

Annual Survey of Manufacturing Industries, 2016

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Total revenues reported by Canadian manufacturers increased to \$664 billion in 2016, up 0.9% or \$6 billion from 2015. This follows a decline of \$5 billion (-0.8%) in 2015. Total expenses were relatively unchanged, down \$203 million or less than 0.1%.

Revenues from goods manufactured increased 0.9%, up \$5 billion to \$620 billion and accounting for 93% of all revenues earned by Canadian manufacturers in 2016. The \$44 billion difference between total revenues and revenues from goods manufactured was made up of revenues from financial investments, sales of goods purchased for resale (as is) and business activities other than manufacturing such as wholesaling activities. In addition to the revenues from the sale of physical goods manufactured, revenues from goods manufactured also include revenues from manufacturing service fees and custom work, as well as from repair work. In these cases, only the labour is charged, as the materials and products are owned by the clients.

Total cost of materials and supplies kept pace with revenues from goods manufactured, increasing 0.9% (+\$3 billion) and accounting for 63% of total expenses in 2016. Transportation equipment (77%) and petroleum and coal product (85%) manufacturing had the highest proportion of cost of materials and supplies to total expenses, with beverage and tobacco product manufacturing (44%) reporting the lowest ratio.

Total energy and electricity costs decreased 1.3% or \$189 million from 2015, and accounted for 2% of total expenses in 2016. Total salaries and wages declined 0.1% or \$93 million from 2015 and accounted for 14% of total expenses.

Gains in Ontario, Quebec and British Columbia were partly offset by declines in Alberta and New Brunswick

In 2016, four provinces registered a decrease in revenues from goods manufactured: Alberta (down \$6 billion or 8.8%), New Brunswick (down \$1 billion or 7.3%), Newfoundland and Labrador (down \$901 million or 14.0%) and Saskatchewan (down \$389 million or 2.7%).

These declines partly offset the increases in revenues from goods manufactured reported in Ontario (up \$7 billion or 2.6%), Quebec (up \$3 billion or 1.9%), British Columbia (up \$3 billion or 6.1%), Nova Scotia (up \$578 million or 7.6%), Prince Edward Island (up \$139 million or 7.9%), Manitoba (up \$65 million or 0.4%) and the territories (up \$38 million or 57.4%).

Ontario revenues from goods manufactured up for fifth straight year

Revenues from goods manufactured in Ontario rose 2.6% in 2016, up \$7 billion from 2015 to \$298 billion. This marks the fifth consecutive year of annual increases in revenues from goods manufactured. In Ontario, the transportation equipment (\$108 billion), food (\$34 billion) and chemical (\$22 billion) industries accounted for 55% of revenues from goods manufactured in 2016.

In 2016, revenues from goods manufactured increased for 14 of the 21 industries, up \$11 billion in total. The largest year-over-year increases were in transportation equipment (up \$6 billion or 6.1%) and food (up \$1 billion or 3.5%) manufacturing. These increases were partially offset by declines in petroleum and coal products (down \$2 billion or 14.2%), chemicals (down \$807 million or 3.6%), primary metals (down \$435 million or 2.4%), miscellaneous (down \$154 million or 2.1%) and machinery (down \$50 million or 0.3%) manufacturing.



Revenues from goods manufactured in Quebec continue to expand, rising for the fifth straight year

In 2016, revenues from goods manufactured in Quebec increased to \$149 billion, up 1.9% or \$3 billion from 2015. This marks five consecutive years of growth. Among the 21 manufacturing industries, 14 reported increases totalling \$6 billion in revenues from goods manufactured. Industries contributing to this increase were food (up \$2 billion or 8.6%), wood products (up \$784 million or 10.6%), machinery (up \$668 million or 11.8%) and computer and electronic products (up \$529 million or 17.2%). Partially offsetting these increases were declines in revenues from seven manufacturing sectors totalling \$3 billion. The majority of the decrease was observed in the petroleum and coal products (down \$2 billion or 15.2%) and transportation equipment (down \$386 million or 1.8%) industries.

Unlike Ontario, the manufacturing sector in Quebec is not dominated by one particular industry. Roughly 51% of revenues from goods manufactured in the province are generated from four industries: food (\$24 billion), transportation equipment (\$22 billion), primary metals (\$19 billion) and petroleum and coal product (\$10 billion) manufacturing.

British Columbia adds to revenue gains for fifth straight year

In British Columbia, revenues from goods manufactured increased to \$48 billion in 2016, up 6.1% or \$3 billion from 2015. This marks the fifth consecutive year of annual increases in revenues from goods manufactured. In 2016, 14 of the 21 industries grew compared with the previous year. The largest contributors to this provincial increase were food (up \$962 million or 14.1%), primary metals, and wood product (up \$431 million or 4.3%) manufacturing. The largest decreases were in fabricated metal products (down \$332 million or 12.3%) and petroleum and coal products.

As in Quebec, manufacturing in British Columbia is not concentrated in one specific industry. The largest industry in this province, accounting for 22% of revenues from goods manufactured, is wood product manufacturing (\$11 billion), followed by food (\$8 billion) and paper (\$4 billion) manufacturing.

Revenues from goods manufactured in the Prairies decline for a second straight year

In the Prairie region, revenues from manufactured goods fell to \$95 billion in 2016, down \$6 billion or 6.4% from 2015. Alberta accounted for the majority of this decrease, down \$6 billion or 8.8% from the previous year. Saskatchewan registered a smaller decrease (down \$389 million or 2.7%), while Manitoba increased slightly (up \$65 million or 0.4%).

In 2016, 56% of manufacturing revenues in the Prairie region were derived from food (\$21 billion), chemical (\$17 billion) and petroleum and coal product (\$15 billion) manufacturing. Of the 21 manufacturing sectors, 15 showed decreases in manufacturing revenues. Industries accounting for the majority of this decline include petroleum and coal product (down \$2 billion or 12.2%), machinery (down \$2 billion or 19.2%), chemical (down \$1 billion or 5.6%) and fabricated metal product (down \$922 million or 12.0%) manufacturing.

Atlantic provinces saw revenues from goods manufactured fall for a fourth straight year

Revenues from goods manufactured fell to \$31 billion in the Atlantic provinces in 2016, down 4.3% or \$1 billion from 2015. The largest industry contributing to this decline was petroleum and coal product manufacturing. This marks four consecutive years of decline in revenues from goods manufactured.

In the Atlantic provinces, manufacturing is concentrated in petroleum and coal products and in food. Together, the two accounted for more than half of all revenue generated from goods manufactured in this region.



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Manufacturing's share of gross domestic product

The First World War gave a push to the manufacturing sector of the Canadian economy. It represented 23% of the Canadian gross domestic product (GDP) in 1917 and rose to 24% in 1920. During the Great Depression, manufacturing slowed, to a low of 18% in 1933, only to rise again during the Second World War. In 1943, manufacturing's share of GDP reached a record high of 29%.

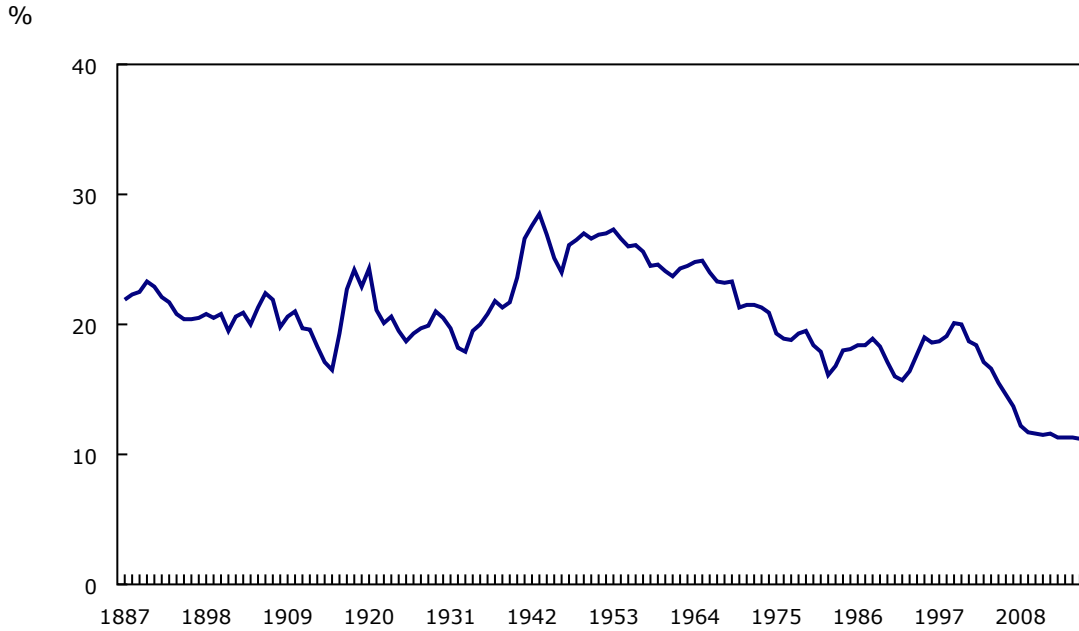
Following the Second World War, manufacturing's share of GDP decreased but remained strong through the period, representing 24% of GDP in 1966. From 1967 to 1991, the manufacturing sector slowly declined in importance, with its share of GDP falling from 23% in 1967 to 16% in 1991. While the share increased after 1992 to reach 20% in 2000, it fell sharply up until 2008 and has since stabilized at around 11%.

Industry composition

In 2017, the Annual Survey of Manufacturing and Logging Industries (ASML) celebrates its 100th birthday. During the first 25 years of ASML, the three most important subsectors in terms of revenues from goods manufactured were food, beverages and tobacco (26%), clothing and textiles (15%) and primary metals (10%). All three industries are linked to raw materials and require low-skilled labour.

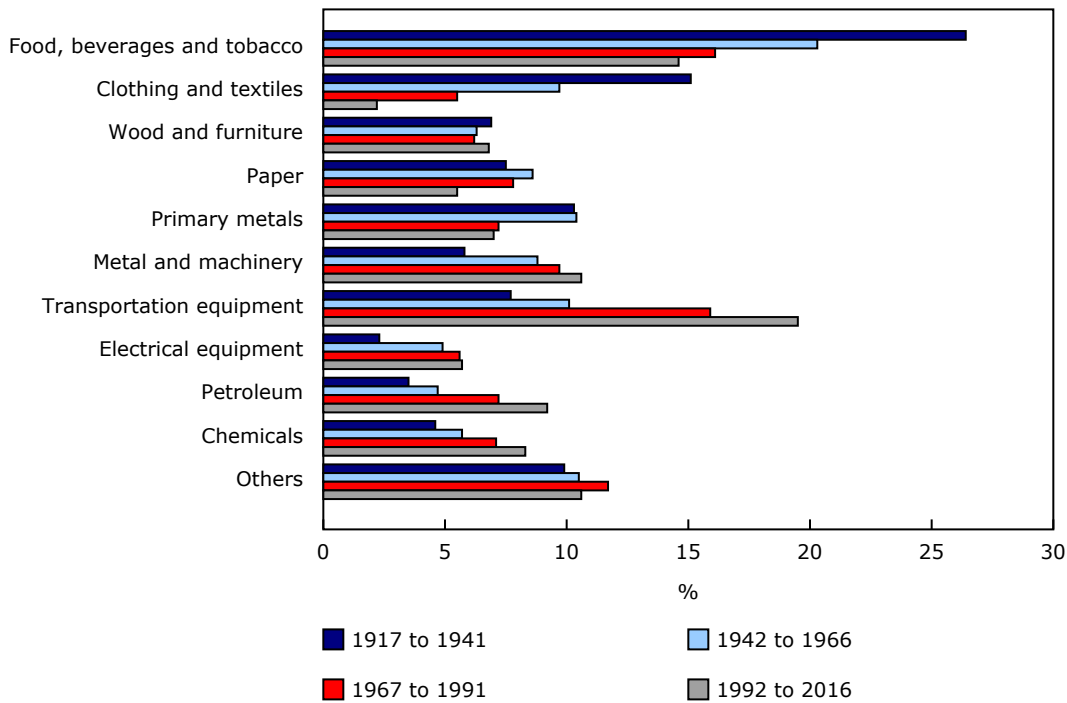
In the last 25 years, the food, beverages and tobacco industry has lost some ground and now holds the second-highest share of the manufacturing sector (15%), falling behind the transportation equipment industry (20%). The clothing and textiles industry now has the lowest share of all the manufacturing subsectors, representing 2% of the sector. The primary metals industry has also lost some ground and now accounts for 7% of all manufacturing, behind the metal and machinery (11%), petroleum (9%) and chemicals (8%) industries.

Chart 1
Manufacturing's share of gross domestic product



Source(s): M.C. Urquhart, 1993, Gross National Product, Canada: 1870-1926: The Derivation of the Estimates; Statistics Canada. n.d.b. Table 383-0021, Multifactor productivity, value added, capital input and labour input in the aggregate business sector and major sub-sectors, by North American Industry Classification System (NAICS) (table). CANSIM (database). Data points from 2013 to 2016 were estimated using the variation in the annualized data from CANSIM table [379-0031](#).

Chart 2
Share of revenues from manufacturing goods by subsector



Source(s): Sawyer, J.A. n.d.a. "Section R: Manufactures," Historical Statistics of Canada. Statistics Canada Catalogue no. [11-516-X](#), and CANSIM tables [301-0001](#), [301-0002](#), [301-0003](#), [301-0006](#) and [301-0008](#).

Note to readers

Changes in methodology were made to the Annual Survey of Manufacturing and Logging Industries beginning with reference year 2013. Users should therefore use caution when comparing current data with historical data prior to 2013. For more information on the methodology changes, consult the document, [Integrated Business Statistics Program](#), in the Behind the data feature of our website.

Data for 2015 have been revised.

Available in CANSIM: table [301-0008](#).

Definitions, data sources and methods: survey number [2103](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).