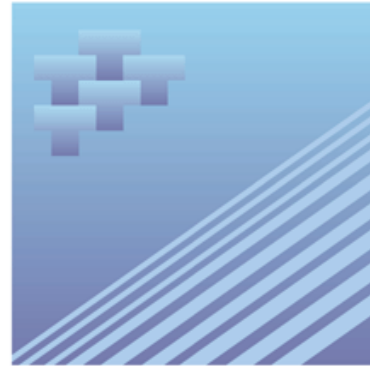




Catalogue no. 53-222-XIE

# Trucking in Canada

2005



 Statistics  
Canada Statistique  
Canada

Canada

## How to obtain more information

Specific inquiries about this product and related statistics or services should be directed to: Transportation Division, Statistics Canada, Ottawa, Ontario, K1A 0T6 (telephone: 1-866-500-8400).

For information on the wide range of data available from Statistics Canada, you can contact us by calling one of our toll-free numbers. You can also contact us by e-mail or by visiting our website at [www.statcan.ca](http://www.statcan.ca).

National inquiries line	1-800-263-1136
National telecommunications device for the hearing impaired	1-800-363-7629
Depository Services Program inquiries	1-800-700-1033
Fax line for Depository Services Program	1-800-889-9734
E-mail inquiries	<a href="mailto:infostats@statcan.ca">infostats@statcan.ca</a>
Website	<a href="http://www.statcan.ca">www.statcan.ca</a>

## Information to access the product

This product, catalogue no. 53-222-XIE, is available for free in electronic format. To obtain a single issue, visit our website at [www.statcan.ca](http://www.statcan.ca) and select Publications.

## Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, the Agency has developed standards of service which its employees observe in serving its clients. 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.ca](http://www.statcan.ca) under About us > Providing services to Canadians.



Statistics Canada  
Transportation Division  
Trucking Section

# Trucking in Canada

2005

Published by authority of the Minister responsible for Statistics Canada

© Minister of Industry, 2007

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.

June 2007

Catalogue no. 53-222-XIE  
ISSN 1481-0719

Frequency: annual

Ottawa

La version française de cette publication est disponible sur demande (n° 53-222-XIF au catalogue).

---

## 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 cooperation and goodwill.

# 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<sup>s</sup> value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
- <sup>p</sup> preliminary
- <sup>r</sup> revised
- x suppressed to meet the confidentiality requirements of the *Statistics Act*
- <sup>E</sup> use with caution
- F too unreliable to be published

## Acknowledgements

This publication was prepared in the Transportation Division under the direction of **Gordon Baldwin**, Director; **Bruce Meyer**, Assistant Director; **Ed Hamilton**, Chief, Trucking Section; **Joe Foti**, Chief Operations; **John Nicoletta**, and **Denis Pilon**, Unit Heads, Trucking Section.

The principal authors of this publication were **John Nicoletta**, **Denis Pilon** and **Vincent Dubé**.

Technical assistance was provided by: **Johanne Desjardins**; **Johanne Caron-Dorion**; **Peggy Moffatt**; **Susan McLeod**; and **Suzanne Cousineau**.

Other significant contributions to the collection, preparation of the data were made by the following people:

### **Transportation Division**

Ghislaine Comeau, Nathalie Larocque, Nicole Truax, and Elaine Heney

### **Transportation Division, Systems & Data Integration Section**

Louis-Jérôme Belleau, Serge Robert, François Roy, Greg Toll, and Patrick Goubran

### **Business Surveys Methods Division**

Jack Lothian, Sébastien Landry, François Gagnon, Ling Su, Lyne Guertin and Windie Gagné

### **Survey Operations Division**

Ida Didomenico, Milena Zelenbaba, Paul Adams, and Linda Balloch

### **Statistics Canada Regional Offices**

### **Operations Research and Development Division**

### **Operations and Integration Division**

Marian Grant and Sylvie Boucher

# Table of contents

---

	Page
<b>Highlights</b>	7
<b>Chapter 1 – Trucking in Canada</b>	
The trucking industry in 2005	8
The Canadian economy in 2005	8
International trade and the trucking industry	8
The transportation industry and the role of trucking	8
Employment	8
About this publication	10
<b>Chapter 2 – Surveys of For-hire Motor Carriers of Freight, 2005</b>	
Introduction	11
<b>Section 1 – Quarterly Motor Carriers of Freight Survey</b>	11
1.1 Revenues of trucking companies grew substantially in 2005	11
1.2 An industry dependent on the manufacturing sector	11
1.3 Operating ratios remain relatively low	11
1.4 Differences by carrier size	13
1.5 General freight transportation and long-distance trucking remained the sector's dominant activities	13
1.6 Specialized freight carriers showed a better performance	13
1.7 Domestic market boosted growth	15
1.8 Labour costs account for half of total expenses	15
1.9 A year characterized by rising energy costs	15
<b>Section 2 – Annual Motor Carriers of Freight Survey, 2005</b>	24
2.1 According to balance sheets, 2005 was less profitable than 2004 for trucking companies	24
2.2 Both short-term and long-term solvency deteriorated	24
2.3 Financial leverage remains positive	26
2.4 Carriers owned three-quarters of their service equipment in 2005	26
<b>Chapter 3 – Trucking Commodity Origin and Destination Survey, 2004</b>	34
<b>Chapter 4 – Survey Methodology and Data Quality</b>	
Introduction	35
Section 1 – Quarterly For-Hire Motor Carriers of Freight (QMCF) Survey and its Annual Supplement (Q5) – Chapter 2	35
<b>Glossary</b>	40
<b>Definitions of Financial Ratios</b>	42

## Table of contents (concluded)

	Page
<b>Figures</b>	
<b>Chapter 1 – Trucking in Canada</b>	
1.1 Annual Variation in GDP, Chained 1997 dollars, 1999-2005	9
1.2 Employment in Top 5 Transportation Industries, 2005	9
<b>Chapter 2 - Surveys of For-hire Motor Carriers of Freight, 2005</b>	
2.1 Operating revenues (seasonally adjusted data) passed the \$7 billion mark in 2005	12
2.2 Since mid-2004, there has been a major improvement in the profitability of for-hire trucking companies in Canada	12
2.3 While top carriers represented only 3% of all carriers, they accounted for nearly one third of total operating revenues in 2005	13
2.4 General freight transportation dominates in eastern Canada while specialized freight is more dominant in the West	14
2.5 Long-haul trucking companies are generally larger than local trucking companies	14
2.6 Specialized freight carriers generally out-perform general freight carriers	15
2.7 The domestic market accounts for a rising share of transportation revenues in Canada	16
2.8 One of every two dollars spent by trucking companies was related to labour cost	16
2.9 Size of main expense items varies according to carrier size	17
2.10 Monthly diesel fuel Price index (excluding taxes and transportation) continued to show strong increases in 2005	17
2.11 Operating profit margins declined in most regions in 2005	24
2.12 Operating profit margin of forest product transportation showed the steepest drop in 2005	25
2.13 Operating profit margins of all revenue groups declined in 2005	25
<b>Tables</b>	
<b>Chapter 1 – Trucking in Canada</b>	
1 2005 Statistical Coverage of the Canadian Trucking Industry	10
<b>Chapter 2 – Section 1 – QMCF Survey, For-hire Carriers</b>	
2.1 Summary Statistics by Quarter, 2005 - Canada	18
2.2 Summary Statistics by Region, 2005	19
2.3 General and Specialized Freight, by Quarter, 2005	21
2.4 For-hire Carriers, revenues by type of movement by quarter, 2005	23
<b>Chapter 2 – Section 2 – AMCF Survey, For-hire Carriers</b>	
2.5 Summary of financial statistics, 2000-2005	27
2.6 Financial statistics by region, 2005	28
2.7 Summary statistics by type of activity, 2005	29
2.8 Summary of financial statistics, by local and long distance, 2005	30
2.9 Financial statistics by revenue size, 2005	32
2.10 Semi-trailers and other operated equipment by region, 2005	33
2.11 Semi-trailers and other operated equipment by industry, 2005	33
<b>Chapter 3 – Trucking Commodity Origin and Destination Survey, 2004</b>	
3.1 For-hire Trucking Activity, 2004	34
<b>Chapter 4 – Survey methodology and Data Quality</b>	
4.1 QMCF survey, for-hire carriers, first quarter 2005– Survey population and sample size by region and type of activity	37
4.2 2005 MCF Survey, Annual Supplement (Q5) – Survey population and sample size by region and type of activity	37
4.3 2005 QMCF Survey, Quality measures by region and by type of activity	38
4.4 2005 MCF Survey, Annual Supplement(Q5) – Quality measures by region, by type of activity and by size	39

## Highlights

---

### **For-hire trucking : Quarterly and annual industry statistics, 2005, Canadian-based carriers with annual revenues of \$1 million or more**

#### **For-hire trucking : Quarterly Statistics, 2005**

- In 2005, there were about 3,360 Canadian-based for-hire carriers.
- Seasonally adjusted operating revenues from for-hire trucking totalled \$27.04 billion, up 7% compared to 2004.
- Total seasonally adjusted operating expenses stood at \$24.87 billion, up 6% from 2004.
- Compared to 2004, the largest increases in operating expenses include depreciation (+15%), fuel expenses (+14%), wages and salaries (+10%) and maintenance and garage expenses (+10%).
- In 2005, one in two dollars spent by trucking companies was related to labour expenses.
- For-hire carriers continued to register operating ratios (total operating expenses divided by total operating revenues) that were among the lowest in more than a decade.
- General freight transportation accounted for 60% of total revenues. Long-distance trucking captured 78% of total transportation revenues.
- In the East, the transportation of general freight accounted for two-thirds of all operating revenues, while the transportation of specialized freight was predominant in the West, capturing more than half of all operating revenues.
- The domestic share of transportation improved from 64% to 67%, totalling \$17.55 billion in 2005.

#### **For-hire trucking : Annual supplement statistics, 2005**

- For-hire trucking companies with annual revenues of \$1 million or more, earned \$26.1 billion in operating revenues while they incurred \$25.1 billion in operating expenses resulting in net operating revenues of \$1.03 billion.
- Compared to 2004, carriers generally saw their profitability decline in 2005. For example, their net operating revenues were down nearly 30%.
- The operating profit margin (operating profit as a share of total operating revenues) was also lower than 2004, dropping from 6.08% to 3.94%.
- Overall, total assets reached \$13.5 billion. On a per carrier basis total asset growth was 2.2% compared to the previous year.
- The return on equity (16.3%) remained higher than the return on capital employed (13.3%), indicating positive financial leverage.

#### **For-hire trucking : Commodity origin and destination statistics, 2004**

- Canadian for-hire trucking companies, with annual operating revenue of \$1 million or more, hauled 65.9 million shipments weighing 604.3 million tonnes in 2004.

# Chapter 1

## Trucking in Canada

---

### The trucking industry in 2005

Trucking is a major component of transportation Gross Domestic Product and in turn of the Canadian economy. It accounts for a significant share of value, contributing over \$14.2 billion to the economy in 2005. Not only does trucking provide service to Canadian manufacturers and shippers, it also provides Canadians, in general, with the necessities of everyday life.

In 2005, total operating revenues<sup>1</sup> amounted to \$26.1 billion, an increase of 8.8% from 2004. Although the estimated number of carriers increased by 10% in 2005, the average revenue per carrier dropped slightly by 1.2%.

### The Canadian economy in 2005<sup>2</sup>

In 2005, gross domestic product (GDP) increased 2.9%, down from 3.3% growth a year earlier. Once again, the western provinces led the way as economic growth in Alberta, British Columbia and Saskatchewan was above the national average. During the last three years, growth in GDP has averaged 2.7% per year.

In the west, Alberta remained the top province in economic growth with a 4.6% increase in 2005. High oil prices and manufacturing increases boosted the economy. Although British Columbia's GDP increased at a lower rate than 2004, its economy was the next strongest in the west at a rate of 3.7%. This was due in part to the rise in exports of natural gas and electricity. In Saskatchewan, strong energy prices and increased mining aided in an increase in GDP of 3.1%.

In the territories, the Yukon posted the highest growth in GDP at 5.2%. Business investment rose leading to increased personal expenditures and housing demands. Northwest Territories remained relatively unchanged from 2004 as mining operations reached its capacity. After an increase in 2004, Nunavut's GDP declined 1.1%, as a result of decreased mining operations.

Although Central and Eastern Canadian provinces all recorded positive growth in GDP, they all rose to levels below the national average of 2.9%. Ontario experienced the largest increase at 2.8%. This was mainly due to the continued growth in the auto industry. In Quebec, GDP increased at a slower rate than in 2004 reaching 2.2%. This growth was mainly attributable to increases in manufacturing activity and increased personal spending.

Atlantic Canada experienced moderate growth in 2005, with Prince Edward Island posting the highest growth in GDP at 2.1%. Strength in labour income increased personal spending which aided in this growth, as well as increases in manufacturing. Nova Scotia was next with a growth in GDP of 1.6%, as government spending increased and labour income rose. Newfoundland and Labrador and New Brunswick followed with slight increases of 0.4% and 0.3%, respectively.

### International trade and the trucking industry

Trade with the United States continued to increase in 2005. Total exports to the United States grew 5.1% from 2004 while imports from the United States rose 3.0%. Trade with the United States accounted for 84% of Canada's total exports and 57% of Canada's total imports in 2005.

Trucking continued to be the dominant mode, in terms of revenue, for transporting goods between Canada and the United States. About 51% of the exports to the United States and 77% of the imports from the United States were moved by truck in 2005.

### The transportation industry and the role of trucking

GDP in the transportation and warehousing sector rose by 3.5% in 2005, slightly lower than the 4.2% growth experienced a year earlier. Truck transportation accounted for the largest share of transportation and warehousing GDP at 28.8%, followed by rail and transit and ground transportation with 11.5% and 10.6%, respectively. Air transportation registered the highest growth rate of 10.8% followed by Truck transportation at 3.7%. (See Figure 1.1.)

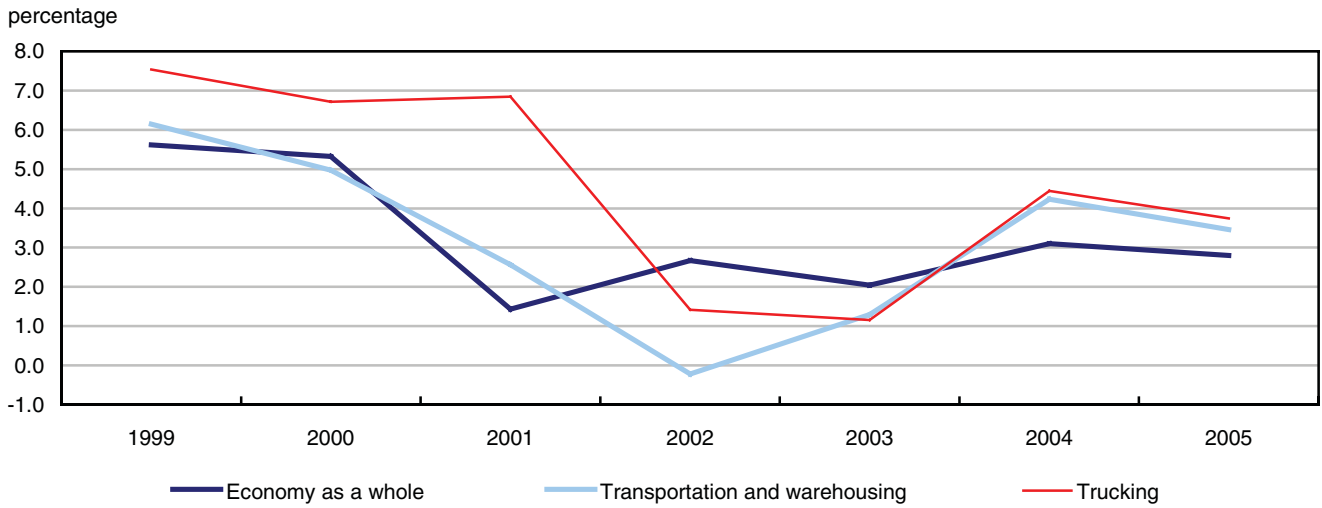
### Employment<sup>3</sup>

Employment in the top five transportation industries increased by 2% in 2005 accounting for over 456,000 people. The trucking industry remained the single largest component, accounting for 38% or 171,400 of the people working in these top five transportation industries. Transit and ground passenger transportation employed 100,000 people in the second spot. The share of people working in the trucking industry has been relatively constant since 1997, ranging from 35% to 38%. (See Figure 1.2.)

1. Refers to for-hire carriers with annual revenues of \$1 million or more, from the annual supplement survey Q5.2.
2. Gross Domestic Product at basic prices, North American Industry Classification System (NAICS), chained 1997 dollars, CANSIM table 379-0017 for Canada industry detail and CANSIM table 379-0025 for provincial industry detail. Statistics Canada. Gross Domestic Product (GDP), expenditure-based, provincial economic accounts, chained 1997 dollars, CANSIM table 384-0002 for Canada, provincial and territories totals. Statistics Canada. Provincial and Territorial Gross Domestic Product from the April 26, 2006 and November 8, 2006 Daily releases. Statistics Canada.
3. **Source:** CANSIM, Table 281-0024, *Employment (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification Systems (NAICS), annual (Persons)*. SEPH data excludes the self-employed. Statistics Canada.

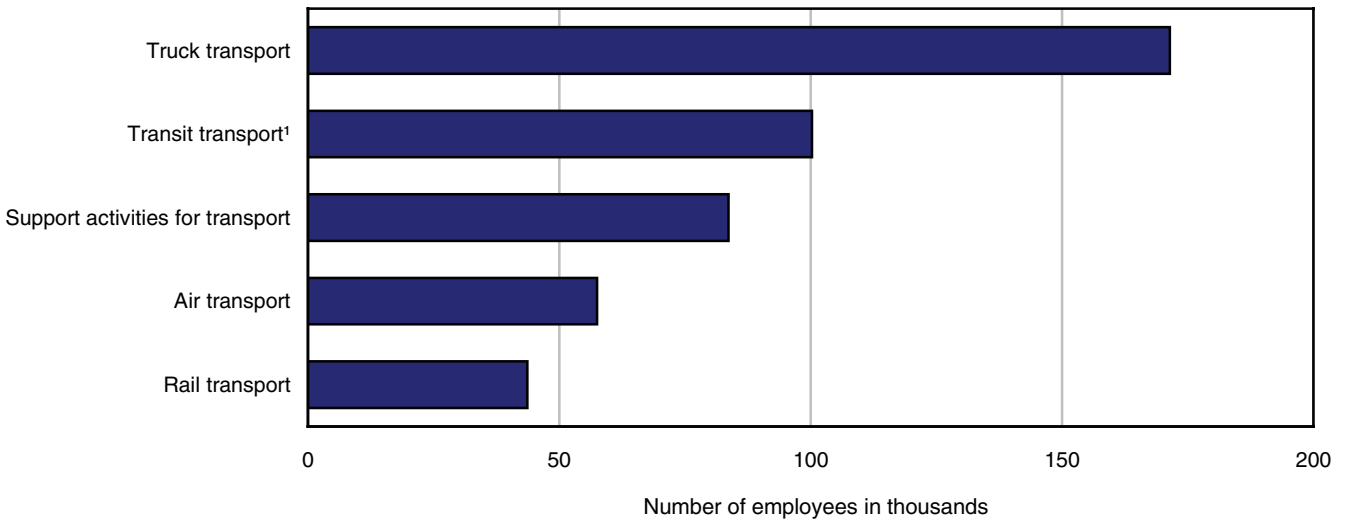


**Figure 1.1**  
**Annual Variation in GDP, Chained 1997 dollars, 1999-2005**



**Source:** Gross Domestic Product at basic prices, North American Industry Classification System (NAICS), chained 1997 dollars, CANSIM table 379-0017 for Canada industry detail. Statistics Canada.  
 Gross Domestic Product (GDP), expenditure-based, provincial economic accounts, chained 1997 dollars, CANSIM table 384-0002 for Canada. Statistics Canada.

**Figure 1.2**  
**Employment in Top 5 Transportation Industries, 2005**



1. This category consists of Transit and Ground Passenger Transportation.

**Source:** Statistics Canada, CANSIM, Table 281-0024, Employment (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification Systems (NAICS), annual (Persons). SEPH data excludes the self-employed.

## About this publication

*Trucking in Canada, 2005* presents information about the trucking industry in 2005. This chapter provides a discussion of the role of trucking in the Canadian economy.

Table 1 summarizes Statistics Canada's coverage of the Canadian trucking industry, and explains how to use this publication to locate information about various classes of **for-hire** carriers.

**Chapter 2** presents financial and operating data about for-hire carriers with annual operating revenues of **\$1 million or more** in 2005. These statistics were collected as part of the 2005 Motor Carriers of Freight (MCF) survey program. The MCF collects operating and financial data in a quarterly sample survey of for-hire carriers. The survey gathers information on the size, structure and economic performance of motor freight carriers. In an annual supplement, it also collects balance sheet and equipment information. This chapter includes financial data on revenues, expenditures and operating ratios, plus selected economic indicators.

**A For-Hire Carrier** is any carrier that undertakes the transport of goods for compensation.

**Owner operators** own or lease one or more power units and provide hauling services under contract to for-hire or private carriers.

**A private carrier** is a company whose principal occupation is not trucking, but which maintains its own fleet of vehicles (owned or leased) for transporting its own freight.

**Chapter 3:** The For-hire Trucking (Commodity Origin/Destination) Survey has been redesigned. The detailed results have not been included in this publication but instead will be published at a later date. (See Chapter 3 in this publication for further details).

**Chapter 4** presents a description of the survey methodologies and data quality.

**Table 1**  
**2005 Statistical coverage of the Canadian trucking industry**

Carrier type	For hire carriers			Owner-operators
<b>Data source</b>	MCF Surveys (financial & operating statistics)	MCF Survey Administrative data (operational and financial)	TCOD Survey (commodity origin/destination)	MCF Survey Administrative data (operational and financial)
<b>Frequency</b>	Quarterly and annual	Annual	Annual	Annual
<b>Carrier size</b>	Operating revenue > or = \$1 million	Operating revenue \$30,000 - < \$1 million	Operating revenue from long distance trucking companies > or = \$1 million	Operating revenue > or = \$30,000
<b>Class or level</b>	Medium – \$1 to 12 million Large – \$12 to 25 million Top – \$25 million and over  (from annual revenue)	Operating revenue Small carriers \$30,000 - <\$1million  (from annual revenue)	Class I (operating revenue > or = \$12 million)  Class II (operating revenue \$1 million - < \$12 million)	N/A
<b>Geography</b>	Canada Regions Provinces Territories	Canada Regions Provinces Territories	Canada Provinces Territories Sub – Provincial	Canada Regions Provinces Territories
<b>For more information</b>	Chapter 2 Sections 2.1 & 2.2	Service bulletin	Chapter 3	Service bulletin

**Notes:** MCF refers to the motor carriers of freight.  
TCOD refers to the For-Hire Trucking (Commodity Origin and Destination).

## Chapter 2

### Surveys of For-hire Motor Carriers of Freight, 2005

---

#### Introduction

This chapter provides statistical information about the financial performance of companies operating in the Canadian for-hire trucking industry **with annual revenues of \$1 million or more**.

The statistics are derived from quarterly and annual surveys of for-hire carriers of freight based in Canada. This chapter consists of two sections:

#### Section 1 – Findings of the Quarterly Survey of Motor Carriers of Freight

This quarterly survey is designed to gather data on various components of the revenue and expense statements of for-hire motor carriers, broken down by region of domicile, type of services and type of movement.

#### Section 2 – Findings of the Annual Survey of Motor Carriers of Freight

This annual survey, which is a supplement to round out the financial information provided by the quarterly survey, collects data on the main elements of the balance sheets of for-hire trucking companies, broken down by region of domicile, type of service and size of company. It includes income and expense statements as well as financial ratios such as profitability, financial leverages and solvency.

Seasonal adjustment removes seasonal fluctuations from the original or “unadjusted” data series. Thus, **seasonally adjusted data** capture the more fundamental trend in a data series and provide more appropriate comparisons over time.

The **operating ratio** is the share of total operating revenues absorbed by total operating expenses (excluding interest charges). It is calculated by dividing operating expenses by operating revenues. A drop in the ratio indicates an improvement in financial performance. A ratio greater than 1.00 represents an operating loss.

#### Section 1

##### Quarterly Motor Carriers of Freight Survey

On average, there were 3,356 Canada-based for-hire carriers with annual revenues of \$1 million or more in 2005. This is a 5% increase over the 3,197 carriers observed in 2004.

#### 1.1 Revenues of trucking companies grew substantially in 2005

Overall, seasonally adjusted operating revenues from for-hire trucking totalled \$27.04 billion, up 7% from the \$25.24 billion reported in 2004 (see Figure 2.1).<sup>4</sup> In 2005, this amounted to an annual average of \$6.76 billion in operating revenues per quarter. Also, seasonally adjusted revenues grew steadily during the year, from \$6.29 billion in the first quarter to \$7.34 billion in the fourth quarter.

Total seasonally adjusted operating expenses stood at \$24.87 billion, up 6% from 2004 (\$23.42 billion). Average annual seasonally adjusted expenses were \$6.22 billion per quarter.

#### 1.2 An industry dependent on the manufacturing sector

By its nature, for-hire trucking is especially sensitive to the overall economic situation, since it is stimulated by demand derived from other industries, notably the manufacturing sector.

In 2005, relatively favourable economic conditions, in particular the growth of wholesale and retail sales, greatly contributed to the demand for freight services. More specifically, the increased production and consumption of goods translated into a rise in the demand for transportation of goods.

This link emerges when the growth rates of associated industries are compared. From 2002 to 2005, Canada-based for-hire trucking companies saw their revenues increase by an average of 9.8% per year. During the same period, manufacturing output rose 3.6%, wholesale trade rose 4.7% and retail trade, 4.8%.<sup>5</sup>

#### 1.3 Operating ratios remain relatively low

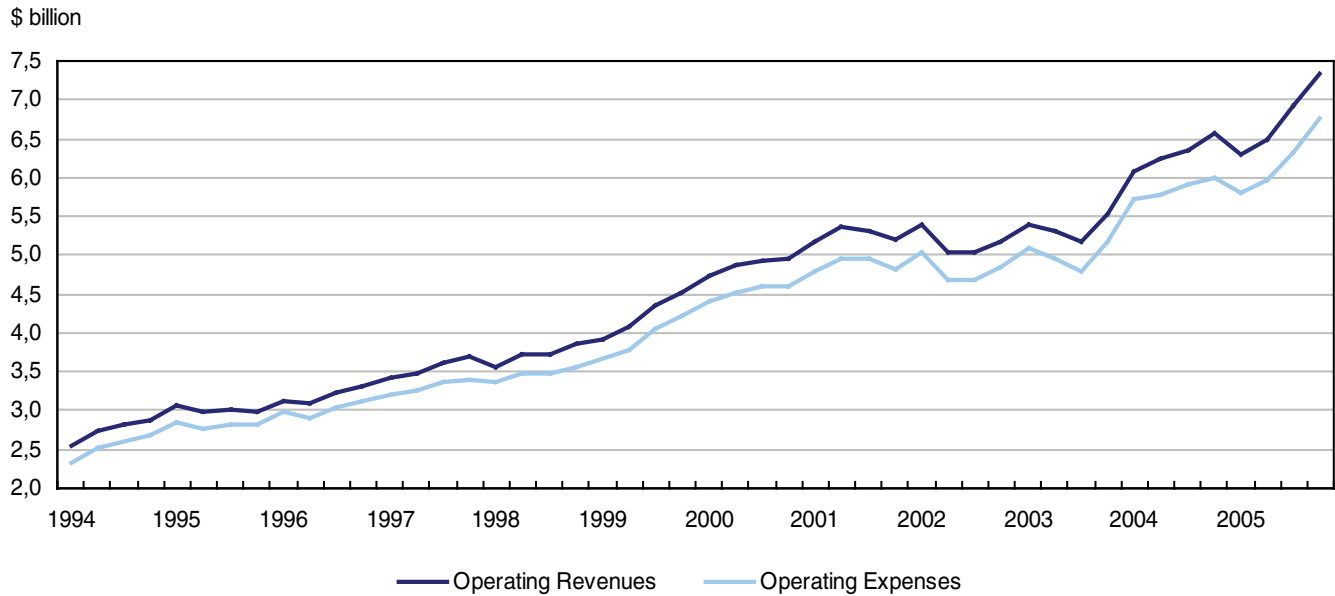
Despite increases in expenses, especially those related to wages and fuel purchases (see Section 1.9), for-hire carriers continued to register seasonally adjusted operating ratios that were among the lowest in more than a decade in Canada (see Figure 2.2). The seasonally adjusted quarterly operating ratio was 0.92 for most of 2005. Only the second quarter posted a slight pullback, with a ratio of 0.93.

4. Revenues, expenses and operating ratios that are seasonally adjusted (seasonal fluctuations removed) reveal the fundamental overall trends in the performance of the Canadian for-hire trucking industry.

5. **Source:** CANSIM tables 304-0014, 081-0007, 080-0015.

**Figure 2.1**

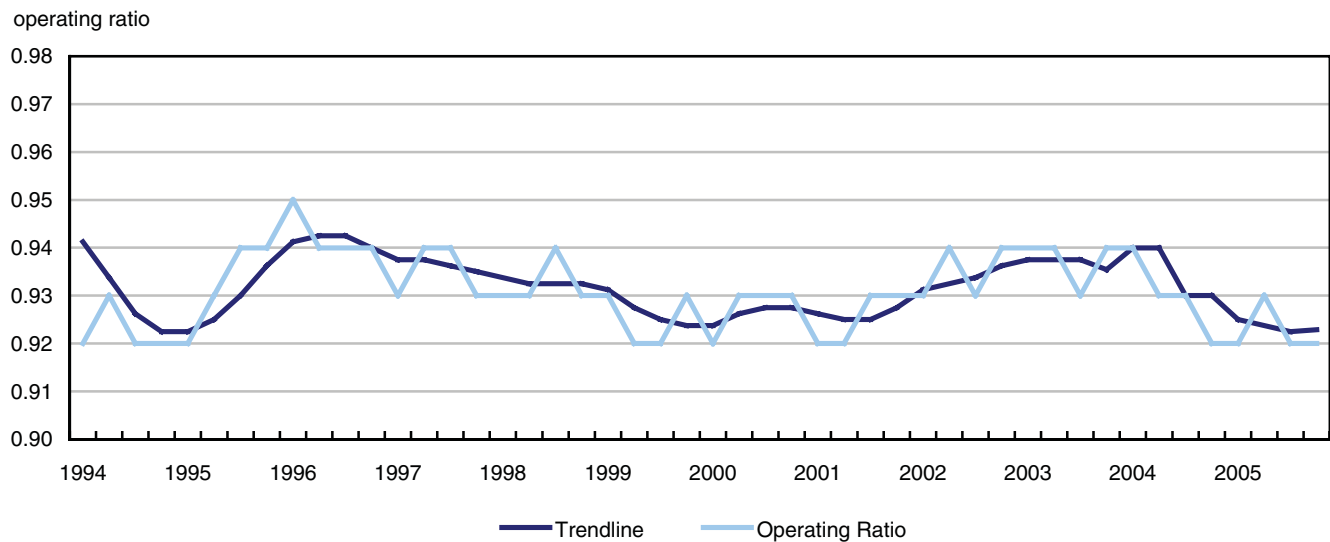
**Operating revenues (seasonally adjusted data) passed the \$7 billion mark in 2005**



**Source:** Quarterly Motor Carriers of Freight Survey, Cansim: Table 403-0002.

**Figure 2.2**

**Since mid-2004, there has been a major improvement in the profitability of for-hire trucking companies in Canada**



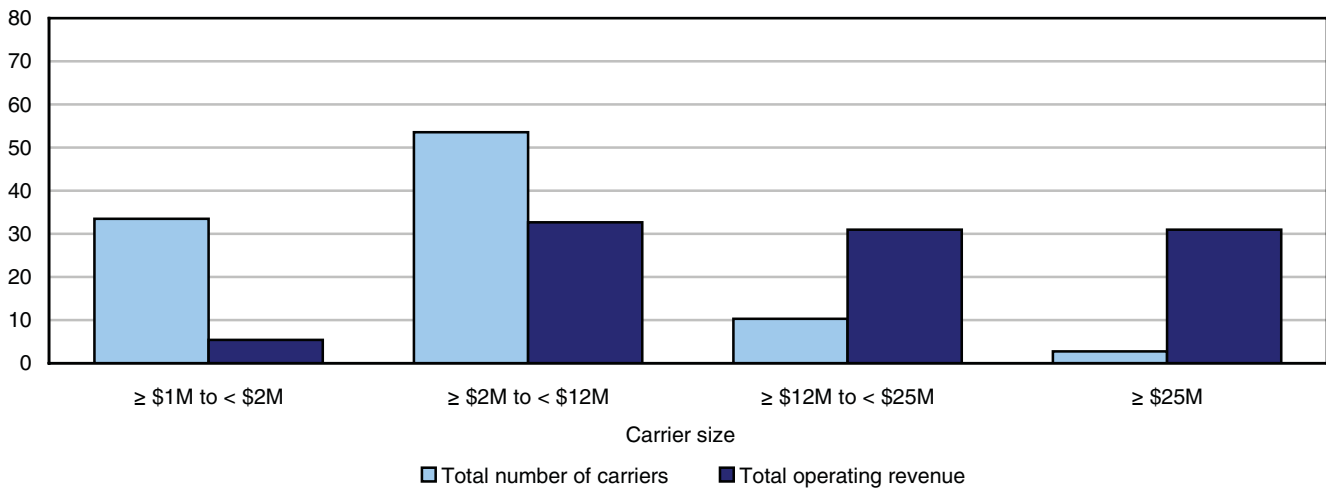
**Note:** Trendline is based on fourth quarter moving average.

**Source:** Quarterly Motor Carriers of Freight survey, CANSIM Table 403-0002.

**Figure 2.3**

**While top carriers represented only 3% of all carriers, they accounted for nearly one third of total operating revenues in 2005**

percentage



**Source:** Quarterly Motor Carrier of Freight survey, 2005.

#### 1.4 Differences by carrier size

As with a number of other industries, trucking is characterized by a highly skewed revenue distribution. For example, while they accounted for only 3% of all carriers with revenues of more than \$1 million, the top carriers (annual revenues equal to or greater than \$25 million) were responsible for 31% of total operating revenues (see Figure 2.3). Conversely, the smallest carriers (those with annual revenues between \$1 million and \$1.9 million) accounted for one-third of all companies but only 5% of total operating revenues.

#### 1.5 General freight transportation and long-distance trucking remained the sector's dominant activities

General freight operations generated \$15.74 billion in revenue, accounting for 60% of the transportation activities of for-hire carriers in 2005. Of that figure, 66% came from the truckload type and 34% from the less-than-truckload type. Among the other major types of freight, other specialized freight accounted for 18% of the sector's total revenues, followed by liquid bulk at 9% (see Table 2.1).

In comparison with 2004, increases were observed for most of the main types of freight carried. Among the largest increases, 22% were for transportation of less-than-truckload general freight and 18% for other specialized freight. By contrast, transportation of forest products posted a 12% decrease, while other revenues derived from transportation fell 8%.

Overall, the ratio of general freight to specialized freight transported showed little change since 2002. However, there were notable inter-regional variations.

In the Atlantic provinces, Quebec and Ontario, the transportation of general freight accounted for approximately two-thirds of all operating revenues. By contrast, in the Prairies and in British Columbia and the territories, specialized freight accounted for more than half of all revenues (see Figure 2.4).

On the other hand, long-distance trucking, which accounted for 57% of the total number of companies in 2005, captured 78% of total transportation revenues and employed 77% of the total number of company employees and 79% of the total number of owner operators<sup>6</sup> (see Figure 2.5). On average, carriers specializing in this type of transportation registered annual operating revenues of \$2.90 million per carrier.

Thus, local trucking, which accounted for 43% of the total number of companies, captured 22% of total revenues and employed 23% of the total number of company employees and 21% of the total number of owner operators. On average, carriers specializing in local trucking registered annual operating revenues of approximately \$1.07 million per carrier.

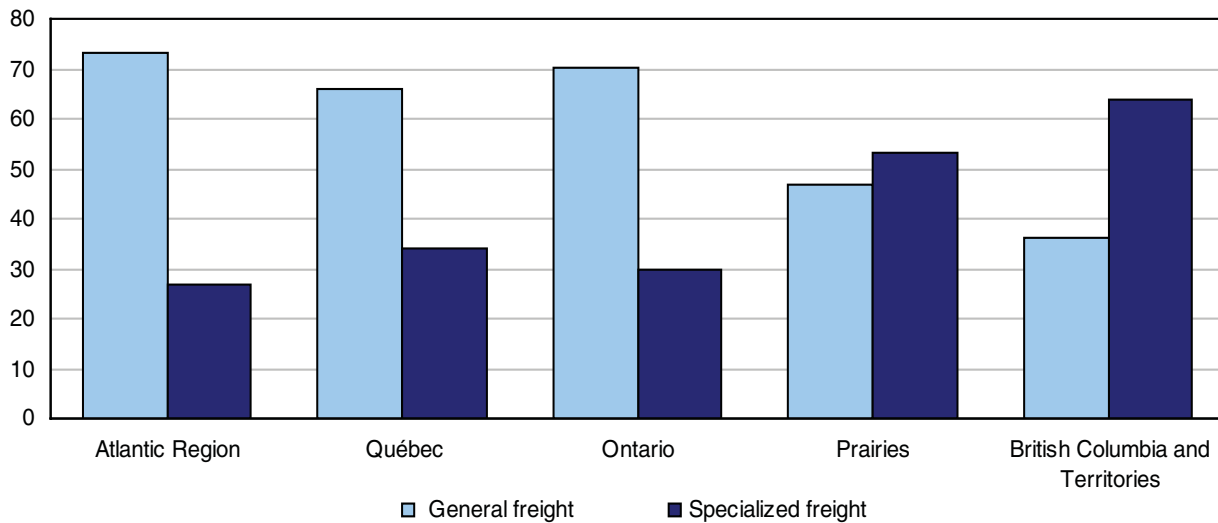
#### 1.6 Specialized freight carriers showed a better performance

In each quarter of 2005, specialized freight carriers posted operating ratios at least two percent lower than those of general freight carriers. This situation is not new: since 1994, specialized freight carriers have generally had seasonally adjusted operating ratios slightly lower than those of general freight carriers (see Figure 2.6). However, since the industry is not homogeneous, it may be risky to attribute this situation to a few specific factors. More likely, it depends on a combination of inter-related factors, such as the effect of size, the effect of region and the type of transportation.

6. Excludes household goods moving data.

**Figure 2.4**  
**General freight transportation dominates in eastern Canada while specialized freight is more dominant in the West**

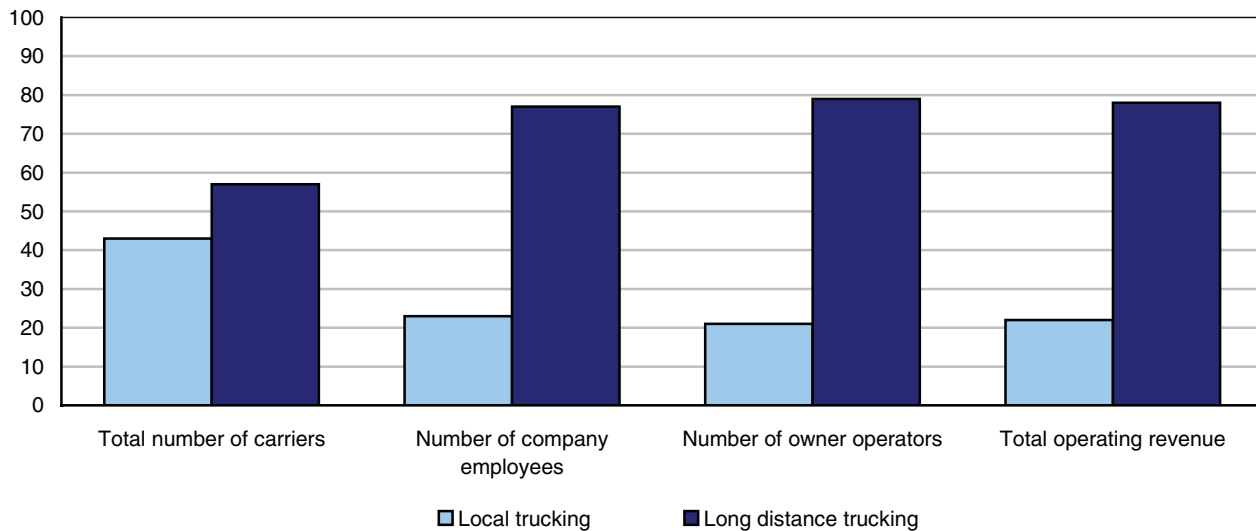
transportation revenues (%)



**Source:** Quarterly Motor Carrier of Freight survey, 2005.

**Figure 2.5**  
**Long-haul trucking companies are generally larger than local trucking companies**

percentage

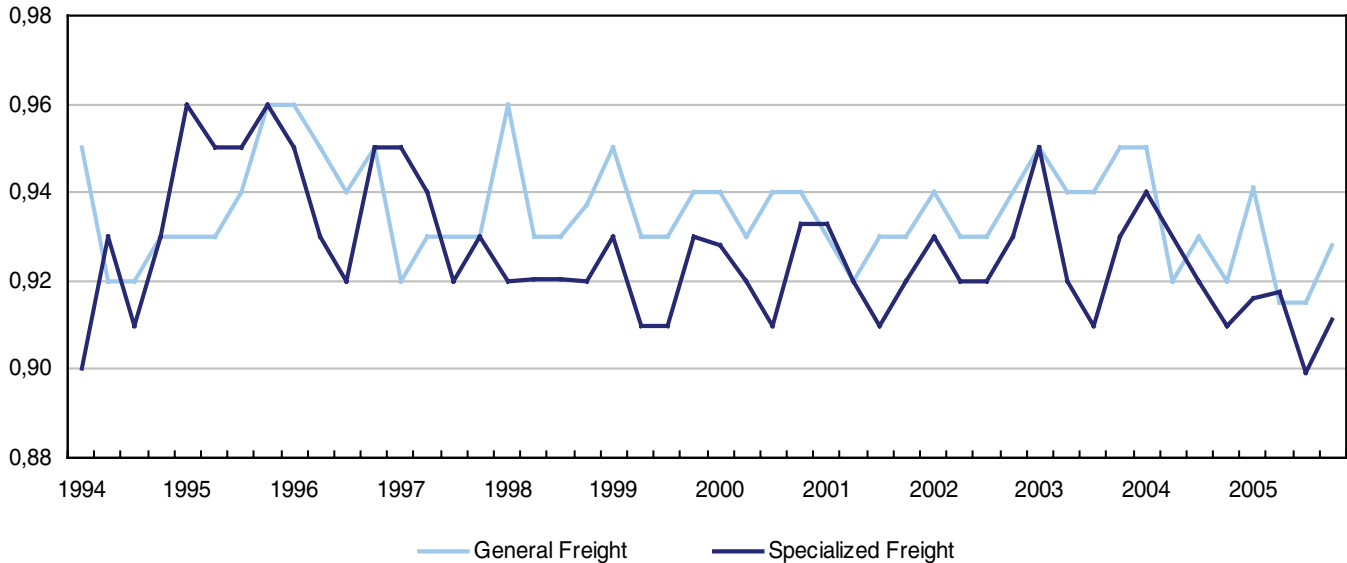


**Source:** Quarterly Motor Carriers of Freight Survey, 2005.

Figure 2.6

**Specialized freight carriers generally out-perform general freight carriers**

operating ratio



Source: Quarterly Motor Carrier of Freight survey, 2005.

**1.7 Domestic market boosted growth**

Since 2002, there has been a shift in the sources of growth in the trucking industry, with domestic transport increasing more rapidly than international transport. Whereas domestic transport grew 13% between 2004 and 2005, international transport remained practically unchanged. The domestic share of transportation revenue went from 64% to 67%, totalling \$17.55 billion in 2005 (see Figure 2.7), with intraprovincial trucking accounting for almost two-thirds of this figure, compared to approximately 35% for interprovincial trucking. To some extent, the appreciation of the Canadian dollar is probably not unrelated to this situation.

Nevertheless, cross-border activity between Canada, the United States and Mexico continued to play a significant role, accounting for \$8.73 billion in revenues.

**1.8 Labour costs account for half of total expenses**

Overall, the main expense items in 2005 were wages and salaries, with 27% of total expenses, and payments to owner operators, with 23% of total expenses (see Figure 2.8).

Currently there is much talk of a shortage of qualified truckers and high turnover among truckers. In this context, carriers are facing difficult choices, because labour costs constitute a large share of total expenses. This means that the wage increases granted in order to attract new truckers or to retain the most qualified ones have a direct impact on companies' profitability.

It is also worth noting that if company size is taken into account, there are differences in the breakdown of expenses (see Figure 2.9). For example, among small carriers (those with annual

revenues between \$1 million and \$2 million), wages and salaries accounted for a sizable share of their operating budget at 35% of their total expenses, whereas payments to owner operators account for only 11%. Conversely, for the top carriers (over \$25 million in annual revenues), wages and salaries accounted for just under 25% of total expenses, while payments to owner operators accounted for approximately 27% of total expenses. Something else worth noting in Figure 2.9 is the relative share of fuel expenses by carrier size. Whereas this expense item represents only 8% of the total expenses of top carriers, it instead represents 18% of the smallest carriers' total expenses. However, it is important to note that payments to owner operators indirectly account for a major share of fuel expenses, and this item is much larger for larger carriers.

**1.9 A year characterized by rising energy costs**

In comparison with 2004, the largest increases include depreciation (+15%), fuel expenses (+14%), wages and salaries (+10%) and maintenance and garage expenses (+10%).

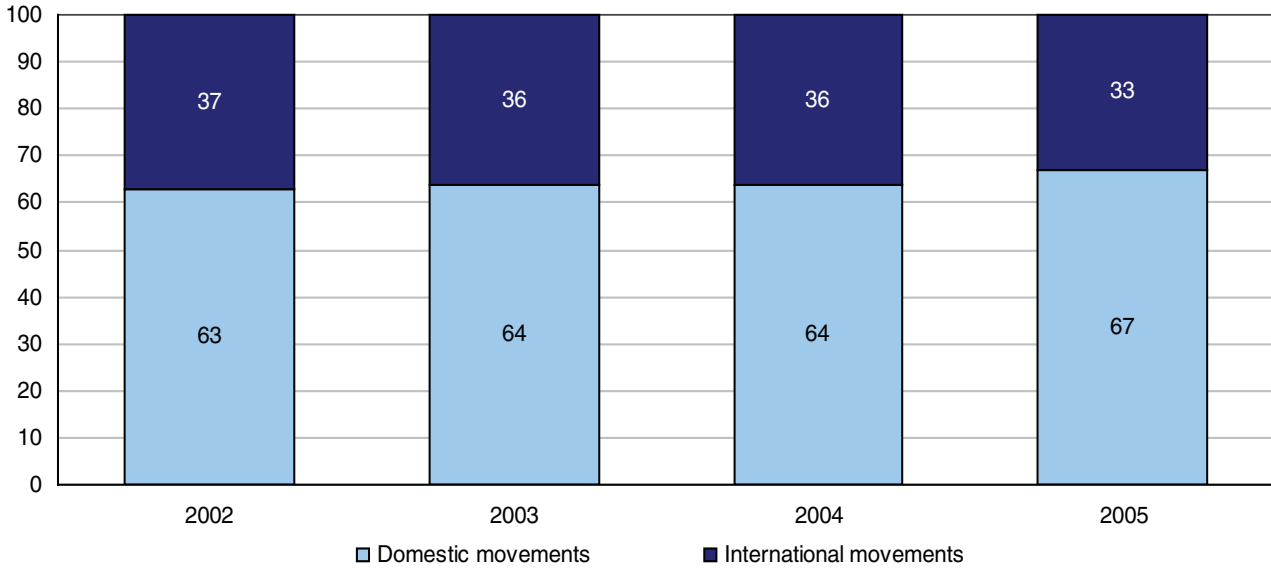
Fluctuations in fuel prices remained a source of concern for carriers in 2005. Road diesel fuel prices kept rising through most of the year, even reaching their highest levels in more than a decade (see Figure 2.10).

Nevertheless, rising fuel prices do not appear to have had a major impact on carriers' performance. While the share of total expenses represented by this item went from 11% to 12% between 2004 and 2005, the relatively favourable operating ratios appear to show that carriers have generally managed to do well. Probably contributing to this situation is the increasingly popular commercial practice of imposing a fuel surcharge on shippers.

**Figure 2.7**

**The domestic market accounts for a rising share of transportation revenues in Canada**

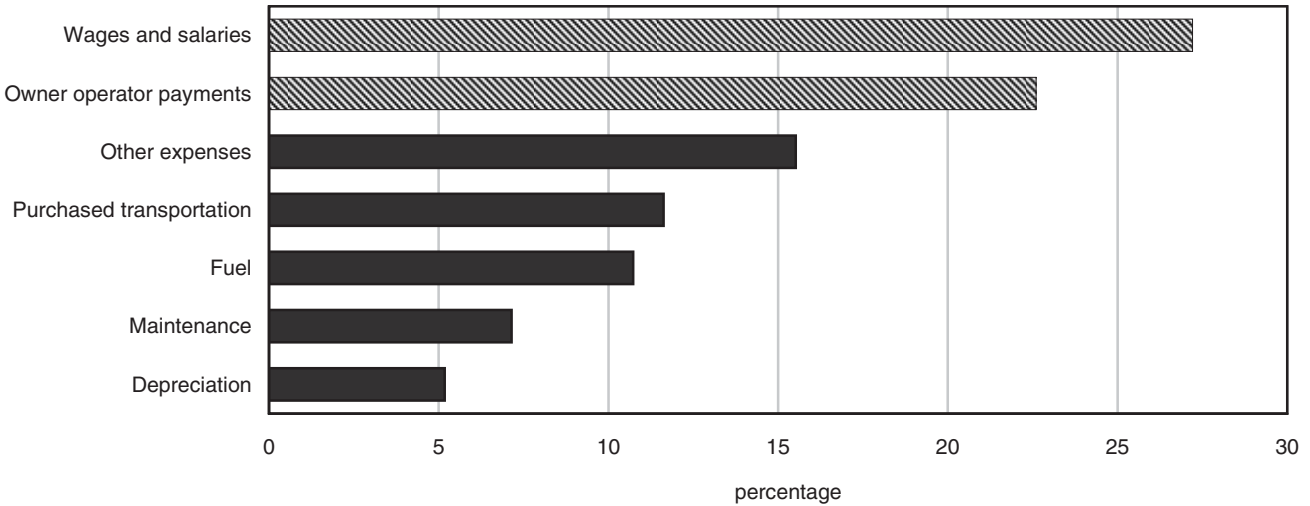
percentage



**Source:** Quarterly Motor Carriers of Freight Survey, 2005.

**Figure 2.8**

**One of every two dollars spent by trucking companies was related to labour cost**



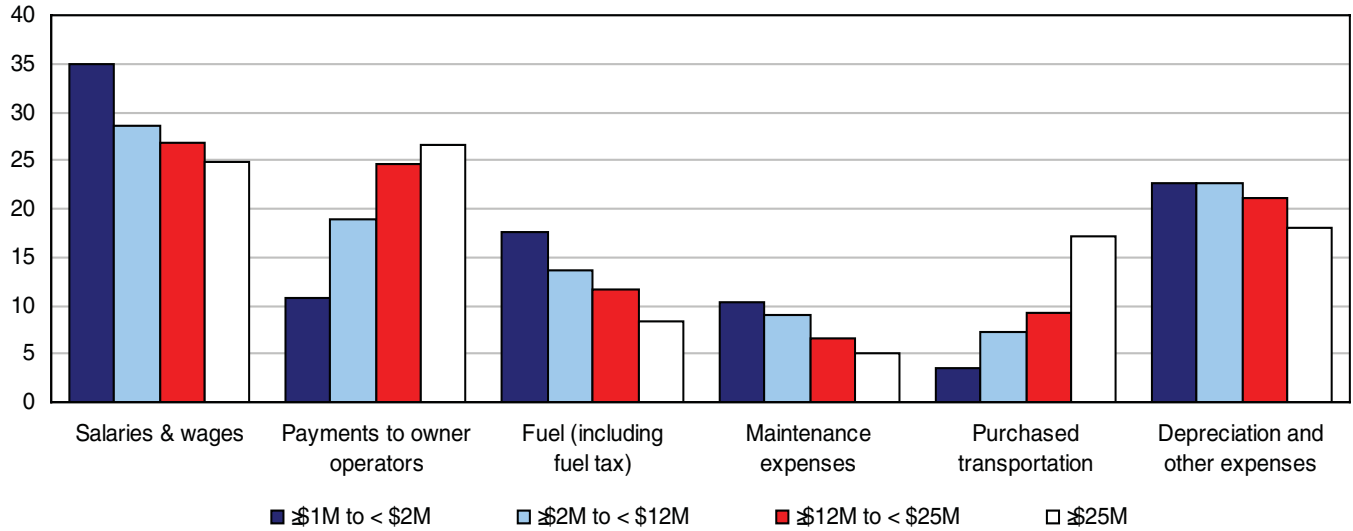
**Source:** Quarterly Motor Carriers of Freight Survey, 2005.



**Figure 2.9**

**Size of main expense items varies according to carrier size**

percentage

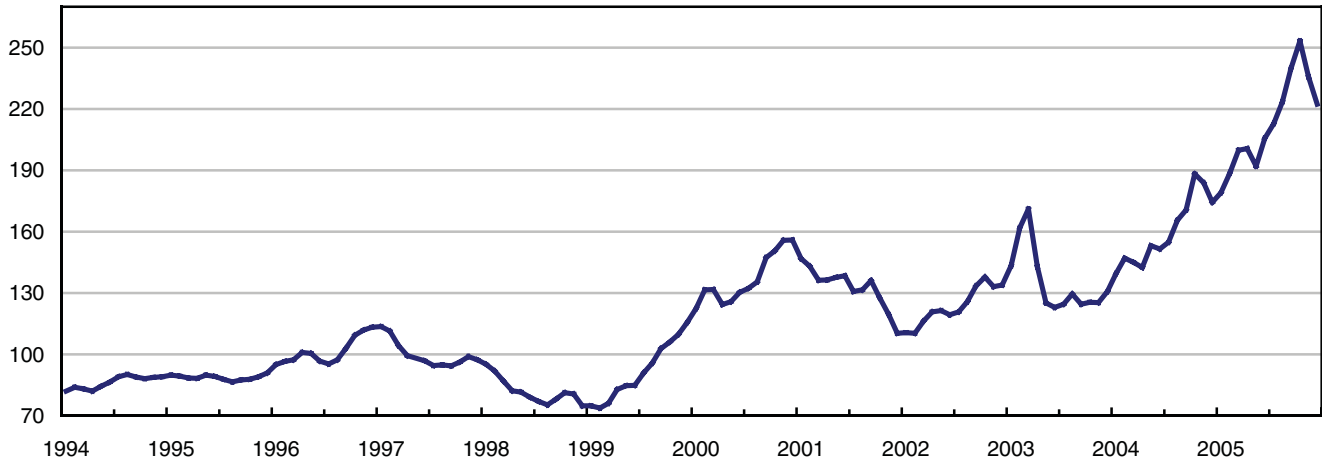


**Source:** Quarterly Motor Carriers of Freight Survey, 2005.

**Figure 2.10**

**Monthly diesel fuel Price index (excluding taxes and transportation) continued to show strong increases in 2005**

Index 1997=100



**Source:** Diesel Fuel Price Index, Canada, Industrial Product Price Index, Statistics Canada. CANSIM Table 329-0046.

Table 2.1

## Quarterly motor carriers of freight survey, For-hire carriers: summary statistics by quarter, 2005 – Canada

	Quarter			
	I	II	III	IV
	number			
Number of carriers surveyed	787.0	789.0	794.0	794.0
Estimated total number of carriers	3,309.0	3,333.0	3,376.0	3,406.0
	\$'000,000			
<b>Revenues and expenses</b>				
General freight : truckload	2,435.5	2,599.4	2,574.8	2,784.3
General freight : less than truckload	1,170.0	1,258.3	1,444.7	1,472.6
Dry bulk	294.8	303.8	350.3	374.3
Liquid bulk	574.0	552.1	554.5	637.1
Household goods moving	133.1	153.6	212.1	162.3
Forest products	284.7	252.9	268.2	273.2
Other specialized freight <sup>1</sup>	1,157.1	1,087.3	1,220.1	1,281.7
Other transportation revenue	83.9	83.9	54.1	59.7
<b>Total transportation revenues</b>	<b>6,133.1</b>	<b>6,291.2</b>	<b>6,678.8</b>	<b>7,045.1</b>
Other revenues	228.9	270.8	231.0	247.9
<b>Total operating revenues</b>	<b>6,362.0</b>	<b>6,562.0</b>	<b>6,909.8</b>	<b>7,293.0</b>
Salaries and wages <sup>2</sup>	1,610.2	1,676.5	1,729.3	1,769.7
Fuel expenses	697.1	711.2	712.6	777.3
Maintenance and garage expenses	438.8	450.3	436.6	457.5
Owner-operator expenses	1,358.1	1,305.1	1,434.8	1,537.7
Other purchased transportation <sup>3</sup>	643.0	622.6	667.5	743.0
Depreciation	302.6	310.2	333.5	345.7
Miscellaneous expenses <sup>4</sup>	876.0	934.8	967.7	1,091.4
<b>Total operating expenses</b>	<b>5,925.7</b>	<b>6,010.6</b>	<b>6,282.0</b>	<b>6,722.2</b>
<b>Operating ratio</b>	<b>0.93</b>	<b>0.92</b>	<b>0.91</b>	<b>0.92</b>
<b>Seasonally adjusted data</b>				
Total operating revenues	6,285.8	6,490.1	6,924.3	7,343.5
Total operating expenses	5,797.5	5,971.4	6,325.3	6,771.5
Operating ratio	0.92	0.93	0.92	0.92
	number			
<b>Employment</b>				
Company drivers	86,750.0	87,232.0	89,083.0	92,632.0
Owner operators	36,891.0	37,324.0	38,014.0	39,429.0
Total number of drivers	123,640.0	124,556.0	127,098.0	132,061.0
Company employees	139,300.0	143,180.0	146,397.0	150,752.0
<b>Power Units</b>				
Number of trucks	10,533.0	11,339.0	11,539.0	13,088.0
Number of road tractors	71,468.0	72,550.0	69,761.0	71,404.0

1. Other includes heavy machinery, etc.

2. Including employee benefits.

3. Includes driver services, vehicle lease or rent, total purchased transportation and load broker services.

4. Includes terminal expenses and other operating expenses (insurance, administration, etc.)

Table 2.2

Quarterly motor carriers of freight survey, for-hire carriers: summary statistics by region, 2005<sup>5</sup>

Quarter	Atlantic Region				Quebec				Ontario			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
	number											
Number of Carriers Surveyed	129	130	131	134	149	150	152	153	192	191	190	188
Estimated Total Number of Carriers	192	194	195	198	735	747	765	793	1,066	1,052	1,047	1,024
	\$'000,000											
General Freight : Truckload	187.5	223.6	233.8	244.6	571.5	597.4	553.5	592.8	1,068.0	1,077.6	1,133.3	1,223.1
General Freight : Less than Truckload	114.2	127.1	141.0	139.5	275.8	301.5	357.6	403.6	562.7	609.6	682.7	682.2
Dry Bulk	6.8	12.6	17.3	15.3	59.7	65.5	69.6	76.8	158.7	150.4	156.0	184.0
Liquid Bulk	15.0	16.5	16.2	18.2	73.3	110.3	134.3	111.3	137.0	123.7	102.0	120.4
Household Goods Moving	9.2	11.4	16.0	10.8	32.9	32.1	47.2	36.1	50.8	50.1	73.1	53.8
Forest Products	43.9	31.0	29.8	28.0	82.0	79.8	79.4	82.7	35.6	39.4	39.1	30.0
Other Specialized Freight <sup>1</sup>	54.3	56.5	54.8	57.0	189.0	163.3	155.6	197.5	311.5	369.3	407.7	396.5
Other Transportation Revenue	54.3	56.5	54.8	57.0	14.7	11.8	16.4	14.2	29.2	32.8	14.6	7.9
<b>Total Transportation Revenues</b>	<b>432.7</b>	<b>482.5</b>	<b>510.6</b>	<b>515.8</b>	<b>1,298.9</b>	<b>1,361.8</b>	<b>1,413.6</b>	<b>1,514.9</b>	<b>2,353.4</b>	<b>2,452.9</b>	<b>2,608.6</b>	<b>2,697.9</b>
Other Revenues	9.6	14.2	9.4	14.2	54.2	58.4	47.7	63.1	97.4	135.1	102.6	94.3
<b>Total Operating Revenues</b>	<b>442.3</b>	<b>496.7</b>	<b>520.0</b>	<b>530.0</b>	<b>1,353.2</b>	<b>1,420.2</b>	<b>1,461.3</b>	<b>1,578.1</b>	<b>2,450.8</b>	<b>2,588.1</b>	<b>2,711.2</b>	<b>2,792.2</b>
Salaries and Wages <sup>2</sup>	98.5	114.1	117.1	114.9	366.8	398.5	395.7	417.6	633.4	663.2	709.9	705.2
Fuel Expenses	40.2	43.0	42.6	43.6	171.0	180.6	180.3	198.2	261.4	280.2	277.6	296.5
Maintenance and Garage Expenses	30.2	31.9	28.6	28.3	99.8	108.2	103.3	112.9	159.9	157.2	152.1	151.3
Owner-Operator Expenses	112.0	123.6	119.1	122.3	230.5	197.9	213.2	237.5	556.6	494.6	569.3	605.4
Other Purchased Transportation <sup>3</sup>	57.8	61.5	65.0	77.7	129.2	115.9	132.2	156.8	258.8	275.2	271.0	276.4
Depreciation	17.5	19.2	22.4	21.0	79.4	82.9	81.2	89.4	116.0	119.7	139.0	132.7
Miscellaneous Expenses <sup>4</sup>	63.9	72.6	80.1	83.6	192.1	213.2	223.4	242.8	321.8	371.1	358.6	405.9
<b>Total Operating Expenses</b>	<b>420.1</b>	<b>466.1</b>	<b>474.9</b>	<b>491.4</b>	<b>1,268.7</b>	<b>1,297.2</b>	<b>1,329.2</b>	<b>1,455.1</b>	<b>2,307.9</b>	<b>2,361.2</b>	<b>2,477.5</b>	<b>2,573.3</b>
<b>Operating Ratio</b>	<b>0.95</b>	<b>0.94</b>	<b>0.91</b>	<b>0.93</b>	<b>0.94</b>	<b>0.91</b>	<b>0.91</b>	<b>0.92</b>	<b>0.94</b>	<b>0.91</b>	<b>0.91</b>	<b>0.92</b>
	number											
Company Drivers	4,430	4,574	4,863	5,586	20,869	21,337	21,673	23,364	33,834	35,163	36,060	36,389
Owner Operators	3,093	3,395	3,270	3,553	6,818	5,938	5,970	6,192	14,832	14,808	15,046	15,884
<b>Total Number of Drivers</b>	<b>7,523</b>	<b>7,968</b>	<b>8,134</b>	<b>9,139</b>	<b>27,687</b>	<b>27,275</b>	<b>27,644</b>	<b>29,556</b>	<b>48,666</b>	<b>49,970</b>	<b>51,106</b>	<b>52,273</b>

See notes at the end of this table.

Table 2.2

Quarterly motor carriers of freight survey, for-hire carriers: summary statistics by region, 2005<sup>5</sup> (concluded)

Quarter	Prairies				British Columbia and Territories				Canada			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
	number											
Number of carriers surveyed	229	231	235	233	88	87	86	86	787	789	794	794
Estimated total number of carriers	917	926	960	978	400	413	409	413	3,309	3,333	3,376	3,406
	\$'000,000											
General freight : truckload	468.8	543.7	518.7	552.6	139.7	157.1	135.5	171.3	2,435.5	2,599.4	2,574.8	2,784.3
General freight : less than truckload	176.9	184.8	205.9	203.4	40.4	35.3	57.4	43.9	1,170.0	1,258.3	1,444.7	1,472.6
Dry bulk	55.0	50.0	75.4	78.1	14.7	25.2	32.0	20.1	294.8	303.8	350.3	374.3
Liquid bulk	282.7	249.7	254.0	330.4	66.0	51.9	47.9	56.8	574.0	552.1	554.5	637.1
Household goods moving	17.7	19.7	36.1	26.5	22.5	40.2	39.6	35.1	133.1	153.6	212.1	162.3
Forest products	65.6	47.4	51.8	54.8	57.6	55.2	68.1	77.7	284.7	252.9	268.2	273.2
Other specialized freight <sup>1</sup>	445.4	326.0	429.9	438.3	157.0	172.1	172.2	192.4	1,157.1	1,087.3	1,220.1	1,281.7
Other transportation revenue	35.4	27.5	19.0	19.7	2.8	8.0	2.4	15.5	83.9	83.9	54.1	59.7
<b>Total transportation revenue</b>	<b>1,547.3</b>	<b>1,448.9</b>	<b>1,591.1</b>	<b>1,703.6</b>	<b>500.6</b>	<b>545.0</b>	<b>555.0</b>	<b>612.8</b>	<b>6,133.1</b>	<b>6,291.2</b>	<b>6,678.8</b>	<b>7,045.1</b>
Other revenues	51.5	50.8	58.0	62.4	16.3	12.4	13.3	13.8	228.9	270.8	231.0	247.9
<b>Total operating revenues</b>	<b>1,598.8</b>	<b>1,499.6</b>	<b>1,649.0</b>	<b>1,766.1</b>	<b>516.9</b>	<b>557.4</b>	<b>568.3</b>	<b>626.6</b>	<b>6,362.0</b>	<b>6,562.0</b>	<b>6,909.8</b>	<b>7,293.0</b>
Salaries and wages <sup>2</sup>	394.7	373.7	385.4	395.1	116.8	127.0	121.2	136.9	1,610.2	1,676.5	1,729.3	1,769.7
Fuel expenses	169.5	152.4	155.1	174.1	55.0	54.9	57.0	65.0	697.1	711.2	712.6	777.3
Maintenance and garage expenses	113.9	112.9	112.9	124.0	35.1	40.0	39.7	41.0	438.8	450.3	436.6	457.5
Owner-operator expenses	339.2	344.1	396.7	432.2	119.9	144.9	136.5	140.5	1,358.1	1,305.1	1,434.8	1,537.7
Other purchased transportation <sup>3</sup>	139.4	109.0	135.9	153.1	57.7	61.1	63.4	79.0	643.0	622.6	667.5	743.0
Depreciation	70.5	69.4	71.2	78.6	19.2	18.9	19.7	24.0	302.6	310.2	333.5	345.7
Miscellaneous expenses <sup>4</sup>	215.1	207.0	223.1	256.2	83.1	70.9	82.4	102.8	876.0	934.8	967.7	1,091.4
<b>Total operating expenses</b>	<b>1,442.2</b>	<b>1,368.4</b>	<b>1,480.3</b>	<b>1,613.3</b>	<b>486.9</b>	<b>517.6</b>	<b>520.0</b>	<b>589.1</b>	<b>5,925.7</b>	<b>6,010.6</b>	<b>6,282.0</b>	<b>6,722.2</b>
<b>Operating ratio</b>	<b>0.90</b>	<b>0.91</b>	<b>0.90</b>	<b>0.91</b>	<b>0.94</b>	<b>0.93</b>	<b>0.92</b>	<b>0.94</b>	<b>0.93</b>	<b>0.92</b>	<b>0.91</b>	<b>0.92</b>
	number											
Company drivers	21,451	19,700	20,136	20,220	6,166	6,458	6,351	7,073	86,750	87,232	89,083	92,632
Owner operators	8,917	9,324	10,254	10,323	3,231	3,860	3,474	3,475	36,891	37,324	38,014	39,429
<b>Total number of drivers</b>	<b>30,368</b>	<b>29,024</b>	<b>30,390</b>	<b>30,546</b>	<b>9,397</b>	<b>10,318</b>	<b>9,824</b>	<b>10,547</b>	<b>123,640</b>	<b>124,556</b>	<b>127,098</b>	<b>132,061</b>

1. Other includes heavy machinery, etc.

2. Including employee benefits.

3. Includes driver services, vehicle lease or rent, total purchased transportation and load broker services.

4. Includes terminal expenses and other operating expenses (insurance, administration, etc.)

5. Except for financial data, the values shown are averages of the Quarterly data.

**Table 2.3**
**Quarterly motor carriers of freight survey, for-hire carriers: general and specialized freight, by quarter, 2005<sup>4</sup>**

	Quarter I			Quarter II		
	General Freight	Specialized Freight	Total	General Freight	Specialized Freight	Total
	number					
Number of Carriers Surveyed	361	426	787	355	434	789
Estimated Total Number of Carriers	1,713	1,596	3,309	1,611	1,722	3,333
	\$'000,000					
<b>Total Operating Revenues</b>	<b>3,918.4</b>	<b>2,443.6</b>	<b>6,362.0</b>	<b>4,145.8</b>	<b>2,416.2</b>	<b>6,562.0</b>
Salaries and Wages <sup>1</sup>	970.9	639.3	1,610.2	1,037.7	638.8	1,676.5
Payments to Owner-Operator	899.1	459.1	1,358.1	857.1	448.0	1,305.1
Fuel Expenses	419.2	277.9	697.1	441.7	269.5	711.2
Maintenance Expenses	242.0	196.8	438.8	234.3	216.0	450.3
Depreciation	183.6	119.0	302.6	187.0	123.1	310.2
Purchased Transportation <sup>2</sup>	451.4	191.6	643.0	448.2	174.4	622.6
Other Expenses <sup>3</sup>	521.4	354.6	876.0	587.4	347.4	934.8
<b>Total Operating Expenses</b>	<b>3,687.4</b>	<b>2,238.3</b>	<b>5,925.7</b>	<b>3,793.4</b>	<b>2,217.2</b>	<b>6,010.6</b>
<b>Operating Ratio</b>	<b>0.94</b>	<b>0.92</b>	<b>0.93</b>	<b>0.92</b>	<b>0.92</b>	<b>0.92</b>
	number					
Company Drivers	51,401	35,349	86,750	53,069	34,163	87,232
Owner Operator	24,731	12,160	36,891	24,782	12,542	37,324
<b>Total Number of Drivers</b>	<b>76,132</b>	<b>47,509</b>	<b>123,640</b>	<b>77,851</b>	<b>46,705</b>	<b>124,556</b>

See note(s) at the end of this table.

**Table 2.3**

**Quarterly motor carriers of freight survey, for-hire carriers: general and specialized freight, by quarter, 2005<sup>4</sup> (concluded)**

	Quarter III			Quarter IV		
	General freight	Specialized freight	Total	General freight	Specialized freight	Total
	number					
Number of Carriers Surveyed	364	430	794	355	439	794
Estimated Total Number of Carriers	1,641	1,735	3,376	1,662	1,743	3,406
	\$'000,000					
<b>Total Operating Revenues</b>	<b>4,314.7</b>	<b>2,595.1</b>	<b>6,909.8</b>	<b>4,555.9</b>	<b>2,737.1</b>	<b>7,293.0</b>
Salaries and Wages <sup>1</sup>	1,085.5	643.8	1,729.3	1,122.5	647.1	1,769.7
Payments to Owner-Operator	954.1	480.7	1,434.8	992.1	545.7	1,537.7
Fuel Expenses	434.5	278.1	712.6	481.3	296.0	777.3
Maintenance Expenses	227.6	209.0	436.6	235.3	222.2	457.5
Depreciation	208.8	124.7	333.5	215.9	129.8	345.7
Purchased Transportation <sup>2</sup>	454.8	212.8	667.5	515.6	227.4	743.0
Other Expenses <sup>3</sup>	583.5	384.2	967.7	665.4	426.0	1,091.4
<b>Total Operating Expenses</b>	<b>3,948.7</b>	<b>2,333.3</b>	<b>6,282.0</b>	<b>4,228.0</b>	<b>2,494.2</b>	<b>6,722.2</b>
<b>Operating Ratio</b>	<b>0.92</b>	<b>0.90</b>	<b>0.91</b>	<b>0.93</b>	<b>0.91</b>	<b>0.92</b>
	number					
Company Drivers	54,059	35,024	89,083	57,688	34,944	92,632
Owner Operator	25,575	12,439	38,014	25,735	13,693	39,429
<b>Total Number of Drivers</b>	<b>79,634</b>	<b>47,463</b>	<b>127,098</b>	<b>83,423</b>	<b>48,638</b>	<b>132,061</b>

1. Including employee benefits.

2. Includes driver services, vehicle lease or rent, total purchased transportation and load broker services.

3. Includes terminal expenses and other operating expenses (insurance, administration, etc.).

4. Except for financial data, the values shown are averages of the Quarterly data.

**Table 2.4**  
**For-hire carriers, revenues by type of movement by quarter, 2005**

	Quarter			
	I	II	III	IV
	number			
Number of Carriers in Sample	787	789	794	794
Estimated Number of Carriers	3,309	3,333	3,376	3,406
	\$'000,000			
<b>Operating Revenues</b>				
<b>Domestic</b>				
Intraprovincial	2,619.2	2,687.7	3,018.5	3,055.7
Interprovincial	1,401.0	1,525.0	1,585.6	1,638.0
<b>Total - Domestic</b>	<b>4,020.2</b>	<b>4,212.7</b>	<b>4,604.1</b>	<b>4,693.7</b>
<b>International</b>				
Into Canada	1,085.1	1,081.6	999.6	1,132.7
Out of Canada	1,027.8	996.8	1,075.1	1,218.8
<b>International</b>	<b>2,112.9</b>	<b>2,078.4</b>	<b>2,074.7</b>	<b>2,351.5</b>
<b>Transportation Revenues</b>	<b>6,133.1</b>	<b>6,291.2</b>	<b>6,678.8</b>	<b>7,045.1</b>
Other Revenues	228.9	270.8	231.0	247.9
<b>Operating Revenue</b>	<b>6,362.0</b>	<b>6,562.0</b>	<b>6,909.8</b>	<b>7,293.0</b>

## Section 2 – Annual Motor Carriers of Freight Survey, 2005

In 2005, the estimated size of the population (annual supplement Q5) was 3,429 carriers compared to 3,114 in 2004, a 10.1% increase.

### 2.1 According to balance sheets, 2005 was less profitable than 2004 for trucking companies

According to an analysis of the balance sheets of Canada-based for-hire trucking companies with annual revenues of \$1 million or more, carriers generally saw their profitability decline in 2005. For example, their net operating revenues were \$1.03 billion, down nearly 30% from 2004. This situation is the result of a greater increase in operating expenses (+11%) than in operating revenues (+8%). The operating profit margin was also lower than in 2004, dropping from 6.08% to 3.94% (see Table 2.5).

The operating profit margin decreased for carriers in all regions except British Columbia. The greatest decreases were recorded in Ontario and the Atlantic region (see Figure 2.11 and Table 2.6).

Furthermore, all types of activity declined, except movers. Among the largest decreases were the transport of forest products and the transport of other specialized freight (see Figure 2.12 and Table 2.7).

There was also a decline in the profit margin of carriers in all revenue groups. Carriers with annual revenues between \$12 million and \$25 million experienced the strongest decrease, followed by carriers with annual revenues between \$2 million and \$5 million (see Figure 2.13 and Table 2.9).

### 2.2 Both short-term and long-term solvency deteriorated

For-hire motor carriers of freight saw some deterioration in their short-term solvency. A greater increase in short-term liabilities (+13%) than in short-term assets (+10%) led to a 17 % drop in working capital. This result also explains the decrease in the working capital ratio, which went from 1.120 in 2004 to 1.080 in 2005 (see tables 2.6, 2.7 and 2.9).

By region, declines in working capital were recorded in all regions except British Columbia. The largest declines were registered by carriers based in Ontario and the Atlantic region.

From one year to the next, there were larger variations in working capital by type of activity. For example, liquid bulk transport posted an increase, while general freight transport remained unchanged and the other activities posted declines.

Short-term solvency deteriorated for three of the five revenue groups, the exceptions being small carriers (those with annual revenues between \$1 million and \$2 million) and the top carriers (annual revenues of more than \$25 million).

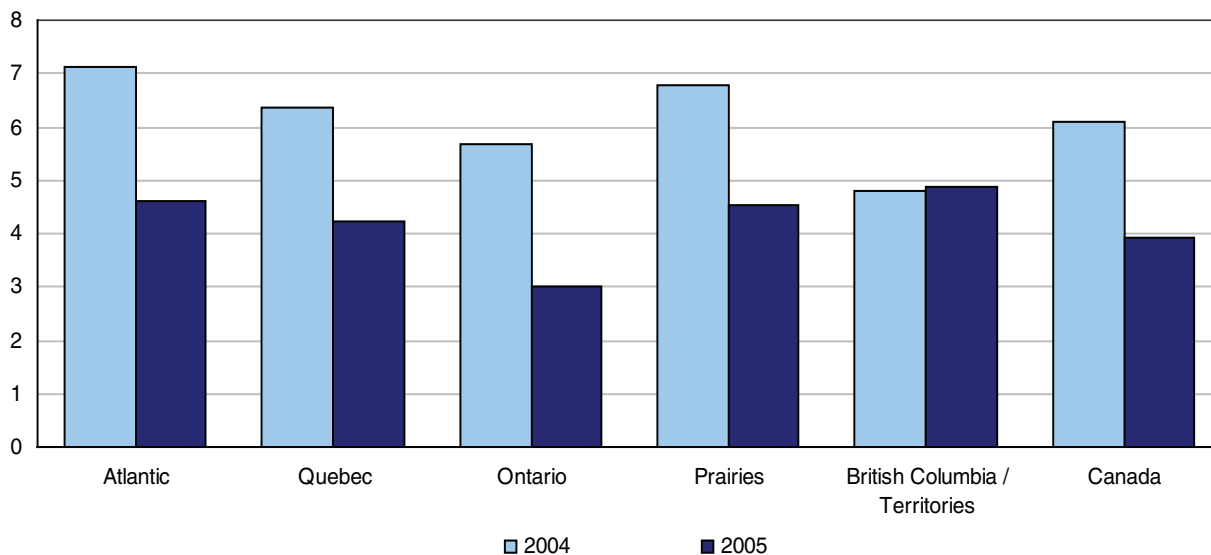
Long-term solvency, as measured by the long-term debt to shareholders' equity ratio, also declined, from 0.47 in 2004 to 0.52 in 2005.

On a regional basis, results varied, ranging from 0.47 in British Columbia to 0.60 in the territories. Overall, the ratio increased for all regions except the territories.

**Figure 2.11**

### Operating profit margins declined in most regions in 2005

percentage



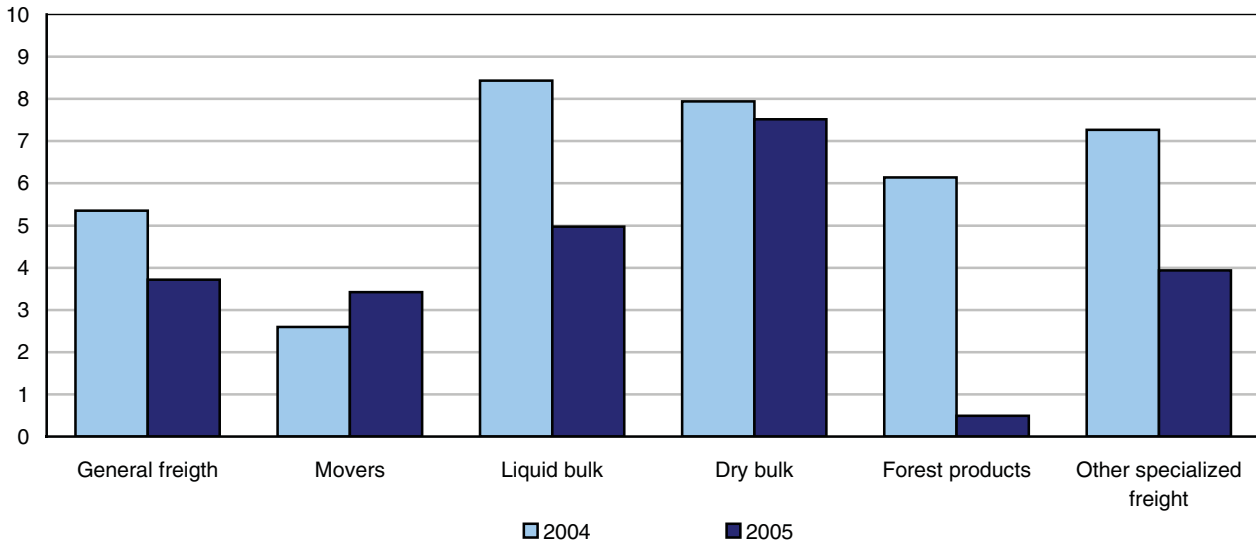
**Source:** Annual Survey of Motor Carriers of Freight.



**Figure 2.12**

**Operating profit margin of forest product transportation showed the steepest drop in 2005**

percentage

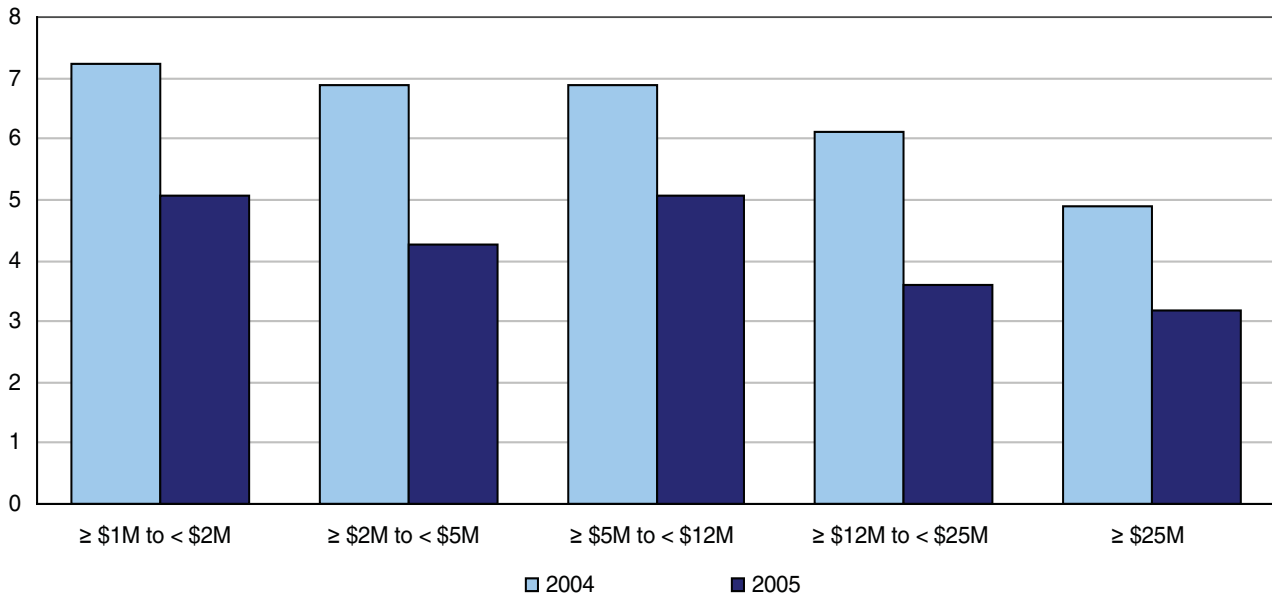


**Source:** Annual Survey of Motor Carriers of Freight.

**Figure 2.13**

**Operating profit margins of all revenue groups declined in 2005**

percentage



**Source:** Annual Survey of Motor Carriers of Freight.

The lowest ratio of long-term debt to shareholders' equity was for the transport of dry bulk products (0.40), while the highest ratio was for other specialized freight (0.57). This ratio increased for all activities in 2005, except the transport of liquid bulk.

By size, the lowest ratio of long-term debt to shareholders' equity was for small carriers (those with annual revenues between \$1 million and \$2 million) and the highest, for the top carriers (annual revenues of more than \$25 million). All groups posted increased ratios in 2005, except small carriers (annual revenues between \$1 million and \$2 million).

### **2.3 Financial leverage remains positive**

In 2005, the return on equity remained substantially higher at 16.3% than the return on capital employed (13.3%). This means that for-hire trucking companies, for an eighth consecutive year, posted a higher return on equity than the interest rate they paid on borrowed funds. This gave them more leeway in financing company operations.

The return on equity exceeded the return on capital employed in all regions and for all types of transport. By company size, the leverage effect was also positive for all revenue sizes, apart from the top carriers (those with annual revenues of more than \$25 million) (see tables 2.5, 2.6 and 2.9).

### **2.4 Carriers owned three-quarters of their service equipment**

The annual survey of for-hire motor carriers of freight also gathers information on equipment in service. In 2005, the quantity of equipment in service totalled 203,355 units, for an average of 59 units per carrier.

Overall, 76% of for-hire motor carriers of freight owned their equipment in service. Compared with 2004, the quantity of owned equipment increased 3%, from 150,015 units to 154,443 units, while the quantity of leased equipment jumped 41%, going from 34,717 units in 2004 to 48,912 units in 2005. As a result, the proportion of leased equipment in service increased from 19% to 24%.

By type of activity, leased units in service (semi-trailers and other equipment) represented 28% of the fleet for general freight carriers but only 15% for specialized freight carriers.

Finally, non-temperature-controlled vans/semi-trailers were the most popular equipment for general freight carriers, with 57% of total equipment, compared to 20% for specialized freight carriers (see Table 2.11).

Table 2.5

**Annual motor carriers of freight survey, for-hire carriers, summary of financial statistics, 2000-2005<sup>1</sup>**

	2000	2001	2002	2003	2004	2005
	number					
Number of Carriers in Sample	765	724	793	748	752	797
Estimated Number of Carriers	2,831	2,838	2,909	2,894	3,114	3,425
<b>Balance sheet</b>	\$'000,000					
Current Assets	3,548.5	3,843.1	3,935.2	4,010.2	4,806.2	5,289.4
Current Liabilities	3,046.2	3,126.8	3,315.0	3,528.8	4,307.8	4,875.9
<b>Working Capital</b>	<b>502.3</b>	<b>716.3</b>	<b>620.2</b>	<b>481.3</b>	<b>498.4</b>	<b>413.4</b>
Long-Term Assets	5,826.5	6,124.8	6,281.4	5,978.1	7,176.8	8,176.6
<b>Net Assets</b>	<b>6,328.8</b>	<b>6,841.1</b>	<b>6,901.7</b>	<b>6,459.4</b>	<b>7,675.1</b>	<b>8,590.0</b>
Long-Term Liabilities	3,262.2	3,444.1	3,384.0	3,014.6	3,598.8	4,427.3
Owner(s) Equity	3,066.0	3,397.0	3,517.7	3,444.9	4,076.4	4,162.7
<b>Long-Term Capital Employed</b>	<b>6,328.2</b>	<b>6,841.1</b>	<b>6,901.7</b>	<b>6,459.4</b>	<b>7,675.1</b>	<b>8,590.0</b>
<b>Income Statement</b>						
Operating Revenues	17,601.9	19,524.9	19,341.3	20,505.2	24,010.8	26,075.7
Operating Expenses	16,672.0	18,405.8	18,317.1	19,600.1	22,550.6	25,047.1
<b>Net Operating Income</b>	<b>929.9</b>	<b>1,119.0</b>	<b>1,024.2</b>	<b>905.1</b>	<b>1,460.3</b>	<b>1,028.6</b>
Other Revenues	555.8	464.0	476.9	603.2	866.3	595.1
Other Expenses	734.1	762.5	597.6	729.8	1,355.5	722.0
<b>Net Other Income</b>	<b>-183.2</b>	<b>-298.8</b>	<b>-120.6</b>	<b>-126.5</b>	<b>-489.2</b>	<b>-126.9</b>
<b>Net Income before Taxes</b>	<b>746.6</b>	<b>820.2</b>	<b>903.6</b>	<b>778.4</b>	<b>975.3</b>	<b>901.7</b>
Provisions for Income Taxes	201.5	192.8	183.5	205.2	298.5	220.9
<b>Net Income before Extraordinary Items</b>	<b>545.2</b>	<b>627.4</b>	<b>720.2</b>	<b>573.2</b>	<b>676.8</b>	<b>680.8</b>
Extraordinary Items	21.8	96.2	9.4	9.2	8.6	11.0
<b>Net Profit</b>	<b>523.4</b>	<b>531.2</b>	<b>710.7</b>	<b>564.1</b>	<b>668.2</b>	<b>669.8</b>
<b>Financial ratios</b>	percentage					
<b>Profitability</b>						
Operating Profit Margin %	5.28	5.73	5.30	4.41	6.08	3.94
Operating Ratio	0.95	0.94	0.95	0.96	0.94	0.96
Return on Assets %	5.82	6.29	7.05	5.74	5.65	5.06
<b>Leverage</b>						
Return on Equity %	17.78	18.47	20.47	16.64	16.60	16.35
Return on Capital Employed %	14.84	15.57	16.38	16.17	15.69	13.32
Interest Coverage Ratio	4.88	4.34	4.98	3.92	5.25	4.72
<b>Solvency</b>						
Working Capital Ratio	1.160	1.230	1.190	1.140	1.120	1.080
Long-Term Debt to Equity Ratio	0.520	0.500	0.490	0.470	0.470	0.520

1. Data are from the Annual motor carriers of freight survey (Supplement - Q5).

Table 2.6

## Annual motor carriers of freight survey, for-hire carriers, financial statistics by region, 2005

	Canada	Atlantic Region	Quebec	Ontario	Prairies	British Columbia	Territories
	number						
Number of carriers in sample	796	132	146	190	238	82	8
Estimated number of carriers	3,425	199	760	1,054	983	420	8
	\$'000,000						
<b>Balance sheet</b>							
Current assets	5,289.4	390.9	1,108.1	1,860.1	1,526.9	376.0	27.4
Current liabilities	4,875.9	373.2	1,042.2	1,834.9	1,289.3	309.7	26.7
<b>Working capital</b>	<b>413.4</b>	<b>17.7</b>	<b>65.9</b>	<b>25.2</b>	<b>237.7</b>	<b>66.3</b>	<b>0.7</b>
Long-term assets	8,176.6	834.8	1,823.4	2,883.8	1,983.7	607.1	43.8
<b>Net assets</b>	<b>8,590.0</b>	<b>852.4</b>	<b>1,889.4</b>	<b>2,909.0</b>	<b>2,221.3</b>	<b>673.5</b>	<b>44.4</b>
Long-term liabilities	4,427.3	423.8	943.5	1,524.2	1,192.3	316.8	26.7
Owner(s) equity	4,162.7	428.6	945.8	1,384.8	1,029.1	356.7	17.8
<b>Long-term capital employed</b>	<b>8,590.0</b>	<b>852.4</b>	<b>1,889.4</b>	<b>2,909.0</b>	<b>2,221.3</b>	<b>673.5</b>	<b>44.4</b>
<b>Income statement</b>							
Operating revenues	26,075.7	2,056.3	5,482.3	9,672.1	6,490.9	2,227.6	146.5
Operating expenses	25,047.1	1,961.5	5,249.8	9,381.6	6,196.3	2,122.1	135.8
<b>Net operating income</b>	<b>1,028.6</b>	<b>94.9</b>	<b>232.5</b>	<b>290.5</b>	<b>294.5</b>	<b>105.5</b>	<b>10.7</b>
Other revenues	595.1	45.2	158.9	208.7	137.9	42.7	1.9
Other expenses	722.0	47.0	175.0	293.7	142.9	62.0	1.5
<b>Net other income</b>	<b>-126.9</b>	<b>-1.9</b>	<b>-16.1</b>	<b>-85.1</b>	<b>-5.0</b>	<b>-19.3</b>	<b>0.4</b>
<b>Net income before taxes</b>	<b>901.7</b>	<b>93.0</b>	<b>216.5</b>	<b>205.4</b>	<b>289.5</b>	<b>86.2</b>	<b>11.1</b>
Provisions for income taxes	220.9	20.9	56.1	64.4	51.8	24.0	3.7
<b>Net income before extraordinary items</b>	<b>680.8</b>	<b>72.1</b>	<b>160.3</b>	<b>141.1</b>	<b>237.7</b>	<b>62.3</b>	<b>7.4</b>
Extraordinary items	11.0	0.4	2.9	5.5	1.5	0.7	0.0
<b>Net profit</b>	<b>669.8</b>	<b>71.7</b>	<b>157.4</b>	<b>135.6</b>	<b>236.2</b>	<b>61.6</b>	<b>7.4</b>
	percentage						
<b>Financial ratios</b>							
<b>Profitability</b>							
Operating profit margin %	3.94	4.61	4.24	3.00	4.54	4.74	7.30
Operating ratio	0.96	0.95	0.96	0.97	0.95	0.95	0.93
Return on assets %	5.06	5.88	5.47	2.97	6.77	6.33	10.40
<b>Leverage</b>							
Return on equity %	16.35	16.81	16.95	10.19	23.09	17.46	41.58
Return on capital employed %	13.32	14.69	14.59	10.03	15.08	15.50	27.96
Interest coverage ratio	4.72	3.88	4.66	3.38	7.36	5.75	9.48
<b>Solvency</b>							
Working capital ratio	1.080	1.050	1.060	1.010	1.180	1.210	1.020
Long-term debt to equity ratio	0.520	0.500	0.500	0.520	0.540	0.470	0.600

**Table 2.7**  
**For-hire carriers, summary statistics by type of activity, 2005**

	General Freight	Movers	Liquid bulk	Dry bulk number	Forest products	Other Specialized freight	<b>All Industries</b>
Number of carriers in sample	367	78	76	83	43	149	796
Estimated total number of carriers	1,814	217	337	363	189	506	3,425
	\$'000,000						
<b>Balance sheet</b>							
Current assets	3,272.8	117.0	591.5	323.8	159.5	824.7	5,289.4
Current liabilities	3,033.0	96.1	485.4	274.1	135.9	851.6	4,875.9
<b>Working capital</b>	<b>239.9</b>	<b>21.0</b>	<b>106.2</b>	<b>49.6</b>	<b>23.7</b>	<b>-26.9</b>	<b>413.4</b>
Long-term assets	4,815.3	147.6	879.1	740.5	372.1	1,221.9	8,176.6
<b>Net assets</b>	<b>5,055.2</b>	<b>168.6</b>	<b>985.2</b>	<b>790.2</b>	<b>395.8</b>	<b>1,195.0</b>	<b>8,590.0</b>
Long-term liabilities	2,676.0	70.1	495.3	319.3	185.7	680.9	4,427.3
Owner(s) equity	2,379.2	98.5	489.9	470.9	210.1	514.1	4,162.7
<b>Long-term capital employed</b>	<b>5,055.2</b>	<b>168.6</b>	<b>985.2</b>	<b>790.2</b>	<b>395.8</b>	<b>1,195.0</b>	<b>8,590.0</b>
<b>Income statement</b>							
Operating revenues	16,866.4	711.9	1,889.8	1,438.3	859.2	4,310.0	26,075.7
Operating expenses	16,238.4	687.6	1,795.9	1,330.1	854.9	4,140.2	25,047.1
<b>Net operating income</b>	<b>628.1</b>	<b>24.3</b>	<b>94.0</b>	<b>108.1</b>	<b>4.2</b>	<b>169.8</b>	<b>1,028.6</b>
Other revenues	381.6	11.6	60.6	44.6	55.1	41.7	595.1
Other expenses	445.5	11.8	62.9	86.5	41.6	73.8	722.0
<b>Net other income</b>	<b>-63.8</b>	<b>-0.2</b>	<b>-2.3</b>	<b>-41.9</b>	<b>13.4</b>	<b>-32.1</b>	<b>-126.9</b>
<b>Net income before taxes</b>	<b>564.2</b>	<b>24.1</b>	<b>91.7</b>	<b>66.2</b>	<b>17.7</b>	<b>137.8</b>	<b>901.7</b>
Provisions for income taxes	151.4	3.2	17.3	11.3	5.1	32.6	220.9
<b>Net income before extraordinary items</b>	<b>412.8</b>	<b>21.0</b>	<b>74.4</b>	<b>54.9</b>	<b>12.6</b>	<b>105.1</b>	<b>680.8</b>
Extraordinary items	7.9	0.5	0.7	0.6	0.0	1.3	11.0
<b>Net profit</b>	<b>404.9</b>	<b>20.5</b>	<b>73.7</b>	<b>54.3</b>	<b>12.6</b>	<b>103.8</b>	<b>669.8</b>
	percentage						
<b>Financial ratios</b>							
<b>Profitability</b>							
Operating profit margin %	3.72	3.42	4.97	7.52	0.49	3.94	3.94
Operating ratio	0.96	0.97	0.95	0.92	1.00	0.96	0.96
Return on assets %	5.10	7.92	5.06	5.16	2.37	5.14	5.06
<b>Leverage</b>							
Return on equity %	17.35	21.27	15.18	11.66	5.99	20.45	16.35
Return on capital employed %	14.26	18.87	11.36	10.83	5.90	14.28	13.32
Interest coverage ratio	4.60	4.14	5.54	4.43	4.11	5.19	4.72
<b>Solvency</b>							
Working capital ratio	1.080	1.220	1.220	1.180	1.170	0.970	1.080
Long-term debt to equity ratio	0.530	0.420	0.500	0.400	0.470	0.570	0.520

Table 2.8

## Annual motor carriers of freight survey, for-hire carriers: Financial statistics by local and long distance trucking and type of activity, 2005

	Local				
	General freight	Liquid bulk	Dry bulk	Forest products	Other specifications
	number				
Number of carriers in sample	117	26	35	16	30
Estimated number of carriers	716	173	252	69	157
	\$ 000,000				
<b>Balance sheet</b>					
Current assets	730.1	131.8	143.5	51.9	249.9
Current liabilities	761.6	76.9	149.6	35.0	186.1
<b>Working capital</b>	<b>-31.5</b>	<b>54.9</b>	<b>-6.1</b>	<b>16.9</b>	<b>63.8</b>
Long-term assets	998.9	180.1	350.8	105.9	353.0
<b>Net assets</b>	<b>967.4</b>	<b>235.0</b>	<b>344.8</b>	<b>122.8</b>	<b>416.8</b>
Long-term liabilities	489.9	83.6	131.5	61.5	182.9
Owner(s) equity	477.5	151.5	213.3	61.3	233.9
<b>Long-term capital employed</b>	<b>967.4</b>	<b>235.0</b>	<b>344.8</b>	<b>122.8</b>	<b>416.8</b>
<b>Income statement</b>					
Operating revenues	3,748.9	557.6	716.4	258.7	1,006.6
Operating expenses	3,607.1	521.5	665.4	254.4	943.2
<b>Net operating income</b>	<b>141.8</b>	<b>36.1</b>	<b>50.9</b>	<b>4.3</b>	<b>63.3</b>
Other revenues	87.3	14.1	16.2	30.4	14.3
Other expenses	95.2	7.3	45.7	29.6	11.0
<b>Net other income</b>	<b>-7.9</b>	<b>6.8</b>	<b>-29.5</b>	<b>0.9</b>	<b>3.3</b>
<b>Net income before taxes</b>	<b>133.9</b>	<b>42.8</b>	<b>21.4</b>	<b>5.2</b>	<b>66.7</b>
Provisions for income taxes	19.5	7.6	3.4	1.6	4.1
<b>Net income before extraordinary items</b>	<b>114.4</b>	<b>35.3</b>	<b>18.0</b>	<b>3.6</b>	<b>62.5</b>
Extraordinary items	1.6	0.2	0.4	0.0	0.8
<b>Net profit</b>	<b>112.8</b>	<b>35.1</b>	<b>17.6</b>	<b>3.6</b>	<b>61.8</b>
	percentage				
<b>Financial ratios</b>					
<b>Profitability</b>					
Operating profit margin %	3.78	6.47	7.11	1.67	6.29
Operating ratio	0.96	0.94	0.93	0.98	0.94
Return on assets %	6.62	11.31	3.64	2.30	10.37
<b>Leverage</b>					
Return on equity %	23.96	23.29	8.43	5.93	26.74
Return on capital employed %	15.96	20.12	8.79	5.93	18.22
Interest coverage ratio	7.55	10.60	3.41	3.48	8.21
<b>Solvency</b>					
Working capital ratio	0.960	1.710	0.960	1.480	1.340
Long-term debt to equity ratio	0.510	0.360	0.380	0.500	0.440

Table 2.8

**Annual motor carriers of freight survey, for-hire carriers: Financial statistics by local and long distance trucking and type of activity, 2005 (concluded)**

	Long distance					
	General freight (TL)	General freight (LTL)	Liquid bulk	Dry bulk	Forest products	Other specifications
	number					
Number of carriers in sample	190	60	50	48	27	119
Estimated number of carriers	872	225	165	110	120	348
	\$ 000,000					
<b>Balance sheet</b>						
Current assets	1,625.2	917.5	459.7	180.3	107.6	574.8
Current liabilities	1,471.5	799.9	408.5	124.6	100.8	665.5
<b>Working capital</b>	<b>153.7</b>	<b>117.6</b>	<b>51.2</b>	<b>55.7</b>	<b>6.8</b>	<b>-90.7</b>
Long-term assets	2,379.2	1,437.2	699.0	389.7	266.2	869.
0						
<b>Net assets</b>	<b>2,533.0</b>	<b>1,554.8</b>	<b>750.2</b>	<b>445.4</b>	<b>273.0</b>	<b>778.</b>
3						
Long-term liabilities	1,418.0	768.1	411.7	187.8	124.2	498.0
Owner(s) equity	1,115.0	786.7	338.5	257.6	148.7	280.2
<b>Long-term capital employed</b>	<b>2,533.0</b>	<b>1,554.8</b>	<b>750.2</b>	<b>445.4</b>	<b>273.0</b>	<b>778.3</b>
<b>Income statement</b>						
Operating revenues	8,697.0	4,420.5	1,332.2	721.9	600.5	3,303.5
Operating expenses	8,362.0	4,269.2	1,274.3	664.7	600.6	3,197.0
<b>Net operating income</b>	<b>334.9</b>	<b>151.3</b>	<b>57.9</b>	<b>57.2</b>	<b>-0.1</b>	<b>106.5</b>
Other revenues	172.9	121.4	46.5	28.4	24.6	27.4
Other expenses	261.4	88.9	55.5	40.8	12.1	62.8
<b>Net other income</b>	<b>-88.5</b>	<b>32.5</b>	<b>-9.0</b>	<b>-12.4</b>	<b>12.6</b>	<b>-35.4</b>
<b>Net income before taxes</b>	<b>246.5</b>	<b>183.9</b>	<b>48.8</b>	<b>44.8</b>	<b>12.5</b>	<b>71.1</b>
Provisions for income taxes	82.3	49.6	9.7	7.8	3.5	28.5
<b>Net income before extraordinary items</b>	<b>164.1</b>	<b>134.3</b>	<b>39.1</b>	<b>36.9</b>	<b>8.9</b>	<b>42.6</b>
Extraordinary items	0.3	5.9	0.5	0.2	0.0	0.6
<b>Net profit</b>	<b>163.8</b>	<b>128.4</b>	<b>38.6</b>	<b>36.8</b>	<b>8.9</b>	<b>42.1</b>
	percentage					
<b>Financial ratios</b>						
<b>Profitability</b>	3.85	3.42	4.35	7.92	-0.01	3.22
Operating profit margin %	0.96	0.97	0.96	0.92	1.00	0.97
Operating ratio	4.10	5.70	3.37	6.48	2.39	2.9
Return on assets %						
<b>Leverage</b>	14.72	17.07	11.55	14.34	6.01	15.20
Return on equity %	12.31	16.40	8.61	12.40	5.89	12.18
Return on capital employed %	4.77	3.59	4.10	5.29	4.47	4.00
Interest coverage ratio						
<b>Solvency</b>	1.100	1.150	1.130	1.450	1.070	0.860
Working capital ratio	0.560	0.490	0.550	0.420	0.460	0.640
Long-term debt to equity ratio						

Table 2.9

## Annual motor carriers of freight survey, for-hire carriers: Financial statistics by revenue size, 2005

	≥ \$1m to < \$2m	≥ \$2m to < \$5m	≥ \$5m to < \$12m	≥ \$12m to < \$25m	≥ \$25m
	number				
Number of carriers in sample	189	176	157	194	80
Estimated number of carriers	1,233	1,111	645	357	80
<b>Balance sheet</b>	\$'000,000				
Current assets	343.7	684.0	845.0	1,946.1	1,470.6
Current liabilities	262.1	546.7	874.0	1,756.2	1,436.9
<b>Working capital</b>	<b>81.6</b>	<b>137.3</b>	<b>-29.0</b>	<b>189.8</b>	<b>33.7</b>
Long-term assets	728.4	1,052.8	1,592.0	2,547.8	2,255.5
<b>Net assets</b>	<b>810.0</b>	<b>1,190.1</b>	<b>1,563.0</b>	<b>2,737.7</b>	<b>2,289.2</b>
Long-term liabilities	317.1	559.6	842.6	1,406.9	1,301.1
Owner(s) equity	492.9	630.4	720.4	1,330.8	988.1
<b>Long-term capital employed</b>	<b>810.0</b>	<b>1,190.1</b>	<b>1,563.0</b>	<b>2,737.7</b>	<b>2,289.2</b>
<b>Income statement</b>					
Operating revenues	1,673.2	3,555.0	4,721.7	9,483.1	6,642.7
Operating expenses	1,588.2	3,403.4	4,483.1	9,141.0	6,431.4
<b>Net operating income</b>	<b>85.0</b>	<b>151.5</b>	<b>238.7</b>	<b>342.1</b>	<b>211.3</b>
Other revenues	53.0	125.3	91.5	159.9	165.4
Other expenses	47.4	126.8	128.4	210.9	208.4
<b>Net other income</b>	<b>5.6</b>	<b>-1.6</b>	<b>-36.9</b>	<b>-51.0</b>	<b>-43.0</b>
<b>Net income before taxes</b>	<b>90.6</b>	<b>150.0</b>	<b>201.8</b>	<b>291.1</b>	<b>168.3</b>
Provisions for income taxes	12.4	19.9	42.8	80.9	64.9
Net income before extraordinary items	78.2	130.0	159.0	210.2	103.4
Extraordinary items	2.0	2.1	3.7	2.8	0.5
Net profit	76.2	127.9	155.4	207.4	102.9
	percentage				
<b>Financial ratios</b>					
<b>Profitability</b>					
Operating profit margin %	5.08	4.26	5.05	3.61	3.18
Operating ratio	0.95	0.96	0.95	0.96	0.97
Return on assets %	7.29	7.49	6.52	4.68	2.78
<b>Leverage</b>					
Return on equity %	15.86	20.63	22.07	15.79	10.47
Return on capital employed %	13.03	14.77	15.19	13.99	10.60
Interest coverage ratio	7.06	6.82	6.66	4.16	3.27
<b>Solvency</b>					
Working capital ratio	1.310	1.250	0.970	1.110	1.020
Long-term debt to equity ratio	0.390	0.470	0.540	0.510	0.570



**Table 2.10****Annual motor carriers of freight, for-hire carriers: Semi-trailers and other operated equipment by region, 2005**

	Atlantic region	Québec	Ontario	Prairies	British Columbia	Territories	Canada
Van / Semi-trailer non-temperature controlled	8,687	25,249	40,891	15,393	4,559	342	95,122
Van / Semi-trailer temperature controlled	3,143	5,143	9,608	5,240	2,689	47	25,871
Flatdeck	1,668	6,108	7,844	11,838	2,250	116	29,825
Other trailers <sup>1</sup>	1,797	7,992	13,293	4,765	3,267	10	31,124
Tank (liquid and dry bulk)	608	2,658	6,383	7,656	802	19	18,126
Other type of equipment	106	895	1,286	921	79	0	3,287
<b>Grand total</b>	<b>16,009</b>	<b>48,046</b>	<b>79,305</b>	<b>45,814</b>	<b>13,647</b>	<b>534</b>	<b>203,355</b>
Owned	11,692	37,282	62,586	32,545	9,812	525	154,443
Leased	4,317	10,764	16,719	13,269	3,834	9	48,912

1. Includes full trailers, dump trailers and container-chassis.

**Table 2.11****Annual motor carriers of freight, for-hire carriers: Semi-trailers and other operated equipment by industry, 2005**

	General freight		Specialized freight		All industries	
	Owned	Leased	Owned	Leased	Owned	Leased
Van / semi-trailer non-temperature controlled	60,145	23,391	10,212	1,374	70,358	24,764
Van / semi-trailer temperature controlled	12,474	4,886	5,418	3,093	17,892	7,979
Flatdeck	10,621	8,352	9,739	1,113	20,360	9,465
Other trailers <sup>1</sup>	18,358	2,828	8,181	1,759	26,539	4,586
Tank (liquid and dry bulk)	3,242	416	13,380	1,087	16,623	1,504
Other type of equipment	971	469	1,701	146	2,672	615
<b>Grand total</b>	<b>105,812</b>	<b>40,342</b>	<b>48,630</b>	<b>8,571</b>	<b>154,443</b>	<b>48,912</b>

1. Includes full trailers, dump trailers and container-chassis.

## Chapter 3

### Trucking Commodity Origin and Destination Survey, 2004

Canadian for-hire trucking companies, with annual operating revenue of \$1 million or more, hauled 65.9 million shipments weighing 604.3 million tonnes in 2004. Long distance carriers accounted for 69% of shipments and 60% of tonnage while local carriers hauled the rest.

The Trucking Commodity Origin and Destination Survey has been redesigned and replaces the For-hire Trucking (Commodity Origin and Destination) Survey. The scope of the survey has been expanded to include the local shipments of long distance carriers and all shipments of local carriers. The sample of shipments has also been substantially increased, primarily through expanded electronic data collection.

The new survey design allows for provincial and territorial origin and destination data, rather than the regional data that could be provided in the past. As well, information about shipments within census metropolitan areas can now be provided for the first time.

Detailed tabulations for 2004 will be available in the summer of 2007.

The objective of the survey continues to be measurement of the origin and destination of commodities carried by Canadian for-hire trucking companies. The key variables collected (number of shipments, weight, distance, commodity, tonne-kilometres and revenue) remain unchanged from the previous design. Long distance carriers are those in North American Industrial Classification System 484121, 484122, 484210, 484231, 484232, 484233 and 484239. Local carriers include NAICS 484110, 484221, 484222, 484223 and 484229. Local carriers normally operate within a metropolitan area and its hinterland, while long distance carriers normally operate between metropolitan areas. Long distance shipments are those of 25 kilometres or more in length. Local shipments include those less than 25 kilometres.

Data for 2005 are expected to be released in The Daily in the summer of 2007.

For further information regarding the new TCOD Survey please refer to Chapter 5 "Redesign of the Trucking Commodity Origin and Destination Survey" in Trucking in Canada, 2003 Catalogue No. 53-222-XIB.

**Table 3.1**  
**For-hire Trucking Activity, 2004**

	Long distance shipments		Local shipments		Total	
	number millions	weight million tonnes	number millions	weight million tonnes	number millions	weight million tonnes
Long distance carriers	40.2	297.2	5.6	66.1	45.8	363.3
Local carriers	12.4	140.9	7.7	100.1	20.1	241.0
<b>Total</b>	<b>52.6</b>	<b>438.1</b>	<b>13.3</b>	<b>166.2</b>	<b>65.9</b>	<b>604.3</b>

## Chapter 4

### Survey methodology and data quality

---

#### Introduction

This chapter describes the methodology of the surveys of the trucking industry carried out by the Transportation Division of Statistics Canada. Sections 1 and 2 provide, for each survey, descriptions of the target and survey populations, the sample design, and the data processing and estimation methods. Notes for historical comparisons are also provided. In Section 3, the quality of the data presented in this publication is discussed and quality indicators for some key statistics are given.

Several methodology terms (target population, survey population, survey frame, stratification, sampling weight, imputation, etc.) are frequently used in this chapter. Their definitions can be found in the Glossary located at the end of this document.

Users who require additional information can obtain details from the Transportation Division upon request (Telephone: 1-866-500-8400, Email: [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca), Fax: 613-951-0579).

#### Section 1 Quarterly For-Hire Motor Carriers of Freight (QMCF) Survey and its Annual Supplement (Q5) – Chapter 2

##### A. Survey Objectives

The principal objective of these surveys is to provide information about the size, structure and economic performance of Canada's for-hire trucking industry. Financial data are used as inputs to the System of National Accounts. Federal and provincial governments use the data to formulate policies and to monitor the trucking industry in Canada. Trucking companies and associations use the published statistics for benchmarking purposes.

##### B. Populations

###### Target Population

The target population for both surveys includes all Canadian domiciled for-hire motor carriers (companies) of freight with annual operating revenues of \$1 million or more.

###### Survey Population

###### 2005 QMCF

The survey population consists of all companies on Statistics Canada's business register, the Central Frame Data Base (CFDB), classified as for-hire trucking with an annual gross business income value of \$1 million or more. The CFDB is a dynamic database, updated on an ongoing basis. Since 1997, the survey population is updated each quarter to reflect the most up-to-date information on the CFDB.

###### 2005 Q5 Annual Supplement

The survey population consisted of all companies on the CFDB at the end of 2005 classified as for-hire trucking with an annual gross business income value of \$1 million or more. This population was slightly more up-to-date than the QMCF fourth quarter survey population.

##### C. Sample Design

###### 2005 QMCF

A sample of carriers was selected from the survey population for the first quarter of 2005. Sample rotation, except among carriers that have a substantial impact on the survey estimates, was made for the 2005 reference year in order to reduce response burden. Rather than selecting an independent sample in the first quarter of every reference year, the previous year's fourth quarter sample is rotated to minimize the sample overlap from one year to the next. This sample was then updated each quarter so that it would remain representative of the survey population. Each segment of the industry and each province and territory of Canada was represented in the sample.

The carriers on the first quarter survey frame were first grouped (stratified) according to their province or territory of domicile and their type of activity. Since 1997, the type of activity is defined according to the North American Industrial Classification System (NAICS). Then, within each province (or territory)/type of activity combination, the carriers were divided into three size groups (strata). The size was measured by annual gross business income.

For reasons of efficiency, carriers in the largest size stratum within each province (or territory)/type of activity combination were included in the sample with certainty. Carriers in the remaining size strata were sampled according to a probability mechanism called simple random sampling with rotation, which gives every carrier within the same stratum an equal chance of selection. The number of carriers selected from each stratum is determined such that the total sample size is minimized subject to fixed levels of precision for estimates of operating revenues, for each province (or territory) and for each type of activity. The coefficient of variation, described in Section 3, was used as the measure of precision. All carriers in Newfoundland and Prince Edward Island, as well as in Yukon, Nunavut and Northwest Territories were included in the sample with certainty due to the small number of in-scope carriers in these provinces/territories.

The first quarter sample for 2005 consisted of 1053 carriers representing a survey population of 4427 carriers. Table 4.1 presents the survey population size and sample size for each

region of domicile and type of activity. The sample size is presented in parentheses beside the population size. Note that the estimated number of carriers in the population is generally smaller than the survey population, due to out-of-business or out-of-scope units identified during collection that were included in error on the survey frame.

For each of the second, third and fourth quarters of 2005, the previous quarter sample was updated so that it would remain representative of the updated survey population for that quarter. Units in the previous quarter sample no longer in the survey population were removed, and a sample of the units new to the survey population for that quarter (births) was added. The births were assigned to the strata defined for the first quarter, and a random sample of them was selected from each stratum. The fraction of births selected in each stratum was the same as the fraction of units selected in that stratum for the first quarter.

### **2005 Q5 Annual Supplement**

The 2005 Q5 survey sample was the fourth quarter 2005 QMCF sample, updated to reflect any changes between the fourth quarter QMCF survey population and the Q5 survey population. Companies no longer in the survey population were removed, and a sample of new units was added (just as is done for each quarter of QMCF). Table 4.2 presents the total survey population size and sample size for each region of domicile and type of activity.

### **D. Data Collection and Processing**

#### **2005 QMCF**

At the end of each quarter, a QMCF questionnaire was sent to each sampled carrier. The data were collected by mail-back, facsimile or through computer assisted telephone interviews. The survey data were captured and checked for errors and inconsistencies. Inconsistent, questionable and missing data were referred back to the carrier for clarification or revision. Problems or missing data which could not be resolved with the carrier were then replaced with consistent values (were imputed) using Statistics Canada's Generalized Edit and Imputation System. The system imputes the data using different imputation rules depending on the type of carrier and the type of data to be imputed. For example, the data can be imputed from historical files (using data from previous QMCF and Q5 surveys), or by using representative data from another carrier. The data were then verified by subject matter specialists.

### **2005 Q5 Annual Supplement**

For the 2005 Q5 survey, the questionnaires were mailed in early spring of 2006. The carriers were asked to report data pertaining to their own 12-month accounting period ending no later than March 31, 2006. The processing methods were similar to those used for the 2005 QMCF survey.

### **E. Estimation**

Since only a sample of carriers was contacted for the QMCF survey, the individual values were weighted to represent the whole industry within the scope of the survey. The value for each carrier in the sample was multiplied by the sampling weight for that carrier, and then the weighted data from all sampled carriers belonging to a given estimation domain (e.g. general freight in Ontario) were summed to obtain the estimate. The same method was used to produce the estimates for the Q5 survey. Table 4.3 provides quality measures by region and by type of activity, for all four quarters surveyed by QMCF in 2005. Table 4.4 provides for the Q5 survey quality measures by region, by type of activity and by size.

The financial ratios presented in Chapter 2 (e.g. operating ratio) are for-hire trucking industry level ratios. They are calculated by dividing the estimate of one total (e.g. total operating expenses) by another (e.g. total operating revenues). The result may differ somewhat from a ratio calculated as the average of the individual ratios of each carrier.

### **Notes for Historical Comparisons**

- The target population for the 1988 and 1989 QMCF surveys consisted of carriers with annual operating revenues of \$250,000 or more.
- The survey frame prior to 1995 was maintained by Transportation Division and updated annually from an administrative file of tax filers.
- Prior to 1997, the same survey population and sample was used for all four quarters of the reference year for QMCF.
- Prior to 2000, an independent sample was selected in the first quarter and updated for each of the following quarters of the reference year. Since 2000, rather than selecting an independent sample in the first quarter of every reference year, a sample rotation – except among carriers that have a substantial impact on the survey estimates – was performed in order to minimize the sample overlap from one year to the next. The sample rotation thus reduces the response

**Table 4.1****Quarterly motor carriers of freight survey, for-hire carriers, first quarter, 2005 – Survey population and sample size<sup>1</sup> by region and type of activity**

Region	Type of activity				Total
	General freight	Household goods movers	Bulk	Other	
Atlantic	133 (78) <sup>1</sup>	24 (24)	38 (30)	91 (60)	286 (192)
Québec	492 (101)	49 (12)	137 (32)	234 (42)	912 (187)
Ontario	960 (158)	125 (22)	223 (36)	239 (36)	1,547 (252)
Prairies	480 (110)	49 (31)	349 (84)	237 (64)	1,115 (289)
British Columbia and Territories	242 (44)	36 (13)	90 (35)	199 (41)	567 (133)
Total	2,307 (491)	283 (102)	837 (217)	1000 (243)	4,427 (1,053)

1. Data in parentheses show sample size. Table 4.1

**Table 4.2****2005 motor carriers of freight survey annual supplement (Q5) – Survey population and sample size<sup>1</sup> by region and type of activity**

Region	Type of activity				Total
	General freight	Household goods movers	Bulk	Other	
Atlantic	146 (83) <sup>1</sup>	23 (23)	39 (31)	99 (64)	307 (201)
Québec	533 (105)	54 (12)	154 (33)	251 (42)	992 (192)
Ontario	1,009 (163)	135 (22)	244 (41)	257 (38)	1,645 (264)
Prairies	539 (112)	57 (36)	407 (97)	276 (71)	1,279 (316)
British Columbia and Territories	263 (46)	40 (14)	97 (39)	224 (40)	624 (139)
Total	2,490 (509)	309 (107)	941 (241)	1,107 (255)	4,847 (1,112)

1. Data in parentheses show sample size.

Table 4.3

## 2005 Quarterly Motor Carriers of Freight Survey - Quality measures by region and by type of activity

	1st quarter					2nd quarter				
	Response rate	Revenues		Expenses		Response rate	Revenues		Expenses	
		Relative imputation rate	CV	Relative imputation rate	CV		Relative imputation rate	CV	Relative imputation rate	CV
	%									
<b>Region</b>										
Atlantic	51.9	25.2	2.1	25.1	2.1	46.9	28.7	1.9	28.2	1.8
Québec	74.5	24.0	6.0	24.1	5.9	70.7	24.6	6.7	24.9	6.6
Ontario	58.3	42.3	5.1	42.5	5.0	59.7	42.3	4.7	42.8	4.5
Prairies	50.7	43.2	3.8	44.9	3.6	52.4	43.9	4.9	44.1	5.0
British Columbia and Territories	47.7	41.6	6.5	41.6	6.6	51.7	42.2	6.9	45.0	6.9
<b>Main type of activity</b>										
General freight	59.0	36.2	3.7	36.7	3.7	58.6	36.9	4.0	37.4	3.9
Specialized freight	55.2	39.3	3.5	39.7	3.3	55.1	39.4	3.9	39.7	3.8
<b>Total</b>	<b>56.9</b>	<b>37.4</b>	<b>2.6</b>	<b>37.8</b>	<b>2.6</b>	<b>56.7</b>	<b>37.8</b>	<b>2.7</b>	<b>38.3</b>	<b>2.6</b>
	3rd quarter					4th quarter				
	Response rate	Revenues		Expenses		Response rate	Revenues		Expenses	
		Relative imputation rate	CV	Relative imputation rate	CV		Relative imputation rate	CV	Relative imputation rate	CV
	%									
<b>Region</b>										
Atlantic	50.4	22.7	1.8	22.7	1.9	50.0	34.4	1.8	34.4	1.8
Québec	67.8	29.4	6.1	29.1	6.3	63.4	39.3	5.8	38.7	6.1
Ontario	56.3	41.8	5.3	41.9	5.1	58.0	39.6	5.3	40.0	5.1
Prairies	48.9	50.6	5.0	51.0	5.3	52.4	47.2	4.3	47.6	4.4
British Columbia and Territories	51.2	48.4	6.7	39.4	6.7	51.2	36.3	7.1	35.4	7.2
<b>Main type of activity</b>										
General freight	56.3	38.4	4.3	38.1	4.2	55.8	40.3	4.2	40.3	4.1
Specialized freight	53.5	43.6	3.7	42.3	3.7	54.9	41.4	3.8	41.4	3.8
<b>Total</b>	<b>54.8</b>	<b>40.4</b>	<b>2.8</b>	<b>39.7</b>	<b>2.8</b>	<b>55.3</b>	<b>40.7</b>	<b>2.7</b>	<b>40.7</b>	<b>2.7</b>

Table 4.4

## 2005 Motor Carriers of Freight Survey Annual Supplement (Q5) – Quality measures by region, by type of activity and by size

	Response rate	Revenues		Expenses	
		Relative imputation rate	CV	Relative imputation rate	CV
					%
<b>Region</b>					
Atlantic	49.2	28.7	2.3	29.2	2.2
Québec	63.0	47.4	6.4	48.1	6.4
Ontario	60.0	42.0	5.6	44.6	5.5
Prairies	51.7	47.1	5.9	47.8	67.1
British Columbia and Territories	53.3	37.6	6.1	37.2	6.2
<b>Type of activity</b>					
General freight (local)	50.4	48.9	12.3	49.1	12.5
General freight (long distance)	63.2	38.2	4.0	38.6	3.9
Specialized freight (local)	52.3	51.4	9.7	53.1	9.6
Specialized freight (long distance)	52.1	44.9	3.0	48.9	3.0
Household goods movers	53.9	53.5	11.0	53.4	11.2
<b>Size (based on total annual operating revenue)</b>					
Less than \$2,000,000	48.2	57.9	7.6	58.0	7.6
\$2,000,000 to \$4,999,999	47.7	55.8	8.2	56.0	8.2
\$5,000,000 to \$11,999,999	52.9	50.1	9.4	50.8	9.4
\$12,000,000 and above (excluding top carriers)	58.8	53.1	8.0	53.5	8.0
Top carriers	87.5	12.8	0.0	17.0	0.0
<b>Total</b>	<b>55.5</b>	<b>43.0</b>	<b>2.9</b>	<b>44.3</b>	<b>2.9</b>

## Glossary

---

**Bill of lading.** A contract setting out the details for transporting goods from a consignor (shipper) to a consignee (receiver). The bill of lading usually contains a description of the goods, the origin and destination, the weight and the transportation charges.

**Commodity.** The description of the transported merchandise as recorded on the carrier's shipping document. This information is encoded according to the Standard Classification of Transported Goods (SCTG).

**Current ratio.** A measure of liquidity obtained by dividing current assets by current liabilities. This ratio is used to show the ability to pay current debts from current assets.

**Destination.** The point to which goods were delivered by the final carrier.

**Domestic shipment.** A shipment whose origin and destination are in Canada.

**Fiscal year (Motor Carriers of Freight Survey, Q5 Annual Supplement).** Any 12 month period adopted by a carrier as its annual accounting period, ending any time between April 1, 2005 and March 31, 2006.

**For-hire carrier.** Any carrier which undertakes the transport of goods for compensation.

**Freight forwarders.** Companies that play an intermediary role between the shipper and the carrier by arranging the transport of freight for a fee. These companies are excluded from this report.

**General freight.** Freight that is packed (not bulk) and does not need specialized transportation equipment.

**Imputation.** Procedure of completing a response by using values from one or more records on the same file or from external sources. (e.g. historical data on non-respondents, administrative sources, etc.)

**Industry activity statistics.** Statistics that describe the output of the industry in such terms as tonnes, tonne-kilometres, vehicle kilometres traveled, commodities transported from point to point.

**Industry structure statistics.** Statistics that describe the size, performance and economic health of the industry, such as revenues, expenses, balance sheets, equipment operated, employment. These are also referred to as input variables.

**Intercity shipment (For-hire Trucking Commodity Origin/Destination Survey).** A shipment transported for a distance greater than 24 km.

**Interest coverage ratio.** The number of times a company can meet the interest payments of its creditors. The ratio is calculated by dividing the net income before interest and taxes by the amount of interest paid.

**Interline shipment.** The movement of a consignment by an initiating carrier to an intermediate point. From this point, a subsequent carrier moves the consignment to another point which may be an intermediate point or the final destination.

**International motor carrier.** A Canadian-based for-hire or private carrier that operates in the United States, or Mexico.

**Interprovincial motor carrier.** A for-hire or private carrier that operates in more than one province or territory.

**LTL - Less than truckload** LTL carriers are characterized by the use of terminals to consolidate shipments, generally from several shippers, into a single truck for haulage between a load assembly terminal and a disassembly terminal, where the load is sorted and shipments are re-routed for delivery.

**Leverage.** The extent to which the company has been financed by debt.

**Local carrier.** A company which gains the majority of its revenues by providing trucking services within a metropolitan area and its hinterland, (see NAICS definition and For-hire Motor Carriers of Freight-Annual Supplement survey).

**Long-distance carrier.** A company which gains the majority of its revenues by providing trucking services between metropolitan areas (see NAICS definition and For-hire Motor Carriers of Freight-Annual Supplement survey).

**Long-term debt ratio.** The percentage of capital provided by creditors. This ratio is used as a measure of solvency and is obtained by dividing long term liabilities by long term liabilities plus total owner's equity.

**North American Industrial Classification System (NAICS).** Classification system developed in 1997 which allows the reporting of an integrated system of economic statistics by breaking down Canada's total economic production into industries. Trucking industries (Industry Group 484) are establishments primarily engaged in the truck transportation of goods. This industry group is a part of the Major Groups 48-49 (Transportation, Warehousing and Storage industries) which include establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. The modes of transportation are road (trucking, transit and ground passenger), rail, water, air and pipeline.



**Operating expenses.** Operating expenses include expenses incurred in carrying motor carrier freight operations only. These generally exclude non-operating expenses such as capital loss, interest paid, etc.

**Operating ratio.** The proportion of operating revenues absorbed by operating expenses. Calculated by dividing operating expenses by operating revenues.

**Operating revenues.** Operating revenues include revenues pertaining to the motor carriers of freight operations only. These correspond to the total amount billed by the carrier and exclude revenues earned by other carriers in the case of interline shipments.

**Origin.** The point at which goods were received by the initial road carrier. Road carrier in this context includes piggyback (a rail movement where the transport of goods is in highway trailers/containers on railway cars).

**Owner operators.** Owner Operators own/lease one or more power units and provide hauling services under contract to for-hire or private carriers.

**Private carrier.** A company whose principal occupation is not trucking but maintains its own fleet of vehicles (owned or leased) for transporting its own freight.

**Probill.** A document which is made by the trucking company from the bill of lading. It is a company control document describing the handling of a shipment of goods and usually contains information on origin, destination, commodity description, weight (or other measurement), rate, revenues and interlining. A probill is sometimes referred to as a waybill.

**Profit margin.** The percentage of profit earned from each revenue dollar. It is obtained by dividing net income after taxes by total revenues and multiplying by 100.

**Province or territory of domicile.** The province or territory where the head office of the carrier is located.

**Relative imputation rate.** The proportion of the corresponding published estimate that is accounted for by the imputed data.

**Response rate.** The number of carriers that gave complete or partial answers to the survey divided by the total number of carriers in-scope for the survey (cases resolved and unresolved).

**Return on assets.** A measure of profitability, calculated as a percentage and obtained by dividing net income after taxes by total assets and multiplying by 100.

**Return on equity.** A measure of the financial return to owners of a business. Calculated by dividing net income before extraordinary items by owner's equity.

**Return on long-term capital employed.** Measures the financial return to the providers of long term capital and is obtained by dividing net income before interest and taxes by the sum of long term liabilities plus owner's equity.

**Sampling.** A procedure used to select randomly a part of a group for examination. Rather than examining an entire group referred to as the population or universe, one may examine a part of the group called a "sample".

**Sampling weight.** A raising factor attached to each sampled unit to obtain estimates for the population from a sample. The basic concept of the sampling weight can be explained by using the representation rate. For example, if 2 units are selected out of 10 population units at random, then each selected unit represents 5 units in the population including itself, and is given the sampling weight of 5. A survey with a complex sample design requires a more complicated way of calculating the sampling weight. However, the sampling weight is still equal to the number of units in the population the unit represents.

**Shipment (For-hire Trucking Commodity Origin/Destination Survey).** A quantity of merchandise transported by a for-hire carrier from one person or organization (consignor or shipper) to another person or organization (consignee or receiver).

**Shipping document.** Any document recording the transportation of goods by a carrier, which can be sampled. A probill (waybill), bill of lading, load manifest, trip report, invoice, or the individual records of a summary sheet or tape are considered to be shipping documents.

**Stratification.** A non-overlapping partition of the survey population into relatively homogeneous groups with respect to certain characteristics such as geographical and industrial classification, size, etc. These groups are called strata and are used for sample allocation and selection.

**Survey frame.** A list of all units in the survey population (e.g. carriers, shipments) that carries the contact (e.g., name, address) and the classification information (e.g. industrial, geographical and size) of the units to be surveyed.

**Survey population.** Collection of all units (e.g. carriers, shipments) for which the survey can realistically provide information. The survey population may differ from the target population due to the operational difficulty in identifying all the units that belong to the target population.

**Target population.** Collection of all units (e.g. carriers, shipments) for which the information is required.

**Tonne-kilometre.** An expression of weight (mass) multiplied by distance from origin to destination for each shipment. This is the standard output measure of the trucking industry.

**Top carriers.** A group of for-hire motor carriers of freight with annual revenues of \$25 million and more per carrier.

**Trip report.** A statement giving details of at least one trip of a transport vehicle detailing the origin, destination, commodity, weight (or other measurement), rate, revenues and interlining. It may include both inbound and outbound journeys.

**Truckload (TL)** A shipment generally devoted to the goods of a single shipper, taken directly from a point of origin to one or more destination points.

**Weight (Mass).** An expression of the weight of goods shipped as noted on the shipping document. Liquids, gases, pieces and other items not rated on a weight basis are assigned weights from a conversion table.

**Working capital ratio.** This ratio examines the relationship of current assets to current liabilities. It measures the ability to pay short-term debts easily when they become due.

## Definitions of financial ratios

---

### Profitability

$$\text{Operating profit margin (\%)} = \frac{\text{Net operating income}}{\text{Operating revenue}} \times 100$$

$$\text{Operating ratio} = \frac{\text{Operating expenses}}{\text{Operating revenue}}$$

$$\text{Return on assets (\%)} = \frac{\text{Net income before extraordinary items}}{\text{Total assets}} \times 100$$

---

### Leverage

$$\text{Return on equity (\%)} = \frac{\text{Net income before extraordinary items}}{\text{Owner's equity}} \times 100$$

$$\text{Return on capital employed (\%)} = \frac{\text{Net income before tax and interest}}{\text{Long term capital employed}} \times 100$$

$$\text{Interest coverage ratio} = \frac{\text{Net income before tax and interest}}{\text{Interest expenses}}$$

---

### Solvency

$$\text{Working capital ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\text{Long-term debt to equity ratio} = \frac{\text{Long-term debt}}{\text{Long term capital employed}}$$

## How to get the economic facts and analysis you need on transportation!

Available from the Transportation Division are...

- key financial operating statistics and commodity and/or passenger origin-destination data for the trucking, bus, marine, rail and air transport industries;
- special tabulations and analytical studies tailored to your business needs on a cost-recovery basis;
- service bulletins providing preliminary release data, intermodal comparisons, etc.

Get the facts! Find out how the Transportation Division can help you meet your information needs by contacting:

Client Services Unit  
Transportation Division  
Statistics Canada  
150 Tunney's Pasture Driveway  
Main Bldg. Room 1506  
Ottawa, Ontario  
K1A 0T6

Telephone: 1-866-500-8400  
Facsimile: 613-951-0009  
Internet: [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca)

## For further reading

Selected publications from Statistics Canada

---

<b>Catalogue no.</b>	<b>Title</b>
50-002-XIE	Surface and Marine Transport - Service Bulletin
51-004-XIE	Aviation - Service Bulletin
51-203-XIE	Air Carrier Traffic at Canadian Airports – Annual
51-205-XIE	Air Passenger Origin and Destination, Canada-United States Report - Annual
51-207-XIE	Air Charter Statistics - Annual
52-001-XIE	Railway Carloadings - Monthly
52-216-XIE	Rail in Canada - Annual
53-222-XIE	Trucking in Canada - Annual
53-223-XIE	Canadian Vehicle Survey - Annual
54-205-XIE	Shipping in Canada - Annual

---

These products are available for free in electronic format. To obtain a single issue, visit our website at [www.statcan.ca](http://www.statcan.ca) and select Publications, or phone toll-free 1-800-263-1136 or 1-613-951-8116.