

Monthly Survey of Manufacturing, March 2013

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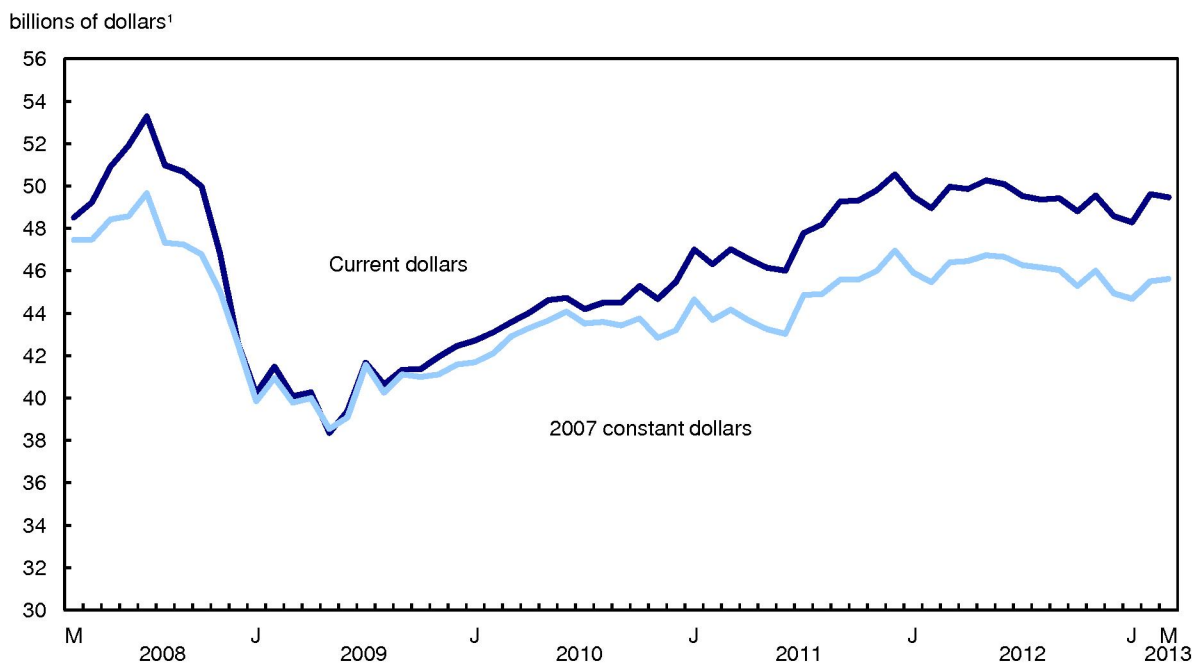
Manufacturing sales edged down 0.3% to \$49.5 billion in March, the third decline in four months. The decline largely reflects lower sales in the petroleum and coal product, and chemical manufacturing industries. Excluding these industries, sales rose 0.3%.

Overall, sales declined in 10 of 21 industries, representing approximately one-third of Canadian manufacturing.

Constant dollar manufacturing sales increased 0.2%, indicating a slight increase in volumes once prices are taken into account.

Sales of non-durable goods declined 0.8% to \$24.4 billion and were partially offset by a 0.2% increase in sales of durable goods.

Chart 1 Manufacturing sales decline



1. Seasonally adjusted.

Bulk of decline in two industries

Lower sales in the petroleum and coal products, and chemical manufacturing industries were the primary reasons for the decline in total manufacturing. Petroleum and coal product sales dropped 2.6% in March to \$6.9 billion—the lowest level since July 2012. Lower prices were a major factor in the decrease.

Sales in the chemical manufacturing industry declined 2.0% to \$3.9 billion in March, the second drop in nine months. Colder weather in many parts of the country in March may have contributed to weaker than normal fertilizer sales.



These declines were partially offset by higher sales in the plastics and rubber products, and motor vehicle industries. Sales of plastics and rubber products advanced 3.7% on widespread increases across the industry. Motor vehicle manufacturers reported a 1.5% increase in sales to \$4.3 billion, the second consecutive monthly increase.

Sales drop in Saskatchewan and New Brunswick

Sales fell in six provinces in March with most of the decreases reported by manufacturers in New Brunswick (-9.5%) and Saskatchewan (-7.7%). Sales of non-durable goods fell 13.2% in New Brunswick and 10.5% in Saskatchewan.

Partially offsetting these declines was a 30.7% increase in sales in Newfoundland and Labrador. There was very little change in the sales in other provinces.

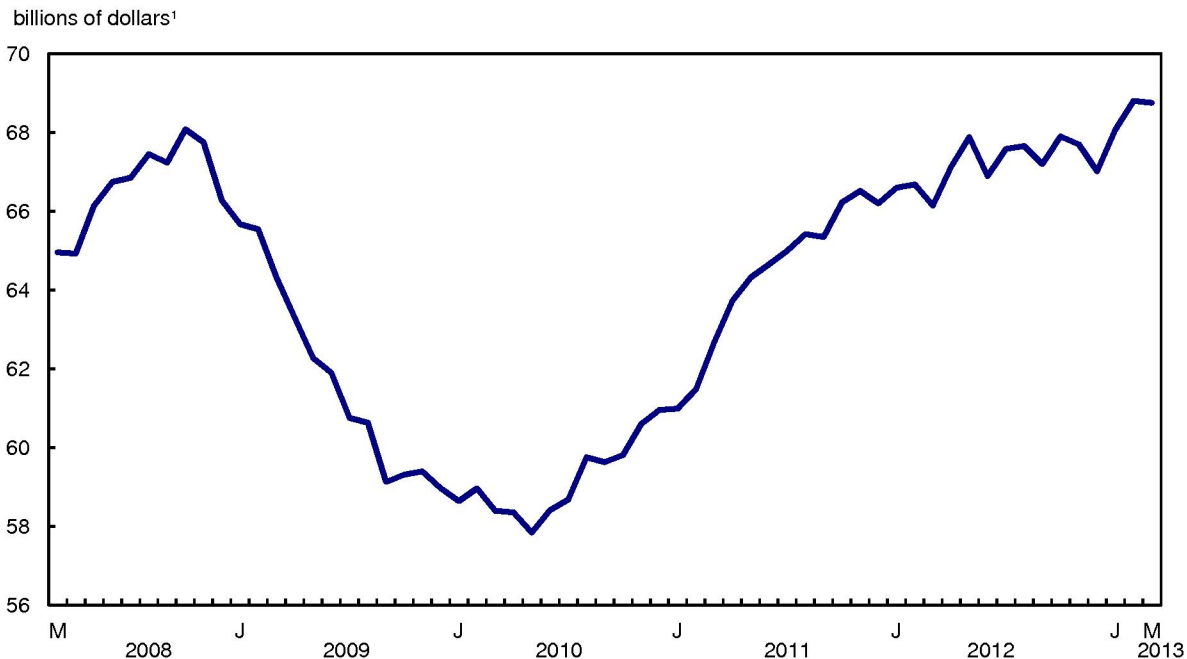
Inventories largely unchanged

Manufacturing inventories decreased 0.1% in March. A 1.6% drop in goods-in-process was largely responsible for the decline. This was mostly offset by increases of 0.3% in finished products and 0.7% in stocks of raw materials.

The largest drop in inventories occurred in aerospace product and parts where inventories fell 3.8%, driven by a decrease in goods-in-process. Non-metallic mineral product inventories fell 6.0%, reflecting a 27.4% drop in goods-in-process.

Lower inventories in those industries were largely offset by higher inventories in the petroleum and coal product (+3.4%), and chemical manufacturing (+2.8%) industries. In particular, the petroleum and coal product industry recorded a 10.2% rise in raw materials, while chemical producers reported a 4.1% increase in finished products.

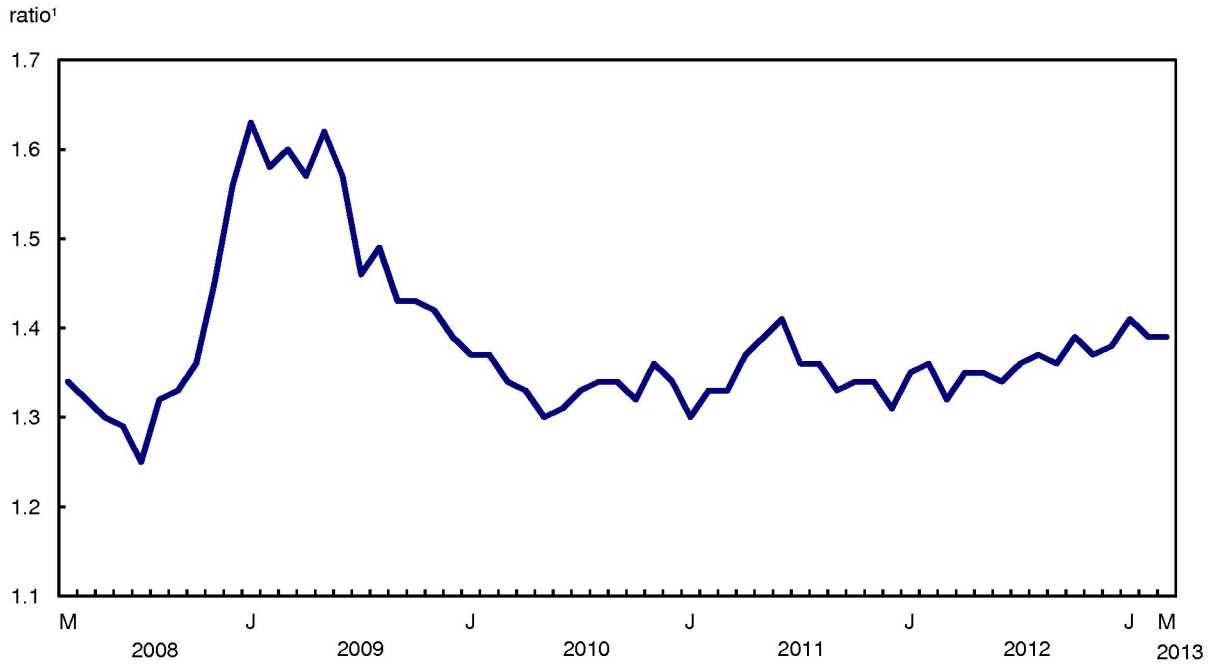
Chart 2
Inventories largely unchanged



1. Seasonally adjusted.

The inventory-to-sales ratio held steady at 1.39 in March.

Chart 3
Inventory-to-sales ratio unchanged



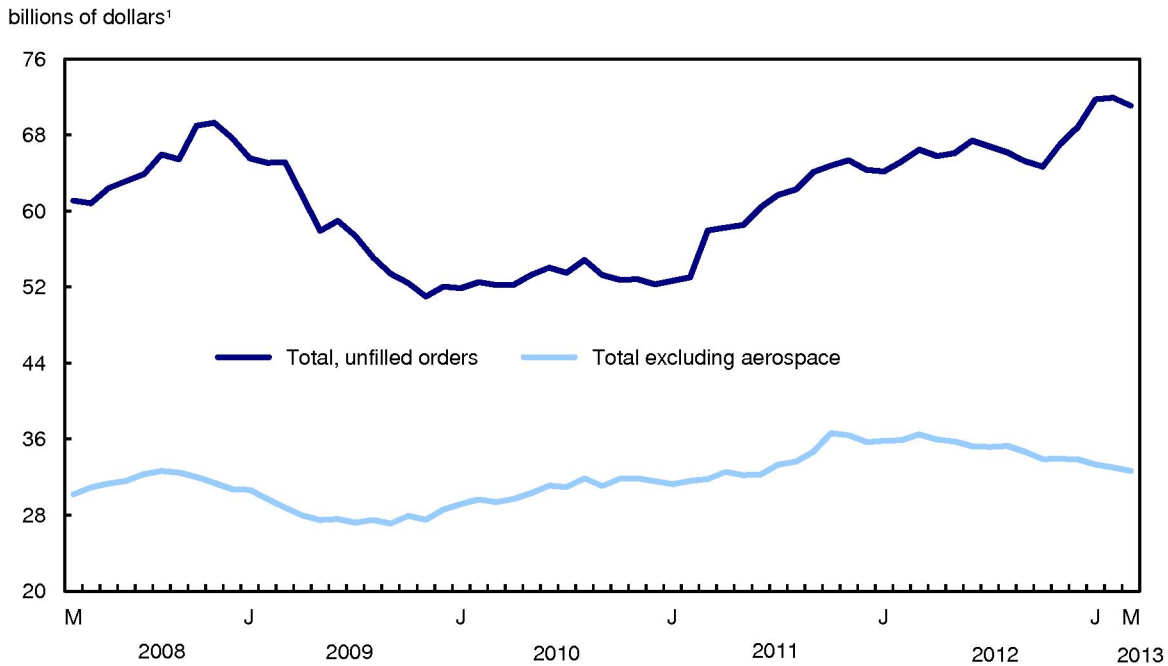
1. Seasonally adjusted.

Unfilled orders decrease

Unfilled orders decreased 1.1% to \$71.1 billion in March, following four consecutive months of gains. The drop in unfilled orders reflects lower unfilled orders in the aerospace product and parts, and fabricated metal product industries.

Unfilled orders of aerospace product and parts were 1.1% lower in March. The decrease largely reflects the appreciation of the Canadian dollar from February to March. Most of the industry's unfilled orders are held in US dollars. Fabricated metal products' unfilled orders declined 3.0% in March. This drop was widespread across the industry as many of the largest establishments reported lower unfilled orders.

Chart 4
Unfilled orders decrease



New orders dropped 2.2% to \$48.7 billion. The decrease was caused by a decline in new orders received in the transportation equipment industry.

Note to readers

With this release, the Monthly Survey of Manufacturing (MSM) has published new estimates based on an updated survey sample as well as revisions to historical data. Estimates of sales of goods manufactured, inventories and orders have been revised back to January 2009 for unadjusted data and back to January 2007 for seasonally adjusted data.

These new estimates result from five principal changes:

1. The re-stratification of the MSM sample

Re-stratification refreshes the sample and updates the database to reflect on-going Business Register changes. The sample size remained about the same (approximately 10,500 establishments), but about 50% of the establishments in the sample were replaced to avoid long-term respondent burden. The new sample, introduced with the December 2012 reference month, is linked at the detailed level to prevent data breaks and ensure the continuity of the time series. It is designed to be more representative of the manufacturing industry at both the national and provincial levels.

2. Data confrontation between the MSM and the 2011 Annual Survey of Manufactures and Logging (ASML)

Data confrontation using the revised 2010 and preliminary 2011 ASML estimates was completed, along with historical revisions to MSM data. This is an annual process undertaken to ensure that the data for the largest units in both the annual and monthly surveys are consistent.

3. Updates to X-12 ARIMA seasonal adjustment models

As in past years, trading-day weights and analysis of trends, levels and moving averages have been updated and revised. This ensures that seasonally adjusted data accurately reflect the latest developments in manufacturing.

4. Conversion from NAICS 2007 to NAICS 2012

Statistics Canada, the Economic Classification Policy Committee of the United States, and Mexico's Instituto Nacional de Estadística y Geografía have agreed upon minor revisions to the North American Industrial Classification System (NAICS) effective for 2012 onwards. NAICS 2012 has been implemented for MSM data back to 2009 with this release.

5. Revisions to the constant dollar series

The Industry Accounts Division and the National Economic Accounts Division have updated the constant dollar series, based on the revised MSM data. The volumes data were revised back to January 2002. Additionally, the reference year for the Monthly Survey of Manufacturing volume data has been changed from 2002 to 2007.

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

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 2012	February 2013 ^r	March 2013 ^P	February to March 2013	March 2012 to March 2013
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	49,966	49,614	49,472	-0.3	-1.0
Manufacturing sales (2007 constant dollars)	46,404	45,507	45,615	0.2	-1.7
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	43,776	43,473	43,239	-0.5	-1.2
Inventories	66,143	68,800	68,751	-0.1	3.9
Unfilled orders	66,467	71,916	71,096	-1.1	7.0
Unfilled orders excluding motor vehicles, parts and accessories	65,593	70,640	69,833	-1.1	6.5
New orders	51,223	49,756	48,652	-2.2	-5.0
New orders excluding motor vehicles, parts and accessories	45,044	43,653	42,432	-2.8	-5.8
Inventory-to-sales ratio	1.32	1.39	1.39

^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 2012	February 2013 ^r	March 2013 ^P	February to March 2013	March 2012 to March 2013
	millions of dollars			% change ¹	
Food manufacturing	7,247	7,325	7,365	0.5	1.6
Beverage and tobacco product	997	982	960	-2.2	-3.7
Textile mills	136	114	114	-0.3	-16.3
Textile product mills	151	126	122	-2.9	-18.9
Clothing manufacturing	214	198	163	-17.8	-23.9
Leather and allied product	36	33	40	22.3	9.6
Wood product	1,588	2,043	2,052	0.4	29.2
Paper manufacturing	2,045	1,972	2,009	1.9	-1.8
Printing and related support activities	746	800	773	-3.3	3.6
Petroleum and coal product	7,619	7,134	6,947	-2.6	-8.8
Chemical	3,902	3,959	3,879	-2.0	-0.6
Plastics and rubber products	2,055	1,989	2,062	3.7	0.4
Non-metallic mineral product	1,125	1,016	1,035	2.0	-8.0
Primary metal	3,858	3,754	3,782	0.8	-2.0
Fabricated metal product	2,946	2,818	2,834	0.6	-3.8
Machinery	3,055	2,970	2,990	0.7	-2.1
Computer and electronic product	1,212	1,117	1,108	-0.8	-8.6
Electrical equipment, appliance and component	855	889	898	1.0	5.0
Transportation equipment	8,408	8,326	8,353	0.3	-0.7
Motor vehicle	4,178	4,191	4,253	1.5	1.8
Motor vehicle body and trailer	321	298	279	-6.2	-12.9
Motor vehicle parts	2,012	1,949	1,980	1.6	-1.6
Aerospace product and parts	1,360	1,425	1,393	-2.3	2.4
Railroad rolling stock	145	82	66	-19.2	-54.2
Ship and boat building	100	101	80	-21.0	-20.1
Furniture and related product	844	900	873	-3.1	3.4
Miscellaneous manufacturing	925	1,150	1,112	-3.3	20.3
Non-durable goods industries	25,150	24,632	24,435	-0.8	-2.8
Durable goods industries	24,816	24,982	25,037	0.2	0.9

^r revised

^P preliminary

1. Percent change calculated at thousands of dollars.

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	March 2012	February 2013 ^r	March 2013 ^p	February to March 2013	March 2012 to March 2013
	millions of dollars			% change ¹	
Canada	49,966	49,614	49,472	-0.3	-1.0
Newfoundland and Labrador	595	413	539	30.7	-9.3
Prince Edward Island	113	115	124	7.6	10.3
Nova Scotia	860	861	858	-0.3	-0.2
New Brunswick	1,858	1,891	1,712	-9.5	-7.8
Quebec	12,050	11,846	11,874	0.2	-1.5
Ontario	22,450	22,413	22,400	-0.1	-0.2
Manitoba	1,311	1,323	1,313	-0.8	0.1
Saskatchewan	1,148	1,204	1,111	-7.7	-3.2
Alberta	6,304	6,223	6,177	-0.7	-2.0
British Columbia	3,273	3,320	3,360	1.2	2.6
Yukon	4	3	2	-22.1	-41.6
Northwest Territories and Nunavut	2	2	2	-15.0	-9.8

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

Available in CANSIM: tables 304-0014, 304-0015 and 377-0009.

Definitions, data sources and methods: survey number 2101.

Data from the April Monthly Survey of Manufacturing will be released on June 14.

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), Manufacturing and Energy Division.