

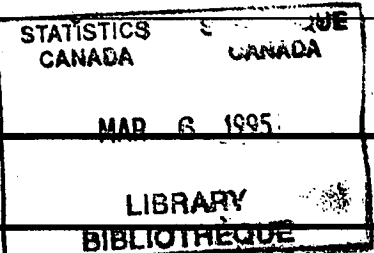


The Daily

Statistics Canada

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MAJOR RELEASE

- Industrial capacity utilization rates, fourth quarter 1994** 2
 Propelled by high foreign demand, industries churned out goods at their highest operating level since the 1987-88 economic expansion. In the fourth quarter, producers significantly increased their use of productive facilities to 84.8%.

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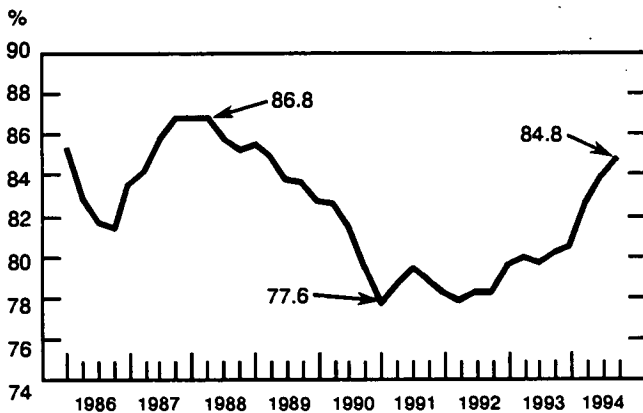
Industrial capacity utilization rates

Fourth quarter 1994

Propelled by high foreign demand, industries churned out goods in the fourth quarter at their highest operating level since the 1987-88 economic expansion. For the third consecutive quarter, producers significantly increased their use of productive facilities, reaching 84.8%. Since the last recession, when industry's capacity use fell to 76.6%, the rate has been climbing almost without interruption. The latest level is still two percentage points below the previous peak of 86.8%.

Boosted by robust profits, industries are investing heavily in new technology, which in turn will ease pressure on capacity and leave room for continued economic growth. Two possible constraints on the horizon are a moderate shortage of skilled labour and a shortage of raw material, according to the recent business conditions survey.

Capacity use nears its 1987-88 peak



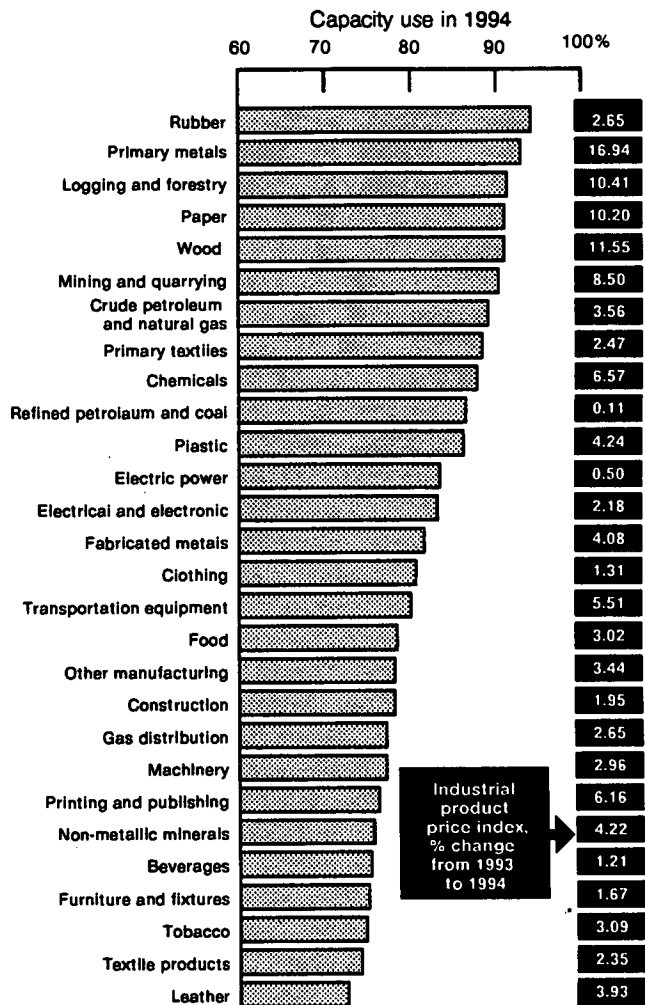
Strong levels of industrial capacity use in 1994 as a whole — at 82.9%, it was the highest in five years — have led to output price increases in some industries. Industrial and commodity prices rose in 1994 by 5.7% and 7.5% respectively, as exchange rate movements and export prices also played a role in the increases. So far these higher prices are mostly being either exported or absorbed by producers, wholesalers and retailers, sheltering Canadians from increased consumer prices. Moderate demand, declining unit labour costs and stiff competition have held domestic costs in check.

Note to users

The rate of capacity use for an industry is the ratio of its actual output to its estimated potential output. Statistics Canada derives estimates of an industry's potential output from measures of its capital stock. In addition, since 1987 Statistics Canada has been surveying companies for their estimates of annual capacity use, in order to produce survey-based industry measures. A company's measure of its level of operation, as a percentage of its potential, takes into account changes in the obsolescence of its facilities, its capital-to-labour ratios and other characteristics of its production techniques. The surveyed rates anchor the calculated quarterly series and ensure they reflect such changes.

Period-to-period changes in the rates are now expressed as percentage point differences rather than as percentage changes.

Producer prices are on the rise for high capacity industries

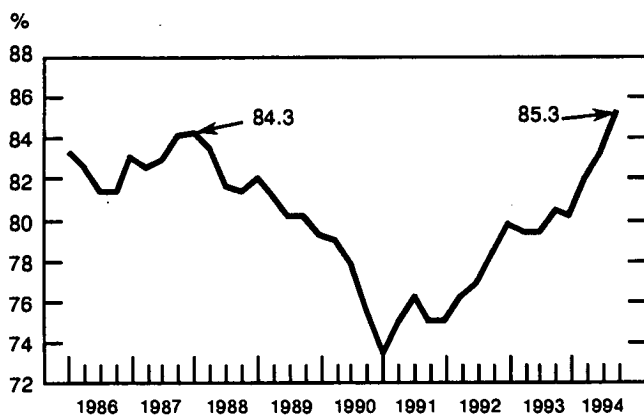


Banner quarter for manufacturing industries

Powered by strong exports, manufacturing industries increased their production 3.3% in the fourth quarter, pushing their use of capacity to a record high of 85.3% (1.9 percentage points above the third quarter). The sector's advance in capacity use was widespread as 14 of 22 industry groups showed increases. Accompanying these high rates was a 5.7% increase in their output prices.

Producers of rubber, primary metals, paper and wood were all operating at over 90% capacity, with rubber attaining a new historical high of 96.1%. To alleviate capacity constraints, these four industries are planning record levels of investment in 1995 at more than \$7 billion—a 57% increase from 1994. Sparked by strong foreign demand, producers of computers and electronic equipment recorded the largest quarterly gain in capacity use (+5.1 percentage points). Manufacturers of transportation equipment also showed important gains in the fourth quarter (+4.9 percentage points), reflecting strong exports of motor vehicles.

Manufacturing Industries reach a new peak



Mixed pattern in non-manufacturing

In the mining sector, after two strong quarterly increases in capacity use, reduced drilling activity led to lower fourth-quarter rates. A continuation of lower drilling activity is expected in 1995. According to the latest survey of private and public investment, drilling intentions for 1995 are moderately lower than the actual spending was in 1994.

Forestry industries reached a new peak of capacity use (94.0%), mirroring the strong exports of the wood industry. Construction industries showed slight gains of capacity use due to local government spending on infrastructure projects. Moderate weather in the fourth quarter reduced domestic energy demand and lowered rates of capacity use in electric power and gas distribution systems.

Available on CANSIM: 3140.

The fourth quarter 1994 issue of *Industrial capacity utilization rates in Canada* (31-003, \$12/\$48) will be available later this month. See "How to order publications".

For further information on this release, contact Susanna Wood (613-951-0655) or Richard Landry (613-951-2579), Investment and Capital Stock Division. □

Industrial capacity utilization rates

Industry	Third quarter 1994	Fourth quarter 1994	Third quarter 1994 to Fourth quarter 1994	Annual average		1993 to 1994
				1993	1994	
			percentage point change			percentage point change
Total non-farm goods-producing industries	83.9	84.8	0.9	79.8	82.9	3.1
Logging and forestry	91.5	94.0	2.5	86.5	91.2	4.7
Mining (including milling), quarrying and oil wells	91.6	90.5	-1.1	87.1	89.4	2.3
Mining (including milling) and quarrying	95.3	92.8	-2.5	86.0	90.2	4.2
Crude petroleum and natural gas	89.2	89.0	-0.2	87.8	89.0	1.2
Manufacturing	83.4	85.3	1.9	79.7	82.7	3.0
Durable goods	83.3	86.6	3.3	78.6	82.6	4.0
Wood	91.2	91.4	0.2	87.9	91.0	3.1
Furniture and fixture	75.5	76.8	1.3	69.4	75.1	5.7
Primary metal	95.2	96.7	1.5	89.7	92.9	3.2
Fabricated metal products	83.0	85.7	2.7	73.5	81.5	8.0
Machinery	78.2	80.0	1.8	74.7	77.2	2.5
Transportation equipment	80.3	85.2	4.9	77.2	79.9	2.7
Electrical and electronic products	82.9	88.0	5.1	77.4	83.2	5.8
Non-metallic mineral products	77.0	78.5	1.5	70.4	75.5	5.1
Other manufacturing	77.9	80.7	2.8	76.7	78.2	1.5
Non-durable goods	83.6	83.6	0.0	81.2	82.8	1.6
Food	78.4	79.3	0.9	77.7	78.3	0.6
Beverage	76.4	76.1	-0.3	76.1	75.4	-0.7
Tobacco products	76.3	74.6	-1.7	70.4	74.8	4.4
Rubber products	94.3	96.1	1.8	91.2	94.0	2.8
Plastic products	88.2	88.2	0.0	78.8	86.2	7.4
Leather and allied products	70.7	70.1	-0.6	71.4	72.4	1.0
Primary textile	88.9	88.8	-0.1	86.2	88.4	2.2
Textile products	74.6	73.6	-1.0	73.7	74.0	0.3
Clothing	81.0	82.2	1.2	80.5	80.5	0.0
Paper and allied products	92.8	92.9	0.1	88.2	91.0	2.8
Printing, publishing and allied industries	77.1	75.6	-1.5	77.1	76.3	-0.8
Refined petroleum and coal products	84.8	86.8	2.0	86.3	86.5	0.2
Chemical and chemical products	89.0	87.9	-1.1	84.3	87.7	3.4
Construction	79.9	81.0	1.1	73.4	78.1	4.7
Electric power and gas distribution systems	82.5	79.4	-3.1	81.2	82.5	1.3
Electric power	83.4	80.3	-3.1	81.5	83.3	1.8
Gas distribution	76.7	73.4	-3.3	80.0	77.3	-2.7

OTHER RELEASES

Cereals and oilseeds review

December 1994

Weak world oil prices, the earthquake at Kobe, Japan and prospects of delayed exports caused canola prices to decline temporarily in January. Canola prices have been strong because of an exceptional domestic crush, export demand and expectations that stocks will again be tight at the end of the 1994/95 crop year. Farmers have been taking advantage of the higher prices to market record quantities of seed. Statistics Canada recently reported that canola stocks remaining on farms were at lower levels than expected by some trade analysts. However, the farm stocks of canola as of December 31, 1994 were still the highest since December 1988.

The December 1994 issue of *Cereals and oilseeds review* (22-007, \$15/\$144) focusses on the supply and demand for canola and the other major grains in the first five months of the 1994/95 crop year. It will be released later this month. See "How to order publications".

For further information on this release, contact Jeannine Fleury (613-951-3859) or Karen Gray (204-983-2856), Grain Marketing Unit, Agriculture Division. ■

Crushing statistics

January 1995

Oilseed processors crushed 245 thousand tonnes of canola in January, as 107 thousand tonnes of oil and 155 thousand tonnes of meal were produced. The crush of canola has increased every month since the beginning of the 1994/95 crop year. For the August to January period, it stood at 1 289 thousand tonnes, up 16.7% from the same period a year earlier.

Available on CANSIM: matrix 5687.

The January 1995 issue of *Cereals and oilseeds review* (22-007, \$15/\$144) will be released in April. See "How to order publications".

For further information on this release, contact Jeannine L. Fleury (613-951-3859) or Karen Gray (204-983-2856), Grain Marketing Unit, Agriculture Division. ■

Specified domestic electrical appliances

January 1995

Electrical appliance manufacturers shipped 29,707 kitchen appliances in January 1995.

The January 1995 issue of *Specified domestic electrical appliances* (43-003, \$6/\$60) will be available shortly. See "How to order publications".

For further information on this release, contact Laurie Vincent (613-951-3523), Industry Division. ■

Selected leisure and personal services industries

1993-94 (preliminary)

Preliminary data on selected leisure and personal services industries for 1993-94 are now available. The data show total revenue; the percentage distribution of revenue by source and by client base; and expenses by type.

For further information on this release, contact Robert Pagnutti (613-951-2195), Services, Science and Technology Division. ■



PUBLICATIONS RELEASED

Production and stocks of tea, coffee and cocoa, quarter ended December 1994
Catalogue number 32-025
(Canada: \$8/\$32; United States: US\$10/US\$39; other countries: US\$12/US\$45)

Rigid insulating board, January 1995
Catalogue number 36-002
(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84)

Farm input price index, fourth quarter 1994
Catalogue number 62-004
(Canada: \$20/\$80; United States: US\$24/\$96; other countries: US\$28/\$112)

Mobility and migration, 1991 Census technical reports
Catalogue number 92-326E
(Canada: \$20; United States: US\$24; other countries: US\$28)

Industry, 1991 Census technical reports
Catalogue number 92-338E
(Canada: \$20; United States: US\$24; other countries: US\$28)

Occupation according to the 1991 standard occupational classification, 1991 Census technical reports
Catalogue number 92-344E
(Canada: \$20; United States: US\$24; other countries: US\$28)

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