

# Monthly Survey of Manufacturing, October 2012

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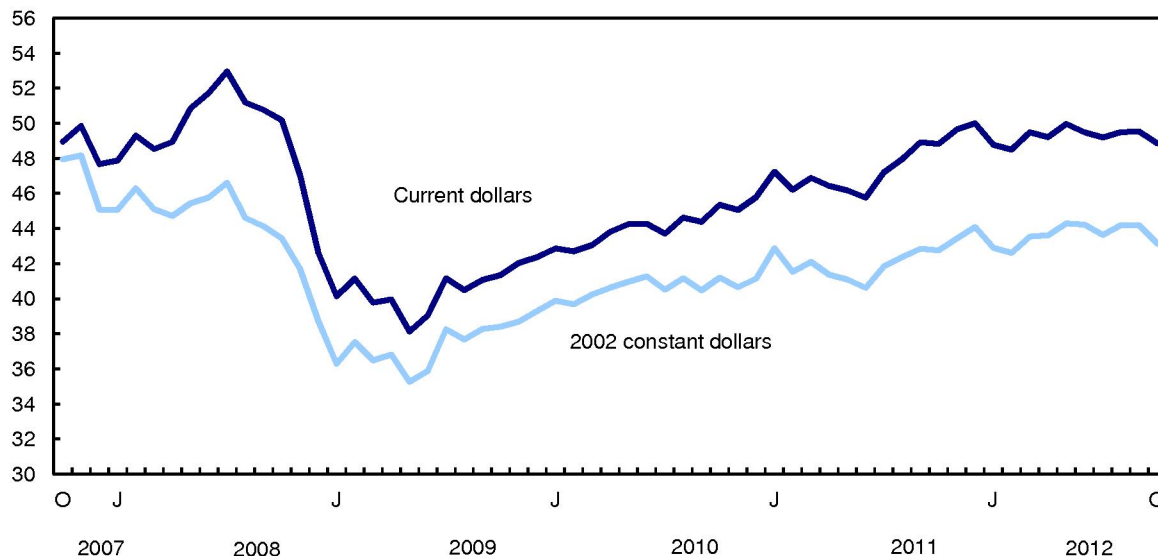
Manufacturing sales declined 1.4% in October to \$48.8 billion, reflecting drops in the aerospace product and parts, the motor vehicle assembly, and the primary metal industries. These declines were partly offset by higher sales in the petroleum and coal product as well as the wood product industries.

Sales declined in 12 of 21 industries, representing approximately 71% of the manufacturing sector. Sales of durable goods decreased 2.9% to \$24.7 billion while sales of non-durable goods rose 0.3% to \$24.2 billion.

Constant dollar manufacturing sales fell 2.4% in October, indicating a decline in the volume of manufactured goods sold.

**Chart 1**  
**Manufacturing sales decline**

billions of dollars<sup>1</sup>



1. Seasonally adjusted.

## Production drops in the aerospace product and parts industry

Production in the aerospace product and parts industry dropped 25.4% to \$1.3 billion, following a 37.1% increase in September. The aerospace industry is one of the more volatile industries in the manufacturing sector.

Sales in the motor vehicle assembly industry declined 3.7% to \$4.4 billion, following a 3.6% decrease in September. Sales in the industry had reached a recent peak of \$4.7 billion in August, the highest level since November 2007.

In the primary metal industry, sales were down 2.8% to \$3.7 billion. The decrease largely reflected a lower volume of products sold.



Advances in the petroleum and coal product industry as well as the wood product industry offset a portion of the declines. In the petroleum and coal product industry, sales rose 2.0% to \$7.4 billion. The gain stemmed entirely from higher sales volumes. In the wood product industry, sales increased 6.5% to \$1.8 billion. Most manufacturers in the industry reported higher sales.

### **Sales down in six provinces**

Sales were down in six provinces, though the decrease was concentrated in Ontario.

In Ontario, sales dropped 3.4% to \$22.0 billion, reflecting lower sales in 17 of 21 industries. Just under half of the provincial decline stemmed from lower sales of transportation equipment. In the aerospace product and parts industry, production fell 45.9% to \$212 million. Sales in the motor vehicle industry were down 3.5% to \$4.3 billion. Lower sales in the primary metal (-8.7%) and petroleum and coal product (-6.3%) industries also contributed to the provincial decrease.

Manufacturing sales in Alberta declined 1.4% in October to \$6.3 billion. A 7.2% drop in the food industry and a 3.7% decrease in petroleum and coal product sales were largely responsible for the provincial decline. A 5.7% rise in the machinery industry partly offset the decreases.

Sales rose 27.4% in Newfoundland and Labrador and 1.8% in British Columbia. A 30.1% rise in non-durable goods sales was responsible for the gain in Newfoundland and Labrador. In British Columbia, the sales increase reflected a 7.7% advance in the wood product industry.

### **Inventories advance**

Inventories advanced 1.3% in October to \$66.2 billion, the highest level since January 2009. Increases in the inventories of petroleum and coal products as well as aerospace product and parts were behind the gains.

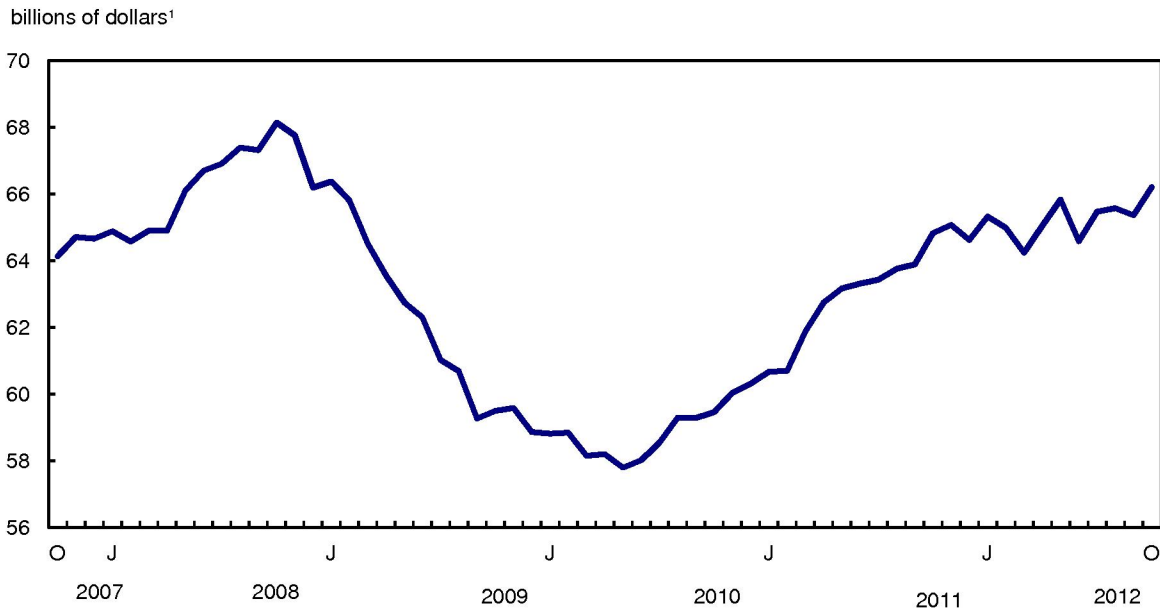
In the petroleum and coal products industry, inventories rose 13.2% to \$5.4 billion. The increase reflected a 12.8% gain in finished product inventories and a 26.4% rise in raw materials held by manufacturers.

In the aerospace product and parts industry, inventories were up 5.1% to \$4.8 billion in October. The increase mostly stemmed from a gain in goods-in-process inventories.

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**Chart 2**  
**Inventories advance**

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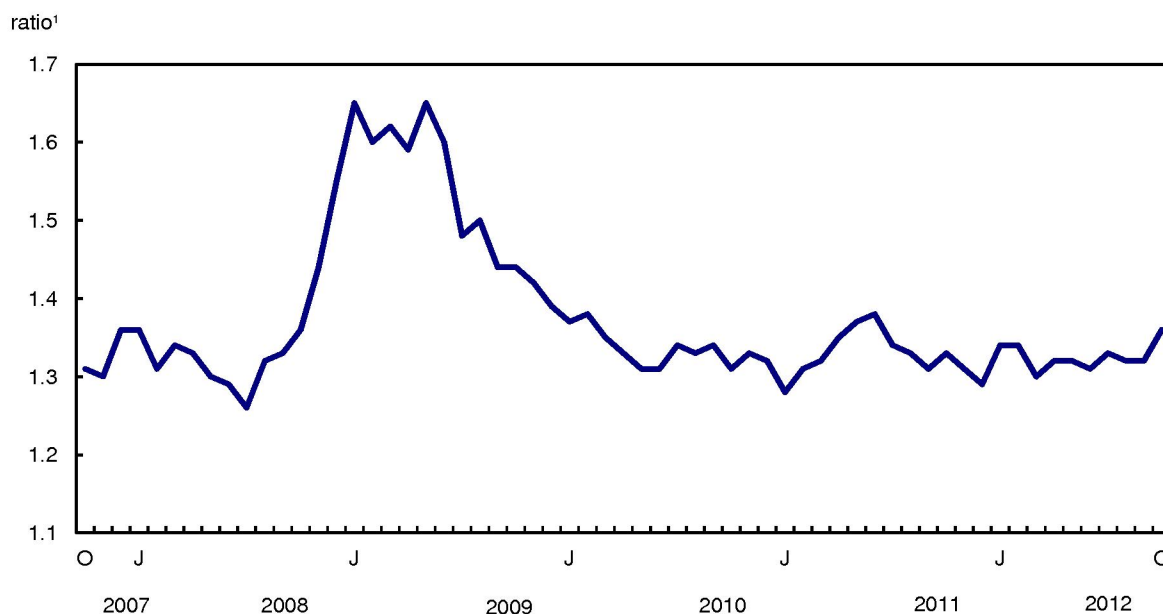


1. Seasonally adjusted.

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The inventory-to-sales ratio advanced to 1.36 in October from 1.32 in September. The level in October was the highest since June 2011. 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 increases**



1. Seasonally adjusted.

**Total unfilled orders are flat**

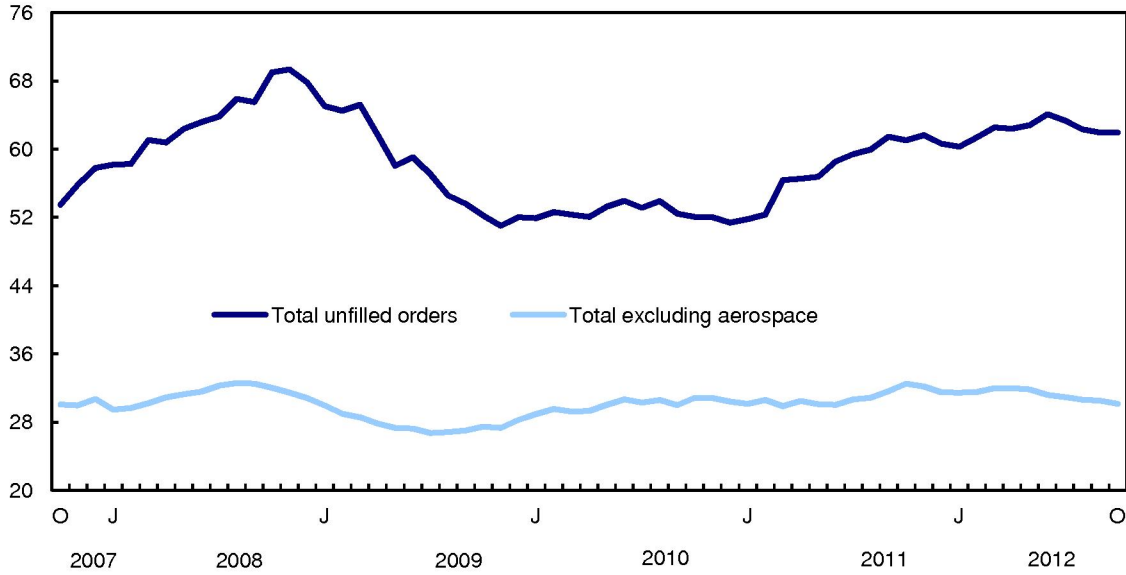
In October, total unfilled orders were unchanged at \$61.9 billion from September. Gains in the aerospace product and parts industry and the electrical equipment, appliance and component industry were largely offset by declines in the fabricated metal product and machinery industries.

In the aerospace product and parts industry, unfilled orders increased 1.2% in October to \$31.8 billion. Unfilled orders also advanced in the electrical equipment, appliance and component industry (+7.1%). This advance stemmed from higher unfilled orders reported by most manufacturers.

In the fabricated metal product industry, unfilled orders declined 2.8% to \$6.3 billion. Unfilled orders decreased 1.9% in the machinery industry to \$7.6 billion. In both industries, the decrease in unfilled orders was widespread.

**Chart 4**  
**Total unfilled orders unchanged**

billions of dollars<sup>1</sup>



1. Seasonally adjusted.

New orders in October declined 0.6% to \$48.8 billion, reflecting decreases in the fabricated metal product, computer and electronic product, and primary metal industries. Gains in the aerospace product and parts as well as the wood product industries offset a portion of the declines.

### Note to readers

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

All data in this release are seasonally adjusted and are expressed in current dollars unless otherwise specified. For more information on seasonal adjustment, see [Seasonal adjustment and identifying economic trends](#).

**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**

	October 2011	September 2012 <sup>r</sup>	October 2012 <sup>p</sup>	September to October 2012	October 2011 to October 2012
	millions of dollars			% change <sup>1</sup>	
Manufacturing sales (current dollars)	48,819	49,521	48,845	-1.4	0.1
Manufacturing sales (2002 constant dollars)	42,753	44,175	43,134	-2.4	0.9
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	43,104	43,014	42,510	-1.2	-1.4
Inventories	64,830	65,366	66,215	1.3	2.1
Unfilled orders	61,032	61,927	61,929	0.0	1.5
Unfilled orders excluding motor vehicles, parts and accessories	60,403	61,446	61,458	0.0	1.7
New orders	48,402	49,145	48,847	-0.6	0.9
New orders excluding motor vehicles, parts and accessories	42,686	42,641	42,522	-0.3	-0.4
Inventory-to-sales ratio	1.33	1.32	1.36	...	...

<sup>r</sup> revised

<sup>p</sup> 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**

	October 2011	September 2012 <sup>r</sup>	October 2012 <sup>p</sup>	September to October 2012	October 2011 to October 2012
	millions of dollars			% change <sup>1</sup>	
Food manufacturing	6,951	6,982	6,945	-0.5	-0.1
Beverage and tobacco product	902	957	963	0.7	6.8
Textile mills	130	147	152	3.4	17.3
Textile product mills	135	125	122	-2.0	-9.7
Clothing manufacturing	188	168	175	4.1	-6.7
Leather and allied product	33	29	31	8.4	-5.2
Wood product	1,584	1,654	1,761	6.5	11.2
Paper manufacturing	2,108	1,978	1,942	-1.8	-7.9
Printing and related support activities	669	713	736	3.3	10.0
Petroleum and coal product	7,112	7,214	7,357	2.0	3.5
Chemical	4,047	3,887	3,843	-1.1	-5.0
Plastics and rubber products	1,903	1,914	1,916	0.1	0.7
Non-metallic mineral product	1,116	1,145	1,111	-2.9	-0.5
Primary metal	4,102	3,823	3,717	-2.8	-9.4
Fabricated metal product	2,897	2,965	2,922	-1.4	0.9
Machinery	2,975	3,013	2,992	-0.7	0.6
Computer and electronic product	1,357	1,214	1,200	-1.1	-11.6
Electrical equipment, appliance and component	836	865	838	-3.0	0.2
Transportation equipment	7,979	8,920	8,344	-6.5	4.6
Motor vehicle	3,932	4,543	4,376	-3.7	11.3
Motor vehicle body and trailer	285	290	288	-0.7	1.2
Motor vehicle parts	1,783	1,964	1,959	-0.2	9.9
Aerospace product and parts	1,364	1,677	1,251	-25.4	-8.3
Railroad rolling stock	128	95	114	19.7	-11.5
Ship and boat building	123	119	120	0.4	-2.9
Furniture and related product	871	903	922	2.0	5.8
Miscellaneous manufacturing	923	905	852	-5.9	-7.7
Non-durable goods industries	24,178	24,115	24,184	0.3	0.0
Durable goods industries	24,641	25,406	24,661	-2.9	0.1

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Percent change calculated at thousands of dollars.

**Table 3**  
**Manufacturing sales: Provinces and territories – Seasonally adjusted**

	October 2011	September 2012 <sup>r</sup>	October 2012 <sup>p</sup>	September to October 2012	October 2011 to October 2012
	millions of dollars			% change <sup>1</sup>	
<b>Canada</b>	<b>48,819</b>	<b>49,521</b>	<b>48,845</b>	<b>-1.4</b>	<b>0.1</b>
Newfoundland and Labrador	521	475	605	27.4	16.1
Prince Edward Island	95	104	111	7.1	17.5
Nova Scotia	922	890	881	-1.0	-4.4
New Brunswick	1,757	1,601	1,624	1.4	-7.5
Quebec	11,767	11,552	11,544	-0.1	-1.9
Ontario	22,074	22,818	22,040	-3.4	-0.2
Manitoba	1,249	1,315	1,309	-0.5	4.8
Saskatchewan	1,119	1,200	1,197	-0.2	6.9
Alberta	6,125	6,376	6,286	-1.4	2.6
British Columbia	3,186	3,184	3,241	1.8	1.7
Yukon	2	4	4	-1.6	41.8
Northwest Territories and Nunavut	1	2	2	21.0	157.5

<sup>r</sup> revised

<sup>p</sup> 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 November Monthly Survey of Manufacturing will be released on January 18, 2013.

For more information, contact us (toll-free 1-800-263-1136; [infostats@statcan.gc.ca](mailto: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](mailto:michael.schimpf@statcan.gc.ca)), Manufacturing and Energy Division.