



Sectoral Profile

Plastics and Rubber Products Manufacturing

NAICS 326

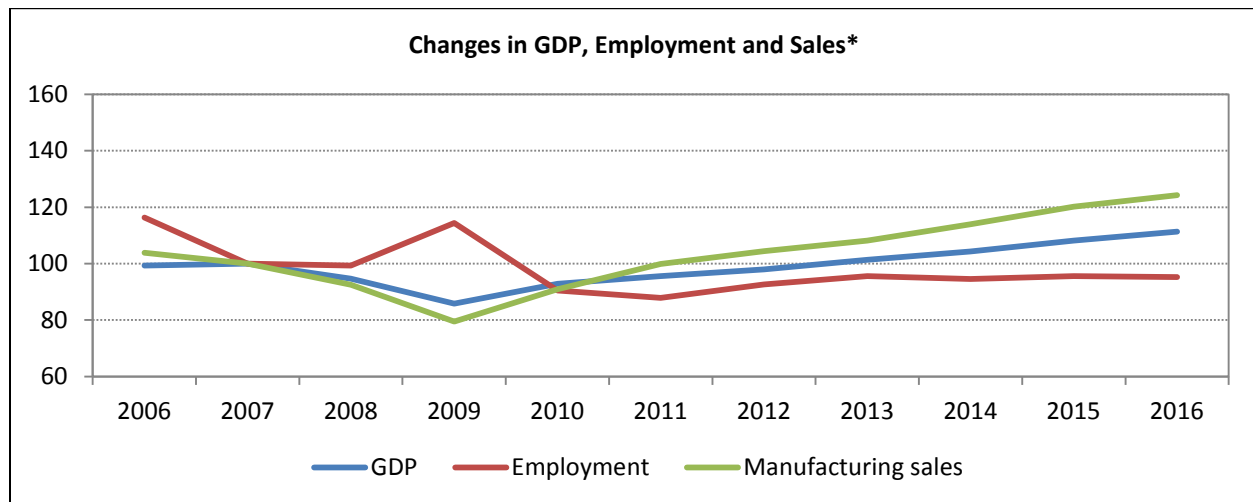
Quebec

2018-2020*



- In Quebec, the plastic products segment dominates with 80% of employment, 80% of sales, and 70% of exports of the plastic and rubber products manufacturing industry
- The industry is very sensitive to the value of the Canadian dollar and the North American economic situation, mainly regarding the construction industry and motor vehicle manufacturing
- Employment has stabilized since 2013, following a period of decline that lasted nearly a decade

Between 2000 and 2004, the workforce of the plastics and rubber products manufacturing industry peaked in Quebec. The business environment was good: the exchange rate of the Canadian dollar was at its lowest level, and the needs of client industries were increasing.



*Data are expressed in the form of indices where the year 2007 = 100.

Sources: Statistics Canada, GDP – CANSIM 379-0030, Employment – LFS, Sales – CANSIM 304-0015

Then, conditions deteriorated and the rubber products segment was hit the hardest during the downturn. The deterioration was connected to declining investments in the United States, the falling production of motor vehicle manufacturing in North America and the strong Canadian dollar. In response, the industry invested in improving processes and in automation. The result was an even lower need for labour. The shock was less severe for plastic products manufacturers, due to calls for tenders by the Government of Quebec and Hydro-Québec for wind turbine manufacturing between 2003 and 2013. Combined with demand in transportation

* This document is the result of analyses performed using information available as at April 5, 2018.

material manufacturing and a growing interest in environmentally friendly packaging, employment losses were limited.

The 2008-2009 recession also affected the industry. The decline in orders brought about a decrease in investments and in the workforce. The following recovery of the construction industry, both here and in the United States, and of motor vehicle manufacturing in North America, led the way to a rebound in production and exports.

Plastic Products

The plastic products and composite materials segment has grown substantially in recent decades. Its products differ from traditional materials by their light weight and strength. The main niche areas of the Quebec industry are packaging, construction materials and transportation product manufacturing, particularly composites, also related to wind turbine manufacturing.

Plastics are thus used in a vast range of consumer goods and industrial products (telecommunications, electronics, aerospace, medicine and life sciences, construction materials, automobiles and energy). The outlook is very promising for biodegradable plastics, given the public's growing concern about the environment. In short, all of the research and development work carried out over the years now favor growth.

The main ingredient in plastic products manufacturing is synthetic resin. Its cost accounts for a major portion of the value of a product. Changes in the price of raw materials and the value of the Canadian dollar on foreign markets have a substantial impact on the industry. This leads to unstable profit margins. There is no win-win situation: a weak Canadian dollar can boost exports but makes the purchase of this raw material more costly.

There was concern that after the fourth and final call for tenders for wind turbine energy in Quebec, the industry had no future. Instead, it gathered a full order book, from different countries, and this is promising for the next few years. A tightening of demand could arise in construction and the automobile industry in the short term, but current needs are still boosting the growth of the labour force.

However, over the past year, the United States has been threatening to impose a tariff on imported automotive products. Given the highly integrated North American automotive production chain, it could lead to a strong negative impact on the segment of plastic parts for motor vehicles.

Rubber Products

The major customers of rubber products are aerospace product and parts manufacturing, and motor vehicle and parts manufacturing. Thanks to investments in machinery and equipment, the improvement in manufacturing processes, a value-added production, and the development of the workforce, businesses have equipped themselves with the means to compete and to resist the impacts of fluctuations in the Canadian dollar. After some difficult years, a more favourable outlook in several market segments and recently announced investments point to a better business environment for this segment.

However, over the past year, the United States has been threatening to impose a tariff on imported automotive products. Given the highly integrated North American automotive production chain, it could lead to a strong negative impact on tire manufacturing and flexible tubing, rubber belts manufacturing.

Sectoral Dynamics for Regions

Québec 2018-2020	In the Economic Regions	AAGR
Annual average growth: 0.3% Gain of approx.: 325 positions Yearly dynamics: 2018 : ↗ 2019 : ↗ 2020 : ↗	Gaspésie–Les-Îles	4.0%
	Bas-Saint-Laurent	0.8%
	Estrie	0.7%
	Lanaudière	0.5%
	Montréal CMA	0.4%
	Chaudière-Appalaches	0.3%
	QUÉBEC	0.3%
	Laurentides	0.3%
	Montréal	0.3%
	Capitale-Nationale	0.3%
	Centre-du-Québec	0.2%
	Abitibi-Témiscamingue	0.0%
	Saguenay–Lac-Saint-Jean	0.0%
	Mauricie	0.0%
	Côte-Nord / Nord-du-Québec	0.0%
Outaouais	0.0%	

n/a: not applicable

Source: 2018–2020 Sectoral Outlook annual exercise

Labour Market Analysis Directorate, Service Canada – Quebec Region, April 5, 2018.

The following occupations in the plastics and rubber products manufacturing industry are likely to be affected by changing labour market conditions (according to the occupation by industry matrix):

- 9615 Labourers in rubber and plastic products manufacturing
- 9422 Plastics processing machine operators
- 9423 Rubber processing machine operators and related workers
- 9214 Supervisors, plastic and rubber products manufacturing
- 9535 Plastic products assemblers, finishers and inspectors
- 0911 Manufacturing managers
- 7452 Material handlers
- 9619 Other labourers in processing, manufacturing and utilities
- 1521 Shippers and receivers
- 7311 Construction millwrights and industrial mechanics
- 6411 Sales and account representatives - wholesale trade (non-technical)
- 7231 Machinists and machining and tooling inspectors
- 9533 Other wood products assemblers and inspectors
- 2233 Industrial engineering and manufacturing technologists and technicians
- 9537 Other products assemblers, finishers and inspectors
- 7333 Electrical mechanics.

SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

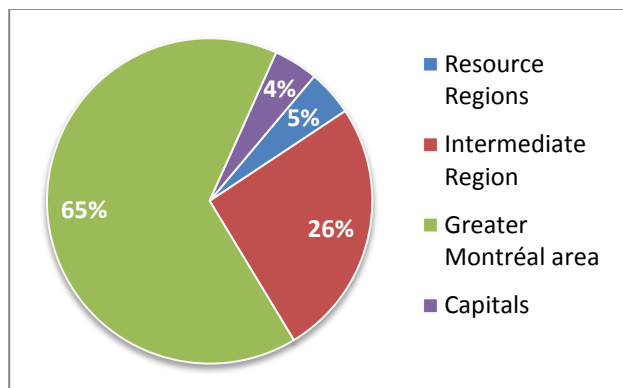
	Employment 2015–2017 Average			10-year Change in Employment	
	Employment In thousands	Provincial distribution	Regional employment share	In thousands	as a %
All of Quebec	32.1	100.0%	0.8%	-5.2	-14.0%
Resource Regions					
Abitibi-Témiscamingue	x	x	x	x	x
Bas-Saint-Laurent	x	x	x	x	x
Côte-Nord / Nord-du-Québec	x	x	x	x	x
Gaspésie-Îles-de-la-Madeleine	x	x	x	x	x
Saguenay-Lac-Saint-Jean	x	x	x	x	x
Intermediate Regions					
Centre-du-Québec	x	x	x	x	x
Chaudière-Appalaches	4.1	12.7%	1.9%	-1.8	-30.7%
Estrie	4.4	13.7%	2.8%	0.2	3.9%
Mauricie	x	x	x	x	x
Greater Montréal area					
Lanaudière	3.5	10.9%	1.4%	-0.3	-7.1%
Laurentides	x	x	x	x	x
Laval	x	x	x	x	x
Montérégie	7.6	23.8%	1.0%	-1.7	-18.5%
Montréal	6.3	19.5%	0.6%	-0.7	-10.5%
Capitals					
Capitale-Nationale	x	x	x	x	x
Outaouais	x	x	x	x	x

x: confidential data, fewer than 1,500 people employed in this region

Source: Historical estimates based on Statistics Canada's Labour Force Survey

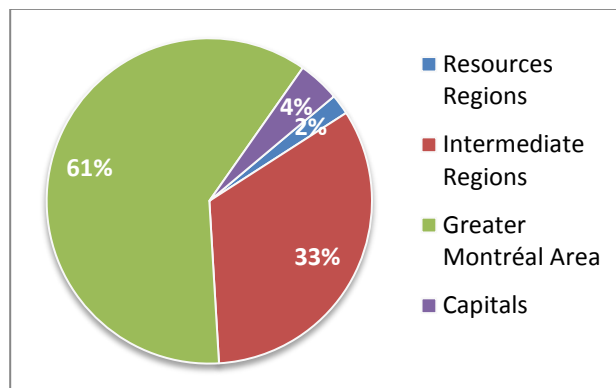
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



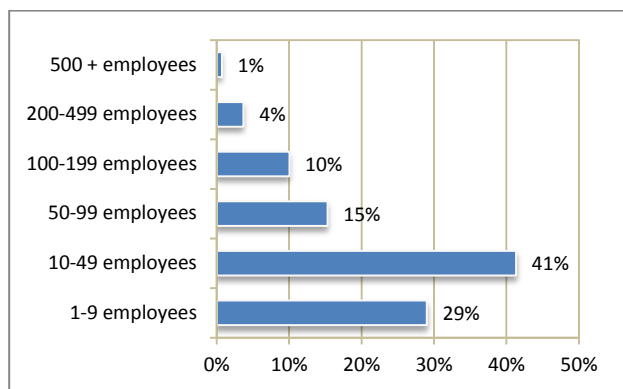
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



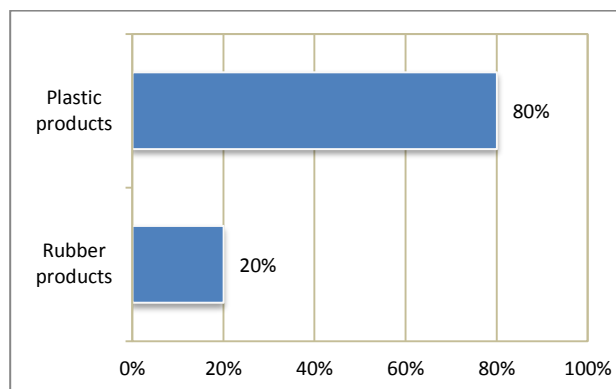
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



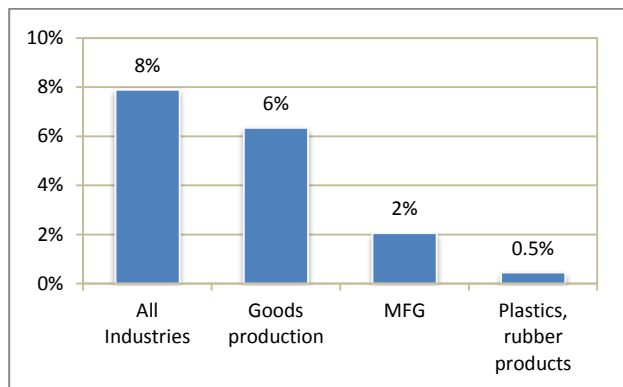
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry subsectors



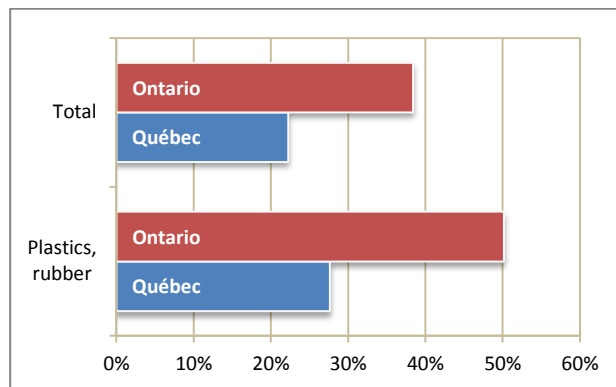
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment



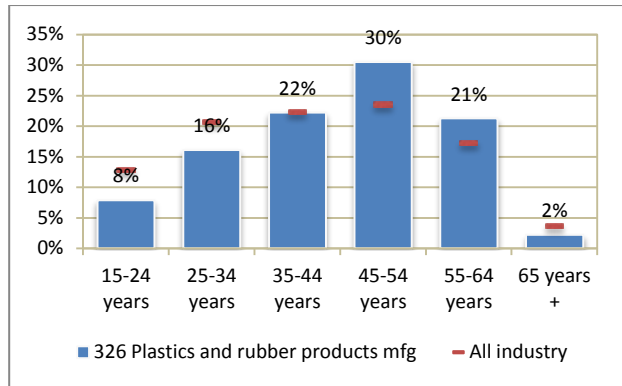
Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

Share of total employment and industry in Canada



Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Employed Labour Force Aged 15 Years and Over



Source: Statistics Canada, 2016 Census, special tabulation for ESDC

Employment distribution by skill type

National Occupational Classification	
0. Management	9%
1. Business, finance and administration	11%
2. Natural and applied sciences and related	6%
3. Health	0%
4. Education, law and social, community and government services	0%
5. Art, culture, recreation and sport	0%
6. Sales and service	6%
7. Trades, transport and equipment operators	15%
8. Natural resources, agriculture and related production	0%
9. Manufacturing and utilities	53%

Source: Statistics Canada, 2016 Census, special tabulation for ESDC

FOR MORE INFORMATION

- Job Bank (Canada) – [Job Market Trends and News](#): Information on job, skills and local labour market trends is important for making career decisions. In addition, information on wages, labour supply, labour demand and other factors helps employers recruit, train and retain workers and make business and investment decisions.
- North American Industry Classification System (NAICS) Canada 2012: Plastics and Rubber Products Manufacturing [NAICS 326](#)

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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For further information, please contact the LMI team at:

http://www.esdc.gc.ca/cqi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

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