



The Daily

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MAJOR RELEASES

- **Industrial capacity utilization rates, first quarter of 2004**

Industries increased their capacity use for the second consecutive quarter between January and March, fuelled by strong business investment and growth in domestic and international demand. Industries operated at 83.5% of capacity, up from 82.9% in the fourth quarter of 2003. This gain brought the rate closer to the most recent high of 85.4% in the fourth quarter of 1999.

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- **Information and Communications Technologies in Schools Survey, 2003/04 school year**

Virtually all elementary and secondary schools had computers and were connected to the Internet during the 2003/04 school year. Overall, an estimated total of more than 1 million computers were available to students and teachers, and about 9 out of 10 of these computers were connected to the Internet.

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MAJOR RELEASES

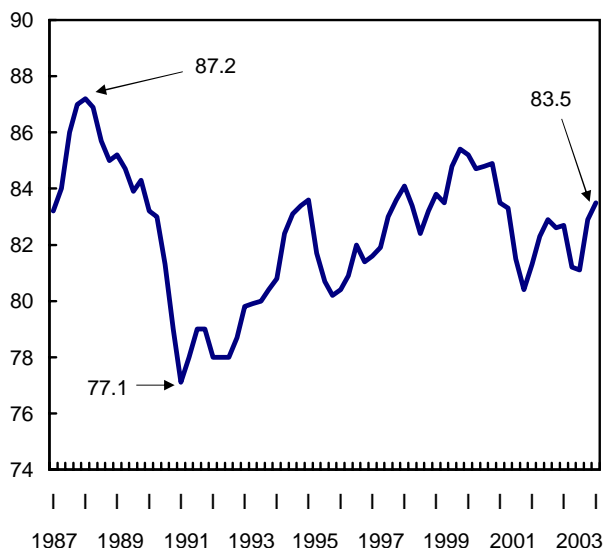
Industrial capacity utilization rates

First quarter of 2004

Industries increased their capacity use for the second consecutive quarter between January and March, fuelled by strong business investment and growth in domestic and international demand. Industries operated at 83.5% of capacity, up from 82.9% in the fourth quarter of 2003. This gain brought the rate closer to the most recent high of 85.4% in the fourth quarter of 1999.

Capacity use keeps growing

% (rate of capacity use)



The growth in utilization, combined with the reduction in the gap with the 1999 peak, suggests that some industries are approaching their production limits. However, the Survey of Capital and Repair Expenditures forecasts spending in all sectors that comprise the industrial group (except for the oil and gas extraction sector) will be up this year. This should add to production capacity and moderate the pressure on production facilities.

Despite a 6.0% increase in corporate profits in the first quarter and production prospects that remain positive for the second quarter, the April 2004 Business Conditions Survey reports that manufacturers expressed a degree of uncertainty over decreasing new order levels and rising inventory levels.

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, Statistics Canada has been surveying companies for their estimates of annual capacity use since 1987, 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.

Growth in domestic demand, supported by an increase in business investment and personal spending, doubled in the first quarter of 2004. A rise in personal disposable income and lower interest rates were among the factors behind the growth in consumer spending.

The Canadian dollar remained stable in relation to the US dollar. At the same time, exports were up for a second consecutive quarter, as foreign demand rose for energy products and machinery and equipment. Also, exports of forest products benefited from soaring housing markets south of the border.

In general, capacity utilization went up in all sectors other than mining. In manufacturing, the upward trend to increased capacity use was widespread, with five industries posting levels higher than 90%. (Capacity utilization levels were revised retrospectively to the first quarter of 2002 to reflect the revised source data.)

Slight increase in manufacturing

Capacity use continued to rise in the first quarter in the manufacturing sector, but at a slower pace than in the previous quarter. Manufacturers operated at 84.9%, up slightly from 84.2% in the fourth quarter of 2003. Five industries played a key role in this increase: transportation equipment, food, chemicals, machinery, and computer and electronic products.

The transportation equipment industry increased its capacity utilization from 87.2% to 88.7%. Production in this group increased 1.0%, as an increase in the production of motor vehicles and parts more than offset declines for the majority of the components of this group.

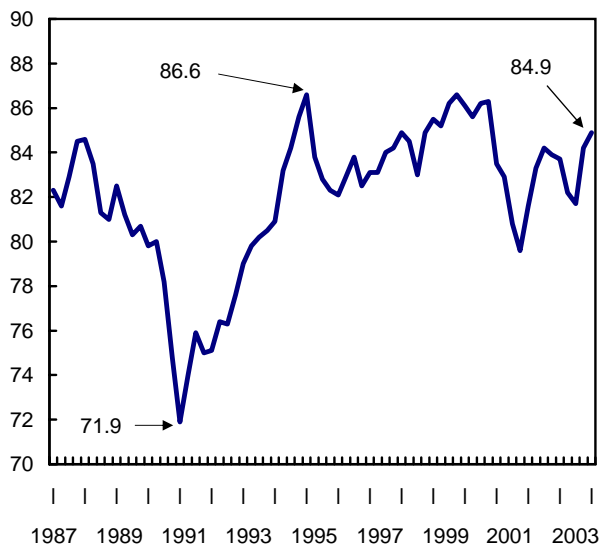
Among food manufacturers, the rate rose from 80.2% to 81.9%. This was the third quarterly increase since the second quarter of 2003, when this industry posted the biggest drop in its rate as a result of

fears of possible beef contamination (mad cow disease). Production in food manufacturing rose 1.6% in the first quarter, as the majority of the components recorded gains, especially production of meat products.

In the chemical products manufacturing industry, the rate rose 1.4 percentage points to 86.3%. Varied results for the components of this industry led to a 1.2% increase in the production of chemical products.

Growth in manufacturing slows

% (rate of capacity use)



The production of machinery for agriculture, construction and mining shot up by 5.2% and contributed to the increase in production among machinery producers. As a result, capacity utilization for this industry climbed from 78.3% to 79.8%.

Manufacturers of computer and electronic products used 75.6% of their production capacity in the first quarter, up from 74.5%. This was the fifth straight quarterly increase, and resulted in the highest rate since the second quarter of 2001, when it was 76.1%.

Computer and electronic products manufacturers increased their production by 1.0%.

Growth in all other sectors except mining

All other sectors, with the exception of mining, made greater use of their production capacity in the first quarter of 2004.

In the forestry and logging sector, the level rose from 90.7% to 91.8%. This sector benefited from an increase in demand for forest products needed to supply the housing market both domestically and south of the border.

The mining and oil and gas sector showed a slight decline in its rate in the first quarter. This dip can be attributed to the fact that the rate for the mining sector went from 90.1% to 86.7% as a result of a 3.5% decline in production. In the oil and gas sector the rate was up by 1.2 percentage points to 64.2%, following a 2.1% increase in production.

After three quarterly decreases in a row, the electrical energy sector showed an increase in its rate, from 84.2% to 84.9%. Production in this sector was up 1.0%.

Despite the soaring housing market, capacity use increased only slightly in the construction sector, from 86.3% to 86.8%. A 1.4% gain in production was partially offset by an increase in production capacity. Investment in this sector climbed by 7.0% in 2003, and a 5.0% increase is anticipated for 2004.

Available on CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data for the second quarter 2004 on industrial capacity utilization will be released on September 9.

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

□

Industrial capacity utilization rates

	First quarter 2003 ^r	Fourth quarter 2003 ^r	First quarter 2004	First quarter 2003 to first quarter 2004	Fourth quarter 2003 to first quarter 2004
	percentage point change				
Total industrial	82.7	82.9	83.5	0.8	0.6
Forestry and logging	94.8	90.7	91.8	-3.0	1.1
Mining and oil and gas extraction	69.1	71.9	71.6	2.5	-0.3
Oil and gas extraction	63.0	63.0	64.2	1.2	1.2
Mining	81.2	90.1	86.7	5.5	-3.4
Electric power generation, transmission and distribution	88.9	84.2	84.9	-4.0	0.7
Construction	86.6	86.3	86.8	0.2	0.5
Manufacturing	83.7	84.2	84.9	1.2	0.7
Food	79.3	80.2	81.9	2.6	1.7
Beverage and tobacco products	77.3	73.8	73.0	-4.3	-0.8
Beverage	81.1	76.0	75.9	-5.2	-0.1
Tobacco	66.7	67.6	64.8	-1.9	-2.8
Textile mills	76.2	70.6	70.4	-5.8	-0.2
Textile product mills	81.8	74.9	75.4	-6.4	0.5
Clothing	83.6	76.6	73.5	-10.1	-3.1
Leather and allied products	69.7	63.4	64.8	-4.9	1.4
Wood products	99.7	97.0	97.4	-2.3	0.4
Paper	92.9	90.2	90.0	-2.9	-0.2
Printing and related support activities	71.9	74.6	75.2	3.3	0.6
Petroleum and coal products	96.3	97.0	96.7	0.4	-0.3
Chemical	85.2	84.9	86.3	1.1	1.4
Plastics and rubber products	88.7	91.7	90.3	1.6	-1.4
Plastic products	88.3	91.1	89.2	0.9	-1.9
Rubber products	90.4	94.0	94.6	4.2	0.6
Non-metallic mineral products	89.0	91.7	92.0	3.0	0.3
Primary metal	93.3	96.8	96.6	3.3	-0.2
Fabricated metal products	82.4	82.9	83.5	1.1	0.6
Machinery	79.3	78.3	79.8	0.5	1.5
Computer and electronic products	66.6	74.5	75.6	9.0	1.1
Electrical equipment, appliance and component	73.2	71.3	74.3	1.1	3.0
Transportation equipment	86.0	87.2	88.7	2.7	1.5
Furniture and related products	80.1	75.7	75.9	-4.2	0.2
Miscellaneous manufacturing	80.1	80.5	82.4	2.3	1.9

^r Revised figures.



Information and Communications Technologies in Schools Survey

2003/04 school year

According to a new survey, virtually all elementary and secondary schools in Canada had computers and were connected to the Internet during the 2003/04 school year.

Overall, an estimated total of more than 1 million computers were available to students and teachers, and about 9 out of 10 of these computers were connected to the Internet.

However, while information and communications technology (ICT) has provided students with a new learning tool, it hasn't arrived without a number of challenges.

ICT in Canadian elementary and secondary schools, 2003/04 school year

	All schools	Elementary	Secondary
Number of schools	15,500	10,100	3,400
Proportion of schools with Internet-connected computers	97.7	98.2	99.1
Average number of computers	71.6	53.2	134.2
Average number of Internet-connected computers	66.3	48.4	127.8
Median number of students per computer	5.0	5.5	4.3
Median number of students per Internet-connected computer	5.5	6.0	4.6
Proportion of computers by Internet-connectivity			
Internet-connected	92.7	91.0	95.3
Not Internet-connected	7.3	9.0	4.8
Proportion of computers by processor speed			
Low speed	28.5	34.5	22.6
Medium speed	54.3	51.1	57.8
High speed	16.1	12.9	18.8
Proportion of schools by Internet access method			
Dial-up access	8.6	8.0	3.9
Always-on access	85.8	84.2	93.2
Unknown type	9.5	11.6	5.5

According to school principals, most teachers possessed the required technical skills to use ICT for preparing report cards, taking attendance or recording grades. However, slightly less than half of school principals felt that the majority of their teachers were adequately prepared to engage their students effectively in the use of ICT to enhance their learning.

In addition, school computers are aging. Just under one-quarter of the elementary and secondary schools had the majority of their computers running on the most recent operating systems. Furthermore, more than half of school computers were equipped with medium processor speed, nearly a third of them had low processor speed. (At the same time, however, many software applications available to students in

Note to readers

The 2003/04 Information and Communications Technologies in Schools Survey (ICTSS) collected information from principals to assess connectivity and information and communications technology (ICT) integration in elementary and secondary schools in Canada.

This report, which presents the first results of the survey, is based on data collected from nearly 6,700 elementary and secondary schools.

The ICTSS was conducted in October 2003 (during the current school year) by Statistics Canada, in partnership with the sponsor of the survey, Industry Canada's SchoolNet program. SchoolNet works with learning partners, including provincial and territorial governments, education associations, school boards, schools, teachers and students, to increase access to, and integration of ICTs into the learning environment.

Support to the survey initiative has also been provided by Library and Archives Canada.

In this report, computers are classified by processor speeds. Processor speeds are measured in Megahertz (MHz), with each MHz representing 1 million cycles per second (the number of times the computer processor is able to perform a task). Computers with low processor speed include those with processors in the range of 66-233 MHz (e.g., 486, Pentium® I). Computers with medium processor speed typically range in the area of 233 MHz all the way up to 1.4 GHz (Gigahertz) (e.g., Pentium® II/III, Apple™ G3). The most recent generation of processors on the market, classed as having high processor speed, are typically available in speeds of 1.3 GHz to 3.8 GHz and sometimes higher (e.g., Pentium® IV, Apple™ G5).

Dial-up access is defined as access to the Internet via a regular dial-up telephone line with a modem.

Always-on access is defined as access to the Internet via devices that are considered to be always available. This method uses one of the following devices to gain access: cable modem, high-speed line [Integrated Services Digital Network (ISDN) or Digital Subscriber Line (DSL)] or frame relay, T1 line, optical fibre, fixed wireless (terrestrial) device or satellite connection.

schools may not necessarily require the most up-to-date operating system to operate efficiently.)

Finally, one of the biggest concerns among principals was cost. ICT management has become more complex, putting increased pressure on school administrators. Slightly more than two-thirds of principals reported that getting sufficient funding for technology was an extensive challenge in using ICTs in their school.

Principals in large schools were more likely to report financial-related ICT issues than those in small and medium schools.

Even so, 9 out of 10 principals either slightly or strongly agreed that ICTs were worth the investment. Furthermore, more than 90% of principals agreed that ICTs enable the curriculum to be more challenging and enriching. It also allows students to go beyond the prescribed curriculum, facilitating an increased knowledge.

All schools had desktops or laptops

With a few exceptions, virtually all principals reported that their schools used desktop computers or laptops for educational purposes, such as activities directed towards lesson preparation, execution or evaluation during the 2003/04 school year. Less than 1% of the elementary and secondary schools were without computers.

Overall, the estimated total of more than 1 million computers available for educational use across the country represented an average of 72 computers per school. On average, the larger the school, the more computers it had, and secondary schools, which are generally larger, had more than elementary schools.

Typical number of students per computer in elementary and secondary schools, by province and territory, school year 2003/04

	Median student to computer ratio
Canada	5.0
Newfoundland and Labrador	4.4
Prince Edward Island	5.4
Nova Scotia	4.9
New Brunswick	4.6
Quebec	5.9
Ontario	5.4
Manitoba	3.6
Saskatchewan	3.7
Alberta	4.1
British Columbia	5.0
Yukon	2.9
Northwest Territories	3.5
Nunavut	4.1

Across the nation, there was roughly one computer in elementary and secondary schools for every five students. There were fewer students per computer in small schools than in larger schools, and fewer in secondary schools than in elementary schools. The typical number of students per computer was lower in rural schools than in urban schools. However this difference is because of the fact that rural schools are generally smaller than urban ones.

The Yukon had the lowest number of students per computer. Prince Edward Island and the three largest provinces, Quebec, Ontario and British Columbia, had the highest number of students per computer.

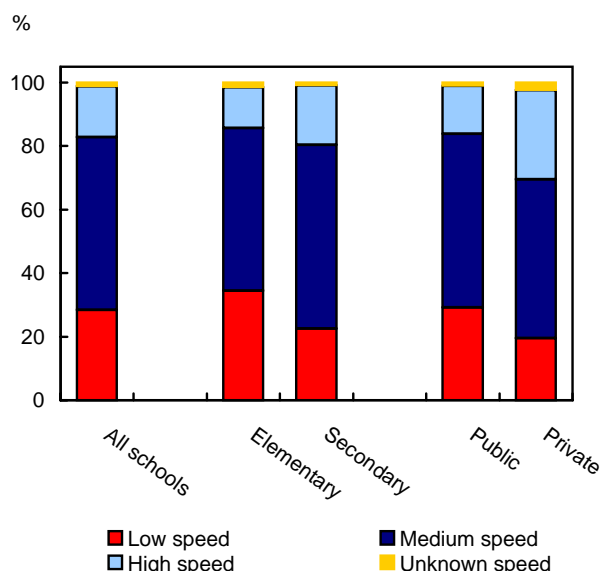
Computers are aging

Just under one-quarter of the elementary and secondary schools in Canada had the majority of their computers running on the most recent operating systems. Furthermore, more than half of the computers in elementary and secondary schools were equipped

with medium processor speed. However, this may not always indicate a problem since many software applications available to students in schools may not require the most up-to-date operating system to operate efficiently.

Computers in elementary schools were more likely to be equipped with low processor speed and less recent operating systems than those in secondary schools. Secondary and private schools, on the other hand, showed a higher proportion of computers equipped with high processor speed and more recent operating systems compared with their elementary and public counterparts.

Proportion of computers by processor speed



Most schools connected to the Internet

Almost all elementary and secondary schools were connected to the Internet during the 2003/04 school year. Less than 3% of principals reported not having Internet connections.

School connectivity has become widespread. Within schools, 9 out of 10 computers were connected to the Internet and available to students.

While there were typically five students per computer in schools, there were slightly more students (5.5) per Internet-connected computer.

An overwhelming majority (86%) of schools used the always-on method to access the Internet, while only 9% used a regular dial-up telephone line with a

modem. While there are many ways to connect to the Internet, not all types of connections are available in every geographical area.

ICTSS results showed that just over 20% of rural schools were still using dial-up connections to access the Internet compared with only 5% for their urban counterparts. Rural schools were also more likely to use fixed wireless devices and satellite connections than urban schools. Satellite connection is sometimes the only high-speed method of accessing the Internet available to schools in remote and isolated areas.

Access to Internet outside class time

About 60% of school principals reported giving their students frequent access to the school's Internet-connected computers outside instructional hours, such as at lunch hours or breaks during the 2003/04 school year.

This proportion reached 87% in secondary schools and 64% in large schools. This compares with only 50% of principals in elementary schools and 58% in small schools.

About 42% of elementary and secondary schools in Canada frequently made their computers available

to students before and/or after school. Again, the proportions were higher in secondary and large schools, and lower in elementary and small schools.

Only 3% of schools gave frequent access to Internet-connected computers on weekends, which is not surprising given that most schools are closed on weekends. Small schools were more likely to provide frequent access to connected computers on weekends than larger schools.

Definitions, data sources and methods: survey number 5051.

The report *Connectivity and ICT Integration in Canadian Elementary and Secondary Schools: First Results from the Information and Communications Technologies in Schools Survey, 2003/04*, no. 17 (81-595-MIE2004017, free) is now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Education*.

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

OTHER RELEASES

New Housing Price Index

April 2004

The New Housing Price Index (1997=100) advanced 0.7% in April. This is up from March's increase of 0.3% and reflects the continued strength in new housing prices. On a 12-month basis, this index of contractors' selling prices rose 5.6%, the highest annual increase since March 1990 when the index rose 5.7%.

A favourable housing market along with higher prices for inputs, such as building materials and labour, continued to push prices up nationally. Land prices also increased in 8 of the 21 metropolitan areas surveyed.

Fourteen of the 21 metropolitan areas registered monthly increases. Of the centres with the strongest growth, Kitchener led the way with a monthly increase of 1.5% followed by Ottawa–Gatineau (+1.3%), St. Catharines–Niagara (+1.2%), Toronto and Oshawa (+1.1%) and Victoria (+1.1%).

Significant increases were observed in Montréal (+0.9%), Regina (+0.9%), Québec (+0.7%) and Hamilton (+0.7%). Among the reasons for the increases were higher prices for building materials, labour and a favourable market.

Elsewhere, new home prices rose in Edmonton (+0.6%), Winnipeg (+0.5%), Calgary (+0.5%), St. John's (+0.4%) and Vancouver (0.4%).

Six metropolitan areas registered no change and the only monthly decrease occurred in the Greater Sudbury and Thunder Bay region (-0.5%) as a result of competitive factors.

Once again, Victoria posted the largest 12-month increase for new homes (+10.4%), followed by Regina (+7.2%) and Montréal (+6.9%).

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The second quarter 2004 issue of *Capital Expenditure Price Statistics* (62-007-XPB, \$26/\$85) will be available in October 2004.

The New Housing Price Index for May 2004 will be released on July 9.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606, fax: 613-951-1539; infounit@statcan.ca) or Albert Near (613-951-3386; nearalb@statcan.ca), Prices Division. □

New Housing Price Indexes¹ (1997=100)

	April 2004	April 2003 to April 2004 % change	March to April 2004
Canada	121.7	5.6	0.7
House only	129.4	6.7	0.9
Land only	107.0	2.5	0.6
St. John's	116.0	4.0	0.4
Halifax	121.1	1.5	0.0
Charlottetown	108.6	3.3	0.0
Saint John, Fredericton and Moncton	103.9	2.0	0.0
Québec	128.5	6.6	0.7
Montréal	133.5	6.9	0.9
Ottawa-Gatineau	145.9	6.6	1.3
Toronto and Oshawa	124.9	6.2	1.1
Hamilton	124.7	4.3	0.7
St. Catharines-Niagara	126.0	6.7	1.2
Kitchener	124.0	4.1	1.5
London	119.8	4.3	0.0
Windsor	102.1	0.0	0.0
Greater Sudbury and Thunder Bay	97.5	1.2	-0.5
Winnipeg	118.5	4.4	0.5
Regina	131.8	7.2	0.9
Saskatoon	117.3	4.2	0.0
Calgary	137.1	5.9	0.5
Edmonton	127.7	4.0	0.6
Vancouver	100.1	4.7	0.4
Victoria	103.7	10.4	1.1

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

Aircraft movement statistics: Major airports

March 2004

The March 2004 monthly report, Vol. 1 (TP141, free) is available on Transport Canada's website (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

Note: The TP 141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (i.e., those with NAV CANADA air-traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air-traffic control towers). Both volumes are available free upon release on Transport Canada's website.

For more information about this website, contact Michel Villeneuve (613-990-3825; villenm@tc.gc.ca) or Sheila Rajani (613-993-9822; rajanis@tc.gc.ca), Transport Canada.

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

April 2004

Data on cement for April are now available.

Available on CANSIM: table 303-0001.

Definitions, data sources and methods: survey number 2140.

The April 2004 issue of *Cement*, Vol. 56, no. 4 (44-001-XIB, \$6/\$51) is now available. See *How to order products*.

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; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

Refined Petroleum Products

February 2004

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

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

Definitions, data sources and methods: survey number 2150.

The February 2004 issue of *Refined Petroleum Products*, Vol. 59, no. 2 (45-004-XIB, \$18/\$166) is now available. See *How to order products*.

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. ■

NEW PRODUCTS

Cement, April 2004, Vol. 56, no. 4
Catalogue number **44-001-XIB** (\$6/\$51).

Refined Petroleum Products, February 2004, Vol. 59,
no. 2
Catalogue number **45-004-XIB** (\$18/\$166).

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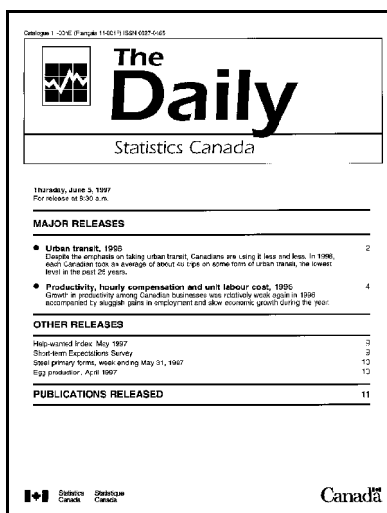
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