



The Daily

Statistics Canada

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MAJOR RELEASES

- **Retail Trade, March 2004 and first quarter 2004**

Retail sales advanced 1.2% in March to a record high of \$27.4 billion, the third consecutive monthly gain. Consumer spending increased by at least 1.0% in six of the seven retail sectors in March, contributing to a sizable 3.0% gain in the first quarter.

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- **Wholesale trade, March and first quarter 2004**

After a disappointing start to the year, wholesale sales rebounded 4.6% in March, reaching \$37.6 billion. Apart from the increase registered in September 2003 (+6.1%) following the power blackout in August, this was the strongest gain in the past 10 years. Despite this increase, sales for the first quarter of 2004 were down 0.6%.

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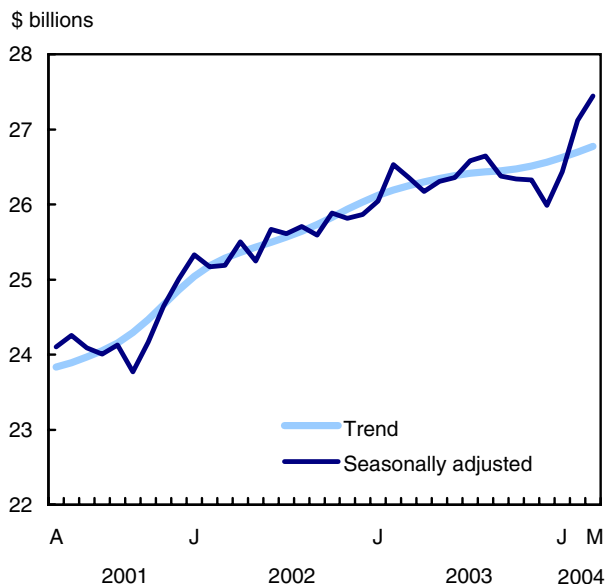
Retail Trade

March 2004 and first quarter 2004

Retail sales advanced 1.2% in March to a record high of \$27.4 billion, after increasing 2.6% in February and 1.7% in January. Consumer spending increased by at least 1.0% in six of the seven retail sectors, contributing to a sizable 3.0% gain in total retail sales in the first quarter compared with the last quarter of 2003.

Retailers enjoyed a resurgence in growth since the start of 2004, after experiencing poor sales gains in 2003. Previously, retail sales had generally been increasing at a rapid pace in 2002 and in the fall of 2001.

Retail sales on the rise for a third straight month



Food retailers enjoyed their third straight monthly sales increase in March (+1.0%), pushing sales up 2.1% in the first quarter. This was the largest quarterly sales increase in seven years for food retailers. Prior to 2004, food stores had experienced essentially flat sales since April 2003.

Lower sales in department stores in March (-2.6%) led to a 0.8% decline for the overall general merchandise sector. Department store cash registers cooled down after two months of strong sales increases, which were partly attributed to store openings in late January. Sales in department stores jumped 5.7% in the first quarter of 2004, after remaining flat in the last quarter of 2003.

Retail sales up in eight provinces

Retail sales advanced in all provinces in March, except Newfoundland and Labrador (-3.2%) and Manitoba (-0.7%). Retailers in these two provinces had posted strong sales gains in February, leaving March's sales near record levels.

In March, consumer spending in retail stores advanced by at least 1.5% in five provinces: Prince Edward Island (+3.6%), Nova Scotia (+2.7%), Quebec (+2.5%), British Columbia (+2.1%) and New Brunswick (+1.5%). Sales increases were much less significant in Ontario (+0.7%), Saskatchewan (+0.4%) and Alberta (+0.3%), after the rapid advances in February.

On a quarterly basis, retailers in Nova Scotia (+0.7%), Ontario (+2.1%), New Brunswick (+2.2%) and Saskatchewan (+2.5%) posted sales increases below the 3.0% national average in the first quarter compared with the last quarter of 2003.

In February and March 2004, retail sales in Ontario barely surpassed the previous peak reached

in February 2003. Strong non-auto sales were behind these recent increases in Ontario, as new motor vehicle sales in the first quarter were only 0.3% above those in the last quarter of 2003, when sales dropped 10.0%.

Related indicators for April

A rise in full-time jobs led to a 0.3% increase in total employment in April, more than making up for losses in the previous two months. Housing starts fell slightly in April (-4.5%) after reaching, in March, their second highest level since August 1987. It is estimated that the number of new motor vehicles sold increased 2.5% from March, based on preliminary data obtained from the auto industry. This was the fourth consecutive monthly gain in new motor vehicle sales.

Available on CANSIM: tables 080-0001 to 080-0005 and 076-0005.

Definitions, data sources and methods: survey numbers, including related surveys, 2406 and 2408.

The March 2004 issue of *Retail Trade* (63-005-XIB, \$18/\$166) will soon be available.

Data on retail trade for April 2004 will be released on June 25.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Paul Gratton (613-951-3541), Distributive Trades Division.

□

Retail sales

	March 2003	December 2003 ^r	January 2004 ^r	February 2004 ^r	March 2004 ^p	February to March 2004	March 2003 to March 2004
seasonally adjusted							
	\$ millions					% change	
Food	5,853	5,905	5,981	6,020	6,079	1.0	3.9
Supermarkets and grocery stores	5,433	5,494	5,574	5,611	5,667	1.0	4.3
All other food stores	420	412	408	408	412	0.9	-1.8
Drug and patent medicine stores	1,329	1,389	1,441	1,430	1,462	2.3	10.0
Clothing	1,361	1,377	1,401	1,440	1,463	1.6	7.5
Shoe stores	151	150	148	165	160	-3.2	5.9
Men's clothing stores	108	104	109	114	113	-0.4	5.3
Women's clothing stores	396	396	408	421	437	3.8	10.3
Other clothing stores	706	727	736	741	753	1.6	6.6
Furniture	1,563	1,698	1,677	1,714	1,743	1.7	11.5
Household furniture and appliance stores	1,243	1,352	1,334	1,367	1,393	1.9	12.0
Household furnishings stores	320	346	343	346	350	1.1	9.6
Automotive	10,654	9,865	9,997	10,532	10,689	1.5	0.3
Motor and recreational vehicle dealers	6,864	6,312	6,288	6,809	6,932	1.8	1.0
Gasoline service stations	2,248	2,018	2,117	2,136	2,140	0.2	-4.8
Automotive parts, accessories and services	1,542	1,536	1,592	1,587	1,617	1.9	4.9
General merchandise stores	2,852	2,899	3,049	3,089	3,065	-0.8	7.5
Department stores	1,681	1,704	1,798	1,848	1,799	-2.6	7.0
Other general merchandise stores	1,171	1,195	1,251	1,241	1,266	2.0	8.2
Retail stores not elsewhere classified	2,747	2,855	2,886	2,893	2,943	1.7	7.2
Other semi-durable goods stores	790	809	842	822	851	3.5	7.7
Other durable goods stores	674	690	679	689	688	-0.1	2.2
All other retail stores not elsewhere classified	1,283	1,356	1,365	1,382	1,404	1.6	9.4
Total, retail sales	26,358	25,989	26,434	27,117	27,445	1.2	4.1
Total excluding motor and recreational vehicle dealers	19,493	19,677	20,146	20,308	20,513	1.0	5.2
Provinces and territories							
Newfoundland and Labrador	443	449	457	475	460	-3.2	3.8
Prince Edward Island	110	106	109	111	115	3.6	4.7
Nova Scotia	770	765	763	766	786	2.7	2.1
New Brunswick	611	592	605	607	616	1.5	0.9
Quebec	6,084	6,042	6,199	6,271	6,425	2.5	5.6
Ontario	9,941	9,634	9,824	10,036	10,109	0.7	1.7
Manitoba	903	904	919	958	952	-0.7	5.4
Saskatchewan	797	759	745	797	800	0.4	0.3
Alberta	3,226	3,218	3,265	3,465	3,476	0.3	7.8
British Columbia	3,376	3,422	3,454	3,538	3,613	2.1	7.0
Yukon	34	33	34	33	32	-3.3	-6.3
Northwest Territories	45	46	42	41	42	2.3	-6.7
Nunavut	18	18	19	19	19	0.6	3.9

^r Revised figures.

^p Preliminary figures.

Retail sales

	March 2003	February 2004 ^r	March 2004 ^p	March 2003 to March 2004
	unadjusted			
	\$ millions			% change
Food	5,625	5,428	5,779	2.7
Supermarkets and grocery stores	5,231	5,058	5,394	3.1
All other food stores	394	370	386	-2.1
Drug and patent medicine stores	1,278	1,339	1,441	12.7
Clothing	1,138	972	1,220	7.2
Shoe stores	118	103	123	4.7
Men's clothing stores	82	74	85	4.4
Women's clothing stores	335	290	372	11.1
Other clothing stores	604	505	639	5.8
Furniture	1,403	1,340	1,576	12.4
Household furniture and appliance stores	1,109	1,065	1,243	12.1
Household furnishings stores	293	275	333	13.6
Automotive	10,424	8,569	11,018	5.7
Motor and recreational vehicle dealers	6,901	5,417	7,419	7.5
Gasoline service stations	2,214	1,944	2,152	-2.8
Automotive parts, accessories and services	1,309	1,208	1,447	10.6
General merchandise stores	2,453	2,323	2,629	7.2
Department stores	1,399	1,318	1,475	5.5
Other general merchandise stores	1,054	1,005	1,154	9.5
Retail stores not elsewhere classified	2,271	2,204	2,434	7.2
Other semi-durable goods stores	615	579	676	9.9
Other durable goods stores	548	530	558	1.8
All other retail stores not elsewhere classified	1,108	1,095	1,201	8.3
Total, retail sales	24,591	22,175	26,097	6.1
Total excluding motor and recreational vehicle dealers	17,691	16,758	18,679	5.6
Provinces and territories				
Newfoundland and Labrador	408	366	425	4.1
Prince Edward Island	93	83	99	5.8
Nova Scotia	708	611	731	3.3
New Brunswick	556	476	573	2.9
Quebec	5,735	5,046	6,180	7.8
Ontario	9,170	8,168	9,513	3.7
Manitoba	850	798	911	7.2
Saskatchewan	736	650	761	3.4
Alberta	3,042	2,836	3,340	9.8
British Columbia	3,194	3,062	3,469	8.6
Yukon	31	26	30	-5.9
Northwest Territories	49	37	46	-7.1
Nunavut	18	16	19	4.3

^r Revised figures.

^p Preliminary figures.



Wholesale trade

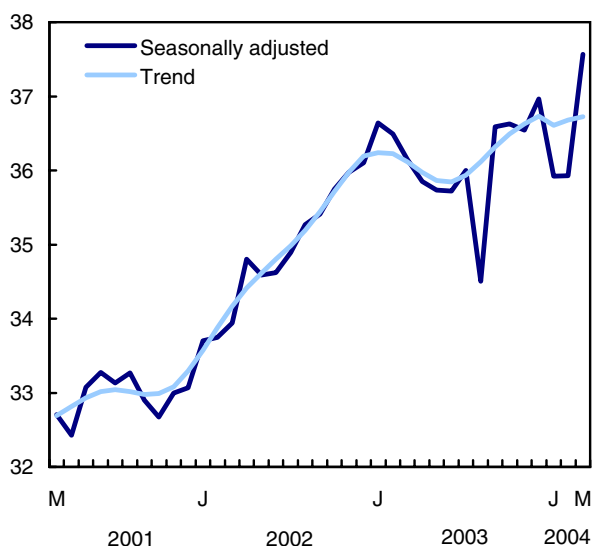
March and first quarter 2004

After a disappointing start to the year, wholesale sales rebounded 4.6% in March, reaching \$37.6 billion. Apart from the increase registered in September 2003 (+6.1%) following the power blackout in August, this was the strongest gain in the past 10 years. Excluding the automotive sector, sales in March were up 3.3%.

Since February 2003, wholesale sales have generally been declining, with much of the decrease attributable to the automotive sector. Prior to this, wholesale sales went through a strong period of growth extending from the fall of 2001 to January 2003.

Wholesale sales rebound in March

\$ billions



The increase in sales in March was mainly attributable to the automotive sector (+10.7%), lumber and building materials (+8.3%) and the other products category (+4.2%). The rise in wholesale sales was tempered by decreases in computers and electronics (-0.2%) and household goods (-0.4%).

First quarter sales were down 0.6% from the fourth quarter of 2003, a quarter that saw an increase

Note to readers

The March 2004 wholesale trade estimates are the last to be published using the 1980 Standard Industrial Classification (SIC 1980). The Monthly Wholesale Trade Survey will switch to the North American Industrial Classification System (NAICS 2002) starting with the release of the April 2004 reference month. The publication Wholesale Trade (63-008-XIB, \$15/\$150) will be modified to reflect the change to the new industrial classification. An historical time series back to January 1993 will be made available with the first release. The historical data estimates will be available on CANSIM (tables 810007 to 810010) or by custom request. For further information, contact Client Services (1-877-421-3067; 613-951-3549).

For information on the wholesale trade industry classification under the NAICS 2002, please consult our website. From the Definitions, data sources and methods page, select the Industry link found under the Standard classifications section.

of 2.8%. The contraction of quarterly sales was mainly attributable to the automotive sector, which despite a strong showing in March experienced a sharp drop in activity in the first two months of the year.

In constant prices, wholesale sales rose 4.4% in March. For the first quarter of 2004, they declined 1.3%.

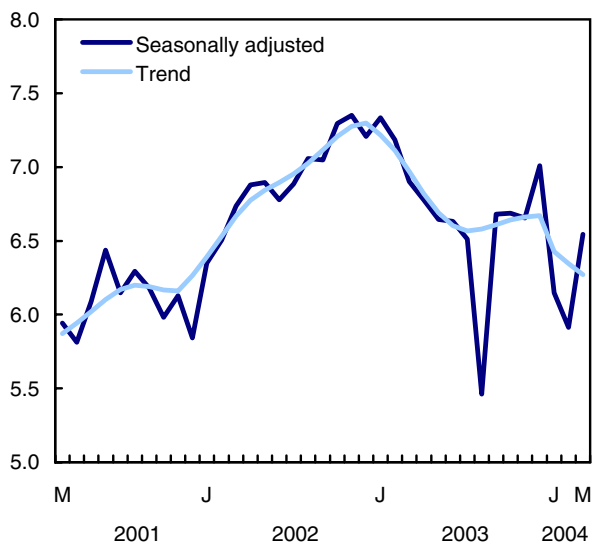
March's increase in sales masks a disappointing quarter for the automotive sector

Despite the increase registered in March, sales in the automotive sector suffered the most during the first quarter of the year. They fell 8.6% compared with the fourth quarter of 2003, largely offsetting the gains (+9.1%) registered in the previous quarter. Compared to the first quarter of 2003, sales declined steeply (-13.1%). Sales in this sector began to show signs of weakness in February 2003, after an exceptional year in 2002.

Wholesale sales of lumber and building materials advanced 8.3% in March. This increase enabled the sector to make a strong showing for the first quarter, rising 3.9% compared with the fourth quarter of 2003. This gain is partly attributable to a rise in the prices of certain building materials and a booming housing market. The lumber and building materials sector has generally been booming since the fourth quarter of 2001.

Sales in automotive sector bounce back in March

\$ billions

**Wholesalers of household goods register a fifth consecutive monthly decline**

Wholesalers of household goods saw their sales fall 0.4% in March. This is the fifth consecutive decline. Compared with March 2003, the sales of this sector were down 4.6%. Nevertheless, since January 2003, wholesalers of household goods have seen their purchasing costs fall substantially as a result of the appreciation of the Canadian dollar. This has led to a reduction in their selling prices, coupled by an increase in their sales volumes.

Almost all provinces register an increase

In March, wholesale sales rose in nine provinces. The largest gains were reported in Prince Edward Island (+6.7%), Saskatchewan (+6.2%) and Quebec (+5.7%).

Wholesalers in both Prince Edward Island and Quebec benefited from increased sales in food products

and the other products category. Saskatchewan wholesalers saw increases in the other products category (chemicals and other agricultural supplies) and the automotive sector.

Wholesale sales in Manitoba declined in March (-0.5%). Despite this decrease, sales made a strong showing in the first quarter, increasing 4.0% compared with the fourth quarter of 2003. This rebound in wholesale sales followed two especially difficult quarters. Compared with the same period in 2003, first quarter sales were up 3.1%.

Wholesalers build up their inventories

Wholesalers' inventories rose substantially in March (+1.0%) to \$46.7 billion. This rise was largely attributable to the automotive sector and the metals and hardware sector. This increase follows a period of relative stability that began in early 2003. Prior to this, wholesalers had strongly increased their inventories in 2002.

Despite the rise in inventories, the much larger increase in sales caused the inventory-to-sales ratio to fall sharply, dropping from 1.29 in February to 1.24 in March.

Available on CANSIM: tables 081-0001 and 081-0002.

Definitions, data sources and methods: survey number 2401.

The March 2004 issue of *Wholesale Trade* (63-008-XIB, \$15/\$150) will soon be available.

Wholesale trade estimates for April 2004 will be released on June 23.

For data or general information, contact Client Services (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca). To enquire about the concepts, methods and data quality of this release, contact Jean Lebreux (613-951-4907; jean.lebreux@statcan.ca), Distributive Trades Division.

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Wholesale merchants' sales and inventories

	March 2003	December 2003 ^r	January 2004 ^r	February 2004 ^r	March 2004 ^p	February to March 2004	March 2003 to March 2004
seasonally adjusted							
	\$ millions				% change		
Sales, all trade groups	36,150	36,967	35,922	35,931	37,568	4.6	3.9
Food products	5,788	5,620	5,702	5,688	5,763	1.3	-0.4
Beverage, drug and tobacco products	3,109	3,566	3,617	3,541	3,649	3.0	17.3
Apparel and dry goods	655	649	610	609	627	3.0	-4.2
Household goods	1,047	1,031	1,017	1,003	999	-0.4	-4.6
Motor vehicles, parts and accessories	6,900	7,008	6,146	5,912	6,545	10.7	-5.1
Metals, hardware, plumbing and heating equipment and supplies	2,208	2,158	2,197	2,293	2,380	3.8	7.8
Lumber and building materials	2,800	3,129	3,027	3,180	3,444	8.3	23.0
Farm machinery, equipment and supplies	773	661	653	687	740	7.6	-4.4
Industrial and other machinery, equipment and supplies	4,941	5,066	4,923	5,051	5,240	3.8	6.1
Computers, packaged software and other electronic machinery	2,747	2,810	2,810	2,726	2,720	-0.2	-1.0
Other products	5,182	5,269	5,221	5,241	5,462	4.2	5.4
Sales by province and territory							
Newfoundland and Labrador	216	236	231	228	240	5.5	11.4
Prince Edward Island	58	60	60	62	66	6.7	14.0
Nova Scotia	624	613	593	618	651	5.3	4.2
New Brunswick	447	446	452	449	463	3.2	3.5
Quebec	7,277	7,526	7,415	7,530	7,956	5.7	9.3
Ontario	18,114	18,450	17,767	17,532	18,434	5.1	1.8
Manitoba	1,058	1,027	1,044	1,082	1,076	-0.5	1.7
Saskatchewan	1,057	995	973	946	1,004	6.2	-5.0
Alberta	3,760	3,974	3,945	4,030	4,120	2.2	9.6
British Columbia	3,509	3,611	3,413	3,426	3,524	2.9	0.4
Yukon	10	10	10	10	10	-1.3	2.9
Northwest Territories	18	19	17	16	21	30.2	14.4
Nunavut	2	1	1	1	1	-12.2	-38.2
Inventories, all trade groups	46,415	45,941	45,964	46,242	46,687	1.0	0.6
Food products	3,524	3,682	3,679	3,664	3,730	1.8	5.9
Beverage, drug and tobacco products	3,682	3,804	3,780	3,759	3,755	-0.1	2.0
Apparel and dry goods	1,355	1,304	1,296	1,289	1,284	-0.3	-5.2
Household goods	1,786	1,753	1,748	1,723	1,746	1.3	-2.3
Motor vehicles, parts and accessories	7,167	6,917	6,899	7,020	7,191	2.4	0.3
Metals, hardware, plumbing and heating equipment and supplies	3,820	3,649	3,742	3,781	3,876	2.5	1.5
Lumber and building materials	4,653	4,658	4,719	4,785	4,831	1.0	3.8
Farm machinery, equipment and supplies	1,947	2,073	2,074	2,158	2,158	0.0	10.8
Industrial and other machinery, equipment and supplies	10,162	9,904	9,913	9,967	9,979	0.1	-1.8
Computers, packaged software and other electronic machinery	1,878	1,936	1,848	1,822	1,823	0.0	-2.9
Other products	6,441	6,261	6,267	6,274	6,313	0.6	-2.0

^r Revised figures.

^p Preliminary figures.

OTHER RELEASES

Income of individuals

2002

Median employment income of individuals reached \$24,300 in 2002, up 4.1% from 1997 (after adjustment for inflation) although it remained almost unchanged from 2001. The median total income of individuals was \$23,100, an increase of 7.7% over 1997.

The median is the point where one-half of incomes are higher and the other half are lower. Only people with employment income were included in the calculation of median employment income.

Residents of the Northwest Territories again had the highest median employment income in Canada at \$33,600, a 12.9% increase from five years earlier. The strongest growth rate during this five-year period occurred in Nunavut where median employment income of individuals rose 18.0%.

Those living in the Yukon had the second highest median employment income in 2002, at \$27,600, followed by those in Ontario with \$26,900 and Alberta with \$25,700. This is the first time since 1996 that the median employment income in the Yukon has surpassed that of Ontario.

Among census metropolitan areas, Edmonton had the largest increase in median employment income with a 10.4% gain over the five-year period. Ottawa-Gatineau and Calgary followed with increases of 10.0% and 8.3%, respectively.

Employment income comprised about 75% of the total income in 2002, up slightly from 74% in 1997.

Employment income includes wages and salaries, commissions from employment, training allowances, tips and gratuities, and self-employment income. Total income includes income from employment, investment, government transfers, private pensions, registered retirement savings plans and other income.

After employment income, government transfers make up the next largest component of total income for individuals, about 12% in 2002 at the national level. Recent revisions to the Employment insurance program and the National Child Tax Benefit program have meant that the proportion of money received by individuals from these two programs is larger than in 1997. In 2002, payments from these two programs accounted for about 23% of government transfers to individuals, up from 21% in 1997.

A further 57% of government transfers in 2002 were provided to individuals through Old Age Security

program and Canada/Quebec Pension Plan payments. This proportion is expected to continue to increase as the population ages.

The proportion of government transfer income received by individuals from social assistance, workers' compensation, sales tax credits, and provincial credits and family benefits declined considerably over the five-year period. In 2002, these components made up only 20% of total government transfers to individuals.

The relative reliance of individuals on government transfers and employment income is referred to as the economic dependency ratio. For each geographic area, it measures the amount of transfer payments received for every \$100.00 of employment income.

At the national level in 2002, \$16.09 was received on average for every \$100.00 of employment income, a decline from \$18.16 in 1997. This ratio has been declining every year since 1993.

Calgary residents continued to have the least dependence on government transfers. In 2002, they received only \$8.00 in total transfers for each \$100.00 in employment income.

Note: Data in this release were obtained primarily from income tax returns filed in the spring of 2002. All income data for individuals are before the payment of tax and after the receipt of transfers. All figures for previous years have been adjusted for inflation, as measured by the Consumer Price Index.

Available on CANSIM: tables 111-0004 to 111-0008.

Definitions, data sources and methods: survey number 4105.

Data for *Neighbourhood Income and Demographics* (13C0015, various prices), the *Labour Income Profiles* (71C0018, various prices) and the *Economic Dependency Profiles* (13C0017, various prices) are available for the following geographic levels: letter carrier routes, census tracts, urban forward sortation areas (the first three characters of the postal code), cities, towns, federal electoral districts, census agglomerations, census divisions, economic regions, census metropolitan areas, provinces, territories and Canada.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-866-652-8443; 613-951-9720; fax: 1-866-652-8444 or 613-951-4745; saadinfo@statcan.ca), Small Area and Administrative Data Division. □

Median employment income and economic dependency ratio, by census metropolitan area¹ 2002

	Median employment income		Economic dependency ratio
	amount \$	% change 1997 to 2002	\$ per \$100.00
Canada	24,300	4.1	16.09
St. John's	23,500	7.9	18.10
Halifax	25,400	4.9	13.77
Saint John	22,100	5.2	19.99
Saguenay	21,700	-0.4	21.53
Québec	26,000	7.3	16.32
Sherbrooke	22,800	4.1	20.33
Trois-Rivières	21,600	2.3	23.66
Montréal	24,800	4.8	16.76
Ottawa-Gatineau	32,000	10.0	11.26
Kingston	24,700	5.8	17.79
Oshawa	31,400	0.0	11.47
Toronto	28,200	2.0	10.93
Hamilton	28,500	2.7	15.06
St.Catharines-Niagara	22,500	1.2	20.23
Kitchener	29,200	5.6	11.73
London	26,500	2.8	15.89
Windsor	28,800	2.1	13.43
Greater Sudbury	22,900	-7.6	20.78
Thunder Bay	26,300	-2.9	19.67
Winnipeg	24,400	4.6	16.30
Regina	26,700	4.5	14.49
Saskatoon	23,600	3.6	15.35
Calgary	28,500	8.3	8.00
Edmonton	27,100	10.4	11.58
Abbotsford	22,300	0.8	18.85
Vancouver	25,400	-1.9	13.26
Victoria	26,100	2.6	17.39

1. Go online to view the census subdivisions that comprise the census metropolitan areas.

Study: Cross-border acquisitions 1997 to 2002

Canadian firms acquired foreign companies at a faster pace between 1997 and 2002 than foreign firms acquired companies in Canada, according to a new study.

In addition, the study showed that Canadian companies leaned towards acquiring US technology, while American firms were after Canada's energy companies.

This study analyses cross-border mergers and acquisitions from a Canadian perspective. It examines both non-resident takeovers of Canadian companies and Canadian takeovers of foreign companies by industry and region from 1997 to 2002. The analysis also highlights the use of share-exchanges as a means to finance these acquisitions.

In recent years, activity in cross-border mergers and acquisitions involving Canadian companies was relatively intense in terms of both numbers and values.

Canadian firms acquired 447 foreign companies, transactions which are called "outward," while foreign

companies acquired 345 Canadian companies, or "inward" transactions.

In terms of value, however, foreign companies invested slightly more in Canada during the six-year period. This was primarily the result of one extremely large European acquisition of a prominent Canadian company in 2000.

Foreign companies acquired \$144 billion worth of Canadian companies, while Canadian firms acquired \$124 billion of foreign companies.

Europe edged out the United States as the largest acquirer of Canadian companies during the six-year period. This slight edge for Europe was primarily the result of the same large acquisition in 2000. In fact, in all years other than 2000, the United States invested significantly more through acquisitions in Canada than did Europe.

The United States was the primary destination for acquisitions, accounting for over two-thirds of all outward mergers and acquisitions. Canada was a net acquirer of US companies over the six-year period.

The most active industrial sector grouping was energy and minerals. This sector accounted for over

one-quarter of the number of inward mergers and acquisitions, and over one-fifth of the outward.

The energy and minerals sector accounted for almost one-third (31%) of the \$144 billion worth of Canadian firms purchased by foreign companies between 1997 and 2002.

American firms invested heavily in Canada's oil patch during this six-year period. Just under \$32 billion of Canadian energy companies or assets were acquired during this period, most of them by American companies.

Canadian companies acquired a significant number of foreign companies in the high-tech electrical and electronics sector. High-tech accounted for about \$54 billion, or 43%, of the value of all outward acquisitions during this period.

The high level of activity in cross-border mergers coincided with the heavy use of share-exchanges to finance acquisitions. The high-tech sector was the most prolific user of share-exchanges over the period. For example, in 2000 over one-half of all inward share-exchanges, and over two-thirds of all outward share-exchanges, were in the high-tech sector.

Definitions, data sources and methods: survey number 1534.

The analytical article *Cross-Border Acquisitions: A Canadian Perspective* (11-621-MIE2004013, free) is now available online in the *Analysis in Brief* series. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Trade*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Michael Marth (613-951-6868), Balance of Payments Division. ■

Study: Cervical cancer mortality by neighbourhood income

1971 to 1996

Death rates from cervical cancer declined by over 60% between 1971 and 1996, according to a new study of women in urban Canada published in the *Canadian Medical Association Journal*.

In addition, the gap between the richest and the poorest neighbourhoods has closed substantially. The difference in death rates between the richest and poorest neighbourhoods fell by 76% over the 25-year period.

Among the one-fifth of Canadian women living in the lowest-income neighbourhoods, death rates declined by 65%, compared with 44% among the one-fifth in the highest-income neighbourhoods.

Cervical cancers can be detected and treated at an early stage, so most deaths from this disease could have been avoided. The most rapid reductions in cervical cancer deaths occurred in the years immediately following the introduction of publicly funded universal health insurance in the early 1970s. This was particularly noticeable among women in the lowest-income groups.

Death rates for cervical cancer levelled off among the higher-income groups by the mid-1980s, but continued to decline among the two-fifths of the population with the lowest incomes.

Since the mid-1980s, rates in Canada have decreased more rapidly than those in the United States. However, rates are still higher in Canada than in France where screening is widespread or in Finland, where organized screening is well established.

Definitions, data sources and methods: survey number 3233.

The study "Cervical cancer mortality by neighbourhood income in urban Canada from 1971 to 1996," published in the *Canadian Medical Association Journal*, is a collaboration of Statistics Canada, the University of Ottawa and McGill University. The article is available free, in English only, at <http://www.cmaj.ca/cgi/reprint/170/10/1545.pdf>.

For more information about the concepts, methods or data quality of the study, or to obtain a copy, contact Edward Ng (613-951-5308; edward.ng@statcan.ca) or Russell Wilkins (613-951-5305; russell.wilkins@statcan.ca), Health Analysis and Measurement Group. ■

Non-store retailers

2002

Overall non-store retailers posted a moderate increase in the value of goods and services provided in the Canadian retailing market in 2002, but the picture varied considerably by industry group and commodity category.

Non-store retailers are those retailers who sell their products and services by means other than fixed point-of-sale locations. Instead, they reach consumers through a variety of means, including broadcasting of infomercials, direct-response advertising, traditional and electronic catalogues, door-to-door sales, in-house demonstrations, temporary display of merchandising (using stalls) and distribution by vending machines. Also included in this category are establishments delivering products such as heating oil and newspapers to homes.

To date, this retail format has made only modest inroads into the Canadian retailing market. In 2002,

non-store retailers accounted for 3% of all Canadian retailing and provided \$11.2 billion in goods and services, a 4.2 % increase over 2001.

Electronic shopping and mail-order houses, which accounted for 37% of total non-store operating revenues in 2002, saw operating revenue rise by 10.4%. The gain is partly the result of a sharp jump in sales by Canadian Internet pharmacies to United States clients. Direct sellers, the third largest industry group (15%), recorded a 5.1% advance in revenue. Vending machine and coffee service operators, the smallest industry group (6%), recorded a slight gain of 0.8%. Fuel dealers, the largest industry group (42%), registered a 0.5% decline in revenue, reflecting lower heating oil prices in 2002.

Gross margins rose slightly from 37.9% in 2001 to 38.3% in 2002 for non-store retailers. Vending machine and coffee service operators had the highest gross margin at 53.2% in 2002, followed by direct sellers at 49.7% and electronic shopping and mail-order houses at 42.5%. Fuel dealers recorded the lowest gross margin at 28.1%, up from 25.4% in 2001.

In spite of the high gross margin, vending machine and coffee service operators recorded a slight decline in operating profit in 2002 because of higher operating costs. The other three industry groups registered gains in operating profits.

Five of the 10 non-store retail major commodity groups posted advances in sales, with the most notable increase recorded in health and personal care products (+62.3%), followed by home furnishings and electronic products (+3.2%). The growth in health and

personal care products was largely a result of noticeably higher sales of prescription drugs by Canadian Internet pharmacies. The most noteworthy decline was recorded in housewares and household supplies (-4.1%).

Note: The information in this report is based on the North American Industry Classification System (NAICS). The report covers establishments primarily engaged in retailing merchandise by non-store methods, and includes all sales and other operating revenues of these establishments.

Gross margin is measured by subtracting cost-of-goods sold (opening inventory plus purchases and direct costs minus closing inventory) from total operating revenues. The ratio is expressed as a percentage of total operating revenues. This measure is also known as return on sales.

Operating profit is obtained by subtracting total operating expenses plus cost-of-goods sold from total operating revenues. The ratio is expressed as a percentage of total operating revenues.

Definitions, data sources and methods: survey number 2448.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Serge Gervais (613-951-9218; serge.gervais@statcan.ca), Distributive Trades Division.

Non-store retail by industry 2002

	Operating revenues	Gross margin	Operating profit	Operating revenues 2001 to 2002	Operating revenues
	(\$ '000)			% change	% share
Total	11,235,616	4,299,065	929,190	4.2	100.0
Electronic shopping and mail-order houses	4,131,176	1,753,965	310,195	10.4	36.8
Vending machine and coffee service operators	711,872	378,474	-2,752	0.8	6.3
Fuel dealers	4,678,842	1,314,883	498,365	-0.5	41.6
Direct selling businesses	1,713,727	851,744	123,382	5.1	15.3

Non-store retail sales by major commodity group, Canada 2002

Commodities	Sales of goods and services	Sales of goods and services 2001 to 2002	Sales of goods and services
	(\$ '000)	% change	% share
Total	11,129,484	4.3	100.0
Food and beverages (excluding meals and lunches)	1,014,597	-1.4	9.1
Health and personal care	1,130,389	62.3	10.2
Clothing, footwear and accessories	785,792	-1.8	7.1
Housewares (non-electric) and household supplies	221,004	-4.1	2.0
Home furnishings and electronics	1,305,461	3.2	11.7
Hardware, home renovation and lawn and garden products	375,730	2.0	3.4
Sporting and leisure goods	1,063,239	2.2	9.6
Household and automotive fuels, oils and additives	4,310,846	-0.4	38.7
Services (including meals and lunches, repairs, rental and leasing)	288,261	4.8	2.6
Other goods	634,165	-0.6	5.7

Real estate rental and leasing and property management industries 2002

Total operating revenues of the real estate rental and leasing and property management industries combined increased by 6% to reach \$44.1 billion in 2002, compared with \$41.6 billion in 2001. The non-residential sector grew by 7.5% and now accounts for \$23 billion of the total operating revenue.

The residential sector expanded moderately (3.7%) to reach \$18.7 billion. The modest growth was, in part, the result of favorable mortgage rates in 2002, which prompted households to buy rather than rent residences. Meanwhile, the property management sector grew by 3.9% to \$2.3 billion in 2002.

Total operating expenses for the combined industries grew by 6.6% in 2002 to \$35.5 billion. Property taxes and mortgage interest contributed 19% and 16% respectively, of the total operating expenses.

The industry before-tax profit margin dipped slightly in 2002 to 19%, down from 20% in 2001. The

non-residential sector reported a profit margin of 20%, whereas the residential sector reported a profit margin of 18%.

Data on the real estate rental and leasing and property management service industries are now available for 2002. These data provide information such as operating revenues, operating expenses, salaries and wages, profit before income-tax and the number of establishments at the provincial and territorial levels. The industries comprise lessors of residential buildings (excluding social housing), lessors of non-residential buildings and property managers.

Available on CANSIM: table 352-0003.

Definitions, data sources and methods: survey number 4705.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Adib Farhat (613-951-6306; adib.farhat@statcan.ca), Service Industries Division. ■

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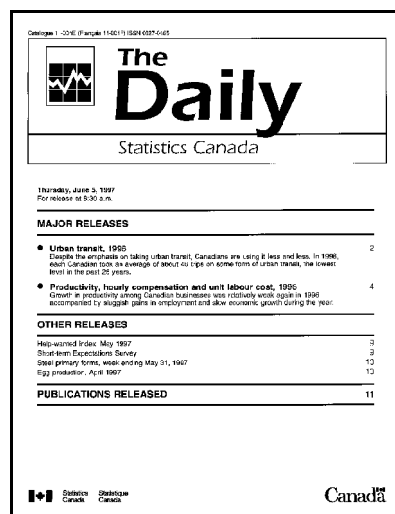
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