

Task force takes next step to protect Pharmetics jobs

JOHN ROBBINS/Bullet News

FORT ERIE – A task force struck in an attempt to save the roughly 200 jobs at contract drug maker Pharmetics – one of Fort Erie’s largest employers – has retained a consulting firm to assess the facility’s long-term viability.

The task force, which is comprised of representatives from the company, Town of Fort Erie, Fort Erie Economic Development and Tourism Corp. and the International Association Machinists and Aerospace Workers, has announced it has retained the services of Deloitte, one of Canada’s leading business consultancy firms, to conduct the study.



Pharmetics Inc. (Fort Erie).
Photo: John Robbins / Bullet News



Mayor Doug Martin

The Town of Fort Erie has put up \$50,000 toward the cost of the study and a provincial grant application has been submitted seeking matching funds.

Mayor Doug Martin said the company and the good-paying jobs it provides his community are too important to let slip away without a fight.

“We’re doing this to help secure the long-term viability of the jobs that Pharmetics provides in Fort Erie,” said Martin.

“These are good jobs – jobs the people who work there are proud of and jobs that are important to the economy of the Town of Fort Erie.

“We have tremendous zeal to not just attract new business, but to hold on to and help existing businesses prosper and our Economic Development and

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Tourism Corp. has proven that time and time again. We are very hopeful this hard work and collaboration between these stakeholders and employees will be another success."

Local politicians agree closure of the Pharmetics plant would be a major blow to the community and to the town, which collects more than \$250,000 a year in taxes from Pharmetics.

Pharmetics, located on Jarvis Street, opened in 1974 as Custom Pharmaceuticals.

The lone plant eventually developed into an international chain, which in 1993 became a publicly traded company listed on the Toronto Stock Exchange and took the name Patheon Inc.

In 2001, the plant received \$2.3 million worth of upgrades to put it in a position to take advantage of the market for products manufactured in tablet form.

A little over three years ago, the long-term future of the plant was cast into doubt when Patheon announced it was planning to close the plant unless a buyer could be found.

The plant and the vital manufacturing jobs it provides were spared when Quebec-based Pharmetics Inc. purchased the Fort Erie plant and a sister facility in Burlington from Patheon in a deal worth \$5.75 million.

Things seemed to be working out well under new ownership until the fall of 2010 when Pharmetics, like Patheon before it, announced it was divesting itself of the Fort Erie plant.

The plant is one of the last large industrial employers in Fort Erie, a town which 20 years ago boasted thousands of high-paying manufacturing jobs.

The potential closure of the plant sent a shudder through the community and dropped a crisis of sorts onto Martin's lap at the very moment he was fighting a hotly contested mayoral campaign.

Last fall, Martin and Niagara Falls MPP Kim Craitor joined with the union and the EDTC in pledging to create a "taskforce with the aim of offering Pharmetics whatever assistance was needed to attract a new buyer and thereby keep the plant open.

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The need for the task force soon faded when the union and politicians learned the company was in discussions with an unnamed company interested in acquiring the plant.



Kim Craitor, MPP

Then in a surprise development in May, workers were told the entire Pharmetics chain – with the exception of the Fort Erie plant – had been sold to Monitor Clipper Partners, an independent, private-equity firm headquartered in Boston, Mass.

This summer, the task force was reconstituted and approached town council for funding.

Deloitte was selected following an extensive request for proposals process.

It'll now be up to the consultants to undertake a detailed assessment to determine, among other things, the current state of the Jarvis Street plant and the marketplace, to identify physical assets and applications of the present processes provided at the plant and to identify and develop a process to seek a potential buyer.

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