

Automobile Engine and Parts Manufacturing in Canada Industry Market Research Report from IBISWorld Has Been Updated

Industry revenue is expected to increase as demand for automobiles trends higher, leading automakers to increase purchases of industry products. For this reason, industry research firm IBISWorld has updated a report on the Automobile Engine and Parts Manufacturing industry in its growing industry report collection.

New York, NY ([PRWEB](#)) January 07, 2015 -- Over the five years to 2014, revenue for the [Automobile Engine and Parts Manufacturing](#) industry is expected to trend higher as domestic economic conditions improve. Industry operators manufacture motor-vehicle gasoline engines and related parts including valves, pistons, crankshafts, camshafts, fuel injectors and pumps. However, hybrid engines, electric vehicle (EV) motors or diesel engines are not relevant to this industry. During the past five years, unemployment fell and consumer confidence soared. In turn, consumers released pent-up demand for purchases of big-ticket items, such as new automobiles. According to IBISWorld Industry Analyst Brandon Ruiz, “as demand for automobiles improved, automakers increased purchases from upstream suppliers, such as automobile engine and parts manufacturers.” IBISWorld expects industry revenue to grow over the five years to 2014.

International trade is the main driving force for industry revenue. Because the United States accounts for such a large share of industry revenue, domestic automobile engine and parts manufacturers are heavily reliant on their neighbour's economic conditions. Furthermore, industry operators benefit from the North American Free Trade Agreement (NAFTA), which eliminates trade barriers between Canada, the United States and Mexico. “With exports and domestic downstream demand anticipated to grow steadily, industry profit margins are expected to trend higher over the five-year period,” says Ruiz.

Over the five years to 2019, industry operators are expected to face several obstacles that will increase price-based competition, and thus inhibit profit growth. For example, automakers are increasingly manufacturing engines and parts in-house, as opposed to using a third party, such as industry operators. Additionally, there has been a growing trend toward establishing a manufacturing presence in Mexico to take advantage of more affordable labour. Despite these challenges, industry revenue is expected to increase as demand for automobiles trends higher, leading automakers to increase purchases of industry products. IBISWorld expects industry revenue to grow over the five years to 2019.

For more information, visit IBISWorld’s Automobile Engine and Parts Manufacturing in Canada industry report page.

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IBISWorld industry Report Key Topics

The Automobile Engine and Parts Manufacturing industry is primarily engaged in manufacturing and rebuilding motor vehicle gasoline engines and engine parts, whether or not for vehicular use.

Industry Performance
Executive Summary

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