



The Daily

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NEW PRODUCTS



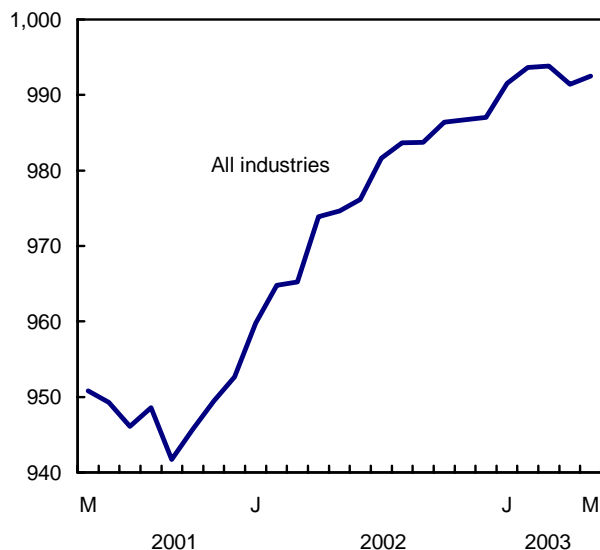
MAJOR RELEASES

Gross domestic product by industry May 2003

Economic activity edged up in May, as gross domestic product (GDP) increased 0.1% after a setback in April.

Economic activity inches up

GDP billions of chained \$ (1997)



The economy gained strength from sharply higher sales of motor vehicles, which propelled the retailing and wholesaling sectors. The financial sector expanded as a result of the stock market's recovery. The real estate agent and brokerage industry benefited from a stronger resale housing market. Although the residential housing industry declined in May for a second consecutive month, non-residential and engineering construction again registered gains. The agricultural sector benefited from increased crop production, as weather conditions continued to improve in Western Canada after two years of severe drought. Industries in the tourism sector reported mixed results after a SARS-affected April lowered activity levels throughout the sector.

Note to readers

In September 2002 (reference month: July 2002), the monthly gross domestic product (GDP) by industry program introduced the first stage of conversion to a Chain Fisher formula, by adopting annual chained input-output benchmarks in its calculation of real GDP for 1997 to 1999. However, from January 2000 onwards, the data are 1999 Laspeyres-based estimates. The monthly GDP results are expressed in chained 1997 dollars. This conversion brings the monthly GDP by industry estimates more in line with the quarterly expenditure-based GDP data, chained quarterly. For more information, see Statistics Canada's website (www.statcan.ca). From the Statistical methods page, choose Methodology, then Chain Fisher Volume Index.

Revisions

Revisions arise from updates to benchmark data, projectors and seasonal adjustment. With this release, the data are revised back to January 2002.

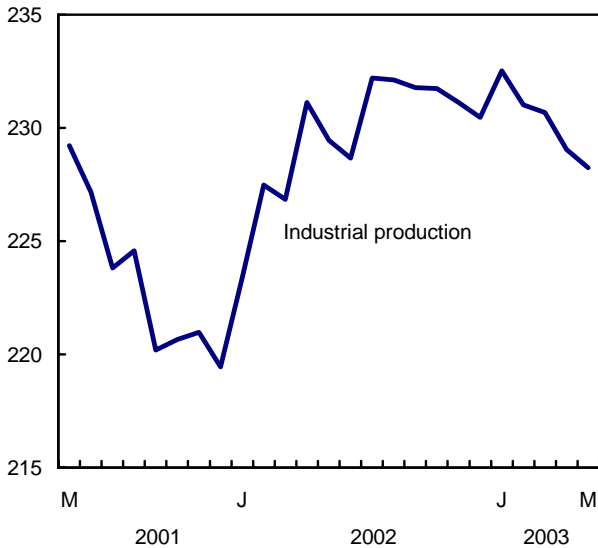
Restaurants posted gains, hotels were flat and airlines and travel agents continued to register lower activity levels.

Areas of the economy that were weak in May included the industrial production sector, the transportation sector (affected by fewer tourists and lower manufacturing output) and the education sector, where activity levels were hampered by strike activity.

Industrial production (manufacturing, mining and utilities) fell a further 0.3%, the fourth decrease in as many months, as all components registered a decline in May. Substantial reductions in the production of food, paper, wood and fabricated metal products were responsible for the bulk of the weakness in the manufacturing sector. Further declines in natural gas production and reduced gold mine output led to a reduction in the mining sector. Lower natural gas distribution more than offset a slight increase in electricity generation to reduce total utilities output. Comparable US statistics on industrial production showed a 0.1% increase in May, after two consecutive substantial monthly declines. The utilities segment was the only area to register weakness in the United States in May.

Industrial production deteriorates further

GDP billions of chained \$ (1997)



Manufacturers continue to curtail output

Manufacturers reduced production levels for the second consecutive month, resulting in the lowest output levels since March 2002. Manufacturers of exported goods faced lower demand as a result of price increases from a significantly stronger Canadian dollar. Substantial reductions in the production of food, paper, wood and fabricated metal products were responsible for the bulk of the weakness in the manufacturing sector.

Food manufacturers were adversely affected by the revelation on May 20 that an Alberta cow died of bovine spongiform encephalopathy (BSE, or mad cow disease) which closed most of the international export market for Canadian beef. Many farmers held back their slaughter cattle, thereby reducing production levels at meat-packing plants. Production levels in the animal slaughtering industry were curtailed a significant 9.3%, while the rendering and meat processing industry cut back production levels 7.9%. Exports of meat and meat preparations fell 20% in May.

Wood and pulp and paper product manufacturers curtailed production in response to a stronger Canadian dollar, which increased almost 5% against the US dollar in May. High tariff rates coupled with a strong Canadian dollar made it almost impossible for sawmill producers to earn a reasonable rate of return. Fabricated metal products producers trimmed production back 1.7% as a result of lower demand from transportation equipment parts manufacturers.

Transportation equipment manufacturers scaled back production slightly, as increased production of cars

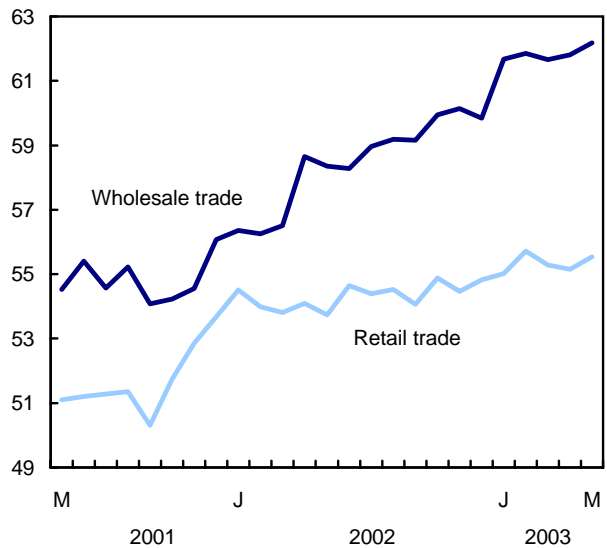
and trucks was not enough to offset the larger drop in the motor vehicle parts industry. Lower motor vehicle production in the United States translated into reduced manufacturing of motor vehicle parts in Canada.

New car sales surge

Activity levels in the retail trade sector increased 0.7%, as most store types registered gains. Confident consumers returned to new car showrooms in droves in May after staying away the previous two months. The number of new motor vehicles sold surged 8.4% and was responsible for much of the strength in the retail trade sector. Sales were propelled by the continuing generous incentives offered by North American vehicle manufacturers. These higher new motor vehicle sales coupled with strong motor vehicle imports were responsible for increased activity in the wholesale sector as well. Wholesaling activity increased 0.6% on the strength of motor vehicle wholesalers.

Wholesalers and retailers post gains

GDP billions of chained \$ (1997)



Tourism sector results mixed

The results in the tourism sector were mixed in May, as a number of industries improved over April while others reported poorer results. The World Health Organization lifted a seven-day SARS travel advisory in Toronto on April 30, but it seems to have had little influence on the number of international tourists travelling to Canada. Travellers to Canada from the

United States (-4.1%) and overseas (-13.4%) continued to decline in May.

The restaurant industry improved compared with April, as output increased 1.1% in May. There was a corresponding drop in sales at retail grocery stores in May after a surge in sales the previous month. Restaurant sales in Ontario jumped 3.4% after declining 3.8% in April. Other tourism-related industries reported slight gains in May: performing arts and spectator sports (+3.6%), taxi and limousine services (+1.1%) and car rental agencies (+0.8%). Activity levels in the hotel industry were virtually unchanged from April's levels, as another decline in the occupancy rate for Toronto hotels was offset by increases for most other major markets, particularly Vancouver, Ottawa and Montréal.

The air transportation industry fell a further 7.2% in May, after declining 4.8% in April. This industry had yet to fully recover from the events of September 2001 when it was further hobbled by the war in Iraq in March and the SARS outbreak in April. The output level in May was actually 6.5% lower than in September 2001. The travel agent industry also suffered large drops in activity levels. This industry registered a decline of 5.9% in May following a 6.3% drop in April.

Available on CANSIM: tables 379-0017 to 379-0022.

Definitions, data sources and methods: survey numbers, including related surveys, 1301 and 1302.

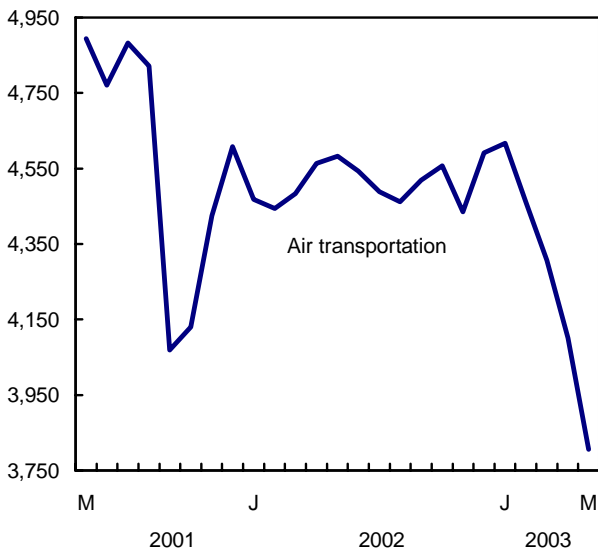
The May 2003 issue of *Gross domestic product by industry* (15-001-XIE, \$11/\$110) will be available soon. A print-on-demand version is available at a different price. See *How to order products*.

For general information or to order data, contact Yolande Chantigny (1-800-887-IMAD; imad@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Jo Ann MacMillan (613-951-7248; joann.macmillan@statcan.ca), Industry Measures and Analysis Division.

□

Air travel slump continues

GDP millions of chained \$ (1997)



Monthly gross domestic product by industry at basic prices in 1997 chained dollars

	December 2002 ^r	January 2003 ^r	February 2003 ^r	March 2003 ^r	April 2003 ^r	May 2003 ^p	May 2003	May 2002 to May 2003
Seasonally adjusted								
	Month-to-month % change					\$ level ¹	% change	
All Industries	0.0	0.5	0.2	0.0	-0.2	0.1	992,487	1.8
Goods-producing industries	-0.0	0.6	0.1	-0.0	-0.8	-0.2	303,064	0.7
Agriculture, forestry, fishing and hunting	1.6	1.7	2.3	-0.1	-2.7	0.9	22,003	6.3
Mining and oil and gas extraction	1.2	0.9	-0.4	-0.5	-1.3	-0.3	37,538	1.1
Utilities	-0.1	2.1	-1.2	-1.7	-1.5	-0.3	27,277	-2.7
Construction	0.5	-1.2	2.8	0.6	-0.2	0.1	52,767	3.9
Manufacturing	-0.6	0.7	-0.6	0.2	-0.5	-0.4	163,092	-0.5
Services-producing industries	0.1	0.4	0.3	0.0	-0.0	0.2	689,759	2.4
Wholesale trade	-0.5	3.1	0.3	-0.3	0.2	0.6	62,183	6.6
Retail trade	0.7	0.4	1.3	-0.8	-0.3	0.7	55,532	3.3
Transportation and warehousing	0.5	0.3	-0.2	-0.0	-1.4	-1.3	44,280	-1.9
Information and cultural industries	0.3	0.2	0.7	0.3	0.8	0.5	47,521	4.5
Finance, insurance and real estate	-0.2	0.2	0.1	0.1	0.3	0.4	197,785	1.7
Professional, scientific and technical services	0.1	0.3	0.2	0.3	0.5	0.3	46,985	3.4
Administrative and waste management services	0.3	0.1	0.1	0.3	-0.2	0.1	21,874	4.4
Education services	0.1	0.1	0.4	-0.2	0.2	-0.2	44,758	1.0
Health care and social assistance	0.2	0.2	0.3	0.4	0.5	0.1	59,183	4.1
Arts, entertainment and recreation	-0.6	0.9	-0.3	3.6	-0.6	0.4	9,639	-1.0
Accommodation and food services	-0.2	-1.2	-0.2	-1.1	-3.7	0.8	22,115	-4.9
Other services (except public administration)	0.3	-0.0	-0.1	0.2	-0.0	0.2	22,527	2.0
Public administration	0.1	0.2	0.2	0.2	0.1	0.3	56,451	2.8
Other aggregations								
Industrial production	-0.3	0.9	-0.6	-0.1	-0.7	-0.3	228,252	-0.5
Non-durable manufacturing industries	0.1	-0.3	0.0	0.2	0.1	-0.1	68,318	1.2
Durable manufacturing industries	-1.1	1.3	-1.0	0.2	-0.8	-0.6	94,886	-1.6
Business sector industries	0.0	0.5	0.2	-0.0	-0.3	0.1	840,870	1.8
Non-business sector industries	0.1	0.1	0.2	0.1	0.3	0.1	151,770	2.2
Information and communication technologies (ICT) industries	0.2	0.5	0.4	0.1	0.5	0.4	60,480	3.0

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.



OTHER RELEASES

Canadian Tobacco Use Monitoring Survey 2002

The prevalence of smoking in Canada has shown a slight decrease in 2002, according to the latest results from the Canadian Tobacco Use Monitoring Survey (CTUMS). Although the change is not statistically significant, the prevalence of smoking continues the downward trend that has been seen in recent years.

An estimated 5.4 million people, or 21% of the population aged 15 years and older, were smokers in 2002, down from 22% in 2001. Men outnumbered women by a small margin, with about 23% of men aged 15 years and older smoking compared with 20% of women.

Smoking rates for youth have not changed significantly since 2001. The proportion of smokers aged 15 to 19 years was 22% in 2002, and 31% for young adults aged 20 to 24.

In 2002, the vast majority of current smokers (82%) smoked daily. In 1985, daily smokers consumed an average of 21 cigarettes per day. Since then, the number of cigarettes smoked has been gradually declining, falling to 16 cigarettes per day in 2002. Men continued to smoke more cigarettes than women: 18 compared with 15 cigarettes per day.

British Columbia once again had the lowest smoking prevalence rate, at 16%. However, no province particularly stands out as having the highest prevalence. In three provinces, New Brunswick, Manitoba, and Saskatchewan the smoking prevalence rate went down to 21% compared with 25% (New Brunswick and Saskatchewan) or 26% (Manitoba) in 2001.

Of women aged 20 to 44 who were pregnant in the five years prior to the survey, 11% smoked regularly during their most recent pregnancy. However, this was down from the 19% reported in the 1995 Survey on Smoking in Canada. As well, in 2002, 13% had a spouse who smoked regularly at home during their most recent pregnancy.

The CTUMS, conducted since 1999 by Statistics Canada on behalf of Health Canada, provides timely, reliable and continuous data on tobacco use and related issues. The survey's primary objective is to track changes in smoking status and amount smoked, especially for 15- to 24-year-olds, who are most at risk for taking up smoking. Data cited from before 1999 have been derived from other surveys. This release is based on data obtained between February and December 2002 from about 23,300 respondents.

Definitions, data sources and methods: survey number 4440.

For more information about the survey results, contact Jirina Vlk (613-957-2988; jirina_vlk@hc-sc.gc.ca), Health Canada, or visit the Tobacco Control Programme website (www.gosmokefree.ca/ctums).

For information on the public-use microdata file, contact Client Services (1-800-461-9050; 613-951-3321; fax: 613-951-4527; ssd@statcan.ca), Special Surveys Division. ■

Construction type plywood

May 2003

Data on construction type plywood are now available for May.

Available on CANSIM: table 303-0005.

Definitions, data sources and methods: survey number 2138.

The May 2003 issue of *Construction type plywood*, Vol. 51, no. 5 (35-001-XIB, \$5/\$47), is now available. See *How to order products*.

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

Production and disposition of tobacco products

June 2003

In June, manufacturers of tobacco products produced more cigarettes than they sold.

Total cigarettes sold in June increased 16.0% from May to 3.4 billion cigarettes, down 3.0% from the level observed in June 2002. The cumulative amount of cigarettes sold for the first six months of 2003 totalled 18.3 billion cigarettes, down 14.0% from the same period in 2002.

Cigarette production for June stood at 3.7 billion cigarettes, up 22.0% from May, and up 4.0% from the 3.6 billion cigarettes produced in June 2002.

Cumulative production for the first six months of 2003 was 18.9 billion cigarettes, down 14.0% from the same period in 2002.

In June, the level of closing inventories increased to 4.7 billion cigarettes, up 3% from May. The level of closing inventories represents a 2.0% decline from the level recorded in June 2002.

Available on CANSIM: table 303-0007.

Definitions, data sources and methods: survey number 2142.

The June 2003 issue of *Production and disposition of tobacco products*, Vol. 32, no. 6 (32-022-XIB, \$5/\$47) is now available. See *How to order products*.

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

NEW PRODUCTS

Analytical Studies Branch research paper series: Neighbourhood attainment and residential segregation among Toronto's visible minorities, no. 206
Catalogue number 11F0019MIE2003206 (free).

Production and disposition of tobacco products, Vol. 32, no. 6
Catalogue number 32-022-XIB (\$5/\$47).

Construction type plywood, May 2003, Vol. 51, no. 5
Catalogue number 35-001-XIB (\$5/\$47).

Canada's international transactions in securities, May 2003, Vol. 69, no. 5
Catalogue number 67-002-XIE (\$14/\$132).

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, about Canadian took an average of about 45 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak, despite their accompanied by sluggish gains in employment and slow economic growth during the year.

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