Catalogue no. 11-621-M — No. 070
ISSN 1707-0503
ISBN 978-0-662-48556-8

Analytical Paper

Analysis in Brief

Manufacturing: The Year 2007 in Review

by Russell Kowaluk and Will Gibbons

Manufacturing, Construction and Energy Division
11th Floor, Jean Talon Building, Ottawa, K1A 0T6

Telephone: 1-800-263-1136

Statistics Canada Statistique Canada

Canada

Manufacturing: The Year 2007 in Review

Russell Kowaluk and Will Gibbons

Review Committee: John Flanders, Mychèle Gagnon, Yves Gauthier, Andy Kohut, Justin Lacroix, Danielle Lafontaine-Sorgo, Peter Lys, Jean-Pierre Maynard, Kevin Roberts and Michael Scrim

Special contribution: Dragos Ifrim, Mustapha Kaci, Marc Levesque and Boran Plong

Editor: François Gendron

Editor-in-chief: Yvan Gervais

April 2008

Catalogue No: 11-621-M2008070
ISSN: 1707-0503
ISBN: 978-0-662-48556-8
Frequency: Occasional
Ottawa

How to obtain more information:
National inquiries line: 1-800-263-1136
E-Mail inquiries: analysisinbrief-analyseenbref@statcan.ca

Published by authority of the Minister responsible for Statistics Canada

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Manufacturing: The Year 2007 in Review

Russell Kowaluk and Will Gibbons
Manufacturing, Construction and Energy Division

Summary

Soaring industrial product prices and robust demand for resource-based goods offset declines in some of Canada's key durable goods industries in 2007. Overall, there was little change in both the value and volume of manufacturing sales.

Manufacturers posted a modest 0.4% increase in sales which totalled $613.4 billion by the end of the year. In constant dollars, the volume of goods manufactured did not advance in 2007. At 2002 prices, manufacturing sales were essentially flat, following a lacklustre 2006 in which sales edged down.

The petroleum and coal products industry surpassed motor vehicles for the first time to become Canada's second largest manufacturing industry in terms of sales, after the food industry. Manufacturers of petroleum and coal products recorded the largest growth of all manufacturing industries in dollar terms, reaching $66.4 billion in 2007. This increase was fuelled mainly by higher petroleum product prices.

The second biggest gainer last year was the primary metals industry, where sales jumped to $53.8 billion in 2007, thanks to escalating prices and international demand for the industry's commodities. The food industry was still Canada's largest manufacturing industry last year, with sales reaching $74.2 billion.

On the negative side, sales by manufacturers of wood products plunged 15.6% to their lowest level since 1996. It was the biggest decline among all industries in 2007. Manufacturers of automobiles and trucks also continued to sputter, posting lower sales compared to last year.

Ontario remained the leading manufacturing province in terms of sales, with an almost 48% share of the national total. However, the province's share has declined in recent years as the distribution of manufacturing sales has shifted to resource-based industries that tend to be more prevalent in western Canada. In 1999, Ontario accounted for more than half (55%) of national manufacturing sales.

Although manufacturing activity in the West continued to rise, the pace moderated sharply. Manufacturing sales west of Ontario accounted for 22% of the national total, up from 19% in 2003.

In Quebec, manufacturing sales rose 2.1% last year in the wake of strong gains in primary metals, food and aerospace. Last year, the province accounted for about 25% of total manufacturing sales.

Putting things into perspective, manufacturing employment fell by an estimated 55, 300 jobs in 2007 and this was associated with a 2.9% decline in total hours worked. At the same time, real gross domestic product in manufacturing edged down 1.1%. Consequently, labour productivity in the manufacturing sector jumped 1.9% last year, nearly four times the increase for the economy as a whole.

Capital expenditures in the manufacturing sector declined a substantial 5.5% from 2006. It was the second consecutive yearly decline in investment expenditures, and the fifth in the past seven years, as some manufacturers might have slowed the process of modernization and refurbishment in some factories and closed other plants temporarily or permanently.

On the other hand, operating profits increased 5.4% last year, halting two consecutive years of declines. At $45.0 billion, profits hit their highest level since 2004. In fact, manufacturers' profits outperformed the 5.0% growth in profits seen by Canadian non-financial corporations as a whole.

This article examines the performance of Canada's manufacturing sector in 2007, using data mainly from the Monthly Survey of Manufacturing.

Note to readers

The Monthly Survey of Manufacturing (MSM) publishes statistical series for manufacturers—sales of goods manufactured, inventories, unfilled orders and new orders. Industries are classified according to the 2007 North American Industrial Classification System (NAICS).

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.

Manufacturers held their own last year

Soaring industrial prices and robust demand for resource-based goods, such as petroleum and primary metals, offset declines in some of Canada's key durable goods industries as manufacturers held their own in 2007.

Manufacturers posted a modest 0.4% increase in sales to $613.4 billion in 2007, which followed a 0.8% advance in 2006. These positive results were posted despite several major challenges facing the sector in recent years.

The value of the Canadian dollar, which had been on an unprecedented upward surge, surpassed parity with its US counterpart by late September. The higher dollar makes Canadian-made goods, which are exported to the United States, more expensive and therefore less competitive.

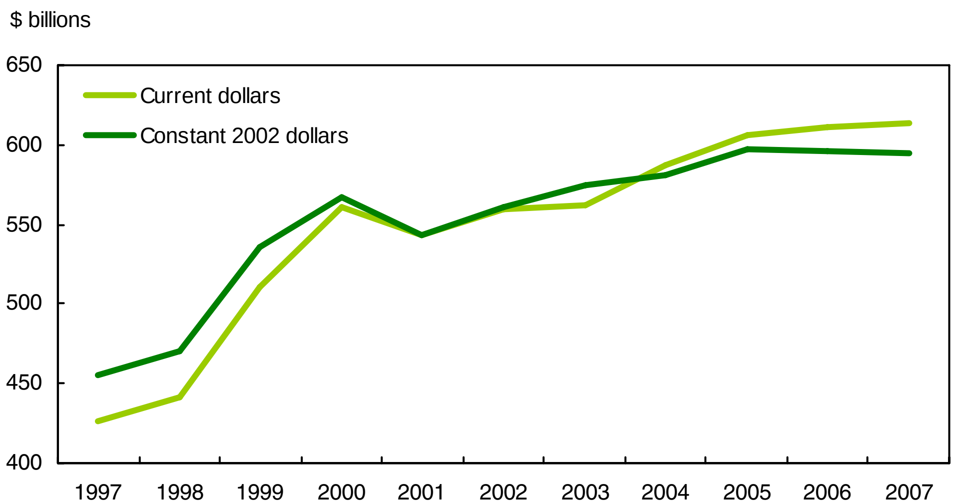
In addition, the ongoing US sub-prime mortgage crisis and the prospect of a recession south of the border may contribute to manufacturers' challenges by weakening foreign demand for Canadian manufactured goods to this market. For the second consecutive year, exports to the United States fell, although this was offset by higher exports to other countries.[1]

Although current dollar manufacturing sales increased in 2007, the gain was largely price-driven by resource-based industries. For example, by the close of the year, the price of an ounce of gold was headed for levels not seen in almost 30 years. Prices for petroleum products, which had been on a steady rise through the fourth quarter of 2007, hit record highs as crude oil touched the $100 US per barrel mark.

When the influence of price is removed, the volume of goods manufactured did not advance in 2007. At 2002 prices, manufacturing sales were essentially flat at $594.8 billion, which followed a lacklustre 2006 in which sales edged down 0.3%.

1. See *Canadian International Merchandise Trade*, 2007, Statistics Canada catalogue no. 65-001-XIB, Vol. 61, no. 12, http://www.statcan.ca/english/freepub/65-001-XIB/65-001-XIB2007012.htm (accessed April 22, 2008).

Chart 1 Growth in manufacturing sales lacklustre since 2005



Source: Statistics Canada, CANSIM tables 304-0014 and 377-0008.

Food and resource-based industries: Last year's frontrunners

Overall, manufacturing sales in current dollars edged up 0.4% in 2007, marking the sixth consecutive annual increase. Despite the string of positive years, the sector has been in the midst of restructuring. In 2007, only 11 of the 21 manufacturing industries reported improved sales.

When measured in dollars, resource-based industries, such as petroleum products and primary metals industries, accounted for the majority of sales expansion in 2007. This was in sharp contrast to the manufacturing boom of the late 1990s when wood products and assembly lines of autos, aircraft and high-tech dominated the sector.

The impact of higher prices has been significant in boosting the value of Canadian factory sales in recent years. From 2003 to 2007, average annual prices for both petroleum and coal products, and primary metals soared about 65%.[2] Excluding these two price-inflated industries, total manufacturing sales were down 1.1% in 2007, after a 1.4% decline in 2006.

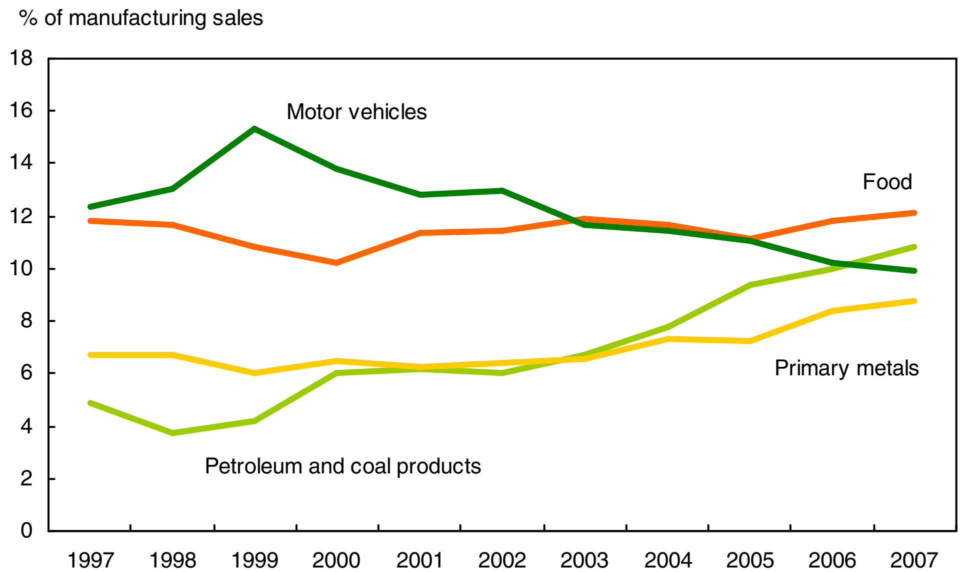
Consequently, sales of petroleum and coal products surpassed those of motor vehicles for the first time to become Canada's second largest manufacturing industry after food. Manufacturers of petroleum and coal products posted sales of $66.4 billion in 2007. This boosted the share of this industry to 10.8% of total manufacturing sales. This share has risen four percentage points in just five years.

Canada's primary metals industry was the second biggest gainer in 2007 in terms of value of sales. Manufacturing sales rose to $53.8 billion, buoyed by escalating prices and international demand for the industry's commodities. Hence, the industry maintained its fourth place standing among the largest manufacturing industries in the country in 2007.

2. **Source**: Statistics Canada, CANSIM table 329-0038.

On average, the industrial price of primary metals rose just over 10% in 2007, following unprecedented price gains since 2004. The industrial boom in the fast-evolving economies of China and India has fortified the long run prices for such commodities as nickel, gold and other primary metals.[3]

Chart 2 Petroleum and coal products surpassed motor vehicles as second largest manufacturing industry in Canada



The food industry retained its crown as Canada's largest manufacturing industry in terms of sales value. Manufacturing sales of food rose 2.9% to $74.2 billion in 2007, after a healthy 6.8% gain in 2006. Increased sales of meat products as well as grain and oilseed milling boosted the industry overall. Food accounted for 12.1% of total manufacturing sales, a share that has remained consistent over the last decade.

Another notable trend was the re-emergence of the Canadian aerospace industry. In recent years, global airlines have been re-investing in their fleets, while domestic manufacturers have also benefited from several major defence contracts. Production of aerospace products and parts improved 6.7% to $16.3 billion in 2007, surpassing their previous apex of $15.5 billion in 2001.

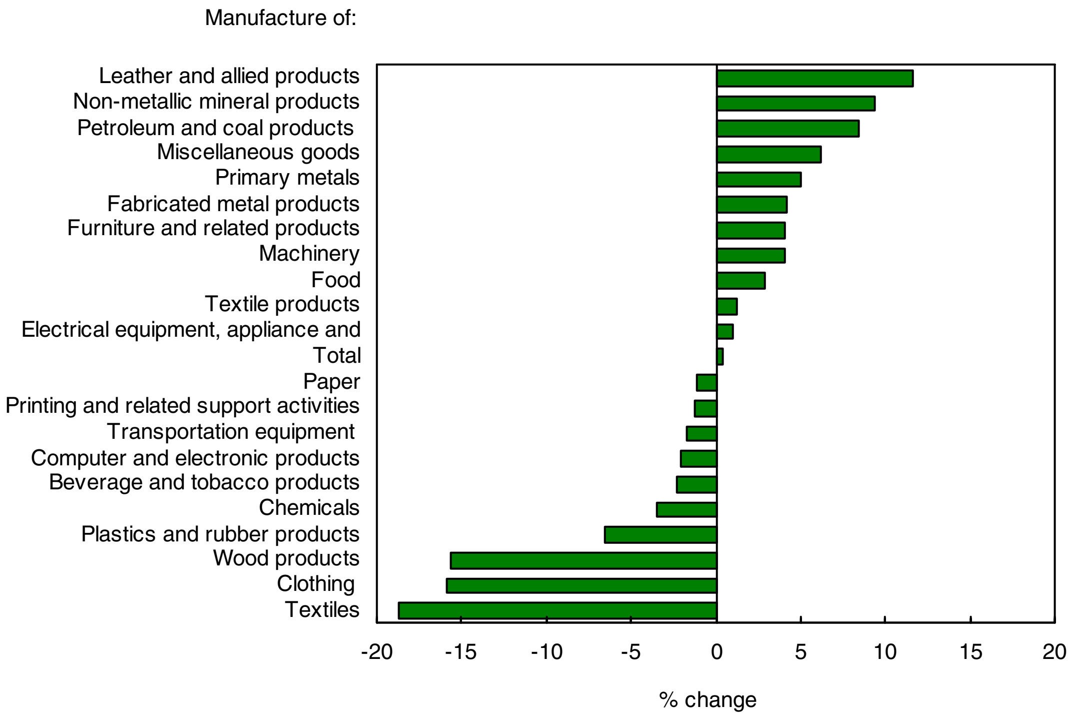
Wood products and the auto sector facing difficult times

Sales of wood products plunged 15.6% to $24.9 billion, the lowest level since 1996, and the biggest decline among all manufacturing industries in 2007.

3. **Source:** Statistics Canada, CANSIM table 329-0038.

Sales in the wood products industry have undergone a substantial decline of just over 30% since their most recent peak in 2004. Several factors have taken a toll on the industry, including the high value of the Canadian dollar, the worsening state of the US housing market, mounting energy costs and falling wood prices.

Chart 3 In 2007, 11 of the 21 manufacturing industries reported improved sales



Source: Statistics Canada, CANSIM table 304-0014.

Motor vehicle manufacturing, the largest industry in the transportation equipment sector, continued to sputter. In 2007, sales by manufacturers of automobiles and trucks declined a sharp 2.7% to $60.8 billion. This marked the third consecutive decline, although this was well off the 6.5% drop in 2006. Overall, manufacturing sales of motor vehicles have fallen over 22% from their peak of $78.3 billion in 1999.

The recent downturn in the US economy may also have a marked impact on the manufacturing sector as the large majority of Canadian-made motor vehicles are exported south of the border. For example, in December 2007, over 90% of motor vehicles assembled in Canadian factories were shipped to the United States.

North America's new era of higher gasoline prices may also be contributing to a marked shift in consumer demand for more fuel-efficient vehicles. This may be one of the key factors for the recent downward trend in the assembly of motor vehicles in Canada,[4] as purchasers move away from some of the larger types of autos and trucks currently assembled in Canada. Significant job losses

4. See Dina Cover, "Automakers Brace for a Difficult Year" *TD Economics, Special report*, 2008, TD Bank Financial Group, http://www.td.com/economics/special/dc0208_auto.jsp (accessed February 20, 2008).

due to production slowdowns and assembly line closures have characterized the industry as manufacturers rationalize their products in a highly dynamic market.

Also posting sharp declines in 2007 were the chemical products and the plastics and rubber products industries. Following a long string of annual sales increases, the chemical products industry reported widespread reductions as sales fell 3.5% to $51.2 billion, the lowest level since 2004. Basic chemicals and pharmaceuticals were among the contributors, as the industry slipped one spot to become Canada's fifth largest manufacturing industry in 2007.

Manufacturing sales of plastics and rubber products fell 6.6% to $26.0 billion. The recent deceleration may be partly linked to the diminishing fortunes of the automotive sector, as plastics and rubber products are key components of motor vehicle manufacturing.

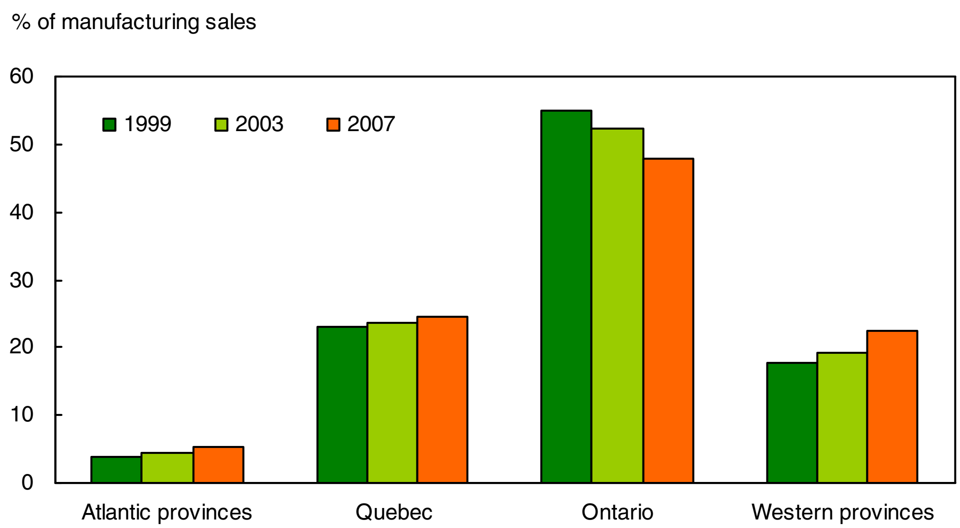
Following steep declines over the last few years, Canada's clothing and textile mills industries continued to fade. Manufacturing sales of clothing plunged 15.9% to $4.5 billion, as their total sales have been reduced by almost half in just five years. Meanwhile, sales of textile mills fell 18.7% to just $2.1 billion, which followed a 24% decline in 2006.

Slow westerly shift in manufacturing sales

Central Canada's dominance as the manufacturing heartland continued to erode, ever so slightly, as the western provinces benefited from their wealth of highly-demanded and high-priced resources.

Between 2003 and 2006, manufacturing sales in the four western provinces shot up 26%, adding $28 billion in value to their shared annual sales. By comparison, combined sales in Ontario and Quebec increased only 3.6% or $15.3 billion over the same period. Last year, manufacturing activity in the west continued to rise, but the pace moderated sharply to only 0.6%, while sales in central Canada fell slightly.

Chart 4 Slow but persistent westerly shift in manufacturing sales



Source: Statistics Canada, CANSIM table 304-0015.

Manitoba's diversified manufacturing sector led the western provinces in terms of growth in the value of sales. Sales shot up 8.1% to $16.2 billion in 2007, the result of robust foreign demand for primary metals and aerospace products.

Alberta, which held close to one-half of western Canada's manufacturing sales, posted sales of $67.1 billion, a 1.2% increase, which was modest compared with recent gains of 12.1%, 14.9% and 7.1% in the last three years. This fifth successive annual increase was led by petroleum products and food manufacturers.

Machinery and food manufacturing were among the big movers in Saskatchewan. Provincial sales rose 1.7% to $10.7 billion in 2007, although this was well off last year's 6.7% jump.

Foreign demand for wood products continued to wane in 2007, which had a direct impact on British Columbia's manufacturing sector. Sales in this province fell 3.1% to $43.2 billion, wiping out last year's 3.1% advance.

British Columbia's picture brightens noticeably if the impact of the wood products industry were excluded. Total sales, excluding wood products, rose 1.5% in 2007, led by the fabricated metal products industry and some recent improvements in the paper manufacturing sector.

Overall, manufacturing sales west of Ontario accounted for 22% of total sales in Canada, up from 19% in 2003.

Manufacturing sales retreat again in Ontario

Although the majority of provinces reported increased manufacturing sales in 2007, Canada's principal manufacturing province, Ontario, posted a second straight decline.

Manufacturing sales dropped 1.1% to $293.4 billion in Ontario, the lowest level since 2001. Steep declines in the motor vehicles and parts, wood products and chemical products industries were partially offset by gains at the province's refineries, and an upturn in the manufacturing of telecommunications equipment.

Nonetheless, Ontario accounted for 48% of national manufacturing sales last year, the biggest proportion among all provinces. But this was down seven percentage points from its share of 55% in 1999.

Ontario's stake has progressively diminished in recent years largely because of a shift in the distribution of manufacturing sales in terms of value to resource-based industries which tend to be more prevalent in the west.

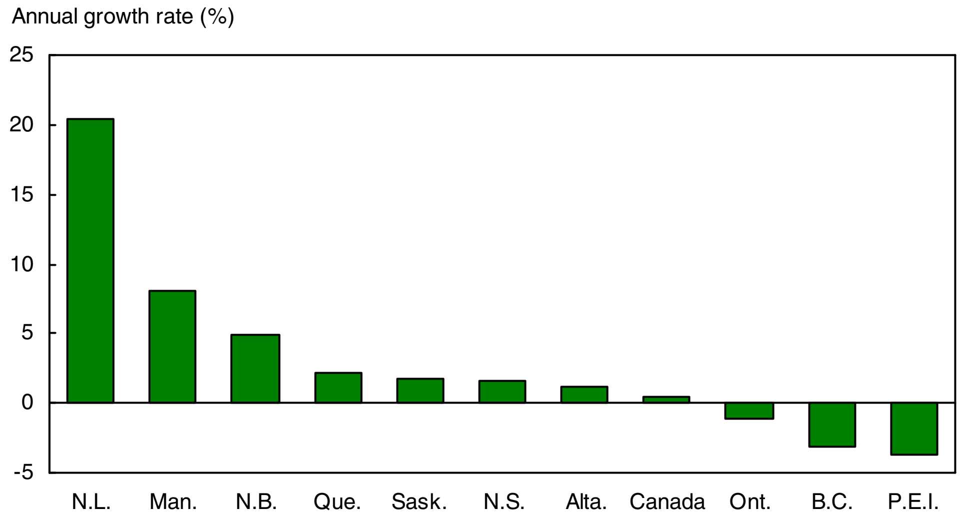
Industries such as petroleum products and primary metals have outpaced the growth of other more traditional industries, including Ontario-based auto assembly and parts manufacturers.

Quebec led all the provinces in manufacturing sales growth

In contrast to Ontario, Quebec's manufacturers reported a sixth consecutive increase in sales. Strong gains in primary metals, food and aerospace pushed manufacturing sales 2.1% higher to $150.4 billion in 2007.

When measured in absolute dollars, Quebec was the main contributor to last year's increase in manufacturing sales nationally. Its share of the national total increased to 25% in 2007, up from 23% in 2005.

Chart 5 Manufacturing sales increased in seven provinces



Source: Statistics Canada, CANSIM table 304-0015.

Nondurable industries boost sales in Atlantic Canada

An expansion in non-durable goods manufacturing contributed to a boost in the share of total sales held by the four Atlantic provinces. In 2007, they accounted for just over 5% of manufacturing sales nationally, up from 4% in 1999.

Manufacturers in New Brunswick, and Newfoundland and Labrador were the region's movers and shakers, with substantial gains. Prince Edward Island was the sole Atlantic province to report a decline.

Overall, the nondurable goods sector, which accounted for 83% of total manufacturing sales in Atlantic Canada, rose 9.5% in 2007. On the other hand, manufacturers of durable goods posted sharply lower sales (-9.2%).

In dollar terms, Newfoundland and Labrador was the main contributor to the increase in sales in the eastern provinces and the third biggest contributor to the national increase in 2007, as sales rose 20.4% to $5.4 billion. The increase was concentrated in the nondurable goods sector, which comprised just over 91% of total manufacturing sales in the province.

In New Brunswick, which recorded the fourth largest dollar increase in Canada last year, sales rose 4.9% to $15.7 billion. Substantial gains occurred in nondurable goods industries, which included food and petroleum products.

In Nova Scotia, sales rose a modest 1.7% to $9.9 billion following a lacklustre 2006 in which they declined 3.5%. But in Prince Edward Island, manufacturing activity tumbled 3.7% to $1.4 billion, the result in part of a significant decline in some durable goods industries despite higher prices in the sector.

Second consecutive drop in industrial capacity utilization rate

In 2007, several key economic indicators pointed to a slowdown in the manufacturing sector, which in some cases was a continuation of a trend in recent years.

The annual average industrial capacity utilization rate for manufacturing slipped for the second consecutive year to 82.2%[5] in 2007, the lowest level since 2003. The capacity utilization rate is the ratio of actual manufacturing output—as measured by the real gross domestic product at market prices—to potential manufacturing industry output.

The wood products industry experienced the largest drop in its rate, which fell to 71.0% by the end of 2007. It was the seventh consecutive drop and the lowest level for this rate since the second quarter of 1991. The wood products industry remains in the midst of a period of major restructuring.

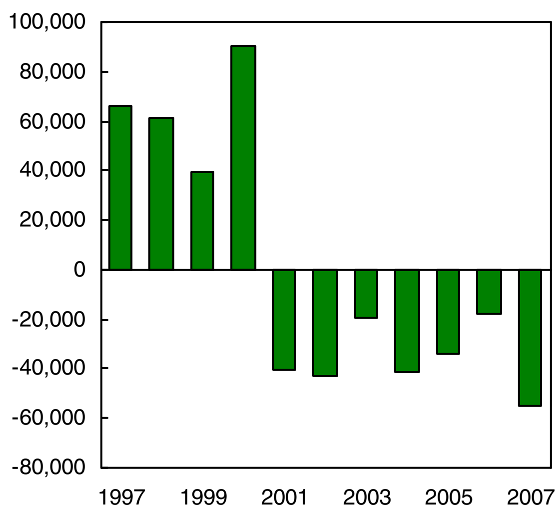
Manufacturing job losses mount

According to the Survey of Employment, Payroll and Hours, an estimated 55,300 factory jobs were cut in 2007, a 3.0% decrease from levels in 2006.[6] This marked the largest annual drop in manufacturing jobs since the recession of the early 1990s.

To place this job loss in perspective, in 2000, 16.3% of Canadians worked in the manufacturing sector. By 2007, this proportion had dropped to 12.5%, the lowest share since 1991. Nearly 252,000 jobs have vanished from factory floors across Canada since 2001.

Chart 6 Seven straight years of job losses…

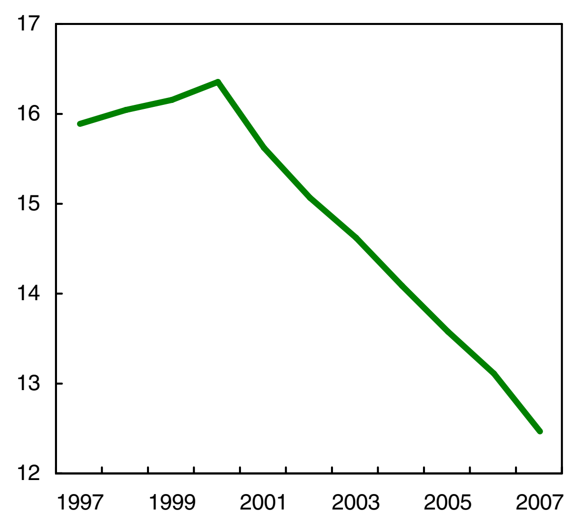
Annual change in the number of manufacturing jobs



Source: Statistics Canada, CANSIM table 281-0023.

Chart 7 …have eroded the overall share of manufacturing employment

% of total employment



Source: Statistics Canada, CANSIM table 281-0023.

5. **Source:** Statistics Canada, CANSIM table 028-0002.

6. **Source:** Statistics Canada, CANSIM table 281-0023.

Labour productivity bounces back from a weak 2006

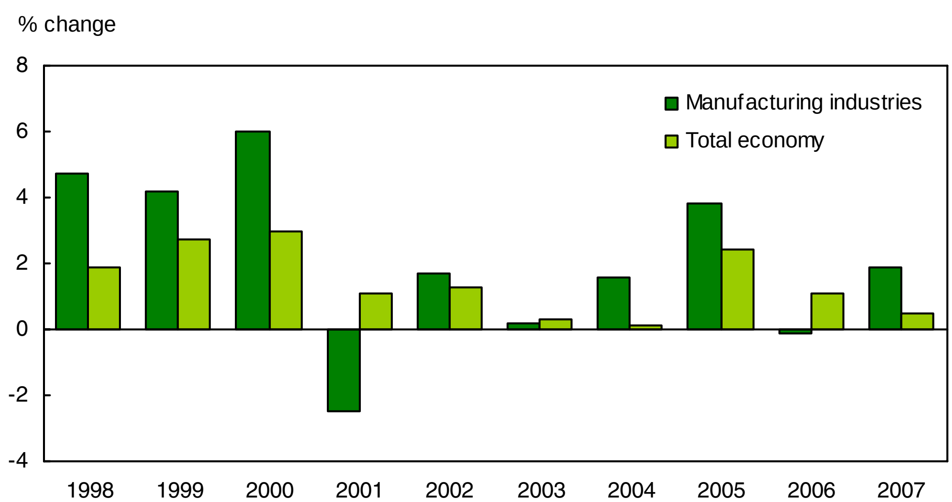
Labour productivity, as measured by real gross domestic product (GDP) per hour worked is a major determinant of economic growth and standard of living.

Labour productivity in the manufacturing sector surged 1.9% in 2007, nearly four times the 0.5% gain in productivity for the economy as a whole. It followed a mild 0.1% decline in 2006. Increases in labour productivity are important to ensuring the global competitiveness of Canadian manufacturers.

Last year's productivity growth for manufacturers was due predominantly to a decline in the number of hours worked, which far exceeded the decrease in manufacturing output. Real GDP in manufacturing edged down only 1.1% in 2007, while the number of hours worked dropped 2.9%, reflecting the considerable job losses in the sector.

For the economy as a whole last year, real GDP rose 2.7% while the number of hours worked increased by 2.1%. This placed manufacturing at odds with the national trend.

Chart 8 Labour productivity rebounded in 2007 from a weak performance the year before



Source: Statistics Canada, CANSIM table 383-0012.

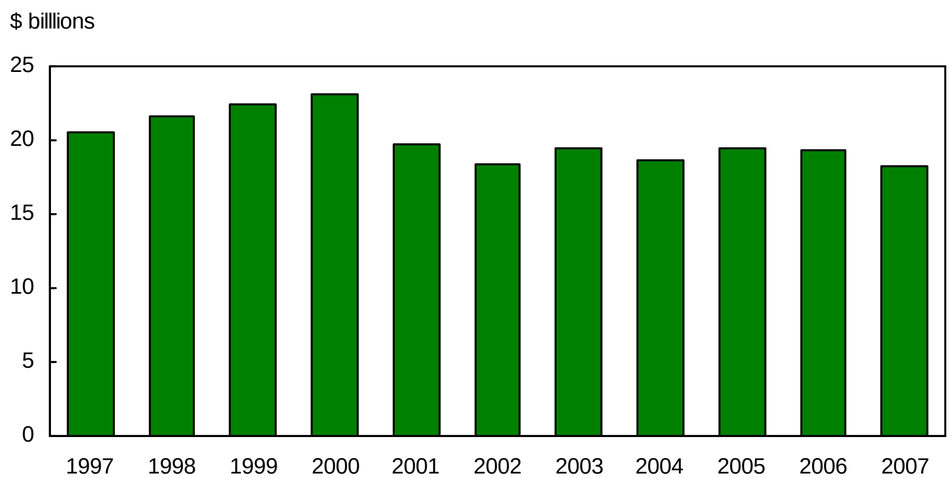
Investment in plant and equipment loses steam

Investment plays a key role in increasing efficiency and maintaining the competitiveness of Canadian firms in the global marketplace. The continued substitution of labour for new investments in plant and equipments plays a role in boosting productivity.

Capital expenditures in the manufacturing sector declined a substantial 5.5% in 2007, as manufacturers invested a total of $18.3 billion in plant and equipment.[7] Investment expenditures have now fallen for two consecutive years and in five of the past seven, as some manufacturers may have slowed the process of modernization and refurbishment in some factories and closed some plants temporarily or permanently.

Total capital investment in recent years has gradually tailed off from the high levels seen during the high-tech boom of the late 1990s.

Chart 9 Investment in plant and equipment has decreased in five of the past seven years



Source: Statistics Canada, CANSIM table 029-0009.

Capital expenditures are divided into two categories: machinery and equipment, and construction. Machinery and equipment expenditures, which accounted for almost 90% of total investment spending, fell 4.2% to $16.0 billion in 2007, which exceeded the 3.0% decline in 2006. The motor vehicle manufacturing industry, which experienced one of the largest declines in terms of manufacturing sales, was a major contributor.

Investment in construction projects slipped 13.5% to $2.3 billion, the sixth decline since 2001. Industries that contributed to this decrease included wood products and petroleum and coal products manufacturers.

A number of other factors likely contributed to the overall decrease in investment, including the appreciation of the Canadian dollar. Many manufacturers import technologies for production from abroad, so a stronger currency may reduce investment costs. However, a higher-valued currency can increase the relative cost of investing in the Canadian marketplace for many multi-national corporations.

7. **Source:** Statistics Canada, CANSIM table 029-0009.

Strong turnaround in manufacturing profits

Operating profits halted a two-year downward trend last year, rising 5.4% to $45.0 billion, the highest level since 2004. In fact, manufacturers' profits outperformed the 5.0% growth in profits seen by Canadian non-financial corporations as a whole.

Opposing forces had an impact on profits. High demand for raw materials and record prices for specific natural resources helped to push some industries to record levels. However, the stronger Canadian dollar tempered this growth.

Petroleum and coal products manufacturers led gains, as profits swelled 17.9% to $12.7 billion. Petroleum price increases of 5.4% assisted in driving profits higher,[8] as the half-decade long trend in the appreciation of crude oil prices continued. Both domestic and export sales of petroleum and coal products were up for the year.

Food and soft drink producers' operating profits jumped 22.4% to $5.3 billion, the strongest growth in three years. In addition, the strong construction industry helped boost non-metallic mineral products, as their profits grew 41.1% in 2007, the third increase in the past four years.

Computer and electrical products manufacturers churned out $3.2 billion in operating profits, one-third more than in 2006. Profits in this sector have shown steady improvement since 2002, when an annual operating loss was reported.

Despite the difficult challenges facing the industry, motor vehicle and parts manufacturers reversed their declining profit trend of the previous years and posted operating profits of $2.3 billion in 2007, a 27.7% increase over 2006. Similarly, the alcoholic beverage and tobacco manufacturers increased their profits by 20.3% to $2.3 billion in 2007. This was the second year of increases in the last 6 years for this industry.

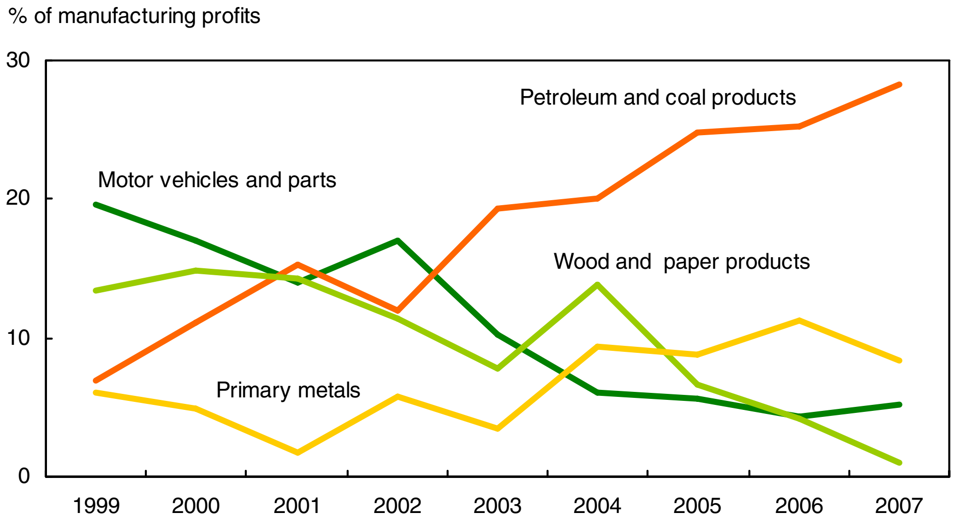
Except for the transportation equipment (other than automobiles and trucks) and the fabricated metal products and machinery manufacturing which recorded modest increases, the remaining manufacturing industries saw operating profits slide 17.0% in 2007. Because of weaknesses in the industry, profits for wood product and paper manufacturers fell for the sixth time in the past seven years. Many factors that have plagued this industry may continue to challenge its profitability.

Operating profits in manufacturing have stayed consistent in nominal terms since 1999; however, the source of these profits has fundamentally shifted. Last year, the petroleum and primary metals industries accounted for 36.6% of total manufacturing profits, nearly three times their share of only 13.0% in 1999.

In contrast, the top two profitable industries in 1999 – motor vehicles and vehicle parts, and wood and paper products manufacturers – saw their share plunge from 33.0% of the total in 1999 to just 6.1% in 2007. As is often the case in times of economic change, some sectors benefit profoundly from structural shifts, whereas others struggle to keep afloat.

8. **Source:** Statistics Canada, CANSIM table 329-0046.

Chart 10 Manufacturing profits shifting toward underground resource industries



Source: Statistics Canada, special tabulation, Industrial Organization and Finance Division.

Table 1 Manufacturing sales by industry, 2006 and 2007

	2006	2007	Change, 2006 to 2007	Share, 2007
	$ billions		%	
Total, manufacturing industries	**611.1**	**613.4**	**0.4**	**100.0**
Non-durable goods industries	**278.5**	**280.0**	**0.6**	**45.7**
Food	72.1	74.2	2.9	12.1
Beverage and tobacco products	11.2	10.9	-2.3	1.8
Textiles	2.6	2.1	-18.7	0.3
Textile products	2.4	2.5	1.3	0.4
Clothing	5.3	4.5	-15.9	0.7
Leather and allied products	0.5	0.5	11.6	0.1
Paper	31.4	31.1	-1.2	5.1
Printing and related support activities	10.9	10.7	-1.3	1.8
Petroleum and coal products	61.2	66.4	8.4	10.8
Chemical	53.0	51.2	-3.5	8.3
Plastics and rubber products	27.8	26.0	-6.6	4.2
Durable goods industries	**332.6**	**333.4**	**0.2**	**54.3**
Wood products	29.5	24.9	-15.6	4.1
Non-metallic mineral products	13.9	15.3	9.4	2.5
Primary metal	51.3	53.8	5.0	8.8
Fabricated metal products	35.4	36.9	4.2	6.0
Machinery	31.4	32.7	4.0	5.3
Computer and electronic products	19.6	19.2	-2.0	3.1
Electrical equipment, appliance and	10.5	10.6	1.0	1.7
Transportation equipment	118.4	116.4	-1.7	19.0
Motor vehicle	62.5	60.8	-2.7	9.9
Motor vehicle body and trailers	4.3	4.6	7.5	0.8
Motor vehicle parts	29.5	28.0	-5.0	4.6
Aerospace product and parts	15.3	16.3	6.7	2.7
Railroad rolling stock	2.6	1.9	-25.2	0.3
Ship and boat building	1.3	1.5	20.6	0.2
Other transportation equipment	3.0	3.2	6.2	0.5
Furniture and related products	13.4	13.9	4.1	2.3
Miscellaneous	9.2	9.7	6.2	1.6

Note: Figures may not add to totals due to rounding.

Source: Statistics Canada, CANSIM table 304-0014.

Table 2 Manufacturing sales by province, 2006 and 2007

	2006	2007	Change, 2006 to 2007	Share, 2007
	$ billions		%	
Newfoundland and Labrador	4.5	5.4	20.4	0.9
Prince Edward Island	1.5	1.4	-3.7	0.2
Nova Scotia	9.7	9.9	1.7	1.6
New Brunswick	15.0	15.7	4.9	2.6
Quebec	147.3	150.4	2.1	24.5
Ontario	296.7	293.4	-1.1	47.8
Manitoba	15.0	16.2	8.1	2.6
Saskatchewan	10.5	10.7	1.7	1.7
Alberta	66.4	67.1	1.2	10.9
British Columbia	44.6	43.2	-3.1	7.0
Yukon	0.0	0.0	10.1	0.0
Northwest Territories	0.1	0.0	-37.7	0.0
Nunavut	0.0	0.0	-7.9	0.0
Canada	**611.1**	**613.4**	**0.4**	**100.0**

Note: Figures may not add to totals due to rounding.

Source: Statistics Canada, CANSIM table 304-0015.