

The Daily

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The number of new motor vehicles sold increased 2.4% to 135,514 units in July. Stronger truck sales were the main contributor to the advance.

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Releases

Industrial capacity utilization rates

Second quarter 2010

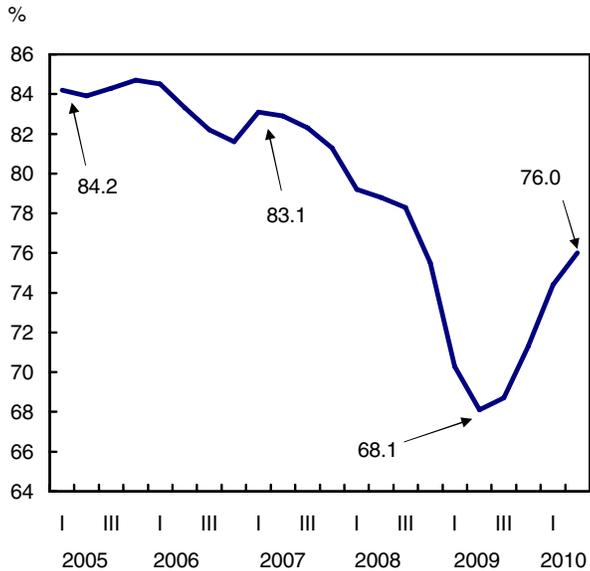
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Note to readers

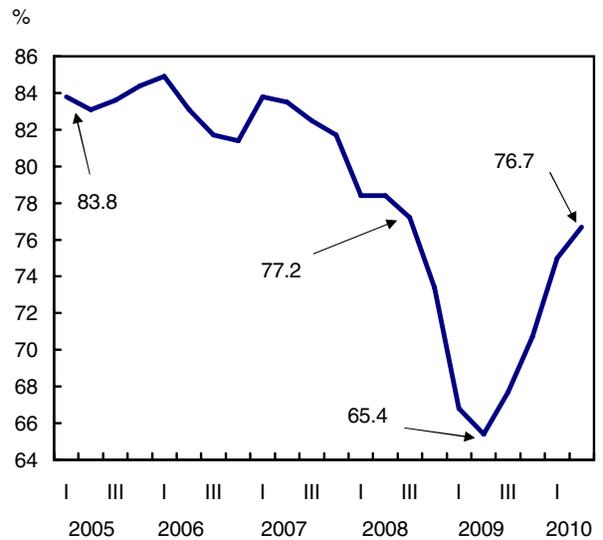
The industrial capacity utilization rate is the ratio of an industry's actual output to its estimated potential output. The measures of actual output used in the production of the rates of capacity use are the measures of real gross domestic product at factor cost, seasonally adjusted, by industry.

With this release, rates have been revised back to the first quarter of 2008 to reflect the revised source data.

Capacity use up for a fourth consecutive quarter



Manufacturing: Capacity use approaching level of third quarter of 2008



Since the record low of 68.1% set in the second quarter of 2009, the industrial capacity utilization rate has risen by 7.9 percentage points to 76.0%.

The strength recorded by Canadian industries as a whole was driven by both the manufacturing sector, which saw its rate climb from 75.0% to 76.7%, and the non-manufacturing sector.

Most manufacturing industries post gains

Capacity use was up in 16 of the 21 major manufacturing industries.

Capacity use in total manufacturing increased 1.7 percentage points in the second quarter to 76.7%. Although this was the fourth consecutive gain, the increase fell short of the advances recorded during the previous three quarters.

Industries contributing to the higher rate for total manufacturing were transportation equipment, primary metal, machinery manufacturing and wood product manufacturing.

The transportation equipment industry operated at 66.6% of its capacity in the second quarter, up 2.1 percentage points from the previous quarter. Growth in the industry's capacity use was a result of higher production by manufacturers of motor vehicles and motor vehicle parts and manufacturers of railroad rolling stock.

In the primary metal manufacturing industry, the utilization rate increased 5.1 percentage points from the previous quarter to 90.9%. Appreciable gains in production were posted by all metal manufacturing industries except alumina and aluminium production and processing.

Machinery manufacturers used 74.2% of their production capacity, up from 71.0% in the previous quarter. Higher production of agricultural, construction and mining machinery, industrial machinery, and commercial and service industry machinery was behind the gain in capacity use.

Capacity utilization by the wood product manufacturing industry advanced from 74.4% to 78.1%. The main contributing factor was higher production by sawmills and by veneer, plywood and engineered wood product manufacturers.

Declines in computer and electronic product manufacturing (from 95.2% to 89.8%) and chemical manufacturing (from 82.6% to 81.5%) slowed the growth of the manufacturing sector.

Non-manufacturing: Capacity use continues to rise in most sectors

In the non-manufacturing group, capacity use advanced in all sectors except electric power generation, transmission and distribution.

In the forestry and logging sector, capacity utilization rose 9.9 percentage points from the previous quarter to 89.9% in the second quarter.

The oil and gas extraction sector also increased its capacity use from 77.2% to 81.5% over the same period. This gain reflects higher crude petroleum extraction activity, which more than offsets lower activity in natural gas facilities.

The mining extraction industry increased its capacity use from 66.3% in the first quarter to 69.0% in the second quarter, mainly as a result of copper, nickel, lead, zinc and potash extraction activity.

Capacity utilization in the construction sector edged up from 72.1% to 72.9%, as production in residential construction rose 2.8%.

In the electric power generation, transmission and distribution sector, the utilization rate fell from 77.8% in the first quarter to 75.6% in the second quarter. Demand for electricity was down 2.1% in the second quarter from the first quarter.

Available on CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data on industrial capacity utilization rates for the third quarter will be released on December 13.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Luc Provençal (613-951-1960; luc.provençal@statcan.gc.ca), Investment and Capital Stock Division.

□

Industrial capacity utilization rates

	Second quarter 2009 ^r	First quarter 2010 ^r	Second quarter 2010	First quarter to second quarter 2010	Second quarter 2009 to second quarter 2010
	utilization rates			percentage point change	
Total industrial	68.1	74.4	76.0	1.6	7.9
Forestry and logging	68.8	80.0	89.9	9.9	21.1
Mining and oil and gas extraction	70.0	73.7	77.5	3.8	7.5
Oil and gas extraction	77.2	77.2	81.5	4.3	4.3
Mining	53.7	66.3	69.0	2.7	15.3
Electric power generation, transmission and distribution	79.0	77.8	75.6	-2.2	-3.4
Construction	69.1	72.1	72.9	0.8	3.8
Manufacturing	65.4	75.0	76.7	1.7	11.3
Food	80.9	82.7	83.8	1.1	2.9
Beverage and tobacco products	64.3	64.5	67.0	2.5	2.7
Beverage	62.9	61.4	63.7	2.3	0.8
Tobacco	73.1	84.2	86.8	2.6	13.7
Textile mills	66.8	72.4	74.6	2.2	7.8
Textile product mills	61.1	75.6	75.5	-0.1	14.4
Clothing	63.5	55.8	56.9	1.1	-6.6
Leather and allied products	61.6	58.1	49.4	-8.7	-12.2
Wood products	58.2	74.4	78.1	3.7	19.9
Paper	75.9	87.6	88.0	0.4	12.1
Printing and related support activities	65.9	63.0	63.7	0.7	-2.2
Petroleum and coal products	74.6	76.7	77.9	1.2	3.3
Chemical	68.7	82.6	81.5	-1.1	12.8
Plastics and rubber products	63.1	71.2	73.5	2.3	10.4
Plastic products	63.2	69.9	71.0	1.1	7.8
Rubber products	62.6	77.1	85.2	8.1	22.6
Non-metallic mineral products	66.1	74.9	79.9	5.0	13.8
Primary metal	67.8	85.8	90.9	5.1	23.1
Fabricated metal products	63.9	71.4	73.2	1.8	9.3
Machinery	65.3	71.0	74.2	3.2	8.9
Computer and electronic products	82.3	95.2	89.8	-5.4	7.5
Electrical equipment, appliance and component	73.9	81.5	86.7	5.2	12.8
Transportation equipment	48.5	64.5	66.6	2.1	18.1
Furniture and related products	73.9	81.0	81.7	0.7	7.8
Miscellaneous manufacturing	85.7	82.1	81.6	-0.5	-4.1

^r revised



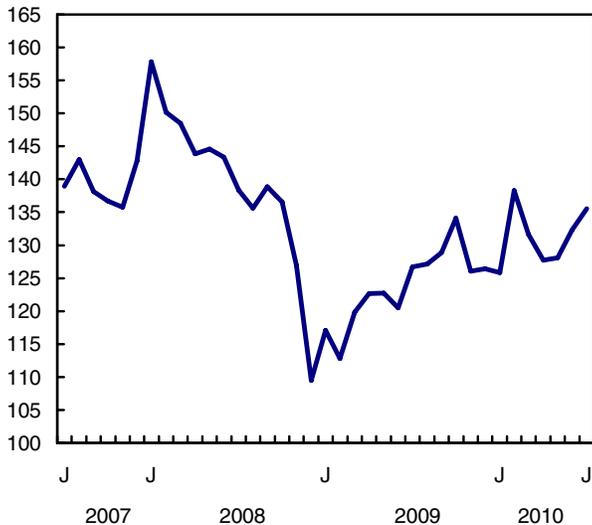
New motor vehicle sales

July 2010

The number of new motor vehicles sold increased 2.4% to 135,514 units in July. Stronger truck sales were the main contributor to the advance.

New motor vehicle sales rise in July

thousands of units



Preliminary industry data indicate that the number of new motor vehicles sold decreased by 5% in August.

Higher truck sales drive increase

Sales of trucks (which include minivans, sport-utility vehicles, light and heavy trucks, vans and buses) rose 3.1% to 76,994 units in July, a fourth consecutive monthly increase. Truck sales accounted for 56.8% of total new motor vehicle sales, the largest proportion reported since the beginning of this series.

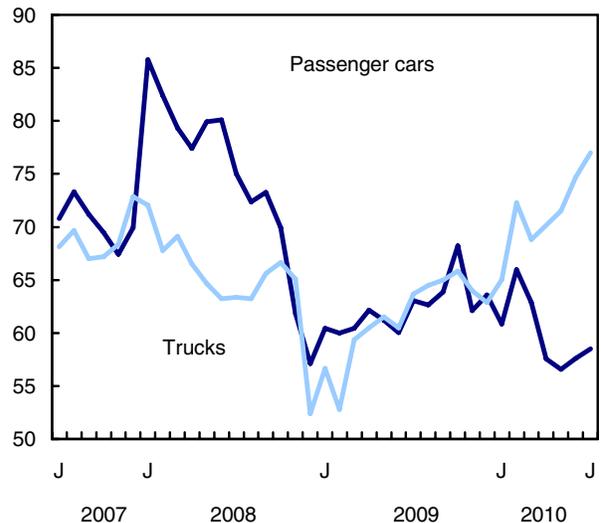
Sales of passenger cars increased 1.6% to 58,520 units in July. North American built passenger car sales increased 3.2% while sales of overseas-built passenger cars edged down 0.3%.

Note to readers

Seasonally adjusted data of new motor vehicle sales have been revised from 2007 to reflect an update in seasonal adjustment factors. Because of the constant evolution of seasonal factors, revisions can be more significant for some months of the year. However, the annual sum of seasonally adjusted figures corresponds to the annual sum of unadjusted data

Truck sales exceed passenger car sales

thousands of units



Sales up in eight provinces

Sales of new motor vehicles increased in eight provinces in July.

New motor vehicle sales in Ontario increased 4.0% in July, a third consecutive monthly increase. Gains over the past three months have completely offset losses reported earlier in the year.

Sales in Quebec were up 3.9% in July, a second consecutive monthly increase.

New Brunswick (+6.2%) had the largest percentage increase among the provinces.

Sales in Nova Scotia fell 16.3%, completely erasing a strong gain reported in June. On July 1, Nova Scotia increased its Harmonized Sales Tax by 2.0 percentage points.

Available on CANSIM: table 079-0003.

Definitions, data sources and methods: survey number 2402.

The July 2010 issue of *New Motor Vehicle Sales* (63-007-X, free) will be available soon.

Data on new motor vehicle sales for August will be released on October 15.

For general information, or to order data, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; retailinfo@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact John De Luca (613-951-8719), Distributive Trades Division.

New motor vehicle sales

	July 2009 ^r	June 2010 ^r	July 2010 ^p	July 2009 to July 2010	June to July 2010
Seasonally adjusted					
	number of vehicles			% change	
New motor vehicles	126,729	132,305	135,514	6.9	2.4
Passenger cars	63,060	57,601	58,520	-7.2	1.6
North American ¹	37,029	31,577	32,582	-12.0	3.2
Overseas	26,031	26,024	25,938	-0.4	-0.3
Trucks, vans and buses	63,669	74,704	76,994	20.9	3.1
New motor vehicles					
Newfoundland and Labrador	2,464	2,679	2,707	9.9	1.0
Prince Edward Island	446	479	492	10.3	2.7
Nova Scotia	4,349	4,512	3,775	-13.2	-16.3
New Brunswick	2,944	3,139	3,333	13.2	6.2
Quebec	33,068	33,867	35,176	6.4	3.9
Ontario	47,166	49,463	51,425	9.0	4.0
Manitoba	3,707	3,962	4,020	8.4	1.5
Saskatchewan	3,972	4,023	3,894	-2.0	-3.2
Alberta	15,794	17,112	17,324	9.7	1.2
British Columbia ²	12,819	13,069	13,368	4.3	2.3
	July 2009	June 2010 ^r	July 2010 ^p	July 2009 to July 2010	
Unadjusted					
	number of vehicles			% change	
New motor vehicles	141,621	156,891	150,800	6.5	
Passenger cars	73,425	73,006	67,785	-7.7	
North American ¹	42,908	40,725	38,221	-10.9	
Overseas	30,517	32,281	29,564	-3.1	
Trucks, vans and buses	68,196	83,885	83,015	21.7	
New motor vehicles					
Newfoundland and Labrador	3,025	3,797	3,327	10.0	
Prince Edward Island	582	610	607	4.3	
Nova Scotia	4,804	6,046	4,037	-16.0	
New Brunswick	3,488	3,820	3,895	11.7	
Quebec	38,525	39,267	40,248	4.5	
Ontario	51,668	59,343	56,247	8.9	
Manitoba	4,120	4,491	4,530	10.0	
Saskatchewan	4,544	4,665	4,530	-0.3	
Alberta	17,005	19,503	18,748	10.2	
British Columbia ²	13,860	15,349	14,631	5.6	

^r revised

^p preliminary

1. Manufactured or assembled in Canada, the United States or Mexico.

2. Includes Yukon, the Northwest Territories and Nunavut.

Note: Figures may not add up to totals as a result of rounding.

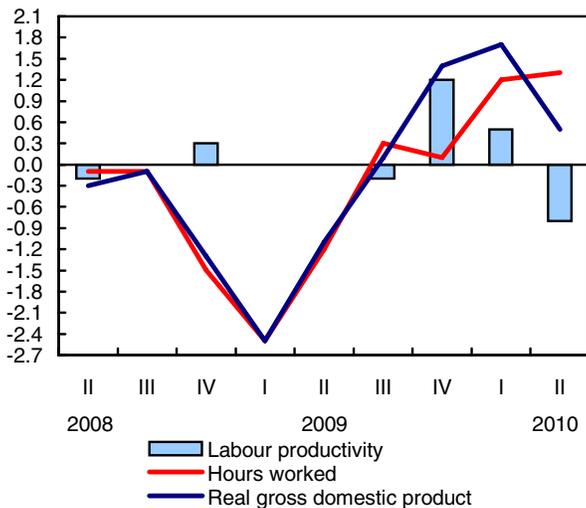
Labour productivity, hourly compensation and unit labour cost

Second quarter 2010

The labour productivity of Canadian businesses fell 0.8% in the second quarter, following gains of 0.5% in the first quarter and 1.2% in the fourth quarter of 2009.

Real output of Canadian businesses grows less than hours worked

quarterly % change



The productivity decline in the second quarter reflected a slowdown in business output, combined with a rise in hours worked.

The pace of growth in the real gross domestic product of businesses slowed in the second quarter, up 0.5% compared with 1.7% the previous quarter. Output in the second quarter was moderated primarily by a decline in services industries. However, the output in goods producing industries (+1.9%) continued to increase in the second quarter, but at a slower pace than in the previous quarter.

At the same time, the labour market remained dynamic, as employment and hours worked in Canadian businesses both rose 1.3%. This was the highest quarterly rate of growth in hours worked since the fourth quarter of 2003 (+1.4%).

The largest contributor to the overall decline in business productivity was services-producing businesses, which saw their productivity fall 1.0% following five consecutive positive quarters. The downturn was widespread, with retail trade (-2.3%) registering the largest decrease.

Productivity for goods-producing businesses edged down 0.2% in the second quarter, following significant advances in the previous two quarters. There was no change in manufacturing productivity, following increases in the preceding four quarters.

In the United States, the productivity of American businesses declined by 0.5% in the second quarter. This was the first decline since the fourth quarter of 2008.

In the second quarter, productivity in Canadian businesses shrank faster than hourly compensation (-0.3%). As a result, Canadian business unit labour costs in Canadian dollars increased by 0.5%, the first quarterly increase in a year.

The value of the Canadian dollar (+1.2%) continued to climb against its American counterpart in the second quarter, but its rate of appreciation was lower than in the previous four quarters. This was reflected in a 1.8% increase in the unit labour costs of Canadian businesses in US dollars, which were up for the fifth consecutive quarter.

By comparison, unit labour costs for American businesses edged up 0.3% in the second quarter, following three quarterly declines.

Note: The term "productivity" in this release refers to labour productivity. For the purposes of this analysis, labour productivity, gross domestic product (GDP) and unit labour cost cover the business sector only. Labour productivity is a measure of real GDP per hour worked. Unit labour cost is defined as the cost of workers' wages and benefits per unit of real GDP.

The labour productivity figures for the second quarter, released today, were revised back to the first quarter of 2010 at the aggregate level and to the first quarter of 2009 at the industry level.

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

Definitions, data sources and methods: survey number 5042.

Additional tables and links to other releases from the national accounts can be found in the second quarter 2010 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 9, no. 2 (13-010-X, free). This publication is now available from the *Key resource* module of our website under *Publications*.

Third quarter data for labour productivity, hourly compensation and unit labour cost will be released on December 14.

For more information, or to enquire about the concepts, methods or data quality of this release contact the information officer (613-951-3640, iead-info-dcrd@statcan.gc.ca), Income and Expenditure Accounts Division. □

Business sector: Labour productivity and related variables for Canada and the United States¹

	Second quarter 2008	Third quarter 2008	Fourth quarter 2008	First quarter 2009	Second quarter 2009	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010
% change from previous quarter, seasonally adjusted									
Canada									
Labour productivity	-0.2	0.0	0.3	0.0	0.0	-0.2	1.2	0.5	-0.8
Real gross domestic product	-0.3	-0.1	-1.3	-2.5	-1.1	0.1	1.4	1.7	0.5
Hours worked	-0.1	-0.1	-1.5	-2.5	-1.2	0.3	0.1	1.2	1.3
Hourly compensation	0.9	0.3	1.4	1.0	0.2	-0.2	1.2	0.2	-0.3
Unit labour cost	1.0	0.3	1.1	1.0	0.1	0.0	-0.1	-0.3	0.5
Exchange rate ²	-0.6	-3.0	-14.1	-2.7	6.7	6.3	4.0	1.5	1.2
Unit labour cost in US dollars	0.5	-2.8	-13.1	-1.7	6.8	6.3	3.8	1.2	1.8
United States³									
Labour productivity	0.3	-0.3	-0.1	0.9	2.0	1.8	1.5	0.9	-0.5
Real GDP	-0.1	-1.5	-2.4	-1.6	-0.1	0.4	1.6	1.2	0.4
Hours worked	-0.4	-1.3	-2.3	-2.4	-2.0	-1.3	0.1	0.3	0.9
Hourly compensation	0.0	0.9	0.2	-0.9	2.2	0.9	0.4	-0.3	-0.2
Unit labour cost	-0.3	1.2	0.3	-1.8	0.2	-0.8	-1.1	-1.1	0.3
% change from the previous year									
	2005	2006	2007	2008	2009	Third quarter 2009	Fourth quarter 2009	First quarter 2010	Second quarter 2010
% change from same quarter of previous year, seasonally adjusted									
Canada									
Labour productivity	2.4	1.1	0.0	-0.9	0.4	0.1	1.1	1.6	0.8
Real gross domestic product	3.2	2.7	1.9	-0.3	-4.0	-4.7	-2.2	2.0	3.7
Hours worked	0.7	1.6	1.9	0.6	-4.4	-4.8	-3.3	0.4	2.8
Hourly compensation	4.9	4.9	3.6	3.0	2.7	2.3	2.1	1.4	0.9
Unit labour cost	2.4	3.8	3.6	4.0	2.3	2.2	1.0	-0.3	0.1
Exchange rate ²	7.3	6.8	6.0	0.9	-6.7	-5.1	14.8	19.7	13.5
Unit labour cost in US dollars	9.9	10.8	9.8	4.7	-4.5	-2.9	16.0	19.3	13.7
United States³									
Labour productivity	1.7	0.9	1.5	1.1	3.5	4.6	6.3	6.3	3.7
Real GDP	3.4	3.1	2.0	-0.9	-3.7	-3.7	0.3	3.2	3.7
Hours worked	1.7	2.1	0.5	-2.0	-6.9	-7.9	-5.6	-2.9	0.0
Hourly compensation	3.9	3.8	4.1	3.2	1.8	2.4	2.5	3.2	0.8
Unit labour cost	2.2	2.8	2.5	2.1	-1.6	-2.2	-3.5	-2.9	-2.8

1. Calculations of growth rates are based on index numbers rounded to three decimal places.

2. The exchange rate corresponds to the Canadian dollar value expressed in US dollars.

3. US data are from Bureau of Labor Statistics, Productivity and costs: First quarter 2010 published in NEWS, September 2.



New products and studies

Canadian Economic Accounts Quarterly Review,
Second quarter 2010, Vol. 9, no. 2
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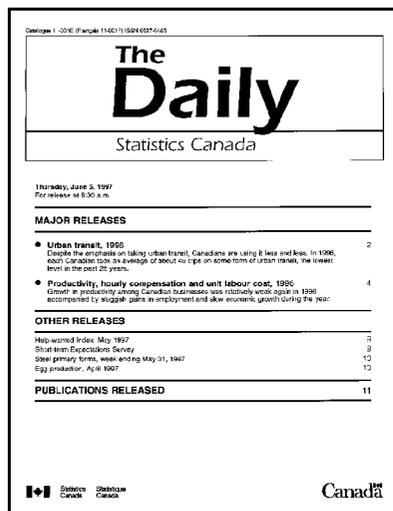
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