

Machinery and Equipment

The Hibernia platform is the world's largest offshore platform by weight. Located off the coast of the province of Newfoundland and Labrador, the platform stands 224 metres high—about half the height of the Empire State Building. During construction, a large share of Hibernia's oil and gas machinery was supplied by Canadian companies.



WITH SALES OF SOME \$26.8 BILLION in 2009, Canada's machinery and equipment manufacturing sub-sector continues to attract international investment. Global machinery and equipment manufacturers with a Canadian presence include France's **ALSTOM**, **Hitachi Ltd.** of Japan, Germany's **Siemens** and Texas-based **Tesco Corp.** Canada offers these firms the lowest statutory payroll costs in the G7 and the highest proportion of engineers in the G8.¹ Its machinery and equipment manufacturers are highly diversified, with a pool of more than 150,000 skilled workers in niches ranging from metalworking machinery to agricultural equipment. Two other inducements are provincial manufacturing and R&D tax credits, and proximity to key customers throughout North America.

Metalworking Machinery

Toronto and southwestern Ontario are home to Canada's largest machinery manufacturing cluster, which accounts for half of all employment in the sub-sector. With 80% of total Canadian employment in metalworking machinery, the Ontario cluster serves the automotive and aerospace industries.

Mining, Oil and Gas Field Machinery

One-quarter of Canada's biggest machinery manufacturers produce equipment for the extractive industries. The bulk of medium and large oil-and-gas-equipment makers are clustered in Calgary and Edmonton, where **Tesco** and others serve Alberta's booming energy sector. In 2008, **Metso Corp.** of Finland acquired the **GE Energy** fabrication and machining plant in Lachine, Quebec, which increases the company's capacity for large mining equipment.

Agricultural Machinery

Two Canadian centres for agribusiness manufacturing are Brandon and Winnipeg, Manitoba, whose annual shipments of agricultural machinery top \$1 billion. Manitoba's 250 agricultural machinery firms include more than 80 OEM suppliers.

General-purpose Machinery

Canada's general-purpose machinery manufacturers produce everything from pumps and compressors to materials handling equipment. In 2009, following a \$2-million upgrading investment, **Siemens Canada Ltd.** launched production of its new **TIASTAR** Motor Control Centre (MCC) products at its Burlington, Ontario facility.

KEY VALUE-CHAIN STRENGTHS

- **Research and development:** Advanced materials, machinery design, hybrid technologies, intelligent systems design, plant design
- **Product development:** Engines, transmissions, electronic systems, bearings, cables, pumps, sensors, valves, fasteners, stampings, castings, forgings and extrusions

KEY SEGMENT STRENGTHS

- Automotive and aerospace metalworking machinery
- Extractive field machinery
- Construction machinery
- Agribusiness machinery and equipment
- Environmental systems

¹ IMD. *World Competitiveness Yearbook 2009.*