



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Innovative Canadian Oil Sands Manufacturing Opportunities

Jayson Myers
Senior Vice-President
& Chief Economist, CME





Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



The Importance of Manufacturing in Canada

- Single largest business sector in Canada
- Directly accounts for 18% of Canada's GDP
- Every \$1 of manufacturing output generates \$3.05 in total economic activity – largest economic multiplier
- C\$615 billion (US\$525 bn) in annual shipments
- 2.1 million Canadians employed in manufacturing
- Wage levels 22% above national average
- Accounts for 2/3 of Canada's goods & services exports = \$450 billion
- Accounts for 2/3 of private sector R&D in Canada
- Has reduced GHG emissions 7.4% below 1990 levels



Canadian
Manufacturers &
Exporters

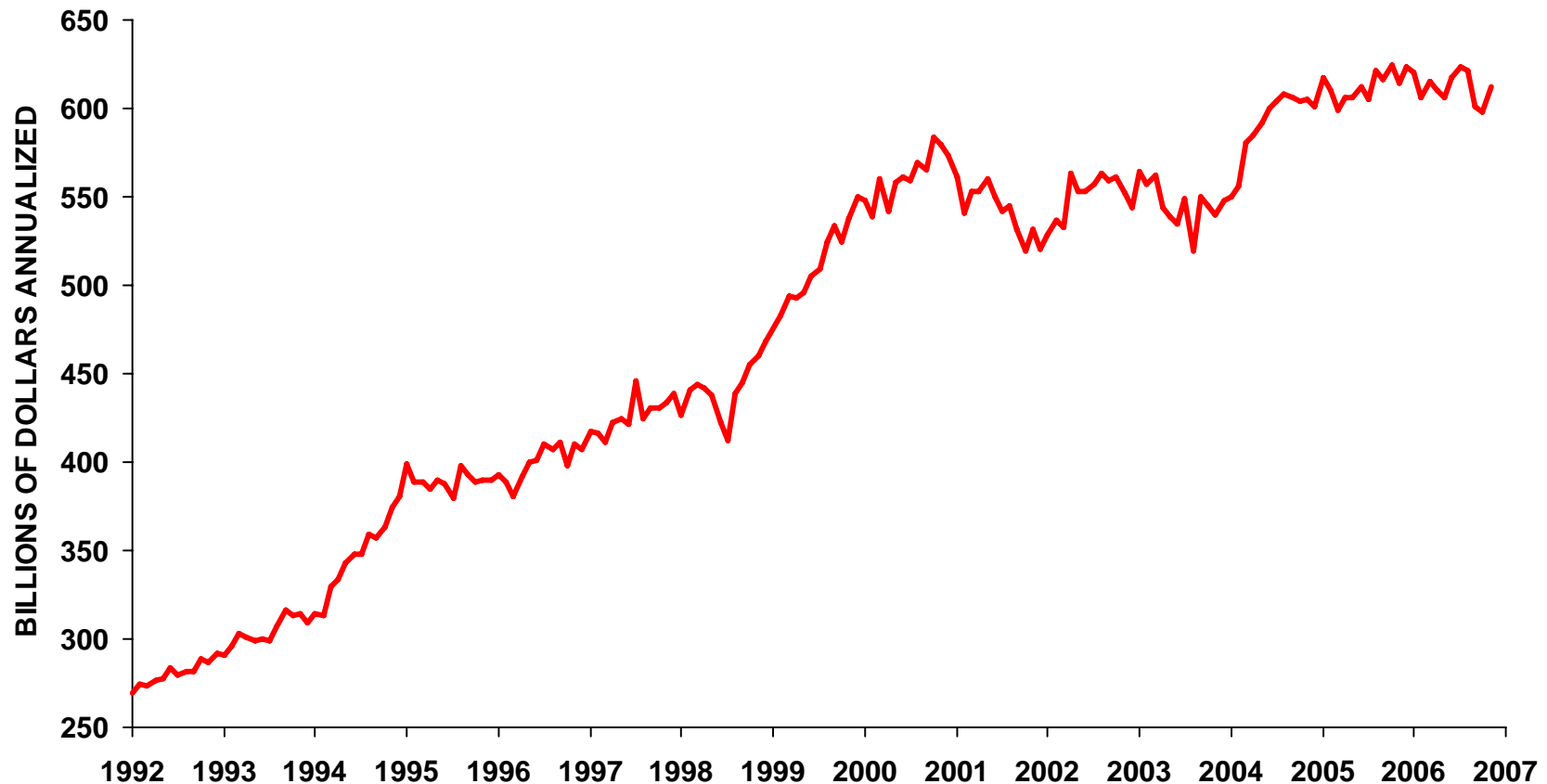
Manufacturiers et
Exportateurs du
Canada

CANADIAN
MANUFACTURERS
AND EXPORTERS
20/20
BUILDING FOR
OUR VISION FOR
THE FUTURE

**MANUFACTURIERS
ET EXPORTATEURS
DU CANADA**
20/20
FACONNER
NOTRE
AVENIR



Canada: Manufacturing Shipments





Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada

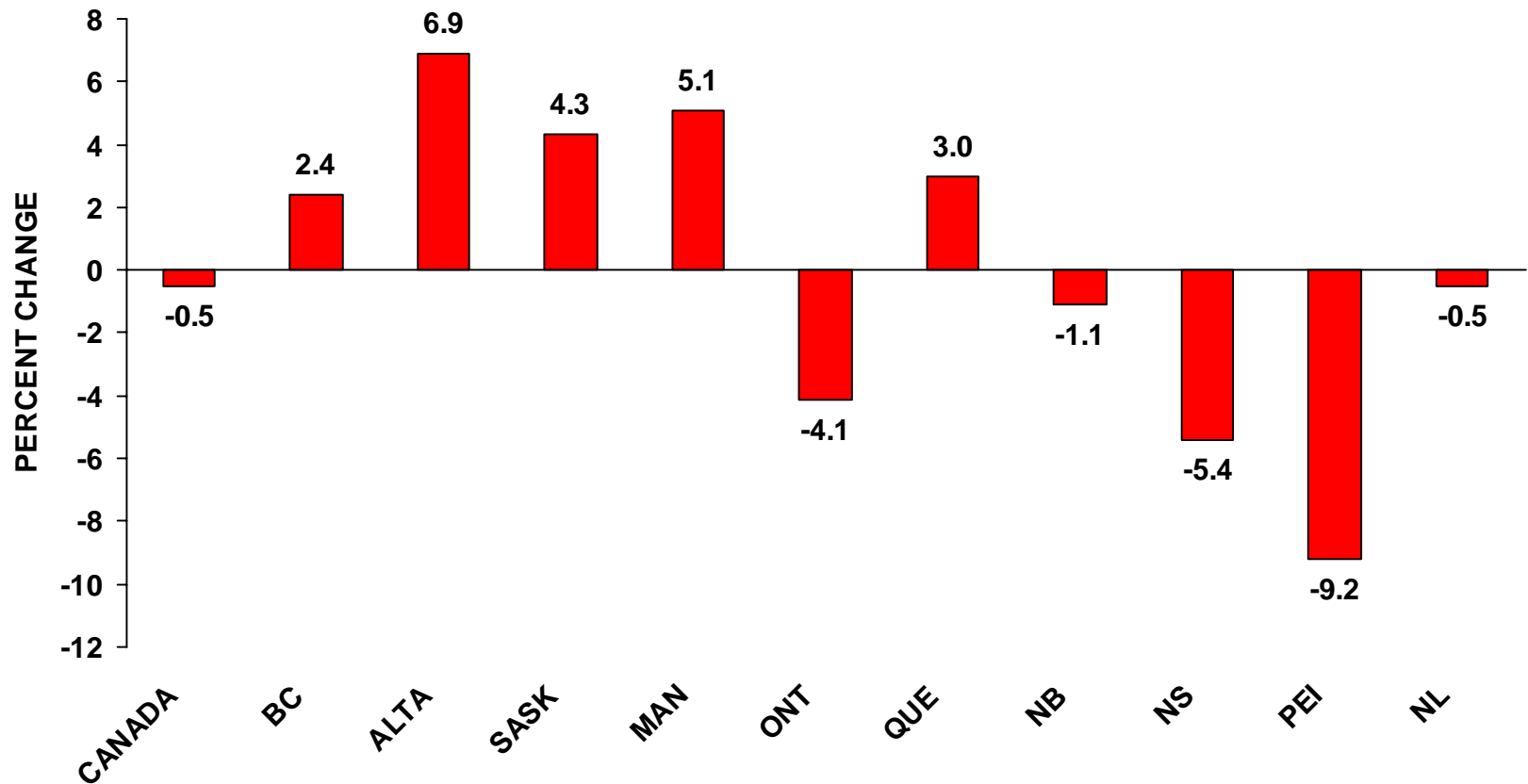
CANADIAN
MANUFACTURERS
AND EXPORTERS
20/20
BUILDING FOR
OUR VISION FOR
THE FUTURE

MANUFACTURIERS
ET EXPORTATEURS
DU CANADA
20/20
FACONNER
NOTRE
AVENIR

MADE IN
FABRIQUE AU
CANADA



Shipments Performance 2006



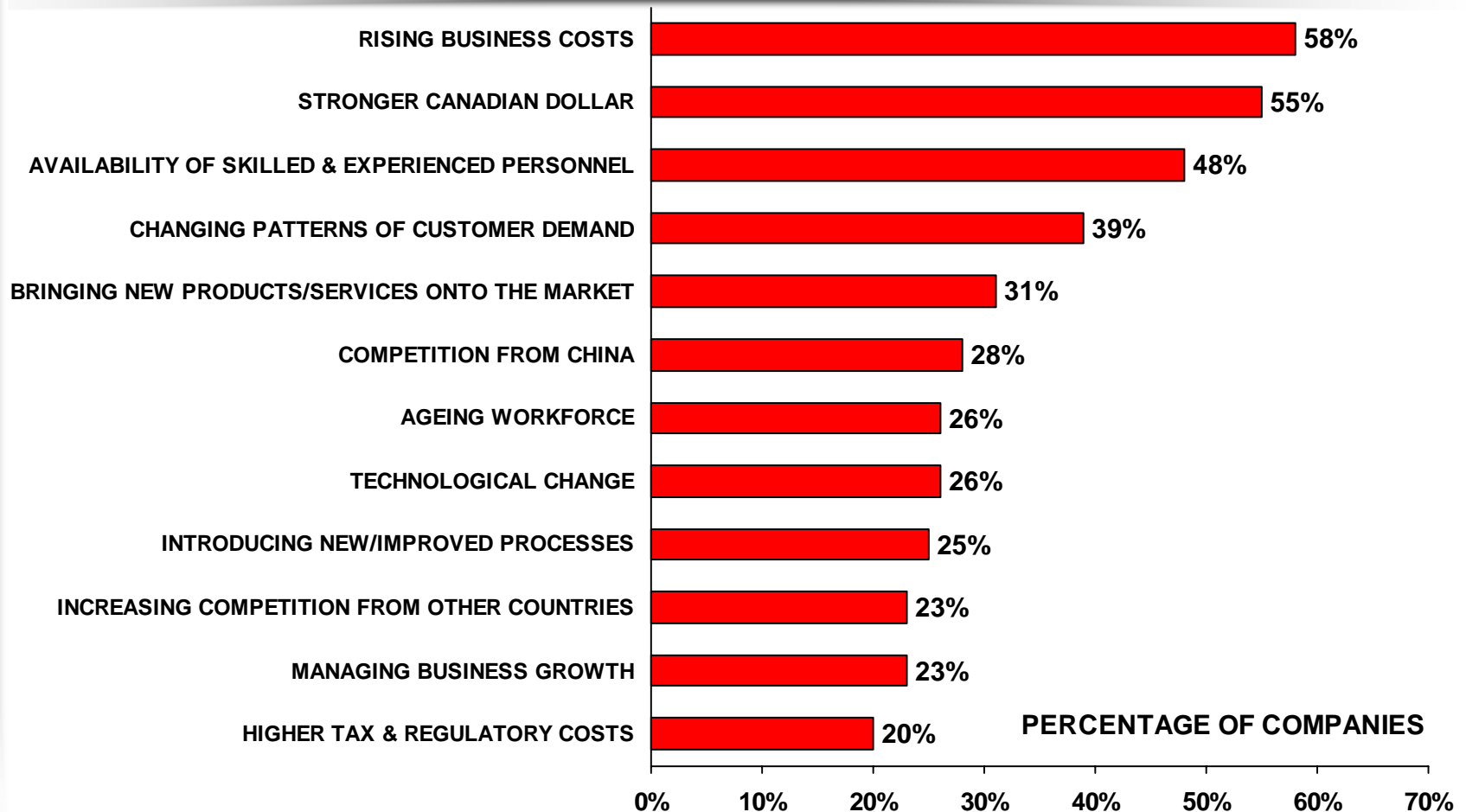


Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Top Strategic Challenges





Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Oil Sands Opportunities

- Over \$100 billion dollars of investment in Alberta's oil sands over the next ten years
- Will drive an estimated \$1 trillion in total economic activity – over 80% within Canada
- Equivalent of 86 years of exporting to China.



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada

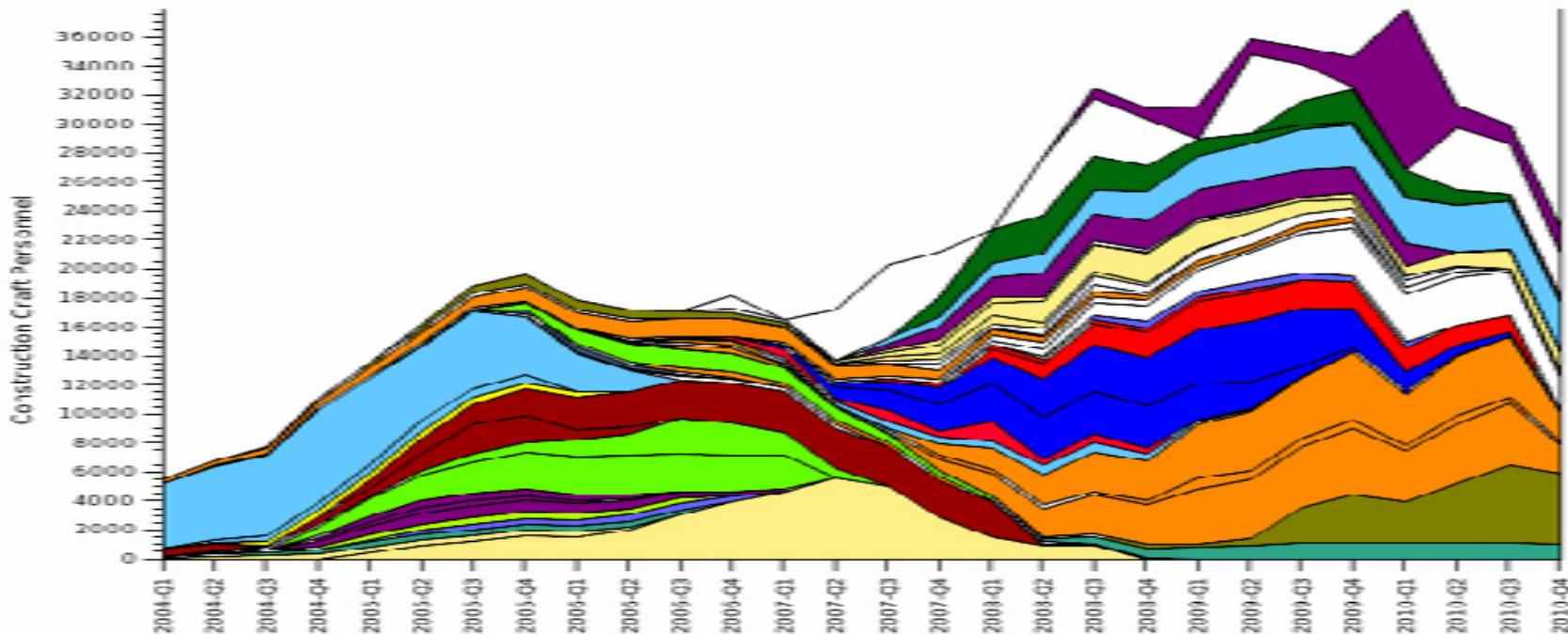
CANADIAN
MANUFACTURERS
AND EXPORTERS
20/20
BUILDING FOR
OUR VISION FOR
THE FUTURE

MANUFACTURIERS
ET EXPORTATEURS
DU CANADA
20/20
FACONNER
NOTRE
AVENIR



Major Construction Labour Projections

Industrial Construction Projects
>100 MM Cdn (2004Q1 - 2010Q4)
Generated 2006-10-06 16:44



Source: Construction Owners Association of Alberta



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Partnering to Meet Demand

- There are significant business opportunities for companies across Canada to partner with Alberta business
- The Alberta economy is expected to generate demand for an additional 400,000 new jobs over the next decade.
- Only 291,000 *new workers* are expected to join the labor market – based on current demographic trends
- A shortage of 109,000 workers is forecast for 2015
- Physical production constraints
- Alberta companies must partner to expand capacity
- Opportunities in all sectors – oil sands supply chain, other manufacturing, construction, services



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Partnership Strategies

- Oil sands companies will be relying on First & Second Tier suppliers to meet their needs.
- Significant opportunities in key sectors:
 - Structural steel
 - Metal fabricating
 - Machining
 - Maintenance supplies
 - Boilers, pressure vessels, & tanks
 - Automation systems
 - Turbines, pumps for petrochemical applications
 - Environmental technologies
 - Engineering, mining, & technical services



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



New Business Strategies

- A part of Lean manufacturing
- New procurement policies
- Procurement & supply chain management
- New lines of business for suppliers
- Flexible, customized, one-off production to meet project requirements
- What is your competitive advantage?
 - Cost? Time? Functionality?
- Logistics management
- Trade development/partnership strategies



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Partnership Strategies

- Long-term opportunity
- Partnerships are win-win
- Not just outsourcing – joint development and supply
- Severe constraints – resources, people, time
- Identification of opportunities is only the first step
- Need to build relationships
- Don't look to produce in Alberta
- Need to be competitive – cost, quality, availability, responsiveness
- Aim to be a preferred partner
- Supplier consortia



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



CME's Oil Sands Initiative

- Founding partners – Alberta Economic Development, Industry Canada, MEDT (Ontario)
- Publications to raise awareness about oil sands opportunities
- Cross-country workshops
- Partnering missions
- National Buyer-Seller Forum
- www.icosmo.ca
 - Site to facilitate partnerships between buyers & sellers



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



iCOSMO

- Sellers register to post capabilities and search for business opportunities
- Buyers register to post opportunities and search for qualified sellers
- A pre-qualification tool
- Aimed at reducing search costs and facilitating partnerships
- Launched in September 2006
- First six months: 44 buyers & 180 sellers