



Canadian
Manufacturers &
Exporters

Manufacturiers et
Exportateurs du
Canada



Manufacturing Challenges Strategies for Growth

Jayson Myers
President
Canadian Manufacturers & Exporters

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The Importance of Manufacturing & Exporting

- Single largest business sectors in Canada
- Manufacturing directly accounts for 16% of Canada's GDP – Exporting for 21% of GDP.
- Every \$1 of manufacturing output generates \$3.05 in total economic activity – largest economic multiplier
- \$600 billion in annual manufacturing shipments
- \$460 billion in annual export sales
- Canadian manufacturers:
 - Employ 2 million Canadians with wage levels 25% above national average
 - Account for two-thirds of Canada's goods & services exports
 - Account for 75% of private sector R&D
 - Have reduced GHG emissions by 9.3% between 1990 and 2005.

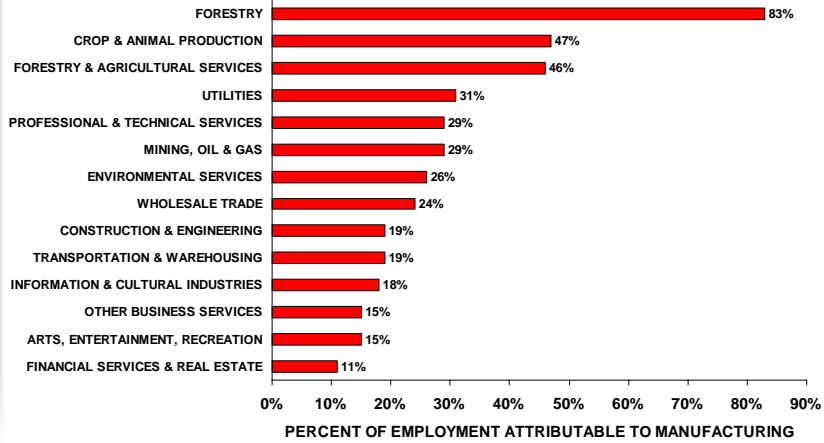


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CANADIAN MANUFACTURERS AND EXPORTERS 20/20 DU CANADA BUILDING FOR THE FUTURE / MANUFACTURIERS ET EXPORTATEURS 20/20 FABRIQUER NOTRE AVENIR



Jobs Depend on Manufacturing

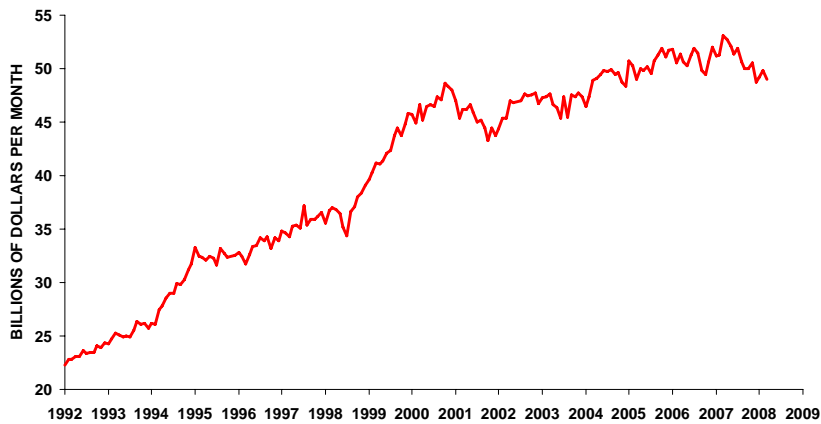


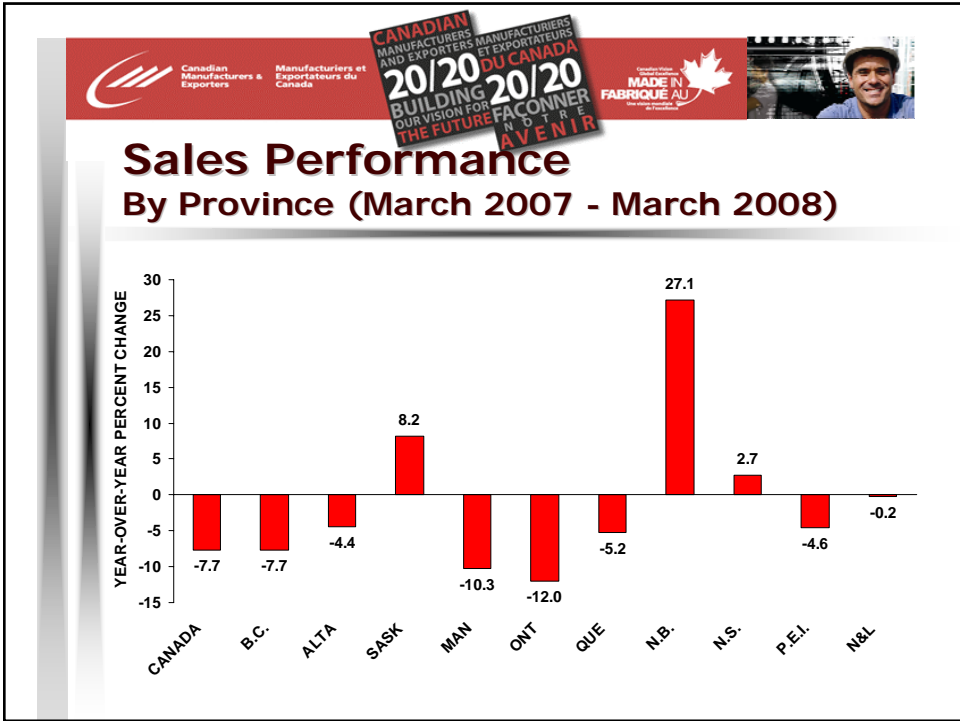
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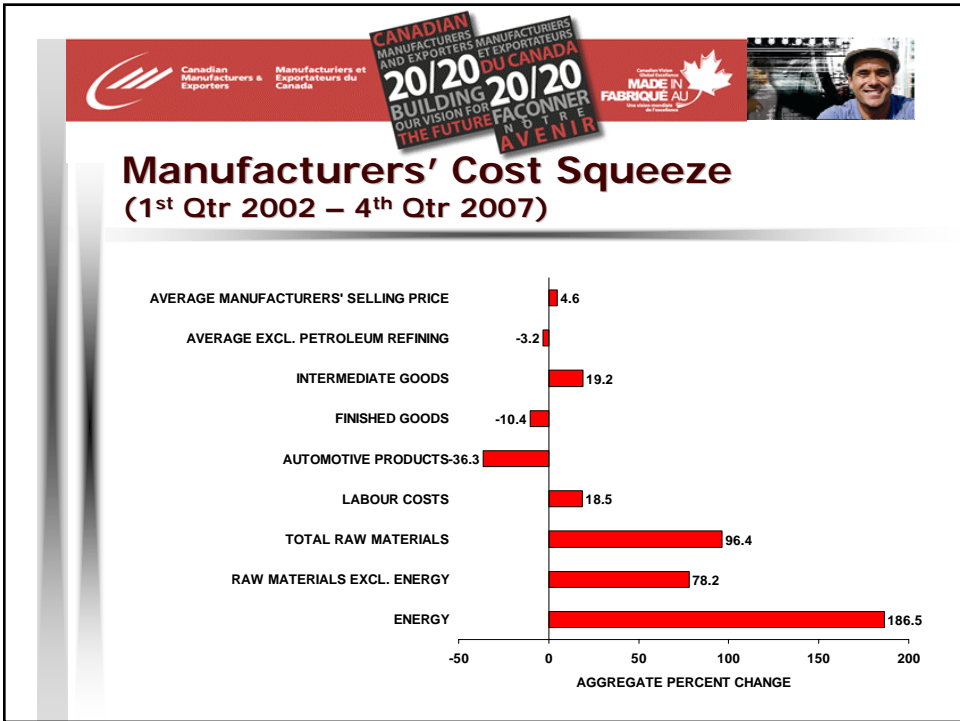
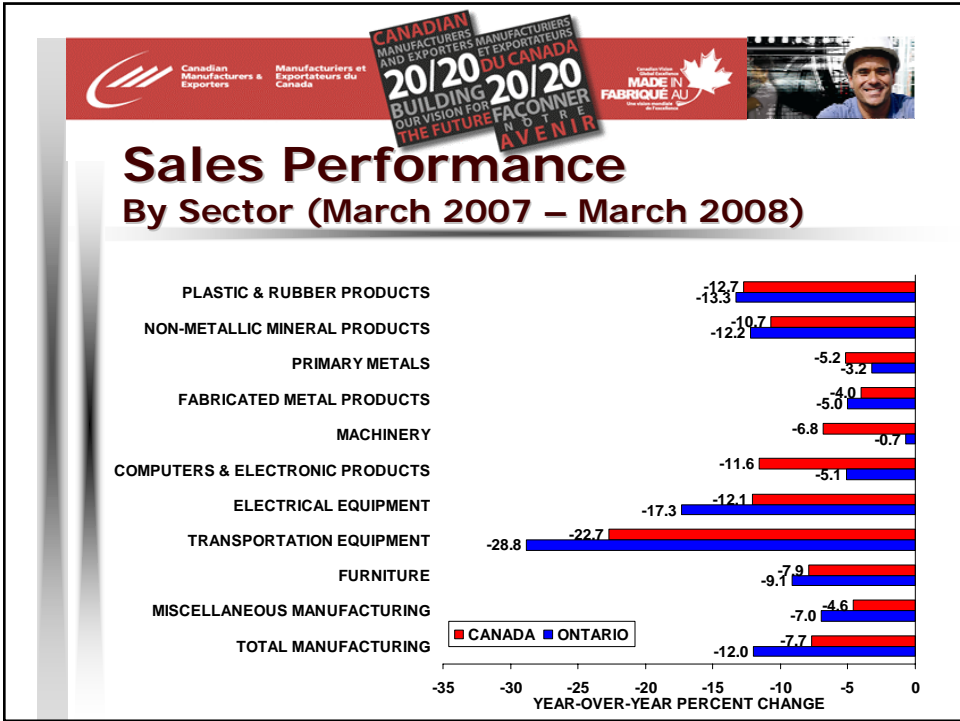
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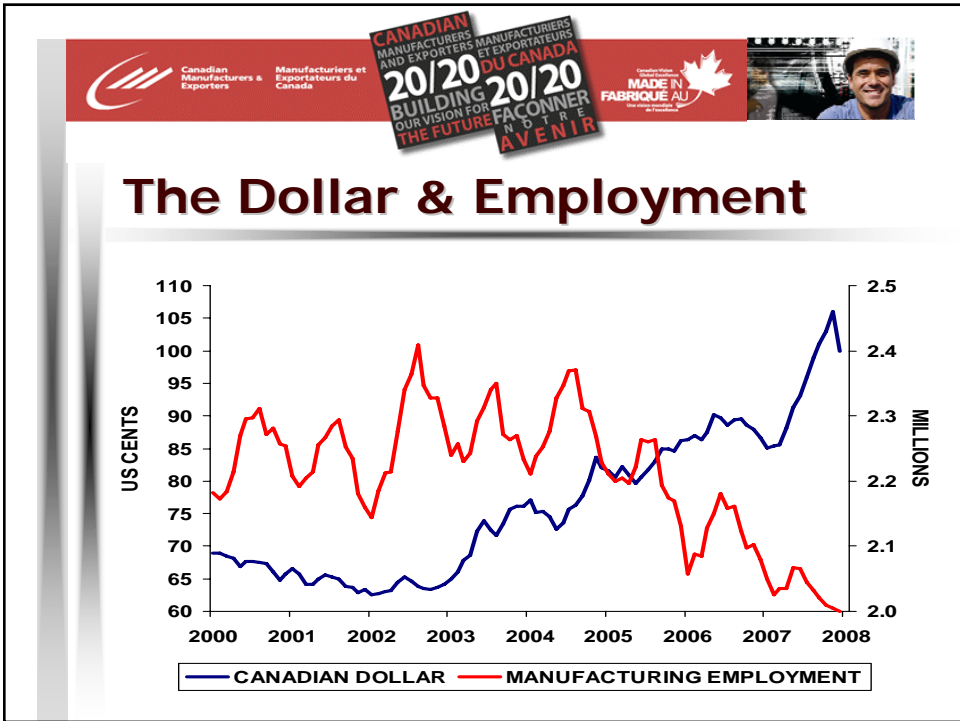
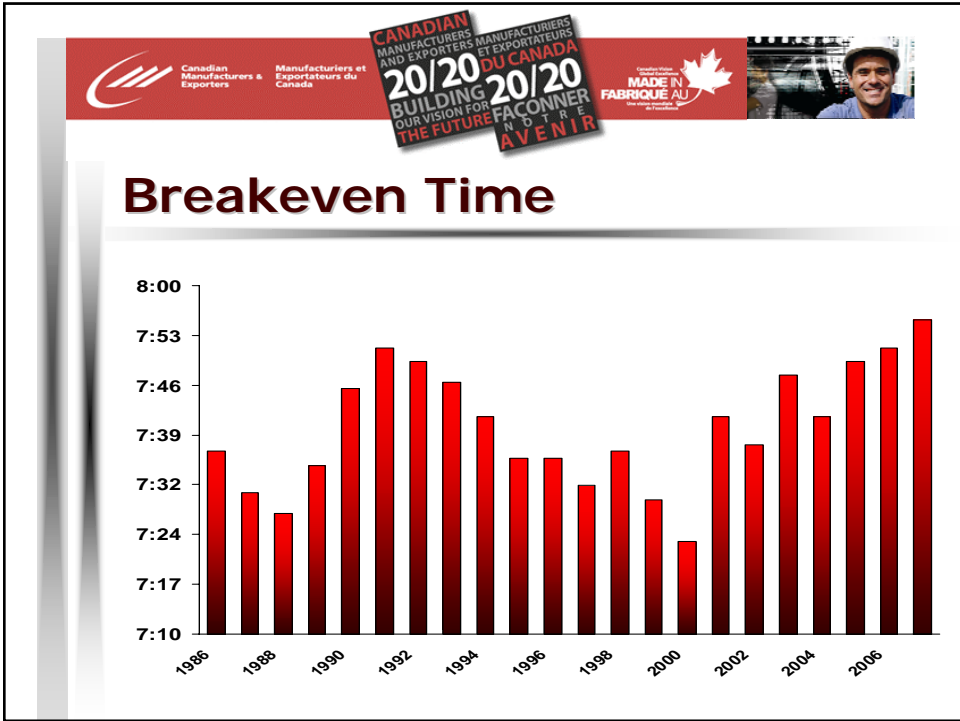


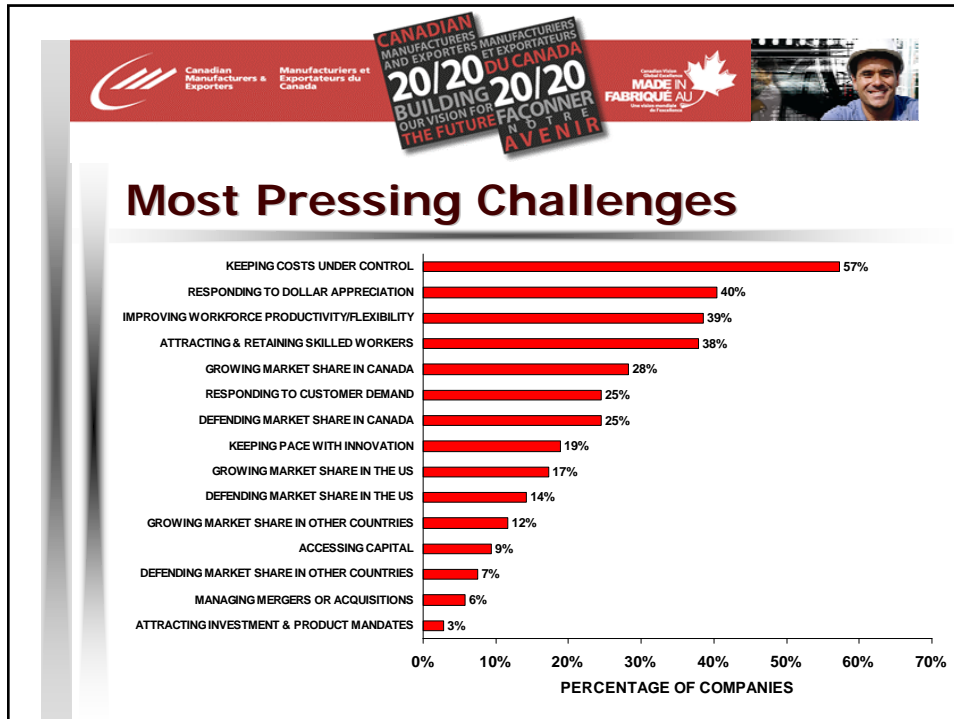
Canada: Manufacturing Sales











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- ## Outlook for 2008
- The Good News
 - Strong growth outside North America
 - Strong energy & commodity markets
 - Infrastructure & resource investments in Western Canada
 - The Bad News
 - High dollar – Prepare to compete over par!
 - High commodity & energy costs
 - US recession – credit market problems
 - Continuing competitive pressures in global markets
 - Labour Shortages



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Responding to the Challenge

- Leadership – New strategy & effective implementation
- Cash Flow – Hedging, pricing, contracting, outsourcing
- Lean – Focus on what customers value & eliminate waste
- Innovation – Solutions, specialized products & services, customization
- New market development – In Canada & around the world
- Logistics – Leveraging logistics advantages
- Achieving results through people – skills and workforce capabilities



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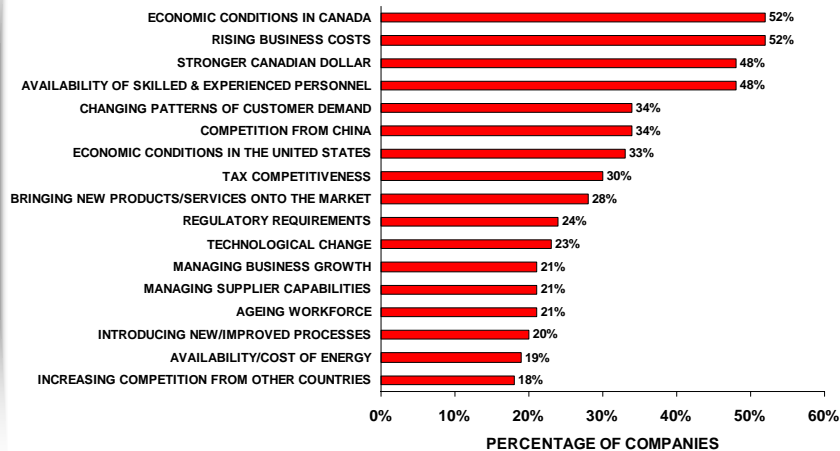
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Top Strategic Challenges





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Future Competitive Advantage

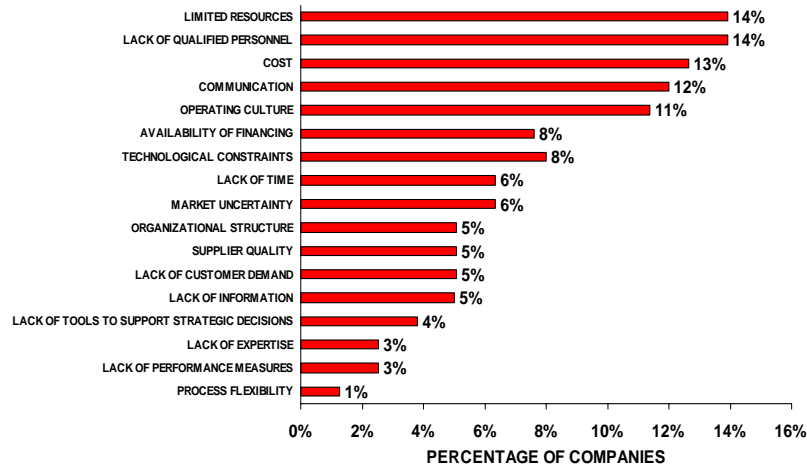
- Focus on Customer & Supplier Success
- Mastering global supply chains
- Knowledge management
- Specialized products & services
- Innovation – Continuous commercialization of new and improved products & processes
 - New technologies & automation systems
 - New business models and global value networks
 - New market opportunities
- Agility & Customization
- Customer Value – Design, Engineering, Service, Financing
- Time – Product Development to Customer Response
- Lean – Products, Processes, Enterprise, Business Networks
- Total Delivered Cost



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Constraints on Improvement





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CME's Mission

To play a critical role in our members' success by helping Canadian businesses excel and grow in domestic and global markets



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How CME can help ...

- **Access to Business Opportunities**
 - Energy & Oil Sands
 - International procurement
 - International partnerships
- **Access to Services**
 - Save time & money
 - Customized services; preferred rates
 - Mentor network



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How CME can help ...

- **Advocacy on critical policy issues**
 - Tax & regulatory environment
 - Borders, logistics, infrastructure
 - Skills & workforce development
 - Support for innovation & exports
- **Ontario Manufacturing Council**
- **Support for Investment Attraction & Retention activities**



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How CME can help ...

- **Affiliate Networks**
 - Support for local manufacturing associations as CME members
 - Access to CME services at reduced rates
 - Municipal affairs & best practices networks
 - Support for consortia development
 - Local procurement networks



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How CME can help ...

- **Productivity Improvement Program**
 - Workshops on Executive Leadership, Lean, Automation, IT Management, Energy Efficiency
 - Business Improvement Diagnostics
 - Funding for small scale improvement projects (\$25-\$50K)
 - Leverage other funding & support programs
 - Program announcement June/July 2008