

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



MANITOBA MANUFACTURING SALES APRIL 2021

MANITOBA MANUFACTURING SALES CONTINUE TO EXHIBIT STRENGTH

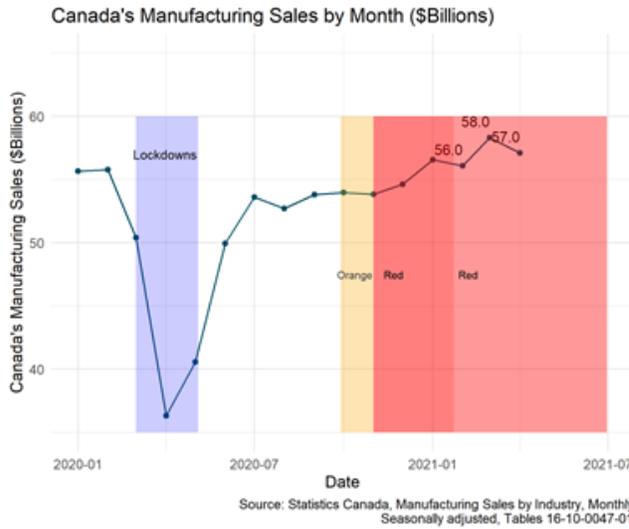
Chris Ferris, Senior Economist

Bottom Line

Manitoba manufacturing sales in April 2021 were **\$1.78 billion** – up 2.3 per cent on the month, and **up 16 per cent from February 2020**. Manitoba's manufacturing subsectors, **wood products, chemicals and machinery** posted the largest percentage gains this month.

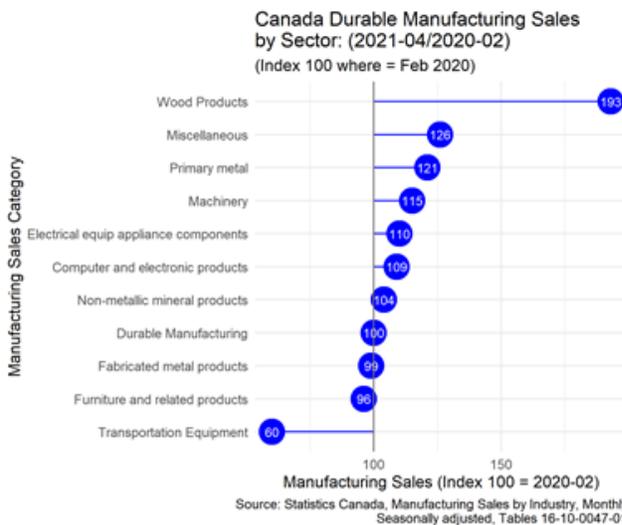
By comparison, **Canada's April 2021 manufacturing sales were \$57.1 billion**, down 2.1 per cent on the month, but **up 2.4 per cent since February 2020**. **Transportation equipment** sales continued to be lower as a result of **aerospace products and parts**, and slowing production of vehicles due to global shortage of **computer chips**. **Wood products** continue to outperform, primarily due to the surge in construction demand. We expect wood product revenues to begin sliding lower in June as a result of future prices dropping sharply since their May 10, 2021 high mark.

APR'21 CANADIAN MANUFACTURING SALES



Cdn Manufacturing Sales

Canadian Manufacturing sales in April 2021 dipped slightly on the month to \$57.1 billion, down from \$58.3 billion. When we compare this to pre-pandemic sales of \$55.8 billion in February 2020, we see that sales are up 2.4 per cent (Apr'21/Feb'20). /1



Cdn Durable Sales

Canada's durable manufacturing sectors for April 2021 compared to February 2020 saw the highest gains in:

- **Wood products (+93%),** and
- **Primary metals (+26%).**

The biggest decline is:

- **Transportation equipment (-40%).**

For some manufacturing sectors (including vehicles), computer chips are an important input. Computer chip supplies are falling short of demand across the world. This is particularly hurting the transportation equipment sector compared to Feb 2020.

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

/1 For March – June 2021 manufacturing sales, we will be comparing sales to pre-pandemic manufacturing sales (February 2020), in order to compare change against a normal situation. July 2021 analysis will resume annualized comparison.

APR'21 CANADIAN MANUFACTURING SALES

Date	Jul'21 close (US\$/mbft)	Sep'21 close (US\$/mbft)	Nov'21 close (US\$/mbft)	Nov'21 -Jul'21 close (US\$/mbft)
10-May-21	\$1,607.5	\$1,465.3	\$1,286.0	(\$321.5)
15-Jun-21	\$1,009.9	\$907.0	\$778.0	(\$231.9)
Change	(\$597.6)	(\$558.3)	(\$508.0)	\$89.6



Lumber

Wood product sales are likely to continue to show strength in the month of May. Looking forward, June's sales are likely to start backing off. In both cases, this is due to the unprecedented strengthening of prices (as shown by CME Group's random length lumber futures).

Lumber Futures (\$/mbft) continued

Prices for July 2021 futures hit a contract high of US\$1,733.5/mbft on May 10, 2021. The contract closed at \$1,009.9/mbft on June 15, 2021. While the Nov-Jul'21 spread has narrowed by \$89.60/mbft since May 10, 2021, the futures forward curve is still inverted by US\$231.90/mbft as of June 15, 2021. This shows that the market is still encouraging more supply to come forward.

Sources: CME Group LB (USD/mbft)

MAR'21 CANADIAN MANUFACTURING SALES

Canada Non-Durable Manufacturing Sales by Sector: (2021-04/2020-02)
(Index 100 where = Feb 2020)



Cdn Non-Durable Manufacturing Sales

Canada's non-durable manufacturing sectors for April 2021 compared to February 2020 saw the highest gains in: **Chemicals (+18%)**, and **Beverage and tobacco products (+15%)**.

Largest percentage declines are in: **Leather and related (-22%)**, and **Clothing (-29%)**.

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



WTI futures (US\$/bbl)

Petroleum product prices are now higher than pre-pandemic levels.

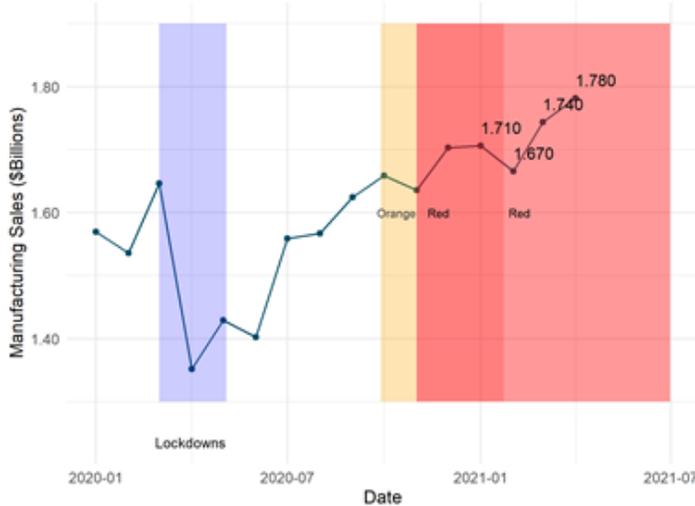
We can see that the prices in April 2021 had strengthened enough to be down only 7 per cent vs Feb 2020.

Sources:

Statistics Canada. Table 16-10-0047-01 Manufacturing Sales by Industry, Seasonally Adjusted, and CME Group via Quandl. WTI (USD/bbl)

APR'21 MANITOBA MANUFACTURING SALES

Manitoba's Manufacturing Sales by Month (\$Billions)



Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0048-01

MB Manufacturing Sales

Manitoba's April 2021 manufacturing sales were up 2.3 per cent on the month, and up 16 per cent since February 2020.

Manitoba Durable Manufacturing Sales by Sector: (2021-04/2020-02)
(Index 100 where = Feb 2020)



Source: Statistics Canada, Manufacturing Sales by Industry, Monthly Seasonally adjusted, Tables 16-10-0048-01

MB Durable Sales

Manitoba's durable manufacturing sectors for April 2021 compared to February 2020 saw the highest gains in:

- **Wood products (+68%),** and
- **Machinery (+33%).**

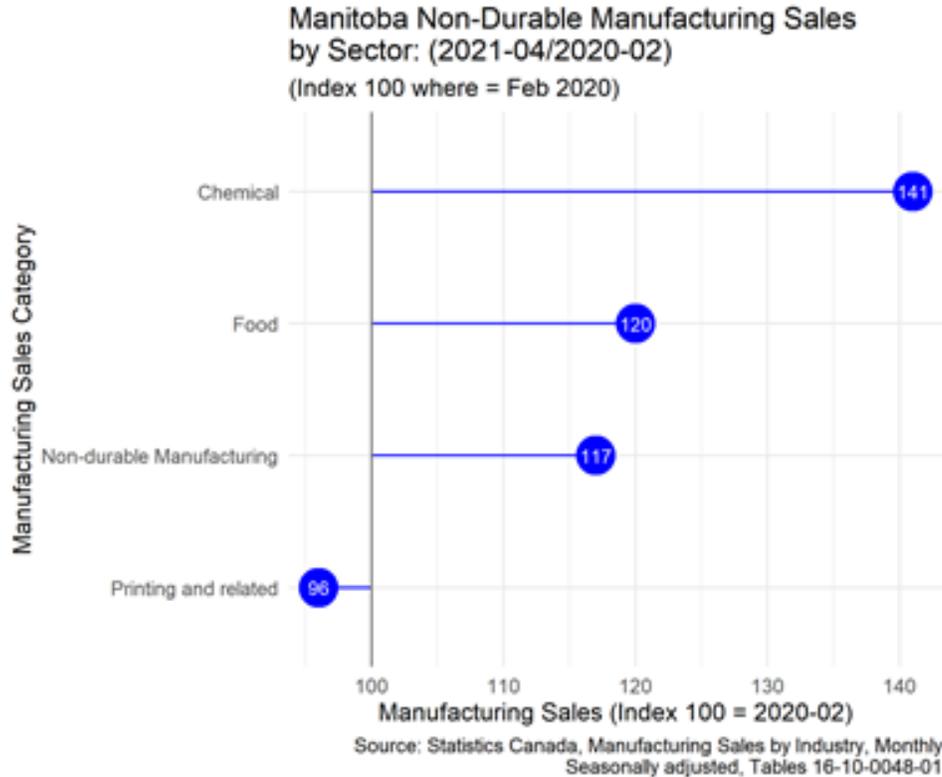
Highest declines are in:

- **Transportation equipment (-25%).**

Sources:

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

APR'21 MANITOBA MANUFACTURING SALES



MB Non-Durable Goods Manufacturing Sales

Manitoba's non-durable manufacturing sectors for April 2021 compared to February 2020 saw the highest gains in:

- **Chemicals** (+41%), and
- **Food** (+20%).

- Highest declines are in: **Printing and related** (-4%).

INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

General inquires: wpginfo@edwinnipeg.com

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