

to compare the two classifications, since the definition of criteria chosen was changed in 2010. In 2007, the United States was in 14th place with an index of 3.84 and a confidence interval of ± 0.03 .

Closer examination of Canada's performance based on the six criteria used reveals that the third, "ease of arranging competitively priced shipments," is the greatest hindrance to Canada's performance. Canada ranks 32nd for this criterion. To gain a clearer understanding of Canada's results, we requested and obtained more specific information from the World Bank concerning the source of the assessments used. We learned that Canada's performance was assessed by 69 respondents, particularly freight forwarders, located in the United States (32%), Mexico (15%) and Peru (9%). The remaining respondents were from Asia (10%), South America (7%), Central America (4%), etc. Major companies such as UPS, Panalpina, Kuehne + Nagel, DHL and Damco account for close to half of the respondents for Canada, and the rest were smaller companies.

We discovered that the respondents based in Mexico—a NAFTA member country and one of Canada's major trading partners—were somewhat hard on Canada for the criterion "ease of arranging international competitively priced shipments to Canada," assigning a score far below the average, while US-based respondents provided a much more positive assessment. Considering that the respondents based in Peru also gave Canada lower-than-average scores, nearly 25% of respondents are dissatisfied with regard to this criterion. These results confirm the opinions expressed by managers of Canadian companies based in Mexico who report difficulties in shipping their products to Canada. At the same time, it is important not to read too much into this criterion, since developed countries such as the United States appear to be experiencing similar problems.

There are no big surprises in terms of the top-ranked countries. In fact, countries such as Germany and Singapore have policies and master plans for developing their international logistics infrastructures and competencies. Also, it is interesting to note that the top six countries rank first or second for at least one of the six criteria used.

In its 2010 report, the World Bank demonstrates the connection between logistics performance and international trade. For example, a study by Hoekman and Nicita (2008) demonstrates that a high Logistics Performance Index (LPI) is closely associated with bilateral trade growth. A connection is also established between the high LPI index and the market share for parts and components in a country's exports. This reflects the importance of logistics in managing and integrating global production networks. Last, reference is made to other studies that tend to demonstrate the obvious: that good logistics performance is a necessary condition for facilitating international trade.

In conclusion, it is interesting to note that, with the exception of Japan, all of the countries ranked higher than Canada in Table 1 also best Canada in OECD country rankings for labour productivity. In short, Canada would be well-advised to continue developing its logistics competencies, performance and infrastructure in order to facilitate the growth of international trade, productivity and the economy. We will come back to this topic in Section 5 with suggestions for ways to improve, particularly in terms of customs formalities and transportation infrastructure.