

PRESS RELEASE
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MANUFACTURING LABOUR SHORTAGE: \$7 BILLION LEFT ON THE TABLE IN THE LAST YEAR

MONTREAL, NOVEMBER 16, 2022 – No less than \$7 billion has been left on the table in Quebec over the last year due to the labour shortage that persists in the manufacturing sector, as \$4 billion was lost to refused contracts and accumulated delays, added to \$3 billion in losses resulting from delayed or cancelled investments. In what is a widespread problem in the manufacturing sector, 98% of companies surveyed declare that they have vacant positions, with an average of 42 positions to fill per company.

Such is the alarming picture revealed in the annual survey conducted by Manufacturiers et Exportateurs du Québec (MEQ) among 300 companies to evaluate the labour shortage and its consequences in Quebec in 2022.

Serious repercussions for Quebec's economy

Over the past year, nearly one in three (30%) manufacturing companies have considered moving part of their operations or awarding more contracts abroad. The majority are seeing the consequences of the labour shortage in delivery delays (82%), increased costs (73%) and customer dissatisfaction (62%).

In addition to the economic impacts, employees' mental health is also affected. The survey reveals that 50% of companies maintain the labour shortage has impacted their employees' mental health and 21% even identify mental health as the most significant impact.

A gap that continues to widen

According to Statistics Canada data, in the second quarter of 2022, there were 31,985 vacant positions in Quebec's manufacturing sector, compared to 30,720 in the first quarter of the same year.

The sub-sectors with the most vacancies are transportation equipment, machinery and food manufacturing. Although the labour shortage is being felt throughout Quebec, the hardest-hit major manufacturing regions are Montérégie, Chaudière-Appalaches and Montreal.

Hard-to-fill jobs despite competitive salaries

Although the lowest paid positions are the hardest to fill, the bulk of vacant positions offer a competitive salary. In fact, 50% of the vacancies in manufacturing companies are in the \$20 to \$29 per hour salary range.

International recruitment as a solution

Currently, the majority (70%) of surveyed manufacturers are turning to international recruitment to meet their labour needs. However, companies identify several obstacles to recruiting foreign workers, including the complexity of the process, the time and cost involved and the lack of resources to accommodate foreign workers.

Nearly half (45%) of surveyed manufacturing companies believe that international recruitment and higher immigration thresholds should be part of solving the shortage. Finally, 6 out of 10 companies believe that the Quebec government could do much more to help solve the labour shortage issue.

Quote

"The labour shortage remains the biggest obstacle to the international growth of Quebec manufacturers. The shortage is becoming a bottleneck in our supply chains, slows the progression of technology investments aimed to decarbonise our industry, and limits our ability to develop new markets. We are asking the Quebec government to make this a priority and to use all the levers at its disposal to support manufacturers. We can consider raising immigration levels, encouraging the transition of temporary foreign workers to permanent residency, accelerating automation and robotization, and increasing the number of manufacturers who benefit from training programs. We are on the verge of a recession, and the government must make the labour shortage a priority and do more, faster, to support manufacturing companies, which stand as pillars of our economic development." Véronique Proulx, President-CEO, Manufacturiers et Exportateurs du Québec.

View survey highlights [here](#)

The complete survey results report can be found [here](#)

About Manufacturiers & Exportateurs du Québec (MEQ)

The MEQ represents 1,100 manufacturers across Quebec. The Quebec manufacturing sector employs more than 497,000 people and represents 12.6% of GDP and 86.1% of exports. It generated global sales of nearly \$183.1 billion in 2021.

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Source: Manufacturiers et Exportateurs du Québec (MEQ)

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