Catalogue 11-001-XIE (Français 11-001-XIF) ISSN 1205-9137

The Daily

Statistics Canada

Wednesday, September 13, 2006
Released at 8:30 a.m. Eastern time

Releases

Labour productivity, hourly compensation and unit labour cost, second quarter 2006 — 2

Labour productivity in the Canadian business sector fell by 0.4% between April and June, the first time in two years that it has slipped into negative territory. However, labour costs per unit of output, a key measure of inflationary pressure on wages, continued to rise at a slow pace in the second quarter (+0.3%).

Control and sale of alcoholic beverages, fiscal year ending March 31, 2005 — 6

Sales of alcoholic beverages at Canada's beer and liquor stores and agencies increased at their slowest pace in eight years during the fiscal year ending March 31, 2005. For the first time, sales of wine in dollar terms surpassed sales of spirits.

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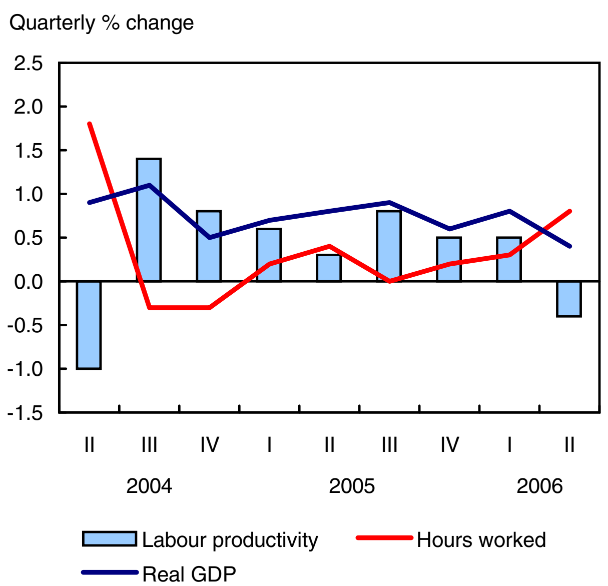
Releases

Labour productivity, hourly compensation and unit labour cost

Second quarter 2006

Labour productivity in the Canadian business sector, measured on a quarterly basis, fell by 0.4% between April and June. This is the first time in two years that it has slipped into negative territory. On a year-over-year basis, productivity growth has declined from 2.1% in the first quarter to 1.4% in the second quarter of 2006.

First quarterly downturn in productivity in two years



The second-quarter decline in productivity was the direct result of a slowdown in economic activity combined with a more pronounced increase in hours worked. The goods producing industries, which posted a 1.0% decline in labour productivity, were primarily responsible for the overall decline.

In the goods sector, there was a drop in production in the mining and oil and gas extraction sector, which suffered a number of production stoppages due to unforeseen repairs. In addition, economic activities in the construction sector slowed down dramatically from the first quarter when unseasonably warm weather favoured this industry. Construction grew only 0.4% in the second quarter, a much slower pace than in the previous quarter (+2.4%). Also, manufacturing output has declined in the first two quarters of this year while its labour input has not yet adjusted to this decline.

However, labour costs per unit of output, a key measure of inflationary pressure on wages, continued to increase at a slow pace in the second quarter, rising 0.3%. Gains in unit labour costs in Canadian businesses have remained modest since the beginning of 2006.

Labour productivity is a measure of real gross domestic product (GDP) per hour worked. Growth in productivity over time serves to improve the population's standard of living and business competitiveness. Generally speaking, businesses enjoy productivity gains when the growth rate of GDP surpasses the rise in hours of work devoted to production.

In the United States, business productivity rose by only 0.4% between April and June, after posting a 1.1% gain (revised) in the first quarter of 2006. Business productivity growth south of the border has varied considerably since the second quarter of 2005.

For 2005 as a whole, the average annual rate of growth in productivity for both Canadian and US businesses was identical, a 2.3% increase.

Canada's annual performance in 2005 was the best since 2000. In the United States, the rate was the lowest on record since 1997, but it matched the average annual gain of 2.3% between 1995 and 2001.

Note to readers

This release contains a brief analysis of detailed data on labour productivity growth and other related variables. A more thorough analysis, including additional charts and tables, is available in the Canadian Economic Accounts Quarterly Review.

The term "productivity" herein refers to labour productivity. Calculations of the productivity growth rate and its related variables are based on index numbers rounded to one decimal place.

For more information about the productivity program, see the new National Economic Accounts module accessible from the home page of our Web site. You can also order a copy of a technical note about the quarterly estimates of productivity by sending an email to (productivity.measures@statcan.ca).

Revisions

With this release, Canadian revisions have been made back to the first quarter of 2006 at the aggregate level and to the first quarter of 2002 at the industry level.

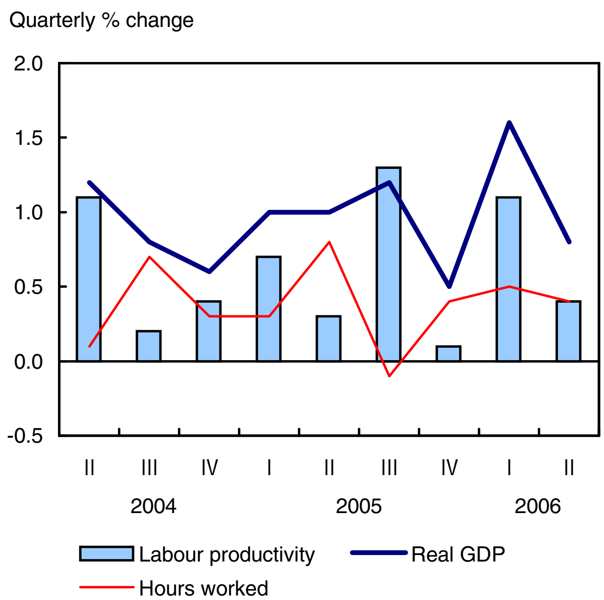
Net slowdown in activity in both countries, but Canadian labour market more dynamic

Productivity in Canada and in the United States followed opposite trends during the second quarter, owing to the very different situations in the two countries in terms of economic performance and the labour market.

Both experienced a net slowdown in GDP growth between April and June, while their labour markets evolved in opposite directions. While hours increased at about the same pace as the first quarter in the United States, hours worked by Canadian workers accelerated in the second quarter.

The lesser increase in hours worked south of the border resulted in a positive, albeit modest, rate of productivity growth in the United States from April to June (+0.4%). During the same period, productivity in Canadian businesses declined by 0.4%.

US productivity makes moderate gains



Even though GDP growth was decidedly slower in both countries in the second quarter, it increased more rapidly for American businesses than it did for their Canadian competitors. Between April and June 2006, GDP in the United States rose at a rate twice that of Canada.

Following robust 0.8% growth during the first quarter, the growth in Canadian GDP fell by half in the second quarter to 0.4%. This was the slowest gain in the past three years. A smaller increase in consumer spending and business investment accounted for most of this deceleration. The slowdown in the housing market also played a role.

In the United States, GDP grew by only 0.8% in the second quarter, significantly slower than the 1.6% growth recorded during the first quarter.

This slower rate of growth in American GDP reflected a pronounced deceleration in consumer spending, particularly in purchases of durable goods. The drop in investment in hardware and software, as well as in federal public spending, also contributed to the slowdown.

In Canada, the modest growth in activity was accompanied by a more dynamic labour market.

Hours worked devoted to production in Canadian businesses increased in the second quarter at a rate over twice that of the previous quarter, from 0.3% in the first quarter to 0.8% in the second quarter. Almost all the rise in employment between April and June was in full-time work.

Meanwhile, hours worked continued to increase among US businesses, although at a slightly slower pace (+0.4%) than in the first quarter (+0.5%).

Unit labour costs: Competitive position slipping for Canadian businesses

Unit labour cost, a major indicator of trends in production costs and inflation, rose more rapidly in the United States than in Canada during the second quarter when measured in the respective national currencies. (Unit labour costs represent the cost of wages and benefits of workers per unit of economic output.)

Without taking the exchange rate into account, the labour cost per unit of output for Canadian businesses rose 0.3% in the second quarter, an increase similar to the 0.4% rise recorded in the first quarter.

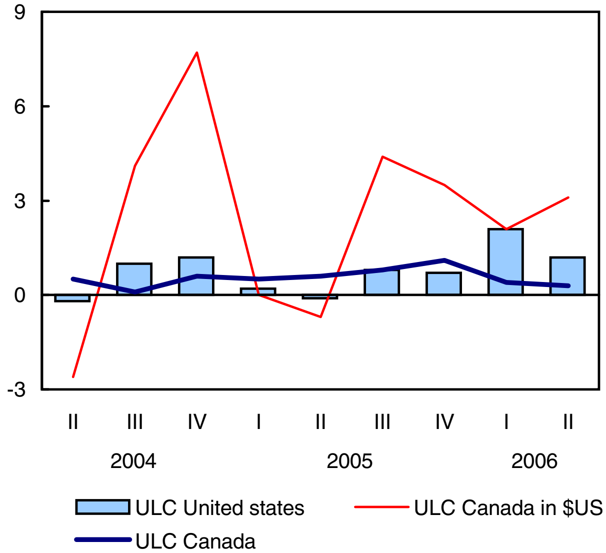
For US businesses, unit labour costs increased 1.2% in the second quarter, a net deceleration compared to 2.1% in the previous quarter. In the first quarter, hourly compensation in the United States grew much faster than labour productivity.

However, the competitive position becomes advantageous for US businesses when unit labour costs are adjusted for the exchange rate.

In the second quarter, the strength of the Canadian dollar in relation to the American greenback resulted in a 3.1% increase in Canada's unit labour cost expressed in US dollars. This was nearly three times the 1.2% increase posted in the United States. In the first quarter, this indicator of competitiveness had advanced at the same pace in both countries.

Canadian unit labour costs in US dollars increases again

Quarterly % change



In the second quarter, the Canadian dollar appreciated by 2.8% vis-à-vis the US dollar. This was the fourth consecutive quarterly rise.

However, Canadian businesses took advantage of the latest rise in the loonie by investing in efficiency-saving machinery and equipment. Their purchases in this area were up 2.1% in the second quarter.

Over the past four quarters, businesses made substantial investments in machinery and equipment, with average quarterly increases of 2.5%.

US revisions: Productivity gap between the two countries disappears in 2005

The United States recently made revisions to its labour productivity estimates. Data released today incorporate revisions to the US data affecting both GDP and hours worked.

The American GDP data were revised back to the first quarter of 2003. The data on hours worked were also revised to reflect the inclusion of the information on jobs from the legal questionnaire of organizations from the 2002 economic census.

No corresponding revision to hours worked was done in Canada. The most recent revision for the last four years of GDP in Canada can be obtained in *The Daily* of June 8, 2006.

On the whole, the revisions made to the US data have served to bring down the rate of growth in labour productivity in the United States for each of the past three years, from 2003 to 2005. For this period, the scale of the downward revisions ranged between 0.3% and 0.4%.

Comparison of annual labour productivity growth in the business sector before and after revision

	Canada	United States[1]	
		Before revision	After revision
	annual % change		
1981 to 2005	1.5	2.2	2.2
1981 to 2000	1.6	1.9	1.9
2000 to 2005	1.0	3.3	3.2
2002	1.4	4.0	4.1
2003	0.0	4.1	3.8
2004	0.3	3.5	3.1
2005	2.3	2.6	2.3

1. *US data are from Bureau of Labor Statistics, Productivity and costs: Second quarter 2006 published in NEWS, September 6.*

For 2005, productivity growth in the United States was revised downward from 2.6% to 2.3%, a rate identical to that in Canada during the same year. With these revised data, the productivity gap in favour of the United States disappeared for this year.

Nonetheless, the previous estimates remained virtually unchanged over the medium term after the revisions. Between 2000 and 2005, productivity gains in the United States averaged 3.2% per year. This was slightly slower than the first estimate of 3.3%, which was three times the 1.0% increase recorded in Canada.

Between 2000 and 2005, average annual GDP growth was similar in both nations: 2.5% in Canada and 2.6% in the United States. However, the number of hours worked was up an average of 1.4% in Canada, while declining 0.6% in the United States during the same period.

Available on CANSIM: tables 383-0008 and 383-0012.

Definitions, data sources and methods: survey number 5042.

A more comprehensive analysis, including additional charts and tables, can be found in the second quarter 2006 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 5, no. 3 (13-010-XIE, free), which is now available from the *Publications* module of our website.

Third quarter data for labour productivity, hourly compensation and unit labour cost will be released on December 11.

To order data, contact Client Services (*productivity.measures@statcan.ca*). For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Pierre Maynard (613-951-3654; fax: 613-951-3292;

maynard@statcan.ca), Micro-economic Analysis Division.

Business sector: Labour productivity and related variables for Canada and the United States

	Second quarter 2004	Third quarter 2004	Fourth quarter 2004	First quarter 2005	Second quarter 2005	Third quarter 2005	Fourth quarter 2005	First quarter 2006	Second quarter 2006
	% change from previous quarter, seasonally adjusted								
Canada									
Labour productivity	-1.0	1.4	0.8	0.6	0.3	0.8	0.5	0.5	-0.4
Real GDP	0.9	1.1	0.5	0.7	0.8	0.9	0.6	0.8	0.4
Hours worked	1.8	-0.3	-0.3	0.2	0.4	0.0	0.2	0.3	0.8
Hourly compensation	-0.5	1.4	1.3	1.2	0.9	1.7	1.6	0.9	-0.2
Unit labour cost	0.5	0.1	0.6	0.5	0.6	0.8	1.1	0.4	0.3
Exchange rate[1]	3.2	-3.9	-6.6	0.5	1.4	-3.3	-2.4	-1.5	-2.8
Unit labour cost in US dollars	-2.6	4.1	7.7	0.0	-0.7	4.4	3.5	2.1	3.1
United States[2]									
Labour productivity	1.1	0.2	0.4	0.7	0.3	1.3	0.1	1.1	0.4
Real GDP	1.2	0.8	0.6	1.0	1.0	1.2	0.5	1.6	0.8
Hours worked	0.1	0.7	0.3	0.3	0.8	-0.1	0.4	0.5	0.4
Hourly compensation	0.9	1.1	1.7	0.9	0.2	2.0	0.8	3.2	1.6
Unit labour cost	-0.2	1.0	1.2	0.2	-0.1	0.8	0.7	2.1	1.2

	2001	2002	2003	2004	2005	Third quarter 2005	Fourth quarter 2005	First quarter 2006	Second quarter 2006
	% change from the previous year					% change from same quarter of previous year, seasonally adjusted			
Canada									
Labour productivity	1.1	1.4	0.0	0.3	2.3	2.5	2.2	2.1	1.4
Real GDP	1.6	3.1	1.4	3.3	3.0	2.8	3.0	3.1	2.7
Hours worked	0.5	1.6	1.3	3.1	0.6	0.3	0.8	0.9	1.3
Hourly compensation	3.2	1.4	2.6	2.0	4.8	5.2	5.4	5.1	4.0
Unit labour cost	2.1	-0.1	2.6	1.8	2.3	2.6	3.1	3.0	2.6
Exchange rate	4.3	1.3	-10.8	-7.1	-6.9	-8.1	-4.0	-5.9	-9.7
Unit labour cost in US dollars	-2.2	-1.4	15.2	9.5	9.9	11.7	7.3	9.5	13.8
United States[2]									
Labour productivity	2.6	4.1	3.8	3.1	2.3	2.7	2.4	2.7	2.8
Real GDP	0.3	1.5	3.1	4.4	3.7	3.9	3.7	4.4	4.1
Hours worked	-2.2	-2.5	-0.7	1.3	1.4	1.2	1.3	1.6	1.3
Hourly compensation	4.2	3.6	4.0	3.8	4.4	4.9	4.0	6.4	7.8
Unit labour cost	1.6	-0.5	0.2	0.7	2.1	2.1	1.6	3.6	4.9

1. *The exchange rate corresponds to the US dollar value expressed in Canadian dollars.*
2. *US data are from Bureau of Labor Statistics, Productivity and costs: Second quarter 2006 published in NEWS, September 6.*

■

Control and sale of alcoholic beverages

Fiscal year ending March 31, 2005 (correction)

Sales of alcoholic beverages at Canada's beer and liquor stores and agencies increased at their slowest pace in eight years during the fiscal year ending March 31, 2005.

For the first time, sales of wine in dollar terms surpassed sales of spirits in Canada.

In total, liquor and beer outlets sold nearly $16.8 billion worth of alcoholic beverages during 2004/2005, up 3.8% from the year before. This was the slowest rate of growth since 1996/1997.

Sales of alcoholic beverages

2005

	Beer	Wine	Spirits	Total
	$ thousands			
Canada	**8,449,401**	**4,225,173**	**4,077,417**	**16,751,991**
Newfoundland and Labrador	170,157	28,708	100,768	299,633
Prince Edward Island	33,184	9,501	22,741	65,426
Nova Scotia	244,595	81,483	163,121	489,199
New Brunswick	206,987	53,910	93,326	354,223
Quebec	2,275,887	1,435,800	466,074	4,177,761
Ontario	3,231,952	1,492,441	1,663,776	6,388,169
Manitoba	229,947	85,166	190,071	505,184
Saskatchewan	218,695	45,535	157,732	421,962
Alberta	762,922	342,509	518,359	1,623,790
British Columbia	1,038,875	640,635	676,404	2,355,914
Yukon	13,820	4,746	8,057	26,623
Northwest Territories	19,718	4,447	16,145	40,310
Nunavut	2,663	293	842	3,798

Growth in sales of wine continued to outpace those of beer and spirits. Wine sales were up 6.5% in 2004/2005 from the previous year, twice the rate of growth of 3.3% in the beer market, and much faster than the 2.3% growth in spirits.

As usual, beer was by far the most popular beverage. In terms of dollar value, beer captured 50.4% of sales. However, wine accounted for 25.2% of sales compared with 24.3% for spirits, the first time wine has jumped into second place.

On a per capita basis, $638.60 was spent on alcoholic beverages in 2004/2005, up $15 from the previous year.

Volume of sales of wine increased 4.0% in 2005, while the volume of sales of spirits and beer declined 0.1% and 0.6% respectively.

Revenue from the sale of alcoholic beverages plus the net income realized by provincial and territorial liquor authorities hit $4.5 billion in 2004/2005, up 3.8% from the previous year.

Provincially, net income increased most in British Columbia (+7.1%) and in Ontario (+6.7%). In Quebec, it declined 4.4%, reflecting a three-month strike at the Société des alcools du Québec.

Note to readers

Statistics on sales of alcoholic beverages by volume should not be equated with data on consumption. Sales volumes include only sales by liquor authorities and their agents, and sales by wineries and breweries and outlets that operate under license from the liquor authorities.

Consumption of alcoholic beverages would include all these sales, plus homemade wine and beer, wine and beer manufactured through brew-on-premises operations, all sales in duty-free shops and any unrecorded transactions.

Similarly, statistics on sales of alcoholic beverages by dollar value of sales should not be equated with consumer expenditures on alcoholic beverages. The sales data refer to the revenues received by liquor authorities, wineries and breweries and these revenues include sales to licensed establishments such as bars and restaurants.

The sales data, therefore, do not reflect the total amount spent by consumers on alcoholic beverages since the prices paid in licensed establishments are greater than the price paid by those establishments to the liquor authorities.

Per capita data are based on the population aged 15 and over.

Net income of provincial and territorial liquor authorities and revenue from the sale of alcoholic beverages

	2004	2005	2004 to 2005
	$ thousands		% change
Canada	**4,298,317**	**4,460,049**	**3.8**
Newfoundland and Labrador	100,038	104,254	4.2
Prince Edward Island	22,670	23,030	1.6
Nova Scotia	171,621	173,862	1.3
New Brunswick	121,904	125,086	2.6
Quebec	714,818	683,627	-4.4
Ontario	1,534,521	1,637,467	6.7
Manitoba	177,586	186,560	5.1
Saskatchewan	134,544	143,345	6.5
Alberta	556,608	566,691	1.8
British Columbia	733,749	785,897	7.1
Yukon	7,915	8,008	1.2
Northwest Territories	20,420	20,572	0.7
Nunavut	1,923	1,650	-14.2

Evolution of Canadian's taste over the last 10 years

Over the last 10 years, value of sales of alcoholic beverages increased at an annual average rate of 4.9%, from $10.4 billion in 1994/1995 to $16.8 billion in 2004/2005.

During this 10-year period, sales of spirits increased at an annual average rate of 3.3%. In contrast, beer sales grew at an annual average rate of 4.4%, while sales of wine rose 8.0%.

In 1994/1995, the value of sales of spirits accounted for 28.3% of all sales of alcoholic beverages, beer 53.0%

and wine 18.8%. In 2004/2005, these sales accounted for 24.3%, 50.4% and 25.2% respectively.

By province, the highest average annual rate of growth in the value of sales of alcoholic beverages over the last 10 years occurred in Quebec (+5.7%), followed by Ontario (+5.3%). The lowest growth was recorded in Newfoundland and Labrador (+1.8%).

Sales of alcoholic beverages in Canada between 1994/1995 and 2004/2005

	Canadian	Imported	Total
	Average annual rate of growth		
	%		
Value in dollars			
Spirits	2.2	5.6	3.3
Wines	5.8	9.1	8.0
Beer	3.2	18.6	4.4
Volume in litres			
Spirits	4.1	5.7	4.5
Wines	3.3	5.4	4.5
Beer	0.1	14.6	1.0

By volume, sales of spirits and wine both increased at annual average rates of 4.5% over the last decade, while volume of beer increased 1.0%.

Imported products capturing greater share of the Canadian market

In 2004/2005, the value of imported alcoholic beverages grew by 0.8% to almost $2.0 billion, while the value of products exported by Canadian companies fell 5.1% to $0.8 billion. It was the fourth year in a row in which the value of exports of alcoholic beverages declined.

Imported brands continued to expand their share of sales in Canada, capturing 33.7% of the market in 2004/2005, compared with 22.4% a decade earlier.

Between 1994/1995 and 2004/2005, the volume of sales of imported alcoholic beverages increased at much faster rates than domestic products.

During this 10-year period, the volume of sales of imported wine grew at an annual average rate of 5.4%, while Canadian products increased at an annual average rate of 3.3%.

At the same time, in the spirits market, the volume of sales of imported products grew at an annual average rate of 5.7%, compared to 4.1% for domestic brands.

In the beer market, the volume of sales of imported products grew at an annual average rate of almost 15%, while volume sales of Canadian products barely changed (+0.1%).

Volume sales of imported beer now account for 11.5% of the Canadian market, up nearly four-fold from only 3.2% a decade ago.

Wines: more Canadians drinking wines

Wineries and liquor stores and agencies sold $4.2 billion worth of wines in 2004/2005, up 6.5% from 2003/2004.

On a per capita basis, every Canadian aged 15 and over spent on average $161.10 on wine in 2004/2005.

Red wines accounted for 54% of all sales of wines in Canada in 2004/2005, while white wines had 32% of the market.

More than 80% of all red wines sold in Canada were from other countries.

From 1994/1995 to 2004/2005, the value of sales of imported wines grew at an annual average rate of 9.1%, compared with 5.8% for Canadian products.

The value of sales of wine increased in all provinces in 2004/2005 with noticeable increases in Saskatchewan (+16.5%), British Columbia (+12.2%) and Ontario (+10.6%).

Spirits: Canadian products losing ground

Liquor stores and agencies sold $4.1 billion worth of spirits in 2004/2005, up 2.3% from the previous year. Canadian products represented 64% of these sales.

A decade ago, the value of sales of Canadian products represented 71% of all spirits sales in Canada.

On a per capita basis, each Canadian aged 15 and over spent on average $155.40 for spirits in 2004/2005.

Whisky type products, such as whisky, scotch and bourbon, accounted for almost 30% of all spirits sales in Canada in 2004/2005, and more than 70% of these sales were Canadian products.

Three-quarters of all liqueurs sold in Canada are imported products. This ratio climbs to 85% for brandy.

In the past 10 years, the share of Canadian products for alcohol, brandy and gin has declined compared with imported products.

In litres of absolute alcohol, imports of spirits fell 1.8% in 2004/2005, the first decline since 1996/1997. The vast majority (95%) of Canadian exported spirits go to United States.

Provincially, value of sales of spirits in 2004/2005 declined in three provinces: Newfoundland and Labrador, Quebec and Saskatchewan.

Beer: passion for imported brands continues

Breweries and liquor stores and agencies sold $8.4 billion worth of beer in 2004/2005, up 3.3% from the previous year.

On a per capita basis, this amounted to $322.10 for every Canadian aged 15 and over.

Canadians spent almost $1.2 billion on imported beer in 2004/2005, up 6.4% compared to 2003/2004. Sales of domestic brands rose only 2.8%.

From 1994/1995 to 2004/2005, sales of imported beer increased at an annual average rate of 18.6%, nearly six times the rate of growth of only 3.2% for sales of domestic brands.

The value of beer sales increased 6.7% in British Columbia in 2004/2005, followed by Ontario (+6.5%). It declined in two provinces: Newfoundland and Labrador (-8.5%) and Quebec (-0.7%).

Of all imported beer in Canada, 23.4% came from the United States, 20.5% from Mexico and 19.3% from the Netherlands.

Available on CANSIM: tables 183-0006 and 183-0015 to 183-0020.

Definitions, data sources and methods: survey number 1726.

Data tables on the control and sale of alcoholic beverages in Canada are also available online in the new *National economic account* module on our website.

The 2005 issue of *Control and Sale of Alcoholic Beverages* (63-202-XIE, free) will soon be available.

For more information on the products or services of the Public Institutions Division, contact Jo-Anne Thibault (613-951-0767; *jo-anne.thibault@statcan.ca*).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Claude Vaillancourt (613-951-1820; *claude.vaillancourt@statcan.ca*), Public Institutions Division. ■

Telecommunications statistics

First quarter 2006

The upward momentum in the wireless market continued in the first quarter while the decline of the traditional telephone services market accelerated.

There were 16.8 million wireless subscribers at the end of the first quarter, up 11.9% compared to the first quarter of 2005. This rate of year-over-year growth is comparable to those observed over the past three years.

While the wireless market is growing rapidly, traditional wireline telephone services are continuing to lose ground to the competition in the residential market. The year-over-year drop of 5.3% was the largest observed since the erosion of this market began in 2001. There were 11.8 million traditional residential lines at the end of the first quarter.

Despite the sustained growth of wireless telecommunications, they are being adopted much less quickly in Canada than in a number of other countries. There were just under 52 subscribers per 100 habitants in Canada at the end of the first quarter, a level reached by the United States in the second half of 2003. Canada's lag in this regard is even more evident when compared to other Organisation for Economic Co-operation and Development countries, where there was an average of 53.5 subscribers per 100 habitants as long ago as the end of 2001.

Most of the customers giving up their traditional residential lines are turning to wireless or cable telephone services.

According to the most recent data from the Residential Telephone Service Survey, close to 615,000 households were using only cellular services at the end of 2005, approximately 285,000 more than a year earlier.

Along the same lines, a recent report by the Canadian Radio-television and Telecommunications Commission indicated that competitors (excluding wireless services) of the incumbent telephone companies had attracted 963,000 residential clients by the end of 2005, more than double the corresponding figure for the end of 2004, when there were 418,000. The major portion of this leap of 545,000 customers (59%) can be explained by the strong growth of telephone services offered by the major cable companies.

This turbulence in the industry is reflected in the financial performance of its major segments.

For the past several quarters there has been a very clear downward trend in the revenues of traditional wireline operators. This trend continued in the first quarter of 2006, when they dropped 3.8% from the first quarter of 2005 to $5.5 billion. The situation was entirely different in the wireless market, where revenues have been steadily increasing. For the first three months of the year, revenues shot up 17.2% over the same period in 2005 to reach $2.9 billion.

In terms of profits, the earnings before interest and taxes of traditional wireline network operators were $1.1 billion in the first quarter, down 10.1% from 2005, while those of wireless network operators rose 32.2% to $854.2 million. The 29.5% profit margin realized by wireless service providers was 10 points higher than those of wireline service providers.

Note: The quarterly survey of telecommunications that underlies this release is undergoing a redesign. During the transition period between the old and new surveys, the main results of the survey will continue to appear in *The Daily*. However, the publication *Quarterly Telecommunication Statistics* (56-002-XIE) will no longer be produced.

Definitions, data sources and methods: survey number 2721.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Daniel April (613-951-3177), Science, Innovation and Electronic Information Division. □

Summary of operating indicators

Telecommunications industries	First quarter			Year to date	
	2005	2006	2005 to 2006	2006	2005 to 2006
	$ thousands		%	$ thousands	%
Telecommunications					
Operating revenues	8,513,700	8,733,326	2.6	8,733,326	2.6
Operating expenses	6,624,525	6,751,455	1.9	6,751,455	1.9
Operating profit	1,889,175	1,981,871	4.9	1,981,871	4.9
Operating margin	22.2	22.7	2.3	22.7	2.3
Wireline industry					
Operating revenues	5,685,247	5,471,294	-3.8	5,471,294	-3.8
Operating expenses	4,510,436	4,415,697	-2.1	4,415,697	-2.1
Operating profit	1,174,811	1,055,597	-10.1	1,055,597	-10.1
Operating margin	20.7	19.3	-6.6	19.3	-6.6
Wireless industry					
Operating revenues	2,471,311	2,895,474	17.2	2,895,474	17.2
Operating expenses	1,825,238	2,041,240	11.8	2,041,240	11.8
Operating profit	646,073	854,234	32.2	854,234	32.2
Operating margin	26.1	29.5	12.9	29.5	12.9
Traditional fixed access lines[1]					
Residential	12,415,682	11,759,775	-5.3	...	...
Business	6,978,841	7,012,895	0.5	...	...
Total	**19,394,523**	**18,772,670**	**-3.2**	**...**	**...**
Fixed access lines per 100 inhabitants	60.4	57.9	-4.1	...	...
Mobile subscribers	15,040,886	16,835,753	11.9	...	...
Mobile subscribers per 100 inhabitants	46.8	51.9	10.9	...	...

... not applicable
1. Expressed in voice grade equivalent.

■

Dairy statistics

July 2006 (preliminary)

Dairy farmers sold 613 000 kilolitres of milk and cream to dairies in July, down 3.5% from July 2005.

Definitions, data sources and methods: survey numbers, including related surveys, 3430, 3431 and 3432.

The third quarter 2006 issue of *The Dairy Review* (23-001-XIB, free) and the new publication *Dairy Statistics* (23-014-XIE, free) will be available in November.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Anna Michalowska (613-951-2442 or toll-free 1-800-465-1991; fax: 613-951-3868), Agriculture Division. ■

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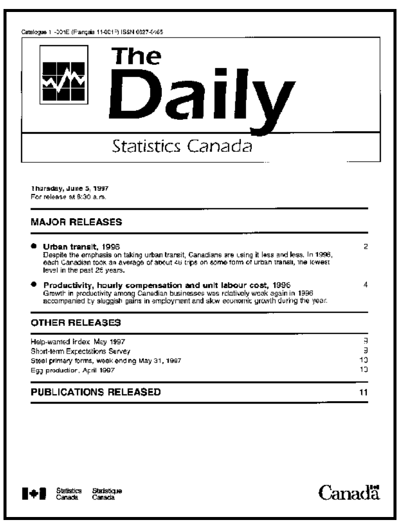
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The Daily

Statistics Canada

Thursday, June 5, 1997
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Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

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