

February 1, 2021

## Executive Director's Message

SIMSA recently completed two surveys with the gracious assistance and participation of our membership.

SIMSA surveyed its now 229 members to get a snapshot of their economic health; 61 members completed the survey from a fairly good distribution across our members' industry segments. We focused on the percentage changes, as it allows for comparisons.

Across our membership:

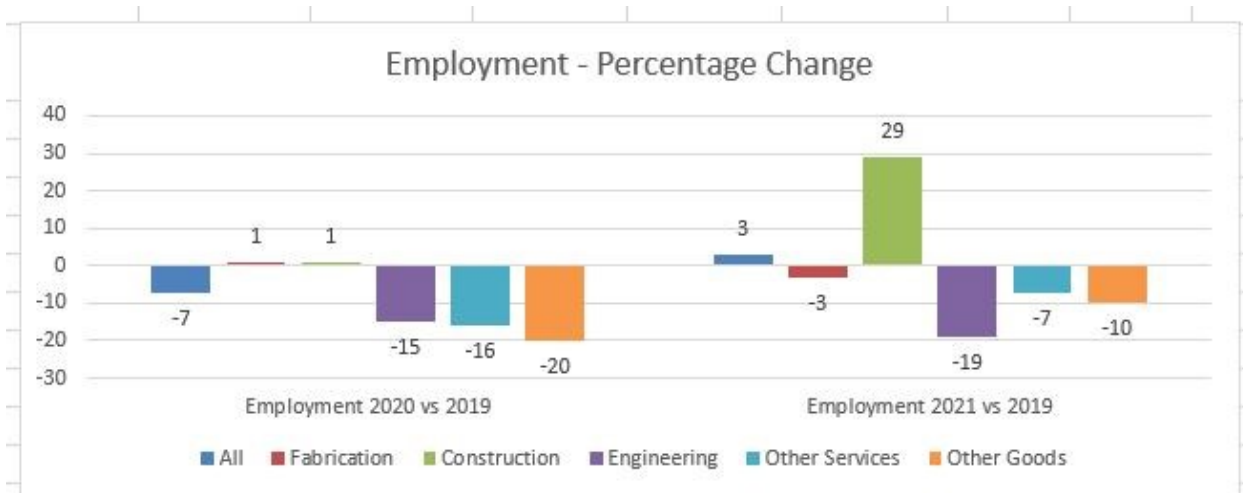
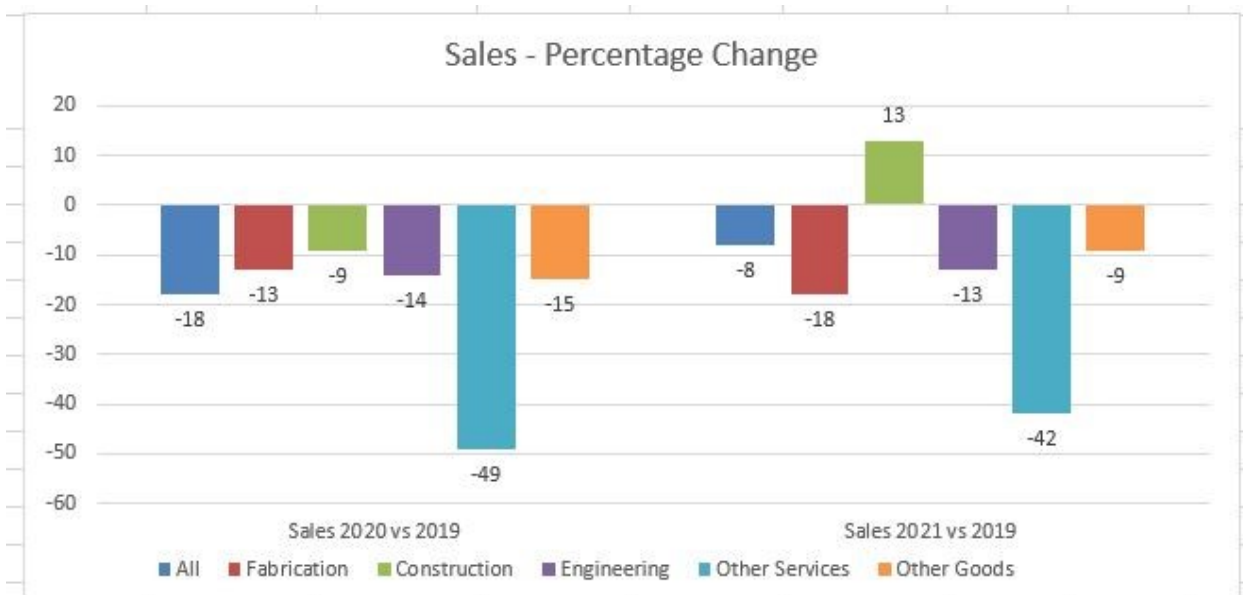
- sales in 2020 were down 18% from 2019, with 2021 forecasted to be down 8% from 2019
- employment in 2020 was down 7% from 2019, with 2021 forecasted to be up 3% from 2019

However, this broad data hides some serious issues:

- The Construction sector seems to be doing far better than the others, this is largely due to Government stimulus spending
- The Fabrication and Engineering sectors are both experiencing hardships, with a decline in 2020 worsening into 2021
- The broad "other services" sector was devastated in 2020, but showing a minor improvement in 2021. This sector would include items such as various site services that may have had access problems due to COVID protocols, plus other services not included in the other reporting groups.

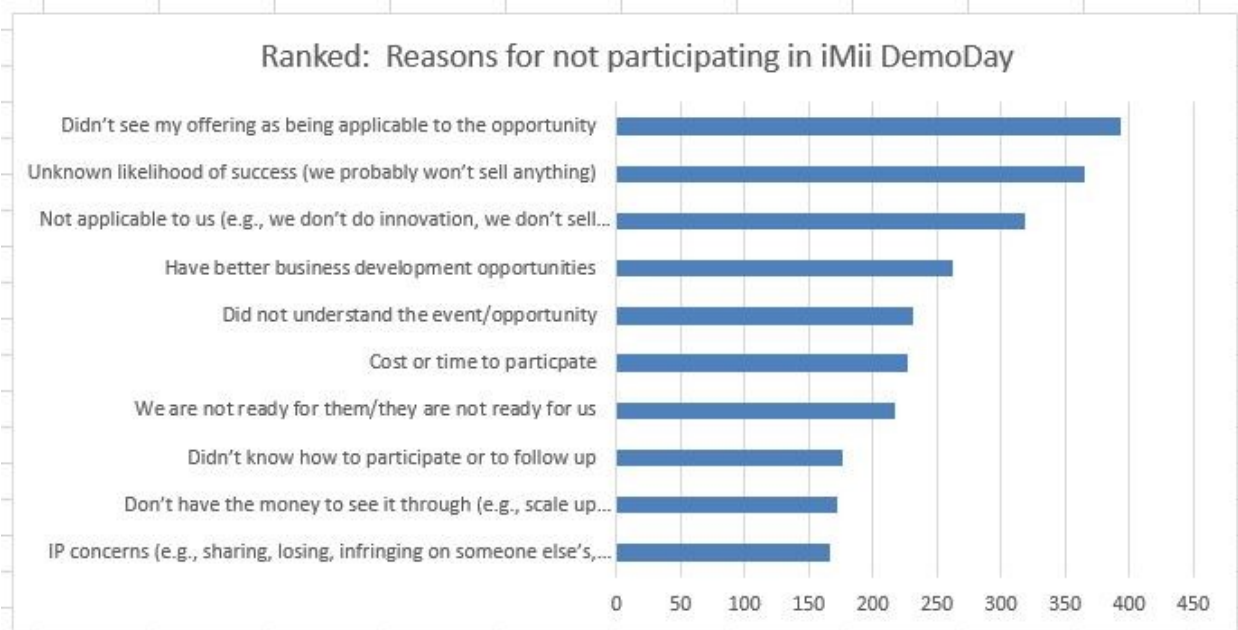
SIMSA has already begun conversations with project owners and Government to address the problems being faced by our membership. Step one was defining and presenting the problems.

The following two charts depict the results:



SIMSA also surveyed our membership on “Why member participation was not as extensive as we had expected, in events such as the IMII’s DemoDay and events with CAMSC such as those with Boeing and Fiat Chrysler?” With this information – see below - we now know to better explain the opportunities and event (which seems to be the leading issues).

There are some striking similarities as to why people did not participate in DemoDay and the CAMSC events. The top reasons “why not” are listed at the top of each chart. You will notice that the top issues are in the same order, with IP at the bottom.



# Member News

[DynaIndustrial Delivers Another Turnkey Project](#)

[Rokion invests in software streamlining the design process.](#)

[Team Power Solutions offers Circuit Breaker Remanufacturing](#)

[Team Power Solutions offers Online Instructor-led Safety Training in February](#)

Also, many SIMSA members are featured in the 2021 edition of [PotashWorks](#). Check out the SIMSA article "[SIMSA had a plan, so how did we do?](#)" on page 54.

## Advocacy

### **Hosting with Government of Saskatchewan "Indigenous Business Credit Pool" event**

To deliver on its commitment to ensure that Indigenous businesses are provided meaningful opportunities to participate in the Accelerated Site Closure Program (ASCP), the Government of Saskatchewan introduced the Indigenous Business Credit Pool. The Indigenous Business Credit Pool will create an incentive for participating licensees to work with eligible Indigenous contractors to complete work under the program. The pool will drive up to \$30M in spending on eligible Indigenous businesses.

The government's ASCP team held, (hosted virtually by SIMSA), town hall sessions, on January 28 and 29. A detailed overview of the Indigenous Business Credit Pool and an opportunity for stakeholders to ask questions and provide feedback was given. The Saskatchewan First Nations Natural Resource Centre of Excellence housed the list of eligible Indigenous major and minor contractors in their EXPORT database. The Center of Excellence EXPORT team presented in the town halls to provide attendees an introduction to the system.

# Sector News

## [SIMSA featured in Northern Prospector Story – “Putting Crisis to Work”](#)

The Saskatchewan Industrial and Mining Suppliers Association’s (SIMSA) unexpectedly grew in membership through COVID-19, gained some skills, evolved and learned a lot about ourselves, friends and members. The crisis forced SIMSA to pivot from being a procurement-focused organization, focusing on events with the procurement staff of major resource companies, to a government lobbying/information conduit group and news hub. A number of new initiative and activities were undertaken.

SIMSA’s staff shifted into the role of calling its members to see how they were doing and to find out what questions they needed answered. SIMSA’s executive director scheduled weekly calls with Nutrien – our members’ largest client and frequent calls with other resources producers to gather updates and provide SIMSA-member needs. A minimum of weekly calls were scheduled with three levels of the Saskatchewan Government, to assist in developing relief programs as well as their rollout. SIMSA began collaborative work with associations across the county such as the Mining Suppliers Trade Association of Canada to see how we could support each other work together in the long-term. A group was pulled together to work on a large fundraising initiative for the Food Banks of Saskatchewan. And finally, SIMSA pivoted to delivering virtual procurement sessions – a set of skills and systems that we will be able to use to expand our reach in the future, once in-person meetings resume. In short, all of these new skills, systems, relationships and knowledge banks are now being absorbed into SIMSA’s toolbox for future use. All of this collaboration and evolution was in our “core values” – the first box in our strategic plan. The crisis gave us the time, inspiration and opportunity to grow. For more on the story go to page 54-55 [HERE](#).

## [Petroleum Services Association of Canada releases updated drilling forecast](#)

In its first update to the 2021 Canadian Oilfield Services Activity Forecast, the Petroleum Services Association of Canada (PSAC) has revised the number of wells drilled (rig released) across Canada for 2021 to 3,350 wells. This is an increase of 750 wells which would be considered a modest amount based on historical activity, but is 29 per cent over PSAC’s original 2021 forecast released last October.

The updated forecast is based on a stronger commodity price outlook for 2021, with PSAC now expecting average crude oil prices 19 per cent stronger at US\$50/barrel (WTI), natural gas prices of C\$2.60/thousand cubic feet (AECO) and the Canadian dollar slightly stronger, averaging US\$0.79.

The majority of drilling this year is expected to be focused on oil with 67 per cent of total wells, and gas with 30 per cent of total wells, with the balance being service wells. On a provincial basis for 2021, PSAC estimates 1,632 wells to be drilled in Alberta and 1,189 wells for Saskatchewan, representing year-over-year increases of 184 and 111 wells, respectively. For more on the story go [HERE](#).

## [Trudeau government looks to continental energy strategy in wake of Keystone cancellation](#)

The federal government is eyeing a comprehensive North American energy strategy as workers reel from cancellation of the Keystone XL pipeline. Minister Jim Carr, Prime Minister Justin Trudeau's representative for the Prairies, said Monday, "We have to look forward, however, to a continental energy strategy." A continental energy partnership has been an elusive goal for more than 15 years, with multiple trilateral meetings ending with consensus but often without measurable outcomes.

Monica Gattinger, director of the Institute for Science, Society and Policy at the University of Ottawa says, "There's tremendous potential between Canada and the United States to collaborate around energy and environmental objectives in the long term". "With the national governments in Canada and the U.S. now more closely aligned on climate priorities," she added "there's the potential for a breakthrough". "Both countries have vast potential across a whole host of energy resources," she said. Carr is optimistic, too. "We're hardly starting from scratch, and there will be alignment," he said, alluding to his hope for co-operation between the U.S. and Canada, but also with the Prairie provinces". "There is an awful lot of work to be done and an awful lot of potential." For more on the story go [HERE](#).

### [BlackRock's shift to 'net-zero' investments is accelerating, CEO Larry Fink says](#)

BlackRock Inc., the world's largest fund manager, is accelerating its push to reduce the risks of climate change for clients, asking corporate leaders to disclose how their companies will fare in a "net-zero" economy and selling its stakes in those that fail to live up to heightened standards. New York-based BlackRock, which manages US\$8.7-trillion in assets on behalf of pension funds, sovereign wealth funds and other clients, has quickly built on its market-moving pronouncements of a year ago.

BlackRock's CEO Larry Fink made headlines by saying BlackRock would part ways with companies that generate more than 25 per cent of their sales from thermal coal, and set up new ETFs that filter out fossil fuel investments. It was seen as a wake-up call for the corporate world, and several other major investors have since made similar announcements. Mr. Fink described the change in investor preference for more sustainable opportunities as a "tectonic shift."

This transition will be felt throughout the supply chain. Mr. Fink said he is urging all companies to begin disclosing climate data in line with the TCFD standard before regulators begin to mandate such reporting.

### [SaskPower seeking general contractor to build Logistics Warehouse Complex](#)

As part of a long-term strategy to bring employees together in fewer locations, SaskPower has begun a procurement competition for a general contractor to build its Logistics Warehouse Complex (LWC).

### [West Side Irrigation Project \(no link\)](#)

The Water Security Agency said that the Prime Consultant for the West Side Irrigation Project will be announced at the end of January or early February. The Prime will do pre-engineering and pre-design work including soil testing, review of historical documents, engagement with stakeholder, and engagement with First Nations. SIMSA will be engaged with the Prime.

### [CAPP forecasts \\$3 billion boost in planned upstream spending for 2021](#)

The Canadian Association of Petroleum Producers (CAPP) is forecasting that oil and gas companies will spend \$27.3 billion in 2021, up from \$24 billion last year. The increase is due in part to the availability of the COVID-19 vaccine globally, which is expected to spur economic activity and projections of the global economy will return to pre-COVID levels in 2021 by the International Energy Agency. The additional spending is primarily expected to occur in Alberta and British Columbia, while numbers in Saskatchewan show modest improvement and offshore investment in Atlantic Canada is expected to remain relatively stable compared to 2020, said CAPP. For more on the story go [HERE](#).

# Other SIMSA Activities

## **SIMSA Lunch & Learn - Noon Hour Webinar Sessions**

SIMSA's first Lunch & Learn series was successfully launched by Almita Piling on January 22. The attendees learned about helical pile deep foundation technology systems that offer a versatile alternative to conventional deep foundations solutions. The virtual presentation with a question-and-answer period, had close to 100 participants signed up from a cross-section of sectors.

The next Lunch & Learns will be with JNE Welding on Friday, February 19; and then Peter Lucas, on Friday, March 8.

At these Lunch and Learn events, SIMSA members present information on topics relevant to other SIMSA members' businesses. Webinars are open for both SIMSA and non-members to attend. Presentations last from 20 to 40 minutes followed by a question-and-answer session. Bookings must be made a minimum of six weeks in advance to allow for promotion at a cost of \$1000. SIMSA will manage the registration and there will be no charge to attendees.

## **SIMSA Sessions – Saskatchewan Exploration Companies – update on activities**

To keep membership up-to-date on the advanced exploration activities in the province, and potential supplier opportunities, SIMSA will be inviting exploration companies doing work in Saskatchewan to provide company updates. These will be one-hour sessions with a presentation, and question and answer period. Look for these sessions to begin mid-2021.

# Upcoming Events

- Lunch & Learn - Members' presentation events
  - JNE Welding, February 19, 2021
  - Peter Lucas, March 8, 2021
- Tier 1 construction companies, Graham, PCL, and Stuart Olson/Bird, a virtual procurement event on February 24, 2021 [Register here.](#)
  - SIMSA has put together a procurement event with Tier 1 construction companies, with the goal to enable better business opportunities between SIMSA's – the Tier 1s (all SIMSA members) and your company (also a SIMSA member).
  - The conceptual format would see the four companies present:
    - Who they are and previous projects
    - Upcoming projects
    - Near-term procurement needs
    - How to find out more and/or become a supplier
  - We will also share their presentations as a PDF after the event with attendees. We have not left time for question-and-answer, as this can be a follow-up item via email, etc., with a designated person.
- Saskatchewan Energy Suppliers' Update, March 24, 2021.

This event will feature presentations by, as well as question-and-answer with Saskatchewan energy project owners. Registration costs after February 12<sup>th</sup> will be significantly higher. Register [HERE](#) .

Our tentative agenda is:

  - 8:00 am Opening Comments
  - 8:10 Greetings from Province – Minister Bronwyn Eyre
  - 8:30 Keynote – Eric Nutall, Nine Point
  - 9:00 Crescent Point Energy
  - 9:30 TC Energy
  - 10:00 Break
  - 10:30 FCL Refinery
  - 11:00 DEEP Energy
  - 11:30 SaskEnergy
  - Noon Break
  - 1:00 pm Prairie Lithium/LiEP Energy
  - 1:30 Royal Helium
  - 2:00 Small Modular Reactors
  - 2:30 Proton Technologies (Hydrogen)Independent Energy
  - 3:00 SaskPower/Moose Jaw power plant
  - 3:30 Closing remarks



# Upcoming Events

- An event with EPCMs such as Stantec, Wood, Worley and WSP, with opening brief from Nutrien, April 21, 2021
- Event featuring SIMSA member engineering firms in May 2021
- Events with exploration/junior mining companies working in Saskatchewan beginning in mid-2021
- Energy (Oil & Gas) Supply Chain Forum, in-person event in Regina at the Delta - tentatively October 6, 2021
- Mining Supply Chain Forum, in-person event at Prairieland Park - tentatively November 9 & 10, 2021

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