

Monthly Survey of Manufacturing, March 2012

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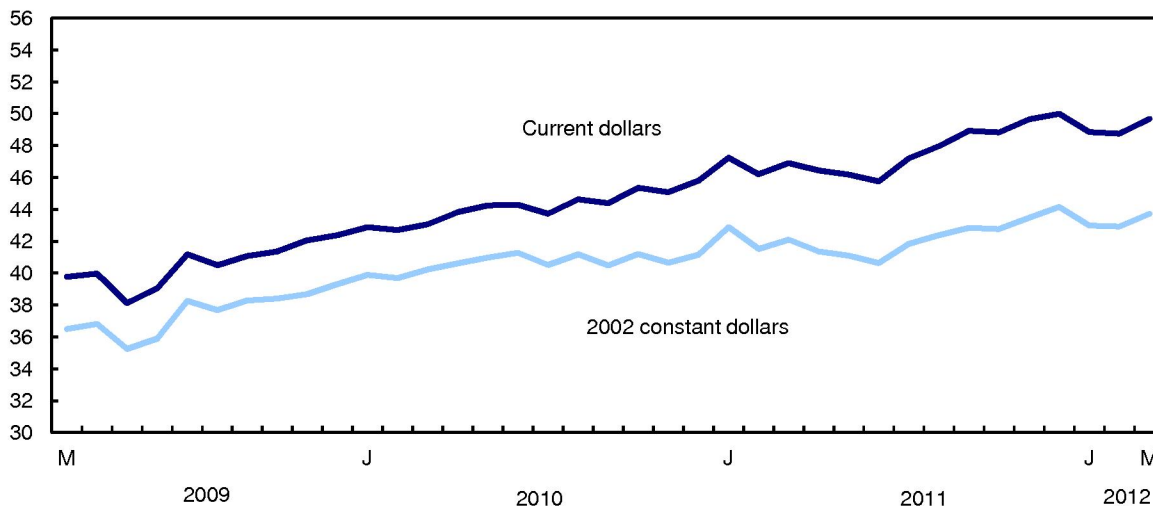
Manufacturing sales increased 1.9% in March to \$49.7 billion, the largest advance since September 2011. The gain was led by the petroleum and coal products industry.

Sales rose in 13 of 21 industries, representing just over three-quarters of the manufacturing sector. Sales of durable goods increased 1.4%, while non-durable goods sales rose 2.4%.

Constant dollar sales advanced 1.9% in March, indicating an increase in the volume of manufactured goods sold. The increase was the largest since July 2011.

Chart 1 Manufacturing sales increase

billions of dollars¹



1. Seasonally adjusted.

Sales gains led by the petroleum and coal products industry

Sales of petroleum and coal products increased 4.5% to \$7.5 billion, the highest level since July 2008. The increase was largely the result of higher sales volumes at many oil refineries.

In the chemical industry, sales rose 3.2% to \$3.9 billion. Most chemical manufacturers reported higher sales, largely reflecting greater volumes of products sold.

Production in the aerospace product and parts industry increased 9.9% to \$1.4 billion.

Following an 8.6% decline in February, sales rose 2.3% in the motor vehicle assembly industry.

Although eight industries posted lower sales in March, most declines were relatively small. Sales decreased 1.2% in the primary metals industry and 1.6% in the plastics and rubber products industry.



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Gains in seven provinces

Sales increased in seven provinces, representing more than 90% of Canadian manufacturing. Ontario, New Brunswick and Quebec reported the largest gains.

In Ontario, growth was widespread as 15 of 21 industries posted higher sales. Sales advanced 1.9% to \$22.4 billion, reflecting increases in the petroleum and coal products, motor vehicle assembly, chemical, and computer and electronic product industries. This was the first gain in sales in Ontario following two months of declines.

Sales in New Brunswick advanced 21.3% to \$1.9 billion, reflecting increases in the non-durable goods industries. The level in March was the second-highest on record, \$9 million below sales in September 2011.

In Quebec, manufacturers posted a 1.2% gain to \$11.8 billion, with sales increasing in 9 of 21 industries. The increase was led by a 34.5% rise in aerospace product and parts manufacturing. This was the third advance in four months for this industry.

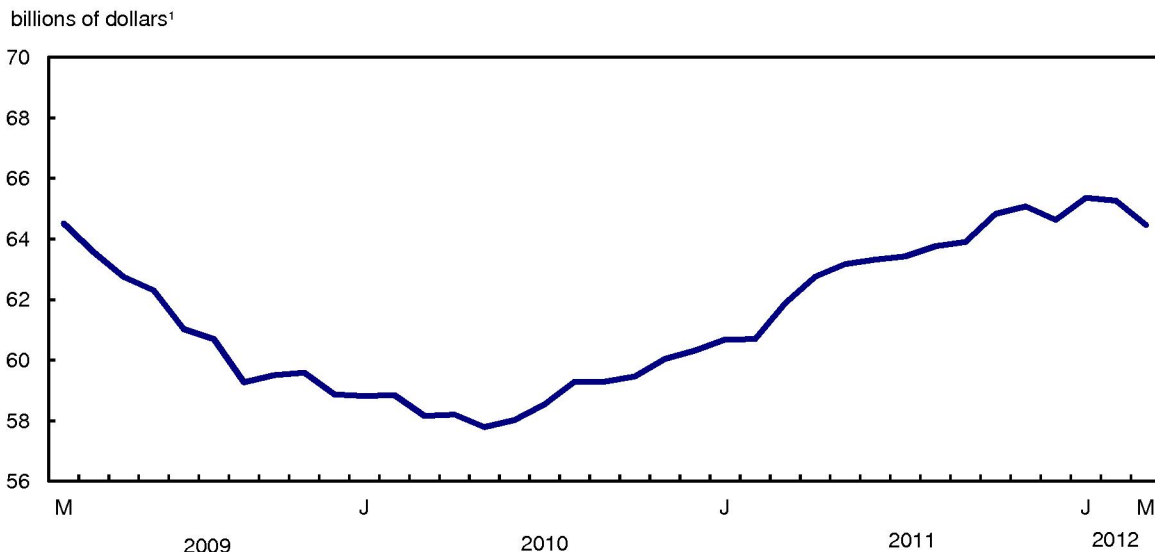
Inventory levels fall

Inventory levels fell 1.2% in March, the largest decline since September 2009. Inventories decreased in three of the last four months.

Petroleum and coal products manufacturers reported the largest drop in inventories, down 10.9% to \$4.3 billion. Lower finished products inventories accounted for two-thirds of the decline, while one-third was attributable to decreases in raw material inventories.

Machinery manufacturers reduced inventories 2.3% to \$6.7 billion, mainly as a result of lower raw materials inventories.

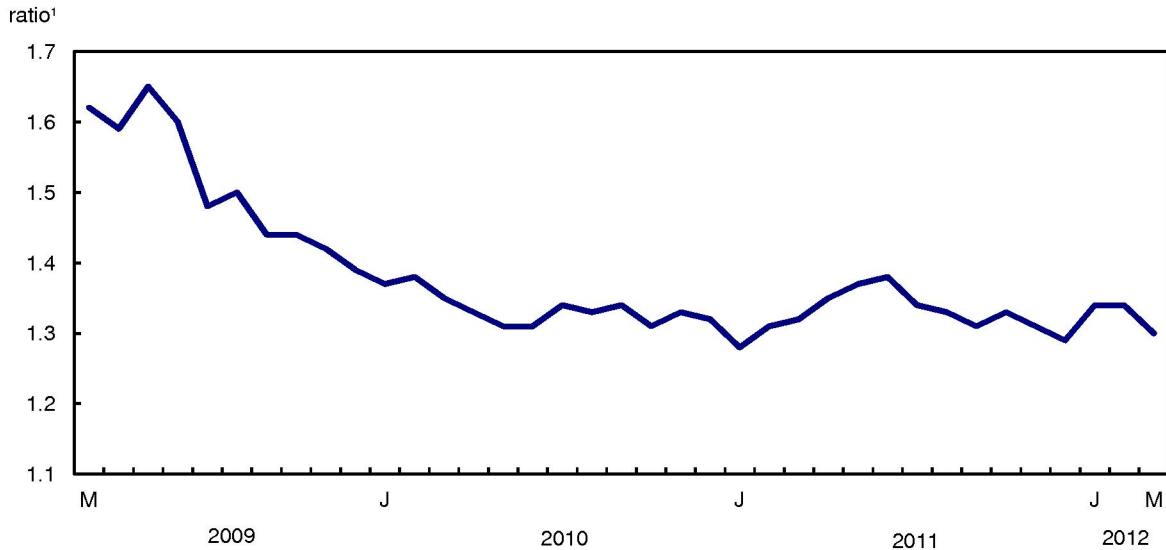
Chart 2 Inventory levels fall



1. Seasonally adjusted.

The inventory-to-sales ratio fell to 1.30 in March from 1.34 in February. The inventory-to-sales ratio is a measure of the time, in months, that would be required to exhaust inventories if sales were to remain at their current level.

Chart 3 The inventory-to-sales ratio falls



1. Seasonally adjusted.

Unfilled orders increase

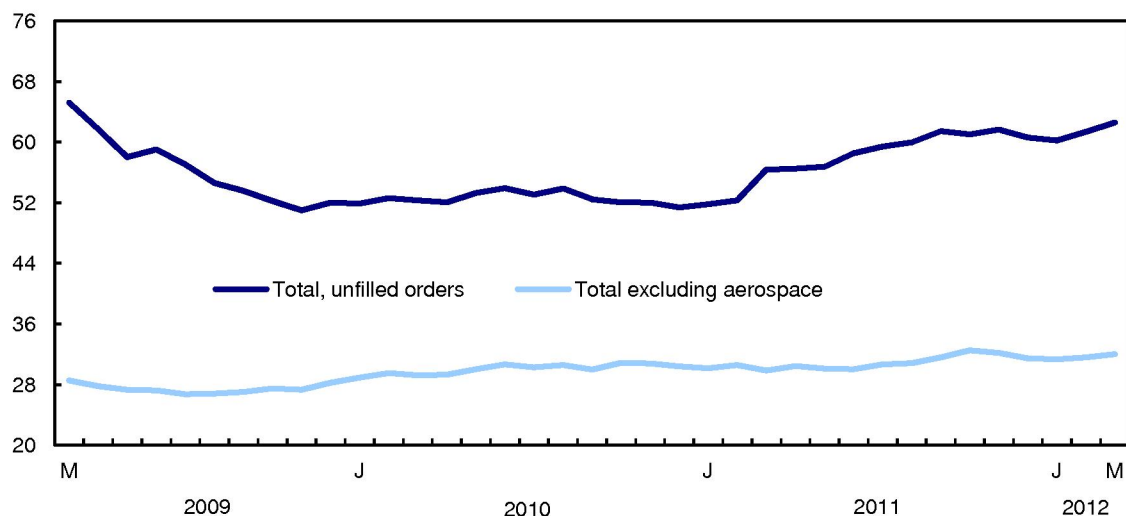
In March, unfilled orders rose 2.0% to \$62.6 billion, the second consecutive monthly increase. Unfilled orders were at their highest level since March 2009.

The advance reflected a 2.5% rise in the aerospace product and parts industry to \$30.5 billion, the highest level in nearly three years. Excluding the aerospace industry, unfilled orders rose 1.5%.

The machinery industry reported a 3.5% gain to \$8.3 billion, reflecting increased orders for construction machinery.

Chart 4 Unfilled orders increase

billions of dollars¹



1. Seasonally adjusted.

New orders were up 2.0% in March, the second consecutive monthly increase. The advance was the result of increases in the transportation equipment, petroleum and coal products, and computer and electronic product industries.

Note to readers

All data in this release are seasonally adjusted and are expressed in current dollars unless otherwise specified.

Preliminary data are provided for the current reference month. Revised data, based on late responses, are updated for the three previous months.

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 metal, fabricated metal products, machinery, computer and electronic products, electrical equipment, appliances and components, transportation equipment, furniture and related products and miscellaneous manufacturing.

Production-based industries

For the aerospace industry and shipbuilding industries, the value of production is used instead of sales of goods manufactured. This value is calculated by adjusting monthly sales of goods manufactured by the monthly change in inventories of goods in process and finished products manufactured.

Unfilled orders are a stock of orders that will contribute to future sales assuming that the orders are not cancelled.

New orders are those received whether sold in the current month or not. New orders are measured as the sum of sales for the current month plus the change in unfilled orders from the previous month to the current month.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	March 2011	February 2012 ^r	March 2012 ^P	February to March 2012	March 2011 to March 2012
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	46,889	48,741	49,657	1.9	5.9
Manufacturing sales (2002 constant dollars)	42,089	42,921	43,731	1.9	3.9
Manufacturing sales excluding motor vehicles, parts and accessories (current dollars)	41,542	42,822	43,642	1.9	5.1
Inventories	61,878	65,264	64,453	-1.2	4.2
Unfilled orders	56,349	61,361	62,575	2.0	11.0
Unfilled orders excluding motor vehicles, parts and accessories	55,799	60,798	61,991	2.0	11.1
New orders	50,924	49,896	50,871	2.0	-0.1
New orders excluding motor vehicles, parts and accessories	45,605	43,962	44,835	2.0	-1.7
Inventory-to-sales ratio	1.32	1.34	1.30

^r revised

^P preliminary

... not applicable

1. Percent change calculated at thousands of dollars for current dollars, and millions of dollars for constant dollars.

Table 2
Manufacturing sales: Industry aggregates – Seasonally adjusted

	March 2011	February 2012 ^r	March 2012 ^p	February to March 2012	March 2011 to March 2012
	millions of dollars			% change ¹	
Food manufacturing	6,879	6,764	6,847	1.2	-0.5
Beverage and tobacco product	872	916	952	3.9	9.1
Textile mills	141	151	142	-6.5	0.4
Textile product mills	134	141	144	1.8	6.8
Clothing manufacturing	176	152	166	9.0	-5.9
Leather and allied product	32	40	35	-14.1	9.1
Wood product	1,564	1,609	1,623	0.9	3.8
Paper manufacturing	2,308	2,069	2,093	1.1	-9.3
Printing and related support activities	760	695	699	0.6	-8.0
Petroleum and coal product	6,576	7,205	7,531	4.5	14.5
Chemical	3,843	3,823	3,946	3.2	2.7
Plastics and rubber products	1,838	1,939	1,907	-1.6	3.8
Non-metallic mineral product	1,055	1,245	1,236	-0.8	17.1
Primary metal	3,909	3,986	3,938	-1.2	0.7
Fabricated metal product	2,646	3,001	2,991	-0.3	13.1
Machinery	2,645	3,168	3,237	2.2	22.4
Computer and electronic product	1,323	1,217	1,286	5.7	-2.8
Electrical equipment, appliance and component	863	904	889	-1.6	3.0
Transportation equipment	7,556	7,971	8,233	3.3	9.0
Motor vehicle	3,745	4,027	4,122	2.3	10.1
Motor vehicle body and trailer	267	320	323	1.0	21.0
Motor vehicle parts	1,602	1,892	1,893	0.1	18.2
Aerospace product and parts	1,418	1,244	1,367	9.9	-3.6
Railroad rolling stock	130	99	158	60.1	21.5
Ship and boat building	86	121	97	-20.4	12.7
Furniture and related product	888	907	901	-0.7	1.4
Miscellaneous manufacturing	881	838	863	3.0	-2.0
Non-durable goods industries	23,560	23,895	24,460	2.4	3.8
Durable goods industries	23,329	24,846	25,197	1.4	8.0

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	March 2011	February 2012 ^r	March 2012 ^p	February to March 2012	March 2011 to March 2012
	millions of dollars			% change ¹	
Canada	46,889	48,741	49,657	1.9	5.9
Newfoundland and Labrador	538	582	597	2.6	11.0
Prince Edward Island	102	102	112	9.7	9.7
Nova Scotia	969	893	861	-3.6	-11.1
New Brunswick	1,647	1,538	1,865	21.3	13.2
Quebec	11,617	11,675	11,810	1.2	1.7
Ontario	20,873	21,983	22,408	1.9	7.4
Manitoba	1,251	1,297	1,296	-0.1	3.5
Saskatchewan	1,019	1,116	1,109	-0.6	8.8
Alberta	5,671	6,376	6,407	0.5	13.0
British Columbia	3,197	3,174	3,186	0.4	-0.4
Yukon	4	3	3	34.0	-3.9
Northwest Territories and Nunavut	1	2	3	32.1	138.7

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

Available without charge in CANSIM: tables 304-0014, 304-0015 and 377-0008.

Definitions, data sources and methods: survey number 2101.

Data from the April Monthly Survey of Manufacturing will be released on June 15.

For more information, contact Statistics Canada's National Contact Centre
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