

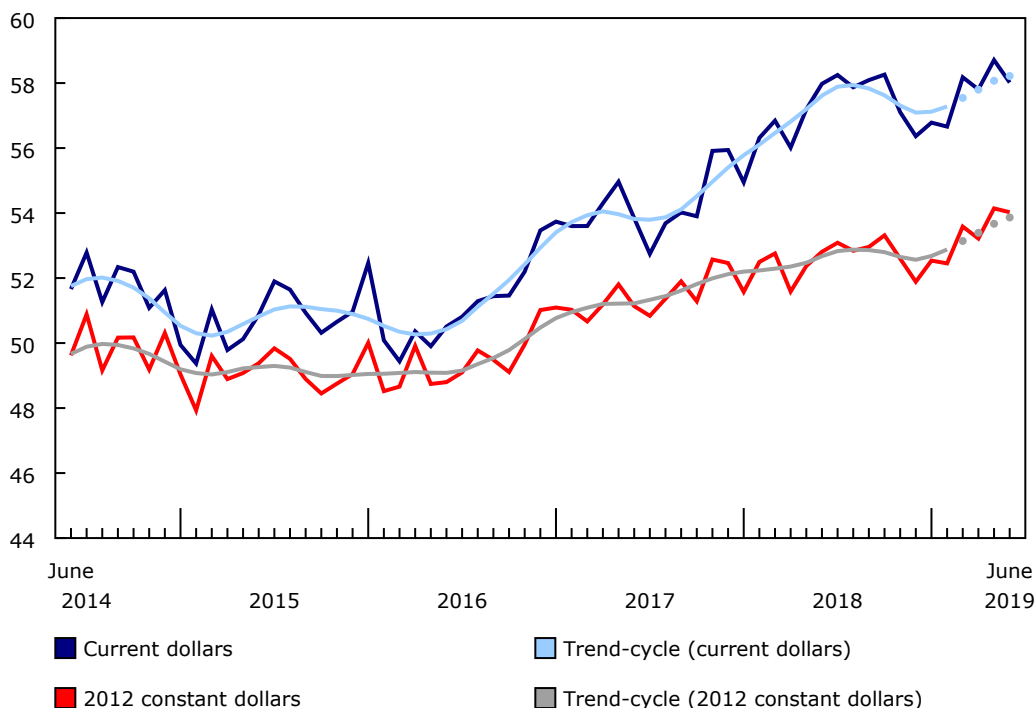
Monthly Survey of Manufacturing, June 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, August 20, 2019

Manufacturing sales fell 1.2% to \$58.0 billion in June, following a 1.6% increase in May.

Chart 1 Manufacturing sales

billions of dollars



Note(s): Data are seasonally adjusted.

Source(s): Tables [16-10-0047-01](#) and [16-10-0013-01](#).

Sales were down in 16 of 21 industries, representing 68.0% of total manufacturing sales. The petroleum and coal product and food industries accounted for most of the decline in June. The primary metal industry posted the largest increase.

After the effects of price changes were removed, manufacturing sales in volume terms decreased 0.2% in June.

For the second quarter, manufacturing sales rose 1.7% to \$174.5 billion. In volume terms, manufacturing sales increased 1.8% in the second quarter, mostly as a result of higher volumes sold in the petroleum and coal products industry (+6.8%) and transportation equipment (+2.3%) industry.

Petroleum and coal products and food industries post the largest declines

Following five consecutive monthly increases, sales in the petroleum and coal product industry fell 3.8% to \$6.3 billion in June. Both eastern and western refineries reported lower sales, due to lower prices. After the effects of price changes were removed, sales of petroleum and coal products in volume terms were up 1.2% in June.



In the food industry, sales decreased for the second straight month, down 2.5% to \$8.7 billion in June. The declines were widespread across the majority of the food manufacturing industries but more pronounced in the meat product industry as well as in the grains and oilseed milling industry. The decline in sales of meat products in June (-11.6%), followed a 10.8% gain in May. In constant dollars, volumes sold of food products declined 2.3% in June.

Sales also decreased in the machinery (-5.6%), paper (-5.9%) and chemical (-2.9%) industries.

These decreases were partially offset by an 11.7% increase in the primary metal industry to \$4.6 billion. This increase was the result of higher volumes sold and was largely attributable to higher sales in the iron and steel mills and ferro-alloy, as well as non-ferrous metal production and processing industries. After the effects of price changes were removed, sales volumes of primary metals rose 12.6% in June.

Sales decrease in eight provinces

Sales were down in eight provinces in June, led by Alberta, while Quebec reported the largest increase.

Following five consecutive months of increases, sales in Alberta fell 6.5% in June to \$6.5 billion. The decline was mostly attributable to lower sales in the petroleum and coal product (-10.5%), chemical (-11.5%) and food (-6.5%) industries.

In Newfoundland and Labrador (-17.5%), Nova Scotia (-12.1%) and Manitoba (-5.8%), manufacturing sales decreased in both the non-durable and durable goods industries. All three provinces had reported gains in May.

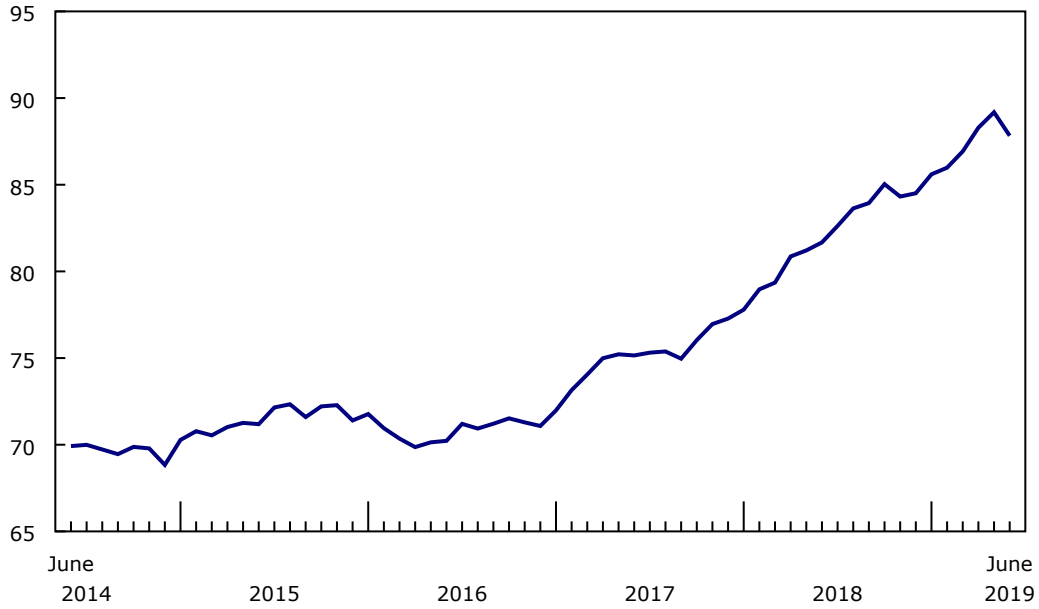
The largest monthly increase was in Quebec, where sales rose 1.0% to \$14.4 billion. This increase was mainly the result of a 16.6% increase in the primary metal industry and, to a lesser extent, gains in the transportation equipment and petroleum and coal product industries.

Inventory levels decrease

Inventory levels fell 1.5% to \$87.8 billion in June, following six months of increases. Inventories were down in 15 of 21 industries, led by the transportation equipment (-4.5%), primary metal (-3.1%), petroleum and coal product (-2.1%) and paper (-3.4%) industries. These decreases were partly offset by a 2.9% increase in machinery inventories.

Chart 2
Inventory levels decrease

billions of dollars

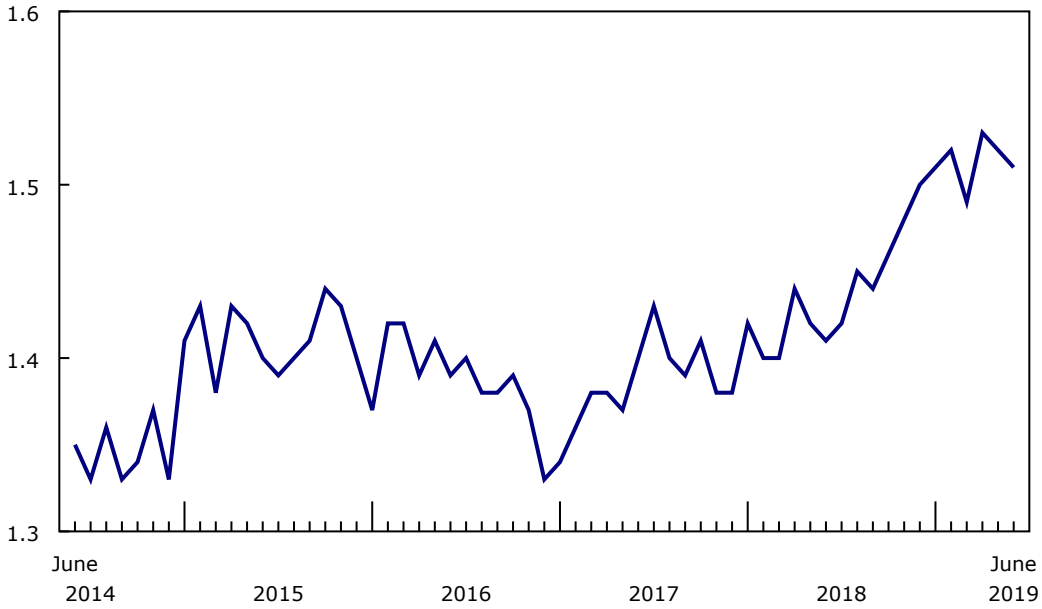


Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

The inventory-to-sales ratio declined from 1.52 in May to 1.51 in June. This 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 decreases

ratio



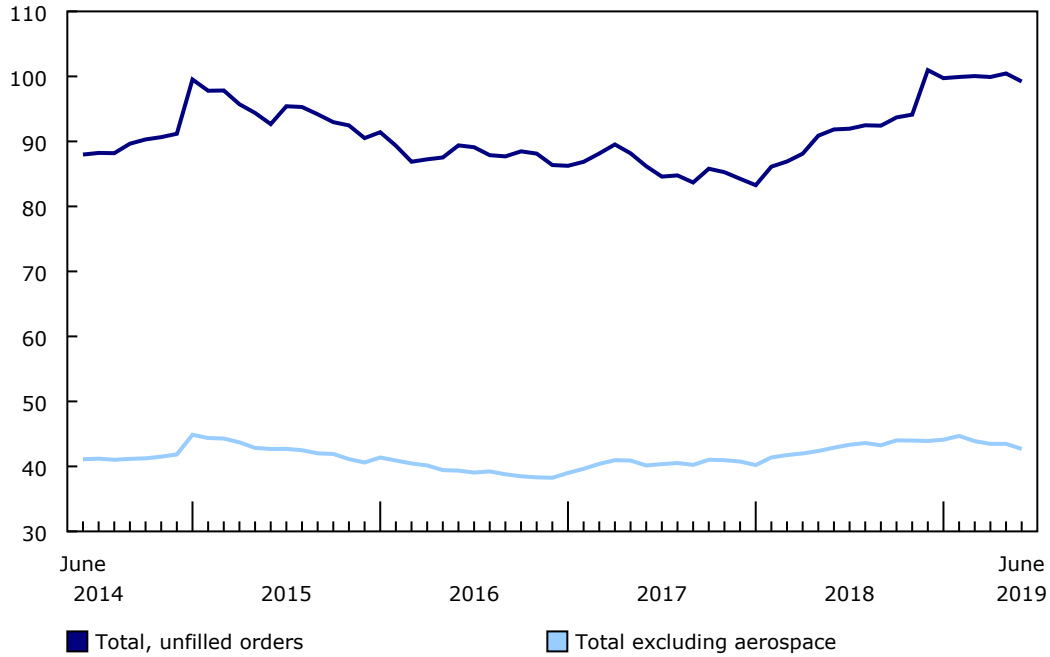
Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

Unfilled orders decline

Unfilled orders fell 1.2% to \$99.2 billion in June. The decrease was mainly attributable to lower unfilled orders in the aerospace product and parts industry as well as the computer and electronic products industry.

Chart 4
Unfilled orders decline

billions of dollars



Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

These declines were partially offset by an increase in unfilled orders in the chemical industry.

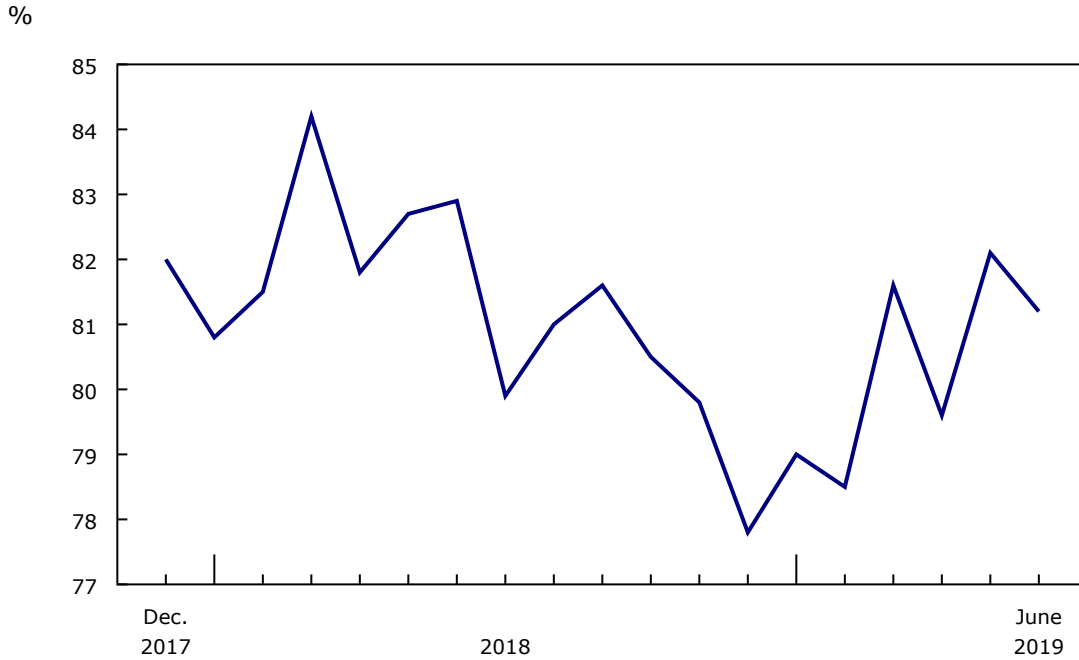
New orders fell 4.2% to \$56.8 billion in June, following a 2.8% gain the previous month. This decrease was mostly due to lower new orders in the aerospace product and parts industry, and was partially offset by higher new orders in the primary metal industry.

Capacity utilization rate

The capacity utilization rate (not seasonally adjusted) for the manufacturing sector declined 0.9 percentage points, from 82.1% in May to 81.2% in June.

Overall, the capacity utilization rate fell in 16 of 21 industries in June, led by the chemical industry.

Chart 5
The capacity utilization rate declines



Note(s): Data are not seasonally adjusted.
Source(s): Table [16-10-0012-01](#).

The capacity utilization rate for the chemical industry decreased 9.6 percentage points to 75.2% in June. The decline was primarily due to the lower capacity utilization rate in the pesticide, fertilizer and other agricultural chemical manufacturing industry.

The capacity utilization rate of the petroleum and coal product industry declined for a third consecutive month, falling 2.3 percentage points to 83.0% in June. The decrease was attributable to lower production at several refineries.

The capacity utilization rate for the primary metal industry rose 2.7 percentage points to 79.4% in June. The increase was mostly attributable to increases in the alumina and aluminum production and processing, and to a lesser extent, in the iron and steel mills and ferro-alloy industries.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	June 2018	May 2019 ^r	June 2019 ^p	May to June 2019	June 2018 to June 2019
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	57,977	58,708	58,016	-1.2	0.1
Manufacturing sales (2012 constant dollars)	52,808	54,144	54,025	-0.2	2.3
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	50,256	50,543	49,823	-1.4	-0.9
Inventories	81,672	89,181	87,827	-1.5	7.5
Unfilled orders	91,839	100,452	99,215	-1.2	8.0
New orders	58,940	59,253	56,779	-4.2	-3.7
Inventory-to-sales ratio ²	1.41	1.52	1.51

^r revised

^p preliminary

... not applicable

1. Percentage change calculated in thousands of dollars for current dollars and millions of dollars for constant dollars.

2. The inventory-to-sales ratio measures the time in months that it would take to exhaust inventories if sales were to remain at the current rate.

Source(s): Tables [16-10-0047-01](#) and [16-10-0013-01](#).

Table 2
Manufacturing sales by industry – Seasonally adjusted

	June 2018	May 2019 ^r	June 2019 ^p	May to June 2019	June 2018 to June 2019
	millions of dollars			% change ¹	
Food manufacturing	8,629	8,882	8,663	-2.5	0.4
Beverage and tobacco product	1,140	1,156	1,151	-0.4	1.0
Textile mills	158	168	152	-9.3	-3.5
Textile product mills	144	140	144	2.4	-0.4
Clothing manufacturing	231	225	193	-14.4	-16.4
Leather and allied product	27	28	28	-0.9	3.2
Wood product	3,101	2,461	2,395	-2.7	-22.8
Paper manufacturing	2,616	2,441	2,297	-5.9	-12.2
Printing and related support activities	760	758	756	-0.3	-0.6
Petroleum and coal product	6,467	6,529	6,280	-3.8	-2.9
Chemical	4,594	4,768	4,629	-2.9	0.8
Plastics and rubber products	2,687	2,753	2,652	-3.7	-1.3
Non-metallic mineral product	1,230	1,275	1,257	-1.4	2.2
Primary metal	4,556	4,078	4,554	11.7	-0.0
Fabricated metal product	3,295	3,591	3,558	-0.9	8.0
Machinery	3,466	3,616	3,412	-5.6	-1.6
Computer and electronic product	1,230	1,325	1,331	0.4	8.2
Electrical equipment, appliance and component	927	961	936	-2.6	1.0
Transportation equipment	10,577	11,375	11,477	0.9	8.5
Motor vehicle	5,111	5,448	5,433	-0.3	6.3
Motor vehicle body and trailer	400	407	382	-6.2	-4.5
Motor vehicle parts	2,611	2,717	2,760	1.6	5.7
Aerospace product and parts	1,909	2,110	2,056	-2.5	7.7
Railroad rolling stock	169	309	362	17.2	113.7
Ship and boat building	149	196	202	3.3	35.6
Furniture and related product	1,094	1,120	1,096	-2.2	0.1
Miscellaneous manufacturing	1,049	1,056	1,057	0.1	0.8
Non-durable goods industries	27,452	27,849	26,944	-3.3	-1.9
Durable goods industries	30,525	30,859	31,072	0.7	1.8

^r revised

^p preliminary

1. Percentage change calculated in thousands of dollars.

Source(s): Table 16-10-0047-01.

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	June 2018	May 2019 ^r	June 2019 ^p	May to June 2019	June 2018 to June 2019
	millions of dollars			% change ¹	
Canada	57,977	58,708	58,016	-1.2	0.1
Newfoundland and Labrador	629	719	593	-17.5	-5.7
Prince Edward Island	160	214	212	-0.8	32.3
Nova Scotia	724	853	750	-12.1	3.6
New Brunswick	1,709	1,402	1,393	-0.6	-18.5
Quebec	13,912	14,252	14,392	1.0	3.5
Ontario	26,432	26,780	26,843	0.2	1.6
Manitoba	1,655	1,671	1,574	-5.8	-4.9
Saskatchewan	1,482	1,356	1,274	-6.0	-14.0
Alberta	6,552	6,940	6,492	-6.5	-0.9
British Columbia	4,712	4,518	4,487	-0.7	-4.8
Yukon	3	2	2	-7.3	-23.3
Northwest Territories and Nunavut	7	3	2	-6.4	-65.8

^r revised

^p preliminary

1. Percentage change calculated in thousands of dollars.

Source(s): Tables [16-10-0047-01](#) and [16-10-0048-01](#).

Table 4
Manufacturing capacity utilization rates by industry – Unadjusted

	June 2018	May 2019 ^r	June 2019 ^p	May to June 2019	June 2018 to June 2019
	%			percentage point change	
Manufacturing	82.9	82.1	81.2	-0.9	-1.7
Non-durable goods industries	83.7	82.7	80.4	-2.3	-3.3
Food manufacturing	85.5	80.9	81.6	0.7	-3.9
Beverage and tobacco product manufacturing	77.2	78.4	77.7	-0.7	0.5
Beverage manufacturing	79.5	80.1	77.7	-2.4	-1.8
Tobacco manufacturing	65.6	70.1	77.2	7.1	11.6
Textile mills	77.7	78.1	75.7	-2.4	-2.0
Textile product mills	74.1	78.5	76.0	-2.5	1.9
Clothing manufacturing	68.2	88.1	81.5	-6.6	13.3
Leather and allied product manufacturing	83.3	80.9	74.7	-6.2	-8.6
Paper manufacturing	89.4	88.0	87.0	-1.0	-2.4
Printing and related support activities	76.2	78.8	74.8	-4.0	-1.4
Petroleum and coal products manufacturing	88.4	85.3	83.0	-2.3	-5.4
Chemical manufacturing	77.9	84.8	75.2	-9.6	-2.7
Plastics and rubber products manufacturing	79.7	79.4	79.2	-0.2	-0.5
Plastic product manufacturing	79.2	79.3	78.7	-0.6	-0.5
Rubber product manufacturing	82.6	79.8	81.7	1.9	-0.9
Durable goods industries	82.2	81.5	81.9	0.4	-0.3
Wood product manufacturing	86.0	81.2	78.1	-3.1	-7.9
Non-metallic mineral product manufacturing	77.1	79.6	79.8	0.2	2.7
Primary metal manufacturing	80.3	76.7	79.4	2.7	-0.9
Fabricated metal product manufacturing	75.4	78.7	77.0	-1.7	1.6
Machinery manufacturing	77.0	80.3	80.2	-0.1	3.2
Computer and electronic product manufacturing	83.5	82.0	81.4	-0.6	-2.1
Electrical equipment, appliance and component manufacturing	83.1	73.6	76.3	2.7	-6.8
Transportation equipment manufacturing	87.0	86.1	87.7	1.6	0.7
Furniture and related product manufacturing	83.2	81.5	80.1	-1.4	-3.1
Miscellaneous manufacturing	77.3	79.0	77.4	-1.6	0.1

^r revised

^p preliminary

Note(s): Data are not seasonally adjusted in this table.

Source(s): Table 16-10-0012-01.

Sustainable Development Goals

On January 1, 2016, the world officially began implementation of the [2030 Agenda for Sustainable Development](#) — the United Nations' transformative plan of action that addresses urgent global challenges over the next 15 years. The plan is based on 17 specific sustainable development goals.

The Monthly Survey of Manufacturing is an example of how Statistics Canada supports the reporting on the Global Goals for Sustainable Development. This release will be used in helping to measure the following goal:



Note to readers

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

For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#). For information on trend-cycle data, see [Trend-cycle estimates – Frequently asked questions](#).

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 metals, 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 and shipbuilding industries, the value of production is used instead of the value of sales of goods manufactured. The value of production is calculated by adjusting monthly sales of goods manufactured by the monthly change in inventories of goods in process and finished products manufactured. The value of production is used given the extended period of time that it normally takes to manufacture products in these industries.

Unfilled orders are a stock of orders that will contribute to future sales if 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 sales, inventories and unfilled orders 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, which are assumed to occur throughout the month, the average exchange rate for the reference month established by the Bank of Canada is used for the conversion. The monthly average exchange rate is available in table 33-10-0163-01. Inventories and unfilled orders are reported at the end of the reference period. For most respondents, the daily average exchange rate on the last working day of the month is used for the conversion of these variables.

However, some manufacturers choose to report their data as of a day other than the last day of the month. In such cases, the daily average exchange rate on the day selected by the respondent is used. As a result of exchange rate fluctuations, the daily average exchange rate on the day selected by the respondent can differ from both the exchange rate on the last working day of the month and the monthly average exchange rate. Daily average exchange rate data are available in table 33-10-0036-01.

Revision policy

Each month, the Monthly Survey of Manufacturing releases preliminary data for the reference month and revised data for the previous three months. Revisions are made to reflect new information provided by respondents and updates to administrative data.

Once a year, multiple years of data are revised.

Real-time data tables

Real-time data tables 16-10-0118-01, 16-10-0119-01, 16-10-0014-01 and 16-10-0015-01 will be updated on August 27.

Next release

Data from the Monthly Survey of Manufacturing for July will be released on September 17.

Available tables: [16-10-0012-01](#), [16-10-0013-01](#), [16-10-0047-01](#) and [16-10-0048-01](#).

Definitions, data sources and methods: survey number [2101](#).

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bechir Oueriemmi (613-951-7938; bechir.oueriemmi@canada.ca) or Michael Schimpf (613-863-4480; michael.schimpf@canada.ca), Mining, Manufacturing and Wholesale Trade Division.