

## Multimodal Transportation and Logistics

### Definition

Multimodal transportation comprises establishments primarily engaged in transporting passengers and goods, warehousing and storing goods, and providing services to these establishments. The modes of transportation are ground transportation (trucking, transit and ground passenger), rail, water, air and pipeline. These are further subdivided according to the way in which businesses in each mode organize their establishments. National post offices and courier establishments, which also transport goods, are included in this sector. Warehousing and storage establishments are subdivided according to the type of service and facility that is operated. Many of the establishments in this sector are structured as networks, with activities, workers, and physical facilities distributed over an extensive geographic area through logistics operations. Logistics is the process of planning, implementing and controlling the flow and storage of goods and services and related information from the point of origin to the point of consumption. Supply chain management provides supervision and direction for the various parts of the distribution system including production scheduling and inventory control, transportation, warehousing, wholesaling, retailing and brokerage.

*(Statistics Canada, 2012)*



### Overview of the Industry

Within Durham Region multimodal transportation and logistics has emerged as a

developing and notable sector. The City of Oshawa has seen a 9.9% growth in the labour force since 2006 (City of Oshawa, 2013). Since 2006, Durham Region has continued to see higher growth than other regions within Canada (City of Oshawa, 2013). Water, rail, air and ground transportation play a major role in facilitating the development and expansion of the multimodal transportation and logistics industry within the Region. This industry has established itself as an industry with

extensive potential for growth and development. There has been a shift towards innovative techniques in order to keep up with the global chain of supply and demand, in addition to other international competitive markets. This change has allowed the multimodal transportation and logistic sector to rapidly develop in order to meet the needs of the diversifying global population. Transportation and transit developments continues to drive construction in order to facilitate

improvements required for the growing population (Town of Ajax, 2010).

Durham Region is located along major transportation corridors for rail, water, ground and air transportation, which continues to attract major transportation and logistics centres into the Region. Durham Region currently serves as the location for many distribution and operational centres, with continued room for expansion. Access to land and proximity to major highways and trade routes makes Durham Region an ideal location to establish corporate bases involved in a variety of industries such as manufacturing, distribution and warehousing. The sector continues to thrive and expand due to the dependence of multiple industries. It also continues to offer support services to other sectors, by strengthening local industries.

**Air:** Durham Region is the location of the Oshawa Municipal Airport, an executive airport situated on 484 acres of land located in Oshawa. The Oshawa Municipal Airport is the only full-service commercial and general aviation facility in Durham Region; it contains Canada Customs for freight and passenger clearance (City of Oshawa Economic Development Services, 2015). With two runways, this airport serves

as a hub for small aircraft, flight academies and more than 300,000 square feet of warehousing hangar space.

**Roads:** Durham Region is the eastern gateway to the Greater Toronto Area. Durham Region is located along major ground transportation routes such as highways 401 and 407. The major roadways located in Durham Region are crucial to Trans-Canada and North American trade and general goods movement. Many warehousing, distribution and logistics centres are located in Durham due to the proximity of major routes, which further contribute to the success of the sector.

**Ports/Sea:** Durham Region is located on the north shore of Lake Ontario. Port of Oshawa is the only port located within Durham Region. This deep-sea port can handle large ships and serves as an access point to global markets through the St. Lawrence Seaway. This port handles approximately \$23 million worth of cargo annually and is located two kilometres from Highway 401.

**Freight Rail:** Many freight rail routes are located throughout Durham Region. Canadian Pacific Railway's main line runs through Durham Region, connecting the Windsor-Montreal corridor and the Canadian Atlantic-Pacific trade route. It is a

transcontinental railway with direct links to eight major ports and key markets, both nationally and internationally. The Canadian National Railway is the largest rail network in Canada and links Canada with international trade partners through 20,600 route miles of tracks.

**Commuter Rail:** Durham Region is located along central GO Transit and Via Rail routes. These routes are integral to the everyday commute of individuals within the Region.

**Pipeline:** Durham Region is located along Enbridge's Line 9 Pipeline, one of Canada's most vital pipelines, which stretches from Sarnia to Montreal. Also proposed is TransCanada's Eastern mainline Project Pipeline, which will include a new natural gas pipeline and new compression facilities to the existing mainline.

**Transit:** Durham Region Transit continues to expand and develop additional service and new routes. With Durham Region Transit launching a new fleet of bus rapid transit, service is continuing to improve and expanding to meet the needs of individuals within Durham Region (City of Oshawa Economic Development Services, 2015). Currently, DRT provides service to 10 million riders each year and is constantly expanding its high frequency service.

## Canadian Business Counts – Durham Region

Data within the Canadian Business Counts table represents counts of active businesses by industry

classification and employment-size categories for Canada and the provinces and territories. The counts are compiled from the Business Register, Statistics Canada's central listing of Canadian businesses.

The table below represents a sampling of active businesses as of December 2015 within Durham Region in the multimodal transportation and logistics industry. Sourced from Statistics Canada, 2015.

Description	Without employees	Total with employees	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +
Total	34,517	14,731	8,308	2,865	1,763	1,176	372	148	71	28
Unclassified	4,509	1,054	914	95	27	12	4	2	0	0
Total – Multimodal Transportation and Logistics	1,715	1,013	666	553	262	35	11	9	5	2

## Industry Overview (NAICS)

The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. Created against the background of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structure

of the three countries and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply-side or production-oriented principles, to ensure that industrial data, classified to NAICS, are suitable for the analysis of production-related issues such as industrial performance.

NAICS is a comprehensive system encompassing all economic activities. It has a hierarchical structure and is

composed of sectors (two-digit codes), subsectors (three-digit codes), industry groups (four-digit codes), and industries (five-digit codes). At the highest level, it divides the economy into 20 sectors. At lower levels, it further distinguishes the different economic activities in which businesses are engaged. The table below represents the top three industries in the multimodal transportation and logistics sector.

NAICS Code	Description	Jobs in Durham Region (POW)	Durham Region Residents Employed (POR)	Total - Class of Worker	Employee	Self-Employed #2	Self-Employed	Median Wages and Salaries (POR)	Average Wages and Salaries (POR)	Median Wages and Salaries (POW)	Average Wages and Salaries (POW)
413	Food, beverage and tobacco wholesaler-distributors							\$43,031	\$46,703	\$36,192	\$36,682
4131	Food wholesaler-distributors	640	1,135	1,280	1,195	90	85				
416	Building material and supplies wholesaler-distributors							\$46,237	\$60,109	\$46,701	\$58,211
4161	Electrical, plumbing, heating and air-conditioning equipment and supplies wholesaler-distributors	605	965	1,040	1,010	30	30				
417	Machinery, equipment and supplies wholesaler-distributors							\$60,114	\$73,542	\$61,427	\$74,247
4173	Computer and communications equipment and supplies wholesaler-distributors	1,200	2,495	2,625	2,600	25	25				

## Definition of Terms

Within this document data related to the industry is classified within two categories:

Place of Work (POW) and Place of Residence (POR).

Place of Work – is defined as individuals employed within Durham Region.

Place of Residence – is defined as Individuals who reside within Durham Region.