

# Study: Recent trends in Canadian automotive industries, 1992 to 2012

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Manufacturing sales in automotive industries increased 19.1% in 2012 to \$82.6 billion in current dollars. This was the third consecutive annual sales increase for the sector.

Cumulatively, from 2009 to 2012, sales were up 54.4%. Sales increases were volume driven, as industrial product prices for motor vehicle manufacturers have declined since 2002. For the first quarter of 2013, a decline in sales in January was partially offset by gains in February and March.

Overall, the sector reached a peak of \$111.6 billion in sales (in current dollars) in 1999 before declining between 2000 and 2007. This downward trend culminated with record annual declines of 23.6% in 2008 and 25.7% in 2009. Despite the recent recovery, sales remain below pre-recession levels.

Exports and imports of motor vehicle and parts have also increased since 2009. Exports increased 14.9% in 2012 to \$68.5 billion, bringing cumulative exports growth from 2009 to 2012 to 54.9%. Imports increased 11.7% to \$82.8 billion in 2012. From 2009 to 2012, imports posted a cumulative increase of 42.4%.

Although sales, exports and imports have increased since 2009, automotive industries have not fully recovered jobs that were lost during the most recent recession. From 2009 to 2012, 5,900 new jobs were created, but 43,500 were lost from 2007 to 2009. In 2012, automotive industries employed 115,000 persons in Canada.

Investment spending in automotive industries fell significantly from 2007 to 2011, before increasing in 2012. Capital spending on structures and machinery and equipment fell from a peak of \$4.2 billion in 2007 to a low of \$1.5 billion in 2011. The decline in capital spending was larger in motor vehicle manufacturing than in motor vehicle parts manufacturing.

Capital spending in automotive industries increased 7.1% in 2012 to \$1.6 billion. Despite the increase, capital spending in 2012 was 62% lower than the pre-recession level in 2007.

## Note to readers

*This article reports on recent developments in Canadian automotive industries. For the purpose of this study, automotive industries refer to motor vehicle manufacturing, motor vehicle parts manufacturing and motor vehicle body and trailer manufacturing industries.*

## Definitions, data sources and methods: survey numbers 2101, 2202, 2318, 2612 and 2803.

The study "Recent Trends in the Canadian Automotive Industries", part of the *Economic Insights* series (11-626-X), is now available from the *Browse by key resource* module of our website under *Publications*.

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