



The Daily

Statistics Canada

Thursday, August 16, 2001

Released at 8:30 a.m. Eastern time

MAJOR RELEASES

- **Monthly Survey of Manufacturing, June 2001** 2
 Led by sharp declines in the motor vehicle and computer and electronic product industries, manufacturing shipments contracted 1.9% in June to \$43.3 billion, erasing the increase observed in May.

OTHER RELEASES

- Legal aid, 1999/2000 6
- Steel primary forms, week ending August 11, 2001 6

NEW PRODUCTS

Focus on culture

Spring 2001

Focus on culture, Statistics Canada's quarterly publication for culture statistics, presents reports and analysis of current issues and trends in culture. This latest issue features the article "Larger cinemas outperform smaller ones," based on data from the 1998-99 Motion Picture Theatres Survey.

This article describes how the film exhibition industry has had to restructure to compete more effectively against home entertainment. The data show that when it comes to attendance and market share, bigger is definitely better for movie theatres in Canada. A companion article, "Rebuilding the movie theatre industry", describes the restructuring of the film exhibition industry on a global level.

Focus on culture, Vol.13, no.1 (87-004-XIE, \$7/\$20; 87-004-XPB, \$9/\$27) is now available. See *How to order products*. "Larger cinemas outperform smaller ones" is also available as a free preview article of this publication on the *In depth* page of Statistics Canada's Web site (www.statcan.ca).

For more information, contact Marla Waltman Daschko (613-951-3028; fax: 613-951-1333; marla.waltman-daschko@statcan.ca), or Pina La Novara (613-951-1573; fax: 613-951-1333; pina.lanovara@statcan.ca) Culture, Tourism and the Centre for Education Statistics. Or contact Client Services at (1-800-307-3382; cult.tourstats@statcan.ca; fax: 613-951-9040).



MAJOR RELEASES

Monthly Survey of Manufacturing

June 2001

Led by sharp declines in the motor vehicle and computer and electronic product industries, manufacturing shipments contracted 1.9% in June to \$43.3 billion, erasing the increase observed in May. June's result is the third monthly decrease in 2001 and compounds the declining trend in manufacturing shipments that started in the autumn of 2000. Lower demand and rising finished-product inventories have challenged manufacturers throughout 2001, resulting in production slowdowns and layoffs in some industries. Shipments in the first six months of 2001 decreased 2.1% compared to last year.

Shipments in 16 of 21 industries representing 83% of the total shipments, decreased in June; five provinces reported lower shipment values as well.

According to the recent release of the July 2001 Business Conditions Survey for Manufacturing, manufacturers still expected some reduction in production for the coming three months but were mildly less pessimistic than in the previous quarter.

According to the recent release of the Labour Force Survey, manufacturing employment edged up in July (+12,000). As makers of automotive and aircraft equipment added staff in July, so too did employers in the related plastics and fabricated metal products sectors. On the downside, employment shrank in computer and electronic products manufacturing. From January to July in 2001, manufacturing jobs have fallen by 41,000 - more than any other industry.

Inventories edged up 0.1% to \$65.5 billion in June, as finished-product inventories rose for the fourth time in six months. Meanwhile, unfilled orders slipped 0.6%, led by diminishing orders for the aerospace product and parts and computer and electronic products industries.

Motor vehicles, computers and electronic products pull down shipments

Following three months of increased manufacturing activity, June shipments of motor vehicles decreased 6.1%. During the first six months of 2001, auto manufacturers have cut back shipments by 14.6%, compared to last year.

Shipments of computer and electronic products continued to slide this month, following a brief reprieve in May. June shipments were reported at \$2.1 billion, down 11.5% from May, the lowest

Note to readers

In addition to current month estimates, data for the previous three months are regularly revised. Factors influencing revisions include late receipt of company data, incorrect information reported earlier, replacement of estimates with actual figures (once available), and seasonal adjustments. Consult the appropriate CANSIM tables or matrices for revised data.

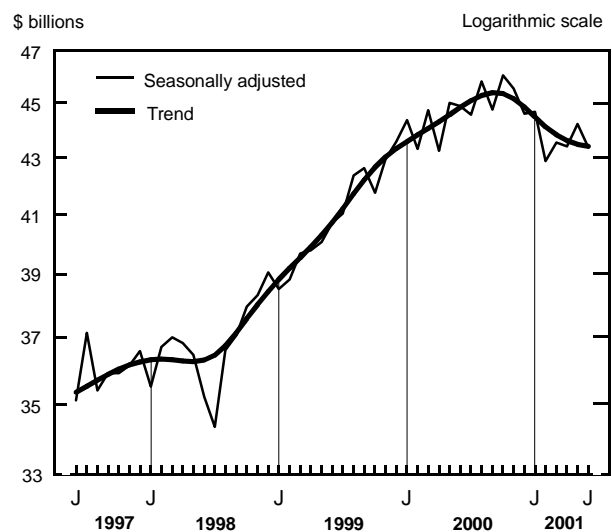
Unfilled orders are a stock of orders, which will contribute to future shipments assuming that the orders are not cancelled.

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 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. Readers 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.

level since January 1999. Shipments of computers and electronic products have declined 42% from their August 2000 peak. High finished-product inventories, over-capacity and reduced demand continued to influence this industry.

June shipments fall back 1.9%



The petroleum and coal product industry, which decreased 6.1%, also contributed to June's lower shipments. Prices declined by 2.8% during the month.

The aerospace product and parts industry was the one bright spot, reporting an increase of 16.6% in manufacturing shipments, partially offsetting the month's decline of all shipments.

Inventories edged up in June led by increased finished product inventories

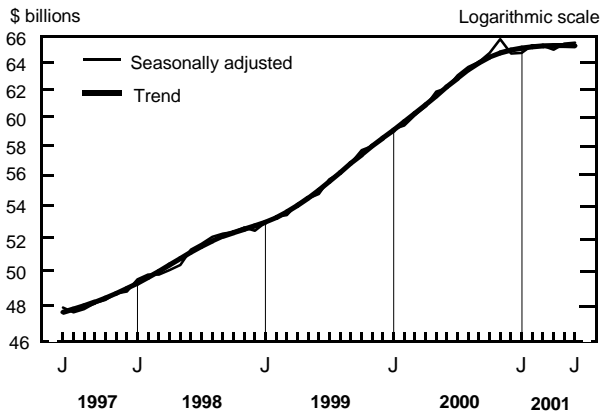
Manufacturers' inventories grew 0.1% to \$65.5 billion in June, led by finished product inventories (+2.1%). Goods-in-process (-1.0%) and raw material (-0.6%) inventories both decreased in June. Total inventories have remained relatively stable throughout the first half of 2001 despite the general decline observed in shipments.

The largest contributor to the increase in inventories was the aerospace product and parts industry which reported a 5.2% increase for the month, primarily due to a build-up of finished product inventories. Inventories have been rising in this industry throughout 2001.

The value of inventories in the wood products industry rose 3.2% despite a price decrease of 1.7%. Both finished product (+6.2%) and raw material (+1.2%) inventories increased in June.

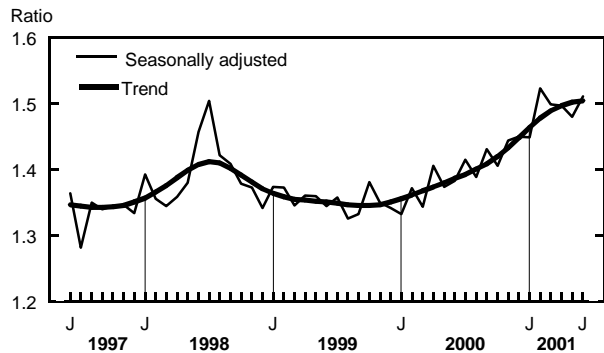
Offsetting decreases to inventories were reported in the railroad rolling stock (-10.4%) and petroleum and coal products (-5.8%) industries.

Manufacturers inventories increased 0.1%



The inventory-to-shipment ratio bounced up in June to 1.51 after declining to 1.48 in May. The trend, which had been consistently climbing since the fourth quarter of 1999, remained virtually unchanged for the third month in a row. Meanwhile, the finished product inventory-to-shipment ratio increased to 0.47 the highest level since July 1998. The trend of the finished product inventory-to-shipment ratio has been increasing since early 2000.

Inventory-to-shipment ratio bounced back up

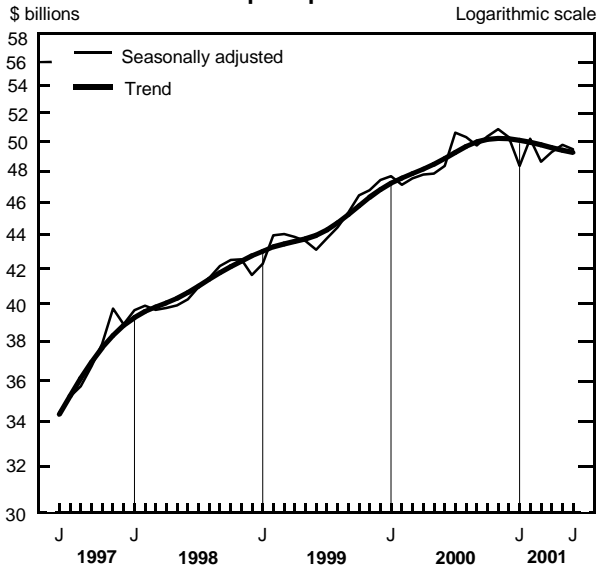


Fewer contracts for airplanes and computers contributed to lower June orders

Unfilled orders decreased 0.6% to \$49.5 billion, the first decrease since March. A 2.0% drop in the aerospace product and parts industry led the decline. The trend for unfilled orders has been declining since the end of 2000. Excluding the aerospace product and parts industry, unfilled orders increased 0.5% in June. Increases were observed in the fabricated metal products (+6.1%) and machinery (+1.6%) industries.

Also dominated by the aerospace product and parts industry, new orders fell sharply in June, down 3.7% to \$43.1 billion. Excluding the aerospace product and parts industry, new orders decreased 0.7%.

Unfilled orders declined 0.6% due to aerospace products



Available on CANSIM: tables 3040014 and 3040015, and matrices 15000-15037, 15039, 15040, and 15042.

With the release of CANSIM II, users can now obtain the same data as in CANSIM, but in a table format that is easier to use and more clearly presented.

The June 2001 issue of the *Monthly Survey of Manufacturing* (31-001-XIB, \$15/\$147) will be available soon. See *How to order publications*.

Data for shipments by province in greater detail than normally published may be available on request. To order data, or for general information, contact the Dissemination Officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Craig Kuntz (613-951-7092; kuncrai@statcan.ca), Manufacturing, Construction and Energy Division.

Shipments by Province and Territory

	May 2001	June 2001	May to June 2001
Seasonally adjusted			
	\$ millions		% change
Newfoundland	185	187	0.6
Prince Edward Island	100	103	2.9
Nova Scotia	722	742	2.7
New Brunswick	1,188	1,063	-10.5
Quebec	10,107	10,330	2.2
Ontario	23,670	22,835	-3.5
Manitoba	987	983	-0.4
Saskatchewan	597	598	0.2
Alberta	3,671	3,599	-2.0
British Columbia	2,977	2,902	-2.5
Territories	4	5	18.8

Manufacturing industries except motor vehicles, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	Seasonally adjusted							
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
June 2000	36,124	0.2	58,580	0.4	46,322	1.5	36,790	1.5
July 2000	36,070	-0.2	59,498	1.6	48,454	4.6	38,201	3.8
August 2000	36,886	2.3	59,876	0.6	48,305	-0.3	36,737	-3.8
September 2000	36,221	-1.8	60,362	0.8	47,775	-1.1	35,691	-2.8
October 2000	37,190	2.7	61,023	1.1	48,481	1.5	37,896	6.2
November 2000	37,109	-0.2	62,104	1.8	48,989	1.0	37,617	-0.7
December 2000	36,557	-1.5	60,998	-1.8	48,501	-1.0	36,069	-4.1
January 2001	37,082	1.4	61,238	0.4	46,614	-3.9	35,195	-2.4
February 2001	35,606	-4.0	61,808	0.9	48,426	3.9	37,418	6.3
March 2001	35,882	0.8	61,782	0.0	46,949	-3.1	34,405	-8.1
April 2001	35,493	-1.1	61,540	-0.4	47,609	1.4	36,154	5.1
May 2001	35,892	1.1	61,999	0.7	48,160	1.2	36,444	0.8
June 2001	35,426	-1.3	62,117	0.2	47,915	-0.5	35,180	-3.5

Shipments, inventories and orders in all manufacturing industries

	Shipments		Inventories		Unfilled orders		New orders		Inventories/shipments ratio
	Seasonally adjusted								
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change	
June 2000	44,878	-0.3	62,083	0.4	48,362	1.1	45,388	0.7	1.38
July 2000	44,560	-0.7	63,032	1.5	50,622	4.7	46,821	3.2	1.41
August 2000	45,812	2.8	63,647	1.0	50,295	-0.6	45,485	-2.9	1.39
September 2000	44,748	-2.3	64,035	0.6	49,745	-1.1	44,197	-2.8	1.43
October 2000	46,042	2.9	64,724	1.1	50,342	1.2	46,638	5.5	1.41
November 2000	45,536	-1.1	65,771	1.6	50,874	1.1	46,069	-1.2	1.44
December 2000	44,592	-2.1	64,675	-1.7	50,302	-1.1	44,019	-4.4	1.45
January 2001	44,668	0.2	64,723	0.1	48,352	-3.9	42,719	-3.0	1.45
February 2001	42,868	-4.0	65,287	0.9	50,186	3.8	44,701	4.6	1.52
March 2001	43,535	1.6	65,239	-0.1	48,634	-3.1	41,983	-6.1	1.50
April 2001	43,404	-0.3	64,955	-0.4	49,273	1.3	44,044	4.9	1.50
May 2001	44,207	1.9	65,426	0.7	49,773	1.0	44,707	1.5	1.48
June 2001	43,346	-1.9	65,508	0.1	49,484	-0.6	43,058	-3.7	1.51

OTHER RELEASES

Legal aid

1999/2000

Total legal aid expenditures at the national level reached \$487 million dollars in 1999/2000, representing a decrease of 1% from 1998/1999. Expenditures in 1999/2000 on legal aid amounted to a 31% decrease from the peak amount spent in 1994/1995.

Governments continued to be the major source of revenue for legal aid plans, contributing 90% of total revenues. The remainder of the revenue came from client contributions and cost recoveries (3%), legal profession contributions (1%), and other sources (6%).

In the 1999/2000 fiscal year, 827,653 applications were submitted for legal aid assistance, a decrease of 1% from the previous year.

The number of approved legal aid applications increased from the previous year, after years of decline. In 1999/2000, there were 503,074 applications approved, 2% more than the previous year.

The annual report, *Legal aid in Canada: Resource and caseload statistics, 1999/2000* (85F0015XIE, \$20) and the new shelf table product *Legal aid in Canada: Resource and caseload data tables, 1999/2000* (85F0028XIE, \$24) are now available. These products provide data on revenues, expenditures, caseload and personnel involved in delivering legal aid services in Canada. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Canadian Centre for Justice Statistics (1-800-387-2231; 613-951-9023).

Legal aid expenditures and approved applications

1999/2000

	Expenditures	1998/1999 to 1999/2000 % change	Approved Applications number	1998/1999 to 1999/2000 % change
	\$'000			
Canada	487,105	-1.0	503,074	2.0
Newfoundland
Prince Edward Island	695	17.0	1,209	10.1
Nova Scotia	11,117	1.4	15,481	6.2
New Brunswick	4,087	1.2	4,637	16.9
Quebec	101,943	-15.9	215,991	--
Ontario	223,608	3.5	140,903	7.1
Manitoba	17,637	16.3	17,374	--
Saskatchewan	10,616	5.0	21,891	-2.3
Alberta	26,142	14.1	32,051	5.8
British Columbia	83,650	4.1	51,534	1.6
Northwest Territories	3,714	-29.0	1,000	-11.6
Yukon	1,245	21.0	1,003	-2.8
Nunavut	2,651

.. figures not available

... figures not appropriate or not applicable

- amount too small to be expressed

Steel primary forms

Week ending August 11, 2001 (preliminary)

Steel primary forms production for the week ending August 11, 2001 totalled 288 442 metric tonnes, up 14.8% from 251 293 tonnes a week earlier and down 10.3% from 321 422 tonnes a year earlier. The year-to-date total at the end of the reference week was 9 199 956 tonnes, a 12.4 % decrease compared with 10 502 508 tonnes produced in the same period of 2000.

To enquire about the concepts, methods, or data quality of this release, contact Nicole Boucher (613-951-4070; nicole.boucher@statcan.ca), Manufacturing, Construction and Energy Division. For general information or to order data, contact the Dissemination Officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division.

NEW PRODUCTS

New motor vehicle sales, June 2001
Catalogue number **63-007-XIB** (\$13/\$124).

Exports by commodity, May 2001
Catalogue number **65-004-XPB** (\$78/\$773).

Exports by commodity, May 2001
Catalogue number **65-004-XMB** (\$37/\$361).

Legal aid in Canada: Resource and caseload statistics, 1999/2000
Catalogue number **85F0015XIE** (\$20).

Legal aid in Canada: Resource and caseload data tables, 1999/2000
Catalogue number **85F0028XIE** (\$24).

Focus on culture, quarterly bulletin from the culture statistics program, Spring 2001, Vol. 13, No. 1
Catalogue number **87-004-XPB** (\$9/\$27).

Focus on culture, quarterly bulletin from the culture statistics program, Spring 2001, Vol. 13, No. 1
Catalogue number **87-004-XIE** (\$7/\$20).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCD are electronic versions on compact disc.

How to order products

Order products by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

1-800-267-6677

From other countries call:

1-613-951-7277

To fax your order:

1-877-287-4369

Address changes or account inquiries:

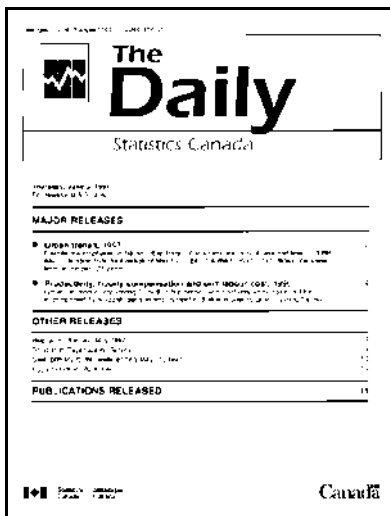
1-800-700-1033

To order a product by mail write: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet: write to order@statcan.ca or download an electronic version by accessing Statistics Canada's Web site (www.statcan.ca) under the headings *Products and services* and *Fee publications* (\$).

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.



Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Editor: Tom Vradenburg (613-951-1103, tom.vradenburg@statcan.ca)

Head of Official Release: Madeleine Simard (613-951-1088), madeleine.simard@statcan.ca

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2001. Citation in newsprint, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001E, along with date and page references.