



The Daily

Statistics Canada

Thursday, September 16, 1999

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MAJOR RELEASES

- **Monthly Survey of Manufacturing, July 1999** 2
In July, manufacturers' shipments edged down 0.1% to \$40.3 billion, mainly due to longer than normal plant shutdowns in the motor vehicle industry. Excluding the automotive sector, shipments increased 0.8% in July.

OTHER RELEASES

Steel primary forms, week ending September 11, 1999	5
Steel primary forms, July 1999	5
Shipments of rolled steel, July 1999	5
Oils and fats, July 1999	5

PUBLICATIONS RELEASED

6



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MAJOR RELEASES

Monthly Survey of Manufacturing

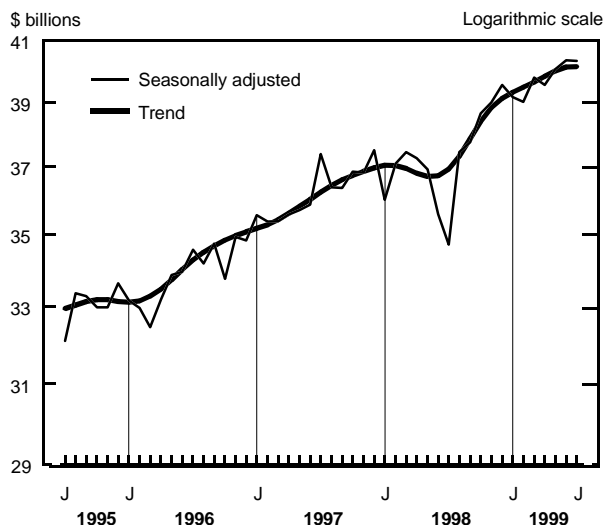
July 1999

In July, manufacturers' shipments edged down 0.1% to \$40.3 billion, mainly due to longer than normal plant shutdowns in the motor vehicle industry. Excluding the automotive sector, which declined 3.1%, shipments increased 0.8% in July.

With the slight fall in shipments during July, the scope of fluctuations observed since the beginning of the year has diminished. Following strong gains in March, May and June, and decreases at the beginning of the year and in April, the slight decline noted this month levels off the trend.

In July, both unfilled orders and inventories increased.

Shipments edge down in July



After three months of consecutive increases, employment in the manufacturing sector decreased by 19,000 in August. Also, according to the recent release of the industrial capacity utilization rates, manufacturers were the main contributors in growth in capacity use during the second quarter. Finally, the July Business Conditions Survey showed that 90% of

Note to readers

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

Unfilled orders are reserve orders that contribute to future deliveries on condition that they remain active and 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.

manufacturers expect their production to remain stable or increase in the current quarter.

Slowdown in shipments due to longer than average plant shutdowns in July

In July, despite the overall decrease in shipments, there were gains in 15 of 22 groups, accounting for 55.8% of all shipments.

The largest declines in July were in the motor vehicle (-2.4%), motor vehicle parts and accessories (-4.9%) and machinery (-4.7%) industries. The decrease in the motor vehicle industry was mostly due to annual plant shutdowns that were longer than usual. The performance of the motor vehicle parts and accessories industry was due to the combined effect of plant shutdowns and the marked increase of the preceding month. The main factors affecting the decreased shipments in the machinery industry were the significant increase in June, and the sporadic work stoppages, either for vacations or for maintenance.

Offsetting increases were observed in the paper and allied products (+4.9%) and wood (+4.5%) industries. For paper and allied products, maintenance shutdowns in June and a 0.6% price increase in July explain most of this industry's recovery. In the wood industry, the increase in shipments was mainly due to an increase in prices (+4.1%).

Manufacturer's shipments decreased in five provinces as well as in the territories.

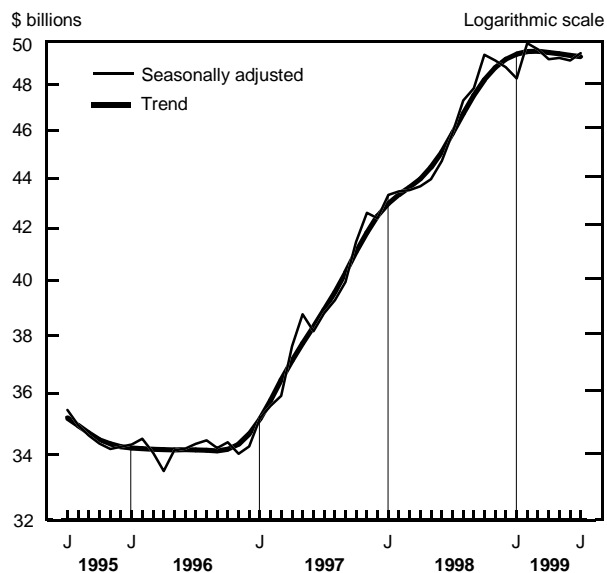
Shipments by province

	June 1999	July 1999	June to July 1999
seasonally adjusted			
	\$ millions		% change
Newfoundland	178	171	-4.0
Prince Edward Island	83	82	-1.2
Nova Scotia	594	597	0.5
New Brunswick	699	735	5.1
Quebec	9,216	9,150	-0.7
Ontario	22,301	22,319	0.1
Manitoba	873	831	-4.8
Saskatchewan	489	516	5.4
Alberta	2,885	2,847	-1.3
British Columbia	3,027	3,075	1.6
Yukon, Northwest Territories and Nunavut	3	3	-9.9

Unfilled orders remained steady

In July, unfilled orders increased 0.7% to \$49.5 billion. This gain was mainly attributable to the aircraft and parts (+3.0%) and machinery (+2.7%) industries. An offsetting decrease was observed in the fabricated metal products industry (-2.6%).

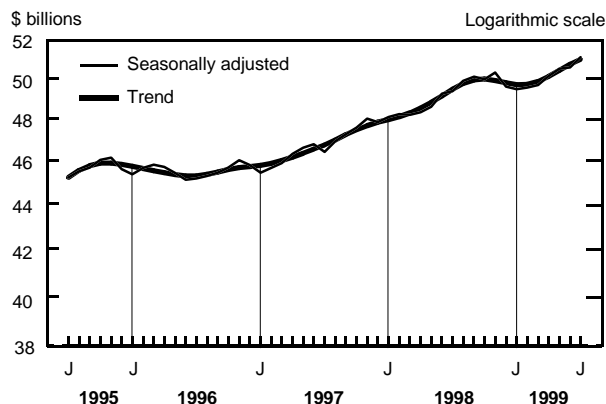
The trend for unfilled orders stabilized in July



Manufacturers' inventory levels continued to increase

Manufacturers' inventories grew 1.0% in July to \$51.1 billion. This was mainly due to an increase in the raw materials sub-component (+2.0%). July's result represents the sixth consecutive increase in inventories since decreases in December and January and maintains the positive trend observed since the end of the first quarter of 1999. Combined with the decrease in shipments, July's rise in inventories led to an increase in the inventory to shipments ratio from 1.25 in June to 1.27 in July.

The increase in inventory levels continued in July



The largest contributors to July's increase in inventories, in order of importance, were the electric and electronic products (+7.5%), refined petroleum and coal products (+8.8%) and motor vehicle (+7.2%) industries. The increase in the refined petroleum and coal products group was largely due to a 7.3% increase in prices.

The aircraft and parts industry (-4.4%) dominated those industries that had a decline in inventories.

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

The July 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.

Shipments, inventories and orders all manufacturing Industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories to shipments ratio
	seasonally adjusted								
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
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	39,551	-0.6	50,151	1.0	49,158	-0.9	39,088	-1.1	1.27
May 1999	40,060	1.3	50,534	0.8	49,223	0.1	40,125	2.7	1.26
June 1999	40,347	0.7	50,605	0.1	49,100	-0.2	40,224	0.2	1.25
July 1999	40,325	-0.1	51,125	1.0	49,454	0.7	40,679	1.1	1.27

OTHER RELEASES

Steel primary forms

Week ending September 11, 1999 (preliminary)

Steel primary forms production for the week ending September 11, 1999 totalled 318 444 tonnes, down 3.2% from the week-earlier 329 078 tonnes and up 11.1% from the year-earlier 286 608 tonnes. The cumulative total at the end of the week was 11 200 130 tonnes, a 1.5% decrease compared with 11 365 407 tonnes for the same period in 1998.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Greg Milsom (613-951-7093; milsomg@statcan.ca), Manufacturing, Construction and Energy Division. ■

Steel primary forms

July 1999

Steel primary forms production for July totalled 1 347 879 tonnes, an increase of 3.0% from 1 308 412 tonnes in July 1998.

Year-to-date production reached 9 359 104 tonnes, down 2.1% from 9 562 465 tonnes for the same period in 1998.

Available on CANSIM: matrix 58 (level 2, series 3).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Andy Shinnan (613-951-3515; shinand@statcan.ca), Manufacturing, Construction and Energy Division. ■

Shipments of rolled steel

July 1999

Rolled steel shipments for July totalled 1 096 764 tonnes, down 15.7% from 1 300 657 tonnes in June and up 0.8% from 1 087 635 tonnes in July 1998.

Year-to-date shipments at the end of July totalled 8 662 417 tonnes, up 3.4% from 8 380 733 tonnes for the same period in 1998.

Available on CANSIM: matrices 58 and 122 (series 22 to 25).

The July 1999 issue of *Primary iron and steel* (41-001-XIB, \$5/\$47) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Andy Shinnan (613-951-3515; shinand@statcan.ca), Manufacturing, Construction and Energy Division. ■

Oils and fats

July 1999

Production of all types of deodorized oils in July totalled 74 763 tonnes, a 14.9% decrease from 87 841 tonnes in June. Year-to date production for July was 621 914 tonnes, down 13% compared with 714 487 tonnes for the same period in 1998.

Domestic sales of deodorized margarine oil totalled 8 193 tonnes, those for deodorized shortening oil sales were 22 552 tonnes while deodorized salad oil sales amounted to 26 290 tonnes in July 1999.

Available on CANSIM: matrix 185.

The July 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

Farm cash receipts, January-June 1999
Catalogue number 21-001-XIB
(Canada: \$15/\$48).

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

Primary iron and steel, July 1999
Catalogue number 41-001-XIB
(Canada: \$5/\$47).

Consumer Price Index, August 1999
Catalogue number 62-001-XPB
(Canada: \$11/\$103; outside Canada: US\$11/US\$103).
Available at 7:00 a.m. on Friday, September 17.

All prices exclude sales tax.

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