

Repair and maintenance services subsector, 2020

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In 2020, the repair and maintenance services subsector was adversely impacted by the COVID-19 pandemic.

Businesses in this subsector generated \$31.7 billion in operating revenue in 2020, down 5.3% from 2019. Operating expenses dropped 5.6% to \$28.9 billion. The profit margin increased slightly to 8.8%.

The repair and maintenance services subsector includes three industry groups. The automotive repair and maintenance industry group generated 63.3% of the subsector's operating revenue in 2020. The electronic and precision equipment repair and maintenance group, combined with the commercial and industrial machinery and equipment repair and maintenance group, generated the remaining 36.7% of revenue.

Although they were deemed essential services across Canada, businesses providing repair and maintenance services were nevertheless affected by shutdowns, disruptions to supply chains, the implementation of health and safety regulations, and reductions in consumer demand.

Work-from-home policies drive down demand for automotive repair and maintenance

Firms in the automotive repair and maintenance industry earned \$20.1 billion in operating revenue in 2020, 4.3% less than in 2019. Because of work-from-home policies and stay-at-home orders, Canadian roads saw a drop in both the level of traffic and the number of collisions. From April to December 2020, roughly one-third of Canadians reported working most or all of their hours from home.

Salaries, wages, commissions and benefits dropped at a slightly slower rate (-4.7%, to \$5.6 billion) than total operating expenses (-4.9%, to \$18.4 billion). The profit margin stood at 8.4% in 2020.

Among the provinces, Ontario saw the largest decline in operating revenue (-6.1%). The four provinces with the greatest proportion of the industry group's operating revenue were Ontario (35.6%), Quebec (21.2%), Alberta (15.7%) and British Columbia (14.4%).

The majority of sales in the automotive repair and maintenance industry group were sales to individuals and households (61.1%), followed by sales to businesses (35.1%).

The cost of goods sold was the main operating expense (43.7%) for this industry group, followed by salaries, wages, commissions and benefits (30.5%), and rental and leasing (5.6%).

Electronic and precision equipment repair and maintenance, and commercial and industrial machinery and equipment repair and maintenance generate \$11.6 billion in operating revenue

The electronic and precision equipment repair and maintenance industry group and the commercial and industrial machinery and equipment repair and maintenance industry group earned a combined \$11.6 billion in 2020, down 6.9% from the previous year. Industries that rely on commercial and industrial machinery and equipment, such as mining, construction, and oil and gas extraction, all saw disruptions in their operations, weaker capital expenditures, and weakening demand for repair and maintenance services. This was evident in Alberta, which accounted for 36.5% of the national decrease in 2020. As in previous years, Alberta (31.7%) had the largest share of operating revenue for this industry group, but continued to lose ground to Ontario (27.0%), Quebec (18.2%) and British Columbia (11.8%).

The operating expenses of these industry groups dropped 6.7% to \$10.5 billion in 2020. The profit margin edged down to 9.4%, compared with 9.6% in 2019. Salaries, wages, commissions and benefits decreased 6.7% to \$3.6 billion.



The cost of goods sold made up 39.3% of the operating expenses of these industry groups, followed by salaries, wages, commissions and benefits (33.8%).

The majority of sales in these industry groups were sales to businesses (82.0%), followed by sales to individuals and households (6.5%).

Looking ahead to 2021

The repair and maintenance services subsector has been facing mixed demand factors in 2021. Companies have been adjusting their business models to align with shifting public health restrictions across the country. As Canadians faced new waves of the pandemic, the number of people working from home has fluctuated to adapt to new requirements.

In addition, the motor vehicle industry has been facing many supply chain issues. Global shortages of key products such as semiconductor chips have affected worldwide vehicle production, causing delays and increased costs for anyone wanting to purchase a new car. More consumers have been considering these additional factors in their decision to purchase a new or used vehicle, or to repair their existing car so it can last longer. Older cars are expected to require more regular maintenance than new vehicles, and this will benefit the repair and maintenance services subsector. Stronger energy prices could lead to a resurgence in the demand for heavy machinery and commercial equipment repair and maintenance, as oil and gas companies increase their capital expenditures.

Note to readers

Data for 2018 and 2019 have been revised.

Working from home data were taken from the article [Working from home in Canada: What have we learned so far?](#)

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

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).