



The Daily

Statistics Canada

Friday, April 16, 2004

Released at 8:30 a.m. Eastern time

MAJOR RELEASES

- **Electronic commerce and technology, 2003** 2
E-commerce posted a big gain in 2003 for the fourth year in a row, but online sales still accounted for less than 1% of total operating revenues for private businesses. Combined private and public sector online sales in Canada soared almost 40% to \$19.1 billion, following a 27% jump in 2002.

OTHER RELEASES

Annual wholesale trade, 2002	6
Annual Survey of Advertising and Related Services, 2002	7
Energy consumption by manufacturing industries, 1990 and 1995 to 2002	8
Steel primary forms, weekly data, week ending April 10, 2004	8

NEW PRODUCTS



Statistics
Canada

Statistique
Canada

Canada

MAJOR RELEASES

Electronic commerce and technology 2003

E-commerce posted a big gain in 2003 for the fourth year in a row, but online sales still accounted for less than 1% of total operating revenues for private businesses.

Combined private and public sector online sales in Canada soared almost 40% to \$19.1 billion, following a 27% jump in 2002. The gains were driven by an increase in domestic sales of over \$5.7 billion.

Private firms accounted for the vast majority of sales, \$18.6 billion. Online sales by public sector enterprises rebounded from a decline in 2002, jumping 56.3% to \$511.4 million.

About 7% of private sector firms sold goods or services online last year, virtually unchanged from the year before. These firms accounted for 29% of gross business income in Canada.

Internet sales, however, are only one key element of the e-commerce picture. There are many other important aspects to consider when examining technology access and use by Canadian firms. Websites, high-speed Internet access, purchasing, intranets and extranets are also key measures of business connectivity.

Broadband catches on quickly

A major factor in rising e-commerce, particularly in the private sector, is the adoption of high-speed access to the Internet. In 2003, two-thirds (66%) of all private companies used broadband to connect to the Internet, up from 58% the year before, and only 48% in 2001.

Percentage of firms using high-speed Internet access

	Private sector	Public sector
2001		
Low-speed	46.8	9.9
High-speed	48.4	86.5
2002		
Low-speed	36.6	4.4
High-speed	58.4	93.2
2003		
Low-speed	27.5	2.4
High-speed	66.3	95.3

The use of high-speed Internet access enables many other technologies to be utilized more effectively. The effectiveness of a firm hosting a website, selling

Note to readers

Data in this release are from the 2003 Survey of Electronic Commerce and Technology (SECT), which included the entire economy, except for local governments. The survey covered about 21,000 enterprises.

Electronic commerce (e-commerce) is defined as sales over the Internet, with or without online payment. Included is the value of orders received over the Internet. Sales using electronic data interchange over proprietary networks and transactions conducted on automatic teller machines are excluded.

The value of financial instruments transacted on the Internet such as loans and stocks are not considered e-commerce sales, but the service charges received for conducting these transactions over the Internet are included.

online or having an intranet or extranet all depend on broadband Internet.

Both broadband access and online sales are concentrated in large private companies, those with more than 500 employees. Of these large firms using the Internet, 95% had high-speed access, and accounted for 45% of online sales in 2003. One out of every four large firms sold goods or services online.

Domestic online sales up, foreign markets off

Domestic sales increased 55.2% last year to \$16.6 billion, accounting for all of the growth in online sales. Sales for export fell slightly from \$2.9 billion in 2002 to \$2.4 billion in 2003.

As a result, the domestic market accounted for 87% of total sales, up from 78% in 2002. The share headed to foreign markets fell from 22% to 13% in 2003, continuing a trend from previous years.

Manufacturers accounted for the highest value of exports, shipping \$753 million of online sales outside the country, about 30% of their total online sales.

The dollar value of business-to-consumer sales rose 51% to \$5.5 billion in 2003. Business-to-business sales reached \$13.1 billion, up 35.2%. About 30% of the value of online sales last year was to consumers, up from 27% in 2002, and 22% in 2001.

Firms in retail trade sold \$1.7 billion in goods and services online to consumers, the largest volume. This represented 82% of their total online sales. Although the arts, entertainment and recreation sector sold only just over \$160 million online to consumers, this accounted

for 92% of their total online sales, the highest proportion of any sector.

Online sales highest in the wholesale trade sector

In total, the value of e-commerce sales was highest in wholesale trade for the third straight year. It was followed by transportation and warehousing, manufacturing and retail trade. In 2003, these four industries accounted for 67% of e-commerce sales in Canada.

Firms in wholesale trade sold \$4.5 billion worth of goods and services over the Internet in 2003. Still, this accounted for only just over 1% of their total operating revenue. In 2003, 93% of e-commerce sales by wholesalers were to other firms.

Of companies that do not sell over the Internet, about 47% said the largest obstacle was that their products do not lend themselves to Internet transactions, although this proportion was down marginally from last year.

More than one in three firms that do not sell online said e-commerce was incompatible with their current business model, and they would prefer to follow their existing strategy. Other concerns included security issues and the cost of creating and maintaining an e-commerce-enabled website.

Continual increase in proportion of firms purchasing online

While the proportion of firms selling online remains relatively low, the proportion of firms making purchases online continued to grow rapidly. About 37% of firms made purchases online in 2003, up from 32% last year and more than double the proportion that did so in 2000.

Businesses that made purchases online accounted for 68% of all gross business income nationally.

The proportion of businesses purchasing over the Internet was highest in professional services (60%), while 56% of information and cultural industries made purchases over the Internet.

Purchasing over the Internet

	2001	2002	2003
	% of enterprises that use the Internet to buy goods or services		
Forestry, logging and support activities	11.0	20.1	21.7
Mining and oil and gas extraction	14.5	26.4	31.3
Utilities	31.5	41.6	52.0
Construction	16.7	26.8	26.1
Manufacturing	29.1	40.5	47.8
Wholesale trade	26.4	36.3	45.1
Retail trade	16.9	29.1	34.8
Transportation and warehousing	11.6	19.2	26.9
Information and cultural industries	51.8	59.9	56.5
Finance and insurance	24.9	36.6	36.7
Real estate and rental and leasing	13.4	19.8	23.1
Professional, scientific and technical services	42.1	50.6	59.9
Management of companies and enterprises	8.4	21.1	24.1
Administration and support, waste management and remediation services	30.9	28.5	36.6
Educational services (private sector)	39.3	46.1	45.6
Health care and social assistance (private sector)	20.0	29.5	32.1
Arts, entertainment and recreation	23.2	35.6	43.7
Accommodation and food services	9.4	18.2	22.4
Other services (except public administration)	14.8	23.4	27.6
All private sector	22.4	31.7	37.2
All public sector	54.5	65.2	68.2

More websites come online

In 2003, about 34% of firms had a website, up slightly from 31% in 2002. These businesses accounted for 85% of all gross business income in Canada. Websites were becoming more complex and sophisticated, as firms realize the importance of online access.

Large firms are more likely to have advanced features necessary for e-commerce on their website than small firms. Nearly all those with 500 or more employees used broadband, making it easier to adopt these features.

Such features include interactivity, a secure portal for collecting information and digital products and services that can make a website much more functional. Both costs and specific knowledge are involved in setting up and maintaining a site with these capabilities.

Internet use and presence of websites

	2002	2003	2002	2003
	% of enterprises that use the Internet		% of enterprises with a website	
Forestry, logging and support activities	64.3	71.5	9.4	13.9
Mining and oil and gas extraction	81.8	89.7	35.5	24.8
Utilities	93.0	95.3	47.4	64.4
Construction	68.5	73.8	22.9	29.0
Manufacturing	88.5	90.3	54.7	56.5
Wholesale trade	86.0	88.7	40.7	43.9
Retail trade	72.1	75.1	30.7	36.4
Transportation and warehousing	63.7	64.5	15.8	16.9
Information and cultural industries	96.7	93.5	67.5	61.4
Finance and insurance	78.5	80.5	43.2	53.0
Real estate and rental and leasing	64.7	66.9	25.0	26.0
Professional, scientific and technical services	92.4	94.5	33.4	35.3
Management of companies and enterprises	59.0	67.7	23.2	20.2
Administration and support, waste management and remediation services	73.1	79.8	35.1	34.5
Educational services (private sector)	94.9	93.1	74.4	72.3
Health care and social assistance (private sector)	74.6	77.7	18.2	21.8
Arts, entertainment and recreation	86.7	86.8	51.0	51.6
Accommodation and food services	58.1	59.8	21.7	26.0
Other services (except public administration)	67.6	68.4	30.4	33.3
All private sector	75.7	78.2	31.5	34.0
All public sector	99.6	100.0	87.9	92.7

Industrial sectors with the highest proportion of enterprises with a website were educational services,

and information and culture. More than 70% of firms in the educational services sector had a website.

While only 61% of firms in information and cultural industries had a website, they accounted for 97% of the sector's gross business income. This suggests that only the smallest firms in this sector do not have a website.

Basic technology use continues to rise

By 2002, large firms had almost universally adopted all basic information and communication technologies (ICTs). However, the overall percentage of firms using basic ICTs rose steadily as small firms continued to adopt ICTs such as e-mail and Internet.

In 2003, 78% of firms used the Internet, up from 76% the year before. Firms that used the Internet accounted for 97% of gross business income.

Three-quarters (74%) of firms used e-mail, up from 71% in 2002. Most of the growth in basic ICT use was a result of small firms adopting these technologies.

Canada's public sector has fully embraced ICTs, with almost universal use of e-mail, Internet and websites. Nearly 93% of public-sector firms had a website in 2003, up from 88% in 2002.

For the fourth consecutive year, nearly 100% of firms in the public sector used both the Internet and e-mail.

Available on CANSIM: tables 358-0007 to 358-0011 and 358-0014 to 358-0016.

Definitions, data sources and methods: survey number 4225.

For more information, or to enquire about the concepts, methods or data quality for this release, contact Bryan van Tol (613-951-6663, bryan.vantol@statcan.ca), Science, Innovation and Electronic Information Division.

□

Value of Internet sales

	2002	2003	2003	2003	2003	2003
	% of enterprises that use the Internet to sell goods or services		Internet sales with or without online payment	Internet sales as a % of total operating revenue	% of Internet sales to consumers	% of Internet sales to outside of Canada
			\$ million			
Forestry, logging and support activities	5.0	0.0	..	..	..	..
Mining and oil and gas extraction	3.2	0.5	x	x	x	x
Utilities	1.6	0.4	x	x	x	x
Construction	4.1	2.5	x	x	x	x
Manufacturing	12.1	11.5	2,513.1	0.4	20.9	30.2
Wholesale trade	12.6	13.8	4,489.3	1.2	7.0	2.2
Retail trade	11.4	11.3	2,113.0	0.6	81.6	25.5
Transportation and warehousing	3.6	2.4	3,436.9	3.7	13.3	1.2
Information and cultural industries	18.8	22.3	1,355.8	1.8	45.9	49.9
Finance and insurance	8.0	10.6	1,271.3	0.6	..	0.3
Real estate and rental and leasing	4.1	3.5	208.3	0.4	68.5	..
Professional, scientific and technical services	7.8	8.8	1,075.5	2.2	11.4	12.5
Management of companies and enterprises	5.9	5.0	185.2	0.8	68.0	..
Administration and support, waste management and remediation services	11.0	7.2	692.9	1.3	..	8.9
Educational services (private sector)	21.3	14.1	..	..	..	..
Health care and social assistance (private sector)	1.4	0.8	..	..	..	..
Arts, entertainment and recreation	14.1	10.4	163.9	1.9	91.7	..
Accommodation and food services	4.4	5.3	279.3	0.6	86.2	22.6
Other services (except public administration)	4.4	4.0	165.1	0.6	58.8	38.1
All private sector	7.5	7.1	18,597.5	0.8	29.6	13.0
All public sector	14.2	15.9	511.4		78.8	7.8

.. Figures not available.

x Confidential data.



OTHER RELEASES

Annual wholesale trade 2002

Healthy gains in sales failed to translate into higher profits for many sectors of the wholesale industry in 2002.

Total operating revenues across all sectors rose 6.3% to \$510.7 billion, while operating profits remained essentially unchanged at \$25.5 billion.

As a result, the industry's operating profit margin fell from 5.3% of revenues in 2001 to 5.0% in 2002.

Sixteen of 17 trade groups recorded higher revenue growth. They ranged from a high of 17.4% in the pharmaceutical sector to 0.4% for wholesalers of computer and electronic products. The only decline came in the farm products sector, where one of the worst droughts in years resulted in a major drop in grain sales.

In contrast, 11 of 17 trade groups reported lower operating profits. The most significant declines occurred in agents, motor vehicles and parts, machinery and equipment and office supplies and equipment. Higher operating expenses were a major factor behind most of the profit declines.

The overall cost of goods sold for wholesalers grew 6.3%, in line with revenues. However, operating expenses increased a faster 8.4%, largely the result of a 10.7% gain in wages and benefit expenses. Wages and benefits account for nearly one-half of total operating expenses.

The profit picture was not all negative. Among sectors recording substantial gains were wholesalers of petroleum products, whose operating profits surged 48% to \$1.9 billion.

Elsewhere, wholesalers of pharmaceutical products incurred a 46% increase in profits to \$911 million on the back of strong sales growth. Profits rose 42% to \$3.8 billion in the automotive sector, where incentive packages and low interest rates helped propel auto sales to new highs.

All provinces and territories recorded higher operating revenues except for the Yukon, where weaker sales of lumber and machinery and equipment helped contributed to a 0.6% decline. The biggest growth, 62%, occurred in Nunavut, where higher machinery and equipment sales were a significant factor.

Wholesalers in Ontario accounted for 42% of operating revenues, still the biggest share, while Quebec accounted for 20% and Alberta 16%.

Note: The information in this report is based on the North American Industry Classification System (NAICS). The results may differ from those published elsewhere under the 1980 Standard Industrial Classification (SIC). NAICS excludes from the wholesale sector establishments that were classified to wholesale trade under the 1980 SIC, such as building material dealers, computer and software stores and office supply and stationery stores. Under NAICS, these establishments have been classified in the retail sector.

Definitions, data sources and methods: survey number 2445.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Marc Atkins (613-951-3517), Distributive Trades Division. □

Wholesale trade by trade group

	2002		2001 to 2002	
	Operating revenues \$ millions	Operating profits	Operating revenues % change	Operating profits
Farm products	21,914	740	-2.7	-9.7
Petroleum products	60,489	1,947	1.0	48.0
Food products	69,320	2,761	5.6	-13.3
Alcohol and tobacco products	6,450	579	10.6	1.2
Apparel	8,844	575	8.5	-6.3
Household and personal goods	26,699	1,421	10.3	-13.8
Pharmaceutical products	20,507	911	17.4	46.1
Motor vehicles	78,223	3,802	16.2	42.2
Motor vehicle parts and accessories	16,557	848	11.2	-25.0
Building supplies	36,119	1,901	6.6	18.2
Metal products	11,206	417	2.4	25.4
Lumber and millwork	12,763	1,356	5.4	-5.9
Machinery and equipment	37,153	1,689	1.6	-19.4
Computers and other electronics	30,917	2,042	0.4	-10.6
Office and professional equipment	19,786	1,382	1.8	-17.2
Other products	48,709	2,285	5.1	-3.7
Agents and brokers	5,035	834	11.8	-25.7
Total	510,693	25,489	6.3	-0.1

Annual Survey of Advertising and Related Services 2002

Economic uncertainty held corporate advertising spending in check in 2002. So, for the advertising and related services industry, it was a year of staying the course and waiting for clients to see brighter days ahead.

The industry's operating revenues edged up a mere 0.8% from 2001 to \$5.12 billion.

Advertising agencies accounted for 46% of total industry operating revenues. They earned \$2.33 billion in 2002, up 1.1% from 2001, but below the peak of \$2.38 billion reached in 2000.

Operating revenues of the other, more specialized advertising industries such as public relations, direct mailers and flyer distributors, rose only 0.6% to \$2.78 billion, holding the ground they gained in 2001 when revenues surged 14.8%. In contrast, operating revenues of advertising agencies declined 3.3% in 2001.

Provincially, gains in revenue in Quebec and British Columbia offset a 2.9% decline in Ontario.

Together, these three provinces accounted for \$9 out of every \$10 earned by the industry in 2002.

The industry's profit margin in 2002 narrowed slightly to 8.6% from 8.9% the previous year, as expenses outpaced revenues. Increased production costs in the specialized advertising industries outweighed an overall decline in salaries, the largest single expense item for the industry.

Results from the 2002 Annual Survey of Advertising and Related Services are now available. These data provide information on the industry's revenue, expenditures, salaries and wages, profit margin, and the distributions of revenue earned by type of service and client base.

Available on CANSIM: table 360-0003.

Definitions, data sources and methods: survey number 2437.

To order a free data release package, or to enquire about the concepts, methods or data quality of this release, contact Paul McDonald (613-951-0665; paul.mcdonald@statcan.ca), Service Industries Division.

Energy consumption by manufacturing industries

1990 and 1995 to 2002

Estimates of energy consumption by manufacturing industries for 1990 and 1995 to 2002 based on the North American Industrial Classification System are now available.

Available on CANSIM: tables 128-0005 to 128-0008.

Definitions, data sources and methods: survey number 5047.

The publication *Industrial Consumption of Energy Survey: The 1990 NAICS-Based Estimates* (57-505-XIE, free) is now available online.

To order data or for general information, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca). ■

Steel primary forms, weekly data

Week ending April 10, 2004 (preliminary)

Steel primary forms production for the week ending April 10 totalled 299 680 metric tonnes, down 6.3% from 319 806 tonnes a week earlier but up 6.8% from 280 695 tonnes in the same week of 2003.

The year-to-date total as of April 10 was 4 426 293 tonnes, up 1.3% from 4 368 064 tonnes in the same period of 2003.

Definitions, data sources and methods: survey number 2131.

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

NEW PRODUCTS

Monthly Survey of Manufacturing, February 2004,
Vol. 58, no. 2
Catalogue number 31-001-XIE (\$17/\$158).

**Industrial Consumption of Energy Survey:
The 1990 NAICS-Based Estimates**, 1990
Catalogue number 57-505-XIE
(free).

**Analytical Series, Prices Division: City
Comparisons of Shelter Costs in Canada: A
Hedonic Approach**, no. 17
Catalogue number 62F0014MIE2004017
(free).

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

Catalogue numbers with an -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 and -XCB or -XCE are electronic versions on compact disc.

How to order products

Order products by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

1-800-267-6677

From other countries call:

1-613-951-7277

To fax your order:

1-877-287-4369

Address changes or account inquiries:

1-800-700-1033


To order a product by mail write: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet: write to infostats@statcan.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.

Catalogue 11-001-XIE (Paragraphe 11-001-XIE) 11-001-XIE-001-001



Statistics Canada

Thursday, June 3, 1997
For release at 5:30 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 an average of about 21 trips 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 was notably weak again in 1996, accompanied by modest gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, steel sheeting May 91, 1997** 13
- **Egg production, April 1997** 13

PUBLICATIONS RELEASED 11

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newspaper, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.