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MAJOR RELEASES

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MAJOR RELEASES

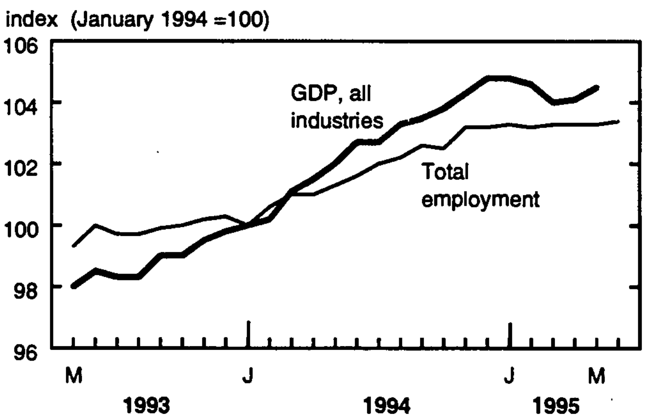
Real gross domestic product at factor cost by industry

May 1995

Economic activity strengthened in May as growth resumed in manufacturing and in wholesale and retail trade. Gross domestic product at factor cost advanced 0.3% following a 0.1% gain in April and declines during the winter months.

Despite these gains, production in April and May averaged 0.2% below first quarter levels. This follows a sharp slowdown in the first quarter when output edged ahead 0.1% after several quarters of robust growth. Employment has followed a similar trajectory, advancing a modest 0.1% in the second quarter following a slowdown in the first quarter.

Economy firms up



Output in the finance group rose, mainly reflecting an improvement in housing resale markets. Increases in transportation and storage services and community, business and personal services added to the overall gain. Production in the mining sector, and by utilities, declined somewhat after strong gains in April.

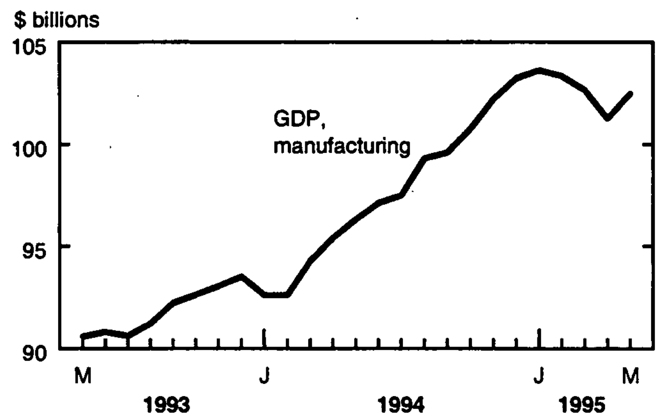
Manufacturing picture brightens

Manufacturers raised output 1.2% in May after reducing production 2.3% between February and April. While output rose in most major groups, electrical and electronic equipment (+3.2%), wood (+4.1%) and primary metals (+1.9%) accounted for 61% of the advance. Manufacturers of telecommunications

> ***Note to readers***
>
> *The gross domestic product (GDP) of an industry is the value added by factors of production when those factors transform inputs purchased from other industries into outputs.*
>
> *Monthly GDP by industry is valued at 1986 prices. The estimates presented here are seasonally adjusted at annual rates.*

equipment and office machinery and lumber and primary steel continued to accumulate stocks of finished goods while increasing shipments markedly.

Manufacturing rebounds



Manufacturers of chemical products increased output 1.4%, led by a gain in the production of pharmaceutical goods. Some of the production was accumulated in inventories.

Production of motor vehicles fell for a fourth consecutive month as demand abroad remained weak and a plant was closed for retooling. Production of motor vehicle parts, however, stabilized after declining the previous two months.

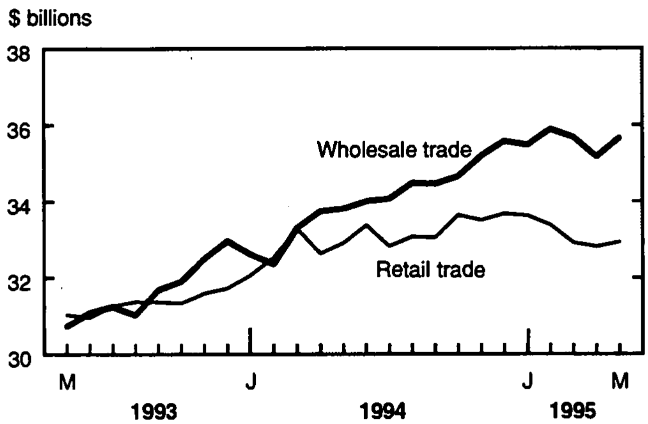
Manufacturers of machinery reduced output for a second consecutive month after holding production constant throughout the first quarter.

Banner month for wholesalers

Wholesaling activities rebounded 1.4% following a similar decline in April. Wholesalers of machinery accounted for 60% of the overall gain, as sales of electronic equipment and industrial and farm machinery all increased. While foreign demand for industrial machinery remained strong, imports continued to weaken. The exception was imports of drilling equipment, mainly destined for the Hibernia project, which surged in May. Higher sales by food and hardware outlets also contributed to the overall gain. Sales of lumber and building materials dropped for a fourth consecutive month.

Wholesale stocks accumulated at a faster pace than in the previous two months. Only wholesalers of apparel, lumber, and computer and software packages reduced inventories.

Trade activities improve



Retailers record higher sales

Retailers recorded an increase in sales for the first time this year. Sales rose 0.4% overall and increased in 10 of the 18 trade groups. Only motor vehicle dealers and furniture and appliance stores recorded sizeable drops in activity. Lower sales of parts, repairs, and used cars outweighed a 5.5% increase in new vehicle sales.

Lower mortgage rates finally spark housing resales

Output in the finance group increased 0.7%, led by a strong gain in real estate activity. Housing resales rose sharply in May, ending a long series of declines. Mortgage rates have fallen nearly 2 percentage points since January.

Higher activity on stock exchanges and by mutual funds also contributed to the overall gain. The growth in mutual fund assets continued to accelerate in May, while sales, which have been sluggish over the past year, rose sharply in April and May.

Construction remains weak

The decline in mortgage rates has not yet translated into higher demand for new housing. Home building fell a further 4.8% in May, reflecting lower starts for all types of dwellings. Recent small gains in the number of residential building permits issued and higher housing resales in May point to some improvement in the second half of 1995. Activity on non-residential building projects edged up 0.2% after declining the previous two months. Overall, construction fell 0.8%.

Mining sector hovers around December level

Production in the mining sector dropped 1.6% following a 4.3% gain in April. Production of crude oil, which accounted for most of the advance in April, receded in May. Drilling activity dropped 5.4%, its fourth decline since December 1994. Output in base metal mines fell 7.0%, mostly reflecting a decline in the production of uranium, which was disrupted by a temporary mine closure.

Spending in hotels and restaurants picks up

Higher spending in hotels and restaurants, and gains in business services accounted for about two-thirds of the increase in community, business and personal services.

Available on CANSIM: matrices 4670-4674

The May 1995 issue of *Gross domestic product by industry* (15-001, $14/$140) will be released in August. See "How to order publications".

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

Gross domestic product at factor cost by industry, at 1986 prices

	May 1994	March 1995[r]	April 1995[r]	May 1995[p]	February 1995 to March 1995	March 1995 to April 1995	April 1995 to May 1995	May 1994 to May 1995
	seasonally adjusted at annual rates							
	$ millions				% change			
Total economy	**529,878**	**540,296**	**541,035**	**542,839**	**-0.6**	**0.1**	**0.3**	**2.4**
Goods-producing industries	179,740	185,716	185,831	186,056	-1.2	0.1	0.1	3.5
Services-producing industries	350,139	354,580	355,204	356,783	-0.3	0.2	0.4	1.9
Business sector	**437,961**	**448,535**	**449,444**	**451,281**	**-0.7**	**0.2**	**0.4**	**3.0**
Goods	178,828	184,817	184,939	185,171	-1.2	0.1	0.1	3.5
Agriculture	10,960	10,907	10,872	10,737	-0.9	-0.3	-1.2	-2.0
Fishing and trapping	1,135	849	832	841	0.7	-2.0	1.2	-25.9
Logging	3,091	2,878	2,975	2,931	-6.3	3.4	-1.5	-5.2
Mining	23,025	23,366	24,365	23,969	-2.8	4.3	-1.6	4.1
Manufacturing	96,293	102,654	101,257	102,489	-0.7	-1.4	1.2	6.4
Construction	27,460	27,779	27,445	27,233	-2.2	-1.2	-0.8	-0.8
Other utility industries	16,864	16,384	17,194	16,969	0.6	4.9	-1.3	0.6
Services	259,133	263,717	264,505	266,110	-0.4	0.3	0.6	2.7
Transportation and storage	22,893	22,778	23,402	23,503	-3.2	2.7	0.4	2.7
Communications	20,802	21,833	21,984	21,941	0.5	0.7	-0.2	5.5
Wholesale trade	33,812	35,681	35,179	35,663	-0.6	-1.4	1.4	5.5
Retail trade	32,918	32,913	32,819	32,936	-1.4	-0.3	0.4	0.1
Finance, insurance and real estate	85,386	85,940	86,277	86,903	0.3	0.4	0.7	1.8
Community, business and personal services	63,322	64,573	64,843	65,163	-0.2	0.4	0.5	2.9
Non-business sector	**91,918**	**91,762**	**91,591**	**91,559**	**0.1**	**-0.2**	**-0.0**	**-0.4**
Goods	912	899	892	886	-0.8	-0.8	-0.7	-2.9
Services	91,006	90,863	90,700	90,673	0.1	-0.2	-0.0	-0.4
Government services	33,426	33,007	32,924	32,887	-0.2	-0.3	-0.1	-1.6
Community and personal services	54,292	54,578	54,536	54,552	0.3	-0.1	0.0	0.5
Other services	3,287	3,278	3,240	3,235	-0.2	-1.2	-0.1	-1.6
Other aggregations								
Industrial production	137,094	143,303	143,708	144,314	-0.9	0.3	0.4	5.3
Non-durable manufacturing	42,817	43,953	43,496	43,826	0.2	-1.0	0.8	2.4
Durable manufacturing	53,476	58,700	57,762	58,663	-1.3	-1.6	1.6	9.7

[r] *Revised figures.*
[p] *Preliminary figures.*

Farm input price index

Second quarter 1995 (preliminary)

Prices of farm inputs increased 1.3% in the second quarter as the farm input price index rose to 122.3. In other words, farmers had to pay on average $22.30 more in the second quarter 1995 than during 1986 (the base year of the index). Prices rose for almost all input groups; the exceptions were hired farm labour and inputs to animal production. The most significant increases were in the cost of interest and inputs to crop production. The year-to-year change in the total index was +3.6%.

Cost of borrowing up

The interest index was 6.4% higher in the second quarter, mainly due to a sizable jump in the non-mortgage group, which rose almost 9%. The main factor was a rise in the interest rate. The non-mortgage index was over 40% higher than a year ago, pushing the overall cost of borrowing up almost 30%.

Lower world fertilizer supply pushes prices up

Crop production inputs were on average 8.5% higher, mainly due to a 16% rise in fertilizer prices. According to press releases, Russia and other countries of the former Soviet Union closed a number of their fertilizer plants, reducing global supplies. Their trading partners, including China, have raised their demand for fertilizer, which has translated into higher world prices. In the second quarter 1995, fertilizer was almost 25% more expensive and nitrogen over 32% more expensive than in the same quarter of 1994.

Prices in Western Canada grew faster than in the East

West of Ontario, prices were up 1.7%. East of Manitoba, the quarterly price increase was about half of that at 0.8%. The larger price increases in the West were entirely due to higher fertilizer prices, and occurred despite sizable decreases in western animal production prices. The cost of hired farm labour apparently decreased more in the East than in the West. However, the movement in farm wages is seasonal, and a year-to-year comparison is more appropriate. On an annual basis, farm wages in the western provinces rose while they were down in the East.

Available on CANSIM: matrices 550-582 and 2050-2063

The second quarter 1995 issue of *Farm input price indexes* (62-004, $24/$80) will be available in August. See "How to order publications".

For further information on this release, contact the Information and Client Services Unit (613-951-9606), Prices Division. □

Farm input price indexes
(1986=100)

	Second quarter 1994	First quarter 1995	Second quarter 1995	Second quarter 1994 to second quarter 1995	First quarter 1995 to second quarter 1995
				% change	
Canada					
Total farm input	**118.0**	**120.7**	**122.3**	**3.6**	**1.3**
Building and fencing	128.3	129.5	129.9	1.2	0.3
Machinery and motor vehicles	121.3	128.0	129.8	7.0	1.4
Crop production	109.9	113.9	123.6	12.5	8.5
Animal production	121.2	114.4	112.0	-7.6	-2.1
Supplies and services	122.1	124.3	125.2	2.5	0.7
Hired farm labour	133.7	137.9	133.5	-0.1	-3.2
Property taxes[1]	132.6	135.2	135.2	2.0	0.0
Interest	93.7	113.6	120.9	29.0	6.4
Farm rent[1]	110.2	111.2	111.2	0.9	0.0
Eastern Canada					
Total farm input	**123.2**	**124.0**	**125.0**	**1.5**	**0.8**
Building and fencing	134.2	135.0	136.3	1.6	1.0
Machinery and motor vehicles	127.0	133.0	135.3	6.5	1.7
Crop production	115.7	118.8	125.8	8.7	5.9
Animal production	120.5	111.9	111.4	-7.6	-0.4
Supplies and services	130.3	132.0	132.6	1.8	0.5
Hired farm labour	139.2	143.7	136.4	-2.0	-5.1
Property taxes[1]	145.8	148.8	148.8	2.1	0.0
interest	99.1	122.0	130.2	31.4	6.7
Farm rent[1]	145.0	146.9	146.9	1.3	0.0
Western Canada					
Total farm input	**114.0**	**118.3**	**120.3**	**5.5**	**1.7**
Building and fencing	121.7	123.4	122.7	0.8	-0.6
Machinery and motor vehicles	118.3	125.3	127.0	7.4	1.4
Crop production	107.3	111.9	123.0	14.6	9.9
Animal production	122.1	117.8	112.8	-7.6	-4.2
Supplies and services	113.9	116.5	117.8	3.4	1.1
Hired farm labour	127.0	130.5	130.4	2.7	-0.1
Property taxes[1]	129.1	131.6	131.6	1.9	0.0
Interest	90.4	108.4	115.1	27.3	6.2
Farm rent[1]	98.4	99.1	99.1	0.7	0.0

[1] *This index is calculated on an annual basis only.*

OTHER RELEASES

Gypsum products
June 1995

Manufacturers shipped 16 066 000 square metres of plain gypsum wallboard in June 1995, down 26.8% from 21 963 000 square metres (revised) in June 1994 and down 27.0% from 22 011 000 square metres in May 1995.

Year-to-date shipments at the end of June 1995 totalled 114 028 000 square metres, down 7.4% from a year earlier.

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

The June 1995 issue of *Gypsum products* (44-003, $6/$60) will be available at a later date. See "How to order publications".

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

Process cheese and instant skim milk powder
June 1995

Production of process cheese in June totalled 7 281 613 kilograms, up 7.0% from May 1995 and down 7.8% from June 1994. Year-to-date production at the end of June 1995 totalled 37 481 743 kilograms, up from 36 132 609 kilograms (revised) the previous year.

Available on CANSIM: matrix 188 (series 1.10).

The June 1995 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 on this release, contact Peter Zylstra (613-951-3511), Industry Division. ■

PUBLICATIONS RELEASED

Telephone statistics, May 1995
Catalogue number 56-002
(Canada: $9/$90; United States: US$11/US$108; other countries: US$13/US$126).

Wholesale trade, April 1995
Catalogue number 63-008
(Canada: $18/$180; United States: US$22/US$216; other countries: US$26/US$252).

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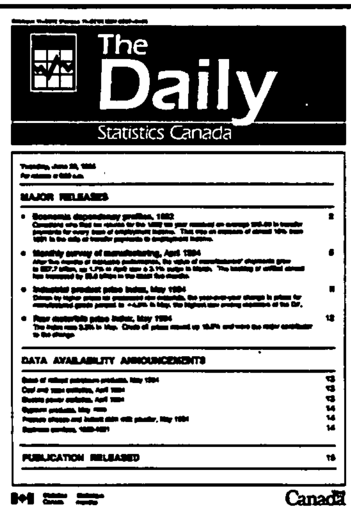

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Editor: Tim Prichard (613-951-1103)
Head of Official Release: Jacques Lefebvre (613-951-1088)

RELEASE DATES: AUGUST 1995

(Release dates are subject to change.)

Release date	Title	Reference period
1	**Neighbourhood income and demographics**	1993
1	**Government expenditures on culture**	1993-94
2	**Business conditions survey: Canadian manufacturing industries**	July 1995
2	**Crime and homicide statistics**	1994
3	**Building permits**	June 1995
3	**Help-wanted index**	July 1995
4	**Labour force survey**	July 1995
4	**Estimates of labour income**	May 1995
8	**Women in Canada**	Compendium
8	**Periodicals publishing**	1993-94
9	**New housing price index**	June 1995
11	**New motor vehicle sales**	June 1995
14	**Film producers**	1993-94
15	**Composite index**	July 1995
16	**Monthly survey of manufacturing**	June 1995
16	**Travel between Canada and other countries**	June 1995
17	**Canadian international trade**	June 1995
17	**Television viewing**	1993-94
18	**Canadian economic observer**	August 1995
21	**Farm cash receipts**	Second quarter 1995
22	**Consumer price index**	July 1995
22	**Retail trade**	June 1995
23	**Wholesale trade**	June 1995
24	**Field crop reporting series: July 31 crop production estimates**	
24	**Canada's international transactions in securities**	June 1995
25	**Quarterly financial statistics for enterprises**	Second quarter 1995
29	**Industrial product price index**	July 1995
29	**Raw materials price index**	July 1995
30	**Employment, earnings and hours**	June 1995
30	**International travel account**	Second quarter 1995
30	**Unemployment insurance**	June 1995
31	**National economic and financial accounts**	Second quarter 1995
31	**Balance of international payments**	Second quarter 1995
31	**Real gross domestic product at factor cost by industry**	June 1995

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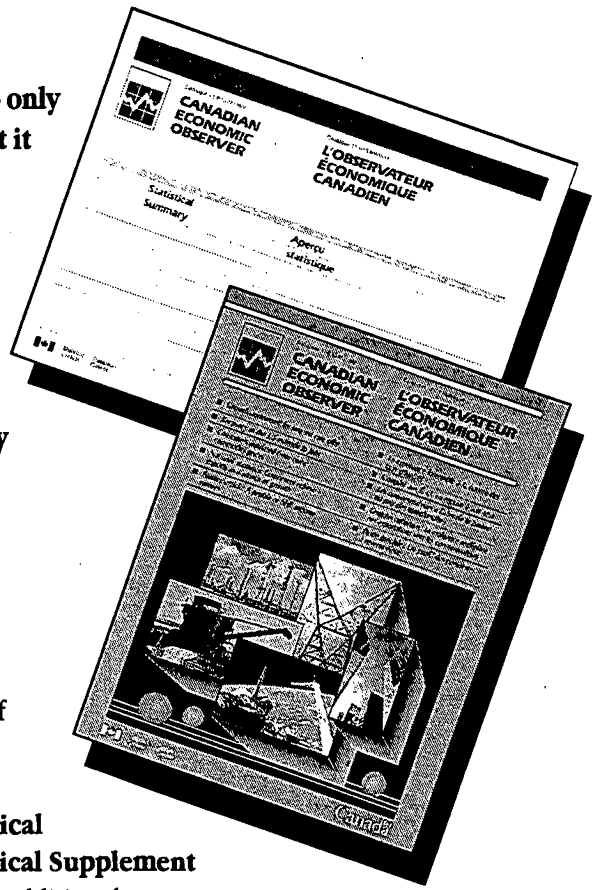

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