

Sector Definition

Logistics is the process of planning, executing and controlling the flow and storage of goods and services as they make their way to consumers. The logistics sector refers to the businesses involved in controlling inventory, scheduling and overseeing transportation, and working with wholesalers, retailers and brokers. It is broken into two main subsectors:

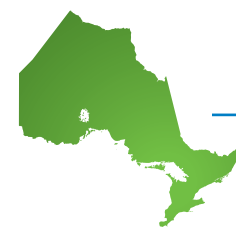
1. Warehousing and storage
2. Transportation (moving goods by truck, rail, air, water, pipeline, passenger transportation, postal services, couriers and messengers).

Sector Overview



Canada

Canada's transportation system is well developed and diverse, including a vast network of highways, airlines, railways and marine shipping companies. Logistically, the country acts as a "gateway to North America," importing foreign goods and moving them across the country and beyond.

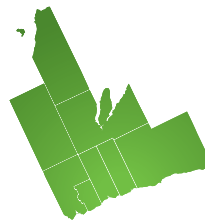


Ontario

Much of Ontario's transportation and warehousing can be found in the Greater Toronto Area (GTA). The GTA's transportation hubs, which can be found in the north and west ends of the city, have quick access to major highways, rail terminals and marine ports. Toronto Pearson International Airport plays a key role in the sector, as almost half of Canadian international cargo comes through Ontario.

Over 40% of Canadian trucking companies are in Ontario, and three quarters of freight in Ontario is moved by truck. As a result, truck drivers make up 65% of employment in the Ontario transportation subsector. Other key occupations include material handlers, dispatchers, radio operators and transportation managers.

Warehousing and storage are changing in Ontario as companies combine smaller warehouses into larger centralized locations, and introduce new technology to help control inventory.



Durham Region

Being close to Toronto, Montreal and New York help make Durham Region an attractive place to invest, and the region's transportation and warehousing sectors are growing faster than in other regions of Canada.

Durham Region is home to several transportation options that lay the groundwork for current and future growth. These include the Oshawa Municipal Airport, the Port of Oshawa, rail lines owned by both Canadian National Railway (CNR) and Canadian Pacific Railway (CPR), and four major 400-series highways.

Most freight in Durham Region is carried by truck, with almost 8,000 commercial vehicles passing through the Durham east boundary of the 401 each year. The Hamilton Oshawa Port Authority records more than 70 cargo vessels calling on the port per year. An important support for both logistics and the agriculture sector is the grain terminal at the Port of Oshawa, which makes it easier for local farmers to export crops without having to leave Durham Region. The proposed creation of an international airport in Pickering, intended to handle both passenger travel and cargo, would expand Durham Region's ability to support the logistics sector.

With its access to water, rail, air and ground transportation, Durham Region is able to meet the logistical needs of both the global market and local industries, including nuclear energy, agri-food and cannabis technology.

Training is available locally to help build the workforce needed in the logistics sector. Durham College offers programs in Supply Chain and Operations Management, and Transportation and Logistics Management. They also offer training and testing for drivers pursuing their Class D (heavy equipment and light weight transport truck) and AZ (heavy weight transport truck) licences. Ontario Tech University offers degree programs including automotive, electrical and chemical engineering.

Current Sector Trends



E-Commerce

A dramatic rise in online shopping has changed both warehousing and transportation within the logistics sector. Instead of shipping goods to stores, many goods are being shipped directly to people's front doors. To meet the demand for home delivery, new distribution centres, automation, enhanced warehousing technology and a larger network of just-in-time delivery partners are needed.

Technology

As with many sectors, technology is impacting the entire supply chain. The logistics sector is increasing its use of self-driving vehicles, drones, robotics, and automation to improve the speed and accuracy of warehousing and transportation. The use of mobile internet and the "internet of things" (products with embedded sensors or internet-enabled devices that allow tracking and the transfer of information) is increasing, as is the use of blockchain systems to exchange cryptocurrencies like Bitcoin.

Workforce Needs

Across Canada there are more than 27,000 unfilled jobs in the supply chain. Another 66,000 job openings are anticipated each year for the next five years. To help the logistics sector meet current demands and grow in the future, more people are required in the following jobs:

- **Engineering Technician**
- **Forklift Operator**
- **Freight Control Clerk**
- **Loss Prevention and Safety Manager**
- **Material Handler**
- **Mechanical Engineer**
- **Picker**
- **Storekeeper and Parts Clerk**
- **Warehouse Inventory Auditor**
- **Warehouse Manager**
- **Warehouse Worker**

The rise of e-commerce and the increase in technology is also creating demand for workers with digital literacy skills and information technology experience in many different roles.

This document is current as of May 2021. Please be aware that information in this document may change over time. This Employment Ontario project is funded by the Ontario Government. The views expressed in the publication are the views of the Durham Workforce Authority and do not necessarily reflect those of the province.

Logistics Narrative

