

# Repair and maintenance services, 2019

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Businesses in the repair and maintenance subsector generated \$33.1 billion in total operating revenue in 2019, up 4.5% from 2018. Total operating expenses rose to \$30.3 billion, an increase of 4.5% from the previous year. The profit margin remained unchanged at 8.5%.

The repair and maintenance subsector includes three industry groups. The automotive repair and maintenance industry group generated 63.3% of the subsector's operating revenue. The electronic and precision equipment repair and maintenance group accounted for 5.5%, with the remaining 31.2% consisting of sales in the commercial and industrial machinery and equipment repair and maintenance group.

## The automotive repair and maintenance industry shows seventh straight year of growth

Revenue of firms in the automotive repair and maintenance industry was up 5.9% to \$21.0 billion in 2019 compared with 2018. This marks the seventh consecutive year of growth. This is likely due to the rising number of vehicles in Canada and the increased average age of vehicles in Canada. Salaries, wages, commissions and benefits grew at a slightly faster rate (+6.4%) than total operating expenses (+5.9%), to \$5.9 billion and \$19.3 billion, respectively. The profit margin stood at 7.9%.

Among the provinces, Quebec saw the strongest growth in operating revenue (+8.7%), while, for the second year in a row, Newfoundland and Labrador saw a decline (-2.0%). The four provinces with the greatest proportion of the industry group's operating revenue were Ontario (36.3%), Quebec (21.4%), Alberta (15.4%) and British Columbia (14.0%).

The majority of sales in the automotive repair and maintenance industry were sales to individuals and households (61.5%), followed by sales to businesses (35.1%).

The cost of goods sold was the main operating expense (43.2%) for this industry group, followed by salaries, wages, commissions and benefits (30.4%), and rental and leasing (5.4%).

## Electronic and precision equipment repair and maintenance, and commercial and industrial machinery and equipment repair and maintenance generate \$12.2 billion in revenue

The electronic and precision equipment and the commercial and industrial machinery and equipment repair and maintenance industry groups earned a combined \$12.2 billion in 2019, an increase of 2.1% from the previous year. Operating expenses rose to \$11.0 billion, leading to a profit margin of 9.6% in 2019.

Businesses in New Brunswick (+6.9%) and Nova Scotia (+6.0%) saw the strongest growth in total operating revenue, whereas businesses in Newfoundland and Labrador (-6.1%) and Manitoba (-2.5%) had the largest declines. The four provinces with the greatest share of the industry groups' operating revenue were Alberta (32.1%), Ontario (26.3%), Quebec (18.4%) and British Columbia (11.8%).

The cost of goods sold made up 38.0% of the operating expenses of these industry groups, followed by salaries, wages, commissions and benefits, at 33.8%.

The majority of sales in these industry groups were sales to businesses (82.3%), followed by sales to individuals and households (7.2%).

## Effects of the COVID-19 pandemic

Like many industries, the repair and maintenance subsector has been affected by the COVID-19 pandemic. Although repair and maintenance services are considered to be essential across Canada, the industry was impacted by business shutdowns, disruptions to supply chains, and increased health and safety regulations. Moreover, the shift to working from home, in addition to stay-at-home orders, had a direct impact on the demand for



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automotive repair and maintenance services. According to the December Labour Force Survey, at the end of 2020, 4.8 million Canadians reported working from home. Of those individuals, 2.8 million indicated that they did not usually do so.

Industries that rely on industrial machinery and equipment, such as mining, construction, and oil and gas, also saw disruptions, with major oil producers announcing cuts to production and capital spending. [Capital expenditures in oil and gas extraction](#) were down by 33.7% in the first three quarters of 2020, a magnitude of decline that has not been observed since the 2015 and 2016 energy downturn. As well, quarterly [gross domestic product](#) (GDP) estimates for the repair and maintenance subsector showed that GDP was 16.7% lower in the first three quarters of 2020 when compared with the same time period 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 2020. This collection period includes the events and business disruptions around COVID-19, and, in general, response rates were 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 [4720— Annual Survey of Service Industries: Repair and Maintenance Services](#).*

**Available tables:** [21-10-0060-01](#) to [21-10-0062-01](#) .

**Definitions, data sources and methods:** survey number [4720](#).

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)).