

BRITISH COLUMBIA CANADA



**GROWING BC'S
SMALL AND MEDIUM SIZED**

MANUFACTURERS

Manufacturing is a key driver of exports and a major contributor to BC's strong economy.

A vibrant manufacturing sector is key to a thriving economy. It creates good jobs that bring vital new dollars into the province, generating revenue for government to support essential public services and communities across BC. In addition to the direct jobs created by manufacturing, the sector supports a wide range of service areas including: maintenance, transportation, professional services, accounting and legal assistance.

Government support for BC's small and medium sized (SMEs) manufacturers encourages the scaling up of business, the expansion of exports and increase of value-added processing, contributes to provincial growth and improved competitiveness.

Manufacturing SMEs are a critical segment of the economy that often lack capacity for business growth and development. The BC Government supports manufacturing SMEs through programs, initiatives, publications and resources designed to improve investment readiness, encourage economic development and increase competitiveness.



www.BritishColumbia.ca

A STRONG CONTRIBUTOR

Manufacturing is the third-largest contributor to the BC economy, after real estate and construction, accounting for \$17.7 billion or 7.2% of gross domestic product in 2018. The sector is growing steadily, with an average annual growth rate of 3.9% over the last five years – faster than the economy overall. In terms of exports, manufacturing is the clear leader, accounting for 61% of total goods exports bringing new dollars to the economy.

BC's diverse manufacturing sector draws on the province's rich natural resources to create high-quality and innovative forestry, mining and agrifood products. It also has a robust non-resource manufacturing segment, with shipbuilding, aerospace and machinery production capacity as well as major companies in innovative, sustainable areas such as clean-tech and life sciences. BC manufacturers can depend on a highly skilled workforce, low-cost renewable electricity, easy access to international markets through our major ports of Vancouver and Prince Rupert, and strong trading relationships with Asian markets and abroad.



\$17.7B
of Gross Domestic
Product



13%
Higher than
Average Earnings



61%
of Total Goods
Exports

PROVIDING GOOD JOBS

Manufacturing adds value to our resources, raises the export value of our products, and creates good jobs to the benefit of all British Columbians. Manufacturing is among the top industries by employment regionally, connecting rural and urban centres with a constant flow of goods and economic activity as manufactured products make their way through the value chain of services to BC's ports to be exported to global markets.

The manufacturing sector employs more than 174,000 British Columbians. There are close to 11,000 small manufacturers in BC that have fewer than 50 employees, which comprises nearly 94 percent of the sector. The manufacturing sector pays higher than average wages compared to other industries. Further, the average annual earnings for manufacturing SMEs are six percent higher than average for SMEs in the province.

The province has created and invested in three economic development corporations to support regional economies; the Northern Development Initiative Trust (NDIT) in central and northern BC, Southern Interior Development Initiative Trust in the southern interior of BC, and the Island Coastal Economic Trust Initiative in central and northern Vancouver Island and the Sunshine Coast. These corporations stimulate diversity, economic growth and job creation. For example, NDIT supports business development through programs such as the Competitiveness Consulting Rebate Program and Northern Innovation Industries Fund, opening new doors for local companies in geothermal, wind energy production and wood processing.

ON THE HORIZON

Manufacturers in BC are poised for success, building on their momentum.

For the past five years, BC has had the fastest-growing manufacturing sector in Canada in terms of GDP. In 2017 alone, the sector added scores of new jobs and saw increased investment in commercial space outside of traditional higher-cost urban areas. For example, projects like **Metal Tech Alley** (see Breaking New Ground, top-right) reveal how manufacturers in BC are making an impact.

BC companies are capitalizing on exciting opportunities in clean-tech and the life sciences, building on BC's internationally recognized technology sector and support from government to stay ahead of the curve. Companies, such as **Mazza Innovation Sentient**: Mazza uses

BREAKING NEW GROUND

Metal Tech Alley: More than 80 small, medium and large companies are participating in a multi-community public private partnership in the West Kootenays. Led by regional economic development office the Lower Columbia Initiatives Corporation, this metals/technology-based initiative works closely with regional municipalities to create a diverse and robust digital fabrication, electronics recycling and IIoT technology cluster. Anchored by Teck Metal's zinc and lead smelting and refining complex and i4C Innovation Centre in Trail, Metal Tech Alley seeks to capitalize on strong local support for industry, a skilled workforce and availability of manufacturing inputs to drive and diversify their economy.

their proprietary technology to extract bioactive enzymes from plants using only water, producing clean and green ingredients for the value added manufacturing of foods, dietary supplements, and beauty products. **Vitalus**, a leading agrifoods company, is also at the cutting edge of technology innovation in food processing. Support from the Ministry of Agriculture's Growing Forward 2 program has helped Vitalus develop new value added products used in the food, beverage and the nutraceutical industries that are exported globally.

BC's resources and people are vital to achieving the sector's full growth potential. Increasing the participation of underrepresented groups, such as women and Indigenous people, connects industry to talent and available land, offering BC manufacturers a path forward in attracting and retaining qualified workers with highly-specialized skills. Further, scaling up manufacturing SMEs mitigates challenges associated with size and scale, which limited their ability to invest in equipment and R&D capabilities, affecting productivity, innovation capacity and competitiveness.

SUPPORTING CLEAN TECH

Aligned with the Province's goals to integrate climate action, clean energy and sustainable economic growth, the Innovative Clean Energy (ICE) Fund has supported **Saltworks Technologies** to create more than 40 highly skilled jobs, win major international and competitive orders, develop two new BC-based production facilities, and become a world leader in environmentally focused industrial water treatment.

Initially a 2013 pilot project, **Saltworks Technologies** started on Vancouver's Burrard Inlet seashore to commercialize an innovative technology that treats the most challenging industrial salty wastewaters.

A BETTER FUTURE TOGETHER

BC government actions have focused on three key priorities: making life more affordable, delivering services people count on and building a strong, sustainable economy. These priorities depend on a healthy and growing economy that provides well-paying jobs and generates revenue to support communities and government services.

For manufacturing, policy and partnerships are centered on three goals:

1. Increasing the number of high-paying, skilled manufacturing jobs through business scale-up measures and expansion into new markets;
2. Facilitating the adoption of advanced and sustainable manufacturing practices to support innovation and improve productivity and competitiveness; and
3. Ensuring the growth and success of the BC manufacturing workforce occurs alongside increased opportunities for women, Indigenous People, refugees and immigrants, and people with disabilities.

SUPPORTING SMALL AND MEDIUM SIZED MANUFACTURERS

Government's approach is aimed at leveraging current programs that work.

The BC Government is committed to creating a positive business environment that supports growth for small and medium manufacturers to increase exports to ensure new dollars flow into the province.

For example, many manufacturers benefit from the small business tax cut and will be able to take advantage of the elimination of the non-residential PST on electricity in 2019. Other initiatives, such as the federal Digital Supercluster and Strategic Innovation Fund, support advanced manufacturers and technology companies.

The BC Government also offers a wide range of programs and initiatives that are designed to support manufacturers seeking to innovate, scale-up, grow exports, and develop and retain a skilled workforce.

BUILDING SUCCESS

Investing in new equipment allowed **AI Industries** to increase output and more than double its workforce. In 2004, this structural steel manufacturer shifted production processes through key investments from traditional methods to its first automated system. The investment enabled the company to improve quality and grow exports with new contracts in Washington, Oregon, Hawaii and Alaska.



LEADING MANUFACTURING IN LIFE SCIENCES

The BC Government is supporting Canada's first large-scale, advanced biologics manufacturing facility by investing \$22.5 million in **STEMCELL Technologies**. With total project funding of \$138.1 million, this collaboration between the province, the Government of Canada's Strategic Innovation Fund and STEMCELL Technologies supports one of BC's most innovative companies.

GOVERNMENT SUPPORTING GROWTH AND EXPORT

Changes to federal – provincial workforce development agreements have given the Province flexibility to address specific labour market needs. For example, the BC Employer Training Grant reimburses manufacturers for "in-house training" in response to automation and technological advancements, such as new software, technology or machinery.

TYCROP Trailers, a commercial truck trailer manufacturer based in Sardis, BC, was a pilot participant in the BC Supplier Development Program. The pilot supported TYCROP Trailer's development; enabling employee growth from 70 to 130 and doubling annual revenue to approximately \$40M.

The BC Government Export Navigator pilot program offers businesses access to community-based export specialists outside the Lower Mainland. For example, companies receiving support for market entry and expansion include: **Honey Candles**, a Kaslo boutique candle maker; **D-Pace** a Nelson-based company that designs and supplies beamline systems, beam diagnostic devices, and ion sources for particle accelerators; and **Pine Profiles**, a Creston-based wood products manufacturer of construction material, paneling, siding and flooring products.

MANUFACTURING SUPPORTS

Supporting Business to Scale-up

Small Business BC is the province's premier resource centre for small businesses. It provides company owners with a wide range of products, services and support to enable growth and sustainability.

Innovate BC provides students with training opportunities in BC's technology sector through the **Tech Co-op Grant Program** and the **Innovator Skills Initiative**. Both programs provide grants for businesses to hire students for tech-specific roles.

The **BC Supplier Development Program** pilot helps small and medium-sized companies develop the capacity needed to expand their businesses and take part in international supply chains.

Supporting Business to Innovate

The **Innovative Clean Energy Fund** supports pre-commercial clean energy technology projects, clean energy vehicles, research and development, and energy efficiency programs.

Innovate BC Ignite Program provides funding to accelerate the commercialization of new technologies and innovations in the natural resources and applied sciences sectors in BC.

Growing Forward 2 provides cost-shared funding to support promising new products, practices, processes and technologies that have the potential to generate a benefit to the agriculture sector.

Supporting Business to Export

The **Export Navigator Program** offers access to community-based export specialists who provide businesses with a personalized, step-by-step approach to exporting and help connect them to available resources.

The **BC Trade and Investment Representative Network** includes trade offices in 17 locations, including 9 in Asia, 4 in the United States, 3 in India and 1 in the UK. These offices help export-ready BC businesses create and strengthen overseas relationships.

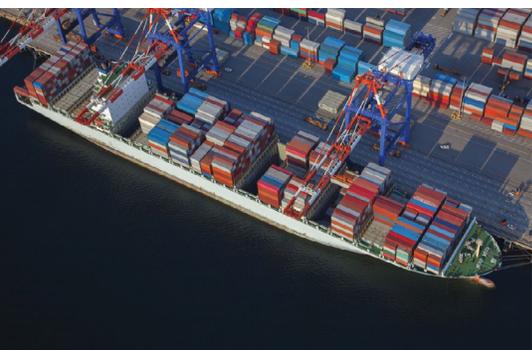
Forestry Innovation Investment is a government-funded market development agency that works to strengthen and diversify international markets for BC forest products. It is funded and accessed through the BC Wood Specialties Group.

Supporting Business to Develop Exceptional Talent

The **Sector Labour Market Partnerships Program** provides funding for industry-led research projects to better understand and respond to changing labour market demands.

The **Training Tax Credit for Apprentices** helps make trades training more affordable. The program provides refundable tax credits of up to \$3750 for apprentices enrolled in programs administered through the Industry Training Authority.

The **B.C. Employer Training Grant** funding for employers to support skills training for their current and new employees to adapt to the changing requirements of jobs and the labour market including a technical skills stream supporting automation and technological advancements, such as new software, technology or machinery.



CONTACT:

Ministry of Jobs, Trade and Technology
PO Box 9327 STN PROV GOVT
Victoria, British Columbia
Canada, V8W 9N3

EconomicDevelopment@gov.bc.ca
gov.bc.ca/EconomicDevelopment

Printed
Oct. 2018

Every effort has been made to ensure the accuracy of this publication at the time of writing; however, the programs referred to and data cited are subject to change. All figures are in Canadian dollars.

