

Chinese glass company sets sights on Guelph-Eramosa industrial land

BY JAIME MYSLIK

FERGUS - A recently-made-available plot of industrial land in Guelph-Eramosa Township may soon be filled entirely by just one company.

Xinyi Canada Glass Limited is proposing a two million square foot, $450-million float glass plant at 5081 Wellington Road 32, north of Wellington Road 124.

While the plan to build the plant in Ontario was set in motion last fall with an announcement made by then premier Kathleen Wynne, the company's relationship with Canada actually began 20 years ago.

Xinyi was created in Hong Kong in 1988 and 10 years later the company established its first international sales and marketing office in Markham, Ontario. Shortly after an office was opened in Vancouver in 2000. These offices provide sales and marketing for Canada, the U.S. and Mexico.

"The Canada and North America market is definitely a very important market for us," said Xinyi Canada Glass president Tommy Wong.

"And when (we) decided to build our first North America glass plant it becomes natural for us to choose Ontario, so that we can build on over 20 years of operational experience and well-established customer network."

There are also no other float glass plants in Canada. Wong said the last one shut down in 2008.

"Currently the Canadian glass industry needs to rely 100 per cent on imports," Wong said. "So it makes a lot of business sense to open a plant in Canada.

"It is also an honour for us to rebuild the glass industry in Canada."

Wong also said it is more cost effective to spend almost half a billion dollars on a new plant than to rely on importing glass from Xinyi's current plants in China and Malaysia.

"Customers in North America require quality float glass but in a large size of stock sheet ... for us to ship it from Asia, either from China or Malaysia, to Canada it requires an extra-height container that is very expensive and also limited in availabilities," Wong said, adding it can also take over a month for orders to be delivered.

"A float glass factory in Canada will enable Xinyi to meet the needs of our customers by supplying quality products with reliable shipment and timely delivery," he said. "With the physical presence of the manufacturing facility in Canada it will also help us to build stronger relationships with our customers here and expand our North America customer base."

The company creates float glass used for automobile glass, architectural glass and solar panels.

In March, Wellington County director of economic development Jana Burns said about 70% of the product manufactured at the plant will be exported.

"If we look even bigger than Wellington County, this is really going to shift the trade imbalance because 70% of their product is going to be exported," she said.

"So that improves our balance of trade - that really is one of the things we're



PROPOSED XINYI CANADA GLASS LIMITED PLANT RENDERING IN GUELPH-ERAMOSA TOWNSHIP

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TOMMY WONG, PRESIDENT OF XINYI CANADA GLASS LIMITED SHOWS A RENDERING OF THE PLANT PROPOSED FOR GUELPH-ERAMOSA

lacking in Canada."

When Xinyi decided to expand to Canada and chose Ontario, Wong said the company worked with the Ontario Investment Office to find a suitable location. After looking at six or seven different sites, Xinyi decided Guelph-Eramosa was the best location for the plant.

"Some of the reasons include the size of the site is ideal for our operation, and it is close to a lot of post-secondary institutions and there's a highly educated workforce," he said. "We are close to our customer in Canada to better serve them and the site also has the rail line ... which

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will allow us to minimize the use of trucks to bring in the raw material.

"It also has a good access to the highway networks for shipment/delivery to our customers."

Yet, the company still required amendments to the township zoning bylaw and applied for an amendment in April asking Guelph-Eramosa Township to:

- allow accessory dwelling units on the site:
- permit a parking rate of one space per 900 square metres of manufacturing warehouse and 0.5 spaces per dwelling unit, rather than one space per 90 square metres for industrial use and one space per 200 square metres for warehouse use;
- not require loading spaces;
- increase the main building height from 15m (about four storeys) to 22.5m (about seven storeys); and
- increase the maximum lot coverage from 40 to 50%.

When it was first announced Xinyi was considering Guelph-Eramosa Township as a potential site, Mayor Chris White said the plant would be a "game changer."

"It's almost like having an automotive company move in because it's so large and has so many needs in terms of supplies and services," he explained in March.

"This plant will generate a whole pile of economic activity locally, which should help give a boost to not only the township and the county, but also Guelph."

Residents in the surrounding area have formed a group, GETConcerned, to relay concerns about the glass plant to Guelph-Eramosa Township.

"We are not against industry. We are not against economic development. We are not xenophobic," said Susan McSherry, a member of GETconcerned, at a May 9 public meeting about the plant.

"What we are interested in is seeing our township represent us, speak up for us and have a well-planned, fully organized, fully developed, fully executable plan in a location that is suitable for a plant like this."

One of the group's major concerns is the company's proposed water taking.

Each day Xinyi will need to draw 1.6 million litres of water a day to cool the glass. According to engineering consultant Garth Cressman, about two thirds of the 1.6 million litres will evaporate and the rest will be reintroduced back into the groundwater system.

But Xinyi developed a closed system to circulate water for this plant, something uniquely Canadian, Wong said.

"At our factory, say in China, where we can sometimes get the water easily ... we would use ... an open system," Wong explained. "So at the cooling process the water we used to cool down the glass coming out of the furnace [will] basically evaporate but here consider you are using the radiator in your car that takes the water being circulated within a closed system so that we can cut down the water usage."

After the water is used to cool down the glass what hasn't evaporated will go through a cooling tower and will be put back into circulation to cool down another sheet of glass.

Another challenge to opening the plant in Canada is a need to develop new hauling methods. While the raw materials will largely come into the plant by rail, the company will use trucks to take the





EQUIPMENT AND PRODUCTS IN XINYI'S EXISTING PLANTS

finished glass to customers because not all of them are on the rail line.

"There's a little bit of difference in how we can ship the glass in China than in Canada because of the height limit on the highway," Wong said.

Xinyi has been in talks with the University of Waterloo to put together a research and development project to come up with a proposal to solve the problem.

"I think we are close to [coming] up with a solution for that," said human resources and administration manager Cliff Li. "So ... I think the project will happen pretty quickly."

Wong explained the project could take a few years to develop.

Xinyi is also working with local universities to develop scholarship and co-op programs.

"We understand that when the co-op student wants to look for a job there's a lot of choice," Wong said. "We are in the competitive situation so we want to set up a scholarship program so they know what we do earlier.

"When they pick their co-op program, we have a better chance to get some qualified candidates."

The idea is that those co-op students could then become part of a talent pool from which companies can draw to fill advanced manufacturing jobs.

The new Xinyi plant will offer about 400 new highly-skilled, long-term manufacturing jobs. The majority, Wong said, will be management, engineering and technical jobs (200 will be engineering).

However, about 50 of the jobs will initially be filled by employees who already work for Xinyi in China or Malaysia because there is a lack of knowledge on float glass plants in Canada.

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"I think in the very beginning we will have to just rely on some knowledge transfer from China because right now there's no glass manufacturing here," Li said.

Within three years, Wong said he hopes the percentage of foreign workers decreases.

"We have set a goal that we would like to have the technology transfer to the local talents within the three years after we operate," he said. "We would like to reduce that even to less than 5%."

The plant is highly automated and mechanized so there is a centralized computer control system that requires engineering expertise.

"They will require some mechanical engineering, technical maintenance, mineral engineering or ... robotic engineering ... to support us for our operation here," Wong said.

The plant will also be the most efficient float glass manufacturing plant in North America, Wong said. The plan is to use heat recovery from the furnace for space heating and electricity generation. The plant will also install solar panels on the roof.

"We're talking about 15 to 20 megawatts of the PV panel system on our roof," Wong said. "That would become one of the largest for Canada."

That energy would go directly back into running the plant.

Wong said he understands residents are going to have questions about the operation.

"We want to be a part of this community and that means talking to and listening to ... the residents in Guelph-Eramosa as we go through this process," he said. "So I want to ensure that the plan will fully comply with the federal, provincial and municipal regulations and standards."

He also said the company is undertaking studies to determine the impacts the plant, including possible effects on water and air.

As of publication, Guelph-Eramosa had not yet made a decision on the zoning bylaw and Xinyi was in the final stages of purchasing the land at 5081 Wellington Road 32.

"We are very excited to bring Xinyi to Guelph-Eramosa and we believe we can bring a positive impact to the community and the businesses here," Wong said.

"I look forward to moving here with my family, being an active part of the community."

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