

## Manufacturing industries

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### Shipments of the top 10

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Preliminary estimates for total manufacturing shipments in 1977 for 172 industries in Canada were \$109.8 billion. The top 10 industries alone accounted for \$46.4 billion or 42.3% of the total value of these shipments. Most of these industries have important export markets. Those exporting over half their shipments, according to the 1974 destination of shipments survey, were: motor vehicle manufacturers (63%), pulp and paper mills (62%), motor vehicle parts and accessories manufacturers (58%), and sawmills and planing mills (53%).

The leading manufacturing industry in Canada in 1977, measured by the value of manufacturing shipments, was motor vehicle manufacturers at \$8.4 billion. Prices and production both increased by 8% during the year. Shipments of passenger cars to the United States increased 15.5% to \$3.9 billion and trucks increased 47.5% to \$2 billion. Automotive products are significant components of the balance of trade between Canada and the US and have been growing as a percentage of all Canadian exports.

Petroleum refining was a close second ranking industry with \$8.1 billion of shipments. Canada has one of the highest per capita consumptions of energy in the world. The climate, geography, industrial structure and high standard of living all contribute to the high demand. There have been substantial price increases in this industry in recent years in attempts to reach world market prices.

Pulp and paper mills was next highest with shipments of \$6.5 billion. The industry's real domestic product rose 5% over 1976, a small increase despite the industry-wide strikes of 1975, carried into the first few months of 1976, which artificially deflated the production for those two years. Slaughtering and meat processing held its fourth ranking position with \$4.3 billion of shipments. There has been growth in the number of establishments in this industry in most years of the past decade matched by steady increases in the index of real output. Prices for the last three years remained stable.

Four industries were in the \$3 billion to \$4 billion range. Iron and steel mills at \$3.8 billion in shipments showed modest increases in both prices and production for 1977. Weak demand constricted the Canadian market while over-capacity among foreign producers led to increased competition in the export market. Motor vehicle parts and accessories manufacturers at \$3.7 billion had a production increase of 6% while prices rose 10%. Automotive components shipped to the United States in 1977 increased 23% to \$3.4 billion. The performance of this industry reflects that of motor vehicle manufacturers in the US where sales increased substantially in 1977.

Sawmills and planing mills with shipments of \$3.6 billion had a record year in 1977 for lumber production which increased substantially over 1976 in spite of high increases in prices (16%). The gain was due mainly to continued strong demand for family dwellings in the US. Over half of this industry's products are exported; lumber exports to the United States alone jumped 55.5% in 1977, to almost \$1.9 billion.

Output of dairy products at \$3 billion has remained fairly stable during the past few years. A significant change over the past decade has been a steady drop in the number of establishments in the industry from 880 in 1970 to 519 in 1975. Advances in technology, such as refrigerated trucks and automation, and the production of a wide range of commodities by bigger plants has caused the disappearance of small, specialized establishments.

Much of the output from the miscellaneous machinery and equipment industry, the ninth largest, goes into capital formation. Capital expenditures for machinery and equipment rose 8% in 1977 with an expected increase to \$4.6 billion in 1978. Shipments of \$2.7 billion in this industry included such diverse products as elevators, bulldozer blades, snow blowers and fire-fighting equipment.