

CHAPTER 16

MANUFACTURING

16.1 Statistical highlights

The economic recovery of recent years continued in the manufacturing sector in 1985, although at a more modest rate than in 1984. The aggregate value of all shipments of goods of own manufacture reported by manufacturing establishments for the year 1985 came to \$248.8 billion, up 8.0% from \$230.2 billion in 1984. This year-over-year increase compares with gains of 13.2% and 8.3% in 1984 and 1983, respectively; all based on current dollars.

16.1.1 Major industry groups

Analyzing the 1985 growth of 8.0% by its component industry groups, it is noted that the main source of this strength lay in the metal product and heavy equipment areas. The electrical and electronic products group showed the strongest performance with a 14.7% rise to \$13.5 billion, while fabricated metal products were ahead 14.6% to \$14.0 billion, and the very large transportation equipment group gained 13.9% over the preceding year to \$43.2 billion. Other areas of strength, with gains of 10% or more, were furniture and fixtures, up 12.5% to \$3.4 billion; non-metallic minerals, up 12.1% to \$5.9 billion; wood industries, up 11.5% to \$11.1 billion; printing and publishing, up 10.1% to \$9.5 billion; and plastic products, with a rise of 10.0% to \$3.9 billion.

The weakest performers in 1985 included the primary textiles group, which posted the only decline, easing 2.2% to \$2.7 billion; while rubber industries grew by only 1.9% to \$2.6 billion; and leather products managed a 3.0% gain to \$1.3 billion.

16.1.2 Provincial highlights

Tracing the strongest growth areas back to the provincial level, the 14.7% increase in shipments of electrical and electronics products was mainly attributable to some remarkable gains in the smaller producing provinces. While Ontario, with over 64% of the national total, rose 13.3% and Quebec, with 26% of the market, gained 13.9%,

the provinces with the smaller portion of the national total, which combined accounted for 9.3%, pulled the national growth rate above the 14% mark. Among the more spectacular of these gains were the following (with market share in brackets): Saskatchewan, up 72.7% (1.3%); Alberta, up 34.7% (2.3%); Nova Scotia, up 30.7% (0.5%); and British Columbia, up 20.8% (2.3%).

The 14.6% increase in the fabricated metal products group was attributed to a 15.8% gain in Quebec which accounted for 27% of the national total shipments and a 27.1% jump in Alberta, on less than 6% of the national volume; backed up by a solid 14.0% rise in Ontario, where 57% of the Canadian total shipments took place.

The transportation equipment group was dominated by the road motor vehicle industries (including parts manufacturers) which accounted for 87.5% of the group's shipments in 1985. With road vehicle industries concentrated in Ontario, the province accounted for 83.0% of the Canadian total shipments for this group. Quebec accounted for 11.9%; British Columbia for 2.0%; the remaining 3.1% of the national total was attributable to the other seven provinces. Among the three top producing provinces, Quebec rose 19.3%, British Columbia gained 18.3%, and the dominant province of Ontario recorded a 13.8% increase.

Comparing the overall performance of the provinces in the manufacturing sector, the strongest growth in the shipments of all manufacturing industries was recorded by Alberta with a strong increase of 12.5%, followed by British Columbia, up 10.5%; Manitoba gained 10.2% and Ontario rose 8.4%, over the 1984 shipment totals. The Northern Territories actually had a higher percentage gain at 14.6% but on a relatively small shipment volume. The weakest performers were the Maritime provinces; Nova Scotia gained only 0.9%, followed by Prince Edward Island, up 2.7% and New Brunswick, with an increase of 3.7%. For Nova Scotia, this was a sharp turnaround from 1984 when it led all provinces in shipment growth. The main contributors to this weakness