Blog

Canadian Shipping: Connecting Canada to the Global Economy

Logistics and transports sectors have played a critical role in strengthening Canada’s economy by knitting trade and commerce links all around the world. The Canadian government realizes the importance of an integrated logistics industry for economic growth of the country, and is taking a number of measures to ensure transportation security and monitoring.

Though the Canadian economy is stronger than before, the breakneck pace at which Asian countries, particularly countries like India and China, are urbanizing and growing, further emphasizes the importance of an integrated transport network. The growing population within the Asian business hubs makes them one of the biggest consumers markets in the world.

As hard as it may be to believe, every 18 months, India sees an increase in population equivalent to the total population of Canada. The only way Canada can make a successful transition from a moderate-growing economy to a fast-growing one is by strengthening their shipping and port infrastructure to meet the demands and be an active part of the global economy and fulfill the requirements of forging long distance trade links.

Canada’s transportation industry has always played a vital role in supporting the economy of the country. Along with making the country a part of the global financial transformation, the sector has also served the purpose of shielding the economy of the country from the aftermath of the global financial crisis. Due to the strategic location of the country and well-developed logistic industry, every country is connected to Canada via roads, marine routes or aerial gateways. This is one of the primary reasons that Canada is considered as one of the biggest hubs for foreign investors.

Another area of strength for Canada ports, especially from an international perspective, has been the way the federal and provincial governments and ports have come together to invest in the Asia-Pacific Gateway. About $9 billion dollars’ worth of investment has being poured into the BC ports. Far more than the $6 billion-dollar Panama Canal expansion in comparison.

The Canadian government is heavily involved in the logistics and ports infrastructure. This is a great advantage as it’s recognized that Canada is a trading nation and the ports are critical to the nation’s success. This provides Canada with an advantage as the ports are better able to plan for long-term needs in a structured way which helps both the province and the nation. As an example, the ports of the Lower Mainland of BC provide at least $6 million dollars per year in taxes to municipalities, which helps in funding municipal services.

There are three main gateways of Canada:

* Asia-Pacific- Connecting Canada to the Asian region.
* Atlantic gateway- Connects Canada to Asia and North America.
* Continental Gateway- the multimodal gateway connects Canada to the United States, Europe and Asia through a wide spread network of rails, airports and marine ports.

Dividing the entire logistics sector in three major corridors and gateways helps the government supervise all the operations and ensure secure transportation of goods (and people). Moreover, there are a number of sub-gateways emerging from these gateways which help avoid the problem of traffic congestion.

It is due to the Canadian logistics infrastructure, that the country headquarters more than 75% of world’s mining companies and holds significant shares in the growing consumer markets of India and China.