

## Manitoba remains a bright light in national manufacturing sales

[Chris Ferris](#), Senior Economist  
October 23, 2020

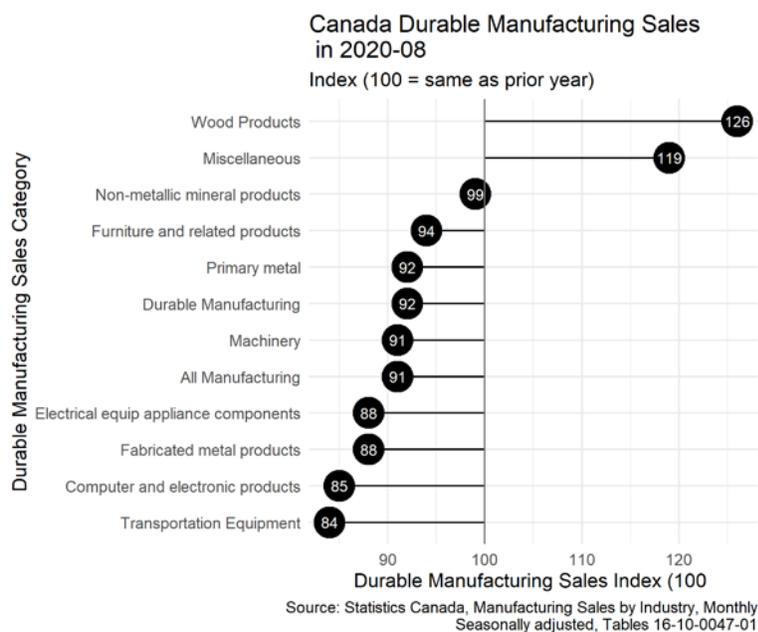
### Bottom Line

**Manitoba’s manufacturing sales bucked the Canadian trend, continuing to rise month-over-month to reach \$1.68 billion in August 2020.** Compared to February, sales were up 8 per cent, and flat on a year-over-year basis. Manitoba’s **machinery, wood products, and food** manufacturing sales were up 20 per cent or more on a year-over-year basis. **Printing and related products, and transportation equipment** continued to drag down Manitoba’s manufacturing sales.

Statistics Canada released the August 2020 survey of manufacturing on October 16. **Canada’s manufacturing sales of \$52 billion were down 9 per cent year-over-year.** While petroleum and related sales are still low (driven by continued low crude pricing), falling transportation equipment dragged sales lower.

### Analysis of August 2020 Manufacturing Sales – Canada

Figure 1: Index of Canada’s Durable Manufacturing Sales in August 2020 (100 = same as prior year)

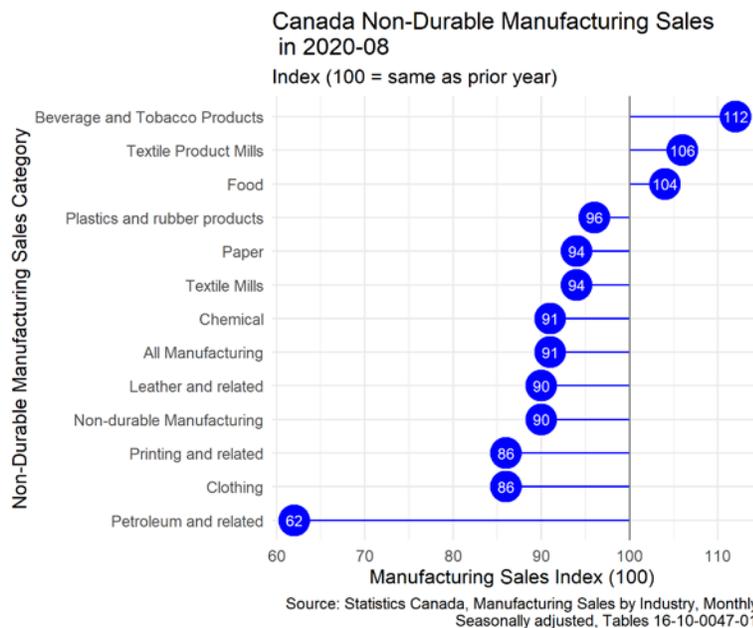


**Canada’s August 2020 manufacturing sales dropped month-over-month to \$52 billion, down from \$54 billion in July.** This is 7 per cent below its level in February, and down 9 per cent year-over-year.

The aggregate for durable goods manufacturing is down 8 per cent year-over-year (**Figure 1**). The year-over-year index for wood products was 126, or up 26%. **Transportation equipment’s** year-over-year index fell from 100 to 84, and **electrical equipment**

**appliances and components** year-over-year index fell from 100 to 88. This was part of what pulled Canada’s manufacturing sales lower.

Figure 2: Index of Canada's Non-Durable Manufacturing Sales in August 2020 (100 = same as prior year)

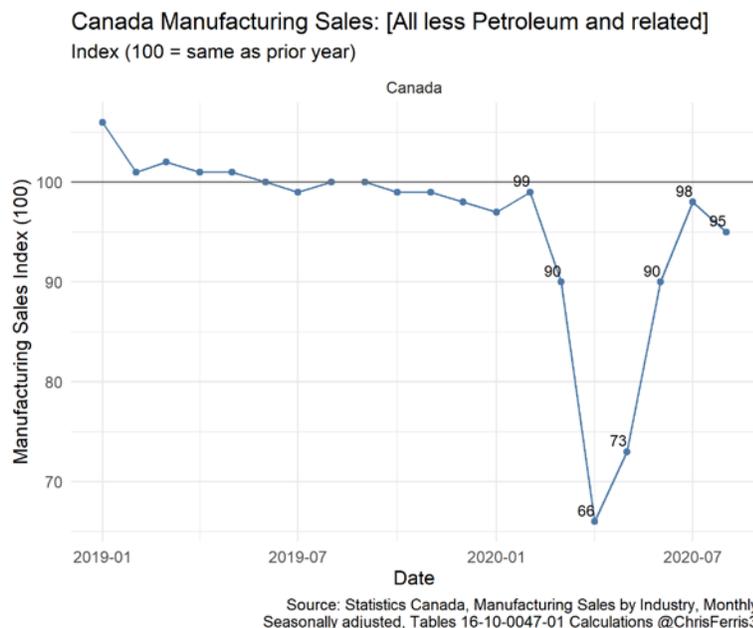


Aggregate non-durable manufacturing sales are still down 10 per cent year-over-year (index of 90). The year-over-year index for **beverage and tobacco products** is 112. **Printing and related**, and **clothing manufacturing** both have a y/y index of 86, but the continuing drag is **petroleum and related**, with a y/y index of 62.

The continuing drag on the petroleum sales index is strongly related to the low price of crude oil. The benchmark

price of West Texas Intermediate (WTI) continues to trade sideways in the US\$34 - US\$44/bbl range. The front-month contract settled at US\$40.64/bbl on October 22, 2020.

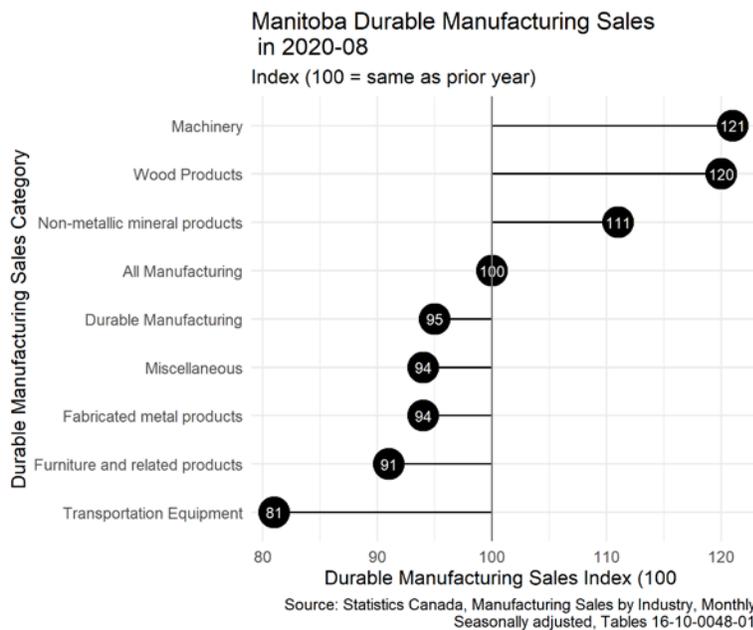
Figure 3: Index of Canadian Total ex Petroleum and related Manufacturing Sales (100 = same as prior year)



If we remove the effect of petroleum and related products from the total manufacturing sales, we can see a slight drop in the year-over-year index. This shows that the month-over-month dip in **transportation equipment** was partially responsible for the overall decline in manufacturing sales.

## Analysis of August 2020 Manufacturing Sales – Manitoba

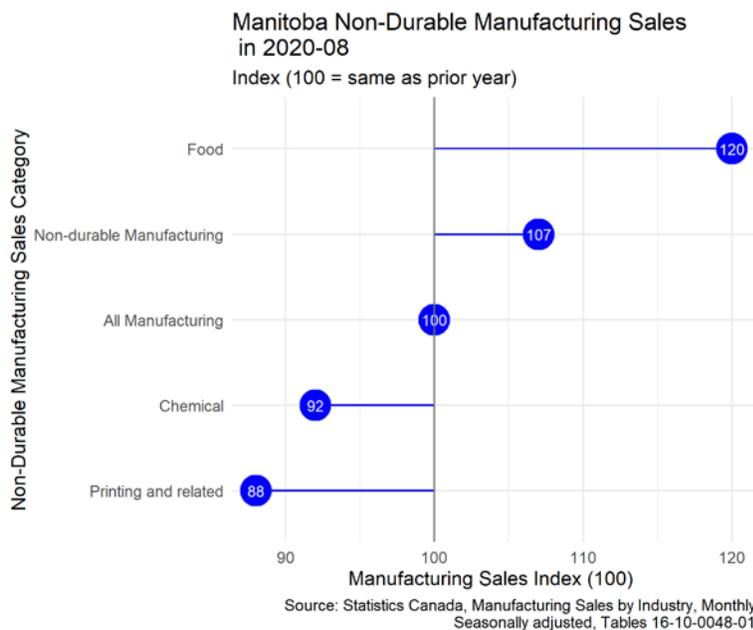
Figure 4: Index of Manitoba's **Durable** Manufacturing Sales in August 2020 (100 = same as prior year)



Manitoba's manufacturing sales bucked the Canadian trend, continuing to rise month-over-month to reach \$1.68 billion in August 2020. Compared to February, sales were up 8 per cent, and flat on a year-over-year basis.

Manitoba's Aug/Feb 2020 percentage changes of manufacturing sales were the strongest of the provinces in Canada.

Figure 5: Index of Manitoba's **Non-Durable** Manufacturing Sales in August 2020 (100 = same as prior year)



On a year-over-year basis, Manitoba's **durable goods manufacturing** was down 5 per cent (index of 95). The y/y index for **machinery** is 121, followed by **wood products** at 120 (up 20%). **Transportation equipment** has a y/y index of 81; continues to act as the main drag on durable goods manufacturing sales.

The index of Manitoba's **non-durable** manufacturing sales (107) is supported by the strong **food sales** (index of 120). **Printed and related sales** (index of 88) has pulled

manufacturing sales of non-durable goods lower.

EDW Contacts for Assistance or Inquiries:

- **For Winnipeg businesses looking for help accessing government programs, please reach out to our Yes! Winnipeg Team** through our [Help us help you form](#) if you are not sure who to contact on the Y!W team.
- For general inquires please email [wpginfo@edwinnipeg.com](mailto:wpginfo@edwinnipeg.com).
- For Marketing & Communications Inquiries, please email [marketingandbranding@edwinnipeg.com](mailto:marketingandbranding@edwinnipeg.com).