

The Daily

Statistics Canada

Wednesday, September 2, 2015
Released at 8:30 a.m. Eastern time

Releases

Manufacturing: The year in review, 2014	2
Manufacturing sales reached an all-time high in 2014, increasing 5.3% to \$621.7 billion. Higher sales were reported in most industries, with transportation, primary metals and food recording the largest gains.	
Study: Activities of foreign majority-owned affiliates in Canada, 2011 (provisional estimates)	6
Real-time CANSIM tables	7

New products and studies	8
---------------------------------	---



Releases

Manufacturing: The year in review, 2014

Manufacturing sales reached an all-time high in 2014, increasing 5.3% to \$621.7 billion. Higher sales were reported in most industries, with transportation, primary metals and food recording the largest gains. Constant dollar sales rose 2.7%, indicating a higher volume of goods sold.

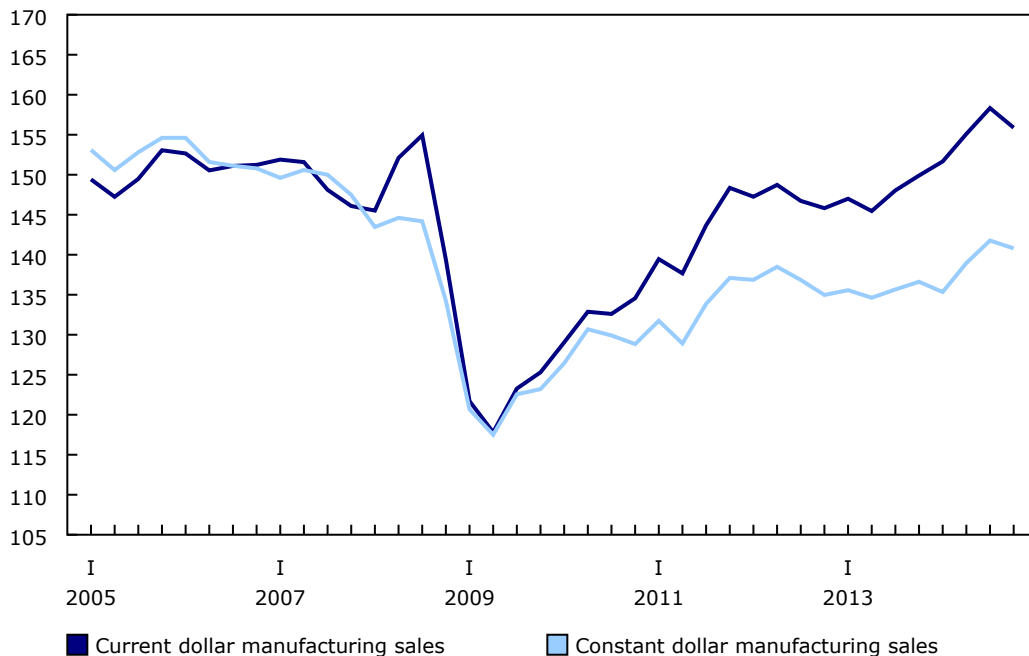
Sales surpass pre-recession levels in 2014

The Canadian manufacturing sector reached a milestone in 2014 as sales surpassed their pre-recession high of \$605.5 billion in 2006. Following a relatively stable period before the recession, the sector recorded significant losses during the economic downturn. Sales dropped 17.6% in 2009 as the global economy entered the recession. Manufacturing sales reached their lowest level in the second quarter of 2009. Sales rebounded in 2010 and 2011, but recovery slowed in recent years. The US manufacturing sector was quicker to rebound after the recession, with sales surpassing the pre-recession high in 2011.

Despite the current dollar gains, constant dollar manufacturing sales in 2014 remained below pre-recession levels, which peaked at \$611.1 billion in 2005, indicating that higher prices were partly responsible for the growth in sales over the past few years.

Chart 1
Quarterly manufacturing sales, 2005 to 2014

billions of dollars

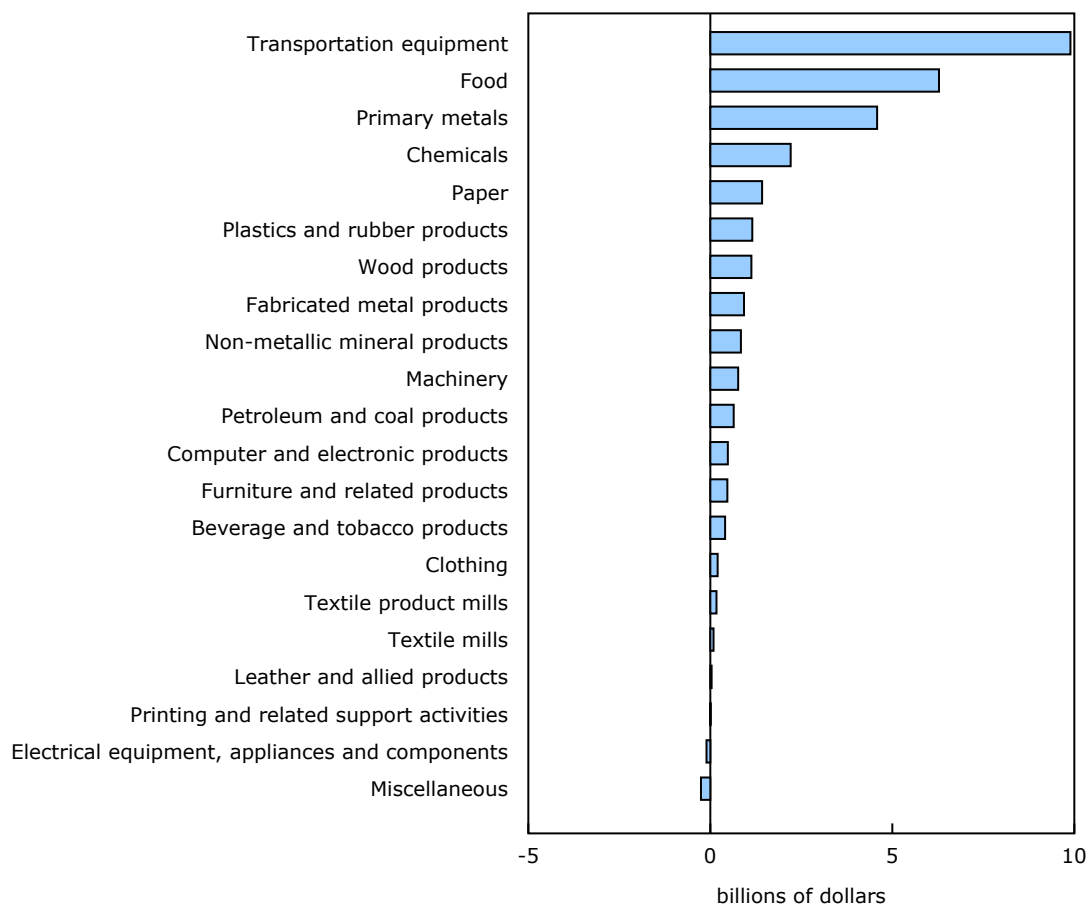


Source(s): CANSIM Table [304-0014](#) and [377-0009](#).

Transportation equipment, food and primary metals lead sales growth in 2014

Among the 21 manufacturing industries, 19 posted higher sales in 2014. Both durable and non-durable goods contributed to the increases. Transportation equipment, food, and primary metals were mainly responsible for the overall rise, accounting for about two-thirds of the dollar gains.

Chart 2
Manufacturing sales in 2014 by industry, change in billions of dollars from 2013



Source(s): CANSIM Table [304-0014](#).

Transportation equipment posts largest gains overall

Sales for the transportation equipment industry rose 9.6% in 2014, the largest increase among manufacturing industries. Motor vehicle manufacturing (+5.6%) was mainly responsible for the gain, while motor vehicle parts manufacturing was up 12.2%. Together, these two sub-industries accounted for more than half of the increase in transportation equipment. The gains partially reflected prices, which rose 4.6% for motor vehicles and 3.4% for motor vehicle parts. Sales of motor vehicles and motor vehicle parts have trended upwards in recent years; however, they remained below the pre-recession value recorded in 2007.

Aerospace products and parts also contributed to the gains in the transportation equipment industry. Aerospace production increased 13.2% in 2014, reaching its highest level since the beginning of the series. Fluctuations in the value of the Canadian currency are an important factor in measuring the value of aerospace production, as much of the economic activity in the industry is conducted in US dollars. The value of the Canadian dollar, on average, depreciated in 2014, especially in the second half of the year. As a result, the Canadian-dollar value of aerospace production increased.

Food sales lead gains among non-durable manufacturing industries

Sales of food products rose 7.1%, representing more than half of the dollar gain in non-durable industries. The increase stemmed primarily from meat product manufacturing, which rose 15.2%. Manufacturing sales of animal slaughtering (except poultry) increased 28.3%, following three years of declines. The gains in this sub-industry reflected prices, which rose 17.8% on average in 2014.

In January 2014, Canada reported its first case of porcine epidemic diarrhea virus, a highly contagious pig disease. The price for pork spiked 34.5% from January to April 2014, as a result of supply concerns in the industry. Prices in the animal slaughtering (except poultry) sub-industry stayed high throughout 2014.

Primary metals advance on widespread gains

Sales of primary metals rose 10.5% to \$48.0 billion in 2014, reflecting widespread increases among manufacturers in the industry. Manufacturers of iron and steel mills and ferro-alloy posted the largest gains, as sales for the sub-industry rose 26.9%, partly as a result of higher prices.

Ontario accounts for more than half of the national gain

Sales rose in seven provinces in 2014, with the largest manufacturing provinces contributing the most to the gain in dollars terms. Ontario manufacturers were responsible for over half of the national gain in dollar terms, as sales in the province rose 6.1%. While Ontario accounts for most manufacturing sales in Canada, the province has seen its share of manufacturing sales decline since the early 2000s.

Sales increased 6.4% in Quebec and 7.6% in Alberta. Meanwhile, Nova Scotia, New Brunswick, and Newfoundland and Labrador posted declines.

Table 1
Manufacturing sales by province

	2013	2014	2013 to 2014	2013 to 2014
	millions of dollars		change in millions of dollars	% change
Newfoundland and Labrador	6,266	6,236	-30	-0.5
Prince Edward Island	1,456	1,608	152	10.4
Nova Scotia	9,482	7,290	-2,191	-23.1
New Brunswick	20,314	18,893	-1,420	-7.0
Quebec	137,280	146,120	8,841	6.4
Ontario	270,515	286,948	16,433	6.1
Manitoba	15,428	15,931	503	3.3
Saskatchewan	15,697	16,444	747	4.8
Alberta	73,793	79,368	5,575	7.6
British Columbia	40,118	42,818	2,700	6.7

Source(s): CANSIM Table [304-0015](#).

Transportation equipment, primary metals and food manufacturing were mainly responsible for the advance in Ontario. Transportation equipment rose 8.7%, with sales of motor vehicles and motor vehicle parts representing three-quarters of the dollar gains.

In Quebec, transportation equipment was also the main contributor to the sales growth, mainly as a result of higher production of aerospace products and parts (+14.1%). Despite the upward trend in the province, aerospace production remained slightly below its high recorded in 2008.

Annual gains in Alberta were mainly the result of a 10.8% increase in sales of petroleum and coal products. Despite the decline in petroleum prices and sales during the third and fourth quarters, petroleum and coal products posted higher sales in 2014.

The declines in Nova Scotia and New Brunswick were due to lower sales of non-durable goods. Exports of refined petroleum products declined in New Brunswick in 2014.

Note to readers

All quarterly manufacturing sales data in this release are derived from seasonally adjusted data. Annual totals for manufacturing sales were calculated using unadjusted data. Seasonally adjusted and unadjusted data for the Monthly Survey of Manufacturing for 2014 will be reconciled after this release as part of the survey's annual revision process. Seasonally adjusted and unadjusted data for 2015 will be reconciled in the following year's annual revision process.

This release is based on data available in CANSIM tables 176-0064, 304-0014, 304-0015, 329-0077 and 377-0009.

The analysis of pork prices in this release is based on the article "[Producer prices at a glance: The rise of pork prices](#)," published in The Daily on October 8, 2014.

Definitions, data sources and methods: survey numbers [2101](#) and [2318](#).

The analytical paper "[Manufacturing: The Year 2014 in Review](#)," which is part of *Analysis in Brief* ([11-621-M](#)), is now available from the *Browse by key resource* module of our website under *Publications*.

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

To enquire about the concepts, methods or data quality of this release, contact Elizabeth Richards (613-863-4623; elizabeth.richards@statcan.gc.ca), Manufacturing and Wholesale Trade Division.

Study: Activities of foreign majority-owned affiliates in Canada, 2011 (provisional estimates)

Foreign affiliate statistics are an extension of statistics on foreign direct investment. They provide additional insight on the effects of foreign direct investment in national economies in terms of earnings, employment, trade and foreign exposure, in the context of an increasingly inter-connected and integrated global economy.

Statistics Canada has researched the feasibility of producing data on an ongoing basis with respect to the activities of foreign majority-owned affiliates in Canada (inward foreign affiliate statistics). The end result of this initiative is presented in this study, which reviews the concepts and data development work, alongside provisional estimates.

Majority-owned domestic affiliates (MODAs) are defined as Canadian entities where a foreign direct investor owns more than 50% of the voting shares. These firms accounted for a significant share of the Canadian economic activity in terms of asset ownership, generation of revenues, employment and international trade activities. Of the total assets held by Canadian enterprises in 2011, about 18% were held by companies ultimately under foreign control. This same group of MODAs also generated approximately 26% of all Canadian revenues for that year and accounted for 12% of all employment in Canada.

In comparison to the financial and operational variables, a higher proportion of Canadian international trade was carried out by foreign MODAs. In 2011, provisional estimates indicated that 44% of Canada's goods exports and 52% of goods imports were from MODAs, while 36% of Canada's commercial services exports and 42% of commercial services imports took place via MODAs.

Note to readers

In this study, data from various sources at Statistics Canada were linked together as part of a new statistical program on the activities of foreign majority-owned affiliates in Canada. This program will enable a better understanding of the dimensions of foreign control within the Canadian economy and shed further light on economic globalization.

*Foreign **majority-owned domestic affiliates** (MODAs) were identified using data on foreign direct investment in Canada and are defined as Canadian entities where a foreign direct investor owns more than 50% of the voting shares. Data on these entities were then linked to data from various survey and administrative sources within Statistics Canada to depict the activities of MODAs in Canada.*

The provisional estimates presented in this study provide an example of some of the variables that will be included in the first official release of data on activities of foreign majority-owned affiliates in Canada, which will be published on December 2, 2015, and will include data for the reference years from 2010 to 2013.

The article "[Activities of foreign majority-owned affiliates in Canada \(provisional estimates for reference year 2011\)](#)" is now available online as part of the *Latest Developments in the Canadian Economic Accounts* series ([13-605-X](#)).

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

To enquire about the concepts, methods or data quality associated with this release, please contact Angela Yuan-Wu (613-240-2871; angela.yuanwu@statcan.gc.ca) or Kathryn Young (613-218-1528; kathryn.young@statcan.gc.ca), International Accounts and Trade Division.

Real-time CANSIM tables

Statistics Canada is launching a new series of data tables—the real-time CANSIM tables—for 20 economic and social data time series to add more depth and context to some of its key datasets.

The real-time data table for the Industrial Product Price Index is released today.

For more information, consult [Real-time CANSIM tables](#).

Available in CANSIM: table [329-8074](#).

Definitions, data sources and methods: survey number [2318](#).

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

To enquire about the concepts, methods or data quality of this release, contact James Tebrake (613-951-0538; james.tebrake@statcan.gc.ca), Macroeconomic Accounts Branch.

New products and studies

New products

Latest Developments in the Canadian Economic Accounts

Catalogue number [13-605-X](#) (HTML)

Postal Codes^{OM} by Federal Ridings File (PCFRF) Reference Guide: "2013 Representation Order", November 2014

Catalogue number [92-178-G2015002](#) (HTML)

Postal Codes^{OM} by Federal Ridings File (PCFRF): "2013 Representation Order", November 2014

Catalogue number [92-178-X2015002](#) (Database)

New studies

Analysis in Brief: "Manufacturing: The Year 2014 in Review", No. 97

Catalogue number [11-621-M2015097](#) (HTML | PDF)

[Activities of foreign majority-owned affiliates in Canada — Provisional estimates for reference year 2011](#)

Latest Developments in the Canadian Economic Accounts



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.

To access or subscribe to *The Daily* on the Internet, visit our website at <http://www.statcan.gc.ca>.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2015. All rights reserved. Use of this publication is governed by the [Statistics Canada Open Licence Agreement](#):

<http://www.statcan.gc.ca/reference/copyright-droit-auteur-eng.htm>