

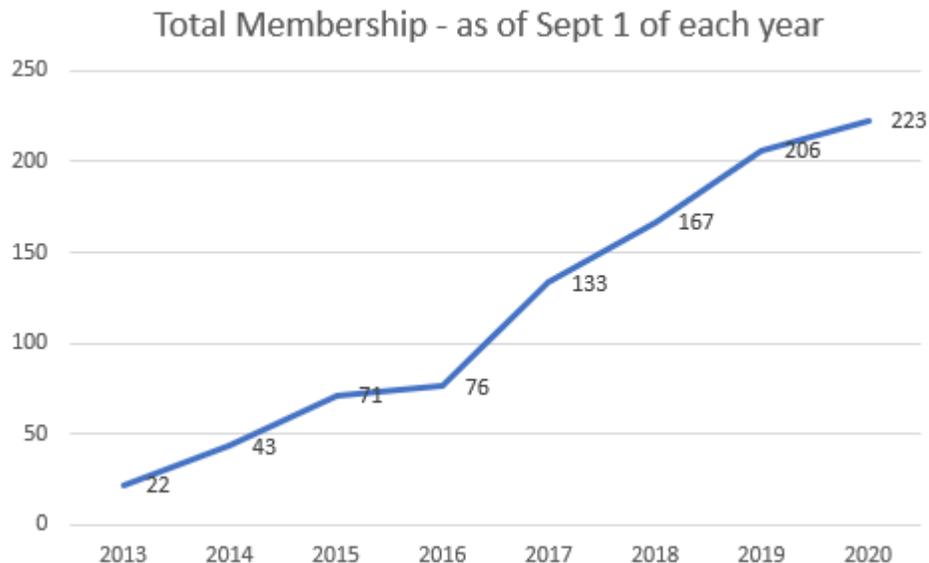
November 1, 2020

Executive Director’s Message

Member Survey Results

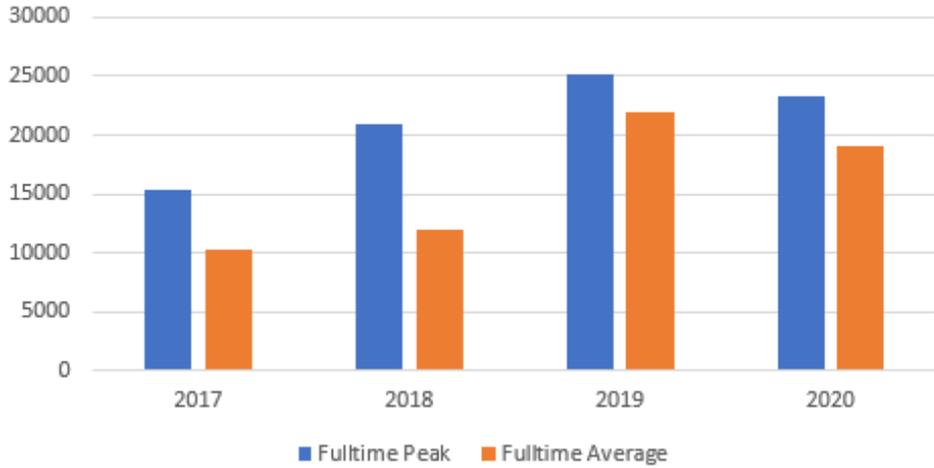
SIMSA has been doing member surveys for a few years since 2017. So, how do things look?

First of all, our total membership has been steadily growing.



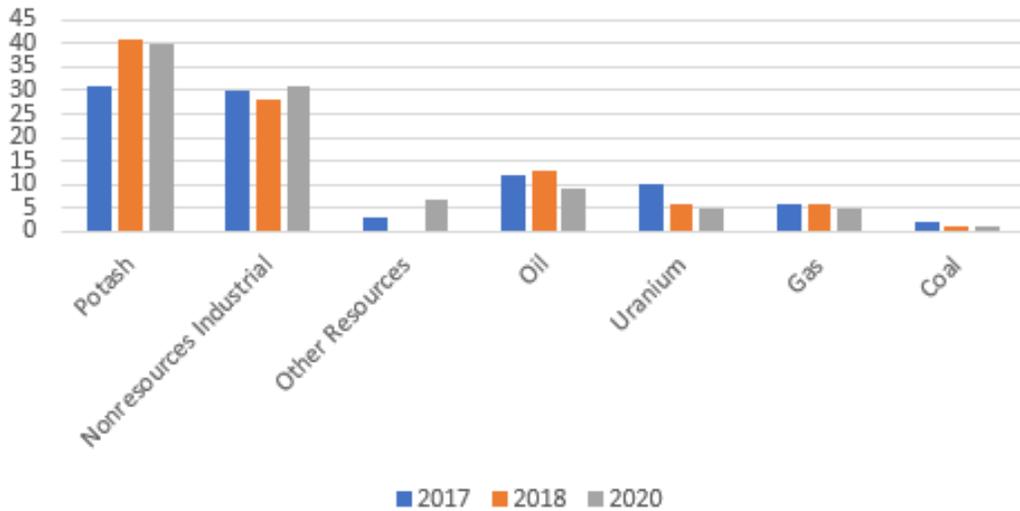
- Our events have been attached - in one way or another - to \$1,184-million in sales in 2019/20. This is up from \$713-million in 2017/18 and from \$189-million in 2016/17.
- The Saskatchewan Supplier Database to date, has generated 679 leads, resulting so far in 481 sales worth, \$97-million.
- The recent survey revealed that our members’ total sales grew through 2019, but the 2020 “guesstimate” (from August) is to see an 18% decline in total sales (from \$6,763-million down to \$5,517-million). This drop is attributed to COVID-19 and the oil sector.

SIMSA Total SK Employees



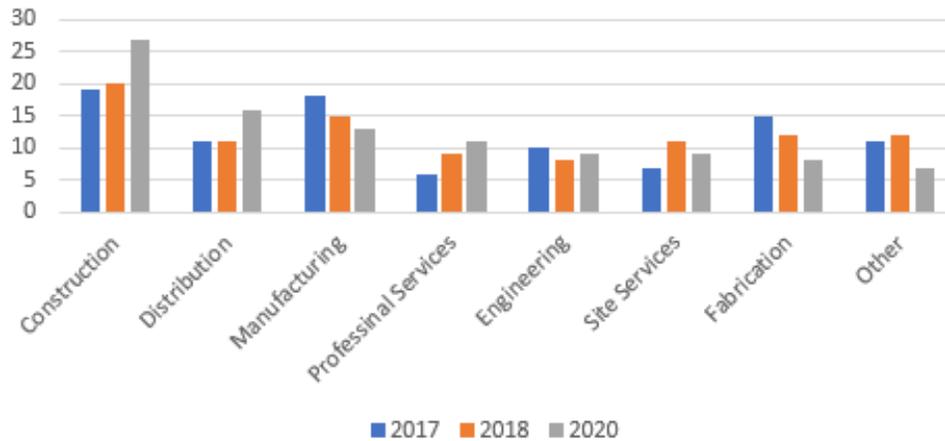
The total peak fulltime employee count saw a steady growth through 2019, but a 7% decline is foreseen for 2020 (from 25,216 down to 23,381).

Sector Served SIMSA's Membership by % of Their Business



The sectors served by our membership have seen a shift away from oil, uranium and coal, from 2017 to 2020, with the potash and non-resource sectors picking-up the deferral. Uranium is expected to pick up again with the re-opening of our northern mines, but oil and coal are still in jeopardy.

Business Facets SIMSA Members by % of Their Business



As a percentage of our total membership’s individual business, our membership initially had more of a focus in the machining and fabrication facets, however, construction and distribution have been growing more recently.

Virtual Business Tools

As the world shifts to an online reality, SIMSA has been developing a set of virtual business tools for its members:

- Best practices for creating shop tour videos – to be used by you or a contracted videographer
- Budgeting guidelines for shop tour videos
- List of videographers
- Links to sessions we hold on “Virtual Tradeshows 101” including online conferencing, creating “evergreen content,” replacing the “wow factor,” and how a virtual tradeshow works

These items can be found at <https://simsa.ca/news/simsa-virtual-tools/>

We are also now offering courses on “How to conduct negotiations virtually,” as well as “How to sell via social media and in a virtual world.” See <https://business.simsa.ca/eventcalendar>

Member News

[Fortis - Developing Mine Procedures Across the Globe](#)

[Fortis Installs New Safety Boom for E.B. Campbell Dam](#)

[IMII Releases Additional Information on its Alternative Energy Systems Innovation Challenge](#)

[Northern Strands Supplying Waste Isolation Pilot Plant with Mine Ropes, Wire Rope Attachments and Specialized Equipment](#)

[Northern Strands Offers Unique Suspended Access Solutions for Regal Towers](#)

[Stuart Olson and Bird Join Forces to Create a Leading Canadian Construction Company](#)

[Team Power Solutions offers Online Instructor-led training courses in November](#)

[Team Power Solutions has a new website!](#)

Advocacy

SIMSA is further expanding its reach into the Government of Saskatchewan with our first [event with the Ministry of Highways and Infrastructure](#) on November 10th. In addition to informing members on the customary items such as purchasing plans, contact persons, Q&A, etc., the event will contain a segment on “Community Benefits.” Community Benefits are a weighting given to evaluations based upon the inclusion of local labour; this consideration includes reporting, review, and potential penalties for not attaining the submitted goals. This criterion is most applicable on projects deemed as “stimulus spending.”

Community Benefits have been the subject of an ongoing dialogue between SIMSA and SaskBuilds, as well as other associations for all Government related purchasing. While SIMSA would rather see the national trade agreements completely dropped (New West Partnership Trade Agreement and the Canadian Free Trade Agreement) or at least the threshold where these agreements take effect be increased by at least a factor of ten, Community Benefits does buy some time and increase the likelihood of Stimulus Spending sticking to our province, if revised per our comments back to them. Another broad item is, Community Benefits do not address where a company is located, only the employees. SIMSA will keep pushing for a policy that better addresses our needs.

It was during this ongoing dialogue that the need for clarification of “who is at the table” became clear and SIMSA launched its [ongoing campaign](#) on:

During a time of much-needed economic stimulus spending by the Government of Saskatchewan (and others), there is an equally pressing need for that spending to stay in our Province. As the only supply/construction related Association that represents the voice of Saskatchewan Suppliers – and only Saskatchewan suppliers – our members can help keep that stimulus money and its impact close to home.

SIMSA also held its second meeting with Nutrien - the Nutrien Advisory Panel. News of this item was released last week and we will be meeting with them again in the near future.

BHP is not presenting at this year's Mining Supply Chain Forum. Their go/no-go decision on the Jansen Lake mine is expected in early 2021. SIMSA has requested an event with BHP and Hatch/Bantrel. They replied that their preference would be to wait until the new year on this. They further noted that they realize that people are interested, but said they would like to be in a position where they can provide some clarity and a better update.

Sector News

Olympic Dam - its owner, mining giant BHP, will not be undertaking its planned \$2.5 billion expansion after studies of the ore body revealed weaker than expected results. This is good news for Saskatchewan's uranium producers as less uranium than anticipated will be entering the world market. Olympic Dam is a copper, gold and uranium mine in South Australia. It produced 9-million pounds of U₃O₈ in 2019 and, for comparison, the Cigar Lake mine produced 18-million pounds of U₃O₈ in 2019. [More...](#)

Instability in Belarus and resulting world sanctions, are impacting potash world markets, as Belarus' state-owned Belaruskali is one of the world's largest producers of potash. Employees at Belaruskali (and other locations) have staged sporadic work outages, in support of the protests that erupted after the August 9 presidential election. Local prosecutors, meanwhile, have threatened criminal charges against strike organizers. Belaruskali employs around 16,000 people and is an important source of hard currency for the Belarusian government. [More...](#)

The presidential elections, marred by widespread irregularities, were followed by state-sponsored violence against the people of Belarus. These actions were strongly condemned by Canada and other members of the international community, including the European Union, the United Kingdom and the United States. On September 29, 2020, Canada, in coordination with the United Kingdom, imposed sanctions against 11 Belarusian officials via the Special Economic Measures (Belarus) Regulations; and on October 14, 2020, Canada imposed further sanctions against an additional 31 Belarusian officials by amending the Special Economic Measures (Belarus) Regulations. These actions were taken in coordination with the European Union. [More...](#)

Venezuela's dwindling oil exports benefits Canadians. Venezuela's oil producers were dealt another blow as one of India's top refiners, Reliance Industries Ltd, secured millions of barrels of Canadian crude on concern that the U.S. is poised to step up sanctions against Caracas. Reliance, owner of the world's largest refining complex, signed a deal to purchase two million barrels of heavy Canadian oil a month for the next six months, according to people familiar with the situation, who spoke on condition of anonymity. [More...](#)

Further consolidation in the oil industry occurs as Cenovus acquires Husky and potentially transforms its entire supply chain. Cenovus Energy Inc., known for its Alberta oil sands operations, said it will acquire Husky Energy Inc. creating Canada's fourth-largest energy company. The \$3.8-billion deal is the latest in a spate of North American energy transactions following the drop in oil prices that accompanied the COVID-19 pandemic.

Even before COVID-19, Canadian energy companies struggled to attract capital after years of weak oil prices and delays in adding new export pipeline capacity, adding impetus to consolidate. "The one thing about the pandemic that really did bring it home to me is that Cenovus's business model, despite the incredible assets we have, [is] exposed to oil pricing in Alberta because of our relatively low integration," Alex Pourbaix, Cenovus's chief executive officer, said in an interview. "The message that I really got out of the pandemic is scale matters going forward, and companies with stronger balance sheets and more resilient business models are going to have an advantage." [More...](#)

Andy Brogan, Oil & Gas Leader for EY Global, states, "The oil and gas industry is continuing to experience one of the sharpest and longest downturns in its history. Unprecedented change is occurring, and a radical transformation of the industry has started. One of the changes is oilfield services consolidation which is transforming the value chain. This transformation is only in its infancy. The large transformational transactions already witnessed in the oilfield services sector are likely to be the prelude for a large wave of consolidation activity across the entire value chain. [More...](#)

As a result of the merger and market conditions, a layoff of up to 25% of the employees is expected. [More...](#)

Other SIMSA Activities

The Nutrien carbon event detailed why greenhouse gas and specifically carbon reduction is the “next big thing” for SIMSA members. The 1.5-hour virtual event hosted by SIMSA, October 21, provided presentations from Candace Laing, Vice President Sustainability and Stakeholder Relations, Nutrien, and Flynn McCarthy, Corporate Energy and Carbon Management Consultant, SysEne Consulting. Presenters focused on the opportunities for SIMSA members to take action on now. Opportunities included cutting carbon to help their business benefit by increasing market share, reducing energy costs and accessing clean growth funding. View the slides from the presentation, learn about the four new carbon categories added to the SIMSA database and see SIMSA membership offerings by clicking [here](#).

SIMSA’s database refresh was completed in October by contacting all existing 123 procurement-related database users. SIMSA’s August 2020 membership survey revealed that \$97 million worth of business deals were done through the database over the past year. Four new carbon related categories of services/products offered by SIMSA members were added to the database.

Major companies, whose procurement staff are database users, see value because they responded by forwarding information to colleagues or new people in procurement. Here’s a summary of comments from procurement-related database users:

- I appreciate you reaching out. We are aware of the SIMSA database and are using it as part of our supplier/contractor intelligence gathering operations. I expect that this will increase as the project moves forward during the next year.
- Carbon is a good addition to the database.
- I have passed on this info to the appropriate colleagues.
- I will share this with the rest of the Procurement team. Looks like it will be a great resource!
- Appreciate the update. I’ll ensure our procurement team has access to the details.
- I will take a look and have my associates do so as well.
- Having spent many years in Saskatchewan as a procurement agent for multiple projects I am very familiar with the SIMSA organization and its importance in the Saskatchewan supply landscape. I have attended multiple SIMSA events and trade shows over my career. Working closely with Director Procurement, who represents our SK Potash supply interests we are 100% committed to supporting our local partnership supplier base in the province as we realize the total benefits of localized spend in our communities.
- As trade commissioners in South America are working on business development for Canadian companies in various industries: education, infrastructure, clean-tech and information and communication technologies. In addition, we provide business matchmaker and market environment analyst services.

Upcoming Events

- **Virtual negotiations**, November 5
 - Half day course to help you develop critical digital negotiation skills
- **Social and virtual selling**, November 17, 18 and 19
 - Three, three-hour sessions with Mark Raffan
 - Hands-on workshop on how to sell using social media in a virtual world
 - Subsidized discount cost for SIMSA members
- **Highways Procurement Information** event, November 10
 - Two hour session with Fred Antunes – Deputy Minister, Ministry of Highways and Infrastructure
 - Learn about community benefit, trends, digital adoption and purchasing plans
- **Virtual Saskatchewan Mining Supply Chain Forum (MSCF)**, December 2 & 3
 - Featuring purchasing and sector updates from companies such as: Cameco, Denison Mines, K+S Potash Canada, Mosaic, NexGen Energy, Nutrien, Orano Canada and SaskPower.
 - Keynote presentations from companies such as Canadian LNG Alliance.
 - Workshops, networking sessions, and a fully interactive tradeshow
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- **A procurement session** with a CAMSC corporate company or companies (this is the same group that brought us Boeing and Cummins), date TBA
- **Women's role in the supply chain panel event**, date TBA
- **An energy sector event**, early 2021

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