



# The Daily

Statistics Canada

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## Releases

### Industrial capacity utilization rates

First quarter 2007

Canadian industries slightly increased the use of their production capacity during the first quarter of 2007, halting four consecutive quarters of decline.

Capacity utilization edged up from 82.4% in the fourth quarter of 2006 to 83.0%. This level was 3.0 points below the rate posted in the fourth quarter of 2005, before the quarterly drops observed in 2006.

2007 Business Conditions Survey, they planned to increase production in the second quarter.

Three other sectors (forestry and logging, mining and oil and gas extraction, and electric power) posted good results, and together accounted for the increase in industrial capacity use in the first quarter. The only sector to post a lower rate in the first quarter was the construction sector.

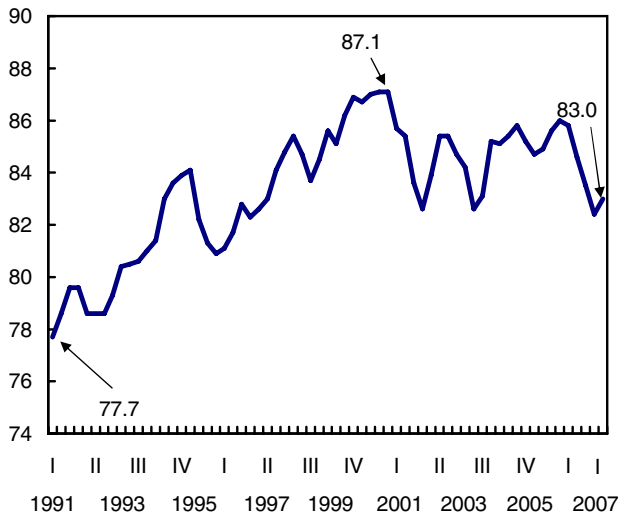
### Manufacturing sector halts three straight quarterly declines

After three consecutive quarterly decreases, the capacity utilization rate for the manufacturing sector remained unchanged at 81.1%, the same level as in the fourth quarter of 2006.

Among the 21 industry groups in the manufacturing sector, 14 recorded an increase in industrial capacity utilization. Higher rates in the primary metal, chemical products and fabricated metal products industries were offset by lower rates in the food, plastic and rubber products and wood products manufacturing industries.

#### Marginal increase in capacity utilization

% (rate of capacity use)



The industrial capacity utilization rate is the ratio of an industry's actual output to its estimated potential output. For this release, rates have been revised back to the first quarter of 2005 to reflect the revised source data.

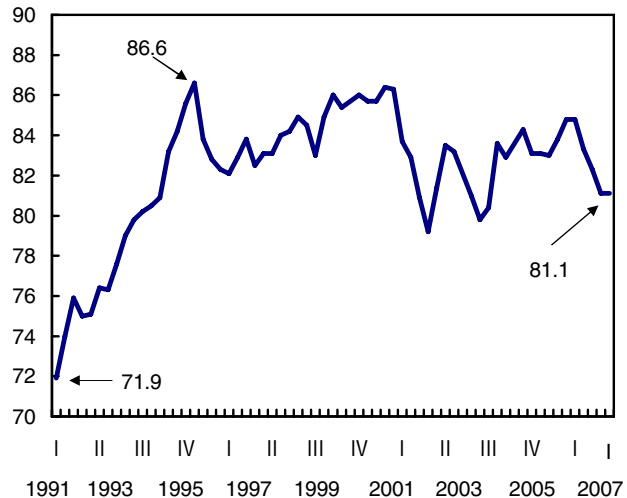
Production rose slightly in the large manufacturing sector, but capacity use remained unchanged, tempering the first-quarter increase.

Gains in production in February and March were just enough to offset the substantial decline in production in the manufacturing sector in January. Automotive production had plunged by almost 12% in January, as a result of declining demand for light-duty motor vehicles and heavy trucks.

Nonetheless, manufacturers remain optimistic in their production outlooks. According to the April

#### The manufacturing sector levels off

% (rate of capacity use)



Strong export demand for primary metals in Asia and the dizzying rise in nickel and copper prices led to a 2.1% production increase in the first quarter. The rate of capacity use for primary metals rose from 89.2% in the

fourth quarter of 2006 to 91.5% in the first three months of 2007.

In the chemical products manufacturing industry, capacity utilization reached its highest level in more than four years (84.5%), up 1.5 points from the previous quarter. Despite the negative impact of the railway strikes, which disrupted the supply chain for chemical product manufacturers in February, production rose by 1.3% in the first quarter.

Production of fabricated metal products was 2.0% higher in the first quarter, as output increased for the majority of primary components of this industry group. After posting three straight quarterly decreases, the rate rose by 1.4 points to 79.4%.

Food manufacturers greatly reduced their capacity utilization, from 79.7% in the fourth quarter of 2006 to 77.0% in the first quarter of 2007. This was the food industry's lowest rate since the second quarter of 1990, when it was 76.8%. The majority of the main components in this industry group, canned fruit and vegetable manufacturers in particular, accounted for the 2.2% decline in production for this industry.

Manufacturers of plastic and rubber products posted a fifth consecutive quarterly decline in their rate. Capacity utilization was 70.2%, down from 72.9% in the previous quarter. Production fell 12.4% for tire manufacturers, reflecting the weakness in automotive production as most of the demand for automotive products was met by inventories. This decline was responsible for much of the 2.3% decline in production in plastic and rubber products.

A dampening of foreign demand for wood products resulted in a 1.1% decrease in production in the first quarter. Accordingly, capacity utilization fell 1.6 percentage points to 76.4%. This was the lowest rate posted by this industry since the first quarter of 1992, when the rate was 76.1%.

#### **Increase for majority of other sectors**

Capacity utilization in the forestry and logging sector reached 88.1% in the first quarter, up from 82.2% in the

previous quarter. Production rose by 6.0% in the first quarter, as milder weather allowed for more cutting than usual in January.

In the electric power sector, capacity utilization posted its strongest increase in over two years, as the rate rose from 83.3% to 86.6%. The return to more seasonal temperatures in February pushed up the demand for electricity, and production in this sector rose by 3.6% in the first quarter.

In the oil and gas extraction sector, crude oil production rose in response to foreign demand, while the increase in natural gas production served to replenish stocks. Accordingly, industrial capacity utilization rose by 2.1 points to 83.6%.

In the mining sector, the rate edged up from 82.1% to 82.8% during the first three months of 2007, owing to an increase in non-metallic mineral mining (including diamonds). Coal and metal mines reduced their production activities in the first quarter.

The construction sector alone used less of its production capacity in the first quarter. The rate slipped from 86.2% to 85.9%, as an increase in production capacity exceeded the growth in production.

**Available on CANSIM: table 028-0002.**

**Definitions, data sources and methods: survey number 2821.**

Data on industrial capacity utilization rates for the second quarter will be released on September 13.

For more information, or to enquire about the concepts, methods or data quality, contact Mychèle Gagnon (613-951-0994) or Michel Labonté (613-951-9690), Investment and Capital Stock Division.

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## Industrial capacity utilization rates

	First quarter 2006 <sup>r</sup>	Fourth quarter 2006 <sup>r</sup>	First quarter 2007	First quarter 2006 to first quarter 2007	Fourth quarter 2006 to first quarter 2007
	%			% point change	
<b>Total industrial</b>	<b>85.8</b>	<b>82.4</b>	<b>83.0</b>	<b>-2.8</b>	<b>0.6</b>
Forestry and logging	87.8	82.2	88.1	0.3	5.9
Mining and oil and gas extraction	84.2	81.7	83.3	-0.9	1.6
Oil and gas extraction	83.8	81.5	83.6	-0.2	2.1
Mining	84.9	82.1	82.8	-2.1	0.7
Electric power generation, transmission and distribution	87.3	83.3	86.6	-0.7	3.3
Construction	88.9	86.2	85.9	-3.0	-0.3
Manufacturing	84.8	81.1	81.1	-3.7	0.0
Food	81.9	79.7	77.0	-4.9	-2.7
Beverage and tobacco products	72.3	77.8	78.9	6.6	1.1
Beverage	73.9	79.9	80.9	7.0	1.0
Tobacco	65.9	65.2	65.1	-0.8	-0.1
Textile mills	71.7	69.2	71.7	0.0	2.5
Textile product mills	76.0	78.6	80.8	4.8	2.2
Clothing	75.6	72.2	77.7	2.1	5.5
Leather and allied products	74.6	70.0	74.4	-0.2	4.4
Wood products	90.2	78.0	76.4	-13.8	-1.6
Paper	86.2	88.6	90.1	3.9	1.5
Printing and related support activities	78.0	72.4	71.2	-6.8	-1.2
Petroleum and coal products	87.1	86.0	80.4	-6.7	-5.6
Chemical	82.2	83.0	84.5	2.3	1.5
Plastics and rubber products	82.5	72.9	70.2	-12.3	-2.7
Plastic products	80.9	70.5	68.1	-12.8	-2.4
Rubber products	88.0	81.6	78.0	-10.0	-3.6
Non-metallic mineral products	89.0	78.7	78.1	-10.9	-0.6
Primary metal	94.2	89.2	91.5	-2.7	2.3
Fabricated metal products	84.6	78.0	79.4	-5.2	1.4
Machinery	88.1	80.7	81.3	-6.8	0.6
Computer and electronic products	89.3	89.5	90.9	1.6	1.4
Electrical equipment, appliance and component	77.7	79.7	81.1	3.4	1.4
Transportation equipment	86.7	82.8	82.9	-3.8	0.1
Furniture and related products	76.5	76.2	78.2	1.7	2.0
Miscellaneous manufacturing	83.9	81.1	75.2	-8.7	-5.9

<sup>r</sup> revised



## New Housing Price Index

April 2007

The cost of new housing rose substantially (+0.8%) in April from the previous month. As a result, the New Housing Price Index climbed to 150.5 (1997=100). Compared to 12 months ago, contractors' selling prices were up 8.9%, down slightly from the 9.3% increase recorded in March.

Of the 21 metropolitan areas surveyed, 12 registered an increase, with Edmonton leading the way (+4.4%). This was the result of high costs for materials and trade labour, high demand, and extended construction periods. Regina (+2.2%), Saskatoon (+2.1%) and Calgary (+2.0%) followed. Price advances in these regions were mostly attributable to materials and labour. Land prices rose in these same cities as new land began development.

Noteworthy gains were also observed in Halifax, Greater Sudbury and Thunder Bay and Vancouver. Of the 12 metropolitan areas showing increases, land prices rose in only 5.

Five metropolitan areas registered no monthly change. Victoria (-0.9%) recorded the largest decrease due to a moderating market. Prices in St. John's, Saint John, Fredericton and Moncton, and Charlottetown also declined.

Edmonton (+40.5%) posted the largest 12-month increase, followed by Calgary (+27.4%), Saskatoon (+24.9%), Regina (+17.3%) and Winnipeg (+6.9%).

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The first quarter 2007 issue of *Capital Expenditure Price Statistics* (62-007-XWE, free) will be available in July.

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; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)) or Randy Sterns (613-951-8183; [randy.sterns@statcan.ca](mailto:randy.sterns@statcan.ca)), Prices Division.

## New Housing Price Indexes

	April 2007 (1997=100)	April 2006 to April 2007 % change	March to April 2007
<b>Canada</b>	<b>150.5</b>	<b>8.9</b>	<b>0.8</b>
House only	160.2	8.2	0.6
Land only	131.4	10.4	0.9
St. John's	132.5	3.8	-0.2
Halifax	133.1	2.6	1.3
Charlottetown	117.1	1.5	-0.5
Saint John, Fredericton and Moncton	112.9	0.4	-0.2
Québec	146.7	3.8	0.0
Montréal	152.7	3.9	0.1
Ottawa-Gatineau	161.3	2.5	0.0
Toronto and Oshawa	139.4	2.3	0.0
Hamilton	148.2	5.7	0.6
St. Catharines-Niagara	149.7	5.0	0.0
Kitchener	138.0	1.5	0.6
London	135.5	2.6	0.1
Windsor	104.0	-0.5	0.0
Greater Sudbury and Thunder Bay	105.1	3.5	0.9
Winnipeg	152.0	6.9	0.3
Regina	177.9	17.3	2.2
Saskatoon	168.1	24.9	2.1
Calgary	244.9	27.4	2.0
Edmonton	223.5	40.5	4.4
Vancouver	118.3	6.7	0.8
Victoria	116.8	-1.2	-0.9

Note: View the census subdivisions that comprise the metropolitan areas online.

## Farm product prices

April 2007

Prices received by farmers in April for grains, oilseeds, specialty crops, potatoes, cattle, hogs, poultry, eggs and dairy products are now available.

The Quebec grain corn price in April was \$177.00 per metric tonne, up 1% from one month earlier and up 44% from April 2006, when the price was \$122.77.

The April feeder calves price in Alberta was \$117.22 per hundredweight, up 2% from one month

earlier but down 8% from the April 2006 price of \$127.92.

Farm commodity prices are now available on CANSIM. Over 35 commodities are available by province, some series going back 20 years.

**Available on CANSIM: table 002-0043.**

**Definitions, data sources and methods: survey number 3436.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Nickeisha Patterson (613-951-3249; fax: 613-951-3868; [nickeisha.patterson@statcan.ca](mailto:nickeisha.patterson@statcan.ca)), Agriculture Division. ■

### **Commercial Software Price Index**

April 2007

The Commercial Software Price Index (CSPI) is a monthly series measuring the change in the purchase price of pre-packaged software typically bought by businesses and governments. The CSPI for April was 67.3 (2001=100), down 1.2% from March.

This index is available at the Canada level only.

**Available on CANSIM: table 331-0003.**

**Definitions, data sources and methods: survey number 5068.**

For more information on these indexes, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Neil Killips (613-951-5722; [neil.killips@statcan.ca](mailto:neil.killips@statcan.ca)), Prices Division. ■

### **Cement**

April 2007

Data on cement are now available for April.

**Available on CANSIM: tables 303-0060 and 303-0061.**

**Definitions, data sources and methods: survey number 2140.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## New products

**Industry Price Indexes**, April 2007, Vol. 33, no. 4  
**Catalogue number 62-011-XWE**  
 (free).

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

**Exports by Country**, January to March 2007, Vol. 64, no. 1  
**Catalogue number 65-003-XCB** (\$67/\$221).

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; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

**Exports by Country**, January to March 2007, Vol. 64, no. 1  
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Thursday, June 7, 2007  
 For release at 9:30 a.m.

**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took the average of about six rides on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses and relatively weak gains in 1996 accompanied by sluggish gains in employment and slow economic growth during PM Year.

**OTHER RELEASES**

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr 1997** 12

**PUBLICATIONS RELEASED** 11

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