



Canada's
Technology
Triangle

Where business is heading
Waterloo Region Cambridge Kitchener Waterloo

MEDIA RELEASE Contact:

Linda Fegan, Director, Marketing
and Communications
Canada's Technology Triangle Inc
(519)747-2541 ext 404
(866) 233-5133 toll free,
(519) 897-6515 Bell cellular
lfctt@region.waterloo.on.ca
always connected on BlackBerry

www.techtriangle.com

For Immediate Release

Manufacturing Sector Value Added exceeds \$7 Billion Total Shipments from Waterloo Region Worth \$16.9 Billion

Canada's Technology Triangle, Waterloo Region, July 5, 2006 ... A new study released today shows that the manufacturing sector in Waterloo Region added more than \$7.2 billion in value to the local economy in 2003. The total value of shipments by the Region's manufacturing sector in the same period was worth \$16.9 billion.

"The Community Benchmarks report, 'Manufacturing Industry Characteristics', in the Waterloo Region, points to the significant value added contributed by the manufacturing sector locally," says John Tennant, CEO of Canada's Technology Triangle Inc.

"Value added is a measure of how much value workers generate using the land and capital/equipment employed in production," says Paul Knafelc, President of Community Benchmarks and author of the study. Essentially, value added includes the workers' wages and the return from capital/equipment utilized in production.

The value added in the manufacturing process is a more suitable measurement for capturing economic benefit as the higher the value added, the greater the economic contribution to the regional economy. There are a number of factors that affect the level of value added, particularly the complexity of the manufacturing process. Value added is also affected by the level of sophistication and skills required to produce a product. Traditionally, the scale and contribution of manufacturing to an economy is described in terms of number of jobs.

The study found that in 2003 the total value added by the Transportation Equipment industry was over \$2.2 billion, followed by the Fabricated Metal Industry's \$934 million and the Food Industry's \$902 million. Plastics & Rubber Product Manufacturing, Furniture & Related Product Manufacturing and Electric Equipment/Appliance/Component Manufacturing rounded out the list of top industries. Of the 19 major manufacturing industries in Canada's Technology Triangle, these top six industry sectors accounted for 81.6 per cent of total value added in the Region. These industries combined account for only 60.5 per cent of all manufacturing firms in the Region and 76.1 per cent of employment.

When it comes to shipments by manufacturing enterprises in 2003, the value of output for the Transportation Equipment Industry was over \$6.7 billion worth of product – 39.8 per cent of the Region’s total shipments of manufactured goods. This industry accounts for only 4.9 per cent of total manufacturing firms in Canada’s Technology Triangle. The food industry was second in the shipment value with over \$1.9 billion. Computer and Electronic Industry, the Fabricated Metal Product Industry, the Machinery Industry and the Plastics and Rubber Products Industry, followed with the value of their shipments ranging from \$1.4 to \$1.1 billion.

In 2003, Waterloo Region’s manufacturing sector was comprised of 1,175 establishments, employing 48,092 production workers and 15,014 administrative employees. In total, \$3.1 billion in salaries and wages were paid to these employees, while \$9.4 billion was paid for material and supplies.

The full study is available on line at
<http://www.techtriangle.com/Publications/ResearchReports.cfm>

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ABOUT:

Canada’s Technology Triangle Inc: www.techtriangle.com

CTT Inc is the economic development partnership marketing Waterloo Region and the cities of Cambridge, Kitchener and Waterloo to the world. Its mandate is to attract and retain the most innovative talent and businesses to the Waterloo Region. It’s the point of contact for those businesses and individuals wishing to establish business in the Region. News media will be provided with a full array of services and customized economic information.

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