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The Daily

Statistics Canada

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MAJOR RELEASES

OTHER RELEASES

NEW PRODUCTS

MAJOR RELEASES

Monthly Survey of Manufacturing

January 2002

Following a dismal 2001, manufacturing shipments surged 3.1% in January to $41.7 billion. The increase in manufacturing activity was widespread across industries, and only the second since August. In addition, manufacturers continued to trim their inventories — 0.5% in January, the eighth consecutive decline. As a result, the inventory-to-shipment ratio fell sharply to 1.49, its lowest since May and down significantly from October's recent high of 1.56.

January's rise in shipments was the largest month-to-month increase since May 2000 (+4.1%), a period of strong expansion in the manufacture of motor vehicles and computer and electronic products as well as rising prices for petroleum and coal products. January's advance covered most of the waterfront; 18 of 21 industries, representing 91% of total shipments, reported higher values. The chemical industry recovered from a sharp drop in December to post the best gain in shipments of all the major groups in January. Other major contributors to the month's increase included machinery, fabricated metal products and beverage and tobacco products. As well, the declining trend of shipments continued to show signs of moderating. The trend has been gradually improving since it levelled off at -0.9% in the summer of 2001.

Shipments by province and territory

	Dec. 2001	Jan. 2002	Dec. 2001 to Jan. 2002
	Seasonally adjusted		
	$ millions		% change
Newfoundland and Labrador	181	188	3.9
Prince Edward Island	108	108	-0.1
Nova Scotia	674	692	2.7
New Brunswick	983	983	-0.1
Quebec	9,693	9,890	2.0
Ontario	21,440	22,288	4.0
Manitoba	920	959	4.3
Saskatchewan	577	622	7.7
Alberta	3,195	3,273	2.4
British Columbia	2,663	2,672	0.3
Yukon, Northwest Territories and Nunavut	3	5	47.3

In January, all provinces and territories reported higher shipments except Prince Edward Island and New Brunswick.

After a year of production cuts, job losses and plant closures, manufacturers began the new year on a brighter note. According to the Labour Force Survey, thousands of new manufacturing jobs appeared in January and February. Employment in manufacturing jumped an estimated 62,000 in February, the second consecutive monthly advance. February's gain was concentrated in Ontario, and the largest increases were in machinery and transportation equipment.

Continued uncertainty in the aerospace products and parts industry helped push down total unfilled orders in January for the sixth straight month. Unfilled orders fell 0.8% to $46.4 billion in January, the lowest since July 1999. However, new orders more than recovered from a low December, rising 3.9% to $41.3 billion.

Manufacturers reduced their rate of capacity use for a fifth straight quarter, according to Statistics Canada's latest industrial capacity utilization rates. In the fourth quarter, the rate was 78.7%, down 1.3 percentage points from the third and the lowest since the fourth quarter of 1992 (77.6%). The year 2001 was not a positive one for manufacturing; shipments were down 5.2% from 2000. Stagnating demand and persistently high finished-product inventories contributed to the high-tech meltdown, and a weakening North American motor vehicle industry resulted in a widespread slowdown of this sector in Canada. In addition, falling petroleum prices and market uncertainty in the wood products industry due to recently instated softwood lumber duties were factors in the reduction of manufacturing shipments for these industries.

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 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** are those received whether they were 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 interpret new orders as orders that will lead to future demand. This is inappropriate; the "new orders" variable includes orders that have already been shipped. 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.*

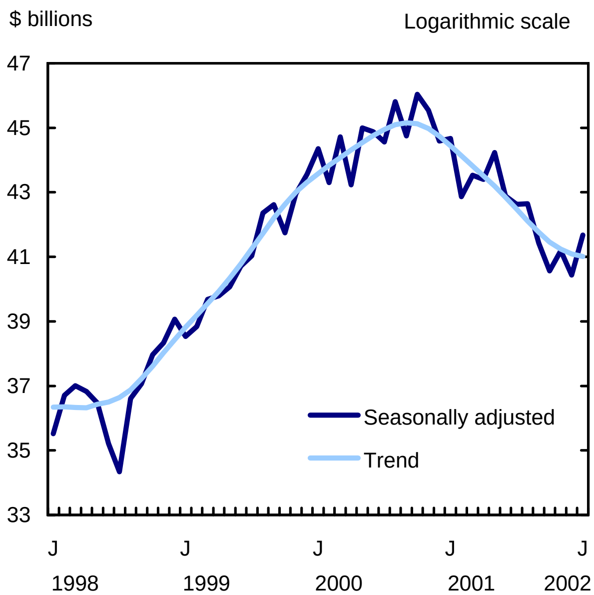
Not all orders will be translated into Canadian factory shipments because portions of large contracts can be subcontracted out to manufacturers in other countries.

Broad-based gains result in an upbeat January

Chemical products led all industries with a 6.3% increase in shipments for January. Manufacturers more than regained their December losses (-5.8%) as shipments rose to $3.0 billion, the highest since May 2001. Increasing demand, as well as higher industrial prices for chemicals (+1.3%) were factors.

In the machinery industry, several large orders shipped in January contributed to a 9.1% increase. Production had slowed throughout 2001 in response to the weakening economy and lower demand for machinery. Shipments rose to $2.1 billion in January, their highest since January 2001. Also up in January were fabricated metal products (+6.7%) and beverage and tobacco products (+10.5%). Shipments of fabricated metal products rose to $2.3 billion, following a slowdown in orders during the fourth quarter. Higher-than-usual demand contributed to the strong increase in the shipments of the beverage and tobacco products industry. Shipments reached an all-time high of $1.2 billion in January.

Strong shipment gains



Partly offsetting January's overall increase in shipments, the aerospace product and parts industry fell 7.6% from December to $1.0 billion. The strong growth of recent years soured in the latter half of 2001 and into 2002, as market uncertainty lingered throughout the aircraft and parts sector. Production of aerospace products and parts has decreased 28% in value since peaking at $1.4 billion in January 2001.

Also down for the second month in a row, the motor vehicle industry reported a 1.5% decrease in shipments to $5.0 billion. The trend for the motor vehicle industry has been down for 26 consecutive months.

Manufacturers cut inventories for eighth consecutive month

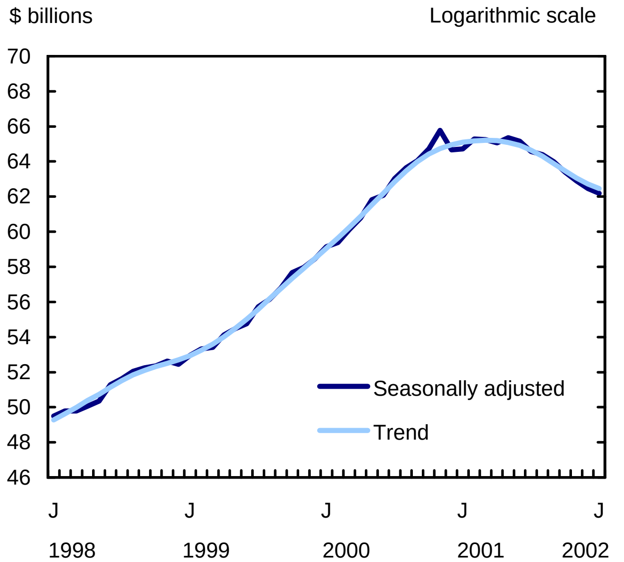
In January, inventories fell for the eighth successive month, a sign of manufacturers' continued efforts to reduce them. This is the longest string of monthly decreases since 14 consecutive cuts were reported in 1991 and 1992. Inventories, pushed down by goods-in-process (-1.6%), fell 0.5% to $62.2 billion, their lowest point since June 2000. Despite significant cuts to production in 2001, which contributed to the run of inventory declines, manufacturers struggled throughout the recent economic slowdown to reduce stocks. After peaking in November 2000 at $65.8 billion, inventories had fallen only 5.5% by January 2002; over the same period, shipments were down 8.5%. The trend for inventories fell 0.4% in January, and has been declining since April 2001. The trend for shipments started to decline in October 2000.

Finished-product inventories eased back 0.1% to $19.3 billion in January, following a 0.9% drop in December, and were at the lowest point since September 2000. Manufacturers have been steadily scaling down finished-products inventories since their peak of $20.2 billion in June 2001 — September 2001 was the only month of gains. Despite the recent series of decreases, almost one-third of manufacturers thought their finished-product inventories remained too high, according to the January 2002 Quarterly Business Conditions Survey. The trend for finished-product inventories remained negative for the eighth straight month as stockroom and warehouse inventories continued to fall. Raw material inventories also slipped 0.1% in January, the tenth decrease in 11 months.

Aerospace products and parts manufacturers lowered their inventories 2.8% to $7.7 billion, the fourth consecutive decrease. Stocks, which had been expanding in recent years, declined throughout the fourth quarter, as insecurity in the aviation sector resulted in fewer orders, production slowdowns and falling inventories. Chemical product stocks also dropped in January, for the third straight month, to $5 billion. Inventories, which peaked at $5.3 billion in October, have fallen ever since as manufacturers have drawn down their stocks of finished products. Inventories of furniture and related products fell 4.1% to $1.4 billion.

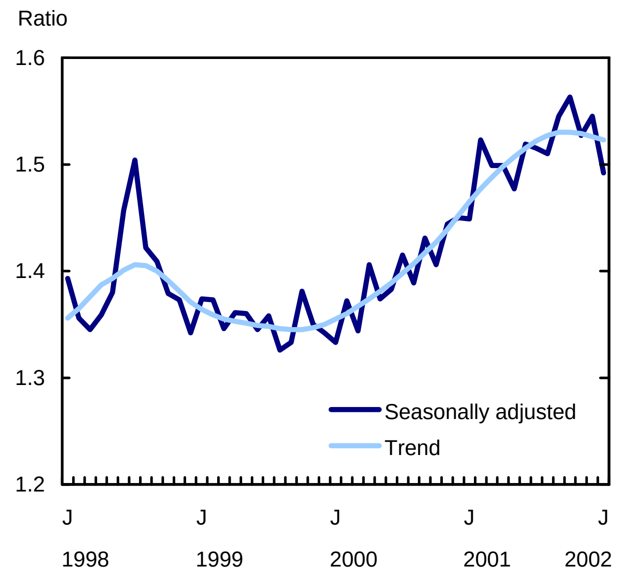
Inventories of petroleum and coal products rose 6.1% in January, only the second gain in eight months. This slightly offset January's overall decrease in inventories. Also up in January were motor vehicles (+5.4%).

Manufacturing inventories fall for the eighth consecutive month



Expanding shipments, countered by gradually decreasing inventories, resulted in a significant drop of the inventory-to-shipment ratio in January to 1.49. This was the lowest ratio in eight months, and well short of the nine-year high of 1.56 in October 2001. As the economy slowed in 2001, manufacturers cut production sharply; inventories were slower to respond, contributing to a fluctuating ratio in recent months. The trend of the inventory-to-shipment ratio, which had been consistently climbing since late 1999, has levelled off since the summer of 2001. However, the finished-products inventory-to-shipment ratio declined to 0.46 in January from December's 0.48. The ratio, which had been progressively increasing since mid-2000, also showed signs of moderation in January as manufacturers succeeded in lowering their finished-product inventories.

Rebounding shipments push down the inventory-to-shipment ratio



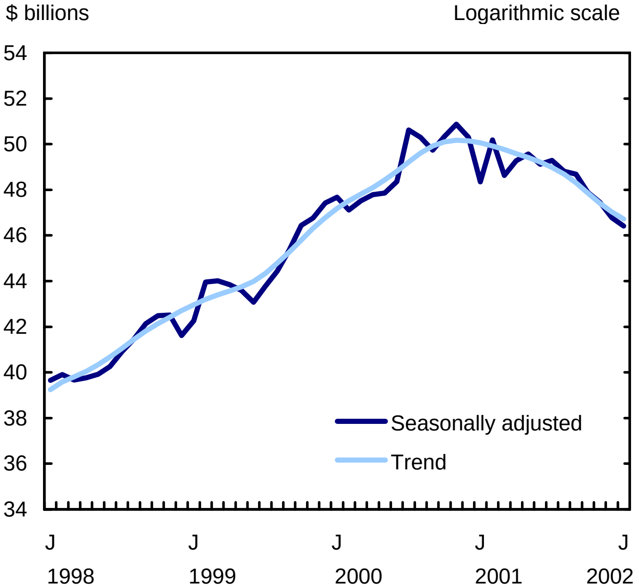
Unfilled orders continue to fall

Unfilled orders fell 0.8% to $46.4 billion in January, their lowest since September 1999. Manufacturers' orders have fallen for six consecutive months, and stood 8.8% below their November 2000 peak of $50.9 billion. Excluding the impact of the aerospace products and parts industry, unfilled orders decreased 0.9%. The trend, which had been declining for 13 months, eased a slight -0.6% in January.

The new year began with the continuation of a four-month decline of unfilled orders for the aerospace product and parts industry. Global uncertainty in the aviation sector persisted as unfilled orders decreased -0.7% to $19.8 billion; orders peaked at $21.5 billion in July. Unfilled orders of plastics and rubber products decreased 4.3% to $1.2 billion, while machinery orders contracted for the first time since July, dropping 0.6% to $6.7 billion. Cancellations were a factor in the reversal of a five-month surge in machinery orders.

Offsetting January's overall decline, unfilled orders of motor vehicles rose for the third consecutive month to $966 million, a 6.7% increase. However, orders were well short of those of previous years — 16.7% below January 2001, for example.

Unfilled orders begin 2002 on a down note



New orders rose 3.9% to $41.3 billion, their highest since September. New orders have been generally declining since late 2000.

Available on CANSIM: tables 304-0014 and 304-0015.

The January 2002 issue of the *Monthly Survey of Manufacturing* (31-001-XIB, $15/$147) will be available soon. See *How to order products*.

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*). To enquire about the concepts, methods or data quality of this release, contact Russell Kowaluk (613-951-0600; *kowarus@statcan.ca*), 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	
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	43,397	-0.3	65,071	-0.3	49,277	1.3	44,040	4.9	1.50
May 2001	44,231	1.9	65,350	0.4	49,570	0.6	44,524	1.1	1.48
June 2001	42,886	-3.0	65,146	-0.3	49,121	-0.9	42,437	-4.7	1.52
July 2001	42,633	-0.6	64,585	-0.9	49,292	0.3	42,804	0.9	1.51
August 2001	42,651	0.0	64,404	-0.3	48,806	-1.0	42,165	-1.5	1.51
September 2001	41,429	-2.9	63,998	-0.6	48,694	-0.2	41,317	-2.0	1.54
October 2001	40,570	-2.1	63,392	-0.9	47,880	-1.7	39,756	-3.8	1.56
November 2001	41,190	1.5	62,905	-0.8	47,451	-0.9	40,761	2.5	1.53
December 2001	40,439	-1.8	62,467	-0.7	46,777	-1.4	39,765	-2.4	1.54
January 2002	41,680	3.1	62,183	-0.5	46,408	-0.8	41,311	3.9	1.49

Manufacturing industries except motor vehicles, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	Seasonally adjusted							
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change
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	35,520	-1.0	61,652	-0.2	47,610	1.4	36,182	5.2
May 2001	35,891	1.0	61,919	0.4	47,952	0.7	36,232	0.1
June 2001	34,994	-2.5	61,765	-0.2	47,544	-0.8	34,587	-4.5
July 2001	34,744	-0.7	61,172	-1.0	47,738	0.4	34,938	1.0
August 2001	35,009	0.8	61,022	-0.2	47,211	-1.1	34,481	-1.3
September 2001	33,758	-3.6	60,729	-0.5	47,150	-0.1	33,697	-2.3
October 2001	33,312	-1.3	60,111	-1.0	46,427	-1.5	32,589	-3.3
November 2001	33,589	0.8	59,595	-0.9	45,995	-0.9	33,157	1.7
December 2001	32,898	-2.1	59,181	-0.7	45,264	-1.6	32,167	-3.0
January 2002	34,106	3.7	58,745	-0.7	44,813	-1.0	33,655	4.6

■

OTHER RELEASES

Crushing statistics

February 2002

Oilseed processors crushed 182 328 metric tonnes of canola in February, according to the monthly report of crushing operations. Oil production totalled 77 157 tonnes, and meal production, 112 824 tonnes.

Available on CANSIM: table 001-0005.

The February 2002 issue of *Cereals and oilseeds review* (22-007-XIB, $11/$112; 22-007-XPB, $15/$149) will be available in May. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Les Macartney (613-951-8714; *les.macartney@statcan.ca*), Agriculture Division. ■

Steel primary forms

January 2002

Steel primary forms production totalled 1 358 416 metric tonnes in January, up 13.5% from 1 197 214 tonnes in January 2001.

Available on CANSIM: table 303-0010.

The January 2002 issue of *Primary iron and steel*, Vol. 57, no. 1 (41-001-XIB, $5/47) is now available. See *How to order products*.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; *manufact@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Sara Breen (613-951-3521; *sara.breen@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Shipments of rolled steel

January 2002

Rolled steel shipments totalled 1 219 666 metric tonnes in January, up 29.1% from 944 513 tonnes in December but down 0.1% from 1 221 062 tonnes in January 2001.

Available on CANSIM: table 303-0010.

The January 2002 issue of *Primary iron and steel,* Vol. 57, no. 1 (41-001-XIB, $5/47) is now available. See *How to order products*.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; *manufact@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Sara Breen (613-951-3521; *sara.breen@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Restaurants, caterers and taverns

January 2002

Total receipts of restaurants, caterers and taverns in January were an estimated $2.43 billion, up 1.5% over the January 2001 estimate.

Available on CANSIM: table 355-0001.

The January 2002 issue of *Restaurant, caterer and tavern statistics,* Vol. 34, no. 1 (63-011-XIE, $6/$55) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts methods or data quality of this release, contact Bill Birbeck (613-951-3506), Services Industries Division. ■

Periodical publishing

1998–1999

Selected data from the Periodical Publishing Survey are now available in table format (87F0005XPE, $50). Data from this survey are available by province or territory, language, circulation size and country of controlling interest. Special tabulations are available on a cost-recovery basis.

For general information, contact Client Services (1-800-307-3382; *cult.tourstats@statcan.ca*). To order special or standard tables, or to enquire about the concepts, methods or data quality of this release, contact Tom Gorman (613-951-3498; fax: 613-951-1333; *tom.gorman@statcan.ca*), Culture, Tourism and the Centre for Education Statistics. ■

Longitudinal Administrative Database/Workplace Safety and Insurance Board of Ontario

1986 to 1994

A new file including data on a sample of Ontario workers permanently injured in their workplace between 1986 and 1994 is now available. The file contains incapacity assessment, income and family data for four years pre-injury and four years post-injury. The file will be held until March 2005.

To order custom tabulations or to enquire about the concepts, methods or data quality of this release contact Client Services (613-951-9720; fax: 613-951-4745; *saadinfo@statcan.ca*), Small Area and Administrative Data Division. ■

NEW PRODUCTS

Primary iron and steel, Vol. 57, no. 1, January 2002
Catalogue number 41-001-XIB ($5/$47).

Refined petroleum products, Vol. 56, no. 10, October 2001
Catalogue number 45-004-XIB ($16/$155).

Refined petroleum products, Vol. 56, no. 10, October 2001
Catalogue number 45-004-XPB ($21/$206).

New motor vechicle sales, Vol. 74, no. 1, January 2002
Catalogue number 63-007-XIB ($13/$124).

Restaurant, caterer and tavern statistics, Vol. 33, no. 11, November 2001
Catalogue number 63-011-XIE ($6/$55).

Restaurant, caterer and tavern statistics, Vol. 33, no. 10, October 2001
Catalogue number 63-011-XIE ($6/$55).

Periodical publishing, 1998–1999
Catalogue number 87F0005XPE ($50).

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

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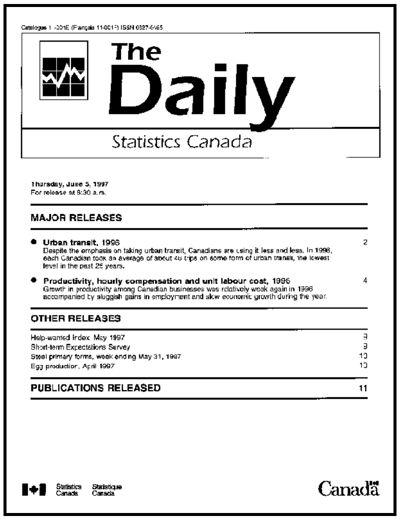

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Thursday, June 5, 1997
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MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 45 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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PUBLICATIONS RELEASED 11

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