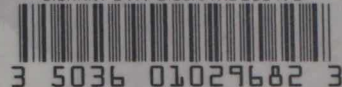


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## CANADA

I N V E S T M E N T      E W S

DECEMBER 1996

# Glaxo Wellcome invests \$120 million

in new  
manufacturing/  
science  
complex  
near Toronto

Initial production tests and quality certification trials are under way at Glaxo Wellcome Inc.'s new integrated manufacturing and product development centre at Mississauga, Ontario.

When the \$120 million complex comes into full operation in mid-1997, it will produce a range of Glaxo products including Zantac® (for ulcer treatment), Imitrex® (migraine), Zofran® (cancer therapy side-effects), Zovirax® (shingles) and 3TC® (HIV/AIDS).

Glaxo Wellcome Inc. is the Canadian subsidiary of Glaxo Holdings p.l.c., of the U.K., the world's largest pharmaceutical company in terms of sales.

Paul N. Lucas, President and CEO of Glaxo Wellcome Inc., points out that the company already exports over half its output to the United States. He says: "Construction of the new facility will lead to an expansion of our already significant exports to the U.S. and also to new global product mandates within Glaxo Wellcome."

In an interview with *Canada Investment News*, Corporate Communications Manager Tim Turnbull

Please see **GLAXO** page 2

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manufacturing and pharmaceutical science units in one building complex to bring gains in efficiency. When fully operational, the plant will employ more than 350 production, research and development personnel. ♦

GLAXO • Cont'd from page 1

characterized construction of the new centre as "a vote of confidence in the Canadian economy, in the productivity of our workforce and the creativity of our R&D personnel." He added that Glaxo Wellcome's choice of Mississauga for the expansion reflects three major Canadian advantages:

"The first and most basic is this country's current intellectual property regime. That provides the essential patent protection needed to justify a large investment in product development.

"Second is location — close to our major export market, the United States — and excellent trans-border

transportation connections.

"Third is the existence in Canada of an advanced health care system — an asset in conducting clinical trials."

One of the most advanced pharmaceutical plants in the world, the Mississauga facility has already attracted worldwide interest and acclaim from industrial facility designers.

Among its many innovative features is a state-of-the-art, integrated storage and retrieval system which delivers components directly and rapidly to the point of use. Glaxo Wellcome also expects the consolidation of



## Booming markets trigger \$130 million expansion of Lafarge Canada's British Columbia operations

Lafarge Canada Inc., part of the world network operated by the Lafarge Group of Paris, France, has begun a \$130 million expansion and modernization of its cement factory at Richmond, British Columbia, to serve booming markets on the Canadian and U.S. Pacific coasts.

Under the modernization program, Lafarge will install new processes, sophisticated manufacturing control systems and \$25 million worth of advanced pollution abatement equipment.

Lafarge Canada, whose corporate headquarters are in Montreal, Quebec, is a subsidiary of the U.S.-based Lafarge Corporation. Based in Reston, Virginia, the company, which is North America's largest cement producer, operates 14 plants and reported 1994 sales of US\$ 1.6 billion. Lafarge Canada is Canada's largest cement manufacturer and accounts for one third of all production in the country. In addition to its B.C. installation, the company operates a plant in Nova Scotia.

In an interview with *Canada Investment News*, Ted Pile, Vice-President, Communications, at Reston, says: "The new plant will replace an installation built in 1958 that was actually Lafarge's first plant in Canada."

The new facility will be capable of producing 500,000 tonnes of cement per day, double the existing capacity. "In terms of technology, it will be one of the most advanced plants in North America," he says.

Steve Brooks, Plant Manager at Richmond, notes that the existing plant has been running at full capacity for the past four years. Mr. Brooks says: "This expansion will allow us to keep pace with soaring demand for cement generated by the construction boom in British Columbia and Washington State."

He adds that the advanced technology, will "make us a low-cost cement producer while continuing to provide our customers with the highest quality products." ♦



# Alcatel's Quebec City plant wired for \$21 million upgrade and expansion



**A**lcatel Canada Wire, a subsidiary of France's largest cable manufacturer, is spending \$21 million to expand and modernize its plant in Quebec City.

Patrick Barth, Executive Vice-President, Operations, says: "This project is part of a larger restructuring program designed to improve our market share and productivity. We were looking for a base to serve the Canadian and U.S. markets and also customers overseas."

"We surveyed several possible locations, including some in the United States, before choosing this one."

Alcatel has operated its facility at Quebec City since 1963, dedicated mostly to serving the Canadian market. Experience since that time played an important part in winning the new assignment for the plant. "Everything is right for us here," says Mr. Barth. "This plant has consistently turned in a good performance in terms of profitability and productivity. The work force has an excellent work ethic and the ambience is good. All that was needed to

make it a multi-market production base was to upgrade the equipment and hire the necessary additional people. "Furthermore, the location is strategically excellent, with good access to all our markets. Costs are lower than in Europe and the United States."

Mr. Barth says that since the restructuring program began, the Quebec City plant has been filling orders from overseas customers as distant as Kuwait and Bangladesh.

Alcatel's investment is supported by a three-

year, interest-free \$1.6 million loan from the Quebec government.

Headquartered in Toronto, Alcatel Canada Wire is one of North America's largest full-line manufacturers of power and equipment

accessories. The Canadian company employs approximately 1,000 people and operates nine manufacturing locations throughout North America, seven in Canada and two in the

The French parent company, Alcatel Cable, which recently merged with the corporate grandparent, Alcatel Alsthom, is one of the largest companies in France. Alcatel Cable is the world's largest pro-

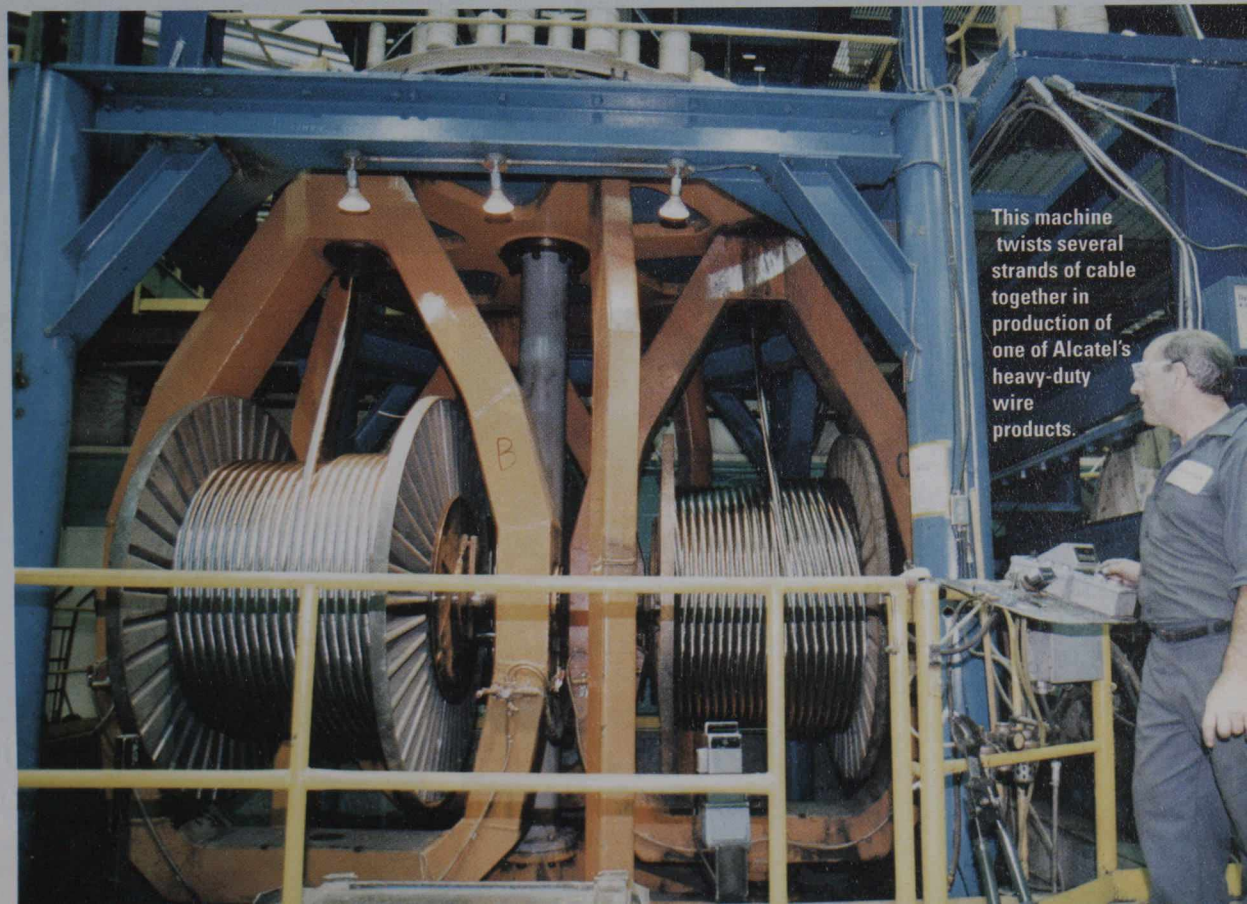
"Furthermore, the location is **strategically excellent**, with **good access** to all our markets.

**Costs are lower** than in Europe and the United States."

cable. Its product lines include data communications cables, magnet wire and cable

United States. It markets its products and services to some 69 countries.

ducer of power and telecommunications cable. ♦



This machine twists several strands of cable together in production of one of Alcatel's heavy-duty wire products.



# SPM's<sup>NEW</sup> Canadian plastic moulding plant **OFF TO** *a rapid start*

**I**n the two-year history of SPM Calgary Inc., everything has happened faster than usual, beginning with its start-up in September 1994, just 70 days after incorporation. By December of that year, the number of production machines up and running had increased from five to eighteen. In January 1995, the company recorded its first \$1 million sales month.

SPM hasn't paused for breath. André LeBlanc, president of SPM Calgary, a subsidiary of Dynacast Inc., says: "When we opened this plant, we had 14 employees. We now have 260. We achieved ISO 9002 Certification in the first year. By the end of 1996, we expect to have doubled our sales to more than \$30 million."

SPM launched its Calgary operation in 78,000 square feet of leased space, investing \$5.5 million to install 23 injection moulding machines, many of which are equipped with robotic units.

Since then, the Alberta facility has become one of Canada's most important plastic injection moulding plants, operating on a 24-hour day, seven-day week schedule with 27 machines, a major mould manufacturing department and automated assembly processes.

LeBlanc links the company's whirlwind expansion to a widening of market base. Originally, the U.S. parent company established SPM in Calgary to serve a single customer: NorTel, the Canadian telecommunications giant. SPM is the principal supplier of plastic telephone components to NorTel.

SPM has been an efficient supplier, providing ongoing four-hour just-in-time delivery to NorTel. Meanwhile, says LeBlanc, the plant has expanded beyond its original mission. "Over the past two years we have widened our market base to bring in new, large customers." In telecommunications these include: JRC Canada Inc. and Novatel; in medical/pharmaceutical products: Beaconway

Technologies Inc.; and in industrial products: SMED.

The parent company, SPM Inc., came into being when BACE Manufacturing and Dynacast Inc. of Yorktown, N.Y., merged their plastic operations to form one of the largest custom moulding operations in North America. SPM Inc. employs 1,100 people at 15 locations throughout North America. Dynacast International Ltd. is the largest fabricator of precision metal components in the world. ♦

**"When we opened this plant,  
we had 14 employees. We now have 260.**

**We achieved ISO 9002 Certification  
in the first year.**

**By the end of 1996, we expect to  
have doubled our sales to more than  
\$30 million."**







# KEANE Inc. chooses Halifax as software development centre

Keane Inc. of Boston, Massachusetts, a \$450 million information technology heavy-weight, is establishing a software application development centre at Halifax, Nova Scotia, to serve its clients in Canada and the U.S.

Keane designs, develops and manages software for corporations and health care facilities and its client list includes *Fortune 1000* companies such as IBM, AT&T, Microsoft, General Electric, and Elf Atochem.

In an interview with *Canada Investment News*, Vice-President John F. Keane Jr. underlined the importance of Nova Scotia's human resources edge as a factor in the company's decision to move into the province. "For software companies, the United States is currently a very labour-short market and we need to look beyond our borders to find the skills we need.

"After reviewing a number of options we chose Halifax. We were impressed by the availability of trained professional help in the area, including software development engineers and computer science graduates. This location is also handy to cities in the U.S. northeast where many of our major clients are located. In addition to all that, the costs of setting up and operating a software development centre here, compare favorably with those in similar U.S. locations."



**John Keane Jr.**  
is Vice-President of  
Keane Inc.

Also influencing Keane's decision was the success of the company's other Canadian operation — a software development unit in Toronto. The company's Canadian clients include Royal Bank, IBM Canada, Consumers Gas, and Maritime Tel. & Tel.

Mr. Keane says: "The company will be making a significant initial investment in the development and delivery of business for the Halifax Centre." The Nova Scotia government is contributing \$1.7 million in the form of a loan through the Canada/Nova Scotia Cooperation Program. The Centre will employ 113 people at the outset.

Commenting on Keane's arrival in Halifax, Nova Scotia's Premier John Savage says: "This marks the addition of another major player in the province's growing Information Technology community; and demonstrates the importance that high technology companies attach to the quality of Nova Scotia's skilled workforce." ♦

For the results of a recent comparative study of costs in Atlantic Canada with U.S. cities, see page 11.

## New KPMG study SHOWS THAT

# U.S. dollar goes further in Canada

**For the third year in a row,** a comparative survey of business costs has shown that Canada enjoys a significant advantage over the United States.

Conducted by KPMG Management Consulting, the study focused on location-sensitive start-up and operating costs for seven industries in 13 Canadian and 10 U.S. cities.

### Key findings:

- Overall costs are lower in Canada for all seven industries.
- Costs related to location are, on average, 15.7% lower in Canada. These components account for about 40% of total operating costs and translate into an overall after-tax cost advantage of 6.7%.
- Industrial, land construction and electricity costs are lower in Canada.
- Canada's system of R&D tax credits contributes to the Canadian cost advantage.
- Canada's overall cost advantage holds as long as the purchasing power of the U.S. dollar is about \$1.15 Canadian. This is well below the trading range of the last several years.

The study looked at the following cost factors: industrial land, construction, labour, electricity, transportation, telecommunications, interest and depreciation, and tax treatment (federal, regional and local taxes and R&D credits).

Sponsoring the study were the Department of Foreign Affairs and International Trade, the Royal Bank of Canada and the Economic Developers Association of Canada. ♦

If you wish to purchase a copy of the original report, please contact the editor of the study:

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# Germany's Degussa picks Quebec City for its latest North American expansion

**R**esponding to a surge in demand from its worldwide customers, Degussa Canada Ltd. is investing \$140 million to establish a new hydrogen peroxide production plant in Quebec City. Designed to serve North American and global markets, the facility will come on-stream in mid-1998. It will employ 150 people and will be one of the world's largest hydrogen peroxide production plants, with an annual production capacity of 65,000 metric tonnes.

Announcement of the new facility came two months after Degussa opened its new tank farm and shipping terminal at Quebec City to receive and store hydrogen peroxide shipped in from the company's plants in Europe. The tank farm recently received its first ocean tanker shipment of hydrogen peroxide.

Degussa will also use the terminal to ship product from the new plant, once it comes on-line.

Degussa Canada Ltd., with headquarters in Burlington, Ontario, is a wholly-owned subsidiary of U.S.-based Degussa Corporation, and the corporate grandchild of Germany's Degussa A.G. A world leader in the development and production of chemicals, pharmaceutical specialities and precious metals, the Frankfurt-based company operates in 40 countries and had worldwide sales of US\$9 billion in 1995.

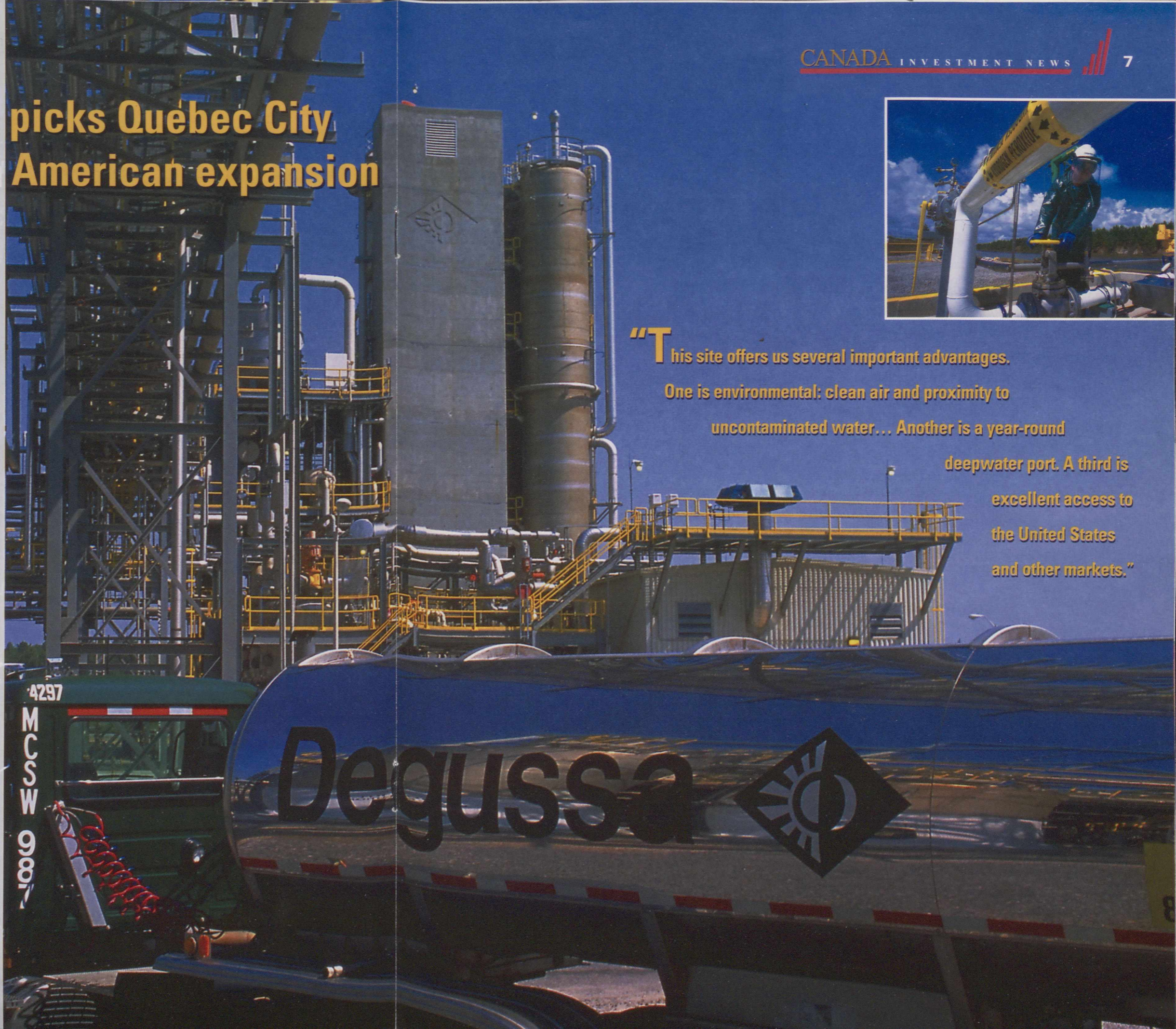
Hydrogen peroxide is a cost-effective and environmentally friendly chemical and bleaching agent. Its environmental uses include the decontamination of soil, groundwater and industrial effluents and of exhaust gases. Degussa Canada Ltd., founded in 1978, is one of the country's largest

manufacturers of exhaust gas-purifying automotive catalysts for domestic and export markets.

## Location plus

Degussa chose Quebec City on the St. Lawrence River, after considering other sites in North America, including the company's plant in Alabama where it already operates two hydrogen peroxide plants. Richard Owins, Vice-President and General Manager of Degussa's Peroxygen Chemicals Division, told *Canada Investment News*: "This site offers us several important advantages. One is environmental: clean air and proximity to uncontaminated water — important factors in hydrogen peroxide production. Another is a year-round deepwater port. A third is excellent access to the United States and other markets."

In addition to an excellent location, Degussa's new plant will benefit from good timing. Mr. Owins says that the company originally planned the plant to produce 40,000 metric tonnes of product a year, but raised the target to 65,000 metric tonnes because of strong market demand from the pulp and paper, mining and chemical industries. ♦



**"T**his site offers us several important advantages. One is environmental: clean air and proximity to uncontaminated water... Another is a year-round deepwater port. A third is excellent access to the United States and other markets."



## Galderma builds \$35 million Canadian production base to serve NAFTA and beyond

*Galderma, a European-based pharmaceutical giant with global reach, is establishing a 13,500 square metre, state-of-the-art manufacturing plant in the Montreal suburb of Baie-d'Urfé, Quebec, as its exclusive production centre for the Americas.*

Staffed by a 150-member workforce, the new facility will serve Galderma's expanding markets in the western hemisphere.

The \$35 million plant will come on-stream early in 1998 and will have a production capacity of 40 million units a year.

The company emphasizes that the Baie-d'Urfé facility has a hemispheric mandate. In a recent interview, Jeffrey A. Wayne, Vice-President and General Manager of

Galderma Canada, told *Canada Investment News*: "This plant will be THE manufacturing facility for the Canadian, U.S. and Mexican markets as well as for Central America, Puerto Rico and other Caribbean states."

The investment, which includes \$20 million

worth of new production equipment, covers a complete refurbishing of Galderma's existing plant at Baie-d'Urfé and will result in the creation of 150 new jobs. The plant produced 20 million units in 1995 and Galderma estimates that the market for these products will grow by an average of 10% per annum over the next five years. In addition, the company expects that anticipated approval of new products will put the Quebec plant in a good position to meet fast-growing North

We chose Baie-d'Urfé, because of the high level of performance of the workforce, and because it is geographically well positioned to serve the entire North American market.

"Our plant will be located on the east-west Trans-Canada Highway and has excellent rail and air connections via Montreal to all our markets. From both a financial and logistical viewpoint, this location best suited our needs."

A pharmaceutical multinational, Galderma

"This plant will be **THE manufacturing facility** for the **Canadian, U.S. and Mexican markets** as well as for **Central America, Puerto Rico and other Caribbean states.**"

American demand. The project is supported by approximately \$3.2 million in loans from the governments of Quebec and Canada.

Speaking of the company's marketing ambitions, Mr. Wayne says: "Ultimately, Galderma wants to be number one in the world in dermatological products.

"We looked at several possible sites before deciding on a location.

is jointly owned by France's L'Oréal and Switzerland's Nestlé. The company has focused exclusively on dermatological products and its R&D program in that field is recognized to be the largest in the world.

Founded in 1991, Galderma Canada has been marketing prescription and non-prescription products across Canada from its Toronto headquarters. ♦



Galderma unveils its corporate signage in front of the new Baie-d'Urfé facility. From left: Yvon Tessier, Director of Plant Operations; Richard White, Director General of Baie-d'Urfé; Jean Kanan, Special Assistant to Nick Discepola, federal Member of Parliament; Jeffrey A. Wayne, Vice-President and General Manager of Galderma Canada; Anne Myles, Mayor of Baie-d'Urfé and Russell Williams, Member of the Quebec National Assembly.





## Stellar performance and low costs trigger new Hewlett-Packard Canada expansion

**H**ewlett-Packard (Canada) Ltd., corporate offspring of the U.S. computer multinational, has recently moved its PANACOM Automation Division in Waterloo, Ontario, into a new 75,000 square foot plant. The move marks the latest milestone in one of Canada's most successful high-tech investment stories.

Hewlett-Packard launched PANACOM in 1984, assigning it a global mandate to develop, market and build network "X" stations — remote terminals that technical designers use to massage graphic material. Since then, PANACOM's revenues have multiplied almost 100 times, while its staff has grown from 35 to 130.

In 1992, 1993 and 1994, computer industry analysts ranked PANACOM as the world's number one supplier of X-stations. In 1995, according to ZONA Research Inc., a U.S. firm that tracks computer industry performance, PANACOM did it again, coming in first in both revenues and volume.

Rick Schwartz, Hewlett-Packard's Business Development Director for Canada, credits the company's decision to locate and then to expand in Waterloo, to two typically Canadian advantages: low R&D costs and an excellent education system. "On an after-tax basis, we've found that R&D costs about half what it does in the U.S.

"Partly this is due to Canada's system of R&D tax credits and the currency exchange rate. Another factor is compensation: we have found that engineering talent is about 35% less expensive in Canada than the U.S., says Mr. Schwartz.

"And these are among the world's best-trained candidates. We know

that Canada's top 10 engineering schools are as good as the top 25 in the United States.

"That's based on studies by an independent research firm, National Educational Standards, of Los Angeles. When you consider that there are 30 such institutions in Canada and several hundred in the U.S., that's a very strong testimonial."

Drawn by these advantages, Hewlett-Packard established PANACOM as its first Canadian R&D/manufacturing operation in 1984. Since then, the company has opened four more divisions in Canada, each with a world mandate to develop and manufacture specific product lines.

The network now includes plants in Vancouver, B.C.; Calgary and Edmonton, Alberta; and North York, Ontario; and a testing laboratory in Montreal, Quebec.

### Winning profile

Discussing the advantages of Waterloo in particular, Larry Maki, PANACOM's Marketing Planning Manager, says: "When Hewlett Packard is considering sites for new R&D and production facilities, it looks for certain key characteristics.

"One is the presence of a major university with a great technical reputation, as a centre for co-operative research and a source of

qualified candidates. The University of Waterloo certainly fills that bill.

"We also look for a site with good transportation links for products and people. In Waterloo we are handy to Highway 401 (a major autoroute leading to the U.S. border) and just 45 minutes by road from Toronto International Airport.

"Waterloo also fits the community profile we think we need to attract and keep good people," says Mr. Maki. "We prefer to be in a medium-sized, stable or growing community, one that offers a thriving entertainment and cultural sector. We have those things too — including a



Hewlett-Packard Ltd.'s PANACOM division will develop, market and build "X" computer stations like those pictured here. The stations simplify routine computing tasks for users.

symphony orchestra here in town and a healthy theatre community.

"In this setting we have achieved a genuine Canadian success story, from product concept to market leadership. In 1995 we supplied more than 25% of a US\$648 million world market for X-Stations. And we're confident that the best is still to come." ♦



# Italy's Cristini invests \$20 million in Quebec plant to serve world market



Paul Legault (left), Chairman of the Board for Cristini North America, and President Vittorio Montiglio display architect's drawing of the new plant. Mr. Montiglio says: "Our goal is to capture 5 to 7 per cent of the North American market over the next five years." The plant will add about 70 new jobs to Cristini's Lachute workforce.

**C**ristini North America — a subsidiary of one of Europe's major textile firms — has chosen its existing site at Lachute, Quebec, for a \$20 million, five-year expansion of production facilities to serve newsprint and paper industry customers in the North American and world markets.

The new 20,000 square-metre plant will be equipped with robotic and other state-of-the-art equipment which Cristini will use to broaden its existing North American line of products for these sectors.

Cristini has been selling paper machine clothing in Canada since 1990 and in the first five years,

revenues soared from \$1 million to \$5 million.

Cristini's decision to locate its North American expansion at Lachute results from the excellent performance record of the plant, which has been producing carrier

Commenting on the company's decision to locate its expanded facilities at Lachute, Paul Legault, Board Chairman of Cristini North America, says the decisive factor was the availability of a large pool of textile-skilled labour. Another important factor was lower land costs, compared with Europe.

Cristini North America's existing

**"The strategic location of Quebec in eastern Canada makes it easy to**

**serve pulp and paper plants in both Canada and the United States."**

ropes for paper manufacturing machines since it opened in 1992.

In an interview with *Canada Investment News*, Vittorio Montiglio, President of Cristini North America Inc., said the company is expanding its facilities to meet a steep increase in North American demand for these products which has resulted in increasing pressure on its European facilities.

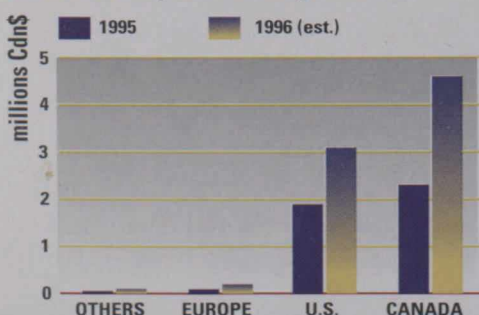
Mr. Montiglio attributes the Canadian subsidiary's rapid growth to the strong performance of the Lachute workforce and to the "strategic location of Quebec in eastern Canada which makes it easy to serve pulp and paper plants in both Canada and the United States." Another plus, he says, is "the smooth working relationship between Italian and Quebec executives."

plant has been specializing in production of "carrier" ropes for manufacturers of newsprint and other paper products in Canada, the U.S., South America, Europe and the Pacific Rim.

The company's corporate parent, S.A. Giuseppe Cristini S.p.A. of Bergamo, Italy, is a world leader in the textiles industry, serving customers in 50 countries and earning world revenues of approximately US\$60 million in 1994. Founded in 1914, the company is famed in the industry for its success in blending traditional textiles industry craftsmanship with robotics and other new advanced production technology. In addition to the Lachute installation, the company operates plants in Italy and France. ♦

## Cristini in Canada

A record of rapid revenue growth





# STUDY SHOWS SIGNIFICANT COST ADVANTAGES TO EASTERN CANADA LOCATIONS OVER U.S. SITES

Investors contemplating a beach-head in the North American market take note: Atlantic Canada is a better locational buy than comparable locations in the United States.

In a study prepared this year for the Atlantic Canada Opportunities Agency (ACOA), KPMG Management Consulting, in association with Business Development Information Inc. (BDI), compared location-sensitive costs of establishing and operating production facilities in 12 U.S. and 16 Canadian cities.

Covering start-up and ten years of operation, the survey encompassed seven industries (see box item) and found a significant Canadian advantage in all.

The net after-tax annual cost advantage averaged 19.5%. Since location-sensitive costs make up 36% of the total, this

gives the Canadian locations a net cost advantage of 7%. ♦

## 28 TWENTY-EIGHT CITIES

### Atlantic Canada

- Corner Brook, NF
- Grand Falls, NF
- St. John's, NF
- Halifax, NS
- Kentville, NS
- Sydney, NS
- Truro, NS
- Yarmouth, NS
- Charlottetown, PEI
- Summerside, PEI
- Bathurst, NB
- Edmunston, NB
- Fredericton, NB
- Miramichi City, NB
- Moncton, NB
- Saint John, NB

### U.S.A.

- Eastern U.S.**
- Baltimore, MD
- Charleston, SC
- Hampton, VA
- Hartford, CT
- Manchester, NH
- Newark, NJ
- Raleigh, NC
- Other U.S.**
- Austin, TX
- Bellingham, WA
- Columbus, OH
- Minneapolis, MN
- Sacramento, CA

## SEVEN INDUSTRIES

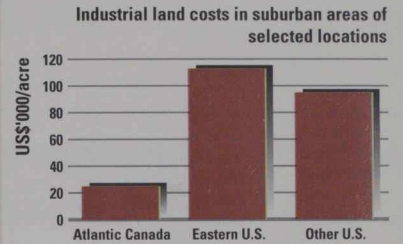
The survey compared typical start-up and operating costs for facilities in the following industries:

- frozen foods
- medical devices
- software
- telecommunications (ocean technology applications)
- plastics
- metal fabrication
- electronics and instrumentation (avionics applications)

## BY INDUSTRY, THE COSTS COMPARISONS REVEALED:

### INDUSTRIAL LAND AND CONSTRUCTION

The study focused on the costs of establishing facilities in suburban areas zoned for light-to-medium industrial purposes. It found these costs to be significantly lower in Atlantic Canada than in the U.S. locations.



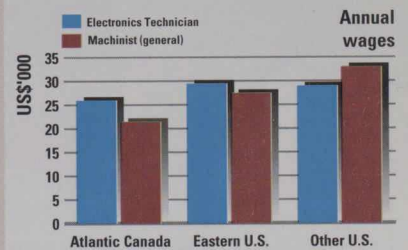
### TAXES

Corporate, federal, regional and local taxes vary significantly by jurisdiction and no consistent advantage emerged in the study. However, Canada has the edge in its system of tax credits for Research and Development expenditures.



### LABOUR COSTS

KPMG's research found that labour costs account for between 17% and 29% of total operating costs for the industries reached in the survey.



Source: BTA Economic Research Institute, 1995 Geographic Reference Report

The study found that wages and salaries, employer-sponsored benefits and employer-paid statutory benefits were significantly lower in Atlantic Canada.

### ELECTRICITY, TRANSPORTATION AND INTEREST COSTS

KPMG based this part of the study on consumption of 200,000 kilowatt hours per month and a demand load of 300 kilo-volt amperes. On this basis the comparisons favour Canada. On average, electricity costs are 40.8% lower in the Atlantic Canada cities than in the eastern U.S. cities and 30.9% lower than the overall U.S. average.



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# Growing with Canada

- **Johnson Controls** of Plymouth, Michigan, which manufactures more seating systems for automobiles than any company in the world, has begun construction of a new 160,000 square-foot plant in Milton, Ontario.

The US\$10.5 million facility will employ 120 people and will produce complete seating systems (i.e. front and back) for Toyota Corolla automobiles produced at the Toyota Motor Manufacturing Company's plant in Cambridge, Ontario, which is currently undergoing a \$600 million expansion to serve the Canadian and U.S. markets.

According to Jeff Steiner, Director of Communications for Johnson Controls, the plant will supply 120,000 complete seat systems per year for the Corolla on a "just-in-time, just-in-sequence" basis.

Johnson Controls currently produces 85,000 seat systems annually for Toyota at its existing plant in Orangeville, Ontario. On completion of the new plant, the company will consolidate all its Toyota production at Milton, leaving the Orangeville plant free to expand its seating production to accommodate surging demand from another major client: Chrysler Corporation.

Announcing the expansion, Chip McClure, Vice-President and General Manager of Johnson Controls, said: "The production capacity we're adding in Ontario — and our expanding work for

Toyota — reflect our continuing success in the global auto market."

Located in a business park in Milton, 80 kilometers from Toronto, the plant will come on-stream in September 1997.

Johnson Controls is the world's largest-volume supplier of automotive seating and headliners (the interior roof of the vehicles) and is a major producer of interior trim components. In 1995, the company's worldwide operations manufactured seats for more than 8.5 million vehicles.

The company's Automotive Systems Group is the largest of four divisions of Milwaukee-based Johnson Controls Inc. The group reported US\$3.8 billion in worldwide sales in the 1995 fiscal year.

- As the North American economy moves into high gear, demand for steel products has been surging. In response, **Sammi Atlas Inc.**, the Canadian subsidiary of Korea's Sammi Steel Company Inc., has embarked on a \$15 million upgrade and expansion of its plant in Welland, Ontario, to serve Canadian, U.S. and other markets.

A leading manufacturer of specialty steels, Sammi Atlas Inc. began operations in Canada in 1989. With corporate headquarters at Mississauga, Ontario, the company operates two plants in Canada and one in the United States. The Welland plant

manufactures stainless, tool, machinery and mining steel.

The upgrading program includes installation of a modern melt-refining facility, and doubled the Welland plant's productive capacity.

In an interview with *Canada Investment News*, Sammi Atlas Inc. President Duk Lee says that the Welland project is the first phase of a five-year expansion and that it will "assure our competitive future, not only in North America, but in markets throughout the world." ♦

## For more information

Find out more about investing in Canada by contacting the nearest Canadian embassy or consulate, or by contacting directly:

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