



# The Daily

Statistics Canada

**Friday, July 31, 1998**

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Real gross domestic product by industry, at factor cost, May 1998** 2  
The economy paused for a second consecutive month in May, after strong growth in February and March. Total economic activity edged down 0.2% in May, following a flat performance in April.

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## RELEASE DATES: August 1998

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## MAJOR RELEASES

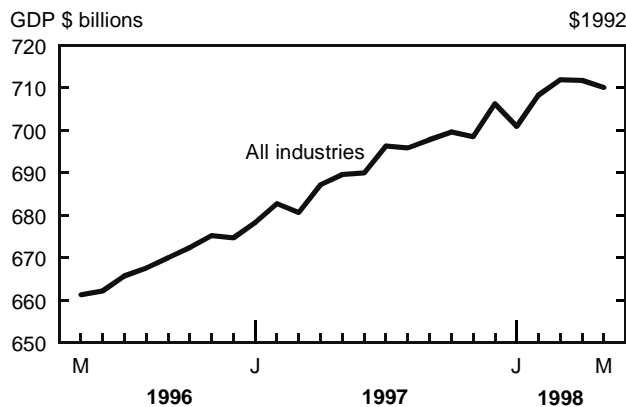
### Real gross domestic product by industry, at factor cost

May 1998

The economy paused for a second consecutive month in May, after growing strongly in February and March. Total economic activity edged down 0.2% in May, following a flat performance in April. This is the first time in over two years that the economy has failed to grow for two consecutive months. Weakness in May was fairly widespread, with the most significant declines occurring in the finance, manufacturing, mining, construction and transportation services industries. The real estate industry advanced, while retailers and wholesalers had a flat month.

The economy's listless performances in April and May, combined with the anticipated negative effects in June of labour unrest in the auto, pulp and paper and construction industries, point to more moderate positive growth in the second quarter. After putting in a solid performance since the middle of 1996, the economy began to slow in late 1997, largely due to strikes by teachers and postal workers, before being hit by the January ice storm in the first quarter.

#### Total economic activity edges down in May



#### Quieter markets a drag on financial sector

The finance industries (which comprise banks, credit unions and other financial institutions) fell 1.7% in May as the volume of shares traded through brokerages and securities dealers fell substantially.

#### 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 producers into outputs. Monthly GDP by industry is valued at 1992 prices. The estimates presented here are seasonally adjusted at annual rates.

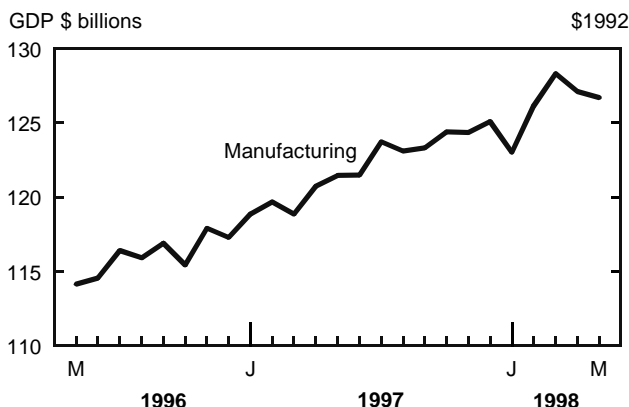
In December 1997, monthly GDP estimates by industry at 1992 prices were released for the first time, and the data were made available from January 1992. Historical estimates of gross domestic product by industry at 1992 prices are now available from January 1961 in CANSIM matrices 4677-4681. Historical data from 1961 to 1992 will be published in Gross domestic product by industry, (15-512-XPB, \$60).

However, the sharp decline in volumes traded in May was reversed in June.

#### Manufacturing continues to slide

Total manufacturing output slipped 0.3% in May, after a 0.9% drop in April. Output of transportation equipment, wood and primary metal products receded again in May, while production of electrical and electronic products fell back after an unsustainable surge in the April. These declines were partly offset by increased activity by the makers of paper and allied products, machinery, and beverages. In total, declines were recorded in 13 of 22 major industry groups, accounting for about 60% of total manufacturing production.

#### Manufacturing output slips again



Output of transportation equipment declined for a second consecutive month in May, led by producers of motor vehicles and other transportation equipment, which both had back-to-back declines. Makers of motor vehicle parts, however, recorded a slight increase in May. While the latest drop in motor vehicle production was attributable to a retooling-related shutdown, any bounce-back in this industry is not likely in the next two months. A strike at two GM parts plants in the United States in early June paralysed most of the company's Canadian operations by month-end, and caused serious disruptions for many suppliers as well. These developments will have a significant impact on the Canadian industry in June and July. In 1997, almost one in four motor vehicles assembled in Canada were built in GM plants.

Production of wood tumbled 2.8% in May, reflecting weaker Asian demand, export constraints imposed by the Canada-U.S. softwood lumber agreement, and lower housing starts in the United States. Furthermore, a burgeoning strike in the construction industry in Southern Ontario may also have eroded domestic demand in May. Output of sawn lumber, plywood and particle board showed the sharpest declines in the month.

Output in the electronics industry fell back 1.0% in May after soaring to an all-time high in April. The telecommunications equipment industry fell the most, after a record April, with producers of communications equipment also reporting a significant decline. Makers of electronic parts and components bounced back from a dip in April, while the office and business machine industry forged ahead with a fourth consecutive increase. Despite the current weakness in the industry as a whole, production remains 16.1% higher than the same month a year ago.

Makers of paper and allied products, buoyed by the return to production in mid-April of strike-idled mills, increased production 2.3% in May, the largest monthly gain in over a year-and-a-half. Output of newsprint surged in May, while producers of paperboard, building board and other paper products also fared well. However, the industry faces more labour turmoil as a more extensive work stoppage hit the industry in June.

Output of most types of machinery also advanced in May, lifting the industry up 2.1%. While picking up in May, the industry remains on a downward trend after peaking in the latter half of 1997. The beverage industry increased its output in May, as unseasonably warm weather boosted the popularity of beer and coolers.

### **Weak demand draws down key components of mining sector**

Activity in the mining sector fell 1.4% in May, despite a moderate rebound in the output of metal and non-metal mines. The latest decline was the fourth in five months. Producers of both crude petroleum and natural gas reported lower output in May, with producers of heavy oil being particularly affected. Meanwhile, drilling and rigging services recorded a sixth consecutive decline in activity in May, as oil and gas producers continued to pare back exploration activity.

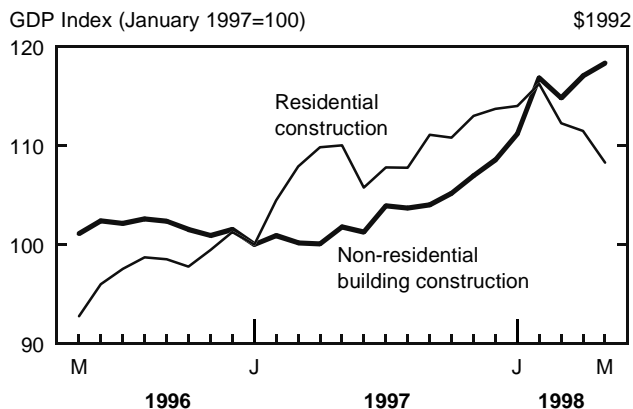
These declines were partly offset by an increase in the output of metal mines. The increase was widespread (affecting metals such as copper, lead, nickel and zinc), and came about despite another decline in the production of gold — the sixth in seven months. Non-metal mining activity also advanced moderately, as production of both potash and salt was stepped up.

### **Strike action idles construction sites**

Led by a strike-related slowdown in residential building projects in Ontario, total construction activity fell 0.8% in May. The overall drop came about despite the fact work on non-residential building projects recorded another gain in May — the eighth in nine months.

Residential construction fell 2.9% in May as a strike by drywallers and trim carpenters slowed construction of single-detached homes. Housing activity in Toronto was particularly affected by the strike action, but weakness was not confined to this area. Homebuilding in June could show even more pronounced weakness, as the work stoppage spreads to other trades. The influence of labour strife on housing activity could also be seen in the third consecutive drop in housing starts in June.

## Residential and non-residential construction part ways



## Lower grain shipments slow transportation and storage services

Falling demand for wheat was instrumental in triggering a decline of 1.0% in the transportation, pipeline and storage industry in May. Railway carloadings of wheat and other grains were off almost 30% in the month, while grain elevators and other storage sites reported significant declines in business. Exports of wheat to destinations in the Pacific Rim also faltered in May.

## Wholesalers still beset by lacklustre growth

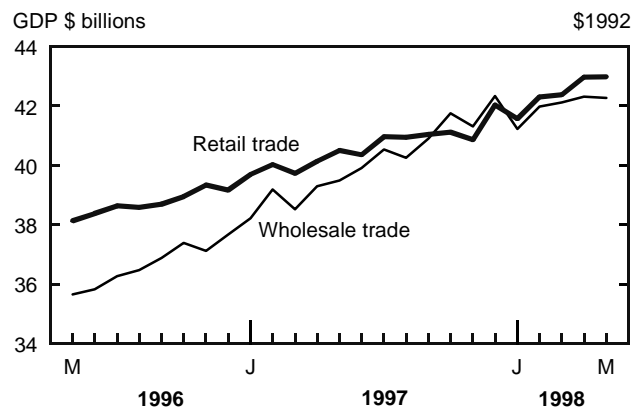
Wholesale sales edged down 0.1% in May. After maintaining galloping rates of growth throughout 1997, in tandem with robust international trade, wholesalers entered a protracted period of lacklustre growth with the New Year. The latest decrease means that wholesale sales have yet to match levels of activity reached six months ago. Distributors of food and lumber enjoyed a moderate increase in sales, while declines by motor vehicle, fuel and farm machinery dealers had a cancelling effect.

## Retailers also have flat month

After three consecutive monthly increases, retailing activity paused in May, remaining essentially

unchanged. Auto parts dealers, service stations and department stores recorded the largest declines. Furniture and general merchandise stores reported the most significant increases.

## Retail, wholesale little changed



## Other industries

The real estate services industry advanced 0.3% as existing home sales advanced for a third consecutive month. Activity in the business services industries advanced 0.2% in May, partly recovering from an unusual 0.6% decline in April. Gas distribution services declined in May as temperatures reached unseasonable highs. Domestic production of electric power surged in May, partly to make up for a drop in imports.

**Available on CANSIM: matrices 4677-4681.**

The May 1998 issue of *Gross domestic product by industry* (15-001-XPB, \$15/\$145) is scheduled for release in early August. See *How to order publications*.

For analytical information on this release, contact Richard Evans (613-951-9145, [evanric@statcan.ca](mailto:evanric@statcan.ca)). For information regarding the purchase of data, contact Kim Lauzon (613-951-9417, [lauzonk@statcan.ca](mailto:lauzonk@statcan.ca)), Industry Measures and Analysis Division. □

Real gross domestic product at factor cost by industry, at 1992 prices

	Dec. 1997 <sup>r</sup>	Jan. 1998 <sup>r</sup>	Feb. 1998 <sup>r</sup>	Mar. 1998 <sup>r</sup>	Apr. 1998 <sup>r</sup>	May 1998 <sup>p</sup>	Apr. 1998 to May 1998	May 1998	May 1997 to May 1998
seasonally adjusted									
	month-to-month % change						\$ change <sup>1</sup>	\$ level <sup>1</sup>	% change
<b>All industries</b>	<b>1.1</b>	<b>-0.8</b>	<b>1.1</b>	<b>0.5</b>	<b>0.0</b>	<b>-0.2</b>	<b>-1,767</b>	<b>710,022</b>	<b>3.0</b>
<b>Goods-producing industries</b>	<b>0.7</b>	<b>-1.6</b>	<b>2.1</b>	<b>1.1</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-1,183</b>	<b>237,399</b>	<b>2.8</b>
Agriculture	1.2	0.4	1.0	0.1	0.1	0.3	34	12,564	1.4
Fishing and trapping	-0.7	8.5	1.1	4.4	4.9	3.8	37	1,015	10.1
Logging and forestry	-1.3	-1.1	-0.4	-0.7	0.1	-3.4	-138	3,927	-4.5
Mining, quarrying and oil wells	2.2	-1.5	-0.6	0.5	-0.6	-1.4	-399	28,382	1.8
Manufacturing	0.6	-1.6	2.5	1.7	-0.9	-0.3	-422	126,682	4.3
Construction	0.2	3.0	1.5	-1.1	-0.1	-0.8	-332	40,898	4.4
Other utilities	0.7	-10.4	5.5	2.8	0.2	0.2	37	23,931	-4.3
<b>Services-producing industries</b>	<b>1.3</b>	<b>-0.3</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.1</b>	<b>-584</b>	<b>472,623</b>	<b>3.1</b>
Transportation and storage	2.3	-2.9	0.9	0.7	-0.4	-1.0	-292	29,757	0.6
Communications	3.5	0.2	0.1	0.7	0.7	0.4	118	26,362	6.0
Wholesale trade	2.5	-2.6	1.8	0.3	0.5	-0.1	-48	42,270	7.0
Retail trade	2.9	-1.1	1.8	0.2	1.4	0.0	13	42,985	6.1
Finance and insurance	0.1	-1.4	0.0	0.9	0.9	-1.7	-631	36,221	0.9
Real estate and insurance agent	0.2	0.1	0.3	0.2	0.2	0.3	201	75,785	2.1
Business services	0.8	1.2	1.2	0.1	-0.6	0.2	91	41,431	8.6
Government services	0.1	-0.2	-0.1	0.1	0.0	-0.1	-49	40,359	-0.5
Education	4.0	-0.1	0.0	-0.1	0.2	0.1	41	40,528	0.0
Health and social services	0.2	0.6	-0.2	0.1	-0.2	-0.2	-78	48,921	0.9
Accommodation and food	0.1	2.8	-0.1	-0.8	1.0	-0.7	-143	19,288	5.7
Other services	0.5	0.2	0.3	0.2	-0.3	0.7	193	28,716	2.6
<b>Other aggregations</b>									
Industrial production	0.9	-2.8	2.4	1.7	-0.7	-0.4	-784	178,995	2.7
Non-durable manufacturing	0.4	-1.0	1.4	1.1	0.0	0.3	143	56,802	4.1
Durable manufacturing	0.7	-2.1	3.4	2.2	-1.7	-0.8	-565	69,880	4.4
Business sector	1.1	-0.9	1.3	0.6	0.0	-0.3	-1,693	584,053	3.6
Non-business sector	1.4	0.1	-0.1	0.0	0.1	-0.1	-74	125,969	-0.1

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

<sup>1</sup> Millions of dollars at annual rate.

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## OTHER RELEASES

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### Electric power statistics

May 1998

Milder weather throughout Canada led to reduced generation of electricity in May. Net generation of electricity decreased to 41 480 gigawatt hours, down 1.9% from May 1997. Exports increased 9.8% to 3 430 gigawatt hours, and imports increased from 650 to 1 417 gigawatt hours.

Generation of hydro electricity decreased 7.3% to 25 731 gigawatt hours. This decrease occurred mostly in Ontario, Quebec and British Columbia. The temporary closing of seven nuclear reactors at Ontario Hydro's Pickering and Bruce plants led to a 18.7% drop in nuclear generation, which totalled 4 256 gigawatt hours. Thermal conventional generation was up 23.9% to 11 493 gigawatt hours, mainly to compensate for the loss of nuclear generating capability in Ontario. Higher imports and lower exports also helped to compensate for Ontario's loss of generating capacity in order to meet its domestic demand.

Year-to-date net generation at the end of May 1998 totalled 230 282 gigawatt hours, down 4.0% from the previous year. Year-to-date exports (16 615 gigawatt hours) were up 2.1%, whereas year-to-date imports (6 453 gigawatt hours) rose 89.2% compared with 1997.

**Available on CANSIM: matrices 3987-3999.**

The May 1998 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; [alefeba@statcan.ca](mailto:alefeba@statcan.ca)), Energy Section, Manufacturing, Construction and Energy Division. ■

### Coal and coke statistics

May 1998

Lower demand by export markets caused a drop in coal production in May. Coal production totalled 6 272 kilotonnes, down 6.1% from May 1997. Year-to-date production stood at 32 033 kilotonnes, up 1.1% from the same period in 1997.

Exports in May decreased 12.3% from May 1997 to 3 041 kilotonnes. Exports to Japan (the largest

consumer of Canadian coal) decreased 24.3% to 1 349 kilotonnes during the same period. An increase in exports to the rest of Asia partly offset the decline in exports to Japan and Europe. This included the first delivery of coal to India since 1985. Year-to-date figures show total exports of 14 438 kilotonnes, 0.3% above last year's level.

Coke production in May 1998 decreased to 256 kilotonnes, down 2.5% from May 1997.

**Available on CANSIM: matrix 9.**

The May 1998 issue of *Coal and coke statistics* (45-002-XPB, \$12/\$114) will be available the first week of August. See *How to order publications*.

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

### Sugar sales

Second quarter 1998

Refiners' sales totalled 303 214 metric tonnes for all types of sugar in the second quarter of 1998 (301 906 tonnes in domestic sales and 1 308 tonnes in export sales). Year-to-date sales reported for all types of sugar totalled 552 280 tonnes (547 640 tonnes in domestic sales and 4 632 tonnes in export sales).

This compares with total sales of 308 320 tonnes (revised) in the second quarter 1997, of which 305 954 tonnes (revised) were domestic sales and 2 366 tonnes (revised) were export sales. The 1997 year-to-date sales reported for all types of sugar totalled 565 339 tonnes (revised), 560 910 tonnes (revised) in domestic sales and 4 429 tonnes (revised) in export sales.

**Available on CANSIM: matrix 141.**

The second quarter 1998 issue of *The sugar situation* (32-013QXPB, \$13/\$41) will be available shortly. See *How to order publications*.

For further information on this release, contact Peter Zylstra (613-951-3511; [zylspet@statcan.ca](mailto:zylspet@statcan.ca)), Manufacturing, Construction, and Energy Division. ■

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## PUBLICATIONS RELEASED

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**Infomat — A weekly review**, July 31, 1998 (Internet version)

**Catalogue number 11-002-XIE**

(Canada: \$3/\$109; outside Canada: US\$3/US\$109).

**Infomat — A weekly review**, July 31, 1998

**Catalogue number 11-002-XPE**

(Canada: \$4/\$145; outside Canada: US\$4/US\$145).

**Survey methodology**, June 1998

**Catalogue number 12-001-XPB**

(Canada: \$47; outside Canada: US\$47).

**Aviation: Service bulletin**, July 1998

**Catalogue number 51-004-XIB**

(Canada: \$8/\$82; outside Canada: US\$8/US\$82).

**Focus on culture**, Summer 1998

**Catalogue number 87-004-XPB**

(Canada: \$9/\$27; outside Canada: US\$9/US\$27).

**All prices exclude sales tax.**

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Statistics Canada	
Thursday, June 3, 1997	
For release at 8:30 a.m.	
<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1995</b> Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 4.5 trips on some form of urban transit, the lowest level in the past 25 years.	2
• <b>Productivity, hourly compensation and unit labour cost, 1995</b> Growth in productivity among Canadian businesses was notably weak again in 1995 accompanied by sluggish gains in employment and slow nominal growth during the year.	4
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## Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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## RELEASE DATES: AUGUST 1998

(Release dates are subject to change.)

Release date	Title	Reference period
4	<b>Business Conditions Survey: Canadian manufacturing industries</b>	July 1998
4	<b>Building permits</b>	June 1998
5	<b>Help-wanted Index</b>	July 1998
7	<b>Labour Force Survey</b>	July 1998
12	<b>New Housing Price Index</b>	June 1998
13	<b>New motor vehicle sales</b>	June 1998
14	<b>Composite Index</b>	July 1998
17	<b>Travel between Canada and other countries</b>	June 1998
18	<b>Canadian international merchandise trade</b>	June 1998
19	<b>Consumer Price Index</b>	July 1998
19	<b>Wholesale trade</b>	June 1998
20	<b>Retail trade</b>	June 1998
20	<b>Quarterly financial statistics for enterprises</b>	Second quarter 1998
21	<b>Monthly Survey of Manufacturing</b>	June 1998
21	<b>Livestock statistics</b>	July 1998
24	<b>Canada's international transactions in securities</b>	June 1998
24	<b>National Survey of Giving, Volunteering and Participating</b>	1997
25	<b>A new perspective on wages</b>	1997
25	<b>Employment Insurance</b>	June 1998
26	<b>Field crop reporting series: crop production estimates</b>	July 31
26	<b>Farm cash receipts</b>	Second quarter 1998
27	<b>Industrial Product Price Index</b>	July 1998
27	<b>Raw Materials Price Index</b>	July 1998
28	<b>International travel account</b>	Second quarter 1998
28	<b>Characteristics of international travellers</b>	First quarter 1998
28	<b>Employment, earnings and hours</b>	June 1998
31	<b>National economic and financial accounts</b>	Second quarter 1998
31	<b>Balance of international payments</b>	Second quarter 1998
31	<b>Real gross domestic product at factor cost by industry</b>	June 1998

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