April 24, 2020

**Manufacturing looking to restart**

(Windsor, Ontario) Weekly surveys by Automate Canada and the Canadian Association of Moldmakers (CAMM) have painted a picture of a manufacturing sector in Ontario that was initially hit hard by COVID-19, but that is ready to rebound.

Layoffs have slowed dramatically from a peak 3 weeks ago and call backs of laid off employees have started. With a likely re-start of production in the automotive industry in North America targeted for early May, the focus seems to have shifted on start up planning.

For a second week in a row, layoff numbers are down to a tenth of what they were at the peak. Fewer employees were out of the workplace due to quarantine, voluntary layoffs and furlough. The response rate to the survey was also lower than what has been seen to date, indicating that the worst has passed and that energy is being focused on restarting.

“The results are from the fifth week of surveys from the Canadian Association of Moldmakers (CAMM) & Automate Canada.

Shelley Fellows, Chair of Automate Canada, says that continued support for the weekly survey is critical for getting information out to industry as well as to local, regional, provincial and federal government ministries & partner agencies. “Many eyes are on our weekly data release. We’re providing an unprecedented and detailed window on the mold, tool, die and industrial automation industries in Canada. As a group, we are responsible for an estimated $7.2billion in contribution to GDP, which means we are a major economic driver for the country.”

“With the ramp up of OEM production just around the corner, the expectation for suppliers to be ready for system fill, is high on the priority list. We are doing our best to keep our members, and the general manufacturing sector informed and as well positioned as possible. Status and a temperature check for suppliers as we headed into the Covid crisis was our first focus, then we moved into financial challenges and impact, now, the conversation is about preparedness to get back at it when the time is right .”

says CAMM Board Chair Mike Bilton.

When asked about positive impacts from this COVID-19 crisis on their businesses, manufacturers agreed that greater availability of government programs has been a large benefit. Long term positive impacts that were also frequently mentioned included increased collaboration within their company, diversification of their markets, improved connection to government services, adoption of new technologies and better workplace health & safety

Financial concerns continue to weigh heavily on respondents, which represent primarily the mold, tool & die industry as well as industrial automation sector. CAMM and Automate Canada have been assisted in the distribution of each week’ survey by the Canadian Tooling & Machining Association (CTMA). On Tuesday, April 28, CAMM & Automate Canada will host an “Ask Us Anything” webinar to deliver detailed information on financial programs for manufacturers from the government as well as banking, with an expert panel comprised of BDC (Business Development Bank of Canada), EDC (Export Development Canada), RBC (Royal Bank of Canada, KPMG Canada and the Ontario Ministry of Economic Development, Job Creation & Trade.

CAMM and Automate Canada have also launched a bi-weekly “deep dive” study into the cash flow concerns expressed in the surveys. Results for the first report will be released soon.

FACT SHEET

Responses this week were primarily from the Southwestern Ontario region, which has a significant manufacturing, moldmaking and industrial automation cluster.

Key Points: (Pull from the report notes)

* 64% of respondents represent Mold Tool or Die companies
* The number of employees out of the workplace due to isolation or quarantine dropped again this week down to 58 in total (compared to 97 last week).
* 65% of our respondents, laid off no workers this week.
* In the past 7 days, there were a total of 395 “furloughed” employees, down from the 475 reported as furloughed last week.
* This is the first time that 0 employees were hired in the past 7 days.
* The most commonly mentioned programs across each week were still EI & SR&ED.
* For the past 5 weeks, we’ve seen that while cash flow worries are still top of mind, employee health keeps our manufacturers up at night, along with cancellation of projects and reduced demand.  The general state of the economy was in the top five this week, while employee morale was bumped out of the top five.
* The increases we’ve seen in workplace shutdowns have slowed - a positive development this week.  37% of our respondents are at over 90% of full operations (higher than last week’s number of 30%).   The number of workplaces that are completely (or almost completely) shut down remained fairly consistent this week at 15%.
* Shutdowns were due primarily to employee absences & loss of work.
* They told us that the increased level of government programs is positive, along with improved collaboration within their company, diversification of their markets, improved connection to government services, adoption of new technologies and better workplace health & safety

**What Next?**

A COVID-19 Impact survey from CAMM and Automate Canada will go out weekly based on the feedback we are receiving. The questionnaire for the Financial Study was released on April 16th.

Our surveys will be released each week for the next several weeks in order to gather data on the impact COVID-19 is having on the Canadian manufacturing sector.

***CAMM is a not-for-profit industry driven association focusing on the Canadian mold making sector of Canada. Automate Canada is a not-for-profit industry driven association focusing on the industrial automation and advanced manufacturing technology sectors of Canada. Both are based in Windsor, Ontario and are affiliated with the Auto Parts Manufacturers Association (APMA) in Canada and Automation Alley in Michigan, USA.***

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