

## **Oil companies approach Ontario manufacturing sector as patrons**

Vincent McDermott

Wednesday, June 27, 2012 9:23:21 MDT PM

Faced with an impending labour shortage and a desperate need for equipment, Alberta's oil and gas industry is hoping to breathe new life into Ontario's struggling manufacturing industry.

That was the message a delegation from the Calgary-based In Situ Oil Sands Alliance brought to southwestern Ontario earlier this week during a tour that brought industry executives to Windsor, Sarnia and London.

"Alberta is expecting to triple development in the next 20 years, but is also facing a heavy demand for equipment and services," Patricia Nelson, vice-chair of the IOSA and leader of the delegation told Today. "It has been suggested to us for some time that we explore that region's industries and see how that region would be able to help us with our long-term needs and our long-term growth."

While Alberta's economy went relatively unscathed during the recession, the economic impacts have not been kind to southern Ontario. In 2010, General Motors Canada shut down its transmission plant in Windsor which once employed 7,000 Windsorites at its height.

That same city also hoped green energy projects would revive the struggling local economy. However, several wind turbine and solar panel factories have since filed for bankruptcy this year.

In neighbouring Detroit, which Windsor's economy is tied to in numerous ways, the Motor City is teetering on the edge of bankruptcy and has become a model of rust belt decline.

In February, Caterpillar closed its London plant with plans to relocate to Indiana, putting nearly 500 employees out of work.

However, unlike manufacturing jobs, natural resources jobs cannot be outsourced or relocated. With an insatiable thirst for fossil fuels growing in the United States, Europe and lucrative Asian countries, Alberta is showing no signs of slowing down as traditional oil producing countries become increasingly volatile.

"It's an excellent match for us," said Matt Marchand, president and CEO of the Windsor-Essex Regional Chamber of Commerce. "We are renowned for manufacturing, tool and

dye, mould making, manufacturing and production in general. Based on Alberta's needs, there certainly is an opportunity for us out west."

There are already hundreds of Ontario companies reaping the economic benefits from business in the oilsands. Canadian Natural Resources Limited, for instance, contracted more than 350 Ontario companies to construct its \$770 million Horizon Oil Sands Project.

According to the Canadian Association of Petroleum Producers, Alberta is expected to purchase \$63 billion in goods from Ontario over the next 25 years. By 2035, 7% of the total jobs related to the oilsands will be in Ontario.

However, very few of these companies are located in southwestern Ontario.

"We're being faced with a tremendous opportunity for our struggling region," said Marchand. "Our footprint there isn't as large as it could be. But with the demand and growth Alberta is facing, we have an exciting opportunity for our business community to take part in, and to help Alberta's economy as well."

[vincent.mcdermott@sunmedia.ca](mailto:vincent.mcdermott@sunmedia.ca)