



# The Daily

Statistics Canada

**Monday, May 15, 2006**

Released at 8:30 a.m. Eastern time

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## Releases

### Monthly Survey of Manufacturing

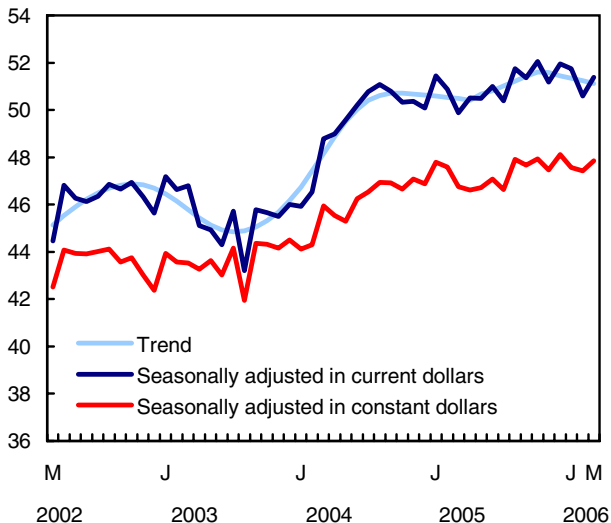
March 2006

Manufacturing activity picked up in March, with wide ranging gains led by a surge in aerospace production and a rebound in shipments of petroleum products.

Following a rather lacklustre start to the year, shipments rose 1.6% to \$51.4 billion in March, the first increase so far in 2006. Meanwhile, the trend for shipments remained stable, although it has weakened in recent months.

#### Aerospace and petroleum fuel shipments increase in March

\$ billions



March's advance by manufacturers was extensive as 17 of the 21 industries, accounting for 92% of total shipments, posted increases. Although widespread, much of the strength was concentrated in the aerospace and price-driven petroleum industries. Excluding these industries, shipments rose a more moderate 0.3%.

#### Weak start to the year partly quelled in March

The first quarter of 2006 began on a tenuous note as manufacturers cut shipment activity in both January (-0.4%) and February (-2.3%). A decline in petroleum prices, plus a marked slowdown in the production of motor vehicles largely contributed to the year's

#### 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 plastics 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. Also, some orders may be cancelled.

slow start. First quarter shipments were up just 2.2% compared to the first three months of 2005.

#### Aircraft and parts soar

A big boost in production of aerospace products and parts contributed to a 1.4% upturn in shipments by the durable goods industries to \$29.2 billion, the first increase since December.

Aerospace manufacturers led all industries with a 35.7% jump in production to \$1.4 billion. Global demand for domestic and military-related aerospace products and parts has contributed to the revival of the industry over the last year. Production so far in 2006 has risen 4.0% compared to the first three months of last year.

#### Petroleum prices rebound

Continuing unrest in key oil-exporting countries, coupled with rising demand and constraints in production capacity, contributed to March's 5.4%

rebound in the industrial price of petroleum and coal products. As a result, shipments of petroleum products soared 7.2% to \$4.7 billion.

Following last fall's price surge, petroleum prices had declined substantially in late 2005 and early 2006, which contributed to a significant 9.8% drop in shipments in February alone. But the recent swell in geopolitical unease, notably the international concerns regarding Iran, has again contributed to significantly higher prices for petroleum products. By April, the price of crude oil surpassed the previous record levels attained in September 2005.

Led by the rebound in petroleum, shipments of nondurable goods bounced back 1.9% to \$22.2 billion in March, following recent declines.

Robust demand, coupled with big orders shipped in March also contributed to sizeable gains in the machinery (+3.1%) and primary metals (+1.6%) industries. Higher prices (+1.5%) boosted shipments of primary metals, due to soaring demand for copper, zinc and aluminium.

### Manufactures pump out more goods

Despite the impact of rising prices in March, manufacturers posted the first increase in the volume of goods shipped since December. At 1997 prices, shipments rose 0.9% to \$47.9 billion.

### Manufacturing shipments, provinces and territories

	February 2006 <sup>r</sup>	March 2006 <sup>p</sup>	February to March 2006
Seasonally adjusted			
	\$ millions		% change
<b>Canada</b>	<b>50,581</b>	<b>51,390</b>	<b>1.6</b>
Newfoundland and Labrador	210	280	33.0
Prince Edward Island	114	121	5.9
Nova Scotia	778	795	2.2
New Brunswick	1,152	1,252	8.7
Quebec	12,028	12,480	3.8
Ontario	25,309	25,418	0.4
Manitoba	1,066	1,081	1.4
Saskatchewan	917	909	-1.0
Alberta	5,247	5,246	-0.0
British Columbia	3,751	3,801	1.3
Yukon	2	1	-3.8
Northwest Territories including Nunavut	7	6	-16.1

<sup>r</sup> revised

<sup>p</sup> preliminary

All provinces, with the exception of Saskatchewan and the territories, posted higher shipments in March. Increased output at several petroleum refineries in Eastern and Central Canada contributed to gains in Quebec and Ontario.

Quebec's aerospace and petroleum manufacturers reported big improvements in March, resulting in

a \$453 million (+3.8%) jump in shipments to \$12.5 billion; this was only the second increase in Quebec's shipments since October 2005.

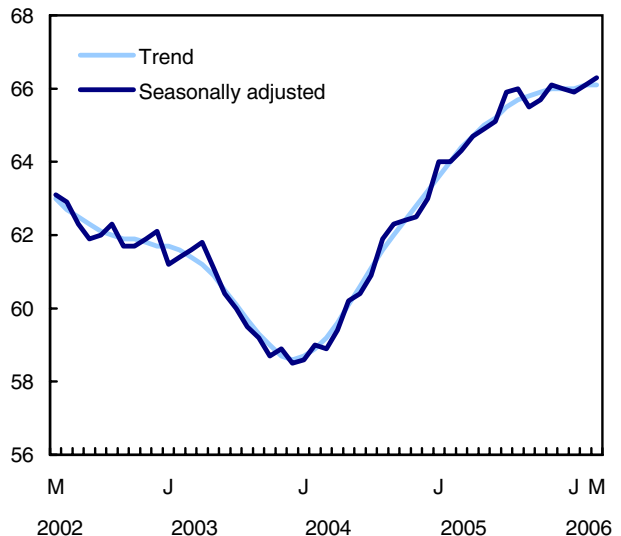
Ontario's manufacturers posted shipments of \$25.4 billion, up \$109 million (+0.4%), due in part to the petroleum and machinery industries. Following a weak January (-2.2%) and February (-1.0%), year-to-date shipments by Canada's leading manufacturing province remained below levels of one year ago (-2.5%).

### Aerospace manufacturers boost inventories

Total inventories rose 0.4% to \$66.3 billion in March. Goods-in-process inventories carried the bulk of the increase, climbing 2.8% to \$15.6 billion due to a recent buildup by aerospace manufacturers as they work through major orders. Inventories have been gradually accumulating over the last two years, soaring 12.5% in value since March 2004.

### Aerospace manufacturers boost inventories

\$ billions



Inventories of raw materials remained steady at \$28.7 billion, while strong demand for petroleum products contributed to the paring down of finished product inventories (-1.0%) to \$22.0 billion.

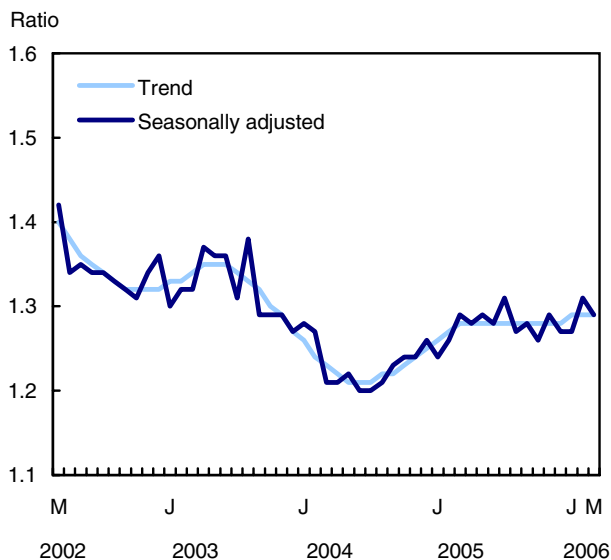
### Higher shipments suppress the inventory-to-shipment ratio

Following last month's sizeable advance in the inventory-to-shipment ratio to 1.31, the ratio settled back in March to 1.29. The rebound in shipment

activity was enough to pull back the ratio from its recent year-high.

The inventory-to-shipment ratio is a key measure of the time, in months, that would be required to exhaust inventories if shipments were to remain at their current level.

**The inventory-to-shipment ratio declines from recent high**

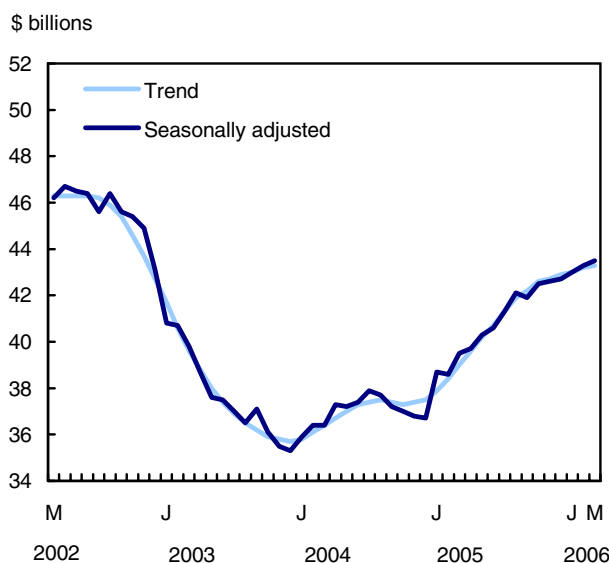


**Heavy duty trucks and machinery drive unfilled orders**

Contracts received for big ticket items including heavy duty trucks (+15.7%) and machinery (+1.7%) contributed to the sixth successive increase in unfilled orders. Manufacturers' backlog of unfilled orders rose another 0.5% to \$43.5 billion in March, the highest level since November 2002.

Meanwhile, manufacturers of fabricated metal products (-2.9%) and railroad rolling stock (-1.5%) worked through orders in March, which partly offset the buildup of orders overall.

**Unfilled orders at highest level in just over three years**



**New orders pick up in March**

Following a big decline in February (-2.3%), manufacturers' new orders rebounded to some extent, up 1.4% to \$51.6 billion in March. Substantial gains in the aerospace and machinery industries propped up new orders during the month.

**Manufacturers' continue to face challenges**

Despite the relatively wide scope of March's improvements, manufacturers continued to face challenges which will test their productive abilities in the months to come. The strengthened value of the Canadian dollar, rising input costs and skilled labour shortages particularly in Western Canada, remained critical though unavoidable obstacles for many in the sector.

According to the recent release of the Business Conditions Survey for April 2006, these obstacles were among the primary challenges facing manufacturers in the months ahead, and contributed to their expectations of tough times ahead.

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

Definitions, data sources and methods: survey number 2101.

All data are benchmarked to the 2001 Annual Survey of Manufactures.

Data from the April Monthly Survey of Manufacturing will be released on June 14.

The 2005 annual review of manufacturing shipments will soon be available.

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](mailto:manufact@statcan.ca)). To enquire about the concepts, methods or data quality of the release, contact Russell Kowaluk (613-951-0600, [kowarus@statcan.ca](mailto: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	
March 2005	49,879	-2.0	64,273	0.4	39,541	2.3	50,783	0.0	1.29
April 2005	50,506	1.3	64,663	0.6	39,656	0.3	50,621	-0.3	1.28
May 2005	50,488	0.0	64,914	0.4	40,256	1.5	51,088	0.9	1.29
June 2005	51,004	1.0	65,061	0.2	40,609	0.9	51,357	0.5	1.28
July 2005	50,391	-1.2	65,933	1.3	41,327	1.8	51,109	-0.5	1.31
August 2005	51,755	2.7	65,982	0.1	42,095	1.9	52,523	2.8	1.27
September 2005	51,359	-0.8	65,510	-0.7	41,947	-0.4	51,211	-2.5	1.28
October 2005	52,058	1.4	65,658	0.2	42,464	1.2	52,575	2.7	1.26
November 2005	51,176	-1.7	66,112	0.7	42,602	0.3	51,315	-2.4	1.29
December 2005	51,943	1.5	65,950	-0.2	42,700	0.2	52,040	1.4	1.27
January 2006	51,757	-0.4	65,937	-0.0	43,015	0.7	52,072	0.1	1.27
February 2006	50,581	-2.3	66,074	0.2	43,317	0.7	50,883	-2.3	1.31
March 2006	51,390	1.6	66,314	0.4	43,533	0.5	51,606	1.4	1.29

### Manufacturing industries except motor vehicle, parts and accessories

	Shipments		Inventories		Unfilled orders		New orders	
	Seasonally adjusted							
	\$ millions	% change	\$ millions	% change	\$ millions	% change	\$ millions	% change
March 2005	41,891	-0.5	60,435	0.3	37,249	2.5	42,783	2.3
April 2005	42,228	0.8	60,748	0.5	37,406	0.4	42,385	-0.9
May 2005	42,241	0.0	61,066	0.5	38,027	1.7	42,862	1.1
June 2005	42,531	0.7	61,172	0.2	38,484	1.2	42,988	0.3
July 2005	42,226	-0.7	61,844	1.1	39,092	1.6	42,834	-0.4
August 2005	42,805	1.4	61,968	0.2	39,881	2.0	43,593	1.8
September 2005	42,981	0.4	61,503	-0.7	39,755	-0.3	42,855	-1.7
October 2005	43,201	0.5	61,843	0.6	40,315	1.4	43,761	2.1
November 2005	42,863	-0.8	62,317	0.8	40,412	0.2	42,960	-1.8
December 2005	43,489	1.5	62,191	-0.2	40,434	0.1	43,511	1.3
January 2006	43,762	0.6	62,195	0.0	40,681	0.6	44,009	1.1
February 2006	42,436	-3.0	62,428	0.4	40,893	0.5	42,649	-3.1
March 2006	43,521	2.6	62,782	0.6	40,934	0.1	43,562	2.1

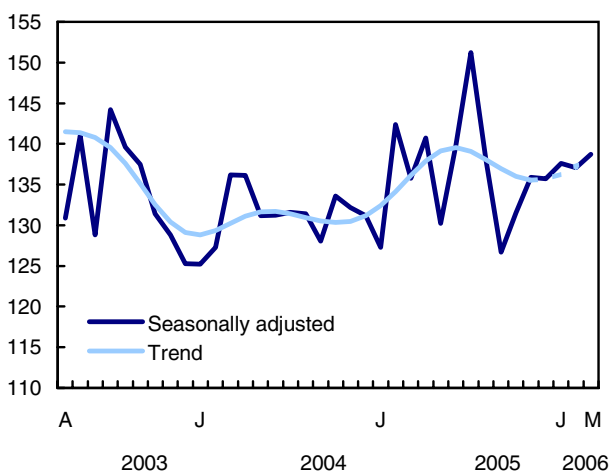
## New motor vehicle sales

March 2006

New motor vehicle sales moved ahead in March, gaining 1.1%. The results for the first quarter of 2006 came in 2.0% ahead of the first quarter of 2005. A total of 138,659 new vehicles left dealer lots in March, an increase of over 1,500 vehicles compared to February. This was the strongest sales level since the incentive induced peaks of last summer.

### New vehicle sales move ahead in March

'000 units



The last few points could be subject to revisions when more data are added. This is indicated by the dashed line.

New motor vehicle sales continued to be relatively stable in recent months following a series of major sales swings throughout much of 2005, which were influenced by the coming and going of major incentive programs. After a steep decline at the end of 2003, new motor vehicle sales partially recovered and then levelled out for the remainder of 2004.

Based on preliminary figures from the auto industry, the number of new motor vehicles sold in April reversed direction, giving up all of the gains in March. Both passenger car and truck sales declined during the month, with truck sales falling slightly more sharply than car sales.

### Car and truck sales cruise along

Both passenger car and truck sales posted gains in March, although the increase in truck sales was more pronounced. Car sales increased by 0.8%,

#### Note to readers

All data in this release are seasonally adjusted.

**Passenger cars** include those used for personal and commercial purposes, such as taxis or rental cars. **Trucks** include minivans, sport-utility vehicles, light and heavy trucks, vans and buses.

**North American built new motor vehicles** include vehicles manufactured or assembled in Canada, the United States or Mexico. All other new motor vehicles are considered to have been manufactured overseas.

For reasons of confidentiality, data for Yukon, the Northwest Territories and Nunavut are included with those for British Columbia.

The New Motor Vehicle Sales Survey is compiled on the basis of figures obtained from motor vehicle manufacturers and importers. These results may vary from those obtained directly from auto dealers, due to possible differences in record keeping.

driven largely by strong sales of overseas built vehicles. Overseas built cars moved ahead 1.9% for a fourth gain in six months. North American built cars edged ahead 0.3% in March after a small decline in February.

Truck sales (which include minivans, sport-utility vehicles, light and heavy trucks, vans and buses) were fairly strong in March, with sales revving up 1.5% higher than in February. Truck sales have generally been increasing at a slightly more accelerated rate than car sales over the past six months, despite rising gas prices.

Sales of both passenger cars and trucks have stabilized in recent months, although truck sales have generally been slightly stronger. This followed a softening in sales at the end of the summer of 2005 as sizeable incentive programs came to an end. In 2004, sales remained relatively stable for cars and trucks after some increases early in the year.

### Westernmost provinces continue to show strength

Sales results by province were generally positive in March, with six provinces posting increases during the month. The strongest sales growth was seen in Manitoba (+7.0%), Nova Scotia (+4.9%) and the region formed by British Columbia and the territories (+2.8%).

New motor vehicle sales have been on a tear in the two westernmost provinces over the last several months. Automotive sales gained 2.8% in the region formed by British Columbia and the territories in March, the fourth consecutive month of growth. Sales have increased by almost 12% during that period, possibly stimulated by very low unemployment levels, rivalled only by Alberta and Manitoba. Although Alberta posted a small decline in March (-1.9%), sales have been increasing in that province since October 2005.

The sales increase in Manitoba recovered most of the losses resulting from weak sales in the first two

months of 2006. The sizeable gain in new motor vehicle sales in Nova Scotia continues a pattern of see-sawing results over the past few months.

New motor vehicle sales in Ontario have gradually worked their way back up after hitting a seven year low in September 2005, coming off of the summer's incentive driven peak. Sales increased 1.4% in March, a gain of about 700 vehicles.

**Available on CANSIM: tables 079-0001 and 079-0002.**

**Definitions, data sources and methods: survey number 2402.**

The March 2006 issue of *New Motor Vehicle Sales* (63-007-XIE, free) will be available soon.

Data on new motor vehicle sales for April will be released on June 14.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Elton Cryderman (613-951-0669), Distributive Trades Division.

### New motor vehicle sales

	March 2005	February 2006 <sup>f</sup>	March 2006 <sup>p</sup>	March 2005 to March 2006	February to March 2006
Seasonally adjusted					
	number of vehicles			% change	
<b>New motor vehicles</b>	<b>135,832</b>	<b>137,114</b>	<b>138,659</b>	<b>2.1</b>	<b>1.1</b>
Passenger cars	70,806	70,948	71,508	1.0	0.8
North American <sup>1</sup>	49,736	49,093	49,230	-1.0	0.3
Overseas	21,070	21,855	22,278	5.7	1.9
Trucks, vans and buses	65,027	66,166	67,151	3.3	1.5
<b>New motor vehicles</b>					
Newfoundland and Labrador	2,134	1,904	1,876	-12.1	-1.5
Prince Edward Island	389	431	423	8.7	-1.9
Nova Scotia	3,725	4,111	4,314	15.8	4.9
New Brunswick	2,805	2,862	2,865	2.1	0.1
Quebec	34,843	32,881	33,280	-4.5	1.2
Ontario	51,127	51,418	52,119	1.9	1.4
Manitoba	3,969	3,605	3,859	-2.8	7.0
Saskatchewan	3,313	3,327	3,309	-0.1	-0.5
Alberta	17,699	20,692	20,291	14.6	-1.9
British Columbia <sup>2</sup>	15,829	15,884	16,324	3.1	2.8
	March 2005	February 2006	March 2006 <sup>p</sup>	March 2005 to March 2006	
Unadjusted					
	number of vehicles			% change	
<b>New motor vehicles</b>	<b>148,296</b>	<b>100,740</b>	<b>155,991</b>	<b>5.2</b>	
Passenger cars	76,197	48,758	79,363	4.2	
North American <sup>1</sup>	54,630	33,450	54,748	0.2	
Overseas	21,567	15,308	24,615	14.1	
Trucks, vans and buses	72,099	51,982	76,628	6.3	
<b>New motor vehicles</b>					
Newfoundland and Labrador	2,339	1,145	1,992	-14.8	
Prince Edward Island	346	284	399	15.3	
Nova Scotia	3,773	2,747	4,842	28.3	
New Brunswick	3,312	2,037	3,419	3.2	
Quebec	40,377	23,064	39,979	-1.0	
Ontario	56,244	37,568	59,060	5.0	
Manitoba	4,154	2,543	4,112	-1.0	
Saskatchewan	3,390	2,376	3,404	0.4	
Alberta	18,460	16,038	20,961	13.5	
British Columbia <sup>2</sup>	15,901	12,938	17,823	12.1	

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Manufactured or assembled in Canada, the United States or Mexico.

2. Includes Yukon, the Northwest Territories and Nunavut.



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## Natural gas liquids and liquefied petroleum gases

October to December 2005

Data on the supply and demand for natural gas liquids and liquefied petroleum gases are now available up to December 2005.

**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. ■

## Profile of Canadian importers

2002

Data from the importer register are now available. Counts of importers are available by province, country of origin, importer size and industry.

For more information on our products and services, contact Anne Couillard (1-800-294-5583 or 613-951-6867). To enquire about the concepts, methods or data quality of this release, contact Phil Armstrong (613-951-6755), International Trade Division. ■

## Natural gas transportation and distribution

September 2005

Data on natural gas transportation and distribution are now available for September 2005.

**Available on CANSIM: tables 129-0001 to 129-0004.**

**Definitions, data sources and methods: survey number 2149.**

For more information, to order data, 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. ■

## Dairy statistics

March 2006 (preliminary)

Consumers purchased almost 252 600 kilolitres of milk and cream in March, up 1.7% from March 2005. Sales of milk rose 1.7%, and cream sales were up 1.1%.

**Available on CANSIM: tables 003-0007 to 003-0012, 003-0029, 003-0033, 003-0034 and 003-0046.**

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

The first quarter 2006 issues of *The Dairy Review* (23-001-XIB, free) and the new publication *Dairy Statistics* (23-014-XIE, free) will soon be available.

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



## New products

**Industry Price Indexes**, March 2006, Vol. 32, no. 3  
**Catalogue number 62-011-XIE**  
(free).

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

**Industry Price Indexes**, March 2006, Vol. 32, no. 3  
**Catalogue number 62-011-XPE** (\$24/\$233).

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; -XCB or -XCE are electronic versions on compact disc and -XBB or -XBE a database.

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Statistics Canada

Thursday, June 8, 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 six rides 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 relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, sales ending May 31, 1997** 12
- **Egg production, April 1997** 12

**PUBLICATIONS RELEASED** 11



### Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-G, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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