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The Daily

Statistics Canada

Thursday, March 3, 2005
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Major releases

There are no major releases today.

Other releases

Other releases

Study: Profitability of Canadian-controlled enterprises compared with US-controlled enterprises

1990 to 1998

A number of studies suggest that foreign owned plants operating in Canada exhibited higher labour productivity, and tended to adopt new advanced technologies, earlier and faster than their domestically owned counterparts during the 1990s.

But did they translate such a superior performance in productivity into a superior performance in profit?

The study *Profitability of Canadian- versus US-controlled Enterprises* examines differences in the profitability of US-controlled enterprises operating in Canada relative to their Canadian-controlled counterparts. It analyzed data on more than 2,000 large non-integrated enterprises to compare profitability over the 1990 to 1998 period using two different approaches.

The first approach focused on the question of whether Canadian and US enterprises exhibited different trends in profitability over the business cycle of the 1990s. The model used in this approach controlled for the influence of market share and for the role of so-called "lagged profitability" (that is, profitability in the previous period) in determining profitability in the period under study.

Using price-cost margins as a measure of profitability, the study found little evidence of a significant divergence in the profitability of Canadian and US enterprises during the 1990s. The price-cost margins of Canadian enterprises rose roughly 1.3 percentage points over the period, but only 0.4 percentage points among their US-controlled counterparts.

Using an alternate profitability measure (the return on capital employed) there was slightly stronger evidence of divergence. Returns rose 1.6 percentage points for US-controlled enterprises, while declining by 1.9 percentage points for Canadian-controlled.

An interesting feature of this model is that market share appears to play a larger role in determining the profitability of Canadian-controlled enterprises than it does in determining profitability of US-controlled enterprises, regardless of the measure of profitability used.

A second approach taken in the paper focused on the roles played by aggregate demand and the exchange rate, in addition to those played by market share and lagged profitability.

When price-cost margins are examined in this framework, the level of profitability in the previous period again appeared to be more important for Canadian-controlled enterprises than for US-controlled enterprises. The same was true both for market share and for the exchange rate.

In contrast, the state of the business cycle as measured by growth of gross domestic product was more important for US-controlled enterprises.

In terms of the return on capital employed, lagged profitability returns appeared to have played a larger role in determining current returns for US-controlled enterprises than they did for Canadian-controlled enterprises.

Again, market share was more important for Canadian enterprises, as was gross domestic product growth. The exchange rate was important for both Canadian-controlled and US-controlled enterprises. A depreciation in the Canadian dollar increases profitability to roughly the same extent regardless of the nature of a firm's country of control.

The research paper *Profitability of Canadian- versus US-controlled Enterprises*, no. 30 (11F0027MIE2005030, free) is now available online. From the *Our products and services*, under *Browse our Internet publications*, choose *Free*, then *National Accounts*.

More studies on multinationals are available free of charge in the analytical series *Update on Economic Analysis* on our Web site (11-623-XIE).

For more information or to enquire about the concepts, methods or data quality of this release, contact Paul Warren (613-951-3999), Micro-economic Analysis Division. ■

Monthly Restaurants, Caterers and Taverns Survey

December 2004 (preliminary)

The year ended on an encouraging note for the overall food service industry. Total sales of the restaurants, caterers and taverns industry reached $3.21 billion in December, a 4.5% increase over December 2003 on a year-over-year basis. (Data are neither seasonally adjusted, nor adjusted for inflation.)

Food services sales

	December 2003[r]	December 2004[p]
	not seasonally adjusted	
	$ millions	
Total, food services sales	**3,070**	**3,210**
Provinces and territories		
Newfoundland and Labrador	36	38
Prince Edward Island	11	12
Nova Scotia	79	82
New Brunswick	55	57
Quebec	592	622
Ontario	1,317	1,369
Manitoba	77	78
Saskatchewan	76	73
Alberta	346	362
British Columbia	475	507
Yukon	3	3
Northwest Territories	5	6
Nunavut	1	1

r *Revised figures.*
p *Preliminary figures.*

The industry enjoyed year-over-year sales growth in all provinces but Saskatchewan (-3.0%). Prince Edward Island (+14.4%) registered the largest increase in December, followed by British Columbia (+6.7%) and Newfoundland and Labrador (+6.4%). Quebec and Ontario, which accounted for more than 62% of the industry's total sales, registered increases of 5.1% and 3.9% respectively.

Note: The Monthly Restaurants, Caterers and Taverns Survey has undergone several important changes. Effective starting for the April 2004 reference month, the survey was restratified and a new sample was selected. Commencing with the reference month of May 2004, the survey incorporated increased use of GST data to reduce response burden and collection costs. As a result of these changes, total food services sales for Canada and the provinces/territories have been revised back to January 1998.

Detailed estimates by kind of business and number of locations will be released in the spring 2005.

Available on CANSIM: table 355-0001.

Definitions, data sources and methods: survey number 2419.

For more information, to enquire about the concepts, methods or data quality, or to obtain the new methodology paper about the Monthly Restaurants, Caterers and Taverns Survey contact Alain Mbassegue (613-951-2011; fax: 613-951-6696, *alain.mbassegue@statcan.ca*), Services Industries Division, Statistics Canada. ■

Railway carloadings

2004 and December 2004

In 2004, Canadian railways carried 14 million more metric tonnes of freight than they did in 2003 — despite a work stoppage in Quebec mines that cut iron ore tonnage by about five million tonnes.

Last year's decline in iron ore shipments was more than offset by increased coal shipments driven by a strong demand from Asia, and by rising shipments of wheat and cereal grains. Coal loadings halted a two-year decline in 2004.

Shipments of wheat and cereal grains went from 17.8 million tonnes in 2003 to 22.6 million tonnes last year with an improvement in weather conditions.

Other basic chemicals, potash, iron and steel (primary or semi-finished) all showed gains of more than one million tonnes compared with 2003.

In total, Canadian railways loaded more than 275 million metric tonnes of freight in 2004. Non-intermodal loadings totalled 248.7 million tonnes, up from 234.8 million tonnes in 2003.

Intermodal loadings, which consist of containers and trailers on flat cars, rose a moderate 1.5% from a year earlier to 26.6 million metric tonnes. This rate of growth was somewhat slower than in previous years.

Traffic received from the United States destined for Canada or passing through Canada back into the United States totalled 26.6 million tonnes in 2004, up slightly from 26.3 million tonnes in 2003.

On a monthly basis, loadings in December fell 7.0% from November to 23.0 million tonnes. Despite the December decline, which occurs each year, the fourth quarter of 2004 was the highest ending quarter of the last five years.

The non-intermodal portion reached 20.9 million metric tonnes in December and required 264,000 cars. This represented a 6.8% drop from November and a 14.5% increase from December 2003.

The intermodal portion fell 9.2% from November totalling 2.1 million tonnes. December 2004 and December 2003 tonnage was virtually unchanged.

Traffic received from the United States destined for Canada or passing through Canada back into the United States totalled 2.3 million tonnes in December, down 3.9 from November 2004.

Available on CANSIM: table 404-0002.

Definitions, data sources and methods: survey number 2732.

The December 2004 issue of *Monthly Railway Carloadings*, Vol. 81, no. 12 (52-001-XIE, $9 / $83) 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 Unit (1-866-500-8400; fax: 1-613-951-0009; *transportationstatistics@statcan.ca*), Transportation Division. ■

Canadian Tobacco Use Monitoring Survey

February to June 2004

Data from the Canadian Tobacco Use Monthly Survey (CTUMS), conducted since 1999 by Statistics Canada on behalf of Health Canada, is now available. The survey provides timely, reliable and continuous data on tobacco use and related issues. Its objective is to track changes in smoking status and amount smoked, especially among young people aged 15 to 24, who are most at risk for taking up smoking. The file contains the data collected between February and June 2004 from about 8,800 respondents.

Definitions, data sources and methods: survey number 4440.

Data from February to June 2004 are now available in the *Canadian Tobacco Use Monitoring Survey Microdata File* (82M0020XCB, $2,140). See *How to order products*.

For information on the public-use microdata file or to enquire about the concepts, methods or data quality of this release, contact Client Services (1-800-461-9050; 613-951-3321; fax 613-951-4527; *ssd@statcan.ca*), Special Surveys Division.

For information about the survey results, contact Paul Duchesne, Media Relations, Health Canada (613-954-4807; *paul_duchesne@hc-sc.gc.ca*), or visit the Tobacco Control Program Web site (*www.gosmokefree.ca/ctums*). ■

Longitudinal Employment Analysis Program

1991 to 2002

The 2002 Longitudinal Employment Analysis Program (LEAP) file is now available. This updated database contains longitudinal employment and payroll data from 1991 to 2002. It has now been converted to the North American Industry Classification (NAICS) 2002 from NAICS 1997. This database contains information on payroll, employment, firm counts, size of business, province and industry. It allows users to study firm and employment dynamics including firm and job creation and destruction.

The publication *Business Dynamics in Canada, 2001* (61-534-XIE, $25) released on February 15, 2005 was based on LEAP data.

For more information, or to enquire about the concepts, methods or data quality, contact Sri Kanagarajah (613-951-1132; *sri.kanagarajah@statcan.ca*), Business and Labour Market Analysis Division. ■

New products

Economic Analysis Research Paper Series: Profitability of Canadian- Versus US-controlled Enterprises, no. 30
Catalogue number 11F0027MIE2005030
(free).

Poultry and Egg Statistics, 2004, Vol. 1, no. 1
Catalogue number 23-015-XIE
(free).

Monthly Railway Carloadings, December 2004, Vol. 81, no. 12
Catalogue number 52-001-XIE ($9/$83).

Canadian Foreign Post Indexes, March 2005
Catalogue number 62-013-XIE
(free).

Canadian Tobacco Use Monitoring Survey Microdata File, 2004 (cycle 1)
Catalogue number 82M0020XCB ($2,140).

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

Catalogue numbers with an -XWE, -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.

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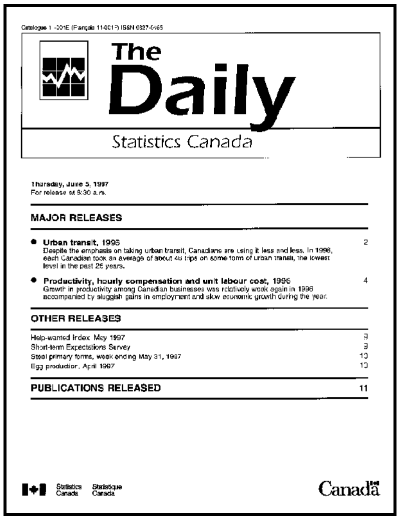
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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit,** 1996 — 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost,** 1996 — 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

Help-wanted Index, May 1997 — 9
Short-term Expectations Survey — 9
Steel primary forms, week ending May 31, 1997 — 10
Egg production, April 1997 — 10

PUBLICATIONS RELEASED — 11

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