



# The Daily

Statistics Canada

**Friday, April 15, 2005**

Released at 8:30 a.m. Eastern time

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## Major releases

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- **Monthly Survey of Manufacturing, February 2005** 2  
 Volatility in the transportation equipment sector pulled down shipments 0.5% to \$51.4 billion in February. However, excluding the transportation equipment sector, manufacturers maintained the strong pace seen in January with shipments edging up 0.3%.
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## Other releases

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## Major releases

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### Monthly Survey of Manufacturing

February 2005

Volatility in the transportation equipment sector pulled down shipments 0.5% to \$51.4 billion in February. However, excluding the transportation equipment sector, manufacturers maintained the strong pace seen in January with shipments edging up 0.3%.

Unfilled orders also declined 0.5% in February, again mainly because of weakness in the transportation equipment sector. Excluding the transportation equipment sector, unfilled orders were up 1.8% for the month.

#### Healthy production volumes defy rising prices

Industrial prices, which contributed to record high shipments for various industries in 2004, had abated somewhat by the close of the year. By February, prices for petroleum, wood products and primary metals were on the upswing again.

Production volumes, which have been quite healthy in recent months, have propped up shipments valued in constant dollars. At 1997 prices, shipments edged up 0.1% to \$48.7 billion in February, following a 3.0% gain in January. February marked the third increase in four months in terms of constant dollar shipments.

Just over one-half of manufacturing industries reported modest shipment declines (12 of 21) in February, accounting for 66% of total shipments.

#### Durable goods manufacturing recedes following January's surge

Big-ticket durable goods manufacturers posted a 0.6% decline in shipments to \$29.7 billion. This followed a robust January when a surge of aerospace products, motor vehicles and machinery boosted shipments of durable goods by 4.3%. Meanwhile, shipments of nondurable goods edged back 0.3% to \$21.7 billion in February.

#### Note to readers

**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 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.

According to the latest *Daily* release on Canadian international merchandise trade, exports rebounded 1.4% in February with across-the-board increases. This increase, with a bit of a lag between the production of Canadian-made products and the time when the goods leave Canada, is in step with the strong shipment values of January.

By province, Canada was evenly split in terms of shipments in February. Ontario and New Brunswick were among the five provinces reporting decreases, which offset higher production in the remaining provinces and territories, led by Alberta and Nova Scotia.

## Manufacturing shipments, provinces and territories

	January 2005 <sup>r</sup>	February 2005 <sup>p</sup>	January to February 2005
	seasonally adjusted		
	\$ millions		% change
<b>Canada</b>	<b>51,613</b>	<b>51,370</b>	<b>-0.5</b>
Newfoundland and Labrador	264	266	0.7
Prince Edward Island	111	118	6.3
Nova Scotia	752	811	7.8
New Brunswick	1,258	1,209	-3.9
Quebec	11,958	11,911	-0.4
Ontario	26,799	26,476	-1.2
Manitoba	1,080	1,080	-0.0
Saskatchewan	869	857	-1.4
Alberta	4,944	5,029	1.7
British Columbia	3,570	3,599	0.8
Yukon	1	1	6.4
Northwest Territories including Nunavut	5	12	134.8

<sup>r</sup> Revised data.

<sup>p</sup> Preliminary data.

## Manufacturers of motor vehicles and heavy trucks pull back

In February, shipments by manufacturers of motor vehicles retreated somewhat from the big gains reported a month earlier. Motor vehicle shipments declined 3.4% to \$6.2 billion, on the heels of a 5.7% surge in January. This marked the third decrease in five months.

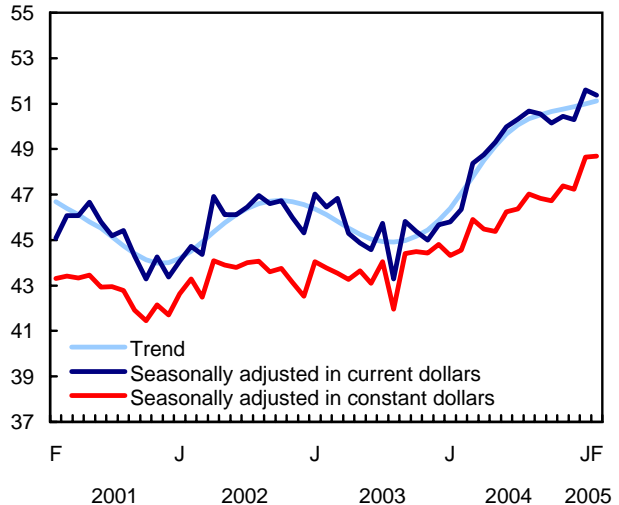
In late 2004, heavy duty truck manufacturers faced parts shortages, which contributed to the large gain in January's shipments of motor vehicles as product started to move again. Following January's boost in shipments of heavy trucks, February returned to levels of last year. Also contributing to the decrease, some motor vehicle assembly plants have temporarily closed or slowed production in recent months to reduce their dealers' inventories for some models.

Storm clouds continue to linger on the horizon for the motor vehicle industry. Soaring gas prices, a gradual rise in interest rates and historic over-buying of automobiles and light trucks are among several factors which may impact the North American motor vehicle industry in the months to come. On a positive note, some Canadian assembly plants are home to several popular models of motor vehicles among consumers in Canada and the United States.

Other industries reporting lower shipments in February included petroleum and coal products (-1.8%), paper (-2.0%) and aerospace products and parts (-3.8%).

## Curb in production of transportation equipment pulls down shipments

\$ billions



Widespread gains in the computer and electronic products industry were responsible for partly offsetting some of the declines in February. Computer manufacturers boosted shipments by 6.3% to \$1.8 billion, the highest level since September 2002. The chemical products (+2.5%) and machinery (+2.1%) industries also reported higher shipments during the month.

## Finished product inventories on the rise

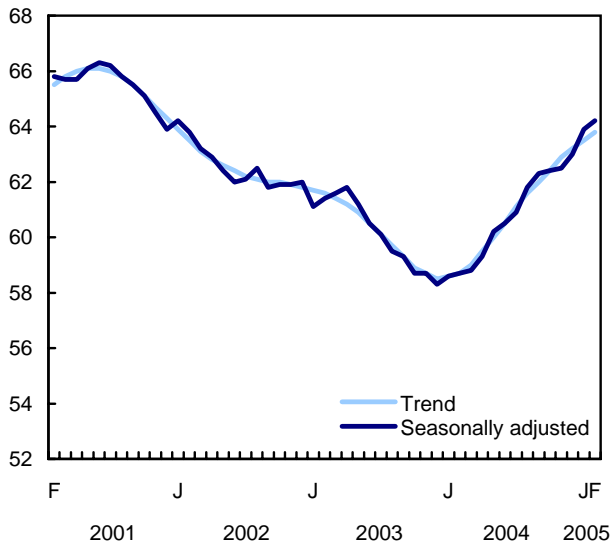
Inventories of finished products continued to accumulate in February, an indication some manufacturers may be having difficulty moving their goods. Finished product inventories, which had risen in 10 of the previous 11 months, increased another 0.8% in February to \$22.2 billion. This followed solid gains in December (+1.6%) and January (+1.2%). In February, finished products stood 9.5% above levels of one year ago.

Much of the rise in finished product inventories in February was concentrated in the durable goods sector (+1.2%), led by the aerospace and fabricated metal products industries.

Goods-in-process inventories were up 0.7% to \$14.4 billion, the fourth increase in a row. Meanwhile, inventories of raw materials were largely unchanged at \$27.6 billion in February, following a boost in January (+1.5%).

### Higher inventories on the books

\$ billions



Total inventories, which have been on an upward trend since early 2004, continued to accumulate in February. Inventories rose another 0.4% to \$64.2 billion, the 14<sup>th</sup> increase in a row, and the highest level since November 2001. The petroleum and aerospace industries were the big movers in February.

### The inventory-to-shipment ratio shifts up in February

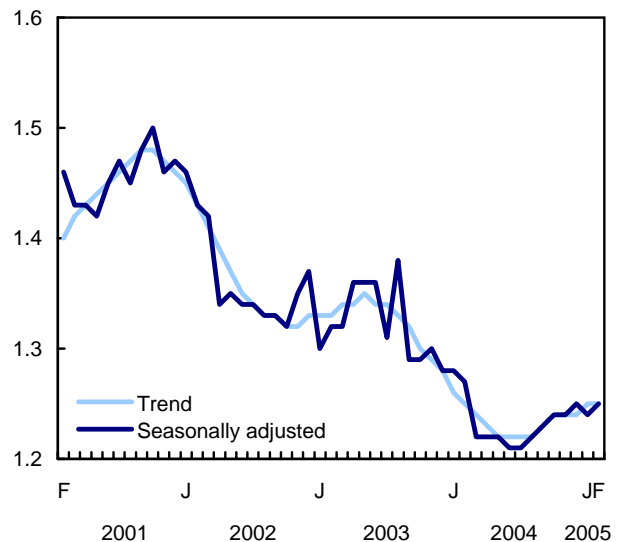
The inventory-to-shipment ratio edged up in February to 1.25 from 1.24 in January, and has remained within this range since last fall. February's modest drop in shipments coupled with a gradual rise in inventories contributed to the slight upward shift of the ratio.

The ratio has been on a positive trend since the second half of 2004, when the manufacturing sector started to show signs of weakening.

The inventory-to-shipment 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.

### Slight rise in the inventory-to-shipment ratio

Ratio



### Aerospace volatility pulls down unfilled orders

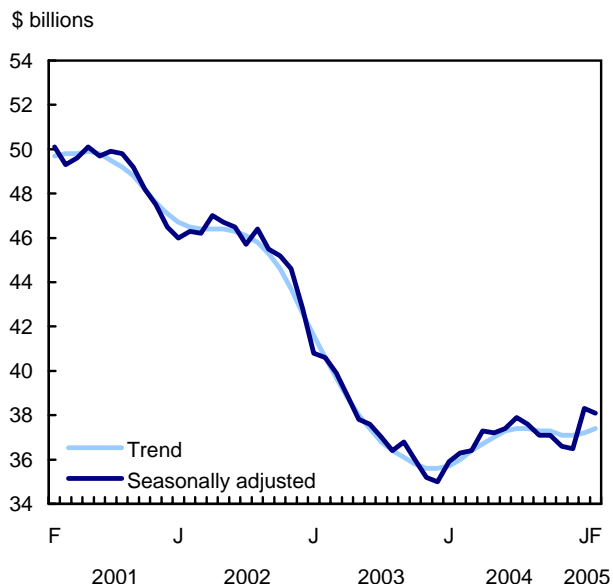
A sizeable drop in unfilled orders for the aerospace industry pulled down total orders by 0.5% to \$38.1 billion in February. Excluding the aerospace products and parts industry, unfilled orders were actually up a solid 2.4%. Despite February's setback, unfilled orders remain at the second highest level in almost two years.

In January, manufacturers of aerospace products and motor vehicles had reported a big surge in unfilled orders, which contributed to a 5.1% jump in orders for the month. In February, aerospace orders fell back 6.3% to \$12 billion, which counterbalanced what otherwise would have been a positive month.

Several industries including machinery (+3.6%), computers (+4.9%) and motor vehicles (+13.5%) reported increases in unfilled orders in February.

In the motor vehicle industry, manufacturers of heavy duty trucks continued to face a substantial backlog of orders on their books. In addition to new contracts received, a shortage of truck parts at the close of 2004 has contributed to a boost in unfilled orders in recent months, but product is now moving as manufacturers work through those orders. Motor vehicle orders stood at \$1.1 billion in February, the highest level since March 2001.

### The aerospace industry pulls down unfilled orders



### New orders fall back

Following a surge of contracts (+6.5%) at the start of the year, manufacturers' new orders fell 4.3% to \$51.2 billion, the first decline in three months. However, excluding the volatile aerospace products and parts industry, new orders were virtually unchanged (-0.2%).

Available on CANSIM: tables 304-0014, 304-0015 and 377-0008.

Definitions, data sources and methods: survey number 2101.

Data for real manufacturing shipments, orders, inventories, and inventory-to-shipment ratio, seasonally adjusted and deflated to 1997 prices are now available on CANSIM: Table no. 377-0008. All data have been revised back to January 1997 and will now be updated on a monthly basis.

The 2004 annual review of manufacturing shipments by province will be released soon.

The publication *Monthly Survey of Manufacturing* publication (31-001-XIE) has been discontinued. Reference month December 2004 was the final issue of the publication. Data for the Monthly Survey of Manufacturing program will continue to be available on CANSIM, *Canadian Statistics* and by special request.

Data from the *March 2005 Monthly Survey of Manufacturing* will be released on May 13.

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; fax: 613-

## 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	
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	49,988	1.4	60,492	0.6	37,375	0.4	50,136	1.8	1.21
July 2004	50,325	0.7	60,938	0.7	37,906	1.4	50,856	1.4	1.21
August 2004	50,667	0.7	61,823	1.5	37,592	-0.8	50,353	-1.0	1.22
September 2004	50,552	-0.2	62,268	0.7	37,144	-1.2	50,104	-0.5	1.23
October 2004	50,146	-0.8	62,364	0.2	37,096	-0.1	50,098	0.0	1.24
November 2004	50,437	0.6	62,478	0.2	36,570	-1.4	49,911	-0.4	1.24
December 2004	50,292	-0.3	62,972	0.8	36,458	-0.3	50,181	0.5	1.25
January 2005	51,613	2.6	63,887	1.5	38,312	5.1	53,466	6.5	1.24
February 2005	51,370	-0.5	64,172	0.4	38,115	-0.5	51,173	-4.3	1.25

## Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	seasonally adjusted							
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
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	41,007	1.6	57,086	0.7	35,321	0.5	41,195	2.2
July 2004	41,366	0.9	57,496	0.7	35,787	1.3	41,832	1.5
August 2004	41,594	0.6	58,291	1.4	35,572	-0.6	41,378	-1.1
September 2004	41,391	-0.5	58,785	0.8	35,224	-1.0	41,044	-0.8
October 2004	41,420	0.1	58,930	0.2	35,284	0.2	41,480	1.1
November 2004	41,845	1.0	59,171	0.4	34,754	-1.5	41,314	-0.4
December 2004	41,554	-0.7	59,571	0.7	34,546	-0.6	41,346	0.1
January 2005	42,392	2.0	60,479	1.5	36,215	4.8	44,061	6.6
February 2005	42,398	0.0	60,879	0.7	35,865	-1.0	42,048	-4.6

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## Other releases

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### Annual Survey of Advertising and Related Services

2003

Total operating revenue for the advertising and related services industry edged up 1.1% in 2003 from a year earlier to \$5.11 billion.

Advertising agencies, which accounted for 45% of total industry operating revenues, earned \$2.32 billion in 2003, an increase of 1.1% over 2002. Operating revenues of the other more specialized advertising industries (such as public relations, display advertisers and flyer distributors) advanced 1.0% to \$2.79 billion.

As an industry, advertising and related services comprised 12,000 establishments in 2003 — 5,300 in the advertising agencies industry and 6,700 in the all other advertising and advertising-related services group.

The bulk of advertising revenue was generated in Ontario (55%) and Quebec (27%).

The majority of clients for the advertising and related services industry were private sector firms in 2003 with the retail trade and manufacturing sectors each accounting for a 20% share of the advertising industry's client base.

Results from the 2003 Annual Survey of Advertising and Related Services are now available. These data provide information on the industry's revenue, expenditures, salaries and wages, profit margin, and the distributions of revenue earned by type of service and client base.

**Available on CANSIM: table 360-0003.**

**Definitions, data sources and methods: survey number 2437.**

To enquire about the concepts, methods or data quality of this release, contact Paul McDonald (613-951-0665; [paul.mcdonald@statcan.ca](mailto:paul.mcdonald@statcan.ca)), Service Industries Division. ■

### Particleboard, oriented strandboard and fibreboard

January 2005

Data on particleboard, oriented strandboard and fibreboard are now available for January. Revised data for 2004 are also available on CANSIM.

**Available on CANSIM: table 303-0058.**

**Definitions, data sources and methods: survey number 2141.**

The publication *Particleboard, Oriented Strandboard and Fibreboard* (36-003-XIB) has been discontinued.

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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Steel primary forms, weekly data

Week ending April 9, 2005 (preliminary)

Steel primary forms production for the week ending April 9 totalled 306 959 metric tonnes, down 4.6% from 321 827 tonnes a week earlier and up 2.4% from 299 680 tonnes in the same week of 2004.

The year-to-date total as of April 9 was 4 376 713 tonnes, down 1.2% from 4 431 314 tonnes in the same period of 2004.

**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](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Dairy statistics

February 2005 (preliminary)

Consumers purchased 234 100 kilolitres of milk and cream in February, down 1% from February 2004.

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

The first quarter 2005 issue of *The Dairy Review* (23-001-XIB, \$29/\$96) will be available in May.

For more information, contact Anna Michalowska (613-951-2442; 1-800-465-1991; fax: 613-951-3868), Agriculture Division. ■

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## **Natural gas liquids and liquefied petroleum gases**

November 2004

Data on the supply and demand for natural gas liquids and liquefied petroleum gases are now available for November 2004.

**Available on CANSIM: table 132-0001.**

**Definitions, data sources and methods: survey number 7524.**

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; [energ@statcan.ca](mailto:energ@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## **Refined petroleum products**

February 2005 (preliminary)

Data on the production, inventories and domestic sales of refined petroleum products are now available for February. Other selected data about these products are also available.

**Definitions, data sources and methods: survey number 2150.**

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; [energ@statcan.ca](mailto:energ@statcan.ca)), Energy, Manufacturing, Construction and Energy Division. ■



## New products

### Analytical Studies Branch Research Paper Series: Intergenerational Impact of Immigrants' Selection and Assimilation on Health Outcomes of Children,

no. 247

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Statistics Canada

Thursday, June 5, 1997  
For release at 9:30 a.m.

#### MAJOR RELEASES



- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 10 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was noticeably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

#### OTHER RELEASES

- **Harvested Index May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, April 1997** 12

#### PUBLICATIONS RELEASED

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### Statistics Canada's official release bulletin

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*The Daily*, April 15, 2005

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**Release dates:** April 18 to April 22

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(Release dates are subject to change.)

<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
18	<b>New motor vehicle sales</b>	February 2005
18	<b>Canada's international transactions in securities</b>	February 2005
19	<b>Wholesale trade</b>	February 2005
19	<b>Leading indicators</b>	March 2005
20	<b>Survey of Electronic Commerce and Technology</b>	2004
20	<b>Study: Children and youth as victims of crime</b>	2003
20	<b>Travel between Canada and other countries</b>	February 2005
21	<b>Principal field crops: Seeding intentions</b>	As of March 31, 2005
21	<b>Retail trade</b>	February 2005
22	<b>Consumer Price Index</b>	March 2005
22	<b>Study: Federal income tax: Slicing the pie</b>	1990 to 2002