

Manufacturing industries

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Shipments of the top 10

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Based on Statistics Canada monthly surveys, preliminary estimates for total manufacturing shipments in 1979 for 171 industries in Canada were \$151.7 billion, an increase of nearly 17.6% over 1978. The top 10 industries alone accounted for 43.5% of the total value of manufacturing shipments, an increasingly high concentration of output compared to 37.8% in 1969 for these same industries.

The leading manufacturing industry in Canada in 1979 in terms of shipments was petroleum refining at \$12.3 billion. Prices increased 18% although restrained by government price controls. During the last decade, this industry has increased its share of manufacturing shipments from 4% in 1969 to 8% in 1979 reflecting both the higher petroleum prices and importance of this energy-related industry to the Canadian economy.

Motor vehicles slipped from first place to second, with shipments in 1979 estimated at \$11.0 billion. Exports of passenger cars to the United States decreased 15% to \$3.9 billion while trucks increased 3% to \$2.6 billion. Increased material and manufacturing costs were responsible for price increases averaging 12% while production decreased as a result of weak consumer and export demand and the substitution by consumers of more fuel-efficient foreign imports.

The pulp and paper mills category was next highest with shipments of \$9.4 billion. There has been a continuing strong export demand for newsprint, an important component in this industry (43% in 1979), despite a slowing down of the US economy; 1979 was a profitable year for pulp and paper with prices rising 19% and plants operating at near capacity.

Three industries were in the \$5 billion to \$6 billion range. Slaughtering and meat packing shipped \$6.6 billion. Price increases during the year (16%) were due mainly to beef, although substitutes increased as well. Worldwide shortages have pushed up prices while changes in consumption patterns have increased demand for low-grade beef used in fast-food outlets. Iron and steel mills at \$5.9 billion in shipments showed a modest increase of 7% in production. With a significant increase in exports in recent years due to competitive prices and the devaluation of the dollar, the industry is undergoing a period of expansion in anticipation of even greater demand for steel in the coming decade. Sawmills and planing mills had shipments of \$5.4 billion. Lumber sales to the United States, accounting for more than half the shipments, reflect the importance of foreign demand for housing in this industry. High price increases (18%) were offset by the low value of the dollar abroad.

The seventh to tenth largest industries had shipments under \$5 billion. Output in the motor vehicle parts and accessories industry was \$4.3 billion. Although more than half the shipments were exported, there remains a substantial trade deficit with the US in this industry. Miscellaneous machinery and equipment shipped \$4.2 billion in 1979. A world leader in pulp and paper machinery, this industry also excels at producing custom-made equipment though a trade deficit still exists on standard commodities produced. Dairy products at \$3.9 billion had relatively modest price increases of 9% over the year and a slight increase in production (3%). The tenth largest industry with shipments of \$3.0 billion was metal stamping and pressing. This industry manufactures a wide variety of products from licence plates to tin cans.

Top 10 for 1978. The census of manufactures carried out by Statistics Canada for 1978 ranked the top 10 manufacturing industries by value of shipments as follows: petroleum refining, \$10.2 billion; motor vehicles, \$10.1 billion; pulp and paper mills, \$7.6 billion; slaughtering and meat packing, \$5.5 billion; iron and steel mills, \$5.0 billion; sawmills and planing mills, the same total as motor vehicle parts and accessories at \$4.7 billion;