



The Daily

Statistics Canada

Thursday, August 31, 2000

For release at 8:30 a.m.

MAJOR RELEASES

- **National economic and financial accounts, second quarter 2000**

Real gross domestic product grew 1.1% in the second quarter, marking the 20th consecutive quarterly increase. Producers of high tech equipment benefited from strong export sales of computers and related equipment and business investment was strong in high-tech commodities. Excluding the impact of high-tech commodities, the economy slowed markedly in the second quarter, growing only 0.6% at quarterly rates, compared with 1.4% in the first.

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- **Balance of international payments, second quarter 2000**

For the second consecutive quarter, Canada generated a strong current account surplus, as its surplus in goods remained historically high. However, the current account surplus, at \$3.6 billion (on a seasonally adjusted basis), was down \$1.3 billion from the first quarter, reflecting higher deficits for investment income and services.

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- **Gross domestic product at factor cost by industry, June 2000**

Gross domestic product advanced 0.4% in June, on the heels of a strong 0.7% gain in May.

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NEW PRODUCTS

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MAJOR RELEASES

National economic and financial accounts

Second quarter 2000

Real gross domestic product grew 1.1% in the second quarter, marking the 20th consecutive quarterly increase. Producers of high tech equipment benefited from strong export sales of computers and related equipment and business investment was strong in high-tech commodities. Excluding the impact of high-tech commodities, the economy slowed markedly in the second quarter, growing only 0.6% at quarterly rates, compared with 1.4% in the first. New housing construction and resales of existing houses dropped, and spending fell back on related consumer products, such as household furniture and appliances. Weather-related expenditures such as clothing and recreation equipment were also weak, as Canada experienced a wetter- and colder-than-usual spring.

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	5.1	5.0
Second quarter 2000	1.1	4.7	5.3

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.

Exports continued to advance strongly in the second quarter (+ 2.1%), notably those of high-tech equipment. Exports of goods and services other than high-tech commodities fell by 0.5%.

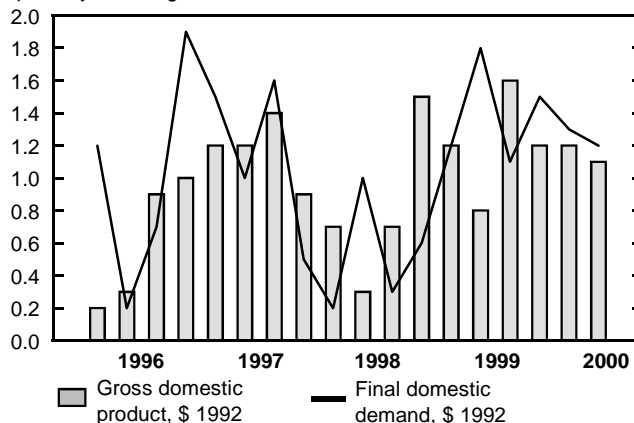
Investment in business machinery and equipment advanced 6.5%, led by investment in computers and other office equipment. Investment in transportation equipment jumped by 11.6%. Without the increase related to high tech, business investment in machinery and equipment rose by 1.6%.

Note to readers

Real GDP measures changes in the volume of production, according to international standards, by valuing output at the prices of a given base period. The official estimates of real GDP for Canada are now measured in 1992 prices. Statistics Canada updates the base year every five years, when all the relevant data is available, and will convert to 1997 prices with the first quarter release of 2001. Since the prices of high-tech commodities have fallen substantially since 1992, the impact of the growth in these commodities may be overstated in the current measure. After converting to 1997 prices, expenditures on high-tech commodities will remain as the engine that drove the economy in the second quarter, although the post-revision growth rate of the overall economy will likely be lower.

Domestic demand and GDP grow in tandem

quarterly % change



Investment in residential structures dropped 2.9%; new housing construction fell 5.2%.

Consumer expenditures grew 0.9%, marking the sixth consecutive quarter of strong growth, despite lower spending in key components such as new and used motor vehicles and furniture and appliances.

Labour income growth accelerated to 2.5%, boosted by federal pay equity payments. Excluding this effect, labour income grew 1.4%, compared with 2.1% in the previous quarter.

Government revenues continued to exceed expenditures; the surplus for all levels of government remained about \$30 billion for the second consecutive quarter.

Growth in corporate profits moderated somewhat to a 2.7% increase in nominal terms, after five quarters of more robust growth.

Domestic prices, as measured by the GDP chain price index, rose 1.4% in the second quarter following a 1.1% increase in the first quarter. This increase is primarily due to the effect of federal pay equity payments that were made during the quarter. Without these payments, domestic prices would have increased 1.0% indicating that the underlying pattern of inflation is stable.

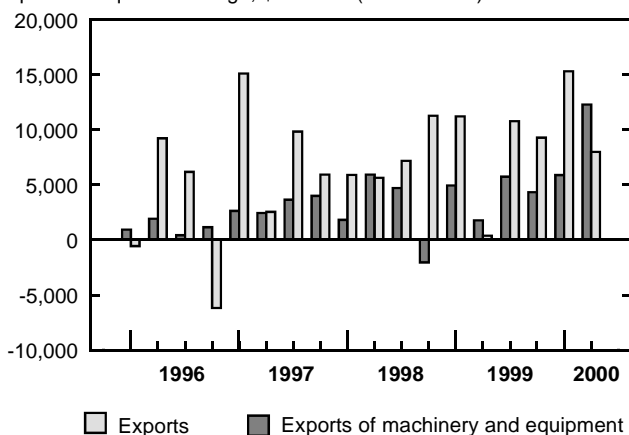
Continued strength in exports

Exports gained a further 2.1% in the second quarter, on the heels of a very strong first quarter (+4.1%).

Machinery and equipment exports jumped 11.4%. High-tech-related exports of computers, peripherals and telecommunications equipment were particularly strong, accounting for 12.2% of total exports of goods and services in nominal terms in the second quarter, compared with 10.9% in the first quarter.

Export growth again driven by machinery and equipment

quarter-to-quarter change, \$ millions (1992 dollars)



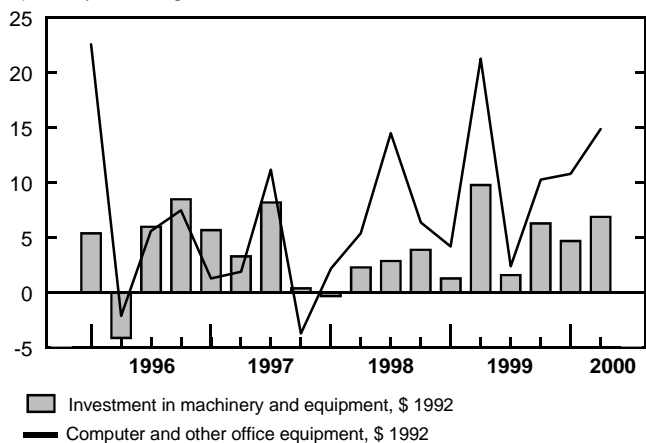
Exports of goods and services other than high tech commodities fell by 0.5%. The drop in exports from the previous quarter was concentrated in energy products and motor vehicles. Exports of energy products fell sharply (-4.4%) in tandem with sharp price increases. Motor vehicle exports fell during the quarter, after three quarters of solid growth. In the United States, personal expenditures on motor vehicles and parts declined 15.9% in the second quarter.

Investment in machinery and equipment picks up

While business investment in non-residential structures slowed, investment in business machinery and equipment grew by 6.5%.

High-tech investment surges

quarterly % change



Investment in computers and other office equipment recorded the third consecutive quarter of double-digit gains, continuing a period of robust growth that started in 1998. Excluding the increase in investment related to high tech, business investment in machinery and equipment rose by 1.6%. Capital expenditures on other transportation equipment advanced 11.6%; this increase relates to equipment imported for the oil and gas industry. Strong corporate profits continued to fund investment in capital assets.

Labour income boosted by federal pay equity

Labour income accelerated to 2.5% growth in nominal terms in the second quarter. Wages and salaries paid by the federal administration, boosted by pay equity payments, jumped more than 50%. Without these payments, the growth of labour income would have been 1.4%. Personal income grew robustly, and the savings rate climbed to 4.4%.

Government surplus remained high

The total surplus for all governments was \$30.5 billion, compared with \$31.9 billion in the first quarter, and government credit market debt was further reduced. Revenues were boosted by corporate tax collections, and by royalties from the oil and gas industry at the provincial level. The federal surplus

was reduced by the federal pay equity payout and by transfers to provincial governments, which grew nearly 40% in the second quarter as additional funds were made available under the Canada Health and Social Transfer. Overall, the outlay at the federal level under the Canada Health and Social Transfer was offset by an equal income at the provincial level, resulting in a sharp upturn of the provincial surplus.

Consumer expenditures continued to grow

Consumer expenditures rose 0.9%, marking the sixth consecutive quarter of strong growth. The rate of growth of consumer spending on goods was less than half of the increase of the previous quarter (+0.5% compared with +1.3%). Consumer expenditures on services increased 1.2%.

Sales of furniture and appliances slowed as investment in housing declined. Unseasonable weather conditions curbed spending on sporting and camping equipment, recreational services, clothing and footwear, and alcoholic beverages bought on licensed premises. Consumer demand for natural gas remained strong due to bad weather.

Investment in residential structures dips

Investment in housing fell 2.9% during the second quarter. Both the value of new housing construction (-5.2%) and ownership transfer costs (-2.9%) dropped, and renovation-related activity slowed.

Housing starts fell to 142,100 dwelling units, down almost 13%, marking the first quarterly decline since the second quarter of 1998. Most of the fall occurred in Ontario, where starts fell by 14,000 units. Cement truckers struck in Southern Ontario, slowing housing starts. Residential building permits fell by 7.4%

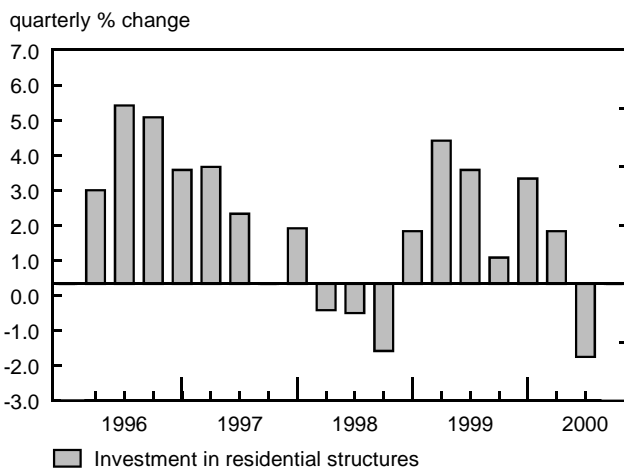
Available on CANSIM: matrices 701-726, 728-735, 737-744, 748-750, 796, 797, 6520-6585, 6596-6624.

The second quarter 2000 issue of *National income and expenditure accounts, quarterly estimates* (13-001-XPB, \$44/\$145) will be available soon. See *How to order products*.

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 now available. At 8:30 am 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 computer diskette. The diskettes (13-001-XDB, \$125/\$500, 13-014-XDB, \$300/\$1200 and 13F0016XDB, \$250/\$1000) can also be purchased at a lower cost seven business days after the official release date (13-001-XDB, \$25/\$100, 13-014-XDB, \$60/\$240 and 13F0016XDB, \$50/\$200). 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. □

Investment in housing weakens



Gross domestic product, income-based

	1996	1997	1998	1999	Fourth quarter 1999	First quarter 2000	Second quarter 2000	First to second quarter 2000
seasonally adjusted at annual rates								
	\$ millions current							% change at quarterly rates
Wages, salaries and supplementary labour income ¹	428,792	453,103	474,571	498,836	510,088	520,700	533,736	2.5
Corporation profits before taxes	79,135	86,512	81,671	101,032	113,056	121,884	125,184	2.7
Government business enterprise profits before taxes	6,110	6,656	6,931	8,489	9,356	9,252	9,596	3.7
Interest and miscellaneous investment income	50,477	49,282	46,091	47,550	47,488	47,036	47,148	0.2
Accrued net income of farm operators from farm production	3,895	1,655	1,689	1,977	2,296	2,676	2,896	8.2
Net income of non-farm unincorporated business, including rent	49,248	54,618	57,638	59,845	60,548	61,984	62,544	0.9
Inventory valuation adjustment ²	-1,596	-731	-780	-2,880	-4,276	-3,744	-3,296	448
Net domestic product at factor cost	616,061	651,095	667,811	714,849	738,556	759,788	777,808	2.4
Indirect taxes less subsidies	110,296	116,069	118,818	123,522	126,044	126,744	127,096	0.3
Capital consumption allowances	106,087	111,005	115,545	120,098	122,144	123,744	125,316	1.3
Statistical discrepancy ²	626	-248	-369	-558	-920	796	-808	-1,604
Gross domestic product at market prices	833,070	877,921	901,805	957,911	985,824	1,011,072	1,029,412	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	Fourth quarter 1999	First quarter 2000	Second quarter 2000	First to second 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	570,244	576,580	584,524	1.4
Durable goods	59,197	67,842	71,191	76,429	78,628	79,740	79,964	0.3
Semi-durable goods	42,766	44,828	47,234	49,515	50,128	51,056	51,260	0.4
Non-durable goods	118,697	123,170	125,923	131,918	135,272	137,000	139,092	1.5
Services	261,707	276,614	288,578	300,705	306,216	308,784	314,208	1.8
Government current expenditure on goods and services	171,644	171,744	175,864	179,999	181,976	184,752	192,076	4.0
Government gross fixed capital formation	19,154	18,534	18,221	20,189	21,200	21,860	22,452	2.7
Government inventories ¹	-2	5	-27	-3	52	4	-36	-40
Business gross fixed capital formation	124,497	149,342	155,861	166,365	172,228	175,864	178,452	1.5
Residential structures	39,538	45,112	44,973	49,189	51,204	52,120	50,820	-2.5
Non-residential structures	36,360	43,531	45,270	46,823	47,780	49,404	50,152	1.5
Machinery and equipment	48,599	60,699	65,618	70,353	73,244	74,340	77,480	4.2
Business investment in inventories ¹	2,341	10,590	5,767	3,887	9,320	7,556	8,364	808
Non-farm ¹	1,577	11,639	6,248	3,923	9,472	8,720	9,480	760
Farm ¹	764	-1,049	-481	-36	-152	-1,164	-1,116	48
Exports of goods and services	321,248	346,513	373,184	414,291	433,648	456,448	468,536	2.6
Goods	280,079	301,547	322,516	360,610	377,880	398,192	411,640	3.4
Services	41,169	44,966	50,668	53,681	55,768	58,256	56,896	-2.3
Deduct: Imports of goods and services	287,553	331,509	360,359	385,941	403,760	411,200	425,760	3.5
Goods	237,689	277,753	303,423	326,820	342,912	348,852	362,852	4.0
Services	49,864	53,756	56,936	59,121	60,848	62,348	62,908	0.9
Statistical discrepancy ¹	-626	248	368	557	916	-792	804	1,596
Gross domestic product at market prices	833,070	877,921	901,805	957,911	985,824	1,011,072	1,029,412	1.8
Final domestic demand	797,662	852,074	882,872	925,120	945,648	959,056	977,504	1.9
\$ millions at 1992 prices								
Personal expenditure on consumer goods and services	453,983	473,895	487,866	504,763	512,468	516,732	521,312	0.9
Durable goods	55,254	62,773	66,487	71,859	74,136	75,824	76,504	0.9
Semi-durable goods	42,524	43,831	45,751	47,103	47,544	48,572	48,728	0.3
Non-durable goods	116,756	118,775	120,795	123,344	124,580	125,028	125,464	0.3
Services	239,449	248,516	254,833	262,457	266,208	267,308	270,616	1.2
Government current expenditure on goods and services	164,104	162,053	164,725	166,905	167,968	169,268	169,656	0.2
Government gross fixed capital formation	18,642	18,196	18,448	21,380	22,848	23,924	24,892	4.0
Government inventories ¹	-2	3	-23	-3	44	4	-32	-36
Business gross fixed capital formation	119,269	140,928	146,136	159,828	167,784	172,316	176,792	2.6
Residential structures	37,422	42,124	41,277	43,983	45,496	45,560	44,256	-2.9
Non-residential structures	33,286	38,823	39,502	40,288	41,040	42,052	42,352	0.7
Machinery and equipment	48,561	59,981	65,357	75,557	81,248	84,704	90,184	6.5
Business investment in inventories ¹	2,017	9,925	5,856	4,457	9,168	7,820	7,456	-364
Non-farm ¹	1,363	10,200	5,626	3,912	8,592	8,412	8,128	-284
Farm ¹	654	-275	230	545	576	-592	-672	-80
Exports of goods and services	275,021	299,157	325,652	358,272	370,700	385,988	393,984	2.1
Goods	237,981	259,746	281,738	312,725	323,960	337,912	347,248	2.8
Services	37,040	39,411	43,914	45,547	46,740	48,076	46,736	-2.8
Deduct: Imports of goods and services	251,499	289,366	306,992	335,859	354,616	367,008	376,036	2.5
Goods	211,395	247,628	265,601	293,306	310,560	322,176	331,576	2.9
Services	40,104	41,738	41,391	42,553	44,056	44,832	44,460	-0.8
Statistical discrepancy ¹	-619	222	334	511	832	-712	716	1,428
Gross domestic product at market prices	780,916	815,013	842,002	880,254	897,196	908,332	918,740	1.1
Final domestic demand	755,998	795,072	817,175	852,876	871,068	882,240	892,652	1.2

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

National accounts price and volume indexes

	1996	1997	1998	1999	Fourth quarter 1999	First quarter 2000	Second quarter 2000	First to second 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	111.3	111.6	112.1	0.4
Government current expenditure on goods and services	104.6	106.0	106.8	107.8	108.3	109.1	113.2	3.8
Government gross fixed capital formation	102.7	101.9	98.8	94.4	92.8	91.4	90.2	-1.3
Business gross fixed capital formation	104.4	106.0	106.7	104.1	102.6	102.1	100.9	-1.2
Exports of goods and services	116.8	115.8	114.6	115.6	117.0	118.3	118.9	0.5
Imports of goods and services	114.3	114.6	117.4	114.9	113.9	112.0	113.2	1.1
Gross domestic product	106.7	107.7	107.1	108.8	109.9	111.3	112.0	0.6
Final domestic demand	105.5	107.2	108.0	108.5	108.6	108.7	109.5	0.7
chain price indexes (1992=100)								
Personal expenditure on consumer goods and services	106.5	108.2	109.6	111.2	111.8	112.2	112.8	0.5
Government current expenditure on goods and services	104.8	106.1	106.8	108.0	108.7	109.5	113.6	3.7
Government gross fixed capital formation	106.3	107.5	107.2	106.8	106.2	106.5	107.9	1.3
Business gross fixed capital formation	106.9	108.3	109.9	110.4	110.1	110.4	111.1	0.6
Exports of goods and services	118.5	118.4	118.7	120.6	124.1	125.2	128.1	2.3
Imports of goods and services	116.7	118.0	122.5	122.6	123.0	122.3	124.5	1.8
Gross domestic product (excluding inventories)	106.8	107.9	107.7	109.7	111.2	112.4	114.0	1.4
Final domestic demand	106.1	107.7	109.0	110.2	110.7	111.2	112.5	1.2
chain Fisher volume indexes (1992=100)								
Personal expenditure on consumer goods and services	109.8	114.8	118.0	121.9	123.7	124.6	125.7	0.9
Government current expenditure on goods and services	96.9	95.7	97.4	98.6	99.1	99.9	100.1	0.2
Government gross fixed capital formation	96.4	92.6	91.6	102.1	107.2	110.1	111.2	1.0
Business gross fixed capital formation	109.2	129.7	133.2	141.3	145.5	147.8	149.1	0.8
Exports of goods and services	143.2	154.6	165.9	181.2	187.1	195.2	196.5	0.6
Imports of goods and services	129.0	147.5	154.6	165.7	173.5	178.0	180.9	1.6
Gross domestic product	111.7	116.7	120.0	125.2	127.7	129.5	130.3	0.6
Final domestic demand	106.3	111.9	114.7	118.8	120.8	121.9	122.8	0.7

Financial market summary table

	1996	1997	1998	1999	Fourth quarter 1999	First quarter 2000	Second quarter 2000	First to second quarter 2000
	seasonally adjusted at annual rates							
	\$ millions							actual change
Persons and unincorporated business	28,497	32,041	37,415	36,705	38,096	37,988	37,120	-868
Funds raised								
Consumer credit	7,464	9,067	10,049	10,387	10,432	10,724	10,900	176
Bank loans	1,097	775	3,473	2,244	2,756	2,412	3,628	1,216
Other loans	4,412	5,508	6,937	6,101	6,684	6,412	4,416	-1,996
Mortgages	15,524	16,691	16,956	17,973	18,224	18,440	18,176	-264
Non-financial private corporations	33,171	53,268	70,678	53,750	61,400	84,840	82,140	-2,700
Funds raised								
Bank loans	-1,044	5,882	8,522	4,232	8,856	9,612	7,772	-1,840
Other loans	2,965	4,090	5,560	5,997	9,196	8,104	7,524	-580
Other short-term paper	3,624	5,086	6,066	6,738	14,600	6,616	5,924	-692
Mortgages	686	1,748	3,362	3,902	3,056	5,468	3,620	-1,848
Bonds	6,514	13,433	13,816	10,456	3,000	1,556	13,676	12,120
Shares	20,426	23,029	33,352	22,425	22,692	53,484	43,624	-9,860
Non-financial government enterprises	-3,000	-1,872	-2,701	-3,396	-3,132	-4,560	-992	3,568
Funds raised								
Bank loans	-716	-654	81	-248	48	576	-188	-764
Other loans	180	-246	-88	-49	-160	-652	384	1,036
Other short-term paper	994	2,212	-514	583	548	-5,736	2,640	8,376
Mortgages	-2	5	-5	-12	-4	4	-8	-12
Bonds	-3,455	-3,188	-2,183	-3,676	-3,516	1,256	-3,936	-5,192
Shares	-1	-1	8	6	-48	-8	116	124
Federal government	12,366	-7,263	-9,903	3,493	17,484	-14,752	-7,468	7,284
Funds raised								
Bank loans	-	120	120	106	128	188	104	-84
Other loans	-	-	-	-	-	-	-	-
Canada short-term paper	-20,777	-25,040	-19,370	357	-4,752	-4,404	-8,424	-4,020
Canada Savings Bonds	2,031	-3,103	-2,957	-783	-1,972	-1,628	1,008	2,636
Marketable bonds	31,112	20,760	12,304	3,813	24,080	-8,908	-156	8,752
Other levels of government	8,014	5,872	7,361	7,386	5,132	4,252	-13,268	-17,520
Funds raised								
Bank loans	-112	146	155	56	-380	500	-364	-864
Other loans	62	138	143	175	164	-92	68	160
Other short-term paper	-1,222	-2,182	1,195	2,686	2,148	3,764	-11,340	-15,104
Mortgages	329	308	227	-8	-104	-92	80	172
Provincial bonds	8,015	7,753	9,080	4,926	5,128	1,044	-2,644	-3,688
Municipal bonds	1,027	-337	-3,743	-464	-1,740	-876	836	1,712
Other bonds	-85	46	304	15	-84	4	96	92
Total funds raised by domestic non-financial sectors	79,048	82,046	102,850	97,938	118,980	107,768	97,532	-10,236
Consumer credit	7,464	9,067	10,049	10,387	10,432	10,724	10,900	176
Bank loans	-775	6,269	12,351	6,390	11,408	13,288	10,952	-2,336
Other loans	7,619	9,490	12,552	12,224	15,884	13,772	12,392	-1,380
Canada short-term paper	-20,777	-25,040	-19,370	357	-4,752	-4,404	-8,424	-4,020
Other short-term paper	3,396	5,116	6,747	10,007	17,296	4,644	-2,776	-7,420
Mortgages	16,537	18,752	20,540	21,855	21,172	23,820	21,868	-1,952
Bonds	45,159	35,364	26,621	14,287	24,896	-7,552	8,880	16,432
Shares	20,425	23,028	33,360	22,431	22,644	53,476	43,740	-9,736

- Nil or zero.

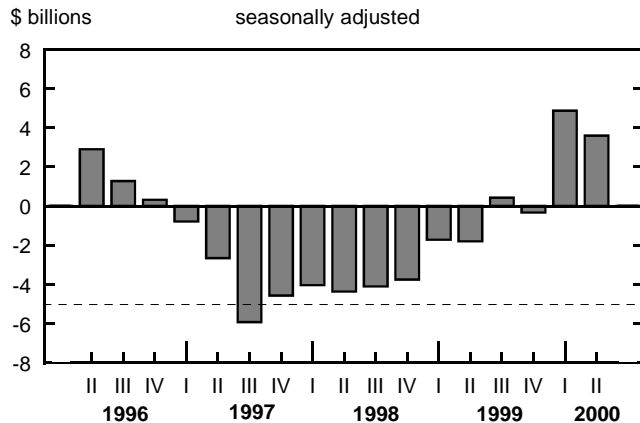
Balance of international payments

Second quarter 2000

For the second consecutive quarter, Canada generated a strong current account surplus, as its surplus in goods remained historically high. However, the current account surplus, at \$3.6 billion (on a seasonally adjusted basis), was down \$1.3 billion from the first quarter, reflecting higher deficits for investment income and services.

The financial account, which is not seasonally adjusted, shows that for a second quarter in a row Canadian investors acquired a record amount of portfolio and foreign direct assets. Canada's international liabilities also rose dramatically, as foreign direct investment more than doubled from its previous quarterly high. More than 60% of this direct investment was to acquire existing Canadian companies. Foreign portfolio investors showed strong demand for Canadian stocks, but overall portfolio investment was modest as foreign holdings of debt instruments were reduced.

Current Account balance



Current account

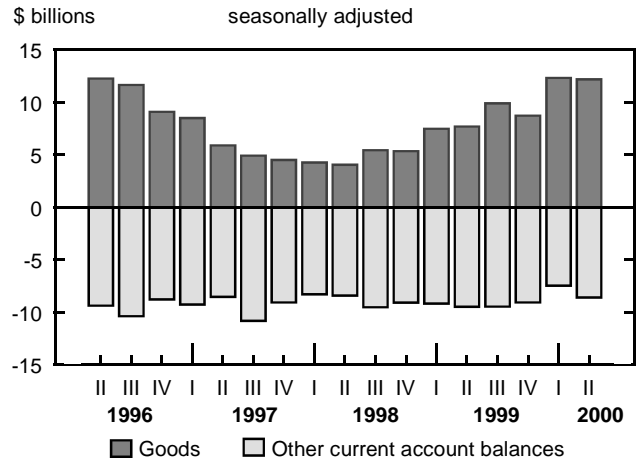
Strong goods surplus sustained

Canada's surplus in goods was \$12.2 billion, down only marginally from the first quarter's record surplus of \$12.3 billion. Both exports (+\$3.4 billion) and imports (+\$3.5 billion) recorded strong growth in the second quarter.

Imports of machinery and equipment posted record growth to reach a new high, followed by higher purchases of industrial goods and crude petroleum. Increased demand for communications equipment pushed up imports of industrial products, as did significant imports of transport equipment, including equipment for offshore oil operations.

On the export side, very substantial gains in telecommunications goods made up one-half of the unprecedented rise in machinery and equipment shipped abroad. Exports of energy products, various industrial goods and auto parts also rose. However, the overall result was partially offset by a slowdown of car, truck and lumber exports in the second quarter.

Goods and other current account balances



Upturn in profits from direct investment

A \$0.3-billion increase in the deficit on investment income primarily reflected higher profits accruing to foreign direct investors during the second quarter. The quarterly investment income deficit remained near \$7 billion, compared with near \$8 billion in 1999 and the latter half of 1998.

The higher profits earned by foreign investors centered on three sectors — financial services, wood and paper, and transportation equipment — and were partly offset by lower payments in the energy sector following a high first quarter result. While, in general, Canadian direct investors earned lower profits on their foreign operations, the communications sector had higher earnings.

Wider services deficit led by travel

The travel deficit in the second quarter approached \$0.6 billion, in line with the levels seen over most of 1999, after narrowing to \$0.2 billion in the first quarter. Lower spending by U.S. visitors — in Canada for personal and business reasons — accounted for the higher second quarter deficit, as payments by Canadian residents remained largely unchanged. The deficit on transportation services also increased, while

the commercial services deficit narrowed mainly on financial services.

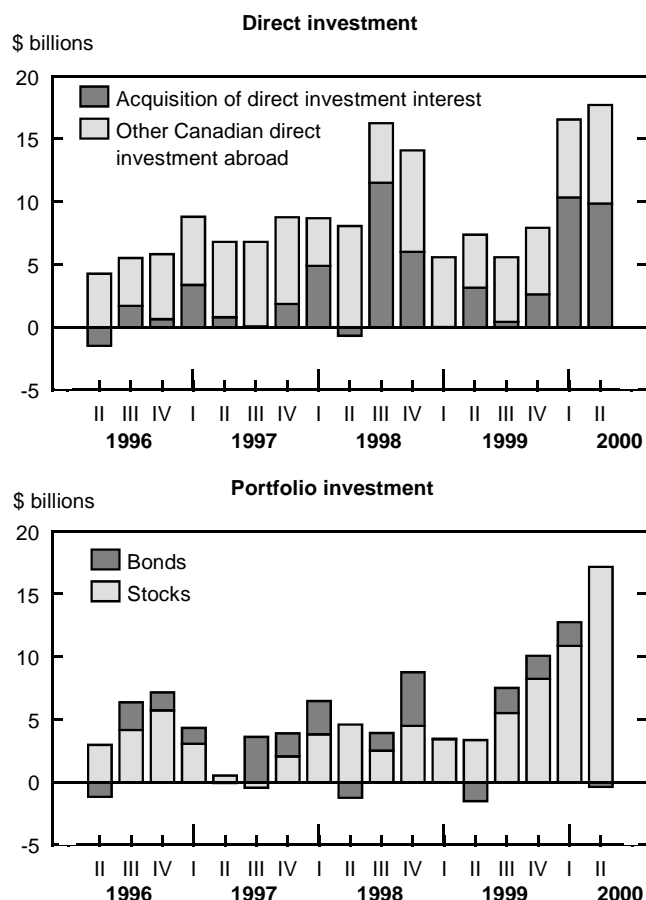
Capital and Financial Account

Substantial investment abroad by Canadian direct and portfolio investors

Canadian direct and portfolio investors invested substantial amounts abroad for the second consecutive quarter. Canadian companies placed \$17.7 billion in direct investment abroad, a new quarterly high. Just over half of the investment abroad went to acquire existing foreign companies, an amount similar to the acquisitions in the first quarter. The investment was broadly based across industries; the largest investments from the manufacturing, technology and energy industries. The investment was also widespread geographically; about half went to the United States and significant shares went to Europe and Asia.

Canadian demand for foreign securities continued unabated; Canadian investors have increased the rate of their investment in each of the last four quarters. The second quarter's investment went entirely to equities (\$17.2 billion), roughly split between overseas and U.S. shares. Almost half of the investment represented new shares issued by foreign companies to acquire existing Canadian companies through share exchanges. The balance came from purchases of outstanding foreign shares, mainly by Canadian mutual funds. The year-to-date investment in foreign equities was \$28 billion, far surpassing the annual record of \$20.5 billion set in 1999.

Canadian investment abroad¹



¹ Reverse of balance of payments signs.

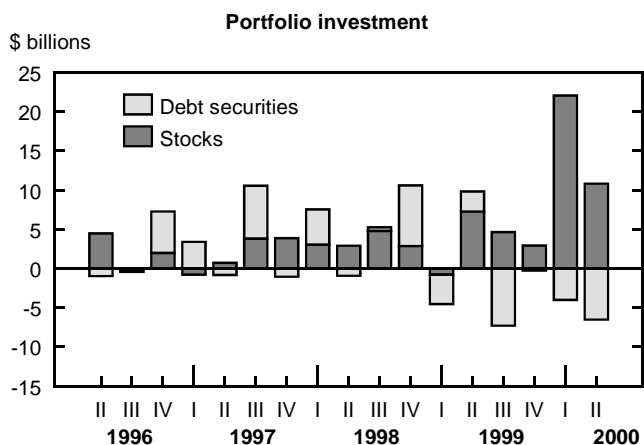
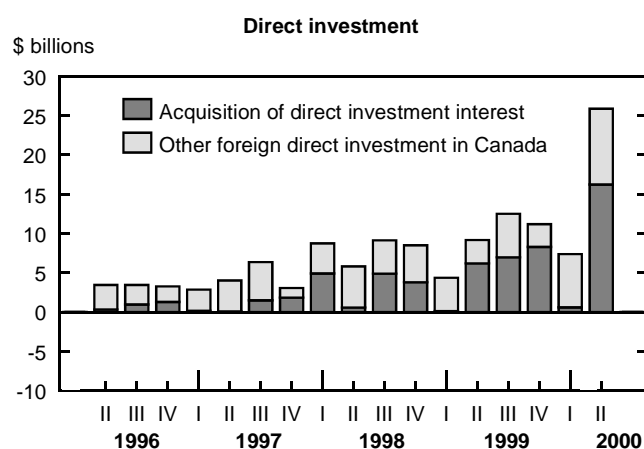
Sizeable increase to other investment assets

There were sizeable increases in other investment assets, notably higher foreign currency deposits by Canadian banks in their foreign affiliates. Loan assets also increased but were more widespread, including repo loans, loans through Canadian banks and international loans of the Government of Canada and its enterprises. However, Canada's international reserve assets were reduced for the first time in almost two years. The Canadian dollar lost a cent and a half against its U.S. counterpart to close the quarter at 67.54 U.S. cents.

Unprecedented inflows of foreign direct investment

Foreign companies invested a massive \$25.9 billion in Canada, more than doubling the previous high. More than 60% came from foreign companies buying existing companies in Canada; this activity was negligible in the first quarter but sizeable in 1998 and 1999. By industry, the investment went to two principal groups, other industries (including electrical and electronic products) and the machinery and transportation equipment industry. Geographically the United States and continental Europe accounted for 95% of the investment in Canada.

Foreign investment in Canada



Strong demand for Canadian equities

Foreign demand for Canadian portfolio equities was again strong in the second quarter, although lower than in the first quarter. The \$10.8-billion inflow for Canadian stocks came mostly from Americans investing in technology shares. Acquisitions through share exchanges had a much-reduced influence on portfolio investment in Canadian shares in the second quarter as there were offsetting flows. This is in contrast to the first quarter when about half the investment resulted from such acquisitions. This activity took place against a backdrop of generally increasing share prices in Canada. Through the first half of the year Canadian prices climbed 21%, compared with virtually no gain in U.S. prices.

In contrast to the portfolio investment in Canadian equities, foreigners reduced their holdings of debt instruments. Foreign holdings of Canadian bonds were down for a second consecutive quarter, as retirements continued to outpace new issues. The divestment was entirely in Canadian government bonds, as foreigners bought a small amount of corporate bonds. Foreigners resumed their divestment of Canadian money market paper after a one-quarter pause; they have reduced their holdings in five of the past six quarters.

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

The second quarter 2000 issue of *Canada's balance of international payments* (67-001-XPB, \$38/\$124; 67-001-XIB, \$29/\$93) 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 Arthur Ridgeway (613-951-8907) or Denis Caron (613-951-1861), Balance of Payments Division. □

Balance of international payments

	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	Second quarter 2000	1998	1999
	not seasonally adjusted						
	\$ millions						
Current account							
Receipts							
Goods and Services	102,162	104,971	108,161	111,864	118,781	371,365	412,364
Goods	89,285	89,119	96,185	99,588	104,828	322,517	360,609
Services	12,877	15,853	11,976	12,276	13,953	48,848	51,755
Investment income	7,678	8,111	8,606	9,112	9,191	30,759	31,601
Direct investment	3,280	4,176	4,365	4,811	4,655	13,419	14,942
Portfolio investment	991	968	1,022	1,054	1,138	3,704	3,938
Other investment	3,407	2,966	3,219	3,247	3,398	13,636	12,722
Current transfers	1,139	1,327	1,372	1,696	1,267	4,953	5,435
Current account receipts	110,979	114,409	118,139	122,672	129,239	407,077	449,400
Payments							
Goods and services	96,560	93,928	100,816	103,793	108,890	359,230	384,645
Goods	82,324	79,123	86,572	88,133	93,527	303,420	326,821
Services	14,236	14,805	14,245	15,660	15,363	55,809	57,824
Investment income	15,577	16,228	15,983	16,652	16,394	59,917	63,768
Direct investment	4,872	5,292	4,999	5,543	5,692	15,144	19,923
Portfolio investment	7,447	7,598	7,582	7,334	7,471	30,543	30,159
Other investment	3,257	3,338	3,402	3,776	3,231	14,230	13,685
Current Transfers	832	1,008	1,062	1,487	832	4,185	4,433
Current account payments	112,969	111,164	117,862	121,932	126,116	423,331	452,846
Balances							
Goods and Services	5,602	11,043	7,344	8,071	9,891	12,135	27,719
Goods	6,961	9,996	9,613	11,455	11,301	19,097	33,788
Services	-1,359	1,047	-2,269	-3,384	-1,410	-6,961	-6,069
Investment income	-7,899	-8,117	-7,377	-7,540	-7,203	-29,158	-32,167
Direct investment	-1,592	-1,116	-634	-732	-1,037	-1,724	-4,981
Portfolio investment	-6,456	-6,629	-6,560	-6,280	-6,333	-26,839	-26,221
Other investments	149	-372	-183	-528	167	-595	-964
Current transfers	307	319	310	208	435	768	1,001
Current account balance	-1,990	3,245	277	739	3,123	-16,255	-3,447
Capital and financial account^{1, 2}							
Capital account	1,307	1,496	1,149	1,243	1,267	4,933	5,091
Financial account	-4,955	-10,109	-3,748	-7,089	-13,115	6,285	-11,393
Canadian assets, net flows							
Canadian direct investment abroad	-7,377	-5,582	-7,927	-16,552	-17,710	-46,410	-26,469
Portfolio investment	-1,844	-7,508	-10,072	-12,757	-16,781	-22,497	-22,898
Foreign bonds	1,508	-1,992	-1,836	-1,896	379	-7,064	-2,362
Foreign stocks	-3,352	-5,516	-8,237	-10,861	-17,159	-15,433	-20,536
Other investment	1,282	-12,682	-4,760	-1,293	-13,478	7,668	4,029
Loans	1,260	-1,420	-2,867	3,242	-6,277	12,722	2,901
Deposits	1,038	-11,488	3,438	823	-7,806	-4,912	8,339
Official international reserves	-1,420	-131	-4,281	-4,010	1,022	-7,452	-8,818
Other assets	403	358	-1,050	-1,348	-416	7,309	1,607
Total Canadian assets, net flows	-7,939	-25,772	-22,759	-30,602	-47,968	-61,239	-45,338
Canadian liabilities, net flows							
Foreign direct investment in Canada	9,173	12,521	11,177	7,371	25,893	32,197	37,232
Portfolio investment	9,803	-2,641	2,657	18,046	4,314	25,359	5,290
Canadian bonds	6,409	-3,466	1,475	-7,278	-4,807	11,677	4,643
Canadian stocks	7,277	4,649	2,921	22,035	10,822	13,629	14,063
Canadian money market	-3,883	-3,824	-1,739	3,289	-1,701	53	-13,415
Other investment	-15,991	5,783	5,177	-1,904	4,646	9,968	-8,577
Loans	-593	2,454	2,969	-181	3,110	4,066	7,999
Deposits	-16,048	2,181	2,977	-2,812	2,656	4,362	-19,179
Other liabilities	650	1,148	-769	1,090	-1,119	1,541	2,604
Total Canadian liabilities, net flows	2,984	15,663	19,011	23,513	34,853	67,524	33,946
Total capital and financial account, net flows	-3,648	-8,613	-2,600	-5,846	-11,848	11,218	-6,301
Statistical discrepancy	5,638	5,368	2,323	5,107	8,725	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

	Second quarter 1999	Third quarter 1999	Fourth quarter 1999	First quarter 2000	Second quarter 2000	1998	1999
	seasonally adjusted						
	\$ millions						
Receipts							
Goods and Services							
Goods	87,294	92,296	94,465	99,548	102,910	322,517	360,609
Services	12,637	12,930	13,450	14,064	13,740	48,848	51,755
Travel	3,567	3,711	3,917	4,165	3,771	13,986	15,114
Transportation	2,278	2,365	2,491	2,644	2,589	8,882	9,385
Commercial services	6,542	6,585	6,776	7,004	7,120	25,039	26,227
Government services	250	269	266	251	260	941	1,029
Total	99,931	105,227	107,914	113,611	116,650	371,365	412,364
Investment income:							
Direct investment	3,207	4,223	4,310	4,813	4,633	13,419	14,942
Interest	131	146	151	128	168	416	544
Profits	3,076	4,077	4,160	4,686	4,466	13,003	14,398
Portfolio investment	978	980	1,030	1,058	1,115	3,704	3,938
Interest	417	440	490	515	566	1,536	1,757
Dividends	560	539	540	543	550	2,168	2,181
Other investment	3,384	2,961	3,178	3,338	3,359	13,636	12,722
Total	7,569	8,163	8,519	9,209	9,107	30,759	31,601
Current Transfers							
Private	544	579	560	612	571	2,258	2,275
Official	609	747	800	1,087	699	2,695	3,159
Total	1,153	1,325	1,361	1,699	1,270	4,953	5,435
Total Receipts	108,653	114,715	117,794	124,520	127,027	407,077	449,400
Payments							
Goods and Services							
Goods	79,606	82,401	85,729	87,211	90,712	303,420	326,821
Services	14,297	14,484	14,865	15,228	15,378	55,809	57,824
Travel	4,107	4,212	4,451	4,366	4,351	15,943	16,858
Transportation	2,928	3,117	3,148	3,218	3,384	11,720	12,068
Commercial services	7,094	6,990	7,101	7,477	7,480	27,466	28,227
Government services	168	165	165	167	163	681	672
Total	93,904	96,886	100,594	102,439	106,090	359,230	384,645
Investment income							
Direct investment	4,776	5,360	5,420	5,012	5,603	15,144	19,923
Interest	401	405	398	397	393	1,595	1,607
Profits	4,374	4,955	5,023	4,615	5,210	13,548	18,316
Portfolio investment	7,451	7,597	7,577	7,336	7,474	30,543	30,159
Interest	7,161	7,313	7,299	7,048	7,186	29,300	29,016
Dividends	290	284	279	288	288	1,242	1,143
Other investment	3,257	3,338	3,402	3,776	3,231	14,230	13,685
Total	15,484	16,296	16,400	16,124	16,309	59,917	63,768
Current Transfers							
Private	543	554	571	580	586	2,067	2,194
Official	529	561	565	515	457	2,118	2,239
Total	1,072	1,115	1,137	1,095	1,043	4,185	4,433
Total payments	110,459	114,297	118,131	119,658	123,442	423,331	452,846
Balances							
Goods and Services							
Goods	7,688	9,895	8,736	12,336	12,198	19,097	33,788
Services	-1,660	-1,554	-1,416	-1,164	-1,638	-6,961	-6,069
Travel	-540	-502	-534	-201	-579	-1,957	-1,744
Transportation	-651	-752	-657	-574	-795	-2,837	-2,683
Commercial services	-551	-404	-325	-473	-360	-2,427	-2,001
Government services	82	104	101	84	96	260	358
Total	6,027	8,341	7,320	11,172	10,560	12,135	27,719
Investment income							
Direct investment:	-1,569	-1,137	-1,110	-198	-970	-1,724	-4,981
Interest	-270	-259	-247	-269	-226	-1,179	-1,064
Profits	-1,298	-878	-863	71	-745	-545	-3,918
Portfolio investment	-6,473	-6,618	-6,547	-6,279	-6,359	-26,839	-26,221
Interest	-6,743	-6,873	-6,809	-6,534	-6,621	-27,765	-27,259
Dividends	270	255	262	255	262	926	1,037
Other investment	127	-377	-224	-437	128	-595	-964
Total	-7,914	-8,132	-7,881	-6,914	-7,201	-29,158	-32,167
Current Transfers							
Private	1	25	-11	32	-15	191	81
Official	80	185	235	572	242	577	920
Total	81	210	224	604	227	768	1,001
Current Account	-1,806	419	-337	4,861	3,586	-16,255	-3,447

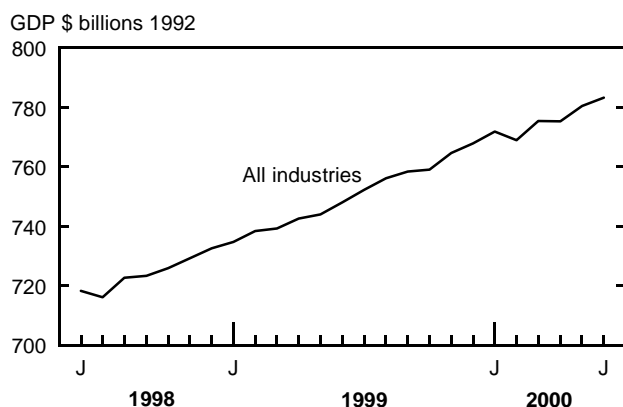
Gross domestic product at factor cost by industry

June 2000

Gross domestic product (GDP) advanced 0.4% in June, on the heels of a strong 0.7% gain in May.

Higher manufacturing output accounted for about one-third of the overall advance. The rest of the increase was attributable to higher wholesaling, business services, telecommunications services and the end of a strike, which buttressed construction activity. Retailers saw a modest gain in the latest month, while mining activity was essentially unchanged. Fluctuations in stock market activity led to a decline in the finance industries, and utilities' output fell.

Economy ended quarter on a positive note



Both the manufacturing and wholesaling of computers and peripheral equipment contributed significantly to the economy's overall progression in May and June. Excluding this component, growth in the rest of the economy was a modest 0.6% in May and 0.2% in June.

Manufacturing built on strong May gain

Factory output remained strong in June, rising 0.7% in the wake of a 1.8% gain in the previous month, extending the robust pattern of growth seen over the past year and a half. Strong foreign demand for electrical and electronic goods and motor vehicle parts provided most of the impetus for the latest monthly advance, although producers in the chemical, fabricated metal product and printing and publishing industries also raised output. Declines were recorded by

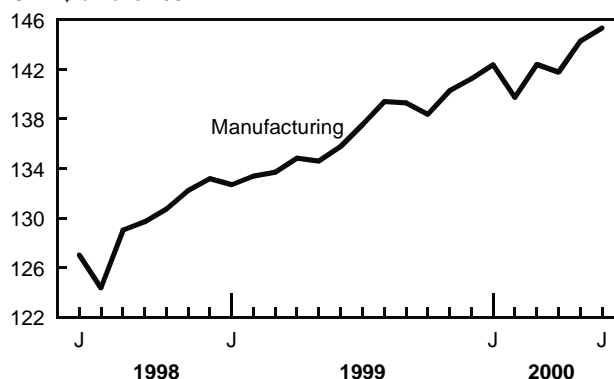
Note to readers

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.

manufacturers of wood products, furniture and clothing. Overall, 13 of 22 major industry groups, accounting for about 81% of total manufacturing production, advanced in June.

Manufacturing expanded after sharp May increase

GDP \$ billions 1992



Output of electrical and electronic equipment rose 2.2%, the eighth consecutive monthly increase. The latest advance was led by another surge (+14.1%) in the production of computers and peripherals, the latest in a series of gains that has led to a 54% expansion in this industry's production since January. This advance was attenuated by a decline in telecommunications equipment manufacturing, after strong growth in the previous four months.

Automotive production rose 1.6% in June. While manufacturers of cars and trucks essentially maintained the previous month's pace of production, parts producers cranked out 3.2% more of their goods, primarily to satisfy strong export demand from automakers in the United States. Manufacturers of engines and miscellaneous motor vehicle parts increased output the most.

In other transportation equipment-making industries, production at aircraft and parts manufacturers grew 0.8% in June, despite a one-week

strike in Ontario. Layoffs sparked by falling demand for rail cars curbed output in the railroad rolling stock industry for a third consecutive month, while shipbuilding dipped 6.1%.

Output of fabricated metal and non-metallic mineral products rebounded 2.0% and 1.5%, respectively, paralleling an upswing in construction activity. Production of hardware and tools, fabricated metal structures, concrete and ready-mix cement all rose, after showing weakness in April and May.

Chemical product manufacturers raised output by 2.9% in June, mostly owing to higher production of organic chemicals and pharmaceutical products. The former related to a plant reopening following a maintenance shutdown in April and May.

Sawmill output plunged 5.3% during June, as some producers took downtime and coastal mills in British Columbia were shut down because of a strike in the forestry and logging sector. It was the third monthly decline, bringing down output by 1.9% in the second quarter, paralleling a 1.7% drop in exports of lumber over the same period. Canadian housing starts fell for a fourth consecutive month in June, albeit less steeply than starts in the United States, which fell for the fourth time in six months.

Furniture makers curtailed production by 1.8% in June, only partly offsetting healthy gains in the previous three months. Manufacturers of office and other furniture and fixtures cut back output, while producers of household furniture raised output for a second month.

Output of clothing fell 2.0% in June, owing mostly to a sharp drop in children's clothing manufacturing that was caused by a factory closing. Production of women's clothing also fell, though this was offset by an increase in miscellaneous apparel. Brewery output dropped for a third month, as cooler weather took the head off beer consumption.

Computer sales behind strong advance in wholesaling

A 1.6% increase in wholesaling activity in June was almost entirely attributable to a sharp rise in computer and software distribution. Activity in this trade group, which had paused in the months surrounding the year-2000 changeover, has recently returned to the vigorous growth that had marked the previous three years. Most other wholesaling groups reported slower activity in June, the most significant being distributors of fuel, furniture and alcohol and tobacco products.

Retailers enjoyed modest gain

After falling in April and staying flat in May, retail sales returned to March levels with a 0.4% advance.

Auto sales were robust in June, but unspectacular after two weak months, bringing activity back to January levels. Soft auto sales have been the main cause of the lacklustre performance of the retail trade sector since the beginning of the year. Department stores also advanced in June. The advances in retailing were partly offset by a drop at service stations and at stores specializing in auto parts.

Business service providers maintained steady growth

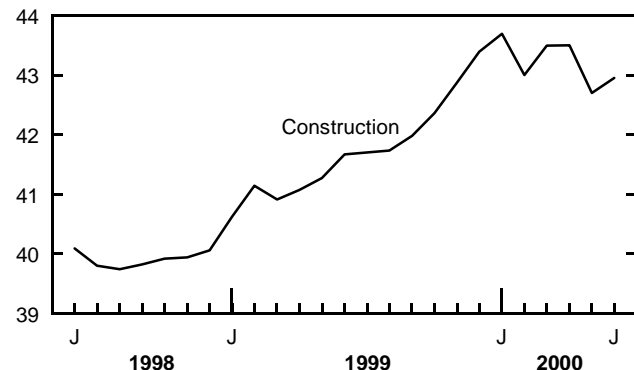
Business service activity rose 0.9% in June, the largest of five consecutive increases that followed a pause in January. The latest advance resulted from strong gains at temporary help and staffing agencies, architectural, engineering, scientific and computer consulting firms.

End of cement truck drivers' strike helped construction

Activity on construction sites rose in June, after a strike in the first half of the month by about 600 cement truck drivers greatly slowed down activity in the key Greater Toronto Area. Output on commercial, industrial and institutional and engineering projects appeared to get a boost from the end of the strike. However, despite the end of the labour dispute, homebuilding activity in Ontario did not advance decisively, and a further decline in Quebec led to an overall drop in residential construction activity. Indeed, housing starts in Quebec in June were at their lowest ebb in almost two and a half years.

Partial recovery in construction

GDP \$ billions 1992



Gains in mining output offset by drop in oil patch

Output in the mining sector edged up 0.1% in June, as gains in mining activity were mostly offset by weakness in crude oil production and drilling and rigging services. This month's modest rise was nevertheless the thirteenth in the last fourteen months, a growth run that has been largely fuelled by increased output in the oil patch.

Metal mine production rose in June, as gold, copper, nickel and uranium output increased, reflecting newly expanded operations and mine re-openings. These increases were offset by lower output of iron and zinc.

Non-metal mine production was also very strong in June. Potash production increased significantly, reflecting stronger offshore demand. However, diamond production was lower in June.

Crude petroleum output fell slightly, while natural gas production increased significantly, reflecting the increased flows of natural gas from eastern and northern Canada. Drilling and rigging services declined for the second straight month, as firms did not maintain the torrid pace set during the first four months of this year. Despite the recent declines, output in this industry in June was 61.2% above June 1999 levels.

Drop in stock market activity curbed output in finance industries

Output in the normally stable finance industries fell 0.9% in June because of declines in banks, securities dealers and stock exchanges. The sector has recently become more volatile as a result of record swings in the volume of stock traded on key stock exchanges. After soaring in the first quarter, the value of shares changing hands at the Toronto Stock Exchange fell back to more normal levels.

Utilities' output sagged

Utilities' output fell 0.7% in June, following robust gains in April and May. The decline was led by a 1.1% drop in the production of electricity, as a cooler-than-normal June mitigated demand to power air conditioners. The more heating-oriented gas distribution industry edged up 1.5%, however, helped along by increases to all categories of customers except industrial users.

Other industries

A strike by 12,000 loggers in British Columbia chopped 3.5% off production in the forestry industry in June. Output of communications services rose 0.9%,

boosted by continued steady growth in telephone-related services, but partly offset by a decline in demand for postal services.

Industry profile, second quarter

Gross domestic product continued to advance in the second quarter at nearly the pace of the previous two quarters. Canadian production was largely driven by strong foreign demand and domestic investment in machinery and equipment. Economic growth was led by solid gains in several high technology industries (electrical and electronic product manufacturers, telecommunication carriers, and computer service providers). Wholesale trade, business services and oil and gas production were also strong. Growth in the second quarter was, however, restrained by a slowdown in construction resulting from the strike by Toronto cement truck drivers, lower motor vehicle production and slower growth in retail sales and the finance industries.

Total factory output advanced 1.6% in the second quarter, outpacing growth rates in the previous two quarters, but well below the 1999 third quarter auto-driven 2.7% surge. Manufacturing strength was led by the fabrication of electrical and electronic products (+9.9%), concentrated in telecommunications and computer equipment. In particular, manufacturing of computer of equipment was up by more than 30%, and accounted for more than one-third of total manufacturing growth in the second quarter. Furniture (+7.2%), publishing (+13.8%), machinery (+1.7%), clothing (+3.4%), tires (+4.5%) and food products (+2.8%) also posted notable increases. These gains were partly offset by lower production in many manufacturing industries, including: motor vehicles (-2.7%), wood products (-0.5%), beverages (-1.4%), textiles (-1.6%), and plastics (-3.2%). Overall, 11 of 22 major manufacturing groups, accounting for 59% of total factory output, increased production.

Construction industry output fell 0.8% in the April-June period. Both residential and non-residential building activity slipped, partly the result of the strike by Toronto cement truck drivers. Furthermore, Ontario housing starts outside the Toronto area, and those in Quebec, fell during the quarter.

The strong growth in wholesaling was centered in computer sales, which had their best showing since the second quarter of 1999. Wholesaling, excluding computer sales, actually edged down slightly in the second quarter. Retailers, after a strong start to 2000, experienced slower growth in the second quarter (+0.3%), as sales of autos were flat. Communications services continued to post strong gains (up 2.9% in

the quarter), led by telecommunication carriers and cable providers. Business service providers enjoyed healthy demand in the second quarter pushing output up 2.1% in areas such as engineering, computer and advertising services. Feverish activity on Canadian stock exchanges in the first quarter cooled in the second, limiting growth in the financial sector to 0.4%.

Available on CANSIM: matrices 4677-4681.

The June 2000 issue of *Gross domestic product by industry* (15-001-XIE, \$11/\$110) is scheduled for release in September. 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, at 1992 prices

	Jan. 2000 ^r	Feb. 2000 ^r	March 2000 ^r	April 2000 ^r	May 2000 ^r	June 2000 ^p	May to June 2000	June 2000	June 1999 to June 2000
seasonally adjusted									
	month-to-month % change						\$ change ¹	\$ level ¹	% change
All industries	0.5	-0.4	0.8	0.0	0.7	0.4	2,865	783,300	4.7
Goods-producing industries	0.9	-1.2	1.0	0.1	0.9	0.4	962	263,025	5.9
Agriculture	0.2	-0.4	0.1	0.4	0.1	0.1	8	13,858	2.4
Fishing and trapping	7.6	-0.1	-2.9	-2.5	0.9	-3.8	-29	727	-11.3
Logging and forestry	-2.0	-3.1	5.0	-0.3	-0.3	-3.5	-164	4,549	-3.7
Mining, quarrying and oil wells	1.6	0.1	0.3	1.5	0.2	0.1	31	29,089	10.3
Manufacturing	0.8	-1.9	1.9	-0.4	1.8	0.7	1,046	145,340	7.0
Construction	0.7	-1.6	1.1	0.0	-1.8	0.6	248	42,951	3.1
Other utilities	1.5	1.3	-3.7	2.1	1.8	-0.7	-178	26,511	4.5
Services-producing industries	0.3	0.0	0.8	-0.1	0.6	0.4	1,903	520,275	4.1
Transportation and storage	0.7	-0.5	2.0	-1.8	1.9	0.3	118	36,499	4.7
Communications	0.9	0.3	1.7	1.1	0.4	0.9	254	30,048	13.1
Wholesale trade	0.0	-1.2	1.6	-0.4	2.3	1.6	776	48,432	5.0
Retail trade	1.1	-1.3	1.4	-0.4	0.1	0.4	192	48,464	4.9
Finance and insurance	1.4	1.8	1.1	-0.7	0.0	-0.9	-401	44,005	6.0
Real estate and insurance agents	0.3	0.2	0.6	-0.2	0.4	0.2	131	81,274	2.4
Business services	0.1	0.8	0.8	0.8	0.4	0.9	400	46,889	8.2
Government services	0.0	0.0	0.2	-0.2	0.5	0.0	-11	46,241	1.8
Education	-0.2	-0.1	-0.2	0.4	0.2	0.1	29	40,613	0.5
Health and social services	0.1	0.0	0.0	0.2	0.1	0.1	52	47,272	1.1
Accommodation and food	-0.7	0.6	0.5	0.3	0.8	0.8	151	20,198	3.4
Other services	0.0	0.0	0.1	0.1	0.2	0.7	212	30,340	2.3
Other aggregations									
Industrial production	1.0	-1.2	0.9	0.2	1.5	0.4	899	200,940	7.1
Non-durable manufacturing	0.3	-2.1	0.8	0.2	1.3	0.7	443	59,867	4.6
Durable manufacturing	1.2	-1.7	2.7	-0.8	2.1	0.7	603	85,473	8.8
Business sector	0.6	-0.5	1.0	0.0	0.7	0.4	2,791	653,196	5.5
Non-business sector	-0.1	0.0	0.0	0.1	0.3	0.1	74	130,104	1.1

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

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

	First quarter 1999 ^r	Second quarter 1999 ^r	Third quarter 1999 ^r	Fourth quarter 1999 ^r	First quarter 2000 ^r	Second quarter 2000 ^p	First quarter to second quarter 2000	Second quarter 2000	Second quarter 1999 to second quarter 2000
seasonally adjusted									
	quarter-to-quarter % change					\$ change ¹	\$ level ¹	% change	
Goods-producing industries	1.3	1.1	2.5	1.3	1.2	1.1	2,789	261,639	6.1
Agriculture	2.3	1.5	2.4	0.2	0.0	0.4	61	13,848	3.0
Fishing and trapping	12.1	1.0	-5.2	1.7	3.2	-5.1	-40	744	-5.6
Logging and forestry	1.8	1.7	7.6	-1.2	-2.7	0.5	21	4,664	4.0
Mining, quarrying and oil wells	0.1	-1.4	3.0	3.5	2.3	1.9	548	29,052	11.2
Manufacturing	0.9	1.4	2.7	0.9	1.1	1.6	2,311	143,805	6.5
Construction	2.3	1.1	1.1	2.6	1.2	-0.8	-343	43,051	4.1
Other utilities	2.3	2.2	2.4	-0.1	1.8	0.9	229	26,474	4.9
Services-producing industries	1.0	1.0	0.9	1.0	1.0	0.9	4,783	518,036	3.9
Transportation and storage	0.2	1.6	1.2	1.2	1.2	0.7	248	36,193	4.4
Communications	3.3	3.6	2.9	3.6	2.9	2.9	845	29,841	12.9
Wholesale trade	3.4	2.1	1.1	0.8	-0.6	2.4	1,093	47,557	3.7
Retail trade	2.2	-0.1	2.2	0.4	2.2	0.3	139	48,324	5.2
Finance and insurance	-0.4	1.6	1.4	1.3	4.2	0.4	155	44,268	7.4
Real estate and insurance agents	0.7	1.0	0.5	0.4	0.8	0.6	456	81,092	2.4
Business services	1.8	2.0	1.9	2.2	1.8	2.1	953	46,566	8.2
Government services	0.4	0.7	0.4	0.9	0.1	0.3	137	46,173	1.7
Education	-0.4	0.1	0.0	0.3	-0.3	0.4	150	40,573	0.4
Health and social services	-0.4	-0.7	-0.2	0.4	0.1	0.3	129	47,225	0.6
Accommodation and food	2.7	-0.8	-0.3	1.3	-0.6	1.7	326	20,043	2.1
Other services	0.6	0.7	0.4	0.8	0.2	0.5	154	30,181	1.9
Other aggregations									
Industrial production	1.0	1.1	2.7	1.1	1.4	1.6	3,089	199,332	6.9
Non-durable manufacturing	0.6	0.2	1.5	0.8	0.1	1.1	667	59,318	3.6
Durable manufacturing	1.1	2.2	3.6	0.9	1.8	2.0	1,644	84,487	8.6
Business sector	1.4	1.2	1.7	1.2	1.3	1.1	7,175	649,749	5.5
Non-business sector	-0.1	0.1	0.1	0.5	-0.1	0.3	397	129,926	0.9

^r Revised figures.

^p Preliminary figures.

¹ Millions of dollars at annual rate.

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<ul style="list-style-type: none"> Productivity, hourly compensation and unit labour cost, 1995 Growth in productivity among Canadian businesses was relatively weak again in 1995, accompanied by sluggish gains in employment and slow economic growth during the year. 	4
OTHER RELEASES	
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Release date	Title	Reference period
5	Building permits	July 2000
5	Rural youth: Stayers, leavers and return migrants	1991-1996
6	Help-wanted index	August 2000
6	Perspectives on labour and income	Fall 2000
8	Labour Force Survey	August 2000
8	Industrial capacity utilization rates	April-June 2000
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12	Field crop reporting series: July 31 grain stocks	2000
14	Consumer Price Index	August 2000
14	New motor vehicle sales	July 2000
18	Composite Index	August 2000
19	Monthly Survey of Manufacturing	July 2000
20	Employment Insurance	July 2000
20	Canadian international merchandise trade	July 2000
20	Wholesale trade	July 2000
21	Retail trade	July 2000
21	Labour force update: Hirings and separations	1998-1999
25	Canada's international transactions in securities	July 2000
27	Employment, earnings and hours	July 2000
28	Industrial product and raw materials price indexes	August 2000
29	National tourism indicators	Second quarter 2000
29	Real gross domestic product at factor cost by industry	July 2000