# The Daily

# Statistics Canada

Friday, July 24, 2015 Released at 8:30 a.m. Eastern time

#### Releases

Study: How much thicker is the Canada–US border? The cost of crossing the border by truck in the preand post 9/11 eras, 1994 to 2009	2
Airport activity, 2014	4
Production and disposition of tobacco products, June 2015	5
Milled wheat and wheat flour produced, May 2015	6
Refined petroleum products, June 2015	7
New products and studies	8
Release dates: July 27 to 31, 2015	9

#### Releases

# Study: How much thicker is the Canada-US border? The cost of crossing the border by truck in the pre- and post 9/11 eras, 1994 to 2009

Since September 11, 2001, it has become more expensive to move goods by truck across the Canada-US border.

This study is based on the first data produced to estimate the costs associated with trucking goods across the border before and after 9/11.

In the wake of 9/11, a new security regime was implemented to regulate the movements of goods across the Canada–US border, raising concerns that the cost of moving goods across the border would rise.

From 1994 to 2000, it cost, on average, 16% more to move goods across the Canada–US border by truck than to move the same goods the same distance domestically.

After 2000, the premium paid to cross the border rose steadily to 25% in 2005 and remained at about that level until 2009.

The two main factors in cross-border trucking costs are fixed costs per shipment of moving goods across the border and higher line-haul costs of trucking cargo over longer distances.

Delays at the border and other border compliance costs add to the fixed costs per shipment incurred by trucking firms. These fixed costs include facilities cost, insurance and terminal costs, that is, loading and unloading.

Differences in fuel prices or difficulties finding 'backhauls,' that is, cargo for a return shipment, can also add to the line-haul costs of shipping to and from the United States.

Whether these additional costs are imposed on the export or import leg of the cross-border journey depends on the balance of cross-border trips. The export leg bore these costs until about 2005 and, increasingly, the import leg thereafter.

In 2005, the premium on the export leg was 30.0%, while the premium on the import leg was 20.3%. By 2009, the premium on the export leg had fallen to 17.1% and risen on the import leg to 25.6%.

The extra cost associated with cross-border trucking added about 0.3% to the value of exported and imported goods, on average, from 1994 to 2000.

From 2005 to 2009, the extra costs of cross-border trucking added about 0.6%, on average, to the value of goods crossing the border. While these additional costs are relatively small on a percentage basis, their effect is larger for goods such as autos and auto parts that pass over the border several times as they move through the various stages of the production process.

#### Note to readers

This study is based on data from Statistics Canada's Trucking Commodity Origin and Destination Survey. It examines how much crossing the border adds to the cost of moving goods by truck. In addition, it quantifies the cost of border delays, border-related compliance costs, and other costs associated with moving goods to and from Canada's main trading partner.

Costs measured by this study are only part of the total cost of shipping goods across the border. Institutional costs borne directly by exporting firms for matters such as customs administration have been estimated to be as great or greater than the costs passed on to them by freight carriers.

#### Definitions, data sources and methods: survey number 2741.

The research paper "How Much Thicker Is the Canada—U.S. Border? The Cost of Crossing the Border by Truck in the Pre- and Post 9/11 Eras," part of the *Economic Analysis Research Paper Series* (11F0027M), is now available from the *Browse by key resource* module of our website under *Publications*.

Similar studies are also available in the *Update on Economic Analysis* module of our website.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Mark Brown (613-951-7292; mark.brown@statcan.gc.ca), Economic Analysis Division.

## Airport activity, 2014

Air passenger traffic at Canadian airports increased 5.4% in 2014, the fifth consecutive annual increase following the economic slowdown of 2009.

All sectors experienced growth, as the domestic sector expanded 4.9% (+3.7 million passengers), other international traffic was up 7.1% (+1.7 million) and transborder traffic (between Canada and the United States) increased 5.3% (+1.3 million). Both Canadian and foreign carriers expanded their 'other international' flight offerings, contributing to the overall growth in passenger traffic.

The total number of passengers enplaned and deplaned in Canada rose from 104.8 million in 2009 to 130.6 million in 2014, an increase of 24.6%. Since 2009, the transborder (+26.5%) and other international (+31.4%) sectors have experienced stronger passenger traffic growth than the domestic sector (+22.0%). However, the domestic sector remains the largest with 78.9 million passengers in 2014, compared with the transborder (26.0 million) and other international (25.7 million) sectors.

The weight of cargo loaded and unloaded at Canadian airports increased 2.7% in 2014 to more than 1.1 million tonnes. Domestic cargo increased 2.8% to 480 000 tonnes. Transborder tonnages fell 1.9% to 230 000 tonnes while international cargo grew 5.3% to 390 000 tonnes.

#### Note to readers

These data are subject to revision.

Available in CANSIM: tables 401-0044 and 401-0045.

Definitions, data sources and methods: survey number 2701.

The 2014 issue of *Air Carrier Traffic at Canadian Airports* (51-203-X) is now available from the *Browse by key resource* module of our website under *Publications*.

## Production and disposition of tobacco products, June 2015

Canadian manufacturers produced 1.9 billion cigarettes in June, up 0.2% from the previous month. Cigarette production decreased 4.7% from the same month a year earlier.

The total number of cigarettes sold in June increased 17.8% from May to 2.1 billion, up 4.9% from June 2014.

#### Note to readers

These data are subject to revision and are not seasonally adjusted.

The monthly survey, Production and Disposition of Tobacco Products, measures the quantities of tobacco products that are produced and sold by Canadian manufacturers.

Available in CANSIM: table 303-0062.

Definitions, data sources and methods: survey number 2142.

# Milled wheat and wheat flour produced, May 2015

Millers milled 240 589 tonnes of wheat in May, while wheat flour production totalled 188 899 tonnes.

#### Note to readers

An animated video that illustrates the nature and breadth of agricultural statistical data collected and disseminated by Statistics Canada is also available.

Available in CANSIM: table 001-0044.

Definitions, data sources and methods: survey numbers 3403 and 3443.

# Refined petroleum products, June 2015

Data on the production, inventories and domestic sales of refined petroleum products for Canada and the regions are now available for June upon request.

Other selected data about these products are also available.

#### Note to readers

Data for May 2015 have been revised.

Definitions, data sources and methods: survey number 2150.

# New products and studies

#### **New products**

Air Carrier Traffic at Canadian Airports, 2014 Catalogue number 51-203-X (HTML | PDF)

**Retail Trade**, May 2015, Vol. 87, no. 5 Catalogue number **63-005-X** (HTML | PDF)

#### **New studies**

Economic Analysis (EA) Research Paper Series: "How Much Thicker Is the Canada-U.S. Border? The Cost of Crossing the Border by Truck in the Pre- and Post 9/11 Eras", No. 99 Catalogue number 11F0027M2015099 (HTML | PDF)

# Release dates: July 27 to 31, 2015

(Release dates are subject to change.)

Release date	Title	Reference period
28	Industrial product and raw materials price indexes	June 2015
30	Payroll employment, earnings and hours	May 2015
30	Value-added exports	2007 to 2011
31	Gross domestic product by industry	May 2015

See also the release dates for major economic indicators for the rest of the year.



#### Statistics Canada's official release bulletin

Catalogue 11-001-X.

Published each working day by the Communications Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access or subscribe to The Daily on the Internet, visit our website at http://www.statcan.gc.ca.

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2015. All rights reserved. Use of this publication is governed by the Statistics Canada Open Licence Agreement:

http://www.statcan.gc.ca/reference/copyright-droit-auteur-eng.htm