

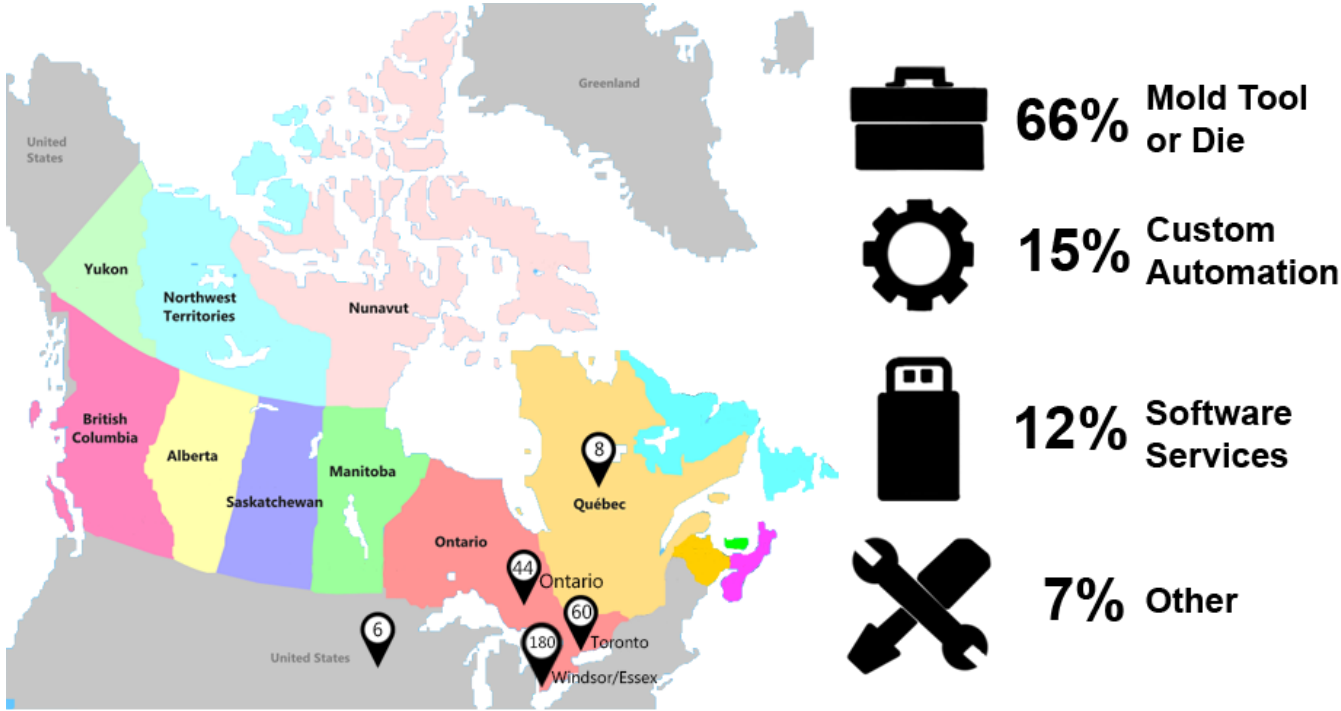
COVID-19 Impact Survey  
 Week Three Results  
 Survey closed: 04/07/2020

Manufacturing Sector Committee  
 Report to Windsor-Essex Regional Task Force

Pg.1

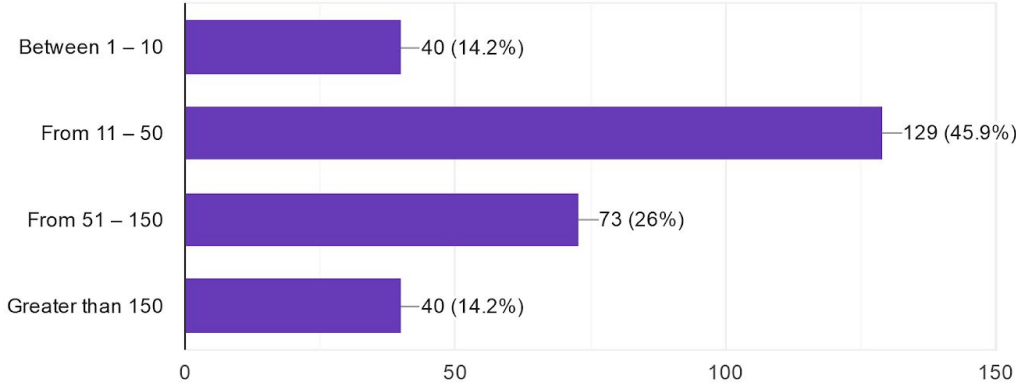
Survey conducted by CAMM and Automate Canada with a total of 100 responses for the Week Three survey (283 responses in total to date).

**Location and primary business activity of our respondents to date**



**Company Size (# of employees on 01/31/2020)**

60% of our respondents are small companies, with between 1 - 50 employees.

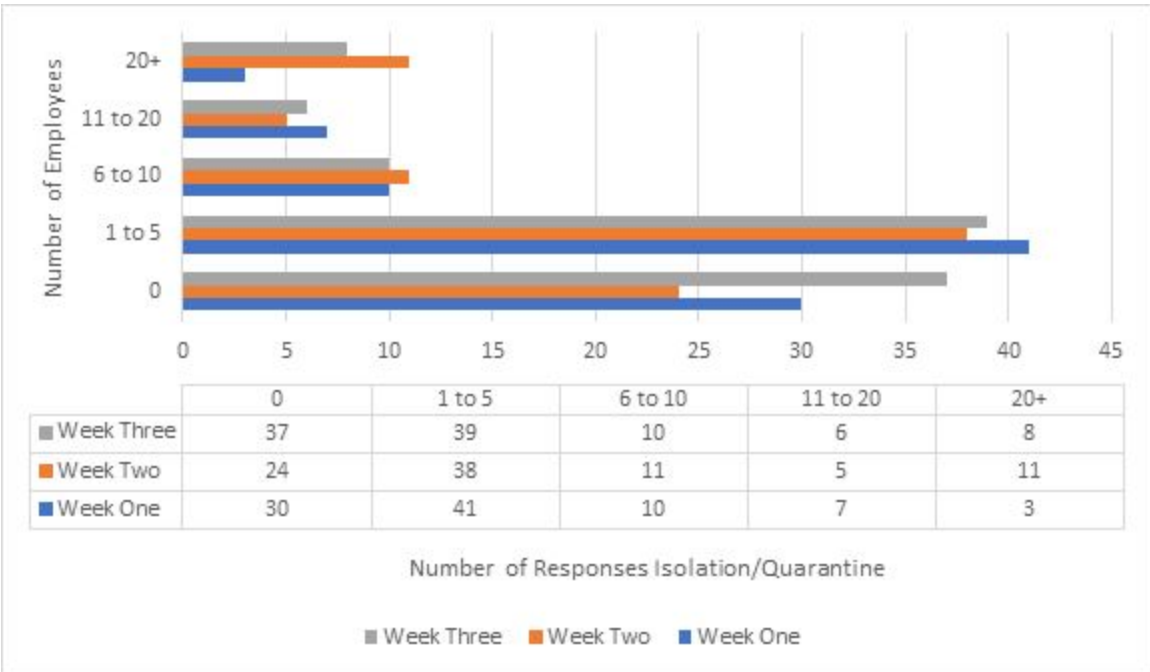


**Direct impact reported on the workforce:**

The impact of COVID-19 has still not been felt at some workplaces.

37 manufacturing workplaces reported having no employees on quarantine, actually up from 24 in week 2. It is likely that this reflects employees returning to work after a two week mandatory quarantine following return from travel outside of Canada.

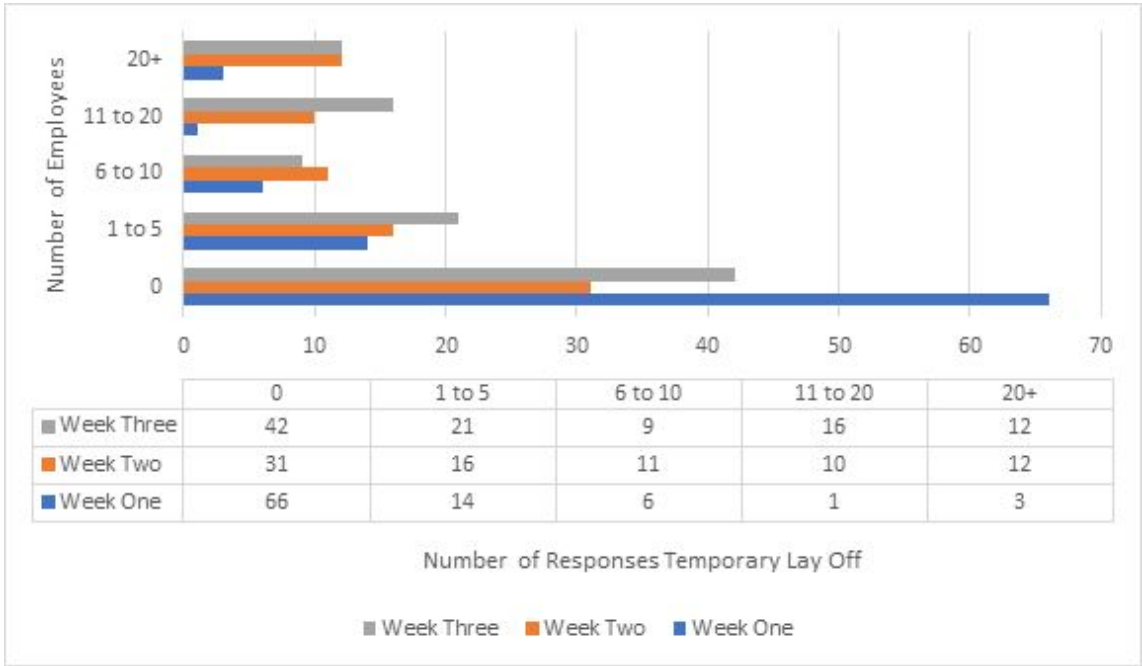
During the past 7 days, 544 employees were out of the workplace on either isolation or quarantine at 66 workplaces, compared to 540 employees in week 2.



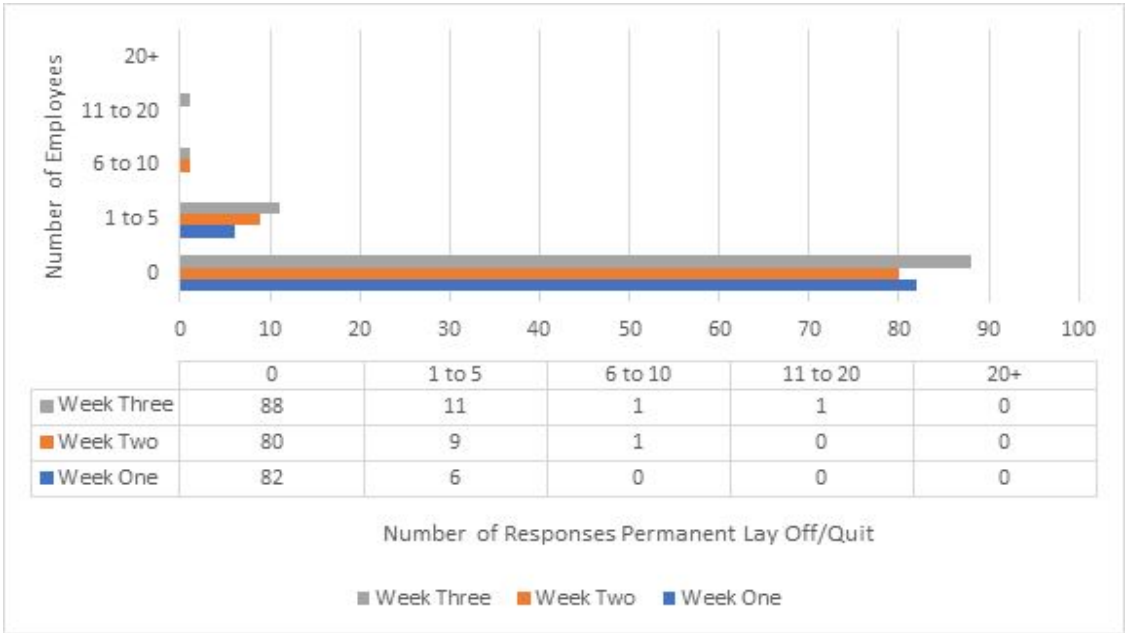
Of our respondents, we still have some workplaces with no layoffs. 42 workplaces, or 46% of our respondents, have not laid anyone off.

This actually increased from last week, where 33% of our respondents had not laid anyone off. Does this mean some workplaces have called back employees? This does conflict with the answers to our question regarding the level of shutdown, where this week, we saw more workplaces shutting down.

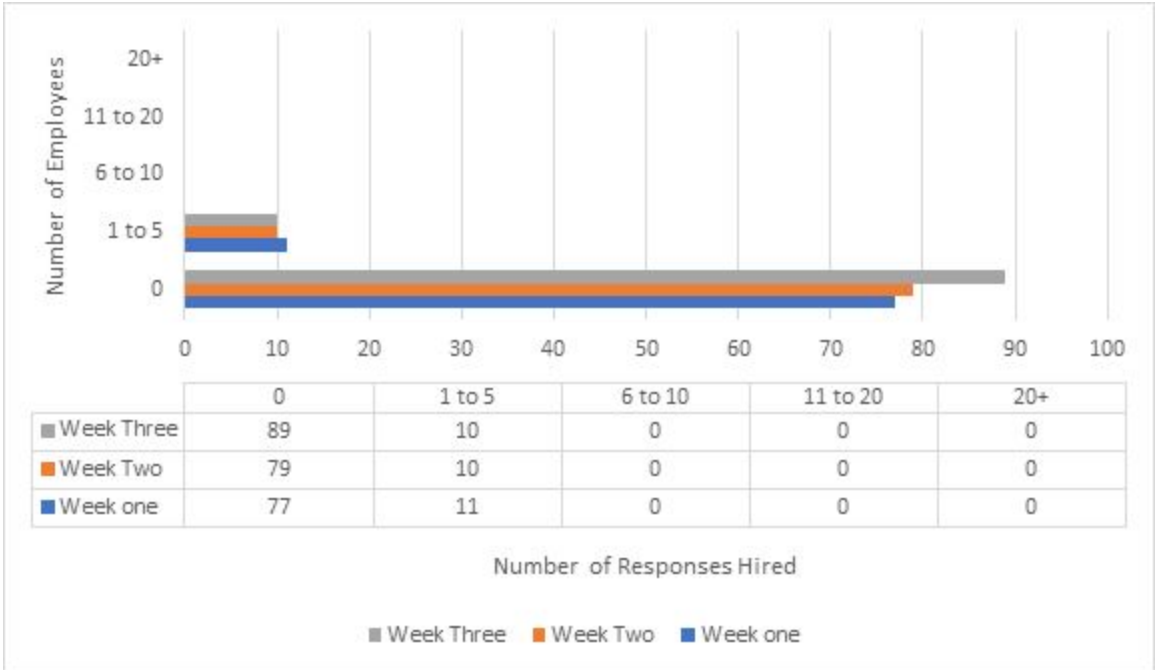
According to the respondents on the week 3 survey, a total of 2,661 employees have been laid off temporarily, compared to 1,045 in week 2.



Most workplaces are not letting employees go permanently.  
 However, the number of employees permanently laid off is increasing - 40 employees were reported as permanently laid off in week 3.



And yes, some manufacturers are hiring! 13 employees were hired in the past 7 days by 10% of our respondents (14 employees were reported hired last week).



**Government Programs Currently Being Accessed (with # of times mentioned):**

In week 3, manufacturers are starting to take advantage of the Canada Emergency Wage Subsidy program, deferring remittance of taxes & duties and of products from EDC & BDC. The most commonly mentioned programs across each week, however, were still EI & SR&ED. It's great to see the focus on research & development continues even in the face of this crisis.

	Wk 1	Wk 2	Wk 3		Wk 1	Wk 2	Wk 3
Workshare	5	13	11	SWODF	2	11	10
EI	4	49	42	EDC/BDC	1	22	23
O-AMP	4	4	6	OCE	1	3	4
IRAP	3	9	6	COJG	1	10	8
SR&ED	3	36	43	Mitacs	1	2	4
FEDDEV	2	9	5	NGEN	1	1	3
CEWS (Canada Emergency Wage Subsidy)			15	Business Credit Availability Program			3
Zero% Small Business Loan Program			9	Deferral of remittance of WSIB, EHT, HST, income tax, duty			24
US COVID relief programs			4				

**Biggest Impact on Canadian Business to Date:**

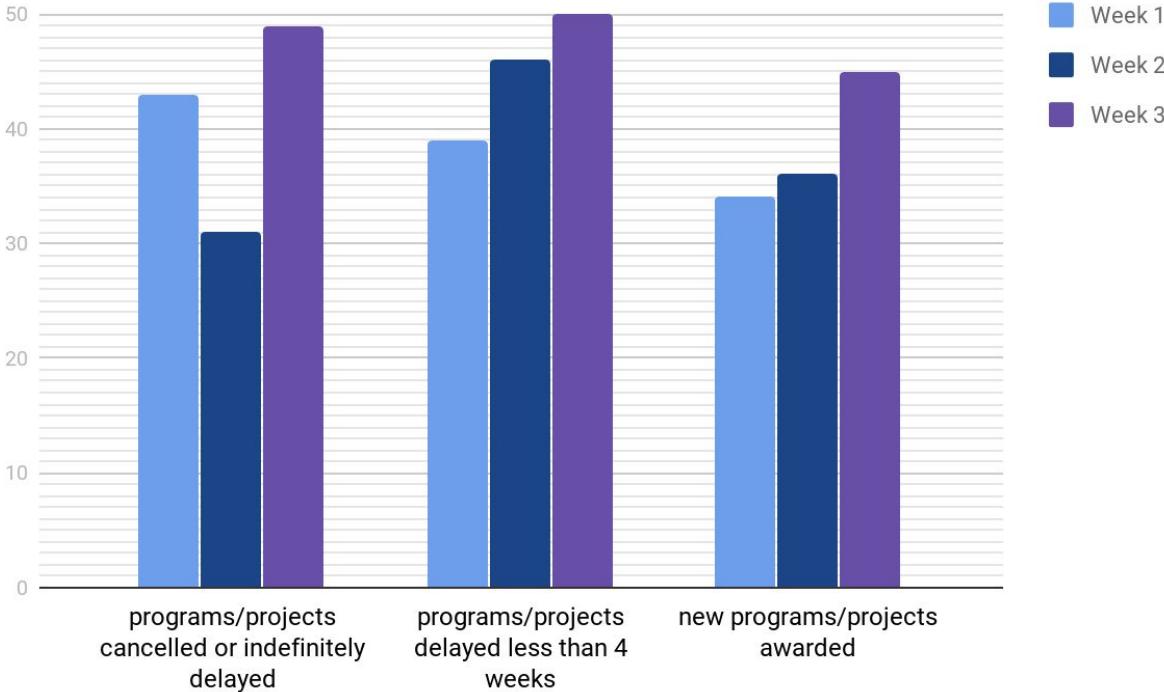
Last week, the biggest impacts reported were from employee anxiety, employee protection and declining sales. In other words, the mental & physical health of their workforces are having a significant impact on their businesses as is the rapid decline in sales as it becomes increasingly difficult to fulfill current orders and obtain new work.

This week, employee anxiety still tops the list. Project cancellations and delays have come back into focus, while declining sales, employee health & safety and that all important cash flow are still having an impact on a large portion of our respondents.

	Wk 1	Wk 2	Wk 3		Wk 1	Wk 2	Wk 3
Employee Anxiety	16	70	71	End of Face-Face Meetings	3		
Project Cancellation or Delay	16	24	37	Extra Costs	2		
Employee Protection	17	48	40	US Exchange rate (declining Canadian dollar)	2		
Declining Sales	15	33	48	Completing Current Projects	2	18	21
Travel Barriers	6	21	24	Media	1		
Disruption	6	26	25	Efficient Collaboration With at Home Workers	1		
Plant Closures	5	17	24	Massive Market Decline	1	14	20
OEM Shutdowns	4	22	31	Lack of Government Direction	1		
Cash Flow	3	31	36	Border Backups	1		
Supply Chain Delays	3	20	25	Cancelation of Classes & a Hold on Succession	1		

**Level of interruption/disruption to the sales pipeline**

While new programs are being awarded at an even higher rate, program cancellations bumped up last week. Short terms delays were also up.



**Top Challenges in the coming month:**

**What is manufacturing worried about for the future?**

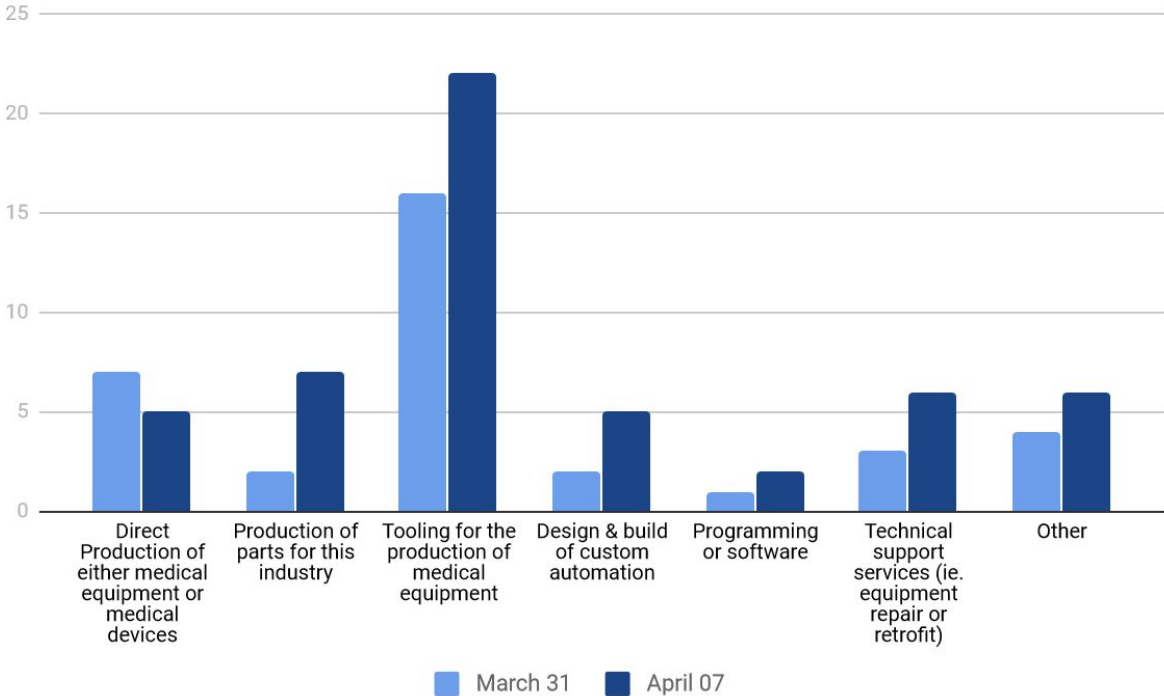
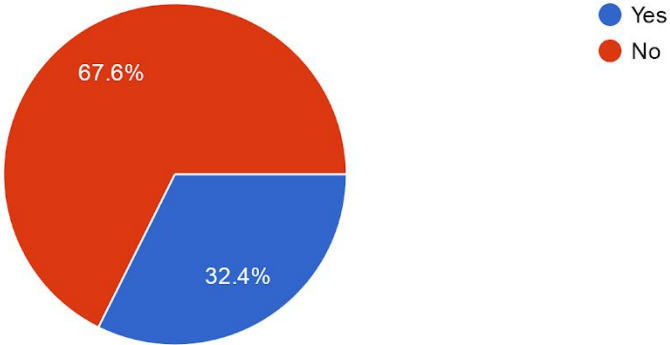
Cash flow has consistently been king in weeks 1, 2 & 3. Looking into the future, our respondents also are worried about how to deal with employee morale, demand reducing further (and project cancellations becoming more common) and the long term impact on the health & safety of their workforces.

	Wk 1	Wk 2	Wk 3		Wk 1	Wk 2	Wk 3
Cash Flow	52	52	63	Completion of Current Work	11	12	18
Employee Retention	27	21	17	Economy	8	36	26
Health and Safety	21	29	37	Off Site Employees	8		
Supply Chain	18	17	22	Finding Employees	8	5	8
Employee Morale	17	38	39	Border Crossing/Travel restrictions	6	13	16
Cancellation of Future Work	17	26	32	Managing Change	8	9	9
Shutdown Effects	15	25	26	Transportation of Goods	5		
Reduced Demand	11	32	35	Cybersecurity	1		

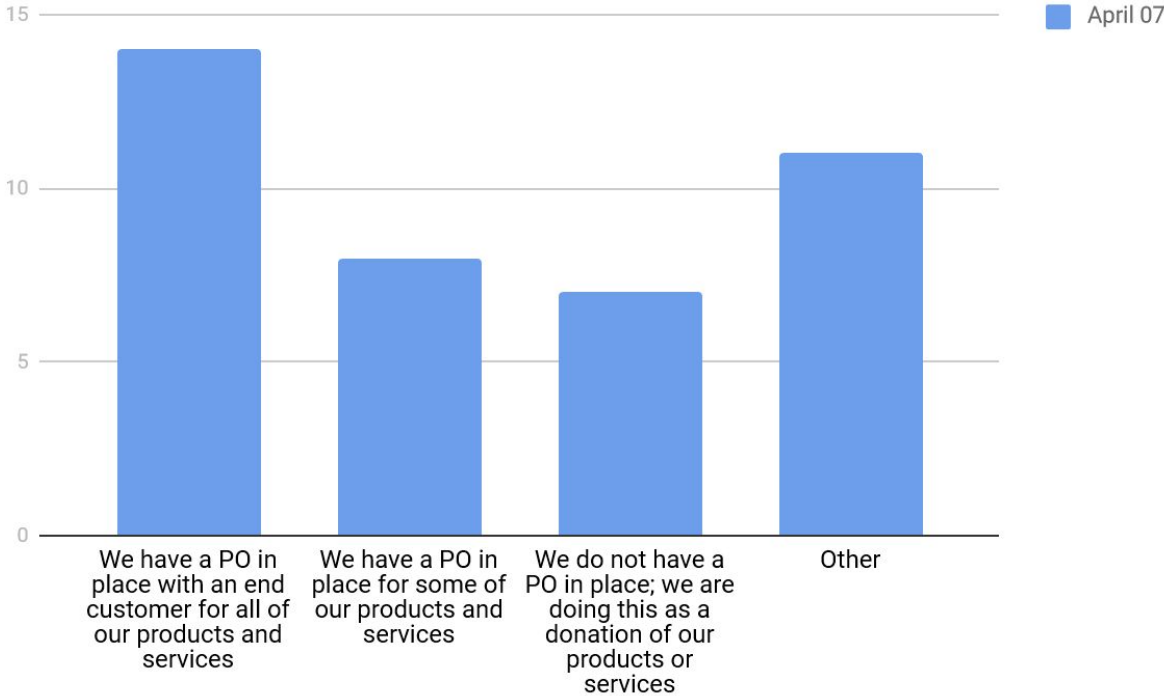


**Since last week, has your business expanded existing products and services to the medical sector, or added new products or services for the manufacturing of medical devices or medical equipment?**

In week 1, 75% of our respondents said they were willing and able to supply products or services for medical equipment or devices. In week 3, we saw an increase to 33% (from 26%) in the number of our respondents who have been able to answer the call for their services or products, mostly in the production of tooling for medical equipment manufacturing.



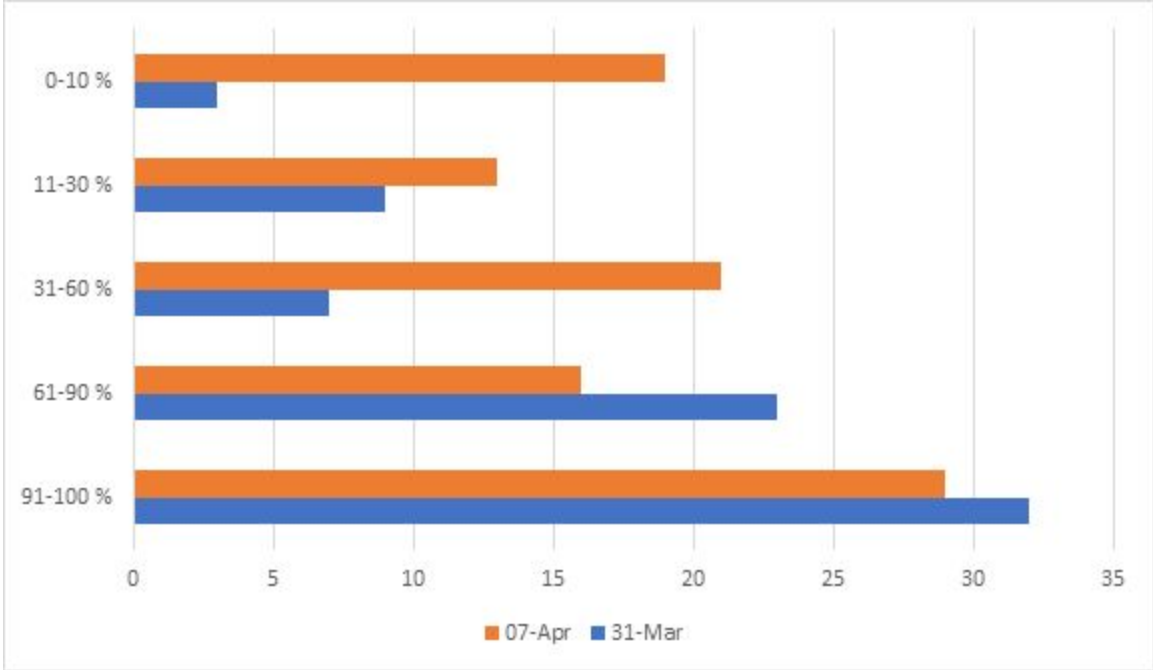
Knowing that we are in the process of pivoting to help address the need for medical equipment, we wanted to know how many companies are working under a PO and how many are donating their products and services. 16% of our respondents are donating their products or services, while 50% are working under a purchase order (and 24% replied “other”)



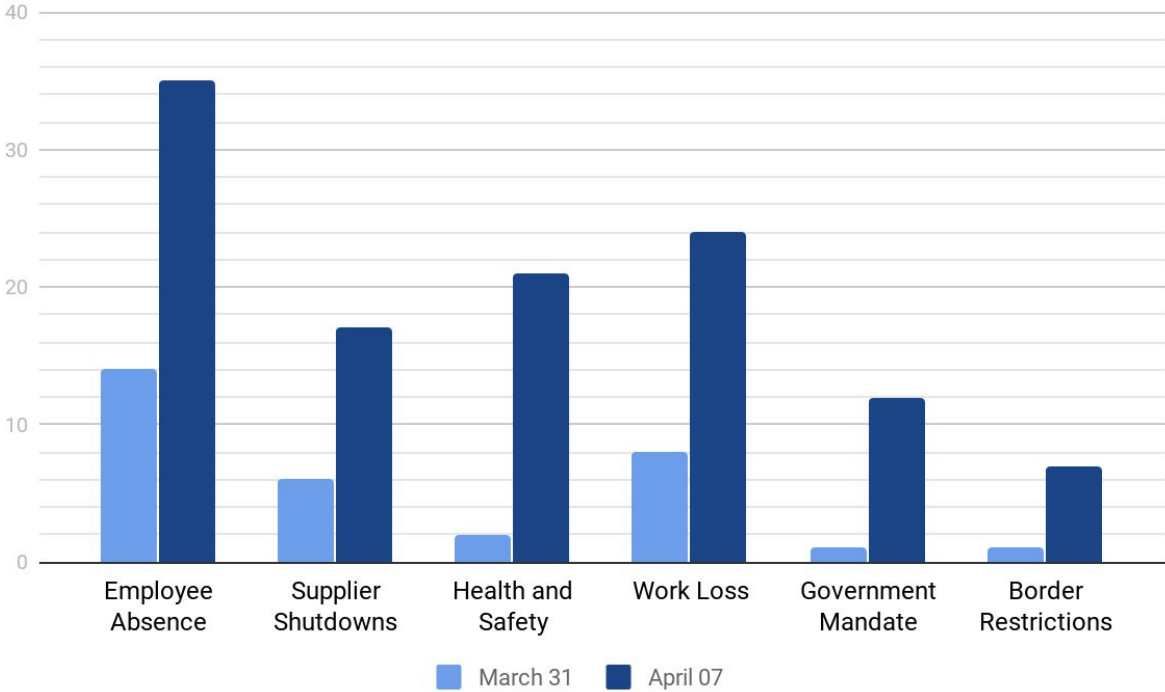
In terms of online registration to supply products/services, innovations and ideas to the government, the majority are using the federal site.

	04/07		04/07	
Canadian government “Buy and Sell”	13	Ontario provincial – for ideas	5	
Ontario provincial – for supplies	5	Other	2	
Ontario provincial – for innovation	5			

**We asked about the level of shutdown at our manufacturers.** Respondents were asked to indicate the percentage of operations they are currently at. In other words, 100% means they have had no reduction in operations; 0% means they are completely closed. The good news? 29% of our respondents are at over 90% of full operations. The bad news? The number of workplaces that are completely (or almost completely) shut down increased dramatically this week. 19% have almost completely shut down, compared to 8% last week. Overall, 91% of our respondents have had some reduction in operations.



**We also asked why they've shut all or some of their operations down.** Shutdowns were due primarily to employee absences (specifically medical), loss of work and health & safety concerns.



**And how long do they think their shutdown will last?** It's clear from our most recent results that we're feeling increasingly pessimistic about this situation. Most respondents either wouldn't commit to a date or feel that it is going to be at least 4 more weeks before they return to full operations.

