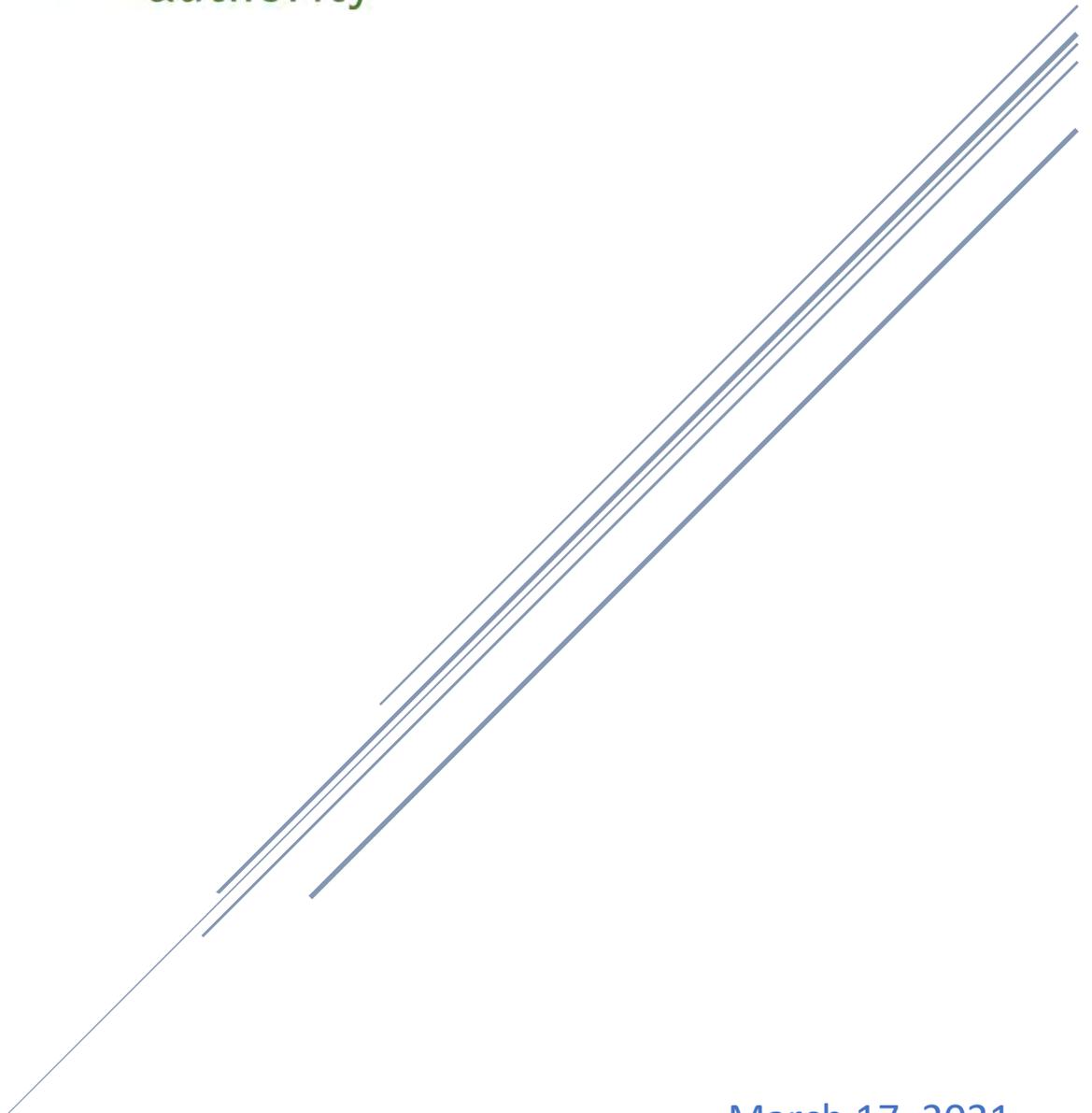


# OSHAWA'S LOGISTICS SECTOR

Provided by the Durham Workforce Authority



March 17, 2021

## Sector Definition

The logistics sector includes logistics and supply chain companies primarily engaged in transporting and warehousing goods and logistics services. 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). It includes trucking, rail, air, and marine transportation modes as well as postal services, couriers and messengers, and warehousing and storage (Industry Canada, 2013). 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, which also transport goods, are included and 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.

Statistics Canada outlines their definition of the Transportation and Warehousing sector through their *North American Industry Classification System (NAICS)*. The sector is broken into the following subsectors: (Statistics Canada, 2012)

- Air transportation
- Rail transportation
- Water transportation
- Truck Transportation
- Transit and ground passenger transportation
- Pipeline transportation
- Scenic and sightseeing transportation
- Support activities for transportation
- Postal service
- Couriers and Messengers
- Warehousing and storage

A thriving logistics sector can provide many supports and help drive economic development within a region. The presence of adequate infrastructure developments and an expanding logistics sector allows other businesses to quickly get their products and services to consumers and can reduce the cost burden on other sectors. An improved transportation system provides

access to a wider market base and improves the supply chain management on a macroeconomic level. The transport system also impacts the location of activities as well as the land value of an area (Rodrigue & Notteboom, 2017).

## Sector Overview

### City of Oshawa

Oshawa boasts several transportation and logistics supports which both fuel economic development and support various industries located in the city. Key infrastructure includes the Oshawa Municipal Airport, the Port of Oshawa, freight rail lines owned by both Canadian National Railway (CNR) and Canadian Pacific Railway (CPR), and four major 400-series highways (City of Oshawa, 2014; Gilligan, 2016; Municipality of Clarington, 2010). These infrastructure developments lay the groundwork for future transportation hubs, business, and commercial growth.

There are several educational and training options for those looking to get into truck driving in Oshawa. In Durham Region, Durham College offers training for those looking for their “AZ” endorsement for transport truck drivers. The program, which is located at Durham College’s Whitby Campus, allows for instructors to both train and road test students (Durham College, 2020). Additionally, the college offers “D” and “Advanced D” courses for those looking to drive heavy equipment in training, waste removal, road maintenance, construction, and logistics (Durham College, 2020; City of Oshawa, 2014). Other post-secondary programs that can be applied to the transportation and logistics industry include programs offered at Ontario Tech University, including automotive, electrical, and chemical engineering, as well as commerce degrees. Durham College also offers several logistics related programs aside from trucking, which include business, project management, and other transportation related certificate and diploma programs. Additionally, TriOS college offers a Supply Chain & Logistics program and there are several private career training colleges including the Durham Truck and Forklift Driving School, the Ontario Truck Training Academy, and the Transport Training Centres of Canada (City of Oshawa, 2014).

For those looking to enter the aviation industry, there are two privately owned training centres located at the Oshawa Municipal Airport – the Durham Flight Centre and the Canadian Flight Academy. Both private career colleges offer programs for ground school and in-flight lessons for both their private pilot’s license and commercial/ multi-engine license certifications (City of Oshawa, 2020). The City of Oshawa is the only city in Durham Region with air transportation facilities. The Oshawa Executive (Municipal) Airport is maintained by the City of Oshawa and provides general aviation as well as emergency services. Additionally, the airport generates

approximately \$1.5 million in total property tax revenue. Flight training, air ambulance, passenger charter services, freight services, aerial police operations, aircraft maintenance, and aircraft restoration services are all provided at the airport. The airport currently averages 61,500 movements annually and provides employment to approximately 215 persons. The local aircraft movement is expected to grow to approximately 102,345 because of increased revenue. In 2019, the total income from airport fees are projected to be \$5,219,510 (City of Oshawa, 2014).

The City of Oshawa also accommodates freight through the Canadian National (CN) Rail and the Canadian Pacific (CP) Railway. The CN Rail connects Durham Region with transcontinental connections throughout North America and carries approximately \$250 billion worth of goods annually for various sectors, while Canadian Pacific provides direct links to eight major ports and is part of the Montreal-Chicago rail corridor (Region of Durham, 2014). CN Rail also owns and operates the spur line connecting the railway to the Port of Oshawa, meaning the port of Oshawa is completely intermodal (City of Oshawa, 2014).

In 2019, the Port of Oshawa amalgamated with the Port of Hamilton, creating what is now known as the Hamilton Oshawa Port Authority. The new authority recognizes the growth and potential benefit of the port stating that it is focused on ensuring the port has the “critical supply chain infrastructure to serve the near-term needs of jump-starting economic sectors like construction and manufacturing” (Hamilton Oshawa Port Authority, 2020). HOPA states that there were 74 vessel calls in Oshawa during the 2019 season, carrying a grand total of 575,447 metric tons of cargo (Hamilton Oshawa Port Authority, 2019), while Durham Radio News reports that Oshawa saw a record 78 vessels during the 2020 season (Durham Radio News, 2021). While shipping took a hit because of COVID health measures in the spring, the economic reopening drove an increase in shipping and made for a busy fourth quarter. The port authority states that Oshawa “exceeded 672,000 metric tonnes of shipments, driven by a strong trade in fertilizer, grain, steel, and cement” (Durham Radio News, 2021). Further, a new grain terminal at the Port of Oshawa assisted both the logistics and agricultural industries – farmers can deliver their crop to an export point within their own region, rather than trucking it across the GTHA. The port authority also says it is investing \$20-million in future upgrades, like dock reconstruction, lighting, and dredging upgrades (Durham Radio News, 2021; Hamilton Oshawa Port Authority, 2020).

In their 2017 Durham Transportation Master Plan, the Region of Durham outlined their plans to expand the regional road system throughout the region, and in particular the Bayly/Victoria/Bloor Street corridor in order to better serve the demand for goods movement through the lakeshore industrial areas (Region of Durham, 2017). The plan places a particular focus on connecting the Port of Oshawa to the regional road system directly through a connector to Farwell Street, allowing truck transportation and other vehicles better access to the Port (Region of Durham, 2017).

## Sample of Local Employers

### Canada Cartage

Canada Cartage is a national full-service logistics company, with over 3,500 employees, 4,000 tractor trailers, as well as terminals, fulfillment centres and cross docks in every major market in Canada. Canada Cartage's Oshawa yard is located at 1180 Thornton Road South in Oshawa (Canada Cartage, 2021).

### Enterprise Airlines

Located at the Oshawa Municipal Airport, Enterprise airlines provides executive air services, both passenger and cargo, to clients worldwide. The company can service all seven continents, including Antarctica (Enterprise Airlines, 2021).

### Mackie Group

The Mackie Group provides customized warehousing, transportation and supply chain solutions to small business and large industry. The Mackie Group's head office facility is located at 933 Bloor St W., Oshawa (Mackie Moving Systems, 2021).

### Oshawa Stevedoring

Oshawa Stevedoring provides stevedoring (dock loading and unloading) and other marine cargo handling services for the Port of Oshawa. It is located at 1050 Farewell Street, Oshawa (Region of Durham, 2021).

### Pival International

Pival International is a third-party logistics company offering warehousing, supply chain services, transportation logistics & more across North America. Their Oshawa yard is located at 1001 Thornton Road South, in Oshawa near the General Motors plant (Pival International, 2021).

### AWC Auto Warehousing Company Canada

AWC provides various services including body shop repairs, inspections, and vehicle storage, and also provide various logistics functions such as real time yard management, real time data transfers, vehicle direct locating, import/export preparations, rail car preparation and switching, rail car loading and unloading, and extensive assembly plant operations (AWC Canada, 2021). AWC is located at 1150 Stevenson Road South, Oshawa, ON.

Source: City of Oshawa (2014).

## Sector Data & Analysis

For the purposes of data collected by Statistics Canada, this report will define the logistics sector utilizing the following NAICS codes:

### North American Industry Classification System (NAICS):

48 – 49 – Transportation and Warehousing

491 – Postal Service

4911 – Postal Service

492 – Couriers and Messengers

4921 – Couriers

4922 – Local Messengers and Local Delivery

493 – Warehousing and Storage

4931 – Warehousing and Storage

### Logistics Sector Jobs in Oshawa (Place of Work)

Chart 1 depicts the top five jobs in Oshawa in the logistics sector by %age. The top five jobs in the logistics sector account for approximately 69 % of all jobs in the sector in Oshawa.

Chart 1: Top Five Logistics Occupations in Oshawa



Source: Statistics Canada, Census, Custom Tabulation, 2016

In addition to the top five jobs in the logistics sector in Oshawa, there are a multitude of other occupations that the sector is comprised of. Chart 2, 3 and 4 provide an overview of the most prevalent occupations in Oshawa within the three facets of the logistics section, postal service, couriers and messengers and warehousing and storage, including information on the number of jobs and the average and median employment income.

Chart 2: Most Prevalent Occupations in the Logistics Industry (NAICS 491 - Postal Service) in Oshawa

NOC	Occupation Title	Jobs in Oshawa	Average Employment Income	Median Employment Income
	Total, all occupations	200	\$46,401	\$52,924
<b>1512</b>	Letter carriers	110	\$52,653	\$58,397
<b>1511</b>	Mail, postal and related workers	65	\$32,402	\$27,631

NOC	Occupation Title	Jobs in Oshawa	Average Employment Income	Median Employment Income
<b>0132</b>	Postal and courier services managers	10	-	-
<b>1214</b>	Supervisors, mail and message distribution occupations	10	-	-

Source: Statistics Canada, Census, Custom Tabulation, 2016

Chart 3: Most Prevalent Occupations in the Logistics Industry (492 – Couriers and Messengers) in Oshawa

NOC	Occupation Title	Jobs in Oshawa	Average Employment Income	Median Employment Income
	Total, all occupations	45	\$27,509	\$19,733
<b>7514</b>	Delivery and courier service drivers	20	-	-
<b>1511</b>	Mail, postal and related workers	10	-	-
<b>1513</b>	Couriers, messengers and door-to-door distributors	10	-	-
<b>1521</b>	Shippers and receivers	10	-	-

Source: Statistics Canada, Census, Custom Tabulation, 2016

Chart 4: Most Prevalent Occupations in the Logistics Industry (493 – Warehousing and Storage) in Oshawa

NOC	Occupation Title	Jobs in Oshawa	Average Employment Income	Median Employment Income
	Total, all occupations	105	\$40,535	\$36,683
<b>7452</b>	Material Handlers	45	\$32,193	\$36,111
<b>0714</b>	Facility operation and maintenance managers	25	-	-
<b>0114</b>	Other administrative services managers	10	-	-
<b>1121</b>	Human resources professionals	10	-	-
<b>1215</b>	Supervisors, supply chain, tracking and scheduling coordination occupations	10	-	-
<b>1521</b>	Shippers and receivers	10	-	-

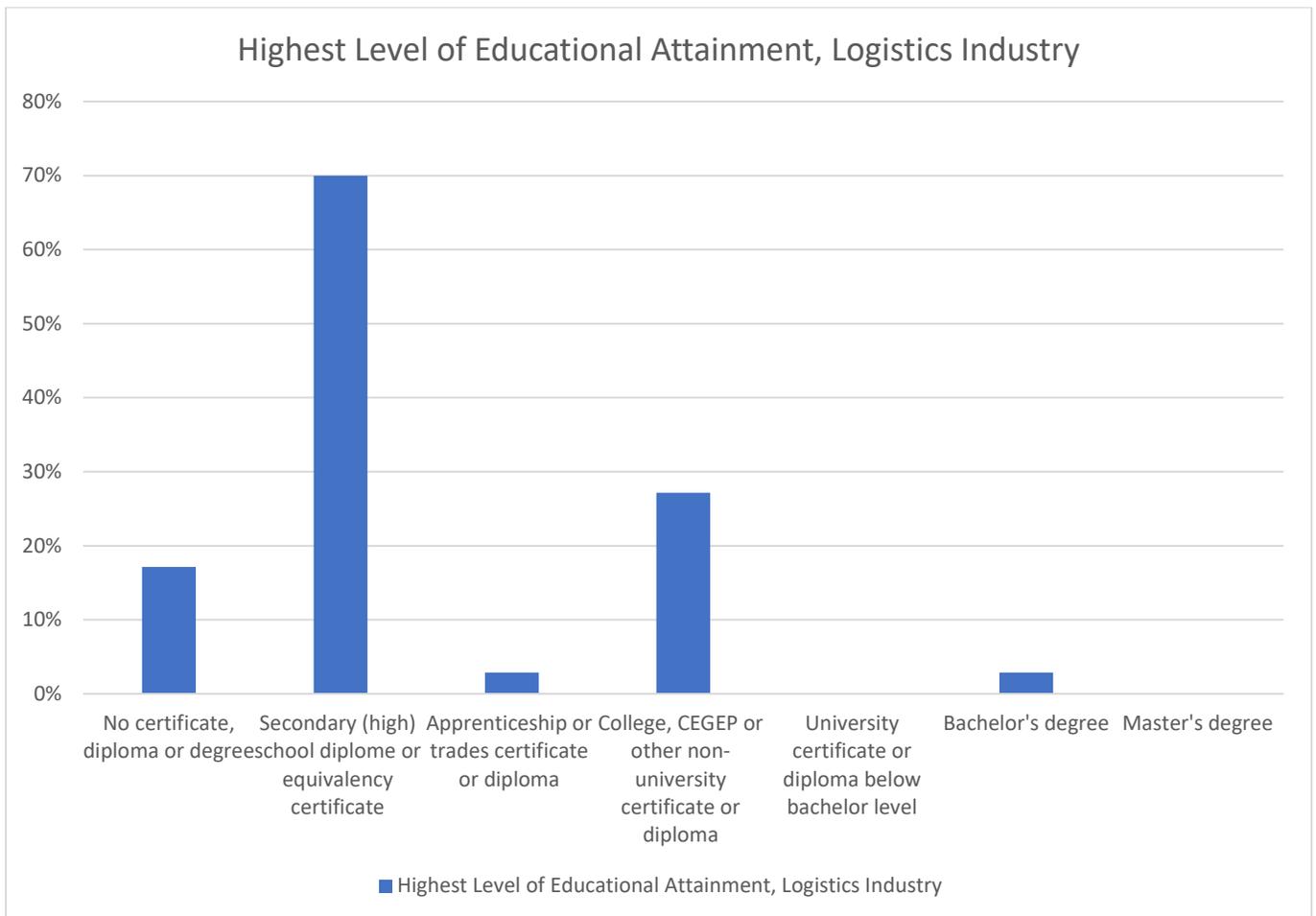
NOC	Occupation Title	Jobs in Oshawa	Average Employment Income	Median Employment Income
9617	Labourers in food and beverage processing	10	-	-

Source: Statistics Canada, Census, Custom Tabulation, 2016

## Educational Attainment

Approximately 83 % of logistics employees residing in Oshawa have a certificate, diploma or degree. Chart 5 provides of the highest level of educational attainment by %age for Oshawa residents who work in the logistics industry.

Chart 5: Highest Level of Educational Attainment for Individuals Working in the Logistics Industry



Source: Statistics Canada, Census, Custom Tabulation, 2016

Statistics Canada provides data on the labour force status of individuals based on major field of study in a post-secondary setting. Chart 6 depicts the labour force outcomes for individuals whose major field of study was related to logistics. It should be noted that Statistics Canada does not ask respondents if they are employed in their field of study, but rather if they are employed – thus being employed does not guarantee that individuals are employed in the logistics sector.

*Chart 6: Labour Force Status for Individuals by Major Field of Study*

<b>Personal, Protective and Transportation Services</b>								
<b>Major Field of Study</b>	<b>Total – Labour Force Status</b>	<b>In the Labour Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Not in the Labour Force</b>	<b>Participation Rate (%)</b>	<b>Employment Rate (%)</b>	<b>Unemployment Rate (%)</b>
<b>49. Transportation and materials moving</b>	680	600	540	60	80	88.2%	79.4%	10.0%

*Source: Statistics Canada, Census, Custom Tabulation, 2016*

## Canadian Business Count

Canadian Business Counts provide counters of active businesses by industry and employment size categories. Chart 7 shows the number of logistics businesses active within Oshawa in June 2019.

*Chart 7: Canadian Business Count for the Logistics Industry in Oshawa*

	Total	Without Employees	Total, With Employees	1 – 4 Employees	5 – 9 Employees	10 – 19 Employees	20 – 49 Employees	50 – 99 Employees	100 – 99 Employees	200 – 499 Employees	500+ Employees
<b>Logistics Sector</b>	97	81	16	11	2	1	1	0	1	0	0
<b>491 – Postal Service</b>	2	2	0	0	0	0	0	0	0	0	0
<b>492 – Couriers and Messengers</b>	81	72	9	7	1	1	0	0	0	0	0
<b>493 – Warehousing and Storage</b>	14	7	7	4	1	0	1	0	1	0	0

*Source: Statistics Canada, Canadian Business Count, June 2020*

## Commuting Patterns

Commuting patterns provide valuable information on where individuals reside and work. Chart 8 displays where Oshawa residents who work in the logistics industry work. As depicted by the chart, the vast majority of individuals working in the logistics sector live and work in Oshawa.

*Chart 8: Commuting Patterns for Oshawa Residents Working in the Logistics Industry*

Commuting Patterns for the Construction Industry, Oshawa Residents		
Place of Residence	Place of Work	Total Number of Individuals
Oshawa	Kawartha Lakes	10
Oshawa	Durham Region	770
Oshawa	Pickering	165
Oshawa	Ajax	220
Oshawa	Whitby	165
Oshawa	Oshawa	180
Oshawa	Clarington	15
Oshawa	Scugog	10
Oshawa	Brock	10
Oshawa	York	30
Oshawa	Markham	10
Oshawa	Toronto	150
Oshawa	Peel	50
Oshawa	Mississauga	35
Oshawa	Brampton	10

*Source: Statistics Canada, Census, Custom Tabulation, 2016*

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