

Metalworks



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Training Initiative.

We want your feedback:
In order to succeed in today's global economy, New Brunswick firms must focus on improving their productivity and competitiveness. The Metal Working Association of New Brunswick, Business New Brunswick and ACOA are developing a training initiative to assist companies in the metal working industry. The first step in the process is to identify current industry needs. Tell us three areas of your operation where you face the most critical challenges. For example, " I need help in reducing my inventory levels" or "Product quality needs to be improved". You may want to consider your firm's abilities in the areas of human resource development, finance, quality assurance, and productivity improvement before responding. E-mail your response (top 3 challenges) to Mike Vincent at vincentm@nbnet.nb.ca. The results of the survey will be tabulated and used to create a more relevant training initiative.

Insurance Rates on the Rise.

Our members have expressed recently, concerns about large increases in Insurance premiums. Some have mentioned increases as high as 700%. Dominique Gendron-Curtis of Marsh Canada responded to a request for information on the increases with the following e-mail.

Mike,

As a member of the Metal Working Association I have just received your

e-mail. Though I am in the service industry (commercial Insurance) I can bring some light in this matter. First, the exposure for a metalworking company can be divided in two (2) major categories: Liability and Property.

LIABILITY

If we take the first category, which is Liability, product liability probably presents the greatest hazard. This is the liability arising out of the manufactured goods. Companies involved in the metal sector are often manufacturing a variety of products considered a High-risk exposure from the viewpoint of the Insurers. If those products are sold to the USA, the liability risk increases drastically for the Insurer, often forcing the insurer to withdraw from a risk or to refuse renewal at expiry.

The Insurance Industry exercises a particular caution when it is involved with products manufactured for the workplace and exported to the US. The U.S. Workers Compensation laws allow the claimant to an award for injury against the employer who then sues the manufacturer. This type of litigation is not permitted in Canada. The awards in the US are also much higher than their Canadian awards.

Most Canadian insurers have restrictions when it comes to providing liability insurance for a manufacturer involved in selling to the USA. The re-insurers imposed these on the Insurers. Furthermore, if the US exposure is not declared to the Insurer it may jeopardized your coverage (Null and void your liability policy). Off premises operations

such as welding at your customer ,s premises is another exposure where insurers have a tendency of restricting the coverage.

PROPERTY

A metal working company also has a greater fire risk. Based of the following exposure your building, contents and particularly your drawings, molds and plans will be destroyed in a fire. Welding, painting, flammable liquids kept on premises. In certain instances, improper gas detectors, lack of fire extinguishers, heat, or smoke detectors, increase the risk of fire.

The exposures mentioned above should be reviewed and explained to your Insurer. If your organization is NOT involved in product design, your liability exposure is reduced. If you have a good quality control program in place and your company has had no losses these have a positive effect on your organization. The time to renew your coverage without a complete review is past. You should start working on your renewal well in advance of your expiry date The insurance industry is reacting strongly against their poor loss ratio. The Metal Working Industry is not traditionally involved in a frequency of claims. However when claim arise in your industry they are large and often exceed \$100,000 whether it be liability or a property claim. Metal manufacturers should ensure that their insurance brokers fully understand their operations. Transmit the information to your Insurance Company. You may have to change Insurer but it is better to disclose all your operations so your coverage is in force when you need it.

Finally whether we like it or not we live in a global world and the events of Sept 11 had a tremendous negative impact on the insurance industry. Some insurers may become insolvent so a careful analysis of your insurance portfolio

by your management team may be required.

I hope the above will assist our members.

Sincèrement.

Dominique GendronCurtis FCIP, CIB

Dominique Gendron-Curtis an account executive with Marsh Canada Limited of Moncton New Brunswick. She has been a member of MWANB for the last three years.

AIE 2001 A Disappointment

The Metal Working Association recently exhibited at the Atlantic Industrial Exhibition, held in Moncton, September 12-13. Attendance was well below expectations and only a few exhibitors that we spoke to seemed happy.

The disappointing showing cannot all be blamed on Reed Exhibitions, the shows coordinators. As we all know the events of September 11 in the U.S. had a significant impact on Moncton. Over a dozen U.S. bound aircrafts were put down in Moncton and the Coliseum became a makeshift hostel for stranded travelers. To top things off, a bomb scare was called in on the first day of the show forcing the venue to close for over two hours.

An association meeting traditionally held in conjunction with this exhibition had to moved at the last minute due to the fact our meeting room was being used as a daycare centre. Everything worked out and an excellent meeting was held at Vitos Restaurant.

We will have to seriously look at the value of this exhibition, when it returns in two years time, before we agree to exhibit again.

Upcoming Events

Dec 4, Bouctouche

Innovations Insights Tour – Kanalfakt

January 16, 2002, Bathurst
– Danny's Inn

MWANB General Membership Meeting/ NBCC Strategy Session

June 19, 2002, Belledune,
N.B.

TVP Tour – Port of Belledune

For More Information Contact:
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New Brunswick Update

NB Throne Speech 2001 Highlights

Investment Climate

- ❖ **Tax Relief** Continued in 2002/03 Budget.
- ❖ **Prosperity Plan for NB** to be tabled that includes a ten year agenda for: People (training), Innovation, Infrastructure & Fiscal/Business Environment (includes tax policy, eg. Property tax)
- ❖ **Total Development Strategies** for value added production in forestry, agriculture, fisheries & mining. (Transportation of Primary Forest Products Act amendments to stop wood theft.)
- ❖ **Red Tape Reduction** measures include single Business Registry & Companies Act amendments (streamline). (Legislation introduced to implement ABC Review recommendations – eliminating Agencies, boards, etc.)

Energy

- ❖ **Electric Power Act** amendments to allow private, non-utility generation
- ❖ **Public Utilities Act** amendments to strengthen PUB regulatory role in competitive electricity market.
- ❖ **NB Power "future" Market Design Committee regional electricity issues** update to be provided.

Environment

- ❖ **Clean Environment, Water & Air Acts** amendments to ensure consistency in order-making authority.
- ❖ **Waste reduction & Diversion Plan** (eg. Recycling) to be introduced.
- ❖ **Coastal Zones & Wetland Conservation** Policies to be introduced.
- ❖ **Protected Areas** legislation to be introduced.
- ❖ **Forest management Practices** to be given greater recognition.
- ❖ **Public Drinking Water** protection initiatives (additional) to be introduced.
- ❖ **Climate Change** discussion paper to be released.

Social Policy

- ❖ **Health & Education budgets** to be increased (though less than previous years).
- ❖ **Regional Health Authorities & greater roles for RN's, RNA's & nurse practitioners** to be introduced.

- ❖ **District Education Council** accountability framework to be introduced.
- ❖ **Special Adoption Project, Child Support, (civil service) & Pension Benefits** initiatives to be undertaken.
- ❖ **Other, Specific** initiatives are to be undertaken in Health, Education & Community Services.

NOTE: Details on taxation & other measures are anticipated in announcements of Government's 10-yr economic plan & in Budget Speech.

NB Economic Update 2001/02 Highlights/Taxation Measures

NB Economic Snapshot

- ❖ **Economic Growth** for 2001 projected at 1% (vs. 2.1% projected in March Budget) & at 1% for 2002.
- ❖ **Employment levels** (10/01) at 336k (+9k over 2 yrs ago). Average weekly earnings \$595 (+\$35 over 2 yrs); social assistance caseload 28k (-2k over 2 yrs).
- ❖ **Bank of Canada Rate** cuts from 5.75% to 3% during year expected to have impact in medium term.

NB Fiscal Status

- ❖ **2001/02 Budget Surplus** projected at &8.7M (vs. \$34.8M in Budget tabled in March)
- ❖ **Revenues** (\$5.049B) are \$21.9M higher includes greater property, tobacco & lottery taxes & federal transfer payments but lower HST & Income Tax.
- ❖ **Expenses** (\$5.040B) are \$48M higher, includes \$42.3M in health care (\$16.6M for MD's) Health (34%), Education (21%), Debt Service (13%) account for 2/3 of total budget.
- ❖ **2002/03 Budget Deficit** could be \$180M unless "corrective measures" taken.
- ❖ **Health, Education & "Economic Development"** are priorities (budgets won't be reduced).
- ❖ **Expenditure Growth** in all other areas will be "managed tightly"
- ❖ **\$100M Equalization Fund** won't be drawn upon this year; no statement re: next year.
- ❖ **2002/03 Budget** to be tabled March 26, **2002/ Capital Budget** to be tabled December 6, 2001.

Taxation/Investment Measures

- ❖ **Assessment Act** amendments to freeze property assessments at '00 levels for pulp & paper ensure (rolling back '01 increases re: foundations) and at '01 levels for other heavy industry. – Comprehensive review for industrial property tax assessments to determine competitiveness.
- ❖ **Municipalities Act** amendments introduced to allow (municipalities & LSDs) user fees for refuse collection. – Authority presently exists to charge for water & sewer utilities. – Industry/commercial haul own garbage in Saint John, Campbellton charges \$52 voluntary fee.
- ❖ **Income Tax cuts** in past 2 years (8% vs. 10% '99 promised cut) totaled \$88M & cut 15K people from tax rolls – Government will continue to lower both personal & business income taxes.
- ❖ **Prosperity Plan for NB** to be tabled this legislative session that includes 10 year agenda for: People (training) Innovation, Infrastructure & Fiscal/Business Environment (including tax policy, eg. Property tax)
- ❖ **Total Development Strategies** for value added production in forestry, agriculture, fisheries & mining. (Transportation of Primary Forest Products Act amendments to stop wood theft).

2002 WHSCC Industry & Group Rates

'02 Rate	Grp	Industry Group(s)	'01 Rate
\$1.03	391	Other Manufacturing	\$0.72
\$1.49	635	Motor Vehicle Services	\$1.12
\$1.94	310	Machinery & Transportation Equip.	\$1.95
\$2.05	429	Industrial Construction	\$3.94
\$2.25	080	Quarry & Sand Pit	\$1.59
\$2.30	424	Plumbing & HVAC Mech. Work	\$1.95
\$2.53	302	Fabricated Metal Products	\$2.38
\$2.53	308	Machine Shop	\$2.38
\$2.58	425	Mechanical Specialty Work	\$2.21
\$2.91	421	Site Work	\$2.57
\$3.26	412	Highway & Heavy Construction	\$2.88
\$4.09	456	Truck Transport	\$3.10
\$4.40	422	Structural & Related Work	\$3.48

Continued...			
'02 Rate	Grp	Industry Group(s)	'01 Rate
\$4.41	401	Building, Develop., Gen. Contracting	\$3.67
\$4.86	303	Other Fab. Metal Structural Products	\$3.94
\$4.86	327	Boatbuilding & Repair	\$3.38
\$5.89	254	Prefabricated Buildings	\$3.94
\$8.05	430	Sheet Metal	\$7.82

New England and Southern United States Reverse NEBS – Bathurst

The MWANB recently participated in a Reverse NEBS (New England, Border States) mission in Bathurst (October 23, 2001). Companies from throughout Northern New Brunswick participated with representatives from the Canadian Consulates in Boston and Atlanta making presentations. Representatives of distribution and marketing companies from the Southern US and New England area also presented. The day was highlighted by presentations by John Ball of Ovatek Inc. and George Marcoux, CEO of the Belledune Port Authority. The day wrapped up with one-on-one meetings with US based companies with local manufacturers.

CCC & Selling to the US Government

On November 5, 2001 over 150 companies participated in a day long session with the Canadian Commercial Corporation (CCC) on selling to the U.S. government. Presentations from various procurement Departments within the U.S. government shed light on the intricate process and prerequisites required to do business with them. A list of useful websites is available by contacting the CCC or Mike Healey, Business NB at: (506) 453-3403

24th AGM a Success

The MWANB 24th Annual General Meeting was held on June 7-8, 2001 at the Sheraton Hotel in Fredericton, N.B. An action packed agenda saw presentations from the Export Development Corp (The role of EDC), Lighthouse Energy (Natural Gas Conversion) and Grant

Thornton (Tax implications of Exporting). Eugene Nowlan provided an excellent presentation profiling Sunny Corner Enterprises Inc. The event was followed by a tour of York Steel Inc. and the 4th Annual MWANB Golf Tournament.

Upcoming Initiatives

The MWANB and the Dept. of Business New Brunswick are planning a mission to New England for New Brunswick Metal sector companies. One-on-one meetings between NB companies and New England companies will highlight the event to foster working relationships. Site visits and plant tours will also be included. As more details become available information will be passed along. If you or your company is interested in participating in this event, please contact Mike Vincent at (506) 861-9074 or vincentm@nbnet.nb.ca

New MWANB Executive Elected

A new Executive a few new Board members are now in place with the MWANB. They are as follows:

President – Ron Neatham,
Ronald B. Neatham & Associates

Vice-President – Jim Goodin,
Sunny Corner Enterprises Inc.

Past President – Mike Kieley,
Apex Industries Inc.

Directors (One Year Term)

Jean-Marie Allain - Allain Equipment Manufacturing Ltd.

Daniel Aubé - Rogers Welding & Rentals Ltd.

Barbara Lee Norris - York Steel Inc.

Directors (Two Year Term)

Normand Boudreau – McSheffery Industries Ltd.

Rod Macintosh – Ocean Steel & Construction Limited

Laurie Legere – L & A Metalworks Ltd.

Directors (Three Year Term)

Gordon Green – Metalfab Ltd.

Kevin Horsman - NBCC, Moncton

Jim Kent – Leroux Steel Inc.

Other Positions

Government Liason – Gaetan Lefrancois, Business New Brunswick

Executive Director – R. Michael Vincent

Manager – Blaine Lewis, Canadian Manufacturers & Exporters



Thanks to the following sponsors the 4th Annual MWANB Golf Tournament was a success!

Allain Equipment Manufacturing Ltd.

Apex Industries Inc.

Leroux Steel Inc.

Ocean steel & Construction Limited

Sunny Corner Enterprises Inc.

Russel Metals Inc

Atlantic Industries Ltd.

Topcoat Solutions Inc.

L & A Metalworks Ltd.

York Steel Inc.

Ganong Bros.

Neill & Gunter Limited