



Made in Montreal

Mémoire pour la consultation sur l'avenir du secteur manufacturier à Montréal

Envoyer à La Commission sur le développement économique et urbain et l'habitation

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Made in Montreal Inc. is pleased to submit for La Commission sur le développement économique et urbain et l'habitation's consideration our assessment of the status and of the value of the urban manufacturing sector in Montreal, as part of the *L'avenir du secteur manufacturier à Montréal* consultation publique.

It is true that manufacturing in Montreal and similar North American urban centres has declined significantly in recent decades, and still today some factories are closing and jobs are moving overseas. And yet, a significant amount of manufacturing endures in this city, employing tens of thousands of Montrealers. These businesses and their employees are important contributors to the local economy, and while we may never see employment levels in manufacturing at the peak levels of the 1950s, a healthy sector providing good jobs is possible with the right vision and policy responses. We applaud the City of Montreal's initiative to examine this somewhat beleaguered but highly important sector.

The following submission presents our organization and its core mission, outlines the importance of maintaining a healthy urban manufacturing sector, presents some fine-grained information about the urban manufacturing sector, and outlines a number of policy recommendations for the City of Montreal to consider. As an appendix, we have included an infographic on urban manufacturing that we created earlier this year.

About Made in Montreal

Made in Montreal is a registered non-profit organization that has been in operation since 2010 (www.madeinmontreal.org). Our organization's membership comprises 250+ manufacturers located on the island of Montreal involved in a wide range of sectors, from food to textile to furniture production. Made in Montreal is committed to promoting and supporting the local manufacturing community to foster an environment and culture of making local, buying local, and hiring local - where manufacturing businesses can flourish.

Made in Montreal is part of an international network of similar city-based organizations, united under the banner of the Urban Manufacturing Alliance. Our partners include Made in NYC (madeinnyc.org) SFMade (sfmade.org), Seattle Made (seattlemade.org), Toronto Made (torontomade.net) and Portland Made (portlandmade.com), among many others. Together we share a vision of supporting urban manufacturing as an important means for creating jobs for a broad range of people of all backgrounds and education levels in our cities, for capitalising on local talent, for reducing the environmental impact of production and distribution, and for contributing to vibrant, diverse, sustainable local economies.

In June 2016, we organized and hosted the Montreal Urban Manufacturing Summit, bring together over 100 delegates from over 12 North American cities for 2 days of discussion and exchange on the status and future of urban manufacturing in our cities. It is clear that this topic is increasingly of interest and on the agenda for urban economic development in cities across the continent, and Made in Montreal welcomes this opportunity to contribute some recommendations.

Why Urban Manufacturing?

A healthy, robust, and resilient urban economy includes a wide range of employment and entrepreneurial opportunities for a wide range of people, and manufacturing is still an important component of such an economy. Manufacturing can offer **good jobs** to a diversity of people of all backgrounds, and helps **keep skills and innovation local**. Manufacturing is also an important part of **sustainable economic development** - reducing our reliance on imports and promoting sustainable resource use.

Locally manufactured goods translate into increased civic pride. More than ever, cities are becoming their own brands; urban is cool today. Consumers want authentic, unique products that they can tie either to the place they live or a place they visited. They want to know the person who made their product, and want to meet their neighbour and engage with their surroundings. Urban manufacturers play a big role in **defining Montreal's character**.

Supporting urban manufacturing puts money back into the local economy, which makes sense for cities and the people who live and work in them. The social, economic, and environmental benefits of local manufacturing are numerous, benefiting individuals, communities, and the economy as a whole. Here are a few examples of how:

Benefits for Individuals

- Local business provide an opportunity for local residents to exercise their entrepreneurial spirit.
- Manufacturing jobs are a viable career and lifestyle path for people who yearn for activity in their workday.
- Manufacturing can provide a respectable means of stable, full-time employment for people at all social and educational levels.
- The manufacturing sector is an environment that embraces creativity, skill diversity, learning, and a direct connection between people and their work.

Benefits for Communities

- **Local Jobs** - Manufacturers provide communities with diverse employment opportunities - a means of combating unemployment among people from all walks of life.
- **Local Culture** - Local products can embody the essence of a place.
- **Mixed-Use Communities** - Jobs in proximity to homes, services and transit makes urban living a more realistic and attractive option for many people.
- **Environmental Sustainability** - Manufacturing locally reduces the need to import products long distances by road and rail, and thereby reduces emissions related to transportation.
- **Recycled Materials** - The manufacturing sector is the main user of recycled materials.

Benefits for the Local Economy

- **Innovation & Investment in R&D** - Manufacturers are engines of innovation in design, technology and product invention and improvement.
- **Foreign Direct Investment** - Montreal's assets are put on display to the outside world by the products it turns out.
- **Local Networks** - Compared to other sectors, manufacturers are necessarily linked with a broader array of associated industries.
- **Economic Resilience** - Economies harbouring a diversity of industries are better equipped to endure economic shocks - a feature crucial in today's unpredictable global economy
- **Adaptive Re-use** - Industrial buildings in the city are designed for manufacturing, and it makes sense to use them in this way.

Who are Montreal's SME manufacturers?

The manufacturing community of businesses operating in Montreal today is incredibly diverse, ranging from aerospace giants to small, specialized and artisanal producers, the latter often hidden in plain sight throughout the urban core. The overwhelming majority of businesses, old and new, in the manufacturing ecosystem of cities are small, medium, and micro manufacturers. Made in Montreal as an organization typically works with these SMEs located in the urban core, many of which are under-represented in traditional business support networks like the Chambre de Commerce. Our work frequently brings us into direct and regular contact with business owners and their employees, giving our organization unique insight into their experiences.

Alongside accumulating vast anecdotal knowledge, Made in Montreal studies this sector in detail. In summer 2016, we conducted a detailed survey of over 50 SME manufacturers who are members of our organization. Businesses were asked 60 questions, including questions on how municipal agencies in Montreal can better serve their interests (results presented later in the document). Some highlights from this survey include:

- 60% of business owners are women (reflecting an important concentration of fashion and textile businesses in Montreal, among other factors)
- 50% of respondents plan on hiring within the next 12 months, only 2 total respondents were planning to lay people off.
- 36% have difficulty finding talent to fill vacant posts - an equal number have no trouble.

- Only 10% of respondents require a university level education when hiring employee; 55% require a DEC or DEP level. This indicates the sector is available for people without a university degree.
- 76% of businesses rent their manufacturing space; 14% are home-based businesses; 10% own their building.
- 60% were very optimistic about the future of their business, 39% somewhat optimistic, only 1 respondent was not optimistic
- When asked “Recevez-vous suffisamment de soutien de votre municipalité? // Do you feel you receive sufficient support from your municipality?” 62.4% responded no, 31.3% somewhat, and only 6.3% responded yes.

More information from this survey can be made available upon the Commission’s request.

Challenges for urban manufacturers

Cheaper labour costs and laxer environmental regulations in Asia are certainly a major reason that some manufacturing companies have offshored their production, however there are many local factors that affect a manufacturer’s ability to remain viable in this City that can be controlled. Businesses that are still manufacturing in higher-cost North American cities like Montreal are doing so because they are benefitting from or even depending on other local advantages, such as proximity to consumer markets, appropriate labour pools, supportive infrastructure, complementary industries, and so on. The challenges many of these businesses face are often rooted in the same qualities that make cities attractive, notably availability, cost, and quality of industrial buildings and land, and the conditions of local infrastructure. Competition for space with other uses of industrial land remains a major issue, and in some cases available industrial building stock is mismatched for the needs of contemporary manufacturing. And while cities offer large and dynamic labour pools, there are also challenges for businesses to access the best employees, both in terms of finding adequately trained individuals, and in confronting the narrative that manufacturing jobs are dirty, disappearing, and undervalued jobs.

Made in Montreal’s Recommendations to the Committee

Based on our experience working directly with Montreal’s urban manufacturers for over six years, and from being tied into a local economic development network committed to supporting a vibrant urban manufacturing sector in cities across the continent, Made in Montreal presents the following recommendations for the City’s consideration:

- Montreal needs to confront some of the outdated narratives about its manufacturing sector, to the extent that its role in the urban economy tends to be overlooked. Giant smokestacks are being replaced by smaller, greener, more agile and innovative companies. Economic development policy decisions should reflect an updated understanding of this sector and its potential. The City can take the lead in changing the narrative about urban manufacturing, including by support the *Made in Montreal* local branding campaign.
- Understand that urban manufacturing is a growing priority in other large North American cities, from New York to Chicago to Los Angeles to Philadelphia. There are opportunities for partnership and knowledge sharing between cities on how to best support the sector. Made in Montreal can play a role in enabling knowledge exchange.
- More research should be done to explore the potential linkages between the ‘traditional’ manufacturers (large-scale, legacy industries) and the ‘new’ manufacturers (typically small-scale, Maker/Artisan led, agile and highly urban).

- SMEs tend to be constrained by their size in terms of budget, hiring capacity and visibility. Technology has enabled many small enterprises to connect to national and international markets, but gaps remain in how well local companies are able to adopt and adapt. Local business support organizations like Made in Montreal can help provide learning opportunities, partnering opportunities and help companies to differentiate themselves.
- The City of Montreal should highlight companies that are adopting sustainable business strategies, to help consumers make environmentally responsible purchasing decisions. Because urban manufacturers are located near their markets, they can work with their customers and designers to develop new, environmentally responsible products, a trend particularly apparent in the development of green building materials, fashion and furnishings.
- There are opportunities to explore creating better links between Montreal's innovative industries with the production networks that can turn ideas into tangible products. Montreal is a City of Design, and while several important FabLabs are appearing on the scene, much more work is required to tie together Montreal's design community and the manufacturing sector.
- Help build and maintain local supply chains and inter-business linkages. Many SME urban manufacturers are part of interdependent, collaborative networks, the synergies between which promote the spillovers and knowledge-sharing that not only help businesses innovate but in turn help build stronger, more adaptable urban economies. One of the greatest risks to the urban manufacturing sector is that, as more businesses are forced to relocate from the urban core, critical network links will be broken, and will be difficult to replace.
- Prioritize equity in decision making processes in Local Economic Development - creating job opportunities for lower educated and semi-skilled workers must be a policy objective for the City. Manufacturing can be a part of the solution.
- Workforce development should be an ongoing concern. Quebec has a relatively strong trades school system and some good insertion programs, but it could be developed for other sectors. Help make it easier for the next generation of makers to step in. And a lot of it is highly-skilled as well, and requires sophisticated training.

Recommendations on Place & Space for Urban Manufacturing

- Montreal needs to have a diversity of spaces available where manufacturing can occur. The City needs to employ a full land-use toolbox when dealing with urban manufacturing - the sector is too large and too diverse for a one size fits all response. Some uses are best located in homogenous industrial areas where manufacturing operations are insulated from conflicts with residents and/or other incompatible uses, while others need mixed-use districts where the synergy stimulates creativity and growth.
- When working in existing or developing new mixed-use neighbourhoods, consider including some industrial activity - generally, contemporary urban manufacturing is quieter and cleaner than manufacturing of bygone eras. Many makers thrive in environments that keep them close to their customers, supply chains, skilled employees, and other makers.
- The City should take the lead in ensuring that there is sufficient affordable space and quality infrastructure available for urban manufacturing to survive and thrive. The rezoning of industrial spaces that are or have the potential to be host productive activities is a major issue. The City should in some cases promote the construction of new industrial spaces, or the retrofitting of existing manufacturing buildings that are in poor shape.
- The City should undertake planning studies of infrastructure in productive or potentially productive industrial areas, and implement improvements. This would include improving transit access to the City's outlying employment centers to reduce commute times for workers.

Finally, we hope that the City of Montreal intends to ensure that this important examination and discussion of the urban manufacturing sector is a priority in both the short and long term.

Made in Montreal Members' Recommendations to the Committee

In our membership survey, we asked businesses to provide us with some suggestions for how the City can better support their business or the sector. The following is a selection of survey responses, unedited. The original question was presented as : “Comment la ville de Montréal pourrait-elle mieux servir le secteur manufacturier et les entreprises telles que la votre? How could Montreal better serve the manufacturing sector and businesses like yours?”

- “Nous sommes plusieurs designers de mode dans l'édifice Grover, nous organisons des portes ouvertes dans nos ateliers plusieurs fois par année, il serait bien que la ville nous aide au niveau publicitaire de ces événements. Cela emmènerait des gens à venir dans un quartier plutôt pauvre de la ville et comme le commerce de détail est en baisse, cela nous permettrait de récupérer les ventes perdus par la fermeture de plusieurs boutiques de Montréal.”
- “Des locaux abordables” // “Protect commercial rents”
- “Investir chez mes sous-traitants en couture : formation, relève, accès au technologie, méthode de travail”
- “Improve ease of transport for employees”
- “By investing in promotion of the retail industry in our neighborhoods”
- “Aider à promouvoir et éduquer les citoyens sur l'importance du fait ici, et de son coût, et expliquer comment consommer autrement. Ça part même de ce que les élèves apprennent à l'école, on voit encore trop de stagiaires qui ne voit pas cette réalité alors que c'est leur futur métier qu'ils apprennent. Les municipalités pourraient proposer des bourses pour les entreprises qui génèrent de l'emploi ici. C'est utopique...mais on peut rêver!”
- “En nous visitant afin de prendre conscience de ce qu'il se passe sur leur territoire”
- “Encourage l'achat local dans leur pub site internet etc. Si la ville est des locaux vacants pourquoi ne pas offrir cet espace à quelques manufacturier dans le cadre d'un thème et faire une salle de montre pour 1 semaine . Les manufacturier qui n'ont pas pignon aurait un occasion de montré leur produit, mais des produits fait à Montréal bien entendu.”

Conclusion

Once again, Made in Montreal supports the Commission's efforts to explore the future of the manufacturing sector in Montreal, which we see as a vital part of this city's economy both today and going forward. We encourage the City of Montreal to continue to show leadership in this policy area and to work with all stakeholders to develop an informed vision for a dynamic and sustainable Montreal economy. Made in Montreal is available to provide more insight and detail on the contents of this report and other areas of our work at the Commission's request. ***Please note that while this document has been submitted in English, we are supportive of bilingualism and would be able to furnish the Committee with a translated version in the future.*

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