

Monthly Survey of Manufacturing, June 2023

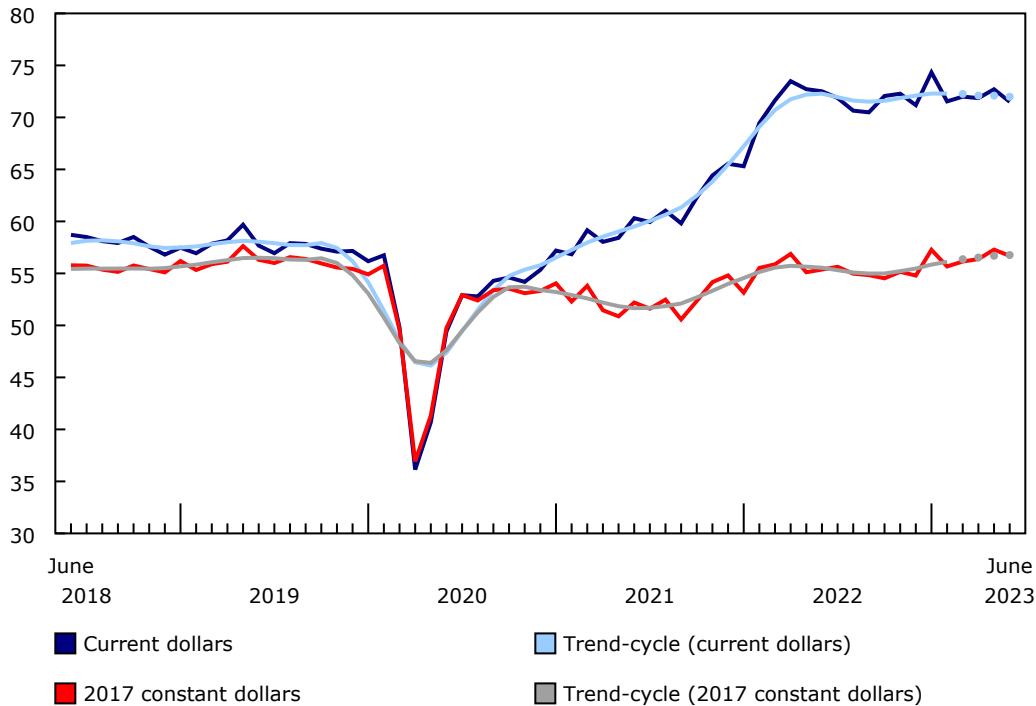
Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, August 15, 2023

Manufacturing sales decreased 1.7% to \$71.5 billion in June, on widespread declines over 14 of 21 subsectors, led by the petroleum and coal product (-8.3%), chemical (-6.5%), and machinery (-5.5%) subsectors. Sales of motor vehicles increased the most, rising 11.4% to \$5.6 billion in June. On a quarterly basis, total sales fell 0.8% in the second quarter of 2023, mainly on lower sales in the petroleum and coal product (-8.1%) and primary metal (-8.9%) subsectors. Year over year, total sales decreased 1.4% in June.

Total sales in constant dollars declined 1.0% in June, indicating a lower volume of goods sold. The [Industrial Product Price Index](#) fell 0.6% in June.

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 decrease in the petroleum and coal product subsector

Sales of petroleum and coal products declined 8.3% to \$7.9 billion in June, the second consecutive monthly decline and the lowest level since December 2021. On a quarterly basis, petroleum product sales were down 8.1% in the second quarter of 2023. The month-over-month decline in June was attributable to lower volumes (-10.8%), as prices of refined petroleum energy products (including liquid biofuels) rose 2.5% in June. Widespread slowdowns in economic activities as well as lower international trade weighed down industrial energy consumption and contributed to the decline in real sales of petroleum in June. [Exports of refined petroleum energy products \(including liquid biofuels\)](#) decreased 9.1% in June.



Following two consecutive monthly gains, sales of chemicals fell 6.5% to \$5.8 billion in June, mainly driven by a 62.8% decline in sales of pesticide, fertilizer, and other agricultural chemicals. Sales of fertilizers declined in June, following the spring planting season in May where sales reached their highest level on record. Sales were higher in the first half of 2023 compared with the first half of 2022. Prices of fertilizers, pesticides and other chemical products decreased 0.9% in June. The sanctions imposed on Russia and Belarus since Russia invaded Ukraine in February 2022 have disrupted the global supply of fertilizers. Some large fertilizer importers such as Brazil, which are facing the supply shortage, began to import fertilizers from alternative sources including Canada, resulting in higher sales of fertilizer products in Canada in the first half of 2023 compared with the same period a year earlier. On a yearly basis, total sales of chemical products posted a 6.2% decrease in June, while they were up 5.0% in the second quarter of 2023.

Sales of motor vehicles increase the most

Many auto manufacturing plants increased their production in June and operated at a higher production capacity, leading to an 11.4% increase in sales of motor vehicles to \$5.6 billion, the highest level since June 2019. On a quarterly basis, motor vehicle sales were up 8.1% in the second quarter of 2023, the third consecutive quarterly gain. Sales of motor vehicle parts, however, declined 6.8% in June following a significant increase in May. The exports of motor vehicles and parts increased 4.7% in June.

Sales decline in five provinces, led by Alberta and Ontario

Manufacturing sales fell in five provinces in June, led by Alberta and Ontario. Sales in Quebec increased the most.

In Alberta, sales decreased 8.0% to \$8.5 billion in June, the lowest level since January 2022, largely on lower sales of petroleum and coal products (-12.8%) and chemicals (-17.6%). The decline in the petroleum and coal product subsector was the main contributor to a 9.6% decrease in total sales in Edmonton. With the decline in June 2023, total sales in Alberta were 8.4% lower compared with June 2022 and decreased 2.8% in the second quarter of 2023 compared with the first quarter.

Sales in Ontario fell 1.1% to \$32.6 billion in June, mainly driven by the motor vehicle parts industry group (-7.1%), as well as the petroleum and coal product (-10.0%) and machinery (-7.2%) subsectors. The declines were partially offset by a 10.9% increase in sales of motor vehicles. Sales in Toronto declined 3.5% to \$13.2 billion in June, largely on lower sales in the transportation equipment subsector (-4.2%). Sales of transportation equipment in Toronto were at their highest level on record in May.

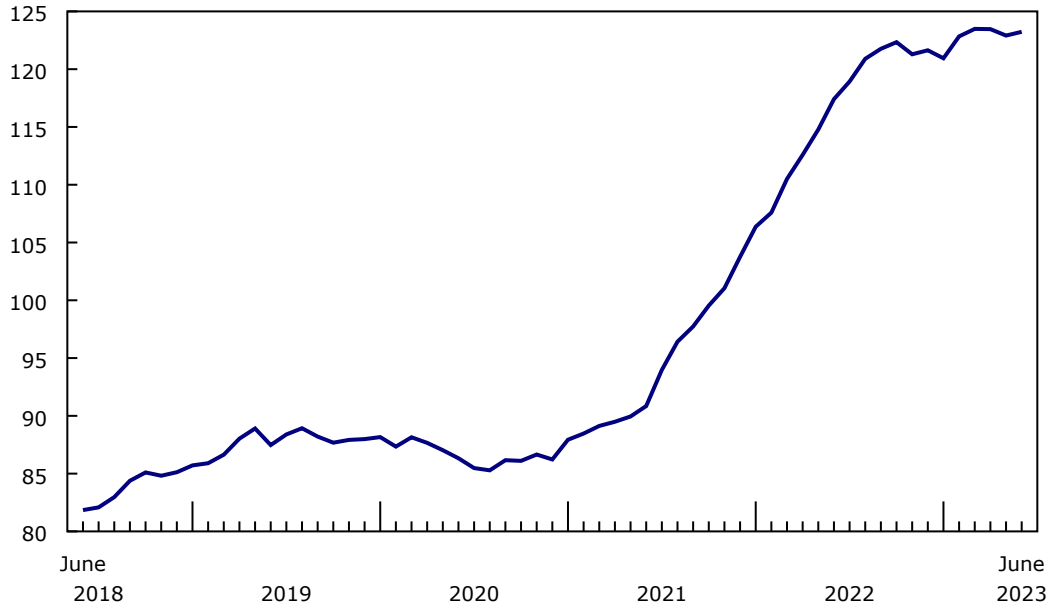
In Quebec, sales rose 1.0% to \$17.7 billion in June, on higher sales of primary metals as well as chemical products. Despite lower prices for primary non-ferrous metal products in June (-3.7%), their sales were up, mostly due to the end of an unplanned shutdown in a non-ferrous plant in Quebec. Despite the gain in total manufacturing sales in Quebec in June, sales in Montréal fell 2.1% on lower production of aerospace products and parts (-6.6%), while Québec posted an 8.1% decline due to lower sales of petroleum and coal products. On a year-over-year basis, total sales in the province were down 3.5% in June.

Total inventories increase

Total inventory levels edged up 0.3% to \$123.2 billion in June, on higher inventories in 9 of 21 subsectors, driven by higher inventories of aerospace product and parts (+3.3%) and chemicals (+2.5%). The gains were partially offset by lower inventories of primary metals (-1.9%) and machinery (-1.9%). On a year-over-year basis, total inventories rose 5.0% in June.

Chart 2
Inventory levels increase

billions of dollars

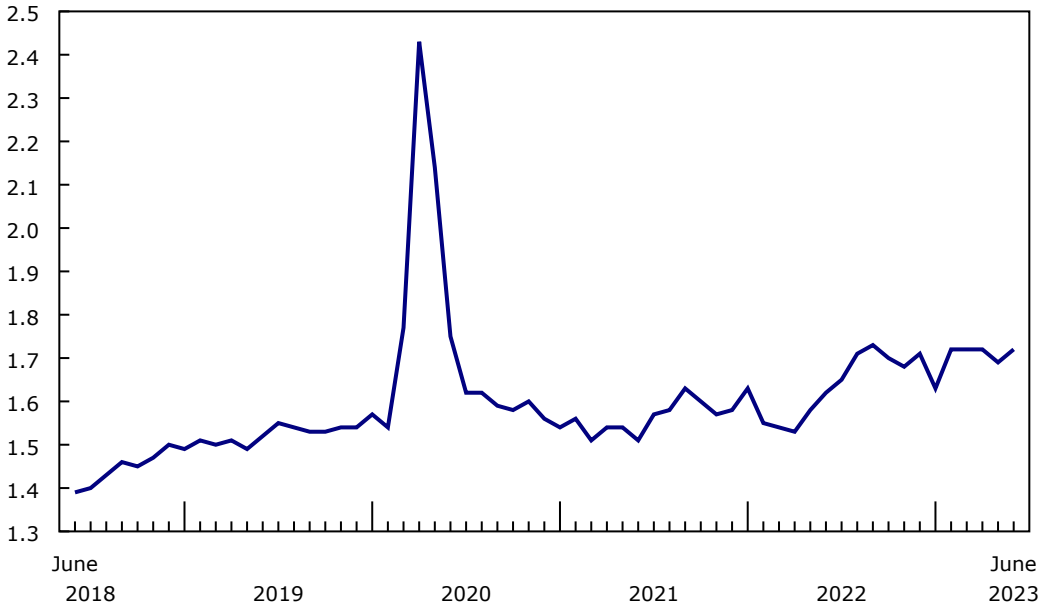


Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

The inventory-to-sales ratio increased from 1.69 in May to 1.72 in June. 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 increases

ratio



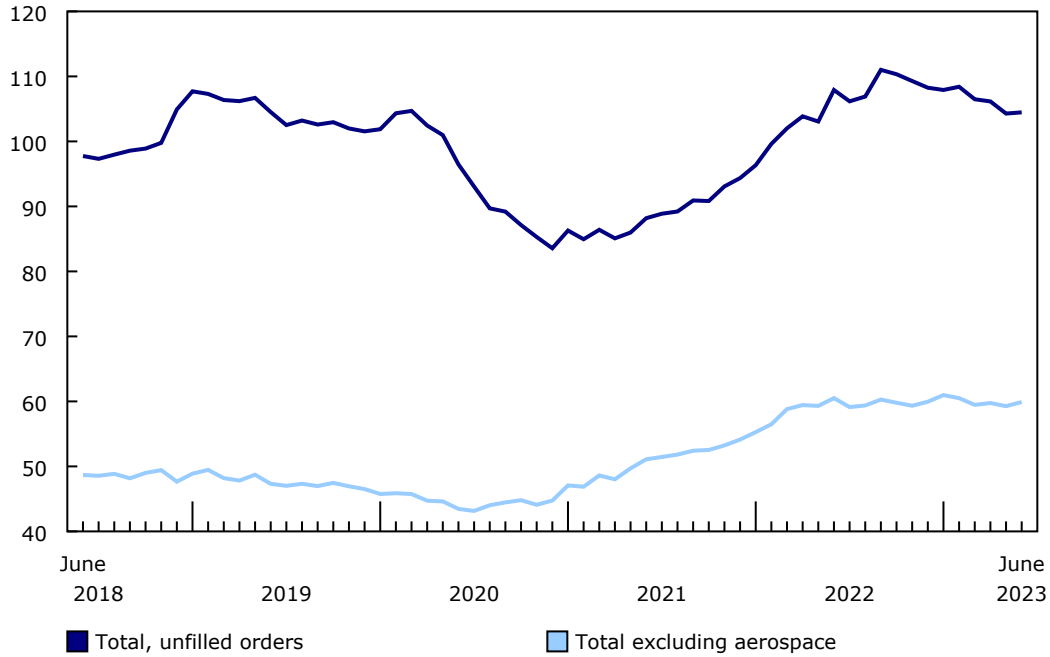
Note(s): Data are seasonally adjusted.
Source(s): Table [16-10-0047-01](#).

Unfilled orders edge up

The total value of unfilled orders edged up 0.2% to \$104.5 billion in June, primarily on higher unfilled orders of motor vehicles as well as electrical equipment, appliances, and components.

Chart 4
Unfilled orders edge up

billions of dollars

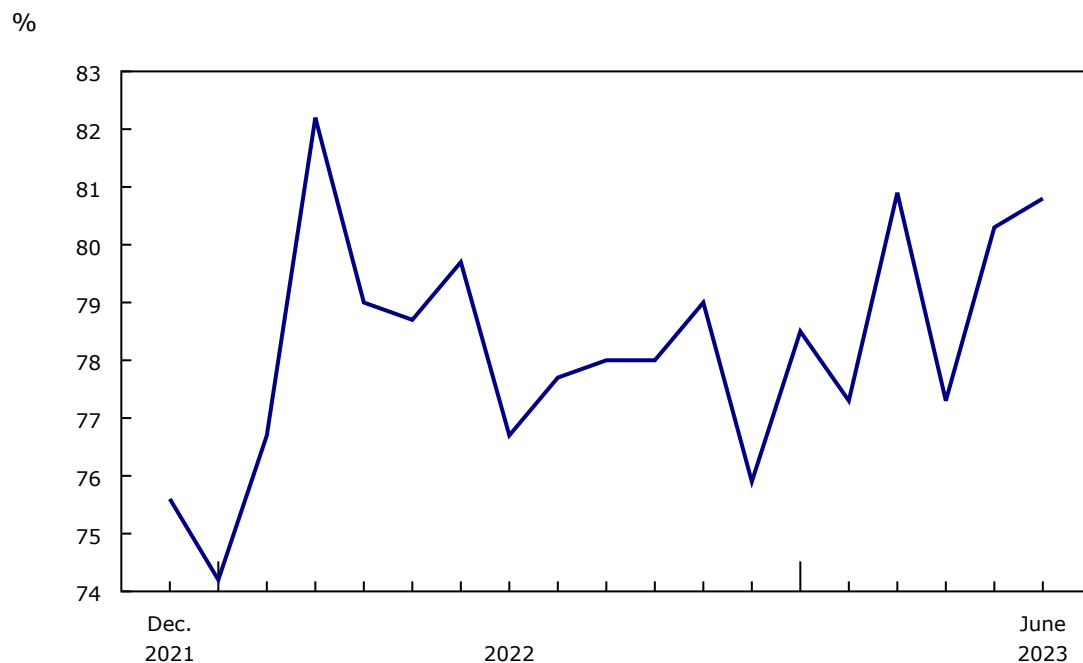


Note(s): Data are seasonally adjusted.
Source(s): Table 16-10-0047-01.

Capacity utilization rate increases

The capacity utilization rate (not seasonally adjusted) for the total manufacturing sector rose from 80.3% in May to 80.8% in June, mainly on a higher capacity utilization rate in the transportation equipment (+2.9 percentage points), non-metallic mineral product (+4.3 percentage points) and petroleum and coal product (+2.6 percentage points) subsectors.

Chart 5
The capacity utilization rate increases



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

Table 1
Manufacturing: Principal statistics – Seasonally adjusted

	June 2022	May 2023 ^r	June 2023 ^p	May to June 2023	June 2022 to June 2023
	millions of dollars			% change ¹	
Manufacturing sales (current dollars)	72,508	72,703	71,498	-1.7	-1.4
Manufacturing sales (2017 constant dollars)	55,369	57,285	56,684	-1.0	2.4
Manufacturing sales (current dollars) excluding motor vehicles, parts and accessories	66,293	64,242	62,702	-2.4	-5.4
Inventories	117,407	122,909	123,232	0.3	5.0
Unfilled orders	107,908	104,283	104,468	0.2	-3.2
New orders	77,358 ^E	70,836 ^E	71,683 ^E	1.2	-7.3
Inventory-to-sales ratio ²	1.62	1.69	1.72

^r revised

^p preliminary

... not applicable

^E use with caution

1. Percentage 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

	June 2022	May 2023 ^r	June 2023 ^p	May to June 2023	June 2022 to June 2023
	millions of dollars			% change ¹	
Food manufacturing	11,441	12,283	12,056	-1.9	5.4
Beverage and tobacco product	1,460	1,521	1,520	-0.0	4.1
Textile mills	169	164	165	0.9	-2.2
Textile product mills	147	167	153	-8.7	3.5
Apparel manufacturing	253	252	235	-6.9	-7.0
Leather and allied product	31	31	30	-5.3	-6.1
Wood product	3,981	2,822	2,908	3.1	-27.0
Paper manufacturing	2,843	2,686	2,717	1.2	-4.4
Printing and related support activities	749	815	784	-3.8	4.7
Petroleum and coal product	10,808	8,661	7,946	-8.3	-26.5
Chemical	6,159	6,178	5,774	-6.5	-6.2
Plastics and rubber products	3,551	3,510	3,427	-2.4	-3.5
Non-metallic mineral product	1,582	1,788	1,784	-0.2	12.8
Primary metal	6,312	5,139	5,429	5.7	-14.0
Fabricated metal product	4,453	4,604	4,506	-2.1	1.2
Machinery	4,126	4,707	4,450	-5.5	7.8
Computer and electronic product	1,602	1,549	1,549	0.0	-3.3
Electrical equipment, appliance and component	1,117	1,294	1,251	-3.3	12.0
Transportation equipment	8,837	11,790	12,039	2.1	36.2
Motor vehicle	3,748	5,016	5,586	11.4	49.1
Motor vehicle body and trailer	406	488	489	0.0	20.4
Motor vehicle parts	2,467	3,445	3,210	-6.8	30.1
Aerospace product and parts	1,458	2,024	2,028	0.2	39.1
Railroad rolling stock	178	172	121	-29.8	-32.1
Ship and boat building	267	244	260	6.6	-2.6
Furniture and related product	1,465	1,347	1,419	5.4	-3.1
Miscellaneous manufacturing	1,421	1,394	1,354	-2.8	-4.7
Non-durable goods industries	37,610	36,269	34,807	-4.0	-7.5
Durable goods industries	34,898	36,434	36,691	0.7	5.1

^r revised

^p preliminary

1. Percentage change calculated at thousands of dollars.

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

Table 3
Manufacturing sales: Provinces and territories – Seasonally adjusted

	June 2022	May 2023 ^r	June 2023 ^p	May to June 2023	June 2022 to June 2023
	millions of dollars			% change ¹	
Canada	72,508	72,703	71,498	-1.7	-1.4
Newfoundland and Labrador	336	239	269 ^E	13.0	-19.7
Prince Edward Island	242	269	239	-11.3	-1.6
Nova Scotia	919	912	927	1.6	0.9
New Brunswick	2,291	1,894	1,908	0.7	-16.7
Quebec	18,310	17,484	17,666	1.0	-3.5
Ontario	30,942	32,953	32,606	-1.1	5.4
Manitoba	2,285	2,272	2,243	-1.3	-1.9
Saskatchewan	2,084	2,056	1,757	-14.5	-15.7
Alberta	9,319	9,274	8,532	-8.0	-8.4
British Columbia	5,772	5,343	5,344	0.0	-7.4
Yukon	3	4	4 ^E	-4.7	24.9
Northwest Territories and Nunavut	6	2	2	38.7	-59.5

^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

	June 2022	May 2023 ^r	June 2023 ^p	May to June 2023	June 2022 to June 2023
	millions of dollars			% change ¹	
Halifax	266	272	267	-1.9	0.2
Québec	2,361	1,823	1,676	-8.1	-29.0
Sherbrooke	265	292	287	-1.7	8.5
Montréal	8,147	8,713	8,531	-2.1	4.7
Ottawa–Gatineau, Ontario and Quebec	788	864	815	-5.6	3.5
Toronto	11,991	13,633	13,157	-3.5	9.7
Hamilton	2,245	1,937	1,954	0.9	-13.0
Kitchener–Cambridge–Waterloo	2,164	2,743	2,571	-6.3	18.8
Windsor	1,083	1,945	1,910	-1.8	76.3
Winnipeg	1,110	1,152	1,206	4.6	8.6
Regina	954	806	743	-7.8	-22.2
Saskatoon	466	593	478	-19.4	2.5
Calgary	1,241	1,335	1,345	0.8	8.4
Edmonton	5,031	4,820	4,356	-9.6	-13.4
Vancouver	3,014	2,959	2,959	0.0	-1.8

^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

	June 2022	May 2023 ^r	June 2023 ^p	May to June 2023	June 2022 to June 2023
	%			percentage point change	
Manufacturing	79.7	80.3	80.8 ^E	0.5	1.1
Non-durable goods industries	80.9	78.9	78.8 ^E	-0.1	-2.1
Food manufacturing	80.7 ^E	80.0 ^E	80.1 ^E	0.1	-0.6
Beverage and tobacco product manufacturing	78.3	72.1	68.5	-3.6	-9.8
Beverage manufacturing	80.4	72.5	70.3	-2.2	-10.1
Tobacco manufacturing	67.0	69.5	57.2	-12.3	-9.8
Textile mills	79.8	84.5	81.9	-2.6	2.1
Textile product mills	78.3	75.6 ^E	77.2 ^E	1.6	-1.1
Apparel manufacturing	79.3 ^E	83.5 ^E	86.4 ^E	2.9	7.1
Leather and allied product manufacturing	83.3	72.6	79.7	7.1	-3.6
Paper manufacturing	85.2	82.4	81.8	-0.6	-3.4
Printing and related support activities	81.3 ^E	78.4 ^E	77.9 ^E	-0.5	-3.4
Petroleum and coal products manufacturing	84.8	83.4	86.0	2.6	1.2
Chemical manufacturing	78.4 ^E	78.7 ^E	74.8 ^E	-3.9	-3.6
Plastics and rubber products manufacturing	73.4 ^E	68.8 ^E	69.7 ^E	0.9	-3.7
Plastic product manufacturing	73.0 ^E	68.0 ^E	68.9 ^E	0.9	-4.1
Rubber product manufacturing	76.4	73.9	74.9	1.0	-1.5
Durable goods industries	78.4	81.7	82.7	1.0	4.3
Wood product manufacturing	84.0	79.7 ^E	76.7 ^E	-3.0	-7.3
Non-metallic mineral product manufacturing	78.2 ^E	78.2 ^E	82.5 ^E	4.3	4.3
Primary metal manufacturing	76.3	75.8	76.4	0.6	0.1
Fabricated metal product manufacturing	78.3 ^E	80.5 ^E	79.5 ^E	-1.0	1.2
Machinery manufacturing	82.6 ^E	81.7 ^E	81.9 ^E	0.2	-0.7
Computer and electronic product manufacturing	79.7	78.9	80.6	1.7	0.9
Electrical equipment, appliance and component manufacturing	84.3 ^E	85.0 ^E	86.8 ^E	1.8	2.5
Transportation equipment manufacturing	73.9	86.6	89.5	2.9	15.6
Furniture and related product manufacturing	86.0 ^E	84.5 ^E	83.2 ^E	-1.3	-2.8
Miscellaneous manufacturing	79.4	78.8 ^E	79.8 ^E	1.0	0.4

^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; apparel; 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 industry groups, 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 August 22.

Next release

Data from the Monthly Survey of Manufacturing for July will be released on September 15.

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).