

CHEMICALS AND PLASTICS

Chemicals

- **Critical mass.** With 77,670 workers and 2,700 establishments, Canada's chemical industry is one of the country's largest manufacturing sectors. In 2010, the total value of the industry's shipments was \$44 billion, including \$28 billion in exports.
- **Abundance of local feedstock.** Substantial reserves of natural gas provide a readily available source of competitively priced feedstock and enable low-cost production of ethylene and its derivatives. Large and efficient extracting plants, modern ethylene crackers and some of the world's biggest derivative plants enable Canada to achieve important economies of scale.
- **Strong recovery and profits.** Industrial chemicals recovered strongly in 2011. Total sales reached \$25 billion, an 18 percent increase over 2010, leading to operating profits of \$3.9 billion, up 61 percent from 2010. Canada's competitive operating costs, along with increases in commodity prices, contributed directly to profitability. Indeed, according to KPMG (Competitive Alternatives, 2012), Canada recorded the third-lowest cost of business in the chemicals sector among established industrialized countries.

Plastics

- **A large and diversified industry.** With 2010 shipments valued at approximately \$17.6 billion (including exports worth \$6.7 billion), a workforce of 76,000 and more than 2,400 establishments, Canada's plastics sector is a sophisticated, multi-faceted producer of plastics products, machinery and moulds, as well as synthetic resins. The industry is closely integrated with other advanced-manufacturing sectors such as aerospace, automotive, medical devices and telecommunications.
- **Talent and expertise.** Canada's large pool of highly skilled machinists and technicians represents an important asset. Canadian firms have internationally recognized expertise in high-quality injection moulding, thermoforming machinery and blown-film extrusion systems, as well as extrusion capability for corrugated pipe and other specialized plastic profiles. The industry is well supported by a large cluster of mould-making specialists: of the top ten North American mould makers in 2010, six are Canadian companies.
- **Joining the rise of bioplastics and biorubbers.** Canada is a leading global centre for the research and development of processes to produce plastic resins from biomass. Companies able to access Canada's abundant supply of low-cost alternative feedstock continue to gain ground in this fast-growing market worldwide.