



The Daily

Statistics Canada

Wednesday, December 24, 1997

For release at 8:30 a.m.

MAJOR RELEASES

- **Real gross domestic product at factor cost by industry, October 1997** 2
Economic activity increased in most sectors in October when gross domestic product at factor cost rose 0.2% for a second month in a row.

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Season's greetings

The *Daily* will not be published December 25 through January 2. Publication will resume on January 5.



MAJOR RELEASES

Real gross domestic product at factor cost by industry

October 1997

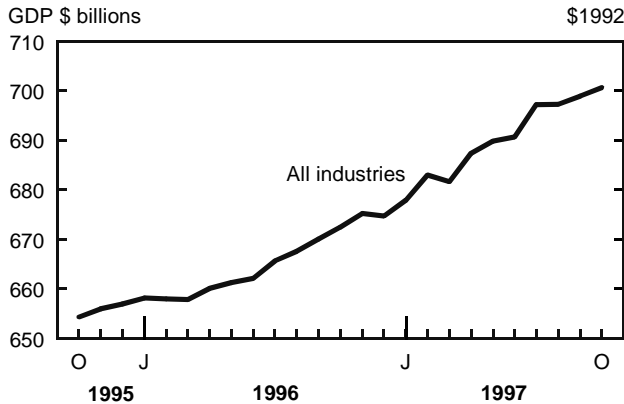
Economic activity increased in most sectors in October when gross domestic product at factor cost (GDP) rose 0.2%, the same pace as in September. Manufacturers boosted production enough to more than recoup small declines in August and September. Wholesalers continued to enjoy brisk business. Retailers saw sales rise for a fourth consecutive month, although less sharply than wholesalers. Business services and construction continued to move ahead, while output in the mining sector rebounded after weakening the previous two months. A labour dispute that curbed educational services in Ontario at the end of October restrained growth, as did lower production by utilities, restaurants and hotels, and governments.

Note to readers

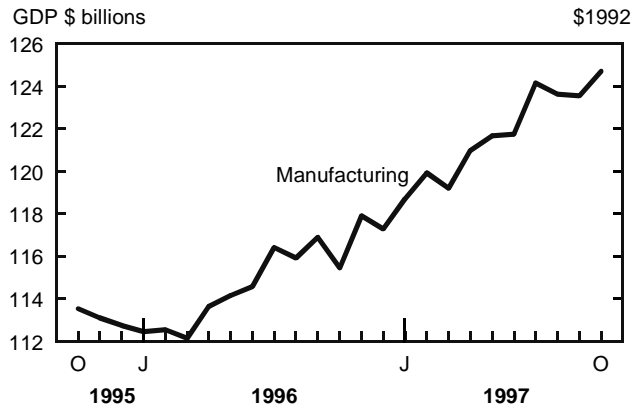
Until the reference month of September 1997, the monthly gross domestic product (GDP) by industry was presented at 1986 prices. With the release of the October data, GDP is expressed at 1992 prices. The data are available from January 1992 on the new basis and are available on CANSIM in matrices 4677 to 4681. Data prior to 1992 will be released on March 2, 1998.

GDP of an industry is the value added by labour and capital in transforming inputs purchased from other industries into output.

Economy advances moderately



Manufacturing recoups



Manufacturing revives

Output in manufacturing rose 0.9% in October after declining 0.4% in August and 0.1% in September. Production increased in 19 of the 22 major groups, with manufacturers of transportation equipment, foodstuffs, electrical and electronic equipment, and metal products accounting for nearly 60% of the gain. Other notable developments included further increases in production of furniture and industrial machinery, rebounds in output of paper and primary metals, and a third consecutive decline in the wood industries.

October's increase in output of motor vehicles (+3.0%) was the first in four months. Production difficulties, and extended shutdowns for retooling had curbed output in the third quarter. Exports, which also slumped in the third quarter, recovered somewhat in October, but remained well below mid-year levels, as did production. In October and November, the number of North-American built models sold in the United States was on average 2.9% lower than in the summer months, while U.S. retailers accumulated stocks between August and October. Production of recreational vehicles continued to fall rapidly in October.

Manufacturers of telecommunication equipment increased output for an eighth consecutive month in October when shipments jumped and a build-up of stocks slowed down. Shipments had levelled off in August and September before surging in October. Production of office machinery edged ahead in October. Earlier in the year production had soared

along with exports, but since July production has hovered around the same level.

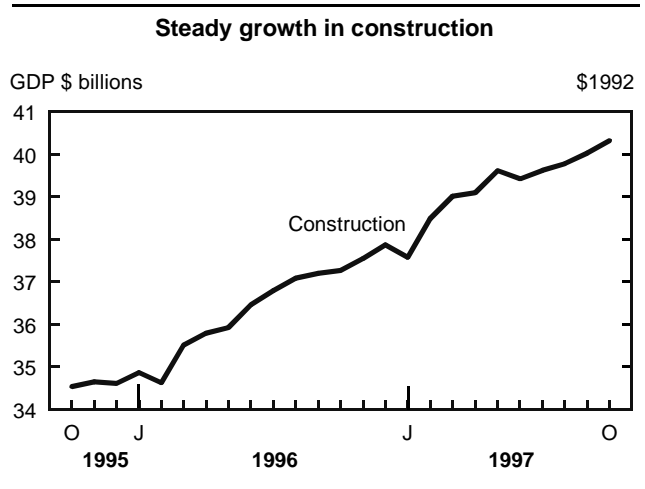
Fabrication of metallic products, which fluctuated between May and August, strengthened in September and October. Manufacturers of hardware, tools and cutlery raised output sharply in three of the last four months. Manufacturers of ornamental and architectural products (mainly construction materials) also contributed significantly to the gain. In general, production of construction materials picked up in October after softening the previous two months.

Manufacturers of industrial machinery kept increasing output after boosting it in the third quarter. Production of compressors and turbines and construction machinery rose firmly in October. Fabrication of sawmill and other machinery eased but the level of production nevertheless remained high.

Output in the wood industries dropped for a third month in a row in October, reflecting mainly weakness in sawmills. Shipments of wood abroad, notably to Japan, have slumped considerably since the beginning of the year. In October, exports fell almost 7%. With the lower demand prices have started to decline, and several mills announced temporary shutdowns or production cutbacks for the fourth quarter.

Steady growth in construction

Activity in construction increased 0.7%, a similar pace as recorded in the previous three months. Construction of non-residential buildings (+2.4%) contributed most to the advance, with activity on commercial building projects strengthening once more. The value of building permits issued, which had stabilized in July and August, improved in September and October.

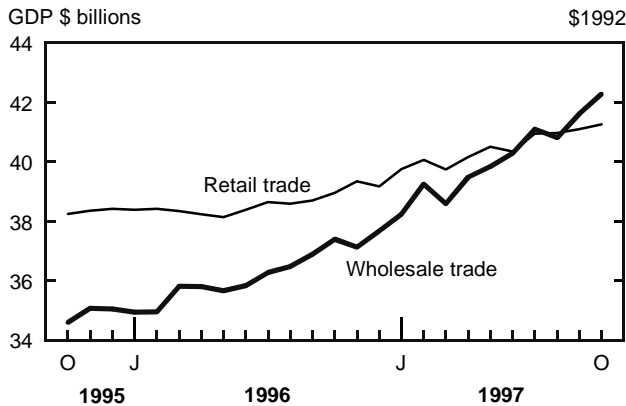


Residential construction advanced 0.7% in October, its fourth consecutive gain. Unlike in previous months, when the construction of single dwellings led the gain, other types of dwellings such as row, semi-detached, and apartments accounted for the increase in October. This mirrors stronger growth in the number of building permits issued for these types of dwellings earlier this year. Dwelling starts eased slightly in October, but continued to grow.

Wholesalers remain busy

Wholesaling activity rose 1.6% in October as sales increased in all trade groups, except for small declines in sales of lumber and building materials, and farm machinery. Wholesalers of consumer goods had a good month, with sales of motor vehicles (including parts) and apparel rising at a fast pace. Sales of industrial machinery and computer and software packages advanced for a fifth month in a row. Overall, wholesalers accumulated stocks again in October. Inventory build-up by wholesalers of industrial machinery and metal, hardware and heating equipment was the most noticeable.

Wholesale and retail trade increase



Narrowly based gain in retail trade

Retailing activity rose 0.4% in October, a fourth consecutive monthly increase. The advance reflected mostly higher sales by motor vehicle dealers. During the first 10 months of 1997 the average number of vehicles sold jumped 15% compared with 1996, but was still 12% lower than the peak of 1988. Preliminary information indicates that the number of vehicles sold improved in November. Excluding motor vehicle dealers, retail trade receded 0.2% in October. Sales by departments stores, drug stores, and retailers of furniture and appliances have levelled off recently.

Mining sector rebounds

Output in the mining sector rebounded 1.0% after weakening in August and September. Production in

non-ferrous metal mines picked up 7.7% in October. After recovering from one strike in July, this industry was hit with another strike as well as a shutdown in August and September. By October, production of most non-ferrous metals such as copper, nickel, lead and uranium had recovered to more normal levels. In manufacturing, smelter and refining of non-ferrous metals also returned to more normal levels. Gold production increased again at a good pace in October.

Other industries

Business services rose a further 0.7% in October. The advance reflected gains in engineering and other scientific services, miscellaneous business services and computer and related services.

Educational services fell sharply in October due to a major strike involving about 130,000 teachers in Ontario. The labour dispute started in the last week of the month and ended in the first week of November.

Available on CANSIM: matrices 4677-4681.

The October 1997 issue of *Gross domestic product by industry* (15-001-XPB, \$14/\$140) will be available in January 1998. See *How to order publications*.

For further information on this release, contact Michel Girard (613-951-9145), Industry Measures and Analysis Division. □

Gross domestic product at factor cost by industry, at 1992 prices

	May 1997 ^r	June 1997 ^r	July 1997 ^r	Aug. 1997 ^r	Sept. 1997 ^r	Oct. 1997 ^p	Sept. 1997 to Oct. 1997	Oct. 1997	Oct. 1996 to Oct. 1997
seasonally adjusted									
	month-to-month % change						\$ change ¹	\$ level ¹	% change
All industries	0.4	0.1	0.9	0.0	0.2	0.2	1,739	700,675	4.2
Goods-producing industries	0.6	-0.2	1.6	-0.4	0.0	0.7	1,667	235,626	5.6
Agriculture	-0.1	-0.2	-1.7	0.0	-0.4	0.6	74	12,161	-1.6
Fishing and trapping	7.0	1.7	-7.1	-1.4	7.0	-6.3	-60	890	10.7
Logging and forestry	1.3	2.4	0.5	-1.1	1.4	0.3	13	4,231	-0.3
Mining, quarrying and oil wells	0.3	-1.7	4.8	-0.2	-1.6	1.0	293	28,630	3.0
Manufacturing	0.6	0.1	2.0	-0.4	-0.1	0.9	1,158	124,703	8.0
Construction	1.3	-0.5	0.5	0.4	0.6	0.7	294	40,317	8.2
Other utilities	0.0	0.1	0.1	-1.4	0.6	-0.4	-105	24,694	-1.8
Services-producing industries	0.2	0.3	0.6	0.2	0.4	0.0	72	465,049	3.5
Transportation and storage	0.2	-0.1	0.6	-0.3	0.6	0.4	113	29,900	4.3
Communications	0.7	0.3	0.9	0.7	0.4	0.1	32	25,452	7.2
Wholesale trade	0.9	1.1	2.0	-0.7	2.0	1.6	671	42,281	13.1
Retail trade	0.9	-0.4	1.5	0.1	0.3	0.4	163	41,262	5.9
Finance, insurance and real estate	-0.1	0.2	0.4	0.6	0.1	0.0	14	111,214	1.9
Business services	0.3	1.2	0.8	1.1	1.4	0.7	288	40,131	10.5
Government services	-0.4	0.0	-0.1	-0.3	-0.2	-0.2	-72	40,233	-3.2
Education	0.1	0.1	0.0	0.1	-0.6	-3.1	-1,255	39,118	-3.3
Health and social services	0.3	-0.2	0.4	0.1	0.0	0.3	154	48,819	1.7
Accommodation and food	-0.3	0.6	0.3	0.7	0.2	-0.7	-136	18,443	3.7
Other services	0.3	0.7	0.0	-0.5	0.6	0.4	100	28,196	3.2
Other aggregations									
Industrial production	0.5	-0.2	2.2	-0.5	-0.2	0.8	1,346	178,027	5.7
Non-durable manufacturing	-0.1	0.6	1.2	-0.4	-0.4	1.0	539	55,679	3.8
Durable manufacturing	1.1	-0.4	2.6	-0.4	0.2	0.9	619	69,024	11.6
Business sector	0.5	0.1	1.2	0.0	0.3	0.5	3,000	576,306	5.6
Non-business sector	-0.2	0.0	0.0	-0.1	-0.2	-1.0	-1,261	124,369	-2.0

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

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OTHER RELEASES

Electric power statistics

October 1997

Net generation of electricity decreased to 43 782 gigawatt hours (GW·h), down 1.3% from October 1996. Exports increased 10.7% to 3 932 GW·h, and imports advanced from 776 GW·h to 1 574 GW·h.

Generation of hydro-electricity increased 0.3% to 27 989 GW·h. Increased generation from industrial producers compensated for a decline in generation by utilities. The temporary closing of seven nuclear reactors at Ontario Hydro's Pickering and Bruce plants led to a 24.6% drop in nuclear generation, which totalled 5 233 GW·h. Thermal-conventional generation was up 10.9% to 10 559 GW·h, mainly to compensate for the loss of nuclear generating capability in Ontario. Higher imports and lower exports also helped to meet the 0.5% increase in domestic demand of the Ontario electricity market.

Year-to-date net generation at the end of October totalled 450 145 GW·h, down 0.5% from the same period in 1996. Year-to-date exports (37 475 GW·h) rose 1.1% and year-to-date imports (7 241 GW·h) rose 54.6% from the previous year.

Available on CANSIM: matrices 3987-3999.

The October 1997 issue of *Electric power statistics* (57-001-XPB, \$12/\$114) will be available shortly. See *How to order publications*.

For further information on this release, contact André Lefebvre (613-951-3560; Internet: alefeba@statcan.ca), Energy Section, Manufacturing, Construction and Energy Division. ■

Railway carloadings

Seven-day period ending December 14, 1997

Carloadings of freight (excluding intermodal traffic) during the seven-day period ending December 14, 1997, increased 14.8% to 4.9 million tonnes from the same period of last year. The number of cars loaded increased 14.3%.

Intermodal traffic (piggyback) tonnage totalled 319 000 tonnes, down 2.1% from the same period of last year. The year-to-date figures show an advance of 8.6%.

Total traffic (carloadings of freight and intermodal traffic) increased 13.6% during the period. This brought

the year-to-date total to 253 million tonnes, up 7.0% from 1996.

All year-to-date figures have been revised.

For further information on this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; Internet: larocque@statcan.ca), Transportation Division. ■

Civil aviation operating statistics

October 1997

Canadian Airlines International Ltd. (CAI) reported an increase of 2% in passenger-kilometres flown (seasonally adjusted data) on their international routes in October. This was their third consecutive monthly increase reported by CAI. Air Canada reported no change in October.

Available on CANSIM: matrix 385.

Civil aviation data (operational) for Air Canada and Canadian Airlines International Ltd. for October will be published in the January issue of the *Aviation: Service bulletin* (51-004-XPB, \$11/\$109). See *How to order publications*.

For more information on this release, contact Robert Lund (613-951-0125), Aviation Statistics Centre, Transportation Division. ■

Electric lamps

November 1997

Light bulb and tube manufacturers sold 33.7 million light bulbs and tubes in November, up 19.1% from the 28.3 million a year earlier.

Year-to-date sales at the end of November totalled 281.2 million light bulbs and tubes, an increase of 2.1% from the 275.4 million a year earlier.

The November 1997 issue of *Electric lamps* (43-009-XPB, \$7/\$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Laurie Vincent (613-951-3523; Internet: vincwil@statcan.ca), Manufacturing, Construction and Energy Division. ■

PUBLICATIONS RELEASED

Errata — Income distribution by size in Canada,
1996

Catalogue number 13-207-XPB

(Canada: \$; outside Canada: US\$).

Crude petroleum and natural gas production,
September 1997

Catalogue number 26-006-XPB

(Canada: \$19/\$186; outside Canada: US\$19/US\$186).

Non-metallic mineral products industries, 1995

Catalogue number 44-250-XPB

(Canada: \$40; outside Canada: US\$40).

Asphalt roofing, November 1997

Catalogue number 45-001-XPB

(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

All prices exclude sales tax.

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