

Commercial and industrial machinery and equipment rental and leasing, 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, November 10, 2021

Operating revenue in the commercial and industrial machinery and equipment rental and leasing industry fell by 8.6% in 2020 to \$11.6 billion.

Declines were seen in every province. The demand for equipment rental and leasing was impacted by the drop in capital expenditures on non-residential construction and machinery and equipment, down 9.2% in 2020. The main contributing factor to this decline was the 31.9% contraction in investments in mining, quarrying, and oil and gas extraction in 2020, which were heavily influenced by developments in the oil and gas sector, oil prices, and drilling activity. In contrast, public sector investment increased during the first year of the pandemic, helping to cushion the large cyclical drop in business investments.

Alberta remained the largest contributor to the commercial and industrial machinery and equipment rental and leasing industry, accounting for 35.8% of national operating revenue. However, this proportion has dropped by more than 10 percentage points since 2014. Operating revenue in Alberta fell by 9.2% in 2020 to \$4.2 billion. The second-largest contributor to the industry, Ontario (30.3%), also faced a decline (-9.6%) in operating revenue to \$3.5 billion in 2020.

The industry's operating expenses declined (-8.5%), almost in tandem with its operating revenue, resulting in a stable profit margin of 10.6% in 2020. Salaries, wages, commissions and benefits, which declined 11.4% in 2020, continued to represent the largest share of total operating expenses (22.7%).

The COVID-19 pandemic resulted in some operational changes in this industry. Of the businesses that responded to the survey, 69.3% indicated that they made changes to their operating methods in 2020. Among businesses that made such changes, 43.0% asked some or all employees to work from home, roughly one-third retrofitted their workspaces, and 26.1% reduced labour costs.

Potential turnaround in 2021

The commercial and industrial machinery and equipment rental and leasing industry is facing better prospects for 2021, supported by much stronger energy prices and capital expenditure intentions for non-residential construction and machinery and equipment investments. Led by strong growth in the public sector, total investment in the first half of 2021 is already showing positive growth compared with 2020. These preliminary indicators suggest that activity in the commercial and industrial machinery and equipment rental and leasing industry should turn around in 2021.

Note to readers

Data from 2019 have been revised.

Information on the decline in capital expenditures on non-residential construction and machinery and equipment in 2020, and information on the stronger capital expenditure intentions for 2021 are from Table [34-10-0035-01](#).

Information on the increase in public sector investment in 2020 is from Table [34-10-0038-01](#).

Information on total investment in the first half of 2021 compared with 2020 is from Table [36-10-0108-01](#).

These and other data related to business and consumer services can be found on the [Business and consumer services and culture statistics portal](#).



Available tables: [21-10-0009-01](#) to [21-10-0011-01](#) .

Definitions, data sources and methods: survey number [2441](#).

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).