



Service Bulletin

Broadcasting and Telecommunications

Science, Innovation and Electronic Information Division

Vol. 38, no. 1

September 2008

Frequency: Irregular / ISSN 1492-4455

Information to access the product

This product, catalogue no. 56-001-X, is available for free in electronic format. To obtain a single issue, visit our website at www.statcan.gc.ca and select "Publications" > "Free Internet publications".

For information about this product or the wide range of services and data available from Statistics Canada, visit our website at www.statcan.gc.ca, e-mail us at infostats@statcan.gc.ca, or telephone us, Monday to Friday from 8:30 am to 4:30 pm at: Inquiries line 1-800-263-1136.

Telecommunications industries – 2006

This publication presents financial and operating statistics for telecommunications services industries (NAICS 517), except the Cable and Other Program Distribution industry (NAICS 5175)¹. This edition contains data for the 2003 to 2006 period.

The statistics shown in the tables that follow are from the Annual Survey of Telecommunications conducted by Statistics Canada. This survey allows for the production of structural and regional indicators.

This is the final issue of this publication in its current form. The Annual Survey of Telecommunications was merged with a similar data collection undertaken by the Canadian Radio-Television Commission (CRTC). Results from the first cycle of the joint survey were released by the CRTC in their Monitoring report

(www.crtc.gc.ca) and summary results will be published by Statistics Canada at a later date.

The restructuring of the industry continued

Evolving technologies, consumption patterns and regulations have all played a role in the restructuring of telecommunication services industries and the financial performance of its various segments in the recent past. In 2006, mergers, acquisitions and labour force restructuring also had a significant impact. These organizational changes occurred as many companies were trying to improve or maintain profitability.

In addition, the ever-growing popularity of wireless telecommunications and increased competition in the fixed telecommunication market are broad trends that continued to dominate the landscape.

1. The codes refer to the 2002 version of the North American Industry Classification System. For the most recent statistics on NAICS 5175 (Cable and Other Program Distribution) please see Volume 37, no. 1 of this publication or CANSIM table 353-0003.

Published by authority of the Minister responsible for Statistics Canada.

© Minister of Industry, 2008.

All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—or for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.

A more profitable industry

The profitability of the industry as a whole improved in 2006, in large part as a result of continued expense control. Despite a relatively modest 2.8 % increase in revenues, operating profits jumped 8.5 % to \$ 8.0 billion.

The industry managed to contain expenses by reducing corporate overhead; expenses related to network operations, maintenance and customer service continued to climb. This suggests that the industry was able to find improved efficiency to a greater extent in its corporate operations than in its network operations.

That being said, the overall results for the industry hide significant differences from segment to segment.

Declining revenues and profits for wireline services providers

In 2006, wireline companies' revenues decreased by 3.3%, to \$22.2 billion. This decline concerned many wireline markets, including a significant 7.6% decline in voice services. Some markets experienced growth, most notably telecommunications goods which rose 8.8% and retail Internet which grew by 4.6%.

The operating expenses of the wireline industry decreased a modest 0.8 % in 2006 to \$18.3 billion despite a 74.5% jump in customer servicing expenses, the result of fierce competition for market share. Operating profits dropped 13.7% to \$3.9 billion.

Revenue growth continues to drive wireless profitability

The revenues of the wireless segment totalled \$12.8 billion in 2006, an increase of 16.4% compared to 2005. For a third consecutive year, all major markets contributed to the industry's growth. For instance, wholesale revenues jumped 13.0% while retail voice revenues increased 15.0%. However, the largest growth came from specialty wireless services, including a 47.1% increase in revenues from web-browsing services.

Web-browsing services revenues increased from \$32.2 million in 2002 to \$396.5 million in 2006. As a result, its share of total retail wireless revenues increased from 0.5% in 2002 to 3.4% in 2006.

In 2006, total wireless operating expenses grew by 6.8%, to \$9.0 billion dollars. Wireless service provisioning accounted for close to 36% (or \$205 million) of the growth in expenses over 2005. Advertising and related services accounted for 21% (or \$122 million) of the growth in expenses, indicative of the aggressive advertising strategies used by wireless companies for a number of years.

The continuing double-digit growth in revenues of the wireless industry, combined with single-digit growth in expenses contributed to a 47.3% growth in operating profit, to \$3.8 billion. The addition of new subscribers year after year largely explains the rapid expansion of wireless revenues over time. However since 2002, the first profitable year for the wireless industry, the growth of operating revenues has outpaced the growth in subscriptions. The ability of the industry to increase revenue per subscriber has therefore been a key factor in the industry's improved profitability.

Reseller industry still undergoing re-organization

Total operating revenues in the reseller industry fell by 6.8% in 2006, while operating expenses declined by 12.8%. This resulted in the industry experiencing a significant increase in operating profit, to \$88.0 billion.

Even though operating profits almost doubled from 2005, a large portion of this increase can be attributed to re-organization within the reseller industry. This re-organization included the re-integration of operating units by the larger telecommunications companies, as well as mergers and acquisitions among the operating resellers.

Declining profitability for the satellite and other telecommunications industries

In 2006, while operating revenues remained virtually unchanged (-0.1%) in the satellite and other telecommunications industries, operating expenses continued to increase, by 4.4% over 2005. These combined to reduce operating profits by 14.3%, to \$136 million. This was the second time in five years that the satellite and other telecommunications industries experienced a drop in operating profits, caused in part by the decline in revenues, but particularly due to increasing expenses.

Smaller labour force helps keep wage bill relatively flat

In 2006, total labour expenses in the telecommunications industries remained relatively flat, with a 0.3% increase over 2005. The 1.4% increase in full-time labour expenses was offset by the decline in part-time labour expenses of 17.0%.

The number of persons employed in the telecommunications industry decreased 6.1%, as a result of a 5.1% drop in full-time employment and a 13.9% drop in part-time employment over 2005.

The average remuneration per employee grew 6.8% over 2005, from \$73,717 to \$78,713. This increase not only reflects changes caused by higher salaries, but also includes payments for workforce adjustments, for example, early retirement incentives and employee buyouts.

Wireless access about to overtake traditional wireline access to PSTN

For the fifth consecutive year, traditional wireline access to the Public Switched Telephone Network (PSTN) declined. From a high of 20.8 million lines in 2001, it eroded to 18.8 million in 2006 (Voice grade equivalents (VGE)).

In 2006, wireless subscriptions increased by 14.0% to 19.1 million subscribers, resulting in more than 58% of Canadians having a cell phone.

As wireless subscriptions continue to grow, paging subscriptions continue to decline. Paging subscriptions fell for a seventh consecutive year, by 15.9% over 2005, to 738,415.

History of Survey

The Telecommunications Industry (NAICS 517) is playing a critical role in the social and economic development of Canada. Clearly, its influence is expanding as Canadians increase their use of new products and services employing telecommunications applications, such as electronic media, e-commerce and mobile communications.

Significant technological innovations and deregulation in recent years has led to the introduction of many new services and service providers necessitating changes to the predecessor of this survey, the 'Telephone survey', designed in 1971.

The Annual Survey of Telecommunications Service Providers was introduced in 1997 in response to these changes. The new survey focuses on providing meaningful measures of the telecommunications industry's financial performance as well as aspects of the industry's network infrastructure. In addition, statistical changes such as the introduction of the North American Industry Classification System (NAICS) and the need to harmonise the redesigned annual survey with a new quarterly survey has had an impact on the nature of the data collected.

About the data

The data supplied by industry respondents relates to their financial and operating systems and are of good accounting quality. In instances where respondents were unable to provide the requested information, tax records were consulted to complete missing data. Where this was not possible, data was imputed based upon: information provided by the respondent relating to the missing data, their previous reports, reports from respondents that had similar operating profiles, or a combination of the above.

Imputation was required for some smaller sized respondents whose operations had a limited impact on aggregate results, or for larger firms to provide missing secondary detail (subsets of higher level data). Data sets that consisted of a high level of imputed data points have not been published.

Annual data published for 1996 or earlier is not always comparable to data collected for the 1997 and subsequent reporting periods due to changes in the survey introduced in 1997. Infrastructure relating to access lines and wireless subscribers is comparable across survey periods however.

Users interested in learning more about the concepts, methodology and data quality of the telecommunications surveys can visit Statistics Canada's web site at www.statcan.gc.ca. Definitions, data sources and methods are available for most surveys. The survey title is Annual Survey of Telecommunications (ID 2722).

For more information

In addition to the information provided in this publication, special tables and analytical services are available on a cost recovery basis from the Telecommunications Section; Science, Innovation and Electronic Information Division. For further information, contact Advisory Services Division at 1-800-263-1136; Facsimile 1-877-287-4369; infostats@statcan.gc.ca.

Feedback

Any suggestions or comments on this survey and publication should be sent to Cimeron McDonald (613-951-2741 or cimeron.mcdonald@statcan.gc.ca), Telecommunications Section, Science, Innovation and Electronic Information Division, Statistics Canada, Ottawa, Ontario K1A 0T6.

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed *standards of service* that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under "About us" > "Providing services to Canadians".

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
X	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

Abbreviations

n.e.c.	not elsewhere classified
FTE	Full-time equivalents
VGE	Voice-grade equivalents

North American Industry Classification System - NAICS (catalogue 12-501-XPE)

517	Telecommunications
5171	Wired Telecommunications Carriers
5172	Wireless Telecommunications Carriers (except Satellite)
5173	Telecommunications Resellers
5174	Satellite Telecommunications (including Satellite Resellers)
5179	Other Telecommunications

Table 1 Key operating indicators, by NAICS telecommunications industries, 2006

	5171	5172	5173	5174 and 5179	517 ¹
	thousands of dollars				
Income statement					
Operating revenue	22,174,526	12,794,853	745,089	659,097	36,373,565
Operating expenses	18,268,352	8,985,696	657,019	523,473	28,434,540
Operating profit	3,906,174	3,809,157	88,070	135,624	7,939,025
	percentage				
Operating profit margin	17.6	29.8	11.8	20.6	21.8
	thousands of dollars				
Non-operating revenues and expenses					
Investment income	773,692	54,775	2,840	19,180	850,487
Gains (losses) from asset sales, for exchange, etc.	3,899	30,182	-9,282	6,264	31,063
Interest expense	-812,112	-437,551	-13,172	-53,507	-1,316,342
Write-offs and valuation adjustments	0	-44	-63,454	0	-63,498
Other non-operating revenues and expenses	4,574,188	-252,383	-11,038	30,098	4,340,865
Total non-operating revenues and expenses	4,539,667	-605,021	-94,106	2,035	3,842,575
Income tax	-1,539,694	-30,845	-7,741	-20,915	-1,599,195
Net income (losses)	6,906,147	3,173,291	-13,777	116,744	10,182,405
Balance sheet					
Assets	46,997,827	10,825,414	417,429	2,458,142	60,698,812
Liabilities	23,509,394	7,448,708	436,297	1,386,113	32,780,512
Equity	23,488,433	3,376,706	-18,868	1,072,029	27,918,300
Labour expenses	5,242,547	1,080,744	109,757	98,349	6,531,397
Full-time	5,013,233	1,003,203	x	x	6,220,921
Part-time	229,314	77,541	x	x	310,476
Average remuneration (salaries, wages and benefits)	81,510	68,723	55,686	102,234	78,713
Full-time	86,393	72,897	x	x	83,376
Part-time	36,457	39,481	x	x	37,121
Revenue per employee (FTE)	365,422	863,001	x	x	464,322
Capital expenditures	4,093,841	1,556,387	x	x	5,832,611
Construction	1,703,506	491,698	x	x	2,197,273
Machinery and equipment	2,390,335	1,064,689	x	x	3,635,338
	number				
Employment (persons)	64,318	15,726	1,971	962	82,977
Full-time	58,028	13,762	x	x	74,613
Part-time	6,290	1,964	x	x	8,364
Total full-time equivalent employees	60,682	14,826	x	x	78,337
Wireline network					
PSTN access lines	17,996,822	...	...	...	17,996,822
PSTN access lines (VGE)	18,787,401	...	...	...	18,787,401
PSTN access lines per 100 persons (VGE)	57.4	...	...	...	57.4
Mobile telephony (subscribers)	...	19,083,970	...	...	19,083,970
Mobile telephony subscribers per 100 persons	...	58.3	...	...	58.3
PSTN access paths					
Fixed or mobile	17,996,822	19,083,970	...	...	37,080,792
Fixed or mobile (VGE)	18,787,401	19,083,970	...	...	37,871,371
Teledensity (VGE per 100 inhabitants)	57.4	58.3	...	...	115.7

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 2 Key operating indicators, Telecommunications (NAICS 517¹), 2003 to 2006

	2003	2004	2005	2006	2003 / 2004	2004 / 2005	2005 / 2006
	thousands of dollars				percentage change		
Income statement							
Operating revenue	32,597,625	33,658,126	35,390,015	36,373,565	3.3	5.1	2.8
Operating expenses	26,404,904	26,288,278	28,072,479	28,434,540	-0.4	6.8	1.3
Operating profit	6,192,721	7,369,848	7,317,536	7,939,025	19.0	-0.7	8.5
	percentage						
Operating profit margin	19.0	21.9	20.7	21.8	...	...	...
	thousands of dollars						
Non-operating revenues and expenses							
Investment income	305,976	234,428	1,221,273	850,487	...	...	...
Gains (losses) from asset sales, for exchange, etc.	572,603	220,077	3,537	31,063	...	...	...
Interest expense	-2,747,360	-1,451,967	-2,145,802	-1,316,342	...	...	...
Write-offs and valuation adjustments	-27,617	-37,975	-4,351	-63,498	...	...	...
Other non-operating revenues and expenses	999,119	-1,331,144	-154,384	4,340,865	...	...	...
Total non-operating revenues and expenses	-897,279	-2,366,581	-1,079,727	3,842,575	...	...	...
Income tax	-980,781	-1,075,656	-1,034,867	-1,599,195	...	...	...
Net income (losses)	4,314,661	3,927,611	5,202,942	10,182,405	...	...	...
Balance sheet							
Assets	67,271,110	63,681,020	70,554,276	60,698,812	-5.3	10.8	-14.0
Liabilities	37,639,005	38,094,597	42,462,909	32,780,512	1.2	11.5	-22.8
Equity	29,632,105	25,586,423	28,091,367	27,918,300	-13.7	9.8	-0.6
Labour expenses							
6,161,094	6,199,173	6,510,765	6,531,397	0.6	5.0	0.3	
Full-time	5,832,389	5,895,446	6,136,651	6,220,921	1.1	4.1	1.4
Part-time	328,705	303,727	374,114	310,476	-7.6	23.2	-17.0
Average remuneration (salaries, wages and benefits)	69,778	69,602	73,717	78,713	-0.3	5.9	6.8
Full-time	74,692	74,107	78,063	83,376	-0.8	5.3	6.8
Part-time	32,194	31,928	38,533	37,121	-0.8	20.7	-3.7
Revenue per employee (FTE)	395,185	402,364	424,320	464,322	1.8	5.5	9.4
Capital expenditures							
4,581,410	5,171,882	5,720,871	5,832,611	12.9	10.6	2.0	
Construction	1,290,735	1,254,480	2,274,526	2,197,273	-2.8	81.3	-3.4
Machinery and equipment	3,290,675	3,917,402	3,446,345	3,635,338	19.0	-12.0	5.5
	number						
Employment (persons)							
88,296	89,066	88,321	82,977	0.9	-0.8	-6.1	
Full-time	78,086	79,553	78,612	74,613	1.9	-1.2	-5.1
Part-time	10,210	9,513	9,709	8,364	-6.8	2.1	-13.9
Total full-time equivalent employees	82,487	83,651	83,404	78,337	1.4	-0.3	-6.1
Wireline network							
PSTN access lines	19,055,056	18,804,002	18,318,050	17,996,822	-1.3	-2.6	-1.8
PSTN access lines (VGE)	20,067,563	19,762,389	19,144,446	18,787,401	-1.5	-3.1	-1.9
PSTN access lines per 100 persons (VGE)	63.2	61.6	59.1	57.4	-2.5	-4.1	-2.9
Mobile telephony (subscribers)							
13,227,851	14,888,766	16,737,134	19,083,970	12.6	12.4	14.0	
Mobile telephony subscribers per 100 persons	41.6	46.4	51.6	58.3	11.5	11.2	13.0
PSTN access paths							
Fixed or mobile	32,282,907	33,692,768	35,055,184	37,080,792	4.4	4.0	5.8
Fixed or mobile (VGE)	33,295,414	34,651,155	35,881,580	37,871,371	4.1	3.6	5.5
Teledensity (VGE per 100 inhabitants)	104.8	108.0	110.7	115.7	3.1	2.5	4.5

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 3 Key operating indicators, Wired Telecommunications Carriers (NAICS 5171), 2003 to 2006

	2003	2004	2005	2006	2003 / 2004	2004 / 2005	2005 / 2006
	thousands of dollars				percentage change		
Income statement							
Operating revenue	22,923,707	22,705,751	22,935,008	22,174,526	-1.0	1.0	-3.3
Operating expenses	18,428,947	17,595,496	18,406,633	18,268,352	-4.5	4.6	-0.8
Operating profit	4,494,760	5,110,255	4,528,375	3,906,174	13.7	-11.4	-13.7
	percentage						
Operating profit margin	19.6	22.5	19.7	17.6	...	...	...
	thousands of dollars						
Non-operating revenues and expenses							
Investment income	235,751	152,893	1,125,785	773,692	...	...	...
Gains (losses) from asset sales, for exchange, etc.	430,604	226,826	1,836	3,899	...	...	...
Interest expense	-2,371,585	-1,051,073	-1,652,164	-812,112	...	...	...
Write-offs and valuation adjustments	-27,101	-37,975	-3,875	0	...	...	...
Other non-operating revenues and expenses	1,021,704	-1,216,258	-53,579	4,574,188	...	...	...
Total non-operating revenues and expenses	-710,627	-1,925,587	-581,997	4,539,667	...	...	...
Income tax	-757,423	-796,087	-976,720	-1,539,694	...	...	...
Net income (losses)	3,026,710	2,388,581	2,969,658	6,906,147	...	...	...
Balance sheet							
Assets	54,020,629	46,441,757	54,172,835	46,997,827	-14.0	16.6	-13.2
Liabilities	28,546,335	26,739,778	33,769,981	23,509,394	-6.3	26.3	-30.4
Equity	25,474,294	19,701,979	20,402,854	23,488,433	-22.7	3.6	15.1
Labour expenses	5,067,140	4,962,602	5,172,354	5,242,547	-2.1	4.2	1.4
Full-time	4,808,221	4,730,988	4,923,446	5,013,233	-1.6	4.1	1.8
Part-time	258,919	231,614	248,908	229,314	-10.5	7.5	-7.9
Average remuneration (salaries, wages and benefits)	72,606	72,641	75,849	81,510	0.0	4.4	7.5
Full-time	76,855	76,036	81,075	86,393	-1.1	6.6	6.6
Part-time	35,822	37,988	33,339	36,457	6.0	-12.2	9.4
Revenue per employee (FTE)	347,692	347,896	359,500	365,422	0.1	3.3	1.6
Capital expenditures	3,258,664	3,376,819	4,092,350	4,093,841	3.6	21.2	0.0
Construction	1,025,762	944,717	1,853,457	1,703,506	-7.9	96.2	-8.1
Machinery and equipment	2,232,902	2,432,102	2,238,893	2,390,335	8.9	-7.9	6.8
	number						
Employment (persons)	69,790	68,317	68,193	64,318	-2.1	-0.2	-5.7
Full-time	62,562	62,220	60,727	58,028	-0.5	-2.4	-4.4
Part-time	7,228	6,097	7,466	6,290	-15.6	22.5	-15.8
Total full-time equivalent employees	65,931	65,266	63,797	60,682	-1.0	-2.3	-4.9
Wireline network							
PSTN access lines	19,055,056	18,804,002	18,318,050	17,996,822	-1.3	-2.6	-1.8
PSTN access lines (VGE)	20,067,563	19,762,389	19,144,446	18,787,401	-1.5	-3.1	-1.9
PSTN access lines per 100 persons (VGE)	63.2	61.6	59.1	57.4	-2.5	-4.1	-2.9

Table 4 Key operating indicators, Wireless Telecommunications Carriers (NAICS 5172), 2003 to 2006

	2003	2004	2005	2006	2003 / 2004	2004 / 2005	2005 / 2006
	thousands of dollars				percentage change		
Income statement							
Operating revenue	8,304,772	9,478,099	10,996,462	12,794,853	14.1	16.0	16.4
Operating expenses	6,832,018	7,493,745	8,411,016	8,985,696	9.7	12.2	6.8
Operating profit	1,472,754	1,984,354	2,585,446	3,809,157	34.7	30.3	47.3
	percentage						
Operating profit margin	17.7	20.9	23.5	29.8	...	...	...
	thousands of dollars						
Non-operating revenues and expenses							
Investment income	28,669	59,699	31,835	54,775	...	...	...
Gains (losses) from asset sales, for exchange, etc.	136,913	-27,478	-2,336	30,182	...	...	...
Interest expense	-271,914	-308,698	-425,088	-437,551	...	...	...
Write-offs and valuation adjustments	-3	0	237	-44	...	...	...
Other non-operating revenues and expenses	253	-94,058	-106,018	-252,383	...	...	...
Total non-operating revenues and expenses	-106,082	-370,535	-501,370	-605,021	...	...	...
Income tax	-155,044	-212,360	-4,306	-30,845	...	...	...
Net income (losses)	1,211,628	1,401,459	2,079,770	3,173,291	...	...	...
Balance sheet							
Assets	10,738,510	14,590,335	13,793,886	10,825,414	35.9	-5.5	-21.5
Liabilities	7,342,570	9,395,780	7,101,297	7,448,708	28.0	-24.4	4.9
Equity	3,395,940	5,194,555	6,692,589	3,376,706	53.0	28.8	-49.5
Labour expenses	910,175	1,025,747	1,110,141	1,080,744	12.7	8.2	-2.6
Full-time	844,661	958,690	998,353	1,003,203	13.5	4.1	0.5
Part-time	65,514	67,057	111,788	77,541	2.4	66.7	-30.6
Average remuneration (salaries, wages and benefits)	59,114	59,519	69,013	68,723	0.7	16.0	-0.4
Full-time	67,079	68,331	70,835	72,897	1.9	3.7	2.9
Part-time	23,356	20,929	56,118	39,481	-10.4	168.1	-29.6
Revenue per employee (FTE)	612,040	631,410	701,663	863,001	3.2	11.1	23.0
Capital expenditures	1,239,244	1,332,652	1,379,263	1,556,387	7.5	3.5	12.8
Construction	243,283	291,344	415,029	491,698	19.8	42.5	18.5
Machinery and equipment	995,961	1,041,308	964,234	1,064,689	4.6	-7.4	10.4
	number						
Employment (persons)	15,397	17,234	16,086	15,726	11.9	-6.7	-2.2
Full-time	12,592	14,030	14,094	13,762	11.4	0.5	-2.4
Part-time	2,805	3,204	1,992	1,964	14.2	-37.8	-1.4
Total full-time equivalent employees	13,569	15,011	15,672	14,826	10.6	4.4	-5.4
Mobile telephony (subscribers)	13,227,851	14,888,766	16,737,134	19,083,970	12.6	12.4	14.0
Mobile telephony subscribers per 100 persons	41.6	46.4	51.6	58.3	11.5	11.2	13.0

Table 5 Key operating indicators, Telecommunications Resellers (NAICS 5173), 2003 to 2006

	2003	2004	2005	2006	2003 / 2004	2004 / 2005	2005 / 2006
	thousands of dollars				percentage		
Income statement							
Operating revenue	743,268	816,947	799,048	745,089	9.9	-2.2	-6.8
Operating expenses	655,892	728,598	753,532	657,019	11.1	3.4	-12.8
Operating profit	87,376	88,349	45,516	88,070	1.1	-48.5	93.5
	percentage						
Operating profit margin	11.8	10.8	5.7	11.8	...	...	...
	thousands of dollars						
Non-operating revenues and expenses							
Investment income	179	101	433	2,840	...	...	...
Gains (losses) from asset sales, for exchange, etc.	1,051	-45	-1,246	-9,282	...	...	...
Interest expense	-55,445	-30,363	-15,024	-13,172	...	...	...
Write-offs and valuation adjustments	-513	0	-713	-63,454	...	...	...
Other non-operating revenues and expenses	-30,395	-29,330	-13,427	-11,038	...	...	...
Total non-operating revenues and expenses	-85,123	-59,637	-29,977	-94,106	...	...	...
Income tax	-11,964	-21,266	-4,563	-7,741	...	...	...
Net income (losses)	-9,711	7,446	10,976	-13,777	...	...	...
Balance sheet							
Assets	480,591	412,332	339,670	417,429	-14.2	-17.6	22.9
Liabilities	415,262	494,421	383,233	436,297	19.1	-22.5	13.8
Equity	65,329	-82,089	-43,563	-18,868	-225.7	46.9	56.7
Labour expenses	112,320	135,908	147,169	109,757	21.0	8.3	-25.4
Full-time	x	x	x	x	x	x	x
Part-time	x	x	x	x	x	x	x
Average remuneration (salaries, wages and benefits)	50,188	51,247	47,443	55,686	2.1	-7.4	17.4
Full-time	x	x	x	x	x	x	x
Part-time	x	x	x	x	x	x	x
Revenue per employee (FTE)	x	x	x	x	x	x	x
Capital expenditures	x	x	x	x	x	x	x
Construction	x	x	x	x	x	x	x
Machinery and equipment	x	x	x	x	x	x	x
	number						
Employment (persons)	2,238	2,652	3,102	1,971	18.5	17.0	-36.5
Full-time	2,071	x	x	x	x	x	x
Part-time	167	x	x	x	x	x	x
Total full-time equivalent employees	x	x	x	x	x	x	x

Table 6 Key operating indicators, Satellite and Other Telecommunications (NAICS 5174 and 5179), 2003 to 2006

	2003	2004	2005	2006	2003 / 2004	2004 / 2005	2005 / 2006
	thousands of dollars				percentage change		
Income statement							
Operating revenue	625,878	657,329	659,497	659,097	5.0	0.3	-0.1
Operating expenses	488,047	470,439	501,298	523,473	-3.6	6.6	4.4
Operating profit	137,831	186,890	158,199	135,624	35.6	-15.4	-14.3
	percentage						
Operating profit margin	22.0	28.4	24.0	20.6	...	...	...
	thousands of dollars						
Non-operating revenues and expenses							
Investment income	41,377	21,735	63,220	19,180	...	...	...
Gains (losses) from asset sales, for exchange, etc.	4,035	20,774	5,283	6,264	...	...	...
Interest expense	-48,416	-61,833	-53,526	-53,507	...	...	...
Write-offs and valuation adjustments	0	0	0	0	...	...	...
Other non-operating revenues and expenses	7,557	8,502	18,640	30,098	...	...	...
Total non-operating revenues and expenses	4,553	-10,822	33,617	2,035	...	...	...
Income tax	-56,350	-45,943	-49,278	-20,915	...	...	...
Net income (losses)	86,034	130,125	142,538	116,744	...	...	...
Balance sheet							
Assets	2,031,380	2,236,596	2,247,885	2,458,142	10.1	0.5	9.4
Liabilities	1,334,838	1,464,618	1,208,398	1,386,113	9.7	-17.5	14.7
Equity	696,542	771,978	1,039,487	1,072,029	10.8	34.7	3.1
Labour expense	71,459	74,916	81,101	98,349	4.8	8.3	21.3
Full-time	x	x	x	x	x	x	x
Part-time	x	x	x	x	x	x	x
Average remuneration (salaries, wages and benefits)	82,042	86,809	86,278	102,234	5.8	-0.6	18.5
Full-time	x	x	x	x	x	x	x
Part-time	x	x	x	x	x	x	x
Revenue per employee (FTE)	x	x	x	x	x	x	x
Capital expenditures	x	x	x	x	x	x	x
Construction	x	x	x	x	x	x	x
Machinery and equipment	x	x	x	x	x	x	x
	number						
Employment (persons)	871	863	940	962	-0.9	8.9	2.3
Full-time	861	x	x	x	x	x	x
Part-time	10	x	x	x	x	x	x
Total full-time equivalent employees	x	x	x	x	x	x	x

Table 7 Profit and loss statement, by province, Telecommunications (NAICS 517¹), 2006

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
Number of establishments	8	6	11	7	42	80
	thousands of dollars					
Operating revenues	630,536	135,228	947,030	825,966	7,475,265	15,447,393
Operating expenses	503,561	x	709,738	605,212	6,078,828	12,101,316
Telecommunications operating expenses	356,097	x	662,841	x	5,004,394	9,833,765
Other operating expenses	147,464	x	46,897	x	1,074,434	2,267,551
Operating profit	126,975	x	237,292	220,754	1,396,437	3,346,077
	percentage					
Operating profit margin	20.1	x	25.1	26.7	18.7	21.7
	thousands of dollars					
Labour expenses	77,690	x	128,327	113,140	1,389,785	2,781,594
Salaries and wages	75,178	x	x	x	1,263,111	2,510,976
Benefits	2,512	x	x	x	126,674	270,618
Capital expenditures	104,119	x	137,284	139,627	1,004,008	2,512,614
Construction	33,454	x	x	33,279	392,938	936,928
Machinery and equipment	70,665	x	x	106,348	611,070	1,575,686
	percentage of operating revenues					
Labour expenses	12.3	x	13.6	13.7	18.6	18.0
Capital expenditures	16.5	x	14.5	16.9	13.4	16.3
	number					
Employment (persons)	1,245	x	2,040	1,805	15,548	29,953
Full-time	x	x	2,015	1,795	14,013	27,363
Part-time	x	x	25	10	1,535	2,590
Wireless subscribers						
Total - Mobile telephony	187,645	x	446,190	320,641	3,169,659	7,952,230
Total - Paging	6,623	x	14,451	10,693	199,292	356,970
Population (persons)	508,955	138,596	934,172	748,439	7,669,100	12,721,776
	percentage of total Canada					
Total operating revenues	1.7	0.4	2.6	2.3	20.6	42.5
Total operating expenses	1.8	x	2.5	2.1	21.4	42.6
Operating profit	1.6	x	3.0	2.8	17.6	42.1
Capital expenditures	1.8	x	2.4	2.4	17.2	43.1
Total labour expenses	1.2	x	2.0	1.7	21.3	42.6
Total employment (persons)	1.5	x	2.5	2.2	18.7	36.1

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 7 Profit and loss statement, by province, Telecommunications (NAICS 517¹), 2006 (continued)

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon, Nunavut, Northwest Territories	Canada
Number of establishments	8	7	17	27	12	225
	thousands of dollars					
Operating revenues	1,087,250	1,102,065	4,354,648	4,231,246	136,938	36,373,565
Operating expenses	799,948	899,568	3,315,047	3,215,945	x	28,434,540
Telecommunications operating expenses	x	x	2,653,514	2,848,190	x	23,512,565
Other operating expenses	x	x	661,533	367,755	x	4,921,975
Operating profit	287,302	202,497	1,039,601	1,015,301	x	7,939,025
	percentage					
Operating profit margin	26.4	18.4	23.9	24.0	x	21.8
	thousands of dollars					
Labour expenses	x	342,868	708,881	698,138	x	6,531,397
Salaries and wages	x	251,698	612,721	602,144	x	5,797,685
Benefits	x	91,170	96,160	95,994	x	733,712
Capital expenditures	162,160	226,261	874,289	643,800	x	5,832,611
Construction	x	5,749	445,119	277,141	x	2,197,273
Machinery and equipment	x	220,512	429,170	366,659	x	3,635,338
	percentage of operating revenues					
Labour expenses	x	31.1	16.3	16.5	x	18.0
Capital expenditures	14.9	20.5	20.1	15.2	x	16.0
	number					
Employment (persons)	x	4,259	12,026	12,185	x	82,977
Full-time	x	3,691	10,206	10,523	x	74,613
Part-time	x	568	1,820	1,662	x	8,364
Wireless subscribers						
Total - Mobile telephony	555,551	488,458	2,762,892	3,132,342	x	19,083,970
Total - Paging	15,815	1,780	56,049	74,440	x	738,415
Population (persons)	1,178,491	985,859	3,413,464	4,327,431	103,930	32,730,213
	percentage of total Canada					
Total operating revenues	3.0	3.0	12.0	11.6	0.4	100.0
Total operating expenses	2.8	3.2	11.7	11.3	x	100.0
Operating profit	3.6	2.6	13.1	12.8	x	100.0
Capital expenditures	2.8	3.9	15.0	11.0	x	100.0
Total labour expenses	x	5.2	10.9	10.7	x	100.0
Total employment (persons)	x	5.1	14.5	14.7	x	100.0

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 8 Profit and loss statement, by province, by industry, 2006

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
thousands of dollars						
Total operating revenues						
Wireline (5171)	329,939	88,123	621,382	x	5,271,314	9,565,243
Wireless (5172)	x	x	316,155	228,099	2,066,148	5,046,940
Other (5173, 5174, 5179)	x	x	9,493	x	137,803	835,210
Total 517¹	630,536	135,228	947,030	825,966	7,475,265	15,447,393
Total operating expenses						
Wireline (5171)	x	x	x	467,458	4,497,043	7,502,920
Wireless (5172)	x	x	x	134,929	1,505,037	3,842,763
Other (5173, 5174, 5179)	x	x	x	x	76,748	755,633
Total 517¹	503,561	x	709,738	605,212	6,078,828	12,101,316
Operating profit						
Wireline (5171)	x	x	x	x	774,271	2,062,323
Wireless (5172)	x	x	x	93,170	561,111	1,204,177
Other (5173, 5174, 5179)	x	x	x	x	61,055	79,577
Total 517¹	126,975	x	237,292	220,754	1,396,437	3,346,077
percentage						
Operating profit margin						
Wireline (5171)	x	x	x	x	14.7	21.6
Wireless (5172)	x	x	x	40.8	27.2	23.9
Other (5173, 5174, 5179)	x	x	x	x	44.3	9.5
Total 517¹	20.1	x	25.1	26.7	18.7	21.7

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 8 Profit and loss statement, by province, by industry, 2006 (continued)

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon, Nunavut, Northwest Territories	Canada
thousands of dollars						
Total operating revenues						
Wireline (5171)	x	x	x	2,148,854	x	22,174,526
Wireless (5172)	x	x	2,163,134	1,934,167	x	12,794,853
Other (5173, 5174, 5179)	11,137	8,235	x	148,225	x	1,404,186
Total 517¹	1,087,250	1,102,065	4,354,648	4,231,246	136,938	36,373,565
Total operating expenses						
Wireline (5171)	x	x	x	x	x	18,268,352
Wireless (5172)	x	x	1,382,686	1,275,027	x	8,985,696
Other (5173, 5174, 5179)	x	x	x	x	x	1,180,492
Total 517¹	799,948	899,568	3,315,047	3,215,945	x	28,434,540
Operating profit						
Wireline (5171)	x	x	x	x	x	3,906,174
Wireless (5172)	x	x	780,448	659,140	x	3,809,157
Other (5173, 5174, 5179)	x	x	x	x	x	223,694
Total 517¹	287,302	202,497	1,039,601	1,015,301	x	7,939,025
percentage						
Operating profit margin						
Wireline (5171)	x	x	x	x	x	17.6
Wireless (5172)	x	x	36.1	34.1	x	29.8
Other (5173, 5174, 5179)	x	x	x	x	x	15.9
Total 517¹	26.4	18.4	23.9	24.0	x	21.8

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 9 Profit and loss statement, by province, Telecommunications (NAICS 517¹), 2005 to 2006

	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Québec	Ontario
thousands of dollars						
Total operating revenues						
2006	630,536	135,228	947,030	825,966	7,475,265	15,447,393
2005	585,249	136,506	961,973	775,560	7,345,422	15,097,441
Total operating expenses						
2006	503,561	x	709,738	605,212	6,078,828	12,101,316
2005	476,363	x	707,056	594,790	6,136,871	11,737,603
Operating profit						
2006	126,975	x	237,292	220,754	1,396,437	3,346,077
2005	108,886	x	254,917	180,770	1,208,551	3,359,838
percentage						
Operating profit margin						
2006	20.1	x	25.1	26.7	18.7	21.7
2005	18.6	x	26.5	23.3	16.5	22.3
thousands of dollars						
Capital expenditures						
2006	104,119	x	137,284	139,627	1,004,008	2,512,614
2005	128,449	x	157,271	142,802	979,918	2,188,324
Total labour expenses						
2006	77,690	x	128,327	113,140	1,389,785	2,781,594
2005	99,979	x	222,368	169,390	1,371,999	2,566,462
Labour expenses % of operating revenue						
2006	12.3	x	13.6	13.7	18.6	18.0
2005	17.1	x	23.1	21.8	18.7	17.0
number						
Total employment (persons)						
2006	1,245	x	2,040	1,805	15,548	29,953
2005	1,621	x	2,817	2,504	16,108	34,732
percentage change 2005 to 2006						
Total operating revenues	7.7	-0.9	-1.6	6.5	1.8	2.3
Total operating expenses	5.7	x	0.4	1.8	-0.9	3.1
Operating profit	16.6	x	-6.9	22.1	15.5	-0.4
Capital expenditures	-18.9	x	-12.7	-2.2	2.5	14.8
Total labour expenses	-22.3	x	-42.3	-33.2	1.3	8.4
Total employment (persons)	-23.2	x	-27.6	-27.9	-3.5	-13.8

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)

Table 9 Profit and loss statement, by province, Telecommunications (NAICS 517¹), 2005 to 2006 (continued)

	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon, Nunavut, Northwest Territories	Canada
	thousands of dollars					
Total operating revenues						
2006	1,087,250	1,102,065	4,354,648	4,231,246	136,938	36,373,565
2005	994,623	996,525	4,014,752	4,345,632	136,332	35,390,015
Total operating expenses						
2006	799,948	899,568	3,315,047	3,215,945	x	28,434,540
2005	824,572	887,620	3,122,286	3,350,804	x	28,072,479
Operating profit						
2006	287,302	202,497	1,039,601	1,015,301	x	7,939,025
2005	170,051	108,905	892,466	994,828	x	7,317,536
	percentage					
Operating profit margin						
2006	26.4	18.4	23.9	24.0	x	21.8
2005	17.1	10.9	22.2	22.9	x	20.7
	thousands of dollars					
Capital expenditures						
2006	162,160	226,261	874,289	643,800	x	5,832,611
2005	200,630	144,049	908,497	791,716	x	5,720,871
Total labour expenses						
2006	x	342,868	708,881	698,138	x	6,531,397
2005	x	337,954	686,139	725,086	x	6,510,765
Labour expenses % of operating revenue						
2006	x	31.1	16.3	16.5	x	18.0
2005	x	33.9	17.1	16.7	x	18.4
	number					
Total employment (persons)						
2006	x	4,259	12,026	12,185	x	82,977
2005	x	4,187	10,440	11,879	x	88,321
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon, Nunavut, Northwest Territories	Canada
	percentage change 2005 to 2006					
Total operating revenues	9.3	10.6	8.5	-2.6	0.4	2.8
Total operating expenses	-3.0	1.3	6.2	-4.0	x	1.3
Operating profit	69.0	85.9	16.5	2.1	x	8.5
Capital expenditures	-19.2	57.1	-3.8	-18.7	x	2.0
Total labour expenses	x	1.5	3.3	-3.7	x	0.3
Total employment (persons)	x	1.7	15.2	2.6	x	-6.1

1. NAICS 517 - Telecommunications (excluding NAICS 5175 - Cable and Other Program Distribution)