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MAJOR RELEASES

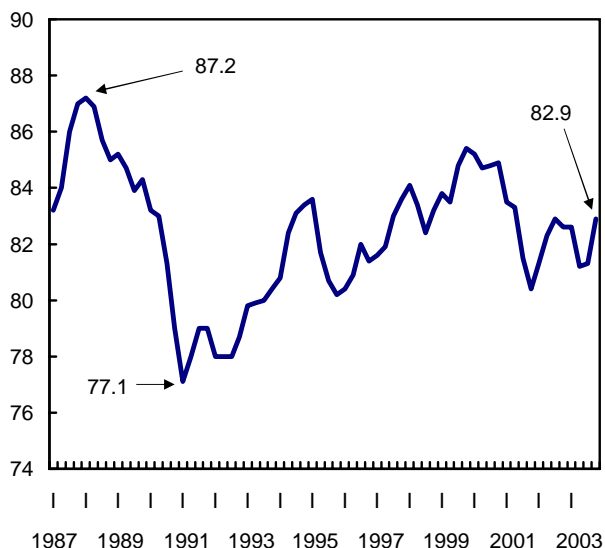
Industrial capacity utilization rates

Fourth quarter 2003

Industrial capacity utilization recorded its biggest jump in almost a decade in the fourth quarter with the recovery of exports and a red-hot residential construction market. Industries operated at 82.9% compared with 81.3% in the third quarter. This was the largest quarterly gain since the second quarter of 1994, when the rate also increased by 1.6 percentage points, reaching 82.4%. Still, the rate for the fourth quarter of 2003 remained much lower than the most recent high of 85.4% reached in the fourth quarter of 1999.

Sharp gain in capacity utilization

% (rate of capacity use)



Exports drove growth in the fourth quarter despite the rise in the Canadian dollar, which reached its highest level in 10 years in December. Exports of industrial goods and materials as well as energy exports surged in the fourth quarter, and the increase in US demand stimulated the automobile exports. In contrast, consumer expenditures stagnated and the increase in business inventories more than tripled from the third quarter. Wholesalers and retailers were largely responsible for this situation, with manufacturer inventories remaining unchanged.

Historically low mortgage rates contributed to the strength in the housing market. Investment in new

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.

housing construction rose 4.7% and capacity use in the construction sector reached 86.7% in the fourth quarter, up from 86.0% in the third.

Despite the strong fourth-quarter gain, the average annual rate for 2003 as a whole hit 82.0%, down slightly from 82.3% in 2002. The annual average rate was the lowest since 1996, when it hit 81.2%, largely because of disruptions to the economy in 2003, such as the SARS and mad cow scares and the mid-August blackout in Ontario. On the bright side, the January 2004 Business Conditions Survey reported that manufacturers appeared more optimistic and expected to increase production in the first quarter of 2004.

The fourth-quarter increase in overall capacity use was largely due to the manufacturing sector, which posted the strongest growth in its rate in more than nine years. The rates also increased in forestry and logging, mining and construction sectors. Only the electrical energy and the oil and gas extraction sectors posted a decline in their rates in the fourth quarter. (Capacity utilization rates were revised retroactively to the first quarter of 2001 to integrate the revised data).

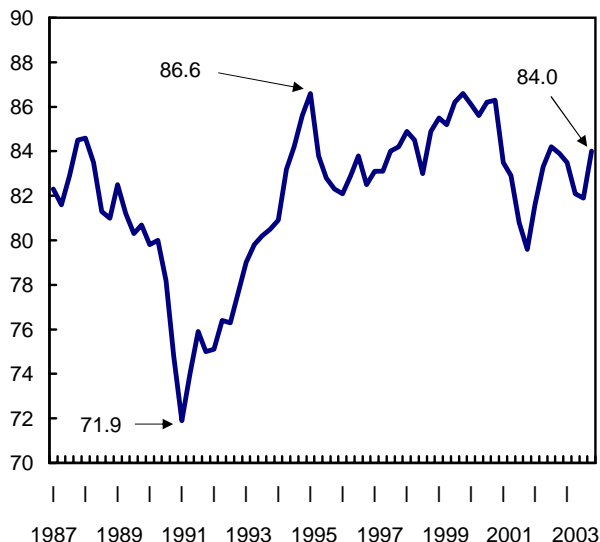
Manufacturing halts four consecutive quarterly declines

After four consecutive quarterly declines, the rate of capacity utilization in manufacturing surged by 2.1 percentage points, reaching 84.0% in the fourth quarter. Of the 21 groups in manufacturing, 16 posted rate increases, and six had rates higher than 90%.

In the primary metal manufacturing industry, the rate rose from 92.5% in the third quarter to a record 97.2% in the fourth quarter. This large gain was the result of an increase in production for all major components in this group.

Rebound in manufacturing

% (rate of capacity use)



Among fabricated metal products manufacturers, capacity use went from 80.3% to 83.0%. Most of the components of this industry, especially the architectural products and structural metals manufacturers, increased production in the fourth quarter.

Capacity utilization rose from 68.2% to 71.5% among computer and electronic product manufacturers. This was the first time since the second quarter of 2001 that this industry's rate rose above 70%. The average annual rate for 2003 as a whole remained low at 68.6% but was up from the 2002 rate, which stood at 66.8%. Growth was especially strong among manufacturers of semi-conductors and other electronic components, which posted a 12.2% increase in production in the fourth quarter of 2003.

In the transportation equipment manufacturing group, demand for automotive parts from American automobile assembly plants strongly contributed to the 2.2% rise in production. As a result, capacity utilization in this industry rose from 84.6% to 86.5%.

Increased production in industries upstream from the construction sector led to increased use of industrial

capacity. Among wood product manufacturers, the rate rose from 94.6% to 96.9%, and in the non-metallic mineral products manufacturing industry, the rate rose by 1.7 points, up to 92.5%.

Strong increase in capacity use in the mining sector

The rates increased in all of the other sectors, except for the oil and gas extraction and electrical energy sectors.

Industrial capacity utilization rose from 85.6% to 91.0% in the mining sector. Drilling activities, which increased more than 42%, and the sustained strength of the diamond extraction sector, were the main factors in a 6.2% increase in production in the mining sector.

In oil and gas extraction, the slight rise in production failed to offset the increase in production capacity, and the capacity utilization rate fell by 0.2 points to 63.0%.

In the forestry and logging sector, the rate rose from 87.8% to 91.2% in the fourth quarter as a result of a 3.1% increase in production. Despite the softwood lumber dispute between Canada and the United States, forestry and logging posted strong results in 2003, with an average annual rate of 90.7%, compared with 83.9% in 2002.

For a third consecutive quarter, the electrical energy sector used less of its production capacity. Production in this sector fell 0.8% in the fourth quarter, and the capacity use rate settled at 83.9%, compared with 84.8% in the third quarter.

Available on CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data for the first quarter 2004 on industrial capacity utilization will be released on June 10.

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

	Third quarter 2003 ^r	Fourth quarter 2003	Third to fourth quarter 2003	2002 ^r	2003	2002 to 2003
	annual averages					
			percentage point change			percentage point change
Total industrial	81.3	82.9	1.6	82.3	82.0	-0.3
Forestry and logging	87.8	91.2	3.4	83.9	90.7	6.8
Mining and oil and gas extraction	70.6	72.2	1.6	69.1	70.2	1.1
Oil and gas extraction	63.2	63.0	-0.2	64.4	63.1	-1.3
Mining	85.6	91.0	5.4	78.4	84.5	6.1
Electric power generation, transmission and distribution	84.8	83.9	-0.9	88.5	85.8	-2.7
Construction	86.0	86.7	0.7	87.0	86.2	-0.8
Manufacturing	81.9	84.0	2.1	83.3	82.9	-0.4
Food	78.2	80.0	1.8	81.8	78.8	-3.0
Beverage and tobacco products	74.5	74.2	-0.3	79.9	75.4	-4.5
Beverage	76.6	76.7	0.1	83.0	78.3	-4.7
Tobacco	68.6	67.4	-1.2	71.5	67.2	-4.3
Textile mills	73.2	71.0	-2.2	77.2	74.2	-3.0
Textile product mills	77.0	74.9	-2.1	83.1	77.8	-5.3
Clothing	73.2	76.2	3.0	82.8	77.5	-5.3
Leather and allied products	66.7	65.1	-1.6	72.2	67.4	-4.8
Wood products	94.6	96.9	2.3	91.4	96.5	5.1
Paper	90.7	90.4	-0.3	90.6	91.3	0.7
Printing and related support activities	72.6	74.9	2.3	73.9	72.9	-1.0
Petroleum and coal products	96.1	97.2	1.1	96.5	96.8	0.3
Chemical	82.4	84.7	2.3	82.8	84.2	1.4
Plastics and rubber products	89.7	92.5	2.8	88.6	89.2	0.6
Plastic products	89.7	92.4	2.7	88.9	88.9	0.0
Rubber products	89.8	93.0	3.2	87.7	90.3	2.6
Non-metallic mineral products	90.8	92.5	1.7	84.1	90.1	6.0
Primary metal	92.5	97.2	4.7	91.2	93.5	2.3
Fabricated metal products	80.3	83.0	2.7	81.5	81.5	0.0
Machinery	76.9	78.1	1.2	78.9	78.0	-0.9
Computer and electronic products	68.2	71.5	3.3	66.8	68.6	1.8
Electrical equipment, appliance and component	69.3	71.0	1.7	73.1	71.2	-1.9
Transportation equipment	84.6	86.5	1.9	88.1	85.3	-2.8
Furniture and related products	75.4	75.9	0.5	81.1	77.2	-3.9
Miscellaneous manufacturing	76.5	81.0	4.5	82.5	78.2	-4.3

^r Revised figures.



OTHER RELEASES

Intercensal and postcensal population estimates by marital status and legal marital status, age and sex July 1, 1971 to 2003

Preliminary postcensal estimates of population by marital status, legal marital status, age and sex at July 1, 2003 are now available. Also available are the revised intercensal estimates from July 1, 1971 to 1995 (marital status) and from July 1, 1991 to 1995 (legal marital status); final intercensal estimates from July 1, 1996 to 2000; final postcensal estimates at July 1, 2001 and revised postcensal estimates at July 1, 2002 for Canada, provinces and territories.

Note: These estimates are based on the 2001 Census counts adjusted for net undercoverage.

Available on CANSIM: table 051-0010. (This table only includes data by marital status.)

Definitions, data sources and methods: survey number 3605.

Data will appear in *Annual Demographic Statistics*, 2003 (91-213-XPB, \$134; 91-213-XIB, \$60), which will be available on March 31. See *How to order products*.

These estimates may be obtained by contacting your nearest Statistics Canada Regional Reference Centre. For more information, contact Colette O'Meara (613-951-2320; fax: 613-951-2307; demography@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Denis Morissette, (613-951-0694; fax: 613-951-2307; denis.morissette@statcan.ca), Demography Division. ■

Sawmills and planing mills December 2003

Data on sawmills and planing mills are now available for December. Monthly data for 2000, 2001, 2002 and 2003 were revised.

Available on CANSIM: table 303-0009.

Definitions, data sources and methods: survey numbers, including related surveys, 2134 and 2135.

For general information or to order data, contact the dissemination officer (1-866-873 8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Commercial Software Price Index January 2000 to December 2003 (preliminary)

The Commercial Software Price Index (CSPI) is a monthly series measuring the change in the purchase price of prepackaged software typically bought by businesses and governments. With this release, monthly data from January 2000 to December 2003 are available to the public for the first time.

The CSPI is used by economists, industry analysts and the general public to track and comprehend events and trends in this important contributor to the information and communication technology sector.

Generally, commercial software prices exhibit a downward trend, falling an average of 5.4% annually between 2000 and 2003. From a monthly perspective, software prices have been declining approximately 0.5% throughout this period.

This index is available at the Canada level only.

Available on CANSIM: table 331-0003.

Definitions, data sources and methods: survey number 5068.

For more information, contact Client Services (1-866-230-2248; 613-951-9606; infounit@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Fred Barzyk (613-951-2493; fred.barzyk@statcan.ca), Prices Division. ■

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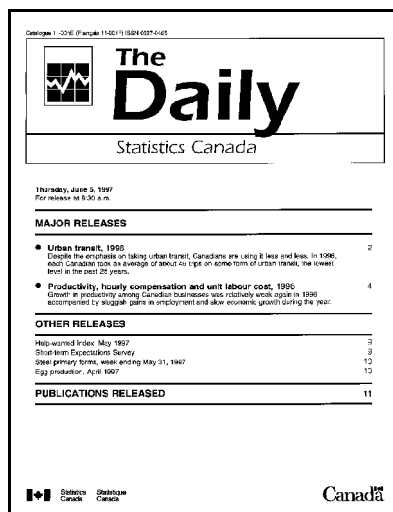
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