



Take Back Manufacturing

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The Slow Death of Canadian Manufacturing !!

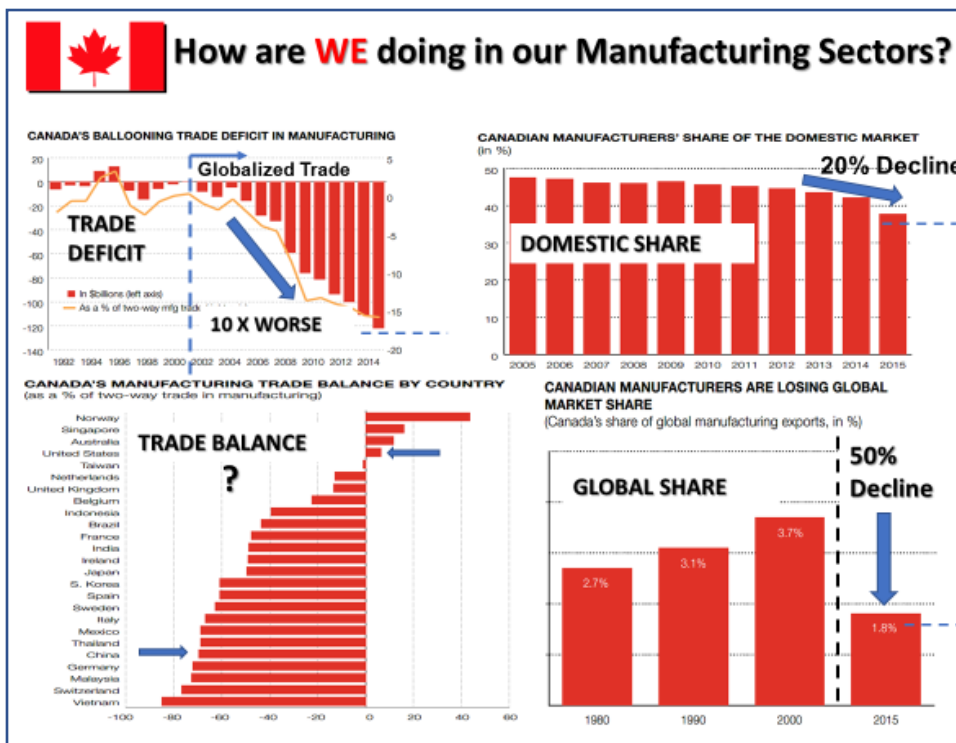
Currently Canada lacks the correct political will and focus to support its manufacturing sectors.

The Canadian Manufacturing sectors continue to decline and lose market share and trade balance.

Since 1980 the Manufacturing trade deficit has increased 10 times to more than \$100 Billion.

Since 2000, more than 25% of the manufacturing workforce (about 500,000 citizens) have been displaced into lower paying or more precarious employment due to globalized manufacturing.

Those that have remained in manufacturing have seen wage values decline with many jobs now almost minimum wage and a high percentage are temporary in nature, even though they demand significant knowledge, skill and experience.



To reverse this continuous decline of manufacturing in Canada our governments at all levels must develop a combined roadmap with industry and the educational organizations and to make it happen.

Canada's government/s at all levels must realize we won't get rich on services, or just shipping raw resources out of our economy without adding value to these resources.

We must make much more of what we consume, rather than continue to import them.

We must have a balanced economy of resources, manufacturing and services.

Currently Canada lacks the correct political will and focus to develop such a balanced economy.

We lack strong federal government direction and planning to recover an ailing, under managed resource sector, and this is illustrated by the lack of planning and direction in building pipelines to get the product to markets.

The current Canadian federal government, after a struggle, eventually closed a new USMCA trade agreement. But, they must ensure that the future trade relationship with the USA is far more aligned on trade ideology. This is a must, so that we benefit from the reshoring efforts happening in our closest and largest trading bloc partner, who has an economy 10 times our size.

Many products are now and will be reshoring back to local manufacturing supply chains to support the consumer base within the new NAFTA 2.0 (USMCA) trade agreement, but many experts do not consider Canada a logical and typical reshoring destination within this new trade bloc.

The reasons for “why not Canada?” are many. We are a relatively high-cost destination with a very questionable political will to set a consistent, national industrial policy in hopes of convincing business leaders to invest, but often, Canada presents a comparatively small consumer base with flat growth, an unpredictable resource-driven exchange rate, high overall energy costs, non-competitive transportation and border transactions, as well as high labor expenses and punitive safety and environmental legislations.

The federal government has done little to assure business leaders that the Canadian dollar will never again get over inflated by resource growth as we experienced in the last few decades.

The adoption of a carbon tax supporting the myth of man-made climate change will make this competitive footprint even worse.

Our advantage of a lower corporate tax rate is now diminished due to the US lowering their rate.

Although strong in the past, our skilled workforce is diminishing and is not being maintained.

The expert prediction is that the decline in the manufacturing sectors will continue to happen due to a total lack of overall government focus on effective industrial policies, legislations, and ineffectiveness in addressing national competitive factors such as exchange, taxation, tariffs and minimum wage rates etc.

Our governments, manufacturing sectors and our educational support organizations must respond to these challenges and work more cohesively to reverse this outlook.

Local Governments must focus on industry support including upgrades and maintenance of energy, logistics and communication infrastructure. They must improve regulatory efficiency and remove waste from product and process compliance requirements and better manage ineffective business “Entitlement funding”.

New technology development plans must be far better planned and must be driven by industry, and better integrated into local academic centers to jointly undertake R&D projects.

Small business needs a less complicated method to access development funding, and more direct access to talent and the education support needed to take the industry sectors to the next level of performance.

What also concerns many citizens is that the over liberalized federal government agenda appears to be far more focused on “who we are” in terms of our social image to the rest of the world than “how we as citizens are doing”

So, we need government to communicate and align with our major trade partner/s and undertake a compatible and winning trade policy as well as improve the support for industry to “Take Back” our manufacturing sectors.

For more about our advocacy go to www.sme-tbm.org

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Advocate

Take Back Manufacturing.

Nigel Southway is an independent business consultant and the Author of CYCLE TIME MANAGMENT ...Fast Track to Time Based Productivity Improvement A LEAN Thinking Textbook.

He consults and educates worldwide on Business Productivity Improvement LEAN Business Improvement Initiatives, Joint Ventures, New Product Introduction Systems, Global Technology Transfer projects, Advanced Manufacturing Engineering and Global Sustainability.

He is past chair of the Society of Manufacturing Engineers and the leading advocate for the Take Back Manufacturing Forum and the North American Reshoring initiative in Canada. www.nigelsouthway.com