

COMPETITIVE ALTERNATIVES 2014 COST MODEL
DETAILED COMPARISON REPORT

INDUSTRY: CHEMICALS
OPERATION: Specialty Chemicals
(USD\$'000)

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City	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Region	AB	ON	BC	LA	CO	TX	LA
Country	CA	CA	CA	US	US	US	US
Exchange rate per USD\$	C\$1.050	C\$1.050	C\$1.050	\$1.000	\$1.000	\$1.000	\$1.000

Initial Investment

Cash	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Inventory	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Fixed assets	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500

Initial Financing

Debt	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Equity	10,750	10,750	10,750	10,750	10,750	10,750	10,750
	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500

10-Year Average Profit & Loss

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Sales	48,200	48,200	48,200	48,200	48,200	48,200	48,200
Location-sensitive costs							
Salary and wages	5,836	5,872	5,935	5,412	5,739	5,728	5,668
Statutory plans	353	546	386	452	512	497	473
Other benefits	1,590	1,658	1,578	2,052	2,156	2,172	2,149
Total labor	7,779	8,076	7,899	7,916	8,407	8,396	8,289
Rank, total labor	1	4	2	3	7	6	5
Facility lease	357	263	381	235	188	219	262
Rank, facility lease	6	5	7	3	1	2	4
Surface freight	1,520	1,209	1,434	1,024	1,399	1,056	891
Air freight	-	-	-	-	-	-	-
Total transportation	1,520	1,209	1,434	1,024	1,399	1,056	891
Rank, transportation	7	4	6	2	5	3	1
Electricity	448	435	269	181	218	204	265
Gas	199	233	305	169	271	171	169

<i>Total utilities</i>	647	668	573	349	489	375	434
<i>Rank, electricity</i>	7	6	5	1	3	2	4
<i>Rank, gas</i>	4	5	7	1	6	3	1
<i>Total operating costs</i>	10,303	10,216	10,287	9,524	10,483	10,046	9,876
<i>Rank, operating costs</i>	6	4	5	1	7	3	2
	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Interest	235	235	248	341	362	356	345
Depreciation	1,887	1,887	1,887	1,887	1,887	1,887	1,887
<i>Total interest, depreciation</i>	2,122	2,122	2,135	2,228	2,249	2,243	2,232
Income tax, national	709	745	708	2,051	1,515	1,703	1,943
Income tax, regional	472	526	518	-91	221	6	-96
Income tax, local	-	-	-	-	-	-	-
Capital tax, national	-	-	-	-	-	-	-
Capital tax, regional	-	-	-	5	-	-	5
Sales tax	-	-	207	217	152	197	214
Property tax	172	204	207	87	394	424	93
Gross receipts tax	-	-	-	-	-	-	-
Business tax	-	-	-	-	-	-	-
Grants, subsidies	-	-	-	-166	-	-	-174
<i>Total taxes (net of grants)</i>	1,353	1,475	1,640	2,103	2,282	2,330	1,984
<i>Total location-sensitive costs</i>	13,778	13,813	14,062	13,855	15,014	14,619	14,092
Location-insensitive costs							
Materials	25,546	25,546	25,546	25,546	25,546	25,546	25,546
Other operating expenses	3,856	3,856	3,856	3,856	3,856	3,856	3,856
<i>Total location-insensitive costs</i>	29,402	29,402	29,402	29,402	29,402	29,402	29,402
<i>Total costs</i>	43,180	43,215	43,464	43,257	44,416	44,021	43,494
<i>Net profit after tax</i>	\$5,020	\$4,985	\$4,735	\$4,943	\$3,783	\$4,179	\$4,705
<i>% of sales</i>	10.4%	10.3%	9.8%	10.3%	7.8%	8.7%	9.8%
Overall rank	1	2	4	3	7	6	5
Overall index	96.6	96.7	97.3	96.8	99.4	98.5	97.3

Summary Measures

	Edmonton	Toronto	Vancouve	Baton Ro	Denver	Houston	New Orle
Net profit before income tax	\$6,201	\$6,256	\$5,961	\$6,737	\$5,519	\$5,888	\$6,378
Effective income tax rate	19.0%	20.3%	20.6%	26.6%	31.5%	29.0%	26.2%
<i>Rank</i>	1	2	3	5	7	6	4
Property-based taxes per sq.ft.	\$3.44	\$4.08	\$4.14	\$1.74	\$7.88	\$8.47	\$1.86
<i>Rank</i>	3	4	5	1	6	7	2

*Effective tax rates are not shown where results are not meaningful due to marginal profitability.
Effective tax rates may be negative due to refundable tax credits exceeding taxes paid.*

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The analysis on this website is based on cost information collected primarily between July 2013 and January 2014. Taxes reflect tax rates in effect on January 1, 2014, and also incorporate any announced changes at that time to take effect at specified later dates. Exchange rates and other cost factors will, of course, change over time. Tax rates and other tax-related information are also subject to change as a result of new legislation, judicial decisions, and administrative pronouncements.

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