

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



MANITOBA MANUFACTURING SALES MARCH 2021

SALES UP 13 PER CENT OVER PRE-PANDEMIC LEVELS

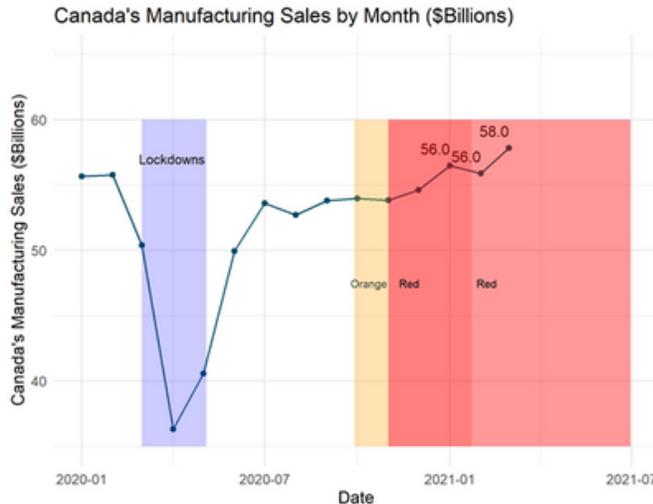
Chris Ferris, Senior Economist

Bottom Line

Manitoba manufacturing sales were **\$1.74 billion** in March 2021 – up 4.2 per cent on the month, and up **13 per cent** from February 2020. Manufacturing subsectors doing well are those that supply **machinery**, **wood products**, **food** and **chemicals**.

By comparison, **Canada's manufacturing sales rose to \$57.8 billion** – up 3.5 per cent on the month – and up **just 3.7 per cent** from February 2020. Transportation equipment sales continue to suffer, due to the sharp drop in air passenger traffic that has curtailed sales in the **aerospace products and parts industry**. **Wood products** continue to outperform, largely due to activity in construction minimally effected by pandemic restrictions.

MAR'21 CANADIAN MANUFACTURING SALES



Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0047-01

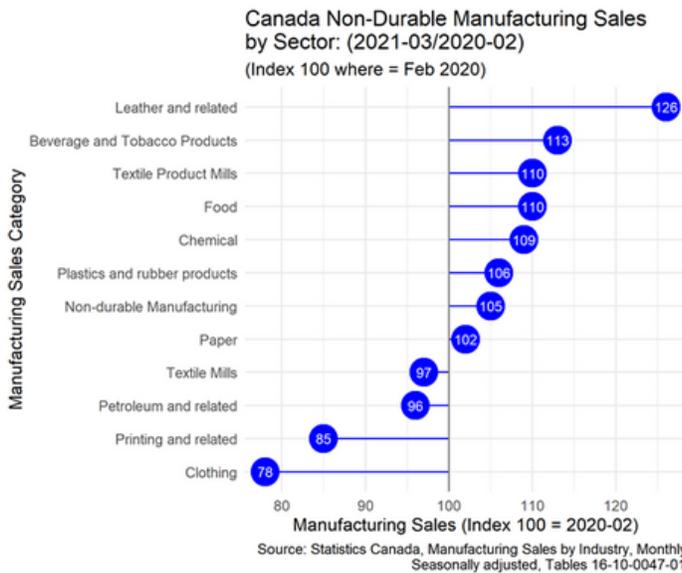
Cdn Manufacturing Sales

Canada's March 2021 manufacturing sales (seasonally adjusted) were \$57.8 billion, up approximately 3.5% on the month. For the period of March and April 2021 we will be comparing changes to the data from February 2020 to have a more sensible base of comparison. March and April 2020 data were greatly impacted by the first COVID-19 lockdowns.

Cdn Non-Durable Sales

When we compare March 2021 to February 2020 sales, non-durable manufacturing sales are 5 per cent above Feb 2020 levels. When we compare the various subsectors during this same period, we see that:

- The small **leather and related** subsector were up 26 per cent.
- **Beverage and tobacco products** were up 13 per cent.
- **Textile products** and **Food** were both up 10 per cent.



Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0047-01

Only **Printing and related** (-15%), and **Clothing** (-22%) were still down significantly during this period.

Sources:
Statistics Canada. Table 16-10-0047-01 Manufacturing Sales by Industry, Seasonally Adjusted

MAR'21 CANADIAN MANUFACTURING SALES

West Texas Intermediate (WTI) Front-Month [CL.1] (USD/bbl)
Candlestick Chart



Source: Quandl, CL.1 Front-month for WTI

WTI front-month -USD/bbl

West Texas Intermediate crude has been trading between US\$57 to US\$67/bbl since mid-February 2021. These prices are reflected in the March 2021 manufacturing sales for petroleum and related products. It will take time for the sector to recover, given how hard the value chain was hit in 2019 and 2020.

Random Length Lumber Futures, Front-Month [LB.1](USD/MBFT)
Candlestick Chart for Jan 1, 2020 onwards



Source: Quandl, CME LB.1 Front-month for Lumber Futures thousand board feet (MBFT)

Lumber Futures (\$/mbft)

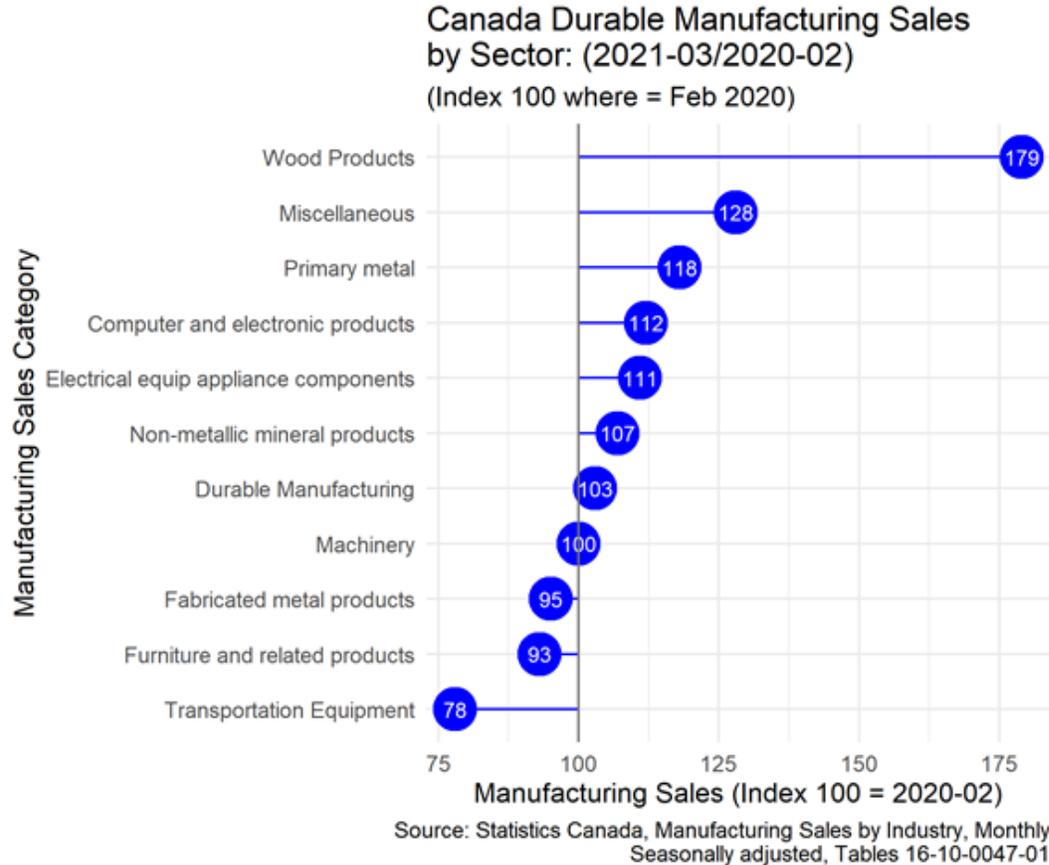
Lumber prices hit record highs during March 2021. In April and May, those records were absolutely shattered, topping out around \$1,711/mbft during May 2021.

I do not know if we have now seen the top price for random length lumber, but this shows that we are likely to continue to see strong manufacturing sales in April and May 2021 for wood products.

This is driven by strong renovation and new build demand, and various supply chain issues that have limited supplies, as noted in a [CNN](#) article.

Sources: CME via Quandl. WTI (USD/bbl), and LB (USD/mbft)

MAR'21 CANADIAN MANUFACTURING SALES



Cdn Durable Goods Manufacturing Sales

When we consider Canada’s manufacturing sales of durable goods, we see that they are up 3 per cent in March 2021 vs February 2020.

Compared to other manufacturing subsectors during this same period, we see that:

- **Wood products** are up 79 per cent, and
- **Primary metals** are up 18 per cent.
- **Transportation equipment** sales are still down 22 per cent, driven by continuing weakness in the aerospace products and parts sales.

Sources:
Statistics Canada. Table 16-10-0047-01 Manufacturing Sales by Industry, Seasonally Adjusted.

MAR'21 MANITOBA MANUFACTURING SALES



MB Manufacturing Sales

Manitoba's March 2021

manufacturing sales (seasonally adjusted) were **\$1.74 billion**, up approximately 4.2% on the month. For the period of March and April 2021 we will be comparing changes to the data from February 2020 in order to show a more sensible base of comparison. March and April 2020 were impacted by the first COVID-19 lockdowns.



MB Non-Durable Sales

Non-durable manufacturing sales in March 2021 are up 16 per cent above Feb 2020 levels.

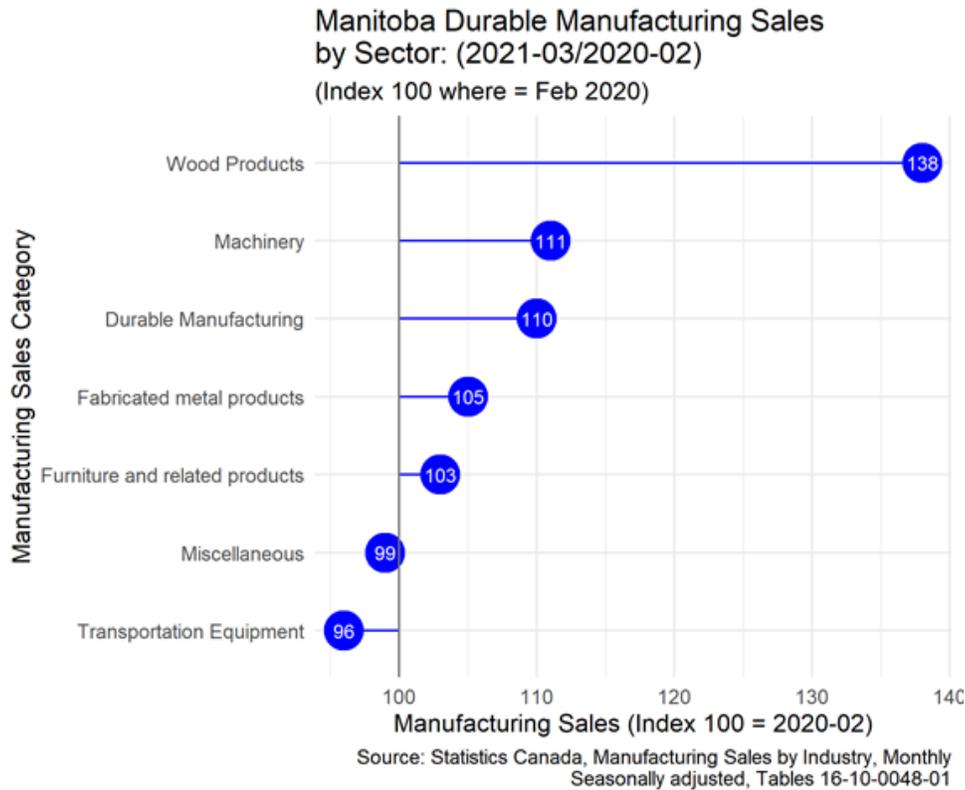
When we compare the various subsectors during this same period, we see that:

- The **chemical** subsector was up 38 per cent, and
- **Food** was up 16 per cent.

Sources:

Statistics Canada. Table 16-10-0048-01 Manufacturing Sales by Industry, Seasonally Adjusted

MAR'21 MANITOBA MANUFACTURING SALES



MB Durable Goods Manufacturing Sales

Manitoba's Durable goods manufacturing sales are up 10 per cent in March 2021 vs February 2020. When we compare the various subsectors during this same period, we see that:

- **Wood products** are up 38 per cent, and
- **Machinery** is up 11 per cent.
- **Transportation equipment sales** is down only 4 per cent.

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