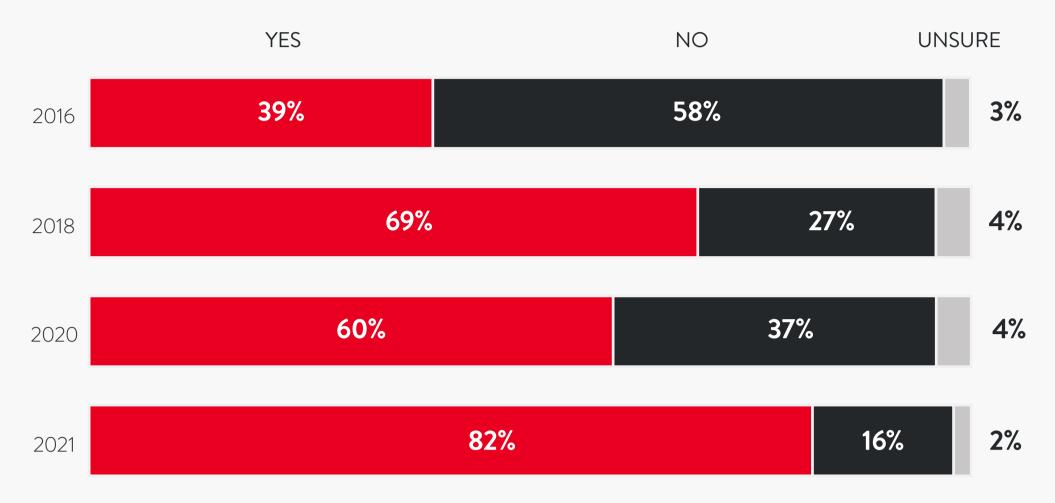


WAYS TO REDUCE MANUFACTURING LABOUR AND SKILLS SHORTAGES IN CANADA

Labour and skills shortages have been a problem in manufacturing for some time, but they have recently gotten much worse.

DOES YOUR COMPANY FACE IMMEDIATE LABOUR AND/OR SKILLS SHORTAGES?



Source: Canadian Manufacturers and Exporters (CME) (Nov 2021). Numbers may not sum to 100 due to rounding.

In fact, there are more job vacancies than job seekers for the first time since this data started being collected in 2015.

JOB SEEKERS VS. JOB VACANCIES IN MANUFACTURING

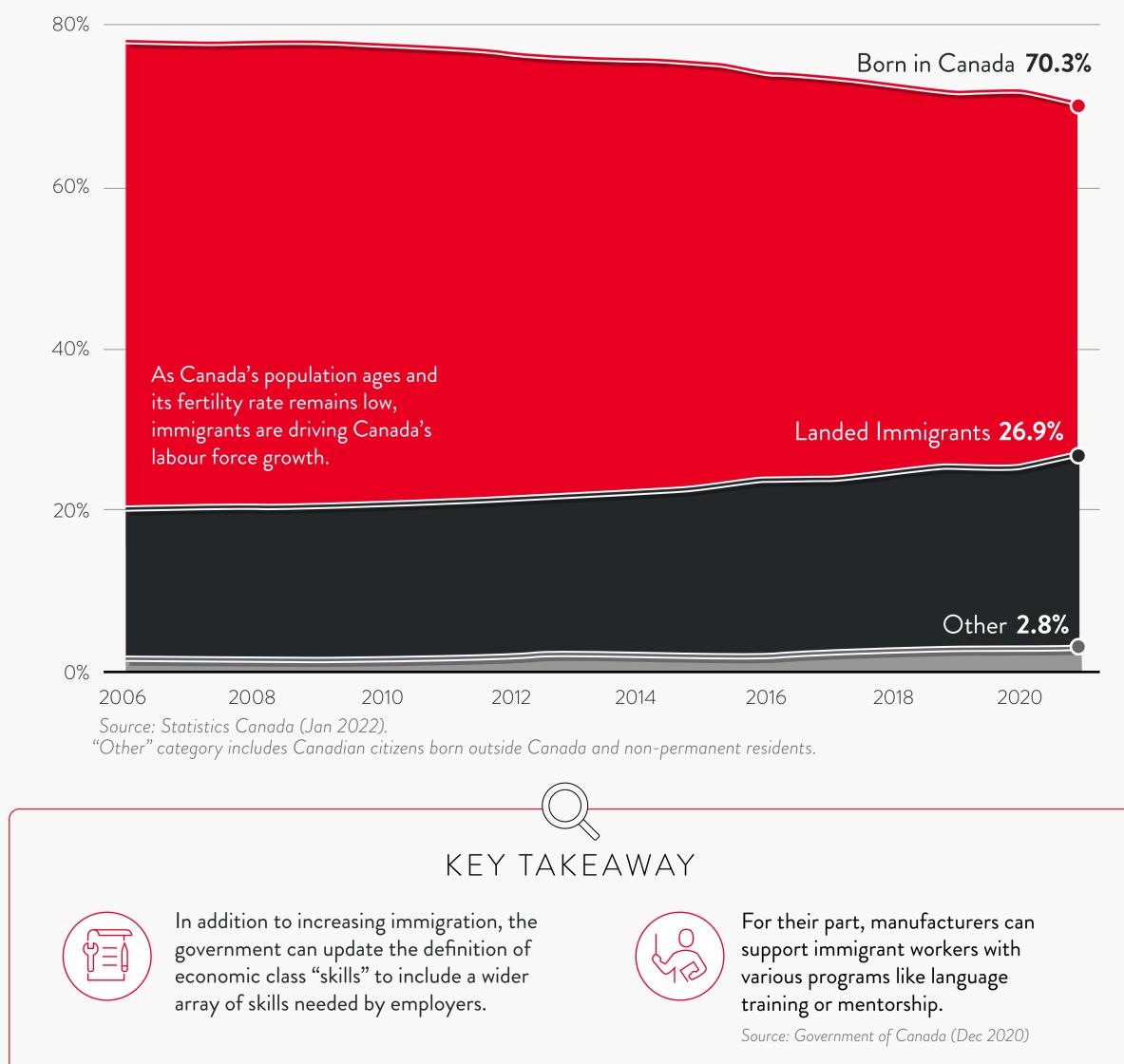


\$14.12

Source: Statistics Canada, Government of Canada. Average hourly wage in manufacturing is as of August 2022. Average minimum wage in Canada is the average of all provincial and territorial minimum wages and is as of August 2022.



COMPOSITION OF CANADA'S LABOUR FORCE OVER TIME



Increase employment of youth and underrepresented groups

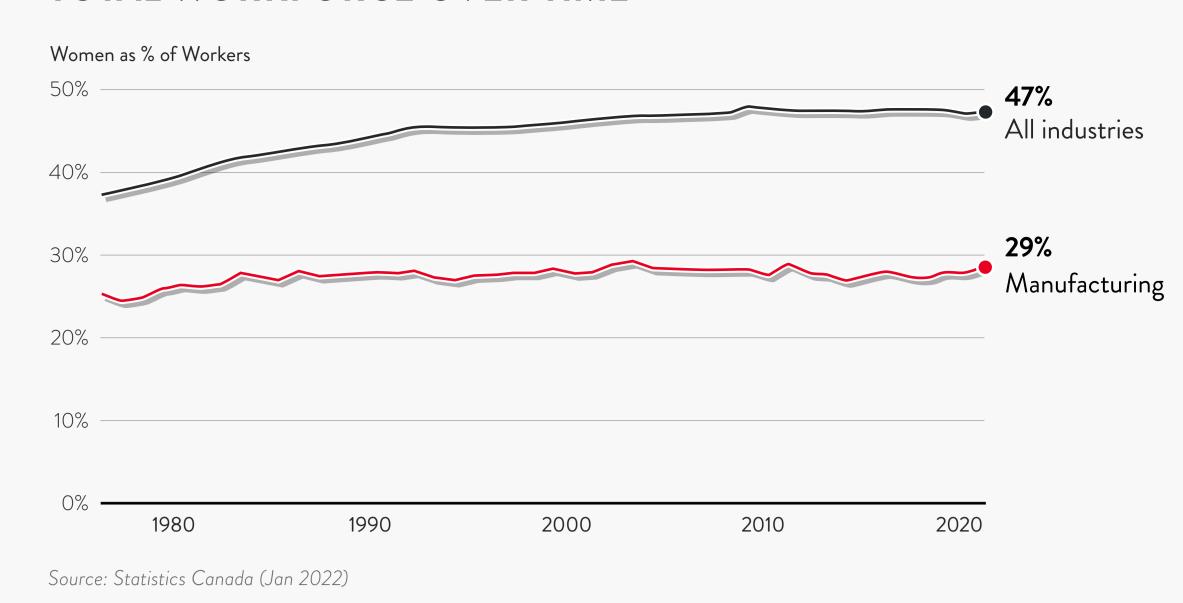
Manufacturing has historically had a higher percentage of racial minority workers compared to the all-industry average. Source: Statistics Canada (2016)

However, there are other population groups that manufacturers can tap into.

For instance, women make up nearly half of the workforce but **less than a third of all manufacturing workers.** This level has remained relatively flat for decades.



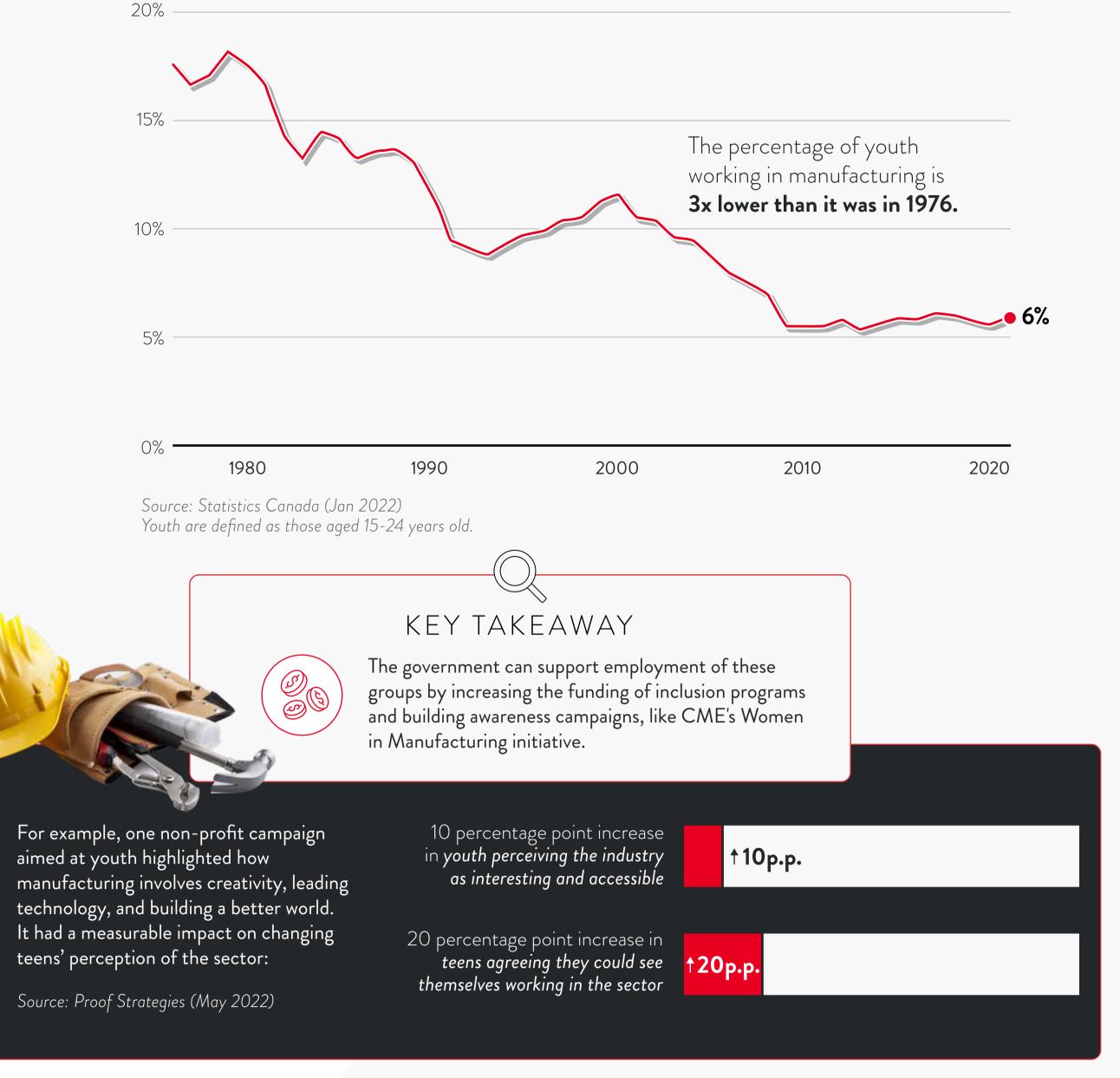
WOMEN IN MANUFACTURING AND TOTAL WORKFORCE OVER TIME



Similarly, fewer young people have been choosing a career in manufacturing.



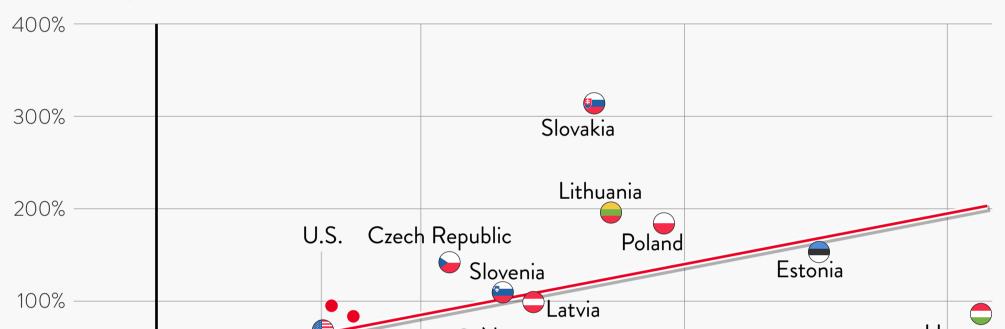
YOUTH REPRESENTATION IN MANUFACTURING IS DECLINING



Invest in automation and advanced manufacturing technologies

Capital investment in things like machinery, equipment and software is strongly correlated with higher productivity.

LABOUR PRODUCTIVITY VS CAPITAL INVESTMENT, CUMULATIVE CHANGE FROM 2000-2019



Manufacturing Labour Productivity





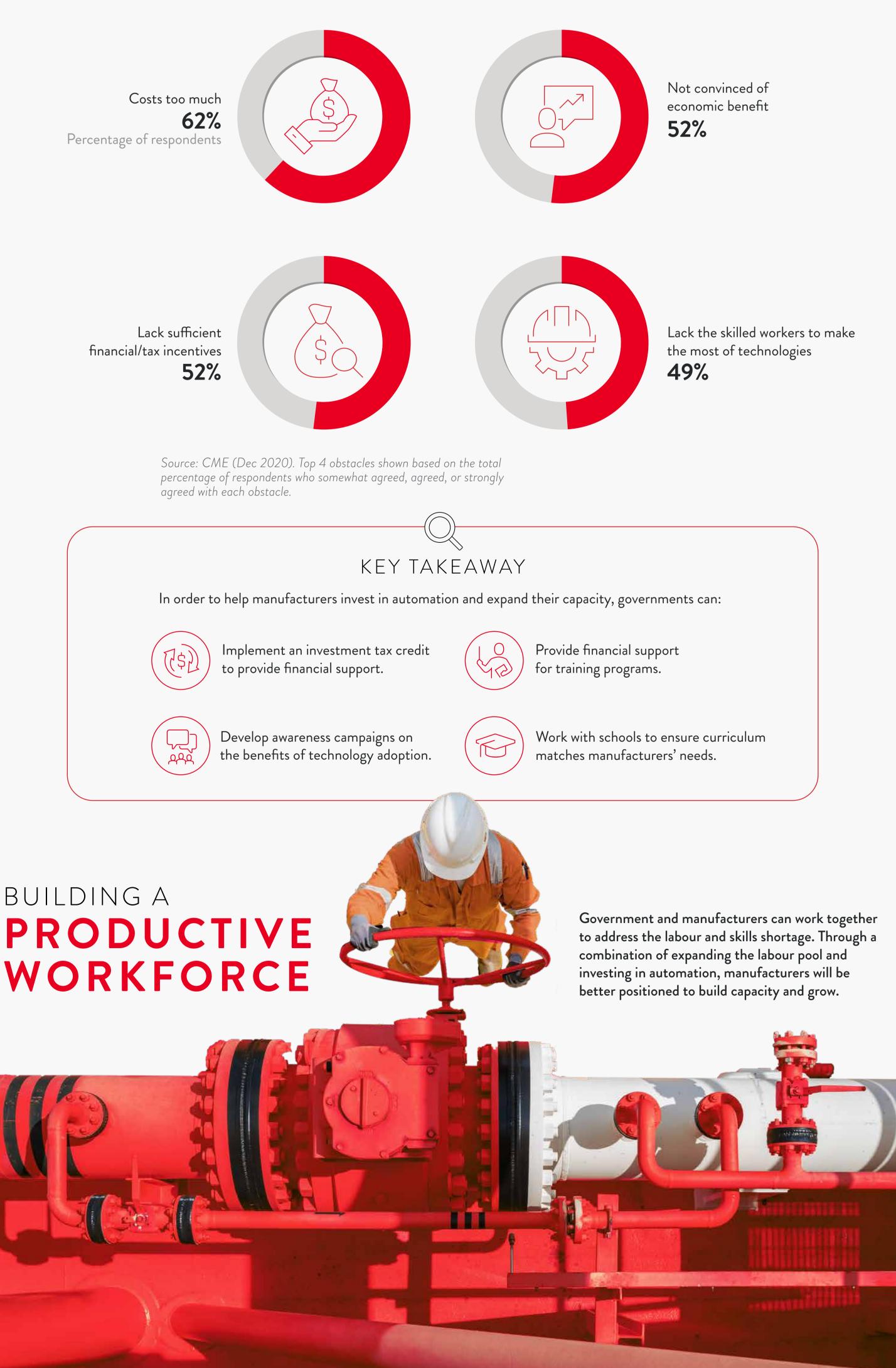
Source: OECD (Jul 2022). Capital investment measured using gross fixed capital formation (construction, machinery and equipment, and intellectual property) in constant prices. Productivity measured using gross value added per person employed in constant prices.

While some manufacturers have responded to intense labour shortages by investing in automation, many have not.



In fact, only 55% of manufacturers plan to invest in advanced technologies by 2023. Source: CME (Dec 2020)

What's holding them back? TOP OBSTACLES TO INVESTING IN ADVANCED TECHNOLOGIES





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For manufacturers, by manufacturers.

CME's mission is to help manufacturers compete successfully in Canada and internationally, and to ensure manufacturing is recognized by the public and by policy-makers as an innovative and important part of Canada's economy. Click here to learn how CME helps manufacturers every day: cme-mec.ca

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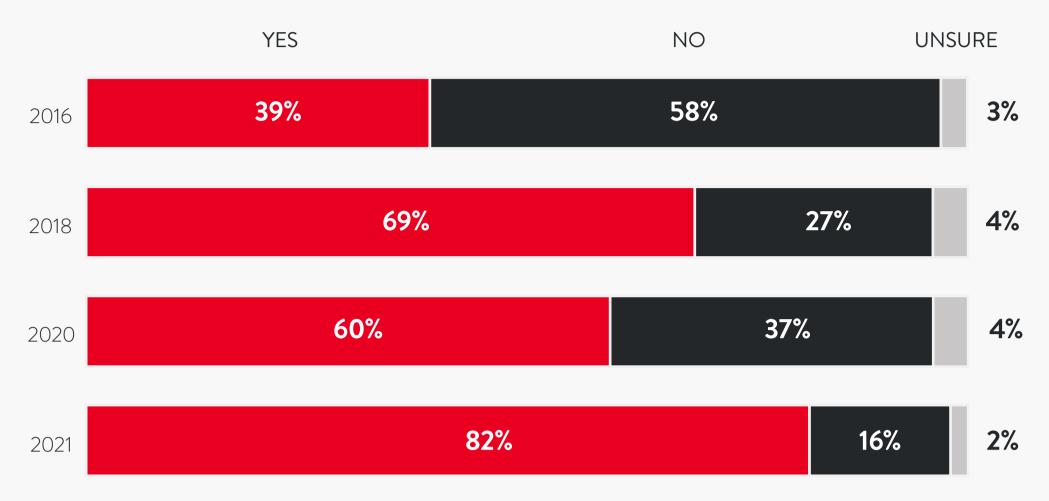
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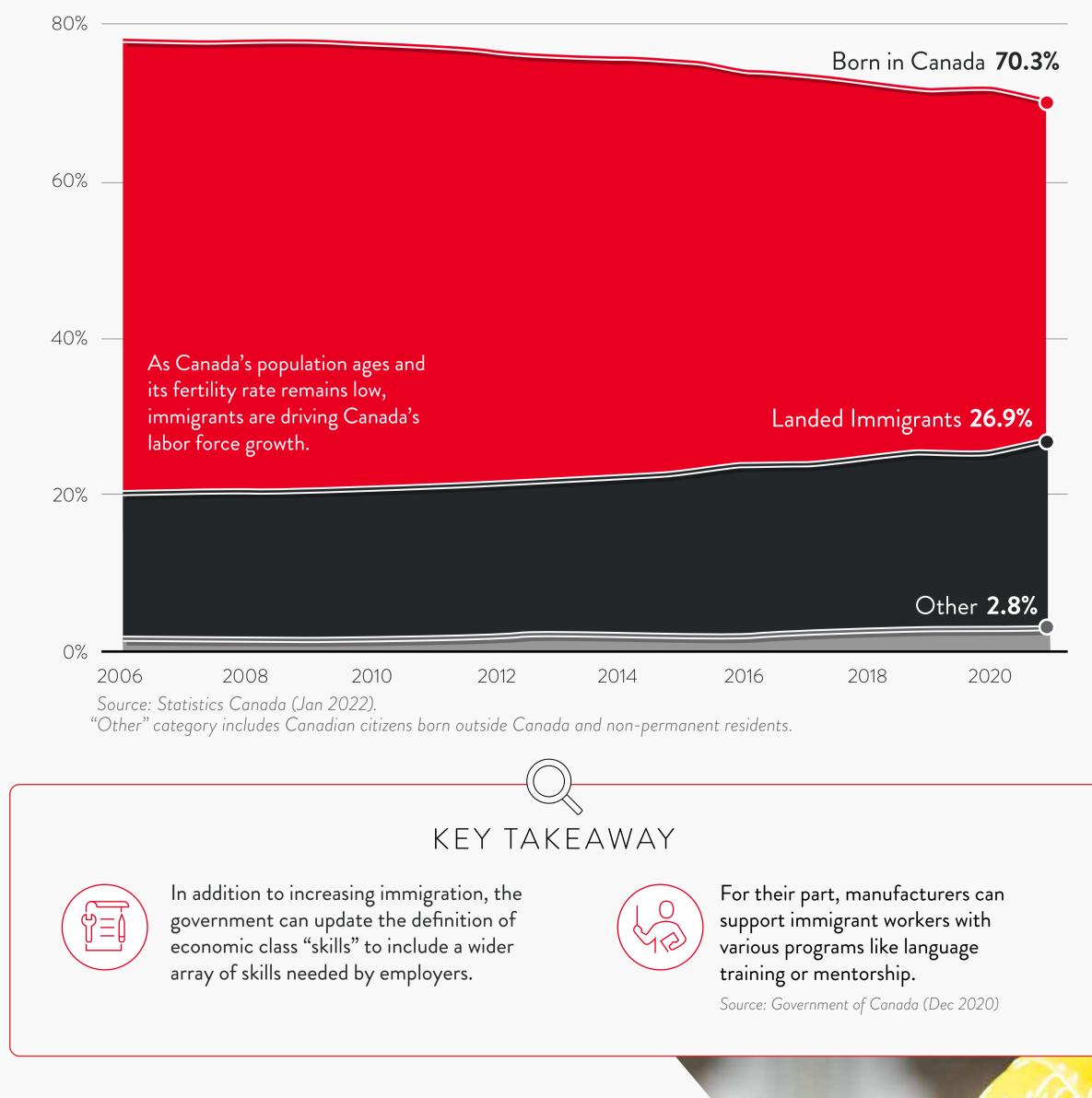


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COMPOSITION OF CANADA'S LABOR FORCE OVER TIME



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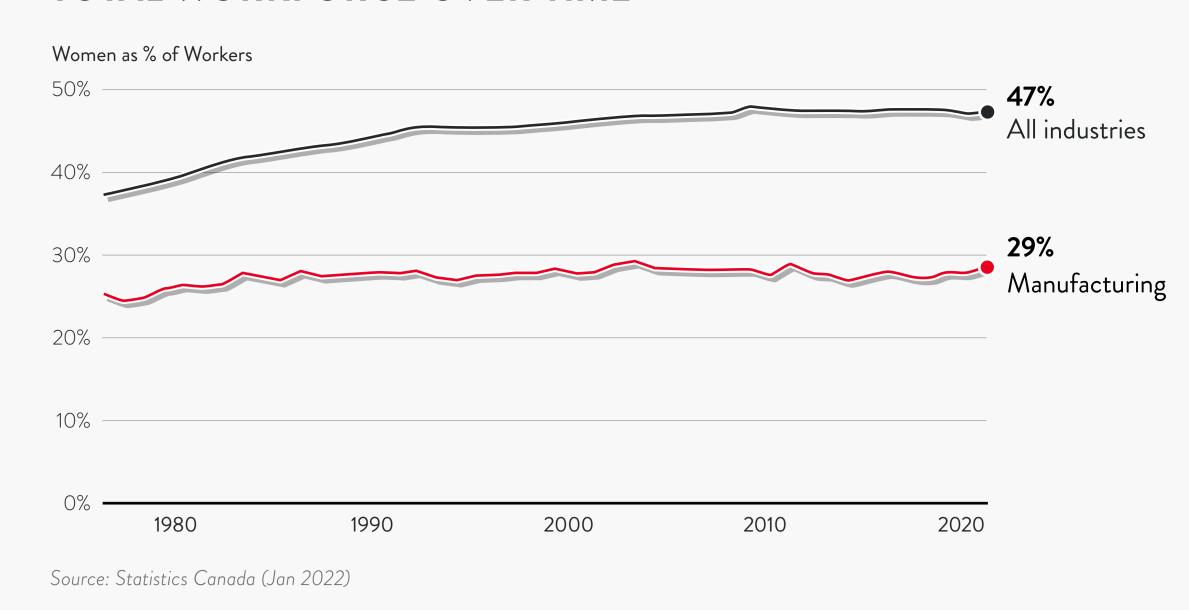
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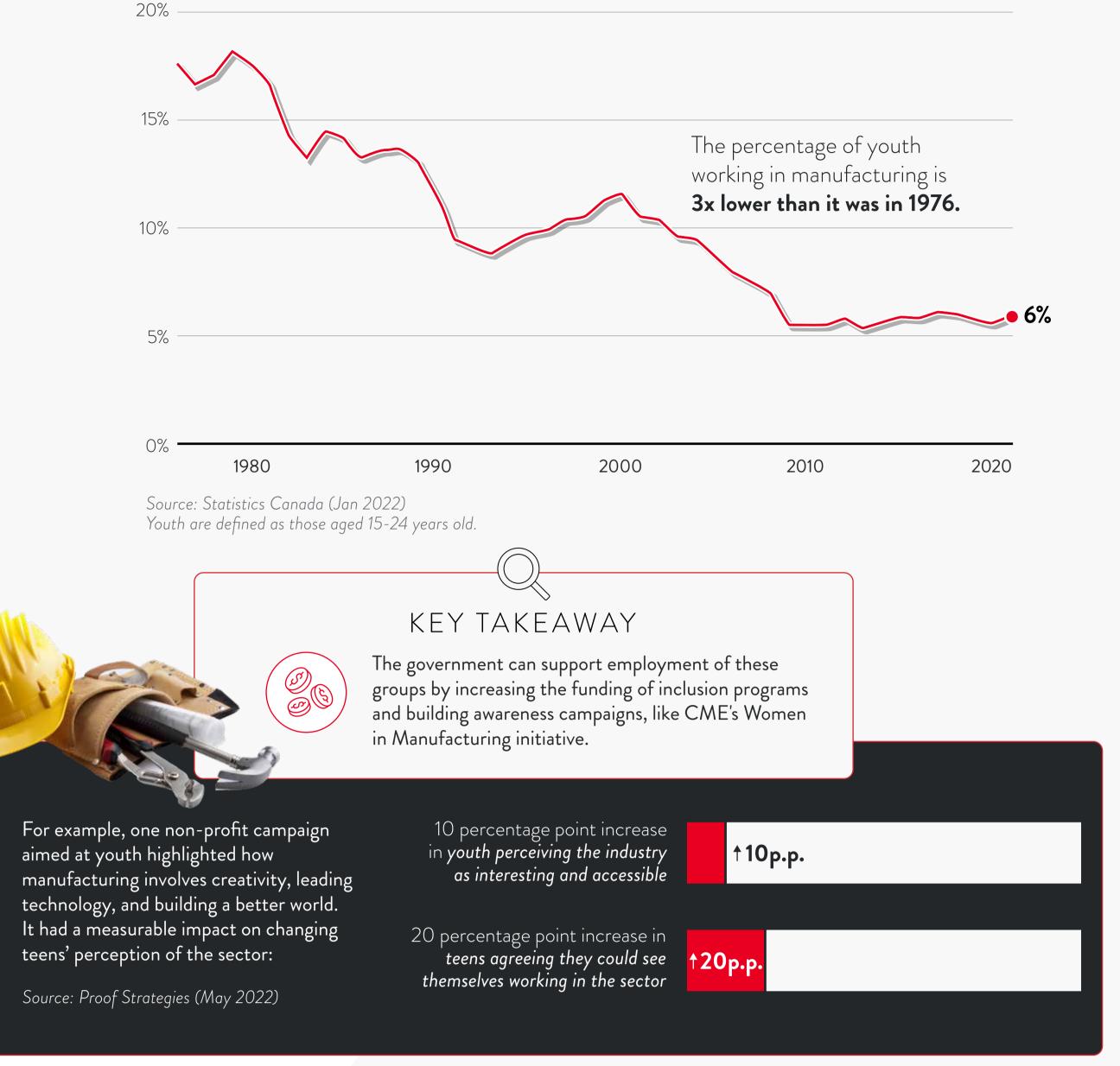
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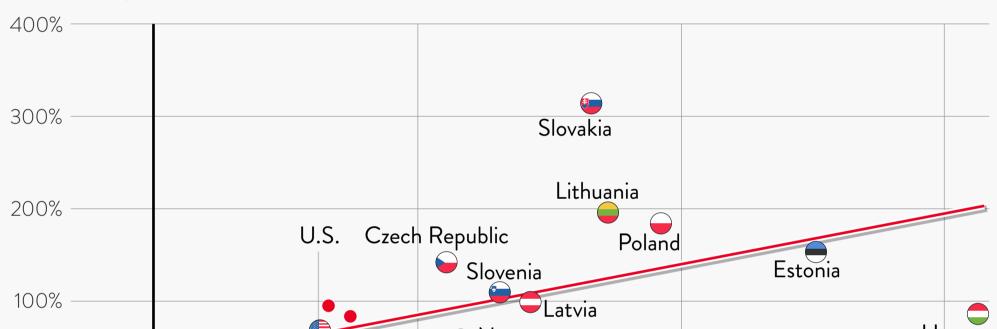
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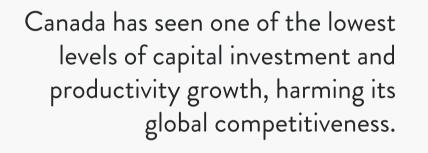
Invest in automation and advanced manufacturing technologies

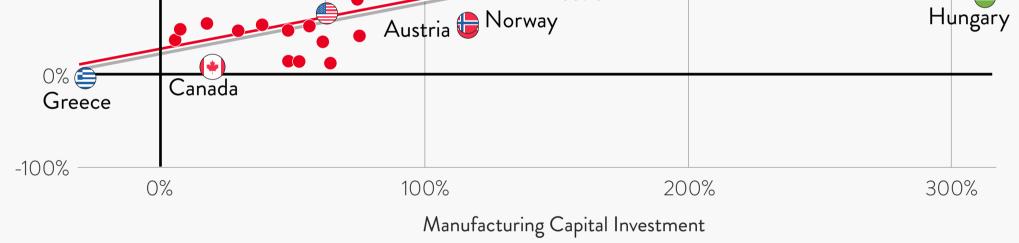
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Manufacturing Labor Productivity





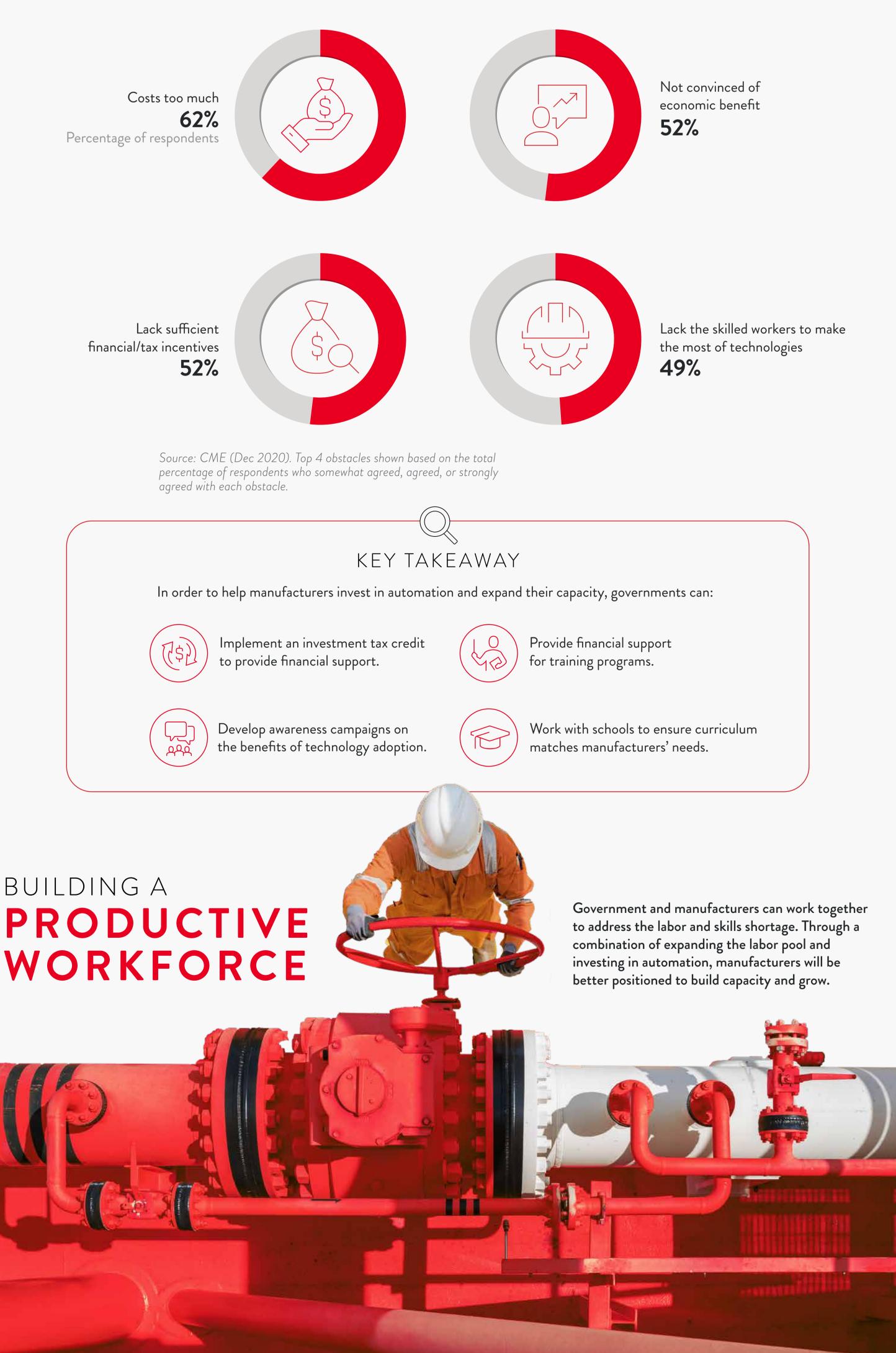
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