The manufacturing sector shows several levels of development across Canada based on local markets. The most significant and sophisticated hubs for manufacturing are in Ontario and Quebec. Primarily developed to support the automotive, aerospace, telecom and pharmaceutical industries, these hubs boast clean and safe facilities, and many of the manufacturing companies employ world-class sophisticated and/or large-scale equipment in their processes and facilities.

Opportunities
U.S. companies have the ability to leverage these capabilities to reduce costs. Cost structures may allow for increased margins without compromising production quality. Time zone alignments and ease of transport can be a significant advantage for U.S. firms with Canadian manufacturing centers. An acquisition or joint venture/alliance with a Canadian manufacturer could also open a large market north of the border to the U.S. firms.

Challenges
Union dynamics may be the most important challenge to entering the Canadian manufacturing sector. While not necessarily different from those in the U.S. at the high level, the dynamics on the ground exhibit substantial differences, including certifications, safety and labor regulations. Labor relations have been generally positive in recent years, and work disruption due to strikes and lockouts is uncommon. Canada has a large sophisticated and skilled workforce with more than two-thirds of the adult population holding post-secondary credentials. The national unemployment rate is currently 6.8% and stable, with variations among provinces running between 5.9% and 12%.¹

Although Canada offers opportunity in most industries, there are some that have unique and specific potential today. Similarities between industries across the border, foreign exchange advantages and simply the growth potential of each sector within Canada are among them.

In this article, we examine the potential of Canada’s manufacturing sector for cross-border commerce.
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Rainmaker is a recognized leader in global market expansion and strategic business development. Founded in Canada in 2007 to serve the energy industry, Rainmaker GBD’s process has evolved beyond energy, and today we excel at assisting companies in various industries to pursue international expansion opportunities. Our team of professionals works closely with our clients to develop comprehensive market entry strategies, enhanced market exposure and traction, and expanded global reach.

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Established in Canada in 1998 and a Canadian commercial lending foreign bank branch since 2001, PNC Bank Canada Branch ("PNC Canada") offers specialized knowledge and experience to help you succeed in this vital cross-border marketplace.

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If you are a U.S. company with actual or projected operations in Canada, or a Canadian company, PNC Canada can assist you with credit, depositary, and treasury management products and services. If you are interested in exploring how PNC Canada might be able to assist with your Canadian operations, we encourage you to contact your Relationship Manager or visit pnc.com/canada.

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1 http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/lfs01a-eng.htm (Statistics Canada)
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