Monthly Survey of Manufacturing, November 2021

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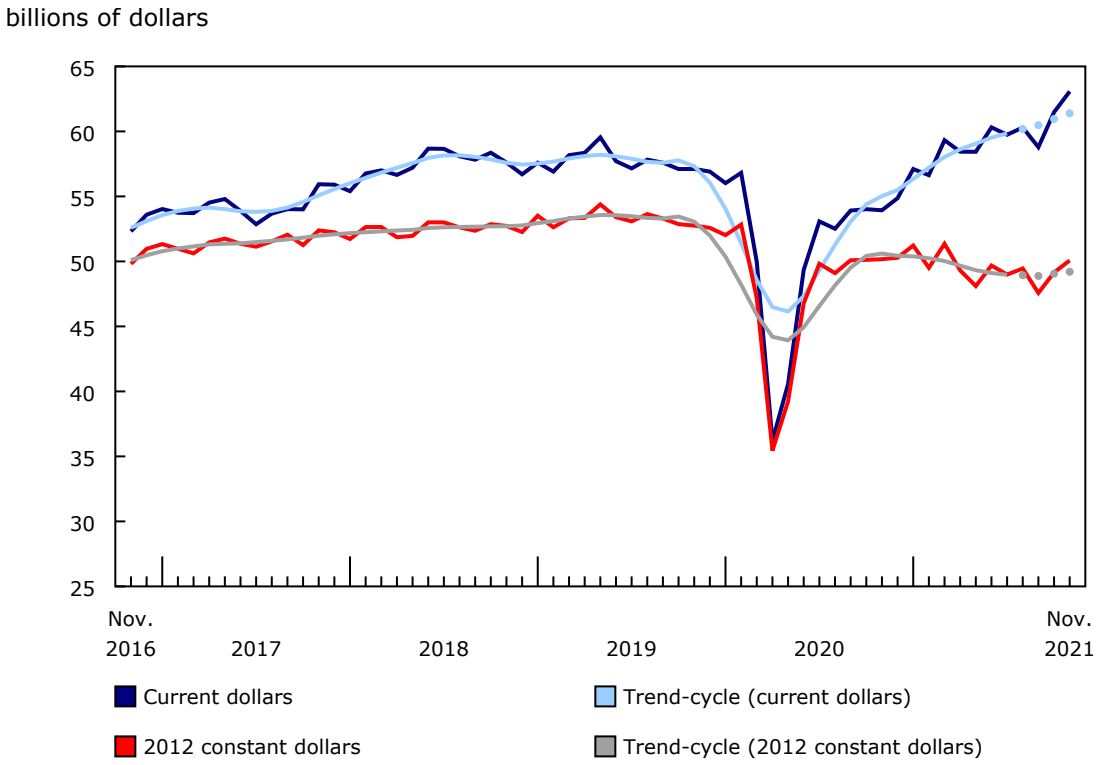
Manufacturing sales rose for a second consecutive month in November, rising 2.6% to $63.1 billion on higher sales in 18 of 21 industries, led by the primary metal, petroleum and coal product, non-metallic mineral, and food product industries.

Chart 1
Manufacturing sales



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 1.9% in November, indicating a higher volume of goods sold. The Industrial Product Price Index increased 0.8% month over month in November.

Despite the gains observed for November, supply chain issues continued to impact manufacturing production in many industries including transportation, chemical, and food. Moreover, floods in British Columbia further exacerbated the situation.

Flooding in British Columbia impacts manufacturing

Based on respondent feedback, the flooding in British Columbia disrupted supply chains across Western Canada and had moderate impacts on manufacturing activities. At the national level, the floods impacted 28.1% of manufacturing plants in November, mainly through disruptions in transportation (21.5%) and shortages of raw

materials (13.7%). Delays in shipments of products or raw materials, increased logistics costs, and limited access to sites were frequently mentioned by respondents. The lost sales due to the floods were estimated at $372.1 million in November, while the largest impacts were in the wood (-$90.7 million) and paper (-$60.0 million) product industries.

Primary metals continue to show widespread strength

Sales of primary metal products rose 5.8% to a record $5.8 billion in November, primarily driven by higher sales of non-ferrous metals and iron and steel mills and ferro-alloy products. Resumption of production in a major non-ferrous plant following a maintenance shutdown in October, along with higher demand and prices for non-ferrous metals, contributed to the gains. The price of aluminum and aluminum alloys fell 8.5% from October to November, resulting in sales of the alumina and aluminum production and processing industry cooling after reaching their highest level on record in October. On a year-over-year basis, sales in the primary metal industry rose 47.7% in November, while primary metal volume sales increased 7.6% since October.

Sales in the petroleum and coal industry rose 3.7% to a record $7.2 billion in November, the sixth consecutive monthly gain. Sales in volume terms were up 2.3%, indicating that both prices and volumes contributed to the increase. Excluding May 2021, sales in this industry have been rising since May 2020 on growing demand for petroleum products due to easing of pandemic related restrictions. On a year-over-year basis, sales in the petroleum and coal industry rose 73.3% in November. Exports of refined petroleum energy products increased 61.2% in November.

Sales of the non-metallic mineral products industry rose 10.4% to $1.5 billion in November, the second consecutive monthly increase. Sales in constant dollars increased 10.4%, indicating the gain was entirely due to an increase of sales in the other non-metallic products, glass and glass product, and concrete product industries. Total sales of non-metallic mineral products in current dollars increased 15.0% year over year in November.

Motor vehicle production ramped up in November, despite the ongoing global semiconductor supply disruption. Sales of motor vehicles increased 2.6% to $3.2 billion, while motor vehicle part sales rose 5.1% to $2.4 billion. Indications suggest semiconductors chips are expected to be in short supply for the foreseeable future, as concerns regarding the Omicron variant may further impact semiconductor manufacturing in Asia.

Sales also increased in the food (+1.3%) and chemical (+2.5%) product industries in November.

Sales of beverages and tobacco decreased 4.4% to $1.4 billion in November, following four consecutive monthly gains. Despite the decline, sales were up 5.1% year over year, while sales in constant dollar terms fell 5.2% in November, following four consecutive monthly gains.

Primary metals lead robust sales in Quebec

Manufacturing sales increased in seven provinces in November, led by Quebec, Alberta, and Ontario. Meanwhile, Saskatchewan posted the largest decline.

In Quebec, sales increased 6.7% to $16.5 billion in November, on widespread gains across 17 of 21 industries, led by the primary metal and chemical industries. Sales in the primary metals industry rose 14.7% in November, to the highest level on record, on higher prices and volumes. Except for alumina and aluminum products, sales of all other primary metals increased in November. Sales of chemical products increased 22.9% to $1.0 billion in November on higher sales in all chemical subindustries. Higher demand for petrochemicals resulted from the reopening of domestic and global economies, while recent supply chain disruptions led to higher prices of many petrochemical products. On a year-over-year basis, total sales in Quebec rose 22.4%.

Sales in Alberta increased 4.2% to $7.6 billion in November, on higher sales of petroleum and coal products (+10.4%) and food (+2.9%). The gain in the petroleum and coal industry was partially attributed to the resumption of production in a major refinery in November following maintenance stoppages that occurred in October. Sales of machinery posted the largest decrease, down 6.6% to $447.1 million in November. On a year-over-year basis, total sales in Alberta rose 35.9%.

Sales in Ontario increased 0.9% to $27.5 billion in November, on higher sales of motor vehicle parts (+5.3%), food (+2.0%) and non-metallic minerals (+12.9%). The gains were partially offset by a 5.8% decline in sales of machinery.

Sales in Saskatchewan decreased 3.8% to $1.7 billion in November on lower sales of machinery (-15.7%) and food (-4.4%). Declines in the total harvest of canola seeds in 2021 due to the severe and widespread drought conditions during the growing season impacted oil seed manufacturing in Saskatchewan and resulted in a surge in prices of canola oil products. Despite the decline in November, total sales in Saskatchewan were 45.6% higher compared with the same month a year earlier.

Sales in Montréal increase the most

Manufacturing sales increased in 8 of the 12 census metropolitan areas in November, led by Montréal and Edmonton, while sales in Winnipeg declined the most.

Following a 0.9% decline in October, sales in Montréal increased 5.0% to $7.3 billion in November, mostly on higher sales of transportation equipment (+9.2%), petroleum and coal products (+11.8%) and primary metals (+7.6%).

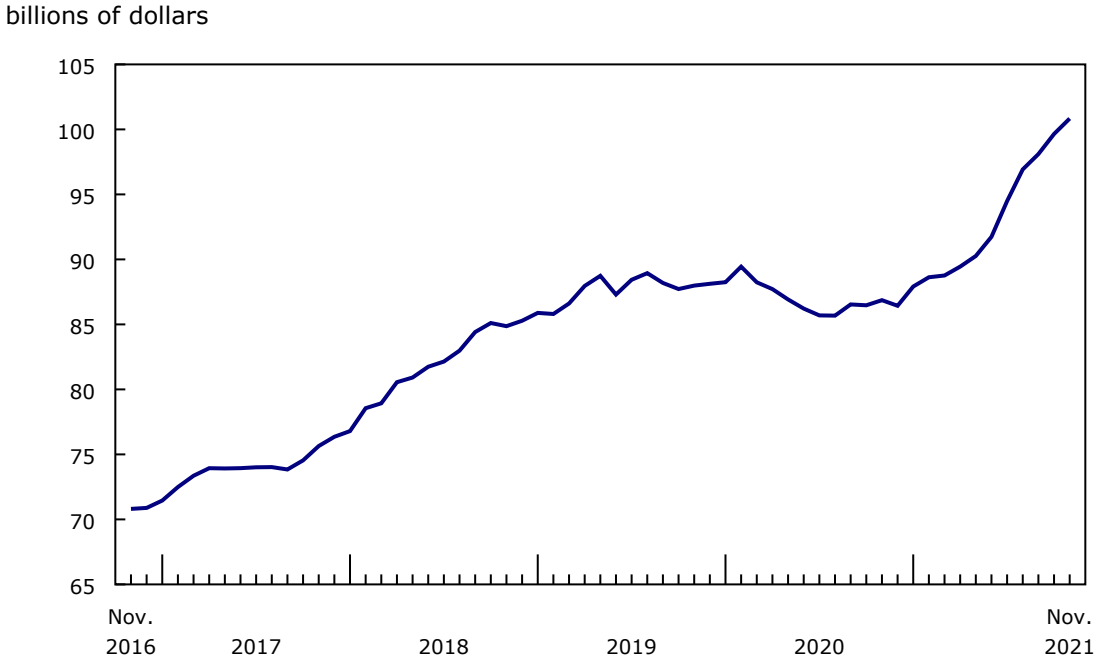
In Edmonton, sales rose 7.4% to $3.3 billion in November, driven by higher sales of petroleum (+11.4%). This brought year-over-year sales in Edmonton up 39.9% in November.

Meanwhile, sales in Winnipeg fell 2.9% to $830.6 million in November, the third consecutive monthly decline, mainly attributable to lower sales of machinery (-31.0%).

Record high inventory levels continue

Total inventories increased 1.2% to a record high $100.8 billion in November, on higher inventories of petroleum and coal (+6.9%) and chemicals (+4.3%). Higher prices of raw materials, in addition to manufacturers stocking up on raw material inventories to mitigate supply chain disruptions, were responsible for the recent gains in inventory levels. Year over year, total inventories rose 16.1%.

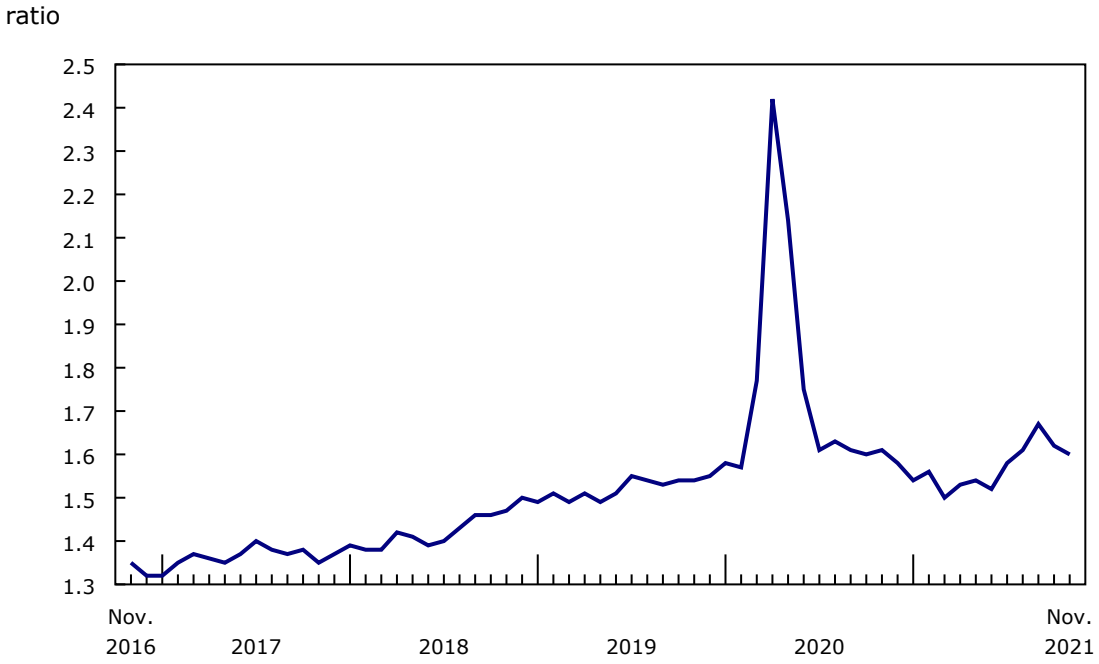
Chart 2
Inventory levels rise



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

The inventory-to-sales ratio decreased from 1.62 in October to 1.60 in November. 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 decreases

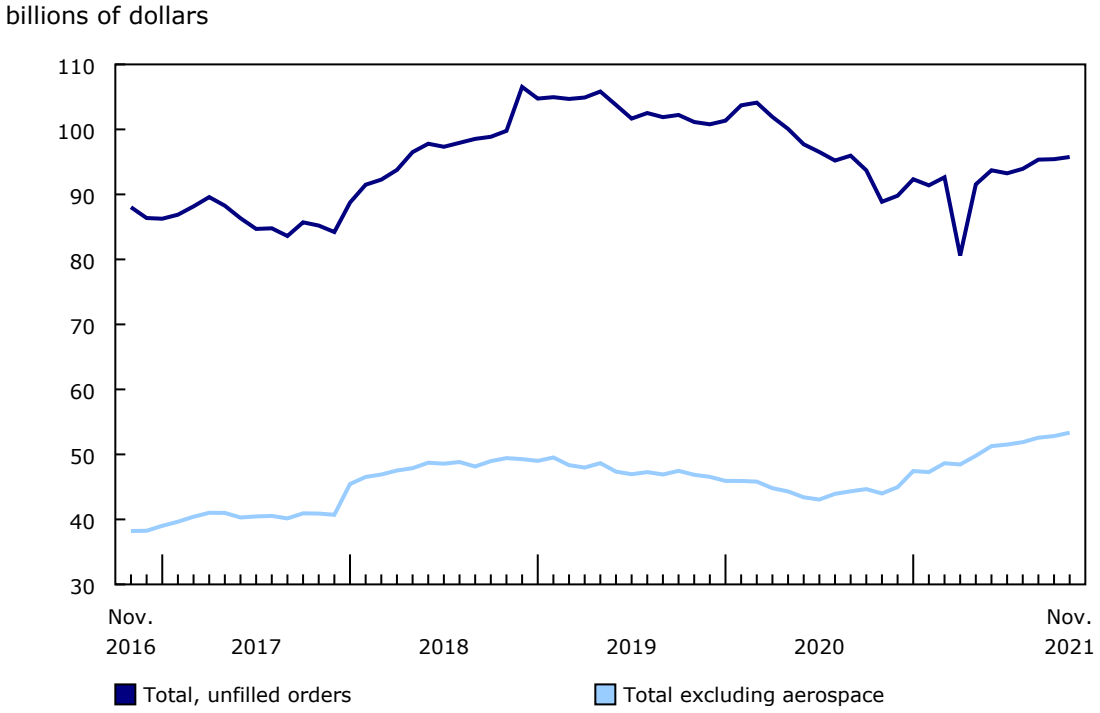


Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

Unfilled orders rise

Total value of unfilled orders rose 0.4% to $95.8 billion in November, mostly due to higher unfilled orders of machinery (+2.7%) and computers and electronics (+3.2%). The gains were partially offset by lower unfulfilled orders of ship and boat building. Year over year, unfilled orders were up 7.7%.

Chart 4
Unfilled orders rise



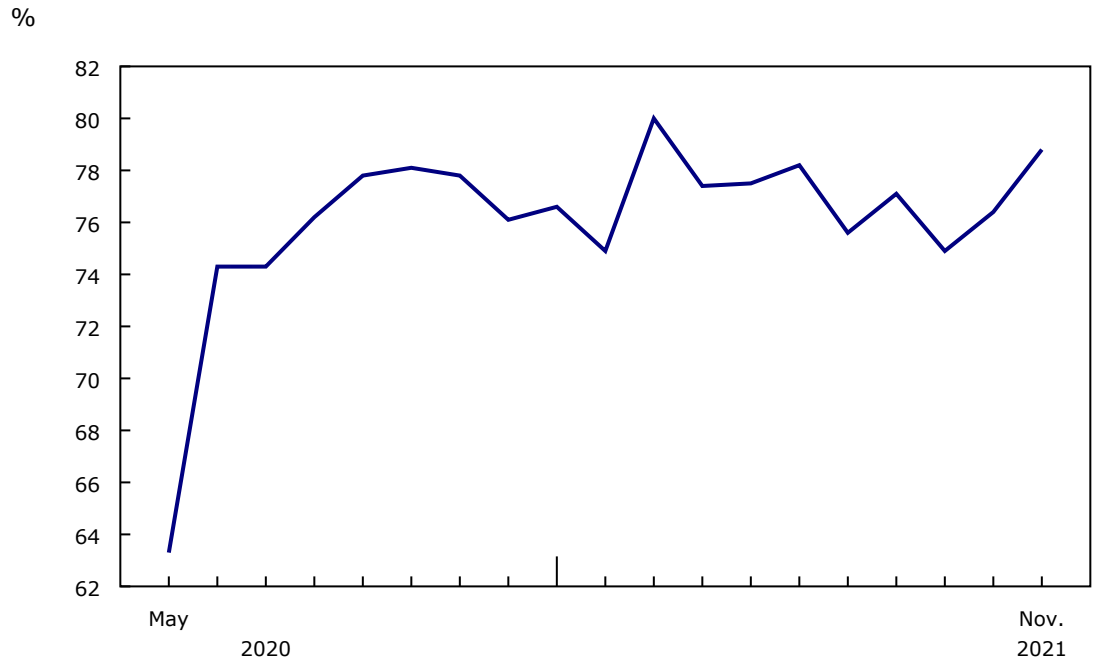
Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

The total value of new orders increased 3.0% to $63.4 billion in November, mainly attributable to higher new orders of transportation equipment (+4.7%) and primary metals (+5.9%).

Capacity utilization rate increases on higher production

The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector increased from 76.4% in October to 78.8% in November 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 13 of 21 industries in November, but the gains were more noticeable in the petroleum and coal (+11.2 percentage points), transportation equipment (+7.0 percentage points), and computer and electronic (+3.5 percentage points) product industries. The capacity utilization rate for chemical manufacturing fell 2.3 percentage points.

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	November 2020	October 2021[r]	November 2021[p]	October to November 2021	November 2020 to November 2021
	millions of dollars			% change[1]	
Manufacturing sales (current dollars)	53,934	61,474	63,073	2.6	16.9
Manufacturing sales (2012 constant dollars)	50,171	49,143	50,073	1.9	-0.2
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	47,261	56,095	57,501	2.5	21.7
Inventories	86,864	99,646	100,834	1.2	16.1
Unfilled orders	88,868	95,419	95,754	0.4	7.7
New orders	49,102	61,543[E]	63,408[E]	3.0	29.1
Inventory-to-sales ratio[2]	1.61	1.62	1.60	...	...

r revised
p preliminary
... not applicable
E use with caution
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

	November 2020	October 2021[r]	November 2021[p]	October to November 2021	November 2020 to November 2021
	millions of dollars			% change[1]	
Food manufacturing	9,349	10,781	10,921	1.3	16.8
Beverage and tobacco product	1,369	1,504	1,438	-4.4	5.1
Textile mills	153	146	151	3.4	-1.5
Textile product mills	134	133	139	4.9	4.1
Clothing manufacturing	236	227	236	3.8	0.0
Leather and allied product	20	25	27	7.6	30.8
Wood product	3,466	3,538	3,650	3.2	5.3
Paper manufacturing	2,267	2,402	2,438	1.5	7.5
Printing and related support activities	649	703	698	-0.7	7.6
Petroleum and coal product	4,158	6,951	7,206	3.7	73.3
Chemical	4,522	5,411	5,545	2.5	22.6
Plastics and rubber products	2,760	3,079	3,119	1.3	13.0
Non-metallic mineral product	1,304	1,357	1,499	10.4	15.0
Primary metal	3,931	5,491	5,808	5.8	47.7
Fabricated metal product	3,288	3,832	3,849	0.4	17.1
Machinery	3,141	3,482	3,420	-1.8	8.9
Computer and electronic product	1,172	1,273	1,308	2.7	11.6
Electrical equipment, appliance and component	884	976	997	2.1	12.8
Transportation equipment	8,863	7,729	8,109	4.9	-8.5
Motor vehicle	4,182	3,140	3,222	2.6	-23.0
Motor vehicle body and trailer	312	305	349	14.6	11.8
Motor vehicle parts	2,491	2,238	2,351	5.1	-5.6
Aerospace product and parts	1,257	1,379	1,473	6.8	17.2
Railroad rolling stock	162	181	183	0.9	12.9
Ship and boat building	222	244	275	12.6	23.8
Furniture and related product	1,023	1,158	1,182	2.0	15.6
Miscellaneous manufacturing	1,245	1,274	1,334	4.7	7.2
Non-durable goods industries	25,617	31,362	31,917	1.8	24.6
Durable goods industries	28,317	30,112	31,156	3.5	10.0

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

	November 2020	October 2021[r]	November 2021[p]	October to November 2021	November 2020 to November 2021
	millions of dollars			% change[1]	
Canada	**53,934**	**61,474**	**63,073**	**2.6**	**16.9**
Newfoundland and Labrador	287	268	283	5.6	-1.4
Prince Edward Island	192	219	221	1.2	15.3
Nova Scotia	739	800	838	4.7	13.5
New Brunswick	1,453	1,538	1,618	5.2	11.4
Quebec	13,479	15,459	16,497	6.7	22.4
Ontario	24,846	27,251	27,499	0.9	10.7
Manitoba	1,625	1,714	1,652	-3.6	1.7
Saskatchewan	1,198	1,814	1,745	-3.8	45.6
Alberta	5,602	7,306	7,614	4.2	35.9
British Columbia	4,508	5,098	5,096	-0.0	13.0
Yukon	4	2	2	-10.1	-42.7
Northwest Territories and Nunavut	2	3[E]	8[E]	164.6	264.7

r revised
p preliminary
E use with caution
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

	November 2020	October 2021[r]	November 2021[p]	October to November 2021	November 2020 to November 2021
	millions of dollars			% change[1]	
Halifax	187	245	253	3.6	35.4
Québec	1,248	1,722	1,782	3.5	42.8
Montréal	5,996	6,941	7,289	5.0	21.6
Ottawa–Gatineau, Ontario and Quebec	679	750	747	-0.4	10.0
Toronto	10,176	10,183	10,233	0.5	0.6
Hamilton	1,439	1,828	1,960	7.2	36.2
Winnipeg	834	856	831	-2.9	-0.4
Regina	440	844	836	-0.9	90.1
Saskatoon	346	401	434	8.4	25.7
Calgary	886	1,053	1,095	4.0	23.6
Edmonton	2,362	3,076	3,304	7.4	39.9
Vancouver	2,397	2,648	2,642	-0.2	10.2

r revised
p 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

	November 2020	October 2021[r]	November 2021[p]	October to November 2021	November 2020 to November 2021
	%			percentage point change	
Manufacturing	77.8	76.4	78.8	2.4	1.0
Non-durable goods industries	77.6	78.8	80.5[E]	1.7	2.9
Food manufacturing	77.9	80.3[E]	79.4[E]	-0.9	1.5
Beverage and tobacco product manufacturing	71.9	71.0	72.2	1.2	0.3
Beverage manufacturing	71.7	69.5	70.8	1.3	-0.9
Tobacco manufacturing	72.6	80.6	82.2	1.6	9.6
Textile mills	75.0	78.7[E]	79.4[E]	0.7	4.4
Textile product mills	71.3	73.0[E]	74.6[E]	1.6	3.3
Clothing manufacturing	88.2	74.3	76.1[E]	1.8	-12.1
Leather and allied product manufacturing	75.4	85.0[E]	79.5[E]	-5.5	4.1
Paper manufacturing	86.3	85.1	83.2	-1.9	-3.1
Printing and related support activities	75.0	77.6[E]	77.4[E]	-0.2	2.4
Petroleum and coal products manufacturing	77.3	80.0	91.2	11.2	13.9
Chemical manufacturing	77.1	78.3	76.0[E]	-2.3	-1.1
Plastics and rubber products manufacturing	74.7	73.2	76.1[E]	2.9	1.4
Plastic product manufacturing	75.5	73.1[E]	76.7[E]	3.6	1.2
Rubber product manufacturing	70.3	73.8	72.6	-1.2	2.3
Durable goods industries	78.0	74.1	77.3	3.2	-0.7
Wood product manufacturing	84.8	83.5	82.5[E]	-1.0	-2.3
Non-metallic mineral product manufacturing	79.1	77.4[E]	78.7[E]	1.3	-0.4
Primary metal manufacturing	75.4	76.7	76.3	-0.4	0.9
Fabricated metal product manufacturing	69.3	72.7[E]	76.8[E]	4.1	7.5
Machinery manufacturing	74.1	77.8[E]	79.4[E]	1.6	5.3
Computer and electronic product manufacturing	78.0	77.5	81.0	3.5	3.0
Electrical equipment, appliance and component manufacturing	77.9	81.8	81.3[E]	-0.5	3.4
Transportation equipment manufacturing	82.3	65.6	72.6	7.0	-9.7
Furniture and related product manufacturing	76.0	80.3[E]	83.0[E]	2.7	7.0
Miscellaneous manufacturing	76.7	73.8	83.6	9.8	6.9

r revised
p preliminary
E use with caution
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 January 25.

Next release

Data from the Monthly Survey of Manufacturing for December 2021 will be released on February 16, 2022.

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; **infostats@statcan.gc.ca**) or Media Relations (**statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca**).