

Monthly Survey of Manufacturing, April 2014

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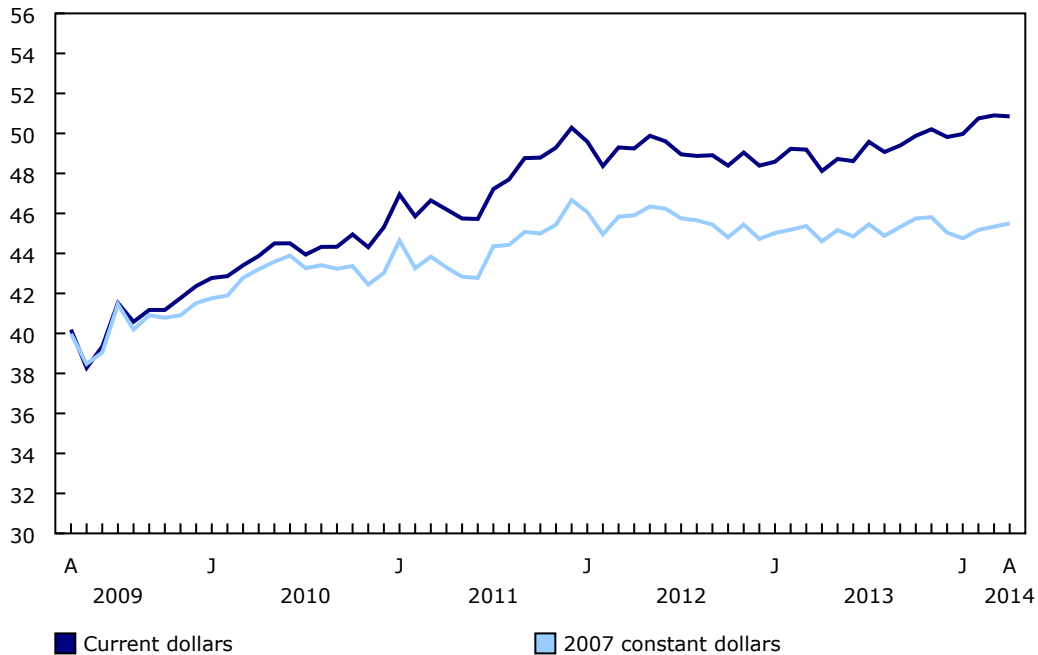
Manufacturing sales edged down 0.1% in April to \$50.9 billion, the first decrease in four months. Declines in the petroleum and coal product, aerospace product and parts, and machinery industries were largely offset by smaller gains in most other industries.

In April, 14 of 21 industries representing about 60% of manufacturing posted gains, despite the slight decrease in total sales.

Constant dollar sales rose 0.4% in April, indicating an increase in the volume of goods sold.

Chart 1 Manufacturing sales edge down

billions of dollars



Note(s): Data are seasonally adjusted.

Sales decrease in the petroleum and coal product industry

Sales in the petroleum and coal product industry decreased 5.0% in April to \$6.9 billion. The decline was caused by partial shutdowns at several refineries for maintenance and retooling work. Although such work is common during the spring months, the partial shutdowns were more extensive than usual in April.

Production in the aerospace product and parts industry dropped 6.2% to \$1.5 billion in April, following three months of gains. Despite the decline in April, total aerospace production in the first four months of 2014 was \$6.2 billion, up 15.5% from the same period in 2013.

The machinery (-3.2%) and chemical (-1.7%) industries also posted lower sales in April. In both industries, sales declines were widespread.



Statistics Canada
Statistique Canada

Canada

Sales in the paper industry rose 12.1% in April to \$2.2 billion, the largest percentage increase since the current series began in 1992. Several paper manufacturers reported higher sales in April following the resolution of the Port Metro Vancouver strike at the end of March.

In the motor vehicle industry, sales rose 3.3% to \$4.4 billion. Sales in the motor vehicle parts industry also rose, increasing 2.6% to \$2.2 billion, the eighth gain in nine months. As a result, sales in the motor vehicle parts industry reached their highest level since October 2007.

Quebec manufacturers post the largest decline

Sales were down in five provinces in April, with Quebec posting the largest decrease.

Quebec manufacturing sales fell 2.3% to \$11.9 billion in April. The decline was mainly caused by a drop in petroleum and coal product sales and lower production in the aerospace product and parts industry. The decreases were partly offset by higher sales in the paper, plastics and rubber products, and food industries.

Sales in New Brunswick dropped 4.5% to \$1.4 billion in April, the sixth consecutive monthly decline. Since reaching a peak of \$1.9 billion in October 2013, sales in the province have fallen 27.4%. The decline in April was a result of lower non-durable goods sales.

In Ontario, sales rose 0.6% to \$23.5 billion, the highest sales level since July 2008, before the most recent economic downturn. The gain in April largely stemmed from higher sales in the motor vehicle and motor vehicle parts industries.

Sales in British Columbia advanced 2.8% to \$3.5 billion in April. Most of the gain reflected higher paper sales following the resolution of the Port Metro Vancouver strike.

Saskatchewan manufacturing sales increased 6.6% to \$1.4 billion, largely as a result of gains in the non-durable goods industries.

Inventories rise

Inventories rose 1.1% to \$72.4 billion in April, the fourth consecutive monthly gain. The increase mostly stemmed from higher inventories of petroleum and coal products, machinery, and aerospace products and parts. The gains were partly offset by a decrease in the computer and electronic product industry.

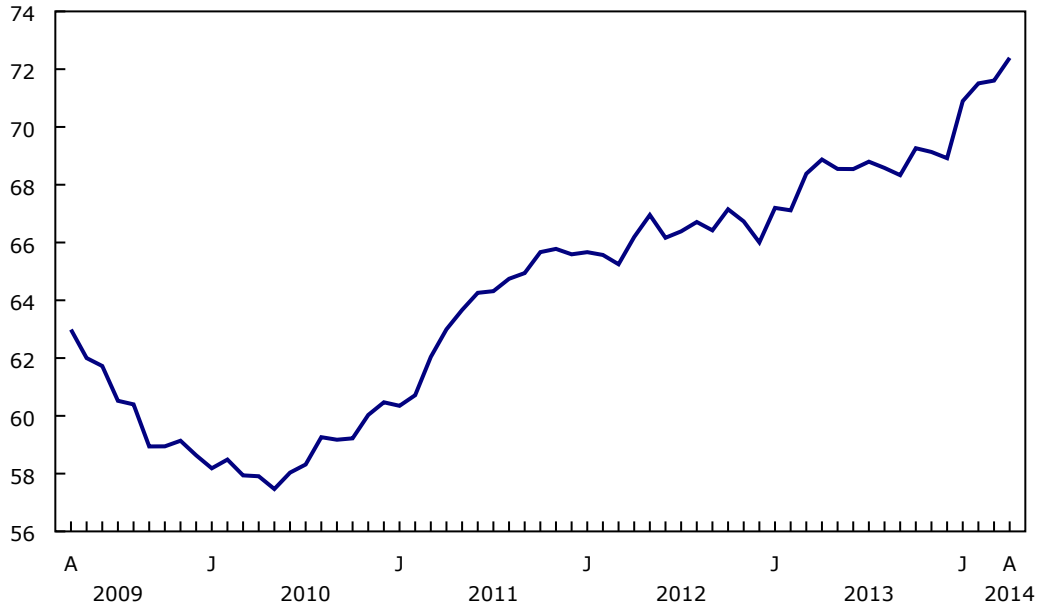
In the petroleum and coal product industry, inventories increased 3.9% to \$7.5 billion. The gain was mostly caused by higher inventories of raw materials on hand.

Machinery inventories rose 3.3% to \$6.7 billion in April, the third advance in four months. Aerospace product and parts inventories also rose, increasing 2.1% to \$8.2 billion. The gain in aerospace inventories was almost entirely caused by higher goods in process.

In the computer and electronic product industry, inventories fell 5.0% to \$3.2 billion. A decrease in raw materials held by manufacturers was the principal factor behind the decline.

Chart 2
Inventories rise

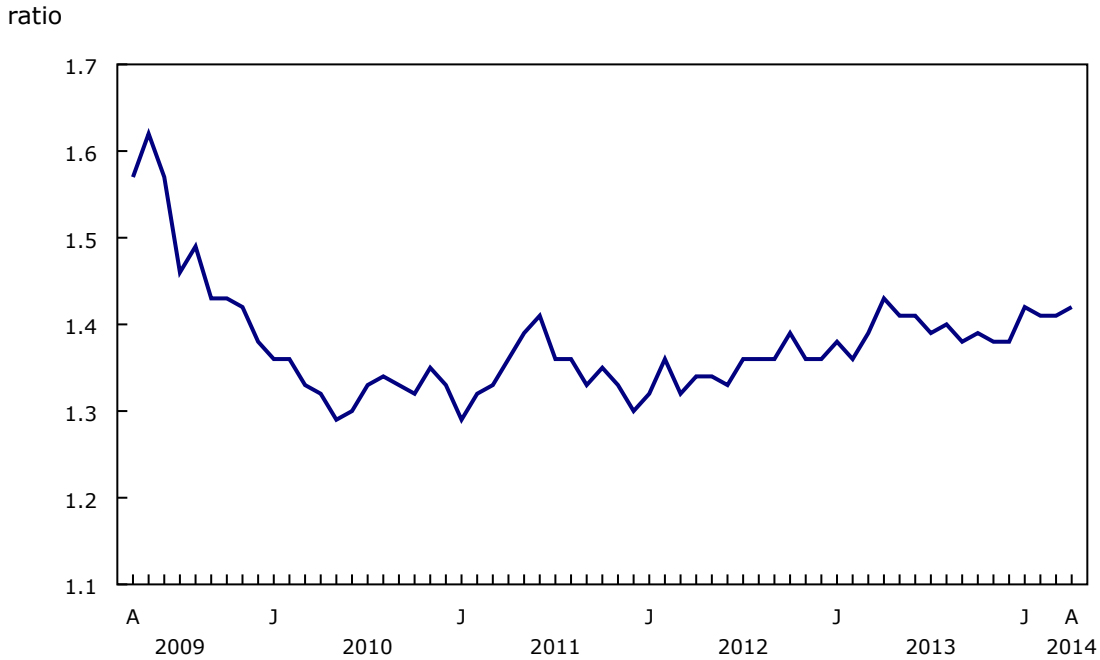
billions of dollars



Note(s): Data are seasonally adjusted.

The inventory-to-sales ratio rose from 1.41 in March to 1.42 in April. The ratio measures 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



Note(s): Data are seasonally adjusted.

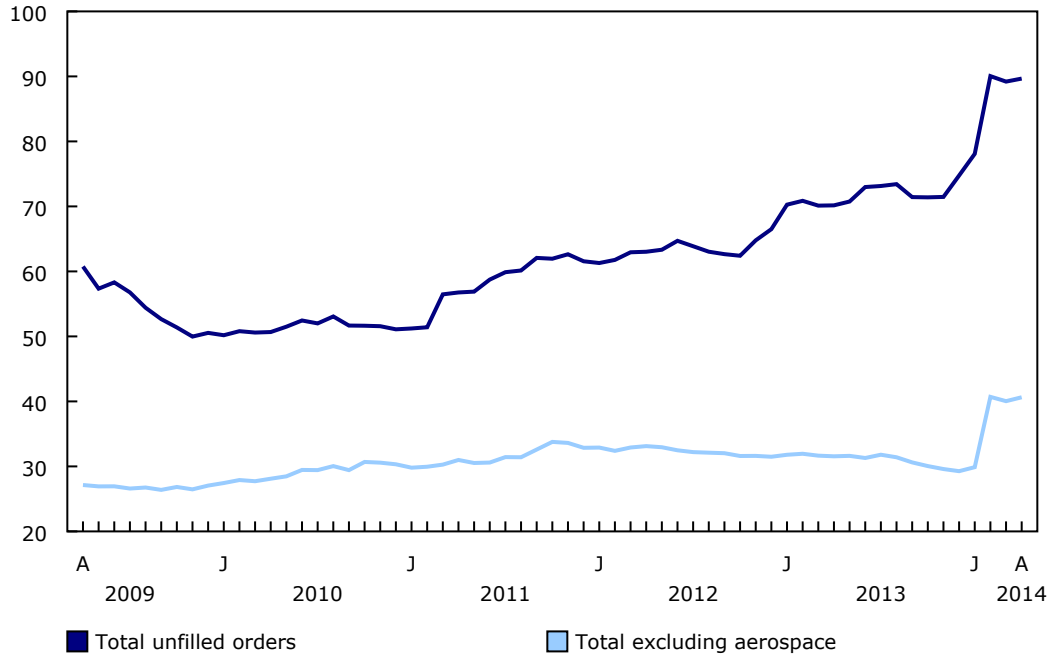
Unfilled orders increase

Unfilled orders rose 0.5% to \$89.7 billion in April, largely as a result of an advance in the machinery industry. Unfilled orders in the machinery industry rose 4.8% to \$6.7 billion on the strength of widespread gains.

In the transportation equipment industry, unfilled orders edged down 0.2% to \$65.4 billion in April, offsetting some of the gain in the machinery industry. The decrease partly reflected a slight decline in the value of the US dollar relative to the Canadian dollar over the course of the month. Most unfilled orders in the transportation equipment industry are held in US dollars. In April, unfilled orders in this industry accounted for almost three-quarters of total manufacturing unfilled orders.

Chart 4
Unfilled orders increase

billions of dollars



Note(s): Data are seasonally adjusted.

New orders rose 2.5% in April, largely because of gains in the transportation equipment, machinery, and paper industries.

Note to readers

Monthly data in this release are seasonally adjusted and are expressed in current dollars unless otherwise specified. With this release, data for the previous four months have been revised.

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 manufactured finished products.

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.

Manufacturers reporting in US dollars

Some Canadian manufacturers report sales, inventories and unfilled orders in US dollars. These data are then converted to Canadian dollars as part of the data production cycle.

For sales, based on the assumption that they occur throughout the month, the average monthly exchange rate for the reference month (noon spot rate) established by the Bank of Canada is used for the conversion. The monthly average exchange rate is available in CANSIM table 176-0064.

Inventories and unfilled orders are reported at the end of the reference period. Therefore, for these variables, the noon spot exchange rate on the last working day of the month is used for the conversion. The noon spot exchange rate is available in CANSIM table 176-0067. Because of exchange rate fluctuations, the monthly average exchange rate can differ substantially from the exchange rate on the last working day of the month.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	April 2013	March 2014 ^r	April 2014 ^P	March to April 2014	April 2013 to April 2014
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	48,119	50,900	50,850	-0.1	5.7
Manufacturing sales (2007 constant dollars)	44,606	45,336	45,501	0.4	2.0
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	41,854	44,490	44,242	-0.6	5.7
Inventories	68,873	71,605	72,392	1.1	5.1
Unfilled orders	70,160	89,199	89,663	0.5	27.8
New orders	48,160	50,056	51,314	2.5	6.5
Inventory-to-sales ratio ²	1.43	1.41	1.42

^r revised

^P preliminary

... not applicable

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

2. The ratio measures the time, in months, that would be required to exhaust inventories if sales were to remain at their current level.

Table 2
Manufacturing sales: Industry aggregates – Seasonally adjusted

	April 2013	March 2014 ^r	April 2014 ^p	March to April 2014	April 2013 to April 2014
	millions of dollars			% change ¹	
Food manufacturing	7,386	7,941	7,980	0.5	8.0
Beverage and tobacco product	961	1,013	1,010	-0.3	5.0
Textile mills	116	114	122	6.6	5.0
Textile product mills	148	128	133	4.1	-10.0
Clothing manufacturing	202	190	192	0.8	-5.0
Leather and allied product	36	36	43	18.3	19.5
Wood product	2,145	1,965	2,005	2.1	-6.5
Paper manufacturing	1,933	1,923	2,155	12.1	11.5
Printing and related support activities	772	745	742	-0.4	-3.8
Petroleum and coal product	6,309	7,234	6,873	-5.0	8.9
Chemical	3,807	4,119	4,050	-1.7	6.4
Plastics and rubber products	2,011	2,100	2,118	0.9	5.3
Non-metallic mineral product	996	1,057	1,065	0.7	6.9
Primary metal	3,429	3,810	3,801	-0.2	10.9
Fabricated metal product	2,721	2,868	2,895	0.9	6.4
Machinery	2,824	2,990	2,894	-3.2	2.5
Computer and electronic product	1,079	1,062	1,095	3.1	1.5
Electrical equipment, appliance and component	873	844	849	0.5	-2.7
Transportation equipment	8,401	8,857	8,932	0.8	6.3
Motor vehicle	4,338	4,250	4,392	3.3	1.2
Motor vehicle body and trailer	312	298	302	1.5	-2.9
Motor vehicle parts	1,926	2,161	2,216	2.6	15.1
Aerospace product and parts	1,377	1,622	1,522	-6.2	10.6
Railroad rolling stock	87	96	59	-38.3	-32.0
Ship and boat building	97	105	93	-11.5	-4.1
Furniture and related product	830	897	917	2.2	10.4
Miscellaneous manufacturing	1,141	1,008	980	-2.8	-14.1
Non-durable goods industries	23,681	25,543	25,418	-0.5	7.3
Durable goods industries	24,438	25,357	25,433	0.3	4.1

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	April 2013	March 2014 ^r	April 2014 ^p	March to April 2014	April 2013 to April 2014
	millions of dollars			% change ¹	
Canada	48,119	50,900	50,850	-0.1	5.7
Newfoundland and Labrador	520	534	553	3.6	6.4
Prince Edward Island	109	125	120	-4.2	9.7
Nova Scotia	885	615	604	-1.7	-31.7
New Brunswick	1,662	1,454	1,388	-4.5	-16.5
Quebec	10,994	12,171	11,889	-2.3	8.1
Ontario	22,075	23,381	23,524	0.6	6.6
Manitoba	1,264	1,319	1,288	-2.4	1.9
Saskatchewan	1,316	1,339	1,427	6.6	8.4
Alberta	5,954	6,587	6,588	0.0	10.7
British Columbia	3,335	3,371	3,464	2.8	3.9
Yukon	2	2	2	-6.2	-13.2
Northwest Territories and Nunavut	2	3	3	-4.6	46.6

^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 May Monthly Survey of Manufacturing will be released on July 16.

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 Michael Schimpf (613-951-9832; michael.schimpf@statcan.gc.ca), Manufacturing and Wholesale Trade Division.