Figure A.3

INTERNATIONAL OPERATIONS COST COMPARISON

	Facility Costs[2]		Labour Costs[4] (US$'000)		Transportation Costs[5] (US$'000)				Utilities Costs[8] (US$'000)				Total Operating Costs (US$'000)	
	Lease[3]	Rank	Average per Operation[1]	Rank	Surface Freight[6]	Rank	Air Freight	Rank	Electricity[9]	Rank	Natural Gas[10]	Rank	Total	Rank
North America														
LETHBRIDGE	**$ 366**	**1**	**$ 6,266**	**1**	**$1,271**	**10**	**$ 354**	**9**	**$ 323**	**8**	**$ 46**	**1**	**$ 9,514**	**1**
Canada	572	3	6,668	2	948	8	333	6	203	1	84	3	9,667	2
United States	503	2	7,579	8	874	7	312	4	207	3	71	2	10,408	6
Europe														
France	812	8	7,127	6	586	4	308	3	204	2	144	8	10,306	4
Germany	693	7	8,235	9	515	1	326	5	308	6	158	9	11,493	7
Italy	669	6	7,086	5	621	6	353	8	515	10	190	10	10,598	8
Netherlands	642	4	7,264	7	537	2	405	10	300	4	134	6	10,344	5
United Kingdom	1,192	9	6,669	3	537	3	296	2	317	7	110	5	10,156	3
Asia Pacific														
Australia	675	5	6,938	4	1,233	9	343	7	355	9	99	4	10,791	9
Japan	1,346	10	8,529	10	611	5	250	1	302	5	136	7	12,409	10

Source: KPMG. Competitive Alternatives: KPMG's Guide to International Business Location 2010 Edition. 2010

Notes:

[1] Total average labour costs include salaries and wages, statutory benefits and other benefits

[2] Industrial and office leasing data were collected by Colliers International real estate professional in each local market.

[3] Results are the average for the comparable centres selected for the international results. Care should be taken in interpreting the country average due to significant variations in costs.

[4] Results are based on Individual job descriptions, typical salary and wage levels have been collected for each position in each centre studied. Statutory and employer-sponsored benefits have been calculated individually according to the average pay for each job. Average for 17 operations included in the overall results.

[5] Cost are based on a product distribution pattern for each relevant operation which reflects the characteristics of, and the markets for, the goods produced. Product Distribution has been based on global, continental, national, and regional markets.

[6] The model assumes that all freight movements are handled by third-party logistics providers and each firm is able to maximize the efficiency of its distribution patterns, delivering product to its customers in standard shipment sizes.

[7] Higher value products with shorter life cycles are assumed to be shipped via air freight.

[8] The electricity and natural gas requirements are assumed to be identical for each operation. Annual energy requirements have been developed based on actual firm and industry average data during the process of defining the standard operating parameters for each business operation. Costs were calculated based on published schedule rates of relevant energy suppliers or reported statistical rate data as available in each

[9] Average for 17 operations included in the overall results.

[10] Average for 11 manufacturing operations included in the overall results. Natural gas costs have not been analyzed for non-manufacturing