

# Monthly Survey of Manufacturing, September 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, November 14, 2014

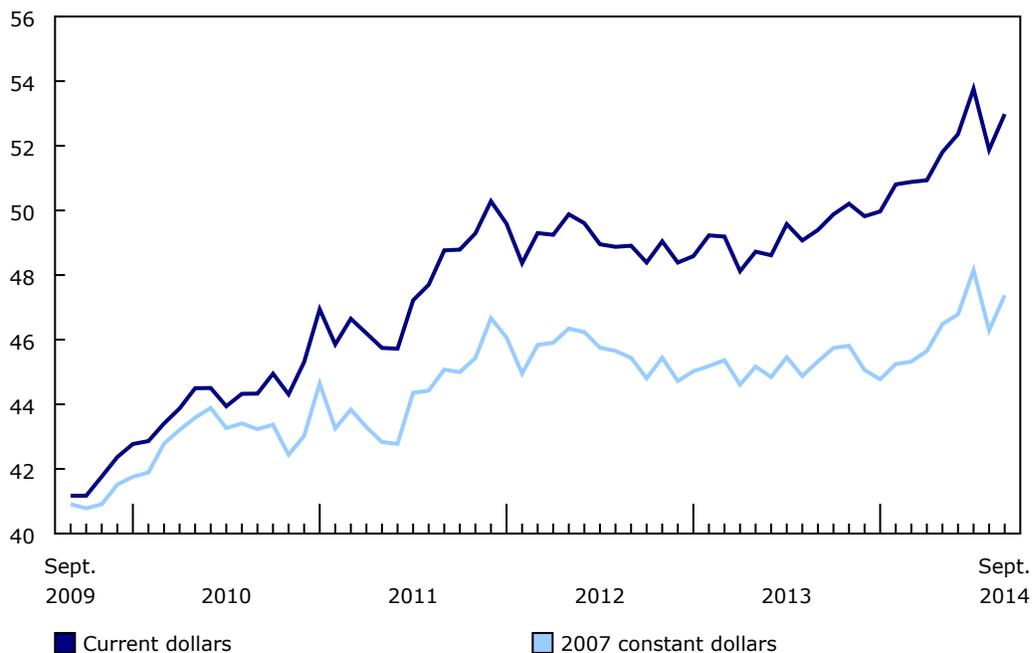
Manufacturing sales rose 2.1% in September to \$53.0 billion, the eighth gain in nine months. The increase follows a 3.5% decline in August.

Most of the increase in September stemmed from higher sales in the transportation equipment industry. Excluding transportation equipment, manufacturing sales rose 0.6%. The primary metal and food industries also posted sales gains.

Constant dollar sales rose 2.3%, indicating that a higher volume of products was sold.

**Chart 1**  
**Manufacturing sales increase**

billions of dollars



**Note(s):** Data are seasonally adjusted.

## Sales advance in the transportation equipment industry

Sales advanced 9.5% in the transportation equipment industry, reaching \$9.9 billion in September. Notwithstanding a 12.1% decline in August, sales have been on an overall rise in 2014. On a year-to-date basis, sales for the industry were 8.8% higher than the same period in 2013.

Production in the aerospace product and parts industry rose 22.0% to \$1.9 billion in September. The gain was the largest since September 2012 and partly reflected an appreciation of the US dollar relative to the Canadian dollar. Much of the data in the aerospace industry are reported in US dollars.



In the motor vehicle industry, sales rose 4.8% to \$4.8 billion in September. The increase reflected some plants returning to normal production levels following partial shutdowns in August. Motor vehicle parts sales also rose in September, up 7.5% to \$2.2 billion, the seventh increase in nine months.

Sales were also up in the primary metal and food industries. In the primary metal industry, sales rose 5.9% to \$4.4 billion, the sixth consecutive monthly gain. Food sales increased 2.1% to \$8.1 billion. In both industries, higher sales were widespread.

In the petroleum and coal products industry, sales declined 5.7% in September, offsetting some of the gains. Some refineries were partly shutdown in September for maintenance and turnaround work. Although such work is typical, the shutdowns this September were more extensive than usual.

## **Sales rise in Quebec and Ontario**

Manufacturing sales rose in eight provinces in September, led by Quebec and Ontario.

In Quebec, sales advanced 6.8% to \$12.9 billion, the sixth rise in nine months. With this advance, the sales level for the province was the highest since July 2008. The gain in September was mostly attributable to increases in the aerospace product and parts industry (+38.3%) and the primary metal industry (+10.7%).

Sales in Ontario rose 2.3% to \$24.5 billion in September. The increase was mostly due to higher sales of transportation equipment. In particular, motor vehicle sales rose 4.6% and motor vehicle parts sales were up 7.7%.

Alberta manufacturing sales increased 1.0% to \$6.7 billion in September. The increase stemmed from higher sales in the petroleum and coal product (+2.8%) and the food (+5.0%) industries.

Sales rose 1.9% in British Columbia to \$3.7 billion. The increase was led by higher sales in the wood product, transportation equipment, and paper industries.

Lower sales in Newfoundland and Labrador and New Brunswick offset a portion of the gains in September. In Newfoundland and Labrador, sales were down 47.7% to \$315 million. While this decrease is relatively large, it is important to note that manufacturing sales for Newfoundland and Labrador are volatile compared with the other provinces. New Brunswick's manufacturing sector posted a decrease of 9.3% to \$1.5 billion in September. For both provinces, lower non-durable goods sales were responsible for the declines.

## **Inventories decline**

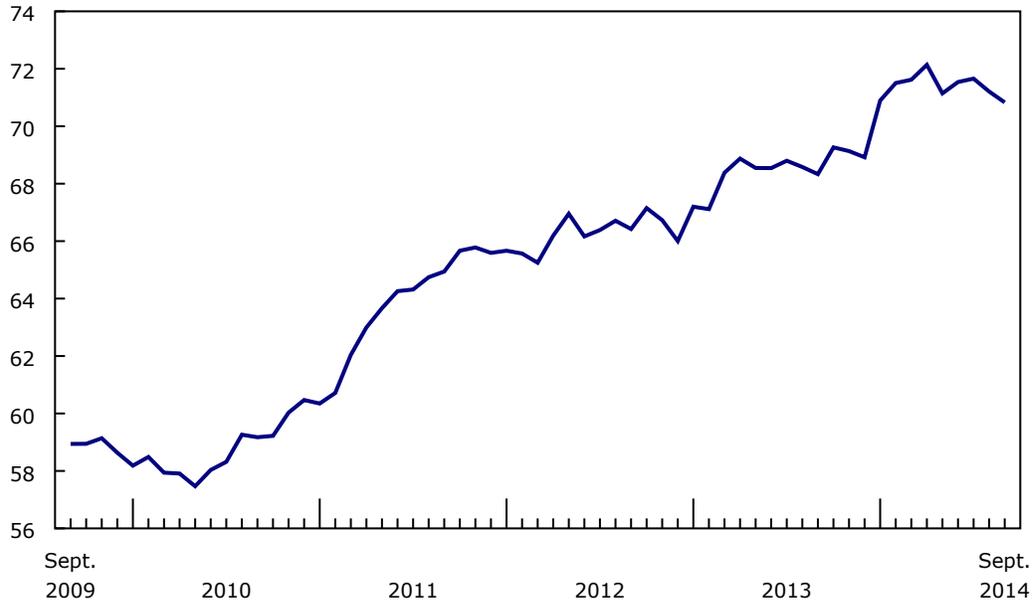
Manufacturers' inventories were down 0.5% to \$70.8 billion in September. The decline was primarily the result of a 5.8% decrease in the petroleum and coal product industry. In particular, both finished products and raw materials on hand in the industry were down. A 0.7% rise in transportation equipment inventories offset some of the decline.

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**Chart 2**  
**Inventories decline**

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billions of dollars



**Note(s):** Data are seasonally adjusted.

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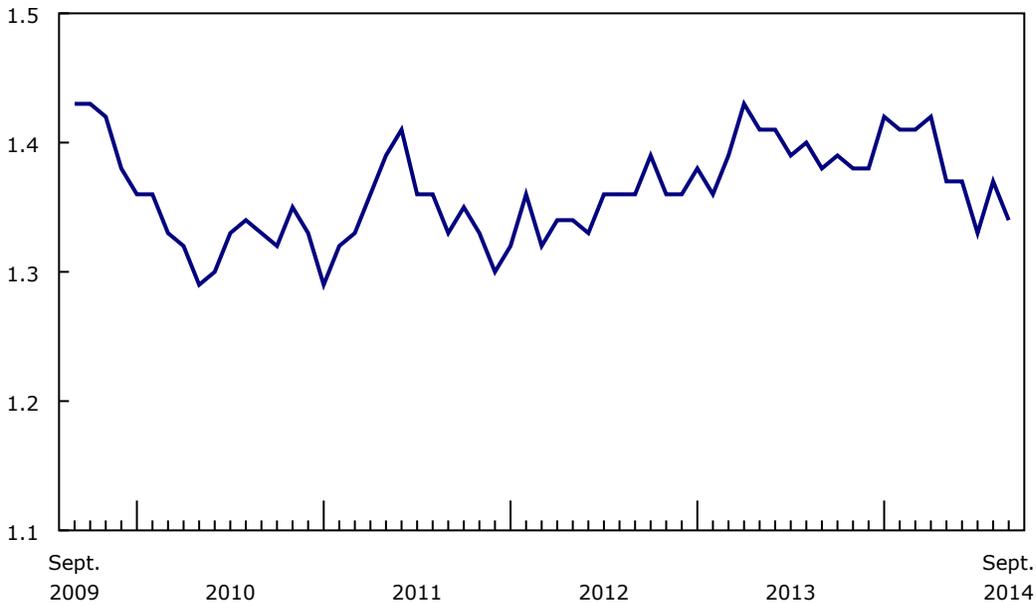
The inventory-to-sales ratio declined to 1.34 in September from 1.37 in August. The inventory-to-sales ratio measures the time, in months, that would be required to exhaust inventories if sales were to remain at their current level.

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**Chart 3**  
**The inventory-to-sales ratio declines**

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ratio



**Note(s):** Data are seasonally adjusted.

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### Unfilled orders rise

Unfilled orders rose 1.2% to \$90.2 billion in September. The increase was entirely attributable to the aerospace product and parts industry. Excluding the aerospace industry, unfilled orders for the remainder of the manufacturing sector declined 0.8%.

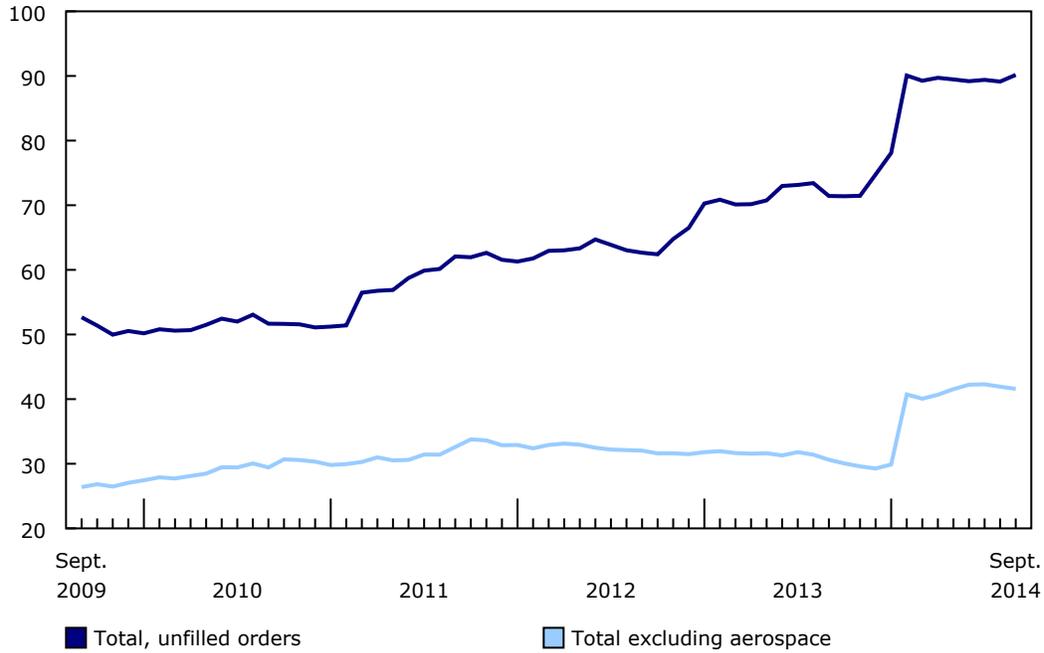
In the aerospace product and parts industry, unfilled orders rose 2.9% to \$48.6 billion. The bulk of the increase reflected a 3.1% appreciation of the US dollar over the course of September relative to the Canadian dollar. The majority of unfilled orders in the industry are held in US dollars.

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**Chart 4**  
**Unfilled orders rise**

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billions of dollars



**Note(s):** Data are seasonally adjusted.

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New orders rose 4.6% to \$54.0 billion in September, as a result of gains in the transportation equipment, primary metal and food industries.

### **Note to readers**

Monthly data in this release are seasonally adjusted and are expressed in current dollars unless otherwise specified. For more information on seasonal adjustment, please refer to the following document: [Seasonally adjusted data – Frequently asked questions](#).

With this release, data have been revised for the previous three 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.

### **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 on 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 on CANSIM table 176-0067. Note that 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**

	September 2013 <sup>r</sup>	August 2014 <sup>r</sup>	September 2014 <sup>p</sup>	August to September 2014	September 2013 to September 2014
	millions of dollars			% change <sup>1</sup>	
Manufacturing sales (current dollars)	49,395	51,877	52,981	2.1	7.3
Manufacturing sales (2007 constant dollars)	45,326	46,293	47,375	2.3	4.5
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	42,795	45,291	46,025	1.6	7.5
Inventories	68,331	71,208	70,830	-0.5	3.7
Unfilled orders	71,430	89,135	90,162	1.2	26.2
New orders	47,402	51,615	54,009	4.6	13.9
Inventory-to-sales ratio <sup>2</sup>	1.38	1.37	1.34	...	...

<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.

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**

	September 2013	August 2014 <sup>r</sup>	September 2014 <sup>p</sup>	August to September 2014	September 2013 to September 2014
	millions of dollars			% change <sup>1</sup>	
Food manufacturing	7,226	7,939	8,106	2.1	12.2
Beverage and tobacco product	989	970	982	1.2	-0.7
Textile mills	119	128	130	1.8	9.0
Textile product mills	132	141	141	0.5	7.5
Clothing manufacturing	192	220	226	3.2	18.2
Leather and allied product	32	32	33	5.2	3.3
Wood product	1,995	2,075	2,131	2.7	6.8
Paper manufacturing	1,976	2,059	2,089	1.5	5.7
Printing and related support activities	760	759	753	-0.8	-0.8
Petroleum and coal product	7,052	7,115	6,706	-5.7	-4.9
Chemical	3,934	4,307	4,293	-0.3	9.1
Plastics and rubber products	2,103	2,238	2,290	2.3	8.9
Non-metallic mineral product	1,052	1,105	1,100	-0.5	4.5
Primary metal	3,548	4,199	4,448	5.9	25.4
Fabricated metal product	2,831	2,943	2,940	-0.1	3.9
Machinery	2,847	2,781	2,857	2.7	0.3
Computer and electronic product	1,030	1,075	1,057	-1.7	2.7
Electrical equipment, appliance and component	849	835	827	-1.0	-2.6
Transportation equipment	8,860	8,995	9,853	9.5	11.2
Motor vehicle	4,565	4,544	4,761	4.8	4.3
Motor vehicle body and trailer	309	334	355	6.2	14.9
Motor vehicle parts	2,034	2,042	2,195	7.5	7.9
Aerospace product and parts	1,500	1,590	1,940	22.0	29.3
Railroad rolling stock	72	98	96	-2.4	32.3
Ship and boat building	105	108	117	8.2	11.4
Furniture and related product	907	931	958	2.9	5.5
Miscellaneous manufacturing	960	1,031	1,060	2.8	10.4
Non-durable goods industries	24,516	25,907	25,751	-0.6	5.0
Durable goods industries	24,879	25,970	27,231	4.9	9.5

<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**

	September 2013	August 2014 <sup>r</sup>	September 2014 <sup>p</sup>	August to September 2014	September 2013 to September 2014
	millions of dollars			% change <sup>1</sup>	
<b>Canada</b>	<b>49,395</b>	<b>51,877</b>	<b>52,981</b>	<b>2.1</b>	<b>7.3</b>
Newfoundland and Labrador	455	603	315	-47.7	-30.7
Prince Edward Island	130	138	141	1.9	8.5
Nova Scotia	725	604	615	1.8	-15.2
New Brunswick	1,770	1,678	1,523	-9.3	-14.0
Quebec	11,531	12,036	12,851	6.8	11.5
Ontario	22,601	23,901	24,451	2.3	8.2
Manitoba	1,317	1,325	1,345	1.5	2.1
Saskatchewan	1,344	1,351	1,364	1.0	1.5
Alberta	6,156	6,640	6,708	1.0	9.0
British Columbia	3,362	3,596	3,663	1.9	9.0
Yukon	3	2	3	0.2	-5.5
Northwest Territories and Nunavut	2	3	2	-4.1	20.4

<sup>r</sup> revised

<sup>p</sup> 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 October Monthly Survey of Manufacturing will be released on December 16.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [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 Wholesale Trade Division.