

# Greater Montréal boosting innovative manufacturers



# The world's best economic promotion agency at your service





# Content



01

A Leader in Innovative  
Manufacturing

02

A Deep and Growing Pool  
of Highly Qualified Talent

03

Attractive Operating Costs  
and Incentives

04

Montréal International's  
Personalized, Free and  
Confidential Services

# Why innovative manufacturing companies choose Montréal



Manufacturing is the **2<sup>nd</sup> largest** industry in Québec with 500,000 direct jobs



**Major public incentives and cutting-edge technologies** (5G, IoT, robotics, additive manufacturing) encourage companies to take advantage of Industry 4.0



**A world-class hub in artificial intelligence**



**40,000 university students** are enrolled in programs related to innovative manufacturing



**The lowest electricity prices in North America** for large-power users, at 99% of renewable energy



The **Canadian government chose Montréal** as the **headquarters for scale ai**, AI supply chain supercluster



**Canada's university capital, \$1 billion+ in funding** yearly dedicated to university research



**An 18% cost advantage** compared to most major metropolitan areas in Canada and the U.S. (2019), plus major **incentives for R&D and innovative manufacturing**



**A collaborative environment for industrial automation—** Montréal is home to major players, research centres and networks



# 01

## Greater Montréal: A Leader in Innovative Manufacturing



# Manufacturing in Québec: a core sector



**\$2.4B**

of governmental incentives  
announced to support  
innovative manufacturing  
over 4 years (2020-2024)



**500,000**

direct jobs



**2<sup>nd</sup>**

largest industry in Québec



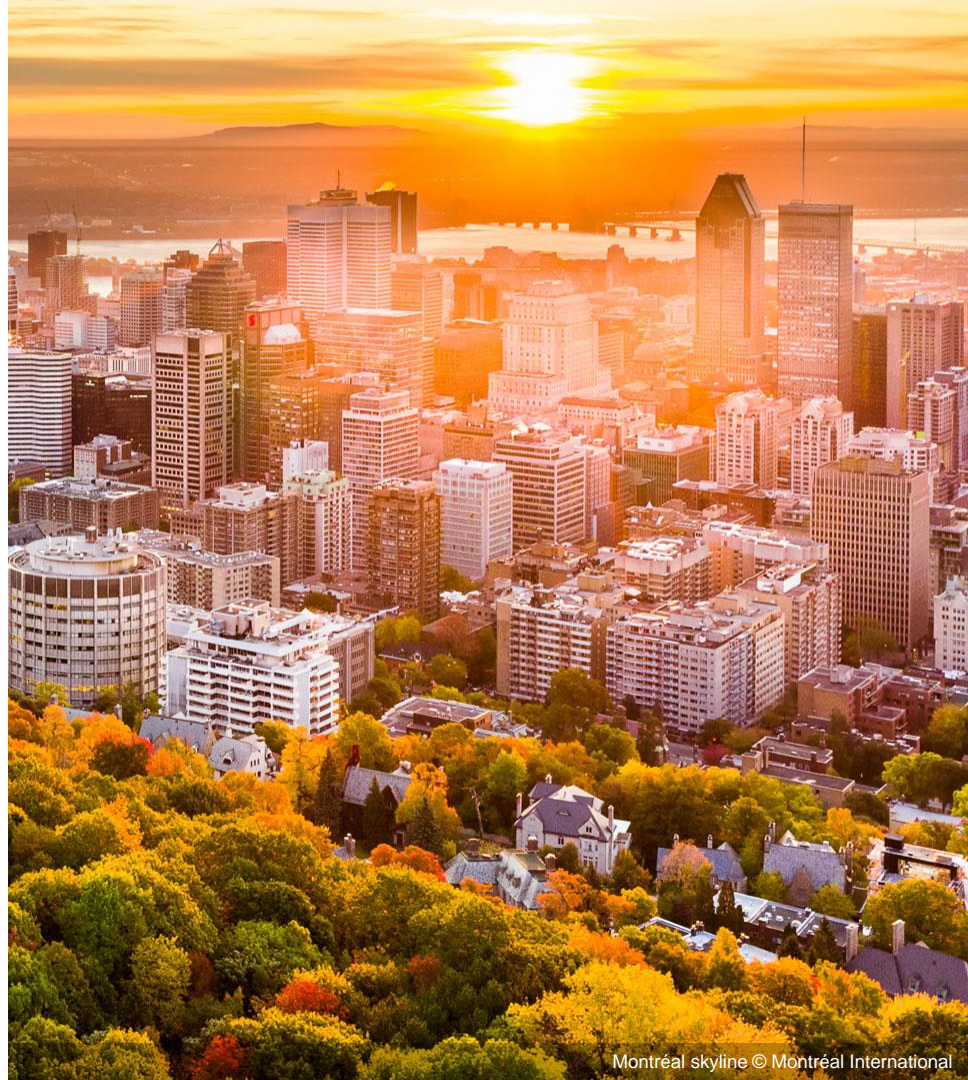
**14%**

of GDP



**90%**

of exports



Montréal skyline © Montréal International

# Montréal, a hub for manufacturing companies in many sectors



## Aerospace and smart transportation manufacturing

- 6,200+ companies
- 74,000+ jobs
- 80% of Québec aerospace production is exported
- 4<sup>th</sup> largest exporter of aircraft and helicopters in the world



## Food processing

- 1,500+ companies
- \$17.2B+ value of shipments
- \$6.2B+ of GDP



## Fashion manufacturing

- 1,800 companies in Québec
- Sales of \$8B
- 3<sup>rd</sup> largest North American fashion manufacturing hub



# \$2.4B of funding for innovative manufacturers to foster their digital transformation

## The Productivity innovation

initiative, launched by the Québec government and Investissement Québec encourages companies to focus on innovation in its various forms and on the adoption of technologies and processes such as digitization, automation, robotization and the use of AI

The logo for 'Productivité innovation' features the text in white on a dark blue background. The word 'innovation' is stylized with a red gear icon integrated into the letter 'n'.

## Provincial strategies:

- Québec Digital Strategy
- Québec Research and Innovation Strategy

## Cutting-edge technologies available to support the 4.0 manufacturer:

- IoT Platforms and Connectivity
- Sensing and Imaging
- Robotics
- Additive Manufacturing
- Supply Chain
- Etc.

Many companies provide equipment and services specialized in robotics and automation

The ABB logo consists of the letters 'ABB' in a bold, red, sans-serif font.The logo for Jalbert AUTOMATISATION features the company name in blue, with 'AUTOMATISATION' in a smaller font below 'Jalbert'. Below the name is the tagline 'sceller votre qualité'.The ASA logo features the letters 'ASA' in a blue, sans-serif font, with a circular graphic of dots to the left. Below the letters is the text 'Avantages of Solutions d'Automatisation'.The Génik logo features a stylized orange and yellow cube icon to the left of the word 'Génik' in a bold, black, sans-serif font. Below the name is the tagline 'IMAGINER · IMPLANTER · INNOVER'.The SIEMENS logo features the word 'SIEMENS' in a bold, teal, sans-serif font.A stylized orange logo resembling a mechanical arm or a letter 'A'.The logo for LECLERC ROBOTIQUE features a stylized 'LR' monogram in red and black, followed by the text 'LECLERC ROBOTIQUE' in a bold, black, sans-serif font.The logo for AUTOMATECH Robotik features the text 'AUTOMATECH Robotik' in a black, sans-serif font.The VENTION logo features a stylized 'V' icon to the left of the word 'VENTION' in a bold, black, sans-serif font.The MECAdEMIC logo features a stylized blue 'M' icon to the left of the word 'MECAdEMIC' in a black, sans-serif font.The kontron S&T Group logo features a stylized blue globe icon to the left of the text 'kontron S&T Group' in a black, sans-serif font.The XPERTEYE logo features a stylized blue 'X' icon to the left of the word 'XPERTEYE' in a black, sans-serif font.



# NGen, strengthening the competitiveness of the manufacturing sector



- **Canada's advanced manufacturing supercluster** is a constellation of industrial companies and start-ups, researchers and investors and government-funded labs
- **\$76.8M investment** committed to innovation
- NGen matches manufacturing companies with new technologies to drive advanced manufacturing in Canada
- Funding streams for transformative, applied, collaborative and enduring projects are ranging from **\$50,000 to \$20M**



# Montréal, a world-class AI hub to support innovative manufacturing

- **More than \$3 billion in AI investments** announced in Greater Montréal since 2016
- Home to major AI players and a thriving ecosystem







## Scale AI, an asset for innovative manufacturing companies

- The Canadian government chose Montréal as the headquarters for **Scale AI**, Canada's AI supply chain supercluster
- **Scale AI** is dedicated to **building the next-generation supply chain and boosting industry performance by leveraging AI technologies**. These technologies will drive growth and innovation in retail, manufacturing, fashion and transport industries
- **Up to 40% of financing** of eligible costs for collaborative research projects in AI
- Scale AI provides **financial support to develop artificial and digital intelligence skills** and funds training for talent

**SCALE AI**



# Manufacturing stands on a strong IT industry

- **160,000+ IT professionals** and **7,000+ companies** in Greater Montréal
- **Lowest operating costs in North America** for software development
- **A diverse industry:**



**Top 3**

best places to  
Invest in AI in  
North America



**1st**

city in Canada  
and a world  
leader in  
digital  
creativity



**Top 5**

Highest  
concentrations of  
tech jobs among  
Canadian and  
U.S. metropolitan  
areas

## Sample of major IT companies located in Greater Montréal



# ENCQOR 5G: unlocking technological promise through Canada's 5G corridor



- **\$400M** invested into Canada's **5G public-private ENCQOR project network** over the next five years starting in 2018
- The Canada-Québec-Ontario partnership establishes **the first Canadian pre-commercial corridor of 5G digital infrastructure** and provides a platform where SMEs can test ideas and technology
- ENCQOR offers **various calls for projects** and builds adoption projects, collaborative R&D projects, as well as **financed IT projects** (75 pre-commercial technology projects)



# A booming startup ecosystem

- Canada is the most attractive country in the world for entrepreneurs according to the OECD
- **More than US\$2.7 B in VC** in Montréal between 2018 and 2020
- **Six of Canada's ten most active VCs** in 2020 are based in Greater Montréal
- **30+ incubators/accelerators**
- **45+ coworking spaces**



Source: OECD Indicators of Talent Attractiveness, 2019; "Global Ecosystem Report" 2018; Credo, "Montréal Startup Ecosystem Report", 2016; "Midterm Report" – Smart City, February 2017; Canadian Venture Capital & Private Equity Association, 2018, 2019 and Q3, 2020.





## Centech, accelerating innovation in the manufacturing sector

**Part of the top 20 university business incubators in the world by UBI Global 2019.** Powered by *École de technologie supérieure* (ÉTS), Centech provides mentoring, coaching and financial support to companies

Centech offers a **Manufacturing 4.0 Acceleration Program** for young companies developing high-impact technological innovations

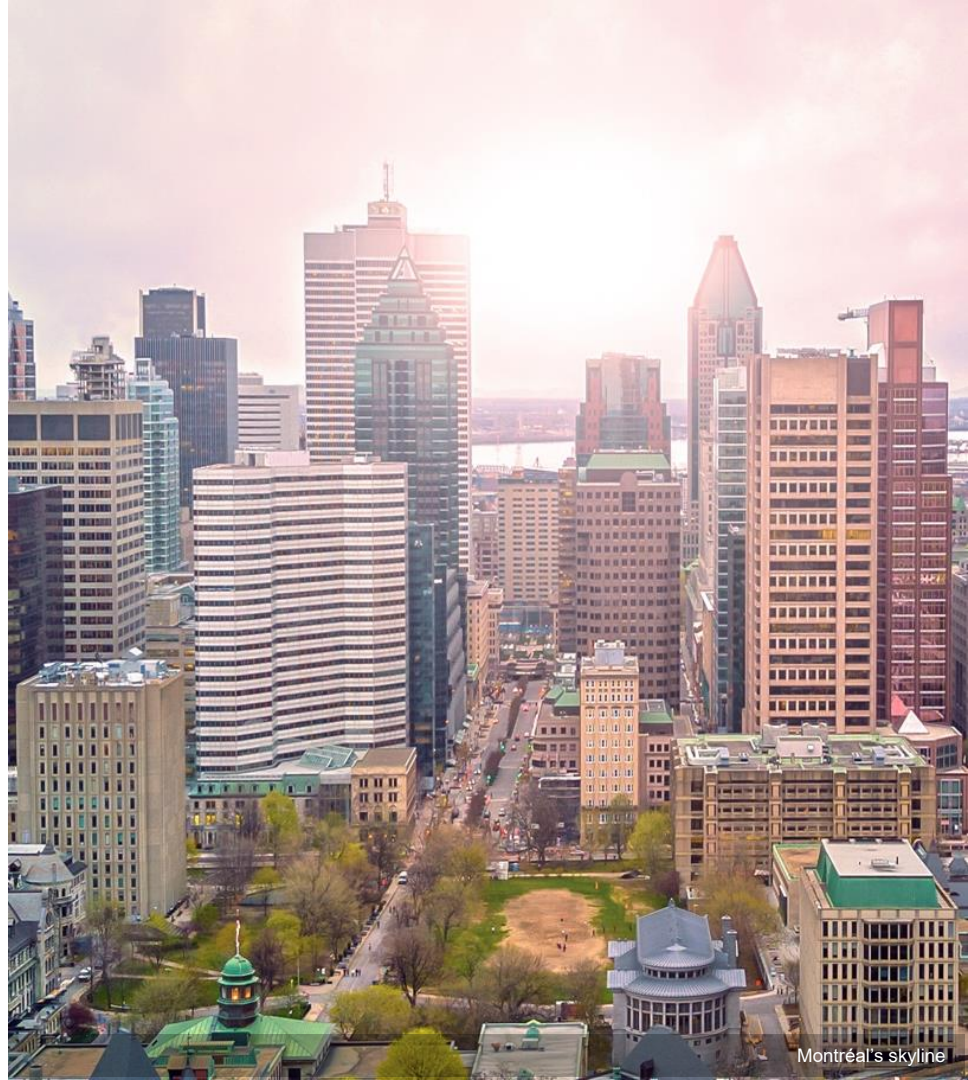


# A strong representation of the manufacturing industry

Manufacturers and Exporters of Québec (MEQ) represents **1100 manufacturers in the province of Québec** offering various services and programs to tackle the different challenges of the industry



The Grouping of Industrial Automation Companies (REAI) aims to **foster collaboration between smart automation companies** to achieve projects in Québec



Montréal's skyline



# A collaborative environment for industrial automation

Many research centers and networks in Greater Montréal are involved in different topics related to innovative manufacturing





# 02

## A Deep and Growing Pool of Highly Qualified Talent



# The best student city in the Americas and Canada's university capital

- **Canada's university capital:** 11 university institutions and 60 colleges
- **320,000 post-secondary students**, including more than **200,000 university students** and **35,500 international university students**
- **1<sup>st</sup> in Canada for university research funding** with \$1.34+ billion yearly



**Best student city in the Americas**  
tied with Boston

QS Best Student Cities Rankings  
2022

1	<b>Montréal</b> tied with Boston
2	Toronto
3	New York
4	Vancouver
5	San Francisco





# Dynamic research chairs & labs with a focus on innovative manufacturing



- Canada Research Chair in Precision Robotics
- GREPCI - Power Electronics and Industrial Control Research Group
- DYNAMO - Research Laboratory in Machine, Process and Structural Dynamics
- ÉTS Research Chair in Interactive Robotics
- LIPPS - Products, Processes and Systems Engineering Laboratory
- Innovation 4.0 Hub
- Siemens Industrial Chair on Industry 4.0 Technology Integration



- Chair in Automation Engineering



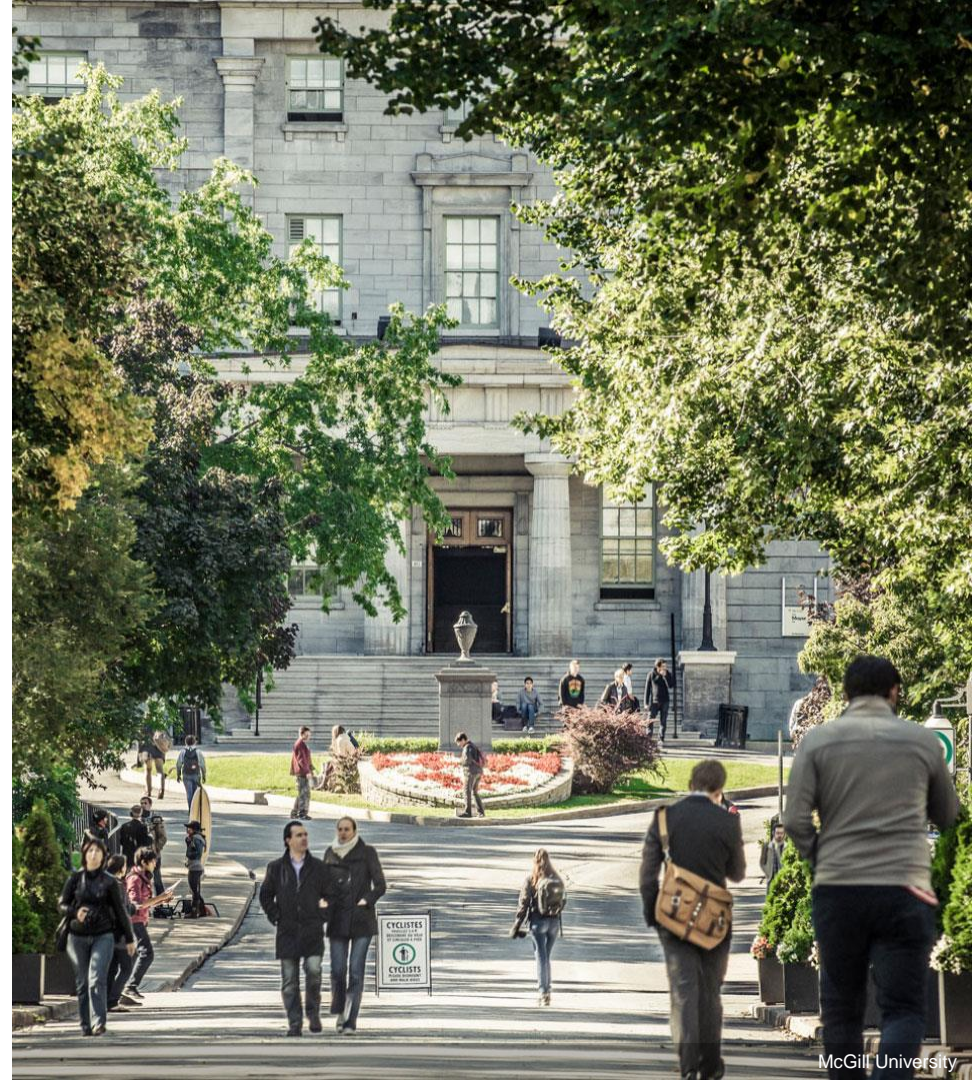
- Canada Research Chair in Distribution Management



- Engineering Design and Manufacturing Lab (EDML)
- Concordia Center for Composites (CONCOM)
- Electrochemical Green Engineering (EGE) Group



- Canada Research Chair on the Creation, Development and Commercialization of Innovation
- The Robotics Laboratory





# More than 40,000 students are enrolled in university programs and linked to innovative manufacturing

Innovative manufacturing university programs	Students enrolled 2019-2020	University graduates 2019
Energy	147	40
Industrial Design	263	59
Chemical Engineering	1,039	243
Production Management	1,093	365
Industrial and Administrative Engineering	2,480	635
Electrical, Electronics and Communications Engineering	3,613	731
Civil Engineering	4,705	1,399
Mechanical Engineering	5,263	1,211
Computer Sciences	12,509	2,524
Business Administration	13,703	4,810
<b>Total – Greater Montréal</b>	<b>44,815</b>	<b>12,018</b>



## A pool of highly qualified employees

<b>Manufacturing-related occupations in Greater Montréal</b>	<b>Employees in 2020</b>
0911 – Manufacturing Directors	14,100
2141 – Industrial and Manufacturing Engineers	2,700
2132 – Mechanical Engineers	3,600
2133 – Electrical and Electronics Engineers	3,800
2232 – Mechanical Engineering Technologists and Technicians	4,200
2233 – Industrial Engineering and Manufacturing Technologists and Technicians	3,600
7231 – Machinists and Machining and Tooling Inspectors	5,900
0213 – Computer Systems Managers	8,000
9400 – Machine Operators	26,300
<b>Total – Greater Montréal</b>	<b>72,200</b>



# Canada's most bilingual and trilingual population



**2.5 million residents speak English,** that's 9% more than in Vancouver



**55% of the population is bilingual** (French and English), compared to 8% in Toronto and 7% in Vancouver



**Almost 20% of the population is fluent in three or more languages,** compared to 4% in Toronto and 3% in Vancouver



# 03

## Attractive Operating Costs and Incentives

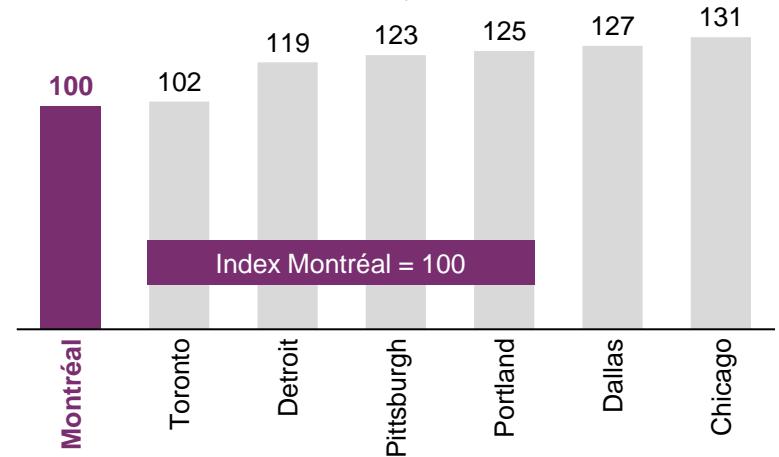




# Competitive operating costs for manufacturing companies

- Montréal has a **18% cost advantage** compared to the other metropolitan areas in the U.S. and Canada.

Operating costs index for major manufacturing sector, 2019



Note: The annual operating cost calculations are based on labour, property and utility costs in US\$.

Source: fDi Benchmark, 2019.

# Tailor-made incentives to support investment projects



## Major and Innovative Projects

### ESSOR Program

Support to major projects with refundable (interest-free and low interest loans) and non-refundable contributions. Investment projects with eligible expenditures of **\$250,000** or more to start a new business or expand (including modernizing) an existing business

### Productivity innovation

Term loan of **\$50,000 or more** to finance the implementation of innovative projects

### Development capital

Equity financing from **\$2M to \$100M** (productivity improvements, growth and equipment upgrades)

### Major investment projects

Projects of \$100 million or more may qualify for a **tax holiday equivalent to a maximum of 15%** of the total eligible investment expenditures for 15 years



## Tax credits for investments and R&D

### SME in Action Program – Support for feasibility studies

Non-repayable contribution of up to **40% of eligible project expenses**, up to a maximum of \$100,000 per project

The **Investment and Innovation tax credit (C3i)** contributing to at least **10% of the acquisition costs of manufacturing equipment, computer equipment and management software packages** for a maximum of \$100 million in eligible investment expenditures over 5 years, refundable for corporations whose assets and gross revenue do not exceed \$50 million

### Canada's Scientific Research and Experimental Development (SR&ED) tax incentive

**14% Québec's tax credit** on salaries and subcontractor fees paid in Québec, fully refundable

**15% Canada's tax credit** on eligible activities and expenditures



## Project Development

### Project financing or Collective entrepreneurship financing

Financing covering up to **100% of project costs** (machines, buildings or equipments, expansion and exports)

The **ÉcoPerformance Program** aims to reduce greenhouse gas emissions and energy consumption of businesses by **financing projects or measures related to consumption and production** (two components: project analysis and project implementation)



**100% amortization in the first year for certain capital investment:** computer equipment, manufacturing and processing equipment, clean energy production equipment, and intellectual property



# The most competitive salaries in the manufacturing industry

## Median annual salaries\* for nine typical professions in US\$

Selection of seven large metropolitan areas in North America, 2020

	Montréal	Toronto	Pittsburgh	Portland	Detroit	Chicago	Dallas
<b>Machine Operator</b>	<b>\$36,211</b>	\$38,885	\$41,689	\$45,134	\$48,157	\$44,635	\$40,744
<b>Computer-Aided Machinist</b>	<b>\$41,072</b>	\$44,166	\$47,281	\$50,617	\$51,116	\$51,204	\$46,832
<b>Mechanical Engineering Technician</b>	<b>\$51,648</b>	\$55,361	\$59,377	\$64,392	\$64,728	\$67,704	\$64,873
<b>Industrial Engineering Technician</b>	<b>\$55,253</b>	\$59,184	\$62,345	\$67,318	\$67,949	\$70,920	\$68,395
<b>Industrial Engineer</b>	<b>\$68,669</b>	\$73,130	\$85,923	\$89,613	\$93,721	\$94,664	\$95,425
<b>IT Systems Administrator</b>	<b>\$70,215</b>	\$75,599	\$77,311	\$82,805	\$81,948	\$88,226	\$85,672
<b>Mechanical Engineer</b>	<b>\$74,206</b>	\$78,889	\$92,364	\$96,009	\$100,559	\$101,521	\$102,838
<b>Electrical Engineer</b>	<b>\$78,767</b>	\$83,628	\$99,444	\$103,053	\$108,031	\$109,028	\$110,950
<b>Manager (production)</b>	<b>\$87,427</b>	\$94,231	\$104,914	\$103,111	\$110,920	\$112,925	\$114,370

\* Salaries based on 5 years of experience. All industries.

Currency exchange based on the monthly average of June 2021: US\$1.00 = CA\$1.2219.

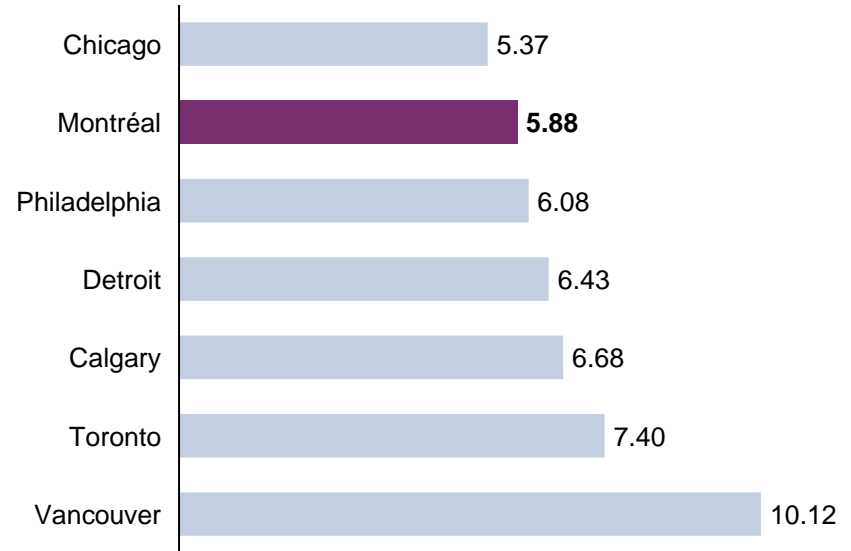
Source: Economic Research Institute Inc., July 2021.



## Competitive rent for industrial space

Industrial spaces are available at highly competitive rates compared to most large cities in North America.

**Average asking rent for industrial space**  
(All classes – US\$/sq.ft/yr)



Currency exchange: CA\$1 = US\$0.76.  
Source: Cushman & Wakefield, Q3 2020.

# Renewable, reliable and affordable electricity



**1<sup>st</sup> place**

in North America for the lowest  
Electricity prices for large-power  
customers

**Total installed capacity**  
of **47 222 MW**



- With its rich renewable, green and stable supply of low-cost hydropower, Greater Montréal boasts one of the lowest electricity rates in North America:  
CA\$4.04/kwh\*

\* Rate LG: large power with minimum billing demand of 5,000 kW, transmission and distribution included, for 120-kV supply with 95% load factor, and including the Economic Development Rate reduction (if eligible).



Carillon generating station © Hydro-Québec

- **Stable electricity rates:** Thanks to the collective wealth represented by our water resource, the rates are not subject to the volatility of oil and gas prices
- Hydro-Québec generates more than **99% of clean, renewable energy**
- The **quality** and **reliability** of the power grid are also two major advantages



# 04

## Montréal International's Personalized, Free and Confidential Services



# Montréal International, a single point of access to a series of personalized, free and confidential services



**Long-term  
strategic support**



**Economic data  
and communication  
services**



**Government  
relations facilitation**



**Incentive programs  
assistance**



**Foreign workers  
immigration  
assistance**



**International  
recruiting solutions**



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