

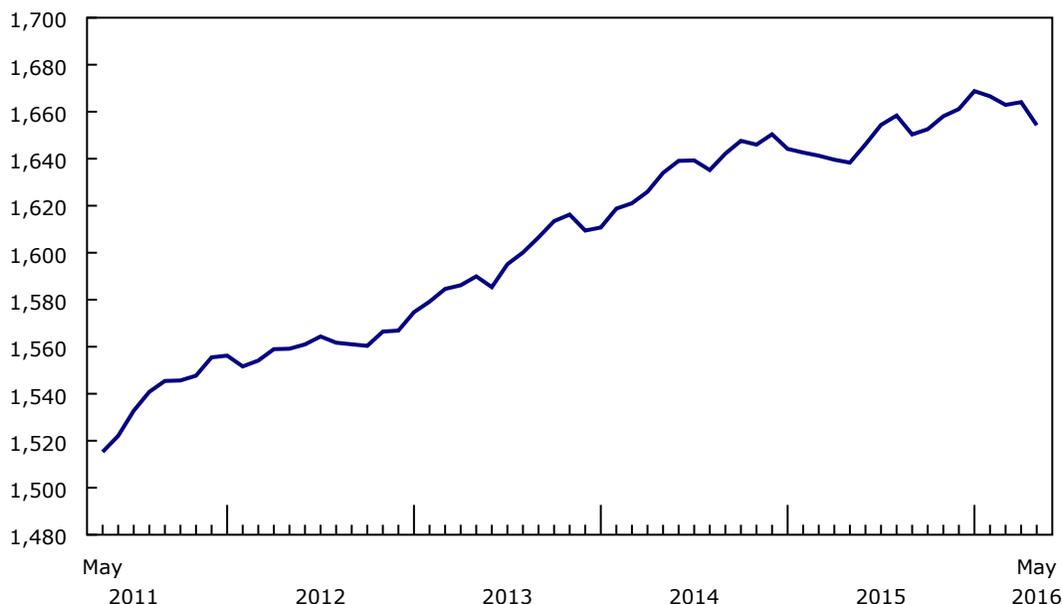
# Gross domestic product by industry, May 2016

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, July 29, 2016

Real gross domestic product (GDP) fell 0.6% in May, the largest monthly decline since March 2009. The decrease in May was primarily due to lower non-conventional oil extraction, a consequence of the Fort McMurray wildfire and evacuation.

## Chart 1 Real gross domestic product falls in May

billions of chained (2007) dollars — all industries



Source(s): CANSIM table [379-0031](#).

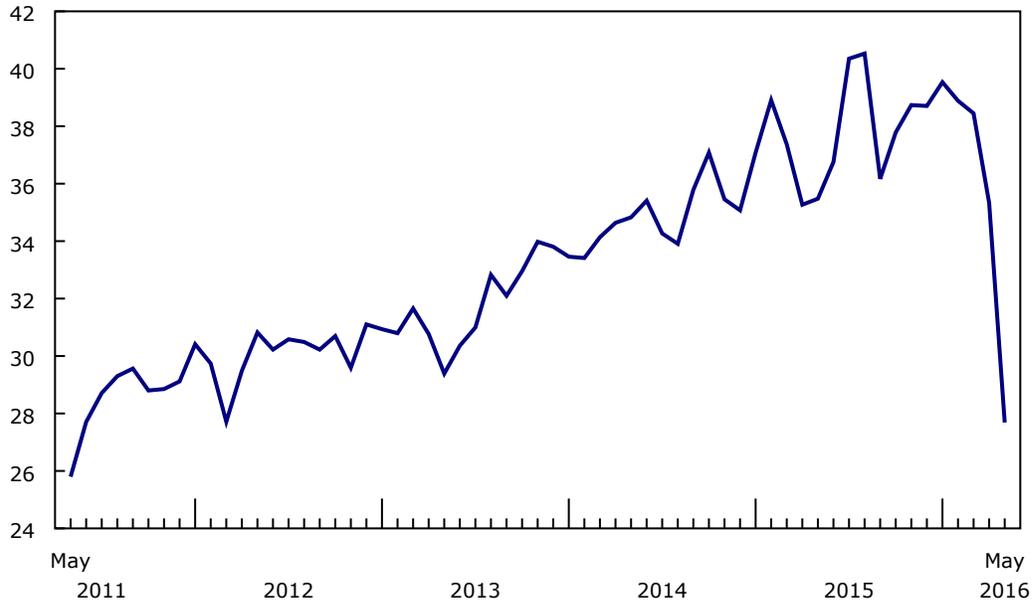
The Fort McMurray wildfire was the main cause behind a 2.8% decline in the output of goods-producing industries. The mining, quarrying, and oil and gas extraction sector fell 6.4%, as the output of the non-conventional oil extraction industry recorded a 22% drop. Following an 8.1% decrease in April due to maintenance shutdowns at upgrader facilities, the output level in May for this industry was the lowest since May 2011.

Excluding the decline in the non-conventional oil extraction industry, real GDP edged down 0.1% in May. There was little evidence that the Fort McMurray wildfire significantly affected other industries at the national level. Therefore, the difference between the overall 0.6% decline in GDP and the 0.1% decrease in GDP excluding the non-conventional oil and gas industry is an approximation of the direct impact that the Fort McMurray wildfire had on overall growth in May.



**Chart 2**  
**Non-conventional oil extraction drops sharply in May**

gross domestic product in billions of chained (2007) dollars



Source(s): CANSIM table [379-0031](#).

The output of service-producing industries rose 0.3% in May. Wholesale and retail trade, the public sector (education, health and public administration combined), the arts, entertainment and recreation sector, and the finance and insurance sector were up. On the other hand, transportation and warehousing services, and administrative services were down. The Fort McMurray wildfire and evacuation had a minimal impact on most of the service-producing industries at the national level.

For more information on the impact of the Fort McMurray wildfire and evacuation on current production measures of GDP, see the note to readers.

**The mining, quarrying, and oil and gas extraction sector drops**

In addition to the drop in non-conventional oil and gas extraction, the mining, quarrying, and oil and gas extraction sector recorded decreases in mining except oil and gas extraction (-0.4%) and support activities for mining, and oil and gas extraction (-3.3%).

The decline in mining excluding oil and gas extraction was mainly attributable to lower output at metal ore mines (such as copper and nickel), which offset increases in potash mining. Support activities for mining and oil and gas extraction were down for the fourth consecutive month, primarily due to a decrease in support activities for mining.

In contrast, conventional oil and gas extraction rose 0.6% in May, as most conventional crude petroleum extraction facilities are located outside the areas affected by the wildfire.

**Manufacturing output falls**

Manufacturing output was down 2.4% in May, the largest decline since January 2009. Both non-durable and durable goods manufacturing recorded significant decreases in May.

Non-durable goods manufacturing fell 2.8%, mainly as a result of a 15% drop in output at petroleum refineries. The decrease at petroleum refineries reflected a loss in availability of crude oil for refining—due to the Fort McMurray wildfire—combined with maintenance and turnaround work at some facilities. Chemical manufacturing (-3.9%) also posted a notable decline.

Durable-goods manufacturing was down 2.1% in May. Declines were widespread among industry sub-groups and occurred for a variety of reasons. Lower output from transportation equipment manufacturers resulted partly from supply interruptions associated with the earthquake in Japan in April, while lower foreign demand influenced the decrease in non-metallic mineral product manufacturing.

### **Utilities decline**

Utilities declined 1.8% in May. Both electric power generation, transmission and distribution, and natural gas distribution industries were down. The decrease in May offset most of the increase in April, which was caused by colder than usual weather in Central Canada.

### **The public sector rises**

The public sector (education, health and public administration combined) rose 0.3% in May, a ninth consecutive monthly increase. The growth in May was primarily the result of gains in public administration due to the 2016 Census. Health services edged up, while education services were unchanged.

### **Wholesale and retail trade grow**

Wholesale trade rose 1.0% in May, a third consecutive monthly increase, as most subsectors posted a gain. Output growth was notable for wholesalers of food, beverage and tobacco, motor vehicles and parts, and personal and household goods. The output of miscellaneous wholesalers and, to a lesser extent, farm product wholesalers declined.

Retail trade grew 0.4% in May, mainly as a result of increases in output at food and beverage stores, clothing and clothing accessories stores, and gasoline stations. Conversely, output declined at motor vehicles and parts dealers, general merchandise stores (which include department stores), and furniture and home furnishing stores.

### **Construction decreases**

Construction decreased 0.7% in May, after essentially no change in April. Residential building construction fell 1.2% in May as fewer single-family dwellings were built. After five straight months of gains, repair construction has declined for three consecutive months. Engineering construction was also down in May, while non-residential building construction was up.

The real estate and rental and leasing sector edged up 0.1% in May, partly as a result of higher output from lessors of real estate. The sector's rise was tempered by a 2.4% decline in the output of real estate agents and brokers, as home resale activity dropped in most markets, led by those in British Columbia and Ontario.

### **The finance and insurance sector increases**

The finance and insurance sector grew 0.6% in May, a third consecutive monthly gain. The output of insurance carriers was up, reflecting an increase in claims due to the Fort McMurray wildfire. Financial investment services and, to a lesser extent, banking services also rose.

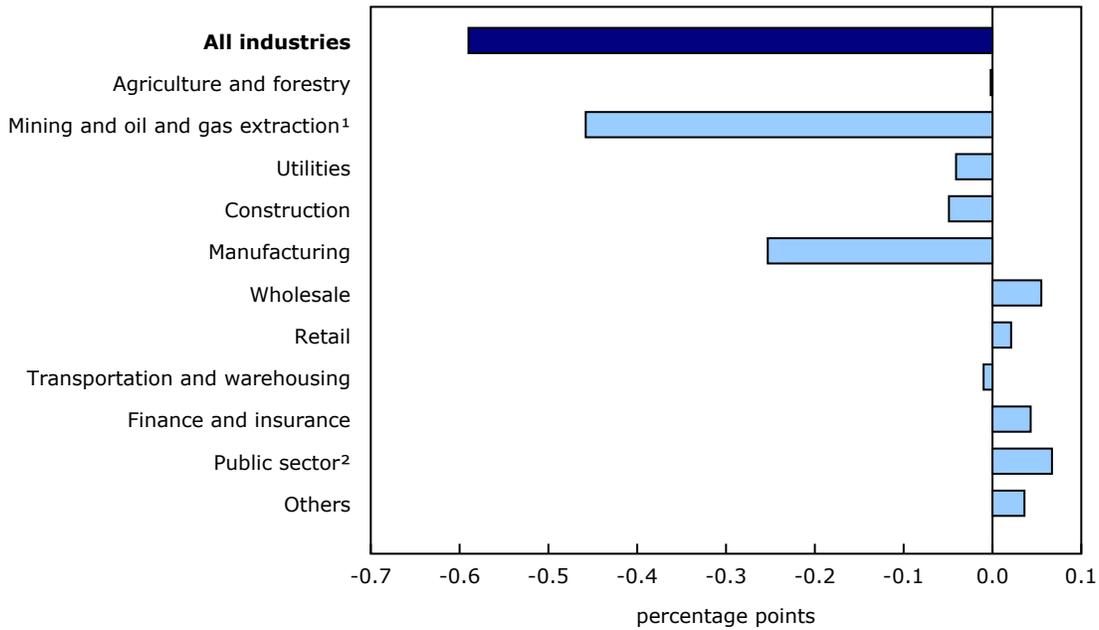
### **Other industries**

Transportation and warehousing services declined 0.2% in May. Rail transportation fell for a third month in a row, reaching its lowest level since July 2013. The decline in rail transportation in May was partly due to a decrease in the movements of grain and fertilizer, metals and minerals, and fuel oils and crude petroleum products. Pipeline

transportation of oil fell in May. Some pipelines were shut down as a result of the Fort McMurray wildfire, but this lower output was partially offset by the movement of oil out of inventory, which kept exports steady. In contrast, air transportation rose 1.6%.

The arts, entertainment and recreation sector grew 4.3% in May. The increase was primarily the result of a gain in spectator sports and related industries, as higher attendance at professional basketball and baseball sporting events in May more than offset the decline in April, which was due to the absence of National Hockey League playoff games played in Canada.

**Chart 3**  
**Main industrial sectors' contribution to the percent change in gross domestic product in May**



1. Includes quarrying.  
 2. Education, health and public administration.  
**Source(s):** Gross domestic product by industry (1301).

## Note to readers

Monthly gross domestic product (GDP) by industry data at basic prices are chained volume estimates with 2007 as the reference year. This means that data for each industry and each aggregate are obtained from a chained volume index, multiplied by the industry's value added in 2007. Monthly data are benchmarked to annually chained Fisher volume indexes of GDP obtained from the constant-price supply and use tables (SUT) up to the latest SUT year (2012).

For the period starting with January 2013, data are derived by chaining a fixed-weight Laspeyres volume index to the prior period. The fixed weights are 2012 industry prices.

This approach makes the monthly GDP by industry data more comparable with expenditure-based GDP data, which are chained quarterly.

All data in this release are seasonally adjusted. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

For more information on GDP, see the video, "[What is Gross Domestic Product \(GDP\)?](#)"

## Revisions

With this release of monthly GDP by industry data, revisions have been made back to January 2015.

Each month, newly available administrative and survey data from various industries in the economy are integrated and result in statistical revisions. Updated and revised administrative data (including taxation statistics), new information provided by respondents to industry surveys, and standard changes to seasonal adjustment calculations are incorporated with each release.

For more information about monthly national GDP by industry, see the [System of Macroeconomic Accounts](#) module on our website.

## Impact of the Fort McMurray wildfire and evacuation on current production measures of gross domestic product

Disasters—such as wildfires, floods, ice storms or other major catastrophes—have an impact on economic activity because 1) current production is affected (for example, it can be disrupted due to lost capacity), 2) structures, equipment, and other assets are damaged or destroyed and must later be repaired or replaced, and 3) transactions, such as payments of insurance benefits or government disaster relief, take place as a result of the damages incurred.

GDP is the total unduplicated value of the goods and services produced in the economic territory of a country or region during a given period. Disasters are reflected in current GDP measures only insofar as they affect current production; GDP is not directly affected by the loss of property (structures and equipment) produced in previous periods. Some transactions that result in transfer payments between institutional sectors do not directly affect current GDP.

While GDP may be affected by the actions that consumers, businesses, and governments take in response to a disaster, these actions are generally not separately identifiable, and they may be spread out over a long period of time. In the case of the May 2016 wildfire that affected the Fort McMurray region in Alberta, the Monthly Survey of Manufacturing, the Monthly Retail Trade Survey and the Monthly Wholesale Trade Survey collected information from a subset of their national samples to assess the impact of the wildfire for the May 2016 reference period. While some respondents across all three surveys indicated that they were affected by the wildfire, most were not able to quantify the impact of the fire.

## Real-time CANSIM tables

Real-time CANSIM table 379-8031 will be updated on August 19. For more information, consult the document, [Real-time CANSIM tables](#).

## Next release

Data on GDP by industry for June will be released on August 31.

**Table 1**  
**Monthly gross domestic product by industry at basic prices in chained (2007) dollars –**  
**Seasonally adjusted**

	December 2015 <sup>r</sup>	January 2016 <sup>f</sup>	February 2016 <sup>f</sup>	March 2016 <sup>f</sup>	April 2016 <sup>r</sup>	May 2016 <sup>p</sup>	May 2016 <sup>p</sup>	May 2015 to May 2016 <sup>p</sup>
	month-to-month % change						millions of dollars <sup>1</sup>	% change
<b>All industries</b>	<b>0.2</b>	<b>0.5</b>	<b>-0.1</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.6</b>	<b>1,654,258</b>	<b>1.0</b>
<b>Goods-producing industries</b>	<b>0.3</b>	<b>0.7</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-0.3</b>	<b>-2.8</b>	<b>472,545</b>	<b>-2.8</b>
Agriculture, forestry, fishing and hunting	-0.8	0.1	-1.1	-0.6	-0.1	-0.1	26,157	0.2
Mining, quarrying, and oil and gas extraction	0.3	1.7	-1.0	-2.8	-2.1	-6.4	121,255	-6.4
Utilities	-2.3	2.4	-0.4	0.2	2.1	-1.8	37,776	-0.3
Construction	0.2	-0.3	-0.2	0.1	0.0	-0.7	114,970	-3.7
Manufacturing	1.1	0.3	-0.7	-0.4	0.2	-2.4	171,247	-0.8
<b>Services-producing industries</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>0.3</b>	<b>1,182,394</b>	<b>2.5</b>
Wholesale trade	1.3	0.6	-2.0	0.1	0.4	1.0	97,147	2.8
Retail trade	-1.9	1.5	1.7	-1.0	0.2	0.4	91,521	4.3
Transportation and warehousing	0.0	0.7	0.1	-1.3	0.3	-0.2	72,790	2.8
Information and cultural industries	-0.2	0.1	0.1	0.1	0.2	0.2	50,560	1.0
Finance and insurance	0.3	0.8	-0.2	0.6	0.2	0.6	118,742	4.3
Real estate, and rental and leasing	0.3	0.2	0.3	0.3	0.5	0.1	218,951	3.0
Professional, scientific and technical services	0.1	0.3	-0.1	0.2	0.1	0.0	89,080	1.1
Management of companies and enterprises	0.1	-0.5	0.0	-0.6	-0.2	-0.0	12,353	0.3
Administrative and support, waste management and remediation services	-0.2	-0.0	0.3	-0.0	-0.1	-0.5	42,464	0.3
Educational services	0.2	0.3	0.1	0.4	0.2	-0.0	87,135	1.3
Health care and social assistance	0.1	0.4	0.1	0.2	0.0	0.1	113,581	2.5
Arts, entertainment and recreation	1.7	-0.9	0.4	0.5	-3.7	4.3	12,321	5.3
Accommodation and food services	0.9	-0.4	0.9	-0.4	0.7	0.2	35,519	3.5
Other services (except public administration)	0.1	-0.2	-0.3	-0.1	0.1	-0.1	32,663	-0.6
Public administration	0.3	0.3	0.2	0.2	0.4	0.9	109,330	2.7
<b>Other aggregations</b>								
Industrial production	0.4	1.0	-0.8	-1.2	-0.4	-3.7	336,467	-2.7
Non-durable manufacturing industries	1.3	-0.2	0.3	1.0	0.5	-2.8	73,579	1.5
Durable manufacturing industries	0.9	0.7	-1.6	-1.5	-0.0	-2.1	97,590	-2.8
Information and communication technologies industries	0.3	-0.1	1.0	0.5	-0.1	0.6	73,394	3.0
Energy sector	-0.4	1.8	-1.5	-1.4	-0.6	-6.6	142,002	-6.4
Public sector	0.2	0.3	0.1	0.3	0.2	0.3	310,061	2.3

<sup>r</sup> revised

<sup>p</sup> preliminary

1. At annual rates.

Source(s): CANSIM table [379-0031](#).

Available in CANSIM: table [379-0031](#).

Definitions, data sources and methods: survey number [1301](#).

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300;  
[STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)).

To enquire about the concepts, methods or data quality of this release, contact Allan Tomas (613-790-6570), Industry Accounts Division.