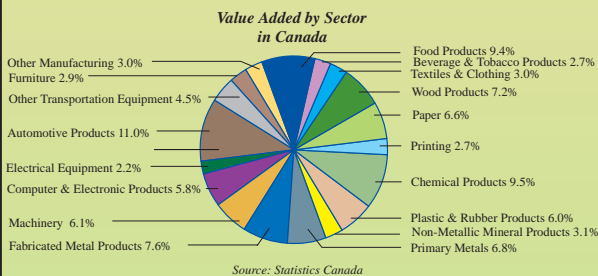


# MANUFACTURING INDUSTRY

*Manufacturing is vital to the economy. It involves adding value to tangible goods and services encompassing all activities (from research and development, design and engineering, to production, finance, sales and marketing, and after-sales service) that are required to deliver products that meet customer needs. Manufacturing also creates demand for goods and services from all other business sectors, including primary resources, energy production, transportation, financial, communication services, business management, design, engineering and high technology support.*

## Made in Canada

Manufacturing accounts for 18 percent of Canada's economy and each dollar of manufacturing output generates \$3.05 in total economic activity in the country. There are about 54,000 manufacturing facilities operating across Canada, employing about 2.3 million Canadians. These Canadian manufacturers produced and shipped \$546 billion worth of goods in 2003. About 84 percent of the manufacturing facilities have fewer than 50 employees. The sector accounts for two-thirds of the country's total exports of goods and services as well as two-thirds of all business investment in research and development in Canada.



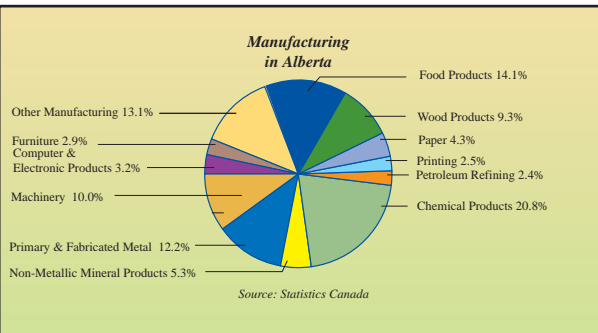
## Manufacturing in Alberta

Alberta is the third largest manufacturing province in Canada. Manufacturers in Alberta directly account for 10 percent of all economic activity in the province. Driving demand for goods and services from other sectors of the economy, every dollar of manufacturing output in Alberta generates \$3.21 in total economic activity.

- **Diversity** – Alberta's largest manufacturing industries include chemical, primary and fabricated metals, machinery, food and wood production. The province has over 10,000 value added manufacturers that provide products that range from nano devices for the bio-med sector, to plastics, food products and forestry products among others.

- **Export-Oriented** – Alberta's manufacturers are leading exporters. According to the Canadian Manufacturers and Exporters, manufacturing shipments were up by 12 percent over 2004 in 2005 totaling 60.3 billion. During the first eight months of 2006, the increase was another 11.5 percent. Alberta exports of goods and services in 2005 were just over 80 billion dollar, an increase of 19.8 percent. Exports in the first eight months of 2006 were an additional 12.7 percent higher than 2005.

- **Employment** – Manufacturing accounts for 8.5 percent of total employment in the province. There are currently over 139,700 Albertans employed in manufacturing, an increase of 9.5 % over 2005. Manufacturing is a high paying employer in the provincial economy, with weekly wages being 25 percent higher than the provincial wages.



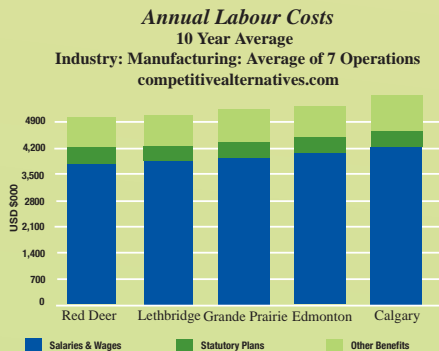
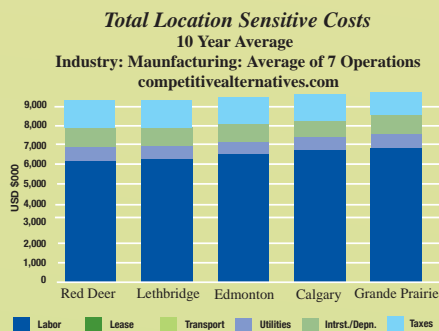
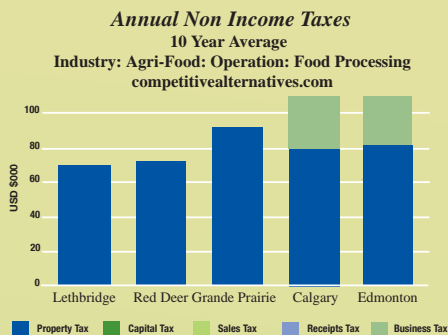
## Cost of Doing Business in SouthGrow

According to the 2006 KPMG Competitive Alternatives Guide to International Business Costs, Lethbridge, part of the SouthGrow region, has an overall cost advantage of 6.6 percent relative to the United States in the manufacturing industry::

Lethbridge, AB	93.4
Edmonton, AB	94.7
Calgary, AB	95.5
Saskatoon, SK	94.8
Kelowna, BC	95.8
Brandon, MB	93.9
Boise, ID	99.9
Dallas, TX	100.5
Chicago, IL	99.8
Minneapolis, MN	103.8

NOTE: US=100

In comparing key cities within the Province of Alberta, Lethbridge is again shown to be competitive and providing overall cost advantages in various key factors of doing business:



## SouthGrow Region

Low cost land, highly trained people, affordable operating and utility costs and many choices for plant sites in the SouthGrow region provides many opportunities in the manufacturing sector. In a recent KPMG Competitive Alternatives Study of International Business Costs (2006), the City of Lethbridge, which is in the SouthGrow region was rated among the top five of 50 communities studied in Western Canada and Midwest and Pacific US and in the top ten among 97 communities studied in North America for being cost competitive. This sector generates more than 1.2 billion in annual sales in the region.

Manufacturing in the region is diverse and covers:

- Food and beverage processing, such as flour processing, distilled alcohol processing, dairy products, potato products, snack foods, poultry processing, and canola processing and products.
- Animal Feeds, such as compressed hay and other feeds.
- Primary and fabricated metals, such as architectural aluminum extrusions, sheet metal products, ferrous castings, and fabricated truck boxes and trailers.
- Machinery and equipment, such as agricultural equipment and implements, waste equipment systems and aircraft engines.
- Manufactured housing.
- Commercial and residential furniture and fixtures, concrete, wood products, trusses, wooden and aluminum windows and doors.

The region's strengths have attracted global manufacturers, including Pratt & Whitney, an aircraft engine manufacturer; Ring Container Technologies Inc. (Ring), an Oakland, Tennessee-based company, in the plastics industry; and BioKing, a Netherlands-based company that manufactures bio-diesel equipment.

### Average Wages

Average wages for selected positions in the sector are:

NOC	Occupational Title	Average Wage/Hour
0911	Manufacturing and Operations Manager	\$27.36
2141	Industrial and Manufacturing Engineers	\$30.79
7261	Sheet Metal Worker	\$18.69
7265	Welders and Related Machine Operators	\$17.74
7452.2	Warehousing Professionals	\$17.77
9226	Supervisors, Other Mechanical, Metal Products Manufacturing	\$18.61
9461	Process Control & Machine Operators, Food & Beverage Processing	\$13.10
9465	Testers & Graders, Food & Beverage Processing	\$18.58
9514	Metal Working Machine Operators	\$20.65
9613	Labourers in Metal Fabrication	\$13.84
9617	Labourers in Food & Beverage Processing	\$16.35

Source: 2005 Alberta Wage & Salary Survey – Lethbridge-Medicine Hat Region

## SouthGrowN Successes

SouthGrow's successes in the manufacturing industry are diverse, ranging from agri-food processing, to metal fabrication to furniture:

- Maple Leaf Pork – Meat Packing
- Maple Leaf Potatoes – Frozen Potato Products
- Sunrise Poultry Processors Ltd – Poultry Processors
- McCain Foods (Canada) A Division of McCain Foods Ltd. – Potato Products
- Lamb Weston, A Division of ConAgra Limited – Potato Products
- Frito Lay Canada – Snack Foods
- Canbra Foods – Canola Products
- Triple M Housing Ltd. – Manufactured Housing
- Kawneer Co. Canada Ltd. – Architectural Aluminum
- Braman Furniture – Furniture Manufacturing
- Pratt & Whitney Canada – Aircraft Engines
- Southland Trailer Corporation – Gravel Equipment
- SRI Homes – Manufactured Housing
- Charlton & Hill Ltd. – Sheet Metal Products
- Lethbridge Iron Works Company Ltd Ferrous Castings
- Haul All Equipment Limited – Waste Systems, Heaters
- Intercontinental Truck Body Ltd. – Aluminum Van Bodies
- Green Prairie International – Compressed Hay
- The Black Velvet Distilling Company – Distilled Alcoholic Beverages
- Ducan Industries – Furniture, Frames
- Wheatland Bins – Grain Bins
- Ellison Milling Company – Flour
- Rogers Sugar Ltd. – Sugar
- Paramalat Canada Inc – Dairy Products

## The SouthGrowN Advantage

- **Logistics** - SouthGrow is located on the major Canadian transportation routes for both east/west and north/south highway routes. It is located on the CanaMEX corridor with close proximity to the United States border, allowing for easy connection to the interstate system to all major US cities.
- **Training Supports** – The region is home to two quality post-secondary educational institutions: Lethbridge College and University of Lethbridge.
- **Synergy** – Synergy with other SouthGrow businesses, e.g. plastic extruders, primary food producers, etc.
- **Land Availability** – Land is generally available at reasonable prices within Counties and Municipal Districts to establish facilities within existing or proposed industrial parks and along established rail lines.
- **Low Cost** – Real estate costs in the region are less than those in other major centres in Western Canada, and the province has a competitive corporate tax rate for manufacturers and processors. There are no capital or payroll taxes, and no provincial sales tax. Albertans also benefit from the lowest overall taxes in Canada.
- **Experience and Diversity** – SouthGrow has a mature and diverse manufacturing sector including light manufacturing located within its borders, with successful operating models and strong industry associations.
- **Population** – There is an increasing population growth with a young and ready supply of trained labour (over 50% have some level of post-secondary education). In addition, growth due to in migration from both domestic and international sources is expected to continue.

## Industry Supports

- Canadian Manufacturers and Exporters – [www.cme-mec.ca](http://www.cme-mec.ca)
- Society of Manufacturing Engineers – [www.chapters.sme.org/370](http://www.chapters.sme.org/370)
- Canadian Plastics Industry Association – [www.cpia.ca](http://www.cpia.ca)
- Alberta Food Processors Association – [www.afpa.com](http://www.afpa.com)
- Western Economic Diversification – [www.wd.gc.ca](http://www.wd.gc.ca)
- Canadian Commercial Corporation – [www.ccc.ca](http://www.ccc.ca)
- Strategis – [www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca)
- Alberta Employment, Immigration and Industry – [www.alberta-canada.com](http://www.alberta-canada.com)

### Comparative Alternatives Detailed Cost Index (By Operations)

	CANADA				UNITED STATES				UNITED KINGDOM London	GERMANY Frankfurt	JAPAN Fukuoka	AUSTRALIA FRANCE	
	Lethbridge	Calgary	Edmonton	Winnipeg	Salt Lake City	Colorado Springs	St. Louis	Phoenix				Sydney	Mulhouse
<b>MANUFACTURING</b>													
Aircraft Parts	92.3	95.6	94.3	93.2	99.3	99.6	100.5	102.1	106.8	108.3	108.0	94.1	92.7
Food Processing	94.3	95.3	94.9	97.5	100.2	100.7	103.0	100.4	99.5	101.9	103.2	95.2	94.5
Auto Parts	92.7	95.2	94.5	96.4	99.7	100.7	102.9	100.6	104.4	107.0	107.3	93.1	92.1
Specialty Chemicals	93.4	95.2	94.3	94.5	98.7	99.9	100.5	100.7	104.4	107.8	101.0	97.0	96.4
Electronic Assembly	93.3	96.5	95.2	95.4	99.0	99.9	101.2	101.5	114.1	114.0	110.9	98.5	97.8
Medical Devices	93.1	95.9	94.7	94.9	100.3	100.1	100.9	101.7	105.5	108.8	106.0	95.5	94.9
Metal Machining	92.6	95.1	94.4	96.7	100.1	100.8	103.3	100.5	103.7	106.9	107.7	92.7	91.8
Pharmaceuticals Prod.	93.6	95.9	94.9	96.7	100.3	100.2	100.9	101.5	103.9	106.8	105.0	95.8	95.2
Plastic Products	93.5	96.0	95.4	97.6	100.4	100.9	103.4	100.1	102.6	105.4	105.4	90.9	90.7
Precision Components	91.3	94.8	93.5	91.9	99.6	99.6	100.6	102.0	103.2	106.2	109.9	90.9	90.1
Telecom Equipment	95.9	97.4	96.8	96.9	99.9	100.0	100.5	100.6	103.6	105.4	104.4	98.9	97.6
<b>R &amp; D</b>													
Biomedical R&D	83.6	91.7	88.3	88.5	99.7	103.7	102.8	102.5	130.6	118.7	108.5	93.0	87.3
Clinical Trials													
Management	82.2	89.9	85.9	83.0	98.4	101.9	102.1	102.2	111.3	122.0	95.8	83.1	81.9
Elec. Syst. Dvlt/Test	82.4	90.9	87.2	86.9	99.3	104.0	102.6	102.2	121.6	110.2	101.2	87.8	80.0
<b>SOFTWARE</b>													
Advanced Software	88.3	93.1	90.8	91.0	99.4	101.2	101.0	101.3	113.1	112.5	100.4	94.0	93.3
Web Content Development	88.4	93.6	91.1	91.8	98.8	100.8	101.0	101.1	118.1	113.6	101.6	92.5	90.6
<b>CORPORATE SERVICES</b>													
Shared Services	86.9	94.5	90.6	91.2	99.0	101.3	102.3	101.5	125.5	130.6	134.0	99.8	95.5
<b>OVERALL RESULTS</b>	<b>91.3</b>	94.7	93.3	94.1	99.6	100.8	101.9	101.1	109.1	109.7	106.3	94.6	93.0

Source: KPMG Competitive Alternatives 2006 Edition (Selected Cities)  
Rating Index Assumes United States as a baseline of 100.0%





# SouthGrow

Regional Initiative

Contact:

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 Ph: (403) 381-5414;  
 Fax: (403) 381-5741  
 E-mail: info@southgrow.com  
 Website: www.southgrow.com

SouthGrow Regional Initiative is about creating opportunities ... for and with the twenty-six member communities in south-central Alberta. The region includes the City of Lethbridge, a regional hub and a key centre on the north/south corridor with air, rail and highway service. In addition to three major highways (3, 4 and 5) that run through the region, the Alberta portion of the CanaMEX corridor which is a twinned highway system that starts in Mexico City and will eventually end in Anchorage, Alaska also runs through the region. Most communities are within an hour of the U.S. border and major 24 hour port of entry Sweetgrass/Coutts, allowing access to all markets. Calgary and Edmonton are 235 km and 514 km, respectively from the centre of the SouthGrow region.

SouthGrow Regional Alliance has unique characteristics that provide the people that live, work and do business in the region with many advantages. We have:

- A strong education and research cluster.
- An entrepreneurial orientation with many successful established companies.
- A varied landscape providing opportunities in agriculture, manufacturing, tourism and other industries.
- A strong economic base that allows businesses, employees, residents and investors to grow and flourish in the region.
- Varied cultural assets providing a quality of life and opportunity to be enriched through diversity second to none.
- A young population and high quality of life creating opportunities for investors in a variety of industries.
- Trust, respect, and a spirit of collaboration and partnership amongst our members that contributes to the success and sustainability in the region.



## SouthGrow Specifics

- Population: 136,300 in 2005 (an increase of 11.08% over 2001).
- Time Zone: Mountain Standard Time Zone
- Climate: Mild winters and warm summers, with close to 2,400 hours of sunshine per year; 140 crop days annually.
- Commercial Airport: Lethbridge County Airport
- U.S. Border Crossings: Coutts/SweetGrass (24 hour, 7-day, Commercial), Carway/Peigan, Del Bonita, Chief Mountain.
- Rail Access: Canadian Pacific Railway with main line and trackage in all four directions at Lethbridge.
- Major Highways: #'s 2, 3, 4, and 5
- Major Source of Water: Oldman River Sub Basin
- Air Quality: Air Quality Index was rated "Good" over 96% of the time (2006).
- Waste Management: Five waste management commissions/authorities in the region.
- Primary/Secondary Education: Numerous school divisions providing public, private, and separate (francophone, catholic and alternative) education.
- Post-Secondary Education: Lethbridge College and University of Lethbridge.
- Health Care: Chinook Health and Calgary Health Region oversees the health care needs of the region's residents.

## We Are

City of Lethbridge	Village of Carmangay
Town of Cardston	Village of Coutts
Town of Claresholm	Village of Champion
Town of Coaldale	Village of Milo
Town of Coalhurst	Village of Nobleford
Town of Magrath	Village of Stirling
Town of Milk River	Village of Warner
Town of Picture Butte	Cardston County
Town of Raymond	County of Lethbridge
Town of Taber	MD of Taber
Town of Vauxhall	Vulcan County
Town of Vulcan	County of Warner
Village of Barons	Blood Tribe

**SouthGrowN**  
**People, Products, Pride**

