



Medicine Hat
Economic
Development

State of the Industry

MANUFACTURING IN SOUTHEAST ALBERTA

2024 Business Retention & Expansion – Industry Specific



Executive Summary

In early 2024, Medicine Hat Economic Development launched an industry specific business retention & expansion study focused on supporting the manufacturing, warehousing, and distribution industry in Southeast Alberta.

This work, spanning nearly one year, was undertaken with the support of several partners including Cypress County, Town of Redcliff, Palliser Economic Partnership, Medicine Hat College, Southeast Alberta Chamber of Commerce, and Careers: The Next Generation. The culmination of this program resulted in State of the Industry: Manufacturing in Southeast Alberta, a report which aims to provide benchmarking for the current state of the industry, identify key challenges and opportunities for local business, and recommend data driven actions to support industry growth.

The study followed a five-phase approach to ensure strong industry engagement and data-driven analysis. It began with a roundtable discussion where industry experts identified key priorities, which guided the development of targeted survey questions. The surveys were then conducted through business visitations with regional organizations to gather firsthand insights. Once data collection was complete, an in-depth analysis was conducted, driving the development of draft goals and recommendations. To validate these findings, a second industry roundtable was held, seeking feedback from stakeholders to ensure the recommendations aligned with industry needs. Following the release of this report, ongoing efforts will continue to support the implementation of these goals and recommendations.

The initial roundtable identified priorities related to workforce shortages, supply chain and trade challenges, and a variety of barriers to investment attraction and expansion.

The study research validated these findings, and the following recommendations have been identified:

1. ***Pursue a targeted workforce attraction marketing strategy.***
2. ***Utilization of workforce avatars to support workforce opportunity matching***
3. ***Capitalize on other's marketing initiatives***
4. ***Facilitate businesses increasing engagement with educational institutions to create opportunities for work integrated learning and continuing education.***

These recommendations serve as a roadmap for regional support organizations to engage in industry validated actions to drive sustainable growth, investment, and innovation.

The next phase involves implementing actions and tracking progress through ongoing collaboration. By working together, industry stakeholders can strengthen Southeast Alberta's position in manufacturing, warehousing, and distribution, ensuring long-term regional resilience and sustainability.

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Introduction

The introduction of a new Economic Development Department within the City of Medicine Hat adds a long-awaited element to the ecosystem of economic development service providers in Southeast Alberta.

Medicine Hat Economic Development (MHED) is taking a wholistic approach to community growth with a focus on four key pillars: workforce development, business and industry development, investment and growth readiness, and investment attraction. A critical underlying factor of the department and region's success is the prioritization of data driven decision-making. The BREIS initiative was developed to gather industry specific data to help support MHED programming.

PURPOSE

Business Retention & Expansion in Economic Development

Business Retention and Expansion (BRE) is often referred to as the heart of economic development. As a strategy, BRE strengthens our relationships and understanding of local businesses through business visitation surveys, data analysis, and targeted projects that address challenges or barriers. Documents prepared for the Southeast Alberta Economic Opportunity Strategy by Deloitte LLP note that BRE programs retain business, facilitate growth, leverage data and intelligence to attract new companies, and foster the creation of new businesses thereby driving economic development and prosperity within the community.

BRE programs are typically done in one of two ways, through a continuous model or a project-based model. The continuous model includes the collection of survey data from businesses on an ongoing basis

with no specific end point. The project-based model also includes the collection of survey data from businesses, however there is a defined start and end point, and the project will usually include a report summarizing the data following the survey period. MHED endeavored to undertake a project-based BRE program targeted at generating a deeper understanding of key sectors in Southeast Alberta.

Business Retention & Expansion – Industry Specific

While there have been BRE studies done for the region in the past, notably, the Business Retention and Expansion & Workforce Development (BREWD) report that was released in early 2020, several monumental local and global shifts have taken place since. Given that, there was an opportunity to look more closely at one specific industry for the purpose of understanding what actions can be taken to best facilitate sector growth in its current state.

A Regional Approach

While some BRE programs focus on a single municipality, it is the position of MHED that a regional approach to economic development can result in more effective programming. Where appropriate, projects are done considering the trade area of Census Division 1 – Southeast Alberta - including the City of Medicine Hat, the towns of Bow Island and Redcliff, Cypress County, the County of Forty Mile, and the Village of Foremost. Each municipality has unique strengths that support current businesses and potential investors. Utilizing a regional approach for the BREIS creates the opportunity to look at sector challenges and programming solutions on a larger scale with more resourcing and partnership opportunities available to utilize.

Program Partners

Economic development service organizations in Southeast Alberta are quite diverse in their approach to supporting local economic growth. Several organizations contributed considerable time and expertise toward the BREIS – Manufacturing as the Core Action Team, including participating in roundtables, engaging in business visitations, contributing to report development, and initiating activities for the betterment of the Southeast Alberta manufacturing industry. The following organizations acted as Core Action Team members in the BREIS - Manufacturing:

1. Town of Redcliff
2. Cypress County
3. Palliser Economic Partnership
4. Medicine Hat College
5. Southeast Alberta Chamber of Commerce
6. Careers: The Next Generation

Program Identified Goals

The primary driving goal of the BREIS as determined by the Core Action Team at the outset of the program was to collect data on the manufacturing, warehousing, and distribution sectors (herein referred to as manufacturing) in our region using a survey delivered through business visitations.

Two secondary goals were also detailed, including: to connect with the businesses in our region so they feel appreciated and know where to go if they need support and to generate a list of projects that would be impactful for the manufacturing industry and to initiate some of those projects through organizations, municipalities, or the region.



Approach

PROJECT OUTLINE

The BREIS – Manufacturing program can be separated into five phases.

1. Community Assessment & Program Preparation
2. Survey Development & Business Visitation
3. Data Analysis & Issue Identification
4. Report, Recommendations & Action Planning
5. Action Plan Implementation

Phase 1: Community Assessment & Program Preparation

The purpose of Phase 1 was to lay the groundwork for the rest of the program. The first key date in this phase was a meeting of the Core Action Team to clarify project goals, timelines, and answer any questions. Each participating organization has a mandate that drives their operations, so ensuring that each organization is aligned on the purpose and community benefit of a program like the BREIS was important.

This phase included key stakeholder notification, including municipal councils and industry organizations, following which there was a public launch of the BREIS program, including a press release from the City of Medicine Hat on May 9, 2024 (Appendix 5). The identification of industry businesses was also a key deliverable of Phase 1. Participating program members utilized the various resources at their disposal to identify key organizations in the region. Altogether, 76 businesses were identified in the manufacturing sectors.

Following stakeholder identification, a meeting was held with an Industry Specific Advisory Panel. Members and experts in the industry were identified and invited to participate with the Core Action Team in a roundtable discussion regarding the global state of the industry and priority areas for further research. Questions asked of the Industry Specific Advisory Panel can be found in Appendix 6.

Phase 2: Survey Development & Business Visitation

The second phase of the program focused on data collection. Resulting from the Industry Specific Advisory Panel Roundtable discussion, certain topics became clear priorities. Survey development was undertaken with these priority areas guiding the question selection. Upon the completion of survey development, each Core Action Team member took responsibility for several of the identified stakeholders and engaged in survey completion through site visits where possible (16% were done through a virtual meeting with the business due to site or time limitations).

Phase 3: Data Analysis & Issue Identification

The third phase included analyzing the data collected through business visitations. Initial data analysis was completed by the Medicine Hat Economic Development team, with support from the City of Medicine Hat's Corporate Strategic Analyst and Performance Data and Dashboard Developer.

Phase 4: Report, Recommendations & Action Planning

Following the data analysis, the Core Action Team engaged with the data to determine the best path forward for economic development organizations to support the manufacturing sector. These activities were then discussed with industry in a second round table to validate the program findings and recommendations. This process culminated in the release of the State of the Industry Report for Manufacturing in Southeast Alberta.

Phase 5: Action Plan Implementation

The final phase of the BREIS – Manufacturing has no defined end date as it signifies the ongoing action of economic development service providers to implement actions and programs that will support the industry in easing or eliminating barriers to growth. Members of the Core Action Team and other business serving organizations should sustain ongoing work to continue strengthening the relationships that have been built and pathfinding solutions to industry challenges.

Background

NATIONAL OUTLOOK

Manufacturing has historically played a significant role in Canada's economy, contributing 30% of the nation's GDP in the early 1950's and nearly 20% in 2000¹. The automotive industry, primarily located in Southern Ontario, is the largest manufacturing sector and second-largest exporting industry². The aerospace sector also represents a significant driver of manufacturing in Canada.

In recent years, the contribution of the manufacturing industry to the Canadian economy has seen a decline, representing just 8.5% of the country's GDP³. Considering the indirect economic impact, however, the industry continues to remain an important contributor to the economy, accounting for approximately 27% of Canada's economic activity⁴. Importantly, this represents employment of up to 5.36 million individuals across the country and more than a quarter of all jobs.

Many factors are contributing to the decline in manufacturing's contribution to the Canadian economy. The COVID-19 pandemic saw sweeping impacts to supply chains across the world resulting in challenges in obtaining raw materials and long wait times for customers. In fact, the number of manufacturers that experienced raw material shortages nearly tripled from 2019 to 2022⁵.

Additionally, there has been a decline in productivity from 88% of value compared to the US in 1984 to just 71% in 2022 representing the second largest productivity decline compared to the US amongst G7 countries⁶. Additionally while Canada's population is increasing, the overall workforce is aging. Since 2000, workers in Canada over 55 years old has increased by 184% without seeing a similar increase in other age cohorts⁷. This presents an ongoing concern relating to a labour shortage in the coming years.

Finally, the election of American President Trump in November 2024 has contributed significant uncertainty to the Canadian economy. With trade between Canada and the US valuing over \$1 trillion in 2024, America is a critically important trading partner for the country⁸. In fact, 75.9% of exports from and 62.2% of imports from and to Canada were directly from trading with the US. Recent and ongoing threats of tariffs have resulted in substantial insecurity in the market, inevitably impacting the manufacturing industry.

LOCAL CONDITIONS

Medicine Hat and Southeast Alberta have been a hub for manufacturing for more than a century. Canadian Pacific Railway's arrival to the South Saskatchewan River in 1883, the discovery of natural gas, and creation of the City's utility business in the early 1900's⁹ created ideal conditions and access for factories to set up along the rail line. Notable products manufactured in Medicine Hat have included bricks, pottery, ammunition, flour, farm implements¹⁰, tires, and more. Additionally, the expansive natural gas fields resulted in a thriving gas and petrochemical industry.

Today, some large industrial manufacturing facilities remain in the region, supported by many service companies. The industry is a major employer in the region and contributes significantly to the local economy. The history of the region, and the opportunity in the industry is why manufacturing was identified as a priority sector for Southeast Alberta and ultimately as the subject of this study.

Methodology

INDUSTRY SPECIFIC ADVISORY PANEL MEETING

Each industry has different local economic factors that are important to its success. To determine the priority areas for further research in the manufacturing industry, the Core Action Team and key experts in the industry met to discuss the resources available in the area, workforce, supply chain, ease of entry, innovation & technology, the state of the current support ecosystem, and available opportunities in the industry. (Appendix 6) A series of 16 probing questions were asked and roundtable participants were given instruction to respond from a high-level industry perspective and to share freely – the more information shared, the better.

Discussion

The Industry Specific Advisory Panel meeting provided the opportunity for a robust and engaged discussion. Several challenges were identified, as well as some benefits to the region. The key themes for each subject area are detailed in Table 1 below.

Findings & Identified Priorities

Of the discussion themes denoted in Table 1, priority areas for further research were identified. In this case, the areas of greatest interest were:

1. Workforce: youth involvement in trades, workforce retention in Southeast Alberta, and the opportunity to upskill employees.
2. Supply chain: ease of export and municipal advocacy for international trade.
3. Ease of entry: availability of infrastructure to support new investment attraction and current business expansion, the easing of bureaucratic barriers, as well as the adoption of a diversified, coordinated, aggressive, and prioritized approach for manufacturing investment attraction.
4. Ecosystem: to support business expansion including clear and simple processes for new and existing businesses to access resources.

Resources	<ul style="list-style-type: none">• Infrastructure constraints limiting expansion opportunities/investment attraction (water, natural gas)• Cross border opportunities• Opportunity in military base and regional airports
Workforce	<ul style="list-style-type: none">• Exposure of youth to specific trades• Quality of life as a mechanism for employee retention• Upskilling current employees• Medium to high skilled trades programs
Supply Chain	<ul style="list-style-type: none">• Advocacy with regards to international trade (port strikes, border access, etc.)• Importance of ease of export to growth and retention
Ease of Entry	<ul style="list-style-type: none">• Permitting and construction delays are extremely costly• Bureaucracy is a barrier• Diversified, coordinated, aggressive, prioritized approach to investment attraction in manufacturing is needed
Innovation & Technology	<ul style="list-style-type: none">• Region is a leader and has more opportunity• Incentives are critical for competitiveness with other regions
Ecosystem	<ul style="list-style-type: none">• Simplicity and clarity are key• Integrated, clear ecosystems support businesses• Incentivization of local-to-local sales
Opportunities	<ul style="list-style-type: none">• Opportunity to preserve/incubate existing capacity• Incentivize startups
Other	<ul style="list-style-type: none">• Bureaucracy/red tape is a barrier to innovation, expansion, investment attraction• All-in-this-together communications• Messaging pro-business• Incentives

Table 1

Survey

While the Industry Specific Advisory Panel's discussion focused on high-level, industry wide trends, the purpose of the survey was to look deeper into the individual experience of the business. Additionally, the survey was intended to be completed with the owner or management at their place of operation, which supports the Core Action Team members and Medicine Hat Economic Development in building relationships and expanding networks within the business community.

Survey design

With the priorities identified from the Industry Specific Advisory Panel meeting in mind, questions were gathered to increase clarity in the developing industry picture. From there, questions were divided into two surveys, an Initial Information Collection Questionnaire that business would complete online before the business visitation; and an Industry Specific Survey that would be completed with the business during the visitation.

The Initial Information Collection Questionnaire included questions valuable for a region to ask, regardless of industry, to determine the economic impact of the sector in the region. A full list of questions can be found in Appendix 1. The Industry Specific Survey focuses on questions related directly to the previously identified priorities from the ISAP. Each question has a rationale to support the analysis of returned data to ensure the priorities are kept front of mind. A list of Industry Specific Survey questions can be found in Appendix 6.

Sampling method

The list of manufacturing businesses was shared amongst the Core Action Team, and each team member was asked to prioritize certain contacts based on organizational mandate and/or previous experience with that regional business. From there, all contacts were divided between Core Action Team members, with members taking responsibility for engagement with identified businesses. Members of the Core Action Team or MHED reached out to all businesses on the list and met with any business who was willing to give their time.

DATA COLLECTION

Data collection process

Over the course of several months in the summer of 2024, Core Action Team members met with the industry for the purpose of completing the BREIS – Manufacturing survey. Businesses were asked to complete the Initial Information Collection Questionnaire online in advance of the meeting, however if this was not completed in advance then that survey would be done at the time of the meeting.

The Core Action Team member would attend the meeting at the business operation location whenever possible, however 16% of meetings were completed virtually due to site or meeting restrictions.

Core Action Team members were given paper copies of surveys to bring with them to the business site. Each survey included all the questions, as well as the rationale to support the surveyor in answering any questions that may arise from the respondent. All survey respondents were made aware at the outset that they could choose not to answer any questions and could withdraw from participation at any time. Survey respondents acknowledged this as well as the commitment to privacy in an Informed Consent form (included in Appendix 3).

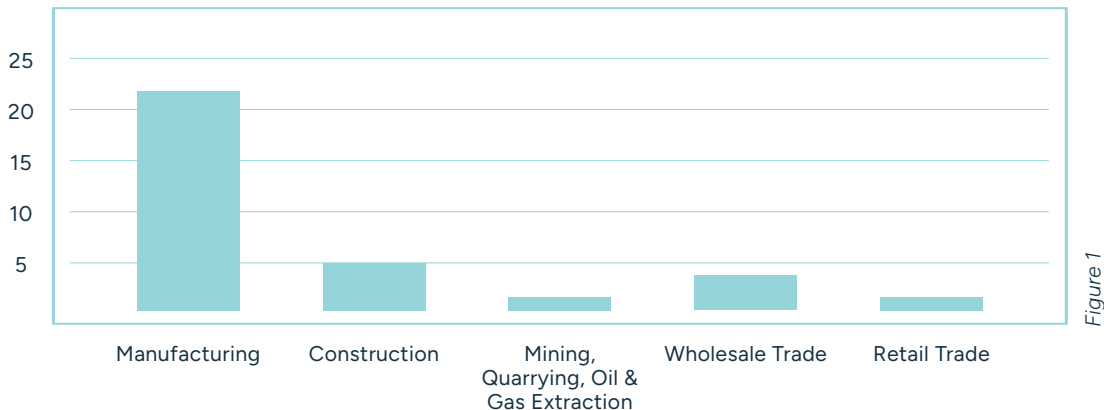
Surveyors were encouraged to add extra contextual notes in the margins to capture any information shared beyond or in addition to the survey answers. Once completed, the surveyor returned the completed paper copy to Medicine Hat Economic Development for coding and secure storage.

Response Rate and Industry Representation

Ultimately, 31 members of the Southeast Alberta manufacturing industry were interviewed for a 40.8% response rate.

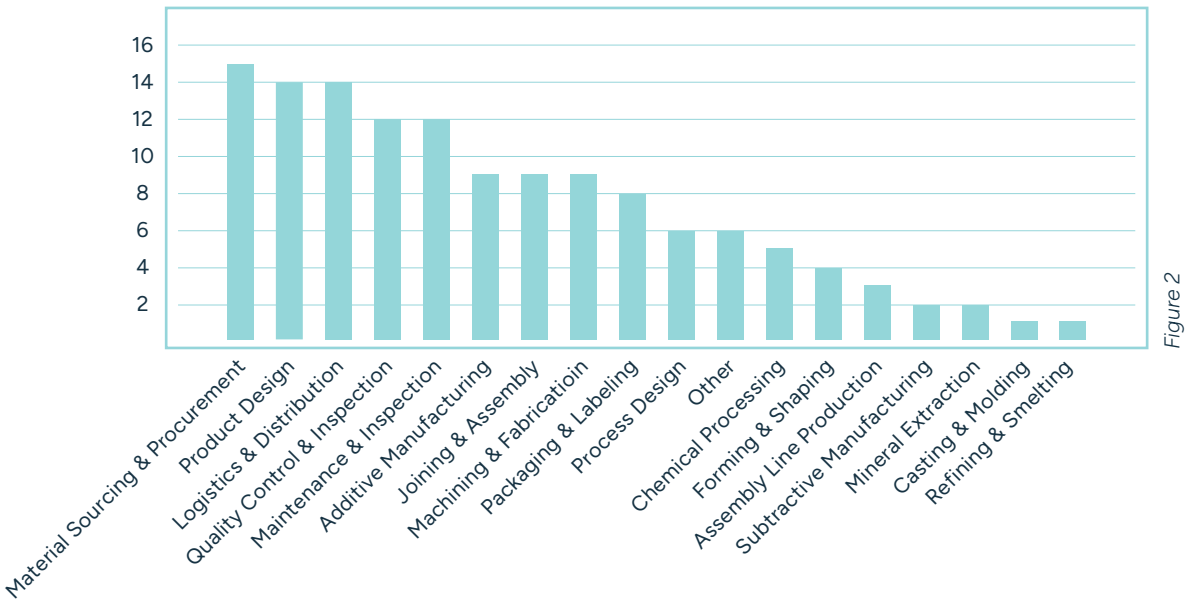
One of the first questions that businesses were asked in the Initial Information Collection Questionnaire was, “What is the primary nature of your business in this location?” with answer selections being sectors identified in the North American Industry Classification System (NAICS) Canada 2022 Version 1.0¹¹. (Figure 1)

WHAT IS THE PRIMARY NATURE OF YOUR BUSINESS IN THIS LOCATION?



Following the industry classification question, participants were also asked “What major activities is your facility involved in?” from which they could choose multiple activities from a list of 17 choices, with an “other” option if they don’t see their facility activity listed. The makeup of industry activity can be seen in Figure 2.

WHAT MAJOR ACTIVITIES IS YOUR FACILITY INVOLVED IN?



The respondents represented a broad range of regional economic contribution through annual revenue and payroll as seen in Figures 3 and 4.

EST. AVERAGE ANNUAL REVENUE

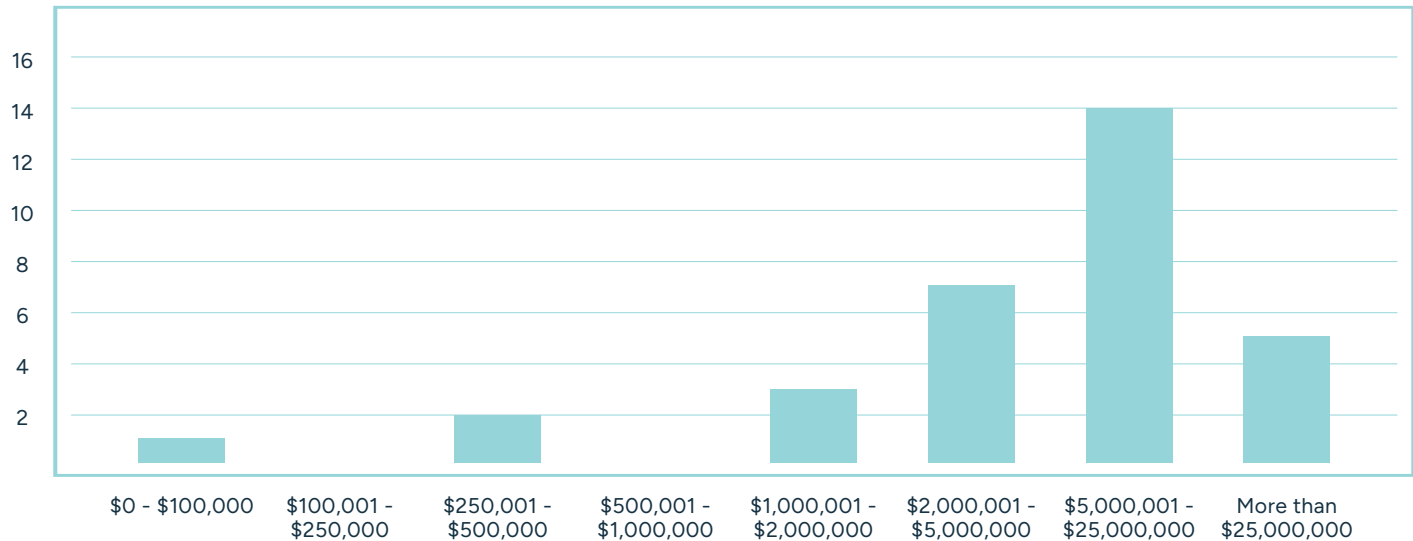


Figure 3

EST. GROSS ANNUAL PAYROLL

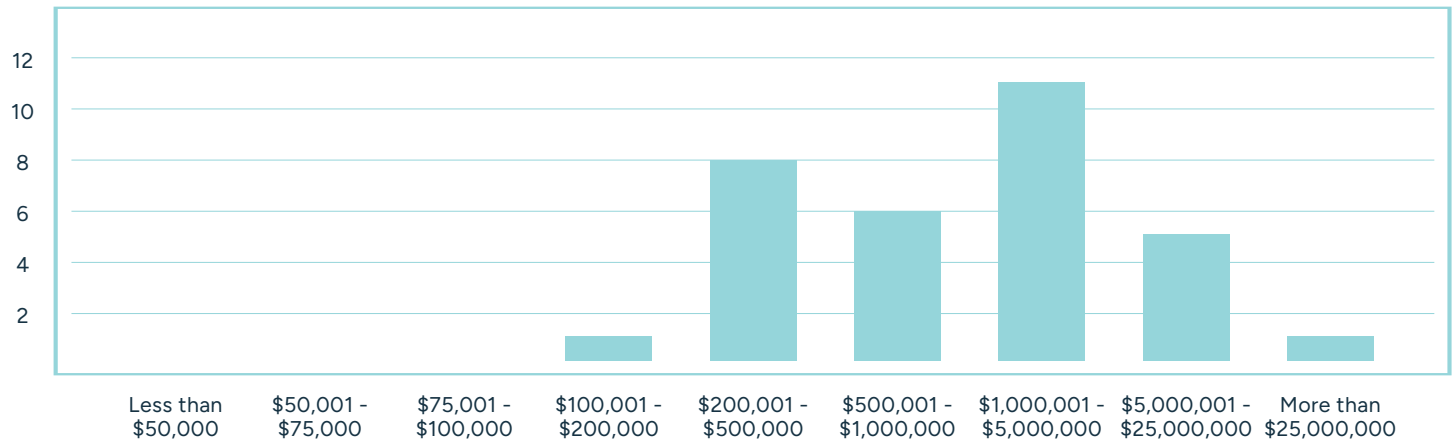


Figure 4

DATA INPUT, ANALYSIS, REPORTING

Paper copies of the surveys and virtual survey responses were collected by MHED and assigned a Respondent ID to ensure respondent anonymity. Yes/no, ranked questions, and multiple-choice responses were coded with numerical values to ease in data analysis and limit error. Open-ended question responses were categorized by overarching theme so the data could be used comparatively. From there data was formatted and organized into tables to be loaded into PowerBI. Tables were organized by question type, and whether they were single answer or multiple answer. Questions that included a ranking of Excellent to Poor were assigned a corresponding numeric value so that the data could be weighted and displayed visually.

Summary of Results/Survey Findings

GENERAL INDICATORS

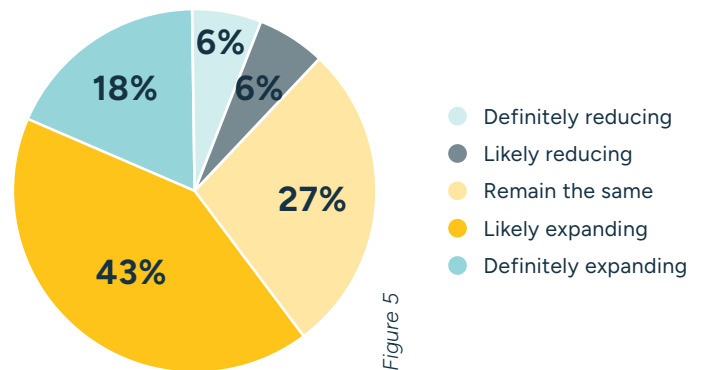
Signals point to the industry being generally positive about the local business climate conditions, with most expecting to grow their operations in the region. When asked about their future plans, 61% said they are likely or definitely expanding operations. (Figure 5)

Businesses were asked to rate a series of 24 local business climate factors as either poor, fair, good, or excellent. In general, businesses rated the various factors as Good or Excellent 54% of the time. Significant exceptions include:

1. Air Access was rated Poor 43% of the time.
2. Rail Access was rated Poor 42% of the time.
3. Workforce Availability was rated Poor 32% of the time.

On the other end of the spectrum, there were notable standouts with Excellent ratings, including Recreational/Cultural Amenities (6 times), Competitive Wages (5 times), Highway Systems & Conditions (5 times), and K-12 Education (4 times).

DO YOU HAVE PLANS TO REDUCE OR EXPAND YOUR OPERATIONS IN THE REGION



WHICH 3 BUSINESS CLIMATE FACTORS ARE MOST IMPORTANT TO YOUR BUSINESS TODAY?

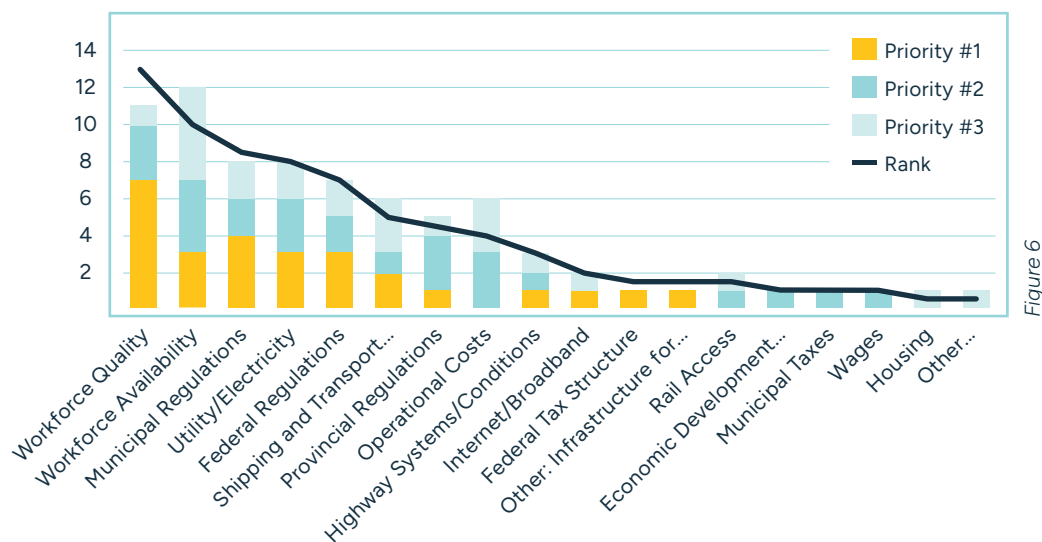


Figure 6

Following the rating, businesses were asked to prioritize the factors with the question, “Which 3 are the most important to your business today?”. Those responses were counted and assigned a weighted rank based on their designated priority level, to give each factor a priority score. (Figure 6)

While Workforce Availability, namely the number of people with the desired skillset, was selected as a priority by most respondents (48%), it was most often chosen third on their list. Workforce Quality, however, was brought up as the first priority 64% of the time it was chosen. This results in Workforce Quality being ranked as the most important business climate factor to our manufacturing industry today.

Other highly mentioned factors include Utility/Electricity which was selected as a priority by 32% of respondents receiving nearly equal priority level between first, second, and third. Additionally, Municipal Regulations was selected by 24% of respondents with 67% listing it as the most important factor to their business.

On the topic of utilities, “Is the region’s technological and utility infrastructure adequate for your company’s growth plan?” was asked of all survey respondents in the initial information collection questionnaire. Typically, of those who said it was not adequate, the common theme was that upgrades would be needed to power, water, gas, and internet to support operational expansion. This data points to the sentiment that the current technological and utility infrastructure is sufficient for today’s operational levels, however it will need upgrades to support manufacturing facility expansion in the future.

**PLEASE RANK THE TOP 5 MOST SIGNIFICANT CHALLENGES
FACED BY YOUR BUSINESS TODAY WITH 1 BEING THE MOST
ACUTE AND 5 BEING THE LEAST**

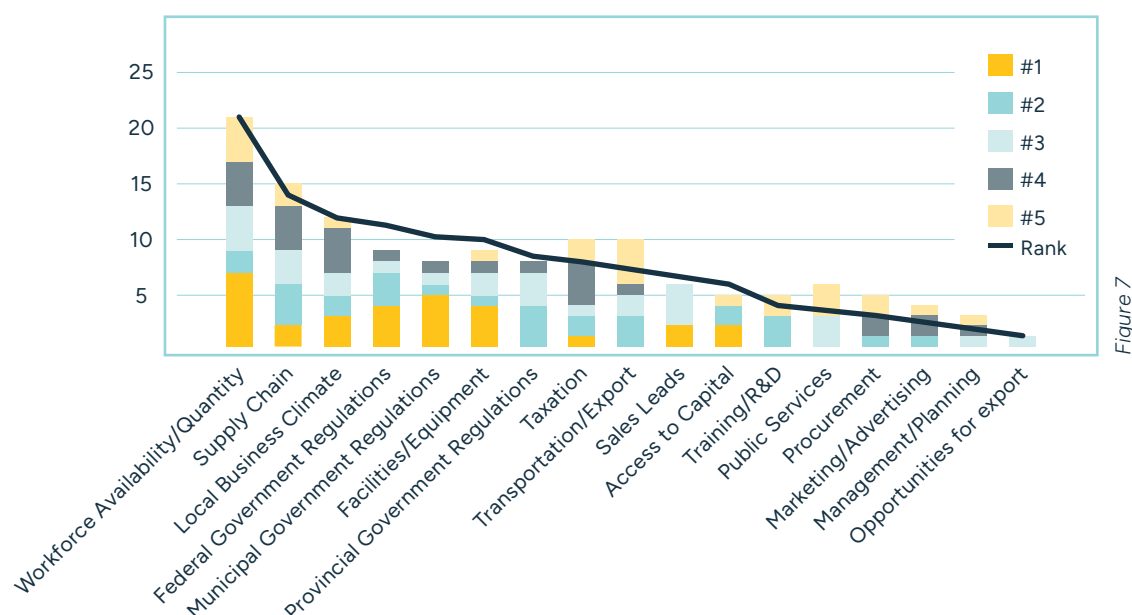


Figure 7

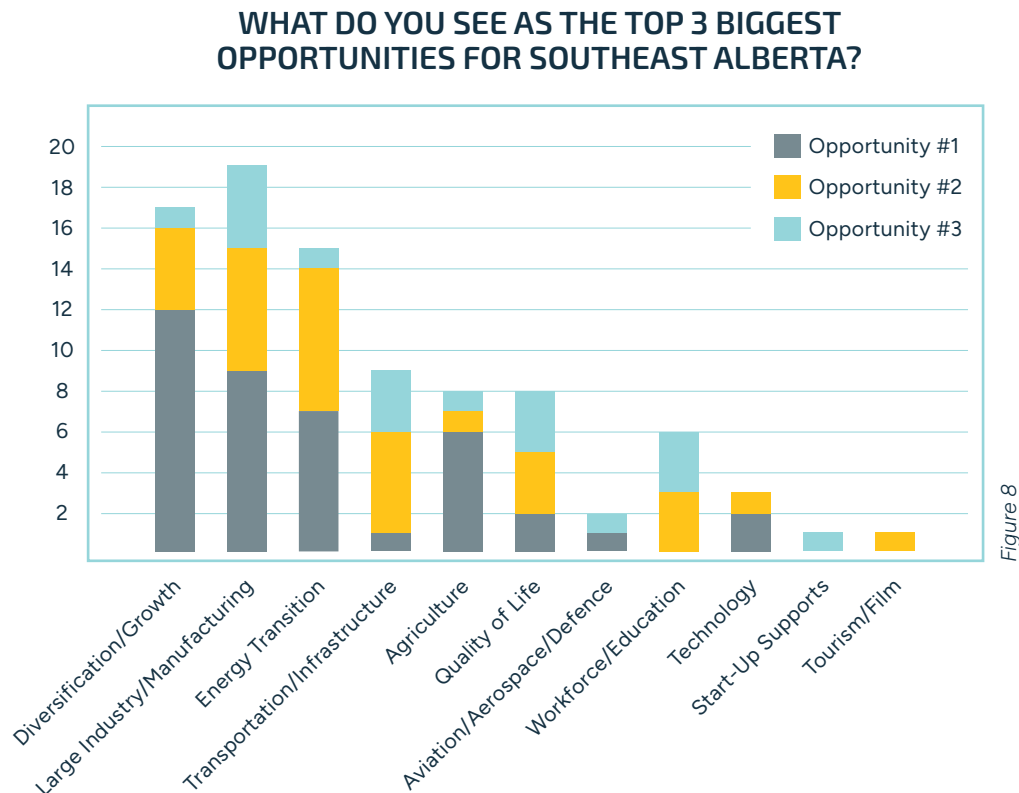
Surveyed businesses were asked to rank the most significant challenges faced by their business today. They were given a list of 17 potential challenges with the opportunity to add other challenges not listed. The responses were also assigned a weighted rank, with most acute being attributed the highest score (Challenge #1 received a weight of 5, Challenge #2 received a weight of 4, and so on). Figure 7 represents the number of times a particular challenge was selected as significant, as well as the associated level of acuteness. Perhaps unsurprisingly, given the Business Climate Factor priority ranking in Figure 6 on page 13, Workforce Availability/Quantity was most often selected as a challenge and received the highest weighted ranking.

Following workforce, Supply Chain received the second highest weighted rank as well as number of

mentions followed closely by Local Business Climate. Interestingly, though Government Regulations and Facilities/Equipment were not mentioned the most often, they did receive high weighted rankings due to how often they were mentioned as the first or second priorities. This suggests that, while these challenges aren't experienced by all businesses, the challenge is felt more acutely when it is presented.

In another question, respondents were asked if they were considering relocating their local operations with just 12% saying yes. Of those that said moving was a consideration, 75% are considering elsewhere in Alberta. In conversation with these individuals, most considering relocating within the province are considering movement within Southeast Alberta, however outside their current municipality.

To get an understanding of the optimism of the manufacturing industry, respondents were asked the very broad question, “What do you see as the top 3 biggest opportunities for Southeast Alberta?”. While the question leaves a lot of room for diversity in answers, the responses related to consistent themes. (Figure 8)



There is significant opportunity seen for expansion in Large Industry and Manufacturing Facilities with this theme being mentioned by 59% of respondents. Specifically, attracting large scale facilities utilizing the land availability and exploiting the “Medicine Hat Advantage” were frequently cited. This theme would also lead respondents into mentioning the second predominant theme (listed by 53%), Diversification and Growth. The nature of these comments related to the desire from the manufacturing industry to see new entrants into the region that would support wholistic economic growth. One respondent in particular said, “we need to attract large primary business that allows smaller secondary businesses to grow”.

Energy Transition was mentioned by half of respondents, specifically to the opportunity for renewable energy in the region. Additionally, the region’s larger manufacturing facilities see opportunity in being industry leaders in the transition to net zero. This mindset is something to be celebrated and promoted in our region.

While named fewer times, Agriculture and Aviation/Aerospace/Defence were other key industries where manufacturing companies considered there to be significant opportunity for Southeast Alberta. Also, remarkably, access to the community through Transportation Infrastructure, as well as the Quality of Life in Southeast Alberta were listed as benefits to the region that could be capitalized on for investment and workforce attraction.

WORKFORCE

Workforce was a substantial part of the discussion in the Industry Specific Advisory Panel meeting. As such, workforce comprised a significant portion of the survey questions for manufacturing business visitations. Of particular concern was youth involvement in trades, workforce retention, and the opportunity to upskill employees.

Businesses were asked to rate business climate factors related to workforce, specifically quality and availability, as poor, fair, good, or excellent. While these factors were prioritized when asked separately about the most important factors to their business today (Figure 6 page 13), ratings of the current experience with workforce were varied as seen in Figure 9.

BUSINESS CLIMATE FACTOR RATINGS



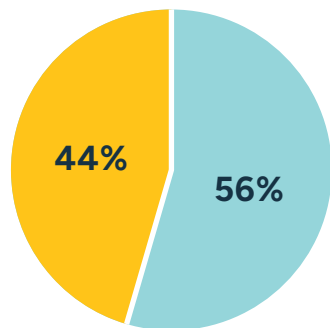
Figure 9

In the Initial Information Collection Survey, Businesses were asked whether they were experiencing challenges with workforce stability, availability, and skill. The definitions for each criterion were given as follows:

1. Workforce Stability refers to the consistency and reliability of the employment situation within a region over time (consider your level of confidence in employee retention).
2. Workforce Availability refers to the number of local workers who are ready and able to fill job openings in a region (consider the number of resumes you receive for a job posting).
3. Workforce Skill refers to the level of abilities, knowledge, and expertise of the workforce in the area (consider whether your job applicants have the appropriate qualifications).

While most respondents reported not experiencing challenges with workforce stability, there were reported challenges from most employers with workforce availability and skill, as seen in Figures 10, 11, and 12.

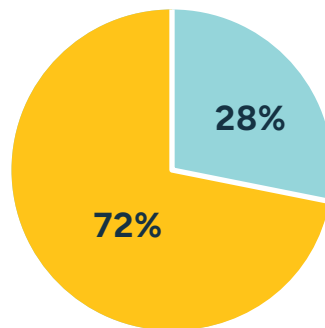
**WORKFORCE
AVAILABILITY**



● Yes
● No

Figure 10

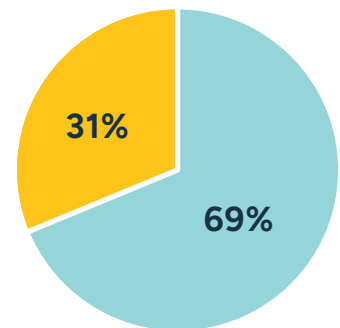
**WORKFORCE
STABILITY**



● Yes
● No

Figure 11

**WORKFORCE
SKILL**



● Yes
● No

Figure 13

The respondents who said yes to experiencing challenges with workforce stability, availability, or skill were asked what type of positions they were finding most difficult. Respondents were given the option to choose between the 6 National Occupation Classification (NOC) Training, Education, Experience, and Responsibility (TEER) Categories¹² with the following definitions provided:

1. Management occupations (NOC TEER 0)
2. Occupations that typically require a university degree (NOC TEER 1)
3. Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (NOC TEER 2)
4. Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on-the-job training (NOC TEER 3)
5. Occupations that usually require a high school diploma or several weeks of on-the-job training (NOC TEER 4); and
6. Occupations that usually need short-term work demonstration and no formal education (NOC TEER 5).

IN WHAT TYPE OF POSITIONS ARE YOU EXPERIENCING CHALLENGES WITH WORKFORCE AVAILABILITY/STABILITY/SKILL?

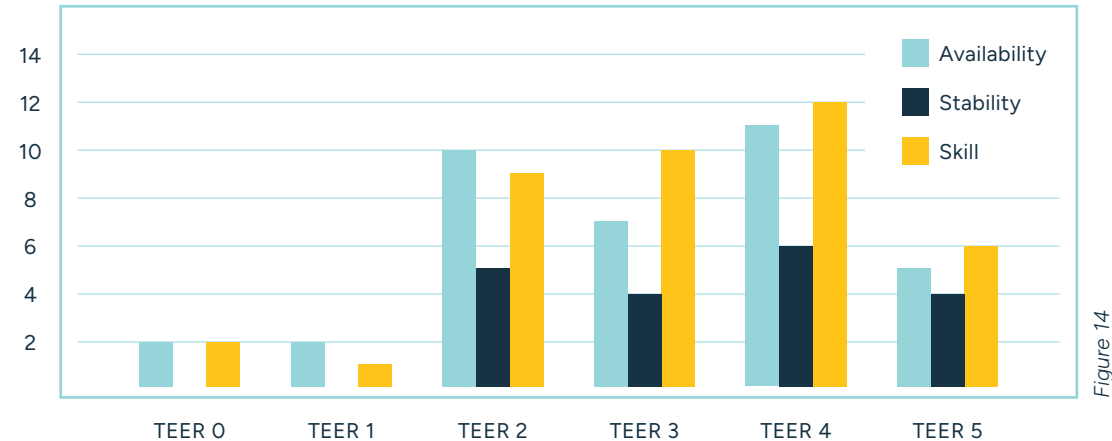


Figure 14

The TEER levels identified by employers experiencing difficulty in Workforce Availability and Skill relate predominantly to positions in TEER 2 and 4, with TEER 3 also providing a challenge. These TEER levels would typically denote ticketed and un-ticketed trades people, as well as skilled labourers and salespeople.

When asked whether manufacturers expected their employment levels in NOC Broad Occupational Categories¹³ to increase, the following categories were expected to increase in the next three years:

- 1. 58% of businesses expect to see an increase in Trades, Transport, and Equipment Operators
- 2. 58% of businesses expect to see an increase in Manufacturing
- 3. 43% of businesses expect to see an increase in Sales
- 4. 22% of businesses expect to see an increase in Senior Management
- 5. 22% of businesses expect to see an increase in Business, Finance, and Administration

There is noteworthy crossover with the TEER level positions providing challenges for employers with workforce availability and skill, and the NOC categories expected to see employment increases in the near-term. Furthermore, when asked, 81% of respondents are anticipating hiring challenges in the future. Specific skill shortages identified include welders, millwrights, specialized engineers, trades, and automation.

Positively, 96% of respondents expressed that they would be willing to, or are already engaging in, sending their employees for upskilling demonstrated in Figure 16. Many businesses stated that they will send their employees out of the region for this training or provide access to training through online programs. 10.5% of respondents specifically mentioned Medicine Hat College as a source of training.

WOULD YOU CONSIDER UPSKILLING YOUR EMPLOYEES?

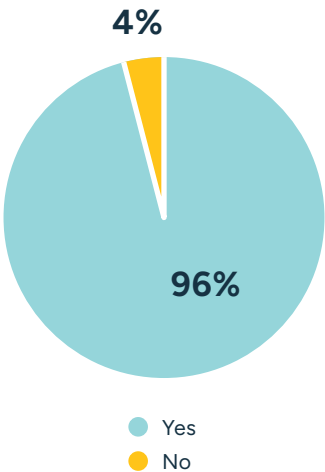
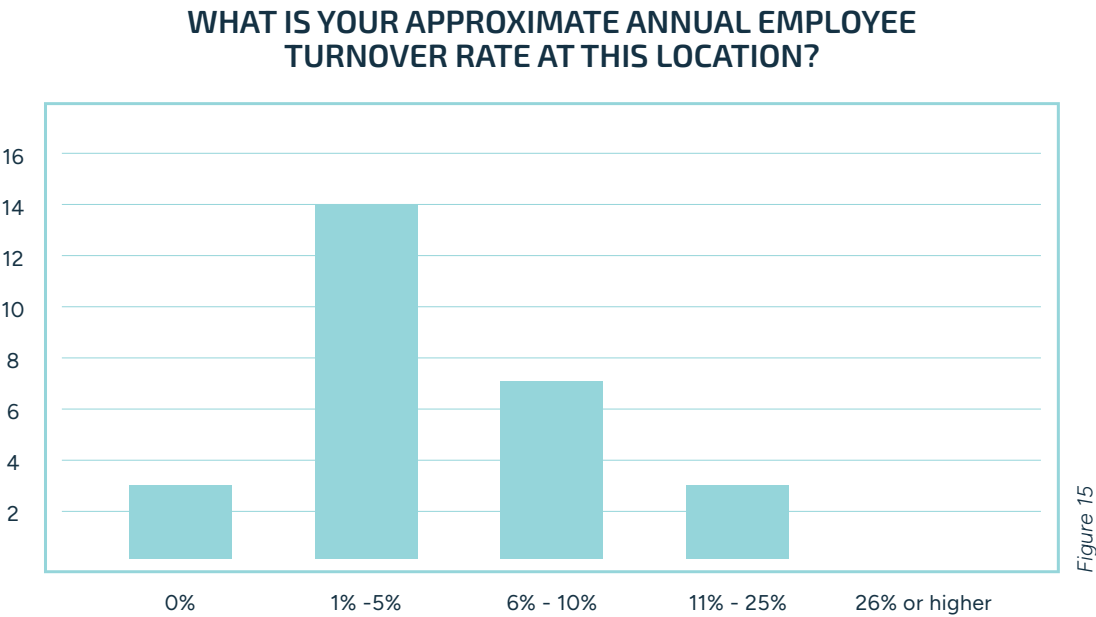


Figure 16

Workforce retention was a topic of discussion in the Industry Specific Advisory Panel meeting, so there were several questions related to this topic included in the survey. Interestingly, when it was brought up through the question “What is your approximate annual employee turnover rate at this location?”, the common sentiment was that there weren’t significant challenges with workforce retention. In fact, 63% of respondents have a turnover rate of 5% or less per year. This is visually reflected in Figure 15.



The experience of the manufacturing industry in Southeast Alberta related to workforce retention deserves acknowledgement. It is a positive reflection of the region’s major employers’ efforts to incorporate measures that support employee satisfaction leading to retention.

Workforce Availability and Skill are areas for further consideration, as these are expressly listed as both important and challenging to businesses. Further studies done on manufacturing in Southeast Alberta may also find it valuable to consider succession planning for long-term and senior employees. With staff retention at such high levels, this could be a future concern.

SUPPLY CHAIN, REGULATION, AND ECOSYSTEM

Despite the topics of Supply Chain, Ease of Entry, and Ecosystem being discussed separately in the Industry Specific Advisory Panel meeting, there was significant crossover in the identified themes for each category and the resulting data. Specifically, ease of export and advocacy for international trade, availability of infrastructure, the easing of bureaucratic barriers, as well as supporting business expansion through clear and simple processes to access resources were all identified priorities.

Businesses were asked if they currently export any products, and if they import any goods or services. Most respondents identify as importers, but do not identify as exporters as shown in Figures 17 and 18.

**DO YOU CURRENTLY IMPORT
ANY GOODS OR SERVICES?**

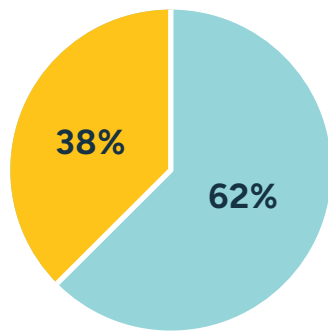


Figure 17

● Yes
● No

**DO YOU CURRENTLY EXPORT
YOUR PRODUCTS?**

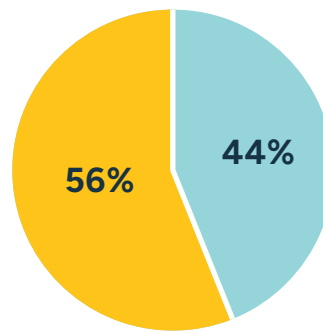


Figure 18

● Yes
● No

Respondents who noted import or export activities were asked about the target location, represented in Figure 19. All respondents export to the United States from Southeast Alberta apart from one exporter. In fact, less products ship within Canada compared to those that are bound for the United States. On the import side, most businesses import products or services from the US, followed distantly by Canada and Asia in equal measure. Products imported through the United States are double those imported from Canada and Asia.

TARGET LOCATIONS FOR IMPORT/EXPORT

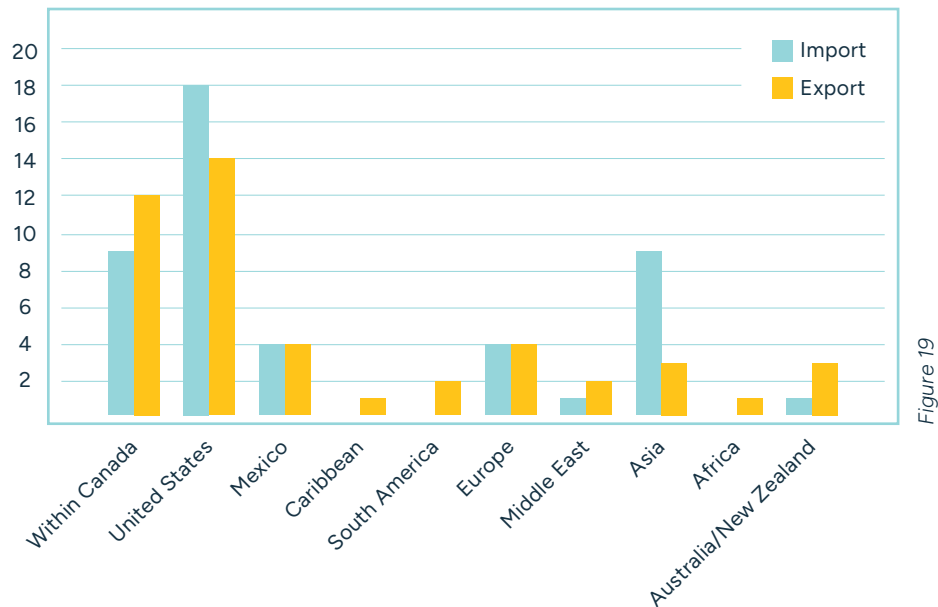


Figure 19

Exporters were asked if they anticipate exports to increase, decrease, or remain the same in the next one, three, and five years. Notably, 40% expect imports to increase in the next year, and 53% anticipate exports will increase in the next three and five years. Only one respondent expected exports to decrease in the future. (Figure 20) For exporters, the most important business climate factors included Workforce Availability, Utilities/Electricity, and Municipal and Federal Regulations.

DO YOU ANTICIPATE EXPORTS TO INCREASE, DECREASE, OR REMAIN THE SAME IN THE NEXT ONE, THREE, AND FIVE YEARS?

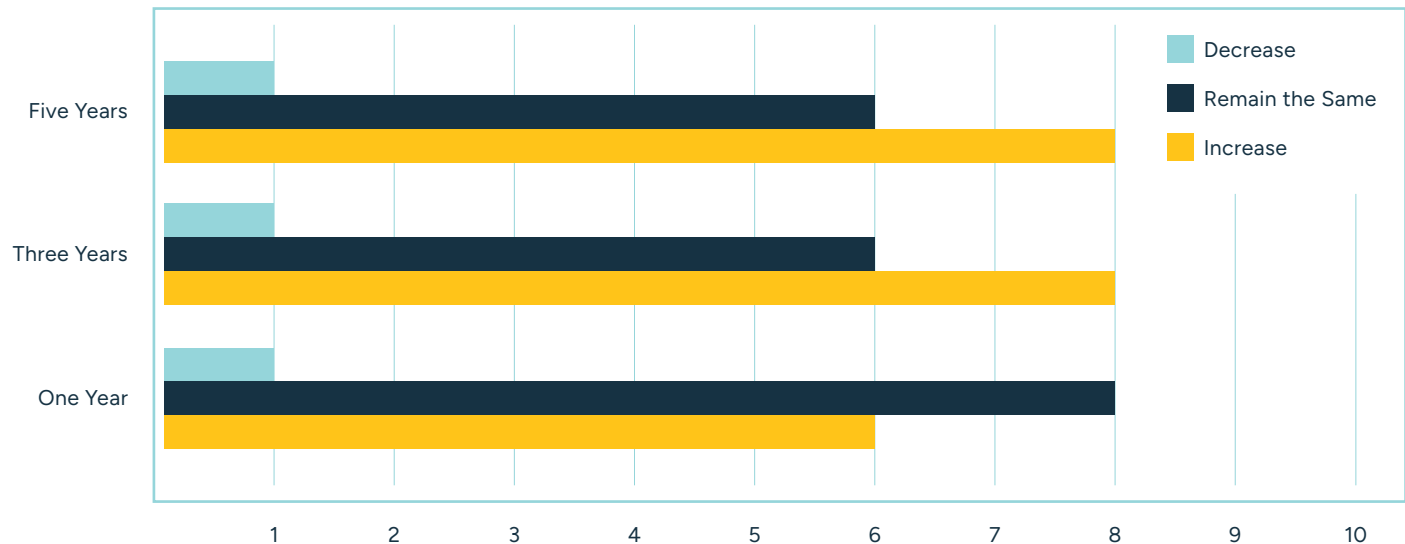
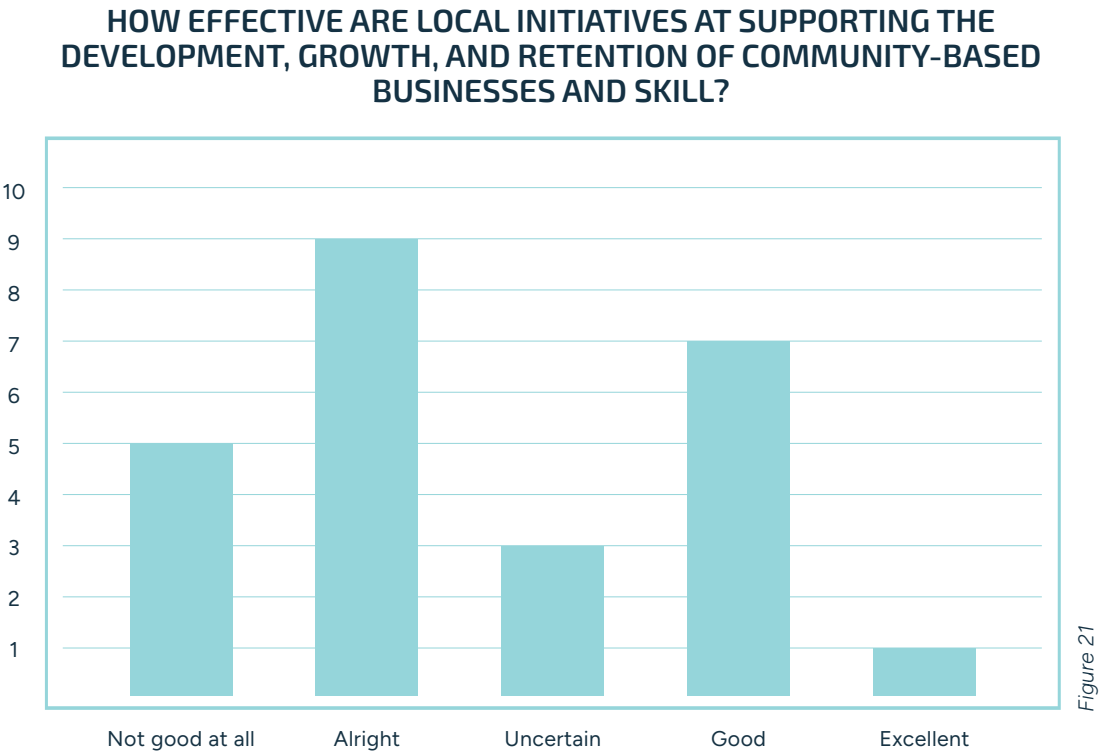


Figure 20

Considering the local context, manufacturers were asked, “How effective are local initiatives at supporting the development, growth, and retention of community-based businesses and skill?”. Respondents were given the options of Not good at all, Alright, Uncertain, Good, or Excellent, of which 36% said Alright as seen in Figure 21.



When asked for more detail on these responses, most businesses noted stagnant economic growth in the recent past as the basis for their rating. However, many businesses remarked that they felt optimistic given the current regional economic development projects. Respondents expressed that they would be watching to see the results of these projects and are anticipating action that follows.

Toward the end of the survey, businesses were asked about financial and non-financial incentives that would support their business. Response themes are shown in Figures 22 and 23. While asking about incentives can be difficult, the general motivation behind responses from the manufacturing industry were inspiring. The driving factor behind incentive consideration, both financial and non-financial, was to spur economic growth which would support their individual businesses and the rest of the region. Businesses of Southeast Alberta aren't looking to be subsidized but instead are looking for growth in the economy to allow their operations to be successful. One respondent stated, "Growth – more work brings growth," and another said, "our growth will come with growth within other industries".

WHAT FINANCIAL INCENTIVES OR PROGRAMS COULD SUPPORT YOUR BUSINESS GROWTH?

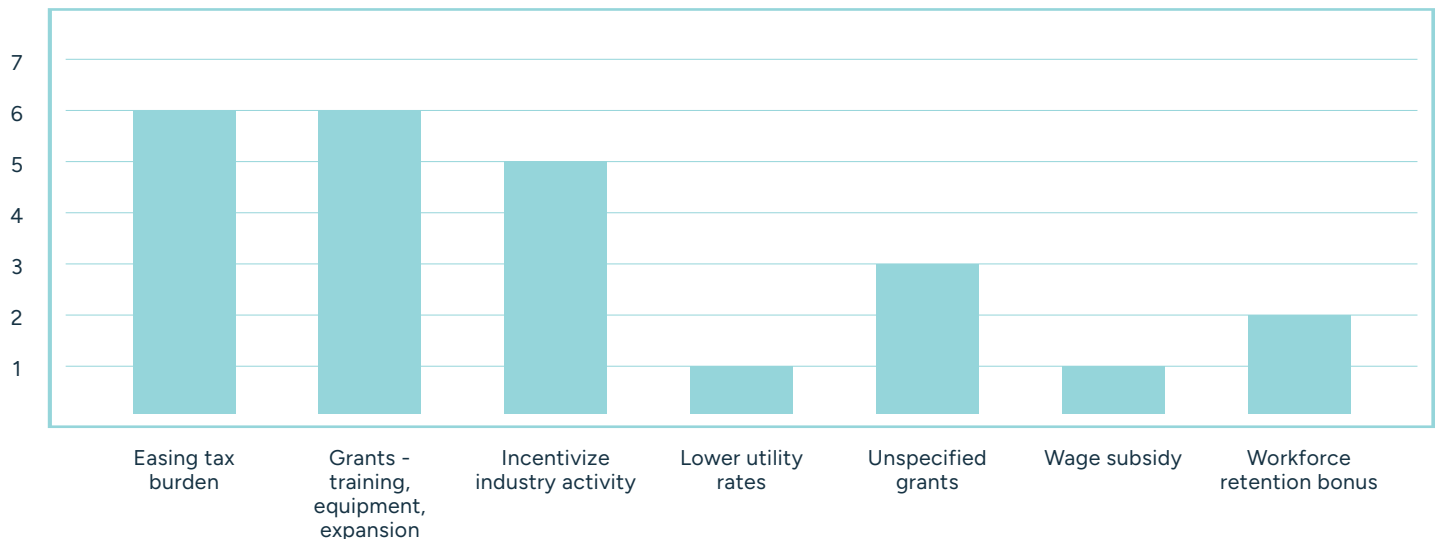


Figure 22

WHAT NON-FINANCIAL INCENTIVES OR PROGRAMS COULD SUPPORT YOUR BUSINESS GROWTH?

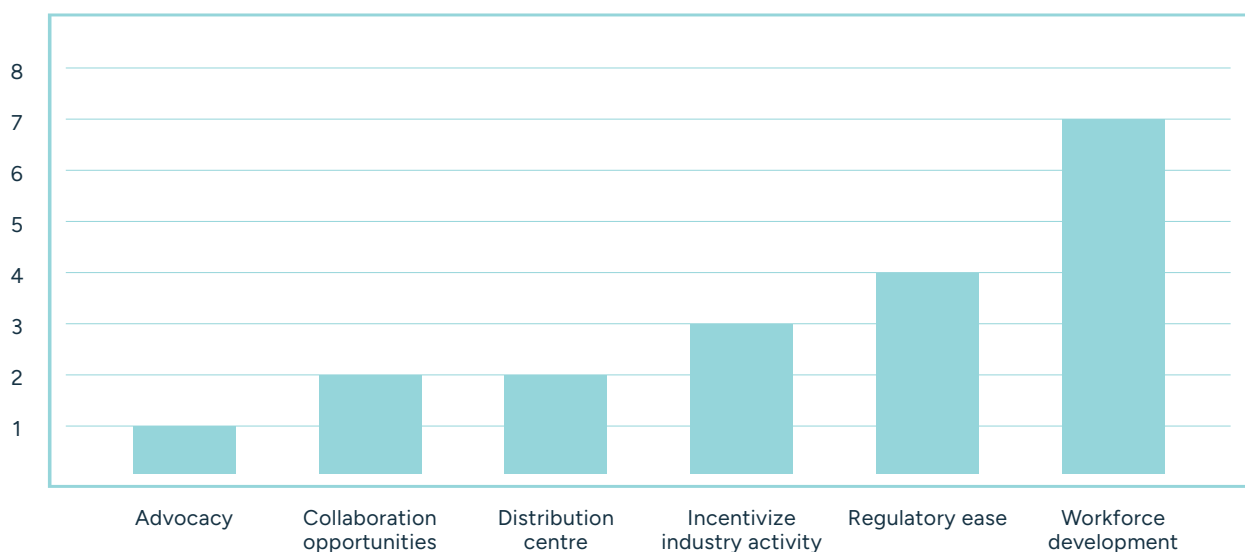


Figure 23

It was within the questions regarding incentives that the issue of regulation came up most frequently. Common commentary included easing the regulatory and tax burdens for new entry and expansion of the industry. Specifically, one respondent stated that a consistent application of regulations and a collaborative approach would help make the process easier for businesses looking at investing within the region.

Analysis

Access to trade is an important factor for local businesses. Specifically, ease of import and export with the United States and across Canada are critically important to the region's largest employers. Advocacy in support of this access has been identified as a priority by these businesses.

QUALITY OF LIFE

The data demonstrates that there are many benefits to locating in Southeast Alberta for businesses in the manufacturing industry. The industry is motivated to increase productivity and output and are looking for opportunities to grow within the region. They are eager to engage with global trends and implement them locally, framing Southeast Alberta as a leader in the country and abroad.

Quality of life factors are generally rated highly by businesses in the manufacturing industry, as seen in Figure 24. The culture of our employers is such that, when an employee finds a good job in this industry, they are likely to remain with that employer over the long term. Attracting skilled labour to support industry growth needs to be a priority for the region. Ultimately, attracting and developing key skills within the region's workforce enables new industry investment, which in turn supports workforce attraction.

WORKFORCE

Workforce was identified early in the process as a primary and ongoing concern for regional manufacturers, and data collected through the process confirmed labour as an anticipated continuing challenge. Despite seemingly high rates of retention throughout the industry, an aging workforce will force the issue for regional firms. Furthermore, there are already recruitment challenges experienced by manufacturers with those challenges expected to exacerbate over the coming years. Encouragingly, survey respondents noted an openness to upskilling employees, creating an opportunity for newcomers and youth in the region.

OPPORTUNITY FOR GROWTH

The history of manufacturing in Southeast Alberta coupled with the expertise in the region provides significant opportunity for industry growth. Survey respondents demonstrated resiliency and determination while looking to the future of their operations, seeking engagement in industry development initiatives to support regional economic growth which, ultimately, supports business growth. This resolve, however, was somewhat muted when respondents were asked to reflect on the effectiveness of regional support organizations. This could be the result of several factors, including the visibility of local organizations, capacity of individual programs and program facilitators, turnover experienced by some support organizations, among other causes.

Despite the uncertainty, survey respondents were committed to engaging with the study and supporting growth in the industry throughout the region. This provides an opportunity for regional support organizations and local governments to continue engagement with industry to ensure that programming is maximally effective and necessary program changes are implemented efficiently.

QUALITY OF LIFE BUSINESS CLIMATE FACTORS

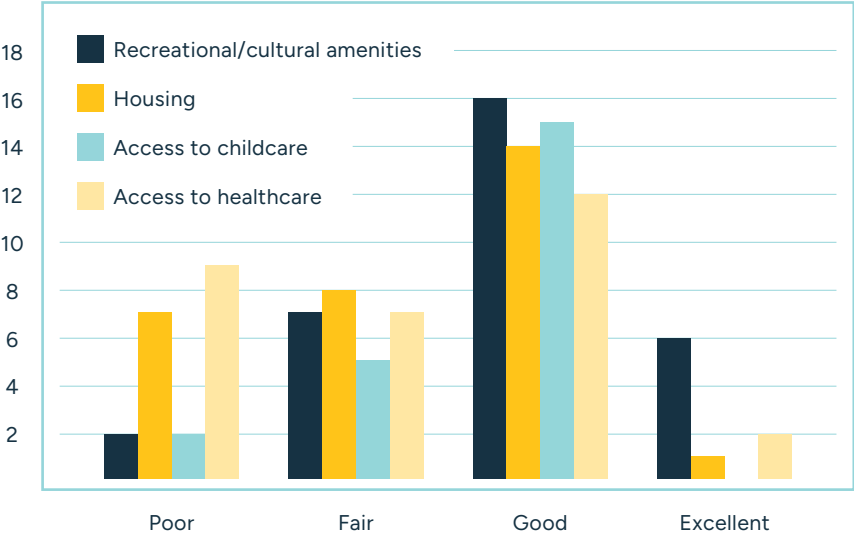


Figure 24

Report Recommendations & Next Steps

STATE OF THE INDUSTRY ROUNDTABLE

A State of the Industry Roundtable was held with 20 people in attendance on March 19, 2025, to discuss the data generated through BREIS – Manufacturing as well as proposed report recommendations. Following a brief presentation of the data, attendees separated into breakout groups to discuss five recommendations:

1. Facilitate industry collaboration opportunities for the benefit of local procurement and pooled access to resources.
2. Support advocacy on key issues affecting trade.
3. Study the economic impact of Highway 3 twinning for utilization in investment attraction.
4. Study experience of new business entrants into the industry, including access to resources and process.
5. Increase the profile of the region through developing and utilizing a Made in Southeast Alberta brand

For each recommendation, the breakout groups answered the following questions:

1. Would this be impactful for manufacturing, distribution, and warehousing in Southeast Alberta?
2. Would this help your business or organization?
3. What would have to be true to make this initiative impactful?

Following discussion breakout groups were asked to prioritize the recommendations based on what would be the most impactful before returning for a larger roundtable discussion. This process resulted in mixed reviews on the recommendations – validating some while adjusting others, and additionally noting two that would not be priorities for the industry and therefore wouldn't have a meaningful positive impact.

This is a demonstration that industry validation on economic development initiatives is a key part of the process that cannot be overlooked in future work. While indications may show that certain projects would be valuable for the industry, there is no substitution or replacement for direct feedback from local businesses.

RECOMMENDATIONS AND WORK UNDERWAY

There are many goals that can be considered given the data gathered by BREIS – Manufacturing. Ultimately, certain goals should be prioritized over others based on feasibility and regional stakeholder buy in. The following goals have been identified as practical next steps for the region to support the growth of the manufacturing industry in Southeast Alberta.

Recommended Workforce Goals

Workforce goals weren't specifically asked about during the State of the Industry Roundtable as there are several regional workforce development initiatives currently underway. Despite of the lack of direct prompting, there was frequent discussion on the priority of workforce development to the manufacturing industry, thereby validating workforce goals as an industry priority.

1. Pursue a targeted workforce attraction marketing strategy.

Given the focus on labour shortages and workforce challenges found throughout the BREIS – Manufacturing, there should be a primary focus placed on addressing these industry challenges. One mechanism to address this is through a targeted workforce attraction marketing strategy. This would be most effectively implemented through a cohesive effort shared by regional service providers and municipalities intended to support the industry at large.

Several possible considerations arose through the various survey interviews and industry roundtables, including:

- **Utilization of workforce avatars to support workforce opportunity matching:**

Working with industry to create profiles or archetypes of desired workers in Southeast Alberta. These could then be widely marketed, supporting regional companies in attracting their ideal candidates.

» *A similar concept is being utilized in the region through STEM in the SEA, a project run by APEX Alberta¹⁴. Consider opportunities for collaboration on applying this framework across additional industries.*

- **Capitalize on other's marketing initiatives:**

Identify other marketing initiatives that can be taken advantage of to increase the reach of a Southeast Alberta workforce attraction strategy.

» *The Government of Alberta successfully ran Alberta is Calling¹⁵, resulting in population growth and an increase in newcomers to the province. This is an example of the type of initiative that Southeast Alberta could utilize.*

2. Facilitate businesses increasing engagement with educational institutions to create opportunities for work integrated learning and continuing education.

Work integrated learning can take many forms, including applied research projects, apprenticeships, co-op programs, field placements, internships, practicums, service learning, and work experience¹⁶. Educational institutions in Southeast Alberta, including regional school boards and Medicine Hat College are consistently developing programs to ensure there is opportunity for integration with local employers through work integrated learning or other measures. Furthermore, Medicine Hat College also offers various extended learning opportunities.

Nearly all businesses expressed a willingness to upskill or reskill current employees, demonstrating the willingness of regional manufacturers to engage with educational institutions to ensure that current or future employees possess the necessary skills to succeed.

Recommended Ecosystem and Supply Chain Goals

1. Strengthen relationships with the manufacturing industry.

There are several initiatives that the industry considers to be important, however there is not a desire to see more studies completed to validate industry needs. This general feeling was clearly identified through the State of the Industry Roundtable with respect to studies on the experience of new entrants, the economic impact of Highway 3, and industry collaboration. To ensure industry alignment and aim for nimbleness in programming to support the industry, there needs to be strong relationships and a mechanism for consistent industry feedback.

2. Increase advocacy on factors impacting the industry.

There are certain factors that impact the industry which are out of the direct control of the municipality and region. Two of these key issues are air service and trade. While the Southeast Alberta Chamber of Commerce is heavily involved in advocacy on these and other issues¹⁷, a coordinated regional effort could support activities already underway. This could be a similar concept as that seen in several other municipalities, including Lethbridge¹⁸. This recommendation was noted as a priority through the State of the Industry Roundtable.

Actions

To ensure the fulfillment of the third program goal – to generate a list of projects that would be impactful for the manufacturing industry and to initiate some of those projects through organizations, municipalities, or the region – actions need to be identified to support the implementation of the recommendations identified above.

1. Implement a bi-annual industry roundtable, including updates, feedback, and relevant resources including education, new market exploration, etc. This would be intended to ensure programming is effective and changes can be made rapidly, thus supporting increased program and industry success.

This will directly support all identified goals.

2. Collaborate with service providers and regional partners to initiate a workforce attraction strategy.

This will directly support Workforce Goal 1.

3. Consider opportunities for collaboration with service providers and regional partners to develop an advocacy strategy for issues impacting regional business.

This will directly support Ecosystem & Supply Chain Goal 2.

The action items identified for the manufacturing industry are not overwhelming in number or outside the scope of programming currently underway. These actions should be reasonably initiated within two years of the release of this State of the Industry report. To ensure progress on all goals outlined in this report, Medicine Hat Economic Development will commit to reporting on actions taken on these initiatives through its website at: opportunitymedicinehat.ca.

Conclusion

This State of the Industry report developed through the BREIS – Manufacturing process has provided an assessment of the manufacturing, warehousing, and distribution sectors in Southeast Alberta, highlighting key challenges, opportunities, and strategic actions to drive growth. Through a comprehensive study including industry roundtables, surveys, and data analysis, stakeholders have identified priorities and developed targeted recommendations to strengthen the sector. However, the success of these efforts relies on ongoing collaboration among businesses, industry organizations, and economic development partners. In being responsive to, and advocating for industry needs, Southeast Alberta can support consistent and sustained growth in this critical industry.

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Appendix 1

INITIAL SURVEY QUESTIONS

2024 BREIS Initial Survey

This survey is to gather initial information about your business, allowing us to use our meeting time together most effectively. We anticipate this survey will take 5-10 minutes to complete. Questions on this survey will be regarding the general nature of your business and supply chain. If you have any questions, concerns, or comments, please contact alewri@medicinehat.ca.

General Business Information Questions

This section will help us gain a clear picture of the economic impact of your business.

1. What is the primary nature of your business in this location? (Please note choice). *Rationale: General business information for categorization. Note – these categories are based on North American Industry Classification System (NAICS) sectors.*

	Agriculture, forestry, fishing, and hunting
	Mining, quarrying, and oil and gas extraction (*)
	Utilities (*)
	Construction (*)
	Manufacturing (*)
	Wholesale trade
	Retail trade
	Transportation and warehousing (*)
	Information and cultural industries
	Finance and insurance
	Real estate and rental and leasing
	Professional, scientific, and technical services (*)
	Management of companies and enterprises
	Administrative and support, waste management, and remediation services (*)
	Educational services
	Health care and social assistance
	Public administration

if the sector chosen has a (*) next to it, please ask the next question. If not, please move to question 2.

What major activities is your facility involved in? (Please select all that apply).

Rationale: General business information for categorization

<input type="checkbox"/>	Process design
<input type="checkbox"/>	Product design
<input type="checkbox"/>	Material sourcing & procurement
<input type="checkbox"/>	Additive manufacturing
<input type="checkbox"/>	Subtractive manufacturing
<input type="checkbox"/>	Casting and molding
<input type="checkbox"/>	Forming and shaping
<input type="checkbox"/>	Joining and assembly
<input type="checkbox"/>	Assembly line production
<input type="checkbox"/>	Mineral extraction
<input type="checkbox"/>	Refining and smelting
<input type="checkbox"/>	Chemical processing
<input type="checkbox"/>	Machining and fabrication
<input type="checkbox"/>	Quality control and inspection
<input type="checkbox"/>	Packaging and labeling
<input type="checkbox"/>	Logistics and distribution
<input type="checkbox"/>	Maintenance and equipment management
<input type="checkbox"/>	Other:

2. What are the major products or services offered by your business?

Rationale: to provide a temperature check on the industry.

3. How many people are employed at this location. (Please circle choices)

Rationale: provides an idea of the economic impact.

Full-time	0-5	6-20	21-50	51-100	101+
Part-time	0-5	6-20	21-50	51-100	101+
Seasonal	0-5	6-20	21-50	51-100	101+
Contract	0-5	6-20	21-50	51-100	101+

4. What is the estimated value of your total gross annual payroll? (Please circle)

Rationale: provide an understanding of the economic impact of the company.

Less than \$50,000	\$50,001 - \$75,000	\$75,001 - \$100,000
\$100,001 - \$200,000	\$200,001 - \$500,000	\$500,001 - \$1,000,000
\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	More than \$25,000,000

5. What is the average annual revenue at this facility? (Please circle)

Rationale: provide an understanding of the economic impact of the company.

\$0 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000
\$500,001 - \$1,000,000	\$1,000,001 - \$2,000,000	\$2,000,001 - \$5,000,000
\$5,000,001 - \$25,000,000	More than \$25,000,000	

6. Do you have plans to expand or reduce operations for your business in this region in the foreseeable future? (Please circle)

Rationale: forward looking – what should we keep in mind for our business community?

Definitely expanding operations	Likely expanding operations	Remaining the same	Likely reducing operations	Definitely reducing operations
---------------------------------	-----------------------------	--------------------	----------------------------	--------------------------------

7. Are you considering relocating your operations? (Please circle)

Rationale: red flag identification.

Yes	No
-----	----

If yes, which level of your organization makes relocation/expansion decisions? (Please circle)

Local office	Regional office	Head office
--------------	-----------------	-------------

If yes, where are you considering moving to? (Please circle)

Elsewhere in Alberta	Saskatchewan	British Columbia
Manitoba	Elsewhere in Canada	USA
Other International (Please note):		

If yes, what are the top three factors you are looking for in your relocation?

	Better workforce costs
	Friendlier business climate
	Incentives
	Lower taxes
	Lower overall operating costs
	Lower taxes
	More readily available workforce
	Other:
	Other:
	Other:

Business Operations Questions

The following questions will provide context for how your business operates in the region.

8. Did your business begin its operations in this region? (Please circle)

Rationale: information on business longevity, also startups vs expansions to the area.

Yes	No
-----	----

If yes, what year? _____

If no, where did you move from? _____

If no, what year did you move? _____

9. Does your business have multiple locations? (Please circle)

Rationale: general business information for categorization.

Yes	No
-----	----

10. Is your business locally owned? (Please circle)

Rationale: general business information for categorization.

Yes	No
-----	----

If no, where is your corporate headquarters? _____

11. Has your local location changed owners/management in the past 5 years? (Please circle)

Rationale: succession planning, change of focus, indication of turnover.

Yes – owners	Yes – management	Yes – owners and management	No
-----------------	---------------------	--------------------------------	----

12. Does your company have a succession plan in place? (Please circle)

Rationale: succession planning, change of focus, indication of turnover.

Yes	No	Uncertain
Other:		

13. In an average year, how much does your company support community initiatives in the region? (Please circle) *Rationale: speaks to community involvement and social + economic impact.*

We typically don't donate to community initiatives	\$1 - \$5,000	\$5,001 - \$10,000
\$10,001 - \$20,000	\$20,001 - \$50,000	More than \$50,000
Other:		

Workforce Questions

The following questions will help us understand your experience with in the region.

14. Are you experiencing challenges with workforce availability? (Please circle). Workforce availability refers to the number of local workers who ready and able to fill job openings in a region (consider the number of resumes you receive for a job posting). *Rationale: to determine if the availability (number) is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with available workforce? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

15. Are you experiencing challenges with workforce stability? (Please circle). Workforce stability refers to the consistency and reliability of the employment situation within a region over time (consider your level of confidence in employee retention). *Rationale: to determine if retention is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with workforce stability? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

16. Are you experiencing challenges with workforce skill? (Please circle). Workforce skill refers to the level of abilities, knowledge, and expertise of the workforce in the area (consider whether your job applicants have the appropriate qualifications). *Rationale: to determine if skill is a workforce challenge.*

Yes	No
-----	----

If yes, in what type of positions are you experiencing challenges with workforce skill? (Please choose all that apply). Note: we are considering occupations under the National Occupation Classification (NOC) system.

Management occupations (TEER 0)	
Occupations that typically require a university degree (TEER 1)	
Occupations that usually require a college diploma, 2+ years of apprenticeship training, or supervisory occupations (TEER 2)	
Occupations that usually require a college diploma, less than 2 years of apprenticeship training, or more than 6 months of on the job training (TEER 3)	
Occupations that usually require a high school diploma or several weeks of on the job training (TEER 4)	
Occupations that usually need short-term work demonstration and no formal education (TEER 5)	

Supply Chain Questions

The following will provide a clearer picture of the experience of your business within your supply chain.

17. Do you currently export your products? (Please circle) *Rationale: provides information on total exports and supply chain for the sector. Comparable to other sectors*

Yes	No
-----	----

If yes, where do you currently export to? (Please circle)

Within Canada	United States	Mexico	Caribbean	South America
Europe	Middle East	Asia	Africa	Australia / New Zealand

If yes, what percentage of total sales are outside the local market/region? (Please circle)

Less than 5%	5% - 25%	26% - 50%	51% - 90%	More than 90%
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If yes, Do you anticipate exports to increase, decrease or remain the same in the next one, three, and five years? (Please circle)

One year	Decrease	Remain the same	Increase
Three years	Decrease	Remain the same	Increase
Five years	Decrease	Remain the same	Increase

18. Do you currently import any goods and services? (Please circle)

Rationale: provides information on total imports and supply chain for the sector.

Comparable to other sectors. High consideration for import replacement.

Yes	No
-----	----

If yes, where do you currently import from? (Please circle)

Within Canada	United States	Mexico	Caribbean	South America
Europe	Middle East	Asia	Africa	Australia / New Zealand

19. Have there been any changes in distributor/supplier relationships that have impacted your business in the last 5 years? (Please circle) *Rationale: supply chain consideration.*

Yes – positively impacted	Yes – negatively impacted	No – there have been no impactful changes
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If yes, can you please explain the changes and impact you have experienced?

20. Do you anticipate any impact from distributor/supplier changes in the next 5 years? (Please circle) *Rationale: supply chain consideration.*

Yes – anticipating positive impact	Yes – anticipating negative impact	No – not anticipating impact
------------------------------------	------------------------------------	------------------------------

If yes, can you please explain the changes and impact you are anticipating?

Ecosystem & Infrastructure Questions

The last section of questions will help us understand your infrastructure needs.

21. How much of your facility's space are you currently using? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Less than 50%	51% - 75%	76% - 90%	More than 91%
Other:			

22. Is there room for expansion at your current site? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Yes	No
Other:	

23. How much equipment capacity are you currently using (based on 24-hour operations)? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Less than 50%	51% - 75%	76% - 90%	More than 91%
Other:			

24. Is the region's technological and utility infrastructure adequate for your company's growth plan? (Please circle) *Rationale: identify red flags, potential opportunities for partnership.*

Yes	No
-----	----

If no, what is needed?

Appendix 2

MANUFACTURING SURVEY QUESTIONS

2024 BREIS Manufacturing Survey

Contact Information

Organization: _____

Contact Name: _____

Job Title: _____

Contact Phone Number: _____

Contact Email: _____

Signed Informed Consent Form: ☐ Yes ☐ No

Answered Initial Survey: ☐ Yes ☐ No

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Questions

1. Would you rate the following business climate factors poor, fair, good, or excellent? (Please circle choice)

Rationale: this can give us an idea of what to promote in our Industry Profile, support intergovernmental advocacy efforts, and contribute data to our understanding of infrastructure needs – from roundtable discussion.

Workforce quality	Poor	Fair	Good	Excellent
Workforce availability	Poor	Fair	Good	Excellent
Municipal gov't regulation	Poor	Fair	Good	Excellent
Provincial gov't regulation	Poor	Fair	Good	Excellent
Federal gov't regulation	Poor	Fair	Good	Excellent
Municipal tax structure	Poor	Fair	Good	Excellent
Provincial tax structure	Poor	Fair	Good	Excellent
Federal tax structure	Poor	Fair	Good	Excellent
Overall operational costs	Poor	Fair	Good	Excellent
Competitive wages	Poor	Fair	Good	Excellent
Recreational/cultural amenities	Poor	Fair	Good	Excellent
Housing	Poor	Fair	Good	Excellent
Access to childcare	Poor	Fair	Good	Excellent
Access to healthcare	Poor	Fair	Good	Excellent
K-12 education	Poor	Fair	Good	Excellent
Post-secondary education	Poor	Fair	Good	Excellent
Economic development organizations	Poor	Fair	Good	Excellent
Highway systems/conditions	Poor	Fair	Good	Excellent
Air access	Poor	Fair	Good	Excellent
Rail services	Poor	Fair	Good	Excellent
Shipping and transport services	Poor	Fair	Good	Excellent
Utility/electricity	Poor	Fair	Good	Excellent
Phone/cell phone	Poor	Fair	Good	Excellent
Internet/broadband	Poor	Fair	Good	Excellent
Other:				

Which 3 are the most important to your business today? (Please make a note of the priority number beside the factor)

2. How would you compare the local business climate today versus 5 years ago? (Please circle choice)

Rationale: to provide a temperature check on the industry.

No opinion	Worse today	No change	Better today
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3. Please forecast the condition of the local business climate 5 years from now. (Please circle choice)

Rationale: answers demonstrate the optimism of the industry looking forward.

No opinion	Will be worse	No change	Will be better
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4. What do you see as the top 3 biggest opportunities for the Southeast Alberta?

Rationale: answers demonstrate the optimism of the industry looking forward.

1. _____

2. _____

3. _____

5. What type of businesses/products are you and/or your customers looking for that they are not finding in this community?

Rationale: answers could provide priorities for investment attraction.

6. Do you know of any supplier firms, national firms, or other organizations that are considering an expansion into Western Canada? (Please circle)

Rationale: answers could provide leads for investment attraction.

Yes	No
-----	----

If yes, who?

If yes, what do you understand to be the most important factor in their decision making?

7. Are there any industry trends that you are seeing right now? (Please circle)

Rationale: provides industry outlook. Goes to innovation, technology, and preparedness.

Yes	No
-----	----

If yes, what?

If yes, how is your company set up to handle these trends today?

8. Please rank the top 5 most significant challenges faced by your business today with 1 being the most acute and 5 being the least. (Please make a note of the priority number beside the factor)

Rationale: answers can contribute to prioritization of new program implementation.

Access to capital	
Sales leads	
Opportunities for export	
Taxation	
Procurement	
Supply chain	
Federal government regulation	
Provincial government regulation	
Municipal government regulation	
Transportation/export	
Public services	
Facilities / equipment	
Management / planning	
Workforce availability / quantity	
Training / R&D	
Marketing / advertising	
Local business climate	
Other:	
Other:	
Other:	

What is the impact of these challenges on your business?

If these issues were resolved, can you quantify the impact on:

Rationale: understand the economic impact to justify the business case for potential new programing/grant applications/etc.

Jobs (added): _____

Sales + revenue (realized): _____

9. Do you use the following technical skills in your facility? (Please circle)

Rationale: to gather data supporting the question of mid-/high- skilled trades in post-secondary/continuing ed.

Machining and tool operation	No	Employees	Contractors	Both
Welding and soldering	No	Employees	Contractors	Both
Blueprint and technical drawing interpretation	No	Employees	Contractors	Both
CAD/CAM software	No	Employees	Contractors	Both
Quality control and inspection	No	Employees	Contractors	Both
Instrument technicians	No	Employees	Contractors	Both
Assembly and fabrication	No	Employees	Contractors	Both
Electrical	No	Employees	Contractors	Both
Programmable logic controllers/automation systems/robotics	No	Employees	Contractors	Both
Material science and metallurgy	No	Employees	Contractors	Both
Additive manufacturing	No	Employees	Contractors	Both
Supply chain management	No	Employees	Contractors	Both
Safety and compliance	No	Employees	Contractors	Both
Hydraulics and pneumatics	No	Employees	Contractors	Both
Chemical processing	No	Employees	Contractors	Both
Millwrights	No	Employees	Contractors	Both

Do you have any challenges in finding workers with your desired level of these skills? (Please note a yes/no answer and any additional commentary)

Would you consider sending your current employees through training to upskill or any of these areas? For other skills? (Please note a yes/no answer and any additional commentary)

10. What is your approximate annual employee turnover rate at this location? (Please circle)

Rationale: employee retention came up at the roundtable – this can provide data to back up the anecdotes.

0%	1% - 5%	6% - 10%	11% - 25%	26% or higher
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11. How have employment levels within your organization changed from one year ago? Five years ago? (Please circle)

Rationale: responses will provide an idea of recovery post COVID, stability of the industry in our region.

One year:	Decreased	Stayed the same	Increased
Five years:	Decreased	Stayed the same	Increased

12. Do you have any unfilled positions today? (Please circle)

Rationale: goes to the current state of the regional workforce.

Yes	No
-----	----

Approximately how many unfilled positions? _____

Is this typical for your organization? (Please circle)

Yes	No
-----	----

13. Do you expect the number of employees in each of the following categories to increase, decrease, or stay the same over the next three years? (Please circle and add a number in the last column).

Rationale: can give us an idea of future hiring needs and ways we can support industry recruitment. Can inform workforce attraction/post-secondary/continuing ed. The categories listed are NOC occupational categories.

Legislative and senior management	Increase	Decrease	Same	
Business, finance, and administration	Increase	Decrease	Same	
Natural and applied sciences	Increase	Decrease	Same	
Health	Increase	Decrease	Same	
Education, law and social, community and government	Increase	Decrease	Same	
Art, culture, recreation, and sport	Increase	Decrease	Same	
Sales and service	Increase	Decrease	Same	
Trades, transport, and equipment operators	Increase	Decrease	Same	
Natural resources, agriculture, and related production	Increase	Decrease	Same	
Manufacturing and utilities	Increase	Decrease	Same	

Do you anticipate challenges with hiring any of these occupations? (If yes, please place a star beside the occupations mentioned).

Yes	No
-----	----

14. Do you have any challenges retaining certain occupations? (Please circle) *Rationale: provides additional context for retention issue brought up in roundtable.*

Yes	No
-----	----

If yes, please specify:

Occupation	NOC TEER	Reason for challenge	Average \$/hr.

15. In the last three years, did your company/business unit introduce any new or significantly improved goods, services, or processes? *Rationale: industry outlook – goes to innovation, technology, and preparedness.*

Yes	No
-----	----

If yes, can you please explain more?

16. Are you currently considering adding a new product or service to your offerings? (Please circle) *Rationale: can serve as an indication of growth/shift in the industry.*

Yes	No	Willing to consider
-----	----	---------------------

17. Which sources of capital have you used to support your business locally? (Please circle) *Rationale: to develop an understanding of the local experience of securing capital.*

Bank loans	Venture capital	Grants
Tax credits	Personal savings	Crowdfunding
Angel investors	Other:	

18. What is the biggest challenge your business faces in securing capital? (Please circle) *Rationale: to develop an understanding of the local experience of securing capital.*

Interest rates	Lack of collateral	Location
Limited funding sources	Early-stage product	Complex application process
Other:		

19. What financial incentives or programs could support your business growth? *Rationale: answers can support long-term municipal/regional planning.*

20. What non-financial incentives or programs could support your business growth? *Rationale: to find opportunities for shorter-term programming wins.*

21. How effective are local initiatives at supporting the development, growth, and retention of community-based businesses and skill? (Please circle) *Rationale: to gather data demonstrating the perception of the industry ecosystem and to hear more about what would be desired by industry.*

Not at all good	Alright	Uncertain	Good	Excellent
--------------------	---------	-----------	------	-----------

What local initiatives are working well?

What could be done to improve the development, growth, and retention of community-based businesses and skill development?

22. What are 1-3 of your company's greatest achievements in the last 3 years? *Rationale: opportunity to celebrate with the company and grow our understanding.*

1. _____

2. _____

3. _____

Appendix 3

INFORMED CONSENT

Informed Consent

Study Title: 2024 BREIS – Manufacturing + Air

You are being invited to take part in a study of businesses in the manufacturing and air industries in Southeast Alberta. This study is designed to gather data regarding the state of businesses in the industry which will be analyzed to inform economic development projects in the region. Participation in the study involves completion of a survey that asks you questions about your business and its operations. This survey will be completed at your place of businesses with a member of the 2024 BREIS – Manufacturing + Air team.

Confidentiality

The information gathered during this study will remain confidential in secure premises. Only the researchers will have access to the study data and information. Surveys will be coded to remove any identifying information for survey analysis. Your names and any other identifying details will never be revealed in any publication of the results of this study. Results of the research will be published in the form of a State of the Industry publication which will be shared digitally. The knowledge obtained from this study will be of great value in guiding economic development projects to support the manufacturing and air industries.

Withdrawal

Participation in this study is voluntary. You are free to withdraw consent and discontinue participation in this project at any time without penalty. You are also free to refuse to answer any question we might ask you.

Further Questions

You are welcome to ask the researchers any questions that might come up for you during the course of the survey. If you have further questions once the survey is complete, you are encouraged to contact the researchers using the contact information below.

Researcher Contact: Alex Wright, Economic Development Officer
Medicine Hat Economic Development
403-502-0687, alewri@medicinehat.ca

Future Use

Following the completion of the 2024 BREIS – Manufacturing + Air, we will be continuing with our research focusing on other industries. Would you be willing to be contacted by our researcher to have your data included in future industry studies?

☐

Yes, I am willing to be contacted

☐

No, I am not willing to be contacted



Freedom of Information and Protection of Privacy

Your name, home or business address or home or business telephone number and email address on this form is collected under the authority of section 33(c) of the Freedom of Information and Protection of Privacy Act, R.S.A. 2000, c. F-25 (FOIP Act).

The personal information being collected on this form is for the purpose of developing a report relating to the state of businesses in the manufacturing/warehousing and aviation/aerospace/defence industries for the City of Medicine Hat and surrounding region. The personal information provided will be protected under Part 2 of the Freedom of Information and the Protection of Privacy Act.

Questions regarding the collection and use of personal information can be directed to the FOIPP Head of the City of Medicine Hat at 403 529 8221

Please acknowledge your consent to participate in the study as explained herein, on the terms set out above, with your signature below.

Signature

Name

Witness

Name

Date

Appendix 4

STAKEHOLDER NOTIFICATION

Local business is the backbone of our economy, and having a strong business sector is essential to our community vitality, social fabric, and regional identity. In order to better support our business community, a group of municipalities and economic development organizations are working together to engage in business outreach, data collection, report delivery, and program development through a initiative referred to as BREIS. We are reaching out today to ask for your participation.

Business Retention and Expansion – Industry Specific (BREIS) is being led by Medicine Hat Economic Development in partnership with Cypress County, Town of Redcliff, Town of Bow Island, County of Forty Mile, Village of Foremost, Medicine Hat College, Palliser Economic Partnership, Southeast Alberta Chamber of Commerce, Careers: The Next Generation, and Verge Economic Development. Between June 17th and July 19th, 2024, these partners will be meeting with our local business owners and operators to hear more about what can be done to support our Manufacturing/Distribution and Aerospace/Aviation/Defence sectors. Data will be gathered through a survey and used to inform economic development project priorities for the region.

The first BREIS will result in two deliverables back to the community with the first being an Industry Profile. This will highlight the strengths of the sector in our region, demonstrating the business case for opening, remaining, and expanding within the region. The second publication will be a State of the Industry report, which will include more detail about what we heard from our community. While this document will share our regional strengths, it will also identify barriers our businesses face and some actions that we will take to address and alleviate these challenges. We are anticipating releasing these reports at the start of October.

We are so thankful for all the businesses who choose to contribute to the growth and development of our region through the BREIS. We are looking forward to connecting with you!



For more information on the BREIS, please visit: <https://www.medicinehat.ca/en/mhed-breis.aspx>

Appendix 5

NEWS RELEASE

NEWS RELEASE

FOR IMMEDIATE RELEASE
May 9, 2024



Medicine Hat Economic Development launches a focused approach to business retention and expansion

Medicine Hat – Medicine Hat Economic Development and regional partners have launched the first phase of their innovative Business Retention and Expansion – Industry Specific (BREIS) program.

The program is a unique take on conventional approaches to business retention and expansion efforts. Unlike past programs, BREIS will gather data and compile reports focusing on one industry per study, rather than taking a broad approach typically used in regional business retention and expansion assessments.

“The Business Retention and Expansion Industry Specific program provides us with an opportunity to dive deep into the challenges, needs and opportunities of individual sectors,” states Selena McLean-Moore, Director of Medicine Hat Economic Development. “In this first phase of the program, I look forward to working closely with our manufacturing, warehousing, defence, aerospace and aviation companies in Southeast Alberta to better understand how our department, and the work of our regional partners, can support these industries to capitalize on identified opportunities.”

The project is another instance of regional collaboration from Medicine Hat Economic Development, with BREIS regional partners including the Town of Redcliff, Cypress County, the Southeast Alberta Chamber of Commerce, Careers: The Next Generation, Medicine Hat College and C4i.

The primary objective of this initiative is to understand the present condition of businesses within our region and to build strong relationships with the business community. The deliverables expected at the end of each study include industry-specific benchmarking and actionable insights aimed at fostering sustained growth and prosperity within that industry long-term.

The initial phases of the program will concentrate on aerospace, manufacturing, and warehousing, with plans to expand to additional industries such as agriculture later this year. Business visitations for the aerospace, aviation and defence, and manufacturing, distribution and warehousing stages of the project are slated to commence this June.

Businesses interested in participating in the study are encouraged to reach out to Medicine Hat Economic Development at opportunity@medicinehat.ca. Learn more by visiting medicinehat.ca/breis/.

- 30 -

For media inquiries, please contact:
media@medicinehat.ca

CITY OF MEDICINE HAT • 580 FIRST STREET SE • MEDICINE HAT, AB T1A 8E6

Appendix 6

KICKOFF QUESTIONS



403-529-8148 opportunity@medicinehat.ca opportunitymedicinehat.ca

Industry Specific Advisory Panel Kickoff Questions

2024 BREIS - Manufacturing

The discussion in the Industry Specific Advisory Panel Kickoff Meeting is intended to help direct next steps. This meeting serves as the starting point for continued research through the BREIS survey and other mechanisms. We ask participants to share freely – the more open and honest participants are, the better we can support.

- Resources Questions
 - For this industry, what useful resources are found in the region?
 - What are we chronically in need of?
 - Do you have concerns about securing certain resources in the future?
- Workforce Questions
 - Are you experiencing any workforce challenges? What are you doing to address those challenges?
 - Are you aware of and/or have you utilized the immigration or educational opportunities available to address workforce needs?
- Supply Chain Questions
 - Where are most inputs to your processes imported from? Local, provincial, national, international?
 - Where is the next step in the supply chain?
- New Entrants Questions
 - Are there any barriers to entry in the industry regionally/globally? If so, what are they?
 - What would be the best complementary companies to attract to the region and what would make it easier for them to set up here?
- Innovation & Technology Questions
 - Where do you see innovation taking place in this industry?
 - Are we leading in this region in innovation and technology? Lagging? Is it a priority?
- Ecosystem Questions
 - Are you frequently, efficiently, and effectively working with service providers to address challenges or move business forward?
 - Have you seen other highly effective business ecosystems? What made it so effective?
 - How are you connecting with other businesses in your industry? Do you find it valuable?
- Opportunities Questions
 - What opportunities exist for aerospace, aviation, and defence in our region? What should we be looking to attract?
 - How can we help support the growth of the organizations that are already here?
- Anything else?
 - Is there anything that we missed? Anything else we should dig deeper into about aerospace, aviation, and defence in our region?

