

Working Group #2: Manufacturing and Life Sciences Working Group Update

1. Sector Scope & Definitions: *explain what the working group looked at and what it didn't; cross reference to other working groups where appropriate (next step)*

1.1 Sub-Sector definitions:

1. Manufacturing – mix of large MNE and family or privately owned SMEs, almost all have products on market and generating revenues
2. Manufacturing companies that converted to PPE: mainly SMEs that already had revenues in oil/gas, clothing, plastics, but started a line or moved over mainly to hand sanitizers, masks, face shields
3. Life Sciences – Therapeutics: mainly early stage/pre-revenue, raising or have raised investment capital, most are start-up to SME (5-50 employees), much longer term to market
4. Life Sciences – Medical Devices, Digital Health: mix of SMEs and large MNEs, more have products and global sales, but some are still in product development / trials

2. Approach *(How did the Working Group go about gathering and analyzing information?):*

Working group conducted virtual interviews and outreach to over 30 companies in these sectors

3. Significance to the City *(What role does the sector play in the city's economy or social fabric; why is it important to the city's future; why should the city intervene? Alignment with City priorities – Ec Dev, Transport, etc.)*

In terms of the importance of manufacturing to Hamilton, it is the largest private sector employment sector. When considering private sector and public sector employment in total, manufacturing is 2nd, after the "health care and social assistance (public)" sector. Furthermore, the manufacturing sector contributes 4% of Ontario's total economy (\$12 billion annually) and has had consistently increasing employment numbers since 2012 showcasing the sector's continued growth. Life sciences sector (outside of health care) provides further diversification and has high potential for growth (many of the companies were expecting to grow by 5-20 people in the next 12 months, hiring for highly skilled, technical, high paying jobs).

4. Industry Health, COVID-19 and Economy Impact: *(Contrast industry health and trends in 2019 (pre-COVID), during COVID lockdown, now, outlook)*

Pre-COVID – many of the manufacturing and life sciences companies had optimistic outlooks with business forecasting

CEWS program very much used by manufacturing companies. Less used by life sciences who did not qualify as many were pre-revenue

4.1 Government Rules & Relations and Industry Adaptation: *How has government intervention helped/hurt the sector (financial, labour, communications, etc.)? – municipal, provincial, federal; How has industry helped itself; has the industry pivoted to produce new products, changed business models as a result of COVID experience?*

5. Key Issues *(Think about 1. A result of COVID 2. Discovered because of COVID 3. A strategic challenge/opportunity). Examples may include:*

- Talent
- Working conditions
- Financial
- Markets
- Transportation

6. Interconnectivity: *(identify any interdependencies between issues, including investment decisions, timing and government signals between the working group and other sectors)*

7. Challenges and Opportunities

Challenges:

- labour availability, lack of skilled trades, specialized technicians
- is Hamilton politically disadvantaged and not progressive enough
- availability of public transit to industrial parks is an issue. This was a problem pre-covid, but became more difficult with cuts.
- taking too long to get permits from the City to support manufacturing companies
- uncertainties related to second wave potential – what will happen with schools? How will a second shutdown be done?
- encampments in certain areas – security and safety for businesses nearby

Opportunities:

- position Hamilton as a hub of advanced manufacturing with strengths → develop a manufacturing council, really show leadership and that there is a champion in the city (politician to really get relocation of companies into the city); improve educational/work experience)
- Bayfront lands – mixed use of offices, training

8. Draft Recommendations *(flag urgent and time-sensitive matters, esp. those with municipal, provincial or federal budget implications)*

Actions	Lead partners; City dept	Responsibility (Community, City, Province, Federal)	Timing (flag if urgent)
Pandemic pre-planning in strategic areas in the event of a second wave – e.g. childcare plans in place in the event of school closures to enable parents to keep working		City Province	urgent
Continue property tax deferral program for those companies in need	Similar to WG 1	City	Urgent
“Buy local/Ontario/Canada” procurement programs to support manufacturing firms that converted to PPE; e.g. revise city procurement policy to factor local instead of just lowest bids		City, community	Urgent
Improve speed on permitting for building to enable sustainable growth		City	
Consider strategic development of Bayfront lands as an advanced manufacturing campus that combines academia, training, ancillary services		City Community	
Ensure master traffic plans engage manufacturing to enable optimum traffic flow. Improve public transit to industrial areas/plants. Coordinate with industry regarding public transit needs (timing, routes)	Similar to WG 1	City Community	
Transportation infrastructure – increase priority on preventative maintenance and timely repairs		City	
Promote and champion Hamilton region as the Advanced Manufacturing hub of Canada – establish an Advanced Manufacturing council		Community City	

Champion Hamilton region's on-going transformation as a Life Sciences Cluster – support of Synapse Life Sciences Consortium			
Create job boards for life sciences and manufacturing sectors		Community	
Continue to promote and champion Hamilton's reputation as an attractive and livable city to attract and retain skilled workforce		City Community	
Continued support for CEWS extension / transition plans (July to Nov)		Federal	
Continued support of Federal Corporate Tax deferral programs and advocacy on potential future extensions		Federal	
Support of potential assistance for companies that have reduced productivity due to COVID-related plant preparations (e.g. many companies lose 1 hour of productivity per shift due to sanitization measures – can there be support for this?)		Federal or Provincial?	
<p>Support of federal trade policies and their continued improvements – massive impact to manufacturing given changing global trade flows and US policies.</p> <ul style="list-style-type: none"> • Open commercial borders with US, i.e. US232 tariff on aluminum and steel • Ensure we maximize benefits of new NAFTA, especially auto parts • Procurement policies that promote Canadian (manufactured) goods – transfer federal / provincial procurement \$ to municipalities to provide pro-Canadian decision opportunities at a City level 		Federal	

First Draft Due: August 25th

Final draft: September 11th

