

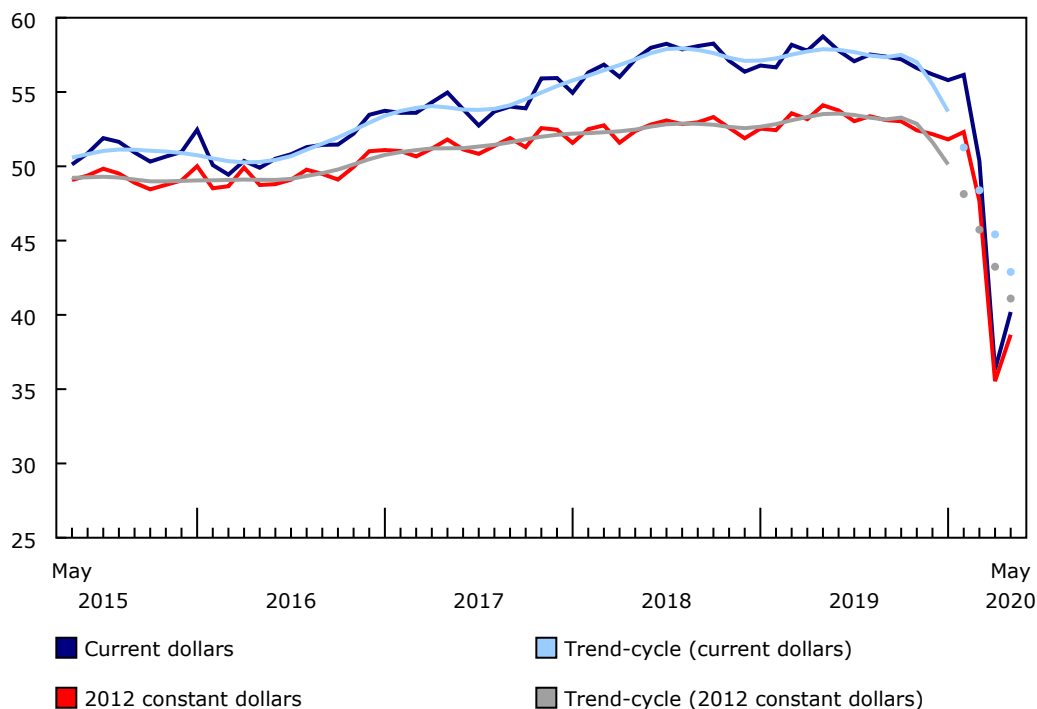
Monthly Survey of Manufacturing, May 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, July 15, 2020

Manufacturing sales increased 10.7% to \$40.2 billion in May following a record 27.9% decline in April, as many manufacturers resumed operations following full or partial shutdowns related to COVID-19 during the previous month. Nevertheless, total manufacturing sales in May were 28.4% below their pre-pandemic level in February.

Chart 1
Manufacturing sales

billions of dollars



Note(s): Data are seasonally adjusted.

The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart for the current reference month and the three previous months. For more information, see the note to readers.

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

Sales were up in 18 of 21 industries, led by motor vehicle, motor vehicle parts and petroleum and coal products industries.

In volumes terms, manufacturing sales rose 8.8%, indicating a higher volume of products sold in May.

Four-fifths of manufacturers report that COVID-19 has affected their operations

Feedback from respondents highlights the impact of the COVID-19 pandemic on sales in May.

Four-fifths (80.9%) of establishments in the manufacturing sector reported that their activities were affected by COVID-19. Manufacturers in the miscellaneous (92.6%), printing and related product (91.6%), clothing (90.4%), furniture and related product (89.6%), leather and allied product (89.0%) and textile mills (88.7%) industries reported operating at limited capacity because of lower orders from regular customers as many retail stores remained closed.



Statistics
Canada Statistique
Canada

Canada

One-quarter (24.3%) of establishments reported that they have a recovery plan in place.

Based on respondent feedback, the largest estimated impacts of COVID-19 on manufacturing sales in dollar terms were in the transportation equipment (-\$6.7 billion), petroleum and coal product (-\$1.8 billion), fabricated metal product (-\$836 million), food (-\$806 million), plastic and rubber product (-\$791 million), machinery (-\$760 million) and primary metal (-\$710 million) industries. Note that these estimates are on an unadjusted basis. However, they provide a snapshot of the magnitude to which COVID-19 may have lowered sales.

Assembly plants and motor vehicle parts suppliers resume production

Sales in the transportation equipment industry rose 81.7% to \$3.6 billion in May, partially recovering from the record 74.9% drop in April. The largest increases were in the motor vehicle (+\$983.5 million) and motor vehicle parts (+\$439.8 million) industries, as most plants re-opened and gradually resumed production by mid-May. Despite this monthly increase, sales of motor vehicles and parts were down 79.1% compared with May 2019.

Refineries ramp up production

After four consecutive months of decline, sales in the petroleum and coal product industry increased 18.6% to \$2.4 billion in May. The gain reflected higher volumes and prices, as refineries ramped up production in response to increased fuel demand as provinces across Canada began re-opening their economies in May. Nevertheless, total sales were down 62.9% compared with May 2019.

Sales of fabricated metal products rose 14.8% to \$2.7 billion in May following two consecutive monthly decreases. The gains were widespread, but were more pronounced in the architectural and structural metal industry in tandem with the re-opening of the construction industry in several provinces in May.

Sales also increased in the plastic and rubber (+18.1%), wood product (+14.8%), miscellaneous (+32.5%) and furniture and related products (+35.3%) industries.

Machinery and paper sales decline

Machinery sales were down for the fourth consecutive month, declining 6.9% to \$2.6 billion in May. Many machinery manufacturers indicated that they experienced lower demand as some customers postponed some orders due to COVID-19. In May, declines were mostly concentrated in commercial and service industry machinery.

Sales in the paper industry fell for the second consecutive month, down 5.5% to \$2.1 billion in May. The decline was mainly attributable to lower sales in the pulp, paper and paperboard mills industry, due to lower demand as many corporate offices, shopping malls and restaurants were closed through April and May.

Ontario and Quebec lead the gains

Sales increased in eight provinces in May, led by Ontario and Quebec.

Following a record 37.0% decline in April, manufacturing sales in Ontario rose 17.5% to \$16.4 billion, mostly reflecting higher sales of motor vehicles (+\$958.9 million) and motor vehicle parts (+\$421.4 million).

In Quebec, sales rose 9.1% to \$10.6 billion in May, following a 25.1% decline in April. Sales increased in 17 of 21 industries, led by the fabricated metal product (+37.9%), wood product (+43.3%), furniture and related product (+108.0%) and transportation equipment (+18.2%) industries.

Manufacturing sales in the census metropolitan area of Toronto increase

In May, manufacturing sales on an unadjusted basis rose in 11 of the 12 census metropolitan areas (CMAs) covered by the survey, led by the Toronto CMA (+20.3%) and the CMA of Montréal (+8.4%).

In the CMA of Toronto, the increase in the transportation equipment industry (+202.0%) was mostly attributable to motor vehicles and motor vehicle parts.

In the Montréal CMA, higher sales of primary metals, food, petroleum and coal product, as well as beverage and tobacco products drove the growth in May.

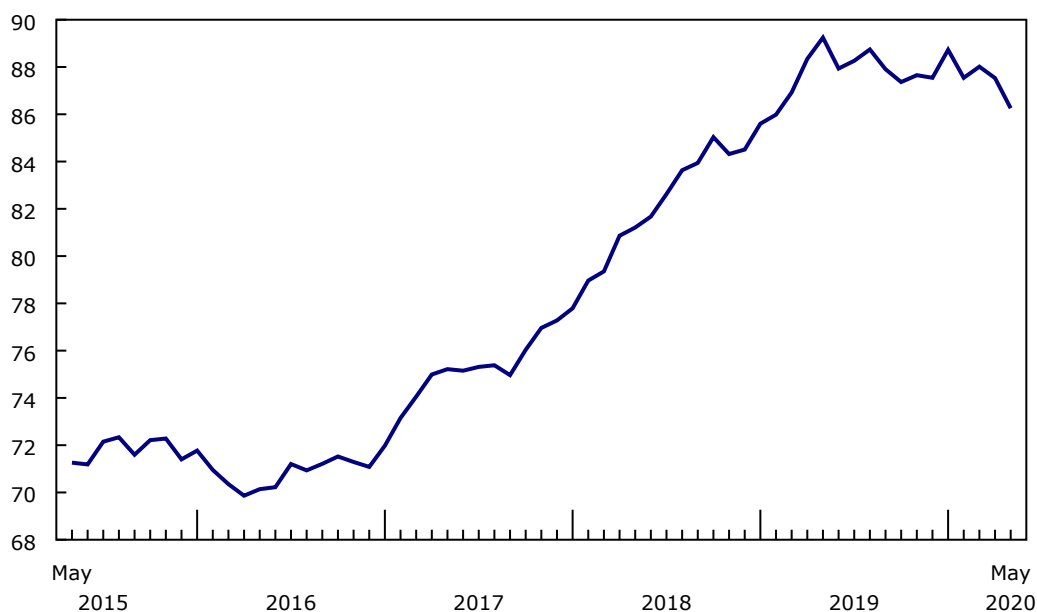
Manufacturing sales in the CMA of Halifax were down 8.5% due to lower sales in the transportation equipment industry.

Inventory levels decrease

Inventory levels declined for the second consecutive month, falling 1.5% to \$86.3 billion in May. Inventories were down in 13 of 21 industries, led by the transportation equipment (-3.4%), fabricated metal product (-4.9%), machinery (-3.2%) and primary metal (-3.1%) industries. These decreases were partly offset by a 3.5% increase in wood product inventories.

Chart 2
Inventory levels decline

billions of dollars

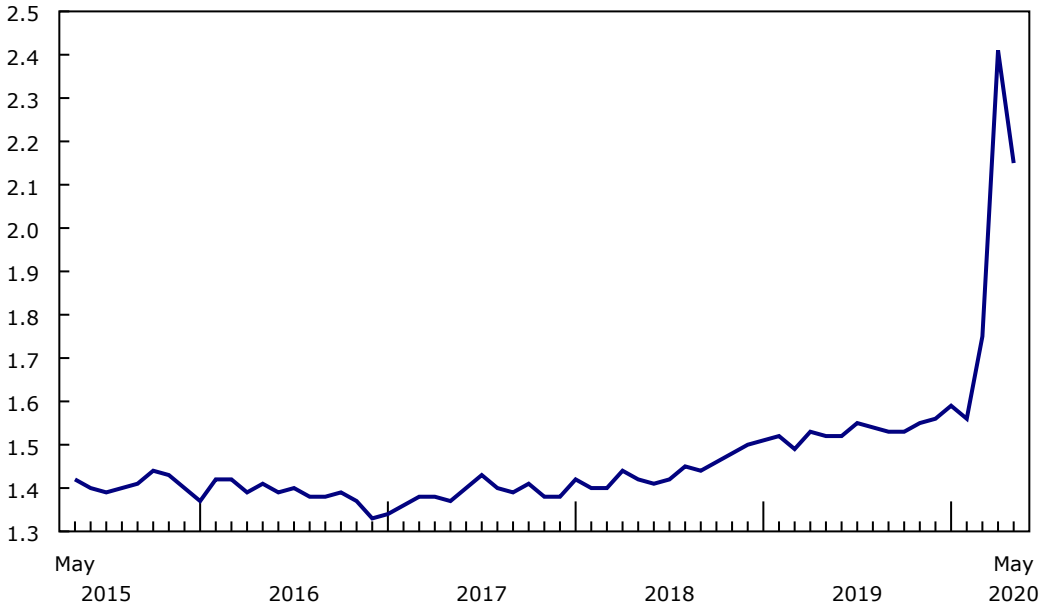


Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

The inventory-to-sales ratio declined from 2.41 in April to 2.15 in May. 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



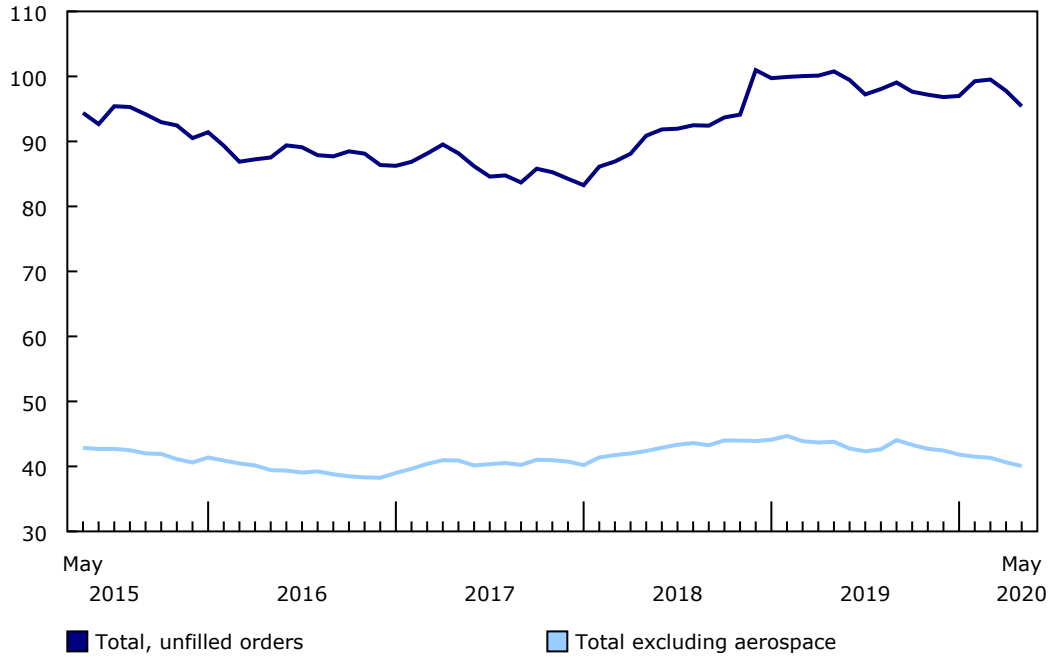
Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

Unfilled orders decline

Total unfilled orders for the manufacturing sector declined for the second consecutive month, down 2.4% to \$95.4 billion in May. The decrease mainly reflected lower unfilled orders in the aerospace product and parts industry (-3.2%). This was partially offset by higher unfilled orders in the miscellaneous and motor vehicle industries.

Chart 4
Unfilled orders decline

billions of dollars



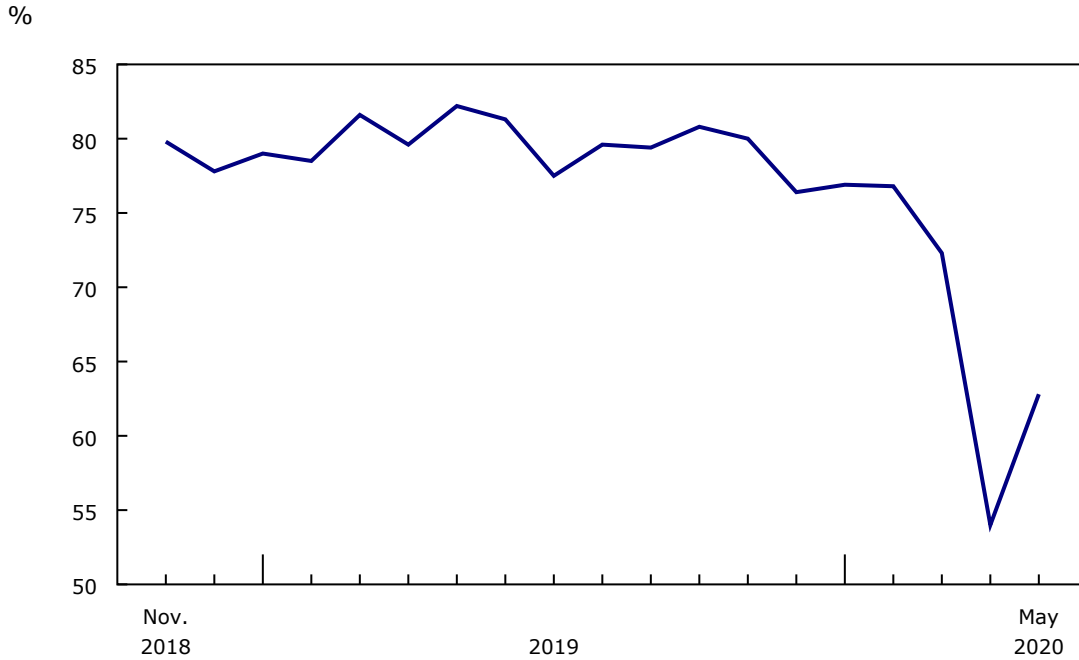
Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

After dropping by 31.7% in April, new orders rose 9.4% to \$37.8 billion in May, mostly on higher orders of transportation equipment.

Capacity utilization rate increases

The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector increased 8.8 percentage points, from 54.0% in April to 62.8% in May.

Chart 5
The capacity utilization rate increases



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

The capacity utilization rate for durable goods rose 11.3 percentage points to 54.3%, mostly attributable to higher production at motor vehicle assembly and motor vehicle parts plants after full shutdowns in April.

The capacity utilization rate for non-durable goods rose 4.2 percentage points to 72.2%, mainly reflecting ramped up production at several refineries across the country.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	May 2019	April 2020 ^r	May 2020 ^P	April to May 2020	May 2019 to May 2020
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	58,740	36,308	40,194	10.7	-31.6
Manufacturing sales (2012 constant dollars)	54,109	35,539	38,662	8.8	-28.5
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	50,581	36,023	38,485	6.8	-23.9
Inventories	89,244	87,532	86,255	-1.5	-3.3
Unfilled orders	100,769	97,781	95,403	-2.4	-5.3
New orders	59,392	34,573	37,816	9.4	-36.3
Inventory-to-sales ratio ²	1.52	2.41	2.15

^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

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change ¹	
Food manufacturing	8,930	8,557	8,713	1.8	-2.4
Beverage and tobacco product	1,157	1,115	1,188	6.6	2.7
Textile mills	167	111	104	-6.0	-37.7
Textile product mills	140	92	111	20.9	-20.1
Clothing manufacturing	236	178	182	2.3	-23.0
Leather and allied product	29	7	13	82.6	-54.9
Wood product	2,449	1,871	2,149	14.8	-12.2
Paper manufacturing	2,440	2,265	2,140	-5.5	-12.3
Printing and related support activities	759	485	546	12.6	-28.0
Petroleum and coal product	6,479	2,027	2,403	18.6	-62.9
Chemical	4,732	4,043	4,087	1.1	-13.6
Plastics and rubber products	2,787	1,584	1,871	18.1	-32.9
Non-metallic mineral product	1,280	873	1,057	21.0	-17.4
Primary metal	4,079	3,120	3,220	3.2	-21.1
Fabricated metal product	3,583	2,374	2,726	14.8	-23.9
Machinery	3,673	2,752	2,561	-6.9	-30.3
Computer and electronic product	1,309	939	1,035	10.2	-20.9
Electrical equipment, appliance and component	963	658	781	18.7	-18.9
Transportation equipment	11,385	1,987	3,611	81.7	-68.3
Motor vehicle	5,441	70	1,054	...	-80.6
Motor vehicle body and trailer	406	191	243	26.7	-40.3
Motor vehicle parts	2,718	215	655	204.3	-75.9
Aerospace product and parts	2,134	1,002	1,079	7.6	-49.4
Railroad rolling stock	301	119	181	51.8	-39.8
Ship and boat building	197	175	206	17.6	4.4
Furniture and related product	1,115	584	790	35.3	-29.2
Miscellaneous manufacturing	1,050	684	906	32.5	-13.7
Non-durable goods industries	27,855	20,464	21,358	4.4	-23.3
Durable goods industries	30,885	15,844	18,836	18.9	-39.0

^r revised

^p preliminary

... not applicable

1. Percent change calculated at thousands of dollars.

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

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change ¹	
Canada	58,740	36,308	40,194	10.7	-31.6
Newfoundland and Labrador	720	196	222	13.2	-69.2
Prince Edward Island	214	176	165	-6.7	-23.2
Nova Scotia	844	671	660	-1.7	-21.9
New Brunswick	1,423	951	971	2.1	-31.8
Quebec	14,286	9,727	10,611	9.1	-25.7
Ontario	26,779	13,985	16,432	17.5	-38.6
Manitoba	1,671	1,386	1,481	6.9	-11.4
Saskatchewan	1,348	988	1,048	6.1	-22.2
Alberta	6,967	4,619	4,738	2.6	-32.0
British Columbia	4,483	3,603	3,863	7.2	-13.8
Yukon	2	2	3	3.8	19.4
Northwest Territories and Nunavut	3	3	2	-28.1	-30.2

^r revised

^p preliminary

1. Percentage change calculated at thousands of dollars.

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

Table 4
Manufacturing sales by selected census metropolitan area – Unadjusted

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change ¹	
Halifax	252	210	192	-8.5	-23.8
Québec	1,648	775	910	17.5	-44.8
Montréal	7,075	4,585	4,969	8.4	-29.8
Ottawa–Gatineau, Ontario and Quebec	587	471	595	26.5	1.5
Toronto	11,248	5,832	7,014	20.3	-37.6
Hamilton	1,774	1,027	1,201	17.0	-32.3
Winnipeg	1,059	731	877	19.8	-17.2
Regina	666	336	442	31.6	-33.7
Saskatoon	335	249	278	11.4	-17.1
Calgary	1,076	836	986	17.9	-8.4
Edmonton	3,769	1,762	2,025	14.9	-46.3
Vancouver	2,483	1,803	2,091	16.0	-15.8

^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.

Table 5
Manufacturing capacity utilization rates by industry – Unadjusted

	May 2019	April 2020 ^r	May 2020 ^P	April to May 2020	May 2019 to May 2020
	%			percentage point change	
Manufacturing	82.2	54.0	62.8	8.8	-19.4
Non-durable goods industries	82.8	68.0	72.2	4.2	-10.6
Food manufacturing	81.0	71.2	75.7	4.5	-5.3
Beverage and tobacco product manufacturing	78.3	70.9	73.3	2.4	-5.0
Beverage manufacturing	80.1	71.2	74.0	2.8	-6.1
Tobacco manufacturing	69.5	69.5	69.1	-0.4	-0.4
Textile mills	78.1	57.7	68.9	11.2	-9.2
Textile product mills	78.5	52.4	67.0	14.6	-11.5
Clothing manufacturing	88.2	43.7	59.5	15.8	-28.7
Leather and allied product manufacturing	81.0	19.9	34.2	14.3	-46.8
Paper manufacturing	88.0	86.3	85.1	-1.2	-2.9
Printing and related support activities	78.8	55.0	59.8	4.8	-19.0
Petroleum and coal products manufacturing	85.3	53.6	67.4	13.8	-17.9
Chemical manufacturing	84.8	67.7	70.0	2.3	-14.8
Plastics and rubber products manufacturing	79.4	57.8	62.7	4.9	-16.7
Plastic product manufacturing	79.4	56.9	64.0	7.1	-15.4
Rubber product manufacturing	79.8	63.2	55.7	-7.5	-24.1
Durable goods industries	81.7	43.0	54.3	11.3	-27.4
Wood product manufacturing	81.3	61.3	68.4	7.1	-12.9
Non-metallic mineral product manufacturing	79.5	51.6	64.5	12.9	-15.0
Primary metal manufacturing	76.9	64.2	63.3	-0.9	-13.6
Fabricated metal product manufacturing	79.6	49.8	58.9	9.1	-20.7
Machinery manufacturing	80.5	61.8	65.9	4.1	-14.6
Computer and electronic product manufacturing	82.8	71.7	70.7	-1.0	-12.1
Electrical equipment, appliance and component manufacturing	73.7	51.3	63.6	12.3	-10.1
Transportation equipment manufacturing	86.0	15.8	33.3	17.5	-52.7
Furniture and related product manufacturing	81.4	45.5	57.1	11.6	-24.3
Miscellaneous manufacturing	79.2	48.8	57.7	8.9	-21.5

^r revised

^P preliminary

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

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

Table 6
Estimates of impact of COVID-19 on manufacturing sales by industry – Unadjusted

	May 2020		
	Lower 95% confidence interval	Estimate	Upper 95% confidence interval
	millions of dollars		
Manufacturing	-15,778	-15,236	-14,694
Food manufacturing	-958	-806	-654
Beverage and tobacco product manufacturing	-112	-96	-80
Textile mills	-32	-25	-17
Textile product mills	-35	-26	-17
Clothing manufacturing	-105	-74	-43
Leather and allied product manufacturing	-10	-8	-6
Paper manufacturing	-272	-229	-185
Printing and related support activities	-352	-302	-251
Petroleum and coal products manufacturing	-1,836	-1,827	-1,818
Chemical manufacturing	-678	-580	-482
Plastics and rubber products manufacturing	-1,249	-791	-334
Wood product manufacturing	-516	-447	-378
Non-metallic mineral product manufacturing	-160	-137	-115
Primary metal manufacturing	-735	-710	-684
Fabricated metal product manufacturing	-923	-836	-749
Machinery manufacturing	-849	-760	-671
Computer and electronic product manufacturing	-239	-199	-160
Electrical equipment, appliance and component manufacturing	-215	-180	-145
Transportation equipment manufacturing	-6,767	-6,652	-6,536
Furniture and related product manufacturing	-358	-304	-250
Miscellaneous manufacturing	-326	-249	-172

Note(s):

Data in this table are not seasonally adjusted.

The sum of the individual industries may not add up to the total as a result of rounding.

In the table, the sampling variability is expressed by using the Wald confidence interval at a confidence level of 95%, which means we expect that the real value falls within the given confidence interval at a 95% confidence level.

Source(s): Monthly Survey of Manufacturing (2101).

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

While the quality of this month's data remains high, response rates from manufacturers have fallen from the usual 95% to a rate of 85% in May. Every effort has been made to supplement this month's data with information from other sources.

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

Seasonally adjusted data are data that have been modified to eliminate the effect of seasonal and calendar influences to allow for more meaningful comparisons of economic conditions from period to period. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Trend-cycle estimates are included in selected charts as a complement to the seasonally adjusted series. These data represent a smoothed version of the seasonally adjusted time series and provide information on longer-term movements including changes in direction underlying the series. For information on trend-cycle data, see [Trend-cycle estimates – Frequently asked questions](#).

Both seasonally adjusted data and trend-cycle estimates are subject to revision as additional observations become available. These revisions could be large and could even lead to a reversal of movement, especially for reference months near the end of the series or during periods of economic disruptions.

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 monthly 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 noon spot 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 per year, a revision project is undertaken and data for several years 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 July 28.

Next release

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

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).