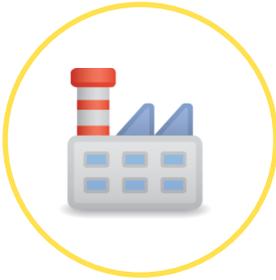


Manufacturing



Manufacturing and distribution have a solid foundation in Southern Alberta, much of it in support of agriculture and agri-food. From specialized trailers to aircraft engines, this region is home to a range of small to medium sized manufacturers. Oil and gas equipment, and home manufacturers benefit from cost-effective manufacturing of products and supplies. Automation and robotics, lean manufacturing and Kaizen practices contribute to the continued success of these businesses and our highly diversified regional economy.

Heavy manufacturing is also a significant industry in Southern Alberta, not only in terms of job creation and employment, but also on the economic impact it has in the region. A competitive tax structure, excellent proximity to markets and a highly dependable workforce has allowed a diversified manufacturing base to thrive and grow in Southern Alberta.

Southern Alberta is also home to a significant metal manufacturing sector producing fabricated metal products through forging, bending, forming, welding, machining, and assembly. The leading sources of revenue within the industry are fabricated structural and architectural metal products, machine shops, boilers, tanks, and containers as well as coating, engraving, and heat-treating.

In a recent study by Economic Development Lethbridge, the Manufacturing companies reported:

- Combined revenue of \$331 million annually
- Employing 1,740 people
- Wage expenses of \$122 million per year
- Exporting their products provincially (82%) and internationally (52%)
- Investing in equipment (\$8 million in 2013) and technology (\$3 million in 2013)

Interesting Facts:

- Manufacturing firms in Lethbridge occupy more than 4.1 million square feet of floor space, the equivalent 70 (NFL) football fields.
- Haul-All Equipment in Lethbridge is a world leader in bear-proof garbage receptacles and recyclable collection equipment; they manufacture all of the angled garbage bins for the 44 Canadian national parks, as well as supplying specially designed trash bins to the 2010 Winter Olympics in Vancouver, BC.
- BCT Structures construction included the pour of a 100,000 ft² concrete floor, one of the largest pours in Lethbridge history.
- Triple M Housing's 800 foot long facility can accommodate up to 32 homes.

According to the Conference Board of Canada's 2014 Mid-Sized Cities Outlook Report, Manufacturing contributes \$633 million to the regions GDP accounting for 13% of the overall output. This is expected to grow to \$661 million in 2015, an increase of 4.4% over a two year period.

Examples of companies that contribute to the growth in this key industry are listed below:

- **Southland Trailers** is the largest manufacturer of light industrial trailers in Western Canada, and one of largest in Canada. The company builds more than 12 types of trailers, from livestock trailers and car haulers to dump and custom trailers, which are distributed through dealers spread across western Canada, northwestern United States, Yukon, and the Northwest Territories.
- **Pratt & Whitney** Canada has plants in Quebec, Ontario, Nova Scotia and Alberta. The Lethbridge plant employs 130 people and assembles and tests the PT6 helicopter engine. Currently 700 airlines use Pratt & Whitney engines and there are 45,000 PWC engines in use worldwide.
- A recent 43,000 square foot expansion at **Triple M Housing** increased the facility to 165,000 square feet in which they construct nearly 700 homes a year that they export across Western Canada, Montana and Alaska.
- Still located in Lethbridge after more than 115 years, **Lethbridge Iron Works** operates a modern facility of over 110,000 square feet on 7 acres in the city's industrial park. Using a modern automated production line that incorporates three additional robots simply to do the repetitive work, this facility is far more advanced than an old-fashioned foundry, turning out more than 2,000 individual products and pouring 12,000 tons of iron per year.
- At **Flexahopper Plastics Ltd.**, they know that 'green' is good for business. In fact, they are one of Canada's largest manufacturers operating on wind energy (Bullfrog Power). The Lethbridge facility is 6 times larger than it was in 1990, due to the adoption of lean production process.

Southern Alberta offers an extremely competitive cost environment, and is one of the most competitive markets for manufacturing in the entire world. *Source: Competitive Alternatives: KPMG's Guide to International Business Location, 2014 Edition.*

Figure D.13

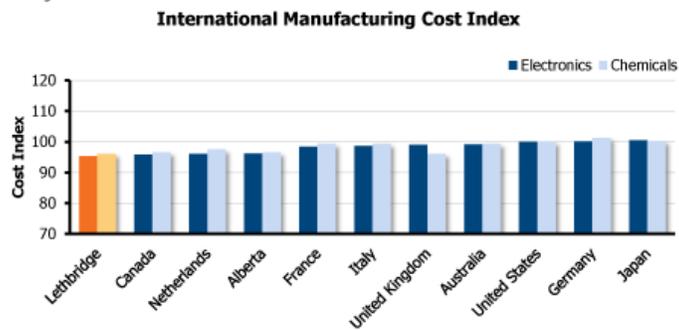


Figure D.12

