

Changes Affecting Historical Comparability of Data

2002 Employment data for tax records

Prior to 2002, total salaries and wages for tax records were allocated to production workers only. The number of production workers for tax records was calculated by dividing total salaries and wages by the average wage for production workers observed in the data from survey respondents.

Beginning in 2002, total salaries and wages for tax records are allocated between non-production (total salaries) and production workers (total wages) based on the distribution observed in the data from survey respondents. The number of non-production and production workers are calculated by dividing total salaries and total wages, respectively by the average salaries and average wages observed in the data from survey respondents.

This change in methodology will dampen increases in production employment and wages between 2001 and 2002 and enhance increases in non-production employment and salaries over the same period. This change limits the comparability of distributions of total employment and total wages and salaries across production and non-production workers. The impact of this change will vary across manufacturing industries depending on the share of tax records in each industry.

2000 Universe change

With the release of reference year 2000, major conceptual and methodological changes were incorporated into the Annual Survey of Manufactures (ASM).

Prior to reference year 2000, the Annual Survey of Manufactures provided estimates of principal financial statistics for all incorporated manufacturing businesses that had employees and had sales of manufactured goods equal to or greater than \$30,000. With reference year 2000, the universe was expanded to cover all manufacturing units. This meant that, in addition to the incorporated manufacturing businesses over \$30,000 in sales of manufactured goods and with employees, the new ASM would also include:

- a) all incorporated businesses under \$30,000 that had employees;
- b) all incorporated businesses that did not have any employees regardless of their annual sales value;
- c) all unincorporated businesses

The addition of these units added approximately 60,000 units to the ASM universe. Despite this tremendous increase in the number of establishments, the majority are relatively small i.e. in total, these additional units account for less than 5% of the total revenue from the sale of manufactured goods. However, the effect on the principal

financial statistics does differ by industry and province. Data for these units were collected from administrative tax files rather than by questionnaire to reduce the burden placed on smaller businesses by Statistics Canada surveys.

In addition, beginning with reference year 2000, data for Head Offices are no longer included, which affects the following variables:

- Administration employees
- Total employees
- Cost of materials, supplies and good for resale
- Value of shipments and other revenue
- Total value added

In order to establish comparability between the new and the old methodologies, Cansim table 301-0003 provides estimates of principal financial statistics for incorporated manufacturing establishments that had employees and had sales of manufactured goods equal to or greater than \$30,000.

Table 301-0005 provides estimates of manufactured goods by North American Industry Classification System (NAICS) by sub-sector level for incorporated manufacturing businesses that had employees and had sales of manufactured goods equal to or greater than \$30,000 as well as for all other manufacturing businesses.