



# The Daily

Statistics Canada

**Tuesday, February 15, 2000**

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Monthly Survey of Manufacturing, December 1999** 2  
 Manufacturers' shipments climbed 1.3% in December to \$43.2 billion. For the year as a whole, shipments increased 9.3% in 1999, the strongest gain by manufacturers since 1995 when shipments rose 12.5%.
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## MAJOR RELEASES

### Monthly Survey of Manufacturing

December 1999

Manufacturers' shipments climbed 1.3% in December to \$43.2 billion. For the year, shipments increased 9.3% in 1999 to \$490.4 billion (unadjusted figure), greater than the advances in 1998 (+3.2%) and 1997 (+6.9%). The 1999 increase was the strongest gain recorded by manufacturers since 1995, when shipments increased 12.5%.

After edging down in the first two months of the year, shipments generally increased steadily for the rest of 1999, maintaining the strong upward trend that began in August 1998.

Both unfilled orders and inventories increased in December, building on gains observed throughout most of the year.

January's Business Conditions Survey reported that nearly 9 out of 10 manufacturers stated that they planned to increase or maintain production in the coming three months. Coincidentally, the Labour Force Survey reported a small increase in employment in the manufacturing sector in January.

#### Shipments increase strongly in December

Manufacturers' shipments increased or remained unchanged in 17 of the 22 major groups in December, representing 78.6% of the total value of shipments.

The largest contributors to the overall increase were the motor vehicle (+3.5%), refined petroleum and coal (+5.4%), chemical products (+3.8%) and paper and allied products (+3.2%) industries.

Shipments in the motor vehicle industry accelerated as manufacturers reduced inventories in time for their fiscal year-ends. Roughly half of the increase in the refined petroleum and coal industry was due to price increases, which rose 2.3% as measured by the Industrial Product Price Index. The gain observed in the chemicals industry was spread across a number of sub-industries, namely plastics and synthetic resins as well as industrial organic chemicals and cosmetics. The increase in the paper and allied products industry was partially attributable to price increases, which rose 0.7%.

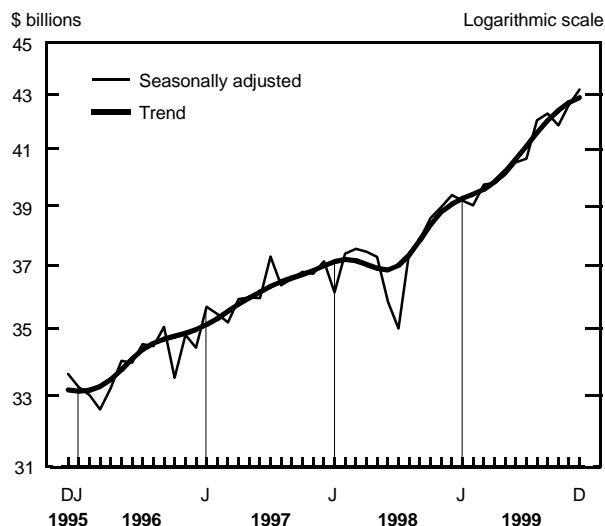
#### Note to readers

*Unfilled orders are a stock of orders, which will contribute to future shipments assuming that the 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 users 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 rise in December to finish the year strongly



Manufacturers' shipments rose in five provinces and in the territories in December.

## Shipments by province and territory

	Nov. 1999	Dec. 1999	Nov. to Dec. 1999
seasonally adjusted			
	\$ millions		% change
Newfoundland	185	175	-5.4
Prince Edward Island	104	85	-18.3
Nova Scotia	697	713	2.3
New Brunswick	780	805	3.3
Quebec	10,032	10,079	0.5
Ontario	22,984	23,415	1.9
Manitoba	861	856	-0.6
Saskatchewan	541	540	-0.1
Alberta	3,222	3,219	-0.1
British Columbia	3,200	3,286	2.7
Yukon, Northwest Territories and Nunavut	4	4	6.9

## Shipments increase strongly in 1999

In 1999, shipments increased in 19 of the 22 major groups representing 95.7% of shipments.

The largest contributors to the increase were the motor vehicle (+26.7%), refined petroleum and coal (+26.6%) and the wood (+16.3%) industries. The advance in the motor vehicle industry was attributable to increased capacity, strong demand and a rebound from the effects of the 1998 U.S. General Motors strike. In the petroleum and coal products industry, price increases of 49.7% played a dominant role in this industry's increased value of shipments. Price increases of 6.7% were a smaller factor in the increased shipments for the wood industry, which was also influenced by a construction boom in North America.

The only significant offsetting annual decrease was in the machinery and equipment (-6.2%) industry, where a decline in the global demand for agricultural machinery was a contributing factor.

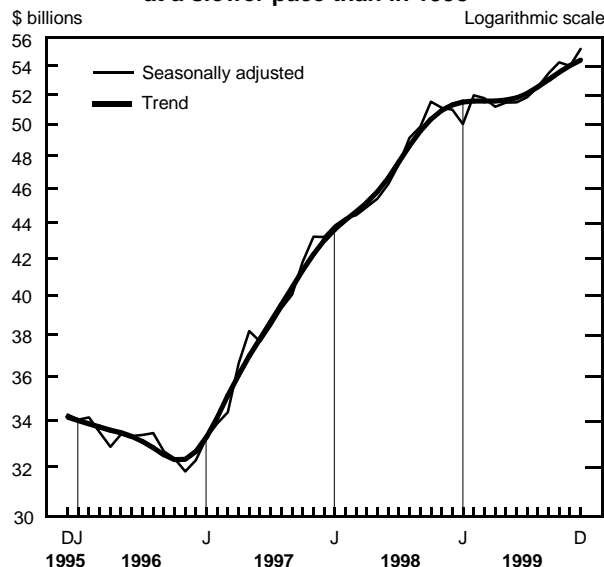
Shipments for 1999 increased in all provinces except Manitoba (-2.4%) and the territories (-8.5%).

## Orders rally in December

Manufacturers' backlog of unfilled orders increased 2.2% to \$55.2 billion in December after slipping in November. December's result reinforces the upward trend that began in May 1999. Overall, manufacturers' unfilled orders increased 8.2% in 1999.

December's increase was mainly attributable to the transportation equipment (+1.7%) and electrical and electronic products (+3.2%) industries.

## Unfilled orders continued to increase in 1999 but at a slower pace than in 1998

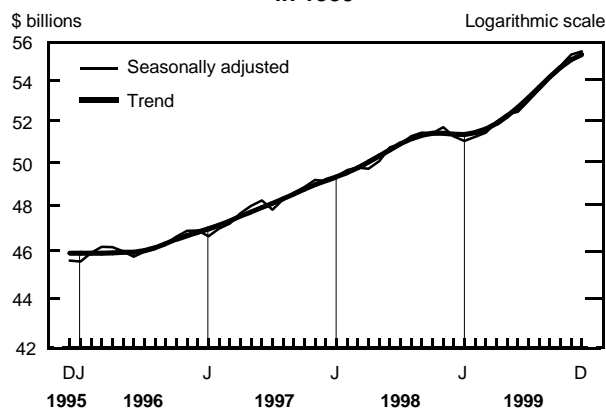


## Manufacturers' inventories continue to rise

Manufacturers' inventories rose 0.3% in December, to \$55.5 billion. Generally, inventories rose steadily throughout 1999, and finished the year 8.4% above the level in December 1998.

December's increase in inventories was chiefly attributable to electrical and electronic products (+2.8%), which was led by gains in the communications and other electronic equipment industry.

## Manufacturers' inventories continue to grow in 1999



The main offsetting decrease in inventories was in the railway rolling stock industry (-3.8%).

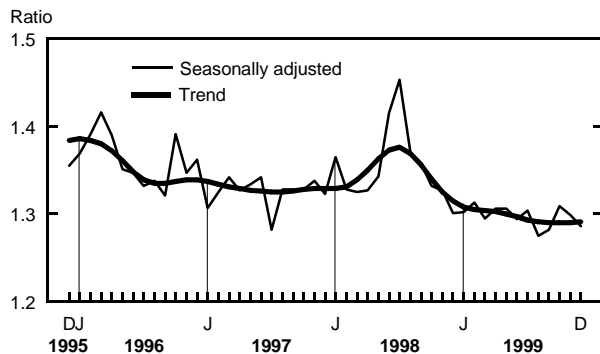
The larger increase in shipments outweighed the rise in inventories in December, leading to a monthly decrease in the inventory-to-shipments ratio from 1.30 to 1.29. This ratio generally edged down throughout the first nine months of 1999 before levelling off at 1.29 at the end of the year.

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

The December 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 Guy Sabourin (613-951-3508), Manufacturing, Construction and Energy Division.

#### Inventory to shipments ratio edges downward in 1999



#### 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	
December 1998	39,365	1.1	51,229	-0.9	50,978	-0.2	39,238	1.8	1.30
January 1999	39,172	-0.5	51,016	-0.4	50,027	-1.9	38,221	-2.6	1.30
February 1999	38,999	-0.4	51,215	0.4	51,945	3.8	40,917	7.1	1.31
March 1999	39,716	1.8	51,424	0.4	51,736	-0.4	39,506	-3.4	1.29
April 1999	39,779	0.2	51,952	1.0	51,174	-1.1	39,217	-0.7	1.31
May 1999	40,057	0.7	52,331	0.7	51,439	0.5	40,322	2.8	1.31
June 1999	40,501	1.1	52,427	0.2	51,461	0.0	40,523	0.5	1.29
July 1999	40,639	0.3	52,988	1.1	51,825	0.7	41,003	1.2	1.30
August 1999	42,028	3.4	53,574	1.1	52,502	1.3	42,705	4.2	1.27
September 1999	42,278	0.6	54,206	1.2	53,457	1.8	43,233	1.2	1.28
October 1999	41,836	-1.0	54,761	1.0	54,220	1.4	42,599	-1.5	1.31
November 1999	42,609	1.8	55,345	1.1	53,974	-0.5	42,363	-0.6	1.30
December 1999	43,176	1.3	55,511	0.3	55,177	2.2	44,380	4.8	1.29

## Manufacturing industries except motor vehicles, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
			seasonally adjusted					
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
December 1998	31,050	0.9	48,308	-0.6	43,540	0.6	31,294	2.6
January 1999	30,760	-0.9	48,143	-0.3	42,930	-1.4	30,151	-3.7
February 1999	30,664	-0.3	48,419	0.6	44,694	4.1	32,428	7.6
March 1999	31,287	2.0	48,649	0.5	44,822	0.3	31,415	-3.1
April 1999	31,423	0.4	49,158	1.0	44,527	-0.7	31,128	-0.9
May 1999	31,596	0.5	49,509	0.7	45,071	1.2	32,140	3.2
June 1999	31,872	0.9	49,648	0.3	44,948	-0.3	31,749	-1.2
July 1999	32,227	1.1	50,006	0.7	45,344	0.9	32,623	2.8
August 1999	32,693	1.4	50,642	1.3	45,925	1.3	33,274	2.0
September 1999	33,138	1.4	51,250	1.2	46,162	0.5	33,375	0.3
October 1999	33,091	-0.1	51,513	0.5	46,842	1.5	33,770	1.2
November 1999	33,871	2.4	52,219	1.4	47,016	0.4	34,045	0.8
December 1999	34,191	0.9	52,376	0.3	48,809	3.8	35,985	5.7



## OTHER RELEASES

### Passenger bus industry

First half 1999 (preliminary)

The financial picture for the Canadian bus industry improved marginally during the first six months of 1999 compared with the first half of 1998. The number of passengers using urban transit services increased while the number using scheduled intercity services declined.

Gross revenues for the industry, excluding subsidies, rose 0.6% to \$1.59 billion. At the same time, total expenditures declined 0.2% to \$2.37 billion.

Over the longer term, revenues in the first half of 1999 rose 11% compared with the first half of 1995 (the earliest year of comparable data), while expenditures increased just under 3%.

The sightseeing segment of the bus industry has grown significantly. During the first half of 1999, companies specializing in sightseeing reported gross revenues of about \$8 million, compared with about \$1 million in the first half of 1995. In 1999, 15 sightseeing companies reported data compared with only three in 1995. Several companies began operation during 1997 and 1998, especially in Ontario and British Columbia. These gains were in part a result of more activity in the tourism industry.

Scheduled intercity bus services recorded revenues of \$122 million during the first half of 1999, up 4.3% from the first half of 1998. However, the number of passengers using scheduled intercity services fell 5.4% to 6.55 million during the same time frame. Despite this decline, travel by intercity bus has increased on a yearly basis since 1994. As a rule, the first six months of a calendar year account for just under half of the number of scheduled intercity passengers carried during the entire year.

Urban transit services carried about 718 million passengers during the first half of 1999, up 0.6% from the first half of 1998. This represented a decelerating rate of growth from first-half gains of 1.6% in 1997 and 2.0% in 1998.

Gross revenues (excluding subsidies) for urban transit services increased 1.7% to \$919 million between the first half of 1998 and the first half of 1999. Expenditures were up a marginal 0.4% to \$1.74 billion. The growth in passengers as well as the improvement in operating revenues over expenditures has been a pattern in recent years as transit companies promote their services. These improvements have come after several years of declining urban transit ridership.

### Passenger bus industry

	First and second quarters 1998	First and second quarters 1999	First and second quarters 1998 to first and second quarters 1999
	millions		% change
<b>Industry total</b>			
Total revenue excluding urban transit subsidies (\$)	1,582	1,591	0.6
Total expenditures (\$)	2,379	2,374	-0.2
Total scheduled intercity passengers	6.93	6.55	-5.4
<b>Urban transit companies</b>			
Total revenue excluding subsidies (\$)	903	919	1.7
Total expenditures (\$)	1,731	1,738	0.4
Urban transit services (Number of passengers)	714	718	0.6

**Note:** All data are based on the first two quarters of the calendar year except where indicated. The information is derived from quarterly surveys completed by about 100 urban transit and 300 other bus companies that gross at least \$200,000 a year. The latter provide scheduled intercity, charter, school bus, shuttle and sightseeing services. Data exclude all school bus companies with annual revenues less than \$2 million. In 1995, Statistics Canada expanded its quarterly passenger bus survey to include companies that gross at least \$200,000 per year. The previous threshold had been \$500,000. Consequently, 1995 is used as a base year for most historical references.

**Available on CANSIM: matrices 346 and 347.**

To obtain data, contact Robert Larocque, (613-951-2486; [laroque@statcan.ca](mailto:laroque@statcan.ca)), Transportation Division.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Harold Kohn (613-951-0162; [kohnhar@statcan.ca](mailto:kohnhar@statcan.ca)), Transportation Division. ■

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## Shipments of rolled steel

December 1999

Rolled-steel shipments for December totalled 1 152 638 tonnes, down 12.6% from 1 318 778 tonnes in November 1999 and up 9.9% from 1 048 369 tonnes in December 1998.

Year-to-date shipments at the end of December 1999 totalled 14 952 400 tonnes, up 6.4% from 14 057 433 tonnes shipped in 1998.

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

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](mailto:shinand@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## Steel pipe and tubing

December 1999

Steel pipe and tubing production for December totalled 206 759 tonnes, a 20.2% increase from 172 005 tonnes produced in December 1998.

Year-to-date production to the end of December totalled 2 486 776 tonnes, up 2.4% from 2 428 235 tonnes produced over the same period in 1998.

**Available on CANSIM: matrix 35.**

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

## Steel primary forms

December 1999

Steel primary forms production for December totalled 1 362 088 tonnes, an increase of 9.9% from 1 238 895 tonnes produced in December 1998.

Year-to-date production reached 16 136 095 tonnes, up 1.9% from 15 832 839 tonnes produced over 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](mailto:shinand@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## Railway carloadings

Ten-day period ending January 31, 2000

Non-intermodal traffic loaded during the ten-day period ending January 31, 2000, increased 8.7% to 6.4 million tonnes compared with the same period in 1999. The number of cars loaded increased 8.1%.

Intermodal traffic tonnage totalled 517 000 tonnes, up 1.2% from the same period of 1999. The year-to-date figures increased 17.4%.

Total traffic increased 8.1% during the reference period. This brought the year-to-date total to 20.9 million tonnes, an increase of 11.0% from the previous year.

All year-to-date figures have been revised.

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

## PUBLICATIONS RELEASED

**Production and shipments of steel pipe and tubing,**  
December 1999  
**Catalogue number 41-011-XIB**  
(Canada: \$5/\$47).

**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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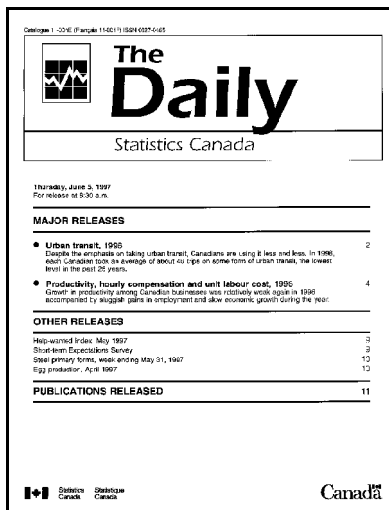
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