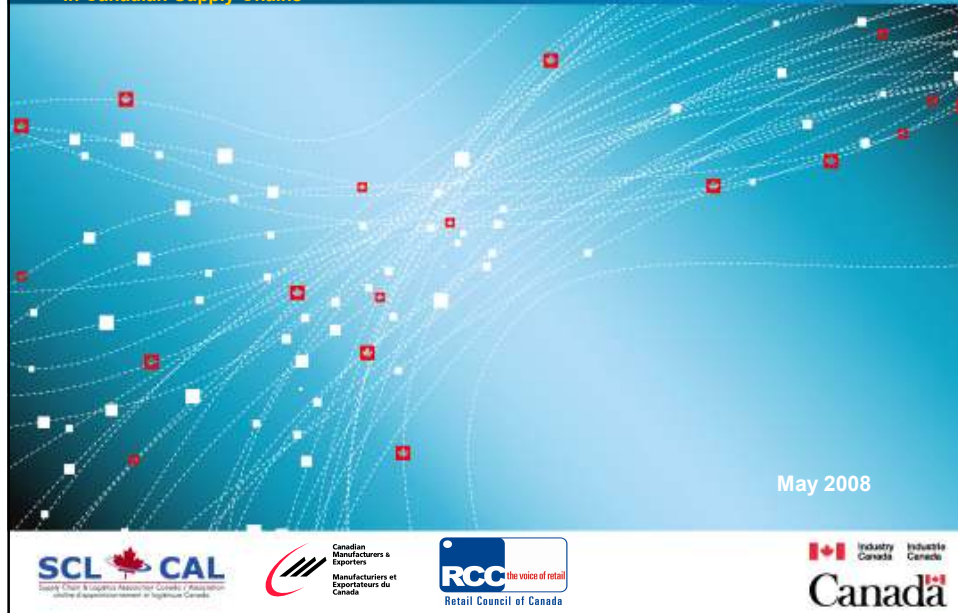


Low Cost Country Sourcing: in Canadian Supply Chains



Low Cost Country Sourcing

Project Objectives/Expected Outcomes:

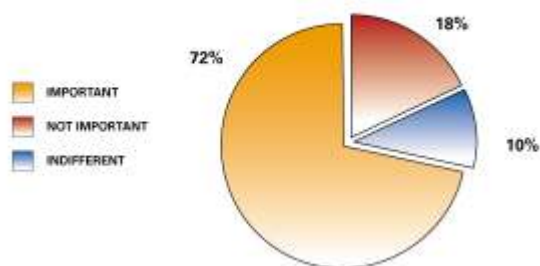
- Provide Canadian supply chain managers the latest KPI, best practices and future trends on LCCS and supply chain agility via supply chain / size of firms' specific reports
- Provide policy makers with industry perspectives, issues and drivers regarding LCCS and supply chain agility in order to develop policies that better respond to current and future industry needs

Industry Research Participants

- Almost 400 respondents representing over 950 business locations
- 70 of the top 100 largest Canadian firms by revenue
- 90% of AMR research 2006 supply chain top 25
- Provincial / Regional representation
- Size of firm representation : small, medium and large
- Sector specific representation : Manufacturing, Wholesale, Retail and Supply Chain Services
- Supply chain specific representation : Automotive, Consumer Goods, Food, Aerospace, Electronics, Resources/Energy

72% of Canadian firms identified South East Asia (SEA) LCCS as strategically important

Strategic Importance of LCCS



China is the main location for LCCS

Canadian Current LCC Imports



China is expected to play a more important role in the years to come

Canadian LCC Imports in Five Years



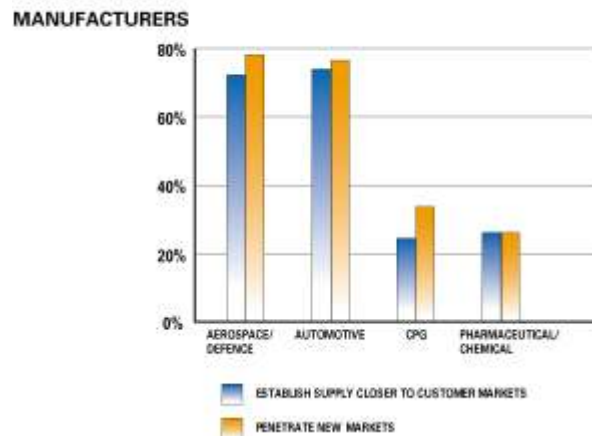
Cost, customer and competition pressures are driving LCCS in SEA

LCCS Drivers



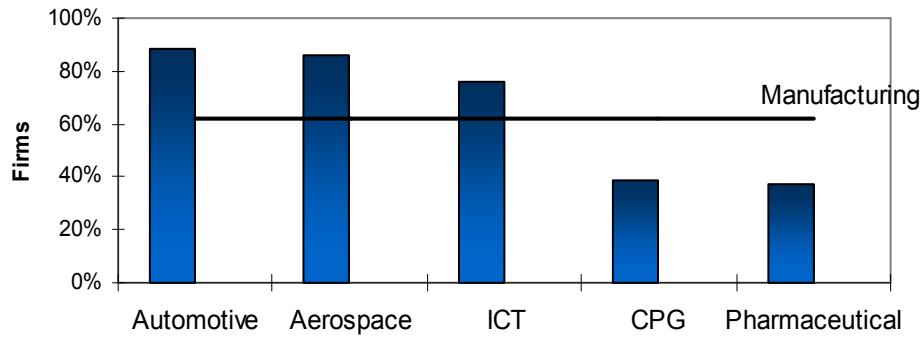
Exports to LCC is also a driver for some specific supply chains in SEA

LCC Export Drivers for Canadian Manufacturers



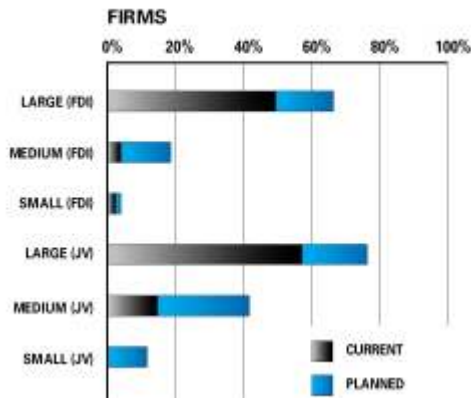
Majority of SEA imports in automotive, aerospace and electronics are inputs into Canadian Production

Products sourced from LCC that qualify as intermediate goods (>50%)

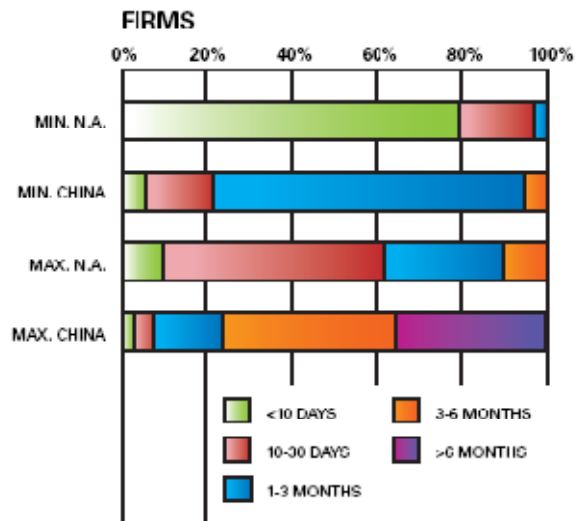


A majority of business linkages with LCCS are with larger firms

Canadian Manufacturing LCCS business linkages

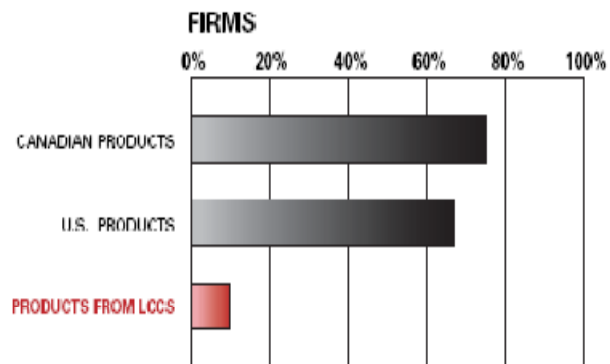


Lead time variability for manufacturing, China and North America



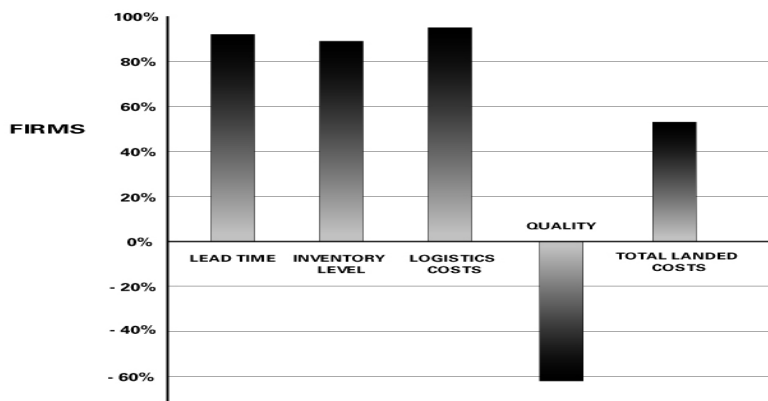
On-time shipments for SEA goods is a key competitiveness issue

On time delivery of shipments (↑ 90%)



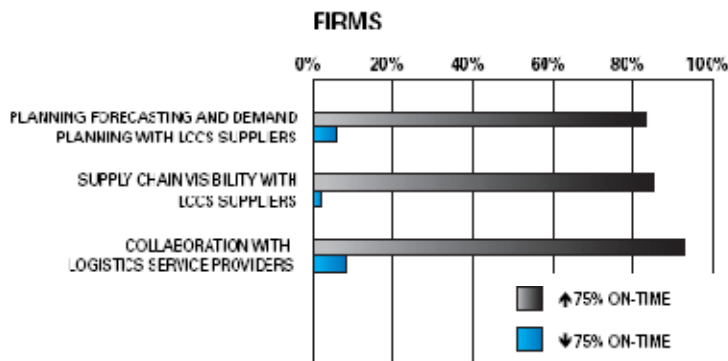
Lead time, inventory level, logistics costs and total landed costs show increases while quality of goods decreased

Canadian Manufacturing performance variation since initiating LCCS



SEA on-time shipments is possible via supply chain technology and process adoption

Canadian Manufacturing LCCS on-time shipments analysis



Effective approaches to mitigate LCCS risks

Canadian Manufacturing LCCS total landed cost analysis

