Manufacturing Hit Hard: Glimmers of Hope tied to Short and Long Term Planning

Manufacturing in Canada continues to be hit hard by the COVID-19 crisis – lessened only by the positive news of expansion of capabilities for medical equipment manufacturing.

The number of employees on layoff jumped dramatically this week, results show from the third week of surveys from the Canadian Association of Moldmakers (CAMM) & Automate Canada. Numbers doubled for layoffs, while the number of employees off for quarantine or isolation remained the same.

Lack of staff was the most frequently cited reason for the decline in operations reported by 91% of respondents.

“The situation for manufacturers is not good,” says CAMM Board Chair Mike Bilton. “We can’t sugar coat things but we also aren’t sitting back wringing our hands. Everyone is in this together so we gather data, we review and we come up with short and long term action plans.”

Automate Canada Chair Shelley Fellows says the numbers show a decline but also glimmers of hope. She says by working together as an industry and as a broader community, there can be some positive outcomes.

“So many are negatively impacted but we also know we need to tackle this one step at a time and work for our members and even those in the broader manufacturing world.”

Manufacturers continue to be most concerned by the negative impact on cash flow this crisis is having along with the mental & physical well-being of their employees. Those are consistently among the top five concerns cited in the surveys to date.

From the data, they knew Employee Anxiety was a concern – in fact 70 out of 90 people said so. A webinar is planned for April 15 from the Windsor branch of the Canadian Mental Health Association. The webinar targets owners, senior managers and HR staff in manufacturing as part of the CMHA-WECB “On The Front Lines” campaign to assist front line workers.

The number of companies delivering products or services for medical equipment manufacturing increased again this week, with one-third of companies reporting expansion of existing offerings or the addition of new products or services. This seems to be driving the bright spots seen in the survey; for example, almost one-third of companies reported that they are operating at over 90% of capacity and hiring still continues.

**FACT SHEET**

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

Key Points:

* 66% of respondents represent Mold Tool or Die companies
* Fewer companies are affected by quarantine, as employees are returning to work this week – likely from isolation; as a total, however, the total number of employees off work across all companies due to quarantine remained the same – in other words, fewer companies are hit hard by absences due to quarantine/isolation
* Layoffs are escalating, with almost 2,700 employees laid off in the past seven days (double last week’s number)
* 10% of our workplaces are hiring, likely tied to the 32% who have added or expanded their products and services for medical equipment manufacturing
* 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.
* Cash flow and Employee Anxiety has consistently been the major concern in each survey, over three weeks.
* Future concerns: respondents 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.
* Of the 32% of companies who have expanded or added product or services for medical equipment manufacturing, they most commonly offered production tooling
* 16% of our respondents are donating their products or services, while 50% are working under a purchase order (and 24% replied “other”)
* 19% have almost completely shut down, compared to 8% last week. Overall, 91% of our

respondents have had some reduction in operations; the most common reasons were lack of personnel and slowing orders, followed by health and safety concerns.

When asked, most respondents either didn’t commit to a date or stated it would be at least 4 more weeks before they return to full operations.

**What Next?**

A survey from CAMM and Automate Canada will go out weekly based on the feedback we are receiving.

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.

APMA Webinar on April 16th

<https://www.eventbrite.ca/e/coping-with-covid-19-bdc-edc-support-measures-tickets-101820245094>

CMHA Webinar on April 15th

<https://windsoressex.cmha.ca/events/mental-health-at-work/>

Attachment: CMHA Flyer for Mental Health and Anxiety in the Workplace

***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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