



Canada's Centre for Global Trade  
WINNIPEG, MANITOBA

## **Presentation to the Manitoba Heavy Construction Association**

**Presentation by Diane Gray**

**November 27, 2009**



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## **“Plans in works to make Winnipeg North American import hub”**

***“With a central geographic location and skilled workforce, Winnipeg is well placed to be a major trading centre for decades to come.”***

***Stephen Harper, Prime Minister of Canada***

***“CentrePort Canada is an exciting vision we share with Manitoba’s business community, municipal leaders and others who want to build our province... This will allow us to create jobs, attract investment and take full advantage of our prime location in the heart of North America.”***

***Gary Doer, former Premier of Manitoba and Ambassador of Canada to the United States***

***“The inland port is a major economic vision and an exciting opportunity for Manitoba.”***

***David Angus, President of the Winnipeg Chamber of Commerce***



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# The Manitoba Advantage

# Manitoba's Diversified, Strong Economy

- Growth is based across sectors, including:
  - Aerospace, Information & Telecommunications, Food Processing & Agriculture, Biotechnology & Life Sciences, Transportation Equipment, Original Equipment Manufacturing Cluster, Energy
- In 2009, the Conference Board projects positive GDP growth for Manitoba, one of the best in Canada
- Record-high labour force participation rate
- Led provinces in private capital investment in 2008. Private capital investment has grown 42% over the last 3 years.
- In 2008 alone, Manitoba's private capital investment increased 15.2%



# Manitoba's Economic Framework

***“...our current forecast has the province standing alone in the country in eking out a gain in real GDP this year...”***

***RBC Provincial Outlook, September 2009***

## **Balanced Budget**

- Manitoba was one of only two provinces in Canada to introduce a balanced budget
- Manitoba's Budget 2009 marks the first time in 50 years that a government has presented 10 balanced budgets in a row

## **Zero Percent Small Business Tax**

- Manitoba will be the first province to eliminate the small business income tax

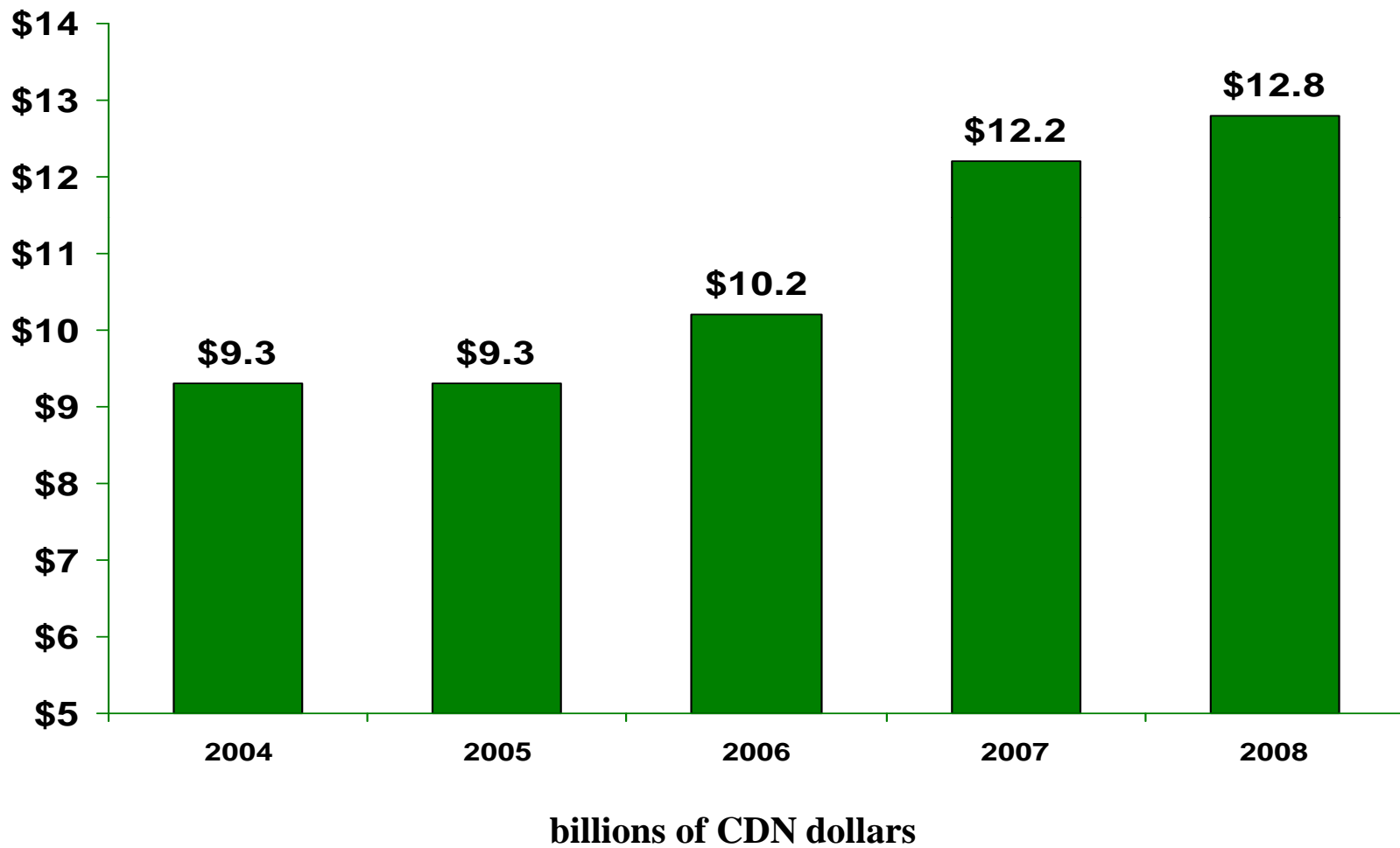
## **KPMG Competitive Alternatives, Special Report: Focus on Tax**

- Winnipeg has a lower effective Corporate Income Tax Rate and a lower Total Effective Tax Rate than 58 of 59 U.S. cities in the study

## **Tax Increment Financing (TIF)**

- Helps overcome financial challenges by providing upfront grants based on the amount of property tax a developer will pay once the project is completed
- Legislation in place designating CentrePort as a geographic area for TIF

# Manitoba's International Export Growth



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# Technology to Support Growth

***“Between 2003 and 2008, labour productivity in Manitoba rose by 8.4%, the highest five year growth rate among the comparison jurisdictions.”***

***Chartered Accountants of Manitoba, 2009 MB Check-Up***

## **Composites Innovation Centre**

- Sponsored by private industry and government
- A ‘one stop shop’ with core technologies on Composites, Bio-Composite Materials and Structural Health Monitoring
- Internationally recognized for the development and commercialization of biofibres for composite applications

## **Food Development Centre**

- “From the Farm Gate to Your Plate”
- Centre of excellence in developing and commercializing new/innovative food products and natural health products
- Assistance from initial research, product testing and scale up, to quality evaluation and marketing

## **Advanced Manufacturing Initiative**

- Aims to improve the productivity and competitiveness of Manitoba manufacturers by offering training in lean manufacturing and by promoting human resources and leadership development

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## Canadian Leader in R & D

### **Richardson Centre for Nutraceuticals**

- Major research facility, dedicated to functional foods and nutraceuticals

### **Canadian Science Centre for Human & Animal Health**

- World leaders in Infectious Diseases

### **Federal and Provincial Tax Incentives Combined equal 55%**

- The Manitoba Research and Development Tax Credit program. 20% tax credit and is being made refundable for expenses related to a joint venture with a Manitoba research institution
- Scientific Research and Experimental Development Tax Credit. 35% on the first \$3 million of qualifying expenditures, for Canadian controlled private corporations

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# Investment in Competitiveness

## Corporate Taxation Rates

- Canada will have the lowest statutory corporate income tax rate and lowest overall tax rate on new business development in the G7 by 2012 and 2010 respectively.

## Tariff Reduction

- Elimination of machinery and equipment tariffs and examination of tariff relief for manufacturing imports

## Blue Sky Policy

- Since 2006, proactively pursuing bilateral open sky-like agreements. New or expanded agreements reached with the US and 44 other countries, including all 27 EU member countries.

## Infrastructure in Manitoba

- \$460 million to support CentrePort Canada: CentrePort Canada Way, Port of Churchill improvements, Hudson Bay Railway rehabilitation, Emerson Highway 75 improvements, interchange at TransCanada Hwy and Yellowhead Hwy



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# **Making CentrePort Canada THE Place to Access the Global Marketplace**

## The Five “L”s of Inland Port Development:

- ✓ **Location**
- ✓ **Land**
- ✓ **Logistics**
- ✓ **Labour Pool**
- ✓ **Love**



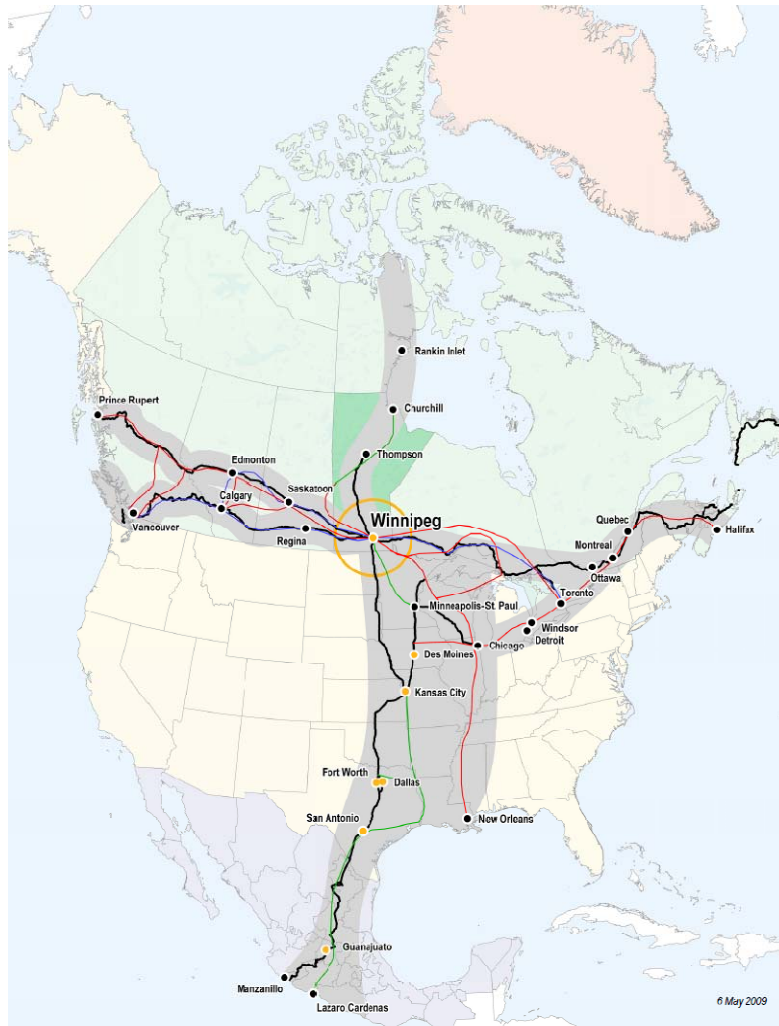
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# ✓ Location

## *Location, Location, Location* Manitoba is located in the heart of North America



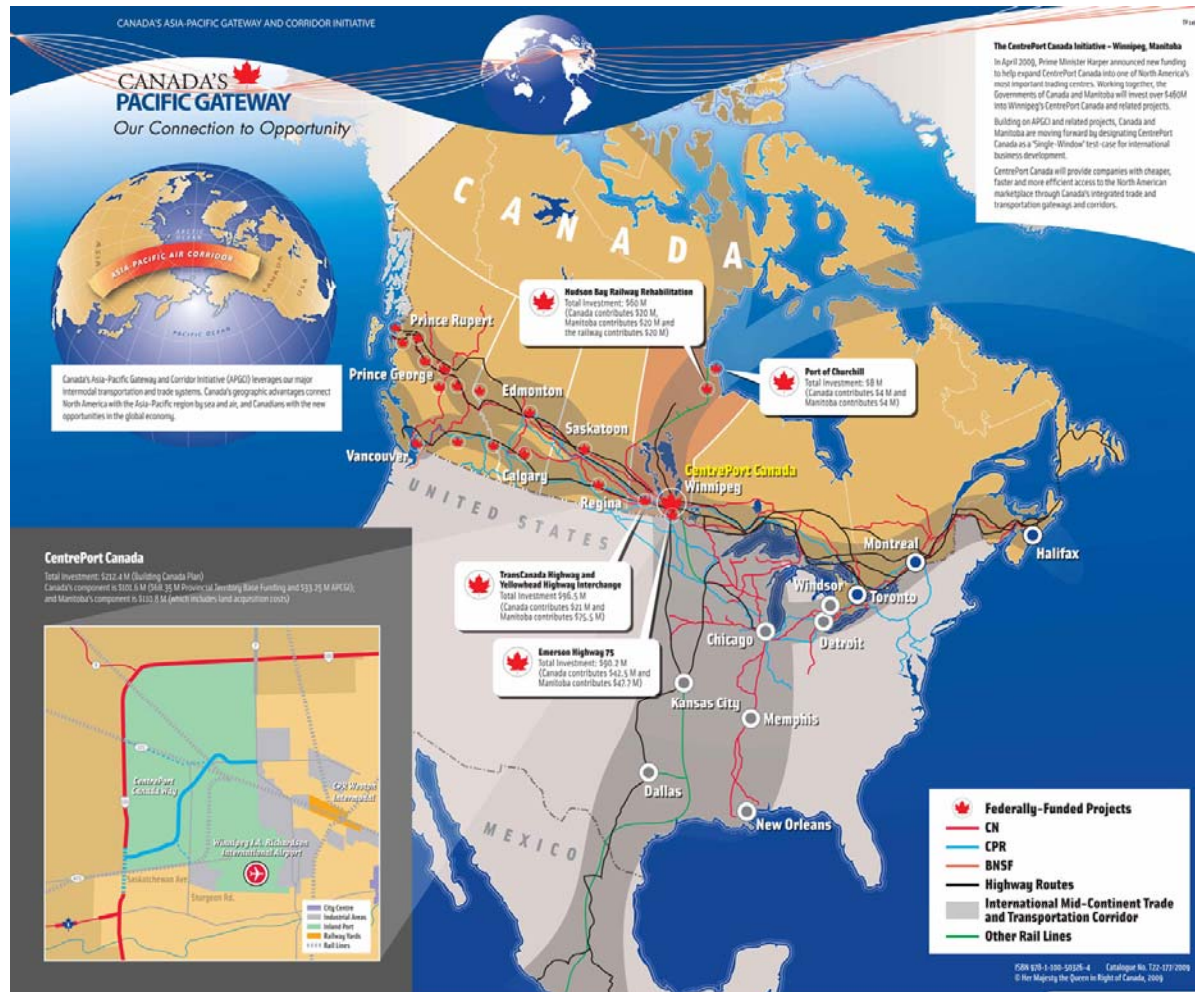
# CentrePort is at the Hub of Critical Gateways



Western Canada has a system of transportation and trade assets for Canada to reach local and global markets:

- **Asia Pacific Gateway**
  - Trans Canada Corridor
  - Northwest Corridor
- **Quebec-Ontario Gateway**
  - Trans Canada Corridor
  - Windsor/Detroit
- **NAFTA Gateway**
  - Mid-Continent Corridor
  - Eastern USA Seaboard
  - Mexico
- **Arctic Gateway**
  - Air Polar Routes
  - Marine Polar Routes
- **Atlantic Gateway**
  - Halifax Port

# Investment in Manitoba as a Gateway to the Mid-Continent



# CentrePort Canada

## 24 Hour Transshipment Distribution Coverage from Winnipeg

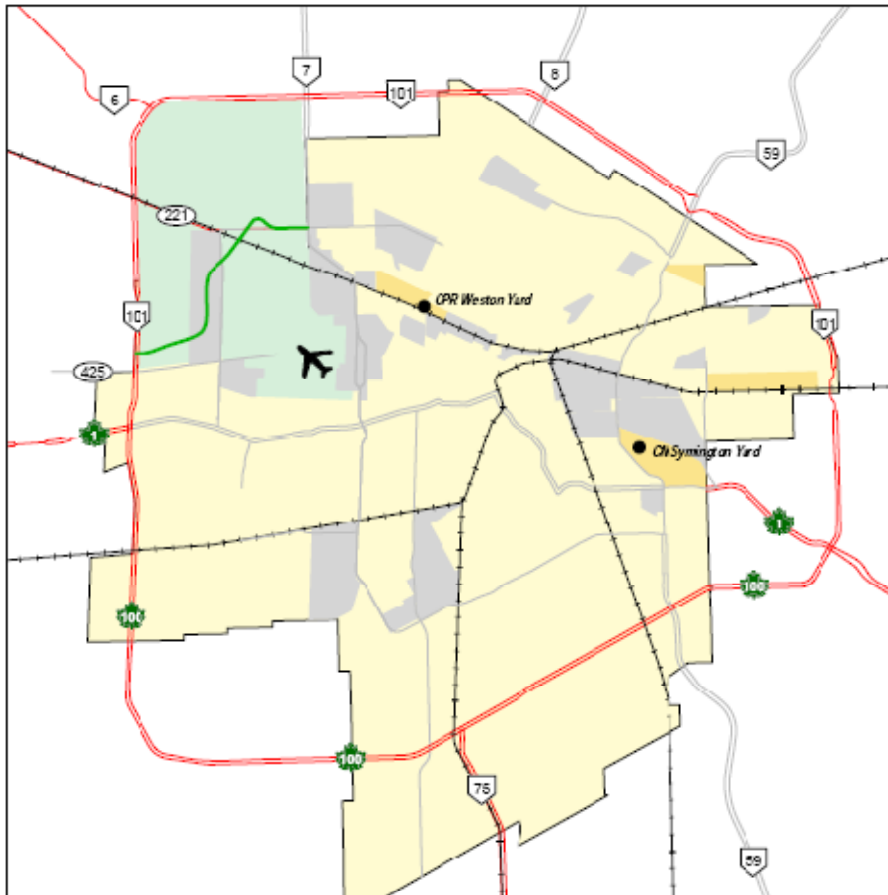




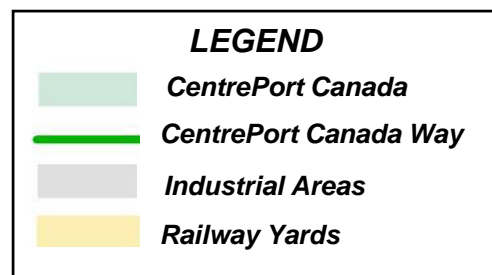
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✓ **Land**

# CentrePort Canada



- 20,000 acres with phased-in development of shovel-ready land in North West quadrant of Winnipeg
- A 'one-stop-shop' for business
- Ready for investment and development
- Competitive business costs and business incentives



# Draft Conceptual Land Use Plan for CentrePort Canada Lands





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# ✓ Logistics

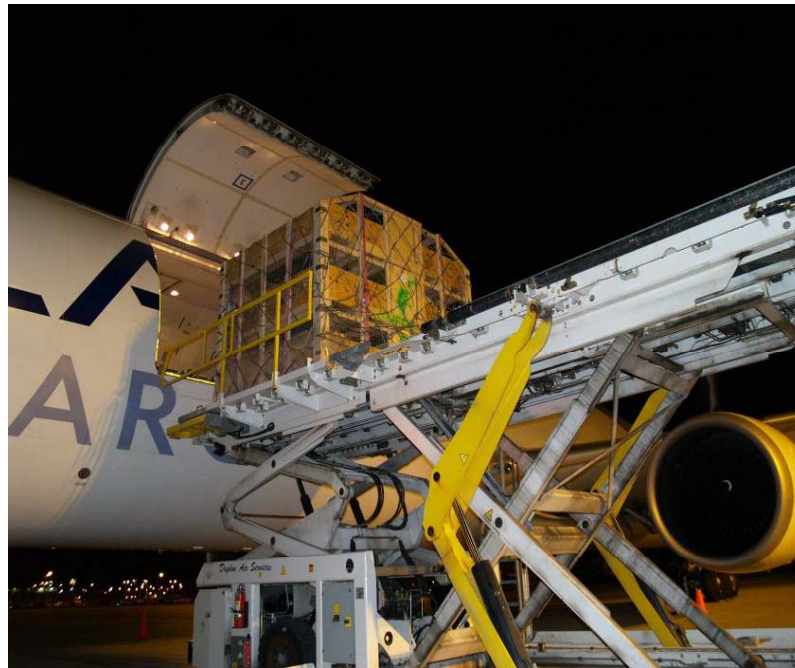
# Trains

- Winnipeg is the only major Canadian city on the prairies that is served by three continental railways: CN, CP and Burlington Northern-Santa Fe
- Extensive marshalling yards and servicing facilities
- Intermodal terminals for transfers between rail and road modes



# Planes

- 24-hour unrestricted airport
- Largest number of dedicated cargo handlers in Canada
- One of the most reliable airports in the world
- Worldwide freight forwarding



# Ships

## Direct access to Asian markets via Canada's Asia-Pacific Gateway

### Port of Prince Rupert

- North America's deepest natural harbour and the closest port to Asia
- \$170 million Fairview container terminal (opened Sept 2007)
- CN

### Port Metro Vancouver

- Largest and busiest port in Canada
- 4th largest tonnage port in North America
- CN and CP

### Churchill Gateway System

- \$68 million Federal-Provincial-OmniTRAX commitment to capital upgrades to the Hudson Bay Railway and Port of Churchill

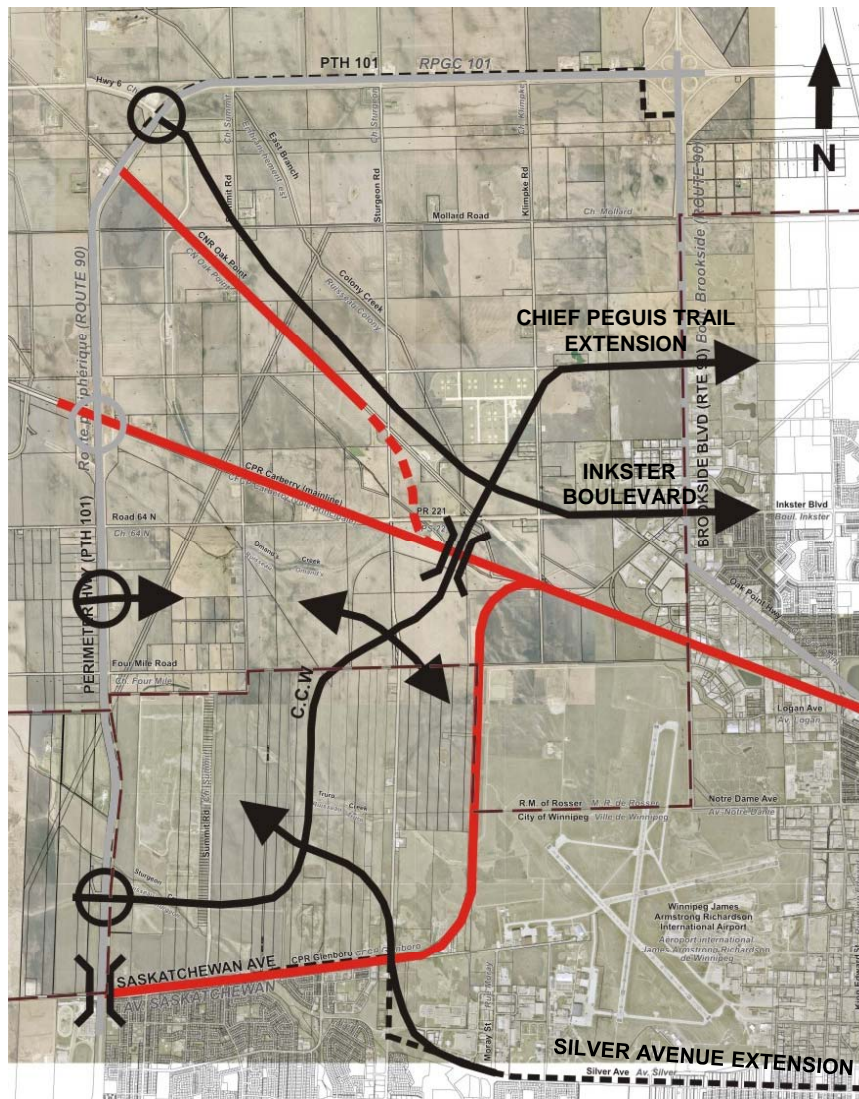


# Trucks

- Emerson is one of Canada's top border crossings, processing about \$16.0 billion in trade traffic annually
- More than 1,000 for-hire trucking companies that operate either interprovincially or internationally



# \$212.5 M Investment in CentrePort Canada Way



- CentrePort Canada Way (CCW) route continuity to Chief Peguis Trail extension
- CCW north/south alignment between Sturgeon Road and Summit Land Fill
- PTH 6 connection to Inkster Boulevard
- Silver Avenue connection

# ✓ Labour Pool

# Labour

## Competitive Wage Rates

- Manitoba's \$19.13 average hourly wage is the lowest in Western Canada and one of the lowest in Canada

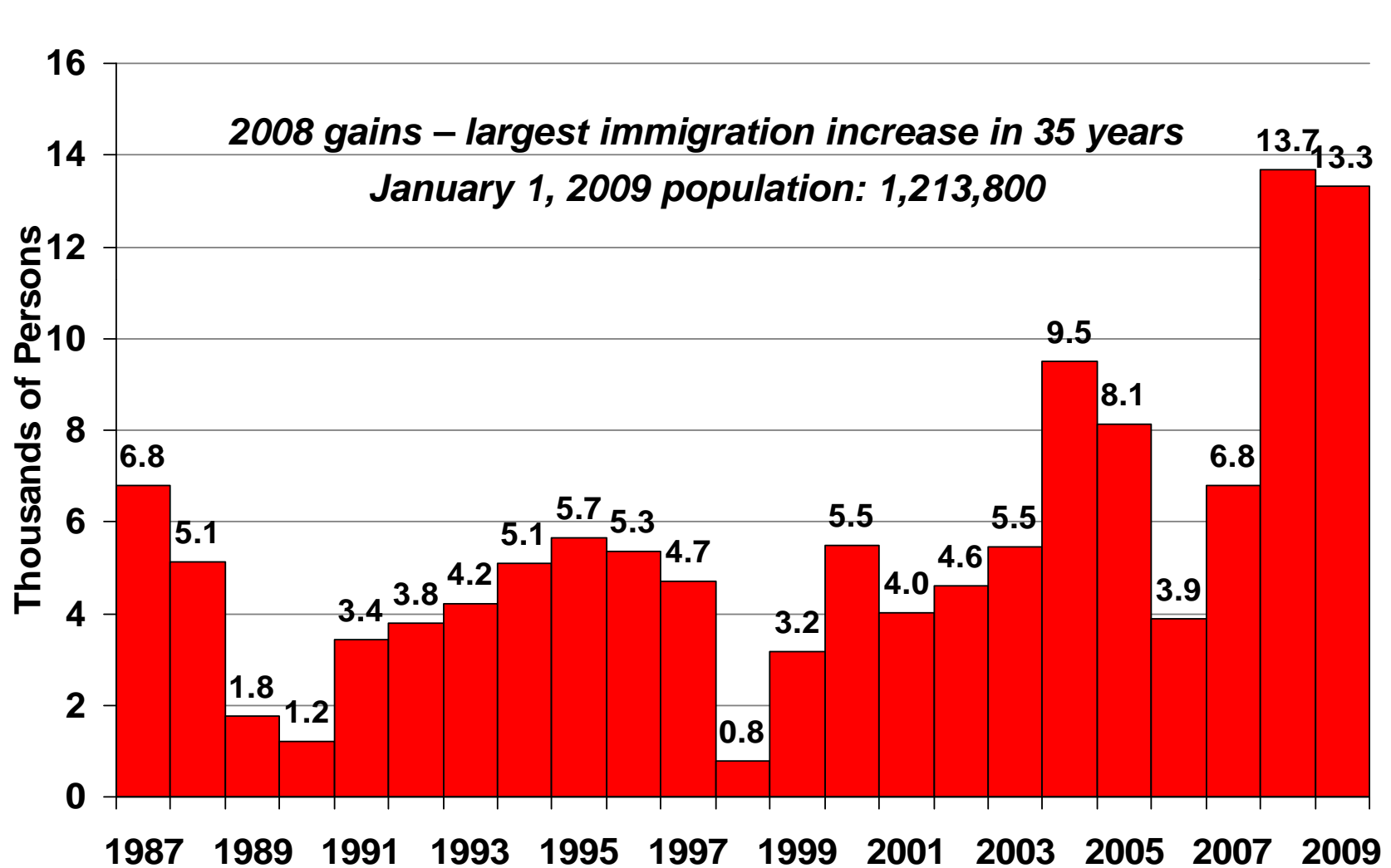
## Education

- Co-op Education and Apprenticeship Tax Credit – the most comprehensive credit of its kind in Canada
- Tuition Fee Income Tax Rebate – Post-secondary graduates who locate and work in Manitoba can claim 60% of eligible tuition fees, up to \$25,000
- Targeted College Training Programs to Meet Industry Needs – the new Heavy Equipment Transportation Centre increases RRC's capacity to train technicians and supports Manitoba's green-energy economy through applied research and advanced training in leading-edge technologies

## Labour Force Stability and Diversity

- In 2008, Manitoba's person days lost per 1,000 employees was less than one-third the Canadian average
- Over 100 languages spoken

# Manitoba's Growing Population and Skilled Labour Force





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✓ **Love**

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## Partnerships and Mandate

### **Mandate of CentrePort Canada, according to the *CentrePort Canada Act*:**

- To facilitate the long-term development and operation of the inland port by:
  - Coordinating land development and business investment;
  - Promoting environmentally sustainable policies and operations;
  - Consulting community stakeholders and port users.
- To facilitate and encourage investment in the inland port by:
  - Acting as the primary point of contact for potential investors;
  - Attracting new investment and economic development in the inland port area;
  - Collaborating with governments in the development of investment incentives.
- To promote the inland port by:
  - Marketing the inland port domestically and internationally;
  - Participating in organizations formed to develop or promote inland ports; transportation gateways and trade corridors with links to the inland port area.

### **Strong Public-Private Partnerships**

- Continue to build on the great relationships have been forged with public and private sector stakeholders

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# CentrePort Canada Board of Directors

**Position**

Chair:

Vice Chair:

Directors:

**Name:**

Kerry Hawkins

Arthur Mauro

Ryan Craig

David Fung

Eugene Kostyra

Joan Hardy

Chris Lorenc

Tom Payne Jr.

Gord Peters

Maureen Prendiville

Barry Rempel

Bob Silver

Don Streuber

Robert Ziegler

**Nominator:**

Business Council of Manitoba

City of Winnipeg

Federal Government

Board Nominee

Provincial Government

Board Nominee

Winnipeg Chamber of Commerce

R.M. of Rosser

Manitoba Chambers of Commerce

Board Nominee

Winnipeg Airports Authority

Destination Winnipeg

Manitoba Trucking Association

Manitoba Federation of Labour



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# CentrePort Canada's Vision

# Marketing CentrePort Canada – Canada's First Foreign Trade Zone

- FTZ - designated “zones” where goods can be stored, manufactured/processed and re-exported without paying duties and taxes.
- Canada-Manitoba CentrePort International Business Development Project - will provide a one-stop shop for businesses dealing with CentrePort.
- FTZ designation will enable CentrePort to:
  - Be a hub for international manufacturing, transportation, distribution and warehousing;
  - Provide domestic businesses with some of the tools necessary to be internationally successful
  - Increase trade and new jobs



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# Key First Steps

- ✓ **Apply a Supply Chain-wide Approach to Development**
  - Focus on “integrative trade” – decreasing trade barriers to maximize efficiency and reduce costs
  - Reinforce the idea of transportation *systems* by focusing on gateways and global supply chains
  - Decrease border congestion by coordinating regulations
  
- ✓ **Invest in Strategic Infrastructure**
  - Build a rail-friendly infrastructure environment
  - Service the lands
  - Road connections
  
- ✓ **Work with Governments and Other Partners on Cost Competitiveness**
  - Evaluate aviation taxes
  - Improve air transportation policy to enhance competitiveness (“Open Skies”)

# Identify Investment Based on Manitoba's Niche Opportunities

- Warehousing service providers
- Distribution service providers
- Logistics providers:
  - 3<sup>rd</sup> Party Logistics
  - Cargo distributors
  - Freight forwarders
  - Trucking firms
- Advanced Manufacturers:
  - Component parts
  - Final assembly
- Aerospace firms
- Food processing and distribution companies

