

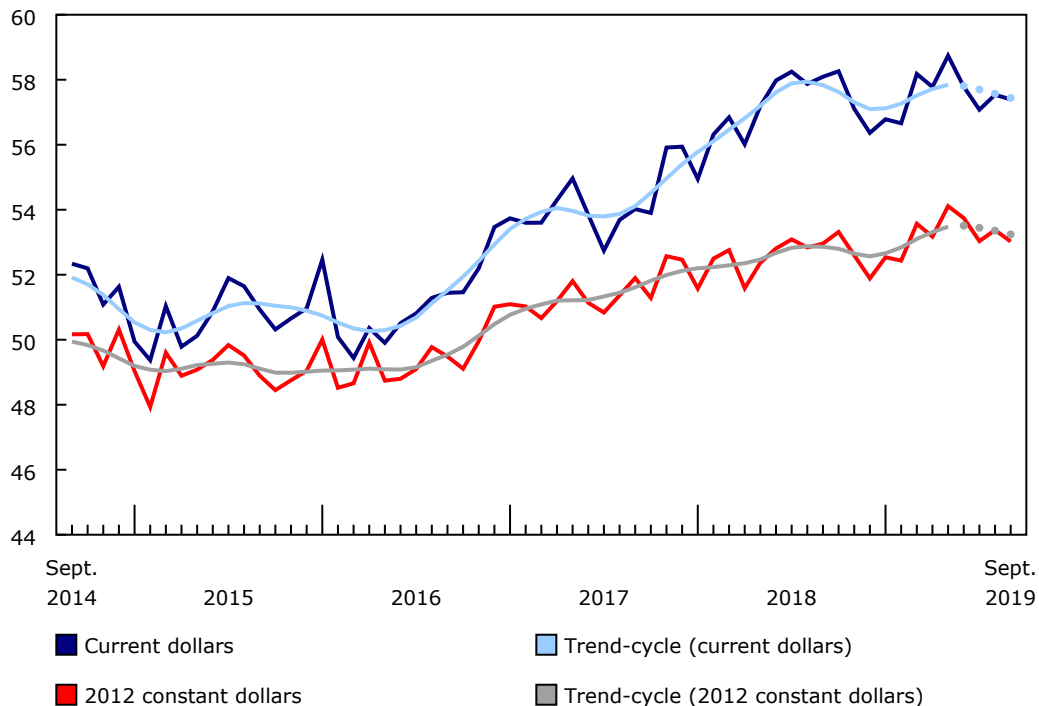
Monthly Survey of Manufacturing, September 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, November 19, 2019

Manufacturing sales edged down 0.2% in September to \$57.4 billion, following a 0.8% increase in August.

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 10 of 21 industries, representing 62.2% of the Canadian manufacturing sector. Sales in the petroleum and coal product and the motor vehicle parts industries accounted for the majority of the decrease in September. However, these decreases were largely offset by increases in the machinery and motor vehicle industries.

Constant dollar sales decreased 0.7%, indicating that a lower volume of products was sold in September.

Manufacturing sales declined 1.3% to \$172.0 billion in the third quarter. In volume terms, manufacturing sales fell 1.0% in the third quarter, mostly due to lower volumes sold in the petroleum and coal product (-2.4%), food (-1.5%) and chemical (-1.9%) industries.



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Lower volumes at refineries

Sales in the petroleum and coal product industry were down for the fourth straight month, falling 1.9% to \$5.9 billion in September. This decrease reflected lower sales volumes, as prices for the industry rose 0.3% according to the Industrial Product Price Index. Partial shutdowns at a number of Canadian refineries for maintenance work during the month were a major contributor to the decline in volumes sold (-2.4%).

Sales of motor vehicle parts fell 4.3% to \$2.6 billion. Some parts plants in Canada were impacted by the United Auto Workers strike in the United States and had to scale back or stop production towards the end of the September.

Food manufacturing was down 1.0% to \$8.7 billion, primarily from lower sales of meat products. In constant dollar terms, sales decreased 0.5% in the food industry.

Other industries that posted a decline were aerospace product and parts (-3.7%), electrical equipment, appliance and component (-6.8%) and chemicals (-1.4%).

Sales in the machinery industry increased 5.5% to \$3.7 billion. This was the largest monthly increase since May 2018. The gains in the machinery industry were widespread but more pronounced in the commercial and service machinery industry and the metalworking machinery industry. Some respondents indicated that they had completed large projects that had been in progress for months. Constant dollar sales in the machinery industry were up 5.4%.

Motor vehicle sales increased 2.9% to \$5.5 billion in September, following a 3.1% gain in August. Sales typically fall in September but longer summer shutdowns that extended into August led to a gain in September. In constant dollars, sales volumes in the motor vehicle industry rose 2.7%.

Sales decrease in seven provinces

Sales were down in seven provinces in September, led by Alberta. British Columbia reported the largest increase.

In Alberta, sales decreased 3.2% to \$6.1 billion. Sales were down in 14 of 21 industries, led by petroleum and coal products (-9.5%). Shutdowns at major refineries contributed to the decline.

Sales were down in Manitoba (-4.0%), Quebec (-0.5%) and Saskatchewan (-4.6%), mainly due to lower sales in non-durable goods.

The largest monthly increases in sales in dollars terms were in British Columbia (+3.7%) and New Brunswick (+9.9%). Both provinces registered higher sales in non-durable goods, and to a lesser extent, durable goods.

Manufacturing sales in census metropolitan areas

Manufacturing sales on an unadjusted basis fell in 5 of 12 census metropolitan areas in September, led by Edmonton (-7.3%) and Toronto (-1.2%).

In Edmonton, lower sales of petroleum and coal products were behind the decline in September.

Manufacturing sales in Toronto were down 1.2% to \$10.5 billion, mainly due to lower sales of motor vehicles (-3.7%) and motor vehicle parts (-5.0%) and partly offset by higher sales in the machinery industry.

In Montréal, higher sales of transportation equipment and machinery drove the growth (+3.0%) in September.

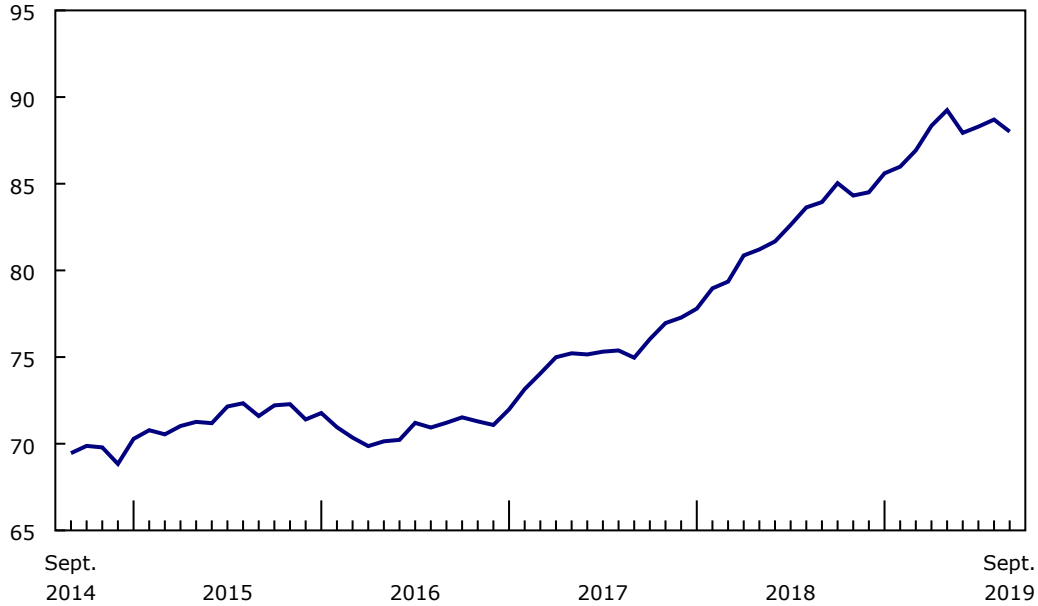
Vancouver's manufacturing sector was up 5.7% to \$2.4 billion in September.

Inventory levels decrease

Inventory levels declined 0.8% to \$88.0 billion in September, following two months of increases. Inventories were down in 11 of 21 industries, led by transportation equipment (-3.0%), petroleum and coal product (-4.3%) and wood product (-1.9%) industries. These decreases were partly offset by a 1.3% increase in food inventories.

Chart 2 Inventory levels decrease

billions of dollars



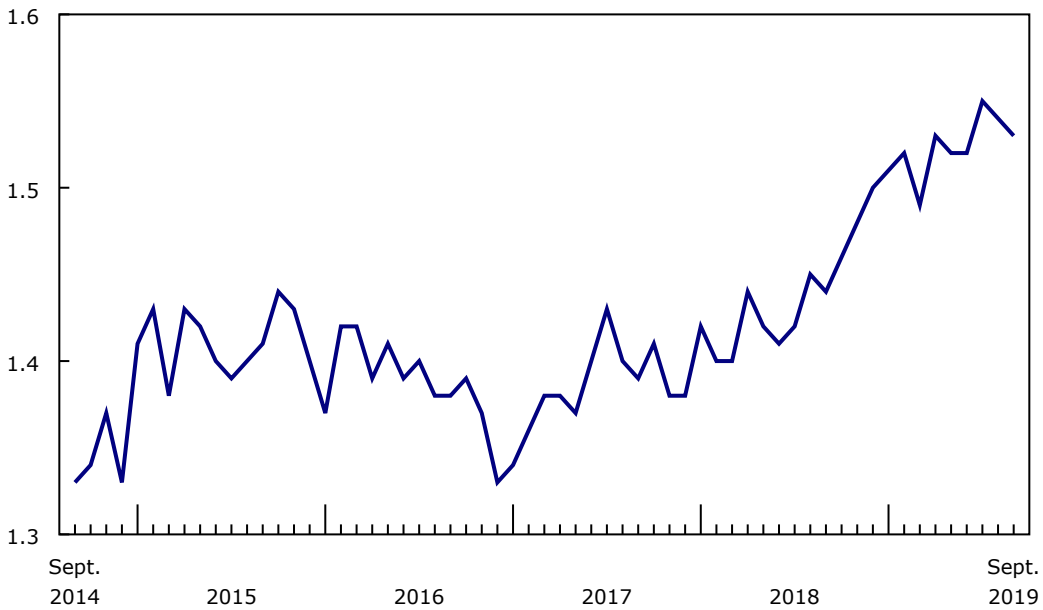
Note(s): Data are seasonally adjusted.

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

The inventory-to-sales ratio decreased from 1.54 in August to 1.53 in September, mostly due to lower inventories of durable goods. 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 declines

ratio



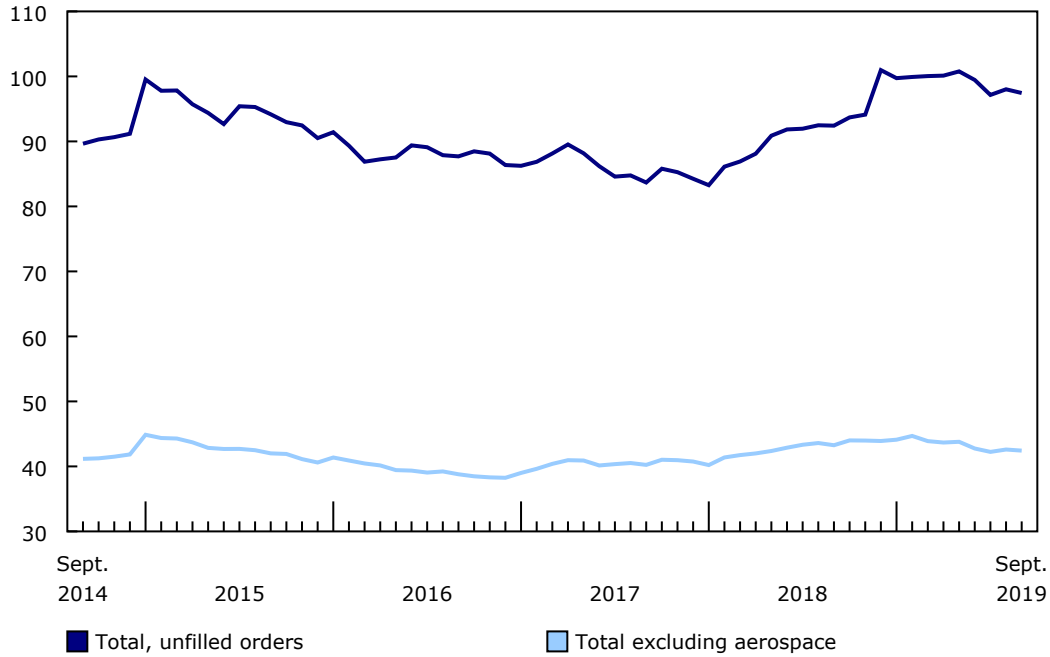
Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

Unfilled orders decline

Unfilled orders decreased 0.6% to \$97.4 billion in September. The decline 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 decrease

billions of dollars



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

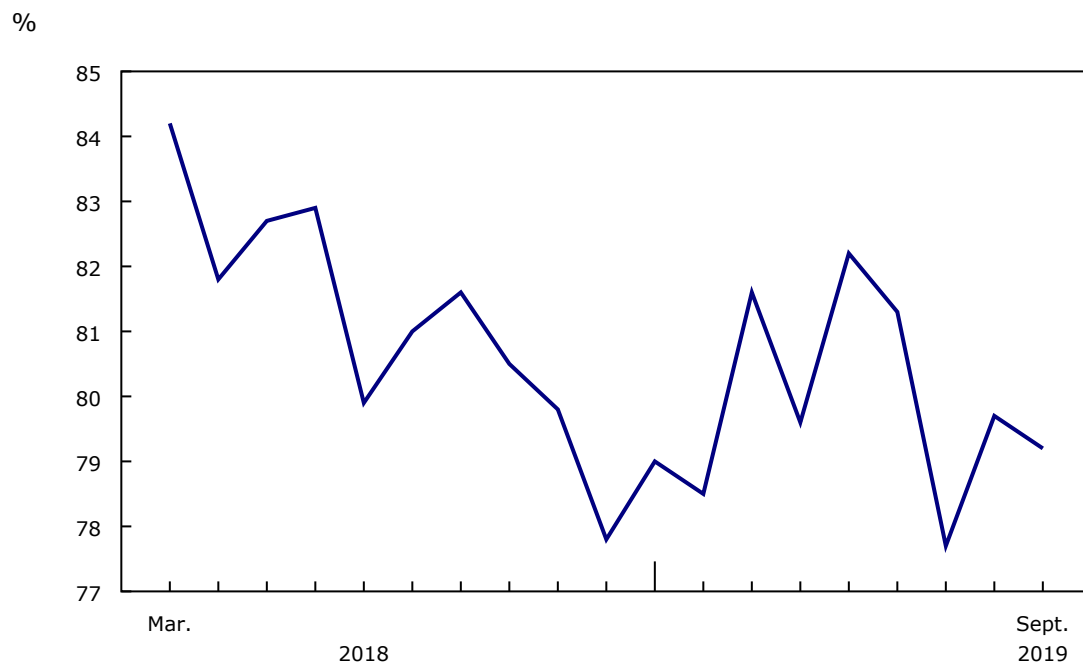
These declines in unfilled orders were partially offset by an increase in unfilled orders in the machinery industry.

New orders fell 2.7% to \$56.8 billion in September, following a 6.6% gain in the previous month. This decrease was mostly due to lower new orders in the aerospace product and parts industry, as well as in the ship and boat building industry.

Capacity utilization rate decreases

The unadjusted capacity utilization rate for the manufacturing sector declined 0.5 percentage points, from 79.7% in August to 79.2% in September.

Chart 5
The capacity utilization rate decreases



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

Overall, the capacity utilization rate decreased in 10 of 21 industries, with the petroleum and coal products and chemical industries posting the largest declines in September.

The capacity utilization rate of the petroleum and coal product industry declined for a second consecutive month, falling 4.3 percentage points to 82.4% in September. The decrease was attributable to lower production due to shut downs for maintenance at some refineries.

The capacity utilization rate for the chemical industry decreased 2.9 percentage points to 75.5% in September. The decline was primarily due to the lower capacity utilization rate in the pesticide, fertilizer and other agricultural chemical manufacturing industry.

Following three consecutive monthly declines, the capacity utilization rate for the computer and electronic product industry increased 5.3 percentage points to 84.9% in September. The increase was mostly attributable to higher production in the communication equipment industry, as well as in the semiconductor and other electronic component manufacturing industry.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	September 2018	August 2019 ^r	September 2019 ^p	August to September 2019	September 2018 to September 2019
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	58,091	57,536	57,396	-0.2	-1.2
Manufacturing sales (2012 constant dollars)	52,958	53,375	53,023	-0.7	0.1
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	50,337	49,459	49,280	-0.4	-2.1
Inventories	83,941	88,701	88,007	-0.8	4.8
Unfilled orders	92,420	98,015	97,444	-0.6	5.4
New orders	58,031	58,405	56,825	-2.7	-2.1
Inventory-to-sales ratio ²	1.44	1.54	1.53

^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 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

	September 2018	August 2019 ^r	September 2019 ^p	August to September 2019	September 2018 to September 2019
	millions of dollars			% change ¹	
Food manufacturing	8,563	8,778	8,691	-1.0	1.5
Beverage and tobacco product	1,169	1,175	1,182	0.5	1.1
Textile mills	153	160	164	2.8	7.5
Textile product mills	127	118	127	7.5	0.6
Clothing manufacturing	194	246	215	-12.7	10.6
Leather and allied product	27	29	29	-2.1	7.2
Wood product	2,827	2,369	2,387	0.7	-15.6
Paper manufacturing	2,612	2,300	2,297	-0.1	-12.1
Printing and related support activities	819	789	750	-4.9	-8.4
Petroleum and coal product	6,666	6,040	5,924	-1.9	-11.1
Chemical	4,924	4,555	4,493	-1.4	-8.7
Plastics and rubber products	2,726	2,762	2,811	1.8	3.1
Non-metallic mineral product	1,208	1,260	1,262	0.2	4.5
Primary metal	4,304	4,177	4,211	0.8	-2.2
Fabricated metal product	3,281	3,534	3,544	0.3	8.0
Machinery	3,383	3,484	3,675	5.5	8.7
Computer and electronic product	1,290	1,242	1,269	2.2	-1.6
Electrical equipment, appliance and component	906	934	870	-6.8	-4.0
Transportation equipment	10,839	11,455	11,376	-0.7	5.0
Motor vehicle	5,064	5,355	5,511	2.9	8.8
Motor vehicle body and trailer	410	413	371	-10.2	-9.6
Motor vehicle parts	2,690	2,722	2,606	-4.3	-3.1
Aerospace product and parts	2,030	2,194	2,113	-3.7	4.1
Railroad rolling stock	278	247	252	2.2	-9.3
Ship and boat building	152	198	235	18.7	54.6
Furniture and related product	1,065	1,056	1,063	0.7	-0.2
Miscellaneous manufacturing	1,010	1,071	1,056	-1.4	4.6
Non-durable goods industries	27,978	26,953	26,682	-1.0	-4.6
Durable goods industries	30,113	30,583	30,714	0.4	2.0

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

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

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	September 2018	August 2019 ^r	September 2019 ^p	August to September 2019	September 2018 to September 2019
	millions of dollars			% change ¹	
Canada	58,091	57,536	57,396	-0.2	-1.2
Newfoundland and Labrador	665	590	608	3.1	-8.6
Prince Edward Island	167	189	177	-6.7	5.6
Nova Scotia	715	790	781	-1.1	9.3
New Brunswick	1,522	1,393	1,530	9.9	0.6
Quebec	14,044	14,364	14,298	-0.5	1.8
Ontario	26,552	26,592	26,561	-0.1	0.0
Manitoba	1,571	1,655	1,588	-4.0	1.1
Saskatchewan	1,507	1,404	1,340	-4.6	-11.1
Alberta	6,790	6,306	6,103	-3.2	-10.1
British Columbia	4,550	4,248	4,405	3.7	-3.2
Yukon	2	2	2	13.5	12.2
Northwest Territories and Nunavut	6	4	3	-18.9	-50.9

^r revised

^p preliminary

1. Percent change calculated at thousands of dollars.

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

Table 4
Manufacturing capacity utilization rates by industry – Unadjusted

	September 2018	August 2019 ^r	September 2019 ^p	August to September 2019	September 2018 to September 2019
	%			percentage point change	
Manufacturing	81.6	79.7	79.2	-0.5	-2.4
Non-durable goods industries	82.5	80.9	79.6	-1.3	-2.9
Food manufacturing	80.5	79.8	80.7	0.9	0.2
Beverage and tobacco product manufacturing	71.9	77.4	73.7	-3.7	1.8
Beverage manufacturing	73.4	78.8	74.6	-4.2	1.2
Tobacco manufacturing	64.4	68.4	69.1	0.7	4.7
Textile mills	77.8	77.4	76.8	-0.6	-1.0
Textile product mills	73.3	71.5	74.7	3.2	1.4
Clothing manufacturing	82.5	86.0	81.7	-4.3	-0.8
Leather and allied product manufacturing	79.4	91.6	85.1	-6.5	5.7
Paper manufacturing	89.3	86.4	84.9	-1.5	-4.4
Printing and related support activities	75.6	76.4	77.4	1.0	1.8
Petroleum and coal products manufacturing	88.2	86.7	82.4	-4.3	-5.8
Chemical manufacturing	83.4	78.4	75.5	-2.9	-7.9
Plastics and rubber products manufacturing	76.9	76.1	76.3	0.2	-0.6
Plastic product manufacturing	76.7	74.9	75.8	0.9	-0.9
Rubber product manufacturing	77.9	82.7	78.8	-3.9	0.9
Durable goods industries	80.8	78.6	78.9	0.3	-1.9
Wood product manufacturing	82.6	76.6	76.2	-0.4	-6.4
Non-metallic mineral product manufacturing	77.3	77.8	78.5	0.7	1.2
Primary metal manufacturing	78.5	74.9	73.5	-1.4	-5.0
Fabricated metal product manufacturing	77.7	76.5	76.3	-0.2	-1.4
Machinery manufacturing	78.7	75.9	76.9	1.0	-1.8
Computer and electronic product manufacturing	84.0	79.6	84.9	5.3	0.9
Electrical equipment, appliance and component manufacturing	81.4	75.7	77.0	1.3	-4.4
Transportation equipment manufacturing	83.8	82.3	82.6	0.3	-1.2
Furniture and related product manufacturing	76.6	80.3	80.8	0.5	4.2
Miscellaneous manufacturing	78.2	77.3	80.0	2.7	1.8

^r revised

^p preliminary

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

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

Table 5
Manufacturing sales by selected census metropolitan area – Unadjusted

	September 2018	August 2019 ^r	September 2019 ^p	August to September 2019	September 2018 to September 2019
	millions of dollars			% change ¹	
Halifax	195	211	231	9.8	18.9
Québec	1,602	1,487	1,438	-3.3	-10.2
Montréal	6,780	6,681	6,883	3.0	1.5
Ottawa–Gatineau, Ontario and Quebec	618	607	640	5.5	3.7
Toronto	10,178	10,661	10,534	-1.2	3.5
Hamilton	1,722	1,604	1,672	4.2	-2.9
Winnipeg	875	1,010	972	-3.8	11.1
Regina	600	539	522	-3.2	-13.1
Saskatoon	297	293	309	5.4	4.1
Calgary	979	1,047	1,052	0.4	7.4
Edmonton	3,430	3,334	3,091	-7.3	-9.9
Vancouver	2,179	2,305	2,436	5.7	11.8

^r revised

^p preliminary

1. Percentage change calculated in thousands of dollars.

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

Source(s): Table 16-10-0011-01.

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 because of 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 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 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, based on the assumption that they 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 these instances, the daily average exchange rate on the day selected by the respondent is used. Note that because 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 three previous months. Revisions are made to reflect new information provided by respondents and updates to administrative data.

Once a year, a revision project is undertaken to revise multiple years of data.

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 November 27.

Next release

Data from the Monthly Survey of Manufacturing for October will be released on December 17.

Available tables: [16-10-0011-01](#) to [16-10-0013-01](#) , [16-10-0047-01](#) and [16-10-0048-01](#).

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

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).