

Gross domestic product by industry, July 2020

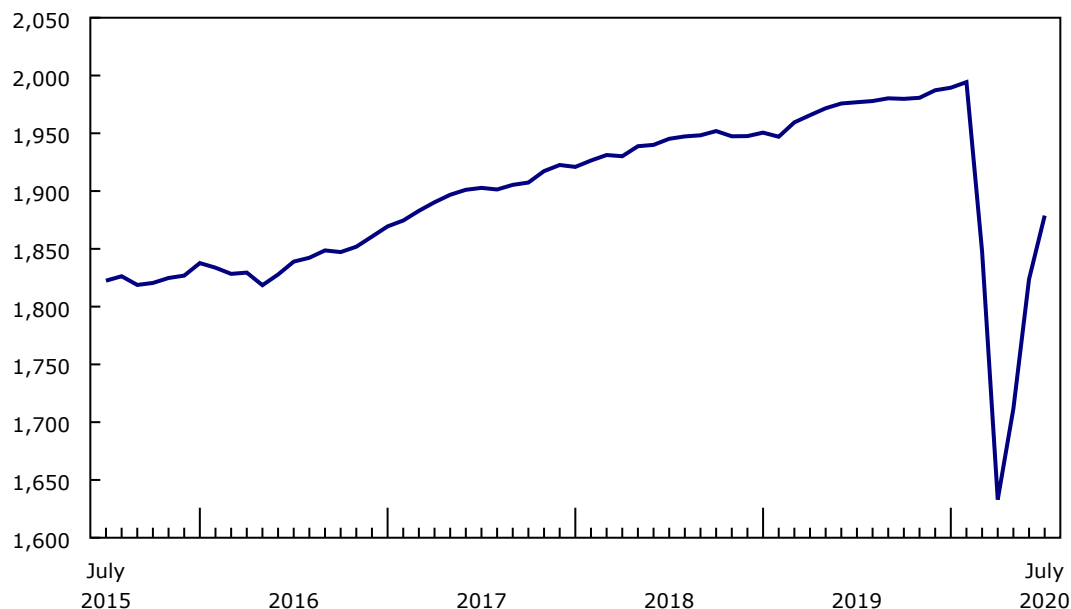
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, September 30, 2020

Real gross domestic product (GDP) grew 3.0% in July, following a 6.5% increase in June. The third consecutive monthly gain continued to offset the steepest drops experienced by Canadian economic activity in March and April, however overall economic activity was still about 6% below February's pre-pandemic level.

All 20 industrial sectors posted increases in July as the agriculture, utilities, finance and insurance as well as real estate rental and leasing sectors surpassed their February pre-pandemic levels, joining retail trade which did so in June.

Chart 1 Real gross domestic product grows in July

billions of chained (2012) dollars — all industries



Source(s): Table 36-10-0434-01.

Given the unprecedented economic situation brought on by the COVID-19 pandemic and the demand for trusted information, Statistics Canada continues to provide an advanced aggregate indicator of the state of the Canadian economy. Preliminary information indicates an approximate 1% increase in real GDP for August. Overall, the economic recovery continued its course but at a more moderate pace than what was observed for the months of May to July. Most sectors continued their growth trajectory in August with the exceptions of retail trade and public administration which pulled back marginally. Owing to its preliminary nature, this estimate will be revised on October 30 with the release of the official GDP data for August.

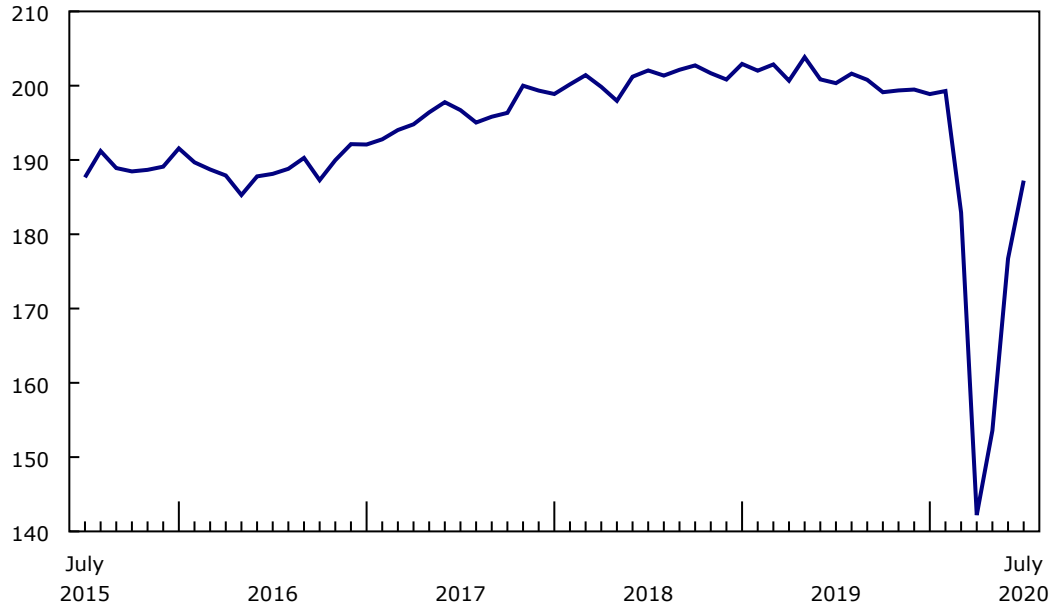
Manufacturing continues to grow

The manufacturing sector grew 5.9% in July, following a 15.1% expansion in June, as many factories continued ramping up their production according to the [Monthly Survey of Manufacturing](#). Despite the continued gains through July, manufacturing activity remained about 6% below February's pre-pandemic level.



Chart 2
Manufacturing sector grows in July

gross domestic product in billions of chained (2012) dollars



Source(s): Table 36-10-0434-01.

Durable manufacturing grew 5.7%, a third consecutive monthly gain, as 7 of the 10 subsectors increased in July. Contributing the most to the gain was a 16.6% jump in transportation equipment manufacturing as all industries, except for ship and boat building (-7.9%), were up. Motor vehicle (+10.5%) and motor vehicle parts manufacturing (+38.6%) continued scaling up production, following a pandemic-induced shutdown, to meet increased consumer demand (see [Retail trade](#)). Fabricated metal product manufacturing (+4.7%) and furniture and related product manufacturing (+13.3%) also posted notable gains and were partly offset by declines in machinery manufacturing (-6.4%), computer and electronic product manufacturing (-4.5%) and wood products manufacturing (-0.9%).

Non-durable manufacturing was up 6.2% as output of all subsectors, with the exception of textile and textile product mills (-9.0%), increased. Plastic and rubber products (+17.9%) and chemical manufacturing (+6.0%) contributed most to the growth, along with a 6.3% increase in petroleum and coal product manufacturing.

The public sector increases

The public sector (educational services, health care and social assistance, and public administration) rose 2.5% in July, as all three components were up. The output of health care and social assistance rose 3.7%, led by a 7.8% increase in ambulatory health care services (services provided by offices of physicians, health practitioners, dentists, medical and diagnostic laboratories) attributable to the continued reopening of activity across the country. However this subsector's output was still approximately 16% below its February pre-pandemic level, as many health care providers' offices continued to operate at a reduced capacity, including restricting the number of appointments aimed at limiting the spread of COVID-19. Nursing and residential care facilities (+1.7%) and social assistance (+3.7%) were also up, while hospitals increased 0.9%. Public administration grew 0.9% and educational services rose 2.9%.

Accommodation and food services expands

Accommodation and food services jumped 20.1% in July, marking a third consecutive double-digit monthly increase on the heels of even larger declines in March and April. Activity at food services and drinking places rose 17.6% as establishments continued to reopen and customers got used to new rules and restrictions. As reported by the [Food Services and Drinking Places](#) survey, activity grew at all types of restaurants as well as bars, pubs and some nightclubs as summer and patio-season progressed.

Following a strong increase of activity in June, accommodation services grew 27.6% in July. Many Canadians opted for a closer-to-home vacation, in light of the varying sets of rules for interprovincial travel and continued [international travel](#) restrictions.

Regardless of strong increases over the last couple of months, output across both accommodation and food services remained approximately 43% and 29% below their respective pre-pandemic February levels.

Real estate and rental and leasing increase

Real estate and rental and leasing grew 1.9% in July. Activity at the offices of real estate agents and brokers (+30.6%) more than surpassed the pre-pandemic level in July, jumping to the highest point since March 2004, as home resale activity in the majority of urban centres continued double-digit increases.

Wholesale trade up

[Wholesale trade](#) grew 4.6% in July, as all nine subsectors expanded. The machinery, equipment and supplies wholesaling subsector (+6.0%) led the growth, as all industries' output increased. Motor vehicle and motor vehicle parts and accessories (+14.7%) wholesaling was up, partly as a result of an increase in activity at motor vehicle and motor vehicle parts plants; personal and household goods wholesaling rose 5.8%.

Transportation and warehousing sector grows

The transportation and warehousing sector rose 5.7%, as all 10 subsectors were up. Leading the growth were support activities for transportation (+8.0%) and truck transportation (+3.8%). Urban transit systems (+48.0%) as well as taxi and limousine service (+9.2%) benefited from the continued reopening of the economy as ridership grew. Air transportation rose 55.5% in July, yet it remained nearly 92% below the January level before the COVID-19-related travel advisories began.

Professional services continue to grow

The professional services sector grew 2.8% in July, up for the third consecutive month, as all but one type of service grew. With the exception of declines in March and April, the sector has been continuously growing since November 2017. Management, scientific and technical consulting services led the growth in July with a 10.5% increase, while legal services, which derive much of their activity from real estate transactions, were up 5.4%. Advertising, public relations, and related services (+8.9%) and computer systems design and related services (+1.0%) were up, while accounting, tax preparation, bookkeeping and payroll services (-0.3%) offset some of the growth.

Other industries

Mining, quarrying, and oil and gas extraction increased 2.4% in July. Mining and quarrying (except oil and gas) rose 10.8%, primarily as a result of higher copper, nickel, lead and zinc mining (+35.4%) and potash mining (+44.9%). Support activities for mining, and oil and gas extraction (+26.4%) were up for the first time in five months as all types of activities grew in July. Oil and gas extraction (-2.9%) decreased for the fourth time in five months as both oil sands extraction and oil and gas extraction (except oil sands) fell to levels last seen in the second half of 2017.

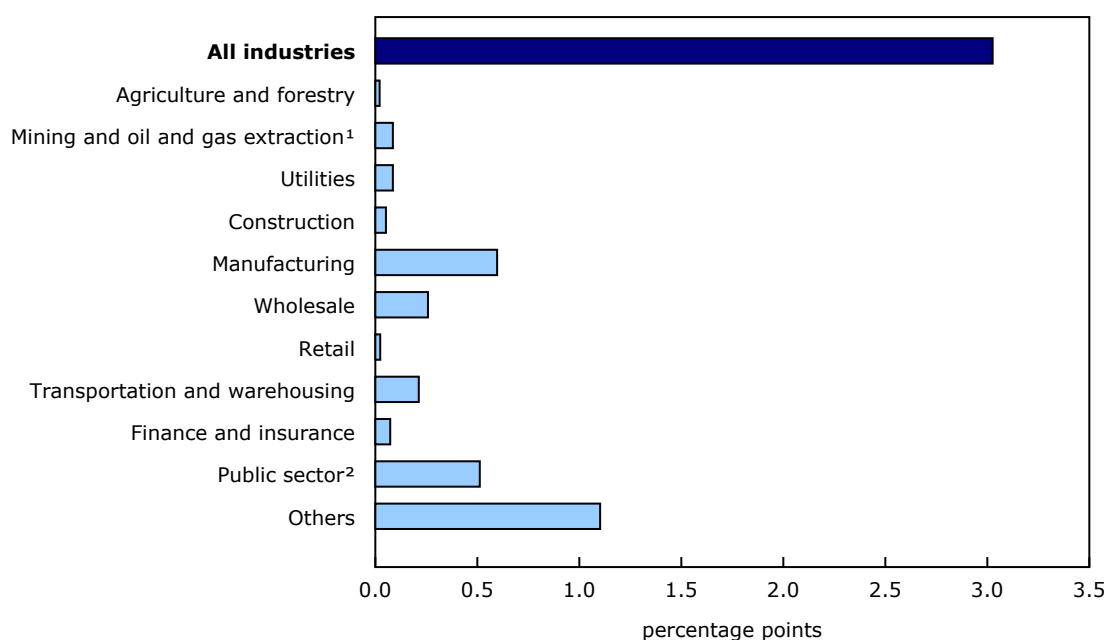
Utilities rose 3.5% in July following a 1.5% increase in June. Electric power generation, transmission and distribution was up 4.2%, as record-hot weather across many parts of the country increased electricity demand for cooling purposes. Natural gas distribution was down 1.1%.

Construction grew 0.6% in July as gains in residential (+2.4%) and repair (+2.5%) construction more than offset lower non-residential construction (-3.0%) and engineering and other construction (-0.5%).

Finance and insurance grew 1.0%, as gains in credit intermediation and monetary authorities (+1.1%) and insurance carriers and related activities (+1.7%) more than offset a decline in financial investment services, funds and other financial vehicles (-0.7%).

After surpassing the pre-pandemic levels of activity in June, retail trade edged up 0.4% in July as 7 of 12 subsectors were up. Leading the growth were clothing and clothing accessories stores (+11.2%), motor vehicle and parts dealers (+3.2%) and gasoline stations (+6.5%), while building material and garden equipment and supplies (-10.2%), sporting goods, hobby, book and music stores (-7.6%) and food and beverage stores (-1.2%) offset some of the growth.

Chart 3
Main industrial sectors' contribution to the percentage change in gross domestic product



1. Includes quarrying.

2. Education, health and public administration.

Source(s): Gross domestic product by industry (1301).

Sustainable development goals

On January 1, 2016, the world officially began implementing the [2030 Agenda for Sustainable Development](#)—the United Nations' transformative plan of action that addresses urgent global challenges over the next 15 years. The plan is based on 17 specific sustainable development goals.

The release on gross domestic product by industry is an example of how Statistics Canada supports global sustainable development goal reporting. This release will be used to help measure the following goal:



Note to readers

Monthly data on gross domestic product (GDP) by industry at basic prices are chained volume estimates with 2012 as the reference year. This means that the data for each industry and each aggregate are obtained from a chained volume index multiplied by the industry's value added in 2012. The monthly data are benchmarked to annually chained Fisher volume indexes of GDP obtained from the constant-price supply and use tables (SUTs) up to the latest SUT year (2016).

For the period starting in January 2017, data are derived by chaining a fixed-weight Laspeyres volume index to the prior period. The fixed weights are 2016 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, revisions have been made back to January 2019.

Each month, newly available administrative and survey data from various industries in the economy are integrated, resulting 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.

Real-time table

Real-time table 36-10-0491-01 will be updated on October 19.

Next release

Data on GDP by industry for August will be released on October 30.

Table 1
Monthly gross domestic product by industry at basic prices in chained (2012) dollars –
Seasonally adjusted

	February 2020 ^r	March 2020 ^r	April 2020 ^r	May 2020 ^r	June 2020 ^r	July 2020 ^P	July 2020 ^P	July 2019 ^r to July 2020 ^P
	month-to-month % change						millions of dollars ¹	% change
All industries	0.2	-7.4	-11.6	4.8	6.5	3.0	1,878,759	-5.0
Goods-producing industries	0.4	-5.5	-16.7	8.2	7.8	3.2	546,008	-5.2
Agriculture, forestry, fishing and hunting	0.6	0.8	-0.5	1.8	0.5	1.0	42,418	2.4
Mining, quarrying, and oil and gas extraction	0.2	-4.1	-12.2	2.7	-4.6	2.4	123,645	-16.5
Utilities	0.4	-0.3	-2.3	0.9	1.5	3.5	44,920	1.6
Construction	0.6	-5.5	-20.6	16.8	9.8	0.6	140,552	-1.2
Manufacturing	0.2	-8.2	-22.3	8.0	15.1	5.9	187,217	-6.6
Services-producing industries	0.2	-8.0	-9.8	3.7	6.1	3.0	1,330,029	-4.9
Wholesale trade	0.5	-5.1	-17.9	5.2	16.3	4.6	102,439	-0.8
Retail trade	0.4	-9.6	-21.9	17.0	21.1	0.4	103,402	0.6
Transportation and warehousing	-1.6	-12.0	-23.2	1.9	8.6	5.7	69,153	-22.7
Information and cultural industries	0.3	-4.1	-4.7	0.5	1.4	2.4	61,987	-3.2
Finance and insurance	0.2	-0.6	-0.8	0.3	2.1	1.0	137,867	5.1
Real estate, and rental and leasing	0.5	-1.2	-3.5	1.4	2.4	1.9	257,757	2.5
Professional, scientific and technical services	0.2	-10.3	-3.0	2.0	2.9	2.8	113,794	-4.0
Management of companies and enterprises	0.7	-4.9	-8.4	0.4	0.3	0.4	8,322	-11.0
Administrative and support, waste management and remediation services	-0.2	-15.3	-15.2	3.1	11.0	3.8	44,795	-14.0
Educational services	0.4	-9.9	-7.7	7.1	0.9	2.9	97,859	-6.7
Health care and social assistance	0.3	-11.1	-10.0	3.7	6.9	3.7	131,354	-6.3
Arts, entertainment and recreation	0.2	-39.3	-30.9	-8.8	7.9	14.0	7,366	-52.1
Accommodation and food services	-0.2	-37.7	-44.7	23.8	30.1	20.1	29,910	-33.0
Other services (except public administration)	-0.5	-14.1	-28.4	15.0	10.3	8.9	31,963	-15.9
Public administration	0.7	-4.0	-2.3	0.9	2.1	0.9	132,968	-0.4
Other aggregations								
Industrial production	0.2	-6.2	-16.7	5.3	7.9	4.7	369,178	-7.6
Non-durable manufacturing industries	-0.4	-2.7	-15.2	4.4	7.3	6.2	90,800	-1.3
Durable manufacturing industries	0.7	-12.8	-28.9	12.0	23.1	5.7	96,578	-10.8
Information and communication technologies industries	-0.3	-1.7	-1.1	0.4	0.8	1.6	95,578	2.0
Energy sector	0.7	-2.9	-7.4	-0.6	-2.0	1.0	157,455	-11.8
Public sector	0.4	-8.2	-6.5	3.5	3.4	2.5	362,168	-4.3

^r revised

^P preliminary

1. At annual rates.

Source(s): Table 36-10-0434-01.

Available tables: [36-10-0434-01](#) and [36-10-0449-01](#).

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

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is also available.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of the Statistics Canada website, features an up-to-date portrait of national and provincial economies and their structure.

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

To enquire about the concepts, methods or data quality of this release, contact Ederne Victor (613-863-6876), Industry Accounts Division.