



Sectoral Profile

Transportation and warehousing

NAICS 48-49

Quebec

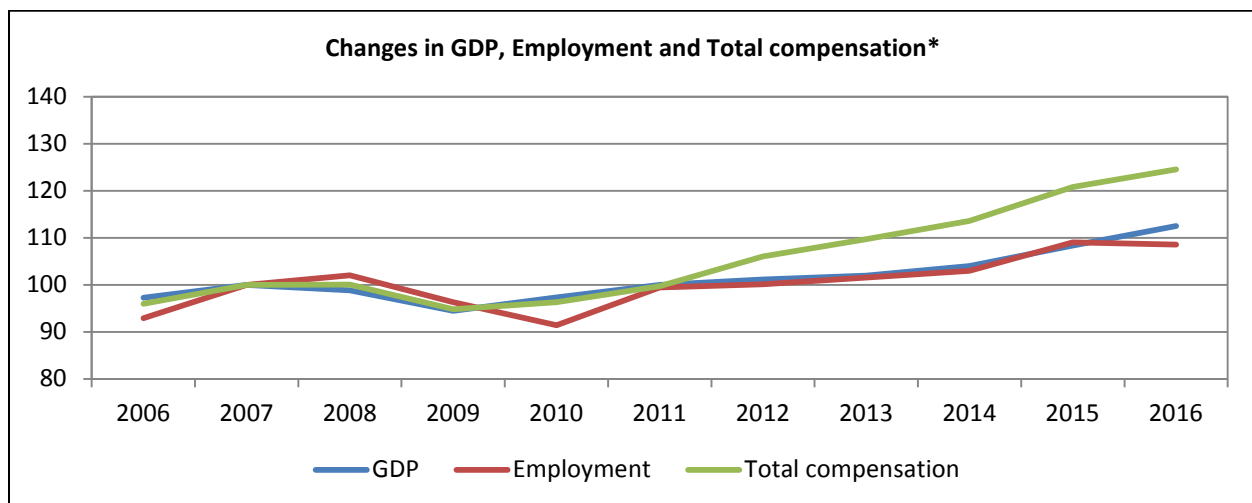
2018-2020*



- The level of activity in the transportation industry depends on business volumes in both domestic and foreign markets
- The level of activity in this industry is determined by the dynamics in three industries: wholesale trade (including imports-exports), retail trade, and manufacturing production
- A slowdown in household expenditures, either in Quebec or elsewhere in the world, will have a negative impact on business and on employment in transportation

The transportation and warehousing industry is composed of 11 activity sub-sectors. Different characteristics are used for the classification: it can be either based on the mode of transportation (air, rail, water, truck, pipeline), or what is carried (passengers, mail), or the purpose (public transit, or scenic and sightseeing transportation). The warehousing segment groups together establishments that offer services to retailers and wholesalers, as well as to individuals.

Three sectors encompass approximately two thirds of the jobs in the industry in Quebec: truck transportation (28%), transit and ground passenger transportation (23%), and support activities for transportation (17%).



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

Sources: Statistics Canada, PIB – CANSIM 379-0030, Employment – EPA, Total Compensation – 383-0031

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

Overall employment increased by 11% since the 2008-2009 recession, thanks to significant gains in transportation support activities, air, rail, transit and ground passenger transportation, as well as in warehousing. Growth would have been even better, but the post-recession period was affected by slow economic progress, and the consolidation of operations and structural changes in rail transportation and postal services.

During the same period, investments in capital, machinery and equipment more than doubled—the intentions for 2017 continue this trend, and maintenance spending increased by nearly 70%. A share of these gains comes from the contribution of various levels of government to the development of public transit, from investments in the expansion of airport terminal buildings in Montréal and Québec City, and from the continued implementation of the Quebec government's *Stratégie de mise en valeur du Saint-Laurent touristique 2014–2020* [2014–2020 strategy to develop St. Lawrence River tourism]. Although increased investment did not result in much job creation in transportation and warehousing, other industries nonetheless benefited from it. For example, improvements to infrastructures and passenger terminals along the St. Lawrence River have allowed ports to attract more cruise liners. This helped to increase or retain for a longer time workforce employed in tourism activities, ground transportation, and the food and beverage sector in the regions. Moreover, as with any new facility related to passenger transportation, employment gains are often made gradually, and after the investments have been made.

Truck transportation

Truck transportation is at the transfer point for manufactured, exported and imported goods, making it an important player in the goods distribution system in North America, mainly due to intermodal transportation, which is extensively used. Truck transportation is the most important segment of the transportation and warehousing industry with 30% of the workforce. Positive forces are in place for a significant employment growth over the next few years due to, amongst other things, rising consumption on both the domestic and export markets, and the growing needs in manufacturing and mining.

However, the imposition of tariffs at the American border could dampen this growth. Several industries and product groups are currently targeted or under the scrutiny of the *U.S. Department of Commerce*. If the list gets longer, there will be a downward impact on potential growth of manufacturing capacity.

Another factor that could cool down part of this growth is the requirement since December 2017, that any commercial vehicle on the road in the United States be equipped with an electronic tracking registry. Cross-border truck drivers seem to dislike this rule, as it deprives them of the ability to organize their own schedules. According to media reports, some drivers are now asking their employers to relieve them from international routes. As the environment is already under pressure because of a lack of drivers, some businesses are reporting that 20% to 30% of their truck fleet is immobilized and, as a result, the requirement for an electronic registry could add further to the recruitment problem.

Transit and ground passenger transportation

The outlook is good for this segment which accounts for nearly a quarter of jobs in the transportation and warehousing industry. For a number of years, public transit has been benefiting from substantial public investments. In addition to pursuing sustainable development objectives, it is also a matter of dealing with rising in needs, in particular demographic growth in the Greater metropolitan areas of Montréal, Québec City and Ottawa–Gatineau.

Recently, the Quebec government announced that it would invest a significant sum in the development of public transportation infrastructures, as well as in the renewal and growth of the rolling stock of transportation companies. Finally, it was announced that new project offices would be opened in 2018 to look into the feasibility of a number of initiatives. These will not lead to job creation in the medium term, but rather illustrate the importance of public transportation in Québec's sustainable mobility strategy.

Postal services sector

After the public outcry that followed the substitution of home delivery services to community mailboxes in some communities by *Canada Post Corporation* (Canada Post), the Canadian Government set up a task force in 2016 to look into the future of postal services in the country. Topics included the governance of the Corporation, its value for Canadians, the service model, as well as challenges and opportunities. The report was tabled in December 2016 and, in January 2018 the Canadian Government presented its selection for enactment. While the Government put a stop to the installation of community mailboxes, it has not restored home delivery in the neighbourhoods where this change has been made. In the meantime, Canada Post has returned to profitability thanks to growth in the parcel segment and the popularity of online shopping.

Air transportation

Employment growth will continue over the coming years, and a few hundred positions should be added during the 2018-2020 period. This may seem low in light of the size of this segment in Quebec, but, in reality, it is a sizeable rate of growth.

It is worth noting that some elements will diminish the growth potential of employment in air transportation. Despite the popularity of travel and the increase in the number of flights and passengers, the industry is attempting to reduce costs by decreasing crew sizes, amongst others.

Then, although there are more flights and new players in Canada, mainly in the "discount" flights segment, jobs are not necessarily created in Quebec, the more so since low-cost carriers say that operation costs for serving secondary airports in the province are too high for their business model.

Finally, the declining value of the Canadian dollar, a rising cost of living and the resentment of Canadian-American trade relations could prompt households to reduce their travel or to spend in Canada (and in other ways). This has a negative effect on the expected growth.

Warehousing and storage

The workforce increased significantly a few years ago following a growth in the number of public warehouses and the expansion of personal and corporate services. Jobs will still be created, but we believe this will occur at a much slower pace because the development phase in this segment is almost completed.

Rail transportation

A low Canadian dollar and rising consumption in Canada and the United States were expected to promote exports and fuel growth. However, tariffs at the American border could temper, even reverse, this growth. Several industries and product groups are targeted or under the scrutiny of the *U.S. Department of Commerce*. If the

list gets longer, it will result in a lower capacity for potential growth. Quebec could be spared from some negative impacts thanks to the ports of Montréal and Québec City, where the number of transshipments is on the rise, and to the recovery of the mining industry in Côte-Nord, where materials can now be transported by rail to the multi-use quay of the port of Sept-Îles.

Marine transportation

Activity levels remain high and the outlook for growth is good thanks to the ports of Montréal and Québec City, where the number of transshipments is on the rise, and to the recovery of the mining industry in Côte-Nord, where materials can be now transported by rail to the multi-use quay of the port of Sept-Îles.

Sectoral Dynamics for the Regions

Québec 2018-2020	In the Economic Regions	AAGR
<p>Annual average growth: 1.3%</p> <p>Gain of approx.: 8,300 positions</p> <p>Yearly dynamics: 2018: ↗ 2019: ↗ 2020: ↗</p>	Côte-Nord / Nord-du-Québec	2.0%
	QUÉBEC	1.3%
	Laurentides	1.3%
	Lanaudière	1.2%
	Estrie	1.2%
	Montréal CMA	1.2%
	Capitale-Nationale	1.2%
	Montérégie	1.2%
	Centre-du-Québec	1.1%
	Gaspésie–Les-Îles	1.0%
	Abitibi-Témiscamingue	1.0%
	Saguenay–Lac-Saint-Jean	0.8%
	Mauricie	0.8%
	Outaouais	0.8%
	Chaudière-Appalaches	0.6%
Bas-Saint-Laurent	0.2%	

n/a: not applicable

Source: 2018–2020 Sectoral Outlook annual exercise

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

The following transportation and warehousing industry occupations are the most likely to be affected by the expected trends (according to the occupation by industry matrix):

- 7511 Transport truck drivers
- 7512 Bus drivers, subway operators and other transit operators
- 1512 Letter carriers
- 7513 Taxi and limousine drivers and chauffeurs
- 7514 Delivery and courier service drivers
- 7452 Material handlers
- 1511 Mail, postal and related workers
- 0731 Managers in transportation
- 7321 Automotive service technicians, truck and bus mechanics and mechanical repairers

- 1525 Dispatchers
- 6522 Pursers and flight attendants
- 7315 Aircraft mechanics and aircraft inspectors
- 1214 Supervisors, mail and message distribution occupations
- 1521 Shippers and receivers
- 6523 Airline ticket and service agents
- 2271 Air pilots, flight engineers and flying instructors.

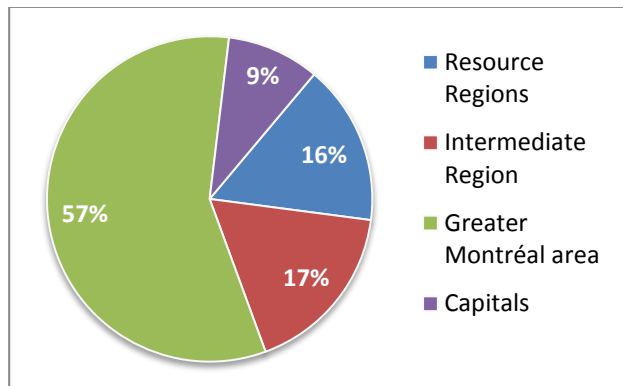
SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

	Employment 2015–2017 Average			10-year Change in Employment	
	Employment In thousands	Provincial distribution	Regional employment share	In thousands	as a %
All of Quebec	199.6	100.0%	4.8%	28.9	16.9%
Resource Regions					
Abitibi-Témiscamingue	3.6	1.8%	4.9%	0.4	12.5%
Bas-Saint-Laurent	4.0	2.0%	4.7%	-1.4	-26.2%
Côte-Nord / Nord-du-Québec	2.5	1.3%	4.7%	-0.3	-9.6%
Gaspésie-Îles-de-la-Madeleine	1.5	0.8%	4.3%	-0.3	-14.8%
Saguenay-Lac-Saint-Jean	4.7	2.4%	3.7%	-0.5	-10.1%
Intermediate Regions					
Centre-du-Québec	6.3	3.1%	5.2%	0.7	11.9%
Chaudière-Appalaches	8.0	4.0%	3.7%	-0.4	-4.4%
Estrie	5.7	2.9%	3.7%	0.4	8.2%
Mauricie	4.7	2.4%	3.9%	0.0	0.7%
Greater Montréal area					
Lanaudière	13.6	6.8%	5.3%	2.9	26.7%
Laurentides	15.7	7.9%	5.1%	2.9	22.3%
Laval	16.0	8.0%	7.5%	6.9	76.2%
Montérégie	47.3	23.7%	6.0%	11.4	31.9%
Montréal	46.7	23.4%	4.7%	6.6	16.6%
Capitals					
Capitale-Nationale	12.7	6.4%	3.1%	-0.9	-6.6%
Outaouais	6.5	3.3%	3.3%	0.2	3.2%

x: confidential data, fewer than 1,500 people employed in this region
 Source: Historical estimates based on Statistics Canada’s Labour Force Survey

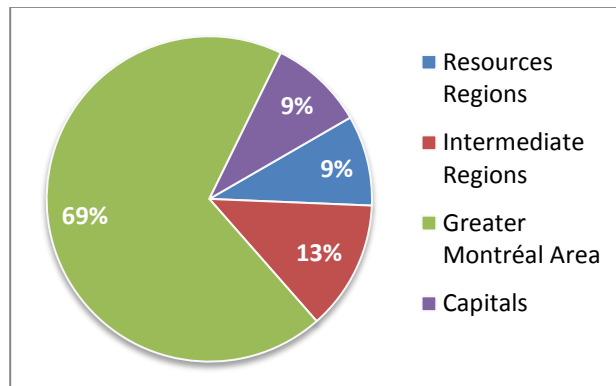
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



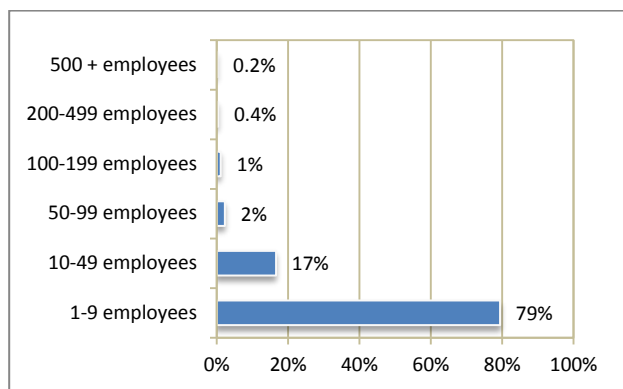
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



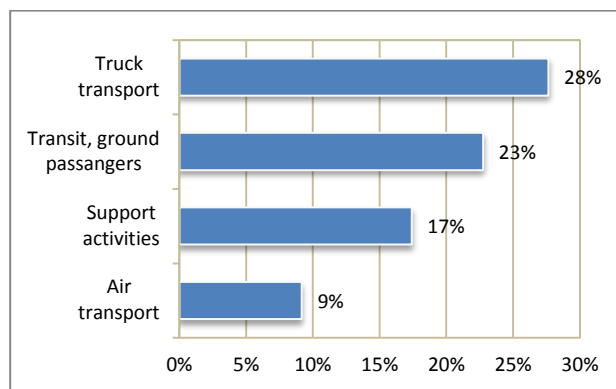
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



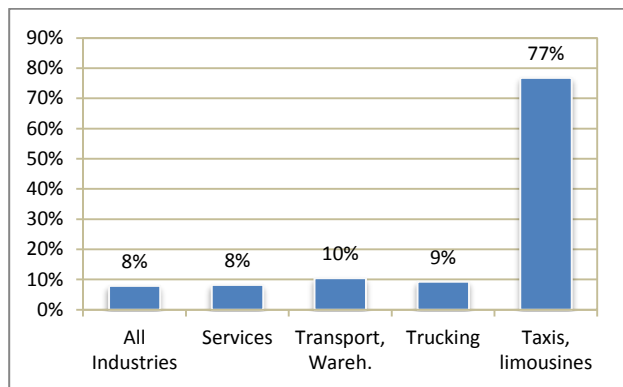
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry segment



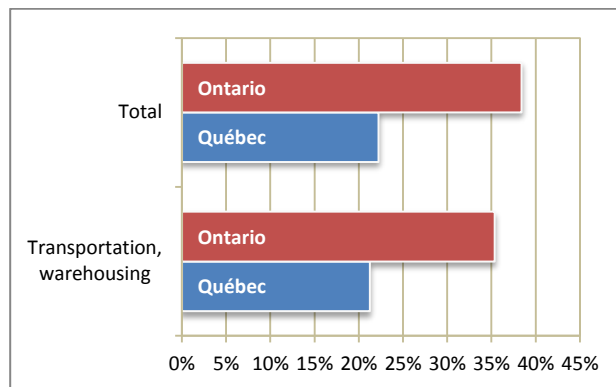
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment



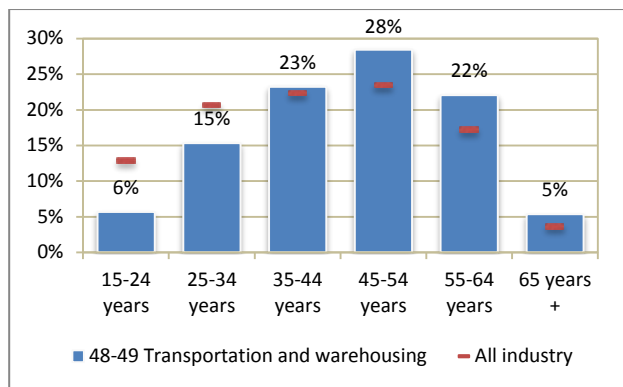
Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

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	7%
1. Business, finance and administration	22%
2. Natural and applied sciences and related	5%
3. Health	0%
4. Education, law and social, community and government services	1%
5. Art, culture, recreation and sport	0%
6. Sales and service	8%
7. Trades, transport and equipment operators	56%
8. Natural resources, agriculture and related production	0%
9. Manufacturing and utilities	1%

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: Transportation and warehousing [NAICS 48-49](#)

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:

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2018, all rights reserved