



Mould shop closings feared

Industry urged to adapt or die in face of foreign competition

Dave Hall

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Between 18 and 25 local machine, tool, die and mould shops could close within five years if they are unable to diversify and attract business from a new customer base, according to a survey conducted by a local consulting company.

Blaming aggressive offshoring by major automakers, global competition from low-cost economies, a strong Canadian dollar and aggressive pricing and payment policies dictated by major customers, the Lean Design Canada report says "action must be taken without delay to support those companies who are willing and able to move into new market sectors to prevent further closures."

Concentrating on developing customers in the medical, oil and gas and aerospace sectors will help the region's machine, tool, die and mould sector survive in a competitive global marketplace, said the study.

At stake, said Dan Moynahan, president of the Windsor-based Canadian Association of Moldmakers, are "between 10,000 and 14,000 highly paid skilled jobs which is the largest industry sector of employment in the region.

"That's more than Ford, Chrysler and GM put together in this town," said Moynahan, who is also president of Platinum Tool Technologies.

According to the survey, about 100 machine, tool, die and mould shops have closed across the region since 2004, throwing as many as 10,000 workers out of their jobs.

Among the companies which have closed, gone into receivership or declared bankruptcy in recent years are Hallmark Technologies, ELS Plastics, C R Mold, Brahm Industries, Bernard Mould, Prodigy Technologies, Standard Induction Castings, Impact Tool & Mold, Molds Are Us, Michael Angelo Tool and Mould and Phillips Tool & Mould.

Prepared by Sandy Munro and the staff at Lean Design Canada Inc., the report says "it is critical for local MTDM firms to develop a balance in terms of customer mix by ensuring that no more than 35 per cent of a company's total business is reliant on the Detroit-based Big Three."

According to the report, China now receives the lion's share of tooling from the Big Three because of cheap labour and cheap materials but Munro said "there is still a need for high quality work and products in industries that we as a region haven't focused on."

Munro said these include aerospace, medical and oil and gas.

"The aircraft industry," said Munro, "is moving away from aluminum tooling toward composite and thermo-plastic materials which Windsor-Essex toolmakers have the skills and capacity to do."

Moynahan said that "locally we can offer more than 600,000 hours of machining capacity with a full variety of operational time and the ability to machine to tight tolerances.

"This available capacity combined with the density of skilled labour in this region makes it a very attractive place for alternative markets to contract for work."

In addition to its industry projections, the study also makes a series of recommendations designed to shore up the local tooling industry.

Among the report's 16 recommendations are suggestions that the Windsor Essex Development Commission make a concerted effort to contact medical, oil and gas, and aerospace trade associations in order to seek out opportunities for local companies and lobby the senior levels of a government for additional funding the job training, education and training support.

The report also calls for increased participation in trade shows, workshops to help local companies develop more comprehensive business attraction programs, development of a cohesive market research program and an industry-wide approach to regional marketing.

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