

Manufacturing



Introduction to the Sector

Rural Oxford's manufacturing sector is an established complement to its agricultural base, encompassing light industrial fabrication, agri-equipment, pallet and wood products manufacturing, and food-related processing. Manufacturing is a core pillar of the local economy, employing over 2,500 people and generating sales of over \$1.6 billion. This range of activity reflects a strong ecosystem where small- and medium-sized enterprises thrive alongside larger firms, benefiting from proximity to both raw materials and skilled labour.

The sector is supported by an industrial landscape that includes modern facilities and long-established businesses. Local manufacturers are able to serve domestic markets alongside having considerable export capacity (with export sales of nearly \$1.4 billion in 2022). This ability to reach external markets is strengthened by the community's transportation and logistics advantages (i.e., easy access to Highway 401, 403, and regional rail corridors help facilitate efficient distribution through southern Ontario and across north America). Moreover, having an accessible local workforce experienced in both agriculture and industry supports production needs. These strengths position Rural Oxford as an attractive location for continued growth and investment in manufacturing, depending on the servicing needs of potential investors.

Job Count Analysis

The below table presents job counts for 2014 and 2023 within manufacturing in Rural Oxford’s member municipalities. The core of manufacturing in Rural Oxford is agriculture (food processing)- or construction (cabinetry, architecture, or structural metals manufacturing)-based, with successes in other subsectors including auto parts manufacturing.

The sector as a whole has declined over the last decade, with automation and enhanced efficiencies leading to a decrease in employment opportunities while seeing the sector as a whole remain strong. The sector has faced challenges in Rural Oxford above and beyond expectation, likely due in part to a lack of serviced land available for new manufacturers to invest in, or for existing businesses to expand into. Nevertheless, the sector still employs over 2,500 individuals across Rural Oxford, proving it is a key economic driver in the area and will remain a core sector for member municipalities.

Table 1: Job Counts and Shift Share Analysis, Manufacturing, Rural Oxford 2014-2023.

2014-2023 Manufacturing Job Counts and Shift Share Analysis						
	2014 Jobs	2023 Jobs	2014 - 2023 Change	Ind. Mix Effect	Nat'l Growth Effect	Competitive Effect
Rural Oxford	2,768	2,581	-275	-136	349	-402

Source: Lightcast Analyst 2024.3.

Location Quotient Analysis

Between 2014 and 2023, location quotient figures for the manufacturing sector declined slightly, to be expected given the decrease in jobs above. However, as with the note regarding overall job totals remaining high (above 2,500), location quotient data for a sector as large as manufacturing remaining above 1.5 both provincially (1.59) and nationally (1.87) speaks once again to its importance to the local economy. Given average wages in this sector are typically high, having a strong concentration of manufacturers typically is suggestive of a strong quality of life indicator.

Table 2: Provincial and National Location Quotient, Manufacturing, Rural Oxford 2014 and 2023.

2014-2023 Manufacturing Location Quotient				
	Ontario Location Quotient		Canada Location Quotient	
	2014	2023	2014	2023
Manufacturing	1.85	1.59	2.11	1.87

Source: Lightcast Analyst 2024.3.

Business Counts Analysis

The following table measures business counts within the manufacturing sector, separated by business size and member municipality (sorted alphabetically). Manufacturers range considerably in size, with a number of sole proprietors operating alongside 10 Rural Oxford businesses employing more than 50 staff.

This business diversity speaks to the varied nature of the sector across Rural Oxford, with manufacturing “powerhouses” existing together with niche producers and small businesses. This mixed cohort of businesses provides the area with a strong sense of sustainability for the sector, as there is enough diversity of business to withstand potential changing economic realities.

Table 3: Business Counts by Member Municipality, Manufacturing, 2024.

2024 Manufacturing Business Counts					
Manufacturing Sector	1-9 Employees	10-49 Employees	50+ Employees	Indeterminate	Total
Blandford-Blenheim	11	3	1	11	26
East Zorra Tavistock	11	2	2	13	28
Norwich	18	7	4	21	50
South-West Oxford	5	5	2	21	33
Zorra	19	1	1	22	43

Source: Canadian Business Counts, June 2024.

Goods Purchasing Analysis

Purchases of goods from manufacturing businesses in Rural Oxford amounted to nearly \$900 million in 2022, with the majority being imported purchases. This is typical of manufacturing, which has a traditionally diverse supply chain crossing multiple geographies from design-to-final product.

Table 4: Goods Purchased from the Sector, Manufacturing, Rural Oxford, 2022.

2022 Manufacturing Businesses Goods Purchased			
Industry Goods are Purchased From	Local Purchases	Imported Purchases	Total Purchases
Manufacturing	27.4%	72.6%	\$890,627,796

Source: Lightcast Analyst 2024.3.

Regional Sales, Export and Wage Data Analysis

As alluded to above, manufacturing businesses typically export and import considerable amounts of goods. As such, it is not surprising that export sales (\$1.4 billion) are substantial and made up a majority of sales (\$1.65 billion) for Rural Oxford businesses within the sector in 2022.

Table 5: Regional Sales, Export and Wage Data, Manufacturing.

Manufacturing Regional Sales, Export and Wage Data			
	Sales	Exports	Total Wages
Blandford-Blenheim	\$261,294,342.62	\$223,734,987.87	\$17,482,724.82
East Zorra Tavistock	\$625,867,739.16	\$531,700,034.45	\$47,953,097.55
Norwich	\$330,830,645.31	\$252,815,501.50	\$26,963,058.20
South-West Oxford	\$327,115,985.84	\$287,467,063.21	\$24,197,623.14
Zorra	\$108,986,064.53	\$86,933,887.88	\$13,764,564.84

Source: Lightcast Analyst 2024.3.