

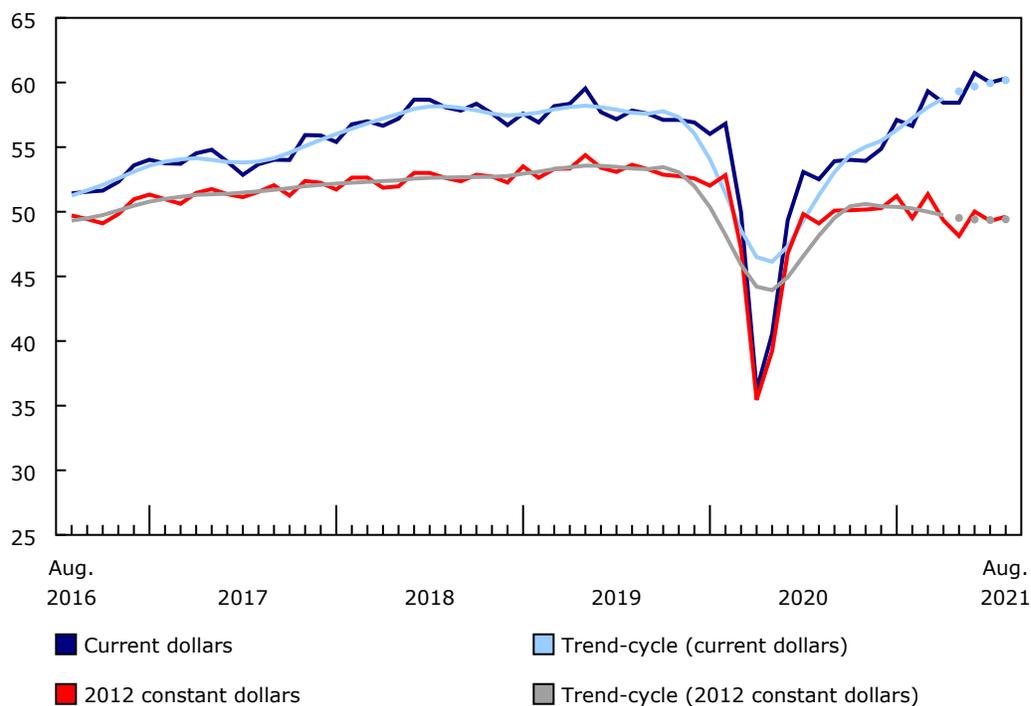
# Monthly Survey of Manufacturing, August 2021

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

Following a 1.2% decline in July, manufacturing sales increased 0.5% to \$60.3 billion in August, on higher sales of petroleum and coal (+7.3%), chemicals (+6.3) and primary metals (+3.3%). Sales of wood products (-17.1%), motor vehicles (-8.7%) and motor vehicle parts (-10.5%) declined the most. On a year-over-year basis, total sales were up 14.9% in August.

**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 increased 0.6% in August, indicating that the monthly gain resulted entirely from higher sales volume. The [Industrial Product Price Index](#) decreased 0.3% month over month, while the Raw Materials Price Index decreased 2.4%, the first decline since September 2020.

## Petroleum sales reach highest level in over two years

Petroleum product sales rose 7.3% to \$6.6 billion in August, the third consecutive increase and the highest level since May 2019. Higher prices and volumes sold contributed to the gain. Sales in constant dollars rose 4.3%. [Exports of refined petroleum energy products](#) rose 5.6% in August, partially on higher demand from the United States.



Sales of chemicals rose 6.3% to a record high of \$5.4 billion in August. Excluding basic chemical manufacturing, sales of all other chemical manufacturing were up in August, led by resin, synthetic rubber, and artificial and synthetic fibres and filaments. Sales of chemicals on a constant dollar basis were up 4.8%, while [prices for chemicals and chemical products](#) increased 1.4% from the previous month.

Sales of primary metals rose 3.3% to a record high \$5.8 billion in August. Sales in this industry have been rising since May 2020 on increased demand and higher prices, especially for iron and steel mills and ferro-alloy manufacturing which rose 7.0% in August. On a year-over-year basis, sales of primary metal products have rebounded 55.2%. Meanwhile, [exports of metal and non-mineral products](#) increased 4.0%.

Production of aerospace products (+6.3%) and sales of furniture and related product (+7.1%) and fabricated metal products (+2.0%) also rose in August.

Wood product sales fell 17.1% to \$3.3 billion in August, mainly driven by lower prices for softwood lumber. Sales in constant dollars were down 3.7%, while prices for lumber and other wood products declined 14.2%. The total value of [building permits](#) in Canada decreased 2.1% in August, while [exports of forestry products and building materials](#) fell 7.9%. Despite the decline, sales of wood products were up 6.8% year over year.

Following three consecutive gains, motor vehicle sales decreased 8.7% to \$3.0 billion in August, due to the ongoing shortage of semiconductor chips. Motor vehicle sales were down 34.1% year over year in August, while sales of motor vehicle parts fell 21.2%. Additionally, exports of motor vehicles and parts decreased 7.3%.

## **Widespread gains in Quebec**

Manufacturing sales increased in five provinces in August, led by Quebec and Ontario, while sales in British Columbia declined the most.

Sales in Quebec increased 2.6% to \$15.5 billion in August, driven by higher sales in 17 of 21 industries, led by transportation equipment (+8.3%), petroleum and coal (+6.7%) and fabricated metal products (+4.7%). The increase in transportation equipment was mostly attributable to higher production of aerospace products and parts (+12.1%).

In Ontario, sales rose 0.4% to \$26.0 billion in August, on higher sales of chemicals (+18.7%), primary metals (+6.2%) and petroleum (+9.1%). These gains were partially offset by lower sales of motor vehicles (-9.5%) and motor vehicle parts (-10.8%). On a year-over-year basis, total sales in Ontario were up 4.7%.

Sales in British Columbia decreased 4.1% to \$5.0 billion in August, the second consecutive monthly decline, mainly driven by lower sales of wood products. Wood product sales in British Columbia were down 18.1% to \$1.0 billion in August, the lowest level since December 2020. Despite the decline, sales were up 12.0% compared with August 2020. The wood product industry has been the largest manufacturing industry in British Columbia since June 2020 and accounted for over 21% of total manufacturing sales in August.

## **Sales rise at fastest pace in Montréal and Toronto**

Manufacturing sales on a seasonally adjusted basis rose in 10 of 12 census metropolitan areas covered by the survey in August, led by Montréal and Toronto. Saskatoon posted the largest decline.

Following a 5.8% decline in July, sales in Montréal rose 4.4% to \$7.0 billion in August, the second highest sales level on record. Higher production of aerospace products and parts (+12.1%) contributed the most to the increase. Year over year, total sales in Montréal were up 16.4%.

Sales in Toronto rose 2.5% to \$10.5 billion in August, the highest level since October 2020. Sales rose in 18 of 21 industries, led by higher sales of food (+2.2%), motor vehicles (+2.5%) and fabricated metal products (+3.2%). Sales of motor vehicle parts fell 2.5% month over month in August.

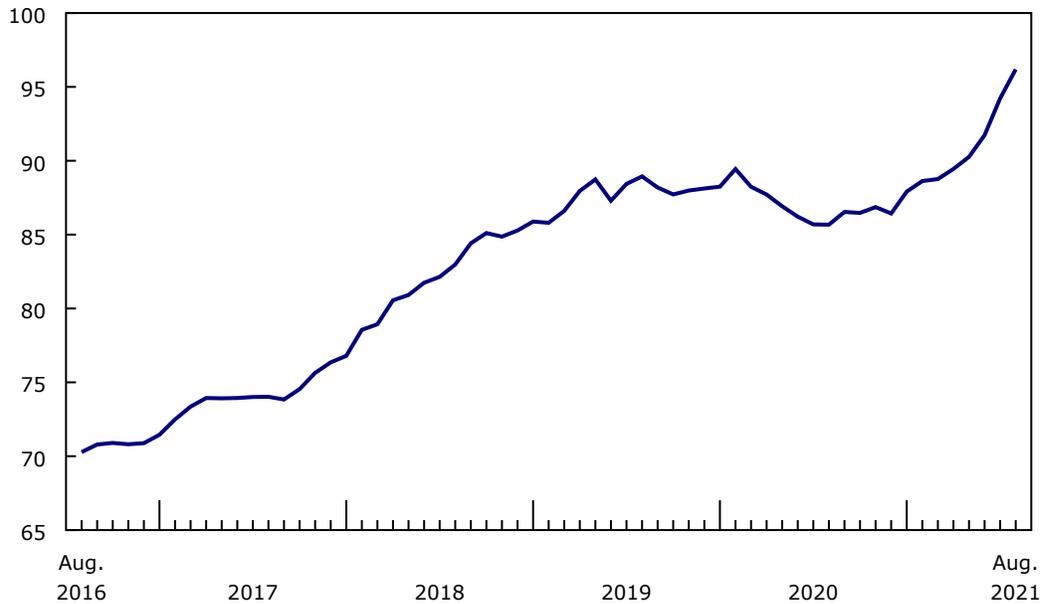
In Saskatoon, sales decreased 4.5% to \$424.2 million in August, on lower sales of food products. Nevertheless, total sales were up 25.9% compared with the same month a year earlier.

### Record high inventory levels

Total inventories increased 2.1% to a record high \$96.2 billion in August, driven by higher inventories of plastic and rubber (+14.2%), chemicals (+6.0%) and food (+2.4%). Higher prices for raw materials over the past year contributed to the gains in total inventories. Year over year, total inventories rose 12.3%. Raw materials are the largest component of manufacturing inventories, followed by finished products. Their shares in total inventories have been rising since the beginning of the COVID-19 pandemic, mainly due to higher prices.

### Chart 2 Inventory levels rise

billions of dollars



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

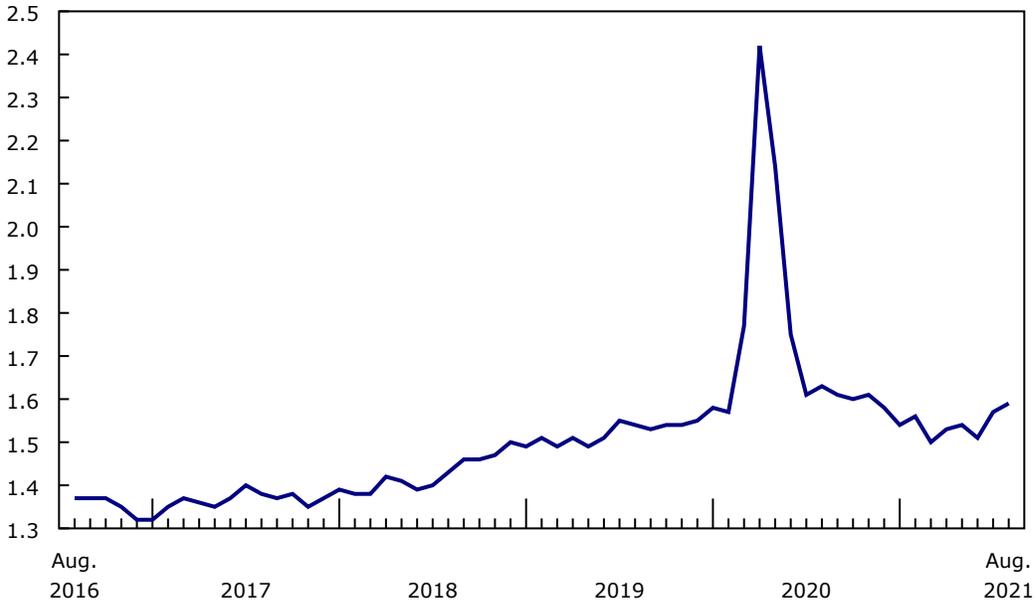
The inventory-to-sales ratio increased from 1.57 in July to 1.59 in August. The ratio measures the time, in months, that would be required to exhaust inventories if sales were to remain at their current level.

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### Chart 3 The inventory-to-sales ratio increases

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ratio



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

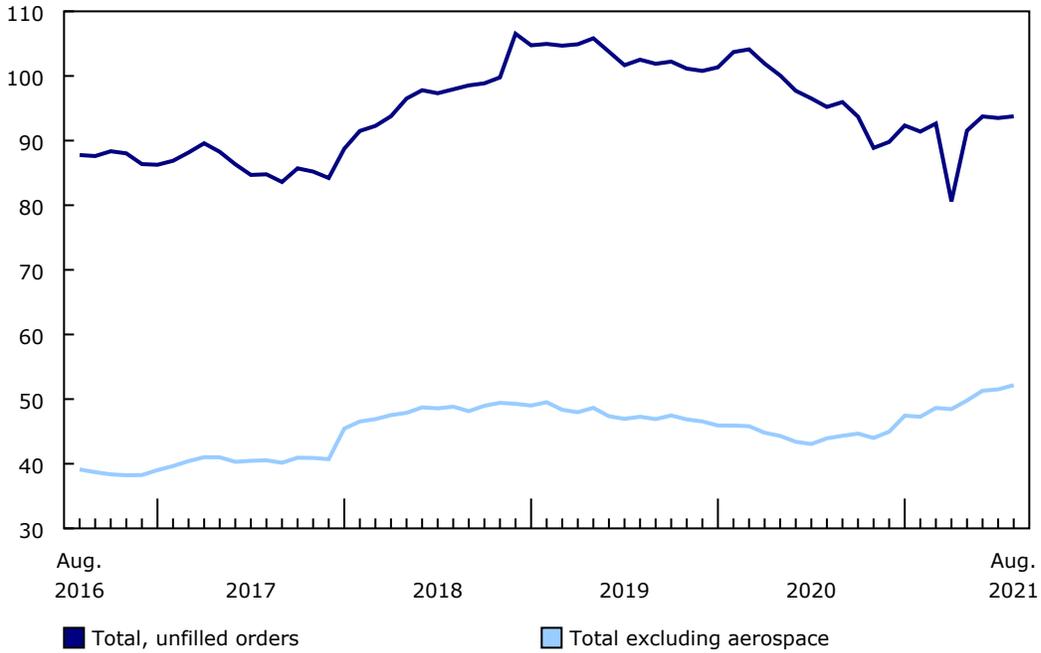
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### Unfilled orders increase

The total value of unfilled orders increased 0.3% to \$93.8 billion in August on higher unfilled orders of computer and electronic products (+5.3%), plastic and rubber (+9.1%), fabricated metal (+1.6%) and primary metal (+2.4%). Unfilled orders of aerospace products and parts (-0.9%) decreased the most.

**Chart 4**  
**Unfilled orders increase**

billions of dollars



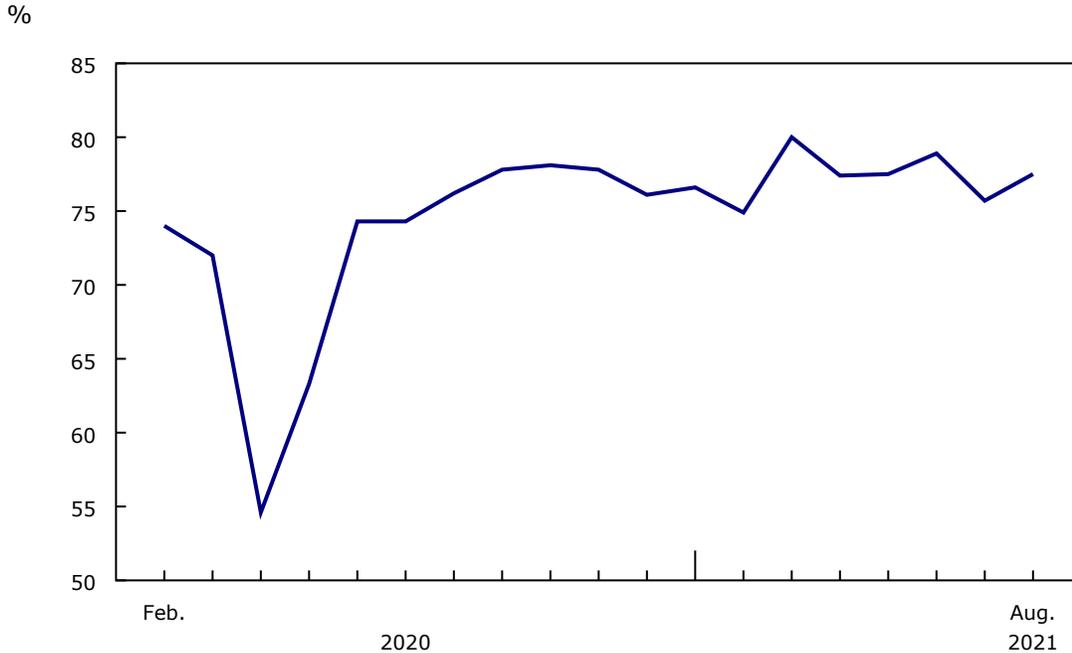
**Note(s):** Data are seasonally adjusted.  
**Source(s):** Table 16-10-0047-01.

Following two consecutive declines, the total value of new orders rose 1.4% to \$60.6 billion in August, largely attributable to the chemical (+9.1%), petroleum and coal (+7.1%) and plastic and rubber (+11.7%) product industries.

**Capacity utilization rate rises on higher production**

The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector increased from 75.7% in July to 77.5% in August on higher production.

**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 rose in 14 of 21 industries in August, led by transportation equipment (+10.7 percentage points), machinery (+5.0 percentage points) and chemical (+2.3 percentage points) manufacturing. The capacity utilization rate decreased in the petroleum and coal (-2.0 percentage points) and primary metal (-1.2 percentage points) industries.

### Annual Survey of Manufacturing advance estimate for 2020

Some 2020 advanced estimates from the Annual Survey of Manufacturing Industries are now available and indicate that activity decreased 10.0% from 2019 in the wake of the COVID-19 pandemic. Total revenue is estimated at \$675.2 billion, revenue from goods manufactured is estimated at \$630.5 billion and total expenses are estimated at \$610.5 billion.

Respondents were asked how their business changed its operating methods (including both temporary and ongoing changes) in response to the COVID-19 pandemic. Almost 86% of those who responded indicated changes to operating methods, 63% mentioned asking some or all employees to work from home and 60% mentioned retrofitting the workplace.

These advance preliminary estimates will be revised with the official release of the Annual Survey of Manufacturing Industries on December 20, 2021. For information on why the Annual Survey of Manufacturing Industries estimates may differ from the Monthly Survey of Manufacturing, please consult the webpage [Differences between the Annual Survey of Manufacturing Industries and the Monthly Survey of Manufacturing](#).

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

	August 2020	July 2021 <sup>r</sup>	August 2021 <sup>p</sup>	July to August 2021	August 2020 to August 2021
	millions of dollars			% change <sup>1</sup>	
Manufacturing sales (current dollars)	52,511	59,997	60,312	0.5	14.9
Manufacturing sales (2012 constant dollars)	49,097	49,295	49,613	0.6	1.1
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	45,256	54,336	55,186	1.6	21.9
Inventories	85,674	94,221	96,186	2.1	12.3
Unfilled orders	95,206	93,494	93,757	0.3	-1.5
New orders	51,196	59,753	60,575	1.4	18.3
Inventory-to-sales ratio <sup>2</sup>	1.63	1.57	1.59	...	...

<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**

	August 2020	July 2021 <sup>r</sup>	August 2021 <sup>p</sup>	July to August 2021	August 2020 to August 2021
	millions of dollars			% change <sup>1</sup>	
Food manufacturing	9,082	10,589	10,576	-0.1	16.4
Beverage and tobacco product	1,319	1,338	1,388	3.8	5.2
Textile mills	145	133	141	6.0	-2.8
Textile product mills	139	133	133	0.4	-3.9
Clothing manufacturing	213	208	216	4.1	1.4
Leather and allied product	21	22	22	0.5	5.4
Wood product	3,082	3,971	3,292	-17.1	6.8
Paper manufacturing	2,184	2,445	2,510	2.7	14.9
Printing and related support activities	693	673	682	1.4	-1.5
Petroleum and coal product	3,617	6,153	6,599	7.3	82.4
Chemical	4,191	5,050	5,366	6.3	28.0
Plastics and rubber products	2,635	2,940	2,991	1.7	13.5
Non-metallic mineral product	1,263	1,332	1,350	1.4	6.9
Primary metal	3,749	5,630	5,817	3.3	55.2
Fabricated metal product	3,147	3,518	3,587	2.0	14.0
Machinery	2,974	3,449	3,507	1.7	17.9
Computer and electronic product	1,168	1,224	1,262	3.1	8.1
Electrical equipment, appliance and component	894	959	945	-1.4	5.7
Transportation equipment	9,723	7,930	7,495	-5.5	-22.9
Motor vehicle	4,587	3,310	3,023	-8.7	-34.1
Motor vehicle body and trailer	294	305	311	2.1	5.7
Motor vehicle parts	2,668	2,351	2,104	-10.5	-21.2
Aerospace product and parts	1,415	1,325	1,409	6.3	-0.4
Railroad rolling stock	174	216	231	7.0	33.0
Ship and boat building	266	232	241	3.6	-9.3
Furniture and related product	999	1,081	1,158	7.1	15.9
Miscellaneous manufacturing	1,272	1,223	1,273	4.1	0.1
Non-durable goods industries	24,240	29,682	30,625	3.2	26.3
Durable goods industries	28,271	30,315	29,687	-2.1	5.0

<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**

	August 2020	July 2021 <sup>r</sup>	August 2021 <sup>p</sup>	July to August 2021	August 2020 to August 2021
	millions of dollars			% change <sup>1</sup>	
<b>Canada</b>	<b>52,511</b>	<b>59,997</b>	<b>60,312</b>	<b>0.5</b>	<b>14.9</b>
Newfoundland and Labrador	295	318	291	-8.5	-1.3
Prince Edward Island	160	222	219	-1.2	37.4
Nova Scotia	707	815	842	3.4	19.2
New Brunswick	1,173	1,698	1,756	3.4	49.6
Quebec	13,071	15,137	15,536	2.6	18.9
Ontario	24,831	25,888	26,004	0.4	4.7
Manitoba	1,548	1,756	1,788	1.9	15.5
Saskatchewan	1,181	1,798	1,740	-3.2	47.3
Alberta	5,120	7,198	7,179	-0.3	40.2
British Columbia	4,422	5,164	4,953	-4.1	12.0
Yukon	3	2	2	-9.2	-25.8
Northwest Territories and Nunavut	2	2	2	1.7	28.6

<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 – Seasonally adjusted**

	August 2020	July 2021 <sup>r</sup>	August 2021 <sup>p</sup>	July to August 2021	August 2020 to August 2021
	millions of dollars			% change <sup>1</sup>	
Halifax	207	178	219	22.6	5.6
Québec	1,219	1,572	1,635	4.0	34.2
Montréal	6,044	6,740	7,038	4.4	16.4
Ottawa–Gatineau, Ontario and Quebec	783	699	724	3.5	-7.6
Toronto	10,196	10,202	10,460	2.5	2.6
Hamilton	1,445	1,746	1,783	2.1	23.3
Winnipeg	835	902	995	10.3	19.2
Regina	461	751	734	-2.2	59.4
Saskatoon	337	444	424	-4.5	25.9
Calgary	833	933	973	4.3	16.8
Edmonton	2,181	3,071	3,231	5.2	48.1
Vancouver	2,379	2,629	2,686	2.2	12.9

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Percentage change calculated at 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**

	August 2020	July 2021 <sup>r</sup>	August 2021 <sup>p</sup>	July to August 2021	August 2020 to August 2021
	%		percentage point change		
Manufacturing	76.2	75.7	77.5	1.8	1.3
Non-durable goods industries	76.3	79.5	79.3	-0.2	3.0
Food manufacturing	77.5	79.0	78.5	-0.5	1.0
Beverage and tobacco product manufacturing	74.5	75.2	76.3	1.1	1.8
Beverage manufacturing	75.0	75.4	76.4	1.0	1.4
Tobacco manufacturing	72.0	74.3	75.3	1.0	3.3
Textile mills	74.7	77.4	77.0	-0.4	2.3
Textile product mills	69.9	73.4	77.8	4.4	7.9
Clothing manufacturing	81.1	71.3	75.0	3.7	-6.1
Leather and allied product manufacturing	72.5	71.4	81.0	9.6	8.5
Paper manufacturing	83.9	85.3	87.1	1.8	3.2
Printing and related support activities	69.7	69.7	70.6	0.9	0.9
Petroleum and coal products manufacturing	74.3	88.5	86.5	-2.0	12.2
Chemical manufacturing	72.7	75.1	77.4	2.3	4.7
Plastics and rubber products manufacturing	78.1	71.2	70.6	-0.6	-7.5
Plastic product manufacturing	78.3	71.9	70.7	-1.2	-7.6
Rubber product manufacturing	76.9	67.4	69.6	2.2	-7.3
Durable goods industries	76.1	72.0	75.6	3.6	-0.5
Wood product manufacturing	83.3	78.8	79.2	0.4	-4.1
Non-metallic mineral product manufacturing	78.5	76.1	79.5	3.4	1.0
Primary metal manufacturing	73.2	80.0	78.8	-1.2	5.6
Fabricated metal product manufacturing	67.8	70.9	71.6	0.7	3.8
Machinery manufacturing	67.5	72.1	77.1	5.0	9.6
Computer and electronic product manufacturing	73.8	76.2	74.3	-1.9	0.5
Electrical equipment, appliance and component manufacturing	73.5	78.4	77.8	-0.6	4.3
Transportation equipment manufacturing	81.3	60.4	71.1	10.7	-10.2
Furniture and related product manufacturing	75.9	76.6	82.2	5.6	6.3
Miscellaneous manufacturing	76.5	78.0	79.3	1.3	2.8

<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 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

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 working 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 October 22.

### Next release

Data from the Monthly Survey of Manufacturing for September will be released on November 15, 2021.

**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)).