

CHAPTER 16

MANUFACTURING

16.1 Statistical highlights

The recovery of the manufacturing sector from the 1982 recession continued in 1984 with a strong growth in overall activity over the levels recorded for 1983. The aggregate value of all shipments of goods of own manufacture reported by manufacturing establishments in Canada for the year 1984 came to \$230.1 billion, up 13.2% from \$203.3 billion in 1983.

16.1.1 Major industry groups

Analyzing this strong growth by its component industry groups, it becomes evident that the recovery in the auto industry was the main driving force behind this strength. The transportation equipment group's shipments (of which road motor vehicles and their parts accounted for 87.7%) posted a remarkable 33.2% increase to \$37.9 billion in 1984. The second largest percentage growth occurred in the primary metal industries group where manufactured shipments rose 20.2% to \$16.4 billion. Since the primary steel industry, which is a major supplier to the auto industry, accounts for nearly half of this major group's shipments, it is evident that the primary metal industry group must also have benefited significantly from the growth in the auto industry. The third best percentage gain was recorded by the machinery industries group with an increase of 18.6% to \$6.9 billion. Other major industry groups recording increases greater than 15% were electrical and electronic products, up 17.5% to \$11.6 billion; rubber products, up 17.1% to \$2.5 billion; paper and allied products, up 16.4% to \$17.5 billion; and plastic products which gained 15.4% to \$3.5 billion in manufactured goods shipped. By contrast the refined petroleum and coal products group recorded the weakest performance with an increase of only 0.1% at \$23.3 billion, followed closely by primary textiles which edged up 0.5% to \$2.7 billion.

16.1.2 Provincial highlights

Tracing the strongest major industry groups back to the provinces, the strong performance

of the transportation equipment group may be virtually all traced to a 36.1% rise in Ontario which accounts for 83.1% of the national total in this group. Quebec, with 11.4% of shipments, gained 10.5%. The strength in the primary metals group may similarly be largely attributed to a 22.0% rise in Ontario where 57.5% of the shipments took place. Quebec with 28.5% of shipments, recorded a 14.0% increase while Alberta recorded the largest percentage gain with a rise of 41.5% on 4.8% of Canadian total volume. The improvement of 18.6% in the machinery group was similarly attributable mainly to a 19.7% rise in Ontario which reported 62.4% of the national total shipments. Quebec, with 14.8% of shipments, rose 14.7% while Alberta, the third largest province in this group, with 7.9% of shipments, recorded a 17.0% increase.

Looking at overall manufactured shipments by province, the best performance in 1984 was in Nova Scotia with an increase of 18.1% over 1983, closely followed by Ontario with 17.2% and New Brunswick with 16.8%. The only other province to post an increase greater than 10% was Alberta which had a 10.4% gain over the previous year. The only province to record a decrease was Newfoundland which eased back 0.4%.

In terms of the proportion of the national total shipments accounted for by each province, Ontario increased its share to 52.9% from 51.1% in 1983 while Quebec's share dropped slightly to 24.8% from 25.6% the year before. British Columbia continued to hold down third spot with 7.8%, versus 8.4% in 1983, while fourth place Alberta eased to 6.6% of the Canada total from 6.8% the previous year. Table 16.1 provides additional analytical detail.

16.2 Federal services to business

The Department of Regional Industrial Expansion (DRIE) provides a wide range of services to the business community to encourage and support trade and industrial development