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Releases

Releases

Manufacturing at a Glance: Bucking the trend – Turnaround in the wood product manufacturing industry, June 2012 to May 2013

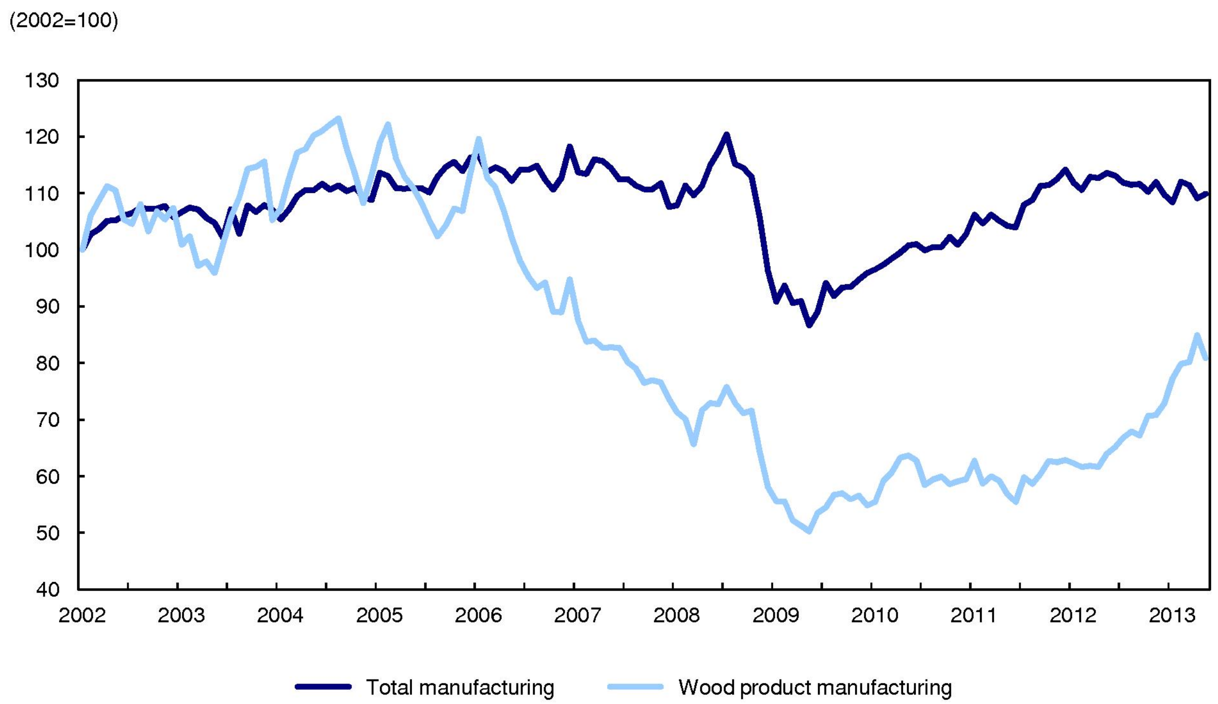
Sales in the wood product manufacturing industry have bucked the trend in the manufacturing sector as a whole. Total sales in the wood product industry were up 19.7% over the 12-month period from June 2012 to May 2013 compared with the same period one year earlier. By comparison, total manufacturing sales in Canada, excluding wood products, decreased 1.1% over the same period. Wood product manufacturing was one of only eight industries where sales increased from June 2012 to May 2013, and represented both the largest dollar gain and largest percentage gain by industry. This paper examines the recent turnaround in the wood industry, including national and provincial trends.

National sales rise as prices and volumes rebound

Sales in wood product manufacturing reached $22.7 billion from June 2012 to May 2013, their highest point since 2007/2008.

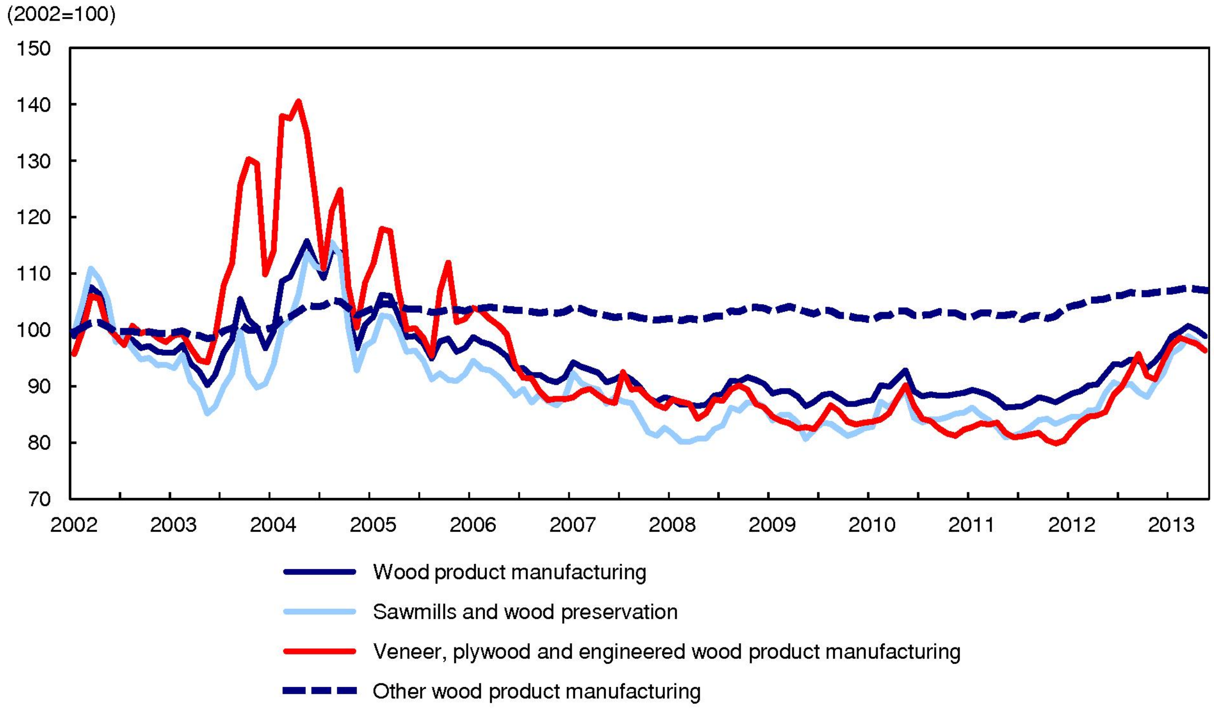
The rebound in the industry has resulted in wood product manufacturing accounting for its largest share of Canadian manufacturing sales since 2007/2008. The wood manufacturing industry represented 3.9% of manufacturing sales from June 2012 to May 2013, compared with 3.2% during the same period a year earlier.

Chart 1
Indexed total manufacturing sales versus wood product manufacturing sales



Higher prices and volumes were both factors in the increased sales in the wood product industry, as foreign demand rose. From June 2012 to May 2013, the average Industrial Product Price Index (IPPI) for the wood industry was 9.2% higher than the previous 12-month period, and was at its highest point since 2005/2006.

Chart 2
Industrial Product Price Index for the wood industry



Foreign housing demand pushes the wood industry forward

The sawmills and wood preservation sub-industry was the main source of growth within the wood industry from June 2012 to May 2013. This sub-industry accounted for $10.6 billion in total sales, up $2.0 billion from the same period a year earlier. Sales also reached their highest level since 2006/2007. This sub-industry also accounted for the largest share of total wood industry sales (46.8%). Increases were attributable to higher exports to the United States as well as higher prices. Exports in the sawmill and wood preservation industry to the United States increased 36.9% from June 2012 to May 2013, up $1.2 billion from the same period one year earlier.

The rise in exports was largely attributable to growth in the US housing market. Data published by the US Census Bureau report that unadjusted housing units started in the United States reached 863,600 units from June 2012 to May 2013, up 28.9% compared with the same period a year earlier. The IPPI indicates that wood prices in the sawmills and wood preservation industry have risen 10.5% over this period as a result of increased demand.

Defining wood sub-industries

The wood industry is divided into three sub-industries. The following is a brief description of the good manufactured within each sub-industry:

***Sawmills and wood preservation**: This sub-industry includes establishments primarily engaged in manufacturing boards, dimension lumber, timber poles and ties from logs and bolts.*

***Veneer, plywood and engineered wood product manufacturing**: This sub-industry group includes establishments primarily engaged in manufacturing softwood and hardwood veneer and plywood; structural wood members, except lumber; and reconstituted wood panel products.*

***Other wood product manufacturing**: This sub-industry group includes establishments, not classified to any other industry group, primarily engaged in manufacturing wood products. This category includes goods such as: millwork including window and door manufacturing, wood container and pallet manufacturing, manufactured (mobile) homes, prefabricated homes and miscellaneous products such as handles, kitchenware, cork products.*

British Columbia leads gains

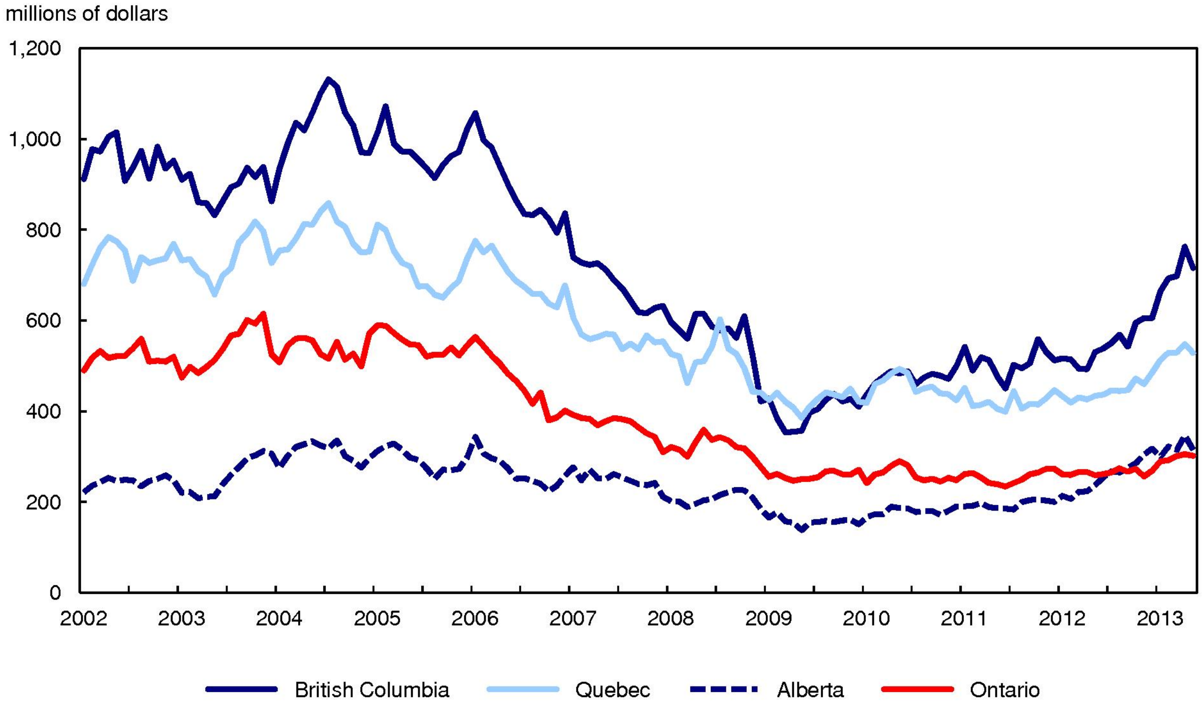
In general, British Columbia has historically accounted for the largest share of wood product manufacturing in Canada. From June 2012 to May 2013, the province was responsible for 33.2% of national wood product manufacturing sales. From June 2012 to May 2013, sales rose $1.4 billion to $7.5 billion, up 22.9% from the same period one year earlier. Wood product manufacturing accounted for 19.0% of all manufacturing in British Columbia.

The sawmills and wood preservation sub-industry accounted for 66.6% of wood product manufacturing in British Columbia, a larger share than any other province. Therefore, decreases in exports and prices, which stemmed from a slowdown in the housing market, had a disproportionately greater effect on the wood product industry in British Columbia. As a result, between 2008 and 2010, British Columbia was occasionally surpassed on a monthly basis by Quebec as the largest wood product manufacturer in the country. The recent rebound in prices and exports has produced the opposite result, with British Columbia regaining its place as the largest wood product manufacturer in Canada.

Quebec maintained its role as the second largest producer of wood manufacturing products in Canada from June 2012 to May 2013, accounting for 25.7% of the national total. Over the 12-month period, the sawmills and wood preservation sub-industry also accounted for the largest share of wood product manufacturing sales in the province, at 39.7%. However, over the last decade, Quebec has seen fluctuations in which sub-industry accounted for the largest share of wood product manufacturing. From 2009/2010 to 2011/2012, other wood product manufacturing accounted for the largest share of sales, as prices in the sub-industry remained relatively stable. As wood prices and exports recovered, sawmills and wood preservation once again became the largest sub-industry in the province.

For the first time since this series began in 1992, Alberta surpassed Ontario as the third largest manufacturer of wood products. From June 2012 to May 2013, Alberta accounted for 15.7% of all sales nationally, compared with Ontario's 14.8% share. Like British Columbia, the sawmills and wood preservation sub-industry held the largest share of wood manufacturing in Alberta, and also recently benefited from an increase in prices and exports. In comparison, Ontario's wood product manufacturing is focused more heavily on other wood product manufacturing. Prices in the other wood product manufacturing industry have traditionally been more stable, rising 3.1% from June 2012 to May 2013 compared with the same period a year earlier.

Chart 3
Wood product manufacturing sales by province



For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

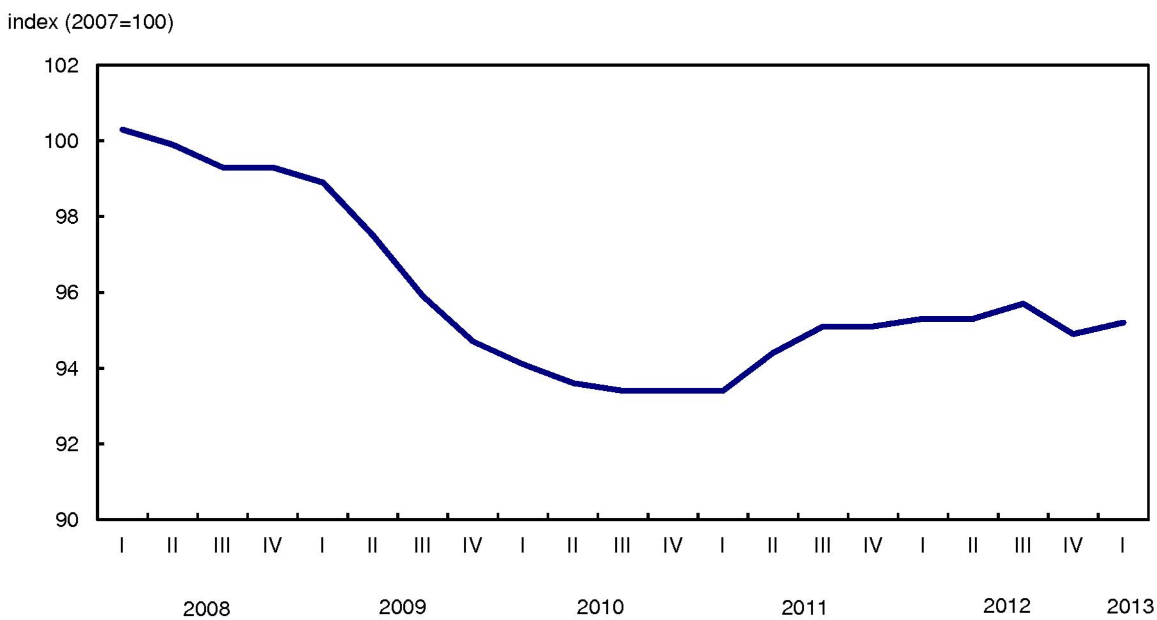
To enquire about the concepts, methods or data quality of this release, contact Michael Schimpf (613-951-9832; michael.schimpf@statcan.gc.ca), or John Seay (john.seay@statcan.gc.ca), Manufacturing and Energy Division.

Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index, first quarter 2013

The Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index rose 0.3% in the first quarter following a 0.8% decline in the fourth quarter of 2012.

Heavy machinery and equipment rental and leasing services (construction, transportation, mining and forestry) increased 0.3%, while office machinery and other commercial and industrial machinery and equipment rental and leasing services rose 0.4%.

Chart 1
Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index



The index declined 0.1% in the first quarter compared with the same quarter of 2012.

Note to readers

This price index measures price changes of rental and leasing activities for the commercial and industrial machinery and equipment industry.

With each release, data for the previous quarter may have been revised. The series are also subject to an annual revision with the release of second quarter data of the following reference year. The indexes are not seasonally adjusted.

The Office and Other Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index combines the North American Industry Classification System codes 53242 and 53249.

Table 1
Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index – Not seasonally adjusted

	Relative importance[1]	First quarter 2012	Fourth quarter 2012[r]	First quarter 2013[p]	Fourth quarter 2012 to first quarter 2013	First quarter 2012 to first quarter 2013
	%	(2007=100)			% change	
Commercial and industrial machinery and equipment rental and leasing services	**100.00**	**95.3**	**94.9**	**95.2**	**0.3**	**-0.1**
Construction, transportation, mining, and forestry machinery and equipment rental and leasing	68.21	97.0	96.1	96.4	0.3	-0.6
Office and other commercial and industrial machinery and equipment rental and leasing[2]	31.79	91.5	92.1	92.5	0.4	1.1

[r] *revised*

[p] *preliminary*

1. The relative importance is based on the weight that each five-digit North American Industry Classification System contributes to the overall Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index.

2. Data for office machinery and equipment rental and leasing services and other commercial and industrial machinery and equipment rental and leasing services were collected separately; the indexes were then combined at aggregation.

Available in CANSIM: tables 332-0005 and 332-0010.

Definitions, data sources and methods: survey number 5137.

The Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index for the second quarter will be released in October.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Production and disposition of tobacco products, June 2013

Canadian manufacturers produced 1.9 billion cigarettes in June, down 4.9% from the previous month. The total number of cigarettes sold decreased by 7.1% to 1.9 billion.

Available in CANSIM: table 303-0062.

Definitions, data sources and methods: survey number 2142.

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Large urban transit, May 2013

Total operating revenue (excluding subsidies) for 10 of Canada's largest urban transit systems rose 5.2% from the same month a year earlier to $264.3 million in May.

Higher fare increases in 2013 contributed to the gain on a year-over-year basis.

These 10 systems represent about 80% of total urban transit activity across the country.

Over the same period, ridership levels increased 1.0% to 135.0 million passenger trips.

Available in CANSIM: table 408-0004.

Definitions, data sources and methods: survey number 2745.

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Refined petroleum products, June 2013

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

Note to readers

These data are subject to revision.

Definitions, data sources and methods: survey number 2150.

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Quarterly civil aviation statistics, third quarter 2012

Operational and financial data on civil aviation are now available for the third quarter.

Definitions, data sources and methods: survey number 2712.

Civil aviation data will appear later in the service bulletin *Aviation* (51-004-X).

For more information, to order data tables, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

New products and studies

New products

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