

# Annual Survey of Manufacturing Industries, 2018

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In 2018, total revenue reported by Canadian manufacturers increased 5.6%, up \$39.3 billion from 2017 to \$737.8 billion. This was the third consecutive annual increase, with revenues rising of 12.1% compared with 2015.

Total expenses rose at a faster pace than total revenue, increasing by 6.4% from 2017.

Revenue from goods manufactured (see note to readers), which accounted for 94% of all revenue earned by Canadian manufacturers in 2018, rose 5.7% to \$691.5 billion. All but 3 of the 21 manufacturing industries showed increases.

The industries that showed the largest increases were petroleum and coal product manufacturing (up \$11.2 billion to \$73.1 billion), food manufacturing (up \$4.0 billion to \$104.4 billion), primary metal manufacturing (up \$3.6 billion to \$54.3 billion), fabricated metal product manufacturing (up \$3.1 billion to \$39.1 billion), and chemical manufacturing (up \$3.1 billion to \$56.0 billion).

In 2018, revenue from goods manufactured in the petroleum and coal product industry reached its highest level since 2015. Although revenue rose significantly in 2018 (+18.2%), it remained 13.5% below the previous high of \$84.6 billion in 2014. Prices were the main driver of the 2018 increase in revenues, as they were up 15.4% from 2017 according to the Industrial Product Price Index.

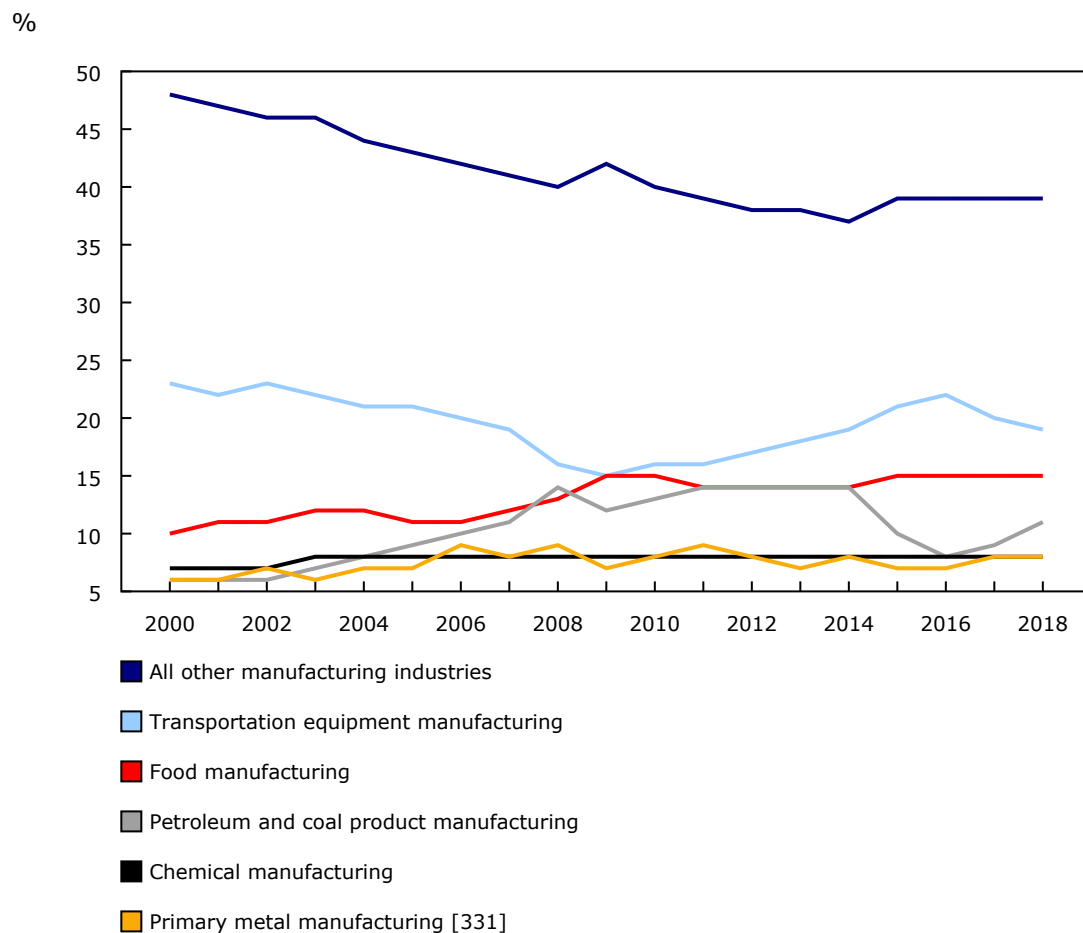
Revenue from goods manufactured in the primary metal industry increased for a second consecutive year, although at a slower pace in 2018 (+7.0%) than in 2017 (+13.8%). These increases were largely due to primary metal prices, which were up 3.5% in 2018 and 6.7% in 2017.

Only three industries exerted downward pressure on the total revenue from goods manufactured, with the biggest impact from transportation equipment manufacturing, down \$143.6 million (-0.1%). This downturn is partially attributable to a decrease in US demand for automotive vehicle models built in Canada. Textile product mills manufacturing decreased \$57.2 million (-3.5%), while textile mills manufacturing was down \$5.9 million (-0.3%).

Although revenue from goods manufactured was down for transportation equipment, this industry accounted for the largest share of the manufacturing sector in 2018, at 19%. This was the second consecutive decrease in its share since the 2008/2009 recession. The food industry ranked second, with a share of 15%, followed by petroleum and coal products, at 11%.



**Chart 1**  
**Industry share of revenue from goods manufactured in Canada, 2000 to 2018**



Source(s): Tables [16-10-0117-01](#), [16-10-0038-01](#) and [16-10-0056-01](#).

## Growth in costs of materials and salaries outpaces growth in revenues

For every dollar made in total revenue in 2018, manufacturing companies spent an average of 91 cents in total expenses. The beverage and tobacco product manufacturing industry spent the least, at 76 cents, while the transportation equipment manufacturing industry spent the most, at 96 cents for every dollar of revenue.

The total cost of materials and supplies increased at a faster pace (+7.0%, or \$28.0 billion) than revenue from goods manufactured (+5.7%, or \$37.5 billion). This cost accounted for almost two-thirds of total expenses in 2018. This proportion reached 87% for petroleum and coal products and 75% for transportation equipment, while the lowest proportion (43%) was reported by the beverage and tobacco product industry.

Total salaries and wages increased 6.2%, or \$5.6 billion, from 2017, and accounted for 14% of total expenses. In 2018, petroleum and coal product manufacturing was the least labour-intensive industry, with 2% of total expenses spent on total salaries and wages. Printing and related support activities had the highest share, at 30%, followed closely by furniture and related product manufacturing, at 29%.

The total cost of energy, water utility and vehicle fuel increased 3.2%, or \$484.5 million, from 2017. It accounted for 2% of total expenses. Paper manufacturing was the most energy-intensive industry, with 7% of its revenue from goods manufactured going toward energy, water utility and vehicle fuel costs.

**Table 1**  
**Revenue from goods manufactured by industry**

	2017 <sup>r</sup>	2018 <sup>p</sup>	2017 <sup>r</sup> to 2018 <sup>p</sup>	2017 <sup>r</sup> to 2018 <sup>p</sup>	2018 <sup>p</sup>
	millions of dollars		change in millions of dollars	% change	% share
<b>Manufacturing</b>	<b>653,997</b>	<b>691,525</b>	<b>37,528</b>	<b>5.7</b>	<b>100</b>
Food manufacturing	100,346	104,395	4,049	4.0	15
Beverage and tobacco product manufacturing	14,197	14,600	403	2.8	2
Textile mills	1,769	1,763	-6	-0.3	0
Textile product mills	1,637	1,579	-58	-3.5	0
Clothing manufacturing	2,711	2,780	69	2.6	0
Leather and allied product manufacturing	355	356	1	0.1	0
Wood product manufacturing	33,356	35,815	2,459	7.4	5
Paper manufacturing	27,736	30,592	2,856	10.3	4
Printing and related support activities	9,286	9,514	228	2.5	1
Petroleum and coal product manufacturing	61,896	73,142	11,246	18.2	11
Chemical manufacturing	52,931	55,985	3,054	5.8	8
Plastics and rubber products manufacturing	29,813	31,202	1,389	4.7	5
Non-metallic mineral product manufacturing	16,190	16,462	272	1.7	2
Primary metal manufacturing	50,711	54,269	3,558	7.0	8
Fabricated metal product manufacturing	35,975	39,055	3,080	8.6	6
Machinery manufacturing	35,969	38,270	2,301	6.4	6
Computer and electronic product manufacturing	13,880	14,836	956	6.9	2
Electrical equipment, appliance and component manufacturing	10,513	10,542	29	0.3	2
Transportation equipment manufacturing	131,163	131,020	-143	-0.1	19
Furniture and related product manufacturing	12,349	13,166	817	6.6	2
Miscellaneous manufacturing	11,214	12,181	967	8.6	2

<sup>r</sup> revised

<sup>p</sup> preliminary

**Note(s):**

Differences are calculated based on data rounded to the millions of dollars, while the percentage changes are calculated using data rounded to the thousands of dollars.

Figures may not add up to totals as a result of rounding.

**Table 2**  
**Revenue from goods manufactured by province and territory**

	2017 <sup>r</sup>	2018 <sup>P</sup>	2017 <sup>r</sup> to 2018 <sup>P</sup>	2017 <sup>r</sup> to 2018 <sup>P</sup>	2018 <sup>P</sup>
	millions of dollars	millions of dollars	change in millions of dollars	% change	% share
<b>Canada</b>	<b>653,997</b>	<b>691,525</b>	<b>37,528</b>	<b>5.7</b>	<b>100</b>
Newfoundland and Labrador	6,457	7,357	900	14.0	1
Prince Edward Island	1,882	2,024	142	7.6	0
Nova Scotia	8,407	9,139	732	8.7	1
New Brunswick	18,494	18,943	449	2.4	3
Quebec	158,780	171,345	12,565	7.9	25
Ontario	304,249	314,932	10,683	3.5	46
Manitoba	17,473	18,679	1,206	6.9	3
Saskatchewan	15,307	17,036	1,729	11.3	2
Alberta	70,901	76,711	5,810	8.2	11
British Columbia	51,955	55,256	3,301	6.4	8
Yukon	36	37 <sup>E</sup>	1	3.3	0
Northwest Territories	35	37	2	5.4	0
Nunavut	22	27	5	25.5	0

<sup>r</sup> revised

<sup>P</sup> preliminary

<sup>E</sup> use with caution

**Note(s):**

Differences are calculated based on data rounded to the millions of dollars, while the percentage changes are calculated using data rounded to the thousands of dollars.

Figures may not add up to totals as a result of rounding.

**Note to readers**

*In addition to the revenue from the sale of the physical goods manufactured, revenue from goods manufactured also includes revenue from manufacturing service fees and custom work, as well as from repair work. In these cases, only the labour is charged to the clients, as the materials and products are owned by them.*

*The difference between total revenue and revenue from goods manufactured is made up of revenue from financial investments; sales of goods purchased for resale (as is); and business activities other than manufacturing, such as wholesaling activities.*

*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 [The Integrated Business Statistics Program](#), in the Behind the data feature of our website.*

*Data for 2017 have been revised.*

**Available tables: table [16-10-0117-01](#).**

**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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).