



THE BENCHMARK COST INDEX

- The benchmark cost index (US = 100.0) is defined as the average of nine representative US cities.
- In other countries, cities included in the national index were carefully selected to ensure a fair international comparison.
- In all countries, the selected cities represent:
 - > A mix in terms of population and geography.
 - > Cities at different stages of the economic cycle: restructuring, emerging and mature.



LABOR COSTS ARE KEY

- In each city, labor cost data were developed for 40 job positions.
- Total labor costs include wages and salaries, statutory plans (such as pensions and workers' compensation), and other benefits usually provided by the employer.
- For manufacturing operations, labor costs average 59% of location-sensitive costs. For non-manufacturing operations, they average 81%.
- Labor-related costs vary significantly among countries:
 - > Salary and wage costs (before benefits) are lowest in Italy and the United Kingdom.
 - > Costs for statutory plans and other benefits are lowest in Canada, the United States, and Japan.
 - > Overall labor costs are lowest in Canada, the United Kingdom, Italy, and the Netherlands.

OTHER MAJOR COSTS

- **Taxes** represent the second-largest location-sensitive cost. Effective corporate income tax rates are lowest on average in Canada and the United Kingdom. Property-based taxes are lowest in Austria and the Netherlands.
- **Transportation** costs represent 2% to 14% of costs for the manufacturing operations examined. Transportation costs-to-market are lowest in the Netherlands, for road, sea, and air freight.
- **Energy** costs represent 2% to 8% of costs for the manufacturing operations examined. Canada offers the lowest electricity costs, while natural gas costs are lowest in France.
- **Facility** costs:
 - > For manufacturing, industrial land costs are lowest in France and the United States, while building construction costs are lowest in Italy and Canada.
 - > For non-manufacturing operations, leasing costs for suburban office space are lowest in Italy and Austria.

DETAILED RESULTS

Further analysis of these results can be found in the report or on-line, including:

- **Operations** – results for all 12 business operations.
- **Industries** – analysis for a range of industries.
- **Regions and Cities** – full regional results by city.



SUPPLEMENT CANADEXPORT



FOCUS ON CANADA



RESULTS FOR CANADIAN CITIES (US=100.0)

KEY INDUSTRY	MANUFACTURING							R&D		SOFTWARE		CORPORATE SERVICES	
	BUILDING PRODUCTS	PLASTICS	AGRI-FOOD	ELECTRONICS & TELECOM EQUIP.	PRECISION MFG.	PHARMA-CEUTICALS	CHEMICALS	LABORATORY RESEARCH	PRODUCT TESTING	SOFTWARE DESIGN	WEB DEVELOPMENT	CORPORATE SERVICES	OVERALL AVERAGE
	METAL COMPONENTS	PLASTIC PRODUCTS	FOOD PROCESSING	ELECTRONICS ASSEMBLY	PRECISION COMPONENTS	PHARMA-CEUTICALS	SPECIALTY CHEMICALS	BIOMEDICAL R&D	ELECTRONIC SYSTEMS TESTING	ADVANCED SOFTWARE	CONTENT DEVELOPMENT	SHARED SERVICES	
ATLANTIC													
Charlottetown, PEI	86.3	87.8	92.4	83.2	79.1	88.3	85.9	70.0	64.0	77.3	75.0	73.1	82.7
Fredericton, NB	88.8	89.8	92.7	88.7	83.7	90.0	88.2	67.5	62.7	77.5	76.3	74.5	84.2
Halifax, NS	89.0	90.4	93.6	87.3	83.1	89.3	87.4	66.3	60.4	77.5	76.5	74.5	83.9
Moncton, NB	89.0	90.1	93.0	88.6	83.9	89.9	88.1	69.3	64.3	77.9	76.7	75.1	84.6
Saint John, NB	88.8	89.8	92.8	88.5	83.8	89.9	88.3	67.6	62.8	77.7	76.5	74.9	84.3
St. John's, NF	91.9	95.5	96.7	84.3	83.4	88.3	86.2	65.8	59.8	76.3	75.6	74.5	84.3
Sydney, NS	90.2	92.0	94.4	87.6	83.7	89.6	87.6	66.5	60.7	77.8	76.8	75.0	84.5
Truro, NS	87.0	88.5	92.5	85.3	80.7	87.8	86.2	61.7	55.5	74.6	73.1	69.2	81.6
NORTHEAST													
Brantford, ON	87.4	86.6	91.6	89.4	84.2	91.1	90.0	69.9	64.9	77.0	76.5	80.8	84.7
Drummondville, QC	84.5	84.1	90.6	86.4	81.0	88.5	87.8	62.5	57.7	72.8	72.6	74.2	81.4
Hamilton, ON	88.1	87.3	91.9	90.2	84.7	91.6	90.4	72.2	67.0	77.7	77.5	82.2	85.5
Kingston, ON	87.4	86.7	91.7	89.3	83.8	91.2	90.0	71.2	66.0	77.2	76.8	81.3	84.9
Waterloo Region, ON	87.8	87.1	91.9	89.9	84.9	91.6	90.4	73.2	68.1	78.3	78.2	83.3	85.7
Montreal, QC	86.9	86.2	91.9	89.4	84.4	90.6	89.9	72.1	67.4	78.3	79.0	82.9	85.3
Ottawa, ON	88.1	87.7	92.1	90.1	84.3	91.6	90.6	76.3	70.7	78.4	78.3	83.5	86.2
Quebec City, QC	86.4	86.2	91.8	87.9	82.9	89.6	88.7	67.2	62.3	75.3	75.5	78.3	83.5
Sarnia, ON	87.6	87.0	92.0	88.9	84.2	90.9	89.9	70.8	65.7	77.2	76.7	81.3	84.9
Sherbrooke, QC	84.1	83.9	90.4	86.0	80.3	88.0	87.4	62.7	57.6	72.2	71.9	73.1	81.0
Sorel-Tracy, QC	84.6	84.0	90.7	86.9	81.3	88.6	88.0	62.2	57.3	72.9	72.6	74.4	81.5
St. Catharines-Niagara, ON	87.5	86.8	91.8	89.4	84.3	91.2	90.1	72.0	66.8	77.3	77.0	81.6	85.1
St. Hyacinthe, QC	83.5	83.1	90.0	85.7	79.8	87.8	87.2	63.3	58.0	72.0	71.7	73.0	80.7
Toronto, ON	90.3	89.7	93.1	92.6	87.1	93.0	92.1	76.8	71.7	80.2	80.5	86.4	87.9
Trois Rivières, QC	81.0	85.0	88.5	87.2	82.1	89.1	88.4	67.7	62.7	75.1	75.3	78.1	82.3
Ville Saguenay, QC	80.3	80.3	88.6	85.4	80.0	87.6	86.9	60.1	54.9	70.6	70.0	70.7	79.2
MIDWEST													
Brandon, MB	90.3	90.7	94.3	87.8	84.4	89.7	89.3	67.9	62.5	76.3	74.9	72.9	84.5
Calgary, AB	88.5	89.1	91.3	87.8	87.0	90.1	88.6	74.4	69.3	76.6	76.5	78.9	85.0
Edmonton, AB	87.5	88.3	90.8	86.4	85.3	89.0	87.3	68.6	63.6	73.7	73.0	73.8	82.9
Lethbridge, AB	86.1	86.9	90.4	85.3	83.8	88.1	86.7	67.3	62.0	72.4	71.6	72.2	81.8
Medicine Hat, AB	85.5	86.5	90.0	84.5	82.7	87.7	85.9	66.0	60.5	71.4	70.4	70.6	81.0
Moose Jaw, SK	88.8	89.4	92.0	86.6	84.6	89.2	87.7	67.2	61.9	77.6	75.9	73.3	83.6
Prince Albert, SK	89.2	90.0	92.2	86.6	84.5	88.9	87.4	66.3	60.9	76.8	75.0	71.7	83.4
Red Deer, AB	85.9	86.8	89.9	84.8	83.6	87.9	86.3	67.1	61.5	71.7	70.7	71.0	81.4
Regina, SK	90.1	90.7	92.9	87.9	86.3	90.1	88.6	70.2	65.3	79.5	78.2	77.1	85.3
Saskatoon, SK	89.9	90.5	92.6	87.8	86.4	90.0	88.5	68.7	64.0	79.1	77.7	76.2	84.9
Winnipeg, MB	92.8	93.2	95.8	90.0	86.5	91.1	90.7	69.5	64.7	78.4	77.3	76.5	86.4
PACIFIC													
Chilliwack, BC	91.1	91.4	93.3	88.9	91.6	91.5	89.2	67.9	62.6	77.0	76.1	78.0	85.5
Kamloops, BC	91.3	91.7	93.0	89.5	90.9	91.5	89.1	68.2	62.8	76.5	75.4	76.6	85.3
Kelowna, BC	90.5	90.9	92.7	88.9	89.9	91.0	88.7	67.3	61.9	76.0	74.8	75.6	84.7
Nanaimo, BC	91.9	92.5	93.8	89.1	91.5	91.6	89.1	71.3	65.6	77.4	76.6	78.8	86.2
Prince George, BC	92.7	93.2	94.2	89.8	91.4	92.1	89.5	69.6	64.2	77.5	76.6	78.9	86.4
Vancouver, BC	93.0	93.3	94.4	91.0	94.0	92.8	90.6	74.6	69.6	80.6	80.2	84.1	88.2
Victoria, BC	93.9	94.9	94.8	91.6	93.5	92.9	90.2	72.8	67.6	79.1	78.5	81.8	87.9