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The Daily

Statistics Canada

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Releases

Releases

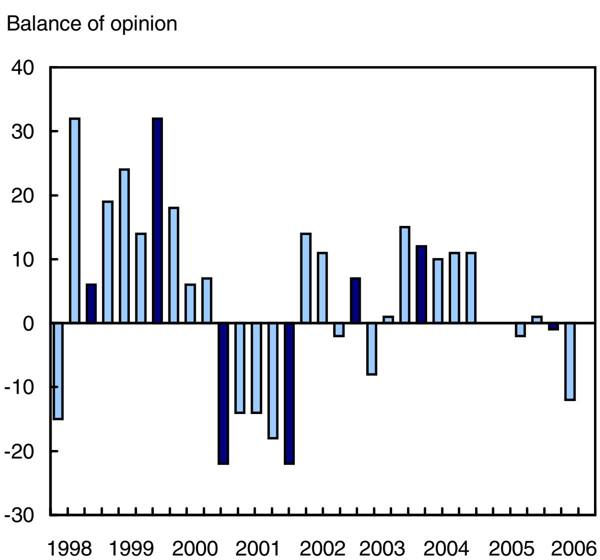
Business Conditions Survey: Manufacturing industries

July 2006

Manufacturers remained resilient in their outlook for the third quarter — despite the Canadian dollar reaching levels not seen in almost three decades and increasing oil prices. A modest improvement in the level of new orders and declining finished product inventories, saw manufacturers slightly more positive about production and employment prospects for the third quarter.

The Business Conditions Survey is a quarterly survey requesting opinions on production impediments, finished product inventory levels, new and unfilled order levels, production and employment prospects in the coming three months. The voluntary survey was conducted in the first two weeks of July and attracted almost 4,000 responses from manufacturers.

Balance of opinion for expected volume of production next three months versus last three



Fewer manufacturers expect to decrease production

While 20% of manufacturers stated they would increase production in the third quarter of 2006 another 20% expected to decrease production, leaving the balance of opinion at zero. This was a 12 point improvement from the -12 balance posted in the April survey. Although improving, the current balance is still lower than the most positive recent balance of +11 posted in the October 2004 survey.

> **_Note to readers_**
>
> *The Business Conditions Survey is conducted in January, April, July and October; the majority of responses are recorded in the first two weeks of these months. Results are based on replies from about 4,000 manufacturers and are weighted by a manufacturer's shipments or employment. Consequently, larger manufacturers have a correspondingly larger impact on the results than smaller manufacturers.*

Strong global demand and soaring prices also contributed to the improved prospects anticipated in some industries. During the first five months of 2006, manufacturers' shipments of petroleum products were up 11.8% compared to the same period in 2005, while shipments in the primary metals industry soared 13.4%.

Manufacturers in the petroleum and coal products, transportation equipment, primary metal and chemical industries were the major contributors to the improved production prospects for the third quarter of 2006. A lack of capacity continued to be an issue for some manufacturers. According to the Industrial capacity utilization rates release in *The Daily* on June 12, 2006, manufacturers operated at 84.1% of capacity in the first quarter of 2006.

The balance of opinion is determined by subtracting the proportion of manufacturers who expected production would be decreasing in the coming three months from the proportion who expected production would be increasing.

Satisfaction with level of orders received on the rise

With 18% of manufacturers stating the current level of new orders was increasing, and 14% stating the level of new orders was decreasing, the July balance of opinion climbed 8 points from the April survey to +4. Although the balance remained lower than the most recent high of +13 posted in the October 2004 survey, it was an improvement nonetheless. Producers in the petroleum and coal products, transportation equipment and electrical equipment, appliance and component industries were the major contributors to the improved balance of opinion for orders received. According to May's Monthly Survey of Manufacturing, new orders for all manufacturing industries were up 0.7% to just over $50.6 billion. The current level of new orders was still below that of one year earlier ($51.1 billion).

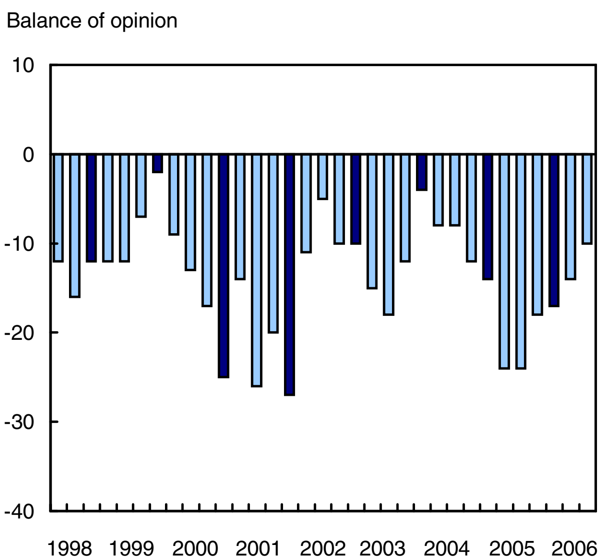
Manufacturers express fewer concerns with levels of unfilled orders

With 11% of manufacturers expressing a lower-than-normal backlog and 8% stating a higher-than-normal backlog, the July balance of opinion concerning the current level of unfilled orders stood at -3, a 3 point improvement over the -6 posted in the April survey. Producers in the computer and electronic products industries, in addition to the electrical equipment, appliance and component and primary metal industries were the major contributors to the improved unfilled orders balance of opinion. According to May's Monthly Survey of Manufacturing unfilled orders were down 0.7% to just over $42.4 billion, the second decrease in a row.

Manufacturers continue to be less concerned with finished product inventories

In July, 84% of manufacturers reported that the current level of finished product inventories was about right, up 1 point from April. Some 13% stated that inventories were too high, while 3% said inventories were too low. This left the balance of opinion at -10, a 4 point improvement over the April balance. A year earlier, in the July 2005 survey, the balance of opinion for finished product inventories stood at -24. According to May's Monthly Survey of Manufacturing, finished product inventories levels stood at almost $21.9 billion, down 1.3% from the January 2006 high of almost $22.2 billion.

Balance of opinion for current level of finished-product inventory on hand



Manufacturers' employment outlook up slightly

The balance of opinion for employment prospects for the next three months increased 2 points to -1 in July. While 83% of manufacturers stated that they would keep or add to their work force, 16% indicated that they expected to decrease employment in the third quarter of 2006. Nationally, a balance at this level would indicate little change in manufacturing employment in the coming three months. Regionally, manufacturers expected slightly lower employment levels in Ontario (balance -5) and Quebec (balance -9), which more than offset Manitoba (+13), Saskatchewan (+22), Alberta (+24) and British Columbia (+6), where manufacturers continued to express difficulty in finding skilled labour. According to the Labour Force Survey, although little changed in June, employment in manufacturing has declined by 8.5% (-199,000) since the end of 2002.

Except for the data on production difficulties, data in this release are seasonally adjusted.

Manufacturers report more production impediments

The number of manufacturers reporting production impediments increased 2 points to 23% in the July survey. The appreciation of the Canadian dollar, higher raw material costs and labour shortages in the western provinces were among the factors cited.

Available on CANSIM: tables 302-0007 and 302-0008.

Definitions, data sources and methods: survey number 2152.

Business Conditions Survey data for October will be released on October 26.

For general information or to order data, contact the dissemination officer (613-951-9497 or toll-free 1-866-873-8789; fax: 613-951-9499; *manufact@statcan.ca*). To enquire about the concepts, methods or data quality of the release, contact Claude Robillard (613-951-3507; *claude.robillard@statcan.ca*), Manufacturing, Construction and Energy Division.

Business Conditions Survey: Manufacturing industries: Production prospects balance of opinion for select industries

	July 2005	October 2005	January 2006	April 2006	July 2006
	Seasonally adjusted				
Major group industries					
Non-durable goods	**2**	**2**	**-5**	**-5**	**15**
Food	7	-3	0	6	13
Chemical	2	8	19	-1	18
Petroleum and coal products	-10	35	-63	15	52
Paper	-5	-6	-1	-2	-1
Plastic and rubber products	8	8	13	0	6
Durable goods	**-8**	**5**	**13**	**-28**	**-8**
Transportation equipment	-8	0	-2	-33	-13
Primary metal	-9	10	25	3	16
Wood products	3	-9	3	-2	0
Fabricated metal products	20	27	3	11	1
Machinery	15	10	8	3	-10
Computer and electronic products	-1	8	-28	12	-4

Business Conditions Survey: Manufacturing industries

	July 2005	October 2005	January 2006	April 2006	July 2006
	Seasonally adjusted				
Volume of production during next three months compared with last three months will be:					
About the same (%)	60	69	69	58	60
Higher (%)	19	16	15	15	20
Lower (%)	21	15	16	27	20
Balance of opinion	-2	1	-1	-12	0
Orders received are:					
About the same (%)	65	76	70	64	68
Rising (%)	13	14	15	16	18
Declining (%)	22	10	15	20	14
Balance of opinion	-9	4	0	-4	4
Present backlog of unfilled orders is:					
About normal (%)	58	61	65	70	81
Higher than normal (%)	18	19	14	12	8
Lower than normal (%)	23	20	20	18	11
Balance of opinion	-5	-1	-6	-6	-3
Finished product inventory on hand is:					
About right (%)	72	68	75	83	84
Too low (%)	2	7	4	1	3
Too high[1] (%)	26	25	21	15	13
Balance of opinion	-24	-18	-17	-14	-10
Employment during the next three months will:					
Change little (%)	71	72	73	71	68
Increase (%)	14	13	13	13	15
Decrease (%)	14	15	14	16	16
Balance of opinion	0	-2	-1	-3	-1
	Unadjusted (%)				
Sources of production difficulties:					
Working capital shortage	2	3	3	3	2
Skilled labour shortage	8	9	6	8	9
Unskilled labour shortage	3	4	4	4	5
Raw material shortage	4	5	4	4	5
Other difficulties	3	5	3	3	2
No difficulties	79	74	81	79	77

1. *No evident seasonality.*

■

Placement of hatchery chicks and turkey poults

June 2006 (preliminary)

Placements of hatchery chicks onto farms were estimated at 55.3 million birds in June, down 6.0% from June 2005. Placements of turkey poults on farms increased 2.5% to 2.1 million birds.

Available on CANSIM: table 003-0021.

Definitions, data sources and methods: survey number 5039.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandra Gielfeldt (613-951-2505; *sandy.gielfeldt@statcan.ca*), Agriculture Division. ■

Stocks of frozen and chilled meats

July 2006

Total frozen and chilled red meat in cold storage at the opening of the first business day of July amounted to 89 434 metric tonnes, down 6% from 95 111 tonnes in April and down 3% from 91 949 tonnes in July 2005. Stocks of frozen poultry meat in cold storage on the first business day of July totalled 70 649 metric tonnes, up 16% from a year ago.

Available on CANSIM: tables 003-0081 and 003-0082.

Definitions, data sources and methods: survey number 3423.

The July 2006 issue of *Stocks of Frozen and Chilled Meats* (23-009-XIE, free) is now available online. From the *Our Products and Services* page, under *Browse our free internet publications* choose *Agriculture*.

For general information, call (toll-free 1-800-465-1991). To enquire about the concepts, methods and data quality of this release, contact Barbara McLaughlin (902-893-7251; *barbara.mclaughlin@statcan.ca*), Agriculture Division. ■

Asphalt roofing

June 2006

Data on asphalt roofing are now available for June.

Available on CANSIM: table 303-0052.

Definitions, data sources and methods: survey number 2123.

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 ■

Traveller accommodation services price indexes

Second quarter 2006

Monthly traveller accommodation services price indexes for the second quarter of 2006 are now available. These indexes, which measure price movements of accommodation services, reflect changes in room rates, excluding all indirect taxes, for overnight or short stays, with no meals or other services provided. The indexes are available for Canada, by province and territory, and by major client group.

Please note that the index series have been revised, incorporating a change in the implementation of the price index formula.

Available on CANSIM: table 326-0013.

Definitions, data sources and methods: survey number 2336.

For more information on these indexes, contact Prices Division (613-951-9606 or toll-free 1-866-230-2248; *infounit@statcan.ca*). To enquire about the concepts, methods and quality of this series, contact Fred Barzyk (613-951-2493; *fred.barzyk@statcan.ca*), Prices Division. ■

Aircraft movement statistics: Small airports

March 2006

The March 2006 monthly report, Vol. 2 (TP141, free) is available on Transport Canada's website at the following URL (*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 (i.e., those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air traffic control towers). Both volumes are available free upon release at Transport Canada's website.

Definitions, data sources and methods: survey number 2715.

For more information about this website, contact Michel Villeneuve (613-990-3825; *villenm@tc.gc.ca*), Transport Canada.

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. ■

New products

The Input-output Structure of the Canadian Economy, 2001/2002
Catalogue number 15-201-XIE
(free).

Stocks of Frozen and Chilled Meats, July 2006
Catalogue number 23-009-XIE
(free).

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

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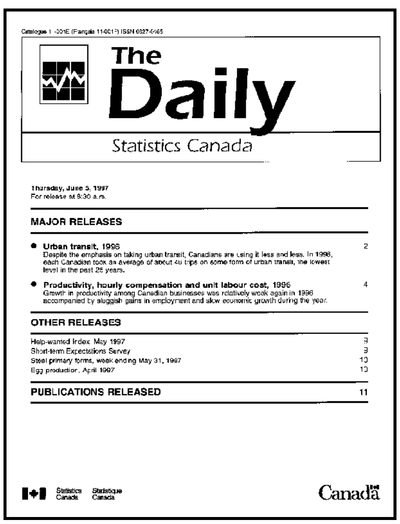
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The Daily

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 46 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.

OTHER RELEASES

Help-wanted Index, May 1997	9
Short-term Expectations Survey	9
Steel primary forms, week ending May 31, 1997	10
Egg production, April 1997	10

PUBLICATIONS RELEASED 11

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