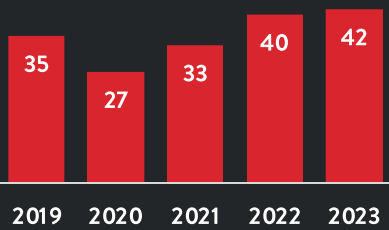


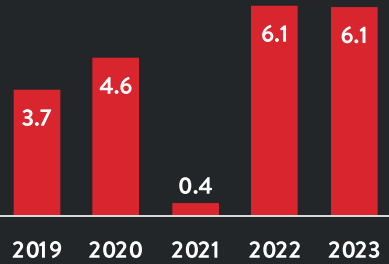


% of manufacturers reporting labour shortages that restrict their ability to meet demand



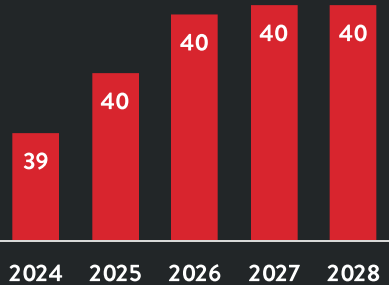
Source: Bank of Canada.

Labour shortages keeping manufacturing wage growth high (%)



Source: Statistics Canada.

Projected retirements in manufacturing (000s)



Source: Employment and Social Development Canada.

# Expand and Upskill the Manufacturing Workforce

## OVERVIEW

Labour and skills shortages remain one of the manufacturing sector’s most pressing challenges. Although the number of unfilled positions in the manufacturing sector has been trending down since reaching a record high in the spring of 2022, the unemployment rate remains very low and wage pressures remain high. The manufacturing workforce is aging rapidly—more than one-quarter of workers are aged 55 years and over—implying that companies will continue to struggle to find workers in the years ahead.

## WHY IT MATTERS

Labour availability, especially of skilled workers, strongly influences the investment location decisions of firms. A 2022 CME survey found that such shortages cost the Canadian economy almost \$13 billion over a 12-month span, a consequence of lost sales, penalties for late delivery, and postponed or cancelled investment projects.

## SOLUTIONS

To help ease labour and skills shortages, governments should:

1. Modernize Canada’s immigration and temporary foreign worker programs to ensure manufacturers have access to a talent pool with the knowledge, skills, and abilities they need to grow and thrive
2. Address Canada’s housing shortage to ensure affordable housing near manufacturing jobs, mandate modular construction to help meet housing targets, and avoid encroachment on industrial lands
3. Provide employer-led training benefits, including a 50 per cent tax credit that offsets half the costs of employee training
4. Refocus Canada’s education system to connect more youth to manufacturing and skilled trades jobs
5. Renew and increase funding for programs that encourage more members of underrepresented groups to seek a career in manufacturing
6. Reform the Employment Insurance (EI) system to encourage labour force participation and labour mobility
7. Increase incentives to encourage the adoption and integration of automation technology

## HELPING MANUFACTURERS GROW. FOR MORE INFORMATION:

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