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The Daily

Statistics Canada

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MAJOR RELEASES

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MAJOR RELEASES

Monthly Survey of Manufacturing

August 2004

In August, manufacturers racked up their ninth successive increase in shipments. Robust production in the durable goods sector coupled with high industrial prices contributed to a record level of shipments of $50.8 billion, up 0.8% since July. This also marks the longest string of increases in manufacturing shipments since 10 consecutive advances were reported from April 1987 to January 1988.

Robust demand advances production

Strong demand, both domestic and from abroad, continued to fuel Canada's manufacturing sector. This demand has also been a source for the exceptional gains in industrial prices of several resource-based industries in 2004, contributing to the record high shipment values. During the first eight months of 2004, shipments were up an impressive 8.0% compared with the same period in 2003, although this activity has not translated into job gains. According to the Labour Force Survey for September, employment in manufacturing has changed little since the fall of 2003.

Shipments measured in constant dollars rose 1.5% in August, attesting to solid production levels for the month.

Manufacturers have faced a host of obstacles in 2004, including the strong value of the Canadian dollar, soaring input prices and political unrest in various regions of the world which contributed to record high oil prices. Despite the impediments, the summer of 2004 has been upbeat for many of Canada's big-ticket, durable goods industries. Shipments of durable goods led the way in August, rising another 1.7% to $29.1 billion, the seventh increase in a row. Durable goods shipments are now just shy of the record level set in October 2000 ($29.6 billion) at the height of the high-tech boom.

Non-durable goods manufacturing fell back 0.4% to $21.7 billion in August, the first decline in 10 months. Overall, 12 of 21 industries, accounting for 65% of total shipments, posted increases in August.

Big gains in Ontario and the Prairie provinces

Ontario led the pack as seven provinces and the territories reported higher shipments in August. Driven by increases in the motor vehicle and parts industries, as well as chemical and fabricated metal products manufacturing, Ontario's shipments rose by $435 million (+1.7%) to $26.8 billion.

Manufacturers in Saskatchewan chalked up their fourth consecutive increase and shipments improved by $72 million (+8.6%) to $907 million. Resource-based industries, benefiting from high prices, have provided some big gains to the province's manufacturing sector in 2004. In Manitoba, manufacturers reported record high shipments of $1.1 billion in August, up $68 million (+6.6%) from July. Several industries including transportation equipment and miscellaneous manufacturing contributed to the increase.

Note to readers

To reduce respondent burden, data previously collected via questionnaire for approximately 50% of the simple establishments in the Monthly Survey of Manufacturing (MSM) sample is now replaced with modeled estimates based on the Goods and Services Tax (GST) returns (effective the August 2004 reference month). Revenue data based on the GST is now being received from the Canada Revenue Agency (CRA) on a monthly basis. Data for shipments will now be derived through the use of statistical modeling. The model takes into account the shipments to revenue relationship, as well as the time lag between the reference month for the MSM and the reference period of the GST estimates.

For additional information, refer to the following article Monthly Survey of Manufacturing: Use of Administrative Data, *(31-533-XIE, free).*

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

Durable goods industries *include wood products, non-metallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electrical equipment, appliances 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.

Manufacturing shipments, provinces and territories

	July 2004[r]	August 2004[p]	July to August 2004
	seasonally adjusted		
	$ millions		% change
Canada	**50,423**	**50,841**	**0.8**
Newfoundland and Labrador	253	272	7.3
Prince Edward Island	111	117	5.5
Nova Scotia	780	738	-5.3
New Brunswick	1,245	1,240	-0.4
Quebec	11,784	11,578	-1.8
Ontario	26,336	26,771	1.7
Manitoba	1,032	1,101	6.6
Saskatchewan	835	907	8.6
Alberta	4,445	4,453	0.2
British Columbia	3,597	3,659	1.7
Yukon	1	1	5.2
Northwest Territories including Nunavut	3	4	25.6

r Revised data.
p Preliminary data.

Partly offsetting August's boost was a $207 million (-1.8%) decrease in Quebec manufacturing. Shipments fell to $11.6 billion, only the second decline in the last nine months. Despite the recent decline, year-to-date shipments in Quebec are up 7.2% compared with the same period in 2003.

Durable goods industries report solid gains

In August, motor vehicle parts manufacturing led all industries. Shipments jumped 4.8% to $2.8 billion, as several plants boosted production following some extended summer shutdowns in July. In addition, parts manufacturers geared up production as the 2005 models of motor vehicles came on line. During the first eight months of 2004, shipments of motor vehicle parts were up 7.2% compared with the same period in 2003.

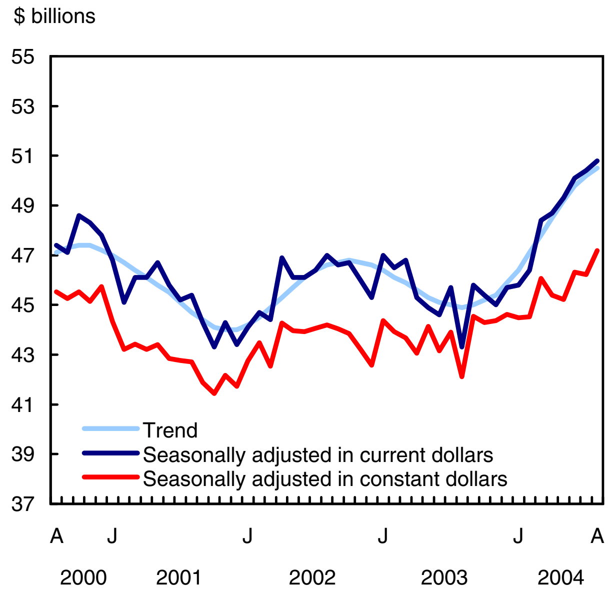
Shipments of primary metals hit $3.9 billion, an increase of 2.8% from July. The surge in prices for primary metals, as a result of strong foreign demand in 2004, contributed to yet another record high for shipments. Manufacturers of fabricated metal products boosted shipments by 3.5% to $3.0 billion in August. The industry reported widespread gains as some manufacturers increased production following temporary plant closures for maintenance in July.

Rounding out the top four industries in August, strong demand and high prices contributed to a 2.2% increase in manufacturing of chemical products.

Manufacturers continue to stock up

Inventories received a big boost in August, rising 1.4% to $61.8 billion, the highest level since December 2002. Manufacturers have been stocking up throughout 2004, on account of strong demand for Canadian-made products. Inventories, which have been trending up since the start of the year, are 6.0% higher in August compared with December 2003.

Shipments remain upbeat



All three stages of fabrication posted higher inventory levels. Manufacturers expressed ongoing confidence in the economy, boosting raw material inventories by 0.9% to $27 billion, the sixth increase in a row. Meanwhile, goods-in-process (+3.6%) and finished-products (+0.7%) inventories were also on the rise.

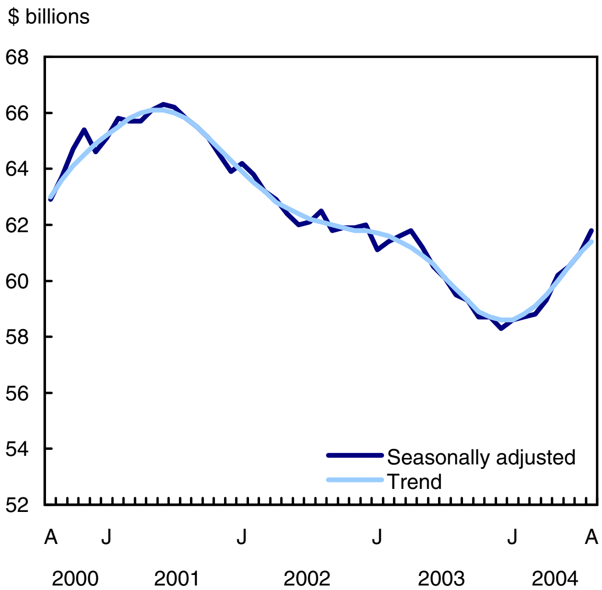
The fabricated metal products (+4.3%), aerospace products (+3.5%) and primary metals (+2.9%) industries were the main contributors to higher inventories in August.

Slight rise in the inventory-to-shipment ratio

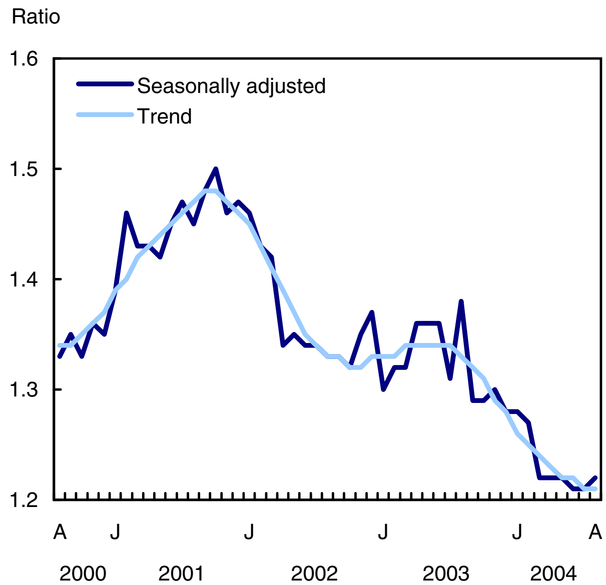
Inventories rose at a faster pace than shipments in August, contributing to the slight rise in the inventory-to-shipment ratio. The ratio was 1.22 in August, up from 1.21 in July—its lowest level of the ratio since the start of the current series in 1992.

Meanwhile, the finished-products inventory-to-shipment ratio held constant at 0.41 for the third month in a row, maintaining the lowest level for the ratio since mid-2000. The ratio is a key measure of the time, in months, that would be required in order to exhaust inventories if shipments were to remain at their current level.

Big boost in inventories



Inventory-to-shipment ratio edges up



After a steady rise, new orders weaken

New orders fell back 1.0% to $50.4 billion in August, only the second decrease in the last nine months. Despite the drop, the level of new orders remains 14.0% above the recent low of $44.2 billion in November 2003. The trend, although showing signs of slowing, has been positive since August 2003.

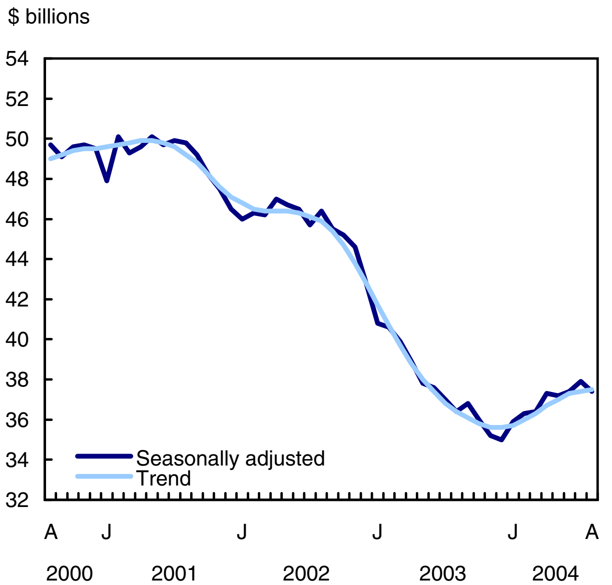
Fewer new orders received by the aerospace (-35.7%) and motor vehicles (-1.4%) industries were largely responsible for the decrease.

Backlog of orders eases slightly

The backlog of unfilled orders weakened in August, pulled down by the aerospace products and parts industry. Unfilled orders declined 1.1% to $37.4 billion, wiping out much of July's 1.3% gain. Excluding the aerospace industry, unfilled orders were unchanged.

Aside from the aerospace industry (-3.7%), unfilled orders also decreased in the motor vehicle (-7.4%) and parts (-5.9%) industries. Despite the decreases, several new contract signings have bolstered the order books of these industries in recent months. In August, total unfilled orders were 6.9% above levels of December 2003.

Unfilled orders pause



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

Definitions, data sources and methods: survey number 2101.

The August 2004 issue of the *Monthly Survey of Manufacturing* (31-001-XIE, $17/$158) will soon be available.

Data for shipments by province in greater detail than normally published may be available on request.

The *Annual Survey of Manufactures* released estimates for reference year 2002 and revisions for 2000 and 2001 on June 16, 2004. In the future, the *Monthly Survey of Manufacturing* will re-benchmark to the ASM data for reference years 2000 and 2001 and benchmark to 2002.

Data from the September 2004 Monthly Survey of Manufacturing will be released on November 15.

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	
August 2003	43,290	-5.3	59,541	-1.0	36,433	-1.6	42,702	-5.5	1.38
September 2003	45,818	5.8	59,307	-0.4	36,838	1.1	46,223	8.2	1.29
October 2003	45,373	-1.0	58,748	-0.9	35,984	-2.3	44,519	-3.7	1.29
November 2003	44,993	-0.8	58,708	-0.1	35,204	-2.2	44,213	-0.7	1.30
December 2003	45,678	1.5	58,301	-0.7	35,020	-0.5	45,493	2.9	1.28
January 2004	45,801	0.3	58,572	0.5	35,931	2.6	46,712	2.7	1.28
February 2004	46,355	1.2	58,671	0.2	36,346	1.2	46,770	0.1	1.27
March 2004	48,366	4.3	58,838	0.3	36,362	0.0	48,381	3.4	1.22
April 2004	48,749	0.8	59,304	0.8	37,279	2.5	49,667	2.7	1.22
May 2004	49,296	1.1	60,154	1.4	37,226	-0.1	49,243	-0.9	1.22
June 2004	50,050	1.5	60,490	0.6	37,359	0.4	50,182	1.9	1.21
July 2004	50,423	0.7	60,957	0.8	37,854	1.3	50,918	1.5	1.21
August 2004	50,841	0.8	61,806	1.4	37,426	-1.1	50,414	-1.0	1.22

Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	$ millions	% change	$ millions	% change	$ millions	% change	$ millions	% change
August 2003	35,982	-2.3	56,508	-0.8	34,819	-1.8	35,356	-2.6
September 2003	37,482	4.2	56,143	-0.6	35,213	1.1	37,876	7.1
October 2003	37,087	-1.1	55,638	-0.9	34,303	-2.6	36,177	-4.5
November 2003	37,013	-0.2	55,615	-0.0	33,474	-2.4	36,183	0.0
December 2003	37,445	1.2	55,234	-0.7	33,255	-0.7	37,226	2.9
January 2004	37,579	0.4	55,507	0.5	34,130	2.6	38,454	3.3
February 2004	38,228	1.7	55,457	-0.1	34,487	1.0	38,585	0.3
March 2004	39,665	3.8	55,473	0.0	34,387	-0.3	39,564	2.5
April 2004	39,922	0.6	55,799	0.6	35,196	2.4	40,731	2.9
May 2004	40,374	1.1	56,713	1.6	35,133	-0.2	40,311	-1.0
June 2004	41,068	1.7	57,083	0.7	35,292	0.5	41,227	2.3
July 2004	41,436	0.9	57,504	0.7	35,754	1.3	41,898	1.6
August 2004	41,689	0.6	58,257	1.3	35,463	-0.8	41,399	-1.2

■

OTHER RELEASES

Dairy statistics
August 2004 (preliminary)

Consumers purchased 238 200 kilolitres of milk and cream in August 2004, up 1% from August 2003. Sales of milk increased 1% from year ago levels to 216 500 kilolitres. Sales of cream stood at 21 700 kilolitres, up 3% from August 2003.

Definitions, data sources and methods: survey numbers, including related surveys, 3430, 3431 and 3432.

The third quarter 2004 issue of *The Dairy Review* (23-001-XIB, $29/$96) will be available in November.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Anna Michalowska (613-951-2442 or toll free 1-800-465-1991; fax: 613-951-3868), Agriculture Division. ■

Workplace and Employee Survey
2002

Data from the 2002 Workplace and Employee Survey are now available, along with revised 2001 data. These data provide detailed information on workplaces and employees within these workplaces.

Definitions, data sources and methods: survey number 2615.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Carole Fraser (613-951-4090; fax: 613-951-4087; *labour@statcan*), Labour Statistics Division. ■

Steel primary forms, weekly data
Week ending October 9, 2004 (preliminary)

Steel primary forms production for the week ending October 9 totalled 286 611 metric tonnes, down 2.2% from 293 092 tonnes a week earlier and 4.9% lower compared with 301 415 tonnes in the same week of 2003.

The year-to-date total as of October 9 was 12 422 116 tonnes, up 2.5% from 12 114 512 tonnes in the same period of 2003.

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

Monthly Survey of Manufacturing: Use of Administrative Data
Catalogue number 31-533-XIE
(free).

Steel Wire and Specified Products, August 2004, Vol. 59, no. 8
Catalogue number 41-006-XIB ($6/$51).

New Motor Vehicle Sales, August 2004, Vol. 76, no. 8
Catalogue number 63-007-XIE ($14/$133).

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

Catalogue numbers with an -XWE, -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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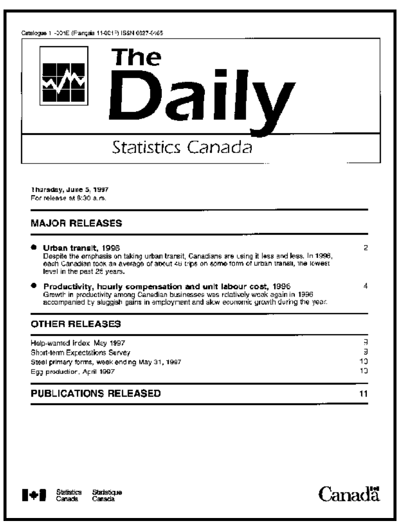
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The Daily

Statistics Canada

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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RELEASE DATES: OCTOBER 18 TO 22

(Release dates are subject to change.)

Release date	Title	Reference period
18	**Canada's international transactions in securities**	August 2004
19	**Health Reports: Use of hospital emergency rooms**	2003
20	**Wholesale trade**	August 2004
20	**Leading indicators**	September 2004
20	**Travel between Canada and other countries**	August 2004
21	**Retail trade**	August 2004
21	**Renewing Canada's manufacturing economy: A regional comparison**	1973 to 1996
22	**Census metropolitan areas as culture clusters**	2001