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MAJOR RELEASES

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MAJOR RELEASES

Chart 1

GDP at 1986 prices

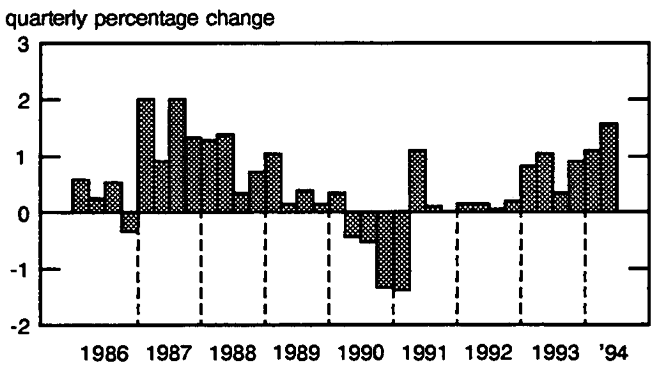
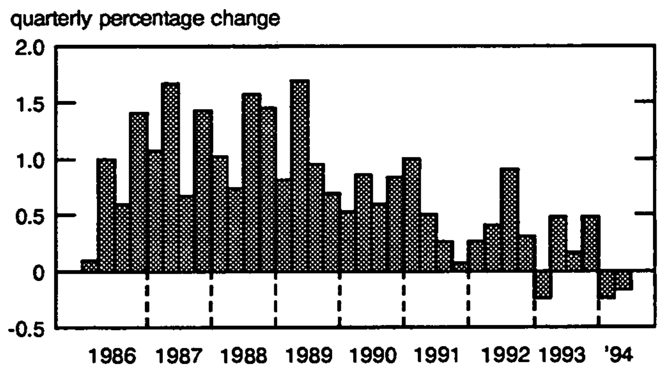


Chart 2

GDP implicit price index



National income and expenditure accounts

Second quarter 1994

The economy grew very rapidly in the second quarter of 1994, significantly more so than at any time since the height of the expansion in 1987 and 1988. Led by a substantial rise in exports and business investment spending, real gross domestic product at market prices advanced 1.6% (see chart 1), equivalent to 6.4% at an annual rate.

Personal expenditure increased moderately after a large jump in the first quarter, while government spending on goods and services declined further in volume terms. Labour income grew at the strongest rate in the past four years and corporation profits continued to surge. The inflation rate, influenced by a cut in tobacco excise taxes, was slightly negative for the second consecutive quarter (see chart 2).

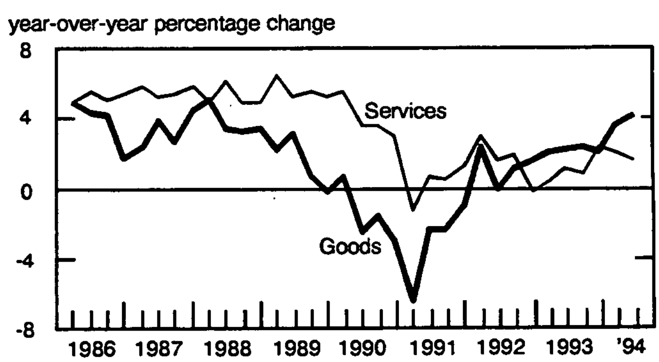
Personal expenditure on consumer goods and services

Consumers spent 0.7% more in the second quarter than in the first, after adjusting for inflation. The increase was lower than in the first quarter, when accelerated income tax refunds had boosted personal disposable income.

On a year-over-year basis, personal expenditure on goods rose 4.2% while spending on consumer services rose 1.6% (see chart 3). Outlays on furniture and appliances, clothing and footwear, and restaurant and hotel services all rose substantially in the quarter. The latter increase was partly a reflection of increased travel, both by Canadians and by non-residents, within Canada.

Chart 3

Personal expenditure on consumer goods and services at 1986 prices



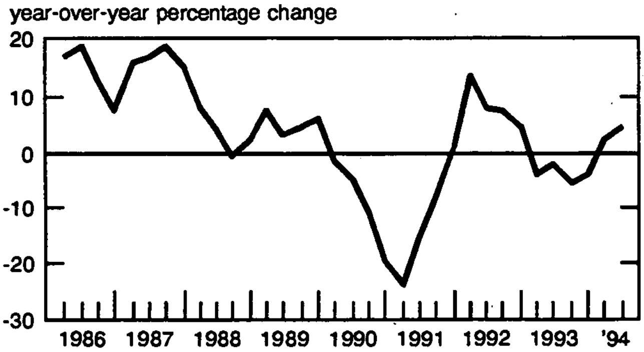
Expenditures on electricity, gas and other fuels fell, after a temporary rise due to unusually cold weather in the first quarter. The drop in net expenditure abroad, stimulated by the depreciation of the Canadian dollar over the past three years, continued apace.

Residential construction

Housing investment rose 4.3% in real terms during the second quarter and by a similar amount on a year-over-year basis (see chart 4). The quarterly increase was due to a sharp 8.1% rise in spending on new home-building and a 4.1% pickup in alterations and improvements to existing dwellings. The new construction activity was mainly in single unit dwellings and was concentrated in central and eastern Canada. Real estate commission outlays, which are normally quite volatile, fell 3.4% in the quarter, largely the result of declining activity in the British Columbia real estate market.

Chart 4

Business residential construction investment at 1986 prices

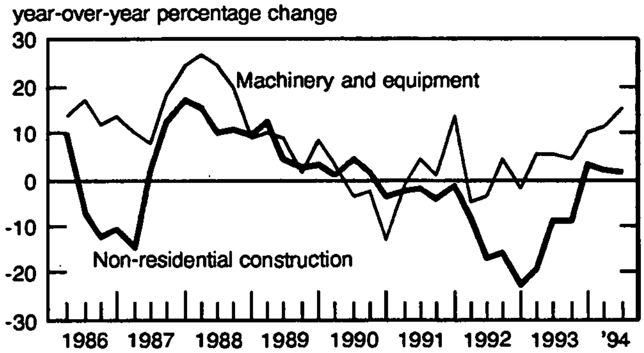


Business plant and equipment investment

Business plant and equipment spending surged 4.5% in the second quarter. Purchases of machinery and equipment, accounting for about 60% of total plant and equipment outlays, grew 5.2% due to higher spending on office equipment, industrial machinery and aircraft. Non-residential construction rose 2.7% reflecting increases in both industrial building construction and spending on oil and gas facilities. On a year-over-year basis, non-residential construction rose 1.3% and machinery and equipment investment rose 14.8% (see chart 5).

Chart 5

Business plant and equipment investment at 1986 prices



Expenditure components of GDP at constant 1986 prices

	First quarter to second quarter 1994	
	$ change*	% change
Final domestic demand	7,168	1.2
Personal expenditure	2,588	0.7
Durable goods	780	1.5
Semi-durable goods	644	2.1
Non-durable goods	704	0.8
Services	460	0.3
Government expenditure	-160	-0.1
Current goods and services	-716	-0.6
Investment	556	3.2
Business investment	4,740	4.4
Residential construction	1,368	4.3
Plant and equipment	3,372	4.5
Non-residential construction	624	2.7
Machinery and equipment	2,748	5.2
Inventory change	928	...
Government	20	...
Business non-farm	2,072	...
Farm	-1,164	...
Balance of trade on goods and services	1,064	...
Exports of goods and services	8,848	4.3
Merchandise	8,416	4.6
Non-merchandise	432	1.9
Less: Imports of goods and services	7,784	3.6
Merchandise	8,504	4.6
Non-merchandise	-720	-2.2
Statistical discrepancy	-68	...
Gross domestic product at market prices	**9,092**	**1.6**

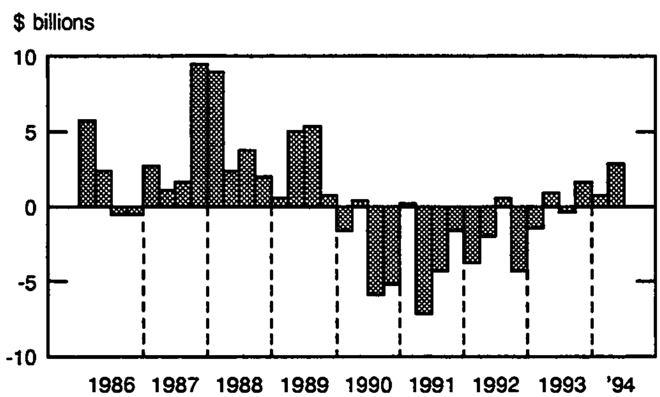
* *Millions of constant 1986 dollars.*
... *Figures not appropriate or not applicable.*

Business inventories

Non-farm business inventory investment contributed substantially to growth in the second quarter as businesses rebuilt stocks in response to the upward trend in demand. It was the third consecutive quarter of significant inventory-building following a three-year period of sustained destocking (see chart 6). The second quarter accumulation was concentrated in retail and wholesale trade, notably machinery wholesalers, and in natural gas utilities. Farm inventories fell slightly as grain exports picked up.

Chart 6

Business non-farm investment in inventory at 1986 prices



Exports and imports

The strong upswing in merchandise exports, underway since 1991, resumed in the second quarter with growth of 4.6%. Plant shutdowns for retooling in the auto manufacturing industry and the dockworkers' strike in British Columbia had slowed export growth somewhat in the first quarter.

Increased exports of passenger cars, office machines and equipment, wheat, lumber, television and communications equipment, and natural gas were partially offset by reduced exports of precious metals, petroleum and coal products, crude petroleum, motor vehicle parts and tobacco products. Service exports rose less rapidly than merchandise trade and were led by higher travel and freight and shipping receipts.

Merchandise imports also surged in the second quarter by 4.6% in volume terms. There were higher imports of computer equipment, motor vehicle parts, and industrial, communications and other equipment. These and other increases were partly offset by lower imports of passenger cars and tobacco.

The balance of trade in goods and services, at current prices and at an annual rate, was a deficit of $2.8 billion in the second quarter following a $4.1 billion deficit in the first. The current account deficit on a balance of payments basis – which also includes net investment income flows, transfer payments and reinvested earnings of direct investment enterprises – edged up from $29.6 billion in the first quarter to $30.2 billion in the second.

Price indexes

The general level of prices on a national accounts basis, measured by the GDP implicit price index, decreased 0.2% in the second quarter, the second small quarterly decline in a row.

Export prices rose 2.9% and prices of domestically purchased goods and services edged down 0.1%. Import prices, the effects of which are netted out in the calculation of GDP, rose 2.9%.

One important factor accounting for the faster growth of export and import prices was the weak Canadian dollar, which depreciated a further 3.0% vis-à-vis the United States dollar in the second quarter. Consumer prices were held down by cuts in tobacco taxes in February. This was reflected in the 1.3% decrease in the implicit price index for non-durable goods.

Implicit price indexes

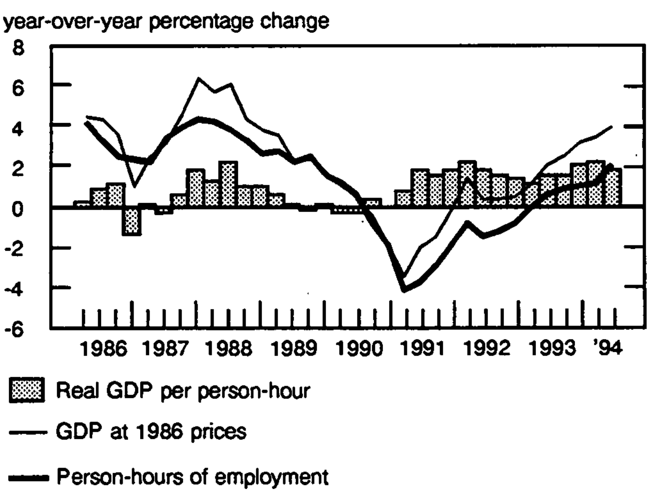
	First quarter to second quarter 1994
	% change
Final domestic demand	-0.1
Personal expenditure	0.0
Durable goods	0.2
Semi-durable goods	-0.2
Non-durable goods	-1.3
Services	0.7
Government expenditure	0.1
Current goods and services	0.2
Investment	-0.3
Business investment	0.2
Residential construction	0.1
Non-residential construction	1.0
Machinery and equipment	0.1
Exports of goods and services	2.9
Merchandise	3.1
Non-merchandise	1.4
Less: Imports of goods and services	2.9
Merchandise	3.0
Non-merchandise	3.3
Gross domestic product at market prices	**-0.2**

Personal income

Personal income advanced 1.2%, the most rapid growth rate in four years. Wages, salaries and supplementary labour income, up 1.4% on the strength of a 0.9% advance in paid hours worked, accounted for most of the increase. Person-hours worked continued to grow quite slowly in relation to output as they have since the spring of 1991 (see chart 7). Investment income of persons was essentially unchanged while unincorporated business income increased 0.9%.

Chart 7

Employment and output



Personal disposable (after-tax) income rose just 0.2%. This follows a sharp jump in the first quarter when Revenue Canada accelerated income tax refunds substantially in comparison with previous years. With moderate growth in consumer spending and very little growth in disposable income, the personal saving rate dipped from 8.9% in the first quarter to 8.4% in the second.

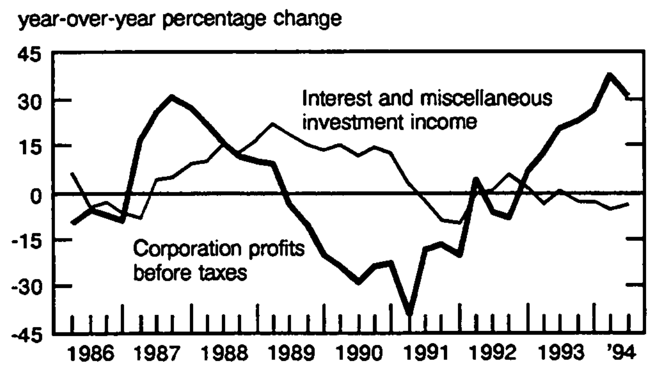
Corporate and interest income

Corporation profits before taxes surged 6.0% in the second quarter to $52.4 billion, continuing the upward trend evident for several quarters. On a year-over-year basis the increase was 30.2% (see chart 8). The impressive gains in profits this year have been attributable to several factors: productivity improvements, low wage rate increases, the pickup in demand and capital gains on inventories as raw material and semi-finished goods prices have risen sharply.

Undistributed profits, after deduction of corporate income taxes and dividends, rose to $14.9 billion, helping to finance the expansion of business capital spending. Undistributed profits were negative in late 1991 and in 1992, but they have risen steadily over the past year and a half. Interest and miscellaneous investment income also rose in the second quarter, by 2.0%, but remained marginally lower than the year-earlier level (also in chart 8).

Chart 8

Corporation profits before taxes and miscellaneous investment income



Output by industry

Goods production jumped 2.8% after edging ahead 0.4% in the first quarter. Manufacturers accounted for about half of the overall gain, with production rising in 20 of the 21 major industry groups. Mining production rebounded 5.6% after declining the previous two quarters. The advance was led by a surge in drilling and higher production of crude oil and natural gas. Construction rose 3.7% and the output of utilities slipped 0.2% following a 4.4% surge in the first quarter when the consumption of electricity and natural gas soared because of the exceptionally cold weather.

Output of services advanced 0.7% in the second quarter. Wholesalers enjoyed a 2.7% gain in sales while retailers' sales grew 1.3% after jumping 3.3% in the first quarter. Transportation services rose 2.2% led by increases in railway and truck transport.

The strength in manufacturing throughout the quarter contributed significantly to demand for transportation services. Higher carloadings of grain added to the strength in rail transport. Finance, insurance and real estate services fell 0.8% as brokerage, real estate and mutual fund activities declined each month of the quarter following the rise in interest rates at the end of March.

Available on CANSIM: matrices 6701-6702, 6704-6707, 6709-6716, 6718, 6720-6722, 6724-6727, 6729-6736, 6738, 6740, 6828-6839, 6846, 7404-7408 and 7420-7434.

For further information, contact an information officer (613-951-3640), National Accounts and Environment Division.

The second quarter 1994 issue of *National income and expenditure accounts, quarterly estimates* (13-001, $35/$140) will be released in September. See "How to order publications". A set of 64 printed tables of unadjusted and seasonally adjusted quarterly data plus supplementary analytical tables and charts is also available on release day ($50/$180).

On release day at 8:30 a.m., the complete quarterly national accounts data set is available on microcomputer diskette by modem transfer ($125/$500). The diskettes are also available by mail seven days after the official release date ($25/$100).

To purchase any of these products or to obtain more product information, contact a client services officer (613-951-3640), National Accounts and Environment Division. □

Gross domestic product, income-based

	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	First quarter 1994	Second quarter 1994	Fourth quarter 1993 to first quarter 1994	First quarter 1994 to second quarter 1994
	$ millions					% change at quarterly rates	
	seasonally adjusted at annual rates						
Wages, salaries and supplementary labour income[1]	399,172	401,052	403,476	406,076	411,732	0.6	1.4
Corporation profits before taxes	40,208	40,496	42,444	49,392	52,356	16.4	6.0
Interest and miscellaneous investment income	56,620	54,400	53,964	53,344	54,388	-1.1	2.0
Accrued net income of farm operators from farm production	2,236	2,516	2,372	3,064	3,340	29.2	9.0
Net income of non-farm unincorporated business, including rent	38,104	38,508	38,820	38,580	38,928	-0.6	0.9
Inventory valuation adjustment	-860	-3,408	-2,884	-4,924	-5,808	-2,040[2]	-884[2]
Net domestic income at factor cost	535,480	533,564	538,192	545,532	554,936	1.4	1.7
Indirect taxes less subsidies	86,524	89,624	93,228	92,004	91,512	-1.3	-0.5
Capital consumption allowances	86,092	87,884	88,336	90,184	91,600	2.1	1.6
Statistical discrepancy	2,228	2,452	3,608	1,488	1,568	-2,120[2]	80[2]
Gross domestic product at market prices	**710,324**	**713,524**	**723,364**	**729,208**	**739,616**	**0.8**	**1.4**

[1] *Includes military pay and allowances.*
[2] *Actual change in millions of dollars.*

Gross domestic product, expenditure-based

	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	First quarter 1994	Second quarter 1994	Fourth quarter 1993 to first quarter 1994	First quarter 1994 to second quarter 1994
	$ millions at current prices					% change at quarterly rates	
	seasonally adjusted at annual rates						
Personal expenditure on consumer goods and services	435,416	439,256	443,728	447,896	451,184	0.9	0.7
Durable goods	55,716	56,616	57,648	59,420	60,456	3.1	1.7
Semi-durable goods	39,148	39,552	39,712	40,412	41,136	1.8	1.8
Non-durable goods	115,708	115,880	116,556	116,788	116,212	0.2	-0.5
Services	224,844	227,208	229,812	231,276	233,380	0.6	0.9
Government current expenditure on goods and services	152,880	153,404	153,504	152,664	152,072	-0.5	-0.4
Government investment in fixed capital	16,188	16,448	16,768	16,624	17,096	-0.9	2.8
Government investment in inventories	-28	20	-4	24	44	28[1]	20[1]
Business investment in fixed capital	109,924	110,868	114,056	115,628	120,928	1.4	4.6
Residential construction	43,372	42,840	43,308	44,552	46,508	2.9	4.4
Non-residential construction	27,300	27,016	27,856	27,436	28,456	-1.5	3.7
Machinery and equipment	39,252	41,012	42,892	43,640	45,964	1.7	5.3
Business investment in inventories	2,436	744	2,972	2,004	2,624	-968[1]	620[1]
Non-farm	932	-160	2,504	1,344	2,980	-1,160[1]	1,636[1]
Farm and grain in commercial channels	1,504	904	468	660	-356	192[1]	-1,016[1]
Exports of goods and services	204,484	209,800	219,392	221,708	237,932	1.1	7.3
Merchandise	178,000	182,404	191,448	193,016	208,324	0.8	7.9
Non-merchandise	26,484	27,396	27,944	28,692	29,608	2.7	3.2
Deduct: imports of goods and services	208,748	214,568	223,444	225,856	240,696	1.1	6.6
Merchandise	168,952	173,308	182,000	185,020	199,428	1.7	7.8
Non-merchandise	39,796	41,260	41,444	40,836	41,268	-1.5	1.1
Statistical discrepancy	-2,228	-2,448	-3,608	-1,484	-1,568	2,124[1]	-84[1]
Gross domestic product at market prices	**710,324**	**713,524**	**723,364**	**729,208**	**739,616**	**0.8**	**1.4**
Final domestic demand	714,408	719,976	728,056	732,812	741,280	0.7	1.2
	$ millions at 1986 prices						
Personal expenditure on consumer goods and services	342,964	344,444	346,496	350,260	352,848	1.1	0.7
Durable goods	49,132	49,588	50,120	51,200	51,980	2.2	1.5
Semi-durable goods	30,476	30,676	30,664	31,176	31,820	1.7	2.1
Non-durable goods	89,812	90,176	90,272	92,032	92,736	1.9	0.8
Services	173,544	174,004	175,440	175,852	176,312	0.2	0.3
Government current expenditure on goods and services	119,072	118,824	118,880	117,892	117,176	-0.8	-0.6
Government investment in fixed capital	16,480	16,760	17,348	17,344	17,900	-0.0	3.2
Government investment in inventories	-24	20	-4	20	40	24[1]	20[1]
Business investment in fixed capital	103,096	103,868	106,564	107,040	111,780	0.4	4.4
Residential construction	31,820	31,244	31,480	31,716	33,084	0.7	4.3
Non-residential construction	23,132	22,708	23,376	22,804	23,428	-2.4	2.7
Machinery and equipment	48,144	49,916	51,708	52,520	55,268	1.6	5.2
Business investment in inventories	1,936	584	2,216	1,636	2,544	-580[1]	908[1]
Non-farm	824	-376	1,596	784	2,856	-812[1]	2,072[1]
Farm and grain in commercial channels	1,112	960	620	852	-312	232[1]	-1,164[1]
Exports of goods and services	195,060	198,304	205,052	207,356	216,204	1.1	4.3
Merchandise	173,460	175,888	182,336	184,076	192,492	1.0	4.6
Non-merchandise	21,600	22,416	22,716	23,280	23,712	2.5	1.9
Deduct: imports of goods and services	206,936	209,164	216,888	217,344	225,128	0.2	3.6
Merchandise	171,856	173,944	182,356	183,976	192,480	0.9	4.6
Non-merchandise	35,080	35,220	34,532	33,368	32,648	-3.4	-2.2
Statistical discrepancy	-1,784	-1,956	-2,872	-1,188	-1,256	1,684[1]	-68[1]
Gross domestic product at market prices	**569,864**	**571,684**	**576,792**	**583,016**	**592,108**	**1.1**	**1.6**
Final domestic demand	581,612	583,896	589,288	592,536	599,704	0.6	1.2
	implicit price indexes, 1986=100						
Personal expenditure on consumer goods and services	127.0	127.5	128.1	127.9	127.9	-0.2	0.0
Government current expenditure on goods and services	128.4	129.1	129.1	129.5	129.8	0.3	0.2
Government investment in fixed capital	98.2	98.1	96.7	95.8	95.5	-0.9	-0.3
Business investment in fixed capital	106.6	106.7	107.0	108.0	108.2	0.9	0.2
Exports of goods and services	104.8	105.8	107.0	106.9	110.0	-0.1	2.9
Deduct: imports of goods and services	100.9	102.6	103.0	103.9	106.9	0.9	2.9
Gross domestic product at market prices	**124.6**	**124.8**	**125.4**	**125.1**	**124.9**	**-0.2**	**-0.2**
Final domestic demand	122.8	123.3	123.5	123.7	123.6	0.2	-0.1

[1] *Actual change in millions of dollars.*

■

Real gross domestic product at factor cost by industry

June 1994

The economy continued to strengthen in June, led by another solid gain in goods-producing industries. Gross domestic product at factor cost rose 0.5% in June, about equal to the pace in April and May when output grew 0.4%.

Goods producers raised output a further 1.0%, after increasing output 1.1% a month on average the previous three months. Output of services rose 0.2% in June following a similar increase in May.

Goods-producing industries

While manufacturers continued to buoy the goods sector, by June an awakening construction industry contributed slightly more to the monthly growth than did manufacturing. Together these industries were responsible for most of the advance in goods production, although increases in mining and utilities added to the strength. Output in agriculture, fishing and forestry declined slightly.

Construction output accelerated to 2.8% in June, from 1.7% in April and 1.9% in May. The solid gains mirrored a sizeable improvement in employment in the second quarter. Homebuilders raised production 2.5%, mainly single- and double-dwellings. Non-residential construction advanced 2.8% reflecting higher activity on industrial and commercial projects. Engineering construction rose 3.0% in June.

Manufacturers increased output 0.7%, which was still solid growth but down from rates above 0.9% in the preceding three months. Production of durable goods rose 0.8%, moderated only by a decline in transportation equipment.

Producers of electrical and electronic equipment raised output 1.3% as domestic and foreign demand for their products remained high. Exports of electronic equipment have increased for several months while investment in office machinery soared in the second quarter.

Manufacturers of wood products increased production 2.4%, helped not only by a gain in exports, but also by the strength in construction.

Production of transportation equipment fell 0.9% mainly because of a 3.9% decline in the production of aircraft and parts where output was curbed by a labour dispute. Producers of motor vehicles and parts also reduced output slightly after a strong gain in May. Despite the decline, shipments of motor vehicles continued to increase as producers reduced their inventories.

Producers of non-durable goods raised output 0.6%, with paper and allied products accounting for about half the gain. Output of pulp, newsprint, and other paper increased, reflecting higher shipments abroad. Strong foreign demand, declining inventories, and concern about a potential strike by pulp workers in British Columbia have pushed up prices since the beginning of the year. Low inventories and stronger demand have also boosted the price of newsprint.

Output in **mining, quarrying and oil wells** advanced 1.0%, led by a 10.5% increase in drilling as rig-related activities remained strong for a third consecutive month. The rise in drilling activity is attributed to lower production costs for natural gas in Canada compared to the United States, and to a decline in the value of the Canadian dollar. Output in metal mines excluding gold grew 5.2% in June, reflecting mostly higher production of uranium and copper. Because of the sharp rise in the price of non-ferrous metals since the beginning of the year, several mines are scheduled to re-open later this year. Producers of crude oil reduced output 0.6% following six consecutive monthly increases.

Services-producing industries

Goods-handling services such as transportation and wholesale and retail trade accounted for most of the growth in services in the second quarter, but of these, only retail trade continued to grow robustly in June. Retail trade and communications accounted for most of the increase in services in June. Wholesale trade and transportation and storage services grew at a slower pace, while the financial group and community, business, and personal services declined slightly.

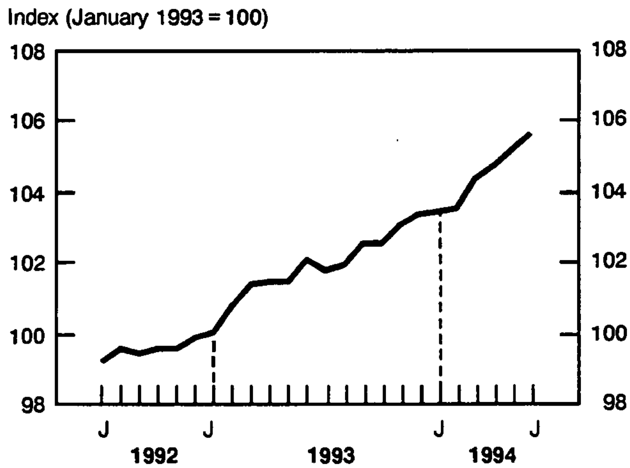
Retailers increased their sales 1.0% in each of the last two months following a 1.7% decline in April when motor vehicle sales fell sharply. After improving in May and June, sales by motor vehicle dealers were back to their March level. Clothing retailers and department stores also contributed to the overall gain. Sales increased in 11 of 18 trade groups in June, compared to 13 in May.

Sales by wholesalers increased 0.3% after gaining 1.2% the previous month. Sales of machinery and equipment declined slightly following a strong gain in May. Sales of grain also declined after remaining high between March and May. Higher sales of consumer oriented goods such as food, drugs, tobacco and alcoholic beverages, and household goods and apparel more than offset these declines.

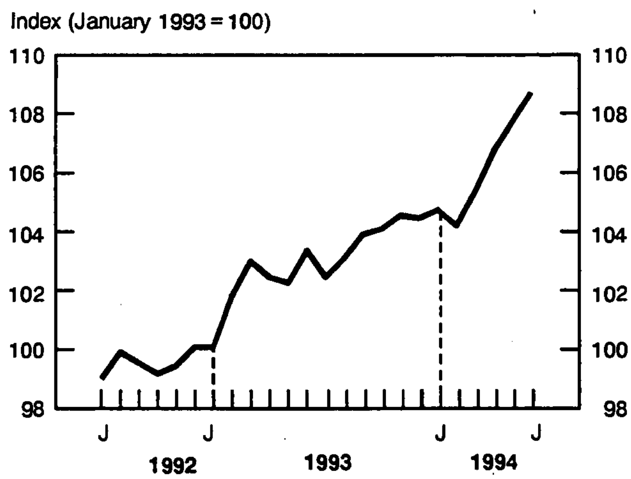
Gross domestic product

Seasonally adjusted at 1986 prices

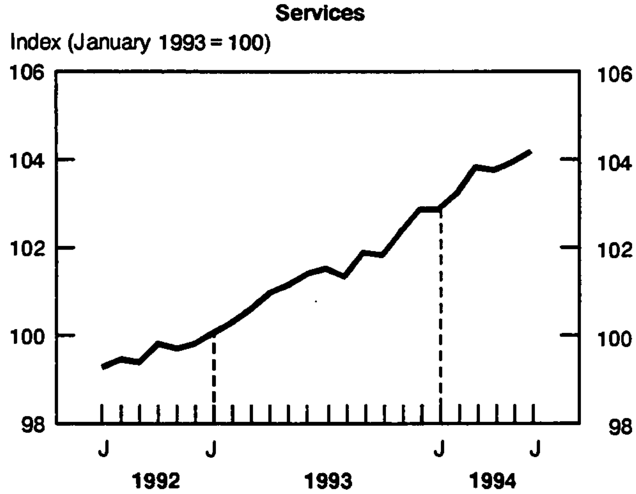
Total economy



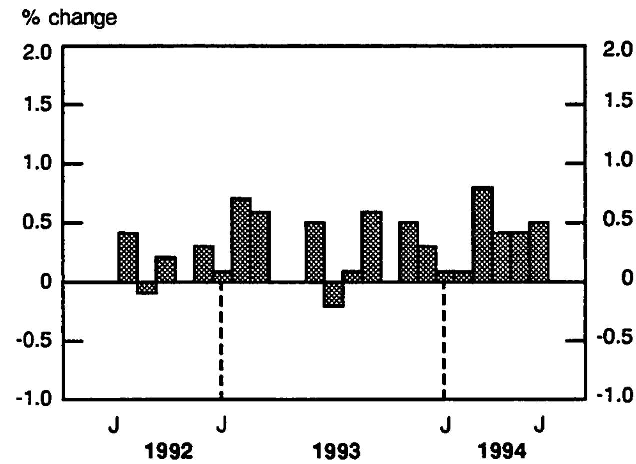
Goods



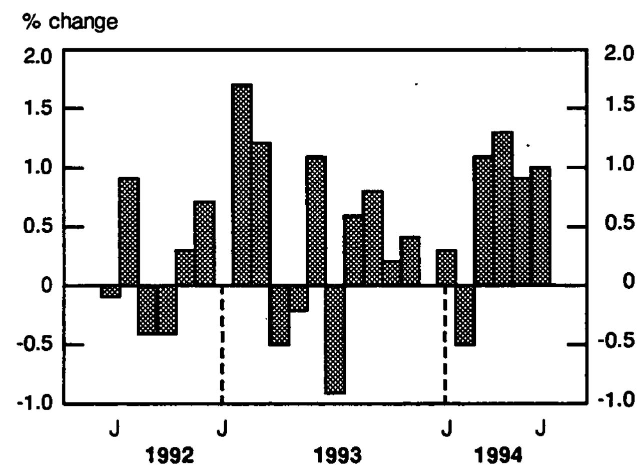
Services



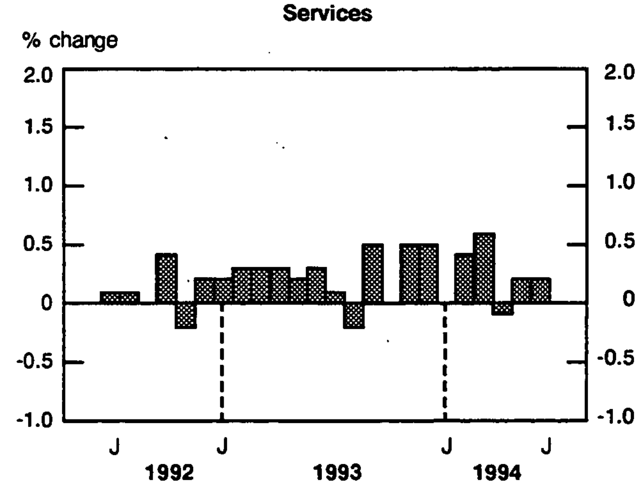
Total economy



Goods



Services



Transportation and storage services advanced 0.3% after gaining 1.1% in May. Transportation services inched ahead 0.1% led by a 0.7% gain in truck transport. Trucking services have improved considerably along with the rise in manufacturing since March. Pipeline operators increased output 1.6%, led by a 1.8% advance in the throughput of natural gas.

Finance, insurance and real estate services declined 0.1%, a fourth consecutive monthly decline. Trust, other finance and real estate services fell 0.6% after dropping 2.3% in May. Housing resales continued to weaken with the rise in interest rates. The number of houses for sale remained low. Assets and sales of mutual funds declined again and output receded for a fourth consecutive month. Security brokers' activities rebounded this month, helped by a number of new stock and bond issues by corporations and provincial administrations.

Available on CANSIM: matrices 4670-4674.

Note: The data have been revised back to January 1989. The data incorporate revised benchmarks for 1990 and preliminary benchmarks for 1991.

The June 1994 issue of *Gross domestic product by industry* (15-001, $14/$140), will be available in September 1994. See "How to order publications".

For further information, contact Michel Girard (613-951-9145), Industry Measures and Analysis Division. □

Gross domestic product at factor cost by industry

	June 1993[r]	April 1994[r]	May 1994[r]	June 1994[p]	March 1994 to April 1994	April 1994 to May 1994	May 1994 to June 1994	June 1993 to June 1994
	$ millions at 1986 prices				% change			
	seasonally adjusted at annual rates							
Total economy	**511,804.3**	**525,486.7**	**527,610.4**	**530,176.0**	**0.4**	**0.4**	**0.5**	**3.6**
Goods-producing industries	171,487.5	177,115.0	178,680.3	180,446.2	1.3	0.9	1.0	5.2
Services-producing industries	340,316.8	348,371.7	348,930.1	349,729.8	-0.1	0.2	0.2	2.8
Business sector	**419,104.1**	**433,513.6**	**435,799.3**	**438,236.5**	**0.4**	**0.5**	**0.6**	**4.6**
Goods	170,575.7	176,206.8	177,770.9	179,530.8	1.3	0.9	1.0	5.2
Agriculture	10,676.7	10,887.6	10,976.5	10,941.6	0.8	0.8	-0.3	2.5
Fishing and trapping	1,010.3	1,031.2	1,056.0	1,041.1	1.6	2.4	-1.4	3.0
Logging	2,975.2	3,020.4	2,900.6	2,891.0	3.0	-4.0	-0.3	-2.8
Mining	22,939.8	22,778.4	22,939.7	23,170.0	2.7	0.7	1.0	1.0
Manufacturing	90,824.5	95,211.9	96,052.2	96,741.8	1.0	0.9	0.7	6.5
Construction	25,975.7	26,478.0	26,979.5	27,735.1	1.7	1.9	2.8	6.8
Other utility industries	16,173.5	16,799.3	16,866.4	17,010.2	0.5	0.4	0.9	5.2
Services	248,528.4	257,306.8	258,028.4	258,705.7	-0.2	0.3	0.3	4.1
Transportation and storage	21,728.8	22,561.1	22,807.4	22,886.5	-0.3	1.1	0.3	5.3
Communications	19,475.2	20,659.1	20,708.3	20,982.0	0.4	0.2	1.3	7.7
Wholesale trade	31,083.6	33,470.2	33,882.2	33,967.4	0.5	1.2	0.3	9.3
Retail trade	30,967.3	32,691.8	33,004.5	33,341.3	-1.7	1.0	1.0	7.7
Finance, insurance and real estate	83,281.0	85,379.4	85,066.5	85,020.0	-0.4	-0.4	-0.1	2.1
Community, business and personal services	61,992.5	62,545.2	62,559.5	62,508.5	0.2	0.0	-0.1	0.8
Non-business sector	**92,700.2**	**91,973.1**	**91,811.1**	**91,939.5**	**0.4**	**-0.2**	**0.1**	**-0.8**
Goods	911.8	908.2	909.4	915.4	-0.4	0.1	0.7	0.4
Services	91,788.4	91,064.9	90,901.7	91,024.1	0.4	-0.2	0.1	-0.8
Government services	33,806.6	33,465.8	33,415.4	33,397.4	0.1	-0.2	-0.1	-1.2
Community and personal services	54,638.9	54,291.0	54,233.4	54,369.0	0.7	-0.1	0.3	-0.5
Other services	3,342.9	3,308.1	3,252.9	3,257.7	-0.1	-1.7	0.1	-2.5
Other aggregations								
Industrial production	130,849.6	135,697.8	136,767.7	137,837.4	1.2	0.8	0.8	5.3
Non-durable manufacturing	41,686.0	42,695.1	42,753.3	42,990.7	0.7	0.1	0.6	3.1
Durable manufacturing	49,138.5	52,516.8	53,298.9	53,751.1	1.4	1.5	0.8	9.4

r *Revised figures.*
p *Preliminary figures.*

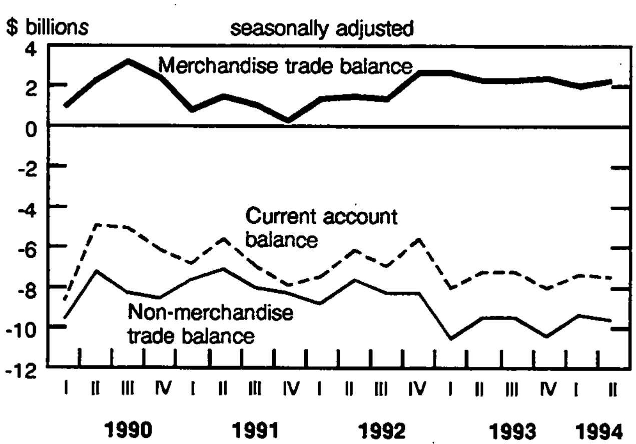
Canada's balance of international payments

Second quarter 1994

The current account deficit edged up to $7.5 billion on a seasonally adjusted basis, remaining well within the range observed over the five previous quarters (chart 1). The increase reflected a higher deficit on non-merchandise transactions which outpaced a rise in the merchandise trade surplus. Profits in Canada of foreign-owned companies (foreign direct investment) and interest payments on Canadian short-term paper largely explained the $0.4 billion increase in the non-merchandise deficit to $9.8 billion.

Chart 1

Small increase in current account deficit



The merchandise trade surplus rose by only $0.2 billion to $2.2 billion as an unprecedented gain of $3.8 billion in exports was parallelled by a similar surge of $3.6 billion in imports. Canadian auto exporters led record sales abroad while Canadian businesses stepped up their purchases abroad of machinery and equipment.

The capital account (not adjusted for seasonality) indicates that non-residents continued to invest in Canada. However, they shifted some of their funds to shorter-term debt instruments. On a net basis, non-residents channelled an exceptionally large $7.0 billion into Government of Canada treasury bills and an additional $1.1 billion into other short-term paper. They also lent to Canada $4.1 billion of very short-term loans (classified as "other liabilities").

Note to users

The balance of payments statement measures Canada's international transactions allocated either in the current account or in the capital account. Current account transactions cover goods, services, investment income and transfers. Receipts in the current account show the foreign use of Canadian resources while payments show the Canadian use of foreign resources. The capital account covers transactions arising from Canadian investments in foreign countries (assets) as well as from foreign investments in Canada (liabilities).

A deficit on Canada's current account arises when payments exceed receipts, indicating that Canadian residents purchased more from abroad than they sold there. A deficit in the current account involves a net inflow of capital in Canada. Such a net inflow occurs usually because non-residents invested more in Canada than Canadian residents invested abroad; it may also result from a net withdrawal of Canadian investment abroad, but this is less frequent. In other words, a current account deficit is balanced by a net inflow of savings from abroad.

Net foreign investment in Canadian bonds was moderate, at $1.1 billion. These net inflows were encouraged by higher interest rate differentials in favour of Canada as Canadian rates rose more than their U.S. counterparts. There were, however, uncertainties concerning the future direction of interest rates following the sharp U.S.-led increase in the previous quarter. For the seventh consecutive quarter, non-residents added to their holdings of Canadian stocks, investing a further $1.3 billion in the second quarter of 1994.

Canadian residents invested in foreign portfolio securities, but less than the substantial amounts of the previous two quarters. Similarly, Canadian direct investors moderated their investment abroad.

Following a sharp depreciation through the beginning of April, the Canadian dollar stabilized against the United States dollar, averaging US72.34 cents for the second quarter as a whole. It continued, however, to depreciate against other major currencies.

Current account, seasonally adjusted

Moderate rise in non-merchandise deficit

Canada's deficit on non-merchandise transactions increased to $9.8 billion, after narrowing in the previous quarter. The rise in the second quarter reflected a higher deficit on investment income, which rose from $6.6 billion to $6.9 billion; higher profits in Canada accruing to foreign direct investors were accompanied by larger interest payments on Canadian short-term paper.

Profits of foreign direct investors rose mainly in the transportation equipment industry and, to a lesser extent, in chemical products and textiles as well as in wood and paper industries. An increase in foreign holdings of Canadian short-term paper, especially Government of Canada treasury bills, coupled with higher interest rates, boosted interest payments abroad. These payments were partly offset by higher receipts of investment income.

The deficit on service transactions edged down to $2.9 billion. A slight increase in the deficits on travel and on transportation partly offset a lower deficit on business services. The travel deficit, at $1.7 billion, was the second lowest since the first quarter of 1991. After reducing their expenditures abroad over the previous three quarters, Canadian travellers increased their foreign outlays in the second quarter of 1994. This was partly offset by the higher spending of foreign travellers to Canada who stepped up their spending for a seventh consecutive quarter.

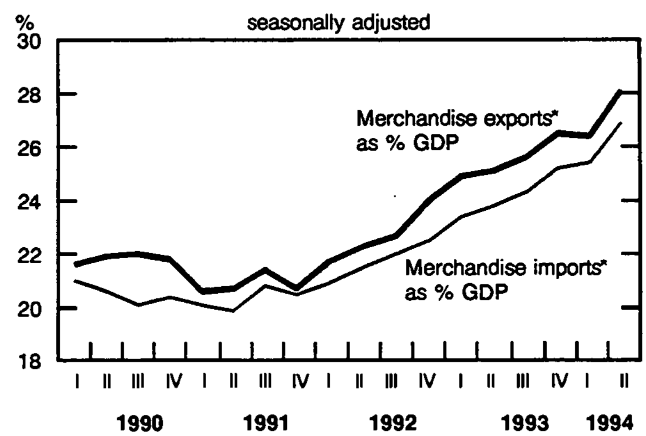
Surge of merchandise exports and imports

After a slow-down in the previous quarter, merchandise exports and imports surged in the second quarter, advancing by almost 8%, a rate not seen since the fourth quarter of 1983 for exports and of 1987 for imports. However, this did not significantly increase the merchandise trade surplus which rose from $2.0 billion to $2.2 billion, as the increase in exports was almost completely offset by that in imports. For a fifth consecutive quarter, Canada increased its trade surplus with the United States, more than offsetting a higher deficit with other countries.

Merchandise exports advanced by $3.8 billion to $52.1 billion. At annual rates, this represented 28% of the GDP, the highest ratio recorded to date (chart 2). The increase was led by autos. Machinery and equipment, agricultural products as well as industrial materials also increased strongly. Exports of precious metals and auto parts declined slightly.

Chart 2

Merchandise trade jumps as share of economy



* *Annualized rates.*

Merchandise imports climbed by $3.6 billion to $49.9 billion. At annual rates, this represented a record 27% of GDP. The increase was led by machinery and equipment with strong advances also recorded in automotive parts and trucks as well as in industrial materials. Declines were minor.

More profits by foreign direct investors; interest payments keep rising

	1993				1994	
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
	$ millions seasonally adjusted					
Payments						
Interest	7,437	7,532	7,380	7,560	7,803	8,079
Portfolio dividends	174	201	218	229	240	240
Profits	1,342	1,413	881	1,748	587	884
Direct dividends	900	922	1,027	495	814	637
Reinvested earnings	442	490	-147	1,253	-227	247
Total investment income	**8,953**	**9,145**	**8,479**	**9,537**	**8,630**	**9,204**

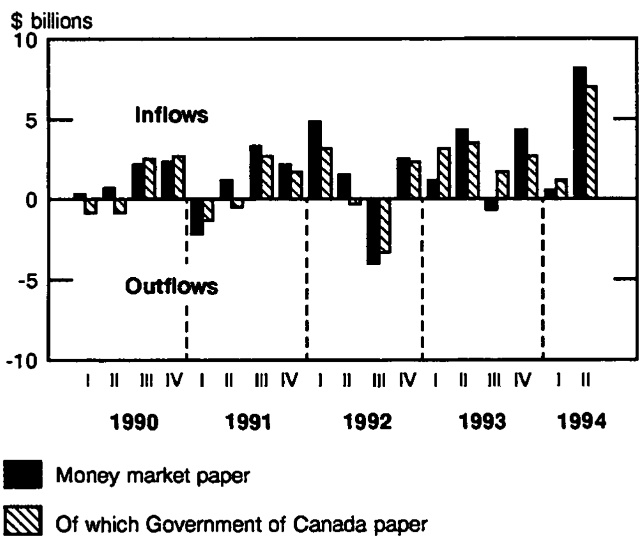
Capital account

Stronger foreign investment in Canadian short-term paper

Non-residents purchased a record $8 billion of Canadian money market paper, largely Government of Canada treasury bills (chart 3). The net investment continued to originate from the United States and European Community countries. Trading volume reached a record $164 billion made up of sales of $86 billion and purchases of $78 billion. At the end of the quarter, non-residents held a record $55 billion of Canadian money market paper, $41 billion of it in Government of Canada paper. This brought foreign holdings of federal government paper to over one-quarter of the total amount outstanding.

Chart 3

Foreign investment in Canadian money market paper



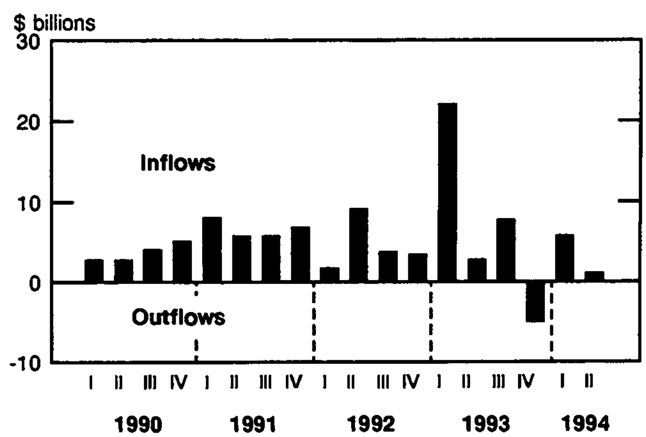
Non-residents also lent Canadian residents a net $4.1 billion in the form of very short-term advances under repurchase agreements; these arrangements entail lending money for a short period using existing securities as collateral. The volume of borrowing in this form has increased phenomenally in recent quarters and amounted to over $300 billion in the second quarter of 1994.

More moderate foreign demand for long-term Canadian securities

Foreign investors channelled $1.1 billion into Canadian bonds, on a net basis (chart 4). They purchased $7.9 billion of new issues and redeemed $5.6 billion of matured issues. In the secondary market, however, they sold a net $1.2 billion of existing bonds, their third consecutive quarterly sell-off in that market. On a net basis, non-residents were purchasers of provincial bonds, investing in new provincial issues denominated in U.S. dollars but selling existing provincials denominated in Canadian dollars.

Chart 4

Foreign investment in Canadian bonds



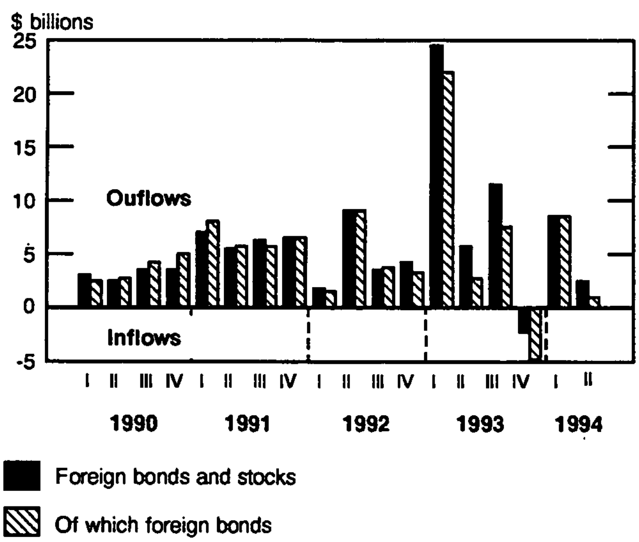
Non-residents acquired $1.3 billion of Canadian stocks. While substantial, this was the lowest net quarterly foreign investment since the end of 1992. Compared to preceding quarters when the investment came largely from the United States, the second quarter investment was more widespread geographically.

More subdued Canadian demand for foreign securities

Canadian investors purchased $1.4 billion of foreign securities, down from an average $6.1 billion in the two preceding quarters (chart 5). Their investment in the second quarter went entirely into foreign stocks. Most of Canadian investment in stocks continued to go to overseas stocks, though the portion in U.S. stocks doubled to 40% in the second quarter of 1994.

Chart 5

Canadian investment in foreign bonds and stocks



Available on CANSIM: matrices 1364, 1370, 2323-2329, 2331-2339, 2343-2349, 2353-2355 and 2357.

The second quarter issue of *Canada's balance of international payments* (67-001, $30/$120) will be available in October. See "How to order publications".

For further information, contact Lucie Laliberté (613-951-9055), Balance of Payments Division. □

Balance of international payments

	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	First quarter 1994	Second quarter 1994	1992	1993
				$ millions			
				unadjusted			
Current account							
Receipts							
Merchandise exports	46,736	43,469	48,482	47,551	55,023	155,794	181,342
Non-merchandise							
Services	6,857	8,615	6,055	5,877	7,712	24,611	26,880
Investment income[1]	2,745	2,361	2,242	1,977	2,274	9,938	9,449
Of which: reinvested earnings	308	-70	-226	-110	-17	497	-495
Transfers	1,076	1,158	1,190	1,107	1,043	4,212	4,392
Total non-merchandise receipts	10,678	12,135	9,488	8,961	11,030	38,761	40,721
Total receipts	57,414	55,604	57,970	56,513	66,054	194,555	222,063
Payments							
Merchandise imports	43,964	42,115	45,234	45,821	52,415	149,101	171,827
Non-merchandise							
Services	10,037	10,536	9,862	10,386	10,374	37,637	40,681
Investment income[1]	9,670	8,643	8,803	8,757	10,483	30,204	36,114
Of which: reinvested earnings	1,020	325	117	-89	916	-3,536	2,039
Transfers	916	951	950	1,017	916	4,095	4,145
Total non-merchandise payments	20,623	20,130	19,615	20,160	21,772	71,936	80,940
Total payments	64,587	62,245	64,849	65,981	74,187	221,037	252,767
Balances							
Merchandise	+2,772	+1,354	+3,249	+1,731	+2,609	+6,692	+9,515
Non-merchandise	-9,945	-7,995	-10,128	-11,199	-10,742	-33,175	-40,219
Total current account	-7,173	-6,641	-6,879	-9,468	-8,133	-26,483	-30,704
Capital account[2]							
Canadian claims on non-residents, net flows							
Canadian direct investment abroad[1]	-1,787	-3,451	-2,242	-1,351	-563	-4,459	-9,258
Of which: reinvested earnings	-308	+70	+226	+110	+17	-497	+495
Portfolio securities							
Foreign bonds	-1,058	-206	-2,462	-981	+128	-900	-4,062
Foreign stocks	-1,832	-870	-4,472	-4,319	-1,490	-7,387	-8,900
Government of Canada assets							
Official international reserves	+1,878	+1,766	-1,952	+2,430	-494	+6,987	+598
Loans and subscriptions	-132	+94	-5	-370	-581	-1,696	-11
Non-bank deposits abroad	+1,242	-2,368	+2,713	+591	-646	+1,636	-699
Other claims	+473	+737	+722	+384	-1,858	+2,953	+2,040
Total Canadian claims, net flow	-1,218	-4,298	-7,697	-3,616	-5,504	-2,866	-20,291
Canadian liabilities to non-residents, net flows							
Foreign direct investment in Canada[1]	+2,340	+806	+2,830	+2,754	+1,413	+5,531	+7,649
Of which: reinvested earnings	+1,020	+325	+117	-89	+916	-3,536	+2,039
Portfolio securities							
Canadian bonds	+2,823	+7,532	-4,945	+5,521	+1,121	+17,509	+27,497
Canadian stocks	+3,021	+3,857	+2,729	+3,043	+1,294	+1,036	+11,910
Canadian banks' net foreign currency transactions with non-residents[3]	+665	-6,123	+10,885	-4,465	-1,279	-3,563	-650
Money market instruments:							
Government of Canada paper	+3,511	+1,688	+2,654	+1,192	+6,985	+1,915	+10,939
Other paper	+854	-2,304	+1,780	-689	+1,096	+2,983	-1,643
Allocation of special drawing rights	–	–	–	–	–	–	–
Other liabilities	-41	+1,436	+47	+1,342	+2,895	+2,441	+1,980
Total Canadian liabilities, net flow	+13,173	+6,891	+15,979	+8,699	+13,525	+27,853	+57,683
Total capital account, net flow	+11,955	+2,593	+8,283	+5,083	+8,020	+24,987	+37,392
Statistical discrepancy	-4,782	+4,048	-1,404	+4,386	+113	+1,495	-6,688

1 *From 1983, includes reinvested earnings accruing to direct investors.*
2 *A minus sign denotes an outflow of capital resulting from an increase in claims on non-residents or a decrease in liabilities to non-residents.*
3 *When the banks' foreign currency position (booked in Canada) with non-residents is a net asset, series is classified as part of Canadian claims on non-residents.*
– *Nil or zero.*

Current account

	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	First quarter 1994	Second quarter 1994	1992	1993
	$ millions						
	seasonally adjusted						
Receipts							
Merchandise exports	44,500	45,601	47,863	48,254	52,081	155,794	181,342
Non-merchandise							
Services							
Travel	2,154	2,282	2,331	2,368	2,498	8,059	8,804
Freight and shipping	1,476	1,480	1,502	1,574	1,642	5,481	5,891
Business services	2,507	2,565	2,657	2,744	2,758	9,196	10,198
Government transactions	200	196	204	194	205	771	809
Other services	284	325	290	293	299	1,104	1,179
Total services	6,621	6,849	6,984	7,172	7,403	24,611	26,880
Investment income[1]							
Interest	911	1,007	1,050	1,078	1,113	4,171	3,839
Dividends	1,576	1,348	1,378	1,090	1,239	5,271	6,105
Reinvested earnings	308	-70	-226	-110	-17	497	-495
Total investment income	2,795	2,285	2,202	2,057	2,334	9,938	9,449
Transfers							
Inheritances and immigrants' funds	368	386	484	442	378	1,551	1,558
Personal and institutional remittances	296	296	300	310	315	1,092	1,193
Canadian withholding tax	392	384	445	434	266	1,569	1,641
Total transfers	1,056	1,066	1,229	1,187	959	4,212	4,392
Total non-merchandise receipts	10,472	10,199	10,415	10,416	10,696	38,761	40,721
Total receipts	54,971	55,800	58,278	58,670	62,777	194,555	222,063
Payments							
Merchandise imports	42,238	43,327	45,500	46,255	49,857	149,101	171,827
Non-merchandise							
Services							
Travel	4,229	4,202	4,152	4,057	4,225	16,215	16,681
Freight and shipping	1,615	1,657	1,735	1,838	1,955	5,800	6,563
Business services	3,502	3,847	3,855	3,682	3,517	13,213	14,996
Government transactions	374	379	381	385	379	1,510	1,518
Other services	229	230	238	247	241	899	923
Total services	9,950	10,315	10,361	10,208	10,317	37,637	40,681
Investment income[1]							
Interest	7,532	7,380	7,560	7,803	8,079	28,992	29,908
Dividends	1,123	1,246	724	1,054	878	4,748	4,167
Reinvested earnings	490	-147	1,253	-227	247	-3,536	2,039
Total investment income	9,145	8,479	9,537	8,630	9,204	30,204	36,114
Transfers							
Inheritances and emigrants' funds	82	90	88	87	87	337	344
Personal and institutional remittances	330	333	333	347	337	1,270	1,325
Official contributions	467	466	497	492	451	2,263	2,229
Foreign withholding tax	62	60	55	58	65	225	246
Total transfers	940	949	972	984	940	4,095	4,145
Total non-merchandise payments	20,035	19,742	20,871	19,821	20,460	71,936	80,940
Total payments	62,273	63,069	66,371	66,076	70,317	221,037	252,767
Balances							
Merchandise	+2,262	+2,275	+2,363	+1,999	+2,224	+6,692	+9,515
Non-merchandise							
Services	-3,329	-3,466	-3,377	-3,035	-2,914	-13,026	-13,802
Investment income[1]	-6,350	-6,194	-7,335	-6,573	-6,870	-20,266	-26,665
Transfers	+116	+117	+256	+203	+19	+117	+248
Total non-merchandise	-9,564	-9,543	-10,456	-9,405	-9,764	-33,175	-40,219
Total current account	-7,302	-7,268	-8,092	-7,406	-7,540	-26,483	-30,704

1 *From 1983, includes reinvested earnings accruing to direct investors.*
Note: *Figures may not add due to rounding.*

Financial flow accounts

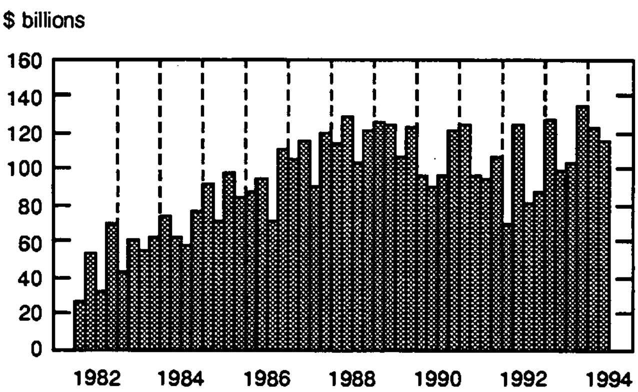
Second quarter 1994

The demand for credit and equity funds remained firm in the second quarter, as total funds raised (seasonally adjusted at annual rates) amounted to $116 billion (see chart 1). This level of financing activity was linked to stronger economic growth in the second quarter. Funds raised in the first half of the year stood above the annual average for 1993, a year in which such activity returned to levels last attained prior to the recession.

Chart 1

Upward momentum in financial activity sustained

Seasonally adjusted at annual rates



Note: Total funds raised on financial markets by domestic non-financial sectors.

Higher interest rates have little impact

Interest rates and the exchange rate were more stable in the April to June period than in the previous three months. However, rates remained at elevated levels in the quarter after having moved up sharply through March. Bond yields edged up slowly over the course of the quarter, and all market rates moved up abruptly in the latter part of June. Nevertheless, the overall demand for funds was strong and the impact of the interest rate movements was mostly on the composition of funds raised.

Considerably more short-term financing took place in most sectors than in recent periods. Anticipations of a return to lower interest rates partly accounted for reduced bond issues in the quarter, especially in the case of corporations.

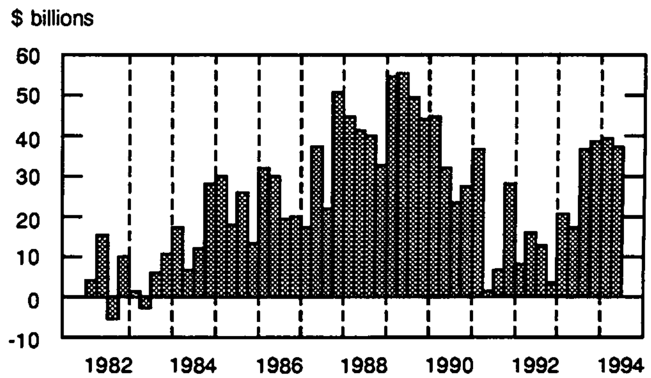
Corporate sector leads recovery in financial activity

Corporations continued to borrow heavily in the second quarter (see chart 2), accounting for about 32% of all funds raised. The economy-wide recovery in the demand for funds has been led by the corporate sector, whose financing activity over the last year has returned to pre-recession levels. A pickup in all components of business capital investment in the quarter underlay the strength in borrowing.

Chart 2

Recovery in corporate demand for funds continued

Seasonally adjusted at annual rates



Note: Funds raised by non-financial private corporations.

Borrowed funds have gained relative to share issues, although equity financing remains an important source of funds. Increased lending by financial institutions and a rebound in short-term paper issues combined to provide approximately 60% of funds raised by corporations in the quarter. Higher interest rates may have discouraged bond issues. Issues of shares, while substantial, were down somewhat (see chart 3), reflecting the lacklustre performance of share prices.

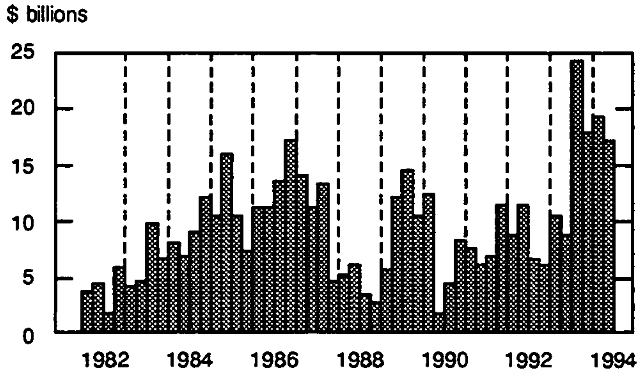
Weak demand by government enterprises

On the heels of heavy borrowing in the first quarter, the demand for funds by government enterprises dropped off sharply. Liquid assets, built up at a rapid rate in the first three months of the year, were reduced by public corporations.

Chart 3

Equity issues still a major source of corporate funds

Seasonally adjusted at annual rates

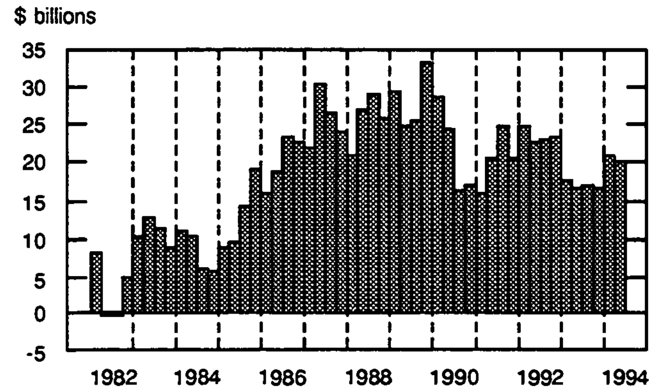


Note: Non-financial private corporations.

Chart 5

Strength in mortgage demand maintained

Seasonally adjusted at annual rates



Note: Mortgage borrowing in the personal sector.

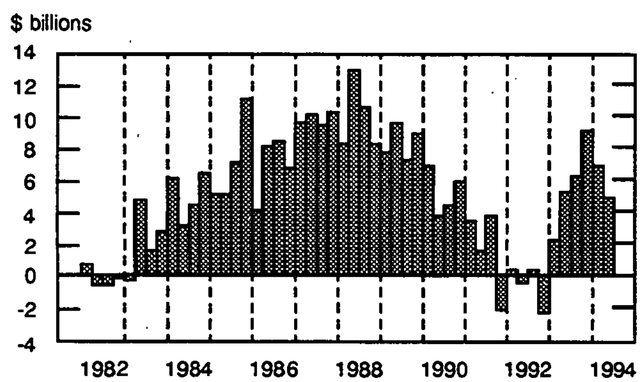
Household indebtedness rises

Consumer credit financing was lower in the second quarter (see chart 4), but remained strong, when compared to the 1991-92 period.

Chart 4

Consumer borrowing remained strong

Seasonally adjusted at annual rates



Note: Consumer credit borrowing in the personal sector.

The first half of the year marked a pickup in mortgage demand, although the level of activity in the second quarter was more or less unchanged from that of the first (see chart 5). While residential construction rose sharply, its impact on net new mortgage borrowing was offset by a lull in the resale market as buyers faced higher mortgage rates.

Household debt grew at a faster pace than after-tax income, with the result that the ratio of consumer credit and mortgage debt to personal disposable income rose to 89.6% at the end of June from 88.6% at the end of March. This marked a return to a fairly steady nine-year upward trend in this ratio, after slight interruption in the first quarter.

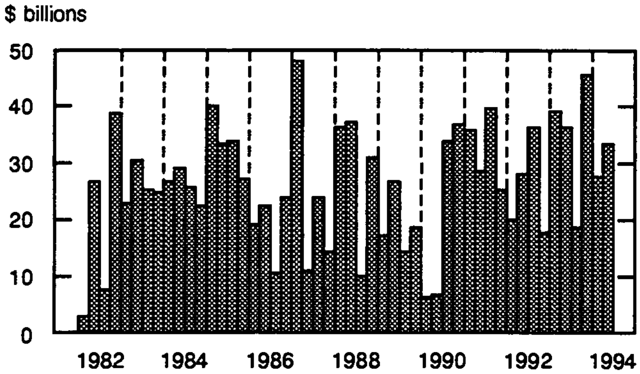
Federal borrowing rises while provincial borrowing falls

The demand for funds by the federal government firmed in the second quarter (see chart 6). Funds raised were up about 20% over the previous quarter, and were used to finance a slightly reduced deficit as well as to accumulate financial assets. The demand for funds was realized largely through issues of marketable bonds, with 66% of these in the five- to 10-year term-to-maturity range.

Chart 6

Federal government borrowing continued to fluctuate

Seasonally adjusted at annual rates



Note: Funds raised by the Federal Government.

Financing activity of provincial governments was still quite low in the second quarter, when compared to their borrowing in 1993. The drop in the demand for funds was in line with a reduction in the consolidated fiscal deficit of the provinces. In contrast to the first quarter, there was a significantly smaller proportion of long-term debt issues. Nevertheless, these issues still accounted for most of the borrowing that took place.

Available on CANSIM: matrices 701-741, 743 and 750.

For further information, contact an information officer (613-951-3640), National Accounts and Environment Division.

The second quarter 1994 issue of *Financial flow accounts*, (13-014, $35/$140) will be released in September. See "How to order publications". A computer printout containing the detailed financial flows matrices is also available from the National Accounts and Environment Division on release day ($50/$200).

On release day at 8:30 a.m., the complete financial flows data set is available on microcomputer diskette by modem transfer ($300/$1,200). The diskettes are also available by mail, seven days after the official release date ($60/$240).

To purchase any of these products or for more product information, contact a client services officer (613-951-3640), National Accounts and Environment Division. □

Funds raised on financial markets by non-financial sectors

	1992				1993				1994	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total funds raised (% of GDP)	**10.2**	**18.1**	**11.8**	**12.6**	**18.2**	**14.0**	**14.6**	**18.6**	**16.9**	**15.7**
Sectoral shares (% of total)										
Personal sector	33.1	18.4	28.0	30.6	14.4	19.8	20.6	23.6	23.2	25.0
Non-financial private corporations	11.7	12.9	15.3	3.9	16.0	17.3	35.4	29.0	31.9	32.3
Government business enterprises	14.8	3.9	4.0	-1.3	9.2	-4.0	-0.4	-4.6	9.4	0.9
Federal government	28.8	22.6	44.3	20.0	30.8	36.3	17.8	33.9	22.3	28.6
Other levels of government	11.6	42.1	8.4	46.8	29.5	30.7	26.6	18.1	13.2	13.2
Total(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: Figures may not add due to rounding.

Debt-to-income ratios

	1992				1993				1994	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	$ billions									
Persons and unincorporated business*										
Debt										
Consumer credit	98.9	98.7	98.6	98.0	98.5	99.8	101.3	103.6	105.3	106.5
Mortgages	296.9	302.8	308.7	314.7	318.6	322.3	326.1	329.7	334.9	339.8
Total	395.9	401.5	407.3	412.7	417.1	422.1	427.4	433.3	440.1	446.3
Personal disposable income	465.8	476.9	479.7	480.3	485.1	490.3	489.9	485.3	497.0	497.9
Debt-to-income ratio (%)	85.0	84.2	84.9	85.9	86.0	86.1	87.2	89.3	88.6	89.6
Debt-to-GDP ratio (%)	58.1	58.6	58.9	59.4	59.6	59.4	59.9	59.9	60.4	60.3
Federal government**										
Debt	351.0	358.2	367.4	372.0	381.5	390.2	394.5	405.5	412.4	420.7
Debt-to-GDP ratio (%)	51.5	52.3	53.1	53.5	54.5	54.9	55.3	56.1	56.6	56.9
Other government										
Debt	190.8	204.2	206.2	216.8	225.7	232.8	239.3	244.9	249.0	252.8
Debt-to-GDP ratio (%)	28.0	29.8	29.8	31.2	32.3	32.8	33.5	33.9	34.1	34.2
Non-financial private corporations										
Debt	341.7	344.5	346.5	346.1	348.6	350.3	356.9	364.0	373.8	383.2
Debt-to-GDP ratio (%)	50.1	50.3	50.1	49.8	49.8	49.3	50.0	50.3	51.3	51.8
Gross domestic product (GDP)	**681.7**	**685.2**	**691.6**	**695.1**	**699.4**	**710.3**	**713.5**	**723.4**	**729.2**	**739.6**

* *Consumer credit and mortgages only.*
** *National Accounts basis, excludes superannuation accounts of the Public Service.*
Note: Figures may not add due to rounding.

Financial market summary

	Second quarter 1993	Third quarter 1993	Fourth quarter 1993	First quarter 1994	Second quarter 1994
	$ millions				
	seasonally adjusted at annual rates				
Persons and unincorporated business	**19,676**	**21,496**	**31,740**	**28,644**	**28,900**
Funds raised					
Consumer credit	5,228	6,092	9,080	6,784	4,904
Bank loans	328	1,496	2,108	2,596	2,776
Other loans	-2,304	-2,936	4,452	-1,360	1,272
Mortgages	16,532	16,920	16,264	20,604	19,848
Bonds	-108	-76	-164	20	100
Non-financial private corporations	**17,152**	**36,968**	**38,928**	**39,332**	**37,420**
Funds raised					
Bank loans	-19,664	-5,260	4,272	5,164	9,928
Other loans	4,480	-660	3,740	1,912	6,868
Other short-term paper	9,700	4,120	3,548	-148	2,064
Mortgages	4,388	6,024	2,800	2,824	2,908
Bonds	9,736	8,788	6,916	10,580	-1,180
Shares	8,512	23,956	17,652	19,000	16,832
Non-financial government enterprises	**-4,024**	**-424**	**-6,184**	**11,612**	**1,084**
Funds raised					
Bank loans	164	872	1,212	1,512	2,504
Other loans	-5,228	564	-1,132	-644	404
Other short-term paper	2,572	-760	1,156	1,284	-3,264
Mortgages	-16	-16	-16	-16	-16
Bonds	-1,516	-1,084	-7,404	9,472	2,004
Shares	0	0	0	4	-548
Federal government	**36,100**	**18,596**	**45,568**	**27,528**	**33,156**
Funds raised					
Other loans	-4	-4	-4	0	-4
Canada short-term paper	11,440	24	22,920	-2,804	-128
Canada Saving Bonds	-400	-2,264	-9,128	-1,092	-3,860
Marketable bonds	25,064	20,840	31,780	31,424	37,148
Other levels of government	**30,504**	**27,704**	**24,384**	**16,340**	**15,268**
Funds raised					
Bank loans	-128	472	-128	316	-152
Other loans	752	5,044	1,448	936	2,892
Short-term paper	15,212	-12,148	10,180	-7,396	3,776
Provincial bonds	15,136	29,820	13,024	20,476	9,548
Municipal bonds	-468	4,520	-120	2,032	-792
Other bonds	0	-4	-20	-24	-4
Total funds raised by domestic non-financial sectors	**99,408**	**104,340**	**134,436**	**123,456**	**115,828**
Consumer credit	5,228	6,092	9,080	6,784	4,904
Bank loans	-19,300	-2,420	7,464	9,588	15,056
Other loans	-2,304	2,008	8,504	844	11,432
Canada short-term paper	11,440	24	22,920	-2,804	-128
Short-term paper	27,484	-8,788	14,884	-6,260	2,576
Mortgages	20,904	22,928	19,048	23,412	22,740
Bonds	47,444	60,540	34,884	72,888	42,964
Shares	8,512	23,956	17,652	19,004	16,284

DATA AVAILABILITY ANNOUNCEMENTS

Government revenue and expenditure (SNA basis)

Second quarter 1994

Federal, provincial and local government detailed revenue and expenditure estimates on a national accounts basis for the quarter ended June 30, 1994 are now available. Revised detailed estimates for the quarter ended March 31, 1994 are also available.

Available on CANSIM: matrices 2711- 2713.

For further information, contact James Temple (613-951-1832) or Paul Blouin (613-951-8563), Public Administration Section, Public Institutions Division.

Data are also available through custom and special tabulations. For more information or for general inquiries on Public Institutions Division products or services contact Jo-Anne Thibault (613-951-0767), Public Institutions Division. ■

Input-output tables and gross domestic product by industry

1990 and 1991

Final annual input-output tables for 1990 and preliminary tables for 1991 are now available in both current and constant prices. The 1990 and 1991 constant price tables are in 1986 prices.

Also released are estimates of GDP and gross output by industry derived from the input-output tables. The constant price series are also in 1986 prices.

Available on CANSIM: matrices 2110-2189, 4663, 4670, 4675-4676 and 7711-7790.

The input-output tables will be published in *The input-output structure of the Canadian economy*, 1991 (15-201, $66).

For further information, contact Yusuf Siddiqi (613-951-8909), Input-Output Division. ■

Livestock inventories

July 1, 1994

At July 1, the total number of cattle and calves on farms was estimated at 14.2 million head, the highest July 1 inventory since 1977. Pig inventories reached 11.0 million head, the highest July 1 inventory since 1988. The number of sheep and lambs, at 959.2 thousand head, was at its highest level since the mid 1960s.

Available on CANSIM: matrices 1150, 1151, 1166, 5645 and 9500-9510.

The July 1, 1994 estimates of the inventories of cattle, hogs and sheep will be available in mid-September in *Livestock statistics update 2* (10-600E, $144). See "How to order publications".

For further information, contact Conrad Ogrodnik (613-951-2860), Agriculture Division. ■

Process cheese and instant skim milk powder

July 1994

Production of process cheese in July totalled 5 697 354 kilograms, down 27.9% from June 1994 and up 62.0% from July 1993. Year-to-date production at the end of July 1994 totalled 41 879 973 kilograms, down from 43 835 552 the previous year.

Available on CANSIM: matrix 188 (series 1.10).

The July 1994 issue of *Production and inventories of process cheese and instant skim milk powder* (32-024, $6/$60) will be available shortly. See "How to order publications".

For further information, contact Peter Zylstra (613-951-3511), Industry Division. ■

Tea, coffee and cocoa

June 1994

Data on tea, coffee and cocoa for the second quarter of 1994 are now available.

Available on CANSIM: Matrix 188.

The June 1994 issue of *Production and stocks of tea, coffee and cocoa* (32-025, $8/$32) will be available shortly. See "How to order publications".

For further information, contact Peter Zylstra (613-951-3511), Industry Division. ■

Gypsum products

July 1994

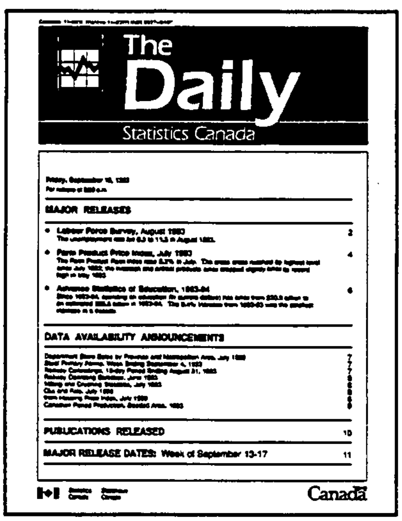
Manufacturers shipped 20 859 thousand square metres of plain gypsum wallboard in July 1994, up 11.1% from 18 771 thousand square metres in July 1993 and down 5.0% from 21 963r (revised) thousand square metres in June 1994.

Year-to-date shipments at the end of July 1994 totalled 144 014r thousand square metres, up 15.8% from a year earlier.

Available on CANSIM: matrices 39 and 122 (series 11).

The July 1994 issue of *Gypsum products* (44-003, $6/$60) will be available at a later date.

For further information, contact Roland Joubert (613-951-3527), Industry Division. ■



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PUBLICATIONS RELEASED

The dairy review, June 1994.
Catalogue number 23-001
(Canada: $14/$138; United States: US$17/US$166; other countries: US$20/US$194).

The sugar situation, July 1994.
Catalogue number 32-013
(Canada: $6/$60; United States: US$8/US$72; other countries: US$9/US$84).

Production, shipments and stocks on hand of sawmills east of the Rockies (excluding Newfoundland and Prince Edward Island), June 1994.
Catalogue number 35-002
(Canada: $11/$110; United States: US$14/US$132; other countries: US$16/US$154).

Railway operating statistics, January 1994.
Catalogue number 52-003
(Canada: $12/$120; United States: US$15/US$144; other countries: US$17/US$168).

Industry price indexes, June 1994.
Catalogue number 62-011
(Canada: $20/$200; United States: US$24/US$240; other countries: US$28/US$280).

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Release date	Title	Reference period
1	Seniors	1992
	Crude oil and natural gas	June 1994
2	Industrial capacity utilization rates	April-June 1994
6	Building permits	July 1994
	Perspectives on labour and income	Autumn 1994
7	Field crop reporting series: July 31 grain stocks	
	Short-term expectations survey	
8	Help-wanted index	August 1994
	Estimates of labour income	June 1994
9	Labour force survey	August 1994
	New motor vehicle sales	July 1994
	New housing price index	July 1994
12	Farm product price index	July 1994
15	Consumer price index	August 1994
	Composite index	August 1994
	Department store sales	July 1994
16	Travel between Canada and other countries	July 1994
19	Monthly survey of manufacturing	July 1994
	Canadian social trends	Autumn 1994
20	Canadian international trade	July 1994
	Retail trade	July 1994
21	Wholesale trade	July 1994
22	Canadian economic observer	September 1994
23	Cigarette sales and production	August 1994
26	Canada's international transactions in securities	July 1994
27	Community profiles	1992
28	Unemployment insurance statistics	July 1994
	Industrial product price index	August 1994
	Raw materials price index	August 1994
29	Employment, earnings and hours	July 1994
	Crude oil and natural gas	July 1994
30	Real gross domestic product at factor cost by industry	July 1994
	Major release dates	October 1994

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