July 20, 2020

**Survey shows manufacturing is moving to recovery**

(Windsor, Ontario). A rebound is underway among manufacturers despite difficulties still facing this essential industry.

For the second month in a row, 98% of survey respondents have resumed their business operations. At the peak of the crisis, almost 20% of responses had temporarily closed their business).

In a monthly survey of moldmakers & industrial automation companies by Automate Canada and the Canadian Association of MoldMakers (CAMM), the data shows the focus by manufacturers to the COVID-19 crisis has shifted from “response” to “recover”.

Having progressed from a reactionary mode early in this crisis to more long-term planning, it is evident that manufacturers are now putting plans and actions in place to ensure the long-term sustainability of their businesses.

The top concerns for manufacturing, based on the responses to this survey, are cash flow and a return to profitability in the face of declines in demand from their customers.

This is also supported by the employment numbers reported in this most recent survey. Based on the numbers reported by manufacturers in the July survey, while hiring has resumed, Permanent and temporary layoffs have also increased as manufacturers adjust staff numbers and skills of employees to align with demand.

"We are a resilient industry.  We have gone through tough times and this pandemic is no different, says Mike Bilton, CAMM board Chair.  "We know we still have tough times ahead so we are working as an organization to build on how as a team we can move forward. "

says CAMM board chair Mike Bilton.

The survey has shown the newly extended Canadian Emergency Wage Subsidy (CEWS), has remained the most popular financial support program for businesses from the federal government; employers also report health & safety practices in the workplace, flexible work from home arrangements and collaboration among employees, have all improved.

As for challenges, difficulties getting employees successfully into the US continue to be a big concern for the moldmakers, tool & die companies and industrial automation firms who responded to the July survey and who are under pressure to resume projects with their US customers. These border restrictions have impacted almost one fifth of respondents and are included in the top 5 concerns for the future of this group.

The CAMM and Automate Canada boards continue to meet regularly including meeting twice a week as part of Windsor Essex Economic Development Task force.

“These surveys, which we have now been conducting for the five months of this crisis, are an incredibly important window into what is happening on the ground in manufacturing,” notes Shelley Fellows, Chair of Automate Canada. “I’m pleased to see the trend of improvement continuing for our sectors, however I recognize that there is still a long way to go to return to normalcy and growth. We are committed to supporting our members in that path and will focus on developing programs to help them.”

Automate Canada and the Canadian Association of Moldmakers (CAMM) conducted surveys of the mold, tool, die & industrial automation sectors in Canada weekly in March, April & May, and will continue monthly surveys throughout the remainder of this year. They are connecting with essential businesses vital to restarting Canada’s economic engine.

The results, attached, are from the July 10th week of surveys from the Canadian Association of Moldmakers (CAMM) & Automate Canada.

CAMM and Automate Canada have been assisted in the distribution of each week’s survey by the Canadian Tooling & Machining Association (CTMA).

FACT SHEET

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

Key Points:

* The number of employees out of the workplace due to isolation or quarantine has dropped in the past 4 weeks, with an increase in the number of companies with no employees out on quarantine from 56% to 75%.
* As of Friday, July 10th, our respondents reported having 408 employees on temporary layoff, a big increase from what we saw in June.
* The number of employees let go permanently doubled this month.
* Manufacturing continues to hire at a similar rate.  This week, respondents reported hiring 72 new employees in the prior month.
* The most frequently mentioned negative impacts were declining sales, cash flow and reduced demand.
* On the positive side, the most frequently mentioned positive impacts from this crisis were improvement in health & safety programs in the workplace, better collaboration among employees and shift in policies to allow remote working arrangements.
* Cash flow of course, as well as  how to generate a profit in the face of declining demand.  Reduced demand, the state of the economy and restrictions at the border continue to be big concerns for manufacturers.
* We asked what percent of gross revenue the costs for the new health & safety measures are estimated to be.  The understanding of costs seems to be improving.  In June, a third of respondents calculated that it could be as high as 5% of gross revenue.  This month, only 6% reported that costs were expected to exceed 5% of gross revenue.

***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.***

***Automate Canada and CAMM are proud to support Rapid Response Platform (RRP), an instant visibility matching platform that connects supply and demand of COVID-19 related supplies, such as input materials and end products for PPE. Find out more about this initiative which has received broad Canadian industry support, and participate by posting your needs or supplies at***[***http://rrpcanada.org***](http://rrpcanada.org/)

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