



# The Daily

Statistics Canada

Thursday, June 3, 2004

Released at 8:30 a.m. Eastern time

---

## MAJOR RELEASES

---

- **Financial statistics for enterprises, first quarter 2004** 2  
Corporate profits increased 6.0% in the first quarter of 2004, fueled by gains in the oil and gas and banking sectors. Eight increases in the past nine quarters have boosted operating profits to a record high of \$47.4 billion.

---

## OTHER RELEASES

---

- Production and Disposition of Tobacco Products, April 2004 5
- Aircraft movement statistics: Small airports, February 2004 5
- Sawmills and Planing Mills, March 2004 5
- Particleboard, Oriented Strandboard and Fibreboard, March 2004 5

---

## NEW PRODUCTS

---



Statistics  
Canada

Statistique  
Canada

Canada

## MAJOR RELEASES

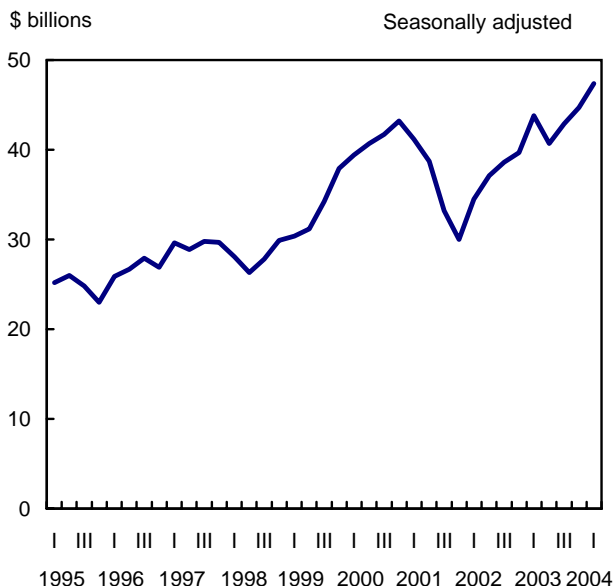
### Financial statistics for enterprises

First quarter 2004 (preliminary)

Corporate profits increased 6.0% in the first quarter of 2004, fueled by gains in the oil and gas and banking sectors. Eight increases in the past nine quarters have boosted operating profits to a record high of \$47.4 billion.

The non-financial industries enjoyed a 6.4% jump in profits, led by oil and gas (+18.2%) and manufacturing companies (+13.5%). Transportation and warehousing companies lost ground in the first quarter, as their profits dropped 11.8% to \$2.1 billion. Overall, 10 of the 17 non-financial industries showed higher profits in the first quarter.

#### Record high profits in the first quarter



The financial industries reported a 5.0% improvement in operating profits, led by a 15.8% gain by the depository credit intermediaries (mainly chartered banks). Insurance carriers saw profits slide 7.8% to \$2.4 billion.

#### Soaring prices a boon for oil and gas producers

Oil and gas extraction companies reaped the benefits of rising crude oil prices in the first quarter, as operating profits jumped 18.2% to \$4.8 billion. Strong demand coupled with worldwide supply concerns lifted

#### Note to readers

These quarterly financial statistics cover the activities of all corporations in Canada, excluding government controlled and not-for-profit corporations.

Operating profits represent the profits earned from normal business activities, excluding interest expense on borrowing and valuation adjustments. For non-financial industries, operating profits exclude interest and dividend revenue and capital gains/losses. For financial industries, interest and dividend revenue, capital gains/losses and interest paid on deposits are included in the calculation of operating profits.

Effective with this release, an updated version of the North American Industry Classification System (NAICS 2002) and a new set of industry aggregations have been introduced to the Quarterly Survey of Financial Statistics for Enterprises. The previous set of industrial aggregations consisting of 157, 58 and 24 groups have been replaced by a new set of 67, 48 and 22 industry groups and a group of 10 financial instruments. Historical series for the new aggregations are now available. For general information or to order data, or for a concordance table relating the old industrial aggregation to the new, contact Client Services (1-888-811-6235) or Jeannine D'Angelo (613-951-2604), jeannine.d'angelo@statcan.ca.

average crude oil prices almost 15% above fourth quarter levels. However, profits remained well below those earned a year earlier when crude prices spiked to all-time highs, jolted by the war in Iraq and Venezuelan supply disruptions.

#### Sizeable gain for manufacturers

Manufacturers enjoyed a profitable first quarter, despite the effects of the strong Canadian dollar on export prices and higher production costs associated with rising energy prices. The Canadian dollar eased back over the past few months following decade-high levels in January. Overall, manufacturing profits increased 13.5% to a four quarter high of \$10.2 billion, despite an operating revenue slide of 0.7%. Excluding a decline by the manufacturers of motor vehicles and parts, however, manufacturing revenue increased 1.0% in the quarter.

Petroleum and coal producers posted the strongest profit gain in the manufacturing sector, as their profits swelled 34.3% to \$1.6 billion. Refined oil prices increased with the rising crude prices, but both remained significantly below the first quarter peak levels of last year. Domestic and foreign demand for refined petroleum products were solid in the quarter.

Chemical manufacturers saw their profits rise 21.7% to \$1.4 billion. Most of the gains were associated with

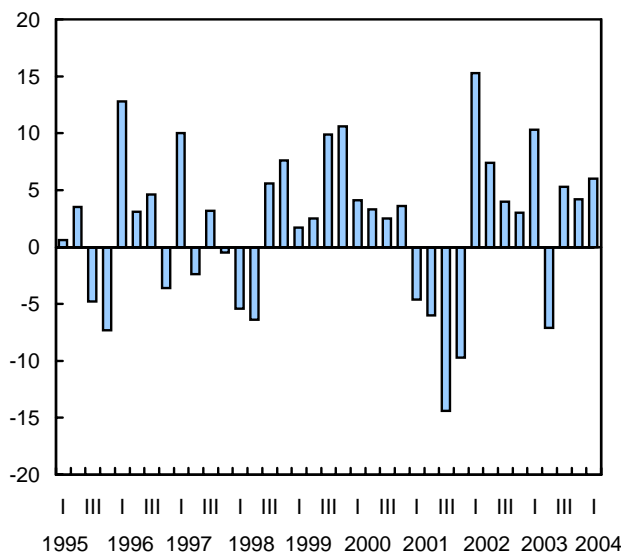
improved efficiencies in controlling costs, as profit margins were much improved despite little growth in revenue and prices.

Wood and paper manufacturers reported a third straight rise in operating profits. Profits of \$1.0 billion were 13.0% above fourth quarter levels, and were almost triple those earned in the second quarter of 2003. Wood prices strengthened on the heels of sustained demand from the North American housing sector. Meanwhile, pulp and paper markets picked up and prices improved throughout the quarter.

Thriving domestic and international demand triggered revenue and profit growth in the primary metals industry. Profits jumped 28.2% to \$0.4 billion, propelled by a 3.7% increase in revenue. Demand for steel from the oil and gas industry accelerated, as exploration companies expanded drilling activity. The Monthly Survey of Manufacturing recently reported that demand for raw steel by China is skyrocketing, raising concerns about possible shortages. Prices for most metals showed healthy increases in the quarter.

#### Profit growth continued

% change in profits



#### Transportation profits retreated from fourth quarter peak

Operating profits in the transportation and warehousing industry were down, following two straight quarters of double-digit growth. The decline

was led by the transportation carriers, whose operating profits fell 19.2% to \$1.4 billion from an all-time high of \$1.8 billion in the fourth quarter. A labour disruption, airfare discounting and higher fuel costs were all cited as factors in the profit slide. However, first quarter results remained historically strong, bolstered by rising manufacturing shipments and increased passenger travel.

#### Banks led financial sector gains

The depository credit intermediaries were the big winners in the financial group of industries, mainly because of gains by the chartered banks. Operating profits of the chartered banks rose 17.3% to reach a record high of \$5.2 billion, benefiting from lower loan loss provisions in an improved credit environment and higher net interest income. Stronger equity markets contributed to growth in underwriting fees, trading gains, and securities trading commissions.

Insurance carriers' operating profits slipped in the first quarter, primarily as a result of a \$174 million (-13.7%) decline in the profits of life insurers. Higher life insurance and annuity claims were only partly offset by increased premiums and annuity considerations. Meanwhile, property and casualty insurers reported little change in operating profits.

#### Profit margin improved for all industries

The operating profit margin jumped to 7.7% in the first quarter from 7.2% in the previous quarter. This was the largest quarter-to-quarter improvement since the first quarter of 2003. Corporations succeeded in controlling their operating costs, resulting in a 6.0% rise in operating profits despite a marginal decline in operating revenue.

The return on shareholders' equity fell to 9.5% from 10.3% in the fourth quarter of 2003. Robust growth in operating profits was obscured by lower capital gains, resulting in a 7.4% drop in after-tax profits. The return on shareholders' equity averaged 7.4% in 2001, 6.2% in 2002 and 9.9% in 2003.

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

Definitions, data sources and methods: survey number 2501.

The first quarter 2004 issue of the *Quarterly Financial Statistics for Enterprises* (61-008-XIE, \$28/\$93) will soon be available.

Financial statistics for enterprises for the second quarter of 2004 will be released on August 26.

For more information or to order data, contact Client Services (1-888-811-6235). To enquire about the concepts, methods, or data quality of this release, or for more information on the new industry aggregations, contact Bill Potter

(613-951-2662 [bill.potter@statcan.ca](mailto:bill.potter@statcan.ca)), Haig McCarrell (613-951-5948; [haig.mccarrell@statcan.ca](mailto:haig.mccarrell@statcan.ca)) or Danielle Lafontaine-Sorgo (613-951-2634; [danielle.lafontaine-sorgo@statcan.ca](mailto:danielle.lafontaine-sorgo@statcan.ca)), Industrial Organization and Finance Division.

## Financial statistics for enterprises

	First quarter 2003 <sup>r</sup>	Fourth quarter 2003 <sup>r</sup>	First quarter 2004 <sup>p</sup>	First quarter 2003 to first quarter 2004	Fourth quarter 2003 to first quarter 2004
seasonally adjusted					
	\$ billions			% change	
<b>All industries</b>					
Operating revenue	613.9	619.3	618.3	0.7	-0.2
Operating profit	43.8	44.7	47.4	8.1	6.0
After-tax profit	27.2	28.6	26.5	-2.5	-7.4
<b>Non-financial</b>					
Operating revenue	559.4	563.1	561.0	0.3	-0.4
Operating profit	33.7	32.9	35.0	3.9	6.4
After-tax profit	21.6	21.6	19.1	-11.5	-11.3
<b>Financial</b>					
Operating revenue	54.5	56.2	57.3	5.2	1.9
Operating profit	10.1	11.8	12.4	22.0	5.0
After-tax profit	5.6	7.0	7.4	32.9	4.6

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

■

---

## OTHER RELEASES

---

### Production and Disposition of Tobacco Products

April 2004

Total cigarettes sold in April by Canadian manufacturers decreased 5% from March to 3.0 billion cigarettes, unchanged from the level observed in April 2003.

Cigarette production stood at 3.1 billion cigarettes, a decrease of 3% from March, but an increase of 2% from the 3.0 billion cigarettes produced in April 2003.

Closing inventories between March and April increased 5% to 4.0 billion cigarettes, 16% lower than the closing inventory level of April 2003.

**Available on CANSIM: table 303-0007.**

**Definitions, data sources and methods: survey number 2142.**

The April 2004 issue of *Production and Disposition of Tobacco Products* (32-022-XIB, \$6/\$51) is now available. See *How to order products*.

For general 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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Aircraft movement statistics: Small airports

February 2004

The February 2004 monthly report, Vol. 2 (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 at Transport Canada's website.

For more information about this website, contact Michel Villeneuve (613-990-3825; [villenm@tc.gc.ca](mailto:villenm@tc.gc.ca)) or Sheila Rajani (613-993-9822; [rajanis@tc.gc.ca](mailto: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](mailto:aviationstatistics@statcan.ca)), Transportation Division. ■

### Sawmills and Planing Mills

March 2004

Data on sawmills and planing mills for March are now available.

**Available on CANSIM: table 303-0009.**

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

The March 2004 issue of *Sawmills and Planing Mills*, Vol. 58, no. 3 (35-003-XIB, \$10/\$93) 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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Particleboard, Oriented Strandboard and Fibreboard

March 2004

Data on particleboard, oriented strandboard and fibreboard for March are now available.

**Available on CANSIM: table 303-0002.**

**Definitions, data sources and methods: survey number 2141.**

The March 2004 issue of *Particleboard, Oriented Strandboard and Fibreboard*, Vol. 40, no. 3 (36-003-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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## NEW PRODUCTS

**Income Trends in Canada, 2002**  
Catalogue number **13F0022XCB** (\$209).

**Production and Disposition of Tobacco Products,**  
April 2004, Vol. 33, no. 4  
Catalogue number **32-022-XIB** (\$6/\$51).

**Sawmills and Planing Mills, March 2004, Vol. 58, no. 3**  
Catalogue number **35-003-XIB** (\$10/\$93).

**Particleboard, Oriented Strandboard and Fibreboard, March 2004, Vol. 40, no. 3**  
Catalogue number **36-003-XIB** (\$6/\$51).

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

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

### How to order products

#### Order products by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

**1-800-267-6677**

From other countries call:

**1-613-951-7277**

To fax your order:

**1-877-287-4369**

Address changes or account inquiries:

**1-800-700-1033**

**To order a product by mail write:** Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

**To order by Internet:** write to [infostats@statcan.ca](mailto:infostats@statcan.ca) or download an electronic version by accessing Statistics Canada's website ([www.statcan.ca](http://www.statcan.ca)). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**

### Statistics Canada's official release bulletin


Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to [listproc@statcan.ca](mailto:listproc@statcan.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.

Document 1 - 2004 (F) single 11x16 (1) 1504 6557-6105



Statistics Canada

Thursday, June 3, 1997  
For release at 9:30 a.m.

**MAJOR RELEASES**

• <b>Urban transit, 1995</b>	2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took the average of about 15 trips on some form of urban transit, the lowest level in the past 25 years.	
• <b>Productivity, hourly compensation and unit labour cost, 1995</b>	4
Growth in productivity among Canadian businesses was relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	

**OTHER RELEASES**

Happiest Index: May 1997	3
Short-term Expectations Survey	9
Steel primary forms, week ending May 31, 1997	12
Egg production: April 1997	13

**PUBLICATIONS RELEASED**

11

Statistics Canada / Statistique Canada