



an initiative of:



Food Processing Industry Roundtable

May 30, 2016

Overview

- About CME
- State of manufacturing in Canada – not dead yet!
- Canada's manufacturing innovation challenge – where to from here?
- A national strategy for Canada

Background

- Since 1873 we have been focused on growing Canada's manufacturers and exporters
- Represents Canada's 60,000 manufacturers and their 1.7 million employees
- 2,000 direct members + tens of thousands through our expanded network through the Canadian Manufacturing Coalition and other coalitions
- 75% of Canada's industrial output and 90% of exports
- 95% of members are small/mid-sized companies

1. Raise Profile of Manufacturing & Exporting

- Ensure public, media and government understand and value the importance of manufacturing and exporting to Canada, our economy and our families

2. Support Investment and Innovation

- Ensure globally competitive taxation and regulatory regimes
- Encourage investment in capital, M&E
- Improve R&D policy
- Facilitate technology integration and adoption

3. Strengthen the Labour Market

- Increase labour productivity
- Create better linkages between post-secondary education and needs of industry
- Engage youth in manufacturing and exporting careers
- Ensure access to foreign trained skilled workers

4. Expand Markets for Manufactured Goods

- Improve access to export markets through trade agreements and removing barriers
- Provide export-readiness, intelligence and matchmaking services
- Build domestic supply chains for major infrastructure and capital projects
- Invest in critical transportation and logistics infrastructure

Manufacturing Matters

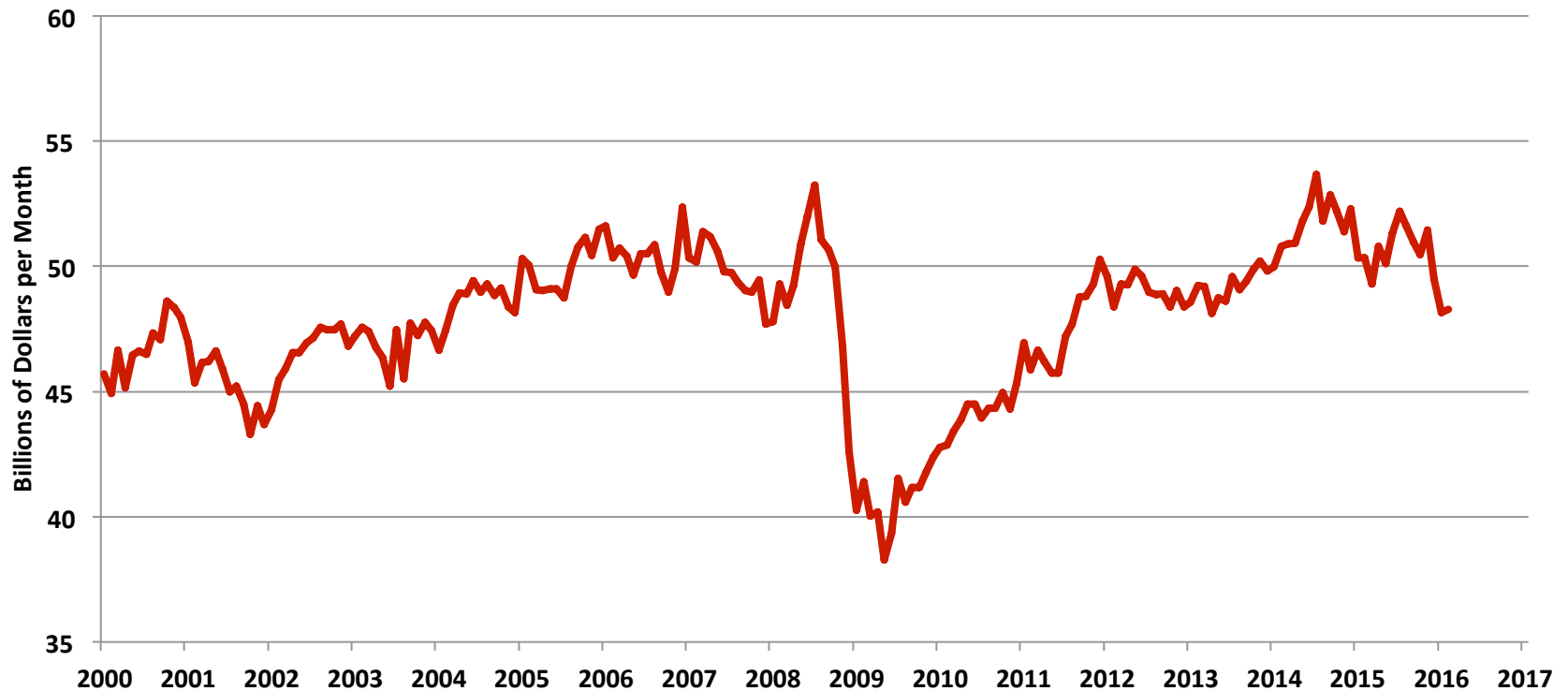
**‘The report of my
death was greatly
exaggerated’**

Manufacturing Matters to Canada

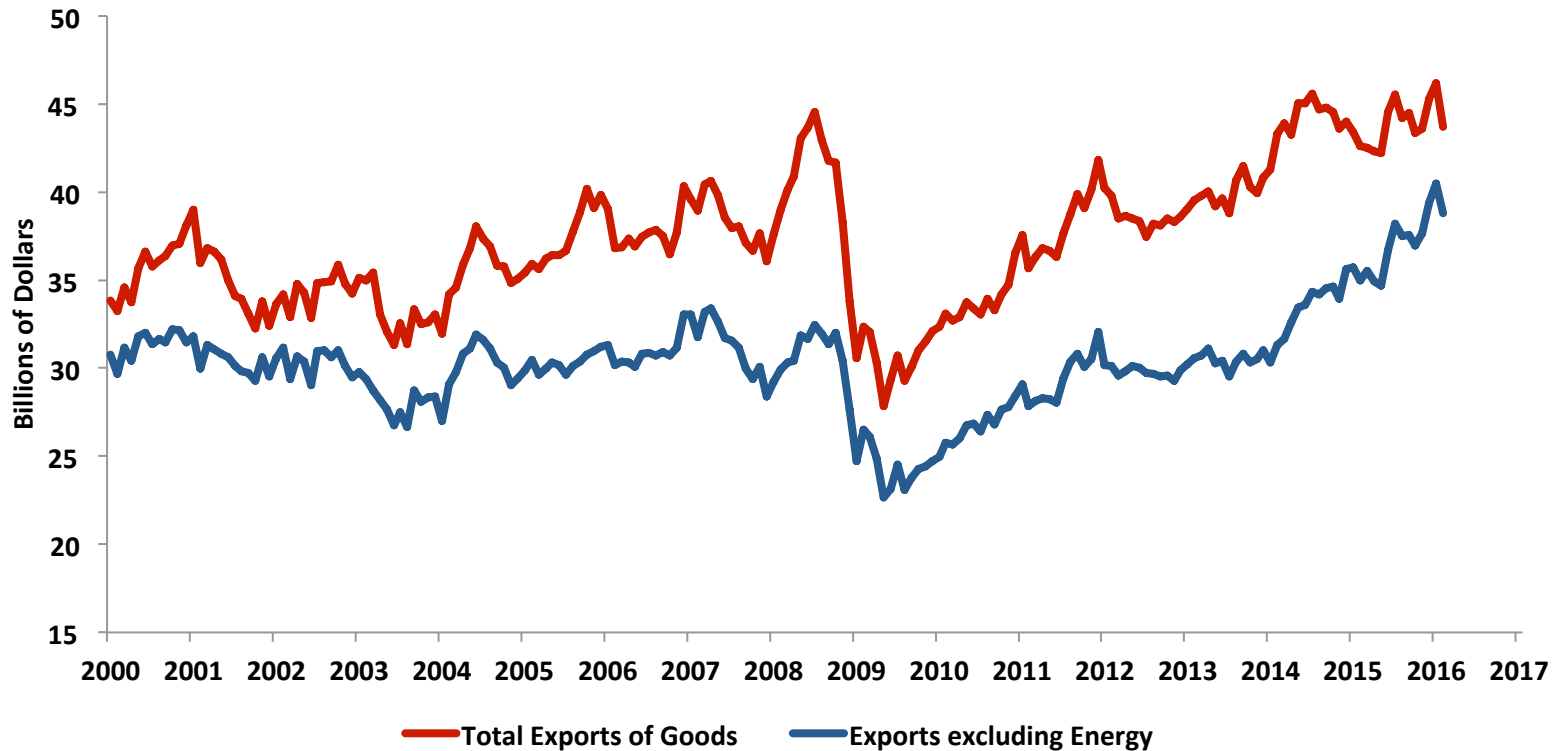
Impact of Manufacturing:	All Sectors	Food (% of manufacturing)
Total Sales:	\$620 billion	\$93 billion (15%)
Contribution to GDP:	\$172 billion (11% of total)	\$23 billion (13%)
Direct employment:	1.7 million	300,000 (17%)
Multiplier:	\$3.05 (per million in output)	\$1.23 (per million in output)
Share of exports:	\$318 billion	\$26 Billion (8%)

Manufacturing is the business of providing customer solutions combining the production of goods, new technologies, and services

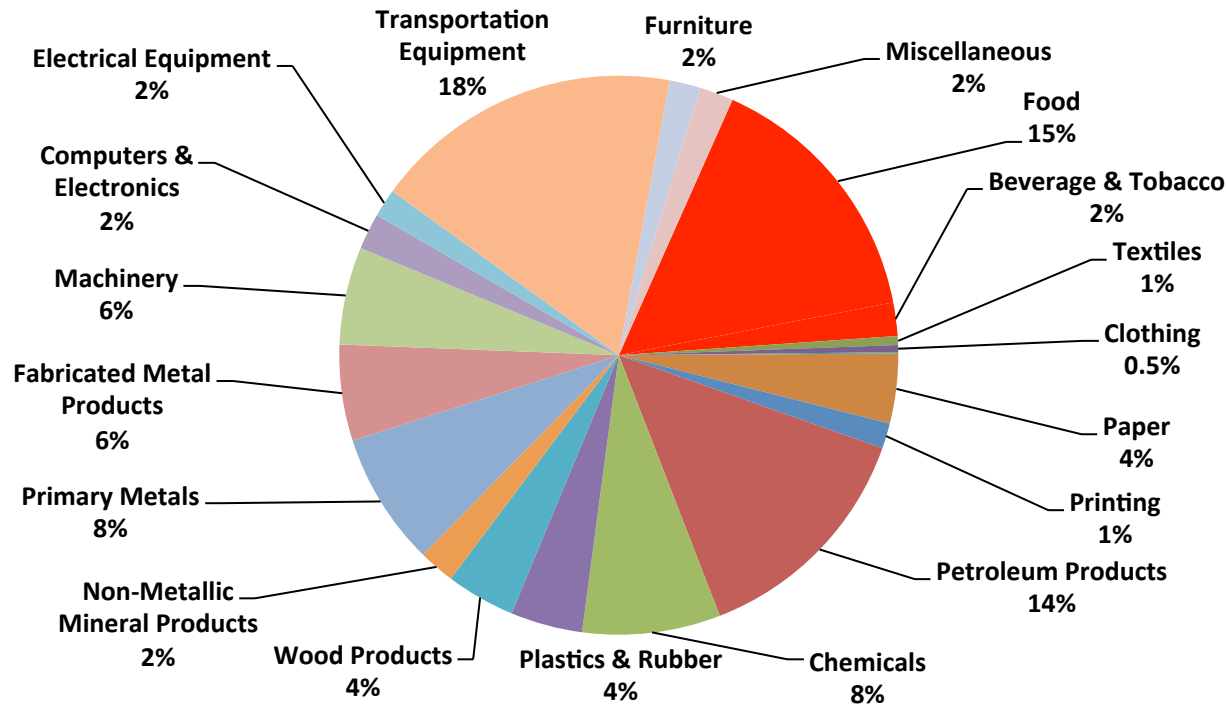
Manufacturing Sales in Canada 2000 – 2016



Merchandise Export Performance

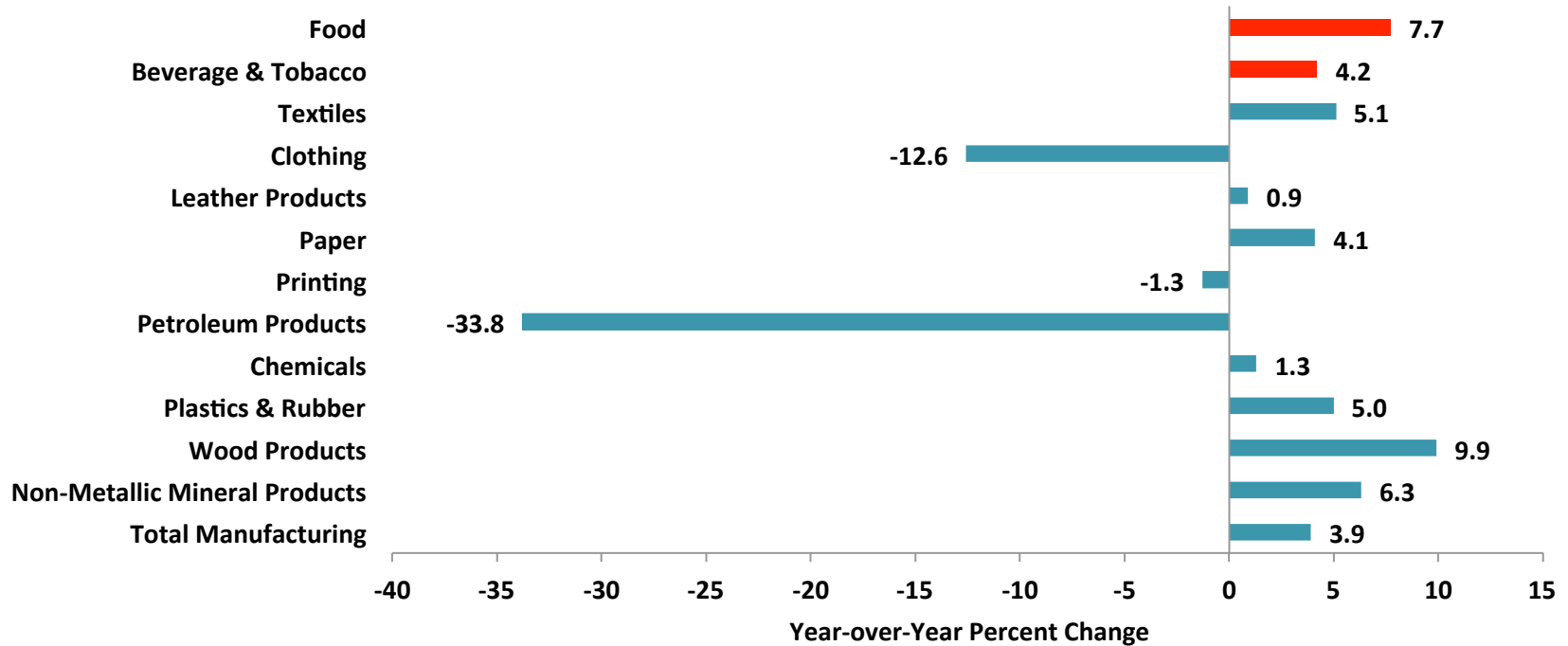


Manufacturing Sales by Sector

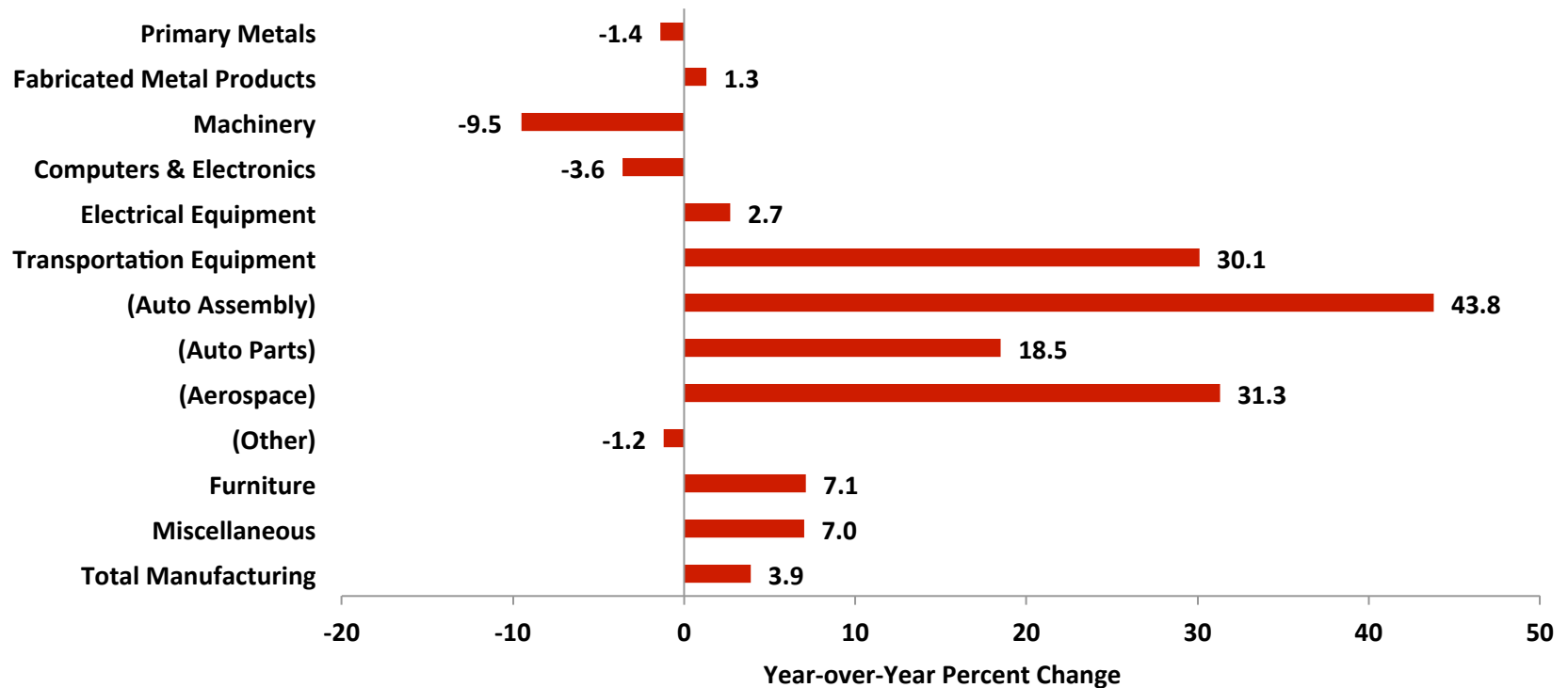


➤ Food & Beverage represents about 17% of all Canadian manufacturing output

Manufacturing Sales by Sector – Feb 2016



Manufacturing Sales by Sector – Feb 2016



Manufacturing Innovation Challenge



Long Term Trends Driving Major Changes in Manufacturing

- Technology driven – integration of advanced technologies into products and processes
 - advanced computing, big data/internet of things, 3d printers, advanced robotics
- Service oriented
 - More demanding customers want immediate solutions, interaction with products
- More demanding stakeholders – Governments, investors, public
- More intense competition - Free trade creates more competitors
 - Essential to be world class
- Aging population and skills shortages
 - Changing types of skills needed –multi-dimensional/skilled essential
- Social challenges = business opportunities
 - Health care, climate, environment, food, water, energy, security, social development
- New materials changing products and production

New Policies are Required to Support Modern Manufacturing

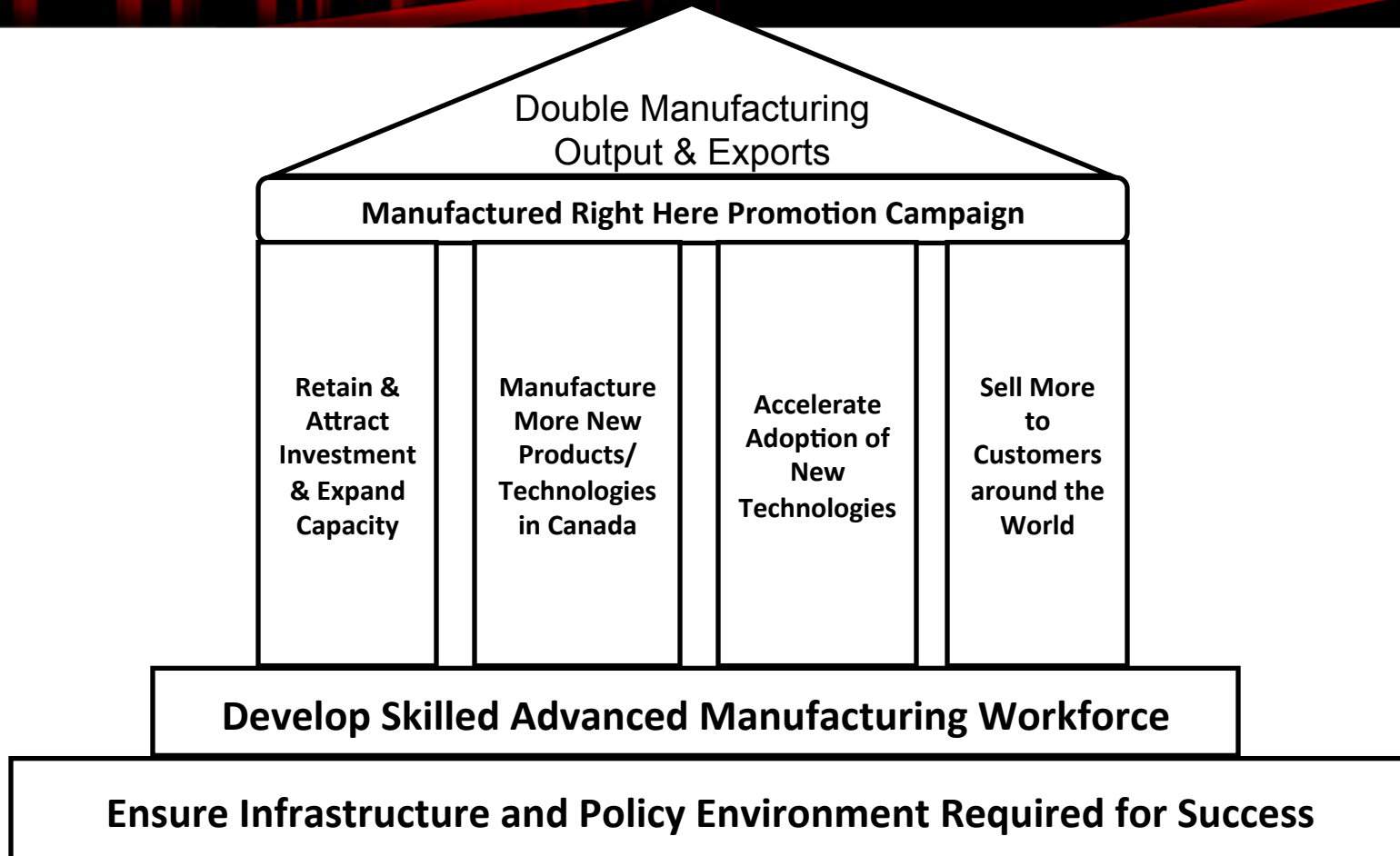
- Manufacturing must be a priority for governments
 - Canada and the provinces need coordinated strategies that support manufacturing growth
- Focus on business growth & attracting/sustaining investment
- Fiscal policies must facilitate rapid technological change
- Investments that enhance commercialization
 - Procurement, technology demonstration, & risk reduction
- Data security & global IP regimes
- Open markets (products, services, investment, people)
- Education & skills for Industry 4.0 workforce
- Access to reliable, cost competitive infrastructure (transportation, energy, innovation, IT & Telecom)
- Lean regulation

Global Initiatives to Shape Advanced Manufacturing

- Germany – Industrie 4.0
 - Digitization of the manufacturing – from product design and development through to production
 - Ecosystem connects government, labour, post-secondary's and industry for both training and innovation
 - Technology demonstrations and support for technology adoption
- US – Manufacturing renaissance
 - National network of manufacturing innovation
 - Major focus on technology adoption, integration of tech-start ups into existing supply chains, and product development
- China 2025
 - Similar to Industrie 4.0 but with a broader focus on improving quality and productivity
 - Goal is to move up global value chains

Creation of a national strategy – Industrie 2030

- An industry led initiative to double manufacturing and exporting output in Canada over the next 15 years
- Developing and implementing a strategy aimed at:
 - Enabling Canadian companies to become world leaders in the development, application, and commercialization of advanced manufacturing technologies
 - Leveraging the strengths of Canadian industry
 - Identifying and reducing the obstacles that stand in the way
 - Celebrating the success of manufacturers from coast to coast
- Through on-line surveys and face-to-face discussions with manufacturers across Canada
- Coordinating with Gov't of Canada on Innovation Strategy and INDU study
- Culminating in a National Manufacturing Summit in October 2016



Canada's Opportunity

- Unique opportunities that need to coordinate and harness:
 - World class and diverse manufacturing base
 - Diverse natural resource sector
 - World class technology sector
 - Strong post-secondary institutions
- Need a national strategy on the future of manufacturing to support growth and align us with international competitors that results in growth:
 - Investment in processes
 - Culture
 - Product commercialization and scale up
 - Technology adoption
- Innovation strategy and INDU activities must be the opening to create and drive strategy

Mathew Wilson
Senior Vice President
Canadian Manufacturers & Exporters

mathew.wilson@cme-mec.ca

(647) 808-8231

www.industrie2030.ca

www.cme-mec.ca

www.manufacturingourfuture.ca