



CANADA'S NATIONAL SUPPLY CHAIN TASK FORCE

OCTOBER 19, 2022

Presented by National Supply Chain Task Force Members:

- **Bob Armstrong, FCILT, President CILTNA**
- **Louise Yako, former President and CEO of the BC Trucking Association**
- **Shauna McMillan, CMILT, Executive Leader & Supply Chain Professional**
- **Howard Eng, former Greater Toronto Airports Authority President & CEO**

THE SUPPLY CHAIN IS A MESS!



WHAT HAS TRANSPORT CANADA BEEN DOING?

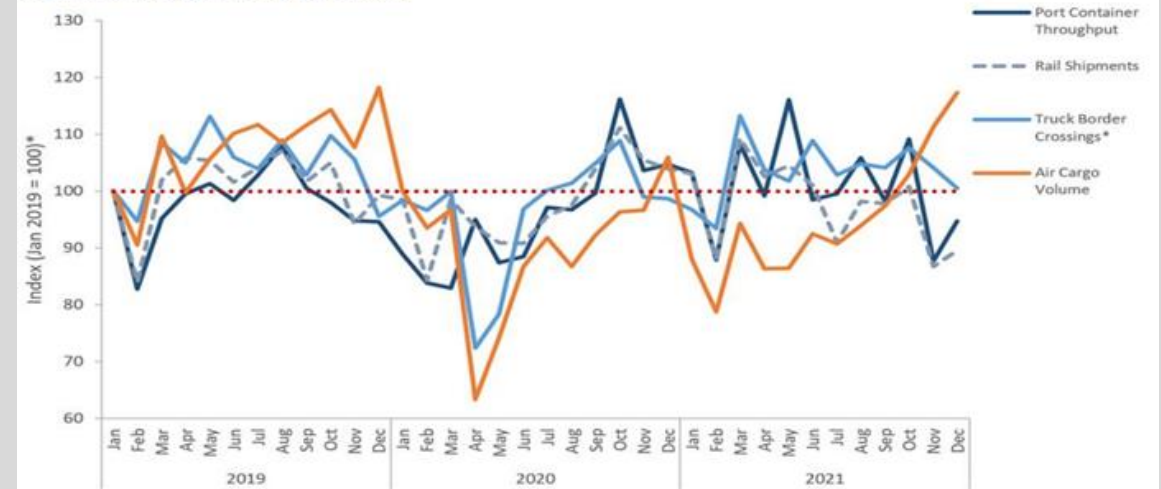
- Minister Alghabra hosted a national Supply Chain Summit
- The Minister formed a National Supply Chain Task Force
- National Supply Chain Task Force had 100 days to conduct consultations and produce a report
- We engaged over 160 transportation supply chain stakeholder organizations and business leaders and received 70 written submissions

ECONOMIC LANDSCAPE OF CANADA'S SUPPLY CHAIN

Transportation is a foundation of our nation's economy

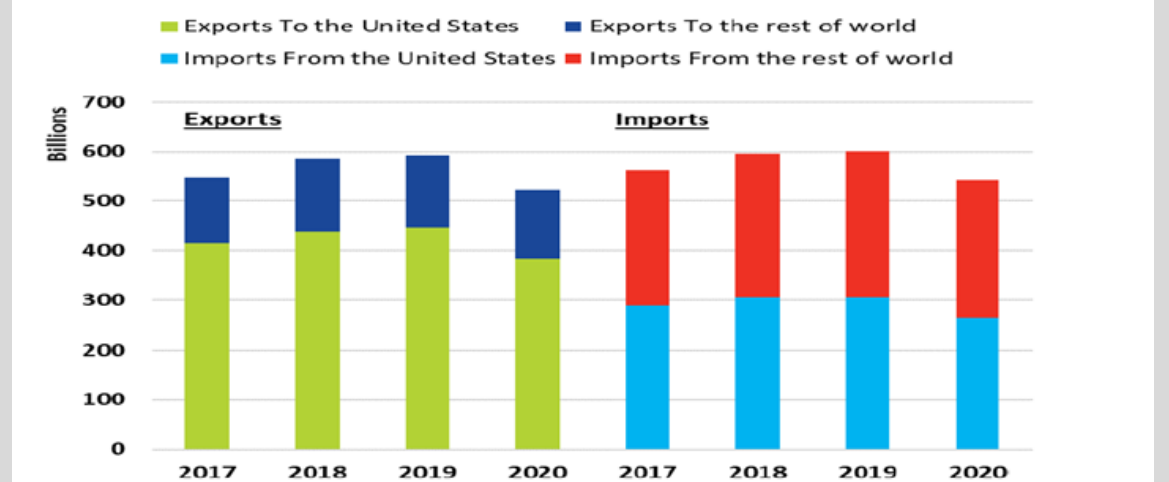
- The transport sector alone made up 3.6% (\$72 billion) of Canada's total real GDP in 2021 and had a total industry output of \$151.3 billion in 2019, just prior to the onset of the global pandemic.
- In 2020, the sector directly employed 539,100 people (down from over 631,650 people in 2019), accounting for 3.4% of Canada's workforce
- While growth expectations are being lowered, in 2021, Canada's international merchandise trade amounted to ~\$1.24 trillion, a 16.8% increase from 2020 and the highest annual value of total trade on record.

Figure 1: Freight flow by mode



Source: Statistics Canada, Transport Canada, Canadian Port Authorities

Chart 5: Import origins are more diversified than exports, where the U.S. dominates (Exports destination and imports origin by value, the U.S in contrast with the rest of the world. \$2012)



Source: Statistics Canada, Table 23-10-0269-01.

INFRASTRUCTURE INVESTMENT REQUIREMENTS

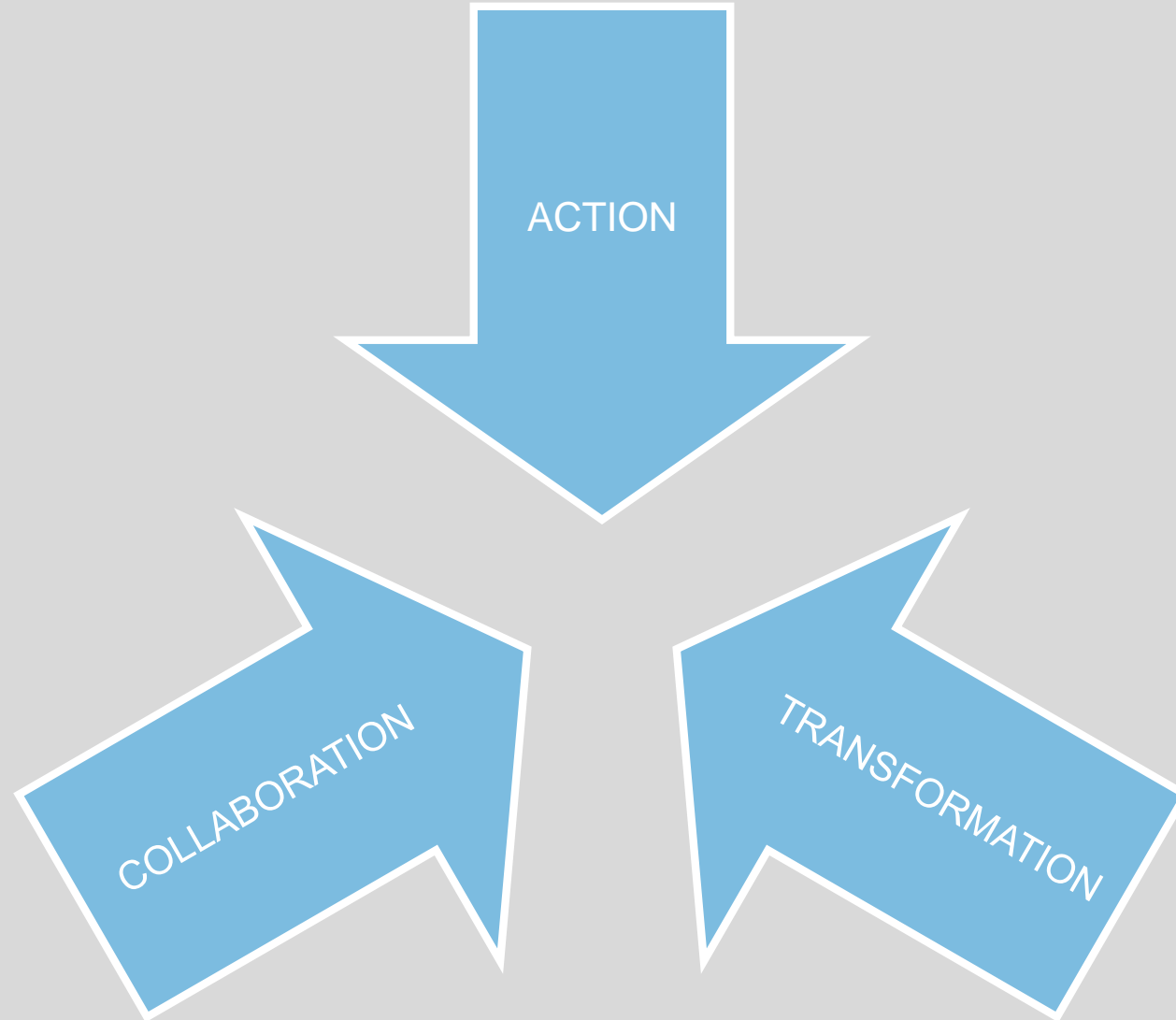
- Since the 1980s, the ratio of infrastructure investment to trade volume has been steadily declining
- While Canada's total trade volume has increased, infrastructure investments have not kept up and the supply chain is reaching its limits
- *From 2020-2070, Canada will need to invest \$4.4 trillion (\$88 billion per year) in marine and transportation infrastructure to meet population and GDP growth
- Most investment needed in highway and road structure and networks (\$3.3 trillion), railways (\$284 billion), seaports (\$110 billion) and runways (\$40 billion)

INFLUENCING FACTORS

Global:
pandemic,
economic
geopolitical,
climate
change

- Capacity constraints & infrastructure
- Labour supply
- Service reliability & resiliency
- Visibility
- Borders
- Regulatory certainty
- Planning and governance

COLLABORATIVE ACTION IS THE KEY TO TRANSFORMATION



ACTION RECOMMENDATIONS

- ❑ Immediately address the significant transportation supply chain labour shortage in Canada
- ❑ Protect corridors, border crossings, and gateways from disruption and interruption to ensure unfettered access for commercial transportation modes and continuity of supply chain movement
- ❑ 10 Immediate Responses and 3 Required Governance Shifts
Urgently undertake immediate actions to unstick the system. These include addressing congestion at port container terminals and prioritizing government attention on regulations, policies and procedures that are impeding the effective operation of a reliable supply chain

COLLABORATION RECOMMENDATIONS

- ❑ Digitalize and create end-to-end transportation supply chain visibility for efficiency, accountability, planning, investment, and security
- ❑ Engage Indigenous groups (especially those in Northern and remote communities) to address their significant supply chain challenges
- ❑ Engage the US and the provinces / territories to achieve reciprocal recognition of regulations, policies, and processes to enhance transportation supply chain competitiveness and productivity

TRANSFORMATION RECOMMENDATIONS

- ❑ Establish a Supply Chain Office to unify the federal government's responsibility/authority over transportation supply chain management across federal departments
- ❑ Develop, implement, and regularly renew a long-term, future-proof (30 to 50-year) transportation supply chain strategy
- ❑ Revise the mandate of the Canadian Transportation Agency and provide it with the independence, sufficient authority, and commensurate funding required to deliver on this mandate

Here's how to get a copy of the report:

<https://tc.canada.ca/en/supply-chain-canada>

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