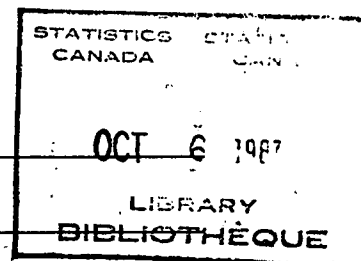


The Daily

Statistics Canada

Tuesday, October 6, 1987



Major Release

Industrial Corporations: Financial Statistics, Second Quarter 1987

2

- Seasonally adjusted, operating profits of Canadian industrial corporations rose 11.4% – the third consecutive quarter of strong growth.

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Publication Released

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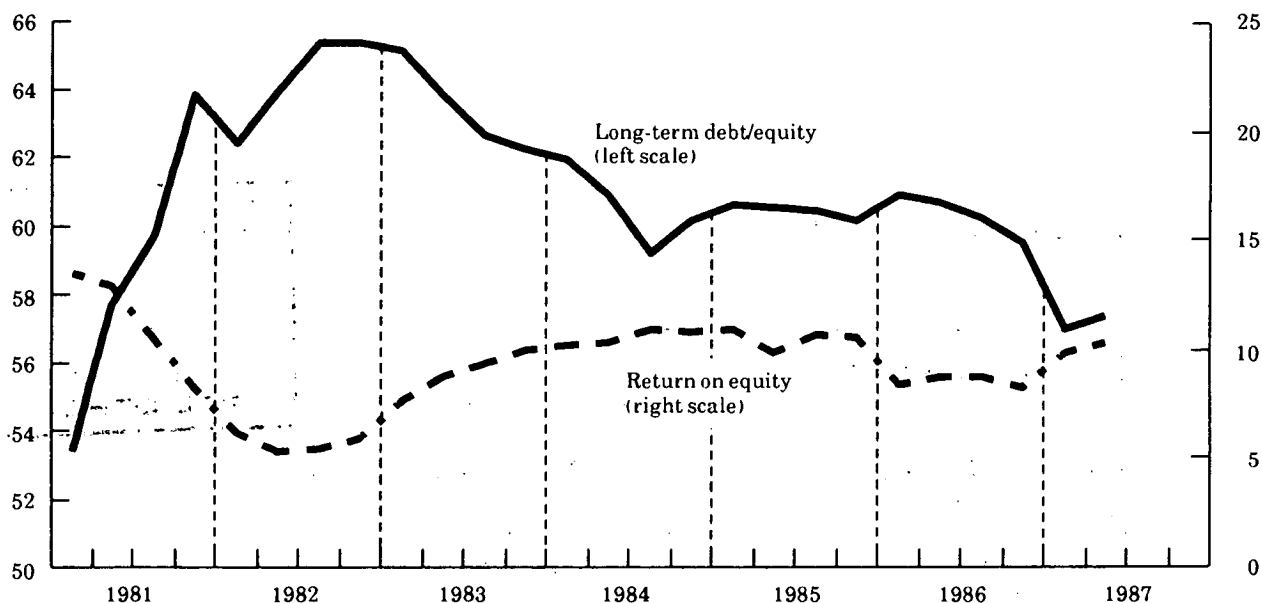
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Major Release

Industrial Corporations - Financial Ratios



Industrial Corporations: Financial Statistics

Second Quarter 1987

Profits Summary (adjusted for seasonality)

Final estimates for the second quarter of 1987 show operating profits (which exclude investment income and other gains) of industrial corporations rose 11.4% to a level of \$7.6 billion following increases of 11.4% in the first quarter of 1987 and 8.9% in the fourth quarter of 1986.

The mineral fuels, petroleum and coal, and metal mining industries accounted for over half of the second quarter operating profit increase, partly as a result of higher selling prices. Other industries recording significant profit gains were chemicals, communications and primary metals.

Among the industries recording operating profit decreases in the quarter, the transportation equipment industry recorded the largest.

Pre-tax profits (including investment income and other gains) were up 8.3% to \$11.1 billion in the second quarter. This followed an increase of 13.0% in the first quarter. In the previous three quarters, however, there was virtually no growth.

Sales of industrial corporations rose 3.4% to \$198.8 billion in the second quarter, the largest increase in over three years.

Balance Sheet Data Summary - Corporations with Assets Exceeding \$10 Million (unadjusted for seasonality)

Total assets of industrial corporations in the second quarter of 1987 rose by \$11.7 billion, compared to a \$5.7 billion average quarterly increase over the past three years. An increase of \$3.2 billion in accounts receivable - related to the strong rise in sales - was the major contributor to the change. (Quarterly increases in accounts receivable had been under \$1 billion since the third quarter of 1985.)

(continued on page 3)

Fixed assets increased \$3.1 billion, following last quarter's \$4.7 billion jump. (In contrast, increases in fixed assets averaged \$1 billion a quarter during 1986.) The next largest increase was in short-term investments which were up \$1.8 billion, compared to a decline of \$1.7 billion in first quarter and a 1986 average quarterly increase of \$344 million.

Share capital rose \$2.4 billion in the second quarter, below the \$3.5 billion increase of the first quarter and a \$3.0 billion average quarterly increase for 1986.

Balance Sheet Ratios

Return on Equity: profitability, as measured by the rate of return on shareholders' equity, rose to 10.4% in the second quarter from 9.8% in the previous quarter, and an average of 9.4% over the past two years. Historically, it compares to a low of 5.3% registered during the 1982 recession and a high of 18.6% recorded in 1979.

Long-term debt to equity: The ratio of long-term debt to equity, a measurement of corporate liquidity, edged up to 57.4% in the second

quarter from 57.0% in the first quarter. The current increase in the ratio is the first in over a year. The second quarter level is still well below the 1984-86 average of 60.4%.

Coverage

The information covers non-government owned corporations in Canada except those in the agriculture, fishing and finance industries. Income statement information for corporations of all sizes and balance sheet and income statement information for corporations with assets exceeding \$10 million are now available. More detailed statistics for the 47 industry groups are now available on CANSIM: matrices 4780-4921 and 4928-4942.

(see table on page 4)

Order the second quarter issue of *Industrial Corporations: Financial Statistics* (61-003, \$50/\$200), available the second week in November or for further information contact Gail Campbell or Bill Potter (613-990-9843), Industrial Organization and Finance Division.

Industrial Corporations: Selected Financial Statistics

(Corporations with assets exceeding \$10 million)

	2nd Q 1987	1st Q 1987	4th Q 1986	3rd Q 1986
(\$ billions)				
Current assets	145.8	139.6	140.7	140.8
Short-term investments	21.0	19.3	21.0	20.4
Accounts receivable	58.0	54.8	53.8	55.3
Inventories	54.0	54.1	54.2	53.9
Current liabilities	106.1	102.6	103.0	100.5
Bank loans	19.8	19.3	18.2	18.8
Accounts payable	59.9	57.0	58.3	55.1
Working capital (current assets minus current liabilities)	39.7	37.0	37.7	40.3
Long-term investments	85.7	84.4	85.2	80.8
Fixed assets	230.0	226.9	222.2	223.3
Total assets	476.9	465.2	461.2	457.4
Long-term debt	110.1	107.2	110.1	110.8
Bank loans	31.6	31.1	33.3	33.2
Bonds	43.1	41.7	42.6	43.0
Shareholders equity	191.6	188.0	185.0	183.9
Share capital	91.0	88.6	85.1	81.5
Retained earnings	87.2	85.7	87.0	89.9
Capital expenditures	7.9	8.0	9.2	8.0
Income statement (seasonally adjusted)				
Sales	114.0	110.9	112.4	107.5
Pre-tax profits	8.3	7.5	6.4	6.6
After-tax profits	5.0	4.6	3.8	4.0
Ratios				
Return on equity (after-tax profits/equity) %	10.4%	9.8%	8.2%	8.8%
Long-term debt/equity %	57.4%	57.0%	59.5%	60.2%
All asset sizes				
Selected income statement data (seasonally adjusted)				
(\$ billions)				
Sales	198.8	192.4	190.9	186.3
Pre-tax profits	11.1	10.2	9.1	9.1
After-tax profits	6.8	6.4	5.6	5.8

Data Availability Announcements

Electric Power Statistics

July 1987

Highlights

Net generation of electric energy in Canada in July 1987 increased to 37 141 gigawatt hours (gwh), up 10.5% from the corresponding month last year. Exports increased 51.4% to 4 698 gwh, while imports decreased to 239 gwh from 300 gwh.

Year-to-date figures show net generation at 283 250 gwh, up 7.3% over the previous year's period. Exports, at 29 502 gwh, were up 34.8% while imports (1 538 gwh) were down 53.1%.

Available on CANSIM: matrices 3987-3999.

Order the July 1987 issue of *Electric Power Statistics* (57-001, \$8/\$80), available the third week in October. Contact Dave Madsen (613-991-3565), Energy Section, Industry Division.

Footwear Statistics

August 1987

Canadian manufacturers produced 3,397,052 pairs of footwear in August 1987, a decrease of 7.3% from the 3,663,721^r pairs produced a year earlier.

Year-to-date production for the January to August 1987 period totalled 26,289,714 pairs of footwear, down 10.4% from 29,335,720^r pairs produced during the same period in 1986.

Available on CANSIM: matrix 8.

Order the August issue of *Footwear Statistics* (33-002, \$4/\$40), to be released the week of October 19. Contact Carla Mouradian (613-991-3510), Industry Division.

Paper Grocery Bags and Checkstand Sacks

August 1987

In August 1987, with corresponding figures for August 1986 in brackets, Canadian firms shipped 163,518,000 (211,082,000) standard grocery bags, a decrease of 22.5% and 55,722,000 (70,402,000) checkstand sacks, down 20.9%.

Year-to-date shipments of grocery bags totalled 1,293,446,000^r (revised figure) (1,356,847,000^r), a decrease of 4.7% and shipments of checkstand sacks amounted to 487,623,000^r (599,699,000^r), a decrease of 18.7%.

Contact Jacques Lepage (613-991-3516), Industry Division.

Industrial Chemicals and Synthetic Resins

August 1987

Canadian chemical firms produced 113 826 tonnes of polyethylene synthetic resins in August 1987, an increase of 14.7% from the 99 234^r (revised figure) tonnes produced in August 1986.

January to August 1987 production totalled 851 045 tonnes, up 15.2% from 738 437^r tonnes produced during the same period in 1986.

Data are also available on Canadian production of three other types of synthetic resins and 28 industrial chemicals for August 1987, August 1986 and corresponding cumulative figures.

Available on CANSIM: matrix 951.

Order the August 1987 issue of *Industrial Chemicals and Synthetic Resins* (46-002, \$5/\$50), to be released the week of October 30. Contact Raj Sehdev (613-991-3513), Industry Division.

Steel Pipe and Tubing

August 1987

Steel pipe and tubing production for August 1987 totalled 118 449 tonnes, an increase of 36.8% from the 86 556^r (revised figure) tonnes produced a year earlier.

Year-to-date production totalled 908 582 tonnes, up 5.9% from the 857 957^r tonnes produced during the same period in 1986.

Available on CANSIM: matrix 35.

Order the August 1987 issue of *Steel Pipe and Tubing* (41-011, \$4/\$40), to be released the week of October 19. Contact Gerry Barrett (613-991-3515), Industry Division.

Oils and Fats

August 1987

Production by Canadian manufacturers of all types of deodorized oils in August 1987 totalled 53 729 tonnes, an increase of 28.5% from the 41 813 tonnes produced in July 1987. The 1987 year-to-date production totalled 383 939 tonnes, an increase of 2.9% from the corresponding 1986 figure of 372 979 tonnes.

Manufacturers' packaged sales of shortening totalled 10 043 tonnes in August 1987, up from the 7 703 tonnes sold the previous month. The cumulative sales to date in 1987 were 64 250 tonnes, compared to the cumulative sales of 61 075 tonnes in 1986.

Sales of packaged salad oil increased to 5 285 tonnes in August 1987 from 4 427 tonnes in July 1987. The cumulative sales to date in 1987 were 42 518 tonnes, compared to the cumulative sales of 40 932 tonnes in 1986.

Available on CANSIM: matrix 184.

Order the August 1987 issue of *Oils and Fats* (32-006, \$4/\$40), to be released the week of October 19. Contact Brian Preston (613-991-3511), Industry Division.

Notifiable Disease Summary

Four-week Period Ending August 29, 1987

Statistics and new cases of notifiable diseases for the four-week period ending August 29, 1987 are now available by sex and five-year age group for Canada and the provinces.

Available on CANSIM: cross-classified table 00050123.

Contact Beth Sander (613-991-1746), Health Division.

Fruit and Vegetable Production

October 1987 issue

Information is now available on the latest 1986 area, production and farm value of fruit and vegetables. This month's publication also contains some preliminary estimates of area planted to vegetables in 1987.

Available on CANSIM: matrices 1371-1405, 5614-5619 and 5623.

Order *Fruit and Vegetable Production* (22-003, \$8/\$60), available in mid-November. Contact A. Mathieson (613-990-8717), Agriculture Division.

Publication Released

**Quarterly Estimates of the Canadian
Balance of International Payments,
Second Quarter 1987.**

Catalogue number 67-001

(Canada: \$25/\$100; Other Countries:
\$26/\$104).

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