

MANUFACTURING

DEFINITION: The manufacturing sector comprises establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. Alberta's industry revolves around: food and beverage; textiles; petroleum; chemicals, plastics, and rubber; and computer and electronics products.

VISION: Canada's machinery and equipment industry benefits from strong activity in machinery-intensive sectors such as agriculture and natural resources. These key sectors, which are highly concentrated in the Canadian Prairies, ensure continuous demand for machinery and equipment manufacturers in Canada. Source: <https://www.investcanada.ca/industries/advanced-manufacturing>

ECONOMIC PROFILE

Federal Context

- › \$1.8 trillion (10%) contribution to Canada's overall GDP.
- › Employs 1.7M (10% of workforce).
- › Generates 42% of all private sector R&D.
- › Generates 70% of Canada's merchandise exports.
- › Attracts 29% of foreign direct investment in Canada.

Provincial Context

- › \$17.7 B contribution to Canada's manufacturing GDP (3rd largest provincial contributor to manufacturing GDP in Canada).
- › 5.2% of total Alberta workforce.
- › 7.7% of manufacturing workforce in Canada (4th largest provincial employer in Canada).
- › 5.6% of Alberta GDP.

Src: <https://investalberta.ca/industry-profiles/agri-foods/>

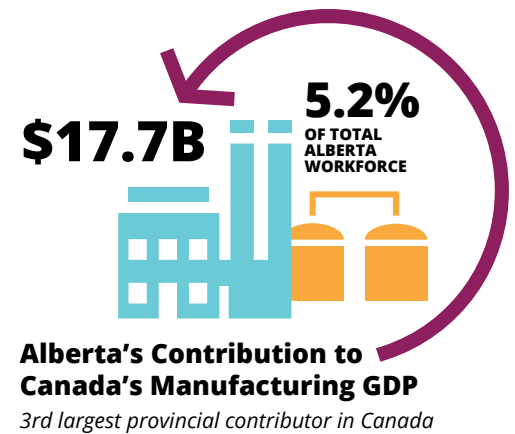
Alberta's industrial manufacturing sub-sector (*GDP \$2.6B, exports \$1.3B, employment 22,500*) is a key driver for the economy that supports infrastructure, energy, and natural resource production. The sub-sector is focused on machinery, metal fabrication, electronics, primary-metals, and rubber and plastics.

Alberta has Canada's second (to Ontario) largest metal manufacturing sector. Areas of metal fabrication expertise include: platework and fabricated structural products, boilers, pressure vessels, tanks and heat exchangers, metal buildings/components, machine shops.

Areas of equipment manufacturing expertise: oil and gas field equipment, construction, mining, agricultural and forestry machinery, trailer and transport equipment, HVAC and commercial refrigeration equipment.

Local Context

- › Okotoks has a modest manufacturing base, with average workforce concentration compared to the Calgary region and low concentration compared to Alberta.
- › Okotoks has a high concentration of businesses working in manufacturing compared to the Calgary region and Alberta.



OKOTOKS ADVANTAGE

TRANSPORTATION

- › 5 min access to CANAMEX Corridor (Highway 2).
- › The Calgary Region (population 1.4 million) is western Canada's distribution hub. A market of 50 million people is accessible by ground transportation within 24 hours

(Src: Calgary Economic Development Transportation & Logistics Sector Profile).

COST ADVANTAGES

- › Business cost competitive (Water – craft production scale) - 4th lowest municipal utility costs in Calgary region.

LAND AVAILABILITY

- › Serviced industrial land available. Industrial land price 8% lower than Calgary (\$550K/acre).

WORKFORCE

- › Strong metal fabrication labour force expertise in Okotoks, Calgary region, and Alberta.
- › Competitive wage gap
 - \$23.69 – Calgary economic region average
 - \$24.35 – Alberta average
 - \$20.90 – Canadian average

INVESTMENT OPPORTUNITIES

- PROPOSED BUSINESS TYPE

Okotoks is actively seeking investment in the following agribusiness business types:

FOOD & BEVERAGE MANUFACTURING

Food manufacturing is booming across Alberta, with much of its advantage coming from the abundant, local agriculture feedstock, which supplies many businesses with cost-effective ingredients. In addition, unique food-related facilities and incubators within the province, as well as growing support for the sub-sector through government grants and programs, give entrepreneurs their footing in the industry to help them launch their products, locally, nationally, and internationally.

- › Biggest manufacturing sector in Alberta (23% of total manufacturing sales 2016).
- › Calgary region is home to multinationals, medium-sized and niche food and beverage processing and manufacturing companies.
- › Global meat processors including Cargill, JBS, Harmony Beef and Sofina Foods have large operations in southern Alberta.
- › Projected industry expansion serving a growing Calgary region population.

Nutraceuticals

Opportunities include manufacturing through craft processing, aquaculture/aquaponics, food incubator (commercial kitchen), investment co-op, local food manufacturing placement – grocery stores, textiles, niche crop production / processing.

FABRICATED METAL MANUFACTURING

- › One of the largest manufacturing sub-sectors in Alberta due to vital importance to energy industry (e.g. valves, tanks, containers, bolts, nuts, screws).
- › Diverse sub-sector in Okotoks, with manufacture of products that have applications outside the energy sector.

SECTOR AT A GLANCE

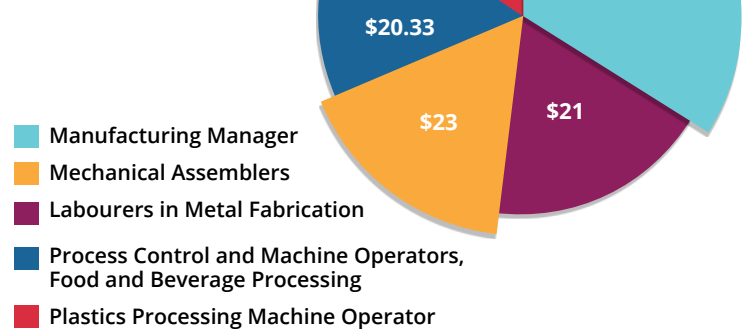
Okotoks has a medium sized workforce in the manufacturing sector, with strength in food, wood product, and chemical manufacturing. A fair presence of businesses in Okotoks are involved in this sector, with a concentration in manufacturing of leather products, clothing, furniture, printing, machinery, primary metal, food, and textile.

WAGES

\$23.69 Calgary Average
Economic Region

\$24.35 Alberta Average

\$20.90 Canadian Average



MAJOR EMPLOYERS

OKOTOKS

- 30 Altrek Industries (non-metallic products - fiberglass bathtubs and showers)
- 20 Rolco Rollshutters (fabricated metal products)
- 15 Burnco Rock Products (cement and concrete products)
- 12 Sibro Technologies (fabricated metal products)
- 12 Cobbs Bread (food)
- 11 McLean Contracting (fabricated metal products)
- 10 Spring Creek Woodworking (wood products)
- 7 Taylor Toolworks (machinery and equipment)
- 6 Western Tank and Lining (fabricated metal products)
- 6 Alberta Stairworks (wood products)
- 6 Cycle Works Foothills (motor vehicle parts)
- 6 McAsphalt Industries (petroleum products)

Src: Hoovers, 2018

REGIONAL BUSINESSES

- 1300 Foremost Universale (machinery & equipment)
- 700 Imperial Oil (petroleum products)
- 645 Centennial 2000 (food)
- 621 Suncor Energy (petroleum products)
- 600 SMART Technologies (semiconductor & electronics components)
- 600 Gienow Windows & Doors (wood products)
- 550 Sobeys West (food)
- 501 Standen's Management (motor vehicle parts)
- 500 Evraz Inc. NA Canada (metal products)
- 500 CM International (clothing)
- 500 Canexus (basic chemical)
- 500 Adaptive Engineering (portable wheelchair lifts)

WORKFORCE

