

EXECUTIVE SUMMARY

This study was conducted for CargoM with the purpose of establishing a profile of the transport and logistics industry in the Greater Montreal area (GMA). As a first step, thorough research was undertaken to gather the findings obtained from previous studies. That said, the present study is primarily based on surveys that were carried out with major companies in the GMA that are either suppliers of transport and logistics services or users of these services, obtained through subcontract or internally. In order to thoroughly both cover the issues and explore avenues for improvement, discussion groups were organized, and a series of interviews and meetings were conducted with various experts and major organizations, including Port of Montreal, Aéroports de Montréal, the Association du Camionnage du Québec (Quebec trucking association), the Transport Ministry of Quebec, and Transport Canada.

The transport and logistics industry in Quebec accounts for approximately 20% of this industry in Canada in terms of employment, number of companies, and volume handled by all transport modes combined: marine, rail, road and air. The GMA represents approximately 40% of the Quebec volume and close to 8% of Canadian industry in this sector.

GREATER MONTREAL IN NUMBERS:

- Close to 1,200 companies in the transport and logistics sector with more than 5 employees.
- 53,000 jobs generated by the industry in the GMA. If the logistics functions in manufacturing, retail and other companies are taken into account, an additional approximate 70,000 must be added, for a total of 123,000 jobs in transport and logistics in the GMA.
- \$4.2 billion in added value generated in the GMA in 2012

The surveys enabled us to gain the companies' perspective in three major areas. Here are some key highlights:

• **Workforce and training:**

- An aging workforce is a real issue for companies in this sector.
- Despite relatively stable labour needs over the past three years, the majority of companies foresee a growth in need in the next three years.

• **Industry revenues and expenses:**

- 54% of the logistics expenses of user companies of transport and logistics services are paid to subcontractors.
- For their part, the suppliers of these services also subcontract 29% of their logistics services to other partners.

• **The GMA's competitiveness factors and its performance on them**

- The three most important competitiveness factors from the companies' perspective are:
 1. Labour costs, wherein GMA's performance is considered average (score of 2.9/5 from respondents).
 2. The quality of road infrastructures, which is the criterion rated the weakest (score: 2.5)
 3. Regulations, judged to be low-average for the GMA (score: 2.5/5).

To maintain and improve its position as a North American logistics hub, Montreal must contend with **strong competition from other cities like Norfolk and Savannah** in the United States, whose lands and labour costs are comparable. The opening of the Panama Canal in 2014 could heighten this competition. However, the **free trade agreement between the European Union and Canada** could also offer opportunities for volume growth in a market where Montreal can play a key role, in both imports and exports alike.

For more information about this study or CargoM, please visit our website at cargo-montreal.ca