



# Gateway Economy of the 21<sup>st</sup> Century

***With a strategic location at the crossroads of North America, Asia and Europe, no destination offers better and faster access to North American markets than Canada.***

Olympic Stadium, Montréal

Whether an investor needs to ship product or travel to North American destinations, Canada has the transportation and communications infrastructure to ensure the most cost-effective access to North American markets.

The North American Free Trade Agreement (NAFTA) has resulted in deep integration between the Canadian, U.S. and Mexican economies in nearly all sectors, resulting in a single market of over 440 million consumers with a combined GDP of U.S.\$15.4 trillion (PPP basis).<sup>6</sup>

Canada has become the destination of choice for foreign investors who have established operations in Canada to take advantage of Canada's proximity and unparalleled access to the United States. In fact, most Canadian production hubs are actually closer to major U.S. regional markets than U.S. production sites. Of Canada's 20 largest cities, 17 are within an hour-and-a-half drive to the U.S. border!

Of the three NAFTA countries, Canada is geographically closest to both Asia and Europe. Canadian ports, like Prince Rupert on the Pacific coast, and Halifax on the Atlantic coast, are winning choices for shipping companies, simply because of the time and cost savings and supply chain efficiencies associated with sending cargo through Canada. For example, Halifax, Nova Scotia, has a 52-hour transit time advantage over Savannah, Georgia. Prince Rupert, British Columbia, has a 65-hour transit time advantage over Los Angeles, California.

Transit time savings mean goods will get to market faster and reduce inventory carrying costs for investors who have operations in Asia and Europe. An investor's Canadian operations can act as a hub where final processing and assembly takes place before shipping to destinations in the south.

The high level of integration between Canada and the United States is demonstrated by the short wait times for commercial vehicles crossing at the Canada-U.S. border. In 2004, wait times averaged 8.5 minutes, making this one of the most efficient border crossings in the world.

The NAFTA market is serviced through a well-integrated transportation system, linking port facilities with rail and truck routes. This transportation system consists of

<sup>6</sup> CIA World Factbook. December 2007. Purchasing Power Parity (PPP) equalizes the purchasing power of consumers in their home countries for a basket of goods.