

THE ONTARIO BUSINESS REPORT

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ABS Friction enjoys smooth ride to success in brake pad market



Economic Development Minister Al Palladini (centre) joins with his Parliamentary Assistant Ted Arnott (far left) and staff of ABS Friction (from left) Rick Jamieson, Joe Schmidt, Ralph Neil and Brenda Elliott, MPP Guelph-Wellington. The company ships 125,000 sets of brake pads per month and has a sales target of \$20 million for this year.

For more than three years, Guelph-based ABS Friction Inc. has been setting a standard for the manufacture of disc brake pads for the automotive replacement market.

In fact, there's no putting the brakes on this company's phenomenal growth as it furthers its success based on niche marketing that focuses on low-volume, high-margin products and fast delivery times.

Starting with just six workers in 1996, ABS has grown to 130 employees with exports of

more than 92 per cent of its product to the U.S. and 24 other countries. The firm's products are targeted to passenger cars and light trucks and currently fit upwards of 90 per cent of vehicles on the road.

The company's success in penetrating foreign markets led to it being awarded a Global Traders Award last year. Economic Development and Trade Minister Al Palladini applauded the firm's efforts during MEDT's Salute To Small Business last October.

"Increasing exports is vital to our province's success because they sustain 1.6 million jobs in Ontario, and generate 48 per cent of our Gross Domestic Product," said Palladini. "Small- to medium-sized companies like ABS can claim credit for a lot of this success and we want to help them continue to expand into new markets and create more jobs."

Today, ABS Friction ships 125,000 sets of pads per month and its target for 2000 is \$20 million in sales annually. A complete and diversified product line is one of the keys to the company's growth, says President Rick Jamieson, a chartered accountant who started the firm with Joe Schmidt and Ralph Neil, both of whom had a long history in the brake business.

"We have added more than 700 new parts in the past three years. We believe that's the greatest number of new friction products introduced by a friction manufacturer in the world."

ABS Friction's export markets began with a shipment of 2,000 sets of brake pads to Puerto Rico. That grew as the company developed markets in other countries.

The firm has a strategic alliance with Concord-based Dolomite Tool Engineering

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Honda: from small beginnings, big growth



Honda of Canada Mfg. associates prepare minivans on the assembly line at the Plant 2 facility near Alliston, north of Toronto. The plant applies the latest in manufacturing technology on its production line.

It started small – very small in fact. Situated just outside Alliston, Honda of Canada Mfg. (HCM) has grown into a successful automotive manufacturing facility.

From 1986, when its 100 associates produced just a few cars per shift, to its current two-plant facility employing more than 3,200 associates, HCM has become a remarkable Canadian success story.

Currently, HCM builds four models at its two plants. At Plant 1, the Honda Civic is produced in two body styles; Plant 1 also makes the Acura 1.6 EL. Plant 2, which began production in September 1998, is the only facility in the world that builds the full-size Odyssey minivan. Growing with the emerging SUV and light truck market, Plant 2 associates will also begin to build a full-size four-wheel drive SUV in 2000.

HCM's yearly output will reach 330,000 vehicles by 2001. In total, HCM represents a \$1.1 billion investment; however, the company's economic benefits extend beyond the plant itself. Currently, 45 Canadian parts suppliers produce parts both for HCM and Honda of America Mfg. in Ohio.

While the majority of production is earmarked for the Canadian and American markets, a small percentage of HCM-built vehicles are shipped to South America. The company's Plant 2 also builds a right hand drive version of the Odyssey for Japan.

The province's economic policies have helped make Ontario a prime location for investment and expansion.

Plant 2 has shown steady growth since its startup in August, 1998; a second shift was added in May of 1999, production increased to 500 units per day in August, 1999 and then to 600 units per day in October, 1999. These increases have combined to push HCM's total associate population to more than 3,200 from a previous level of 2,000 less than three years ago.

Plant 2 applies some of the most important developments in manufacturing efficiency, using some of the largest equipment and machinery ever installed in a Honda factory. Yet, this equipment is contained in the smallest physical space ever used for a Honda automobile plant.

Reaction to the new van has been very positive. The vehicle was named "Best New

Van", and also "Best New Truck" in the 1999 Automobile Journalists Association of Canada (AJAC) Car of the Year competition. It has also captured *Automobile Magazine's* All Star Award for best minivan and was nominated to *Car and Driver Magazine's* list of "10 best cars for 1999."

The Recycling Council of Ontario honored HCM with a Platinum and Outstanding Business Award for its environmental and recycling programs. Additionally, the company has been certified to the worldwide ISO 14001 environmental standard. Working towards protecting and preserving the environment is just part of HCM's commitment to being a responsible corporate citizen.

Heading into its fourteenth year, HCM has worked hard to become a leading player in Canada's automotive industry. With a growing product line and a dedicated workforce, HCM is eager to meet the needs of an evolving market. It may not be small any more, but everyone associated with HCM will remember its roots.

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ABS Friction...

Limited, under President Domenic Corso. Dolomite does the major tooling work for ABS and has been a strong part of the company's growth plans, says Jamieson.

The result? A turnaround time of only eight weeks for a new product, and the firm can move so quickly that it has products ready even before vehicles are on the road.

"Sales have doubled every year since we've been in business," says Jamieson.

"We're pleased with our results. Our goal is 100 per cent reliability and on-time delivery every time."

The company's plans include the introduction of a "severe duty" line of brake pads for a growing number of trailer-towing sport utility vehicles, trucks and vans.

Ontario task force investigating gas prices



Consumer and Commercial Relations Minister Bob Runciman has spearheaded the formation of a task force that will recommend ways for the federal government to control high and volatile gas prices.

The Ontario government has formed a task force to investigate high and volatile gas prices.

The task force is meeting with consumers, consumer advocates, petroleum industry representatives, independent gas retailers and the federal government's Competition Bureau. The results will be forwarded to the federal government, which has responsibility for the gasoline marketplace under the federal *Competition Act*.

The task force was announced by Consumer and Commercial Relations Minister Bob

Runciman following a commitment in the Speech from the Throne.

"Consumers are fed up with having to pay more for gas every time they go to work, the supermarket or visit relatives," he said. "Prices are so volatile they've increased by as much as eight cents a litre overnight. Sometimes even while drivers were waiting in line!"

Mr. Runciman said the Ontario government launched its review because the federal government was ignoring the concerns of Ontario consumers about gas prices. According to the Minister, the federal government was even ignoring a call from the Liberal Committee on Gasoline Pricing in Canada – consisting of 47 government MPs – that called for a strengthening of the *Competition Act* to ensure competition in the gasoline marketplace.

"We hope the task force will develop helpful recommendations to pass on to the federal government

about how they can resolve the problem of high and volatile gas prices," said Runciman. "We hope this will spur the federal government to take action."

The task force consists of four MPPs – co-chairs John O'Toole, Parliamentary Assistant to the Minister of Consumer and Commercial Relations and MPP for Durham; Joe Tascona, MPP for Barrie-Simcoe-Bradford; Dan Newman, MPP for Scarborough Southwest; and Ted Chudleigh, MPP for Halton. The task force will complete its report by spring 2000.

VIEWPOINT

**SALUTE TO
THE AUTO INDUSTRY**



The auto industry is the heart of Ontario's economy.

That's why we have dedicated this issue of *The Ontario Business Report* to our province's automotive and auto parts sectors. I invite you to read some of the success stories that demonstrate why the auto industry has what it takes to succeed in the twenty-first century.

As a government we have made it a priority to encourage small businesses like these to grow and expand into foreign markets. We have also created programs like the Strategic Skills Initiative, so that post-secondary schools can train our young people for careers in the high growth areas that are currently in desperate need of skilled workers.

As our automotive assembly industry has grown other sectors of the industry have also benefited, particularly auto parts suppliers, original equipment manufacturers and retailers.

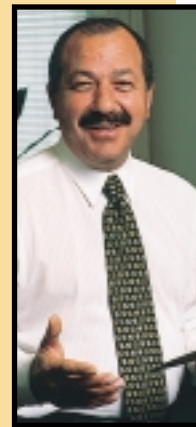
Our government's success in strengthening the economic climate through tax cuts, removing barriers to growth and cutting red tape have brought major reinvestment in an industry that's flourishing like never before. It's having a powerful effect:

- Ontario is on the verge of becoming the number one automaker in North America. Scotiabank and DesRosiers Automotive Consultants Inc., predicted that Ontario will soon be North America's number one vehicle-making jurisdiction, with an estimated output of almost 3 million vehicles for 1999.
- The national industry invested an average of \$3.6 billion per year in parts, machinery and equipment over the past five years in Canada, with 92% going to Ontario-based operations.
- Ontario's automotive industry employed close to 146,000 workers in 1999, up from 138,000 in 1995.
- It's estimated that in this province, just one job at an automotive plant generates seven spin-off employment opportunities throughout the economy.

The industry has evolved into a mature economic force that competes worldwide and is, no pun intended, *driving Ontario's economy*.

This is something that we as Ontarians should take pride in. It demonstrates that together with your help, and the help of our private sector partners, our government has created a climate of prosperity and economic growth. The success that the auto industry has achieved is proof that Ontario is thriving, but the best is yet to come.

Al Palladini,
Minister of Economic Development and Trade



Tire retread technology takes a new turn

Vulcan-Vulcap Industries Inc., a leader in tire retreading technology, is about to introduce a new product that combines computer technology with advanced robotics.

The Ultrasonic Tire Analyzer will make tire wear detection a simple, three-minute process, says President and General Manager Heinz Haischt.

The Analyzer is the result of a decade of development by the research-intensive Toronto firm. The patented machine uses ultrasonics, electronics and robotics to inspect tires for defects such as air leaks, nail-hole punctures and tread separations. It can also keep a log of data for the user.

Tire retreading is a growing industry. In North America, there are more than 1,200 retread companies. At one-third of the cost of replacing a tire, retreading is an economical alternative to new tires, particularly for the trucking industry, where a single new tire can cost as much as \$500.

More than 17 million North American truck tires are retreaded every year, usually on tractor trailers, which travel an average of half a million kilometres annually. At about \$80 to \$150 each, finished retreads represent a considerable cost saving for large truck operators.

Haischt says the new technology, which will be marketed beginning this spring, fills an established need and is an improvement over the standard practice of visual inspections.

For instance, a tire may have a hidden defect that is not noticeable until the tread has been buffed down, a time-consuming and costly process. A significantly damaged



Vulcan-Vulcap President and General Manager Heinz Haischt poses with a tire retreading machine. A new ultrasonic tire analyzer designed by the company is now being readied for market.

tire casing is unsuitable for retreading. The challenge is sorting the good casings from the potential discards.

"This machine will, without a human operator, tell retreaders what condition the tire casing is in," says Haischt. "Usually a person looks over the tire and this manual sorting is very subjective. On tires with hidden flaws, you don't see the damage until the tire is buffed. It's a big waste of money."

The cost of those missed defects adds up to \$340 million a year in wasted retreading in North America, says Haischt.

The tire analyzer employs robotic arms that automatically position themselves around the tire.

The machine rotates the

tire and thousands of ultrasonic signals are emitted along the circumference of the tire tread and side walls. The information is transferred to a computer with colour graphic monitor and the analyzer spray-marks any defects.

Vulcan-Vulcap, which has eight employees, has already established itself as a success in tire repair and retread equipment and produces a line of tread moulding equipment, "pre-cure" chambers for tires, and tread building and stitching equipment. Vulcan-Vulcap exports 90 per cent of product, mainly to the U.S., Europe, Japan, Korea and China. Haischt estimates that the tire analyzer has a potential market of 140 countries and 95 per cent exports.

"Tire retreading is also very important as countries adopt a "green policy" when it comes to disposing of tires," says Haischt. "From an ecological point of view retreading is very important."



Quick facts on the tire industry

- As home to 20 tire manufacturing companies, Ontario is Canada's tire manufacturing capital.
- Ontario also has 15 supplier companies.
- In 1999, Canadian tire sales averaged:
 - Passenger vehicles: 744,082
 - Truck/bus: 261,172
 - Tubes: 52,411
 - Total sales: 18,185,661

Source: Rubber Association of Canada

General Motors Canada ready for the millennium



General Motors Canada Ltd. in Oshawa has undertaken many strategic initiatives in the past two decades that have positioned it as a lean, flexible and globally-oriented company.

Research and development investments are on the rise in Ontario. General Motors Canada Limited (GMCL) continues to show a commitment to the province through key investments in its Ontario operations.

The company's recent announcement of a \$20 million Canadian Regional Engineering Centre in Oshawa "will almost double our engineering and product planning activity," says President and General Manager Maureen Kempston Darkes. "It will provide Canada's best and brightest with exciting employment in the area of vehicle design and development using the very latest technologies."

The research centre is just one of many strategic initiatives undertaken in the past 20 years. These moves have helped GMCL emerge as a company that is lean, flexible and global in its outlook, says Kempston Darkes. It prides itself on a commitment to innovation, quality and growth.

The company is now undertaking "bold moves to position itself competitively for the new millennium," she says. "GMCL has

invested over \$11 billion in its Canadian operations since 1985. An additional \$11 billion of net new business has been awarded to Canadian suppliers since 1992."

Kempston Darkes, who was appointed head of GMCL in 1994, has helped guide many changes at General Motors. A lawyer, she was born and raised in the Toronto area and joined General Motors as part of its legal staff in 1975.

Product innovation is the key to growth, says Kempston Darkes.

"We're bringing more new products to market than any other manufacturer – at a rate of one new model every month," she says. "Our vehicles are better, smarter and safer as a result of advanced technologies and innovation. Additionally, our vehicles are much cleaner, with sophisticated emissions control technologies reducing emissions by up to 99 per cent from uncontrolled levels."

GMCL has established a strong reputation in the industry for the quality and productivity of its workforce and has demonstrated the

ability to effectively operate lean, flexible, state-of-the-art facilities.

"This reputation was enhanced by our demonstrated ability to adapt to changing customer demands by being fast to market with high quality new product launches," says Kempston Darkes. "As a result, GMCL earned new product allocations like the Chevrolet Silverado and GMC Sierra full-size pickup trucks. The Oshawa Truck Assembly Centre, which operates on a three-shift basis, was the lead plant for this critical product launch which was successfully completed ahead of schedule in 1998."

The Chevrolet Lumina and the Buick Century finished first and third respectively in the mid-size luxury segment in the

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Quick facts on General Motors of Canada Limited

- GMCL directly employs 26,000 Canadians
- GMCL's 848 dealers and retailers across Canada employ a further 32,000 people
- GMCL has the capacity to produce more than one million vehicles annually
- Headquartered in Oshawa, GMCL has eight manufacturing facilities throughout Ontario
- GMCL's Oshawa Car Assembly Plant has the world mandate for production of the Chevrolet Impala, Monte Carlo and Lumina and the Buick Regal and Century.
- In 1999, GMCL's St. Catharines Engine Plant recorded the fastest engine launch in GM's corporate history, reaching full production of the GEN III V8 engine in under six months, without sacrificing quality or safety.
- In 1999, GMCL's Oshawa Car Assembly Plant successfully launched the all-new 2000 model Chevrolet Impala and Monte Carlo ahead of schedule.

National pollution prevention award honours Ford's efforts to clean the environment

An award honouring Ford of Canada's Windsor Casting Plant for its use of innovative technology to treat wastewater is only one of several areas where the company is making strides in environmental safety, says Christina Fung, environmental quality manager for Ford of Canada.

The Pollution Prevention Award for Large Business was presented by the Canadian Council of Ministers of Environment last year. The award recognized the Windsor Casting Plant's pioneering use of ozonation technology to reduce organic compounds in wastewater. The \$3 million investment created a wastewater treatment facility that began operation in June 1997. The casting plant was built in 1934 and employs 1,000 people.

As the largest iron foundry in Ontario and the only automotive iron foundry in Canada, the Windsor Casting Plant converts 130,000 tonnes of recycled steel and iron annually to produce more than one million cast iron engine blocks and 2.5 million crankshafts for new Ford cars and trucks.

It is the first industrial facility to use advanced ozonation technology to treat organic compounds in wastewater. Ozone, consisting of molecules of highly reactive oxygen and created by the unit's generators, is pumped into the wastewater where it destroys organic compounds.

"Ozonation is used in Europe for purification of drinking water," says Karen LeBlanc, Senior Manufacturing Engineer-Environment, "But this is the first time anyone has introduced that type of technology to the treatment of industrial wastewater from a facility on this scale."

Fung added that now other facilities are following Ford's lead and "looking into using that technology."

Ontario's climate of economic growth has been so positive for Ford's operations that, last year, the company announced it would boost engine capacity at the Windsor Engine plant by 100,000 engines to meet the demand for its pick-up trucks and sport utility vehicles.



Last August, Ford of Canada's Windsor Casting Plant played host to international delegates studying ozone technology. Here, Scott Manser, an environmental engineer at the facility leads a tour of the plant's ozone generating system.

That kind of production initiative is mirrored by the company's continuing commitment to the environment.

Since 1996, Ford has invested more than \$10 million in an aggressive wastewater treatment program which ensures that all water used in processes at the Windsor Casting Plant is consistently lower than limits set by MISA (Municipal-Industrial Strategy for Abatement). In April, 1998, the Windsor Casting Plant was certified to the ISO 14001 environmental management standard.

"Other initiatives by Ford in Windsor to reduce pollution at the source include destroying more than 580 tonnes of PCB waste, eliminating 41 tonnes of chrome and more than 360 tonnes of chemical treatments by switching to non-chrome based products," adds Fung. "Also, recently at the Windsor engineering facility we eliminated 1,400 tonnes of chemical wastewater treatment by installing an 'ultra-filtration' system that utilizes a membrane that helps separate oil from water."



Ford's environmental protection measures

Other projects Ford has embarked on to protect the environment include:

- A water diversion system at the Oakville Assembly plant that has reduced water consumption by 30 per cent.
- The reduction of chemical use by 300 tonnes annually and a reduction of wastewater sludge by 449 tonnes per year.
- Over time, the removal of 60 per cent of PCB-containing items.
- An ongoing project at the company's St. Thomas plant will reduce volatile organic compounds (VOCs) by 100 tonnes annually through the introduction of high efficiency spray valves in the company's paint booths.

CIMTAR gets students ready to apply skills to automotive sector

If student Jonathan Nickel has his way, his time at Niagara College will lead to a well-paying, creative job in the automotive industry.

And judging by the potential of the College's Centre for Integrated Manufacturing, Training and Applied Research (CIMTAR), the 19-year-old's goal will soon be realized. At the same time, the province's automotive sector will also benefit from this leading-edge public/private sector partnership now underway at the college's Glendale campus in Niagara-on-the-Lake.

CIMTAR, which last year received a \$1.6 million investment through the Ontario government's Strategic Skills initiative, is now offering new technological training for students. The result will be graduates with the skills to meet the manufacturing sector's demand for advanced, strategic skills, helping to reduce current shortages in this vital economic sector.

The province's assistance is part of the \$130 million Strategic Skills Investment (SSI) initiative announced in the 1998 Budget. From 1998 to 1999, the SSI program provided funding to more than 21 new skills projects and recently announced a new call for proposals that will set the stage for more projects in the future.

"This kind of cooperation is a perfect example of how we can plan for tomorrow's jobs today," said Economic Development and Trade Minister Al Palladini. "This is how Ontario will achieve sustainable prosperity with the best-performing economy and the highest quality of life in North America over the next 10 years."

CIMTAR, located on two levels of the College's Glendale Campus, has acquired state-of-the-art equipment and software that offers the training to produce highly-skilled workers for such sectors as automotive parts, aerospace, machinery, metal fabrication, electrical and electronics as well as ship building and repair.

"CIMTAR delivers access to the latest technology and a skilled workforce that manufacturers require to compete and succeed," says

Brian Moukperian, Director of Integrated Manufacturing and Skills Training."

The program allows students to take a product from the engineering design state, where it is drawn with the aid of computer assisted design (CAD) programs, through to prototyping and a manufacturing lab. In the manufacturing lab, products are created with the aid of robotics technology in a setting that duplicates conditions in a manufacturing facility.

"The thrust with CIMTAR is that students get a chance to know about the whole manufacturing process," adds Darrell Neufeld, the college's manager of media relations. "Employers today are looking for people who understand the entire manufacturing process, from the design and prototyping to testing and automated assembly. CIMTAR has brought together an entire range of skills under one roof."

CIMTAR also provides small- and medium-size manufacturers with access to facilities where they can develop and test new products.

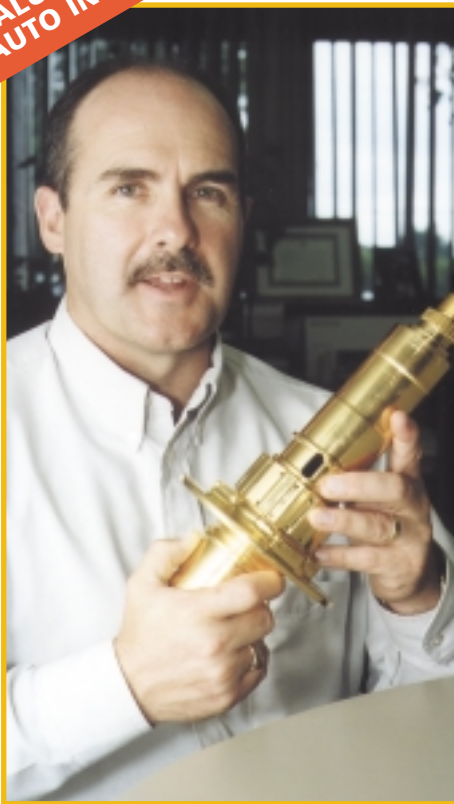
Nickel, a second-year student in the College's Mechanical Engineering Technology program, is pleased about his future prospects once his CIMTAR training is complete. Working with ease while designing a product on a computer under the direction of professor Lois Johnson, Nickel speaks confidently of the program and his future prospects.

"The whole Mechanical Engineering Technology program is really exciting," he says. "I love the idea of being able to design a product and actually make it here. I look forward to getting a job in the automotive industry, designing and testing new parts and knowing how they work."

Ontario's contribution to CIMTAR was combined with \$700,000 previously raised by Niagara College, in partnership with General Motors of Canada Ltd., Donohue, Dofasco Inc., Lubrizol Canada Ltd., GenCorp, John Deere Foundation of Canada, Dana Canada Inc., Ferranti-Packard, Geon Canada Inc. and TRW Canada Ltd.



Under the direction of professor Lois Johnson, Niagara College student Jonathan Nickel, 19, designs a product on a computer at the College's Centre for Integrated Manufacturing.



Windsor Gear and Drive President Bill Darmon has propelled his Windsor-area company to success through quality products and a range of clients in major sectors.

Strong sales accelerate growth at Windsor Gear and Drive

Bill Darmon knows how to drive sales growth. The president of Windsor Gear and Drive Inc. has built a track record based on a top quality product and a client list that includes major companies in the aerospace, commercial, industrial and automotive sectors.

Based in the Windsor suburb of Emeryville, Windsor Gear & Drive makes high precision machined items, such as gears, shafts, gearbox assemblies and landing gear components for a customer list that includes Pratt & Whitney, Boeing Canada, Menasco Aerospace and Westland Helicopters, Linamar Machines, Dana Spicer and Ford Motor Company.

Darmon learned the manufacturing trade at high-profile Linamar Corporation in Guelph, under the tutelage of manufacturing magnate Frank Hasenfratz, who started in business by making oil pumps for Ford in his garage and went on to create an auto parts empire spanning two continents.

For 13 years, Darmon rose through the Linamar ranks. He became involved with Windsor Gear & Drive in the early 1990s. The company was then known as Windsor Aerospace and Darmon was overseeing its operations for its parent company, Orenda Engines. When the company was put on the sales block by Orenda, Darmon put together an offer and bought the company, unveiling it as Windsor Gear and Drive in 1994. Shortly after, Darmon moved to diversify the company's base, broadening it from aerospace to automotive and commercial-industrial.

In addition to saving 25 local jobs, the company gave employees a chance to gain ownership by selling shares in the firm. Through adept marketing and the establishment of a line of high quality products, the firm now boasts "110 employees, a lot of enthusiasm and 20 per cent growth per year," says Darmon.



Widely known as Canada's automotive capital, Windsor is a world leader in manufacturing technology.

The company was certified as ISO 9002 in 1996, was recognized as one of Ontario's Innovative Growth Firms the following year and won a 1998 Business Excellence Award from the Windsor and District Chamber of Commerce.

The biggest challenge now? The company is looking to grow "in a controlled way," says Darmon. It acquired Invincible Gear in Detroit to solidify its position in the U.S. market and is involved in new projects such as its Razor Performance Products Division, which builds advanced-technology oil pumps for the high performance automotive racing industry.

Windsor-Essex: Canada's automotive capital leads in manufacturing technology

This article is one of a series sponsored by MEDT's Urban Economic Development Office, focusing on the economies of Ontario's largest urban-centred regions.

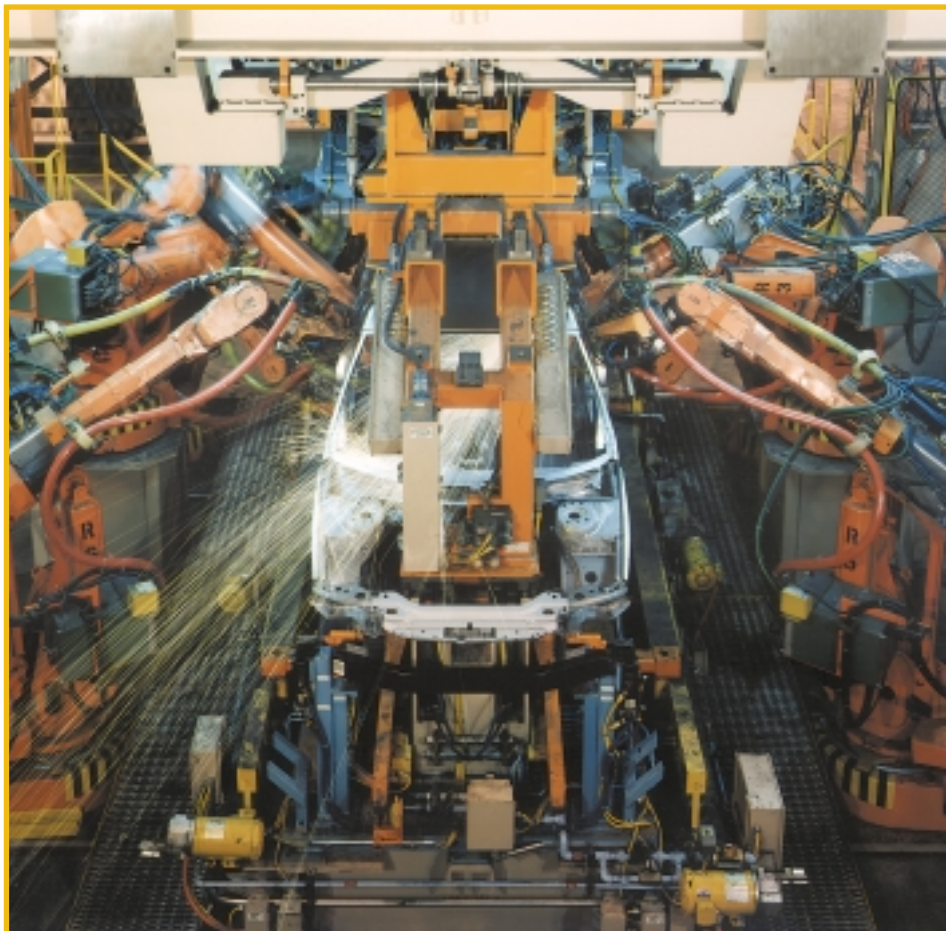
For the last three decades Windsor has established itself as a leader in the manufacturing sector.

Today, "Canada's Automotive Capital," as Windsor is known, continues to lead the way in manufacturing technology within the global marketplace, says Paul Bondy, Development Commissioner for Windsor-Essex County. In addition, the industry's confidence has been boosted by an \$8 billion investment that has taken place in new plants and facilities in the last 10 years.

"Make no mistake, Windsor-Essex is proud of its automotive heritage, its accomplishments in labour relations and the ability of its people to adapt to an ever-changing environment," says Bondy. "And there is much more to the economic landscape of Windsor-Essex than most people realize."

It's also home to other technologies. For example, Essex County's ever-growing greenhouse industry (there are currently more than 800 acres "under glass"), which produces cash crops year round for the global marketplace. As well, traditional agriculture technologies and food and beverage processing facilities such as ADM, Heinz, Family Tradition Foods, Colio and Pelee Island Wineries, provide products for consumption around the world.

Windsor's manufacturing industries are well-respected in the sectors in which they operate. From traditional moulds crafted with today's latest technology, to the gelatin capsules that hold everything from medicine to bath oil, to the latest in plastic injection technology, Windsor-Essex is a global shopping centre for industrial products.



In the past 10 years, industries have invested \$8 billion in new plants and facilities in Windsor. Windsor's tool, mould and machine manufacturing industries are among the world's most advanced.

More importantly, local entrepreneurs have pioneered many of the aforementioned processes and technological innovations.

Nor has history been a stranger to Windsor-Essex. The world's busiest international waterway, the Detroit River, has played host to some of the most significant events in Canada - U.S. history, such as the War of 1812, the Underground Railroad and the distribution of Hiram Walker's distilled spirits during the prohibition.

"Windsor's contributions to the economic and social evolution of not only the region, but of the Canada and the U.S. in general have been and will continue to be substantial well into the new millennium," says Bondy.



Windsor Facts

- New manufacturing space 1,000,000 sq. ft.
- Capital and repair expenditures estimated at \$1.08 billion for 1999 in Windsor-Essex. Building permits – \$500 million plus.
- Windsor-Essex, with a GDP of \$26 billion, is the gateway for 42% of Canada – U.S. trade. Over \$500 million in trade moves through its borders daily.
- Windsor-Essex annual GDP per capita of \$74,285 is almost three times the provincial average \$28,707.

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General Motors Canada...

J.D. Power initial quality survey. As well, the Oshawa plant received the bronze quality award in competition with all plants producing vehicles for the North American market. Additionally, both the Oshawa Car Plants and the Oshawa Truck Assembly Plant placed in the top ten for efficiency in the *Harbour and Associates* productivity rankings in 1998.

Research and development has always figured highly in GMCL's plans, says Kempston Darkes. In addition to developing and advancing manufacturing technologies, GMCL also conducts R&D work in the areas of alternative fuels and in the design of specialty vehicles. Naturally, cost efficiency and product excellence will remain high standards, says Kempston Darkes.

"We will continue to drive cost out of the system and focus on quality at every stage," she says. "Our products will deliver even more value and offer innovative, industry-leading features and technologies. But there is one fundamental principle that will not change – we will remain focused on the customer above all else."



Maureen Kempston Darkes, President and Manager of G.M. Canada believes product innovation is the key to growth. She supports her belief through significant investments in the company's Ontario operations.

Capital Truck Bodies builds trucks and good business

Since 1983, Bill Bilkhu has built Capital Truck Bodies Ltd. into a firm with a solid reputation for quality and service. The company, located in Gloucester, just outside Ottawa, fabricates bodies for dry freight trucks and refrigerated vans and has a clientele that is Canada-wide. The company also services the various makes and models that it sells.

Bilkhu gained experience doing similar work with another company for 14 years before establishing Capital Truck Bodies. It now has

22 employees and has been growing "at a rate of 15 to 20 per cent per year," says Bilkhu.

The manufacturing of van and truck bodies using aluminum, steel and fibreglass in the construction process, is unique, says Bilkhu. "That's really a separate trade by itself. You can only learn this kind of work on the job."

All of which makes the company's workforce extremely valuable, says Bilkhu, adding that "service is the key to success in this business. Customer service is the most important element in our growth."

Ontario invests unprecedented amount of money in province's roads

The Ontario government has invested \$692 million in safety and operational upgrades to provincial highways in the 1999 construction season, more than has ever been spent in the province in any one year.

"The magnitude of this year's highway capital program reflects this government's commitment to ensuring that the people of Ontario have a safe, efficient highway system," said Transportation Minister David Turnbull. "We're building roads to prosperity, and an effective transportation network is an important factor in creating long-term job opportunities for Ontarians."

This construction season, Ontario motorists have benefited from more than 2,000 lane kilometres of improved and upgraded highways, 11 new bridges and 62 reconstructed bridges and overpasses.

- Southern Ontario – improved the pavement on 1,550 lane kilometres of roads; new construction, including road widening and passing lanes, for another 78 lane kilometres; renewed 51 bridges and overpasses and built 11 new ones.
- Northern Ontario – upgraded 820 lane kilometres and expanded 24 lane kilometres; rehabilitated 11 bridges and overpasses and erected four new structures.

Major projects in Southern Ontario include:

- Improvements to Highway 401 from London to Windsor, including the addition of paved shoulders and rumble strips, as announced in September by Minister Turnbull, as part of Ontario's Action Plan for Safer Roads.
- Highway 401 rehabilitation in the Toronto area from Warden Avenue in the east, to Renforth Drive in the west, with work to continue over the next three to four years.
- Highway 416, the Veterans Memorial Highway, has been constructed between Highway 417 and Highway 401, fulfilling the government's promise to complete the project a year ahead of schedule and \$14 million under budget.

All of these capital construction projects are part of the Government of Ontario's new SuperBuild Growth Fund, a five-year, \$20-billion partnership capital fund established to renew Ontario's infrastructure and build for the future.

"Safer roads mean safer communities, and Ontario is investing in highways to ensure that safe, reliable routes are available for all Ontarians, not just during this busy time of holiday travel, but throughout the year," said Turnbull.



BUSINESS BRIEFS

**SALUTE TO
THE AUTO INDUSTRY**

Patterning a niche in the foundry industry

For partners Stephen Gibson and Roger Bramhall, the foundry industry is the perfect market for the specialized, troubleshooting services that they offer to clients in Southwestern Ontario.

Established in 1992, Pattern Equipment and Prototype Inc. (PEP) and its 53 employees work to ensure that its clients' foundry, tooling and manufacturing fixtures are free of defects.

Their clients include several automotive parts manufacturers. For these companies absolute accuracy in the products they produce is essential. If there are flaws in the machinery that these manufacturers use, PEP will find the problems and help develop solutions. PEP finds engineering solutions for a variety of clients and can develop refined processes that will assist when monitoring future production.

"Quality is the most important aspect of our business," says PEP President Gibson. "That includes providing excellent customer service. Our work revolves around the idea that focusing on all of the steps related to the process will ensure the production of a perfect product or service." PEP is currently the only company in Windsor involved in such a specialty and the firm also offers a service to clean residue from different types of tooling.

A quick turnaround time ensures a steady stream of clients. The company has a skilled work force of tool and die makers and CNC operators at its 2,400 square metre facility. They also received an ISO 9002 certification several years ago.

The company has also entered into discussion with St. Clair College on the development of an apprenticeship program for pattern making.

Ontario has been supporting the development of highly skilled workers through its \$130 million Strategic Skills Investment initiative. As Ontario moves to support the need for highly skilled workers, the



Vic Ludu puts the finishing touches on a piece of equipment in the machine shop of Windsor's Pattern Equipment and Prototype Inc. The company's clients include major automotive parts manufacturers.

province continues to generate jobs, growth and opportunity.

"There's an interest on the part of the college to get involved in areas where industry sets the parameters and then we are able to get students into it," says Jack McGee, president of St. Clair College.

"We're still progressing with that discussion," says Bramhall. "This would be a training ground for the foundry industry and a place for the industry to work out theoretical solutions."

Sales have doubled over the past three years, and the company has enjoyed growth that "has not yet peaked," says Gibson, adding that 95 per cent of clients are in Canada, though U.S. sales are growing.

Denso Manufacturing plant means jobs and technology in Guelph

A new auto parts manufacturing operation in Guelph will create 150 new jobs in addition to the spin-off benefits it provides to the local economy.

Denso Manufacturing Canada Inc., which officially opened last fall, has a 10,400 square metre facility worth an estimated \$33 million. The operation will build 35,000 automotive air conditioning units annually when it reaches full production by the end of this year.

"By lowering taxes, removing barriers to growth and reducing red tape, we have helped to create an economic climate that is very attractive to major employers like Denso," said Premier Mike Harris. "Denso knows what it takes to stay competitive in the global marketplace and so does Ontario."

"They are an important and welcome addition to Guelph's industrial base," said Guelph Mayor Joe Young. "Their presence has added stability to the community and they have provided excellent job opportunities for many citizens. We have enjoyed working with Denso and as a city we will continue to offer them every assistance we can."

The Guelph facility is one of Denso's many international operations. Denso is the world's forth-largest vehicle parts manufacturer. Worldwide, the company has 65,000 employees in 26 countries and last year boasted sales of \$14.5 billion.



Denso Manufacturing Canada Inc. worker assembles automotive air conditioning parts at the company's facility in Guelph.

Sterling Truck Manufacturing expanding in key areas

Guided by a focus on specialized training and a commitment to excellence in mass customization, Sterling Truck Manufacturing is looking to a bright future.

Among the company's recent highlights are a major expansion combined with a growing workforce, new markets in Mexico and the addition of a new line of trucks at its operations in St. Thomas.

The plant was expanded in 1998 to 48,000 square metres at a cost of \$60 million for construction and new tooling to accommodate the production of Sterling Brand Trucks.

"We've pretty much doubled our workforce since the summer of 1997," said Sterling public relations manager Jim McNamara. "Employment now stands at 2,000 workers."

Sterling's successful expansion mirrors strong growth throughout Ontario. Provincial economic policies have helped foster 642,000 new jobs between 1995 and 1999 with the majority of this growth occurring in small- and medium-sized enterprises.

Sterling's production roster will soon increase further with a new line of specialized trucks dubbed the Acterra. According to McNamara, "production on the Acterra begins in April 2000. We are adding four new models to the line. Changes to the plant include the addition of new equipment, and we are beginning to train employees to produce the Acterra."

McNamara says continuous specialized training is a cornerstone of production.

"Training is one of the things that makes the St. Thomas plant so special," he says. "Sterling specializes in custom built trucks – every truck we build has the potential to be customized. We're able to produce customized products because of the training and flexibility of the workforce. We take the phrase of mass customization seriously, where we can give each customer exactly what they need for the job, based on their requirements."

Sterling began operations in January 1998, although its parent company, Freightliner,

had operated a facility there since 1992. The plant is the sole source of Sterling Brand "conventional" trucks (those with a hood, as opposed to trucks where the cab sits over the engine.) The trucks are sold in five countries: Canada, the United States, Australia, New Zealand and most recently Mexico, where they were introduced in October 1999.

The customization of Sterling trucks means that models can be modified easily into ready-mix cement trucks, heavy-haul construction tractors or snow plows.

"They can have any one of a million and one applications, from the everyday dump truck to trucks that have a lot of equipment added to them," says McNamara, adding that last year the company produced 25,000 trucks in St. Thomas.

Among the new technology the plant has incorporated into the facility is a robotic painting system installed last summer. The company also opened a modern transportation centre where trucks are prepared for delivery to customers across North America.

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