



The Daily

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MAJOR RELEASES

- **Canadian international merchandise trade, June 2003**

Canada's merchandise trade balance fell for the third consecutive month to \$3.6 billion, its lowest level since October 1999, as the 3.2% decline in exports outpaced the 2.2% drop in imports.

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 - **Monthly Survey of Manufacturing, June 2003**

Manufacturing shipments decreased 0.5% to \$41.9 billion in June, culminating a lacklustre second quarter. Manufacturers sliced 4.4% off shipments in the second quarter, wiping out the first quarter's gains.

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NEW PRODUCTS



MAJOR RELEASES

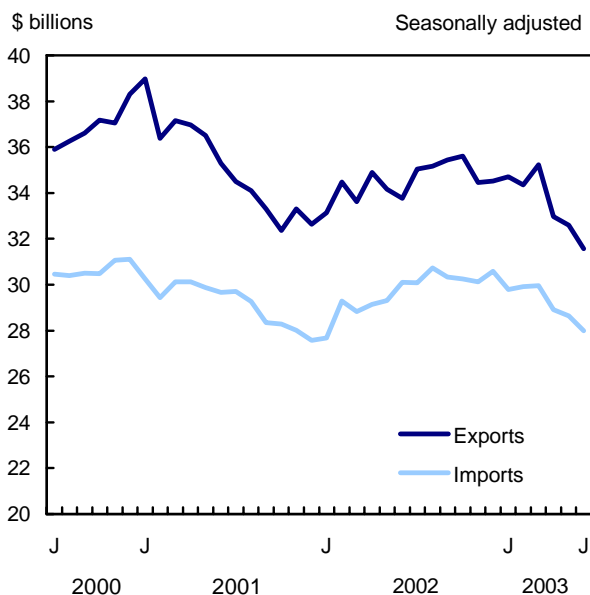
Canadian international merchandise trade

June 2003

Canada's merchandise trade balance fell for the third consecutive month to \$3.6 billion, its lowest level since October 1999, as the 3.2% decline in exports outpaced the 2.2% drop in imports.

Canadian exporters sent \$31.6 billion of goods abroad in June, the lowest level since September 1999, as a result of weak aircraft, automotive and agricultural exports, and as 34 countries closed their borders to Canadian beef exports for the entire month.

Exports and imports



Total imports for June fell to \$28.0 billion, their lowest level since January 2002, as all sectors, except energy and machinery and equipment, decreased or remained unchanged this month.

Note to readers

Merchandise trade is one component of the current account of Canada's balance of payments, which also includes trade in services.

"Other OECD countries," mentioned in the text, include Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey, Poland, South Korea, Hungary, the Czech Republic and Slovakia.

Revisions

In general, merchandise trade data are revised on an ongoing basis for each month of the current year. Customs basis data are revised for the previous data year each quarter.

Factors influencing revisions include late receipt of import and export documentation, incorrect information on customs forms, replacement of estimates with actual figures (once available), changes in classification of merchandise based on more current information, and changes to seasonal adjustment factors.

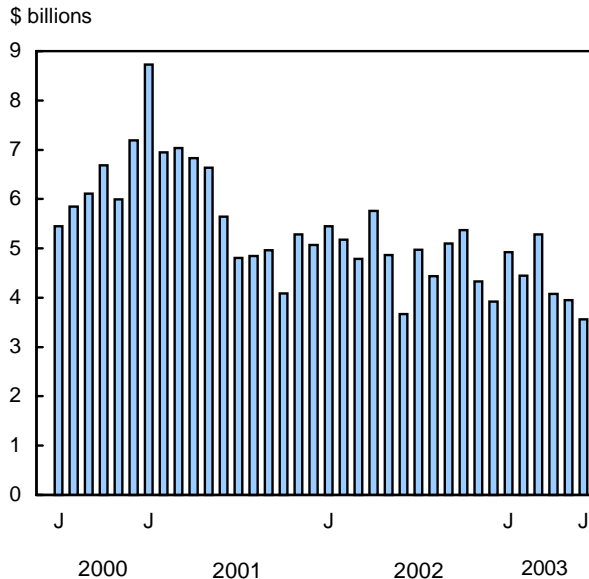
Revised data are available in the appropriate CANSIM tables.

Although exports to the United States dropped 1.6% in June to \$26.5 billion, Canada's imports from there plunged 3.8%, resulting in a trade surplus increase with the United States to just under \$7.2 billion. June was also a strong month for the Canadian dollar, which again appreciated against the US dollar and may have been a contributing factor in these declines.

The trade deficit with all non-US principal trading partners widened in June, as exports to every major trading region except Japan fell. Exports to Japan increased 2.3% to \$767 million, while imports soared 21.0% to just over a billion dollars. As a result, the trade deficit with Japan rose to \$317 million, more than double the level recorded in May (\$146 million).

The largest export drops to principal trading areas occurred with the European Union, falling 12.2% to \$1.8 billion, and the "all other countries" category, down 17.2% to \$1.5 billion.

Imports from the European Union fell 1.0% to \$2.9 billion, while imports from other OECD countries rose 2.2% to \$1.7 billion.

Trade balance**Sluggish transportation industries and foreign border closures to Canadian beef topple exports**

Canada's largest export sector, machinery and equipment, dropped 4.9% (-\$374 million) from May. A 19.8% decrease in exports of aircraft, engines and parts was responsible for 83% of this decline, as the airline industry still struggles with lower passenger traffic. As a result, smaller aircraft are being sold abroad and the large hit this month erased the three previous modest monthly increases.

The automotive product sector lost more ground, as exports decreased 2.6% in June. After a negligible increase last month, this sector resumed its slide that began in February. There were widespread declines within this sector: passenger autos fell \$83.5 million (-2.2%), trucks and other motor vehicles dropped \$75 million (-5.5%) and motor vehicle parts were down \$34 million (-1.5%). Purchase incentives still remained, as domestic and foreign auto producers continued to compete for market share.

Exports of agricultural products slipped 6.4% to \$2.2 billion in June. On May 20, a single cow infected with bovine spongiform encephalopathy (BSE) led the United States, Japan and 32 other countries to close their borders to Canadian beef exports. Live bovine and bovine meat exports, which averaged \$310 million a month on a customs basis prior to May, declined to about \$2 million in June. With beef exports virtually ceasing, meat and meat preparations (which includes pork, poultry and veal) sank 22.3%

to just under \$250 million. June's decline followed the 22.0% loss in May, when the ban was implemented.

All remaining export sectors experienced declines in June. The largest of these was a 2.6% drop in industrial goods and materials to \$5.3 billion, the third consecutive monthly decrease.

Forestry product exports fell 4.6% in June. A wood fibre shortage in Eastern Canada resulted in a 19.4% decline in wood pulp to \$448 million, as less logging and wood processing occurred. A 6.5% decrease in other paper and paperboard also contributed to this decline.

Energy products registered a decline of 0.8% in June, as a \$142 million drop in crude petroleum, mainly price oriented and a setback in electricity exports overshadowed increases in natural gas and petroleum and coal products. Moderate temperatures in the United States combined with lower prices encouraged wholesalers to build inventories throughout the month.

Import gains for energy and machinery and equipment fail to offset declines in other sectors

Monthly drops for all three automotive sub-sectors, ranging from 4.6% for trucks and other motor vehicles to 8.6% for passenger autos, drove the entire sector down 6.1% to \$6.3 billion. This is almost \$1.0 billion lower than the record \$7.2 billion reached in December 2002. With an abundance of automobile supply and lowered prices to accompany other purchase incentives, automobile manufacturers are challenged to increase sales and fewer parts are therefore being imported to produce complete vehicles.

Industrial goods and materials also suffered in June, as imports fell 5.0% to \$5.3 billion. Just under half of this decline came from a 10.0% drop in metal and metal ores, while chemicals and plastics absorbed most of the rest, falling \$111 million (-5.2%) in June.

Imports of other consumer goods slipped 2.5% in June, as all sub-sectors fell except footwear, printed matter and miscellaneous end products. This brings imports of consumer goods to \$3.8 billion after dropping \$96.5 million in June.

Agricultural and fishing products fell 2.0%, as imports of fruit and vegetables dropped 7.4% to \$470 million. Lower prices and the availability of locally grown products exerted some downward pressure on this sector.

All other import sectors declined, except energy products, machinery and equipment and forestry products.

Energy products rose 4.6%, as decreases in other energy product imports failed to offset a strong 16.1% improvement in crude petroleum imports. The two previous sluggish months for this commodity have

pulled this import sector down from its record level in March.

On the strength of aircraft, engines and parts, of turbines and motors and of drilling and mining machinery, Canada's largest import sector, machinery and equipment increased by 1.5% in June.

Available on CANSIM: tables 226-0001, 226-0002, 227-0001, 227-0002, 228-0001 to 228-0003 and 228-0033 to 228-0040.

Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.

The June 2003 issue of *Canadian international merchandise trade* (65-001-XIB, \$14/\$141) will be

available soon. The publication will include tables by commodity and country on a customs basis. Current account data (which incorporate merchandise trade statistics, service transactions, investment income and transfers) are available quarterly in *Canada's balance of international payments* (67-001-XIB, \$29/\$93; 67-001-XPB, \$38/\$124). See *How to order products*.

Merchandise trade data are available in PDF format on the morning of release.

For more information on the publications, contact Jocelyne Elibani, (1-800-294-5583; 613-951-9647). To enquire about the concepts, methods or data quality of this release, contact Daryl Keen (613-951-1810), International Trade Division.

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Merchandise trade

	May 2003 ^r	June 2003	May to June 2003	June 2002 to June 2003	January to June 2002	January to June 2003	January-June 2002 to January-June 2003
Seasonally adjusted, \$ current							
	\$ millions		% change		\$ millions		% change
Principal trading partners							
Exports							
United States	26,879	26,456	-1.6	-6.1	171,023	167,429	-2.1
Japan	750	767	2.3	-7.4	4,908	5,174	5.4
European Union	2,096	1,841	-12.2	-6.3	11,496	11,950	3.9
Other OECD countries ¹	1,055	998	-5.4	0.1	6,048	6,006	-0.7
All other countries	1,807	1,497	-17.2	-16.8	10,601	10,875	2.6
Total	32,586	31,560	-3.2	-6.5	204,075	201,433	-1.3
Imports							
United States	20,045	19,282	-3.8	-9.4	125,581	122,572	-2.4
Japan	896	1,084	21.0	11.8	5,759	5,728	-0.5
European Union	2,895	2,866	-1.0	-16.4	17,579	17,954	2.1
Other OECD countries ¹	1,691	1,728	2.2	4.4	9,426	10,415	10.5
All other countries	3,112	3,037	-2.4	9.6	16,019	18,535	15.7
Total	28,640	27,998	-2.2	-7.0	174,363	175,205	0.5
Balance							
United States	6,834	7,174	...	...	45,442	44,857	...
Japan	-146	-317	...	...	-851	-554	...
European Union	-799	-1,025	...	...	-6,083	-6,004	...
Other OECD countries ¹	-636	-730	...	...	-3,378	-4,409	...
All other countries	-1,305	-1,540	...	...	-5,418	-7,660	...
Total	3,948	3,562	...	...	29,712	26,228	...
Principal commodity groupings							
Exports							
Agricultural and fishing products	2,299	2,152	-6.4	-15.4	15,470	14,361	-7.2
Energy products	4,774	4,735	-0.8	19.9	22,097	32,085	45.2
Forestry products	2,752	2,624	-4.7	-7.7	18,976	16,738	-11.8
Industrial goods and materials	5,428	5,289	-2.6	-12.0	34,918	32,972	-5.6
Machinery and equipment	7,566	7,192	-4.9	-9.7	48,539	45,726	-5.8
Automotive products	7,289	7,097	-2.6	-10.0	48,184	44,243	-8.2
Other consumer goods	1,420	1,414	-0.4	2.4	8,687	8,639	-0.6
Special transactions trade ²	602	604	0.3	-10.7	3,993	3,823	-4.3
Other BOP adjustments	456	453	-0.7	-12.5	3,210	2,847	-11.3
Imports							
Agricultural and fishing products	1,853	1,815	-2.0	2.4	10,716	11,079	3.4
Energy products	1,521	1,592	4.7	11.2	7,399	10,315	39.4
Forestry products	248	248	0.0	-5.7	1,538	1,530	-0.5
Industrial goods and materials	5,577	5,298	-5.0	-9.1	34,051	33,563	-1.4
Machinery and equipment	7,918	8,035	1.5	-11.9	52,390	49,637	-5.3
Automotive products	6,673	6,266	-6.1	-6.9	39,439	39,837	1.0
Other consumer goods	3,872	3,776	-2.5	-3.3	22,661	23,412	3.3
Special transactions trade ²	436	449	3.0	-8.9	2,988	2,669	-10.7
Other BOP adjustments	542	519	-4.2	-7.7	3,183	3,163	-0.6

^r Revised figures

¹ Includes Australia, Iceland, Mexico, New Zealand, Norway, Switzerland, Turkey, Poland, South Korea, Hungary, Czech Republic and Slovakia.

² These are mainly low valued transactions, value of repairs to equipment, and goods returned to country of origin.

... Figures not appropriate or not applicable.

Monthly Survey of Manufacturing

June 2003

Manufacturing shipments decreased 0.5% to \$41.9 billion in June, culminating a lacklustre second quarter. Manufacturers sliced 4.4% off shipments in the second quarter, wiping out the first quarter's gains.

Other manufacturing indicators reported mixed signals. Unfilled orders continued to slide in June (-1.3%), the tenth consecutive decline. On the positive front, inventory levels decreased for the second month in a row and new orders also picked up in June, following a two-month decline.

Decreases in shipments were extensive in June, including 14 of 21 industries, accounting for 78% of total shipments. Meanwhile, the trend for shipments has remained negative for the eighth consecutive month.

Motor vehicle manufacturing pulls down Ontario shipments

Ontario bore the brunt of the drop, as six provinces reported lower shipments in June. Shipments in Ontario fell by \$410 million (-1.8%) to \$22.3 billion, a four-month low in 2003. Motor vehicles, primary metals and machinery manufacturing contributed to the decline.

Shipments in British Columbia contracted by \$41.2 million (-1.5%) to \$2.7 billion. The slide was concentrated in the paper and chemical industries, and marked the sixth consecutive drop in manufacturing activity.

Shipments by province and territory

	May 2003	June 2003	May to June 2003
Seasonally adjusted			
	\$ millions		% change
Newfoundland and Labrador	196	220	12.4
Prince Edward Island	114	113	-1.5
Nova Scotia	730	711	-2.5
New Brunswick	1,015	1,072	5.6
Quebec	9,570	9,734	1.7
Ontario	22,759	22,349	-1.8
Manitoba	940	938	-0.3
Saskatchewan	613	622	1.5
Alberta	3,478	3,472	-0.2
British Columbia	2,708	2,667	-1.5
Yukon, Northwest Territories and Nunavut	5	5	3.2

Quebec made up lost ground in June, partly offsetting Canada's overall decline in shipments during the month. Shipments rose by \$164.6 million (+1.7%) to \$9.7 billion, following a string of three monthly

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.

decreases. A boost in quarter-end production of computer and electronic products contributed to the rise.

Alberta was badly hit by the closure of the international export market for beef products. Shipments went down by 143 million (-4.0%).

Weak second quarter

Although the manufacturing sector started the year on a relatively positive note, the second quarter was far from stellar. Fewer new orders filled the books in the second quarter and the level of unfilled orders continued to weaken. Manufacturers cut shipments by a sizable 4.4% to \$126.6 billion in the second quarter, after posting a 1.5% rise in the first.

A significantly stronger Canadian dollar, coupled with the ongoing adverse affects of the single case of bovine spongiform encephalopathy (BSE), or mad cow disease, detected in Alberta in May, contributed to the downturn in manufacturing activity this quarter. The US economy, however, is showing some early indications of a modest recovery.

Manufacturers' concerns linger

In July, manufacturers noted concerns with lower levels of unfilled orders and higher finished-product inventories. According to the recent release of the Business Conditions Survey, manufacturers do not expect to increase production in the coming three months.

Manufacturing employment increased slightly in July

According to the latest release of the Labour Force Survey, employment in manufacturing increased slightly in July (+0.1%). Employment has declined 61,000 (-2.6%) over the first seven months of 2003, primarily the result of continued weakness in Ontario. In the United States, factory employment has fallen 2.7% over the same period.

US manufacturers boast a second consecutive monthly increase in shipments

While Canadian manufacturers faced a dismal second quarter, their US counterparts began to stir. After an extended period of weakness, dating back to the 2001 recession, US shipments rose a healthy 1.1% in June, following a 0.3% increase in May. Durable and non-durable goods manufacturers both contributed to the rise.

Manufacturers in the US also reported optimistic results for inventories and orders. Inventories fell back 0.2%, the fourth consecutive decline. Meanwhile, unfilled orders were up 0.3%.

Autos and machinery drive down Canadian shipments

In June, shipments of motor vehicles decreased 3.4% to \$5.3 billion, the third decline in 2003. Shipments are the lowest since last December (\$4.7 billion). The start of summer's annual shutdowns in late June at some plants, and manufacturers' ongoing efforts to reduce retail inventory levels, contributed to the lower shipments. Quarterly shipments edged back 1.4%, following a robust first quarter (+5.3%).

The machinery and paper industries also reported sharp declines in June. Shipments of machinery fell 5.4% to \$1.8 billion, following May's strong gain (+3.0%). The completion of several contracts contributed to May's rise. Paper manufacturing declined for the third straight month to \$2.6 billion (-2.8%).

Mad cow disease hammers meat processors

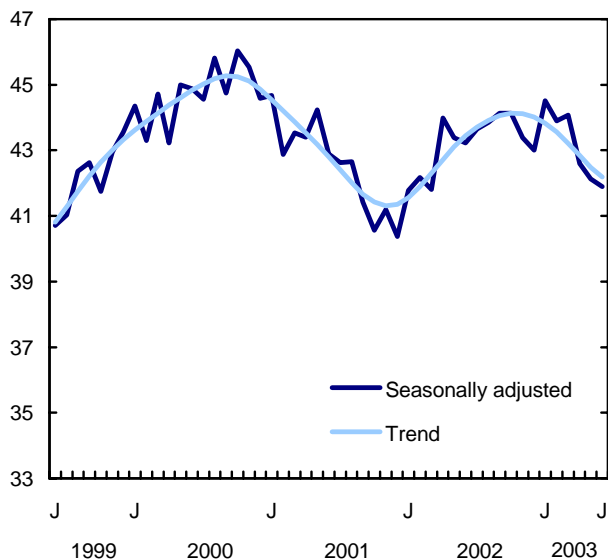
The food industry also reported lower shipments in June, as the effects of mad cow disease battered parts of the industry. Food shipments fell 1.0% to \$5.2 billion, following a 1.3% drop in May. Shipments are at the lowest level since July 2002.

Key international export markets for Canadian beef products remained closed in June following the diagnosis of a single case of mad cow disease in an Alberta cow on May 20. Manufacturers of the animal (except poultry) slaughtering industry reported shipments of \$638.7 million, down 15.5% from May, and well off June 2002 levels (-27%).

In Alberta, the province hit hardest by the closure of the international export market for beef products, shipments of slaughtered animals (excluding poultry) plunged a staggering 33.7% in June. This follows an 8.4% drop in May. Processing and meat-packing plants have been adversely affected by the export ban, as many farmers held on to their herds of slaughter cattle, pending a lift of the ban.

Shipments decline three months in a row

\$ billions



Manufacturers reduce inventory levels in June

For the second straight month, manufacturers reported lower inventory levels. In June, inventories fell back 0.9% to \$62.9 billion, following a 0.7% drop in May. The inventory trend remained unchanged for a third month.

Since mid-2002, inventories had been on a steady rise as manufacturers faced weak global demand. Total inventories, which had bottomed out at \$61.6 billion one year ago, peaked again by April 2003 at \$63.9 billion, the highest level since mid-2001. Production slowdowns during the second quarter of 2003 contributed to a \$1.0 billion decline in inventories over the last two months.

Manufacturers of primary metals (-2.8%) and computers and electronic products (-2.8%) were the main contributors to the lower inventories in June.

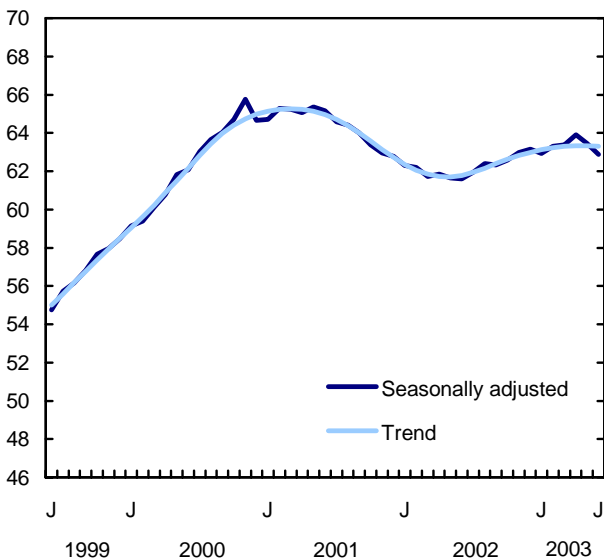
All three stages of fabrication were responsible for the decline in June's inventories. Raw materials decreased 0.8% to \$27.2 billion, the third consecutive drop. Meanwhile, goods-in-process inventories fell 1.1%, the fourth decrease since the start of the year.

Finished-product inventories decline for the first time since January

Finished-product inventories, which increased almost 3.0% from January to May, fell back 0.7% to \$19.9 billion in June, the first decline in five months. The trend, which remained positive since July 2002, continued to slow in recent months.

Inventories decline for a second month in a row

\$ billions



Inventory-to-shipment ratio remains high

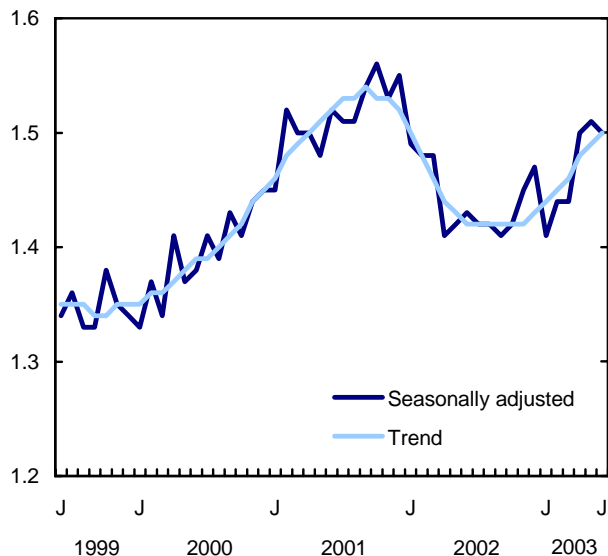
Following a significant jump in April, the inventory-to-shipment ratio remained near record highs for the third month in a row. In June, the ratio edged back slightly to 1.50 from May's 1.51, which was the highest level since December 2001 (1.55). Lower shipments and inventories contributed to the relatively stable ratio.

The inventory-to-shipment ratio hovered around 1.43 from January to March. A higher ratio indicates some difficulty by manufacturers to clear inventories due to weakening demand.

The finished-product inventory-to-shipment ratio dropped slightly to 0.47. The ratio has been on an upward trend since the autumn of 2002. The ratio is a measure of the time that would be required in order to exhaust finished-product inventories if shipments were to remain at their current level.

The inventory-to-shipment ratio slips slightly

\$ billions



Unfilled orders fall ten months straight

Fewer unfilled orders continued to impede the manufacturing sector. In June, unfilled orders declined a further 1.3% to \$39.6 billion, the lowest level in almost six years, and the tenth consecutive decrease. This remains the longest string of declines since the 1990-1991 recession.

More than one-third (34%) of manufacturers reported in July's Business Conditions Survey that their

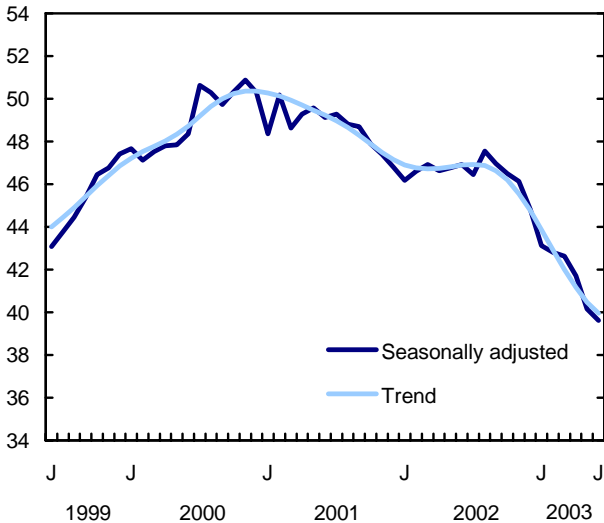
level of unfilled orders was lower than normal. Only 6% said it was higher than normal.

Widespread weaknesses in unfilled orders were reported in June, and were led by the beleaguered aerospace products and parts industry. Unfilled orders dropped 2.7% to \$12.3 billion, the twenty-first consecutive decrease by aerospace manufacturers. Manufacturers have received fewer orders for new aircraft and parts, as many global airlines continue to struggle financially during the current downturn of the aviation sector.

The computer and electronic products industry reported an 8.0% decline in unfilled orders. Orders were \$3.6 billion in June, the lowest level in 16 months. Machinery manufacturers also reported a 3.7% decline in unfilled orders to \$6.0 billion. This follows an 11.0% drop in May.

Unfilled orders slide again

\$ billions



New orders pick up in June

New orders rose 2.0% to \$41.4 billion in June, following decreases in April (-5.0%) and May (-2.7%). Increases in the transportation equipment and machinery industries offset a sharp decline in new orders for computers.

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

Definitions, data sources and methods: survey number 2101.

The June 2003 issue of the *Monthly Survey of Manufacturing* (31-001-XIE, \$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.

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

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 Daniela Ravindra (613-951-3514; ravidan@statcan.ca), Manufacturing, Construction and Energy Division.

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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	
June 2002	43,228	-0.3	61,612	-0.1	46,933	0.4	43,400	-0.2	1.43
July 2002	43,649	1.0	61,958	0.6	46,440	-1.1	43,156	-0.6	1.42
August 2002	43,851	0.5	62,407	0.7	47,556	2.4	44,968	4.2	1.42
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	42,587	-3.4	63,896	0.8	41,707	-2.1	41,679	-5.0	1.50
May 2003	42,128	-1.1	63,450	-0.7	40,149	-3.7	40,570	-2.7	1.51
June 2003	41,903	-0.5	62,895	-0.9	39,610	-1.3	41,364	2.0	1.50

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	Seasonally adjusted							
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
June 2002	34,865	-0.6	58,174	0.0	45,234	0.4	35,052	-0.2
July 2002	34,846	-0.1	58,383	0.4	44,707	-1.2	34,319	-2.1
August 2002	35,261	1.2	58,914	0.9	45,663	2.1	36,218	5.5
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	34,577	-3.2	60,400	0.9	40,020	-2.1	33,711	-5.3
May 2003	34,147	-1.2	60,051	-0.6	38,525	-3.7	32,652	-3.1
June 2003	34,056	-0.3	59,602	-0.7	37,978	-1.4	33,510	2.6



OTHER RELEASES

Machinery and equipment price indexes

Second quarter 2003

The Machinery and Equipment Price Index (1986=100) was 131.8 in the second quarter, down 4.8% from the first. The domestic and imported components decreased 1.6% and 7.6%, respectively. Compared with the second quarter of 2002, the overall index fell 5.7%, with decreases in the domestic (-1.0%) and import (-9.7%) components.

On a quarterly basis, all industry groups decreased, with manufacturing (-5.0%), transport (-4.1%), agriculture (-5.9%) and community, business and personal services (-4.7%) contributing substantially. Manufacturing was led mainly by paper and allied products (-5.7%), chemicals (-5.2%) and by primary metals (-5.4%). In the transportation sector, the decrease was largely due to electricity (-3.6%), air transport (-7.0%) and telephone (-5.8%).

The year-over-year decrease was caused primarily by manufacturing (-6.2%), transportation (-4.7%), and agriculture (-6.4%).

In the second quarter, most commodities fell, in particular specialized industrial equipment (-5.6%),

trucks (-5.8%), passenger automobile (-5.0%), farm and garden tractors (-8.1%), other agricultural machinery (-5.2%) and aircraft (-7.5%). These six industrial goods, which are more sensitive to the exchange rate, contributed substantially to the index decline.

The Canadian dollar strengthened for the second quarter in the row, having a major impact on the fall of the import component. The Canadian dollar was worth an average of 72.14 US cents in the second quarter, up 9.1% from the first quarter, and 12.9% from the second quarter of 2002.

Available on CANSIM: tables 327-0013, 327-0014 and 327-0016.

Definitions, data sources and methods: survey number 2312.

The second quarter 2003 issue of *Capital expenditure price statistics* (62-007-XPB, \$24 / \$79) will be available in October. See *How to order products*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Rebecca McDougall (613-951-3357, fax 613-951-1539, infounit@statcan.ca), Prices Division.

Machinery and equipment price index (1986=100)

	Relative importance	Second quarter 2003 ^P	First quarter to second quarter 2003	Second quarter 2002 to second quarter 2003
% change				
Machinery and equipment price index	100.0	131.8	-4.8	-5.7
Agriculture	11.0	158.9	-5.9	-6.4
Forestry	1.5	142.5	-3.8	-3.8
Fishing	0.6	127.4	-3.8	-3.6
Mines, quarries and oil wells	6.0	135.3	-4.7	-5.4
Manufacturing	29.9	139.0	-5.0	-6.2
Construction	3.5	138.2	-6.1	-7.1
Transportation, communication, storage and utilities	25.9	125.3	-4.1	-4.7
Trade	4.0	117.8	-4.1	-5.1
Finance, insurance and real estate	1.8	107.8	-3.2	-3.5
Community, business and personal services	11.1	106.5	-4.7	-5.8
Public administration	4.7	127.5	-5.1	-6.3

^P Preliminary figures.

Aircraft movement statistics: Small airports

April 2003

The April 2003 monthly report, Vol. 2 (TP141, free) is now available on Transport Canada's website (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

Note: The TP141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (those without air traffic control towers). Both volumes are available free upon release at Transport Canada's website.

For more information about this website, contact Michel Villeneuve (613-990-3825; villenm@tc.gc.ca) or Sheila Rajani (613-993-9822; rajanis@tc.gc.ca), Transport Canada.

Definitions, data sources and methods: survey number 2715.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; aviationstatistics@statcan.ca), Transportation Division. ■

Steel primary forms — weekly data

Week ending August 09, 2003 (preliminary)

Steel primary forms production for the week ending August 9 totalled 291 690 metric tonnes, down 3.2% from 301 276 tonnes a week earlier and 2.1% from 298 042 tonnes in the same week of 2002.

The year-to-date total as of August 9 was 9 587 541 tonnes, down 3.6% from 9 941 057 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. ■

Export and import price indexes

June 2003

Current- and fixed-weighted export and import price indexes (1997=100) on a balance of payments basis are now available. Price indexes are listed from January 1997 to June 2003 for the five commodity sections and the major commodity groups (62 exports and 61 imports).

Current- and fixed-weighted US price indexes (1997=100) are also available on a customs basis. Price indexes are listed from January 1997 to June 2003. Included with the US commodity indexes are the 10 all-countries and US-only Standard International Trade Classification section indexes.

Indexes for the five commodity sections and the major commodity groups are also available now on a customs basis.

Available on CANSIM: tables 228-0001, 228-0003 and 228-0033 to 228-0040.

Definitions, data sources and methods: survey numbers, including related surveys, 2201, 2202 and 2203.

The June 2003 issue of Canadian international merchandise trade (65-001-XIB, \$14/\$141) 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 Jocelyne Elibani (1-800-294-5583; 613-951-9647), International Trade Division. ■

NEW PRODUCTS

Imports by commodity, June 2003, Vol. 60, no. 6
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Imports by commodity, June 2003, Vol. 60, no. 6
Catalogue number 65-007-XPB (\$78/\$773).

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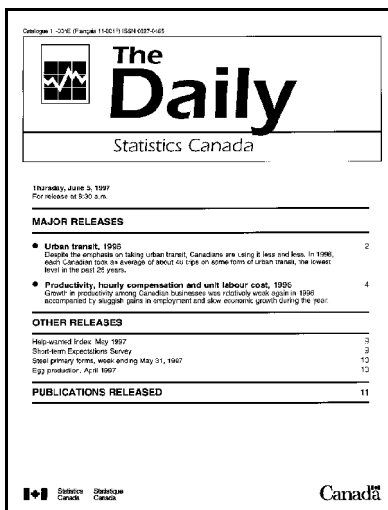
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