

WHY GLOBALIZATION IS ON ITS WAY OUT AND RESHORING IS IN.

KPMG analyzed 10 countries for business locations costs:



Where does Canada rank?

Ranking by cost factor/sector

1st



Industrial Leases



Electricity



Corporate tax rates on Digital Services

2nd



Corporate Services



Manufacturing



Transportation Costs

3rd

4th

5th

TOP THREE CANADIAN CITIES WITH THE LOWEST BUSINESS COSTS OVERALL

Comparison of major global cities studied with population greater than 2 million

Montreal



Toronto



Vancouver



KPMG's Competitive Alternatives - A guide to international business locations costs - Focus on Canada - 2016 | <https://assets.kpmg.com/content/dam/kpmg/pdf/2016/03/ca-competitive-alternatives-2016-canada.pdf>

CHINESE MONTHLY EARNINGS IN THE MANUFACTURING INDUSTRY IN CAD:

2015

\$2,101.952

CHINESE AVERAGE YEARLY WAGES IN MANUFACTURING



The majority of surveyed Canadian manufacturing firms say they plan to expand their Canadian workforce over the next three years, with some anticipating workforce growth of over **10%**.

CHINESE WAGES IN THE MANUFACTURING SECTOR HAVE INCREASED BY 207.93% BETWEEN 2006 AND 2015

Trading Economics – National Bureau of Statistics of China – 2016
<http://www.tradingeconomics.com/china/wages-in-manufacturing>

CANADIAN MANUFACTURING SALES ROSE **2.3%** IN JANUARY 2016 TO **\$53.1 BILLION**, THE HIGHEST LEVEL ON RECORD.

Statistics Canada – Monthly Survey of Manufacturing – January 2016
<http://www.statcan.gc.ca/daily-quotidien/160316/dq160316a-eng.htm>

CONTAINER SHIPPING COSTS FROM CHINA TO CANADA:

FCL (Full Container Load)

20 Foot = US\$ 4,509.001 = CA\$ 5,830.762

40 Foot = US\$ 5,862.001 = CA\$ 7,585.752

Sea Freight Calculator.com – July 2016 | <http://www.seafrightcalculator.com/134/sea-freight-20ft-container-toronto-canada-to-shanghai-china-ship-a-container/>
 XE Currency Converter – July 2016 | <http://www.xe.com/currencyconverter/convert/?Amount=4509&From=USD&To=CAD>



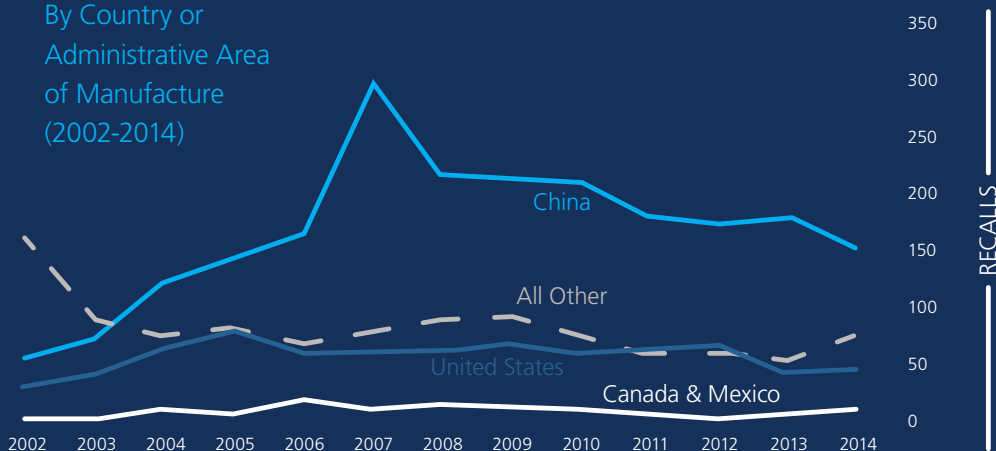
SHIPPING

“Estimates are that “extra slow steaming” is the most beneficial vessel speed, reducing costs for the transport company by 20 percent and reducing carbon dioxide emissions by 43 percent. However, extra slow steaming reduces speed by 25 to 40 percent from normal speeds.” Slow steaming adds as many as ten extra days in shipping from China to North America.

US Department of Commerce – Economics and Statistics Administration analysis from the World Economic Forum – 2016 | <http://acetoool.commerce.gov/labor-costs>

RECALLS UNDER CONSUMER PRODUCT SAFETY COMMISSION JURISDICTION

By Country or Administrative Area of Manufacture (2002-2014)



US Department of Commerce – Economics and Statistics Administration analysis from the Economist Intelligence Unit. – 2016 | <http://acetoool.commerce.gov/labor-costs>



Inventory costs due to long lead times often add **20-30%** to product costs. These additional inventory costs often outweigh the benefits of offshoring

US Department of Commerce – Asses Costs Everywhere – 2016
<http://acetoool.commerce.gov/inventory>

RESHORING

helps support the Canadian economy. “The impacts of reshoring extend beyond individual companies and provide benefits for entire regions as the effects multiply through local economies.” By reshoring manufactured goods, companies support the communities in which they operate, creating jobs and investment opportunities.

Reshoring has Become an Economic Development Strategy – Industry Week – May 2016
<http://www.industryweek.com/trade/reshoring-has-become-economic-development-strategy>

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