

Automotive equipment rentals and leasing industry maintained growth in 2019

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The COVID-19 pandemic and the steps taken by federal, provincial and local governments to reduce its spread have affected the ability and willingness of Canadians to travel and have disrupted the economy in general. This will have an impact on the industry estimates of automotive equipment rental and leasing services for 2020 and, possibly, future years. Estimates for 2019 should be viewed through this lens.

Revenue of the automotive equipment rental and leasing industry group increased 6.2% in 2019 to \$7.8 billion, more moderate than the 7.9% increase in 2018. The Canadian economy advanced at a slower pace in 2019—3.6% in current dollars—compared with a gain of 4.2% in 2018 (table 36-10-0221-01). Business clients generated 55.1% of operating revenue in 2019, while sales to individuals and households accounted for 38.9% of operating revenue. Sales to governments accounted for 4.2%, and sales outside Canada contributed 1.8% of operating revenue.

Operating expenses rose 6.1% to \$6.9 billion in 2019. Amortization and depreciation was the largest expense variable, at 27.8% of operating expenses, as the automotive equipment rental and leasing industry is capital intensive. Salaries, wages, commissions and benefits represented 17.4% of operating expenses. This expense item decreased 0.5% in total value from 2018 because of a consolidated industry push towards newer technologies. The cost of goods sold contributed 16.3% to the industry's operating expenses.

In addition to the move towards newer technologies, the reduction in the price of gasoline and its positive impact on automobile travel and usage boosted corporate profits. The operating profit margin for this industry increased to 12.6% in 2019 from 12.5% in 2018. Lastly, non-traditional rental companies using car sharing, often through mobile applications, continued to expand. These companies accounted for over \$100 million in revenues and expenses in 2019.

Note to readers

Data for 2017 and 2018 have been revised.

The data for reference year 2019 were collected during spring and summer of 2020. This collection period includes the events and business disruptions around COVID-19 and, in general, response rates have been lower. As a result, there may be larger-than-normal revisions to the data in future releases. For more information on data quality and revisions please refer to [2442—Annual Survey of Service Industries: Automotive Equipment Rental and Leasing](#).

Available tables: [21-10-0012-01](#) to [21-10-0014-01](#) , [21-10-0230-01](#) and [21-10-0244-01](#).

Definitions, data sources and methods: survey number [2442](#).

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).

