

Engineering services industry, 2022

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Increase in demand for engineering services accelerates in 2022

After two years marked by moderate growth, the operating revenue of the engineering services industry grew by 12.1% to \$39.5 billion in 2022. This represents one of the most robust periods of growth in the past decade.

The engineering services industry has strong ties to the oil and gas extraction industry, in which investment increased by 41.9% in 2022. The engineering services industry continued to benefit from the development of pipelines and other significant projects.

Investment in public infrastructure, including public transit and other transportation-related projects, remained a driving force for the demand of engineering services in Ontario and Quebec in 2022, as in previous years.

Operating expenses increased by 14.0% to \$37.0 billion in 2022, resulting in an operating profit margin of 6.4%, down from 8.0% in 2021. Salaries, wages, commissions and benefits totalled \$16.9 billion in 2022, accounting for 45.7% of the engineering services industry's total operating expenses. The cost of goods sold was the second-highest operating expense, representing 21.2% of total expenses.

Engineering services related to petroleum and petrochemical engineering projects accounted for 16.7% of total sales in 2022, up from 15.9% in 2021.

Clients in the business sector made up 61.6% of sales in the engineering services industry in 2022, while governments and public institutions accounted for 22.6%. Customers outside Canada accounted for 8.8% of sales in 2022. Foreign sales were mostly split between the United States (51.3%) and all other countries (42.7%).

A look at 2023

The growth in operating revenue in the engineering services industry is expected to have been more moderate in 2023, as a few major projects in the energy sector have been completed or are well underway. However, Canada plans to transition to cleaner energy sources, which should bolster capital expenditures in several sectors. The impact of these trends on engineering services will be confirmed when financial estimates for the 2023 reference year are published.

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Note to readers

Data for 2020 and 2021 have been revised.

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

Information on the energy sector came from the Daily release "[Non-residential capital and repair expenditures, 2021 \(revised\), 2022 \(preliminary\) and 2023 \(intentions\)](#)."

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: [21-10-0163-01](#) 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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).