

**MANUFACTURING LABOUR SHORTAGE:**  
**\$18 BILLION LOST FOR QUEBEC ECONOMY**

**MONTRÉAL, SEPTEMBER 28, 2021**

\$18 billion is the amount of money Quebec has left on the table in the last two years, by the manufacturing sector alone, due to labour shortages, causing most companies to turn down contracts, pay late penalties or even scale back their operations because of the critical shortage of workers.

This conclusion emerges from the consultation of manufacturing companies in 10 regions across the province conducted by Manufacturiers et Exportateurs du Québec (MEQ) and from a survey of 400 manufacturers<sup>1</sup>.

"The labour shortage is a constraint on economic recovery and growth. How much money is the government ready to lose in the next few years? How many companies will have to refuse contracts, relocate part of their activities abroad, reduce their growth or close before the labour shortage in the manufacturing sector is solved with measures that have an impact?" said Véronique Proulx, President and CEO of MEQ.

**Worrying losses, desperate need for workers**

The situation is even more worrying because it is widespread throughout the industry. In fact, 98.5% of the companies surveyed need workers and 70% of them are refusing contracts or paying penalties for late production. Many have slowed down their operations and some are even considering relocating their operations.

1 in 4 companies need to fill 20% or more of their workforce. In fact, positions paying between \$20 and \$29 per hour are the most in demand in the manufacturing sector (49%). Among the hardest-to-fill positions are operators, welders, machinists, labourers, assemblers, technicians, mechanics, and engineers.

In the second quarter of 2021, the manufacturing industry had 65,905 vacant positions, including a record 25,330 in Quebec alone. This is 5,935 more vacancies in the manufacturing sector than in the second quarter of 2019.

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<sup>1</sup> The data was collected between May 19 and June 24, 2021 from 401 Quebec manufacturing companies.

"The current pool of workers is simply not big enough. The government must propose specific measures to address the labour shortage in the manufacturing sector and align its programs with the manufacturing sector to have a concerted and coherent overall vision that will have a real impact. It's time to act," explains Mr. Proulx.

In fact, in the MEQ survey, 2 out of 3 companies believe that the Quebec government could do much more to help solve the labour shortage problem.

### **A clear objective for the government**

MEQ is asking the Quebec government to return to the same number of vacant positions in the manufacturing sector as before the pandemic. We must therefore do everything possible to reduce the number of vacant positions in the manufacturing sector in Quebec by at least 8,905 within one year, from 25,330 (2nd quarter of 2021) to 16 425 (4th quarter of 2019).

MEQ will update its survey every year to measure the evolution of the economic impacts and take stock of the various criteria.

### **Specific actions for the manufacturing sector must be put in place**

To do so, MEQ is asking the Quebec government to put in place an action plan, the Grand Blitz for manufacturing, with specific measures for the sector. The Association proposes 13 measures to alleviate the labour shortage, including:

- Greater access to foreign workers
  - o Increase the thresholds for permanent economic immigration and accelerate the admission process, taking into account the needs of the manufacturing sector. 18-month timeframes are also requested.
  - o Accelerate the arrival of temporary foreign workers by reducing the average processing time to 9 months.
  - o Set up, by region, international recruitment missions in French-speaking countries for jobs in demand in the manufacturing sector.
- Training and retention of the workforce
  - o Better support and provide tools to manufacturing SMEs that do in-house training.
- Promotion and image of the manufacturing sector
  - o Better promote the manufacturing sector
  - o Attract young people to the manufacturing sector
- Automation and robotization
  - o Increase the financial support and technical coaching of manufacturing companies in the field of automation and robotization.

"Premier Legault tells us that he wants to increase the volume of products manufactured in Quebec. To do so, we are asking the government to take concrete actions, specific to the manufacturing sector, right now. Government programs must be aligned with the needs of manufacturers if we want to increase our manufacturing footprint," concluded Ms. Proulx.

To consult MEQ's complete action plan for the Great Manufacturing Blitz: [http://meq.ca/wp-content/uploads/sites/4/2021/09/MEQ11\\_Rapport\\_Tournee-VF-28sept.pdf](http://meq.ca/wp-content/uploads/sites/4/2021/09/MEQ11_Rapport_Tournee-VF-28sept.pdf)

## **ABOUT Manufacturiers & Exportateurs du Québec (MEQ)**

The manufacturing sector is important for the Quebec economy. It represents 13.5% of Quebec's GDP and 86.5% of exports. It generated global sales of nearly \$153 billion in 2020 and employs nearly half a million people in Quebec.

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### **Infos**

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