

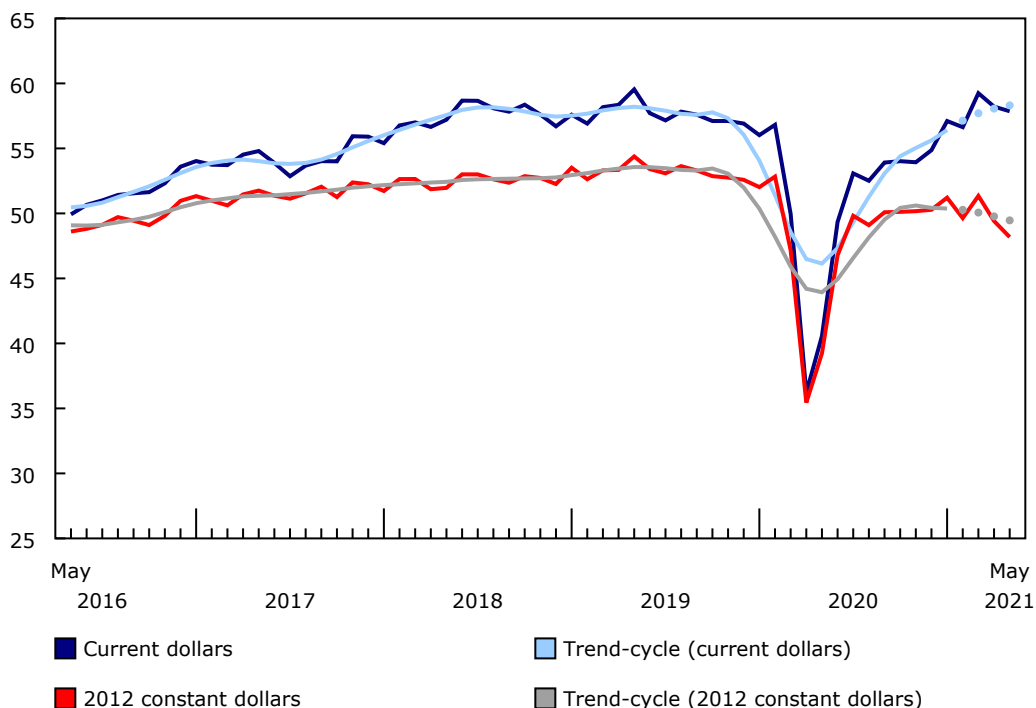
Monthly Survey of Manufacturing, May 2021 (final)

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

Manufacturing sales fell 0.6% to \$57.9 billion in May, the second consecutive monthly decline. The machinery, chemical and fabricated metal industries were mainly responsible for the decline. Sales of wood product manufacturing increased the most, followed by primary metal. Year over year, total sales were up 42.6%.

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 in constant dollars decreased 2.5% to \$48.2 billion in May, the second consecutive decline indicating a lower volume of goods sold as manufacturers continued to deal with supply chain issues. Sales of machinery products declined the most (-16.2%) by volume.

The [Industrial Product Price Index](#) increased 2.7% in May, on higher prices for lumber and other wood products (+17.9%). Prices of raw materials purchased by manufacturers rose 3.2%.



Machinery manufacturing posts the largest decrease

Following record high sales in April, sales of machinery declined 16.9% to \$3.1 billion in May, mainly due to lower sales of agricultural, construction and mining machinery. On a year-over-year basis, sales were still up 25.7%. A number of machinery manufacturers indicated that the lack of raw materials (including microchips) and delay in shipments affected their production in May. As a result, the industry's capacity utilization rate fell 4.1 percentage points.

Chemical product sales decreased 2.0% to \$5.2 billion in May, following four consecutive monthly gains. Lower sales in the basic chemicals and pharmaceutical and medicine manufacturing industries contributed the most to the decline. Despite the decline in May, total chemical product sales were up 30.1% year over year.

Sales in the fabricated metal product industry fell 1.8% to \$3.6 billion in May. Lower sales of boiler, tank and shipping containers along with coating, engraving, cold and heat treating and allied products were responsible for the decline.

Sales also declined in the food (-0.6%), non-metallic mineral (-2.9%) and motor vehicle parts (-1.4%) industries.

The wood product industry marked another record month of sales, rising 6.1% to \$5.4 billion in May. Higher prices were responsible for the gain as sales in constant dollars decreased 4.7%. While the total value of [building permits](#) issued in Canada fell 14.8%, [exports of forestry products and building and packaging materials](#) rose 8.9% in May.

Sales in the primary metal industry increased 3.6% to a record \$4.9 billion in May, driven by higher sales of alumina and aluminum production and processing. The gains were mainly due to higher prices, as volume sales edged up 0.6%.

Ontario posts the largest sales decline

Manufacturing sales declined in six provinces in May, led by Ontario, Manitoba and Quebec, while Alberta posted the largest increase.

In Ontario, sales were down 1.0% to \$24.0 billion in May, due to lower sales in 13 of 21 industries, led by the machinery (-16.2%), chemical (-4.2%), and transportation equipment (-1.2%) industries. Petroleum product sales posted the largest gain (+10.6%). Year over year, total sales were up 43.3%.

Following two consecutive increases, sales in Manitoba fell 6.6% to \$1.7 billion. This drop was due to lower sales in the food (-7.2%), machinery (-17.8%) and transportation equipment (-16.0%) industries.

Sales in Quebec decreased 0.6% to \$14.6 billion in May, on lower sales of machinery (-24.0%), petroleum (-5.3%) and chemicals (-4.9%). Year over years, sales in Quebec rose 36.3%.

Sales in Alberta rose for the 13th consecutive month, up 1.6% to \$7.2 billion in May on higher sales of wood (+11.3%), petroleum (+2.8%) and chemical (+3.0%) products. Year over year, sales in Alberta more than doubled (+52.0%).

Sales in Québec decline the most

Manufacturing sales on a seasonally adjusted basis fell in seven census metropolitan areas covered by the survey in May, led by Québec and Montréal. Edmonton posted the largest gain.

Following a 17.0% decline, sales in Québec decreased 11.1% to \$1.1 billion in May, mainly on lower sales of petroleum products. Nevertheless, sales in Québec were up 20.4% compared with May 2020.

In Montréal, sales fell 1.9% to \$6.4 billion, pulled downward by lower production of aerospace products (-12.3%). However, the aerospace product and part industry in Montréal has seen four monthly increases in sales since January 2020.

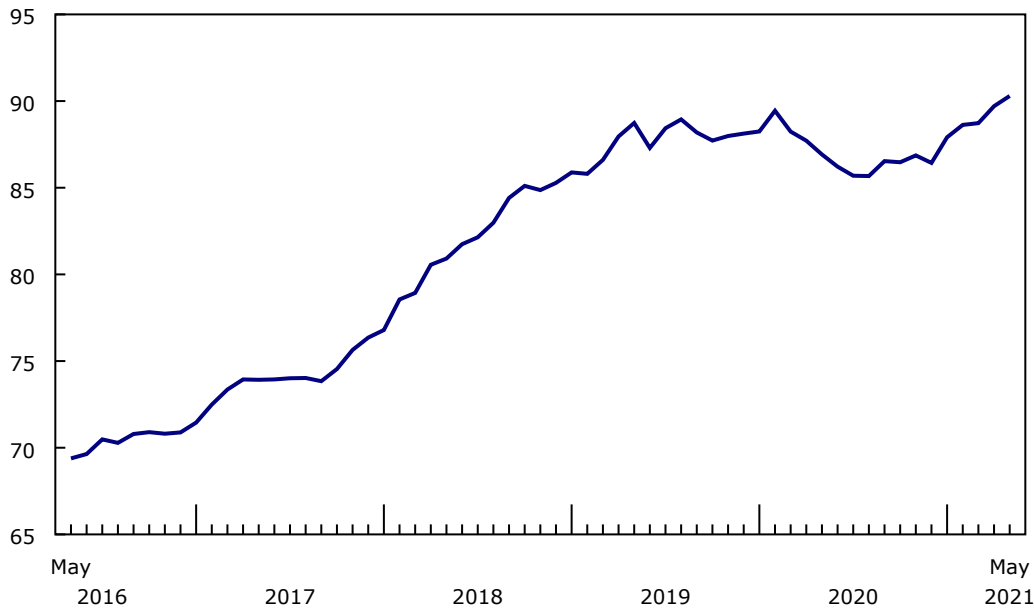
Sales in Edmonton rose 2.5% to \$3.0 billion in May, on higher sales in 10 of 21 industries, led by petroleum products (+2.5%).

Inventory levels rise

Total inventories rose 0.7% to \$90.3 billion in May on higher inventories of chemical (+3.8%), petroleum (+4.3%) and wood (+3.7%) products. The transportation equipment industry posted the largest decline in inventories (-2.8%). Total inventories rose 3.9% year over year.

Chart 2 Inventory levels rise

billions of dollars

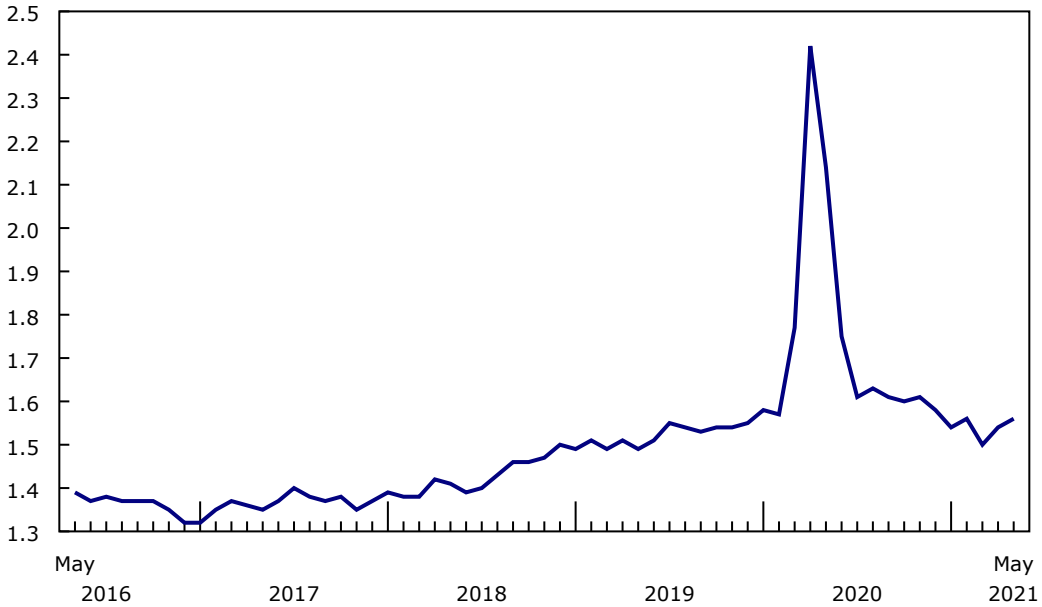


Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

The inventory-to-sales ratio edged up from 1.54 in April to 1.56 in May. The 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 increases

ratio



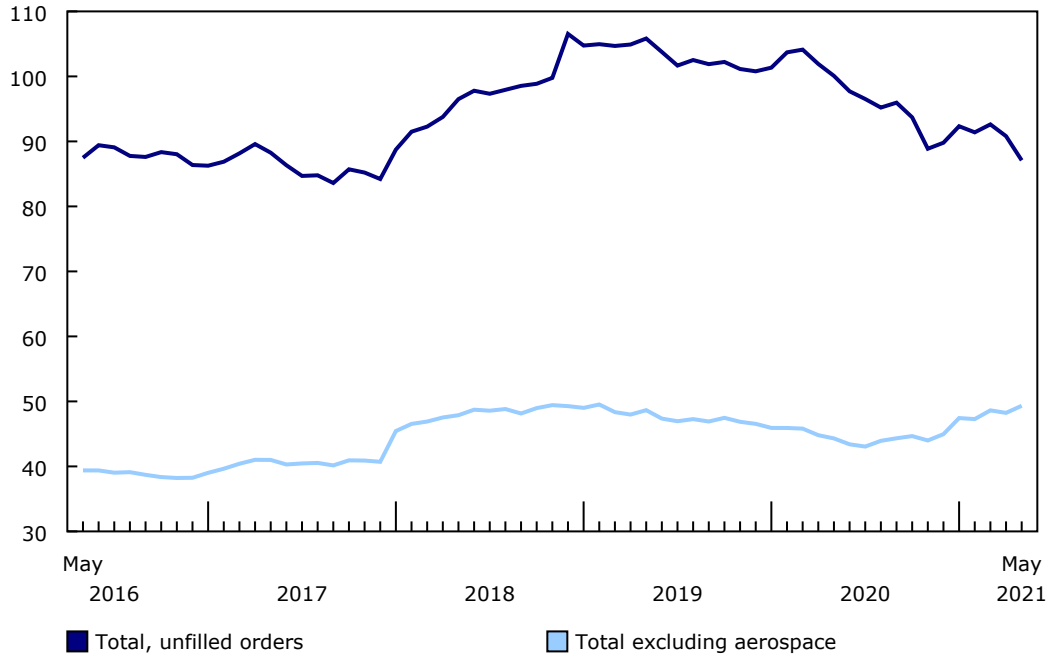
Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

Unfilled orders decline

Following a 2.0% decrease in April, unfilled orders decreased 4.1% to \$87.1 billion in May, led by an 11.3% decline in unfilled orders of aerospace products. Many aerospace manufacturers have been affected by the uncertainty surrounding the global economy and travel restrictions caused by the pandemic, which has resulted in several order cancellations since 2020.

Chart 4 Unfilled orders decline

billions of dollars



Note(s): Data are seasonally adjusted.

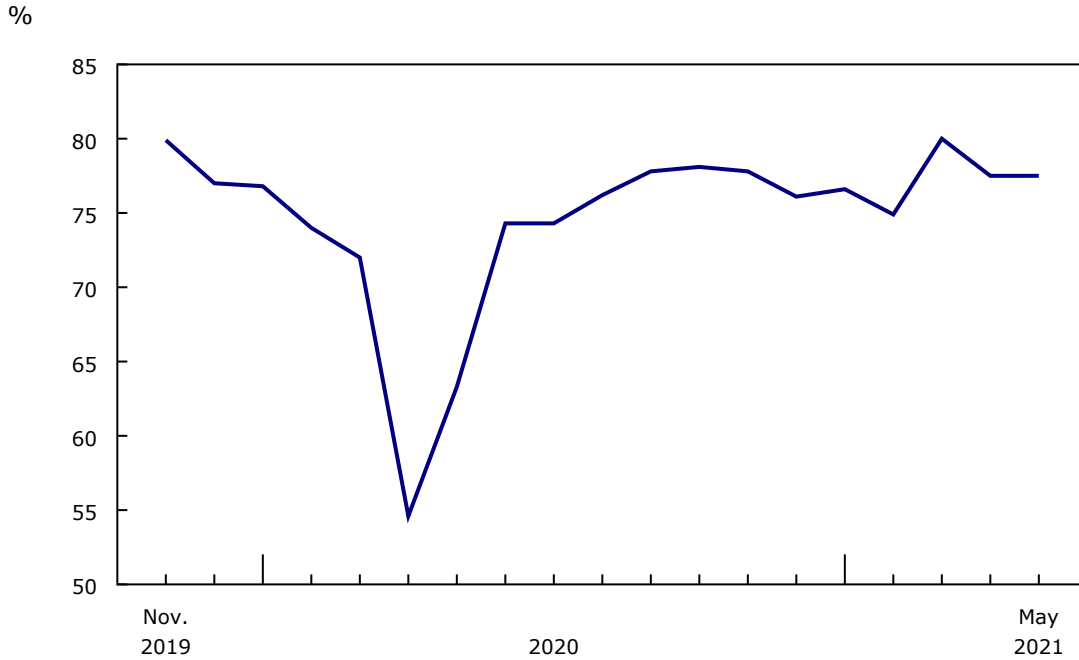
Source(s): Table 16-10-0047-01.

Total value of new orders fell 4.0% to \$54.1 billion in May, pulled downward by a decline in new orders of aerospace products and parts.

Capacity utilization rate remains stable

The capacity utilization rate (seasonally unadjusted) for the total manufacturing sector was unchanged at 77.5% in May.

Chart 5
The capacity utilization rate remains stable



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

The lower capacity utilization rates in the machinery (-4.1 percentage points), chemical product (-2.1 percentage points) and transportation equipment (-1.1 percentage points) industries were offset by high production capacity rates in the petroleum and coal (+4.5 percentage points) and plastic and rubber product (+2.7 percentage points) industries.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	May 2020	April 2021 ^r	May 2021 ^P	April to May 2021	May 2020 to May 2021
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	40,564	58,214	57,858	-0.6	42.6
Manufacturing sales (2012 constant dollars)	39,236	49,416	48,179	-2.5	22.8
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	38,727	53,875	53,507	-0.7	38.2
Inventories	86,919	89,703	90,294	0.7	3.9
Unfilled orders	100,079	90,806	87,085	-4.1	-13.0
New orders	38,729	56,405	54,138	-4.0	39.8
Inventory-to-sales ratio ²	2.14	1.54	1.56

^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 2020	April 2021 ^r	May 2021 ^P	April to May 2021	May 2020 to May 2021
	millions of dollars			% change ¹	
Food manufacturing	8,621	10,079	10,020	-0.6	16.2
Beverage and tobacco product	1,275	1,419	1,397	-1.5	9.6
Textile mills	119	140	129	-7.9	8.1
Textile product mills	109	126	148	17.2	35.0
Clothing manufacturing	172	176	170	-3.3	-0.9
Leather and allied product	14	19	19	0.3	33.4
Wood product	2,270	5,115	5,426	6.1	139.0
Paper manufacturing	2,132	2,328	2,354	1.1	10.4
Printing and related support activities	559	642	658	2.5	17.7
Petroleum and coal product	2,480	5,439	5,443	0.1	119.5
Chemical	3,973	5,271	5,168	-2.0	30.1
Plastics and rubber products	1,994	2,770	2,764	-0.2	38.6
Non-metallic mineral product	1,081	1,417	1,376	-2.9	27.2
Primary metal	3,202	4,754	4,927	3.6	53.9
Fabricated metal product	2,675	3,620	3,556	-1.8	32.9
Machinery	2,499	3,779	3,142	-16.9	25.7
Computer and electronic product	1,089	1,212	1,237	2.0	13.5
Electrical equipment, appliance and component	816	915	946	3.4	16.0
Transportation equipment	3,744	6,563	6,572	0.2	75.6
Motor vehicle	1,046	2,299	2,340	1.8	123.7
Motor vehicle body and trailer	221	332	309	-6.7	40.0
Motor vehicle parts	790	2,040	2,011	-1.4	154.4
Aerospace product and parts	1,095	1,219	1,217	-0.2	11.2
Railroad rolling stock	181	184	194	5.2	6.9
Ship and boat building	191	198	239	20.9	25.2
Furniture and related product	832	1,085	1,064	-2.0	27.8
Miscellaneous manufacturing	908	1,345	1,342	-0.2	47.9
Non-durable goods industries	21,447	28,409	28,271	-0.5	31.8
Durable goods industries	19,116	29,805	29,588	-0.7	54.8

^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

	May 2020	April 2021 ^r	May 2021 ^p	April to May 2021	May 2020 to May 2021
	millions of dollars			% change ¹	
Canada	40,564	58,214	57,858	-0.6	42.6
Newfoundland and Labrador	260	459	510	11.1	96.5
Prince Edward Island	177	223	194	-12.7	9.9
Nova Scotia	622	853	858	0.6	38.1
New Brunswick	969	1,778	1,710	-3.8	76.5
Quebec	10,746	14,733	14,647	-0.6	36.3
Ontario	16,740	24,224	23,988	-1.0	43.3
Manitoba	1,413	1,773	1,655	-6.6	17.2
Saskatchewan	1,066	1,639	1,586	-3.2	48.7
Alberta	4,724	7,064	7,179	1.6	52.0
British Columbia	3,843	5,461	5,525	1.2	43.8
Yukon	3	3	2	-41.3	-36.0
Northwest Territories and Nunavut	2	5	4	-18.0	73.5

^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 – Seasonally adjusted

	May 2020	April 2021 ^r	May 2021 ^p	April to May 2021	May 2020 to May 2021
	millions of dollars			% change ¹	
Halifax	188	187	233	24.9	23.7
Québec	930	1,261	1,121	-11.1	20.4
Montréal	4,723	6,489	6,364	-1.9	34.7
Ottawa–Gatineau, Ontario and Quebec	624	826	783	-5.2	25.5
Toronto	6,917	9,607	9,668	0.6	39.8
Hamilton	1,210	1,632	1,675	2.6	38.4
Winnipeg	736	851	814	-4.4	10.6
Regina	388	606	582	-4.0	49.8
Saskatoon	295	462	394	-14.7	33.3
Calgary	855	961	968	0.8	13.3
Edmonton	2,025	2,923	2,997	2.5	48.0
Vancouver	2,087	2,567	2,552	-0.6	22.3

^r revised

^p preliminary

1. Percentage change calculated in thousands of dollars.

Note(s): Data in this table are seasonally adjusted.

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

Table 5
Manufacturing capacity utilization rates by industry – Unadjusted

	May 2020	April 2021 ^r	May 2021 ^P	April to May 2021	May 2020 to May 2021
	%			percentage point change	
Manufacturing	63.3	77.5	77.5	0.0	14.2
Non-durable goods industries	72.2	79.2	79.5	0.3	7.3
Food manufacturing	74.9	80.0	79.0	-1.0	4.1
Beverage and tobacco product manufacturing	74.2	74.2	74.9	0.7	0.7
Beverage manufacturing	75.0	73.7	74.6	0.9	-0.4
Tobacco manufacturing	69.1	77.4	76.6	-0.8	7.5
Textile mills	67.3	78.8	77.5	-1.3	10.2
Textile product mills	64.5	74.4	75.6	1.2	11.1
Clothing manufacturing	56.9	64.5	74.6	10.1	17.7
Leather and allied product manufacturing	41.0	76.2	73.0	-3.2	32.0
Paper manufacturing	84.6	85.6	85.6	0.0	1.0
Printing and related support activities	60.2	73.4	71.7	-1.7	11.5
Petroleum and coal products manufacturing	70.2	80.7	85.2	4.5	15.0
Chemical manufacturing	70.7	80.9	78.8	-2.1	8.1
Plastics and rubber products manufacturing	62.3	71.5	74.2	2.7	11.9
Plastic product manufacturing	62.4	71.7	74.6	2.9	12.2
Rubber product manufacturing	61.5	70.6	71.7	1.1	10.2
Durable goods industries	55.3	76.0	75.5	-0.5	20.2
Wood product manufacturing	69.5	86.1	85.3	-0.8	15.8
Non-metallic mineral product manufacturing	63.4	71.9	77.0	5.1	13.6
Primary metal manufacturing	66.4	79.8	79.2	-0.6	12.8
Fabricated metal product manufacturing	57.8	74.9	75.3	0.4	17.5
Machinery manufacturing	65.7	78.2	74.1	-4.1	8.4
Computer and electronic product manufacturing	72.6	79.6	78.9	-0.7	6.3
Electrical equipment, appliance and component manufacturing	66.4	76.4	74.5	-1.9	8.1
Transportation equipment manufacturing	34.6	66.5	65.4	-1.1	30.8
Furniture and related product manufacturing	55.7	80.3	74.2	-6.1	18.5
Miscellaneous manufacturing	58.5	77.1	78.3	1.2	19.8

^r revised

^P 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 Nations' transformative plan of action that addresses urgent global challenges over the following 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 sustainable development goals. This release will be used to help measure the following goal:



Note to readers

Starting with the July 2021 release of May data, seasonally adjusted sales estimates for 12 selected census metropolitan areas (CMAs) will be produced for the first time as part of the Monthly Survey of Manufacturing. Unadjusted and seasonally adjusted estimates of sales of goods manufactured have been compiled from January 2009 to May 2021 and are available in table 16-10-0011-01.

Estimates of sales of goods manufactured, inventories and orders in tables 16-10-0047-01 and 16-10-0048-01 have been revised back to January 2018 for unadjusted data, and back to January 2015 for seasonally adjusted data. Real manufacturing sales, orders, inventory owned and inventory-to-sales ratio estimates in table 16-10-0013-01 have been revised back to January 2015.

Unadjusted estimates of capacity utilization rates, in table 16-10-0012-01, have been revised back to January 2018.

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 previous three 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 July 23.

Next release

Data from the Monthly Survey of Manufacturing for June will be released on August 16.

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).