



The Daily

Statistics Canada

Tuesday, September 30, 1997

For release at 8:30 a.m.

MAJOR RELEASES

- **Real gross domestic product at factor cost by industry, July 1997** 2
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MAJOR RELEASES

Real gross domestic product at factor cost by industry

July 1997

Gross domestic product at factor cost (GDP) rose 0.8% in July after pausing in June. Economic activity has increased on average 0.4% a month so far this year compared with 0.2% for all of 1996. Growth in manufacturing picked up strongly in July after slowing down in May and June. Output in the mining sector rose sufficiently to offset losses in May and June. Wholesaling activity continued to move ahead while retailing activity bounced back from a narrowly based decline in June. Gains in financial and related services, and community, business and personal services, as well as in transport services and utilities added to the overall growth. Activity in construction was unchanged, while it fell in agriculture, communication services, and forestry.

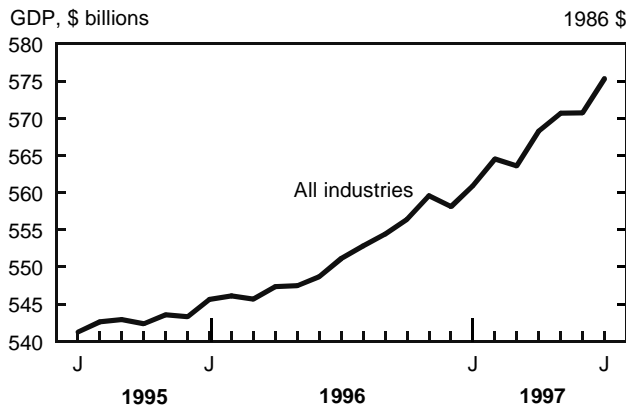
Note to readers

The gross domestic product (GDP) of an industry is the value added by labour and capital in transforming inputs purchased from other industries into output.

Monthly GDP by industry is valued at 1986 prices. The estimates presented here are seasonally adjusted at annual rates.

electrical and electronic equipment (up for a fourth consecutive month) and a rebound in primary metals accounted for about 55% of the advance. Sizeable gains were also recorded in transportation equipment, metal products, and chemicals and wood products. However, declines in the fabrication of paper and allied products, and foodstuffs restrained growth somewhat.

Economic activity advances firmly

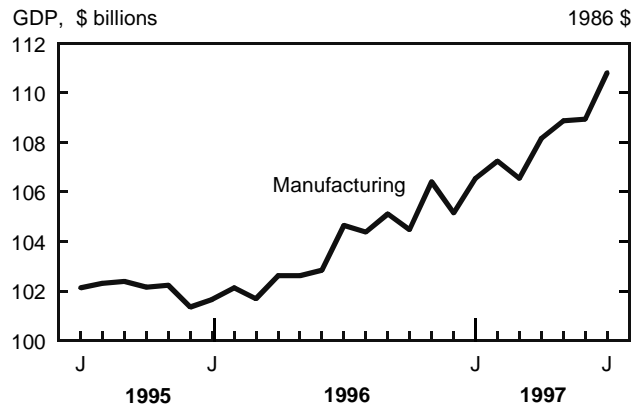


With the gain in July, overall production has risen on average 0.4% a month since the beginning of the year. Employment also advanced, averaging gains of 0.2% a month over the same period. In August, labour markets improved a further 0.4%, suggesting economic activity was still expanding.

Manufacturers accelerate production

Manufacturing production rose 1.7% in July after decelerating rapidly in May and June. Overall, output increased in 19 of the 21 major groups. Gains in

Widespread gain in manufacturing



Fabrication of electrical and electronic equipment rose 4.4% in July, reflecting similar increases in the production of office machinery and electronic equipment. Manufacturers of office machinery have raised output significantly since last March, helped by stronger exports. Manufacturers of electronic equipment raised output for a third consecutive month. Production of electronic parts increased the most, mirroring an improvement in exports, which had deteriorated for several months. Fabrication of telecommunications equipment also advanced and some of the output accumulated in stocks for a third consecutive month.

In July, the 5.8% jump in primary metals mostly reflected an after-strike rebound in the non-ferrous metal smelting and refining industry. Production in this industry surpassed its pre-strike level. A pickup in the production of zinc, which was down for several months, partly explains the higher production. The expectation of another labour dispute (which materialized in early August) and the need to meet client demand may also explain the higher production.

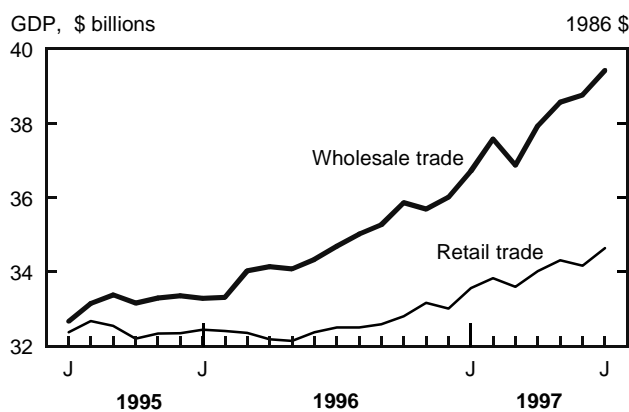
Fabrication of transportation equipment advanced 1.0% in July, led by a gain in the production of motor vehicle parts. Production of parts slowed in May and June with slack exports, but picked up in July as the situation on foreign markets improved markedly. Manufacturers of motor vehicles reduced production 2.3%; however, despite this drop, the number of vehicles assembled remained high. In July, shipments of vehicles surged as models that could not be shipped in June due to an assembly problem were finally delivered.

Wholesaling activity keeps growing

Wholesaling activity rose 1.7% in July. Sales of machinery and equipment increased again, accounting for about 45% of the overall gain. Imports and domestic production of industrial and office machinery advanced significantly in July, suggesting that capital spending on machinery and equipment continued to increase at the beginning of the third quarter.

Wholesalers of consumer goods also had a good month. Purchases of motor vehicles and parts, household goods, and beverages, drugs and tobacco products all increased. A rebound in sales of hardware, metal, and heating and plumbing equipment also contributed to the gain.

Strong demand for consumer goods



Solid gain in retail trade

Retailing activity grew 1.4% in July after slipping 0.4% in June. Sales by motor vehicle dealers, which were mostly responsible for the decline in June, accounted for a large portion of July's gain. The number of motor vehicles sold has risen, on average, 1.5% a month over the last year, leaving the level of sales in July almost 19% higher than a year earlier.

The fluctuations in sales by motor vehicle dealers, notably in June and July, hid a steady improvement in sales among other trade groups. Excluding motor vehicle dealers, sales have risen almost every month so far in 1997, and grew on average 0.6% in June and July. Higher sales by retailers of motor vehicle parts (including servicing), drug stores and department stores were the most noticeable among the other trade groups in July. The strength in consumer spending has translated into sizeable increases in imports of consumer goods for several months.

Growth resumes in the mining sector

Output in the mining sector rebounded 3.8% in July after dropping in May and June. A plant closed for maintenance and expansion work affected the production of crude oil in May and a strike in non-ferrous metal mines curtailed production in June.

In July, the recovery in non-ferrous metal mines output (following the end of the labour dispute) accounted for almost 55% of the overall increase in the mining sector. Gains in crude oil and natural gas production were also sizeable. Crude oil production rose sharply in July, reflecting higher production of synthetic crude oil. Huge expansion plans for the

production of synthetic crude oil in the coming years were unveiled in August. According to the industry, demand for synthetic crude oil is expected to increase substantially as supplies of conventional light crude diminish across Western Canada. Elsewhere in the mining sector, drilling activity, which is already high, advanced a further 4.3%.

Construction activity flattens

Construction activity was unchanged in July. A decline in residential construction was offset by higher activity at non-residential building projects. Drops in the number of building permits issued between March and June translated into lower home building activity in June and July. Although this could continue in the near future, a jump in the number of building permits issued in July suggests that the current weakness will not last very long. Housing resales, which deteriorated rapidly during the first half of 1997, improved somewhat in July.

The gain in non-residential building construction was concentrated in the construction of industrial

buildings. The value of permits issued for the construction of industrial buildings soared by more than 20% in the first and second quarters of 1997.

Other industries

Financial and related services advanced 0.5%, with mutual funds leading the increase. Brokerage and real estate activities also contributed to the gain. Business services were mostly responsible for the gain in community, business and personal services.

Available on CANSIM: matrices 4671-4674.

The July 1997 issue of *Gross domestic product by industry* (15-001-XPB, \$15/\$145) will be available shortly. See *How to order publications*.

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

Gross domestic product at factor cost by industry, at 1986 prices

	Feb. 1997 ^r	Mar. 1997 ^r	Apr. 1997 ^r	May 1997 ^r	June 1997 ^r	July 1997 ^p	June 1997 to July 1997	July 1997	July 1996 to July 1997
seasonally adjusted									
	month-to-month % change						\$ change ¹	\$ level ¹	% change
Total economy	0.6	-0.2	0.8	0.4	0.0	0.8	4677	575,386	4.4
Goods-producing industries	0.7	-0.0	1.2	0.4	-0.2	1.4	2681	197,423	4.4
Services-producing industries	0.6	-0.2	0.6	0.4	0.1	0.5	1997	377,963	4.4
Business sector	0.8	-0.2	1.0	0.5	0.0	1.0	4723	486,542	5.4
Goods	0.7	-0.0	1.2	0.4	-0.3	1.4	2678	196,536	4.4
Agriculture	0.1	-0.5	0.5	-0.1	-1.4	-2.0	-229	11,273	-4.7
Fishing and trapping	0.3	0.5	-2.2	-2.2	0.5	-0.8	-6	732	-5.8
Logging	-2.2	-3.6	0.5	-2.6	0.1	-3.1	-76	2,371	-7.9
Mining, quarrying and oil wells	1.8	-0.4	1.6	-0.8	-0.7	3.8	945	25,683	4.9
Manufacturing	0.7	-0.7	1.5	0.7	0.1	1.7	1883	110,820	5.9
Construction	2.6	1.3	0.5	1.2	-0.6	0.0	5	28,207	6.0
Other utility industries	-2.7	3.2	0.5	-0.0	-0.4	0.9	157	17,450	0.8
Services	0.8	-0.3	0.9	0.7	0.2	0.7	2045	290,006	6.1
Transportation and storage	2.5	-0.5	0.6	0.9	-0.0	1.3	318	25,771	6.8
Communications	0.8	0.5	0.0	0.8	0.6	-0.7	-192	25,851	5.8
Wholesale trade	2.4	-1.9	2.9	1.7	0.5	1.7	664	39,427	13.7
Retail trade	0.8	-0.7	1.3	0.8	-0.4	1.4	478	34,637	6.6
Finance, insurance and real estate	-0.0	-0.1	0.6	0.3	0.3	0.5	422	91,711	3.8
Community, business and personal services	0.7	0.2	0.4	0.3	0.2	0.5	354	72,610	5.1
Non-business sector	-0.1	-0.0	-0.1	-0.2	-0.1	-0.1	-46	88,844	-0.9
Goods	-2.0	1.4	-0.7	-1.2	0.7	0.3	2	886	-1.5
Services	-0.0	-0.0	-0.1	-0.2	-0.1	-0.1	-48	87,958	-0.9
Government services	-0.2	-0.1	-0.4	-0.3	-0.1	-0.0	-14	30,580	-2.2
Community and personal services	0.0	-0.0	0.1	0.0	-0.0	0.0	5	54,327	0.0
Other services	-0.2	0.7	-0.1	-2.9	-1.3	-1.2	-38	3,050	-4.8
Other aggregations									
Industrial production	0.4	-0.2	1.4	0.3	-0.1	2.0	2987	154,840	5.1
Non-durable manufacturing	1.4	-0.9	0.8	-0.2	0.3	0.5	223	46,478	4.2
Durable manufacturing	0.1	-0.5	2.0	1.3	-0.1	2.6	1660	64,342	7.2

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

OTHER RELEASES

Stocks of frozen meat products

September 1997 (preliminary)

Total frozen meat in cold storage at the opening of the first business day of September amounted to 35,895 tonnes compared with 39,035 tonnes last month and 31,329 tonnes in September 1996.

Available on CANSIM: matrices 87 and 9517-9525.

Available free on the Internet at <http://www.statcan.ca>. The menu path is Products and services; Downloadable publications; Index of downloadable publications.

For further information on this release, contact Sandra Jarrett (613-951-3847; Internet: jarsan@statcan.ca), Agriculture Division. ■

Crushing statistics

August 1997

Oilseed processors crushed 207,588 tonnes of canola in August. Oil production totalled 85,780 tonnes, while meal production amounted to 127,476 tonnes.

This crush is down 16.8% from 242,372 tonnes in August 1996.

Available on CANSIM: matrix 5687.

The August 1997 issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149) will be available shortly. See *How to order publications*.

For further information on this release, contact Gail-Ann Breese (204-983-2856) or Les Macartney (613-951-8714), Grain Marketing Unit, Agriculture Division. ■

Coal and coke statistics

July 1997

The anticipation of higher coal exports led to a strong increase in coal production in July. Coal production totalled 6 721 kilotonnes, up 11.2% from July 1996, and the largest month-over-month increase since September 1994. Year-to-date production stood at 44 509 kilotonnes, up 0.9%.

Exports in July fell 2.0% from July 1996 to 3 467 kilotonnes. However, deliveries to port were up 15.3% to 3 286 kilotonnes. Year-to-date figures show exports

of 21 153 kilotonnes, 2.3% above last year's level. Exports to Japan (the largest consumer of Canadian coal) increased 3.3% to 1 857 kilotonnes during the same period.

Coke production in July 1997 decreased to 280 kilotonnes, down 7.6% from July 1996.

Available on CANSIM: matrix 9.

The July 1997 issue of *Coal and coke statistics* (45-002-XPB, \$12/\$114) will be available the first week of October. 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. ■

Electric power statistics

July 1997

Net generation of electricity increased to 43 184 gigawatt hours (GW·h), up 1.4% from July 1996. Exports advanced 2.4% in July to 4 901 GW·h, and imports increased from 364 GW·h to 490 GW·h.

Generation of hydro-electricity fell 4.2% to 26 081 GW·h. Continuing low reservoir levels in British Columbia accounted for most of the drop. Thermal-conventional generation was up 30.9% to 10 879 GW·h, while generation from nuclear sources was down 11.5% to 6 224 GW·h. The unusually large increase in generation from thermal conventional sources came mostly from Ontario due to a mixture of higher domestic demand, lower nuclear production and higher deliveries to the United States.

Year-to-date net generation at the end of July 1997 totalled 321 288 GW·h, up 0.2% from a year earlier. Year-to-date exports (24 891 GW·h) rose 2.0% and year-to-date imports (4 393 GW·h) advanced 35% from 1996.

Available on CANSIM: matrices 3987-3999.

The July 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. ■

PUBLICATIONS RELEASED

Crude petroleum and natural gas production,
June 1997
Catalogue number 26-006-XPB
(Canada: \$19/\$186; outside Canada: US\$19/US\$186).

Wholesale trade, July 1997
Catalogue number 63-008-XPB
(Canada: \$19/\$186; outside Canada: US\$19/US\$186).

All prices exclude sales tax.

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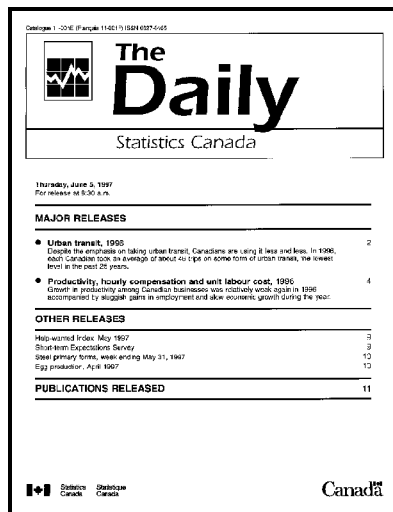
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