

# Engineering services industry, 2020

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## Engineering services withstand a tumultuous 2020

After a strong comeback in 2019, the operating revenue of the engineering services industry grew moderately by 1.9% to \$33.7 billion in 2020. During the height of the COVID-19 pandemic in 2020, many activities related to the engineering services industry were categorized as essential, mainly for construction projects in the energy, mining and transportation sectors. Still, significant economic uncertainty weighed on business expansion plans. There were also delays in the development of projects—particularly at the onset of the pandemic and during 2020—because of COVID-19 outbreaks among workers, which may have impacted project development timelines.

Operating expenses in the engineering services industry grew 3.3% to \$30.7 billion in 2020. Salaries, wages, commissions and benefits totalled \$14.1 billion in 2020, accounting for 45.8% of the engineering industry's total operating expenses. The cost of goods sold (24.2%) was the second highest operating expense. The operating profit margin was 8.9% in 2020, down from 10.1% in 2019.

In the engineering services industry, public investment has risen steadily, more specifically by almost one-quarter between 2014 and 2020, while that was not the case for investment in oil and gas extraction. Despite this, a few major multi-year energy-related projects that started work in recent years in Alberta and British Columbia have kept the industry afloat. Consequently, among engineering services, those related to petroleum and petrochemical plant and process engineering projects had the largest share (19.0%) of total sales in 2020, increasing 3.5 percentage points from 15.5% of total sales in 2019. Commercial, public and institutional building engineering projects had the second largest share (17.0%) of total sales in 2020.

Clients in the business sector made up 66.0% of sales in the engineering services industry in 2020, while governments and public institutions accounted for 20.7%. Customers outside Canada accounted for 9.6% of sales in 2020. Foreign sales were almost evenly split between the United States (43.8%) and all other countries (56.2%).

## Looking at 2021

Despite the pandemic, the Canadian economy bounced back in 2021. Fuelling the recovery was household spending, the housing sector and also growth in other sectors, such as business investment in engineering structures. Furthermore, investment in public infrastructure continued unabated, mainly for public transit projects and for expansions in the health care and social assistance sector. Major projects in clean energy also contributed to increases in capital spending. These wide-ranging developments should have benefited the engineering services industry. The annual survey for 2021 will provide more complete details on how professional services activities fared during the economic recovery.

### Note to readers

*Data for 2018 and 2019 have been revised.*

*Information on public investment is taken from Table [36-10-0108-01](#).*

*Information on the oil and gas extraction industry is from Table [25-10-0054-01](#).*

*Data are collected for the 12-month fiscal period that ends from April 1, 2020, to March 31, 2021. For some businesses, this means reporting mostly on pre-pandemic operations. As a result, the effects of the pandemic are not fully reflected in the estimates for this reference year and will extend to the estimates for the 2021 reference year.*

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



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**Available tables:** [21-10-0163-01](#) to [21-10-0165-01](#) , [21-10-0212-01](#) and [21-10-0214-01](#).

**Definitions, data sources and methods:** survey number [2439](#).

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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).