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The Daily

Statistics Canada

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MAJOR RELEASES

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RELEASE DATES: November 17 to 21

MAJOR RELEASES

Monthly Survey of Manufacturing

September 2003

Higher shipments, rising orders, and the fifth successive decline in inventories were the highlights reported by manufacturers in September, as Ontario rebounded from the affects of August's electrical blackout. Shipments soared 5.2% to $43.0 billion in September, the highest level since March.

In September, manufacturers made up lost ground from the adverse impact of the electrical blackout of August 14. The Ontario economy was notably affected by the power outage and the following week of energy conservation. Assembly lines were shut down, plants and offices worked on reduced schedules and refineries closed. August's 4.9% decrease in total shipments was a one-time occurrence, largely due to the blackout.

Shipments by province and territory

	August 2003	September 2003	August to September 2003
	seasonally adjusted		
	$ millions		% change
Newfoundland and Labrador	200	220	10.0
Prince Edward Island	97	124	27.6
Nova Scotia	711	712	0.1
New Brunswick	1,099	1,091	-0.7
Quebec	9,795	9,972	1.8
Ontario	21,058	22,844	8.5
Manitoba	951	983	3.4
Saskatchewan	603	641	6.4
Alberta	3,515	3,515	0.0
British Columbia	2,832	2,903	2.5
Yukon, Northwest Territories and Nunavut	6	5	-22.9

Widespread increases in September

Increases were broadly based in September, as 17 of 21 manufacturing industries, representing 84% of total shipments, reported higher production. Ontario's rebound (+$1.8 billion) from the blackout led the nine provinces reporting increases in September. Even excluding Ontario's significant impact on the Canada total, manufacturing shipments still rose a healthy 1.8%.

Quebec (+$177 million), British Columbia (+$71 million) and Saskatchewan (+$38 million) also reported strong increases in September.

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.

***Non-durable goods industries** include food, beverage and tobacco products, textile mills, textile product mills, leather and allied products, paper, printing and related support activities, petroleum and coal products, chemicals and plastic and rubber products.*

***Durable goods industries** include clothing, wood products, non-metallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electrical equipment, appliance and components, transportation equipment, furniture and related products and miscellaneous manufacturing.*

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

***New orders** are those 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 take note that the month-to-month change in new orders may be volatile. This will happen particularly if the previous month's change in unfilled orders is closely related 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.

Quarterly shipments remain negative

Despite the upbeat tone of the September report, manufacturers were left with a dismal third quarter, rocked by the blackout in August. Shipments declined 0.4% in the third quarter, following a 3.9% drop in the second.

Manufacturers upbeat about their prospects for the fourth quarter

Manufacturing employment was little changed in the month of October, following a decrease in September (-15,000). A drop in employment by Ontario manufacturers was offset by slight increases in most other provinces. Since the start of 2003, the number of manufacturing jobs has fallen by an estimated 77,000 (-3.3%).

However, manufacturers were more upbeat about their employment and production prospects for the fourth quarter, according to the Business Conditions

Survey for October. The vast majority of manufacturers (86%) indicated that they would maintain or add to their workforce in the coming quarter. The report also indicated that 34% of manufacturers would increase production in the fourth quarter.

Also encouraging was the fact that, in September, manufacturers loaded their books with an 8.0% boost in new orders, and noted that there was a rise in unfilled orders (+1.1%), the first since August 2002. Unfilled orders are often considered a key determinant of future shipments.

Some concerns linger

The Canadian economy has faced numerous challenges in 2003. The SARS virus, mad cow disease, forest fires and the electrical blackout have taken a toll on various sectors of the economy. Meanwhile, two of Canada's major manufacturing industries, motor vehicles and aerospace, continue to face diminished market demand, which has already contributed to substantial cuts in production.

There has been unease about the rapidly appreciating value of the Canadian dollar, which soared to a 10-year high in October. There are also some concerns regarding the US economy and the sustainability of its current recovery as the United States faces deficit challenges.

Big increases in shipments across the board

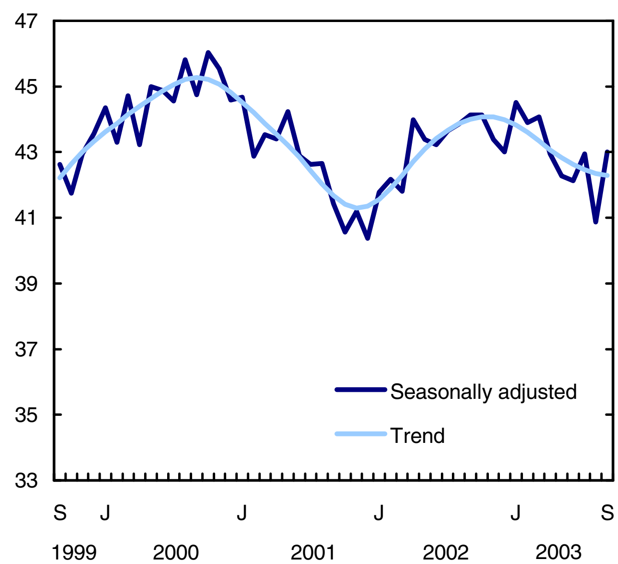
Motor vehicles (+16.2%), chemical products (+9.5%), computer and electronic products (+17.0%) and automotive parts (+7.1%) manufacturing were among the majority of industries reporting significant gains in September.

Manufacturers of motor vehicles recovered approximately two-thirds of the shipments lost in August (-23.1%) as a result of the blackout. Shipments increased to $5.2 billion in September, but on a year-to-date basis, they remain 4.2% off levels of one year ago.

Shipments of chemical products improved to $3.4 billion in September, the highest level since March. Manufacturers of petrochemical and pharmaceutical products contributed to the gains.

A quarter-end boost in computer manufacturing resulted in a stellar September for the otherwise beleaguered industry. Shipments of computer and electronic products climbed 17.0% to $1.7 billion in September, marking the third increase in the last four months.

Shipments bounce back in September



Manufacturers continue to slice inventories

In September, manufacturers trimmed another 0.7% from inventories, the fifth consecutive decline. Inventories were $60.9 billion, the lowest level since April 2000 ($60.8 billion).

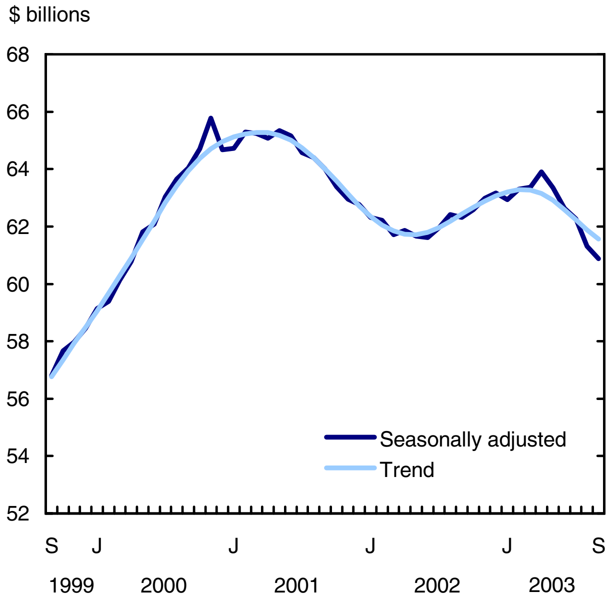
Manufacturers have successfully reduced inventory levels in recent months. Inventories were down 4.7% from April's recent high of $63.9 billion. All three stages of fabrication, including raw materials (-1.1%), goods-in-process (-0.7%) and finished-products (-0.2%), declined in September.

Finished-products inventories continue to drop

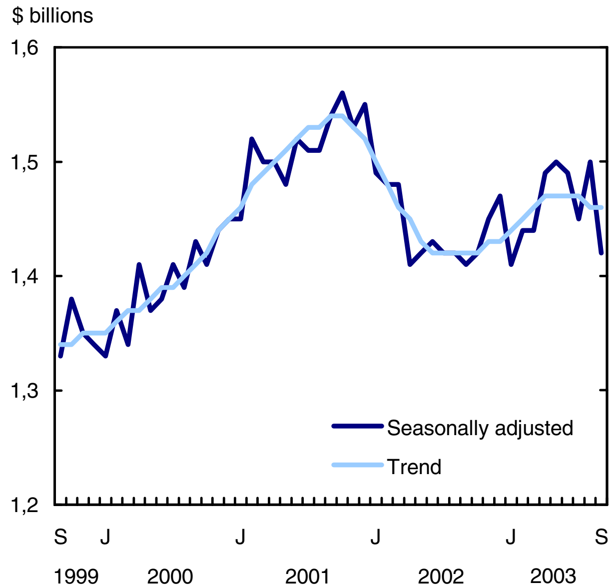
Manufacturers' finished-product inventories, which have been trending down throughout 2003, edged back to $19.0 billion in September, a 13-month low. Although lower levels of finished-product inventories are encouraging, the recent appreciation in the value of the Canadian dollar may be a key obstacle to further advances in demand from the United States, Canada's largest trading partner. This could hinder further reductions in finished-product inventories.

The main contributors to September's decrease included primary metals (-3.0%), aerospace (-1.6%) and petroleum and coal products (-7.3%).

Inventories continue to shrink



The inventory-to-shipment ratio improves



Higher shipments improve the inventory-to-shipment ratio

Strong shipment activity coupled with lower inventories contributed to a notable drop in the inventory-to-shipment ratio to 1.42 in September from August's 1.50, the high for the year. The ratio has been quite volatile in recent months, the result of ongoing fluctuations in demand and the impacts of several external shocks. Since late 2002, the inventory-to-shipment ratio has been edging up.

The finished-product inventory-to-shipment ratio fell back to 0.44 in September from 0.47. September's solid rise in shipments surpassed the much smaller decline in finished-product inventories. The trend, which had been rising since mid-2002, has shown a more moderate movement in recent months.

The finished-product inventory-to-shipment ratio is a measure of the time that would be required in order to exhaust finished-products if shipments were to remain at their current level.

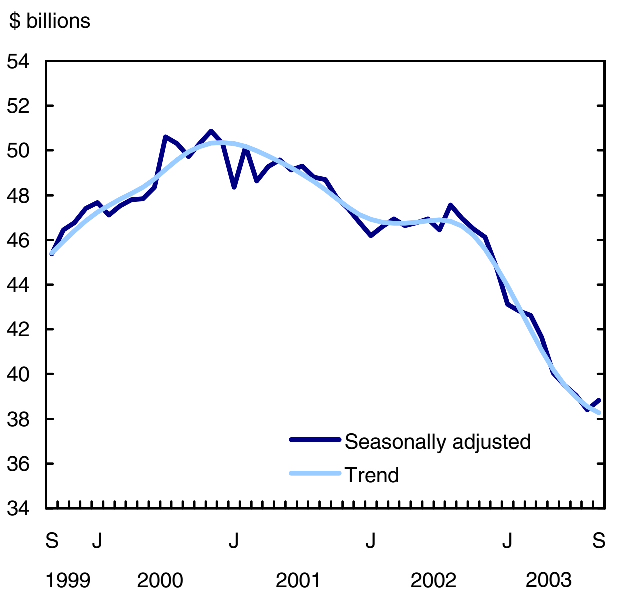
Unfilled orders increase for the first time in a year

Burdened by lacklustre demand and order cancellations since mid-2002, unfilled orders have weakened substantially in the last year. In September, manufacturers posted the first increase (+1.1%) in unfilled orders in over one year, to $38.8 billion.

Several industries benefited by September's rise in unfilled orders. A recent string of new order announcements by telecommunications manufacturers resulted in a 10.8% jump in unfilled orders for the computer and electronic products industry. Orders were $4.0 billion, the highest level in six months. The fabricated metal products (+6.4%) and plastics and rubber products (+14.1%) industries also reported strong increases in September.

Another noteworthy factor in the rise of unfilled orders was the aerospace products and parts industry. Since late 2001, aerospace manufacturing had been pummelled by the downward spiral of the global aviation market. In September, Canadian aerospace manufacturers eked out the first increase in unfilled orders since August 2001. Orders rose 0.4% to $11.3 billion.

Unfilled orders rise



New orders rocket ahead

Manufacturers reported an 8.0% rise in new orders to $43.4 billion in September. This marked the third increase in the last four months for new orders, a possible good omen for future prospects. Widespread increases were reported, including motor vehicles, computers and aerospace manufacturing.

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

Definitions, data sources and methods: survey number 2101.

The September 2003 issue of the *Monthly Survey of Manufacturing* (31-001-XIE, $17/$158) 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.

All data are benchmarked to the 1998 Annual Survey of Manufactures.

Data from the October 2003 Monthly Survey of Manufacturing will be released on December 16.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; fax: 613-951-9499; *manufact@statcan.ca*). To enquire about the concepts, methods or data quality of the 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	
September 2002	44,134	0.6	62,320	-0.1	46,963	-1.2	43,541	-3.2	1.41
October 2002	44,132	0.0	62,580	0.4	46,491	-1.0	43,660	0.3	1.42
November 2002	43,385	-1.7	62,989	0.7	46,127	-0.8	43,021	-1.5	1.45
December 2002	42,998	-0.9	63,161	0.3	44,820	-2.8	41,690	-3.1	1.47
January 2003	44,520	3.5	62,929	-0.4	43,123	-3.8	42,823	2.7	1.41
February 2003	43,901	-1.4	63,307	0.6	42,807	-0.7	43,584	1.8	1.44
March 2003	44,070	0.4	63,368	0.1	42,616	-0.4	43,879	0.7	1.44
April 2003	42,953	-2.5	63,898	0.8	41,630	-2.3	41,967	-4.4	1.49
May 2003	42,285	-1.6	63,358	-0.8	40,057	-3.8	40,711	-3.0	1.50
June 2003	42,128	-0.4	62,635	-1.1	39,504	-1.4	41,576	2.1	1.49
July 2003	42,954	2.0	62,260	-0.6	39,055	-1.1	42,506	2.2	1.45
August 2003	40,866	-4.9	61,316	-1.5	38,398	-1.7	40,209	-5.4	1.50
September 2003	43,009	5.2	60,867	-0.7	38,827	1.1	43,438	8.0	1.42

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change
September 2002	35,787	1.5	58,808	-0.2	44,932	-1.6	35,056	-3.2
October 2002	35,834	0.1	59,130	0.5	44,532	-0.9	35,434	1.1
November 2002	35,260	-1.6	59,403	0.5	44,195	-0.8	34,923	-1.4
December 2002	35,740	1.4	59,410	0.0	42,967	-2.8	34,511	-1.2
January 2003	36,284	1.5	59,376	-0.1	41,307	-3.9	34,624	0.3
February 2003	35,825	-1.3	59,728	0.6	41,027	-0.7	35,546	2.7
March 2003	35,735	-0.3	59,873	0.2	40,886	-0.3	35,593	0.1
April 2003	34,914	-2.3	60,409	0.9	39,950	-2.3	33,979	-4.5
May 2003	34,350	-1.6	59,963	-0.7	38,451	-3.8	32,850	-3.3
June 2003	34,328	-0.1	59,323	-1.1	37,904	-1.4	33,781	2.8
July 2003	34,631	0.9	59,036	-0.5	37,462	-1.2	34,190	1.2
August 2003	33,966	-1.9	58,251	-1.3	36,796	-1.8	33,299	-2.6
September 2003	35,213	3.7	57,696	-1.0	37,269	1.3	35,686	7.2

■

OTHER RELEASES

Telecommunications statistics

First and second quarter 2003

Despite stagnating revenues, the telecommunication services industry improved its profits during the first half of 2003 by containing operating costs and reducing capital spending.

The industry recorded $2.6 billion in profits before interest and taxes between January and June this year, up a robust 19.4% from the same period of 2002.

Profits before interest and taxes represented 15.9% of revenues for the first six months of 2003, compared with 13.5% in the same period of 2002. Both the wireline and wireless segments of the industry showed improved profit margins.

The industry's revenues rose a modest 1.0% to $16.1 billion, largely the result of increases in the wireless segment. Revenues for the wireless segment jumped 12.9% in the first half of 2003, compared with a 2.3% drop for the wireline segment.

The decline in wireline revenues continued a downward trend that started in the first quarter of 2002.

The strong financial performance of the wireless segment was achieved in spite of a significant slowdown in the expansion of its customer base. The number of subscribers to wireless services was up 9.7% at the end of the first quarter and 9.8% at the end of the second, both compared with the same period of 2002.

By comparison, the year-over-year increases in the number of subscribers to wireless services jumped 17.5% at the end of the second quarter of 2002, and 23.5% at the end of the second quarter of 2001.

The industry continued to slash its capital expenditures. In the first six months of 2003, these expenditures amounted to $1.9 billion, down from $2.8 billion for the same period in 2002, and $4.1 billion in the first half of 2001. Both segments of the industry made cutbacks, but they were most severe in the wireless sector.

The $459 million spent to upgrade the wireless network in the first six months of 2003 represented about one-half the amount spent in the first six months of 2002, around $863 million. It was also less than one-third of the amount spent in the first six months of 2001, about $1.6 billion.

Definitions, data sources and methods: survey number 2721.

The first and second quarter 2003 issues of *Quarterly telecommunications statistics* (56-002-XIE, $23/$43) 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 Cimeron McDonald (613-951-2741) or Jo Anne Lambert (613-951-6673), Science, Innovation and Electronic Information Division ■

Production and value of honey and maple products

2003

Canadian maple syrup producers tapped 5.7 million gallons in 2003, up 10% from 2002. This increase is due to the 11% jump in Quebec production alone. Quebec's maple syrup production value represents 93% of Canada's total production. In 2004, Quebec will be moving to a quota system in order to reduce the amount of syrup reserves. This coming quota system and favorable weather in Quebec contributed to the current increase in maple syrup production. Production increased 8% in New Brunswick but fell 5% in Ontario.

Canadian beekeepers produced 74 million pounds of honey in 2003, down 9% from 2002. Eastern provinces experienced a cool spring and many wet days, while the western provinces had some excessively dry conditions. These poor weather conditions contributed to low production yields throughout the early part of the season. However, good honey flows were experienced later in the season, making 2003 an average year overall.

This recent Canadian winter was a harsh one, and as a result many colonies experienced above normal losses. Varroa mite infestations were also prevalent throughout all provinces in Canada. Although many provinces saw losses in the number of beekeepers and colonies since last year, Quebec experienced the most significant losses, as colony numbers dropped by half and production was as low as between a quarter and a third of the usual amount. A $1.9-million program was put into place to help Quebec beekeepers whose colonies have suffered as a result of the Varroa mite.

Production and value for 2002 and a preliminary production estimate for 2003 are now available for honey and maple products.

Available on CANSIM: tables 001-0007 and 001-0008.

Definitions, data sources and methods: survey numbers, including related surveys, 3414 and 3419.

The annual bulletin *Production and value of honey and maple products*, 2003 (23-221-XIB, free) is now available online. From the *Our products and services* *page*, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jennifer Roach (613-951-0589), Agriculture Division ■

Industrial chemicals and synthetic resins

September 2003

Data on industrial chemicals and synthetic resins for September are now available.

Available on CANSIM: table 303-0014.

Definitions, data sources and methods: survey number 2183.

The September 2003 issue of *Industrial chemicals and synthetic resins*, Vol. 46, no. 9 (46-002-XIE, $6/$51) is now available. See *How to order products*.

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

Steel primary forms — weekly data

Week ending November 08, 2003 (preliminary)

Steel primary forms production for the week ending November 8 totalled 324 398 metric tonnes, up 0.1% from 324 008 tonnes a week earlier and 4.0% from 311 982 tonnes in the same week of 2002.

The year-to-date total as of November 8 was 13 476 529 tonnes, down 1.7% from 13 713 964 tonnes in the same period of 2002.

Definitions, data sources and methods: survey number 2131.

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

NEW PRODUCTS

Infomat — a weekly review, November 14, 2003
Catalogue number 11-002-XIE ($3/$100).

Infomat — a weekly review, November 14, 2003
Catalogue number 11-002-XPE ($4/$145).

Production and value of honey and maple products, 2003
Catalogue number 23-221-XIB
(free).

Industrial chemicals and synthetic resins, September 2003, Vol. 46, no. 9
Catalogue number 46-002-XIE ($6/$51).

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 or –XDE are electronic versions on diskette and -XCB or –XCE are electronic versions on compact disc.

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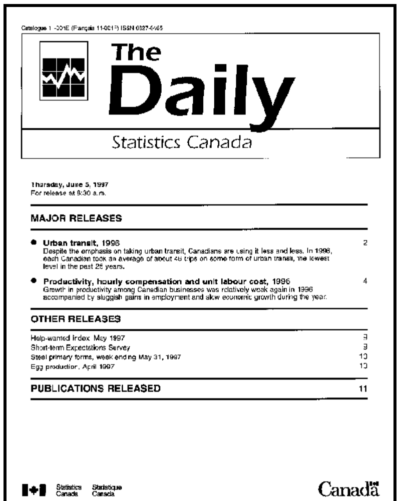

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RELEASE DATES: NOVEMBER 17 TO 21

(Release dates are subject to change.)

Release date	Title	Reference period
17	**Canada's retirement income programs**	1990 to 2001
18	**Canada's international transactions in securities**	September 2003
18	**Home repairs and renovations**	2002
19	**Consumer Price Index**	October 2003
19	**Longer-term impact of adolescent self-concept**	2003
19	**Travel between Canada and other countries**	September 2003
20	**Survey of Approaches to Educational Planning**	October 2002
20	**Registered apprenticeship training programs**	2001
21	**Television viewing**	Fall 2002