether they had participated in education leading to a diploma, certificate or degree above the high school level, that is, postsecondary studies

They also answered questions concerning their postsecondary programs, their use of government student loans, educational and non-educational spending and their sources of funding.

Postsecondary programs are programs above the high school level that required three or more months to complete if taken full-time and resulted in the awarding of a diploma, certificate or degree. These programs include university, university-college (which may grant a university degree), community college or CEGEP in Quebec, trade/vocational or any of a number of other postsecondary programs such as those undertaken in private training institutions.

non-educational items (such as rent, meals, clothing, transportation and so forth).

Compared with college and CEGEP, a university education cost the most, especially for tuition and fees. University students spent a median of \$5,000 on such educational expenses, compared with \$3,100 for college students and only \$750 for CEGEP students.

Even so, a relatively large number of college and CEGEP students spent more overall than many university students. For example, 46% of college students and 15% of CEGEP students spent more than \$10,000, while 40% of university students spent less than that amount.

Median spending on non-educational items for full-time university or college students living at home was about half that of their counterparts living away from home. University students who lived at home spent a median of about \$4,500 on non-educational expenses, compared with \$8,160 for those who lived away from home.

Students could report multiple sources of funding. The source of student funds most often reported was employment earnings. This was followed by money that did not have to be repaid, such as funds from parents, a spouse or other family member.

Just over three-quarters (77%) of full-time students used savings from jobs they had before starting the academic year. Some 64% used earnings gained while they went to school.

Government student loans supplied funding to about 26% of full-time students during the current school year. About 16% borrowed from parents, a spouse or other family member, while 14% borrowed privately from a bank or used a bank line of credit.

Students who used government loans received a median of \$5,000, as did those who negotiated a private bank loan or line of credit. The median amount borrowed from parents, spouses or other family members was \$2,000.

# No one factor can fully account for who goes on and who does not

These first results from PEPS showed that a wide variety of factors are related to postsecondary participation. Among them were the expectations, earnings and education of their parents; savings set aside by youth; and their high school academic performance. Further analysis of PEPS data will provide a deeper understanding of the relative importance of these factors.

The likelihood of pursuing further education beyond high school was greater for those with estimated family earnings of \$80,000 or more. About 83% of individuals aged 18 to 24 whose estimated family earnings exceeded \$80,000 had taken at least some postsecondary education as of March 2002.

As the estimated family earnings decreased, so too did the proportion of youth who had taken postsecondary education. Two-thirds (67%) of youth with family earnings between \$55,000 and \$80,000 had taken some postsecondary education. This dropped to just over one-half (55%) when family earnings were estimated to be less than \$55,000.

(The survey gathered information on parents' occupations. This was used to estimate average earnings, that is, wages and salaries before tax, of men and women in specific occupations using data from the 2001 Census. This provided an estimate of parental earnings before tax.)

No one factor fully accounted for who went on and who did not. For example, one-half of those who did not have any savings set aside for postsecondary education did in fact go on. So did slightly more than one-half of students whose parents did not have any postsecondary education.

The survey found that young people who had their own personal savings were more likely to have taken

some postsecondary education than those who only had savings that were put aside by others.

About 80% of youth who had their own savings enrolled in higher education, compared with 70% of those who only had savings put aside by others.

# CEGEP: Two in five Quebec youth started postsecondary education at 16 or younger

There were some provincial differences in the age at which youth first started their postsecondary studies which, to a certain extent, reflects the different education systems across the country.

For example, two in five Quebec youth started their studies at the age of 16 or younger, pointing to the impact of the CEGEP system in that province. Ontario was the only province with an extra year of high school at the time of the survey, so it is not surprising that about two in five youth in that province began their postsecondary education at age 19 or over.

In all provinces except Quebec and Ontario, over half of students aged 18 to 24 reported that a university-level program was the current or most recent program taken. Not surprisingly, given the CEGEP system, two-thirds (66%) of youth living in Quebec were in a college program.

Of the three levels, CEGEP students spent the least for postsecondary education. Overall, the median amount spent by full-time CEGEP students for an academic year was \$4,550. The median amount spent was \$750 for educational expenditures and \$3,720 for non-educational expenditures.

The non-educational expenditures are lower for those attending CEGEP partly because three-quarters of them live with their parents or guardians while attending school.

# Definitions, data sources and methods: survey number 4446.

The report Access, persistence and financing: First results from the Postsecondary Education Participation Survey (81-595-MIE2003007, free) is now available on Statistics Canada's website (www.statcan.ca). From the Our products and services page, under Browse our Internet publications, choose Free, then Education.

To obtain more information, to enquire about the concepts, methods or data quality of this release, or to order data, contact Client Services, (1-800-307-3382, or 613-951-7608; fax: 613-951-9040; educationstats@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

### OTHER RELEASES

### **New Housing Price Index**

July 2003

The New Housing Price Index (1997=100) rose 0.3% in July. On a 12-month basis, this index of contractors' selling prices advanced 4.7%. This is up from June's annual increase of 4.5% and reflects a continued strong demand for new housing.

# **New Housing Price Indexes** (1997=100)

	July	July	June
	2003	2002	to
		to	July
		July	2003
		2003	
		% ch	ange
Canada total	116.7	4.7	0.3
House only	123.0	6.0	0.4
Land only	104.9	1.4	0.0
St.John's	112.2	3.9	0.0
Halifax	119.7	4.4	0.0
Charlottetown	105.1	0.7	0.0
Saint John-Moncton-			
Fredericton	103.1	2.7	0.1
Québec	120.8	8.9	0.0
Montréal	125.7	6.6	0.0
Ottawa-Gatineau	137.7	3.0	0.1
Toronto	119.7	4.8	0.5
Hamilton	121.5	7.0	1.1
St. Catharines–Niagara	120.9	5.3	0.2
Kitchener–Waterloo	119.9	2.3	0.7
London	115.3	5.3	0.2
Windsor	102.1	0.1	0.0
Sudbury-Thunder Bay	96.1	0.6	-0.2
Winnipeg	114.2	3.6	0.0
Regina	125.0	6.0	0.6
Saskatoon	113.4	2.4	0.0
Calgary	130.8	4.7	0.1
Edmonton	123.2	4.2	0.1
Vancouver	96.7	3.8	0.2
Victoria	96.8	7.4	1.1

Twelve of the 21 urban centres registered monthly increases. In Hamilton and Victoria, where both indexes rose 1.1%, builders cited rising prices for building materials and labour along with a favourable housing market. Builders in Victoria also noted higher land values. Increases were observed in Kitchener–Waterloo (+0.7%), Regina (+0.6%) and Toronto (+0.5%), as higher prices for labour and building materials, such as plywood and drywall, pushed prices up in these areas.

St. Catharines–Niagara, London and Vancouver recorded increases of 0.2%, while Saint John–Moncton–Fredericton, Ottawa–Gatineau, Calgary and Edmonton posted slight increases (+0.1%).

Eight of the surveyed centres registered no change and the only monthly decrease occurred in Sudbury–Thunder Bay (-0.2%).

Québec posted the largest 12-month increase for new homes (+8.9%), followed by Victoria (+7.4%) and

Hamilton (+7.0%). There were no annual decreases in July.

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2003 issue of *Capital expenditure* price statistics (62-007-XPB, \$24/\$79) will be available in January 2004. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Perry Kirkpatrick (613-951-9606, fax: 613-951-1539; infounit@statcan.ca) or Susan Morris (613-951-2035; morrsus@statcan.ca), Prices Division.

## Refined petroleum products

March 2003

Data on the supply and disposition and domestic sales of refined petroleum products are now available for March.

Available on CANSIM: tables 134-0001 to 134-0004.

Definitions, data sources and methods: survey number 2150.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division.

## Aircraft movement statistics

July 2003 (preliminary)

In July, the 42 Canadian airports with NAV CANADA air traffic control towers reported 449,725 movements, down 3.9% from July 2002 (468,213). Three-quarters of the airports showed year-over-year decreases in total aircraft movements for July. Only one airport, Sudbury, showed a decrease greater than 20% this month, compared with four airports in June. In early July, the World Health Organization lifted the travel advisory for Toronto, removing it from the list of high-infection areas for Severe Acute Respiratory Syndrome (SARS).

Overall, the decrease in July was reflected in both itinerant movements (flights from one airport to another) and local movements (flights that remain in the vicinity of the airport). Itinerant movements dropped 2.2 %

(down 6,917 movements) while local movements dropped 7.6% (down 11,571 movements).

The top 10 airports in terms of volumes of itinerant movements in July showed year-over-year variations ranging from 18.8% at Boundary Bay to -7.3% at Toronto/LB Pearson International. Six airports recorded decreases from July 2002. The top 10 airports in terms of local movements showed year-over-year variations ranging from 5.2% at Boundary Bay to -32.2% at Winnipeg/St Andrews. Nine airports recorded decreases from July 2002.

The June issue of Aircraft movement statistics (51F0001PIE, TP1496, free) is now available on Statistics Canada's website (www.statcan.ca). From the Our products and services page, under Browse our Internet publications, choose Free, then Transport and warehousing. Historical issues are available on Transport Canada's website (http://www.tc.gc.ca/pol/en/report/TP1496/tp1496.htm).

Preliminary statistics for the 57 Canadian airports with NAV CANADA flight service stations are also available for July.

Definitions, data sources and methods: survey number 2715.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; aviationstatistics@statcan.ca), Transportation Division.

#### Cement

July 2003

Data on cement are now available for July.

Available on CANSIM: table 303-0001.

Definitions, data sources and methods: survey number 2140.

The July 2003 issue of *Cement*, Vol. 55, no. 7 (44-001-XIB, \$5/\$47) is now available. See *How to order products*.

more For information, or to enquire data quality about the concepts, methods or dissemination οf this release. contact the officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division.

### **NEW PRODUCTS**

**Cement**, July 2003, Vol. 55, no. 7 **Catalogue number 44-001-XIB** (\$5/\$47).

Aircraft movements statistics, July 2003, Vol. 2, no. 7 Catalogue number 51F0001PIE (free).

Education, skills and learning research papers: Access, persistence and financing: First results from the Postsecondary Education Participation Survey, 2002, no. 7
Catalogue number 81-595-MIE2003007 (free).

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

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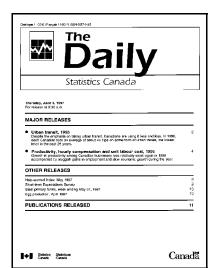
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