Sectoral Profile

Furniture and related product manufacturing

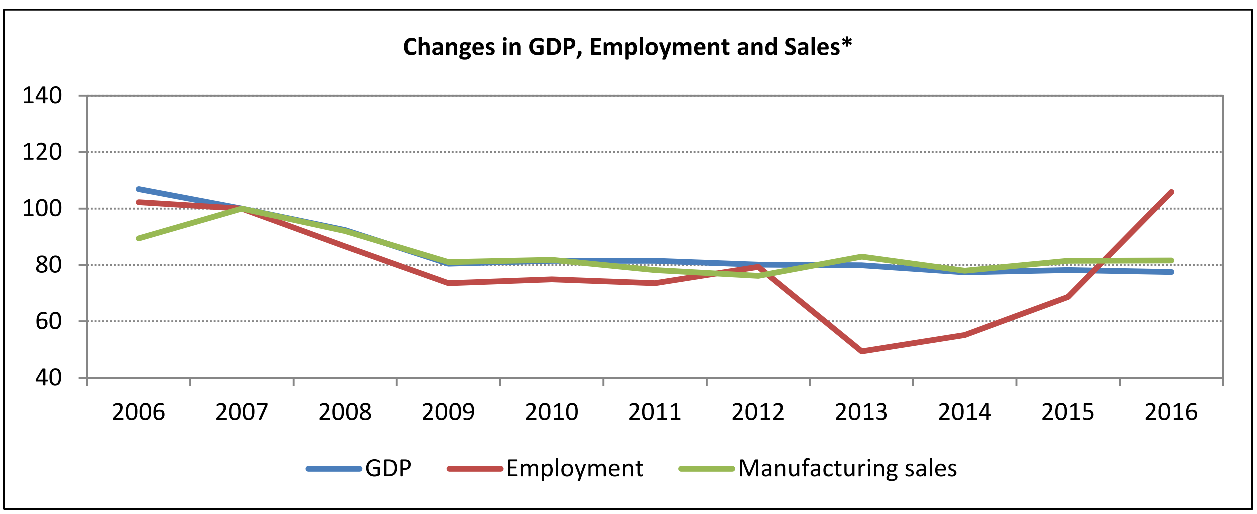
NAICS 337

Quebec

2018-2020*

- The industry is characterized by the importance of its household and institutional furniture and kitchen manufacturing segment, which accounts for two thirds of employment and over 60% of shipments
- The office furniture and fixtures segment also stands out with one quarter of the workforce, and over 40% of exports
- Less than 30% of the production is exported, and it almost goes to only one destination: the United States (96%)

During the 2000s, the business environment changed radically. Within a few years, the Canadian dollar rose from its lowest value to parity with the American dollar, which eliminated the advantage of the exchange rate for exports. China joined the *World Trade Organization* and the removal of duties encouraged the imports of cheaper products. The import of low-cost products also played a role in the industry decline, e.g. furniture imports from China meet half of the needs of Quebec domestic market. The same is true for the United States where Chinese furniture quickly replaced furniture made in Quebec. From 2004 to 2016, the number of housing starts in Quebec declined by one third. In the United States, the burst of the housing bubble drove down the number of housing starts by almost 75%, besides hindering household formation in this country. Then there was the 2008-2009 recession.



* Data are expressed as indices with 2007 = 100
Sources: Statistics, GDP – CANSIM 379-0030, Employment – LFS, Sales – CANSIM 304-0015

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

Due to the importance of the household and institutional furniture and kitchen cabinets segment, the Quebec industry is heavily dependent on the formation of new households and on residential construction, as it directly stimulates the purchases of furniture and the installation of cabinets. The deterioration of economic conditions slowed down the purchases of houses, here and on export markets, which impacted sales. The changing tastes of consumers also had a negative impact on production.

All this led to a reduction of over one third of the workforce and nearly 25% of shipments were cut. To become more competitive, Quebec manufacturers invested in their plants and bought more efficient equipment. This helped lessen labour requirements, and allowed for the consolidation of operations and steadying of production, while reducing production costs. Businesses regained their ability to work efficiently, the capacity to grow, and even had to hire back.

Sales have strengthened, not only with the improved economy here; the current momentum is also linked to the growth of the American economy. Since 2009, the U.S. economy favoured the creation of new households, thus stimulating the consumption of durable goods, and the number of housing starts more than doubled. From the bottom of the recession to 2016, the exports of Quebec furniture and kitchen cabinets to the United States almost doubled. The exports of mattresses, box springs, beds, blinds, and so forth, also saw a significant increase.

The outlook for household and institutional furniture and kitchen manufacturing is positive. A slight growth in the number of housing starts is expected during the forecast period, renovation expenditures continue to grow and, with the expected increase in the number of transactions in the resale market, it should not end soon.

As for office furniture and fixtures, it is hard to explain what is going on now. For a long time, office furniture manufacturing dynamics, growing sales and need for workers helped limit job losses in the furniture industry. Since of the recession however, employment, sales, and exports are variable, unstable. Recently, the situation seems to be stabilizing, but there is no clear indication for future growth.

Sectoral Dynamics for Regions

Québec 2018-2020	In the Economic Regions	AAGR
	Laurentides	1.3%
Annual average growth:	**Lanaudière**	1.2%
0.8%	**Mauricie**	0.9%
	Estrie	0.9%
Gain of approx.:	**Montérégie**	0.9%
600 positions	**QUÉBEC**	0.8%
	Montréal CMA	0.8%
Yearly dynamics:	**Capitale-Nationale**	0.8%
2018 : ↗	**Chaudière-Appalaches**	0.7%
2019 : ↗	**Centre-du-Québec**	0.4%
2020 : ↗	**Bas-Saint-Laurent**	0.3%
	Abitibi-Témiscamingue	0.0%
	Côte-Nord / Nord-du-Québec	0.0%
	Outaouais	0.0%
	Saguenay–Lac-Saint-Jean	0.0%
	Gaspésie–Les-Îles	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 furniture industry are the ones most likely to be affected by the anticipated dynamics (according to the occupation by industry matrix):

- 9532 Furniture and fixture assemblers and inspectors
- 7272 Cabinetmakers
- 9619 Other labourers in processing, manufacturing and utilities
- 9224 Supervisors, furniture and fixtures manufacturing
- 9534 Furniture finishers and refinishers
- 9437 Woodworking machine operators
- 0911 Manufacturing managers
- 6345 Upholsterers
- 7271 Carpenters
- 7237 Welders and related machine operators
- 2253 Drafting technologists and technicians
- 1521 Shippers and receivers
- 6421 Retail salespersons
- 5242 Interior designers and interior decorators
- 7452 Material handlers
- 2252 Industrial designers
- 7441 Residential and commercial installers and servicers
- 9536 Industrial painters, coaters and metal finishing process operators.

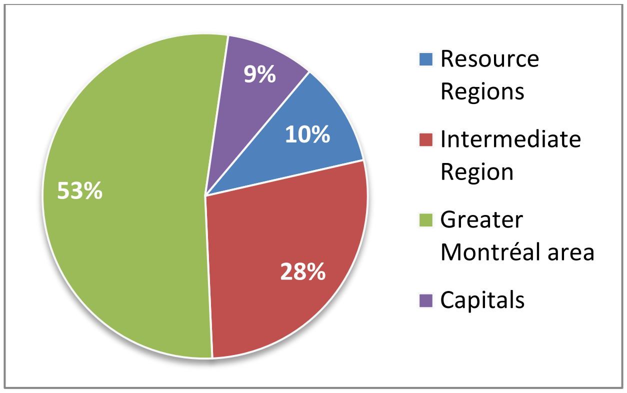
SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

	Employment 2015–2017 Average			10-year Change in Employment	
	Employment In thousands	**Provincial distribution**	**Regional employment share**	In thousands	as a %
All of Quebec	**21.0**	**100.0%**	**0.5%**	**-1.6**	**-7.2%**
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	2.4	11.4%	1.1%	-1.7	-41.9%
Estrie	x	x	x	x	x
Mauricie	1.6	7.6%	1.3%	0.5	45.5%
Greater Montréal area					
Lanaudière	2.0	9.7%	0.8%	0.2	13.0%
Laurentides	2.1	10.1%	0.7%	0.6	42.2%
Laval	x	x	x	x	x
Montérégie	3.2	15.1%	0.4%	-1.2	-27.5%
Montréal	4.1	19.7%	0.4%	0.3	7.8%
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

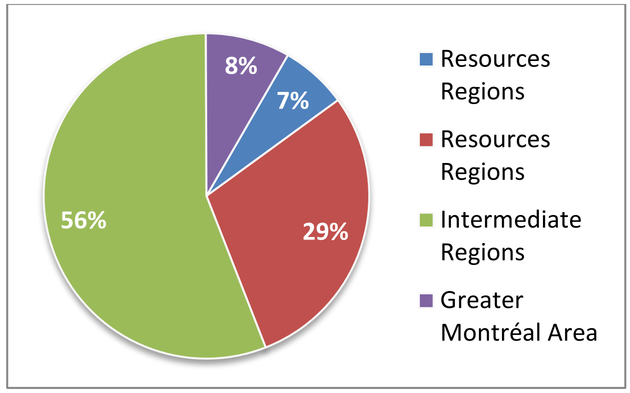
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



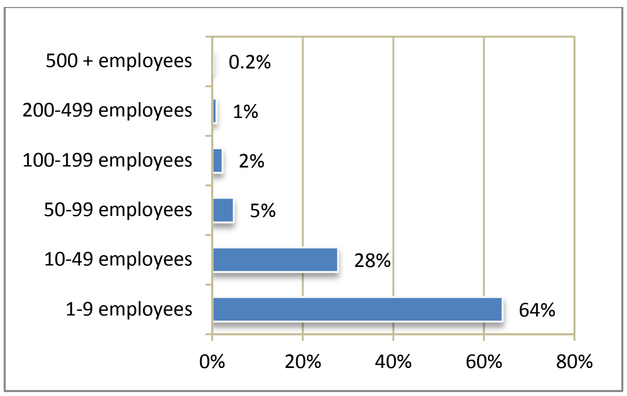
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



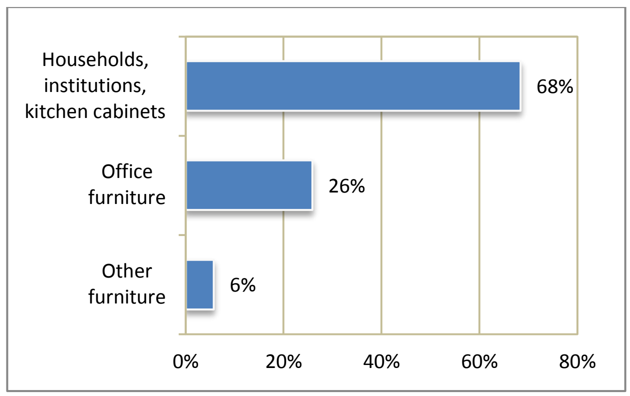
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



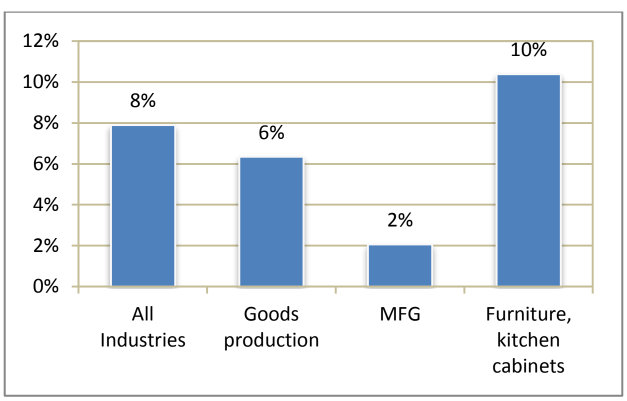
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry segment



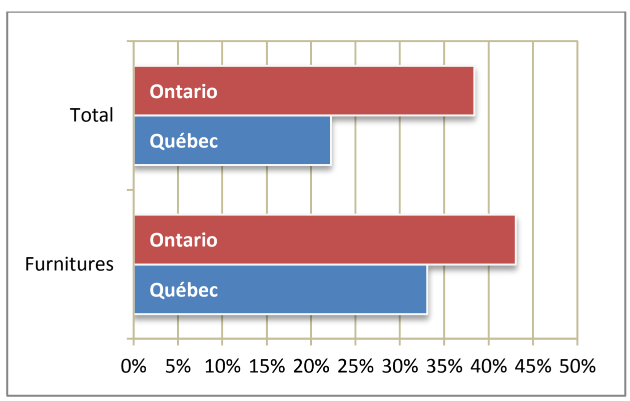
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment



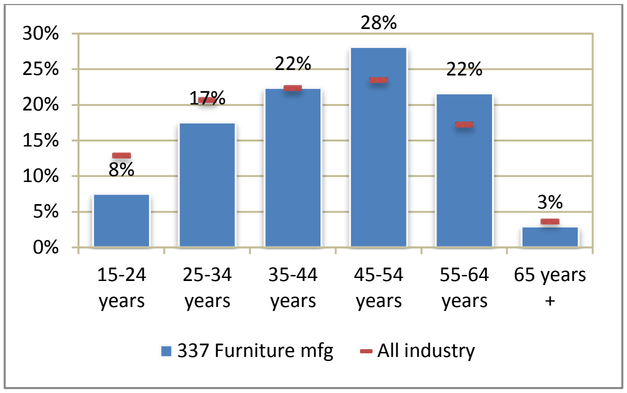
Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

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	8%
1. Business, finance and administration	10%
2. Natural and applied sciences and related	5%
3. Health	0%
4. Education, law and social, community and government services	0%
5. Art, culture, recreation and sport	2%
6. Sales and service	8%
7. Trades, transport and equipment operators	30%
8. Natural resources, agriculture and related production	0%
9. Manufacturing and utilities	36%

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:
  Furniture and related product manufacturing NAICS 337

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.*

Prepared by*: Labour Market Analysis Directorate, Service Canada, Quebec*
For further information*, please contact the LMI team at:*
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