

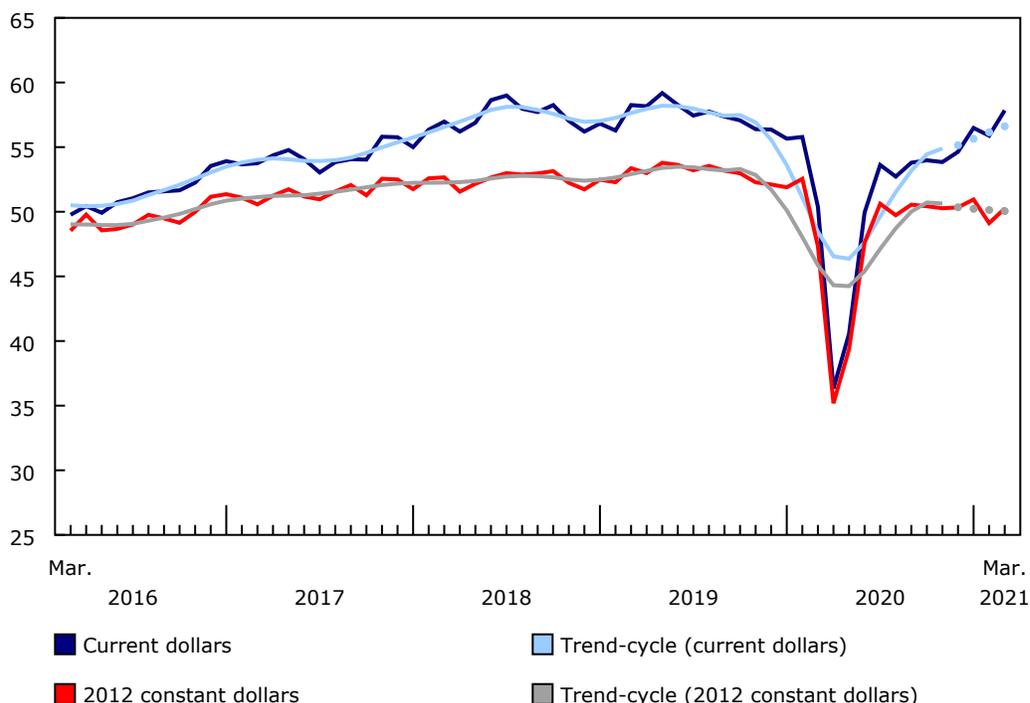
# Monthly Survey of Manufacturing, March 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, May 14, 2021

Manufacturing sales rose 3.5% to \$57.8 billion in March—the highest level since June 2019—on higher sales in 17 of 21 industries, led by the motor vehicle, petroleum and coal and food product industries. These were also the contributing industries from a volume perspective as constant dollar manufacturing sales rose 2.3% to \$50.2 billion.

**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](#).

Economic restrictions posed by the pandemic, weather-related disasters, shipment delays and other unfavorable events have disrupted the global flow of many materials, resulting in impacts on output but also increases in industrial prices. [The Industrial Product Price Index](#) increased by 1.6% in March, with prices up in 14 of 21 commodity groups, led by lumber and other wood products (+10.2%), energy and petroleum products (+4.6%) and chemicals and chemical products(+4.1%). The Raw Materials Price Index rose 2.3% in March.

## Production ramps up temporarily in auto industry

Since the beginning of 2021, a global shortage of semiconductor chips has affected businesses throughout the supply chain for computerized goods—disrupting manufacturing, wholesaling and international trade.



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The shortage of semiconductor chips is attributable to many factors, including the COVID-19 pandemic, global supply chain disruptions and capacity issues at semiconductor chip manufacturing plants.

Motor vehicle and motor vehicle parts manufacturers have been hit particularly hard by the semiconductor shortage. In March, auto and auto-part manufacturers in Canada were able to temporarily ramp up production and sales of motor vehicle (+10.5% to \$3.6 billion) and motor vehicle parts (+7.7% to \$2.4 billion) both rose. Despite the March increase, motor vehicle sales were down 14.1% from December 2020 and down 16.8% overall in the first quarter.

Similar trends have occurred in [international trade](#), with modest gains in March failing to reverse lower exports (-6.2%) and imports (-4.2%) of motor vehicles and parts in the first quarter.

These slowdowns are expected to intensify and may show a greater impact in April as some car manufacturers announced plans to reduce output of finished vehicles in some assembly plants in Ontario. Given the highly integrated North American automotive production chain, the semiconductor chip shortage will continue to be felt by Canadian manufacturers due to their role in the supply chain.

In the petroleum and coal products industry, sales increased for the sixth consecutive month, rising 6.2% to \$5.3 billion in March, mostly on higher prices. In constant dollars, sales rose 2.7%. The volume of petroleum sold declined by 3.9% in the first quarter.

Food manufacturing sales increased for the fifth consecutive month, rising 2.7% to a record high \$9.8 billion in March. Sales of food products were up 3.1% in the first quarter. Sales rose in all food sub-industries in March, led by meat, dairy, and grain and oilseed milling manufacturing. Higher prices for fruit, vegetables, feed and other food products also contributed to the sales increase in March. In terms of volume, sales of food products rose 2.2%.

Wood product sales rose 4.6% to a record high \$4.5 billion in March on higher prices. Sales increased by 21.5% in the first quarter following a 16.9% gain in the fourth quarter of 2020. Manufacturers are benefiting from higher demand from the United States and a [surge in housing market activity in Canada](#). Sales of wood products in constant dollars rose 9.0% in first quarter.

Primary metal (+4.1%), aerospace product and parts (+12.0%), and plastic and rubber product (+3.4%) industries also contributed to the sales growth in March.

Sales of computer and electronic products declined by 3.7% to \$1.3 billion in March, the second consecutive decline, but were up 12.3% compared with the same month a year earlier.

## **Sales increase in every province, led by Ontario and Quebec**

Manufacturing sales rose in every province in March, led by higher sales in Ontario and Quebec.

In Ontario, sales increased by 2.9% to \$25.1 billion in March on higher sales in 12 of 21 industries, led by the motor vehicle and petroleum and coal industries.

In the first quarter, motor vehicle sales in Ontario were down 17.6% from the fourth quarter of 2020 while motor vehicle part sales declined by 8.5%.

Sales of the petroleum and coal product industry in Ontario rose 19.3% in March, the highest level since February 2020, on higher prices and volumes. This brought sales of petroleum products up 18.0% overall in the first quarter.

Sales in Quebec increased by 2.4% to \$14.5 billion in March, on higher sales of miscellaneous industry (+41.7%) largely attributable to gains in the medical equipment and supplies industry, followed by other miscellaneous manufacturing goods. Production of aerospace products and parts rose 13.3%.

Overall, manufacturing sales in Quebec were up 12.9% year over year in March and showed a growth of 6.3% in the first quarter.

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## All 12 census metropolitan areas report higher sales

Manufacturing sales on an unadjusted basis rose in all 12 census metropolitan areas covered by the survey in March, led by Toronto and Montréal.

Sales in Toronto increased for the second consecutive month, rising 22.2% to \$10.6 billion in March, mostly on higher sales in the industries of transportation equipment (+22.3%), food (+19.7%) and chemicals (+21.4%). On a year-over-year basis, sales in Toronto increased by 8.1%.

In Montréal, sales rose 21.6% to pass \$7.0 billion for the first time, mainly on higher sales at transportation equipment (+39.0%) and food (+18.8%) industries. Year over year, sales in Montréal were up 6.0%.

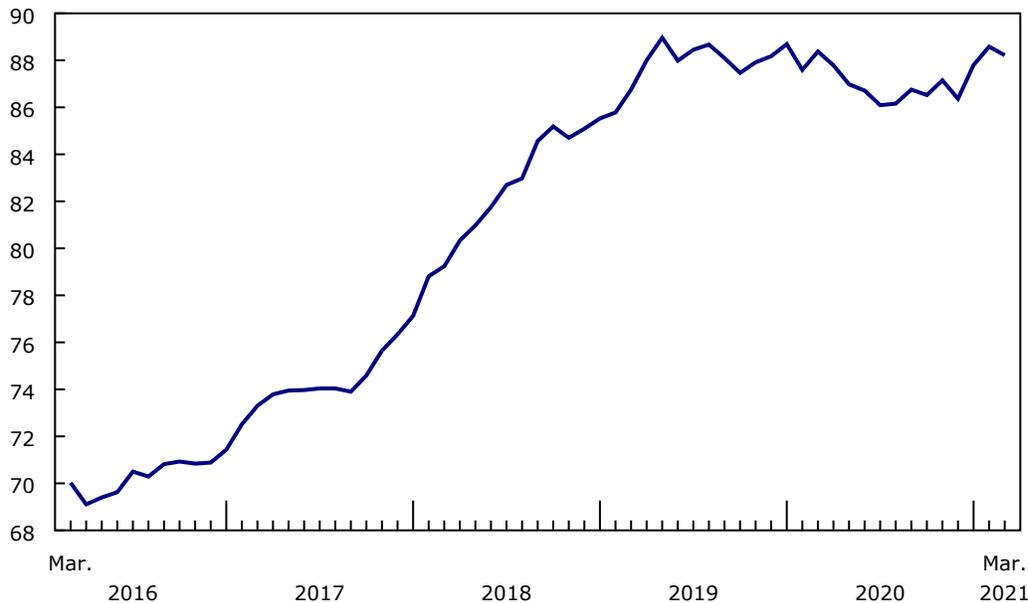
## Inventory levels edge down

Following two consecutive increases, total inventories edged down 0.4% to \$88.2 billion in March on lower inventories in the aerospace product and part (-3.9%) and machinery (-2.4%) industries. The declines were partially offset by higher inventories of petroleum and coal (+4.9%), fabricated metal (+2.2%) and wood (+2.0%) products. On a year-over-year basis, total inventories fell 0.2%.

### Chart 2 Inventory levels edged down

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billions of dollars



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

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

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The inventory-to-sales ratio decreased from 1.59 in February to 1.53 in March. The 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.  
**Source(s):** Table [16-10-0047-01](#).

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### New orders rebound

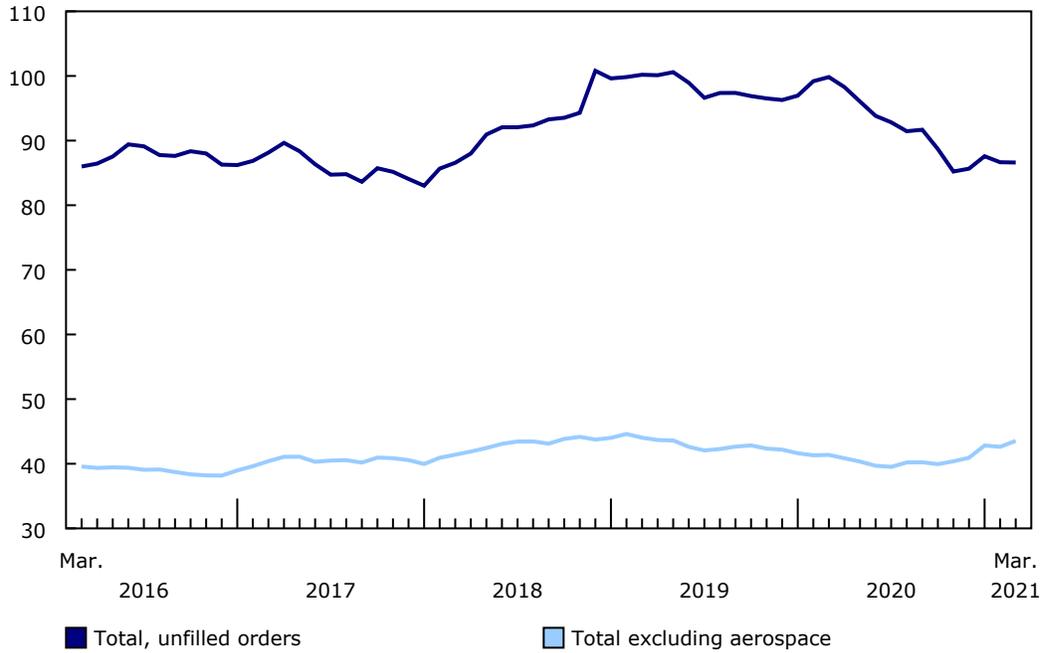
While unfilled orders were unchanged at \$86.6 billion in March, the total value of new orders rose 5.2% to \$57.8 billion following a 5.9% decline in February. The transportation equipment, petroleum and coal, and plastic and rubber product industries were mainly responsible for the gain. On a year-over-year basis, new orders were up 13.3%.

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### Chart 4 Unfilled orders unchanged

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billions of dollars



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

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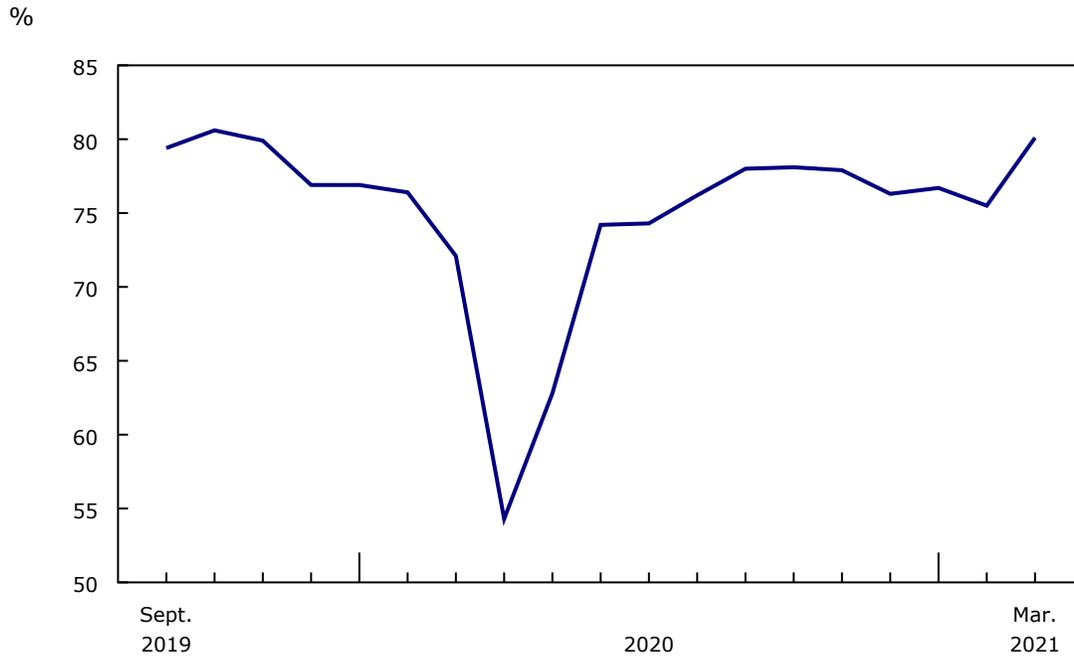
### Capacity utilization rate increases

The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector increased from 75.5% in February to 80.1% in March, the highest level since October 2019, driven by higher production.

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**Chart 5**  
**The capacity utilization rate increases**

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

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Capacity utilization rates were up in all 21 industries in March, led by the transportation equipment (+8.6 percentage points), petroleum and coal product (+3.0 percentage points) and food product (+2.3 percentage points) industries.

**Table 1**  
**Manufacturing: Principal statistics – Seasonally adjusted**

	March 2020	February 2021 <sup>r</sup>	March 2021 <sup>p</sup>	February to March 2021	March 2020 to March 2021
	millions of dollars			% change <sup>1</sup>	
Manufacturing sales (current dollars)	50,390	55,884	57,842	3.5	14.8
Manufacturing sales (2012 constant dollars)	47,334	49,120	50,248	2.3	6.2
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	45,487	50,422	51,868	2.9	14.0
Inventories	88,377	88,580	88,218	-0.4	-0.2
Unfilled orders	99,831	86,650	86,609	-0.0	-13.2
New orders	51,032	54,955	57,801	5.2	13.3
Inventory-to-sales ratio <sup>2</sup>	1.75	1.59	1.53	...	...

<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 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**

	March 2020	February 2021 <sup>r</sup>	March 2021 <sup>p</sup>	February to March 2021	March 2020 to March 2021
	millions of dollars			% change <sup>1</sup>	
Food manufacturing	9,900	9,575	9,835	2.7	-0.7
Beverage and tobacco product	1,286	1,423	1,403	-1.4	9.1
Textile mills	143	140	146	4.5	2.2
Textile product mills	105	124	123	-1.3	16.5
Clothing manufacturing	168	206	198	-4.1	18.1
Leather and allied product	23	22	32	45.7	34.4
Wood product	2,456	4,322	4,521	4.6	84.0
Paper manufacturing	2,436	2,255	2,283	1.3	-6.3
Printing and related support activities	628	638	647	1.4	3.1
Petroleum and coal product	3,690	5,008	5,319	6.2	44.2
Chemical	4,318	4,723	4,756	0.7	10.2
Plastics and rubber products	2,379	2,764	2,858	3.4	20.1
Non-metallic mineral product	1,173	1,362	1,422	4.4	21.2
Primary metal	3,640	4,468	4,650	4.1	27.8
Fabricated metal product	3,207	3,463	3,488	0.7	8.8
Machinery	3,070	3,220	3,252	1.0	5.9
Computer and electronic product	1,155	1,348	1,298	-3.7	12.3
Electrical equipment, appliance and component	793	894	924	3.4	16.5
Transportation equipment	7,886	7,641	8,311	8.8	5.4
Motor vehicle	3,143	3,266	3,608	10.5	14.8
Motor vehicle body and trailer	286	335	345	3.1	20.5
Motor vehicle parts	1,760	2,196	2,367	7.7	34.5
Aerospace product and parts	2,092	1,103	1,236	12.0	-40.9
Railroad rolling stock	218	188	170	-9.9	-22.1
Ship and boat building	178	266	332	24.8	86.3
Furniture and related product	884	982	1,012	3.1	14.5
Miscellaneous manufacturing	1,049	1,308	1,362	4.1	29.9
Non-durable goods industries	25,076	26,877	27,601	2.7	10.1
Durable goods industries	25,314	29,008	30,241	4.3	19.5

<sup>r</sup> revised

<sup>p</sup> 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**

	March 2020	February 2021 <sup>r</sup>	March 2021 <sup>p</sup>	February to March 2021	March 2020 to March 2021
	millions of dollars			% change <sup>1</sup>	
<b>Canada</b>	<b>50,390</b>	<b>55,884</b>	<b>57,842</b>	<b>3.5</b>	<b>14.8</b>
Newfoundland and Labrador	371	362	364	0.6	-2.0
Prince Edward Island	197	188	200	6.3	1.5
Nova Scotia	743	766	952	24.3	28.2
New Brunswick	1,096	1,546	1,653	7.0	50.9
Quebec	12,872	14,195	14,530	2.4	12.9
Ontario	22,374	24,402	25,120	2.9	12.3
Manitoba	1,646	1,675	1,738	3.8	5.6
Saskatchewan	1,151	1,349	1,491	10.6	29.6
Alberta	5,679	6,241	6,389	2.4	12.5
British Columbia	4,250	5,157	5,397	4.7	27.0
Yukon	5	3	3	-2.4	-36.0
Northwest Territories and Nunavut	5	2	4	65.3	-29.4

<sup>r</sup> revised

<sup>p</sup> 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**

	March 2020	February 2021 <sup>r</sup>	March 2021 <sup>p</sup>	February to March 2021	March 2020 to March 2021
	millions of dollars			% change <sup>1</sup>	
Halifax	216	214	369	72.7	71.0
Québec	1,180	1,311	1,569	19.6	33.0
Montréal	6,647	5,793	7,046	21.6	6.0
Ottawa–Gatineau, Ontario and Quebec	711	688	800	16.3	12.6
Toronto	9,815	8,678	10,606	22.2	8.1
Hamilton	1,568	1,409	1,803	28.0	15.0
Winnipeg	976	762	970	27.3	-0.6
Regina	437	618	690	11.8	57.9
Saskatoon	341	308	389	26.2	14.1
Calgary	1,030	774	983	27.0	-4.5
Edmonton	2,625	2,383	2,914	22.3	11.0
Vancouver	2,376	2,145	2,655	23.7	11.7

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Percentage change calculated at 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**

	March 2020	February 2021 <sup>r</sup>	March 2021 <sup>p</sup>	February to March 2021	March 2020 to March 2021
	%			percentage point change	
Manufacturing	72.1	75.5	80.1	4.6	8.0
Non-durable goods industries	76.5	77.0	79.8	2.8	3.3
Food manufacturing	80.3	77.1	79.4	2.3	-0.9
Beverage and tobacco product manufacturing	72.8	69.6	73.1	3.5	0.3
Beverage manufacturing	73.1	68.4	71.7	3.3	-1.4
Tobacco manufacturing	71.3	76.2	79.1	2.9	7.8
Textile mills	79.0	75.9	80.9	5.0	1.9
Textile product mills	67.2	74.7	78.4	3.7	11.2
Clothing manufacturing	56.9	70.1	71.3	1.2	14.4
Leather and allied product manufacturing	57.6	61.0	75.1	14.1	17.5
Paper manufacturing	89.0	85.3	85.6	0.3	-3.4
Printing and related support activities	67.7	65.4	73.5	8.1	5.8
Petroleum and coal products manufacturing	67.6	79.9	82.9	3.0	15.3
Chemical manufacturing	75.8	78.6	80.4	1.8	4.6
Plastics and rubber products manufacturing	72.1	70.9	75.3	4.4	3.2
Plastic product manufacturing	72.3	71.2	75.2	4.0	2.9
Rubber product manufacturing	71.4	69.3	76.3	7.0	4.9
Durable goods industries	68.7	74.1	80.4	6.3	11.7
Wood product manufacturing	74.8	84.8	88.1	3.3	13.3
Non-metallic mineral product manufacturing	61.1	62.0	74.6	12.6	13.5
Primary metal manufacturing	75.7	76.4	79.2	2.8	3.5
Fabricated metal product manufacturing	64.8	67.0	73.5	6.5	8.7
Machinery manufacturing	69.0	74.2	79.4	5.2	10.4
Computer and electronic product manufacturing	79.7	79.2	84.5	5.3	4.8
Electrical equipment, appliance and component manufacturing	72.5	75.5	84.6	9.1	12.1
Transportation equipment manufacturing	65.2	71.9	80.5	8.6	15.3
Furniture and related product manufacturing	68.0	71.9	80.8	8.9	12.8
Miscellaneous manufacturing	72.5	77.2	80.6	3.4	8.1

<sup>r</sup> revised

<sup>p</sup> preliminary

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

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

### Sustainable Development Goals

On January 1, 2016, the world officially began implementing the [2030 Agenda for Sustainable Development](#) — the United Nation's 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 goals:



## Note to readers

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 disruption.

**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 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 May 21.

### Next release

Data from the Monthly Survey of Manufacturing for April will be released on June 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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).