



**Canadian
Manufacturers &
Exporters**

Manufacturing and EPR

**A Strategy for Industrial Competitiveness,
Investment, Innovation, & Growth**

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Leadership makes the difference

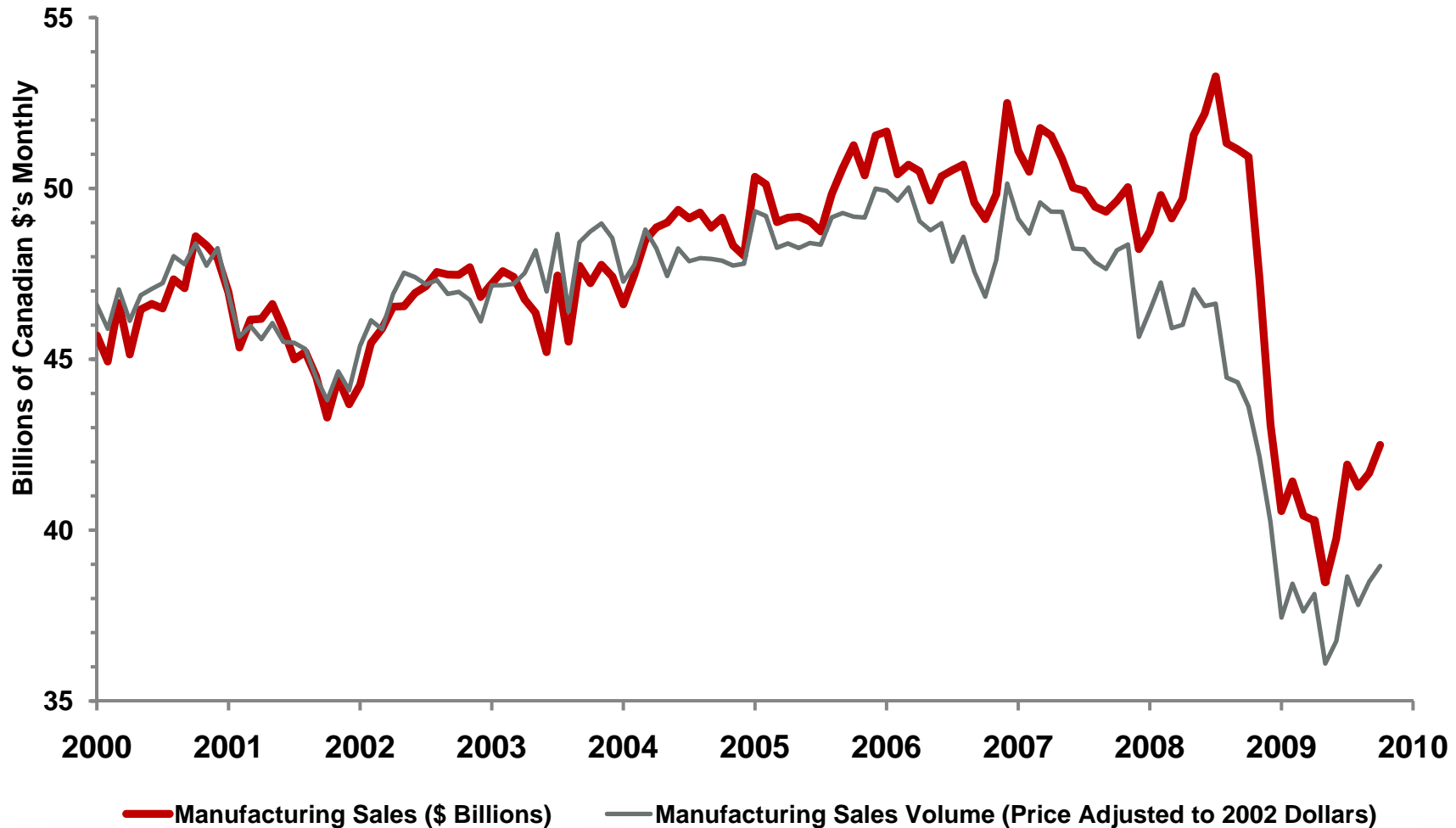


Who is CME?

- Established in 1871, Canada's largest national industry and trade association representing businesses that
 - Produce \$600 billion in goods annually
 - Employ over 3 million Canadians.
 - Represent 20% of Canada's GDP
- More than 85% of our members are SMEs
- **F**acilitate, **A**dvocate, **C**ommunicate, **E**ducate
- Strategic focus areas: **Productivity/competitiveness**, international trade, **energy/environment**, human resources



Canada: Manufacturing Sales





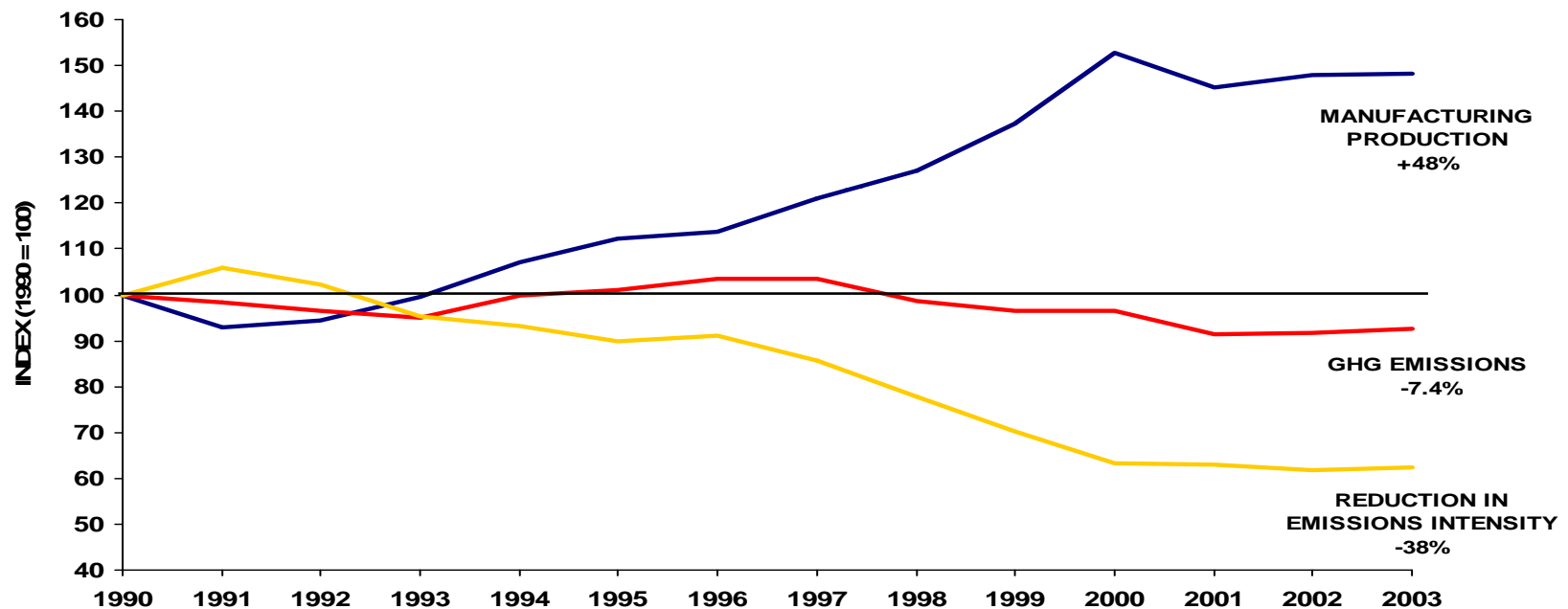
Manufacturing is “on the bus”

- Individual and corporate engagement
- Sustainability aligns with productivity/competitiveness
 - “EPR”
 - “3P’s”
 - “Cradle to cradle”
- Lean manufacturing
 - “Understanding true customer value and getting rid of waste (muda)”
 - 3M: “the expenditure of resources for any goal other than the end requirement is considered to be wasteful, and thus a target for elimination.”
- BC’s Carbon Tax
 - CCCACE-MWG ... should incent industry to invest in GHG reducing/productivity improving technologies, upgrade workplace skills (Lean) and product/market innovation

... however, there needs to be a careful approach!



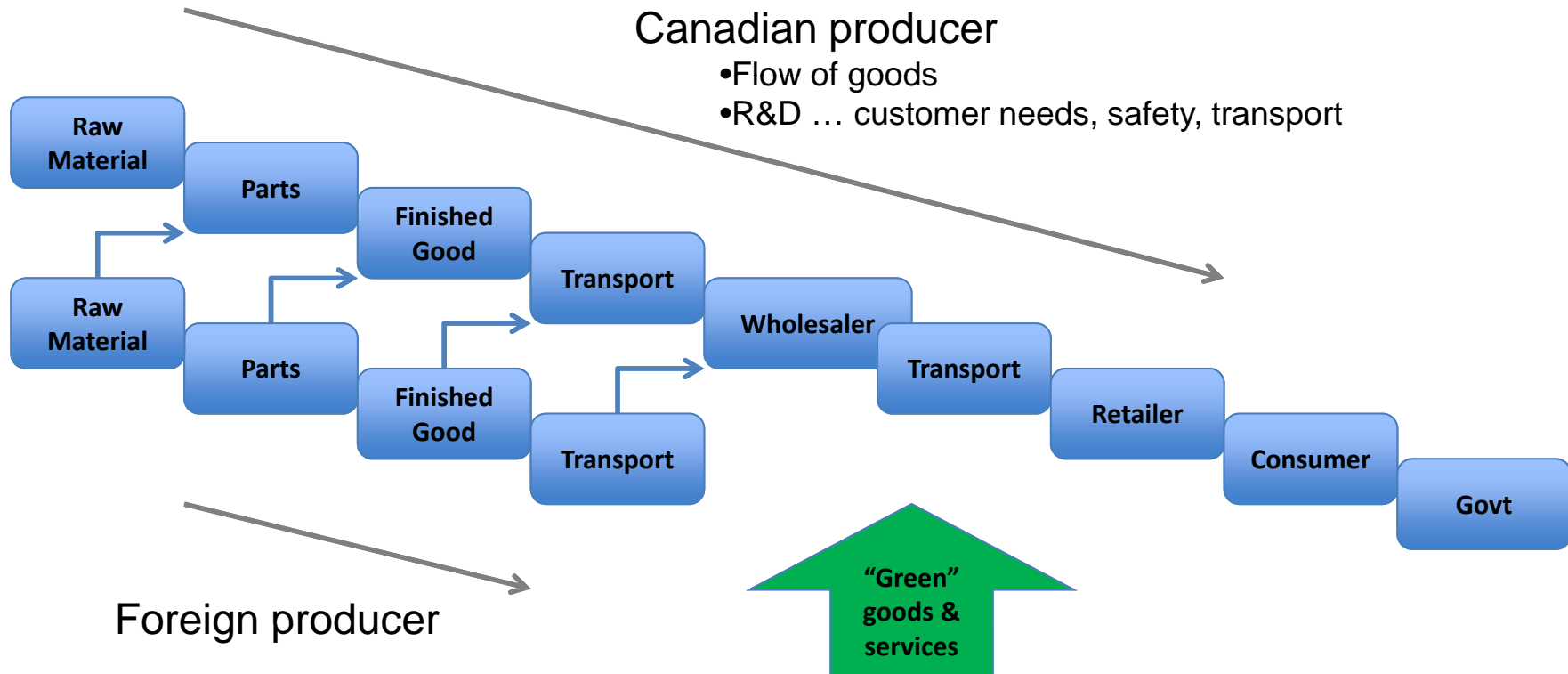
Canadian manufacturers have an enviable track record in reducing GHG emissions



- Manufacturers reduced GHG emissions by 7.4% between 1990 and 2003.
- Emission reductions were achieved even as production volumes increased by 48%.
- This represents a 38% reduction in emissions intensity.
- This requires continued investments in new technology



Part of the problem or part of the solution??!





“Green” Economy

- RoHS ... influenced by the big guys!
- As per GHG performance ... “show me the money!”
 - Policy/incentives to invest in new technologies ... production, processes, products, markets.
 - If innovation is not encouraged
 - Less profitable business cannot afford to make the required investments
 - Worse, they leave Canada.
- The “core” wealth producing industries that **extract, harvest or manufacture** must not be undermined ... or there will be no “green” economy.
- Producers of “green” goods and services will respond to customer need and societal driven policy ... “market pull” and a “regulatory push”.





Competitiveness Issues

- Increased productivity/improved business competitiveness – means economic growth, good jobs, and a high standard of living for Canadians.
- Manufacturing recovering from deep recession (sales down 30% in 2009) – sustainable recovery still uncertain.
- Need to reverse declining rate of capital investment in the face of deteriorating production, financial, & investment performance.
- Productivity in BC lags Canada, Canada lags the USA
- Intense competition for investment, product mandates, and market share as market power shifting to Asia and other emerging industrial economies.
- Highly integrated in North American & global supply chains. Canadian industry is trade exposed.
- Inability to pass along costs to customers/consumers
- Increasing costs of regulatory compliance, energy, transportation erode cash flow and investment performance.





Industry Recommendations

- Shared responsibility for producer, distributor, consumer.
- Prioritize and align regulatory goals with competitiveness objectives ... do not disadvantage Canadian manufacturers
- Must encourage investment/adoption of new technology ... process, products, markets (eg. Accelerated depreciation, HST, SREDS)
- KISS ... harmonized, simple, efficient, practical, and achievable targets and compliance requirements
- Regular consultations with industry on performance goals & progress – PDCA
- Ensure that progressive manufacturers are not penalized
- Educate SMEs





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Thank-you!!

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