The Daily

Statistics Canada

Friday, August 29, 2014

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Releases

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Commercial Software Price Index, July 2014	27
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Industrial product and raw materials price indexes, July 2014 The Industrial Product Price Index declined 0.3% in July, mainly because of lower prices for energy and petroleum products. The Raw Materials Price Index declined 1.4%, largely as a result of lower prices for crude energy products.	
Canadian economic accounts, second quarter 2014 and June 2014 Real gross domestic product (GDP) rose 0.8% in the second quarter, following a 0.2% increase in the first quarter. This was the largest quarterly gain since the third quarter of 2011. On a monthly basis real GDP by industry increased 0.3% in June.	

Releases

Canadian economic accounts, second quarter 2014 and June 2014

Real gross domestic product (GDP) rose 0.8% in the second quarter, following a 0.2% increase in the first quarter. This was the largest quarterly gain since the third quarter of 2011. On a monthly basis, real GDP by industry increased 0.3% in June.

The quarterly growth was a result of increased economic activity in all sectors of the economy except non-profit institutions serving households. Final domestic demand was up 0.7% after a flat first quarter. The increase was mainly due to higher household final consumption expenditure.

Household final consumption expenditure was up 0.9%, as a result of increased outlays on goods (+1.2%) and services (+0.7%).

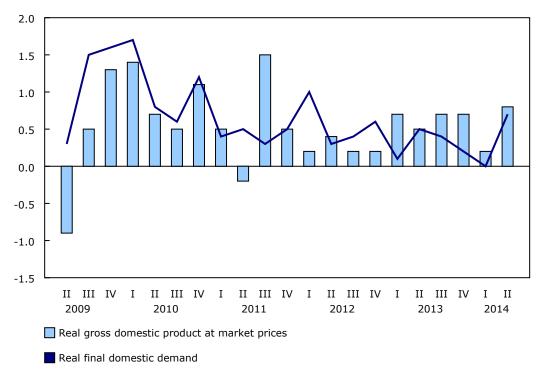
Business gross fixed capital formation increased 0.8% following two consecutive quarterly declines. Investment in residential structures (+2.9%) contributed the most to the overall gain. Ownership transfer costs were up 9.0% after declining in the previous two quarters.

Businesses accumulated \$7.0 billion in inventories, down from \$14.5 billion in the first quarter. Retail trade reduced its inventories of non-durable goods by \$2.8 billion.

Exports of goods and services increased 4.2% following a 0.2% decline in the previous quarter. Exports of goods rose 4.4%. Imports of goods and services increased 2.7%.

Chart 1 Gross domestic product and final domestic demand

quarterly % change, chained (2007) dollars

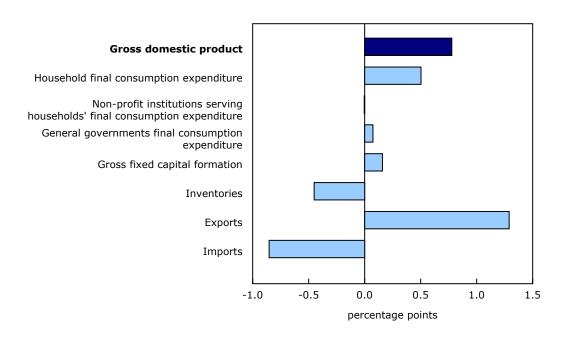


The output of service industries grew 0.8% in the second quarter. There were notable increases in both wholesale and retail trade. Increases were also recorded in transportation and warehousing services, at offices of real estate agents and brokers, in professional services, accommodation and food services as well as in finance and insurance services.

The output of goods-producing industries rose 0.6% in the second quarter. There were notable increases in mining and oil and gas extraction, manufacturing and construction. Declines were recorded in utilities and the agriculture and forestry sector.

Expressed at an annualized rate, real GDP expanded 3.1% in the second quarter. By comparison, real GDP in the United States rose 4.2%.

Chart 2
Contributions to percent change in real gross domestic product, second quarter 2014



Household spending continues to increase

Household final consumption expenditure rose 0.9% in the second quarter, the strongest quarterly gain since the second quarter of 2013. Consumers increased spending on goods by 1.2%, led by gains in durable goods (+3.5%), while spending on services was 0.7% higher.

Transport purchases of goods and services (+2.0%), which contributed about one-third of the growth in household final consumption, were boosted by an increase in purchases of vehicles (+4.2%).

Outlays on furnishings, household equipment and other goods and services (+3.1%), food, beverage and accommodation services (+1.9%) as well as clothing and footwear (+2.9%) also contributed to the growth in household spending.

Housing demand up

Business investment in residential structures increased 2.9%, as ownership transfer costs, an indicator of resale activity, rose 9.0%. Both had recorded declines in the previous two quarters.

Outlays on renovations (+2.3%) and new housing construction (+0.8%) were also higher.

Increased business investment in plant and equipment

Business investment in non-residential structures as well as machinery and equipment combined grew 0.2% in the second quarter, following a 0.8% decline in the first quarter.

Business investment in non-residential structures (+0.1%) edged up, after declining in the previous two quarters.

Investment in machinery and equipment grew 0.4%, as outlays on medium and heavy trucks, buses and other motor vehicles increased 5.4%. Conversely, investment in industrial machinery and equipment was down 2.4%.

Investment in intellectual property products down

Business outlays on intellectual property products fell 2.8% in the second quarter, following a similar decline in the previous quarter.

Investment in mineral exploration and evaluation decreased 11.3% after falling 14.5% in the previous quarter. Investment in research and development (-0.7%) and software (-0.3%) was also down.

Deceleration in business inventory accumulation

Businesses added \$7.0 billion in inventories in the second quarter, compared with \$14.5 billion in the first quarter.

Retail trade reduced inventories by \$784 million, following an accumulation of \$2.5 billion in the previous quarter. Retail inventories of non-durable goods were \$2.8 billion lower.

Wholesalers accumulated \$7.4 billion in inventories, following a \$9.8 billion accumulation in the previous quarter. Manufacturers reduced their inventories by \$709 million, after adding \$2.5 billion to their stocks in the first quarter. Farm inventory accumulation (+\$210 million) was slightly less than in the previous quarter and significantly lower than in 2013.

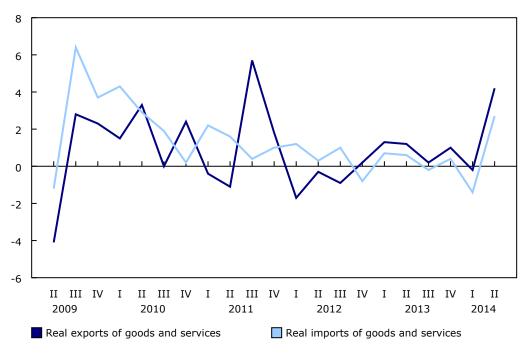
Exports increase

Exports of goods and services were up 4.2% in the second quarter, after edging down 0.2% in the first quarter. This was the largest increase since the third quarter of 2011.

Exports of goods rose 4.4%, with passenger cars and light trucks (+13.0%), farm and fishing products (+13.9%) as well as forestry products and building and packaging materials (+8.7%) contributing the most to the increase.

Chart 3 Exports and imports

quarterly % change, chained (2007) dollars



Imports up

Imports of goods and services increased 2.7% in the second quarter, following a 1.4% decrease in the first quarter. This was the largest increase since the second quarter of 2010.

Imports of goods advanced 2.8%. Motor vehicles and parts (+8.4%), consumer goods (+3.8%) as well as basic and industrial chemical, plastic and rubber products (+7.9%) contributed the most to the increase.

Imports of energy products were down 7.4% while imports of metal ores and concentrates fell 12.5%.

Imports of services grew by 2.1% after falling by 1.1% in the first quarter.

Economy-wide income grows at a slower pace

Nominal GDP grew 1.0% in the second quarter, after increasing 1.6% in the first quarter.

Compensation of employees, which includes wages and salaries as well as the employers' social contributions, rose 0.7%, following a 1.2% increase in the first quarter. Wages and salaries were up 1.2% in goods-producing industries and 0.9% higher in service-producing industries.

The net operating surplus of corporations rose 1.5%, following a 5.9% gain during the first quarter. Non-financial corporations' net operating surplus rose 2.3%, the fourth consecutive quarterly increase. However, the net operating surplus of financial corporations fell 4.9%.

Household saving rate lower

The household saving rate decreased from 5.0% in the first quarter to 3.9% in the second quarter, as household final consumption expenditures (in current dollars) increased at a faster pace than household disposable income.

The household debt service ratio, defined as household mortgage and non-mortgage interest paid divided by disposable income, was 6.94%, down from 6.97% in the first quarter and below the average rate of 7.11% recorded in 2013.

The national saving rate in the second quarter was 4.6%, down from 4.7% in the first quarter. Higher corporate savings were mainly offset by lower savings of households.

Terms of trade weaken

A weakening in Canada's terms of trade, resulting from lower prices for exports relative to imports, tempered the growth in real gross domestic income to 0.3% in the second quarter.

Export prices declined 1.2% while import prices were 0.3% higher. The overall price of goods and services produced in Canada rose 0.2%, after advancing 1.4% in the first quarter.

The price of final domestic demand rose 0.5%, after increasing 1.0% in the first quarter.

Gross domestic product by industry, June 2014

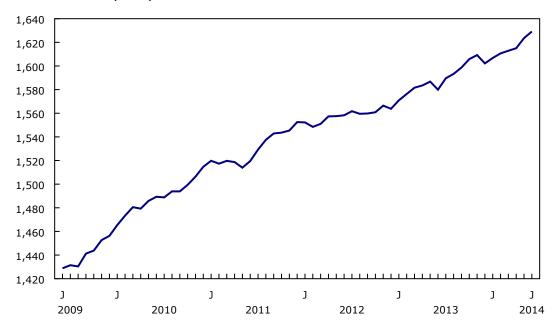
Real gross domestic product grew 0.3% in June, a sixth consecutive monthly increase.

The output of goods-producing industries increased 0.5% in June, mainly as a result of increases in mining and oil and gas extraction as well as construction. Utilities also advanced. In contrast, the agriculture and forestry sector and manufacturing declined.

The output of service industries rose 0.3% in June. Notable increases were recorded in wholesale and retail trade, the finance and insurance sector, and transportation and warehousing services. There were declines in accommodation and food services and, to a lesser extent, the arts and entertainment sector. The public sector (education, health and public administration combined) was unchanged in June.

Chart 4
Real gross domestic product grows in June

billions of chained (2007) dollars - All industries



Mining, quarrying and oil and gas extraction expanded 1.8% in June, after rising 0.5% in May. Mining and quarrying (excluding oil and gas extraction) rose 4.7%, mainly as a result of an increase in copper, nickel, lead and zinc mining following maintenance activities in May. Potash mining and, to a lesser extent, iron ore mining, were also up. Oil and gas extraction advanced 1.3% as a result of higher oil production. Support activities for mining and oil and gas extraction declined 0.2% in June.

Wholesale trade grew 1.0% in June, a third consecutive monthly increase. Notable gains were recorded in the wholesaling of building materials and supplies as well as machinery, equipment and supplies. Miscellaneous wholesaling (which includes the wholesaling of agricultural supplies) also advanced.

Retail trade rose 0.5%, mainly as a result of increased activity at food and beverage stores and, to a lesser extent, at general merchandise stores (which include department stores).

Construction increased 0.9%, largely as a result of gains in residential building and repair construction. The output of real estate agents and brokers edged down 0.1% in June, following a 7.2% increase in May.

The finance and insurance sector increased 0.6% in June, after edging down 0.1% in May. Growth in banking and in financial investment services more than offset a decline in insurance services.

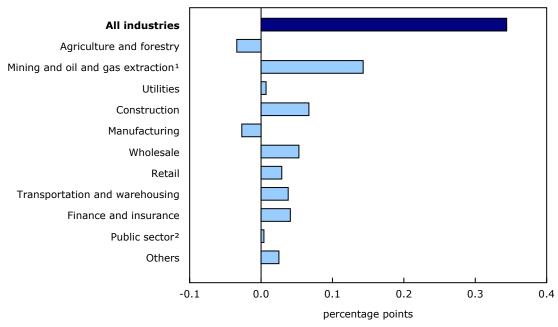
Transportation and warehousing services grew 0.9% as a result of increases in rail and truck transportation.

Manufacturing output declined 0.3% in June. Durable-goods manufacturing decreased 1.1% as a result of declines in transportation equipment and, to a lesser extent, furniture and related products as well as machinery manufacturing. Non-durable goods manufacturing was up 0.8%, mainly because of a gain in chemical manufacturing.

The agriculture and forestry sector fell 2.2%, largely as a result of lower crop production.

Utilities rose 0.3% in June. Increased electric power generation, transmission and distribution more than offset a decline in natural gas distribution.

Chart 5
Main industrial sectors' contribution to the percent change in gross domestic product, June 2014



- 1. Includes quarrying.
- 2. Education, health and public administration.

Note to readers

The Canadian System of macroeconomic accounts is implementing a new revision policy. Annual revisions, which affect the three most recent calendar years, will take place in November rather than May, as was previously the practice. For more information see Latest Developments in the Canadian Economic Accounts (13-605-X).

For more information on seasonal adjustment, see Seasonally adjusted data — Frequently asked questions.

Percentage changes for expenditure-based and industry-based statistics (such as personal expenditures, investment, exports, imports and output) are calculated from volume measures that are adjusted for price variations. Percentage changes for income-based and flow-of-funds statistics (such as labour income, corporate profits, mortgage borrowing and total funds raised) are calculated from nominal values; that is, they are not adjusted for price variations.

There are four ways of expressing growth rates for gross domestic product (GDP) and other time series found in this release.

- 1. Unless otherwise stated, the growth rates of all quarterly data in this release represent the percentage change in the series from one quarter to the next, such as from the first quarter of 2014 to the second quarter of 2014.
- 2. Quarterly growth can be expressed at an annual rate by using a compound growth formula, similar to the way in which a monthly interest rate can be expressed at an annual rate. Expressing growth at an annual rate facilitates comparisons with official GDP statistics from the United States. Both the quarterly growth rate and the annualized quarterly growth rate should be interpreted as an indication of the latest trend in GDP
- 3. The year-over-year growth rate is the percentage change in GDP from a given quarter in one year to the same quarter one year later, such as from the second quarter of 2013 to the second quarter of 2014.
- 4. The growth rates of all monthly data in this article represent the percentage change in the series from one month to the next, such as from May to June 2014.

Products, services and contact information

Detailed analysis and tables

The System of macroeconomic accounts module, accessible from the Browse by key resource module of our website, features an up-to-date portrait of national and provincial economies and their structure.

Links to other releases from the national accounts can be found in the second quarter 2014 issue of *Canadian Economic Accounts Quarterly Review*, Vol. 13, no. 2 (13-010-X). This publication is now available from the *Browse by key resource* module of our website under *Publications*. This publication will be updated on September 12, at the time of the release of the national balance sheet and financial flow accounts.

Table 1
Gross domestic product by income account – Seasonally adjusted at annual rates

	First quarter 2013	Second quarter 2013	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	First quarter 2014	Second quarter 2014
		qı		millions o	of dollars			
Compensation of employees	1.3	0.2	0.8	1.1	1.2	0.7	981,200	987,996
Gross operating surplus	2.2	-0.6	2.6	0.2	3.4	1.3	535,984	542,816
Gross mixed income	1.0	1.8	1.0	0.1	0.4	1.5	224,792	228,052
Taxes less subsidies on								
production	-0.5	1.5	-0.9	1.1	-0.6	2.3	76,456	78,240
Taxes less subsidies, on								
products and imports	1.0	0.3	1.3	1.7	1.6	1.7	117,684	119,644
Statistical discrepancy								
(millions of dollars)	752	-1,356	1,232	564	-388	-1,160	908	-252
Gross domestic product at								
market prices	1.5	0.1	1.3	8.0	1.6	1.0	1,937,024	1,956,496

Table 2
Real gross domestic product by expenditure account, quarterly change – Seasonally adjusted at annual rates, chained (2007) dollars

	First quarter 2013	Second quarter 2013	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	First quarter 2014	Second quarter 2014
		q	uarter-to-quart	er % change			millions o	of dollars
Final consumption								
expenditure Household final consumption	0.3	0.7	0.5	0.4	0.3	0.7	1,332,002	1,341,903
expenditure Non-profit institutions serving households' final consumption	0.3	0.9	0.8	0.6	0.4	0.9	960,287	969,175
expenditure General governments final consumption	0.9	-0.5	0.0	0.1	0.5	-0.3	24,104	24,036
expenditure	0.0	0.3	-0.1	0.1	-0.1	0.3	348,388	349,594
Gross fixed capital formation Business gross fixed	-0.4	-0.3	0.2	-0.6	-1.1	0.7	392,804	395,489
capital formation	-0.4	0.0	0.4	-0.3	-1.2	0.8	324,627	327,321
Residential structures Non-residential structures, machinery	-1.2	1.5	0.1	-0.4	-1.4	2.9	110,967	114,141
and equipment Intellectual property	0.2	-0.3	0.1	-0.2	-0.8	0.2	182,430	182,851
products General governments gross fixed capital	-1.2	-3.4	2.5	0.1	-2.9	-2.8	32,573	31,659
formation Investment in inventories	-0.6	-1.6	-0.2	-2.3	-0.9	0.0	66,094	66,071
(millions of dollars) Exports of goods and	7,896	-4,112	3,847	5,264	-2,319	-7,376	14,451	7,075
services Less: imports of goods and	1.3	1.2	0.2	1.0	-0.2	4.2	522,183	543,999
services Statistical discrepancy	0.7	0.6	-0.2	0.4	-1.4	2.7	551,704	566,394
(millions of dollars)	-677	1,220	-1,111	-505	363	1,020	-801	219
Gross domestic product at market prices	0.7	0.5	0.7	0.7	0.2	0.8	1,715,982	1,729,324
Final domestic demand	0.1	0.5	0.4	0.2	0.0	0.7	1,723,106	1,735,676

Table 3
Real gross domestic product by expenditure account, annualized change – Seasonally adjusted at annual rates, chained (2007) dollars

	First quarter 2013	Second quarter 2013	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	First quarter 2014	Second quarter 2014
		quarter-	-to-quarter % o	change, annual	lized		millions o	of dollars
Final consumption								
expenditure Household final	1.1	2.9	2.0	1.8	1.2	3.0	1,332,002	1,341,903
consumption expenditure Non-profit institutions serving households'	1.4	3.8	3.0	2.4	1.7	3.8	960,287	969,175
final consumption expenditure	3.7	-1.8	0.1	0.4	1.8	-1.1	24,104	24,036
General governments final consumption								
expenditure	0.1	1.0	-0.4	0.3	-0.2	1.4	348,388	349,594
Gross fixed capital formation Business gross fixed	-1.7	-1.1	1.0	-2.4	-4.5	2.8	392,804	395,489
capital formation	-1.6	-0.0	1.4	-1.0	-4.7	3.4	324,627	327,321
Residential structures Non-residential structures, machinery	-4.5	6.1	0.4	-1.7	-5.6	11.9	110,967	114,141
and equipment Intellectual property	0.9	-1.2	0.5	-0.8	-3.0	0.9	182,430	182,851
products General governments gross fixed capital	-4.9	-12.8	10.5	0.5	-11.2	-10.8	32,573	31,659
formation Investment in inventories	-2.4	-6.1	-0.6	-8.8	-3.6	-0.1	66,094	66,071
(millions of dollars) Exports of goods and	7,896	-4,112	3,847	5,264	-2,319	-7,376	14,451	7,075
services Less: imports of goods and	5.4	4.9	0.7	3.9	-0.7	17.8	522,183	543,999
services	2.7	2.4	-0.7	1.5	-5.5	11.1	551,704	566,394
Statistical discrepancy (millions of dollars)	-677	1,220	-1,111	-505	363	1,020	-801	219
Gross domestic product at	0.0	4.0	0.0	0.7	0.0	0.4	4 745 000	4 700 004
market prices Final domestic demand	3.0 0.4	1.9 2.0	3.0 1.8	2.7 0.8	0.9 -0.2	3.1 3.0	1,715,982 1,723,106	1,729,324 1,735,676

Table 4
Real gross domestic product by expenditure account – Seasonally adjusted at annual rates

	First quarter	Second quarter	Se	econd quarter 201	4
	2014	2014	Contributions to per	rcent change in	Annualized contributions to
			real gross domestic product	implicit price indexes	percent change in real gross domestic product
	millions of chaine	ed (2007) dollars	ŗ	percentage points	
Final consumption expenditure Household final consumption	1,332,002	1,341,903	0.574	0.429	2.323
expenditure	960,287	969,175	0.503	0.423	2.040
Goods	443,501	448,922	0.297	0.236	1.202
Durable goods	133,318	137,956	0.228	0.001	0.923
Semi-durable goods	79,174	81,068	0.091	0.026	0.368
Non-durable goods	231,359	230,999	-0.022	0.209	-0.089
Services	516,613	520,157	0.207	0.187	0.838
Non-profit institutions serving households' final consumption					
expenditure	24,104	24,036	-0.004	0.016	-0.016
General governments final					
consumption expenditure	348,388	349,594	0.074	-0.011	0.299
Gross fixed capital formation	392,804	395,489	0.159	0.124	0.647
Business gross fixed capital formation	324,627	327,321	0.158	0.097	0.643
Residential structures	110,967	114,141	0.189	0.045	0.765
Non-residential structures,					
machinery and equipment	182,430	182,851	0.024	0.051	0.097
Non-residential structures	102,524	102,665	0.009	0.056	0.036
Machinery and equipment	78,288	78,589	0.015	-0.005	0.061
Intellectual property products	32,573	31,659	-0.054	0.001	-0.219
Non-profit institutions serving					
households' gross fixed capital					
formation	2,100	2,130	0.002	0.000	0.008
General governments gross fixed					
capital formation	66,094	66,071	-0.001	0.027	-0.004
Investment in inventories	14,451	7,075	-0.451	0.148	-1.825
Exports of goods and services	522,183	543,999	1.290	-0.383	5.221
Goods	445,897	465,656	1.166	-0.361	4.719
Services	77,146	79,242	0.124	-0.022	0.502
Less: imports of goods and services	551,704	566,394	0.853	0.093	3.452
Goods	449,838	462,413	0.732	0.096	2.962
Services	101,521	103,622	0.121	-0.004	0.490
Statistical discrepancy	-801	219	0.060	0.000	0.243
Gross domestic product at market					
prices	1,715,982	1,729,324	0.778	0.226	3.157
Final domestic demand	1,723,106	1,735,676	0.732	0.553	2.970

Table 5
Canadian economic accounts key indicators – Seasonally adjusted

	First quarter 2013	Second quarter 2013	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014
Economy-wide						
Real gross domestic income (index						
2007=100)	108.0	108.2	109.1	109.5	110.2	110.5
Gross domestic product deflator (index 2007=100)	110.9	110.5	111.2	111.3	112.9	113.1
Terms of trade (index 2007=100)	102.9	102.0	102.1	101.2	102.6	101.1
Terms of trade (index 2007=100)	102.9	102.0	102.1	101.2	102.0	101.1
Household sector						
Household disposable income						
(millions of dollars)	1,069,072	1,070,176	1,077,584	1,091,440	1,105,536	1,111,816
Household net saving (millions of						
dollars)	62,572	52,868	47,512	52,492	55,176	43,472
Household saving rate (%)	5.9	4.9	4.4	4.8	5.0	3.9
Household debt service ratio (%)	7.17	7.13	7.11	7.04	6.97	6.94
Government sector						
General government disposable						
income (millions of dollars)	360,424	363,172	375,000	375,700	381,796	380,992
General government net saving	•	,	•	•	,	•
(millions of dollars)	-47,624	-42,896	-32,460	-33,752	-34,360	-36,400
Corporate sector						
Non-financial corporations' net						
operating surplus (millions of						
dollars)	219,444	208,120	218,456	220,224	231,716	237,056
Financial corporations net						
operating surplus (millions of						
dollars)	22,712	26,556	26,856	24,340	27,368	26,032
Non-financial corporations' net						
saving (millions of dollars)	18,996	9,076	10,552	6,976	14,700	22,956
Financial corporations' net saving	44.700	40.400	00.070	07.000	07.000	40.500
(millions of dollars)	44,780	48,408	38,272	37,880	37,092	40,592
National						
National net saving (millions of						
dollars)	80,440	68,408	65,780	65,828	74,136	72,400
National saving rate (%)	5.3	4.5	4.3	4.3	4.7	4.6

Table 6 Monthly gross domestic product by industry at basic prices in chained (2007) dollars – Seasonally adjusted

	January 2014 ^r	February 2014 ^r	March 2014 ^r	April 2014 ^r	May 2014 ^r	June 2014 ^p	June 2014 ^p	June 2013 to June 2014 ^p
							millions of	
		n	nonth-to-month	% change			dollars ¹	% change
All industries	0.3	0.2	0.1	0.1	0.5	0.3	1,629,165	3.1
Goods-producing		• •		•			100.000	
industries Agriculture, forestry, fishing	0.3	0.9	0.1	-0.4	0.8	0.5	492,238	4.3
and hunting Mining, quarrying, and oil	-2.0	-1.7	-1.0	-0.9	0.2	-2.2	26,216	-7.3
and gas extraction	1.5	1.3	1.0	-0.1	0.5	1.8	139,878	11.2
Utilities	-0.6	0.3	0.1	-1.5	-1.4	0.3	39,431	-0.6
Construction	0.4	0.2	-0.4	-0.3	1.4	0.9	114,782	3.1
Manufacturing	0.1	1.5	0.0	-0.4	1.1	-0.3	171,765	3.2
Services-producing								
industries	0.3	-0.0	0.1	0.4	0.4	0.3	1,138,078	2.6
Wholesale trade	0.8	0.2	-0.0	1.3	1.5	1.0	91,265	7.6
Retail trade	1.0	0.2	-0.3	0.9	0.8	0.5	89,831	4.8
Transportation and								
warehousing	0.5	-0.1	0.4	0.5	1.3	0.9	69,441	6.7
Information and cultural	0.4	2.0	0.0	0.4	0.4		50.700	
industries	0.1	0.0	-0.2	-0.1	-0.1	-0.0	52,796	-0.0
Finance and insurance Real estate, and rental and	0.4	-0.3	0.1	0.3	-0.1	0.6	108,881	1.8
leasing	-0.1	0.3	0.4	0.4	0.6	0.2	206,510	3.0
Professional, scientific and	0.1	0.5	0.4	0.4	0.0	0.2	200,510	5.0
technical services	0.1	-0.3	0.0	0.3	0.4	0.2	84,700	1.3
Management of companies and enterprises	0.5	-0.0	0.3	0.4	0.2	0.1	12,336	2.0
Administrative and support, waste management and	0.5	-0.0	0.3	0.4	0.2	0.1	12,330	2.0
remediation services	0.2	-0.0	0.2	0.0	0.5	0.1	41,306	2.3
Educational services Health care and social	-0.1	0.1	0.0	0.1	-0.2	-0.0	84,961	0.6
assistance Arts, entertainment and	0.2	0.0	0.1	0.2	0.2	0.2	110,074	1.6
recreation	-2.4	-5.0	5.8	-0.5	0.7	-1.0	11,404	1.6
Accommodation and food services	1.2	0.3	-0.3	1.3	0.4	-0.6	32,899	0.4
Other services (except	1.2	0.5	-0.5	1.5	0.4	-0.0	32,033	0.4
public administration)	0.5	0.0	0.1	0.5	0.5	0.1	32,612	3.1
Public administration	0.1	0.0	-0.1	-0.1	-0.0	-0.1	109,589	0.7
Other aggregations								
Industrial production	0.5	1.3	0.4	-0.4	0.6	0.6	356,118	5.7
Non-durable manufacturing								
industries Durable manufacturing	0.7	8.0	-0.0	-0.2	0.8	8.0	72,126	3.4
industries Information and	-0.4	2.1	0.1	-0.5	1.4	-1.1	99,819	3.1
communication	0.3	0.4	0.0	0.5	0.4	0.2	70 540	2.0
technologies industries	0.3	0.1	-0.2	0.5	0.1	0.3	70,513	2.9
Energy sector	1.4	0.8	0.7	-0.4	0.8	0.7	164,065	8.6
Public sector	0.1	0.0	0.0	0.1	0.0	0.0	304,685	1.0

^r revised

p preliminary

1. At annual rates.

Table 7 Quarterly gross domestic product by industry at basic prices in chained (2007) dollars – Seasonally adjusted

	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Second quarter
	2013 ^r	2013 ^r	2013 ^r	2013 ^r	2014 ^r	2014 ^p	2014 ^p
							millions of
		C	quarter-to-quarte	er % change			dollars ¹
Goods-producing industries	1.5	-0.3	0.9	1.0	0.5	0.6	489,280
Agriculture, forestry, fishing and							,
hunting	4.0	5.9	4.5	-1.4	-4.5	-2.7	26,595
Mining, quarring, and oil and							
gas extraction	3.5	-2.1	2.2	2.1	2.6	1.9	137,979
Utilities	-0.3	1.6	-0.0	1.5	1.0	-2.1	39,544
Construction	-0.1	-0.5	0.1	-0.5	-0.2	0.7	113,571
Manufacturing	1.3	-0.3	0.2	1.5	0.1	0.8	171,417
Services-producing							
industries	0.5	0.8	0.5	0.7	0.2	0.8	1,134,421
Wholesale trade	0.7	0.6	1.6	0.6	0.1	2.7	90,232
Retail trade	0.4	1.9	1.0	0.9	0.1	1.5	89,290
Transportation and							
warehousing	0.4	0.9	0.2	2.2	0.3	1.9	68,740
Information and cultural							
industries	0.2	0.5	0.0	0.2	0.2	-0.3	52,816
Finance and insurance	0.9	1.6	0.4	0.7	0.3	0.3	108,488
Real estate, and rental and							
leasing	0.7	1.1	0.8	0.6	0.4	1.2	205,791
Professional, scientific and							
technical services	0.3	0.9	0.2	0.5	-0.2	0.6	84,472
Management of companies and							
enterprises	0.7	3.0	1.3	0.4	0.3	0.7	12,318
Administrative and support,							
waste management and							
remediation services	-0.0	0.4	0.5	0.9	0.3	0.5	41,200
Educational services	0.5	-0.1	-0.0	0.8	-0.2	-0.0	85,029
Health care and social							
assistance	0.3	0.3	0.3	0.3	0.4	0.5	109,885
Arts, entertainment and							
recreation	5.6	2.5	1.1	1.4	-3.3	1.6	11,456
Accommodation and food							
services	0.4	0.9	-0.2	-0.5	0.5	1.2	32,997
Other services (except public							
administration)	0.7	0.7	0.7	0.7	0.5	1.0	32,528
Public administration	0.1	-0.3	0.6	0.4	0.1	-0.2	109,659
Other aggregations							
Industrial production	1.9	-0.7	0.9	1.7	1.2	0.9	354,034
Non-durable manufacturing							•
industries	1.3	0.6	-0.8	1.9	0.1	0.8	71,576
Durable manufacturing							
industries	1.3	-1.1	1.0	1.1	0.2	0.8	100,053
Information and communication							•
technologies industries	0.6	-0.2	0.9	0.9	-0.1	0.6	70,370
Energy sector	1.7	-1.2	2.2	1.8	2.5	1.1	162,910
Public sector	0.3	-0.0	0.3	0.5	0.1	0.1	304,629

^r revised

p preliminary
 1. At annual rates.

Gross domestic product by industry

Available in CANSIM: table 379-0031.

Definitions, data sources and methods: survey numbers 1301.

Data on gross domestic product by industry for July will be released on September 30.

For more information, or to order data, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Allan Tomas (613-951-9277), Industry Accounts Division.

Gross domestic product by income and by expenditure accounts

Available in CANSIM: tables 380-0063 to 380-0076, 380-0078 to 380-0088 and 382-0006.

Definitions, data sources and methods: survey numbers 1901 and 2602.

Data on gross domestic product for the second quarter have been released along with revised data for the first quarter. These data incorporate new and revised source data and updated data on seasonal patterns.

Data on gross domestic product by income and by expenditure for the third quarter will be released on November 28. For more information, consult the *Guide to the Income and Expenditure Accounts* (13-017-X).

Industrial product and raw materials price indexes, July 2014

The Industrial Product Price Index (IPPI) declined 0.3% in July, mainly because of lower prices for energy and petroleum products. The Raw Materials Price Index (RMPI) declined 1.4%, largely as a result of lower prices for crude energy products.

Chart 1

Prices for industrial goods decrease

Industrial Product Price Index, monthly change

The IPPI declined 0.3% in July, after increasing 0.1% in June. Of the 21 major commodity groups, 8 were up, 8 were down and 5 were unchanged.

The decline in the IPPI was led by lower prices for energy and petroleum products (-2.4%). Prices for motor gasoline (-4.0%), diesel fuel (-3.4%) and light fuel oils (-2.7%) were the main reasons for the decrease in this commodity group. High crude oil inventories in North America had the effect of lowering prices for refined petroleum. The IPPI excluding energy and petroleum products increased 0.2% in July.

Moderating the decline in the IPPI were higher prices for meat, fish and dairy products (+2.2%). Fresh and frozen pork (+5.5%) as well as fresh and frozen beef and veal (+5.7%) were the main reasons for the increase in this commodity group. Prices paid by processors for hogs and cattle contributed to higher prices for fresh and frozen pork and beef.

Primary non-ferrous metal products (+1.6%) increased for the first time since March 2014, also moderating the decline in the IPPI. Higher prices for unwrought precious metals and precious metal alloys (+2.0%), unwrought copper and copper alloys (+3.3%) as well as unwrought aluminum and aluminum alloys (+2.5%) were the main contributors to the increase in this commodity group.

Fruit, vegetables, feed and other food products declined 1.1% in July, mainly as a result of lower prices for intermediate food products (-2.8%) and animal feed (-2.8%).

Motorized and recreational vehicles (-0.5%) also declined, primarily as a result of passenger cars and light trucks (-0.6%) as well as motor vehicle engines and engine parts (-0.3%). The decrease in the prices of motorized and recreational vehicles was closely linked to the appreciation of the Canadian dollar relative to the US dollar.

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 0.9% increase in the value of the Canadian dollar relative to the US dollar may have had the effect of lowering the IPPI. Without the measurable effect of the exchange rate, the IPPI would have declined 0.1% instead of decreasing 0.3%.

Industrial Product Price Index, 12-month change

The IPPI rose 2.9% during the 12-month period ending in July, after posting a 3.1% gain in June.

Compared with July 2013, the advance of the IPPI was mainly attributable to meat, fish, and dairy products (+9.3%), specifically fresh and frozen pork (+24.9%) as well as fresh and frozen beef and veal (+19.4%).

Year-over-year prices for chemical and chemical products were up 6.0%, mainly resulting from higher prices for petrochemicals (+15.0%), ammonia and chemical fertilizers (+20.9%) and plastic resins (+10.3%). On a year-over-year basis, prices for chemicals and chemical products have been on an upward trend since July 2013.

Primary non-ferrous metal products (+6.7%) also contributed to the year-over-year increase of the IPPI, primarily because of higher prices for unwrought precious metals and precious metal alloys (+6.7%).

On a year-over-year basis, motorized and recreational vehicles increased 2.6%, as a result of higher prices for passenger cars and light trucks (+2.3%) as well as motor vehicle engines and motor vehicle parts (+2.4%).

Energy and petroleum products have increased 1.8% since July 2013, as a result of higher prices for light fuel oils (+3.9%), heavy fuel oils (+3.2%) as well as lubricants and other petroleum refinery products (+6.2%).

Raw Materials Price Index, monthly change

The RMPI declined 1.4% in July, after posting a 1.1% increase in June. The July decrease in the index was the second in eight months. Of the six major commodity groups, four were down and two were up.

Chart 2 Prices for raw materials decrease

The decrease in the index was mainly due to lower prices for crude energy products (-4.4%), more specifically conventional crude oil (-4.5%). It was the largest decline for crude energy products since November 2013. The decrease in crude oil prices was partly the result of high inventories in North America and diminishing concerns regarding supply from certain oil-producing countries. The RMPI excluding crude energy products rose 1.9% in July.

Crop products (-1.4%) also exerted downward pressure on the RMPI, mostly because of lower prices for other crop products (-1.0%), wheat (-3.4%) and canola (-2.8%).

The decrease in the RMPI was moderated largely by higher prices for animals and animal products (+3.7%). Live animals (+5.7%), particularly hogs (+8.9%) and cattle and calves (+5.1%) contributed to the increase of this commodity group.

The decline of the RMPI in July was also moderated by metal ores, concentrates and scrap, as prices rose 2.5%, after falling 1.2% the previous month.

Raw Materials Price Index, 12-month change

The RMPI increased 2.2% during the 12-month period ending in July, after posting a 9.1% gain in June.

Compared with the same month a year earlier, the rise of the RMPI was mainly due to higher prices for animals and animal products (+13.6%), which have been increasing on a year-over-year basis since April 2013. Live animals (+22.4%), particularly hogs (+28.8%) and cattle and calves (+28.6%), were mainly responsible for the increase in this commodity group.

To a lesser extent, prices for metal ores, concentrates and scrap (+4.0%) also exerted upward pressure on the RMPI on a year-over-year basis, after being unchanged in June.

The advance of the RMPI over the 12-month period was moderated mainly by crop products (-6.3%). Other crop products (-8.3%), wheat (-12.4%) and canola (-14.9%) were responsible for the decline in crop products.

Compared with July 2013, the rise of the RMPI was also moderated by crude energy products (-0.2%), as a result of lower prices for conventional crude oil (-0.5%). Crude energy products were down for the first time since April 2013 on a year-over-year basis.

Note to readers

With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

The Industrial Product Price Index (IPPI) reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including the transportation, wholesale and retail costs.

Canadian producers export many goods. They often indicate their prices in foreign currencies, especially in US dollars, which are then converted into Canadian dollars. In particular, this is the case for motor vehicles, pulp, paper and wood products. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI. However, the conversion into Canadian dollars only reflects how respondents provide their prices. This is not a measure that takes the full effect of exchange rates into account.

The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada, and it is available on CANSIM in table 176-0064 (series v37426). Monthly and annual variations in the exchange rate, as described in the release, are calculated according to the indirect quotation of the exchange rate (for example, CAN\$1 = US\$X).

The Raw Materials Price Index (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of those prices are set on the world market. However, as few prices are denominated in foreign currencies, their conversion into Canadian dollars has only a minor effect on the calculation of the RMPI.

Table 1 Industrial Product Price Index - Not seasonally adjusted

	Relative importance ¹	July 2013	June 2014 ^r	July 2014 ^p	June to July 2014	July 2013 to July 2014
	%		(2010=100)		% ch	ange
Industrial Product Price Index (IPPI)	100.00	108.4	111.8	111.5	-0.3	2.9
IPPI excluding energy and petroleum products	86.40	104.2	107.1	107.3	0.2	3.0
Aggregation by commodities						
Meat, fish and dairy products	7.21	110.5	118.2	120.8	2.2	9.3
Fruit, vegetables, feed and other food products	7.53	113.5	112.2	111.0	-1.1	-2.2
Beverages (except juices)	1.92	104.4	104.8	104.8	0.0	0.4
Tobacco products	0.25	114.6	122.1	122.0	-0.1	6.5
Textile and leather products	0.57	104.6	105.6	105.5	-0.1	0.9
Clothing, footwear and accessories	0.51	101.6	102.1	102.4	0.3	0.8
Chemicals and chemical products	8.46	108.0	113.6	114.5	8.0	6.0
Plastic and rubber products	2.79	105.2	107.5	107.5	0.0	2.2
Lumber and other wood products	2.27	102.2	104.9	105.1	0.2	2.8
Pulp and paper products	4.09	102.2	100.8	100.9	0.1	-1.3
Energy and petroleum products	13.60	135.6	141.4	138.0	-2.4	1.8
Primary ferrous metal products	3.32	98.5	105.9	105.6	-0.3	7.2
Primary non-ferrous metal products	8.03	97.9	102.9	104.5	1.6	6.7
Fabricated metal products and construction						
materials	3.17	100.8	102.3	102.3	0.0	1.5
Motorized and recreational vehicles	17.23	101.2	104.3	103.8	-0.5	2.6
Machinery and equipment	5.73	103.5	104.7	104.6	-0.1	1.1
Electrical, electronic, audiovisual and						
telecommunication products	4.69	102.6	102.3	102.0	-0.3	-0.6
Furniture and fixtures	1.49	101.5	102.7	102.7	0.0	1.2
Cement, glass, and other non-metallic mineral						
products	2.34	104.6	107.0	107.1	0.1	2.4
Packaging materials and containers	2.38	104.8	108.4	108.4	0.0	3.4
Miscellaneous products	2.41	105.1	107.9	108.4	0.5	3.1

r revised

Raw Materials Price Index - Not seasonally adjusted

	•	•				
	Relative importance ¹	July 2013	June 2014 ^r	July 2014 ^p	June to July 2014	July 2013 to July 2014
	%		(2010=100)		% ch	ange
Raw Materials Price Index (RMPI)	100.00	119.9	124.3	122.5	-1.4	2.2
RMPI excluding crude energy products	51.83	106.8	110.1	112.2	1.9	5.1
Crude energy products	48.17	133.9	139.7	133.6	-4.4	-0.2
Crop products	8.68	131.0	124.5	122.7	-1.4	-6.3
Animals and animal products	15.51	120.1	131.5	136.4	3.7	13.6
Non-metallic minerals	1.85	106.6	106.9	106.8	-0.1	0.2
Logs, pulpwood, natural rubber and other						
forestry products	2.84	103.6	110.0	109.0	-0.9	5.2
Metal ores, concentrates and scrap	22.96	89.2	90.5	92.8	2.5	4.0
•						

^r revised

p preliminary
 The relative importance is based on the annual 2010 values of production.

p preliminary
 1. The relative importance is based on the annual 2010 values of raw material inputs into production.

Available in CANSIM: tables 329-0074 to 329-0077 and 330-0008.

Table 329-0074: Industrial Product Price Index, by major commodity aggregations.

Table 329-0075: Industrial Product Price Index, by commodity.

Table 329-0076: Industrial Product Price Index, for selected groups, by region.

Table 329-0077: Industrial Product Price Index, by North American Industry Classification System.

Table 330-0008: Raw Materials Price Index, by commodity.

Definitions, data sources and methods: survey numbers 2306 and 2318.

The industrial product and raw materials price indexes for August will be released on September 30.

Food services and drinking places, June 2014

Sales in the food services and drinking places industry decreased for the first time in six months in June, declining 0.4% to \$4.8 billion. Prices for food purchased from restaurants rose 2.3% in the 12 months to June, following a 2.1% increase in May.

Chart 1

Food services and drinking places sales decrease in June

Lower sales were reported in three of the four sectors in June, led by the limited-service restaurant sector (-0.7%). The full-service restaurant sector posted a 0.2% decline, following a 1.5% increase in May. Sales in the drinking places sector (-0.6%) decreased for the second consecutive month. Sales in the special food services sector, which includes food service contractors, caterers and mobile food services, were unchanged.

Sales declined in seven provinces in June.

Following a strong gain in May, sales in Ontario were down 0.7%. Lower sales in the limited-service sector contributed to the decline. British Columbia reported lower sales (-0.5%) for the second month in a row. Following two consecutive monthly increases, Quebec reported a 0.4% decline. Lower sales were also reported in New Brunswick (-1.6%).

Sales in Alberta rose 0.4% in June, the largest increase in dollar terms among all provinces. Nova Scotia posted a 1.1% increase, following strong growth in the previous two months. Sales in Newfoundland and Labrador were up 0.8%, the first increase since January.

Note to readers

All data in this release are seasonally adjusted and expressed in current dollars. For more information on seasonal adjustment, see Seasonally adjusted data – Frequently asked questions.

Table 1
Food services and drinking places – Seasonally adjusted

	June 2013	March 2014 ^r	April 2014 ^r	May 2014 ^r	June 2014 ^p	May to June 2014	June 2013 to June 2014
		tho	ousands of dollar	s		chan	ge %
Total, food services sales	4,571,686	4,685,872	4,737,484	4,791,671	4,771,572	-0.4	4.4
Full-service restaurants	1,976,807	2,025,460	2,034,860	2,064,616	2,061,040	-0.2	4.3
Limited-service eating places	2,019,529	2,071,542	2,098,907	2,122,896	2,107,500	-0.7	4.4
Special food services	380,844	397,331	407,795	409,472	409,581	0.0	7.5
Drinking places	194,505	191,539	195,922	194,687	193,452	-0.6	-0.5
Provinces and territories							
Newfoundland and Labrador	66,579	67,510	67,377	66,848	67,394	0.8	1.2
Prince Edward Island	16,596	16,322	16,871	17,088	16,996	-0.5	2.4
Nova Scotia	111,126	110,579	113,766	115,887	117,108	1.1	5.4
New Brunswick	81,279	79,988	84,294	84,682	83,317	-1.6	2.5
Quebec	895,819	873,826	877,017	882,207	878,768	-0.4	-1.9
Ontario	1,739,915	1,804,776	1,819,982	1,869,648	1,856,314	-0.7	6.7
Manitoba	133,315	137,529	137,779	140,185	137,703	-1.8	3.3
Saskatchewan	141,514	147,849	148,971	149,040	148,430	-0.4	4.9
Alberta	683,813	706,214	727,845	725,854	728,994	0.4	6.6
British Columbia	686,438	727,378	729,732	726,619	722,910	-0.5	5.3

Table 1 Food services and drinking places - Seasonally adjusted

	June 2013	March 2014 ^r	April 2014 ^r	May 2014 ^r	June 2014 ^p	May to June 2014	June 2013 to June 2014
Yukon	5,240	5,499	5,686	5,673	F	F	F
Northwest Territories	8,518	7,237	6,947	6,691	F	F	F
Nunavut	1,532	1,165	1,216	1,248	F	F	F

^r revised

p preliminary
 F too unreliable to be published

Note(s): Figures may not add up to totals as a result of rounding.

Available in CANSIM: table 355-0006.

Definitions, data sources and methods: survey number 2419.

Couriers and Messengers Services Price Index, July 2014

The Couriers and Messengers Services Price Index (CMSPI) edged down 0.1% in July compared with June. The courier portion decreased 0.1% while the local messenger component was unchanged.

On a year-over-year basis, the CMSPI increased 6.6% in July.

Note to readers

The Couriers and Messengers Services Price Index is a monthly price index measuring the change over time in prices for courier and messenger services provided by long and short distance delivery companies to Canadian-based business clients.

Data for the current month and the previous six months of the series are subject to revision. The indexes are not seasonally adjusted.

Available in CANSIM: table 329-0053.

Definitions, data sources and methods: survey number 5064.

The Couriers and Messengers Services Price Index for August will be released on September 26.

Commercial Software Price Index, July 2014

The Commercial Software Price Index (CSPI) decreased by 0.6% in July compared with the previous month.

Year over year, the CSPI was up by 2.6%.

Note to readers

The Commercial Software Price Index is a monthly series measuring the change in the purchase price of software typically bought by businesses and governments. With each release, data for the previous six months may have been revised. The index is not seasonally adjusted.

This index is available at the Canada level only.

Available in CANSIM: table 331-0009.

Definitions, data sources and methods: survey number 5068.

The Commercial Software Price Index for August will be released on September 26.

Computer and peripherals price indexes, July 2014

Prices for commercial computers increased by 0.1% from June to July and consumer computer prices rose by 0.2%. In the case of computer peripherals, monitor prices fell by 0.4% and printer prices decreased by 0.2%.

Year over year, prices decreased 2.5% for commercial computers and prices for consumer computers were down by 4.7%. Monitor prices decreased by 5.1% and printer prices declined by 1.4%.

Note to readers

The computer and peripherals price indexes are monthly series measuring changes over time in the price of computers and computer peripherals sold to governments, businesses and consumers. With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

These indexes are available at the Canada level only.

Available in CANSIM: tables 331-0010 and 331-0011.

Definitions, data sources and methods: survey number 5032.

The computer and peripherals price indexes for August will be released on September 26.

New products and studies

New products

Canadian Economic Accounts Quarterly Review, Second quarter 2014, Vol. 13, no. 2 Catalogue number 13-010-X (HTML)

Release dates: September 2014

(Release dates are subject to change.)

Release date	Title	Reference period
4	Canadian international merchandise trade	July 2014
5	Labour Force Survey	August 2014
5	Labour productivity, hourly compensation and unit labour cost	Second quarter 2014
5	Stocks of principal field crops	July 31, 2014
5	Study: Enterprises with employees in many provinces or territories	
8	Building permits	July 2014
9	Study: Canadians with unmet home care needs	2012
10	Industrial capacity utilization rates	Second quarter 2014
11	Canada's international investment position	Second quarter 2014
11	New Housing Price Index	July 2014
12	National balance sheet and financial flow accounts	Second quarter 2014
16	Monthly Survey of Manufacturing	July 2014
16	Job vacancies	Three-month average ending in June 2014
17	Travel between Canada and other countries	July 2014
18	Employment Insurance	July 2014
18	Canada's international transactions in securities	July 2014
19	Consumer Price Index	August 2014
19	Wholesale trade	July 2014
23	Retail trade	July 2014
25	Payroll employment, earnings and hours	July 2014
26	National tourism indicators	Second quarter 2014
30	Gross domestic product by industry	July 2014
30	Industrial product and raw materials price indexes	August 2014

See also the release dates for major economic indicators for the rest of the year.



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