



The Daily

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For release at 8:30 a.m.

MAJOR RELEASES

- **National economic and financial accounts, first quarter 2000**
 Real GDP grew 1.2% in the first quarter, continuing the solid performance seen throughout the past year.

2
- **Canada's balance of international payments, first quarter 2000**
 Canada's current account balance swung strongly into surplus in the opening quarter, following a small deficit in the fourth quarter of 1999. A sharp rebound in the goods surplus led the turnaround.

8
- **Gross domestic product at factor cost by industry, March 2000**
 Gross domestic product rose 0.7% after receding in February, capping a robust first quarter. The advance marked a return to the solid growth path that had seen economic output rise in each of the previous 18 months.

13

PUBLICATIONS RELEASED 16

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MAJOR RELEASES

National economic and financial accounts

First quarter 2000

Real gross domestic product grew 1.2% in the first quarter, continuing the solid performance seen throughout the past year. Export demand and a strong domestic economy contributed to the advance. For the first time, Canada's GDP in nominal terms exceeded \$1 trillion.

Gross domestic product at 1992 prices¹

	Change	Annualized change %	Year-over-year change
First quarter 1999	1.2	4.8	3.7
Second quarter 1999	0.8	3.3	4.3
Third quarter 1999	1.6	6.5	5.2
Fourth quarter 1999	1.2	5.1	4.9
First quarter 2000	1.2	4.9	4.9

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.

Export growth accelerated to 3.3%, with important advances in exports of machinery and equipment (notably telecommunications equipment and aircraft), automotive products, and crude petroleum.

Business plant and equipment investment rose 2.7%, on top of an even more robust gain in the fourth quarter of 1999. Investment has been fuelled by healthy gains in corporate incomes, as undistributed corporation profits have increased an average 15% per quarter since commodity prices bottomed out in mid-1998.

Personal income strengthened in the first quarter, increasing 1.4% in nominal terms. Broad-based gains occurred in labour income, which rose 1.9%, the strongest quarterly growth since the late 1980s.

Consumer spending grew 0.8%, a slight deceleration from the rates seen in 1999. Residential construction remained strong, increasing 2.4%; renovations and transfer costs from the sale of existing homes posted solid gains. Growth in new housing construction activity decelerated to 0.8% after a robust fourth quarter.

Domestic prices, as measured by the GDP chain price index, rose 1.0% in the first quarter, up from average quarterly gains of 0.8% in 1999. Rising oil prices were a contributing factor, boosting the cost of petroleum-related products throughout the economy.

Note to readers

With this release of first quarter 2000 data, the Income and expenditure accounts and Estimates of labour income for 1996 through 1999 have been revised. Revisions to estimates of real gross domestic product at factor cost by industry will occur with the release of the July estimates on September 29, 2000.

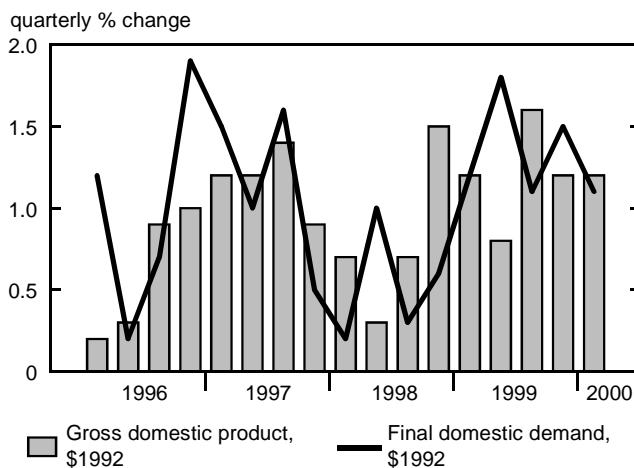
A major conceptual change has been introduced to the Income and expenditure accounts relating to government employee pension plans. A parallel change was made in the National balance sheet accounts with the release of 1999 estimates on March 29. Federal and provincial government non-autonomous employer-sponsored pension plans, previously shown in the federal and provincial government sectors, are now part of the personal sector. This change reflects a more complete and consistent treatment of pension saving, resulting in an upward revision to personal saving and an equivalent downward revision to government saving. It has been incorporated into the Income and expenditure accounts back to 1961. For more information on the impact of this conceptual change, please see this Web page:

www.statcan.ca/english/concepts/disap2.htm

The release of first quarter 2000 estimates of the Financial flow accounts has been delayed for approximately two weeks. This delay is largely due to the incorporation of the above noted historical revisions with respect to the treatment of government pension plans. As a result, the portion of the income and expenditure accounts sector tables covering transactions in financial assets and liabilities is not revised.

The price of crude oil more than doubled since March of 1999.

Domestic demand and exports fuel GDP growth

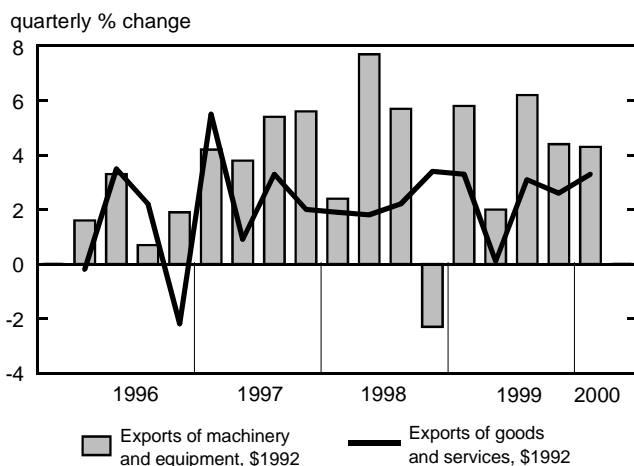


Export growth accelerates

Export growth increased to 3.3% in the quarter. Machinery and equipment, notably telecommunications equipment and aircraft, enjoyed strong export sales. Automotive product exports advanced for the third consecutive quarter. The volume of exports of crude petroleum jumped by 16.1%, while natural gas exports fell.

Telecommunications equipment exports have increased 54% since the first quarter of 1999. Exports of Internet infrastructure equipment to the United States were a major contributor to this increase.

Exports of machinery and equipment on the rise



Healthy growth in plant and equipment investment

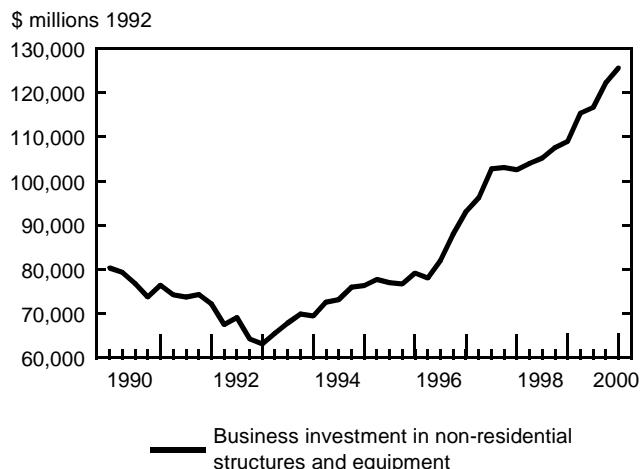
Business plant and equipment investment rose a healthy 2.7%, on top of an even more robust rise in the fourth quarter of 1999. Investment in non-residential structures grew 3.0%; gains were concentrated in engineering construction, as oil patch activity picked up in response to higher prices.

Business machinery and equipment investment increased 2.5%, with purchases of computers and other office equipment contributing a large part of the gain.

Business spending on computers rose 4.4%, on top of a double-digit increase in the fourth quarter of 1999, when investment was boosted in anticipation of Y2K.

Other areas of strength in machinery and equipment investment were: transportation equipment other than cars, industrial machinery and telecommunications equipment. Investment in autos fell 9.5%, following two solid quarterly increases.

Plant and equipment investment still climbing

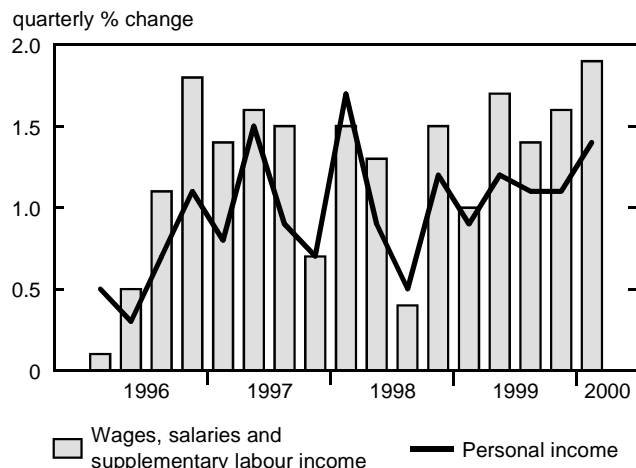


Personal income strengthens

Personal income growth accelerated to 1.4% in nominal terms, extending a string of several solid quarterly advances. Labour income rose 1.9%, the highest quarterly increase since the late 1980s. The business sector was the main contributor, where payrolls increased 2.3%. Both employment and average earnings advanced, with broad-based gains in a number of industries.

Growth in unincorporated business income slowed for the second consecutive quarter, and government transfers to persons edged up, as a drop in employment insurance benefits was offset by a moderate increase in other transfers.

Labour income posts solid increase



renovations marked the second strong quarter of growth for this type of activity. Strong growth in ownership transfer costs indicates a strong home resale market. New housing construction activity slowed to 0.8% growth after a 5% increase in the fourth quarter of 1999.

Available on CANSIM: matrices 6520-6585, 6596-6624 and 8600-8629.

The first quarter 2000 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), and estimates of labour income (13F0016XPB \$20/\$200), including supplementary analytical tables and charts, are now available. At 8:30 a.m. on release day, the complete quarterly income and expenditure accounts and monthly estimates of labour income data sets can be purchased on computer diskette. The diskettes (13-001-XDB, \$25/\$100; 13F0016XDB, \$50/\$200) can also be obtained at a lower cost seven business days after the release date. To purchase any of these products, contact the client services officer (613-951-3810; iead-info-dcrd@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. □

Consumer spending advances

Consumer expenditures increased by 0.8%, a slight deceleration from growth rates seen throughout 1999. Personal outlays on new and used motor vehicles stalled in the quarter, after showing strength throughout the previous year.

Spending on financial, legal and other services rose for the fifth consecutive quarter, as the volume of transactions on Canadian financial markets boosted personal outlays on stock and bond commissions.

Housing market keeps moving

Investment in residential structures continued to grow, as it did throughout 1999. A 4.5% increase in

Gross domestic product, income-based

	1996	1997	1998	1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	Fourth quarter 1999 to first quarter 2000
	seasonally adjusted at annual rates							
	\$ millions							% change at quarterly rates
Wages, salaries and supplementary labour income ¹	428,792	453,103	474,571	498,836	502,292	510,088	519,800	1.9
Corporation profits before taxes	79,135	86,512	81,671	101,032	106,504	113,056	121,072	7.1
Government business enterprise profits before taxes	6,110	6,656	6,931	8,489	8,576	9,356	9,204	-1.6
Interest and miscellaneous investment income	50,477	49,282	46,091	47,550	47,948	47,488	46,492	-2.1
Accrued net income of farm operators from farm production	3,895	1,655	1,689	1,977	2,364	2,296	2,032	-11.5
Net income of non-farm unincorporated business, including rent	49,248	54,618	57,638	59,845	60,132	60,548	61,092	0.9
Inventory valuation adjustment ²	-1,596	-731	-780	-2,880	-4,604	-4,276	-4,224	52
Net domestic product at factor cost	616,061	651,095	667,811	714,849	723,212	738,556	755,468	2.3
Indirect taxes less subsidies	110,296	116,069	118,818	123,522	124,400	126,044	127,452	1.1
Capital consumption allowances	106,087	111,005	115,545	120,098	120,940	122,144	123,288	0.9
Statistical discrepancy ²	626	-248	-369	-558	516	-920	744	1,664
Gross domestic product at market prices	833,070	877,921	901,805	957,911	969,068	985,824	1,006,952	2.1

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	Third quarter 1999	Fourth quarter 1999	First quarter 2000	Fourth quarter 1999 to first quarter 2000
seasonally adjusted at annual rates								
	\$ millions at current prices							% change at quarterly rates
Personal expenditure on consumer goods and services	482,367	512,454	532,926	558,567	563,720	570,244	576,412	1.1
Durable goods	59,197	67,842	71,191	76,429	78,164	78,628	79,732	1.4
Semi-durable goods	42,766	44,828	47,234	49,515	50,196	50,128	51,028	1.8
Non-durable goods	118,697	123,170	125,923	131,918	133,184	135,272	136,868	1.2
Services	261,707	276,614	288,578	300,705	302,176	306,216	308,784	0.8
Government current expenditure on goods and services	171,644	171,744	175,864	179,999	180,352	181,976	182,832	0.5
Government gross fixed capital formation	19,154	18,534	18,221	20,189	20,416	21,200	21,872	3.2
Government inventories ¹	-2	5	-27	-3	-60	52	8	-4.4
Business gross fixed capital formation	124,497	149,342	155,861	166,365	166,436	172,228	177,328	3.0
Residential structures	39,538	45,112	44,973	49,189	49,420	51,204	53,132	3.8
Non-residential structures	36,360	43,531	45,270	46,823	46,768	47,780	49,644	3.9
Machinery and equipment	48,599	60,699	65,618	70,353	70,248	73,244	74,552	1.8
Business investment in inventories ¹	2,341	10,590	5,767	3,887	4,752	9,320	5,480	-3,840
Non-farm ¹	1,577	11,639	6,248	3,923	5,144	9,472	6,580	-2,892
Farm ¹	764	-1,049	-481	-36	-392	-152	-1,100	-948
Exports of goods and services	321,248	346,513	373,184	414,291	422,832	433,648	453,856	4.7
Goods	280,079	301,547	322,516	360,610	369,176	377,880	396,532	4.9
Services	41,169	44,966	50,668	53,681	53,656	55,768	57,324	2.8
Deduct: Imports of goods and services	287,553	331,509	360,359	385,941	388,864	403,760	410,096	1.6
Goods	237,689	277,753	303,423	326,820	329,604	342,912	348,360	1.6
Services	49,864	53,756	56,936	59,121	59,260	60,848	61,736	1.5
Statistical discrepancy ¹	-626	248	368	557	-516	916	-740	-1,656
Gross domestic product at market prices	833,070	877,921	901,805	957,911	969,068	985,824	1,006,952	2.1
Final domestic demand	797,662	852,074	882,872	925,120	930,924	945,648	958,444	1.4
\$ millions at 1992 prices								
Personal expenditure on consumer goods and services	453,983	473,895	487,866	504,763	507,860	512,468	516,804	0.8
Durable goods	55,254	62,773	66,487	71,859	73,196	74,136	75,604	2.0
Semi-durable goods	42,524	43,831	45,751	47,103	47,584	47,544	48,516	2.0
Non-durable goods	116,756	118,775	120,795	123,344	123,616	124,580	125,012	0.3
Services	239,449	248,516	254,833	262,457	263,464	266,208	267,672	0.5
Government current expenditure on goods and services	164,104	162,053	164,725	166,905	167,320	167,968	168,004	0.0
Government gross fixed capital formation	18,642	18,196	18,448	21,380	21,724	22,848	23,524	3.0
Government inventories ¹	-2	3	-23	-3	-52	44	8	-36
Business gross fixed capital formation	119,269	140,928	146,136	159,828	160,928	167,784	172,140	2.6
Residential structures	37,422	42,124	41,277	43,983	44,220	45,496	46,572	2.4
Non-residential structures	33,286	38,823	39,502	40,288	40,200	41,040	42,264	3.0
Machinery and equipment	48,561	59,981	65,357	75,557	76,508	81,248	83,304	2.5
Business investment in inventories ¹	2,017	9,925	5,856	4,457	4,788	9,168	6,644	-2,524
Non-farm ¹	1,363	10,200	5,626	3,912	4,656	8,592	7,384	-1,208
Farm ¹	654	-275	230	545	132	576	-740	-1,316
Exports of goods and services	275,021	299,157	325,652	358,272	361,428	370,700	382,964	3.3
Goods	237,981	259,746	281,738	312,725	316,092	323,960	335,456	3.5
Services	37,040	39,411	43,914	45,547	45,336	46,740	47,508	1.6
Deduct: Imports of goods and services	251,499	289,366	306,992	335,859	337,320	354,616	361,412	1.9
Goods	211,395	247,628	265,601	293,306	294,808	310,560	316,928	2.1
Services	40,104	41,738	41,391	42,553	42,512	44,056	44,484	1.0
Statistical discrepancy ¹	-619	222	334	511	-476	832	-668	-1,500
Gross domestic product at market prices	780,916	815,013	842,002	880,254	886,200	897,196	908,008	1.2
Final domestic demand	755,998	795,072	817,175	852,876	857,832	871,068	880,472	1.1

¹ The change column reflects actual change in millions of dollars for these items.

National accounts price and volume indexes

	1996	1997	1998	1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	Fourth quarter 1999 to first quarter 2000
seasonally adjusted								
	implicit price indexes (1992=100)							% change at quarterly rates
Personal expenditure on consumer goods and services	106.3	108.1	109.2	110.7	111.0	111.3	111.5	0.2
Government current expenditure on goods and services	104.6	106.0	106.8	107.8	107.8	108.3	108.8	0.5
Government gross fixed capital formation	102.7	101.9	98.8	94.4	94.0	92.8	93.0	0.2
Business gross fixed capital formation	104.4	106.0	106.7	104.1	103.4	102.6	103.0	0.4
Exports of goods and services	116.8	115.8	114.6	115.6	117.0	117.0	118.5	1.3
Imports of goods and services	114.3	114.6	117.4	114.9	115.3	113.9	113.5	-0.4
Gross domestic product	106.7	107.7	107.1	108.8	109.4	109.9	110.9	0.9
Final domestic demand	105.5	107.2	108.0	108.5	108.5	108.6	108.9	0.3
chain price indexes (1992=100)								
Personal expenditure on consumer goods and services	106.5	108.2	109.6	111.2	111.4	111.8	112.2	0.3
Government current expenditure on goods and services	104.8	106.1	106.8	108.0	108.1	108.7	109.1	0.4
Government gross fixed capital formation	106.3	107.5	107.2	106.8	106.3	106.2	106.7	0.5
Business gross fixed capital formation	106.9	108.3	109.9	110.4	110.3	110.1	110.5	0.4
Exports of goods and services	118.5	118.4	118.7	120.6	124.1	124.1	125.5	1.1
Imports of goods and services	116.7	118.0	122.5	122.6	123.5	123.0	122.6	-0.3
Gross domestic product (excluding inventories)	106.8	107.9	107.7	109.7	110.7	111.2	112.3	1.0
Final domestic demand	106.1	107.7	109.0	110.2	110.4	110.7	111.1	0.3
chain Fisher volume indexes (1992=100)								
Personal expenditure on consumer goods and services	109.8	114.8	118.0	121.9	122.7	123.7	124.7	0.8
Government current expenditure on goods and services	96.9	95.7	97.4	98.6	98.8	99.1	99.2	0.1
Government gross fixed capital formation	96.4	92.6	91.6	102.1	103.1	107.2	109.7	2.3
Business gross fixed capital formation	109.2	129.7	133.2	141.3	140.6	145.5	148.9	2.3
Exports of goods and services	143.2	154.6	165.9	181.2	182.7	187.1	193.6	3.5
Imports of goods and services	129.0	147.5	154.6	165.7	166.2	173.5	176.8	1.9
Gross domestic product	111.7	116.7	120.0	125.2	126.2	127.7	129.2	1.2
Final domestic demand	106.3	111.9	114.7	118.8	119.3	120.8	121.9	1.0

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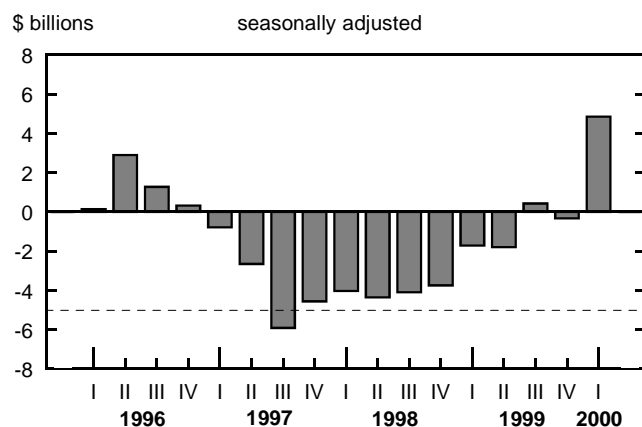
Canada's balance of international payments

First quarter 2000

Canada's current account balance swung strongly into surplus in the opening quarter, following a small deficit in the fourth quarter of 1999. A sharp upswing in the goods surplus led the turnaround.

During the first quarter, Canadian residents earned \$4.8 billion more abroad on goods, services, investment income and transfers than they spent abroad (seasonally adjusted). The widespread upturn in goods trade was accompanied by lower deficits on direct investment income and on travel.

Current account balance



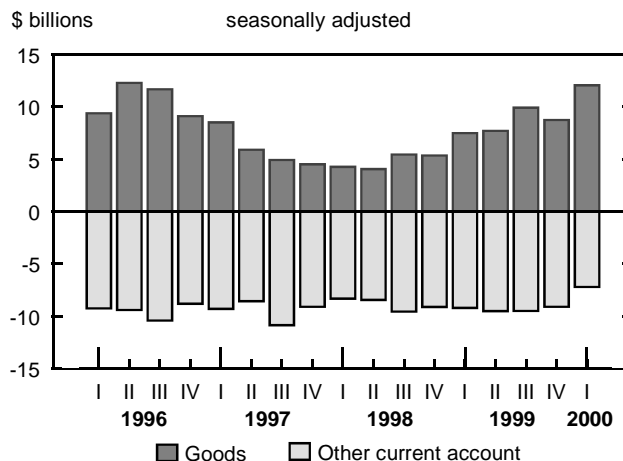
In the financial account, which is not seasonally adjusted, Canadian investors bought a record amount of portfolio foreign securities in the quarter, mostly in equities. For a second straight quarter, Canadian companies made several high-profile acquisitions in the United States, and the monetary authorities strongly bolstered Canada's international reserves. On the liability side, foreigners bought a record amount of Canadian portfolio equities.

Sharp rebound produces near-record goods surplus

An unprecedented rebound of \$3.3 billion brought the goods surplus to \$12.0 billion, just short of the record \$12.3 billion reached in the second quarter of 1996. Nearly all broad sectors saw either a greater surplus in the first quarter of 2000 (notably energy, autos and forest products) or a smaller deficit (machinery and consumer goods).

Exports continued their unbroken expansion of more than three years to reach \$99.1 billion, or \$4.7 billion above the previous quarter (+4.9%). Sales of crude and refined petroleum led the rise, closely followed by gains in most machinery and equipment, such as telecommunications, industrial machinery and aircraft products. Auto products also advanced, following a relatively flat fourth quarter of 1999.

Goods and other current account balances



Imports rose for the fourth consecutive quarter, growing by \$1.4 billion to a high of \$87.1 billion (+1.6%). Gains centred on industrial goods, especially primary metals and ores, and on crude petroleum and various machinery and equipment. Imports of aircraft and parts fell after a strong fourth quarter, and imports of auto products and consumer goods fell marginally.

After pausing for a quarter, Canada's surplus with the United States continued its strong rise. The deficit with all other trading areas narrowed, except for the United Kingdom, as oil imports grew noticeably.

Lower net profits on direct investment

Net profits on direct investment led the decline in the deficit on investment income from \$7.9 to \$6.6 billion, its lowest level since the second quarter of 1997. Earnings accruing on foreign direct investments in Canada decreased, following two strong quarters. At the same time, Canadian companies' earnings on their direct investments abroad rose.

Interest payments on portfolio holdings also declined, reflecting lower foreign holdings of government bonds over the past two quarters.

Noticeable drop in the travel deficit

The quarterly deficit on travel stood at its lowest point since the Expo-related surplus of mid-1986, except for a similar result in the first quarter of 1999. A year ago, the lower deficit arose from greater visitor spending in Canada; the narrowing in the first quarter is the result of Canadians slowing their spending abroad compared with the record pace of the final quarter of 1999.

This was partly offset by higher deficits elsewhere in the services account, notably commercial services (higher net payments of fees and commissions on securities) and transportation.

Back-to-back record investments by Canadian investors in foreign securities

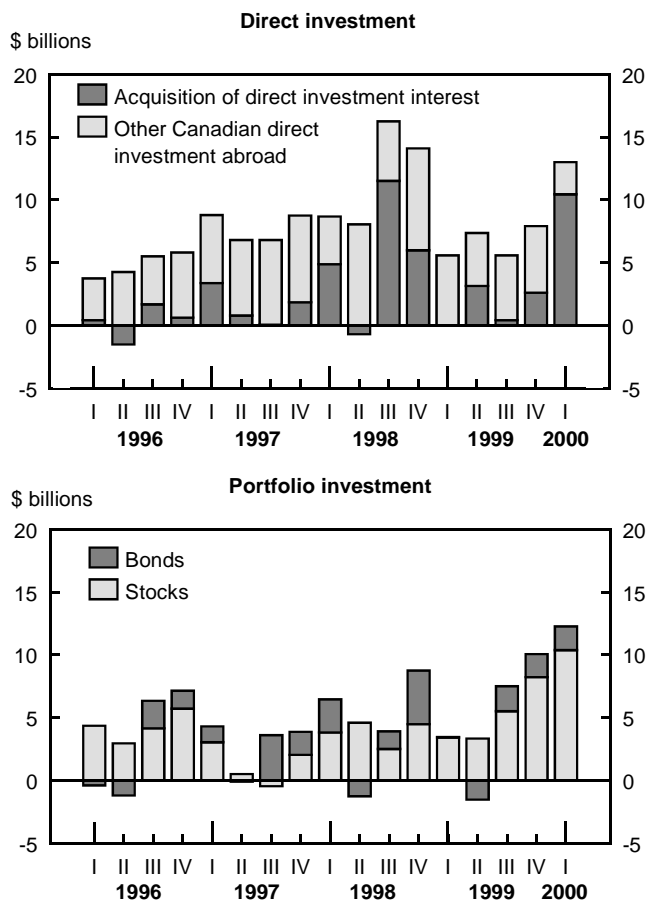
Strong Canadian demand for foreign securities continued, resulting in another quarterly record investment. The \$12.3 billion invested in the first quarter of 2000 surpassed the fourth quarter of 1999 by more than \$2 billion. Unlike the fourth quarter, which was heavily influenced by Canadians receiving treasury shares as part of the acquisition of Canadian companies, the first quarter's investment in shares came solely from purchases on the secondary market (\$10.4 billion), roughly split between U.S. and overseas shares.

Canadian residents also invested \$1.9 billion in foreign bonds, bringing the total for the last three quarters to \$5.7 billion. Most of the buying in the first quarter went to overseas bonds, a switch from the previous two quarters, when U.S. government bonds dominated.

Canadian companies' direct investment abroad up strongly

Canadian companies invested a massive \$13 billion into foreign economies, the third highest direct investment on record. Most of the investment was made up of high-profile acquisitions by Canadian companies of American firms, mainly through share exchanges.

Canadian investment abroad¹



¹ Reverse of balance-of-payment signs.

Canada again bolsters its official reserve assets

Canada's official reserve assets rose by \$4 billion, a rise similar to that of the fourth quarter. While the majority was again invested in U.S. securities and deposits, one-quarter went to securities and deposits denominated in other foreign currencies. During the quarter, the Canadian dollar was virtually unchanged against its American counterpart at US\$0.69, and edged up against most major international currencies.

Record foreign investment in portfolio Canadian shares

Foreign holdings of Canadian equities rose considerably over the quarter, as non-residents acquired an unprecedented \$22.8 billion of, mostly, technology shares. This resulted in roughly equal measures from two main sources: new treasury shares

issued by Canadian firms in the acquisition of American companies; and increased foreign demand for existing Canadian shares.

Foreign investors buy short-term debt instruments for the first time in five quarters but sell long-term

After four quarters of divesting in Canadian money markets, foreign investors bought \$3.8 billion worth of Canadian short-term paper. The buying was diversified sectorally; foreigners acquired roughly equal amounts of federal, provincial and corporate paper. The investment came entirely from American and British investors. The differential continued to favour investment in the United States by about 50 basis points.

The first quarter saw a record \$7.7 billion reduction of foreign holdings of Canadian bonds, as retirements exceeded new issues, especially in government securities. Also contributing was some selling of existing issues, mainly federal government bonds, in the secondary market. The selling was diversified geographically, led by Americans and Europeans. In contrast, non-residents bought a moderate amount of corporate bonds during the quarter. Two factors continued to underlie reduced foreign holdings of government bonds: less borrowing by most levels of Canadian governments; and a differential on long-term government instruments that continued to favour investment in the United States.

Foreign direct investment in Canada down considerably

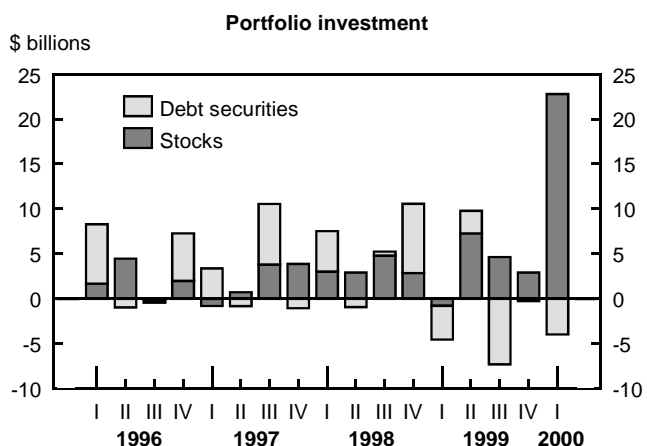
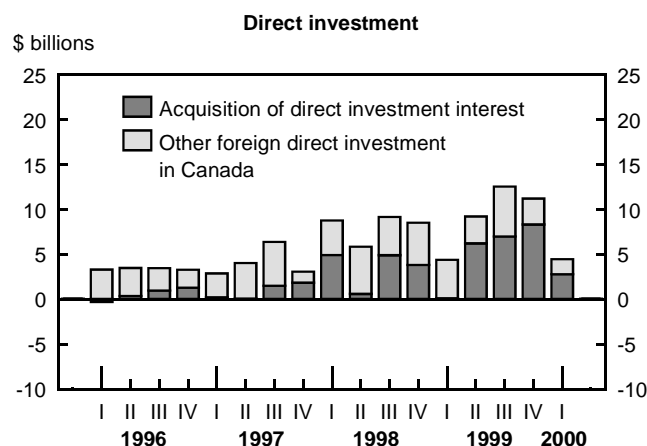
After three quarters averaging almost \$11 billion, foreign direct investors injected only \$4.4 billion in the first quarter. While foreign acquisitions played a significant part in the investment over 1999, there was no appreciable activity in the current quarter. Three-quarters of the investment came from the United States, and most of the remainder from the United Kingdom.

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

The first quarter 2000 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 or 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. □

Foreign investment in Canada



Balance of international payments

	First quarter 1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	1998	1999
	not seasonally adjusted						
Current account	\$ millions						
Receipts							
Goods and services	97,070	102,162	104,971	108,161	111,369	371,365	412,364
Goods	86,021	89,285	89,119	96,185	99,276	322,517	360,609
Services	11,050	12,877	15,853	11,976	12,093	48,848	51,755
Investment income	7,206	7,678	8,111	8,606	8,950	30,759	31,601
Direct investment	3,120	3,280	4,176	4,365	4,434	13,419	14,942
Portfolio investment	957	991	968	1,022	1,052	3,704	3,938
Other investment	3,129	3,407	2,966	3,219	3,465	13,636	12,722
Current transfers	1,597	1,139	1,327	1,372	1,772	4,953	5,435
Current account receipts	105,873	110,979	114,409	118,139	122,091	407,077	449,400
Payments							
Goods and services	93,341	96,560	93,928	100,816	103,546	359,230	384,645
Goods	78,802	82,324	79,123	86,572	88,072	303,420	326,821
Services	14,538	14,236	14,805	14,245	15,474	55,809	57,824
Investment income	15,979	15,577	16,228	15,983	16,203	59,917	63,768
Direct investment	4,759	4,872	5,292	4,999	5,171	15,144	19,923
Portfolio investment	7,532	7,447	7,598	7,582	7,298	30,543	30,159
Other investment	3,688	3,257	3,338	3,402	3,734	14,230	13,685
Current transfers	1,532	832	1,008	1,062	1,492	4,185	4,433
Current account payments	110,851	112,969	111,164	117,862	121,241	423,331	452,846
Balances							
Goods and services	3,730	5,602	11,043	7,344	7,822	12,135	27,719
Goods	7,218	6,961	9,996	9,613	11,204	19,097	33,788
Services	-3,489	-1,359	1,047	-2,269	-3,382	-6,961	-6,069
Investment income	-8,773	-7,899	-8,117	-7,377	-7,253	-29,158	-32,167
Direct investment	-1,639	-1,592	-1,116	-634	-737	-1,724	-4,981
Portfolio investment	-6,575	-6,456	-6,629	-6,560	-6,246	-26,839	-26,221
Other investments	-558	149	-372	-183	-269	-595	-964
Current transfers	65	307	319	310	281	768	1,001
Current account balance	-4,979	-1,990	3,245	277	850	-16,255	-3,447
Capital and financial account^{1,2}							
Capital account	1,139	1,307	1,496	1,149	1,107	4,933	5,091
Financial account	7,420	-4,955	-10,109	-3,748	-7,464	6,285	-11,393
Canadian assets, net flows							
Canadian direct investment abroad	-5,582	-7,377	-5,582	-7,927	-13,007	-46,410	-26,469
Portfolio investment	-3,474	-1,844	-7,508	-10,072	-12,261	-22,497	-22,898
Foreign bonds	-42	1,508	-1,992	-1,836	-1,879	-7,064	-2,362
Foreign stocks	-3,432	-3,352	-5,516	-8,237	-10,383	-15,433	-20,536
Other investment	20,189	1,282	-12,682	-4,760	-2,019	7,668	4,029
Loans	5,929	1,260	-1,420	-2,867	3,391	12,722	2,901
Deposits	15,351	1,038	-11,488	3,438	-130	-4,912	8,339
Official international reserves	-2,986	-1,420	-131	-4,281	-4,010	-7,452	-8,818
Other assets	1,895	403	358	-1,050	-1,269	7,309	1,607
Total Canadian assets, net flows	11,133	-7,939	-25,772	-22,759	-27,287	-61,239	-45,338
Canadian liabilities, net flows							
Foreign direct investment in Canada	4,361	9,173	12,521	11,177	4,440	32,197	37,232
Portfolio investment	-4,529	9,803	-2,641	2,657	18,819	25,359	5,290
Canadian bonds	225	6,409	-3,466	1,475	-7,749	11,677	4,643
Canadian stocks	-784	7,277	4,649	2,921	22,774	13,629	14,063
Canadian money market	-3,969	-3,883	-3,824	-1,739	3,793	53	-13,415
Other investment	-3,545	-15,991	5,783	5,177	-3,436	9,968	-8,577
Loans	3,168	-593	2,454	2,969	-1,304	4,066	7,999
Deposits	-8,289	-16,048	2,181	2,977	-2,585	4,362	-19,179
Other liabilities	1,576	650	1,148	-769	454	1,541	2,604
Total Canadian liabilities, net flows	-3,713	2,984	15,663	19,011	19,823	67,524	33,946
Total capital and financial account, net flows	8,560	-3,648	-8,613	-2,600	-6,357	11,218	-6,301
Statistical discrepancy	-3,581	5,638	5,368	2,323	5,507	5,037	9,748

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

² Transactions are recorded on a net basis.

Current account

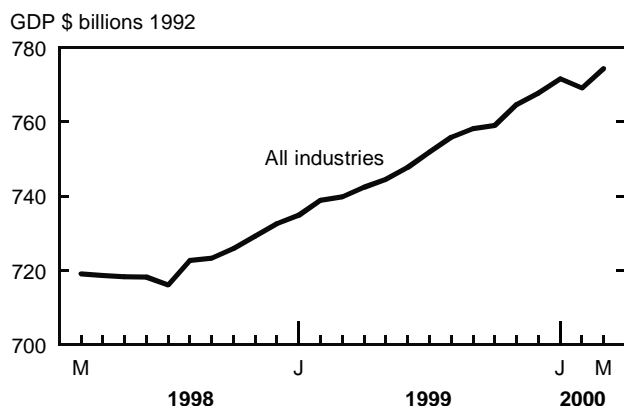
	First quarter 1999	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	1998	1999
	seasonally adjusted						
	\$ millions						
Receipts							
Goods and services							
Goods	86,554	87,294	92,296	94,465	99,133	322,517	360,609
Services	12,738	12,637	12,930	13,450	13,824	48,848	51,755
Travel	3,920	3,567	3,711	3,917	4,063	13,986	15,114
Transportation	2,251	2,278	2,365	2,491	2,571	8,882	9,385
Commercial services	6,323	6,542	6,585	6,776	6,919	25,039	26,227
Government services	245	250	269	266	271	941	1,029
Total	99,292	99,931	105,227	107,914	112,957	371,365	412,364
Investment income							
Direct investment	3,201	3,207	4,223	4,310	4,528	13,419	14,942
Interest	116	131	146	151	125	416	544
Profits	3,086	3,076	4,077	4,160	4,403	13,003	14,398
Portfolio investment	950	978	980	1,030	1,042	3,704	3,938
Interest	409	417	440	490	501	1,536	1,757
Dividends	541	560	539	540	541	2,168	2,181
Other investment	3,198	3,384	2,961	3,178	3,519	13,636	12,722
Total	7,350	7,569	8,163	8,519	9,089	30,759	31,601
Current transfers							
Private	592	544	579	560	601	2,258	2,275
Official	1,003	609	747	800	1,171	2,695	3,159
Total	1,596	1,153	1,325	1,361	1,772	4,953	5,435
Total receipts	108,237	108,653	114,715	117,794	123,818	407,077	449,400
Payments							
Goods and services							
Goods	79,084	79,606	82,401	85,729	87,090	303,420	326,821
Services	14,177	14,297	14,484	14,865	15,076	55,809	57,824
Travel	4,087	4,107	4,212	4,451	4,235	15,943	16,858
Transportation	2,874	2,928	3,117	3,148	3,288	11,720	12,068
Commercial services	7,043	7,094	6,990	7,101	7,386	27,466	28,227
Government services	174	168	165	165	167	681	672
Total	93,262	93,904	96,886	100,594	102,166	359,230	384,645
Investment income							
Direct investment	4,367	4,776	5,360	5,420	4,667	15,144	19,923
Interest	403	401	405	398	397	1,595	1,607
Profits	3,964	4,374	4,955	5,023	4,270	13,548	18,316
Portfolio investment	7,534	7,451	7,597	7,577	7,300	30,543	30,159
Interest	7,243	7,161	7,313	7,299	7,012	29,300	29,016
Dividends	291	290	284	279	288	1,242	1,143
Other investment	3,688	3,257	3,338	3,402	3,734	14,230	13,685
Total	15,588	15,484	16,296	16,400	15,701	59,917	63,768
Current transfers							
Private	526	543	554	571	577	2,067	2,194
Official	584	529	561	565	527	2,118	2,239
Total	1,110	1,072	1,115	1,137	1,105	4,185	4,433
Total payments	109,960	110,459	114,297	118,131	118,972	423,331	452,846
Balances							
Goods and services							
Goods	7,469	7,688	9,895	8,736	12,043	19,097	33,788
Services	-1,439	-1,660	-1,554	-1,416	-1,252	-6,961	-6,069
Travel	-167	-540	-502	-534	-172	-1,957	-1,744
Transportation	-623	-651	-752	-657	-718	-2,837	-2,683
Commercial services	-720	-551	-404	-325	-466	-2,427	-2,001
Government services	71	82	104	101	104	260	358
Total	6,030	6,027	8,341	7,320	10,791	12,135	27,719
Investment income							
Direct investment	-1,166	-1,569	-1,137	-1,110	-139	-1,724	-4,981
Interest	-287	-270	-259	-247	-272	-1,179	-1,064
Profits	-878	-1,298	-878	-863	133	-545	-3,918
Portfolio investment	-6,584	-6,473	-6,618	-6,547	-6,258	-26,839	-26,221
Interest	-6,834	-6,743	-6,873	-6,809	-6,511	-27,765	-27,259
Dividends	250	270	255	262	253	926	1,037
Other investment	-490	127	-377	-224	-215	-595	-964
Total	-8,239	-7,914	-8,132	-7,881	-6,612	-29,158	-32,167
Current transfers							
Private	66	1	25	-11	24	191	81
Official	420	80	185	235	644	577	920
Total	486	81	210	224	667	768	1,001
Current account	-1,722	-1,806	419	-337	4,847	-16,255	-3,447

Gross domestic product at factor cost by industry

March 2000

Gross domestic product (GDP) rose 0.7% after receding in February, capping a robust first quarter. The advance marked a return to the solid growth path that had seen economic output rise in each of the previous 18 months.

Economic output surged in March



All of the economy's main industrial sectors advanced, except utilities and health services. Manufacturing accounted for about two-fifths of the overall March progression. Retailers, wholesalers and construction companies also recovered from setbacks in February. Transportation firms benefited from the general increase in economic activity, while business and financial services also advanced. From a quarterly perspective, strong growth in the finance, manufacturing, retail and construction industries contributed to a solid advance in the January-to-March period (see "Quarterly industry profile" at end of this report).

Manufacturing output advanced

After slumping 1.7% in February, manufacturers raised output by 1.6% in March, paralleling a resurgence in export demand. The broadly-based increase in output was led by the transportation equipment, fabricated metal, and printing and publishing industries. Overall, 19 of 22 major industry groups, accounting for over 95% of total manufacturing production, advanced. The most significant decline in output was in other manufacturing industries.

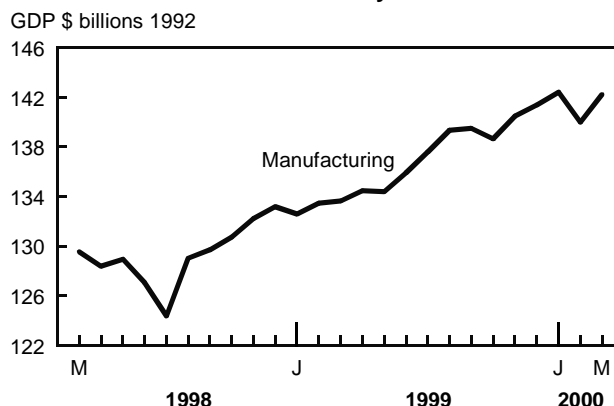
The transportation equipment industry was buoyed by increased automotive production, as makers of cars and parts raised output by 3.4%. However, the

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.

increase still left output in this industry short of the levels reached in January. Parts and components makers accounted for about three-quarters of the increase, led by manufacturers of plastic parts, engines and other accessories.

Manufacturers recovered most of ground lost in February



Producers of fabricated metal products raised output by 3.0%, partly recovering from February's sharp decline. The broadly based increase — the fifth in six months — was spearheaded by higher output of fabricated metal structures, machined metal parts, heating equipment and power boilers.

The printing and publishing (+3.0%), wood products (+2.8%) and furniture (+4.6%) industries rebounded from February setbacks. Success in these industries in recent months was due to the end of a publishing industry strike and to a booming housing market.

Makers of electrical and electronic products raised output by 1.3% in March. Factories producing computers and peripherals increased output sharply, halting a downturn that had set in during the previous five months. Higher output of electronic parts and components and communications wire and cable was also reported. However, telecommunications equipment manufacturers, long the industry stalwarts, curtailed production slightly.

Some of the most significant declines were in other manufacturing industries, where output fell 1.6%.

Output in this industry group was almost uniformly down, with makers of sporting goods, musical instruments and jewelry most affected.

Recovery in retailing, wholesaling

Consumers were back in the stores in March, as retail sales bounced back 1.3% from a disappointing February. Higher auto sales deserved most of the credit; excluding this key component, sales showed a muted gain. Higher auto sales (with the monthly increase being concentrated in cars, bucking a recent preference for trucks) meant that dealers made up for most of the previous month's loss. Increased sales were also reported by auto-parts and furniture stores, while service stations reported a drop in activity.

Retailers, wholesalers both bounced back in March



Wholesaling activity rose 1.5%, as a broadly-based increase retraced a similar-sized drop in February. Wholesale sales of farm machinery, which had plummeted in February to their lowest levels in over six years, returned to January levels in March. Sellers of lumber and other building materials also raised output after a weak February, mirroring a pickup in construction activity. Computer and software distribution advanced modestly, continuing the slower pace of sales after having peaked last July. Wholesaling of non-farm machinery continued to be on an upswing, building on 1999's steady gains. These increases were partly offset by a decline in activity by fuel dealers, the third in four months.

Healthy construction sector buttressed by continued housing growth

After slipping in February, construction activity resumed its upward course in March, rising 1.0%. Increased home-building accounted for most of the gain. The construction of non-residential buildings (commercial, industrial and institutional structures) also advanced, but at a slower pace than in previous months.

Transportation industries benefited from higher industrial activity

The increased movement of goods spurred the transportation sector to raise output by 1.4% in March. The increase benefited trucking firms the most, although rail and shipping companies also enjoyed increases. Output in the air transportation industry was steady.

Mining output began to show signs of slowing

Growth in the mining industries continued to moderate in March, after a steep oil-price induced climb in the latter half of 1999. March's 0.4% advance resulted primarily from another increase in drilling and rigging activity (the tenth gain in eleven months). Scheduled maintenance shutdowns forced the output of crude petroleum and natural gas lower, and metal mining also fell. Output of potash, however, surged, buoyed by record shipments abroad, particularly to China.

Warmer March weather sapped utilities

After two months of higher demand, unseasonably warmer March temperatures reduced heating needs and led to a 4.4% drop in utilities' production. Electric power generation and gas distribution both fell, the bulk of the decline coming from lower commercial and residential heating needs.

Other industries

A healthy housing market led to a sharp increase in real estate agents' services in March. The finance industries had another busy month, buoyed by continued record stock market activity. Business services rose 0.6% as increased activity in miscellaneous and accounting and legal business services more than offset a decline in computer consulting. The decline in the latter was the first in three years, and was partly due to layoffs after Y2K-related contracts expired. There was a minor decline in health and social services.

Quarterly industry profile: first quarter 2000

Output in the finance industries surged in the first quarter of 2000, lifted by record levels of stock market activity. Manufacturers experienced moderate output growth in the year's first quarter, matching the previous quarter's performance. Construction activity continued to grow at a rapid pace due to widespread gains in residential, non-residential and engineering construction. Thanks to resurgent auto sales, retailers were ringing in higher sales in the first quarter after ending 1999 on a disappointing note. The same could not be said of wholesalers, however; lacklustre computer sales contributed to the first negative quarter of growth in two years. Nonetheless, business and communications-service providers had a good quarter, as did utilities, which, despite a warm March, responded positively to the onset of generally colder weather.

Total factory output advanced 1.0% in the latest quarter, matching the previous quarter's pace, but

a far cry from the third quarter's auto-driven 2.9% surge. Increases were focussed in the manufacturing of electrical and electronic products, machinery, fabricated metal and wood products. These gains found a partial offset in lower production of textiles, paper and allied products and food. Overall, 13 of 22 major manufacturing groups, accounting for almost two-thirds of total factory output, increased production.

Available on CANSIM: matrices 4677-4681.

The March 2000 issue of *Gross domestic product by industry* (15-001-XIE, \$11/\$110) is scheduled for release in June. See *How to order publications*.

To purchase data, contact Yolande Chantigny (1-800-887-IMAD; 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.

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

	Oct. 1999 ^r	Nov. 1999 ^r	Dec. 1999 ^r	Jan. 2000 ^r	Feb. 2000 ^r	March 2000 ^p	Feb. to March 2000	March 2000	March 1999 to March 2000
seasonally adjusted									
	month-to-month % change						\$ change ¹	\$ level ¹	% change
All Industries	0.1	0.7	0.4	0.5	-0.3	0.7	5,201	774,340	4.7
Goods-producing industries	-0.2	0.9	0.8	0.9	-0.9	0.7	1,857	259,548	6.2
Agriculture	-0.3	-0.1	0.0	-0.6	-0.5	0.6	87	13,737	3.1
Fishing and trapping	4.2	6.0	-7.3	7.6	-2.3	1.8	14	788	4.1
Logging and forestry	-1.7	0.6	-0.8	-2.9	-1.5	2.7	121	4,650	4.9
Mining, quarrying and oil wells	0.0	1.7	0.1	1.0	0.8	0.4	104	28,522	8.9
Manufacturing	-0.6	1.3	0.6	0.7	-1.7	1.6	2,250	142,229	6.4
Construction	1.0	1.3	1.4	1.3	-0.9	1.0	456	44,016	6.9
Other utilities	0.0	-2.9	2.0	2.1	1.9	-4.4	-1,175	25,606	2.5
Services-producing industries	0.3	0.7	0.2	0.3	0.0	0.7	3,344	514,792	3.9
Transportation and storage	0.5	1.3	-0.5	-0.2	0.1	1.3	477	36,262	5.7
Communications	0.9	1.9	0.8	1.4	0.0	0.8	224	29,015	13.0
Wholesale trade	1.6	1.2	-1.2	0.2	-1.6	1.5	709	46,590	2.4
Retail trade	-1.0	0.8	1.7	1.0	-1.4	1.3	606	48,271	4.7
Finance and insurance	-0.3	1.4	1.0	1.2	1.4	0.9	409	44,245	8.5
Real estate and insurance agents	0.0	0.3	0.2	0.4	0.2	0.4	336	80,948	2.7
Business services	0.6	0.7	1.1	0.1	0.7	0.6	279	45,883	7.9
Government services	0.4	0.1	0.0	-0.1	0.0	0.2	105	46,050	2.0
Education	0.2	0.0	0.0	-0.2	0.0	0.1	40	40,550	1.0
Health and social services	0.1	0.1	0.1	0.2	-0.1	-0.1	-36	47,047	-0.1
Accommodation and food	1.0	0.8	-1.0	-0.9	0.7	1.0	191	19,905	1.3
Other services	0.3	0.5	0.0	-0.1	0.0	0.0	4	30,026	1.6
Other aggregations									
Industrial production	-0.5	0.8	0.7	1.0	-0.9	0.6	1,179	196,357	6.2
Non-durable manufacturing	-0.6	1.2	0.9	-0.4	-1.8	1.1	643	58,748	2.9
Durable manufacturing	-0.7	1.5	0.4	1.6	-1.6	2.0	1,607	83,481	9.0
Business sector	0.1	0.9	0.5	0.6	-0.4	0.8	5,131	644,717	5.4
Non-business sector	0.2	0.1	0.1	-0.1	0.0	0.1	70	129,623	1.0

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

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Growth in productivity among Canadian businesses was noticeably weak again in 1995, accompanied by sluggish gains in employment and slow moderate growth during the year. 4

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expenditures Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, April 1997** 12

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11

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Editor: Tom Vradenburg (613-951-1103, vradtom@statcan.ca)

Head of Official Release: Madeleine Simard (613-951-1088), simamad@statcan.ca

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RELEASE DATES: JUNE 2000

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Release date	Title	Reference period
1	Juristat: Adult correctional services in Canada	1998-1999
7	Building permits	April 2000
	Industrial capacity utilization rates	Jan.-Mar. 2000
	Perspectives on labour and income	
	Help-wanted Index	May 2000
9	Labour Force Survey	May 2000
	Quarterly financial statistics for enterprises	Jan.-Mar. 2000
	New Housing Price Index	April 2000
12	Family income	1998
13	Canadian social trends	Summer 2000
14	New motor vehicle sales	April 2000
15	Monthly Survey of Manufacturing	April 2000
16	Consumer Price Index	May 2000
	Travel between Canada and other countries	April 2000
19	Report on the main results of the Employment Insurance Coverage Survey	1999
20	Canadian international merchandise trade	April 2000
	Wholesale trade	April 2000
21	Retail trade	April 2000
	Composite Index	May 2000
	Employment insurance	April 2000
22	Canada's international transactions in securities	April 2000
	Sentencing of young offenders in Canada	1998/99
28	Industrial Product Price Index	May 2000
	Raw Materials Price Index	May 2000
	Employment, earnings and hours	April 2000
29	Field crop reporting series: Seeded area, principal field crops	2000
30	National tourism indicators	First quarter 2000
	Real gross domestic product at factor cost by industry	April 2000
