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The Daily

Statistics Canada

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- **Gross domestic product at factor cost by industry,** May 2000 — 2
  Gross domestic product rose 0.6% in May after pausing in April.

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MAJOR RELEASES

Gross domestic product at factor cost by industry

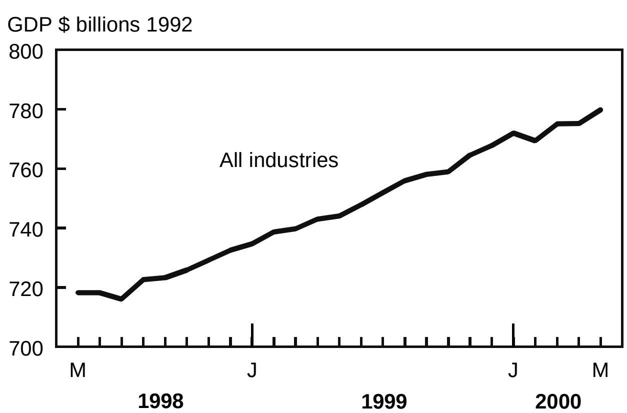
May 2000

Gross domestic product rose 0.6% in May after pausing in April.

Manufacturing output strengthened in May, led by a rebound in automotive production and continued expansion of electronic goods fabrication. Wholesaling, transportation activity and electricity output also rose significantly, reflecting the strength in manufacturing and in exports. Retailers, however, had a lacklustre month. Construction activity dropped sharply, partly owing to a strike by cement truck drivers in the Toronto area.

Advances in certain high technology industries — electrical and electronic products, telecommunication carriers, and computer services — continued to outpace the rest of the economy, collectively rising 2.0% in May. Compared with May 1999, the output of this group of industries grew 21.0%, while the rest of the economy grew 3.8%.

Growth resumed after April pause

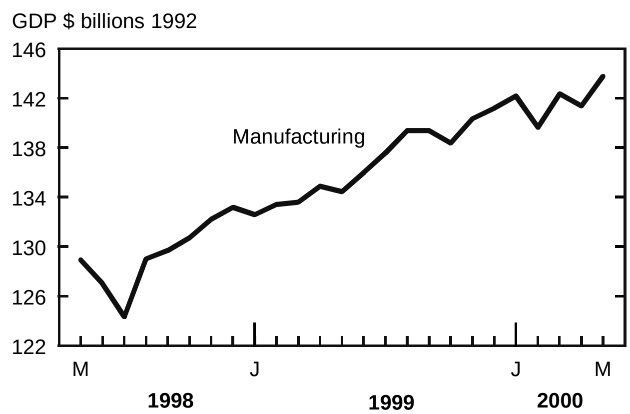


Increased auto production led surge in manufacturing

Factory output rose 1.7% in May, following a 0.7% drop in April; the rise brings manufacturing more in line with the trend observed over the past year and a half. A rebound in automotive production contributed most to the sizeable monthly advance, but continued growth in electrical and electronic products was also a major factor. Declines were recorded in the primary metal product and beverage manufacturing industries. Eighteen of 22 major industry groups, accounting for almost 90% of total manufacturing production, advanced in May.

> ***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.*

Rebound in manufacturing



Increased output at auto assembly plants and parts manufacturers led to a 4.1% surge in automotive production. Nevertheless, this industry's output has fallen 5.1% since the previous cyclical peak nine months ago, amid signs that sales in both Canada and the United States are moderating.

Production of electrical and electronic goods rose 4.2% in May, the seventh consecutive monthly increase. The industry's recent explosive growth, which has contributed to lifting output almost 35% above May 1999 levels, was especially pronounced among manufacturers of telecommunications equipment, computers and peripherals and other electronic components and parts. This development has partly been fueled by strong foreign demand.

Output of machinery advanced 3.3% in May. It was the fifth increase in seven months, building on higher demand for agricultural, construction, mining and miscellaneous machinery. Production in these industries strengthened after falling off sharply in 1998–1999.

Furniture producers raised output 4.4% in May, the fourth increase in five months. Growth during this period has been focussed on business instead of consumer needs. Factories making office desks and chairs registered the fourth increase in six months, a growth spurt that has raised production significantly above May 1999 levels. A modest increase by producers of household furniture did little to reverse a downward trend that has left this segment of the industry producing less than it did in January 2000, the most recent cyclical peak.

Food production rose 1.1% in May on increased output by meat packing plants, bakeries and vegetable oil mills. Production of vegetable oils rebounded 11.9% after the resolution of a month-long strike in Manitoba.

The output of sawmills was virtually unchanged in May, as exports notched a second decline and Canadian housing starts recorded the largest of three consecutive monthly drops. Producers of plywood, particleboard and waferboard experienced small decreases in output. Furthermore, housing starts in the United States tumbled 12.3% between February and May, indicating a slowdown in a market that bought more than half of Canadian wood product output in 1999.

Production of primary metal products fell 1.2%, led by declines in steel output and at smelting and refining facilities. Output of beverage products fell 1.3% in May. Production of beer fell the most, although soft drink factories and distilleries also cut back production. Disappointing spring weather and a strike by beer workers in British Columbia curtailed beer production.

Wholesaling up, retailing lacklustre

Business was brisk in the wholesaling industry; activity surged 1.8% in May, more than making up for a 0.4% decline in April. Wholesaling of computers and software continued to grow, while distributors of hardware and lumber and building supplies partly recovered from weak April sales. Grain and fuel dealers were buoyed by healthy foreign demand. Wholesalers' strong sales resulted in a 0.3% drop in May inventories, leaving them with little more than 1.3 months' worth of sales in their warehouses, an all-time low.

In contrast, retailing activity was listless in May, showing little change. A rebounding at stores specializing in auto parts and modest gains at auto dealerships were offset by lower sales at food stores. About one-quarter of food store sales come from non-food items, many of which are seasonal in nature and could have been affected by this spring's unusual weather. Department store sales edged down slightly. Retail sales have not shown any sustained upward momentum so far in 2000, rising in only two of the last five months.

Higher output of electricity paralleled increased manufacturing

A sharp rise in industrial use of electricity contributed to a 1.8% increase in utilities' output in May. Gas distribution utilities showed little change, however, reflecting the fact that commercial and residential heating needs were stable, with May temperatures close to seasonal norms in most parts of the country.

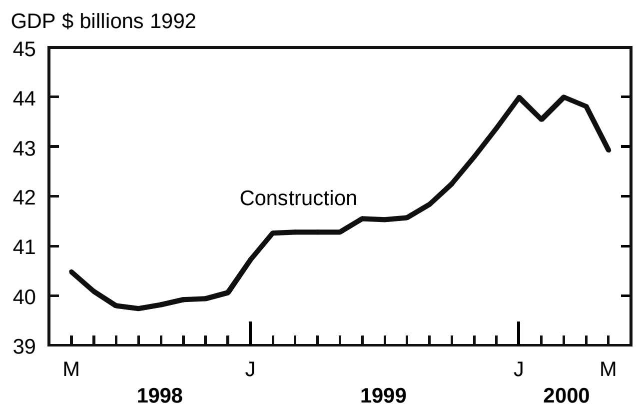
Business services maintained a robust pace

Business service activity rose 0.6%, the fourth consecutive robust increase after a pause in January. The latest advance was driven by strong gains at computer consulting, architectural, engineering and scientific and accounting and legal firms.

Toronto cement strike, weakness elsewhere, weighed down builders

Construction activity fell 2.0% in May as the effects of a cement drivers' strike in the Toronto area, which began in April, took hold. Residential and non-residential building construction took the brunt of the impact, falling 3.0% and 2.7% respectively. Engineering and repair slowed for a second consecutive month. Production in many related manufacturing industries was also hampered.

Strike helped knock down construction



The latest strike in the Toronto building industry appears to have had a smaller impact on residential construction than did the previous major labour dispute two years ago. When that strike hit its peak in July 1998, housing starts in Toronto fell to about half the level reached in May 2000.

Moreover, the recent strike was not the sole cause of May's weakness. Housing starts have fallen since March, amid reports of skilled labour shortages. Work on single and semi-detached dwellings flagged in Ontario communities outside the Toronto area, as well as in Quebec and Alberta. Activity on non-residential building projects slipped in both Ontario and Alberta.

Other industries

A sharp rise in manufacturing contributed to an increase in transportation services output in May, especially among trucking firms. Higher output in the oil and gas sector and a surge in diamond production extended a growth streak in the mining industry to five months. However, gold mining fell to its lowest level in over five years, as prices for the precious metal remained depressed. A 10-day April strike by 20,000 City of Toronto day-care workers, janitors, health inspectors and clerks led to a 1.3% increase in the output of municipal government services in May.

Available on CANSIM: matrices 4677-4681.

The May 2000 issue of *Gross domestic product by industry* (15-001-XIE, $11/$110) will be available in August. A print-on-demand version is available at a different price. See *How to order products*.

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, 1992 prices

	Dec. 1999[r]	Jan. 2000[r]	Feb. 2000[r]	March 2000[r]	April 2000[r]	May 2000[p]	April to May 2000	May 2000	May 1999 to May 2000
	seasonally adjusted								
	month-to-month % change						$ change[1]	$ level[1]	% change
All Industries	**0.4**	**0.5**	**-0.3**	**0.7**	**0.0**	**0.6**	**4,672**	**779,864**	**4.8**
Goods-producing industries	**0.7**	**0.9**	**-0.9**	**0.9**	**-0.0**	**0.9**	**2,212**	**261,971**	**6.6**
Agriculture	0.0	-0.2	-0.4	0.2	0.4	-0.3	-37	13,761	2.5
Fishing and trapping	-7.3	7.6	0.0	-3.0	-2.5	0.9	7	756	-6.8
Logging and forestry	-0.8	-2.8	-1.1	3.1	-0.9	2.1	98	4,739	4.9
Mining, quarrying and oil wells	-0.2	1.1	0.8	0.6	1.7	0.6	175	29,286	11.4
Manufacturing	0.6	0.7	-1.8	2.0	-0.7	1.7	2,387	143,745	6.9
Construction	1.4	1.4	-1.0	1.0	-0.4	-2.0	-887	42,925	4.0
Other utilities	2.3	1.9	1.6	-4.5	2.7	1.8	469	26,759	6.6
Services-producing industries	**0.2**	**0.4**	**-0.0**	**0.7**	**0.0**	**0.5**	**2,460**	**517,893**	**3.9**
Transportation and storage	-0.3	0.6	-0.3	1.6	-1.6	1.4	496	36,340	4.8
Communications	0.8	1.5	-0.1	1.1	1.7	0.4	131	29,761	11.8
Wholesale trade	-1.2	0.3	-1.5	1.5	-0.4	1.8	861	47,425	3.8
Retail trade	1.7	1.1	-1.3	1.3	-0.4	-0.0	-7	48,191	4.9
Finance and insurance	0.9	1.3	1.5	1.0	-0.1	0.1	58	44,284	7.8
Real estate and insurance agent	0.1	0.3	0.3	0.5	0.1	0.3	261	81,271	2.5
Business services	1.2	0.1	0.8	0.6	0.8	0.6	301	46,652	8.4
Government services	-0.0	-0.0	0.0	0.2	-0.1	0.5	214	46,241	1.9
Education	-0.0	-0.2	-0.1	-0.2	0.4	0.2	63	40,584	0.4
Health and social services	0.0	0.1	-0.0	0.0	0.1	0.1	35	47,186	0.4
Accommodation and food	-1.0	-0.7	0.5	0.5	0.1	-0.1	-12	19,816	1.1
Other services	0.1	-0.0	-0.0	0.1	0.0	0.2	59	30,142	1.7
Other aggregations									
Industrial production	0.7	0.9	-1.0	0.9	0.1	1.5	3,031	199,790	7.5
Non-durable manufacturing	0.6	0.0	-2.0	1.4	-0.4	1.0	566	59,060	3.6
Durable manufacturing	0.7	1.2	-1.6	2.4	-0.9	2.2	1,821	84,685	9.4
Business sector	0.5	0.7	-0.4	0.9	-0.0	0.7	4,308	649,866	5.6
Non-business sector	0.0	-0.1	-0.0	0.0	0.1	0.3	364	129,998	1.0

r *Revised figures.*
p *Preliminary figures.*
1 *Millions of dollars at annual rate.*

■

OTHER RELEASES

Department store sales and stocks
June 2000

Consumers spent $1.52 billion (seasonally adjusted) in department stores in June, 1.5% more than in May. This increase more than offset the slight decline (-0.2%) from April to May.

Department store sales have started moving upward in recent months, following a period of decreases that began at the end of the summer of 1999. Previously, department store sales had been generally rising since early 1996, with the exception of a pause in the spring and summer of 1998.

In June, average sales per department store totalled $2.12 million, up 5.5% from the peak reached in August 1999. The number of stores dropped from 787 to 716 during the same period.

June sales, not adjusted for seasonality, were 4.5% higher than in June 1999. They advanced in every province except the region formed by British Columbia, Yukon, the Northwest Territories and Nunavut (-0.6%).

New Brunswick (+12.8%) and the group formed by Newfoundland and Prince Edward Island (+12.4%) posted the largest year-over-year gains. There were also increases of more than 5.0% in Saskatchewan (+9.9%), Quebec (+8.0%) and Alberta (+5.6%) over the same one-year period.

Department store sales including concessions

	June 1999	June 2000	June 1999 to June 2000	Jan. to June 2000	Jan.–June 1999 to Jan.–June 2000
	unadjusted				
	$ millions		% change	$ millions	% change
Canada	**1,410.7**	**1,474.4**	**4.5**	**7,607.8**	**2.7**
Newfoundland and Prince Edward Island[1]	27.0	30.4	12.4	150.1	11.8
Nova Scotia	43.4	45.4	4.6	225.1	1.1
New Brunswick	31.3	35.3	12.8	172.7	8.5
Quebec	261.6	282.4	8.0	1,427.3	2.7
Ontario	612.4	632.5	3.3	3,257.6	2.9
Manitoba	58.0	58.7	1.3	313.8	1.4
Saskatchewan	47.3	51.9	9.9	269.7	9.4
Alberta	160.2	169.1	5.6	897.4	4.1
British Columbia, Yukon, Northwest Territories and Nunavut[1]	169.6	168.7	-0.6	894.2	-2.1

1 *For reasons of confidentiality, data for Newfoundland and Prince Edward Island are combined as are data for British Columbia, Yukon, Northwest Territories and Nunavut.*

Available on CANSIM: matrices 111, 112 (series 1), and 113 (series 3).

To order data, or for general information, contact the Client Services Unit (1-877-421-3067; 613-951-3549; *retailinfo@statcan.ca*). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Clérance Kimanyi (613-951-6363; *kimacle@statcan.ca*), Distributive Trades Division. ■

Air charter statistics
1999

In 1999, 1,353,244 passengers travelled on domestic charter flights, up 21.9% from 1998. This advance was mostly a result of an increase in charter operations by Norterra on behalf of Canadian Airlines.

The international sector saw a 0.2% drop in charter passengers from 1998 to 1999; 4,296,780 passengers travelled on international charter flights in 1999.

The annual publication *Air charter statistics, 1999* (51-207-XIB, $31) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Brent Day at (613-951-0145; *daybren@statcan.ca*), Transportation Division. ■

Light bulbs and tubes
June 2000

Light bulb and tube manufacturers sold 20.7 million light bulbs and tubes in June, a decrease of 6.8% from 22.2 million in June 1999.

Year-to-date sales at the end of June totalled 128.4 million light bulbs and tubes, a decrease of 3.3% from the 132.8 million in June 1999.

The June 2000 issue of *Electric lamps, light bulbs and tubes* (43-009-XIB, $5/$47) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Russell Kowaluk (613-951-0600; *kowarus@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Energy consumption by manufacturing industries
1999 (preliminary)

Estimates of energy consumption by manufacturing industries in 1999 are now available. These estimates identify the various energy forms consumed at the national level by selected industries, in natural units (quantities) and on a heat content basis.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Serge Grenier (613-951-3566; *grenser@statcan.ca*), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Electric lamps, light bulbs and tubes, June 2000
Catalogue number 43-009-XIB ($5/$47).

Coal and coke statistics, May 2000
Catalogue number 45-002-XIB ($9/$85).

Retail trade, May 2000
Catalogue number 63-005-XPB ($21/$206).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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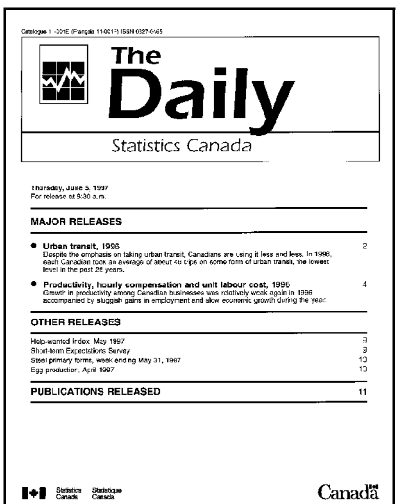

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Thursday, June 5, 1997
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MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 45 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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