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Transportation Gateways and Global Supply Chains – Canada’s Integrated Approach

Submitted by: Canada



**Capacity Building for Sharing Success Factors
for Improvement of Investment Environment**

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CANADA'S
GATEWAYS

LES PORTES ET CORRIDORS
DU CANADA



Transportation Gateways and Global Supply Chains – Canada's Integrated Approach

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Canada

The Integrated Global Economy

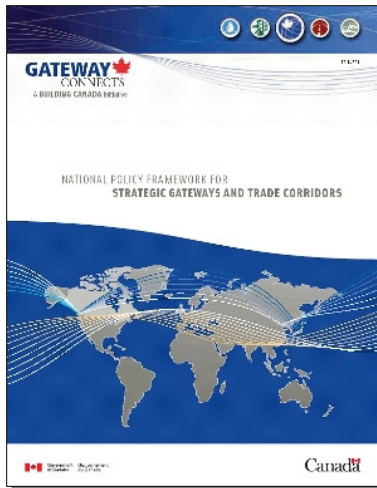
- Global marketplace integration has driven the distribution of economic activity, as well as the expansion of world trade. Global Value Chains have emerged as a preeminent business model.
 - Trade logistics and value chain management now established as CEO-level strategic issues.
- Global influence of Japan, China, India and other Asian economies is rising dramatically.
 - In 2008, APEC countries accounted for roughly 40% of the world's population, approximately 54% of world GDP and about 44% of world trade.

Current Economic Slowdown

- In the global economic downturn, competitiveness strategies are now more important than ever.
 - Falling demand, fluctuating energy prices and currency volatility are driving companies to re-evaluate their strategic supply chain decisions, including facilities location.
 - Fluid, reliable and efficient transportation systems remain key factors.
- In this context, achieving greater competitiveness will require deeper integration across the elements of Canada's transportation system, to support trade within North America and other regions.

The Gateway concept responds by taking a system based—rather than modal—approach to transportation, infrastructure, policy, investment and marketing.

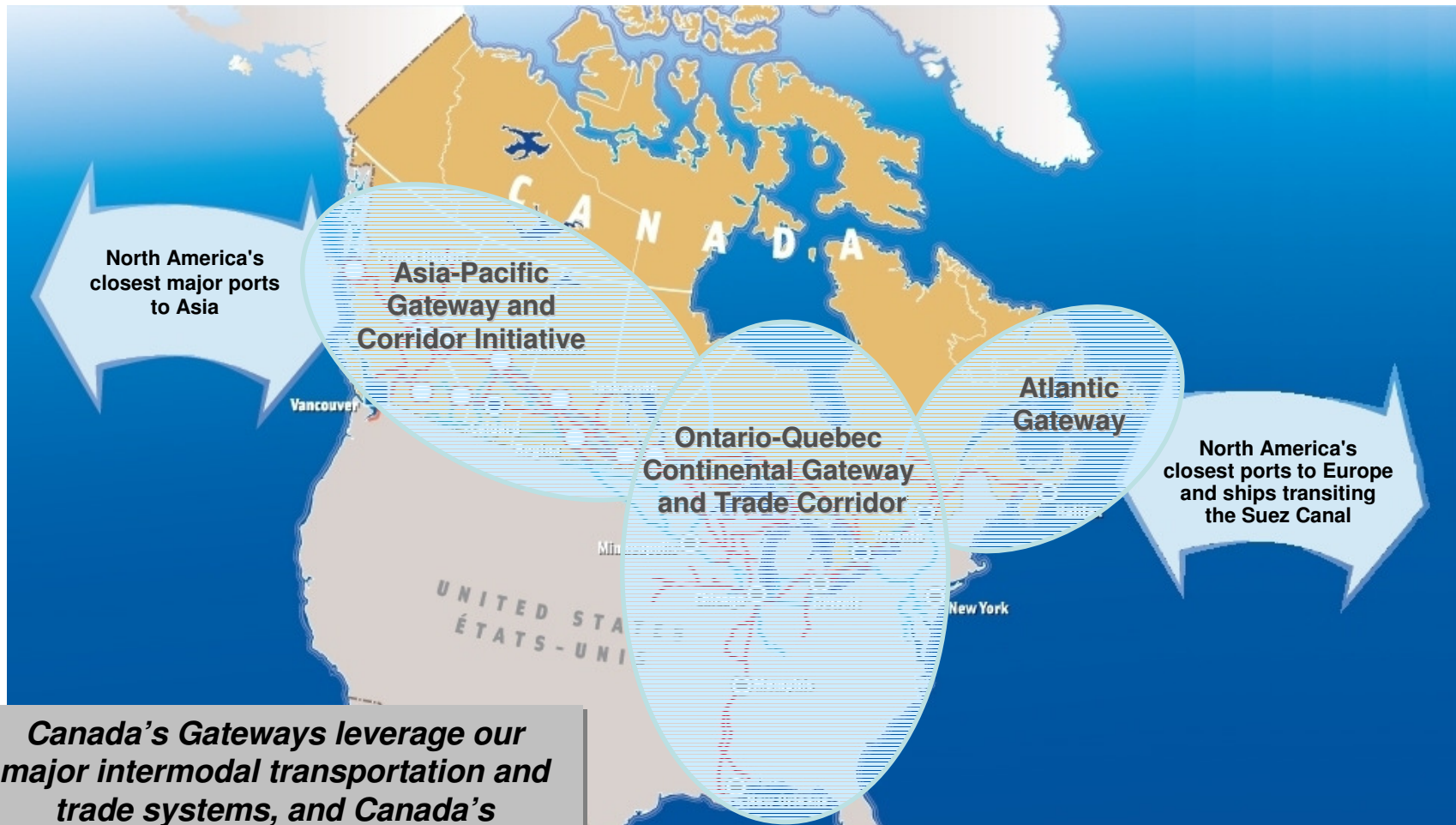
National Policy Framework for Strategic Gateways and Trade Corridors



The National Policy Framework for Strategic Gateways and Trade Corridors (July 2007) was developed to advance the competitiveness of the Canadian economy on the rapidly changing playing field of global commerce.

- Emphasizes Canada's geographic advantages, long-term planning, public-private collaboration, and integrated approaches to infrastructure as well as policy, regulatory and operational measures.
- The Framework will help guide key investment decisions.

Provides the platform to implement the Asia-Pacific Gateway and Corridor Initiative and the development of our two emerging gateway strategies.



Canada's Gateways leverage our major intermodal transportation and trade systems, and Canada's geographic advantages to connect North America with the world.

World-class transportation network that connects North America and the Asia-Pacific

- Includes roads, transcontinental rail systems, modern international airports, and two deep-water entry and exit points for marine cargo, along with powerful transportation and logistics systems.

Canada's Asia-Pacific Gateway and Corridor Initiative (APGCI) combines infrastructure, policy, governance and operational measures into an integrated, multi-modal, public-private strategy.

- Infrastructure investments to support multimodal efficiency and connectivity, and enhance safety, security and quality of life.
- Competitiveness investments to address interrelated issues around gateway and corridor development.



Secure, fast, reliable, and direct transit to markets.

APGCI has achieved real progress.

- Unprecedented public-private sector financial support for APGCI-related investments.
- Amalgamation of Vancouver's ports and amendments to federal legislation to encourage private sector investment and enhance competitiveness.

And through the APGCI, we are expanding its outreach and deepening partnerships.

- *Memorandum of Understanding* supporting both Gateway and Trade Logistics Cooperation with China, with implementation activities currently underway.
- Outreach to APEC member economies including Japan, Korea, Singapore, and Hong Kong, along with international marketing led by Foreign Affairs and International Trade Canada.
- Promotion of the APGCI in the United States, noting corridor security, container screening and border crossing investments.



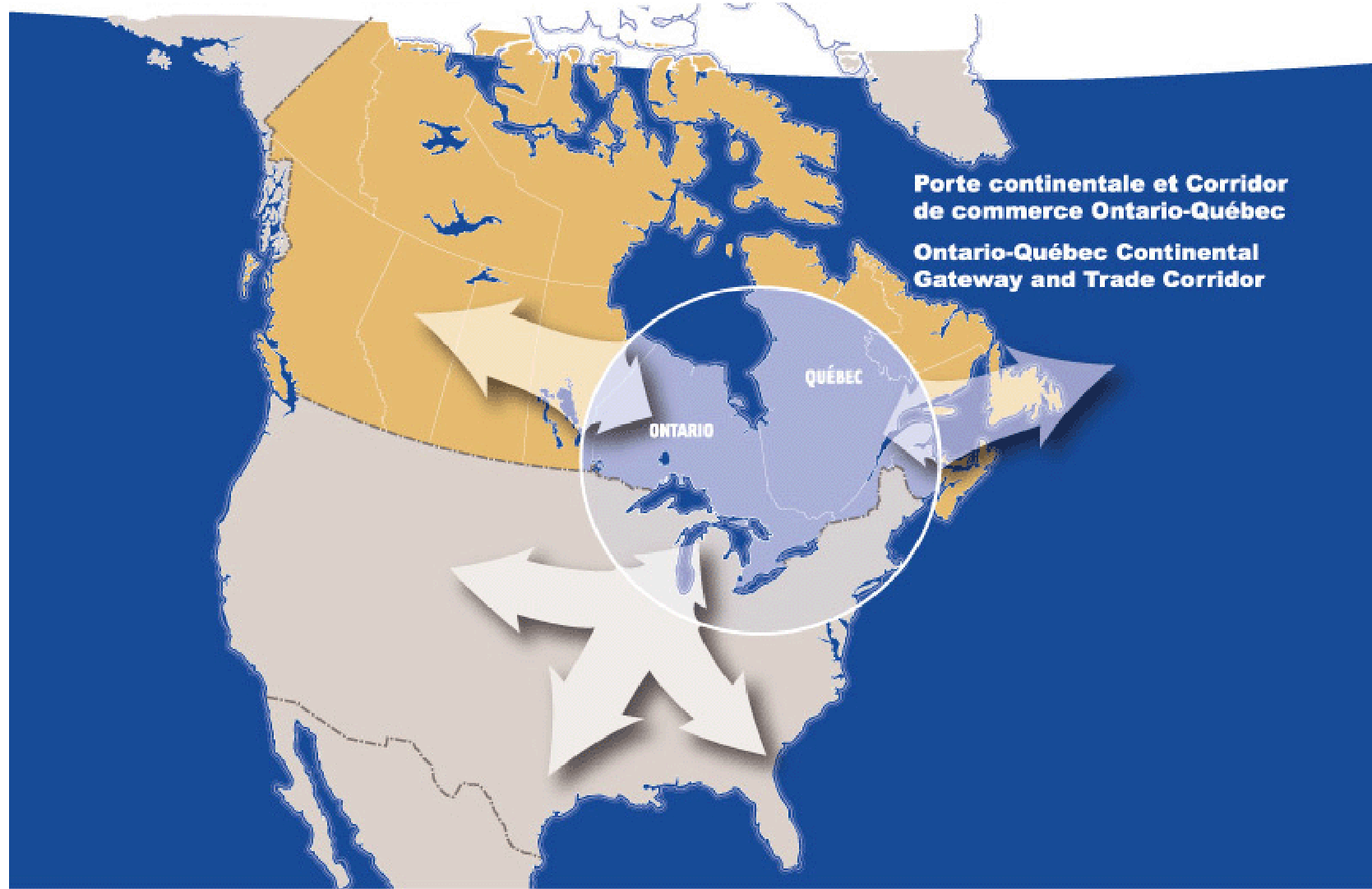
Asia-Pacific Gateway and Corridor Initiative



Building upon infrastructure, outreach and partnership activities, the following measures will support improved competitiveness and engagement by addressing the inter-connected issues around gateway and corridor development.

- 1. Adding Value to the Gateway Initiative**
- 2. A Gateway Performance Table**
- 3. System-based measures of gateway performance**
- 4. An Asia-Pacific Gateway and Corridor Skills Table**
- 5. Expanding the knowledge foundation**
- 6. Pro-Active Public Engagement Strategy**

Canada's Continental Gateway



Continental Gateway Strategy

Located in Canada's economic heartland, Ontario and Quebec have a fully integrated transportation system, providing a net competitive advantage for Canada-U.S. and international trade.

- Within a 1000 km radius a direct access to a concentration of over 135 million consumers, less than a one-day trip.
- The Port of Montréal is Canada's second busiest container port open year long.
- Well-developed and integrated highway and class 1 rail network to the rest of North-America.
- Two of Canada's busiest airports are in Ontario and Québec.

The Continental Gateway Strategy will focus on **maintaining and building upon central Canada's world-class transportation system** so that it remains a key driver of international trade and economic growth for the future.

- A public-private partnership that will address immediate and longer-term supply chain issues raised by the private sector, who have stressed the need for transformative initiatives.



Atlantic Gateway

Canada's Atlantic Gateway



Atlantic Gateway Strategy



Atlantic Canada has world class transportation infrastructure with untapped capacity, and is well positioned to capture a greater share of global trade flows to and from existing and emerging markets.

- Closest North American ports for ships passing through the Suez canal.
- A day's drive to major North American markets (e.g. Boston, New York, Toronto).
- Gateway established and continues to grow with significant public and private sector investment.

Strategy to be a balance of immediate measures and longer term directions to focus ongoing efforts by all partners, in the public and private sectors to:

- Strengthen region's competitiveness in attracting a larger share of global commerce from traditional markets and emerging international economies; and,
- Promote the Atlantic Gateway's transportation system assets, specialized services and niche opportunities to importers and exporters, internationally.

All three Gateway strategies recognize that North-South trade is a significant part of Canada's economy.

- The Canada-U.S. border is one of the longest borders (8,891 km in length) in the world, with 119 land border Ports-of-Entry including 24 international bridges and tunnels.
- Canada and U.S. has the world's largest bilateral trading relationship at \$576 billion in 2007 (\$1.5 billion / day).

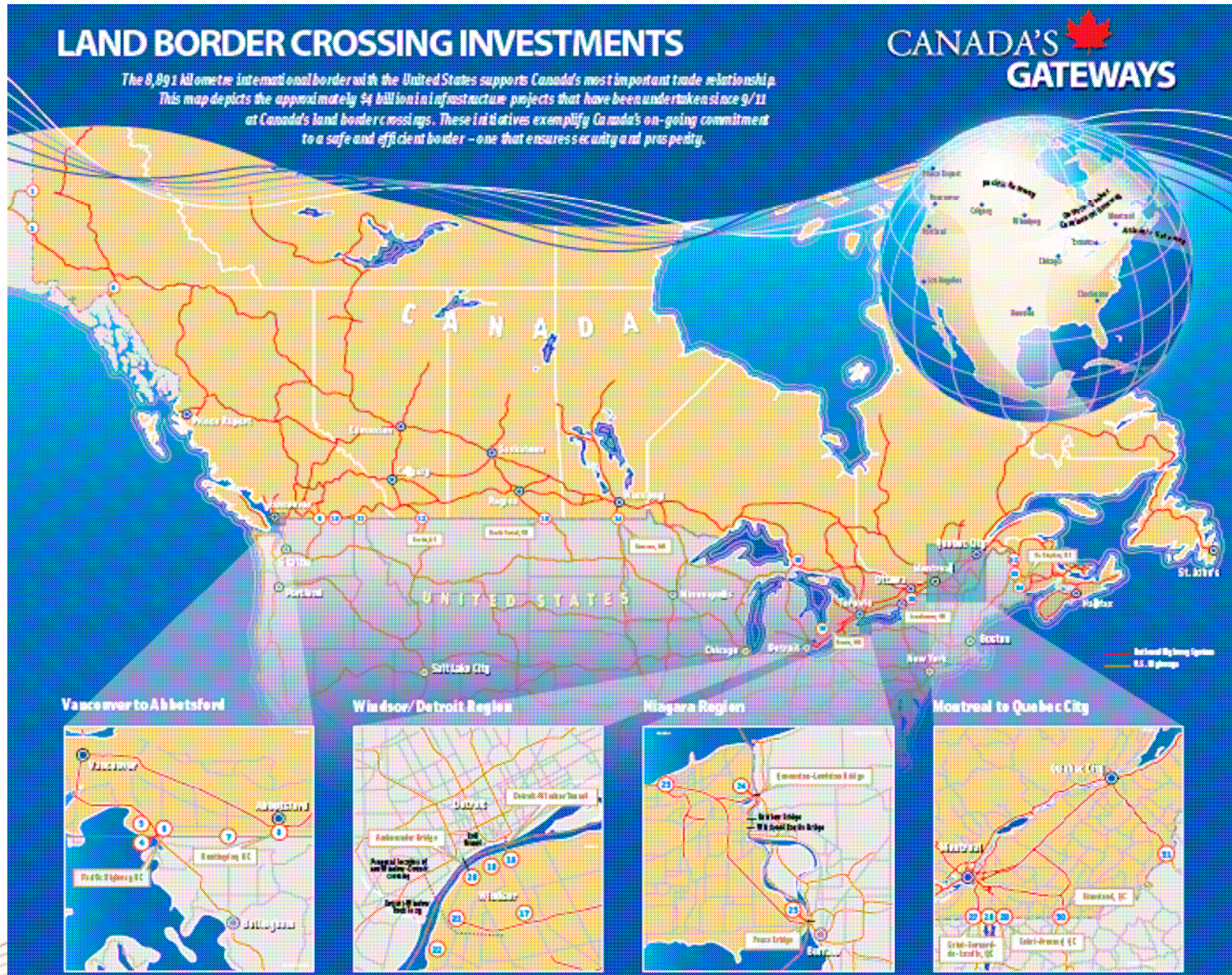
Canada's relatively uncongested East-West corridors support fluid, reliable and secure movement of goods; reliable connections into the United States and Mexico support seamless cross-border trade and travel.

Joint Canada-U.S. work on border issues build on a long history of cooperation and coordination in cross-border trade, transportation and security.

Since September 11, 2001, Canada has invested \$4.5 billion in border infrastructure to increase trade efficiency and security between Canada, the United States and Mexico.



Land Border Crossing Investments



Visit: <http://www.thetbwg.org>

Unique Challenges – A Common Framework

In advancing Canadian competitiveness, gateway strategies respond to unique opportunities and challenges in transportation.

Common, cross-cutting issues are emerging that require a collective approach from governments and private sector, such as:

- Border facilitation
- Regulatory streamlining
- Need for outreach and marketing

Close collaboration between public and private sectors were pivotal in making strategic investments and decisions to improve the transportation system to handle international trade.

Gateway and Corridor strategies must go beyond infrastructure improvements to address interconnected issues that impact how well the transportation system functions as a whole, such as:

- Operational reliability
- Regulations
- Governance
- Technology
- Labour supply and skills training

Aligning regulatory approaches is key to increasing efficiency and strengthening competitiveness in movement of cross-border and international trade.

With strong national policy direction, **Canada continues to leverage strong partnerships with other levels of government and the private sector to optimize the transportation system.**

- Pivotal to streamlining regulations and instituting policy measures to enhance reliability, efficiency, competitiveness, safety and security of Canada's gateways and trade corridors.



While the global economic downturn has necessitated immediate actions, long-term competitiveness strategies are now more important than ever. **Canada's gateway and corridor strategies are forward-looking and are based on empirical analysis.**

- Working with industry, organized labour and governments to identify best-practices in operations and respond to international concerns about reliability and performance issues.

Deepening international partnerships and marketing continues to be keystone of engaging Canada's trading partners in North America, Europe and the Asia-Pacific.

- Increase trade by deepening trade logistics cooperation and business exchanges.