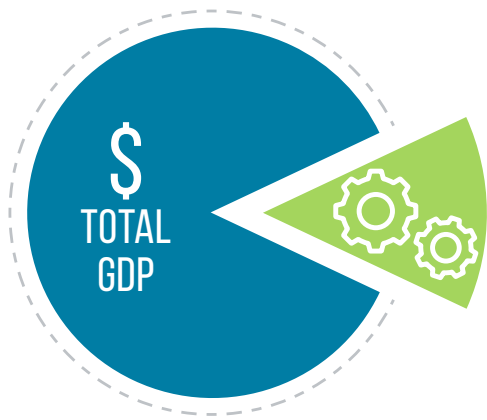


NIAGARA MANUFACTURING PROFILE

NIAGARA MANUFACTURING

MANUFACTURING HAS ALWAYS BEEN AN IMPORTANT SECTOR TO NIAGARA'S ECONOMY. IT REMAINS A VITAL ECONOMIC CONTRIBUTOR TO NIAGARA AND CONTINUES TO EVOLVE, DIVERSIFY, AND GROW.



GDP \$2.4 BILLION
- OR -
14% OF NIAGARA'S GDP (2018)

**TOTAL NUMBER
OF COMPANIES**
(2018)

1,130



**TOTAL NUMBER
OF SECTOR JOBS**
(2018)

18,791



**MANUFACTURING
EXPORTS**
(2017)

\$3.9 BILLION



**MANUFACTURING
IMPORTS**
(2017)

\$1.0 BILLION



NEW INVESTMENTS

363%

**GROWTH IN
INDUSTRIAL BUILDING
CONSTRUCTION**
(from 2015-2017)

Introduction

Manufacturing has always been a very important sector to Niagara's economy. Historically, Niagara was a powerhouse employing tens of thousands of people in automotive, paper, and steel manufacturing. Today the sector remains a major economic contributor to Niagara and continues to evolve, diversify, and grow.

Manufacturing remains one of the largest employment sectors in Niagara and is the fourth largest with 18,791 jobs as of 2018. For comparison sake, there were 27,666 jobs in the retail trade sector, 27,278 jobs in the accommodation and food services sector, and 26,758 jobs in the health care and social assistance sector (EMSI Analyst, 2018). It is important to note that there are fewer manufacturing jobs than the other sectors listed; however, the manufacturing sector has much higher job multipliers than the service producing sectors. It is estimate that each manufacturing job in Niagara supports an additional 3.2 jobs in other industries.

While manufacturing in Niagara once consisted of many large branch plant facilities employing large numbers of people in each facility, the sector is now predominantly comprised of small and medium-sized enterprises (SMEs). Manufacturing accounts for 2.8% of the total number of businesses in Niagara but provide 8.5% of total jobs (EMSI Analyst, 2018; Statistics Canada, 2018).

Manufacturing is also a major contributor to regional gross domestic product (GDP). In 2017, nominal GDP for the St. Catharines-Niagara census metropolitan area (CMA) was \$16.8 billion and manufacturing accounted for an estimated \$2.4 billion or 14% of that. In recent years, the manufacturing sector in Niagara has experienced substantial growth in jobs, exports, and new investments. Manufacturing GDP is forecasted to grow at 1.3% (CAGR) annually from 2019 to 2022 keeping pace with total GDP growth at 1.5% for the St. Catharines-Niagara CMA (Conference Board of Canada, 2018).

Investment activity in the manufacturing and industrial sector has been relatively high in recent times signalling confidence in the sector. From 2015 to 2017, the St. Catharines-Niagara CMA had 363% growth in value of investment in industrial building construction. 2017 was one of the highest years on record with \$300.9 million investment in industrial building construction. This trend continues. By the third quarter in 2018, investment in industrial building construction surpassed the first three quarters of 2017 by 6.4% in total value (Statistics Canada 2018).

Below you will find a more in-depth profile of the manufacturing sector in Niagara.

Data Tables and Analysis

Manufacturing Businesses by Industry, Employers and Non-Employers, Niagara Region, 2018

Industry (NAICS)	Non-Employers		Employers		Employment Range			
	No.	%	No.	%	1-9	10-49	50-99	100+
Total	502	100	628	100	318	217	62	31
332 - Fabricated metal products	80	15.9	104	16.6	50	40	9	5
312 - Beverage	42	8.4	78	12.4	28	39	8	3
311 - Food	48	9.6	64	10.2	30	28	4	2
339 - Miscellaneous products	68	13.5	58	9.2	44	12	2	0
333 - Machinery	45	9	54	8.6	20	22	10	2
323 - Printing and related support activities	39	7.8	43	6.8	38	3	2	0
337 - Furniture and related products	31	6.2	38	6.1	26	9	2	1
336 - Transportation equipment	20	4	29	4.6	10	9	5	5
321 - Wood products	27	5.4	27	4.3	16	6	5	0
325 - Chemicals	11	2.2	27	4.3	9	10	4	4
327 - Non-metallic mineral products	16	3.2	25	4	10	9	5	1
326 - Plastics and rubber products	11	2.2	19	3	6	10	0	3
331 - Primary metal	9	1.8	14	2.2	4	5	3	2
334 - Computer and electronic products	11	2.2	14	2.2	6	5	2	1
335 - Electrical equipment and appliances	14	2.8	11	1.8	8	2	1	0
314 - Textile product mills	4	0.8	7	1.1	5	2	0	0
315 - Clothing	13	2.6	6	1	5	1	0	0
324 - Petroleum and coal products	3	0.6	4	0.6	0	4	0	0
322 - Paper	3	0.6	3	0.5	0	1	0	2
313 - Textile mills	4	0.8	2	0.3	2	0	0	0
316 - Leather and allied products	3	0.6	1	0.2	1	0	0	0

Source: Statistics Canada, Canadian Business Counts, Location Counts, June 2018

- As of June 218, there were 502 manufacturing businesses without employees and 628 manufacturing businesses with employees in Niagara.
- The top 5 industries with the most number of non-employer businesses included fabricated metal products with 80 businesses; miscellaneous products with 68 businesses; food with 48 businesses; machinery with 45 businesses; and, beverage and tobacco products with 42 businesses.
- The top 5 industries with the most number of employer businesses included fabricated metal products with 104 businesses; beverage and tobacco products with 78 businesses; food with 64 businesses; miscellaneous products (jewellery, sporting goods, toys office supplies, signs, medical equipment, etc.) with 58 businesses; and, machinery with 54 companies.

Manufacturing Jobs by Industry, Niagara Region, 2015 and 2018

Industry (NAICS)	2015	2018	Change	% Change	PLQ	NLQ
Total	18,319	18,791	472	2.6	0.9	1
336 - Transportation equipment	3,129	3,237	108	3.5	0.9	1.4
332 - Fabricated metal products	2,821	2,740	-81	-2.9	1.4	1.5
312 - Beverage	2,137	2,519	382	17.9	4.6	5
333 - Machinery	1,508	1,538	30	2	0.8	1
311 - Food	1,501	1,372	-129	-8.6	0.6	0.5
327 - Non-metallic mineral products	1,277	1,255	-22	-1.7	2.2	2.1
326 - Plastics and rubber products	1,099	1,095	-3	-0.3	0.7	1
325 - Chemicals	726	881	155	21.4	0.6	0.8
331 - Primary metal	882	875	-7	-0.8	1.1	1.4
339 - Miscellaneous	574	624	51	8.8	0.7	0.8
334 - Computer and electronic products	527	561	34	6.4	0.7	0.9
323 - Printing and related support activities	596	504	-92	-15.5	0.6	0.8
321 - Wood products	499	490	-9	-1.8	0.9	0.4
322 - Paper	508	405	-103	-20.2	0.8	0.7
337 - Furniture and related products	262	286	24	9.2	0.3	0.3
313 - Textile mills	93	162	69	74.6	1.6	1.8
314 - Textile product mills	57	68	11	18.7	0.5	0.5
335 - Electrical equipment and appliances	76	68	-8	-10.4	0.1	0.2
316 - Leather and allied products	10	56	46	451	1.3	1.3
315 - Clothing	37	55	18	47.2	0.3	0.2
324 - Petroleum and coal products	0	0	0	0	0	0

Source: EMSI Analyst, Q1 2018

- As of Q1 2018, the manufacturing sector in Niagara employed 18,791 people. This was an increase of 2.6% or 472 jobs from 2015.
- The top 5 manufacturing industries by total jobs included transportation equipment at 3,237 jobs; fabricated metal products at 2,740 jobs; beverage and tobacco products at 2,519 jobs; machinery at 1,538 jobs; and, food at 1,372 jobs. From 2015 to 2018, all of these industries gained jobs except for fabricated metal products and food.
- The top 5 manufacturing industries by job growth included beverage at 382 jobs; chemicals at 155 jobs; transportation equipment at 108 jobs; textile mills at 69 jobs; and, miscellaneous at 51 jobs.
- The PLQ column provides a location quotient at the provincial level, and NLQ provides a location at the national level. Location quotients are a way to quantify the concentration of jobs in an industry relative to a larger reference area (see definition in glossary).
- Manufacturing job concentration in Niagara is on par with Ontario and Canada. As of Q1 2018, relative to Ontario, Niagara had a high concentration of jobs in beverage; non-metallic mineral products; and, textiles. Relative to Canada, Niagara has a high concentration of jobs in fabricated metal products; beverage; non-metallic mineral products; and, textiles.

Top 20 Manufacturing Industries by Job Growth, Niagara Region, 2011 to 2018

Industry (NAICS)	2011	2018	Change	% Change
3121 - Beverage	1,702	2,519	817	48
3361 - Motor vehicle	1,391	2,048	658	47.3
3323 - Architectural and structural metals	980	1,269	289	29.5
3339 - Other general purpose machinery	556	814	257	46.3
3272 - Glass and glass product	145	341	196	135
3335 - Metalworking machinery	374	531	157	42
3399 - Other miscellaneous (jewellery, signs, toys, etc.)	398	519	121	30.4
3261 - Plastic product	557	668	111	19.9
3328 - Coating, engraving, cold and heat treating and allied activities	245	348	103	41.9
3312 - Steel product from purchased steel	501	586	85	17
3259 - Other chemical product	120	194	74	61.8
3262 - Rubber product	365	427	62	17.1
3273 - Cement and concrete product	386	442	57	14.8
3341 - Computer and peripheral equipment	47	101	54	113.8
3212 - Veneer, plywood and engineered wood product	52	96	44	85.2
3132 - Fabric mills	99	138	39	39.1
3253 - Pesticide, fertilizer and other agricultural chemical	62	99	38	60.6
3255 - Paint, coating and adhesive	145	180	35	24.1
3322 - Cutlery and hand tool	58	85	26	45.1
3118 - Bakeries and tortilla	538	563	25	4.6

Source: EMSI Analyst, Q3 2018

- From 2011 to 2018 a number of manufacturing industries experienced significant job growth. The top 5 manufacturing industries by job growth included beverage by 817 jobs; motor vehicle by 658 jobs; architectural and structural metals by 289 jobs; other general purpose machinery by 257 jobs; and, glass and glass product by 196 jobs.
- The top 5 manufacturing industries by rate of growth included glass and glass product by 135%; computer and peripheral equipment by 113.8%; veneer, plywood, and engineered wood product by 85.2%; other chemical product by 61.8%; and, pesticide, fertilizer, and other agricultural chemical by 60.6%, which is an indication of new emerging manufacturing industries.

Value of Manufacturing Exports by Destination, Niagara Census Metropolitan Area, 2011 and 2016 (\$000s)

Destination	2011	2016	Change	% Change
Total	3,358,224.10	3,728,310.30	370,086.20	11
North America (US and Mexico)	2,656,053.40	3,576,996.50	920,943.10	34.7
Europe	575,929.20	61,516.40	-514,412.80	-89.3
Asia	86,241.10	48,108.50	-38,132.60	-44.2
Central and South America and the Caribbean	17,593.40	21,828.40	4,235.00	24.1
Oceania and Antarctica	18,185.20	16,762.90	-1,422.30	-7.8
Africa	2,625.70	1,722.60	-903.1	-34.4
Middle East	1,584.00	1,376.10	-207.9	-13.1
Rest of World	12.1	x	x	x

Source: Statistics Canada, Trade and Exporter Characteristics, 2011 and 2016

- Niagara is an exporting region. In 2016, total exports from Niagara companies were valued at \$4.11 billion. At \$3.73 billion, manufacturing exports accounted for 90.8% of total exports.
- From 2011 to 2016, Niagara manufacturing exports increased by \$370.1 million or 11%.
- United States and Mexico were the main export destination accounting for 96% of total export values followed by Europe at 1.7%; Asia at 1.3%; South and Central America, and the Caribbean at 0.6%; Oceania and Antarctica at 0.5%; Africa at 0.05%; and, the Middle East at 0.04%.

Number of Manufacturing Exporters by Destination, Niagara Census Metropolitan Area, 2011 and 2016

Destination	2011	2016	Change	% Change
Total	239	243	4	1.7
North America (US and Mexico)	223	220	-3	-1.3
Europe	55	67	12	21.8
Asia	55	61	6	10.9
Central and South America and Caribbean	38	36	-2	-5.3
Oceania and Antarctica	31	23	-8	-25.8
Middle East	12	12	0	0
Africa	16	11	-5	-31.3
Rest of World	0	x	x	x

Source: Statistics Canada, Trade and Exporter Characteristics, 2011 and 2016

- Niagara continues to gain new exporters in the manufacturing sector. In 2016, there were 243 manufacturing exporting business in Niagara, which was an increase of 4 from 239 in 2011.
- The export destination with the most growth was Europe with an increase of 12 businesses followed by Asia with an increase of 6 businesses.
- Oceania and Antarctica had the largest decrease by 8 businesses followed by Africa by 5 businesses; the US and Mexico by 3 businesses; and Central and South America, and the Caribbean by 2 businesses.

Value of Manufacturing Imports by Product Origin, Niagara Census Metropolitan Area, 2011 and 2016 (\$000s)

Origin	2011	2016	Change	% Change
Total	1,158,259.30	938,878.60	-219,380.70	-18.9
Europe	224,451.70	214,842.10	-9,609.60	-4.3
Africa	4,745.40	7,789.10	3,043.70	64.1
North America (US and Mexico)	855,708.70	617,181.40	-238,527.30	-27.9
Central and South America and Caribbean	8,911.10	13,423.30	4,512.20	50.6
Asia	60,003.90	76,714.00	16,710.10	27.8
Middle East	568.7	1,117.60	548.9	96.5
Oceania and Antarctica	3,870.90	7,810.00	3,939.10	101.8

Source: Statistics Canada, Trade and Importer Characteristics, 2011 and 2016

- In 2016, manufacturing businesses in Niagara imported \$938.9 million in goods. From 2011 to 2016, import values decreased by \$219.4 million. When compared to the export values, net manufacturing exports were \$2.79 billion in 2016.
- From 2011 to 2016, net manufacturing exports grew by \$589.5 million or 26.8%.
- United States and Mexico were the main important origin at 65.7% followed by Europe at 22.8%; Asian at 8.2% Central and South America, and the Caribbean at 1.4%; Oceania and Antarctica at 0.832%; Africa at 0.83%; and, the Middle East at 0.12%.

Number of Manufacturing Importers by Product Origin, Niagara Census Metropolitan Area, 2011 and 2016 (\$000s)

Origin	2011	2016	Change	% Change
Total	311	303	-8	-2.6
North America (US and Mexico)	282	263	-19	-6.7
Asia	162	163	1	0.6
Europe	149	152	3	2
Central and South America and the Caribbean	32	27	-5	-15.6
Middle East	13	14	1	7.7
Oceania and Antarctica	17	14	-3	-17.6
Africa	12	10	-2	-16.7

Source: Statistics Canada, *Trade and Importer Characteristics, 2011 and 2016*

- In 2016, Niagara had 303 businesses that imported goods. This was a decrease by 8 from 311 in 2011.
- In 2016, the origin with the main number of importing manufacturing companies was United States and Mexico at 263 followed by Asia at 163: Europe at 152; Central and South America, and the Caribbean at 27; Middle East at 14; Oceania and Antarctica at 14; and, Africa at 10.
- From 2011 to 2016, there was a substantial decrease in businesses that imported from United States and Mexico by 19; Central and South America and the Caribbean by 5; Oceania and Antarctica by 3; and, Africa by 2. There were increases in businesses importing from Europe by 3; Asia by 1; and, Middle East by 1.

Top 30 Employers in the Manufacturing Sector, Niagara Region, 2017

Company	Industry	Location	Employees
General Motors of Canada	Automotive	St. Catharines	1445
Stanpac Inc.	Packaging	West Lincoln	420
Welded Tube of Canada Corp.	Steel tube	Welland	284
Cabico	Cabinetry	St. Catharines	277
BVGlazng Systems	Architectural products	Niagara Falls	254
Rich products of Canada Ltd.	Food	Fort Erie	250
Airbus Helicopters of Canada Ltd.	Aerospace	Fort Erie	220
Andrew Peller Ltd.	Beverage	Grimsby	217
Arterra Wines Canada	Beverage	Niagara Falls	200
Bosch Rexroth Canada Corp.	Material handling equipment	Welland	196
TIW Steel Platework Inc.	Steel tanks	St. Catharines	193
Vale Canada	Metal refinery	Port Colborne	192
Post Foods Canada	Food	Niagara Falls	187
Venest Industries (Magna Int'l Inc.)	Automotive	St. Catharines	184
Fleet Canada Inc.	Aerospace	Fort Erie	166
Pinty's Delicious Foods Inc.	Food	Port Colborne	153
Cytec Solvay Group	Chemicals	Niagara Falls	147
Salit Steel	Steel products	Niagara Falls/Welland	138
Moyer Diebel Limited	Machinery	Lincoln	130
Washington Mills Electro Minerals Corp.	Mineral products	Niagara Falls	129
J. Oskam Steel Fabricators Ltd.	Fabricated steel products	Port Colborne	124
Jungbunzlauer Canada Inc.	Chemicals	Port Colborne	120
Ophardt Hygiene Technologies Inc.	Hygiene products	Lincoln	118
Palfinger North America	Material handling equipment	Niagara Falls	112
Artcraft Kitchens	Cabinetry	Niagara Falls	108
Loop Recycled Products Ltd.	Chemicals	Thorold	105
NRB Inc.	Modular buildings	Grimsby	105
Dunn Paper	Paper products	St. Catharines	104
Deflecto Air Distribution Products	Air distribution products	St. Catharines	101
Hy-Grade Precast Concrete	Precast concrete	St. Catharines	100

Source: *Niagara Employment Inventory, 2017*

- Niagara has many well-established manufacturing businesses from a diverse range of industries serving a variety of domestic and global markets.
- In 2017, the top employer manufacturing businesses represented a range of industries including automotive; steel and metal; cabinetry; beverage; food; aerospace; material handling equipment; chemicals; machinery; and, building and architectural products.
- The top 30 manufacturing employers are also located throughout Niagara with 8 in Niagara Falls, 7 in St. Catharines, 4 in Port Colborne, 3 in Welland, 3 in Fort Erie, 2 in Grimsby, 2 in Lincoln, 1 in West Lincoln, and 1 in Thorold.

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