



The Daily

Statistics Canada

Tuesday, August 17, 1999

For release at 8:30 a.m.

MAJOR RELEASES

- **Monthly Survey of Manufacturing, June 1999** 2
Manufacturers' shipments grew 0.4% to \$40.2 billion in June, led by increases in the motor vehicle parts and accessories and machinery industries.

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MAJOR RELEASES

Monthly Survey of Manufacturing

June 1999

Manufacturers' shipments grew 0.4% to \$40.2 billion in June, led by increases in the motor vehicle parts and accessories and machinery industries.

June's result follows a period of volatility. Manufacturers' shipments increased strongly in both May and March after declines in April and in the first two months of the year. As a result of the three increases this year, the trend for shipments remained positive although at a more modest pace than that observed at the end of 1998.

Unfilled orders slipped in June whereas inventories edged upward.

Employment in the manufacturing sector continued to increase in July (+30,000), contributing to the growth since the beginning of the year (+138,000 or +6.4%). Also, the July Business Conditions Survey reported that 90% of manufacturers expect their production to remain stable or increase in the third quarter. The industries that were most optimistic in this regard were the transportation equipment, primary metals and wood industries.

Shipments up

Manufacturers' shipments increased in 11 of 22 major groups in June, representing 65.4% of the total value of shipments.

The main contributors to the increase in June were the motor vehicle parts and accessories (+4.1%), machinery (+6.8%), refined petroleum and coal products (+3.3%) and railway rolling stock (+17.6%) industries.

A significant increase for the motor vehicle parts and accessories industry followed moderate growth (0.4% per month) early in the quarter. The increase in the machinery industry more than offset the declines observed in April (-1.9%) and May (-2.7%) and turns the trend in this industry upward. A 1.1% price decrease tempered the gain in value of shipments for the refined petroleum and coal products industry. For railway rolling stock, June is the first full month of production following the recent labour dispute.

Offsetting decreases in manufacturers' shipments were observed in the food (-2.5%) and paper and allied products (-2.0%) industries.

Note to readers

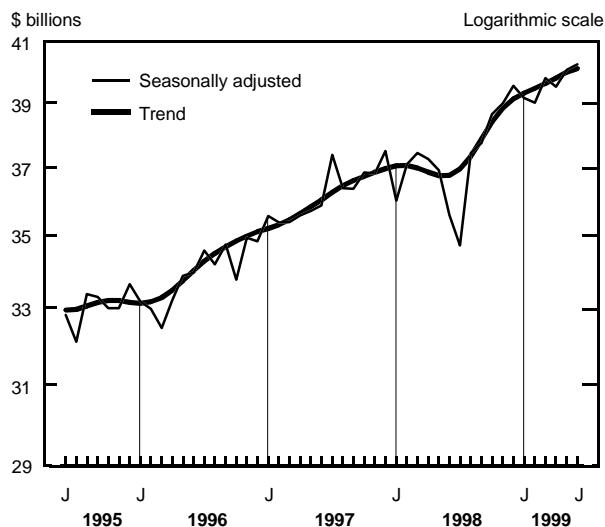
Separate non-seasonally adjusted data on shipments from Nunavut are available with this release.

Unfilled orders are a stock of orders which will contribute to future shipments assuming that orders are not cancelled.

New orders represent orders received whether shipped in the current month or not. They are measured as the sum of shipments for the current month plus the change in unfilled orders. Some people interpret new orders as orders that will lead to future demand. This is inappropriate since the new orders variable includes orders that have already been shipped. Users should be aware that the month-to-month change in new orders may be volatile, particularly if the previous month's change in unfilled orders is large in relation to the current month's change.

Not all orders will be translated into Canadian factory shipments because portions of large contracts can be subcontracted out to manufacturers in other countries.

Shipments continued to rise in June



The downward movement for the food industry follows a strong gain in May, attributable primarily to a higher than usual demand for seafood. The decline was also marked by a decrease in the quantity of canola crushed in June. A decline in pulp and paper shipments was the main reason for the decrease in the paper and allied products industry.

Manufacturers' shipments rose in five of the ten provinces as well as in the territories.

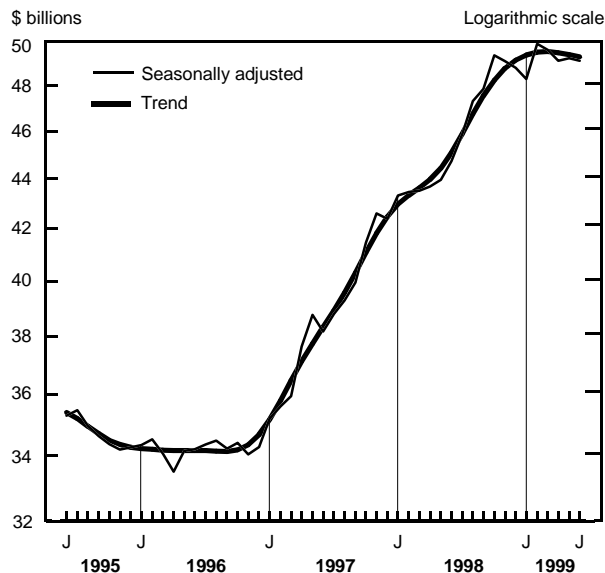
Shipments by province

| | May 1999 | June 1999 | May to June 1999 |
|--|-------------|--------------|---------------------------|
| seasonally adjusted | | | |
| | \$ millions | | % change |
| Newfoundland | 168 | 176 | 4.3 |
| Prince Edward Island | 79 | 79 | 0.9 |
| Nova Scotia | 615 | 590 | -4.0 |
| New Brunswick | 714 | 701 | -1.8 |
| Quebec | 9,071 | 9,195 | 1.4 |
| Ontario | 22,094 | 22,243 | 0.7 |
| Manitoba | 909 | 881 | -3.0 |
| Saskatchewan | 482 | 478 | -0.7 |
| Alberta | 2,922 | 2,870 | -1.8 |
| British Columbia | 3,010 | 3,029 | 0.6 |
| Yukon, Northwest Territories and Nunavut | 3 | 3 | 0.9 |

Unfilled orders down

In June, the value of manufacturers' unfilled orders dropped 0.2% to \$49.1 billion. This decline is mainly attributable to the machinery industry (-4.1%). An increase was observed in the aircraft and parts industry (+1.0%).

The trend of unfilled orders edges downwards



Modest increase in manufacturers' inventories

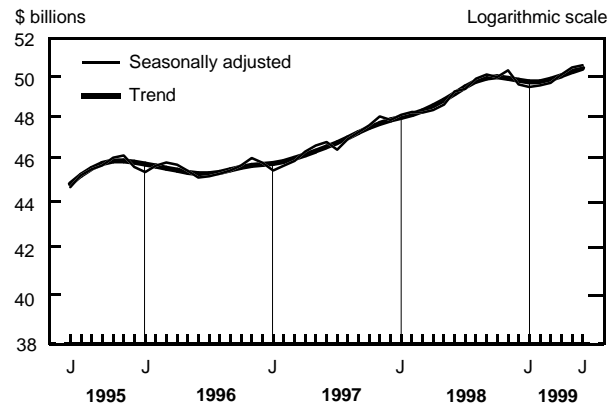
Manufacturers' inventories edged up 0.2% to \$50.6 billion in June, the fifth consecutive increase. This continues the upward trend that began at the start of 1999.

In order of magnitude, the major contributors to June's increase in inventories were the food (+1.5%), chemicals (+1.3%) and railway rolling stock (+3.7%) industries.

In contrast, declines were recorded in the refined petroleum and coal products industry (-4.0%), owing partially to the drop in prices, and in the primary metals industry (-1.3%) which experienced a concomitant increase in shipments.

While both shipments and inventories increased, the inventories-to-shipments ratio remained unchanged at 1.26 in June.

Inventories up slightly in June



Available on CANSIM: matrices 9550-9555, 9558, 9559, 9562-9565, 9568-9579, 9581-9595.

The June 1999 issue of the *Monthly Survey of Manufacturing* (31-001-XPB, \$20/\$196) will be available shortly. See *How to order publications*.

Data for shipments by province in greater detail than normally published may be available on request. For more information, or to enquire about the concepts, methods and data quality of this release, contact Craig Kuntz (613-951-7092; kuncrai@statcan.ca), Monthly Survey of Manufacturing Section, Manufacturing, Construction and Energy Division. □

Shipments, inventories and orders in all manufacturing industries

| | Shipments | | Inventories | | Unfilled orders | | New orders | | Inventories to shipments ratio |
|----------------|---------------------|-------------|-------------|-------------|-----------------|-------------|-------------|-------------|---|
| | seasonally adjusted | | | | | | | | |
| | \$ millions | % change | \$ millions | % change | \$ millions | % change | \$ millions | % change | |
| June 1998 | 35,587 | -3.6 | 49,238 | 1.4 | 44,722 | 1.7 | 36,347 | -2.3 | 1.38 |
| July 1998 | 34,706 | -2.5 | 49,372 | 0.3 | 45,883 | 2.6 | 35,867 | -1.3 | 1.42 |
| August 1998 | 37,436 | 7.9 | 49,895 | 1.1 | 47,312 | 3.1 | 38,865 | 8.4 | 1.33 |
| September 1998 | 37,743 | 0.8 | 50,109 | 0.4 | 47,847 | 1.1 | 38,279 | -1.5 | 1.33 |
| October 1998 | 38,637 | 2.4 | 49,981 | -0.3 | 49,369 | 3.2 | 40,159 | 4.9 | 1.29 |
| November 1998 | 38,977 | 0.9 | 50,326 | 0.7 | 49,102 | -0.5 | 38,710 | -3.6 | 1.29 |
| December 1998 | 39,550 | 1.5 | 49,613 | -1.4 | 48,795 | -0.6 | 39,243 | 1.4 | 1.25 |
| January 1999 | 39,161 | -1.0 | 49,469 | -0.3 | 48,294 | -1.0 | 38,660 | -1.5 | 1.26 |
| February 1999 | 38,999 | -0.4 | 49,553 | 0.2 | 49,898 | 3.3 | 40,602 | 5.0 | 1.27 |
| March 1999 | 39,795 | 2.0 | 49,676 | 0.2 | 49,622 | -0.6 | 39,519 | -2.7 | 1.25 |
| April 1999 | 39,522 | -0.7 | 50,106 | 0.9 | 49,113 | -1.0 | 39,014 | -1.3 | 1.27 |
| May 1999 | 40,067 | 1.4 | 50,473 | 0.7 | 49,226 | 0.2 | 40,180 | 3.0 | 1.26 |
| June 1999 | 40,246 | 0.4 | 50,592 | 0.2 | 49,111 | -0.2 | 40,130 | -0.1 | 1.26 |



OTHER RELEASES

Railway carloadings

Ten-day period ending July 31, 1999

Non-intermodal traffic loaded during the ten-day period ending July 31, 1999 increased 0.3% to 6.2 million tonnes compared with the same period last year. The number of cars loaded increased 4.6%.

Intermodal traffic tonnage totalled 567 000 tonnes, a 13.6% increase from the same period last year. The year-to-date figures increased 12.6%.

Total traffic increased 1.3% during the period. This brought the year-to-date total to 146.5 million tonnes, a 2.0% decrease from the previous year.

All year-to-date figures have been revised.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009; laroque@statcan.ca), Transportation Division. ■

Oils and fats

June 1999

Production of all types of deodorized oils in June totalled 87 841 tonnes, a 5.9% decrease from 93 311 tonnes in May. Year-to-date production for June was 556 557 tonnes, down 10.1 % compared with 618 858 tonnes for the same period in 1998.

Domestic sales of deodorized margarine oil totalled 10 291 tonnes, those for deodorized shortening oil sales were 26 444 tonnes and domestic sales of deodorized salad oil sales amounted to 34 241 tonnes in June.

Available on CANSIM: matrix 185.

The June 1999 issue of *Oils and fats* (32-006-XIB, \$5/\$47) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Peter Zylstra (613-951-3511; zylspet@statcan.ca), Manufacturing, Construction and Energy Division. ■

PUBLICATIONS RELEASED

Oils and fats, June 1999
Catalogue number 32-006-XIB
(Canada: \$5/\$47; outside Canada: US\$/US\$).

Consumer Price Index, July 1999
Catalogue number 62-001-XPB
(Canada: \$11/\$103; outside Canada: US\$11/US\$103).
Available at 7:00 a.m. on Wednesday, August 18.

Employment, earnings and hours, May 1999
Catalogue number 72-002-XPB
(Canada: \$32/\$320; outside Canada: US\$32/US\$320).

All prices exclude sales tax.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; and -XPB or -XPE denote a paper version.

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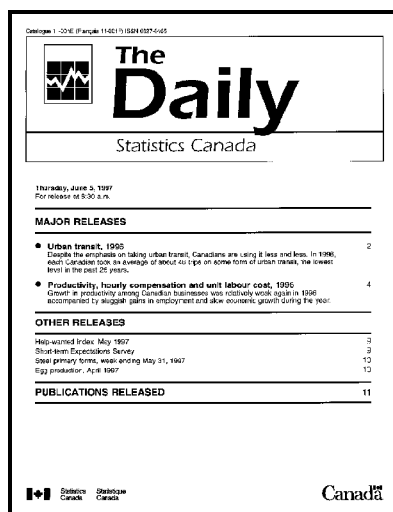
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