

# The Daily

Statistics Canada

**Monday, September 22, 2014**

Released at 8:30 a.m. Eastern time

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## Releases

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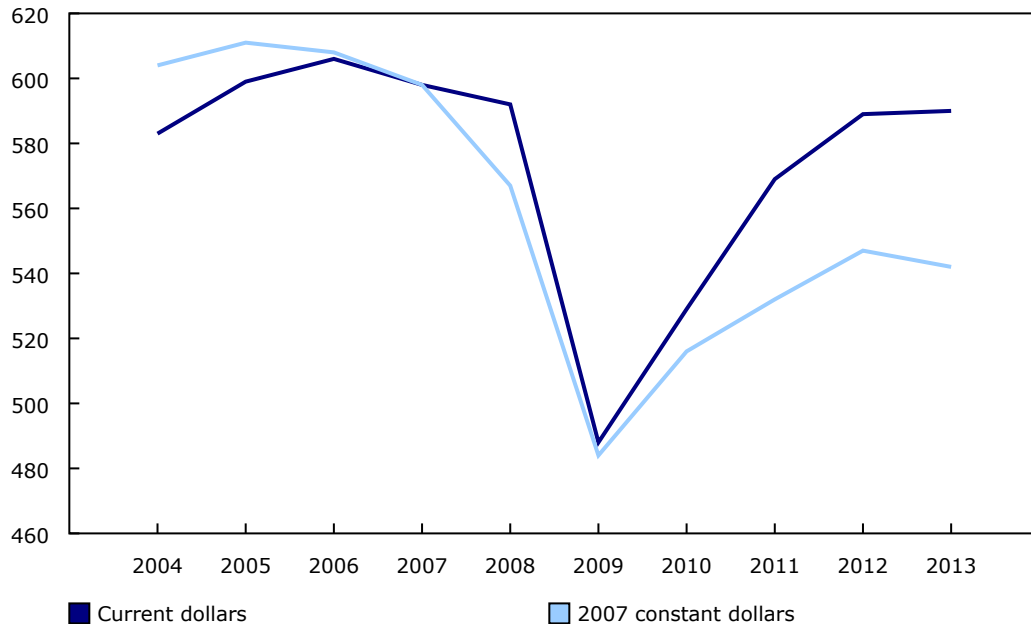
### Study: Manufacturing: The year 2013 in review

Canadian manufacturing sales increased in 2013 for the fourth year in a row. Sales edged up 0.3% and have almost fully recovered from the recession of 2008-2009. By contrast, constant dollar sales fell 0.9% year over year, indicating a drop in volumes. Constant dollar sales in 2013 remained well below pre-recession levels.

**Chart 1**  
**Current and constant dollar manufacturing sales**

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billions of dollars



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### Wood product industry leads sales gains

In 2013, four industries accounted for over three-quarters of the overall increases: wood, food, aerospace product and parts, and chemical manufacturing.

The wood product industry had the largest gain in sales, increasing \$3.6 billion from 2012 to \$23.8 billion (+17.8%) in 2013. Since the recession of 2008-2009, improved economic conditions and increased exports to the United States and China have contributed to higher sales for the Canadian wood products industry.

The food manufacturing industry posted the second highest increase in 2013, with current dollar sales rising \$2.5 billion to \$88.8 billion (+2.9%). In contrast to most industries, the food manufacturing industry saw its sales increase through the downturn of 2008-2009. Sales in this industry have risen in 18 of the past 20 years.

The industries posting the largest declines in 2013 included primary metals, petroleum and coal products, fabricated metal products, and automotive (the motor vehicle assembly and motor vehicle parts industries combined).

Manufacturing sales for the primary metal industry were down \$2.4 billion to \$43.4 billion in 2013 (-5.3%), mostly as a result of lower prices. Sales for the petroleum and coal product industry recorded a 2.8% decline to \$82.7 billion, largely due to lower volumes. This was the result of extended and unplanned shutdowns at several refineries in 2013.

### **Sales up in seven provinces**

Higher sales were posted by seven provinces in 2013 with Alberta leading the way, followed by Saskatchewan and British Columbia. Alberta's gain of \$2.1 billion to \$73.8 billion (+3.0%) was primarily due to increased sales in the chemical, petroleum and coal product, as well as the wood product industries. Alberta supplanted Ontario as the third largest manufacturer of wood products in 2013, behind British Columbia and Quebec.

Manufacturers in Saskatchewan increased sales by \$1.4 billion to \$15.7 billion (+9.7%), on the basis of higher sales of non-durable goods such as petroleum and coal products, and food.

Conversely, sales declined in Quebec (-1.3%), Nova Scotia (-10.0%), and Newfoundland and Labrador (-12.8%). In all three provinces, the declines were concentrated in the non-durable goods industries.

### **Unfilled orders and inventories advance**

In 2013, unfilled orders rose 13.2% to \$71.7 billion, led by orders for transportation equipment. Unfilled orders for aerospace product and parts increased 31.0% to \$40.7 billion. By the end of 2013, the share of aerospace unfilled orders out of total manufacturing unfilled orders had risen to 56.7% from a 10-year low of 33.4% in 2005.

Total inventory levels increased 3.3% to \$68.5 billion in 2013. The largest dollar increase in inventories was seen in the petroleum and coal product industry, which posted a gain of \$1.3 billion (+22.6%). Inventories also rose substantially in the transportation equipment industry, particularly aerospace product and parts, which posted a gain of \$1.1 billion (+18.0%).

### **Manufacturing employment down while labour productivity and compensation rise**

The manufacturing sector employed 1.5 million people in 2013, according to the Survey of Employment, Payrolls and Hours. This was down 11,700 persons from 2012 (-0.8%). Quebec posted the largest decline with a loss of 11,200 employees.

The labour productivity index increased 0.7% in 2013, following annual increases every year since 2009. Total compensation per hour worked also increased, posting a 2.3% gain year over year in 2013.

### **Capital expenditures increase**

Capital expenditures in manufacturing edged up 0.5% to \$18.1 billion in 2013, following gains of 12.8% in 2011 and 1.9% in 2012. The recent slowdown in the growth of capital expenditures follows a pattern similar to the declining sales gains seen in the manufacturing sector.

### **Overview**

In 2013, current dollar sales were essentially flat year over year and were only slightly below pre-recession levels. However, from a constant dollar perspective, sales were down in 2013 and remained well below pre-recession levels.

Results for other key economic indicators in 2013 were mixed. While the manufacturing sector has recovered from the recession according to some indicators, other indicators were still well below pre-recession levels.

The analytical article "Manufacturing: The Year 2013 in Review" is now available as part of the *Analysis in Brief* series, no. 91 (**11-621-M**). From the *Browse by key resource* module of our website, choose *Publications*.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

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## Production and disposition of tobacco products, August 2014

Canadian manufacturers produced 1.5 billion cigarettes in August, down 26.3% from the previous month. The total number of cigarettes sold decreased by 14.6% to 1.8 billion.

Available in CANSIM: table [303-0062](#).

Definitions, data sources and methods: survey number [2142](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).

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## Government Finance Statistics, second quarter 2014

Quarterly data for Government Finance Statistics (GFS), a system which presents fiscal statistics using the international standard GFS developed by the International Monetary Fund, are now available. This standard allows consistent aggregation and analysis across countries.

Quarterly GFS data are available on CANSIM, for overall government in Canada and for four sectors from 1991 to the second quarter of 2014. These sectors are: federal government; provincial/territorial governments; local governments; and Canada and Quebec Pension Plans.

### **Note to readers**

Currently, Government Finance Statistics (GFS) data are being derived by mapping Canada's System of National Accounts data to GFS concepts and conventions.

**Available in CANSIM: table [385-0032](#).**

**Definitions, data sources and methods: survey number [5174](#).**

Additional information can also be found in the *Latest Developments in the Canadian Economic Accounts (13-605-X)*, available from the *Browse by key resource* module of our website under *Publications*.

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## New products and studies

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### New products

**Wholesale Trade**, July 2014, Vol. 77, no. 7  
Catalogue number **63-008-X** (HTML | PDF)

### New studies

**Analysis in Brief: "Manufacturing: The Year 2013 in Review"**, 2013, No. 93  
Catalogue number **11-621-M2014093** (HTML | PDF)



### Statistics Canada's official release bulletin

Catalogue 11-001-X.

Published each working day by the Communications Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

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