



The Daily

Statistics Canada

Monday, February 28, 2000

For release at 8:30 a.m.

MAJOR RELEASES

- **National economic and financial accounts, 1999 and fourth quarter 1999**
 Gross domestic product advanced 1.1% in the fourth quarter of 1999, the 18th consecutive increase. This marks the longest string of uninterrupted quarterly growth since the mid-1960s. Growth for the year was 4.2%.

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- **Balance of international payments, fourth quarter 1999**
 After posting a modest surplus in the previous quarter, Canada's balance in current account transactions with foreigners returned to a deficit position in the fourth quarter of 1999. Residents of Canada spent \$1.3 billion more abroad on goods, services, investment income and transfers in the fourth quarter than they earned from abroad.

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- **Gross domestic product at factor cost by industry, December 1999**
 On the heels of strong economic expansion in November, gross domestic product advanced in December by 0.4%, pushing fourth-quarter growth to 1.1%. This was the 17th consecutive monthly increase, surpassing a mark set in 1988.

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PUBLICATIONS RELEASED

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MAJOR RELEASES

National economic and financial accounts

1999 and fourth quarter 1999

Gross domestic product (GDP) advanced 1.1% in the fourth quarter of 1999, the 18th consecutive increase. This marks the longest string of uninterrupted quarterly growth since the mid-1960s. Growth for the year was 4.2%.

GDP growth in the fourth quarter was led by business investment, which gathered momentum after stalling in the previous period. Machinery and equipment purchases led this growth, climbing 6.6%, with robust gains in a number of categories. Business investment in non-residential construction grew 2.2%, as strong growth in engineering construction was pulled down by a slight decline in building construction.

Gross domestic product at 1992 prices¹

	Change	Annualized change %	Year-over-year change
First quarter 1999	1.2	5.1	3.4
Second quarter 1999	0.9	3.6	4.0
Third quarter 1999	1.3	5.5	4.7
Fourth quarter 1999	1.1	4.6	4.7
1999	4.2	...	4.2

¹ The change is the growth rate from one period to the next. The annualized change is the growth rate compounded annually. The year-over-year change is the growth rate of a given quarter compared with the same quarter in a previous year.

... Figures not appropriate or not applicable.

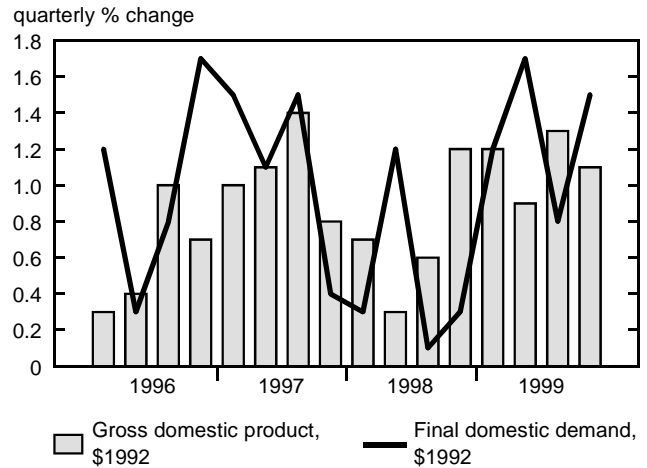
Housing investment growth accelerated, with gains in new construction and renovation activity more than offsetting a decline in transfer costs on the sale of existing homes.

Businesses invested in inventories, in tandem with rising sales. The accumulation occurred among manufacturers and wholesalers, while retailers drew down stocks.

Consumer purchases were increased by millennium celebrations and possibly by stockpiling to safeguard against potential Y2K problems. However, warm weather in many areas of the country reduced expenditures in the fourth quarter, as purchases of

natural gas, electricity and other heating fuels were curtailed. Overall growth was 0.9%.

Domestic demand strengthens GDP growth



Exports grew a strong 1.8%, but this was nonetheless a deceleration from the more robust growth seen in the previous quarter. Machinery and equipment, forestry products, industrial goods and materials and autos were important contributors to export growth. Meanwhile, energy products declined for the second consecutive quarter.

Corporation profits increased 7.8% in nominal terms, on top of a double-digit increase in the third quarter. Personal income grew steadily, matching the previous quarter's increase (+1.2%).

Overall, cumulative growth over the current 18-quarter expansion period is 15.8% so far. Higher growth was achieved in a shorter expansion period following the recession in the early 1980s, over which real GDP grew almost 20% in 15 quarters. Prior to that, the longest period of sustained growth in the Canadian economy was from 1961 to 1966, when GDP grew 42% over a period spanning nearly six years.

Consecutive quarters of growth in gross domestic product at 1992 prices¹

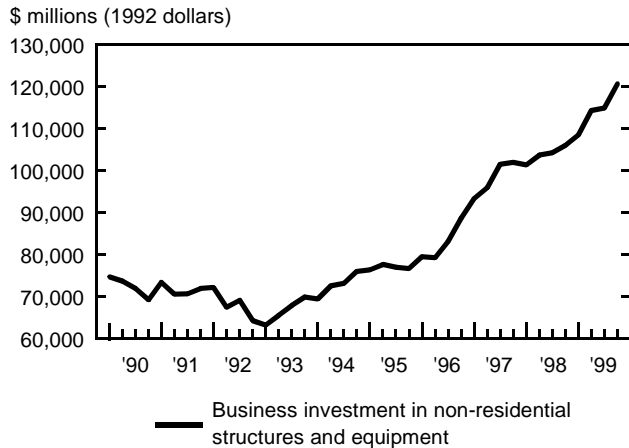
Period	Number of quarters	Cumulative growth (%)
Third quarter 1995 to fourth quarter 1999	18	15.8
Second quarter 1991 to first quarter 1995	16	11.5
First quarter 1987 to first quarter 1990	13	13.2
First quarter 1983 to third quarter 1986	15	19.7
First quarter 1977 to first quarter 1980	13	13.4
Second quarter 1972 to fourth quarter 1974	11	15.9
Second quarter 1967 to first quarter 1970	12	15.4
Second quarter 1961 to fourth quarter 1966	23	42.2

¹ Periods of uninterrupted growth exceeding 10 quarters.

Investment boom continues

Business plant and equipment investment resumed strong growth after a pause in the third quarter. Robust expansion throughout the latter half of the 1990s has brought the volume of investment to an unprecedented level, both in absolute terms and as a percentage of GDP.

Plant and equipment investment reaches new heights



Machinery and equipment investment jumped 6.6% in the quarter with virtually all categories posting solid advances. Imports of machinery and equipment increased in tandem. Noteworthy areas for investment growth were computers (+8.8%), autos (+10.9%), other transportation equipment (+10.8%), and telecommunications equipment (+7.6%).

Business spending on non-residential construction advanced 2.2%. Strong growth in investment in engineering construction was tempered by a slight decline in building construction.

Solid growth in housing

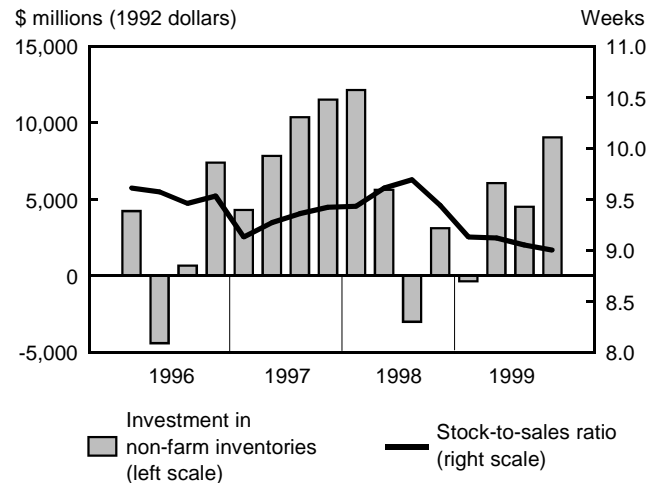
Housing investment accelerated to a healthy 1.9% increase in the fourth quarter. While new housing construction and renovation activity advanced strongly, a 6.2% drop in transfer costs on the sale of existing homes pulled down overall growth. New housing sales including land jumped 4.4% in the quarter.

Growth in urban housing starts regained momentum after slowing somewhat in the previous two quarters. Starts fell in the Prairies and Quebec, but registered double-digit increases in all other regions. The expansion was concentrated in multiple dwellings.

Inventories continue to build

Manufacturers and wholesalers accumulated inventories in the fourth quarter, with the build-up concentrated in durable goods. While inventories have been accumulating throughout 1999, sales have also been rising, and economy-wide stock-to-sales ratios have declined.

Inventories build up, in step with rising sales



A large portion of the build-up in inventories at the manufacturing level occurred in electrical and electronic products. For wholesalers, the bulk of the fourth-quarter accumulation was accounted for by motor vehicles and parts and by machinery and equipment. Retail

inventories were drawn down, despite a significant accumulation in the auto sector.

Consumer spending advances

Consumer expenditure advanced 0.9%, a slight deceleration from the previous quarter. The late arrival of winter in many areas of the country put a damper on overall spending growth in the fourth quarter, as demand fell for natural gas, electricity and other heating fuels, and consumers postponed purchases of items like winter footwear. Spending on motor vehicle repairs and parts also declined as winter auto maintenance was put off.

Personal expenditure got a boost from millennium celebrations, as purchases of alcoholic beverages in stores jumped and growth in outlays for food accelerated. Stockpiling to safeguard against potential problems from Y2K may have also boosted food spending. Expenditure on restaurants and recreational services also picked up.

Consumer purchases of motor vehicles posted another healthy advance, increasing 2.4% on top of a surge in the previous quarter.

Export growth decelerates

Although exports posted a solid increase of 1.8%, this represented a deceleration from the strong 3.6% growth in the third quarter. Machinery and equipment exports rose 2.6%, led by continued strong gains in television and telecommunications equipment and transportation equipment. Growth in exports of computers cooled after stellar advances in the previous quarter.

Sizable increases also occurred in exports of forestry products, automotive products and industrial goods and materials. Exports of energy products declined slightly following a larger drop in the previous quarter, and growth in exports of agricultural and fish products slowed to 0.3%.

1999 review

Personal income maintains steady growth

Personal income grew steadily in 1999 by 3.7%, nearly matching the growth of the previous year. Labour income growth accelerated to 4.5% as the job market

continued to improve and average earnings began to gain ground. Investment income growth was slower, at 2.3%. Farm income recovered somewhat in 1999, but remained more than 40% below the high reached in 1996. Other unincorporated business income picked up speed, increasing 4.8%. Growth in government transfer payments slowed to 0.7%.

Profits soar

Corporation profits took off in 1999, soaring over 25%. This surge more than recouped losses in the previous year, pushing profits to a record level nearly 18% above their previous peak in 1997.

Manufacturers posted exceptional earnings gains in 1999, particularly in the motor vehicle industry, as U.S. sales hit record levels and Canadian sales were the strongest in a decade. Manufacturers of electronics and computers also enjoyed significant gains, as did producers of telecommunications and other high-tech equipment. Higher oil prices boosted returns in the mineral fuels industry. Wood and paper producers benefited from increased export demand for lumber and pulp.

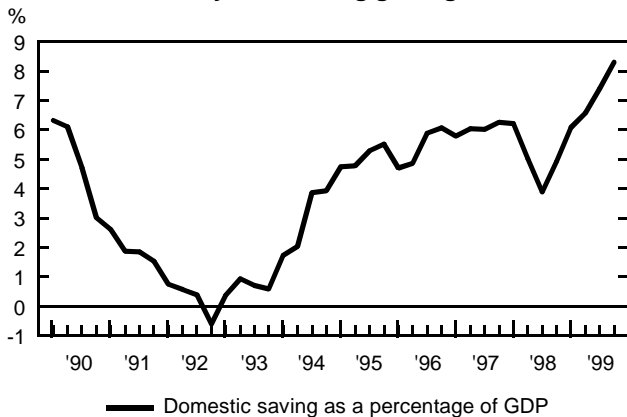
Investment growth strengthens as economy-wide saving expands

Growth in business investment in plant and equipment accelerated to 10.4% in 1999, continuing the stellar performance seen throughout the latter half of the 1990s. Machinery and equipment purchases climbed nearly 15%, with robust growth occurring in a number of categories. Computer purchases led the way, surging nearly 40% in preparation for Y2K, but double-digit gains occurred in many other areas such as furniture, automobiles, trucks, and other transportation equipment. The only weak spots were in agricultural machinery (-11.8%) and industrial machinery (-0.5%).

Business investment in non-residential buildings rose a solid 4.6%, while engineering construction increased a more moderate 2.0%. Residential investment recovered from declines in 1998, attaining its highest level since the late 1980s.

While a downward trend in personal saving has persisted since early in the 1990s, saving by other sectors has moved in to fill the gap as a source of funds for investment in the Canadian economy. Annual domestic saving was 7.1% of GDP in 1999, compared with 5.0% in 1998.

Economy-wide saving gains ground



With profits on the rise throughout the year, undistributed corporate earnings have skyrocketed nearly 60% in 1999.

Provincial government surpluses burgeoned, gathering momentum throughout the year. Total net lending for all levels of government more than tripled in 1999. The total provincial surplus, boosted by highway privatization in Ontario, contributed over 80% of this rise in net lending. The federal surplus on a national accounts basis (which includes the federal public service pension fund) also increased. Local governments remained in deficit positions.

Funds increasingly came from domestic sources in 1999; Canada's reliance on non-residents' saving to finance domestic investment diminished. After rising in

the previous two years, the use of non-residents' saving to fund investment in Canada resumed the downward trend observed since the early 1990s.

Available on CANSIM: matrices 701-726, 728-735, 737-744, 748-750, 796, 797, 6520-6585 and 6597-6624.

The fourth quarter 1999 issue of *National income and expenditure accounts, quarterly estimates* (13-001-XPB, \$44/\$145) will be available shortly. See *How to order publications*.

Detailed printed tables of unadjusted and seasonally adjusted quarterly income and expenditure accounts (13-001-PPB, \$50/\$180), financial flow accounts (13-014-PPB, \$50/\$180) and estimates of labour income (13F0016XPB, \$20/\$200), including supplementary analytical tables and charts are available immediately.

At 8:30 a.m. on release day, the complete quarterly income and expenditure accounts, financial flow accounts, and monthly estimates of labour income data sets can be obtained on microcomputer diskette. The diskettes (13-001-XDB, 13-014-XDB and 13F0016XDB) can also be purchased at a lower cost seven business days after the official release date. To purchase any of these products, contact the client services officer (613-951-3810; iead-info-dcrrd@statcan.ca), Income and Expenditure Accounts Division.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-3640), Income and Expenditure Accounts Division. □

Gross domestic product, income-based

	1996	1997	1998	1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	Third to fourth quarter 1999
	seasonally adjusted at annual rates							
	\$ millions							% change at quarterly rates
Wages, salaries and supplementary labour income ¹	428,743	453,681	471,975	493,275	489,700	496,576	504,104	1.5
Corporation profits before taxes	79,335	86,104	80,924	101,353	94,928	106,492	114,816	7.8
Government business enterprise profits before taxes	6,259	6,586	7,004	8,133	8,396	8,220	8,236	0.2
Interest and miscellaneous investment income	50,621	48,187	44,186	44,126	43,868	44,344	43,804	-1.2
Accrued net income of farm operators from farm production	4,047	1,907	2,060	2,305	2,040	2,700	2,500	-7.4
Net income of non-farm unincorporated business, including rent	48,433	52,999	56,664	59,360	59,152	59,704	60,028	0.5
Inventory valuation adjustment ²	-1,336	-1,514	-1,450	-2,187	-1,784	-3,920	-2,732	1,188
Net domestic product at factor cost	616,102	647,950	661,363	706,365	696,300	714,116	730,756	2.3
Indirect taxes less subsidies	110,775	116,395	119,621	124,204	123,100	125,140	127,072	1.5
Capital consumption allowances	105,984	109,976	114,575	119,033	118,336	119,836	121,004	1.0
Statistical discrepancy ²	1,060	-374	145	-202	764	628	-2,116	-2,744
Gross domestic product at market prices	833,921	873,947	895,704	949,400	938,500	959,720	976,716	1.8

¹ Includes military pay and allowances.

² The change column reflects actual change in millions of dollars for these items.

Gross domestic product, expenditure-based

	1996	1997	1998	1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	Third to fourth quarter 1999
seasonally adjusted at annual rates								
\$ millions at current prices								
								% change at quarterly rates
Personal expenditure on consumer goods and services	482,054	511,158	530,339	553,640	549,676	558,520	565,236	1.2
Durable goods	59,443	67,966	71,604	76,173	74,424	77,824	78,656	1.1
Semi-durable goods	42,745	45,337	48,009	50,212	50,040	50,836	50,672	-0.3
Non-durable goods	118,778	122,726	124,528	130,218	129,176	131,428	133,508	1.6
Services	261,088	275,129	286,198	297,037	296,036	298,432	302,400	1.3
Government current expenditure on goods and services	172,225	173,256	177,012	180,467	179,428	180,648	182,268	0.9
Government gross fixed capital formation	19,066	18,077	18,447	19,509	19,284	19,492	20,340	4.4
Government inventories ¹	-2	5	-27	-3	4	-60	52	112
Business gross fixed capital formation	124,978	147,082	152,730	163,384	162,844	162,780	169,060	3.9
Residential structures	39,584	45,068	44,905	49,064	49,128	49,452	50,688	2.5
Non-residential structures	36,360	42,192	43,227	45,469	45,092	45,512	46,708	2.6
Machinery and equipment	49,034	59,822	64,598	68,851	68,624	67,816	71,664	5.7
Business investment in inventories ¹	3,067	8,817	4,704	4,315	3,972	4,712	9,452	4,740
Non-farm ¹	2,304	9,855	4,950	4,147	2,868	4,824	10,060	5,236
Farm ¹	763	-1,038	-246	168	1,104	-112	-608	-496
Exports of goods and services	320,988	345,060	369,985	411,648	399,516	421,888	429,732	1.9
Goods	279,892	301,383	322,263	360,598	349,824	370,428	377,064	1.8
Services	41,096	43,677	47,722	51,050	49,692	51,460	52,668	2.3
Deduct: Imports of goods and services	287,395	329,881	357,342	383,762	375,460	387,636	401,536	3.6
Goods	237,918	277,707	303,401	326,662	319,128	329,736	342,872	4.0
Services	49,477	52,174	53,941	57,100	56,332	57,900	58,664	1.3
Statistical discrepancy ¹	-1,060	373	-144	202	-764	-624	2,112	2,736
Gross domestic product at market prices	833,921	873,947	895,704	949,400	938,500	959,720	976,716	1.8
Final domestic demand	798,323	849,573	878,528	917,000	911,232	921,440	936,904	1.7
\$ millions at 1992 prices								
Personal expenditure on consumer goods and services	453,990	472,867	485,906	501,227	499,092	503,948	508,636	0.9
Durable goods	55,455	62,823	66,801	71,628	70,260	72,896	74,036	1.6
Semi-durable goods	42,505	44,334	46,526	47,806	47,680	48,212	48,056	-0.3
Non-durable goods	116,822	118,293	119,521	121,761	121,412	121,860	122,900	0.9
Services	239,208	247,417	253,058	260,032	259,740	260,980	263,644	1.0
Government current expenditure on goods and services	164,524	163,675	166,442	168,103	167,548	168,380	169,052	0.4
Government gross fixed capital formation	18,652	17,668	18,528	20,258	20,088	20,348	21,368	5.0
Government inventories ¹	-2	3	-23	-3	4	-52	44	96
Business gross fixed capital formation	120,122	140,414	145,233	158,690	158,356	159,356	166,060	4.2
Residential structures	37,485	42,223	41,422	44,116	44,080	44,508	45,384	2.0
Non-residential structures	34,265	39,079	39,110	40,217	39,896	40,248	41,152	2.2
Machinery and equipment	48,372	59,112	64,701	74,357	74,380	74,600	79,524	6.6
Business investment in inventories ¹	2,664	8,362	4,826	5,413	7,312	4,860	9,112	4,252
Non-farm ¹	1,969	8,495	4,459	4,808	6,044	4,504	9,040	4,536
Farm ¹	695	-133	367	605	1,268	356	72	-284
Exports of goods and services	274,631	297,840	322,345	353,769	346,248	358,592	365,048	1.8
Goods	237,806	259,557	281,012	310,592	304,076	315,216	321,012	1.8
Services	36,825	38,283	41,333	43,177	42,172	43,376	44,036	1.5
Deduct: Imports of goods and services	251,438	288,135	304,849	334,275	330,972	336,232	352,764	4.9
Goods	211,755	247,591	265,586	293,145	290,100	294,668	310,408	5.3
Services	39,683	40,544	39,263	41,130	40,872	41,564	42,356	1.9
Statistical discrepancy ¹	-1,013	337	-143	192	-692	-560	1,928	2,488
Gross domestic product at market prices	782,130	813,031	838,265	873,374	866,984	878,640	888,484	1.1
Final domestic demand	757,288	794,624	816,109	848,278	845,084	852,032	865,116	1.5

¹ The change column reflects actual change in millions of dollars for these items.
- Nil or zero.

National accounts price and volume indexes

	1996	1997	1998	1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	Third to fourth quarter 1999
seasonally adjusted								
implicit price indexes (1992=100)								% change at quarterly rates
Personal expenditure on consumer goods and services	106.2	108.1	109.1	110.5	110.1	110.8	111.1	0.3
Government current expenditure on goods and services	104.7	105.9	106.4	107.4	107.1	107.3	107.8	0.5
Government gross fixed capital formation	102.2	102.3	99.6	96.3	96.0	95.8	95.2	-0.6
Business gross fixed capital formation	104.0	104.7	105.2	103.0	102.8	102.1	101.8	-0.3
Exports of goods and services	116.9	115.9	114.8	116.4	115.4	117.7	117.7	-
Imports of goods and services	114.3	114.5	117.2	114.8	113.4	115.3	113.8	-1.3
Gross domestic product	106.6	107.5	106.9	108.7	108.2	109.2	109.9	0.6
Final domestic demand	105.4	106.9	107.6	108.1	107.8	108.1	108.3	0.2
chain price indexes (1992=100)								
Personal expenditure on consumer goods and services	106.4	108.2	109.5	111.0	110.6	111.3	111.6	0.3
Government current expenditure on goods and services	105.0	106.2	106.5	107.7	107.4	107.6	108.2	0.5
Government gross fixed capital formation	105.7	106.6	106.2	106.7	106.1	106.1	106.1	-
Business gross fixed capital formation	106.1	107.0	108.7	109.1	109.2	108.8	108.8	0.0
Exports of goods and services	118.6	118.4	118.7	120.6	121.0	124.2	124.2	0.0
Imports of goods and services	116.8	117.9	122.5	122.6	121.8	123.5	123.0	-0.4
Gross domestic product (excluding inventories)	106.7	107.7	107.4	109.3	109.4	110.4	110.9	0.4
Final domestic demand	106.0	107.5	108.6	109.9	109.6	110.0	110.3	0.3
chain Fisher volume indexes (1992=100)								
Personal expenditure on consumer goods and services	109.8	114.5	117.5	121.0	120.5	121.7	122.8	0.9
Government current expenditure on goods and services	97.1	96.6	98.3	99.3	99.0	99.5	99.8	0.3
Government gross fixed capital formation	96.5	90.9	93.4	98.4	97.3	98.4	102.6	4.3
Business gross fixed capital formation	109.4	127.7	130.4	138.9	138.3	138.9	144.0	3.6
Exports of goods and services	143.0	154.0	164.4	179.8	176.3	181.7	184.9	1.8
Imports of goods and services	128.9	146.8	153.4	164.9	162.7	165.7	172.4	4.1
Gross domestic product	111.9	116.2	119.3	124.3	124.0	125.3	126.8	1.2
Final domestic demand	106.4	111.7	114.3	118.0	117.5	118.5	120.0	1.3

- Nil or zero.

Financial market summary table

	1996	1997	1998	1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	Third to fourth quarter 1999
	seasonally adjusted at annual rates							
	\$ millions							
								actual change
Persons and unincorporated businesses	28,519	31,613	37,675	36,581	37,492	34,604	37,832	3,228
Funds raised								
Consumer credit	7,465	9,069	10,029	10,431	10,444	10,976	10,324	-652
Bank loans	1,171	853	3,539	2,153	4,220	-656	2,568	3,224
Other loans	4,376	5,499	6,909	5,919	4,760	6,204	6,472	268
Mortgages	15,507	16,192	17,198	18,078	18,068	18,080	18,468	388
Non-financial private corporations	33,171	53,268	66,430	52,868	45,860	54,784	58,188	3,404
Funds raised								
Bank loans	-1,044	5,882	8,522	3,350	8,564	-2,864	5,924	8,788
Other loans	2,965	4,090	5,560	5,997	-5,464	11,660	10,852	-808
Other short-term paper	3,624	5,086	7,031	6,738	-24	5,600	14,428	8,828
Mortgages	686	1,748	3,362	3,902	3,632	5,228	2,492	-2,736
Bonds	6,514	13,433	13,816	10,456	10,744	17,780	568	-17,212
Shares	20,426	23,029	28,139	22,425	28,408	17,380	23,924	6,544
Non-financial government enterprises	-2,837	-1,816	-3,106	-3,381	-620	-1,328	-2,416	-1,088
Funds raised								
Bank loans	-716	-657	-31	-343	-56	-808	-288	520
Other loans	343	-246	-313	-50	-164	24	-36	-60
Other short-term paper	994	2,212	-468	563	2,636	2,596	1,468	-1,128
Mortgages	-2	5	-5	-12	-	-4	-8	-4
Bonds	-3,455	-3,129	-2,285	-3,545	-3,156	-3,116	-3,496	-380
Shares	-1	-1	-4	6	120	-20	-56	-36
Federal government	12,366	-8,097	-13,990	2,248	-7,448	-1,912	14,204	16,116
Funds raised								
Bank loans	-	-22	49	106	176	136	88	-48
Other loans	-	-	-	-	-	-	-	-
Canada short-term paper	-20,777	-25,040	-19,370	357	-23,920	26,280	-4,896	-31,176
Canada Saving Bonds	2,031	-3,103	-2,957	-783	-1,624	88	-2,400	-2,488
Marketable bonds	31,112	20,068	8,288	2,568	17,920	-28,416	21,412	49,828
Other levels of government	7,977	7,072	10,308	7,421	7,908	6,840	1,392	-5,448
Funds raised								
Bank loans	-106	145	155	57	940	664	-456	-1,120
Other loans	321	274	234	135	200	-168	16	184
Other short-term paper	-1,190	-1,664	1,105	2,847	-1,160	8,832	852	-7,980
Mortgages	329	33	235	-7	28	80	-16	-96
Provincial bonds	8,016	7,797	8,525	6,196	9,440	-388	3,656	4,044
Municipal bonds	692	441	-250	-1,822	-1,584	-2,260	-2,576	-316
Other bonds	-85	46	304	15	44	80	-84	-164
Total funds raised by domestic non-financial sectors	79,196	82,040	97,317	95,737	83,192	92,988	109,200	16,212
Consumer credit	7,465	9,069	10,029	10,431	10,444	10,976	10,324	-652
Bank loans	-695	6,201	12,234	5,323	13,844	-3,528	7,836	11,364
Other loans	8,005	9,617	12,390	12,001	-668	17,720	17,304	-416
Canada short-term paper	-20,777	-25,040	-19,370	357	-23,920	26,280	-4,896	-31,176
Other short-term paper	3,428	5,634	7,668	10,148	1,452	17,028	16,748	-280
Mortgages	16,520	17,978	20,790	21,961	21,728	23,384	20,936	-2,448
Bonds	44,825	35,553	25,441	13,085	31,784	-16,232	17,080	33,312
Shares	20,425	23,028	28,135	22,431	28,528	17,360	23,868	6,508

- Nil or zero.

Balance of international payments

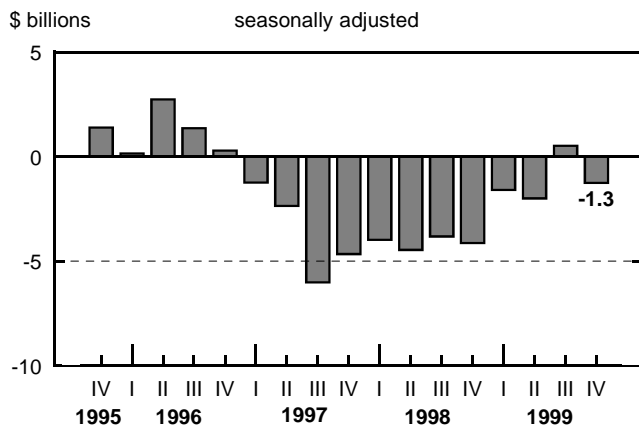
Fourth quarter 1999

After posting a modest surplus in the previous quarter, Canada's balance in current account transactions with foreigners returned to a deficit position in the fourth quarter of 1999.

In the fourth quarter, residents of Canada spent \$1.3 billion more abroad on goods, services, investment income and transfers than they earned from abroad (seasonally adjusted). A lower surplus on goods following a very strong third-quarter surplus accounted for over 90% of the change in the balance.

For 1999 as a whole, the current account deficit narrowed considerably, from \$16.4 billion in 1998 to \$4.3 billion. This was driven by a \$15.1 billion increase in the goods surplus, which was partly offset by a higher deficit on investment income.

Current account balance



In the financial and capital account, which is not seasonally adjusted, Canadian investors continued to increase their foreign assets with sizeable investments—in both portfolio foreign securities and through direct investment abroad. Canada resumed augmenting its international reserves after negligible activity in the third quarter.

For the third quarter in a row, Canadian liabilities rose. Mainly, this occurred because foreign direct investors acquired several existing Canadian companies. It brought the annual direct investment in Canada to a record high, some 50% above the total for the previous year. This was the first year since 1992 when foreign direct investment in Canada was greater than Canadian direct investment abroad.

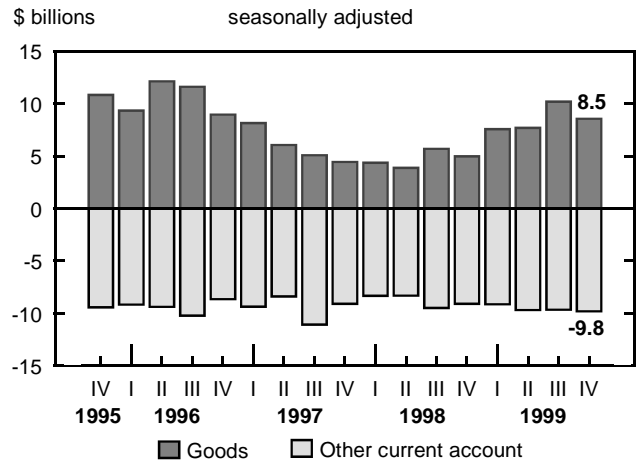
However, foreigners invested only modestly in portfolio Canadian securities in the quarter—and their annual accumulation fell to its lowest level in 25 years.

Current account

Higher imports contribute to lower quarterly goods surplus

The surplus on goods narrowed by \$1.6 billion to \$8.5 billion, as the increase in commodity imports doubled that for exports. The rise in imports was led by machinery and equipment, particularly aircraft and communication products. Nearly as strong were gains in a wide range of industrial goods and energy products, mainly crude oil as prices continued to rise. Exporters saw moderate sales gains across most industrial goods and machinery. This occurred after a strong third quarter in machinery, auto and energy exports.

Goods and other current account balances



The United States, the European Union, Japan and non-OECD markets all contributed to the narrowing in the overall goods surplus in the fourth quarter. The surplus with the United States shrank as export growth slowed from its exceptional rise in the previous quarter. In the other trading areas, existing deficits widened due to stronger growth in imports than in exports.

Goods exports strong last year

For 1999 as a whole, the pattern was reversed. Exports outpaced imports and produced a surplus of \$33.9 billion—the third largest on record.

Canadian businesses expanded their sales abroad by some 12% to \$360.6 billion, above the near 10% average growth in the 1990s. Strength came chiefly from automotive goods, supported by gains in energy, machinery and, to a lesser extent, forest products. Within those sectors, prominent increases were seen for cars, crude oil, telecommunications equipment and lumber.

Imports last year advanced 8% to \$326.7 billion. Most notably, demand for foreign products increased for automotive goods (mainly parts) and for non-industrial machinery.

Goods trade with the United States produced an unprecedented surplus of \$60.5 billion. That was tempered by larger deficits than ever before with other trading areas. Higher exports dominated the U.S. results. As for the goods trade with overseas countries, imports rose, whereas exports declined to all areas except to the United Kingdom.

Higher profits to foreign direct investors in 1999

Higher profits on foreign direct investment in such sectors as transportation equipment and chemicals led to a \$3.6 billion rise in the deficit on investment income. The new high of \$32.7 billion in 1999 compares with a deficit of \$31.2 billion in 1995. Elsewhere, a small drop in the services deficit accompanied a minor increase in net receipts from current transfers.

Financial account

Foreign direct investors make a sizeable investment for third straight quarter

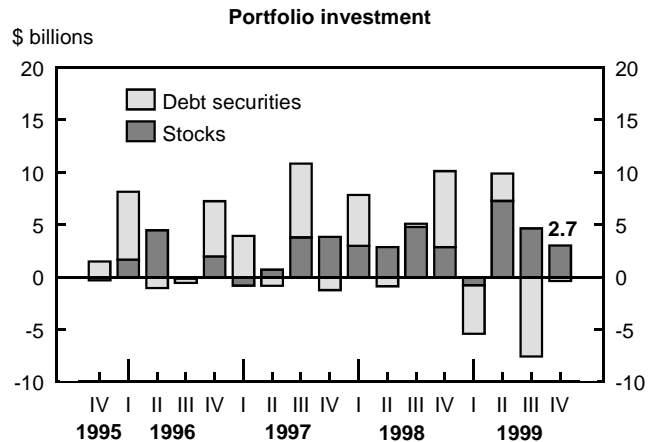
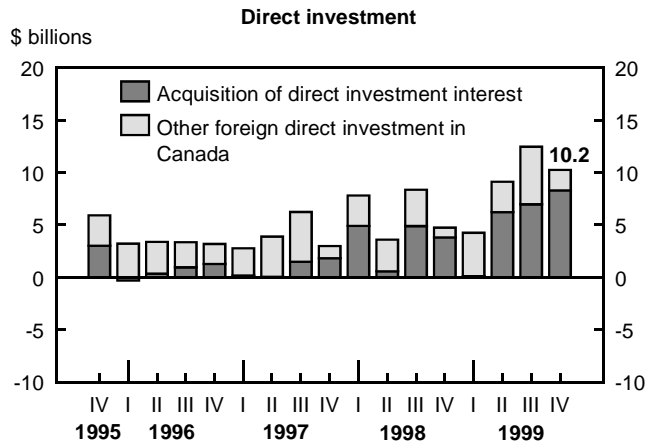
For a third consecutive quarter, foreign direct investors injected substantial funds into Canada. Mainly, the investment in the fourth quarter resulted from several high profile acquisitions of existing Canadian companies.

The acquisition activity in the fourth quarter was centred in the resource and financial industries, and it involved share exchanges. This activity brought the direct investment for the year to \$36.1 billion, some 50% higher than in 1998. Last year, the United States accounted for all the growth, as investment from other countries declined.

Foreigners accumulate modest amounts of Canadian securities

Non-residents resumed their investment in Canadian portfolio securities, with a modest \$2.7 billion investment in the fourth quarter. For 1999 as a whole, foreign portfolio investment dropped substantially from 1998, down to a 25-year low. In the fourth quarter, foreigners added to their holdings of bonds and stocks, but divested some of their holdings of money market paper.

Foreign investment in Canada



The limited foreign investment in Canadian bonds (\$1.4 billion) came mainly from foreign buying of securities that trade in the secondary market. This was also the story for the year: the accumulation of Canadian bond liabilities, restricted to outstanding issues, was at its lowest level since the early 1970s.

New issues floated in foreign markets steadily declined throughout 1999 and totalled to \$31.8 billion for the year—the lowest since 1990. Although down in the last quarter, retirements of foreign-held Canadian bonds hit a record \$36.5 billion for all of 1999.

This investment came entirely from investors in the United States and in the United Kingdom, as all other major regions divested some of their holdings. The reduced foreign investment occurred against a backdrop of lower borrowing requirements for most levels of government. As well, the differential on long-term government instruments favoured investment in the United States for most of the year.

Foreign investors continued to shed Canadian money market paper in the fourth quarter (\$1.8 billion), capping a year where these holdings fell by a record \$13.4 billion. In 1999, the declines were focussed in government paper (particularly federal Treasury bills) and corporate paper. The differential between Canadian and American short rates, which favoured investment in Canada by 30 basis points early in 1999, shifted by year-end to favour investing in the United States by some 50 basis points.

Foreign investors continued to invest in Canadian equities in the fourth quarter (\$3 billion), though that activity was down from the second and third quarters. The investment in the fourth quarter came entirely from new issues in foreign markets. Both for the quarter and for the year, American and British investors accounted for the buying, as investors from overseas countries reduced their holdings.

Canadian investors inject a record amount into foreign securities

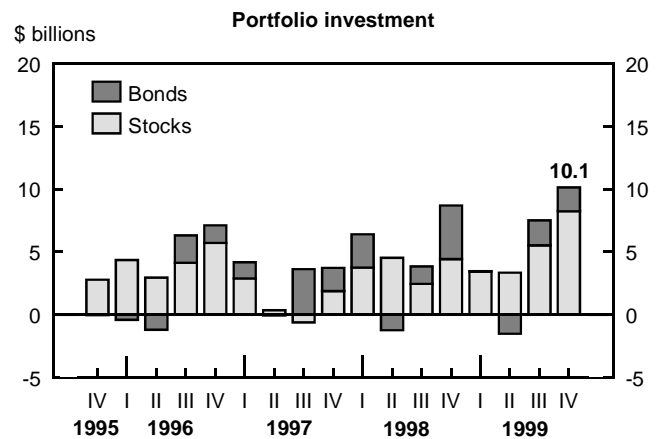
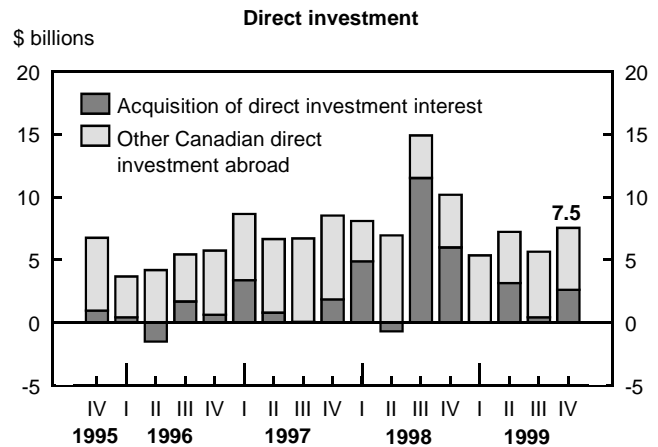
Strong Canadian demand for foreign securities in the fourth quarter resulted in a record investment for the quarter and the year both. A fourth-quarter investment of \$8.2 billion in foreign equities went mostly into American shares. Acquisitions of foreign equities in the quarter, and in 1999, were heavily influenced by Canadians receiving treasury shares in foreign companies as part of the acquisitions of Canadian companies. Similar to the third quarter, Canadian investors bought \$1.9 billion of foreign bonds, two-thirds of which were U.S. treasuries, with the balance in overseas bonds.

Fourth quarter direct investment abroad strengthens

Canadians channelled \$7.5 billion of direct investment into foreign companies in the fourth quarter. That was similar to the second-quarter value

and it produced a high for the year. For 1999 as a whole, investment reached a robust \$25.8 billion, but that amount was down substantially from the record set in 1998. Acquisitions played a much smaller role in 1999 than they did in 1998; however, direct investment in new ventures and through injections into existing foreign affiliates was similar to that in 1998.

Canadian investment abroad¹



¹ Reverse of balance-of-payment signs.

Canada builds up its official reserve assets

After a negligible investment in the third quarter, Canada's official reserve assets rose by a substantial \$4.3 billion during the quarter. For 1999, Canada augmented reserves by \$8.8 billion, second only to the \$10.2 billion in 1988. The Canadian dollar rose against the American and European currencies during the quarter, closing the year over US 69 cents,

its highest close in over a year and a half. However, it lost ground against the Japanese yen for a second straight quarter.

Available on CANSIM: matrices 2325-2327, 2355, 2360-2377, and 3183.

The fourth quarter 1999 issue of *Canada's balance of international payments* (67-001-XPB, \$38/\$124;

67-001-XIB, \$29/\$93) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Arthur Ridgeway (613-951-8907) or Patrick O'Hagan (613-951-1798), Balance of Payments and Financial Flows Division. □

Balance of international payments

	Fourth quarter 1998	First quarter 1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	1998	1999
	not seasonally adjusted						
	\$ millions						
Current account							
Receipts							
Goods and services	96,636	96,389	101,487	104,392	107,489	368,164	409,757
Goods	86,265	86,129	89,285	89,035	96,151	322,262	360,600
Services	10,371	10,260	12,203	15,357	11,338	45,901	49,157
Investment income	7,829	7,204	7,655	8,016	8,290	30,498	31,166
Direct investment	3,534	3,118	3,279	4,158	4,351	13,118	14,905
Portfolio investment	924	957	991	968	991	3,704	3,908
Other investment	3,372	3,130	3,384	2,890	2,948	13,676	12,353
Current transfers	1,336	1,612	1,155	1,351	1,382	4,968	5,501
Current account receipts	105,801	105,205	110,298	113,759	117,161	403,629	446,424
Payments							
Goods and services	93,213	92,756	96,027	93,479	100,190	356,256	382,452
Goods	80,245	78,798	82,315	79,079	86,470	303,400	326,662
Services	12,968	13,958	13,713	14,400	13,719	52,856	55,790
Investment income	15,003	15,950	15,537	16,155	16,261	59,597	63,903
Direct investment	3,638	4,753	4,866	5,275	5,359	14,981	20,253
Portfolio investment	7,867	7,524	7,430	7,580	7,548	30,451	30,083
Other investment	3,497	3,672	3,241	3,299	3,354	14,166	13,566
Current transfers	970	1,529	830	999	1,051	4,161	4,408
Current account payments	109,185	110,235	112,394	110,632	117,501	420,014	450,763
Balances							
Goods and services	3,423	3,633	5,460	10,913	7,299	11,908	27,305
Goods	6,021	7,331	6,970	9,956	9,681	18,863	33,938
Services	-2,598	-3,698	-1,510	957	-2,382	-6,955	-6,633
Investment income	-7,173	-8,746	-7,882	-8,138	-7,971	-29,100	-32,737
Direct investment	-105	-1,635	-1,586	-1,118	-1,009	-1,863	-5,348
Portfolio investment	-6,943	-6,568	-6,439	-6,612	-6,556	-26,747	-26,175
Other investments	-125	-543	143	-409	-406	-490	-1,214
Current transfers	366	84	326	352	332	807	1,093
Current account balance	-3,384	-5,030	-2,096	3,127	-340	-16,385	-4,339
Capital and financial account^{1, 2}							
Capital account	972	1,139	1,307	1,496	1,148	4,976	5,091
Financial account	-101	6,619	-4,786	-10,044	-5,100	9,460	-13,310
Canadian assets, net flows							
Canadian direct investment abroad	-10,171	-5,367	-7,225	-5,661	-7,542	-39,414	-25,796
Portfolio investment	-8,688	-3,474	-1,844	-7,508	-10,121	-22,233	-22,947
Foreign bonds	-4,268	-42	1,508	-1,992	-1,879	-7,075	-2,405
Foreign stocks	-4,420	-3,432	-3,352	-5,516	-8,242	-15,158	-20,541
Other investment	-4,832	20,588	1,831	-12,007	-1,571	10,570	8,842
Loans	10,758	5,929	1,290	-1,420	-532	13,377	5,267
Deposits	-11,070	16,256	1,873	-10,706	4,730	-4,878	12,154
Official international reserves	-5,775	-2,986	-1,420	-131	-4,281	-7,452	-8,818
Other assets	1,256	1,390	88	250	-1,488	9,523	240
Total Canadian assets, net flows	-23,691	11,748	-7,238	-25,177	-19,234	-51,077	-39,901
Canadian liabilities, net flows							
Foreign direct investment in Canada	4,731	4,252	9,113	12,447	10,245	24,470	36,057
Portfolio investment	10,104	-5,409	9,868	-2,916	2,657	25,006	4,199
Canadian bonds	5,672	-656	6,474	-3,741	1,397	11,790	3,474
Canadian stocks	2,867	-784	7,277	4,649	3,022	13,480	14,164
Canadian money market	1,565	-3,969	-3,883	-3,824	-1,762	-264	-13,439
Other investment	8,755	-3,971	-16,529	5,602	1,232	11,062	-13,665
Loans	-1,735	3,140	-614	2,453	2,310	4,856	7,290
Deposits	10,141	-8,289	-16,048	2,326	496	4,611	-21,516
Other liabilities	349	1,178	133	823	-1,574	1,595	561
Total Canadian liabilities, net flows	23,590	-5,128	2,452	15,133	14,134	60,537	26,590
Total capital and financial account, net flows	870	7,759	-3,479	-8,547	-3,952	14,436	-8,220
Statistical discrepancy	2,514	-2,729	5,576	5,420	4,292	1,948	12,559

¹ A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or from a decrease in liabilities to non-residents.

² Transactions are recorded on a net basis.

Current account

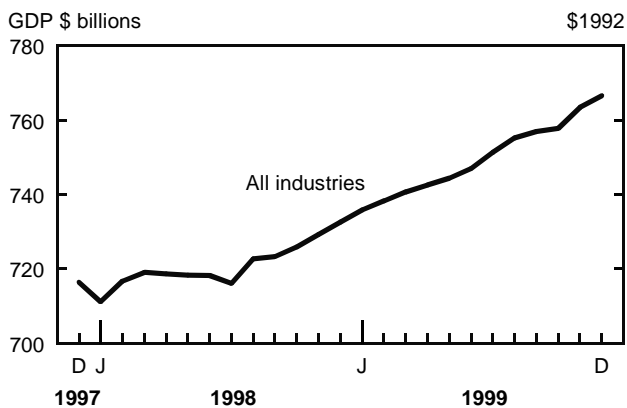
	Fourth quarter 1998	First quarter 1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	1998	1999
	seasonally adjusted						
	\$ millions						
Receipts							
Goods and services							
Goods	85,064	86,272	87,456	92,606	94,266	322,262	360,600
Services	11,852	12,131	11,937	12,401	12,689	45,901	49,157
Travel	3,711	3,992	3,521	3,661	3,694	13,935	14,869
Transportation	2,258	2,261	2,290	2,382	2,441	8,806	9,375
Commercial services	5,635	5,634	5,879	6,111	6,309	22,209	23,934
Government services	248	244	246	247	244	951	980
Total	96,916	98,403	99,392	105,007	106,955	368,164	409,757
Investment income							
Direct investment	3,500	3,085	3,175	4,292	4,353	13,118	14,905
Interest	99	111	128	135	141	410	515
Profits	3,401	2,974	3,046	4,157	4,213	12,708	14,390
Portfolio investment	926	951	979	977	1,001	3,704	3,908
Interest	389	410	418	438	460	1,536	1,726
Dividends	537	541	561	539	541	2,168	2,182
Other investment	3,344	3,230	3,337	2,887	2,898	13,676	12,353
Total	7,771	7,267	7,491	8,156	8,252	30,498	31,166
Current transfers							
Private	548	612	564	605	573	2,272	2,353
Official	778	995	603	751	797	2,695	3,147
Total	1,326	1,607	1,167	1,357	1,370	4,968	5,501
Total receipts	106,013	107,277	108,050	114,520	116,577	403,629	446,424
Payments							
Goods and services							
Goods	80,097	78,727	79,782	82,434	85,719	303,400	326,662
Services	13,600	13,582	13,759	14,137	14,312	52,856	55,790
Travel	4,121	4,098	4,119	4,236	4,311	15,955	16,762
Transportation	2,972	2,935	3,008	3,178	3,253	11,818	12,374
Commercial services	6,349	6,382	6,468	6,564	6,590	24,449	26,003
Government services	157	168	165	160	159	634	651
Total	93,697	92,309	93,541	96,571	100,031	356,256	382,452
Investment income							
Direct investment	4,054	4,245	4,772	5,453	5,783	14,981	20,253
Interest	396	397	395	399	391	1,579	1,581
Profits	3,658	3,849	4,377	5,055	5,392	13,402	18,672
Portfolio investment	7,862	7,527	7,434	7,580	7,542	30,451	30,083
Interest	7,555	7,236	7,144	7,296	7,265	29,209	28,939
Dividends	307	291	290	284	278	1,242	1,143
Other investment	3,497	3,672	3,241	3,299	3,354	14,166	13,566
Total	15,413	15,445	15,447	16,332	16,679	59,597	63,903
Current transfers							
Private	515	523	541	553	568	2,050	2,184
Official	520	598	524	545	557	2,110	2,223
Total	1,035	1,121	1,065	1,098	1,124	4,161	4,408
Total payments	110,145	108,875	110,052	114,001	117,835	420,014	450,763
Balances							
Goods and services							
Goods	4,967	7,545	7,674	10,172	8,547	18,863	33,938
Services	-1,748	-1,451	-1,822	-1,735	-1,623	-6,955	-6,633
Travel	-411	-106	-597	-575	-616	-2,020	-1,894
Transportation	-714	-674	-718	-796	-812	-3,012	-2,999
Commercial services	-714	-748	-588	-452	-280	-2,240	-2,069
Government services	91	76	81	87	85	317	329
Total	3,219	6,094	5,851	8,436	6,924	11,908	27,305
Investment income							
Direct investment	-554	-1,160	-1,597	-1,162	-1,429	-1,863	-5,348
Interest	-297	-285	-267	-264	-250	-1,168	-1,066
Profits	-257	-875	-1,330	-898	-1,179	-694	-4,282
Portfolio investment	-6,936	-6,576	-6,455	-6,603	-6,542	-26,747	-26,175
Interest	-7,166	-6,825	-6,726	-6,857	-6,805	-27,673	-27,213
Dividends	230	250	271	255	263	926	1,038
Other investment	-153	-442	96	-412	-456	-490	-1,214
Total	-7,643	-8,178	-7,956	-8,176	-8,427	-29,100	-32,737
Current transfers							
Private	33	89	22	53	5	222	169
Official	258	397	80	206	240	585	924
Total	291	486	102	259	245	807	1,093
Current account	-4,133	-1,598	-2,002	519	-1,258	-16,385	-4,339

Gross domestic product at factor cost by industry

December 1999

On the heels of strong economic expansion in November, gross domestic product (GDP) advanced in December by 0.4%, pushing fourth-quarter growth to 1.1%. This was the 17th consecutive monthly increase, surpassing a mark set in 1988. Uninterrupted monthly gains throughout 1999 resulted in an annual growth rate considerably higher than the previous year's. This reflected a year of strong growth in full-time employment and sustained export demand from the United States.

Economy continued to show strength at year-end



Economic growth in December was led by construction, manufacturing and retail trade. Each accounted for more than 20% of the monthly increase. Business services, financial services and utilities also made significant contributions. Economic expansion in December was somewhat dampened by a decline in wholesaling activity, reduced air traffic and lower demand for hotel accommodations.

Manufacturing remained strong

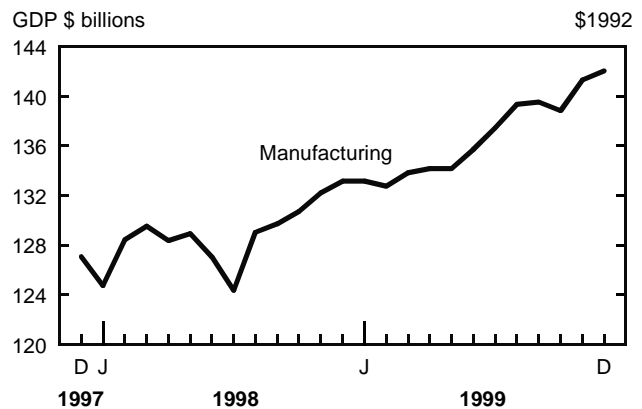
Manufacturing output rose 0.5% in December after a 1.8% surge in the previous month. This late year-end spurt, on top of a strong third quarter, vaulted the 1999 annual output of manufacturing 6.3% above its 1998 level. December production was higher in 16 of the 22 major industry groups, representing 82.7% of total manufacturing. The largest contributors were makers of machinery, automotive and chemical products.

Note to readers

The gross domestic product (GDP) of an industry is the value added by labour and capital when inputs purchased from other producers are transformed into output. Monthly GDP by industry is valued at 1992 prices. The estimates presented here are seasonally adjusted at annual rates.

Production of machinery was up 2.3% on the strength of construction machinery and compressors. A 0.7% increase in the transportation equipment industry was concentrated in vehicle parts, since the production of motor vehicles and aircraft were virtually unchanged from November. The chemical products industry staged a 1.2% increase in December led by a rise in the output of pharmaceutical products (+2.6%) and a gain in the production of organic chemicals (+3.3%).

Manufacturing forged ahead after November's surge



The electrical and electronic products industry's output was unchanged in December, even though the fabrication of telecommunications equipment climbed 4.3%—for an annual gain of 35.7%. The manufacturing of primary metals was up 1.6%, led by smelting and refining, and steel pipes and tubes, which were both up more than 4.0% in the final month of the year. Makers of clothing raised output 3.1%, the third consecutive increase, restoring output of the industry back to pre-summer levels.

Of the six major industry groups that failed to advance in December, the only significant decline was in printing and publishing, where production was down 1.7%, capping a dismal year.

Construction ended the year on a positive note

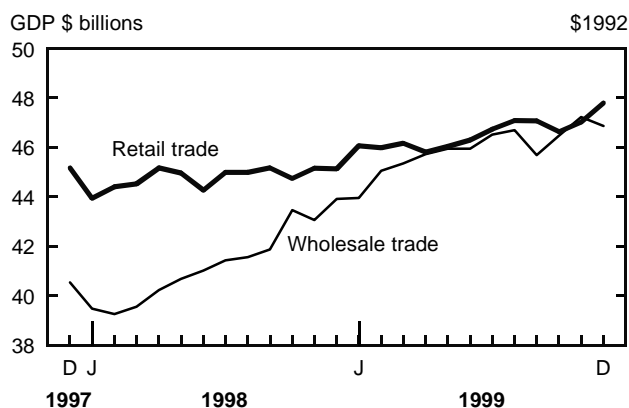
Construction activity was up 1.8% in December—the strongest monthly gain in almost three years. Homebuilding, which advanced 3.1%, showed particular strength in single-detached dwellings. Residential construction, which floundered in 1998, climbed 5.8% in 1999. Engineering construction also made a major contribution to December's growth. Non-residential building activity was flat in the month but recorded a gain of 4.8% for the year, a significant improvement from 1998.

Retailers rose, whereas wholesalers sagged

Retailing activity rose in December by 1.6%, driven largely by motor vehicle dealers. After a sharp decline in October, motor vehicle sales bounced back in the final two months of the year. Grocery stores also posted a strong showing in December. Notable advances were reported by furniture dealers, liquor stores, auto parts stores and general merchandise stores.

Wholesale trade was off 0.8% in December. This year-end decline did little to spoil a banner year that saw activity advance 11.2%—wholesalers' best showing since 1985. The drop in December was mostly due to wholesalers of computers, packaged software and other electronic machinery. However, this trade group's sales activity was the major source of wholesaling's overall strength last year: the group's annual sales surged 44.6% in 1999. Wholesalers of grain, farm machinery and furniture reported notable declines in December.

Retailing advanced, whereas wholesaling declined



Lower oil production hampered the mining sector

The mining sector's output in December was up a slight 0.2%. Crude oil producers did not keep pace with November's high output levels, and drilling activity was down after seven consecutive monthly increases. Natural gas production increased in December after falling in the previous two months because of exceptionally mild fall weather.

A 1.5% rise in metal mining output was propelled by uranium, nickel and iron. Gold output continued to fall in the wake of numerous mine closures over the past year. Non-metal mining output increased 1.6% in December, largely due to a rebound in potash production.

Other industries

An increase in the consumption of electricity and natural gas in December followed two months of lower demand that resulted from unseasonably mild fall temperatures. Business services advanced 1.0% as demand for computer services remained strong. An end-of-year rally in the stock market helped to push financial services 1.1% higher in December. Air travel and hotel accommodations were both down sharply, falling 4.7% and 3.3% respectively.

1999: Industrial profile

Much of the improvement in economic growth in 1999 was linked to automotive products, computers and telecommunications. Manufacturing output climbed 6.3%, significantly higher than the 3.9% advance posted in 1998.

Most of last year's strength was concentrated in sharply higher production of motor vehicles (+22.4%), vehicle parts (+13.6%), telecommunications equipment (+35.7%) and computers and peripherals (+27.4%). Collectively, makers of these products accounted for more than half 1999's gain in total factory output. Notable contributions to improved growth in manufacturing also came from the plastic, wood and paper products industries.

Communications services advanced 13.4% in 1999, largely due to the rapid expansion of telecommunications carriers' output. Explosive sales of computers, computer software and other electronic machinery (+44.6%) were the driving force behind an 11.2% rise in wholesale trade activity. In addition, a 23.3% surge in demand for computer consultants and related services propelled business services 7.8% higher in 1999.

The economy was further bolstered by the construction industry, where activity advanced 3.8% in 1999, after posting virtually no gain the previous year. Homebuilding was up 5.8% following a decline in 1998.

Non-residential building activity also accelerated, increasing 4.8%, while engineering projects boosted other non-residential construction.

Economic expansion in 1999 was somewhat hampered, however, by a 2.8% decline in the mining sector, continuing a downward slide from 1998. Metal mining output dropped 9.3%, production of crude oil and natural gas was off 2.4%, and drilling activities fell 5.3% after a precipitous decline in 1998. Diamond mining in the Northwest Territories provided the only sparkle, as output of non-metal mining rose 14.5%.

The December 1999 issue of *Gross domestic product by industry* (15-001-XPB, \$15/\$145) will be available in early March. See *How to order publications*.

To enquire about the purchase of data, contact Yolande Chantigny (1 800 887-4623 or imad@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Richard Evans (613-951-9145; evanric@statcan.ca), Industry Measures and Analysis Division.

Available on CANSIM: matrices 4677-4681.

Gross domestic product at factor cost by industry at 1992 prices

	July 1999 ^r	Aug. 1999 ^r	Sept. 1999 ^r	Oct. 1999 ^r	Nov. 1999 ^r	Dec. 1999 ^p	Nov. to Dec. 1999	Dec. 1999	Dec. 1998 to Dec. 1999
seasonally adjusted									
	month-to-month % change						\$ change ¹	\$ level ¹	% change
All industries	0.6	0.5	0.2	0.1	0.7	0.4	3,140	766,628	4.6
Goods-producing industries	1.2	0.8	0.6	0.0	1.0	0.7	1858	258,161	6.6
Agriculture	1.0	0.8	0.6	-0.4	-0.2	0.0	0	13,784	5.7
Fishing and trapping	-3.7	-7.4	-1.6	4.3	5.9	-7.6	-60	733	3.7
Logging and forestry	2.4	1.6	1.3	-2.0	1.8	2.3	107	4,786	9.4
Mining, quarrying and oil wells	2.1	0.2	1.6	0.9	1.4	0.2	46	27,694	3.8
Manufacturing	1.3	1.4	0.1	-0.5	1.8	0.5	710	142,044	6.7
Construction	0.0	0.3	0.8	1.2	0.8	1.8	792	43,612	8.9
Other utilities	1.6	-1.0	1.8	-0.1	-2.5	1.0	263	25,508	5.2
Services-producing industries	0.3	0.4	0.0	0.2	0.6	0.3	1,282	508,467	3.7
Transportation and storage	-0.3	0.9	0.8	0.2	1.0	-0.2	-82	35,906	5.1
Communications	1.5	-0.3	0.5	0.0	1.3	0.3	91	27,369	9.5
Wholesale trade	1.2	0.4	-2.2	1.7	1.6	-0.8	-360	46,854	6.7
Retail trade	0.9	0.7	0.0	-0.9	0.8	1.6	773	47,783	5.9
Finance and insurance	0.0	0.8	-0.4	-0.7	1.0	1.1	469	42,167	3.1
Real estate and insurance agents	0.1	0.2	0.2	0.0	0.1	0.0	17	79,917	2.3
Business services	0.6	0.4	0.9	0.6	0.6	1.0	442	45,105	7.8
Government services	-0.1	0.4	0.4	0.4	0.1	0.0	16	46,013	2.5
Education	0.0	0.1	0.1	0.3	0.0	0.1	22	40,590	0.2
Health and social services	-0.2	0.6	0.1	0.1	0.0	0.1	60	46,990	-0.9
Accommodation and food	-0.1	0.4	0.0	1.0	0.8	-0.9	-180	19,794	2.8
Other services	0.3	-0.2	0.5	0.3	0.4	0.0	14	29,979	2.4
Other aggregations									
Industrial production	1.4	0.9	0.5	-0.3	1.2	0.5	1019	195,246	6.1
Non-durable manufacturing	1.1	0.3	0.9	-0.2	1.4	0.6	331	59,550	4.2
Durable manufacturing	1.4	2.2	-0.4	-0.7	2.0	0.5	379	82,494	8.5
Business sector	0.7	0.5	0.2	0.1	0.9	0.5	2,980	636,921	5.5
Non-business sector	-0.1	0.4	0.2	0.2	0.0	0.1	160	129,707	0.7

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

Gross domestic product at factor cost by industry at 1992 prices

	Third quarter 1998 ^r	Fourth quarter 1998 ^r	First quarter 1999 ^r	Second quarter 1999 ^r	Third quarter 1999 ^r	Fourth quarter 1999 ^p	Third to fourth quarter 1999	Fourth quarter 1999	Fourth quarter 1998 to fourth quarter 1999
seasonally adjusted									
	quarter-to-quarter % change					\$ change ¹	\$ level ¹	% change	
All industries	0.3	1.2	1.2	0.9	1.3	1.1	8,133	762,657	4.6
Goods-producing industries	-0.4	1.3	1.4	0.9	2.5	1.6	3,925	256,043	6.4
Agriculture	0.3	0.8	2.3	1.6	2.3	0.2	27	13,791	6.5
Fishing and trapping	-7.6	-10.3	12.4	0.8	-5.5	1.7	13	758	8.9
Logging and forestry	2.7	3.5	2.9	-0.2	4.1	1.3	60	4,688	8.2
Mining, quarrying and oil wells	-2.0	-2.9	0.2	-1.6	2.5	3.0	793	27,538	4.0
Manufacturing	-0.3	3.4	0.9	1.1	3.0	1.4	1,957	140,740	6.6
Construction	-1.6	0.5	2.4	1.1	0.9	3.0	1,236	42,975	7.5
Other utilities	2.0	-3.3	2.8	1.7	2.0	-0.6	-161	25,553	5.9
Services-producing industries	0.7	1.1	1.2	0.9	0.8	0.8	4,208	506,614	3.7
Transportation and storage	-0.1	2.2	0.8	1.4	1.2	1.7	588	35,838	5.2
Communications	3.6	4.6	3.7	3.2	1.7	1.2	324	27,192	10.1
Wholesale trade	2.4	4.5	3.0	2.4	0.9	1.2	551	46,843	7.7
Retail trade	0.6	-0.1	2.3	-0.1	2.0	0.4	188	47,138	4.7
Finance and insurance	0.4	0.1	0.1	1.1	0.8	0.3	137	41,713	2.4
Real estate and insurance agents	0.6	0.3	0.9	0.9	0.5	0.3	203	79,868	2.5
Business services	1.7	2.3	2.0	1.7	1.8	2.1	928	44,717	7.9
Government services	0.4	0.4	0.4	0.7	0.4	0.9	406	45,984	2.5
Education	-0.8	0.7	-0.4	0.2	0.0	0.4	152	40,579	0.1
Health and social services	0.2	0.1	-0.3	-0.9	-0.3	0.4	188	46,948	-1.0
Accommodation and food	0.2	-0.1	2.4	-0.6	-0.2	1.4	279	19,860	3.1
Other services	0.5	0.4	0.7	0.5	0.2	0.9	264	29,932	2.3
Other aggregations									
Industrial production	-0.3	1.5	1.1	0.8	2.8	1.4	2,588	193,830	6.1
Non-durable manufacturing	-0.4	1.2	0.5	0.2	1.7	1.6	931	59,048	4.0
Durable manufacturing	-0.3	5.2	1.3	1.7	4.0	1.3	1,027	81,692	8.5
Business sector	0.4	1.3	1.5	1.0	1.6	1.2	7,419	633,067	5.4
Non-business sector	-0.1	0.5	-0.1	0.1	0.1	0.6	714	129,590	0.6

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.



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Editor: Tim Prichard (613-951-1197, prictim@statcan.ca)

Head of Official Release: Dan Smythe (613-951-1088), smytdan@statcan.ca

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