Cool... très cool

temperature-controlled cargo
Quality achieved with experience

In operation since 1985

Full-service climate controlled container-care

The right people in the right place

“WE’LL TAKE IT FROM HERE”

HEAD OFFICE

MONTREAL, QC
6360 Notre-Dame E.
Montreal, QC
Phone 514-259-9041
Fax 514-256-8237

VILLE SAINT-LAURENT, QC
4500 Hickmore section 8
Saint-Laurent, QC
Phone 514-344-1334
Fax 514-344-9581

TORONTO, ON
110 The West Mall
Etobicoke, ON
Phone 416-626-3999
Fax 416-626-3991

CALGARY, AB
250050 Lantz Way
Rocky View country
Phone 403-818-5290

PRINCE RUPERT, BC
3100, Scott Rd
Prince Rupert, BC
Phone 438-863-7858

www.huntrefrigeration.com
CHILLED OR FROZEN, ALWAYS DELIVERED WITH CARE

For the care of your delicate and perishable goods, MSC offers a global network of highly qualified experts in refrigerated transportation. We guarantee an agile, flexible and personalized service, which preserves the condition of your cargo from the moment it is loaded until the moment it reaches its delivery point. You can trust our experience as a world leader in global container shipping.

To find out more, please contact your MSC office.

+1 800 634 3711 or msccanada@msc.com

msc.com/reefer
### 2017 PUBLICATION SCHEDULE

**Next issue: September 4, 2017**

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>March</th>
<th>April</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>July</th>
<th>August</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>September</th>
<th>October</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>S  M  T  W  T  F  S</td>
<td>S  M  T  W  T  F  S</td>
</tr>
<tr>
<td>1  2  3  4  5  6  7</td>
<td>8  9  10  11  12  13  14</td>
</tr>
<tr>
<td>15  16  17  18  19  20  21</td>
<td>22  23  24  25  26  27  28</td>
</tr>
<tr>
<td>29  30  31</td>
<td>30  31</td>
</tr>
</tbody>
</table>
August 21, 2017

CONTENTS

The contents of this publication are protected by copyright laws and may not be reproduced, in whole or in part, without the written permission of the publisher.

6 From an idea in 2000 to six refrigerated warehouses, 45 trucks and a wholesale grocery business on Vancouver Island and the Gulf Islands
8 Nova Cold Logistics a vital enabler of Nova Scotia’s food export industries
9 Online food market may not provide the tasty results operators expect
11 Tropical Shipping a key link between Eastern Canada and the Caribbean
15 Halifax is Nova Scotia’s cool cargo hub
17 Charting the complexities of produce distribution with a major Western Canadian wholesaler and grocery chain

PORT OF WINDSOR

21 Port of Windsor looking forward to a very promising future
24 Cross-Border Institute: Committed to building better borders
27 Sterling Fuels: The power of exceeding expectations

32 Speed restrictions imposed in Gulf of St. Lawrence - Chamber of Marine Commerce comments
33 Seaway cargo up 18 per cent year-to-date
34 Victoria’s Point Hope Maritime a good news story for B.C. shipyards
36 NAFTA: Are we ready to deal with the onslaught of curveballs the U.S. will throw at us?
39 EDC: Shifting stateside? Think about it…
40 CITT announces appointment of new CEO
40 Asia to Europe contract rates soar, but there’s pressure on the transpacific
41 Container lines could be banking $5 billion in profits this year, says Drewry
42 Impressive transatlantic growth for U.S. imports, but outlook not so bullish
42 Some box terminals are facing ‘catastrophic economic failure’, warns analyst
43 HMM becalmed in the red, ‘challenged’ by high slot costs and low rates
44 Yang Ming stays in the red as THE Alliance fine-tunes its contingency fund
44 Tradelane rivalry may scupper partnership of 14 Korean shipping lines, warns analyst
45 Another mega-containership runs aground, pushing salvors to their limits
45 Tomorrow’s world today, as automated ‘rapid logistics’ begin to optimize supply chains

46 CMA CGM ULCV order could send ripples across tradelanes as rates strengthen
47 Spectre of overcapacity returns to haunt liner shipping as newbuilds queue up
48 Revenue soars for Japanese lines in Q1 as they eye new alliance
48 U.S. ports cheered by news that workers have agreed contract extension to 2022
49 Hanjin creditors can expect to get back less than two cents in the dollar
50 Insurers grow twitchy as containerships get bigger and cargo more valuable
50 One year on, the expanded Panama Canal still ‘surpassing expectations’
51 Things may be looking up for Europe’s ports, say analysts, but growth is slowing
52 OOCL needed cash and the ‘weight’ of Cosco to challenge the mega-competition
52 Port Saint John announces Bahri RoCon service, as well as CMA CGM container service
53 Dock workers at Long Beach injured in chemical spill
53 Seaway welcomes new members to its Board of Directors
54 Shore power project completed at Port of Montreal
54 Port of Sept-Îles multi-user dock generates local spinoffs

REGULAR FEATURES

39 Career Centre
55 Upcoming Industry Events
55 Index of Advertisers
From an idea in 2000 to six refrigerated warehouses, 45 trucks and a wholesale grocery business on Vancouver Island and the Gulf Islands

BY R. BRUCE STRIEGLER

With a population just short of 800,000, Vancouver Island is the largest island on the West Coast of North America, and is comparable to the combined size of the Netherlands and Taiwan. It is separated from the BC mainland by the Strait of Georgia to the east and, to the south and southeast, from Washington State by the Strait of Juan de Fuca. Nestled off the coast of Vancouver Island, and between it and the mainland of British Columbia, lies an archipelago of more than 200 islands, many populated with year-round residents, and always a get-away location for local and international visitors. Goods are transported between the mainland, Vancouver Island and the Gulf Islands by ferry, adding cost and logistics issues to supply chains.

Neither the economic challenges, nor the geographical trials daunted Kelly Hawes, CEO and owner of ColdStar Solutions Inc., which Hawes started in 2000, “with one truck and an idea.” The idea with Cold Star Freight Systems was to change how food was coming to Vancouver Island, and Hawes says, “It’s a unique area for shipping refrigerated product, it is so expensive to get things across on the ferry, and at the time truckers were hauling anything and everything all together. I looked at that and thought, there should be a carrier that specializes only in hauling food and does it in a food-safe way.” Some years after starting his freight company came an opportunity to take two successful Island businesses and merge them to create a company whose sole focus is to enhance the grocery market on Vancouver Island and the Gulf Islands. On July 1, 2014, ColdStar Solutions Inc. was formed by a merger between Victoria based Wilson Foods (1994), a Victoria grocery wholesaler, and Cold Star Freight Systems Inc.

“We only haul food, we helped develop a food safety program for the trucking industry which filled the gaps in safety protocols.” Hawes explains how they then approached some of the large food suppliers such as Sunrise Farms and Maple Leaf Foods, selling them on the idea of working with a company able to haul direct to store. “We do it in a hub and spoke model, with refrigerated warehouses in Richmond on the mainland, Comox, Nanaimo and Victoria on the Island. The product comes across the water, into one of the hubs, where it is sorted, loaded onto smaller trucks and then off to individual Island stores.” Hawes notes getting the idea launched was a massive job. “And to think, we launched Cold Star Freight with a three-man team.”

Developing and implementing “Food Safe” transportation practices

Hawes is particularly pleased with the Food Safety program. “I approached the BC Trucking Association, explaining how I wanted to be a food-safe trucking company pointing out there was no regulation in place, and no way to prove to the big food suppliers we were in fact operating how we said we were.” The BC Association put him in touch with the Canadian Trucking Association and ultimately through that connection, Hawes developed and convinced twelve trucking companies across Canada to run a year-long food-safe pilot project. He says it took a further year before the Canadian Food Inspection Agency (CFIA) certified the plan. The program is now run by Iron Apple International, a leading provider of professional food safety solutions for companies involved in the transportation of food products throughout North America. Members from the food trucking industry are audited on a regular basis and certified that they are meeting all the food safety standards required by CFIA. “It took a long time to get that program in place, but we’ve followed those protocols from the beginning. The big food suppliers bought into that and still use our services to this day.”
Hawes explains that while local food retailers, who do not pay for Cold-Star’s cold-storage and delivery services, (it’s the food manufacturers that pay), recognized their food items were arriving in better shape and lasted longer on the shelves.

Now with a fleet of 45 trucks, (all running on compressed natural gas, and equipped with GPS tracking systems), 190 employees, and six refrigerated warehouses, ColdStar Solutions runs 24 hours, seven days a week. “We’re the only public cold storage on Vancouver Island and with the merger, we’re now a grocery wholesaler. Our wholesale division is over 100 years old, having opened the doors as Wilson Brothers Frozen Foods in 1912. We currently service Vancouver Island from three wholesale warehouses, including our 72,000 square foot warehouse in Cassidy. We are the oldest independent wholesaler on Vancouver Island.”

“As a transport company, there’s only so much business you can do, and we had already achieved a generous share of the market, so we got into public cold storage. Then, with our freezers full, the merger opportunity came about. That was a massive jump in revenue and gave us a lot of pieces of the puzzle that helps us drive the cost down in getting groceries to the retailers on the Island.” He cites an example of being able to buy groceries out of Toronto, and using the company’s facilities and trucks, can leverage its partnerships to make prices competitive for Vancouver Island retailers. Hawes says that the company uses BC Ferries as well as Seaspan Ferries Corp. to transport from the mainland to the Island. He agrees that transport challenges do arise when transporting food product to the smaller Gulf Islands, especially when it comes to less than a truckload (LTL) loads.

**Investing in new refrigerated facilities pays off**

The mainland warehouse facility, located in Richmond, features a 42,000 sq.-ft. warehouse 20 minutes from BC Ferries Tsawwassen Terminal and approximately 30 minutes from the Canada/U.S. border. The dock and freight handling area are maintained at a constant temperature of two degrees Celsius. The Victoria warehouse is 36,000 square feet, from which half a million pounds of product is moved each night. The Victoria location also houses the company’s Produce Division. “We’re not only transporting food product but we’re also buying and selling groceries, everything from frozen, dairy and dry goods, with a separate Produce Division.” The Ladysmith Cross Dock Facility is strategically located just south of the Nanaimo airport and just 15 minutes from BC Ferry’s Duke Point terminal. The building boasts 25,000 square feet of dedicated space, of which 15,000 sq. ft. is refrigerated and 10,000 sq. ft. is frozen.

There is a certain passion when Hawes talks about the company’s Community Food Project. “Once a month ColdStar, with the help of other participating sponsors, donates food to non-profit agencies on Vancouver Island. We encourage food suppliers to donate rather than ‘dump’ their mis-shipped, mislabeled, and package-damaged products. We also purchase any food items not donated each month, typically high protein items like cheese. We deliver the bulk food items, things like chicken, cheese, eggs, meat, peanut butter, yogurt, or bread, to the Blanshard Community Centre in Victoria.” It is here that volunteers divide the donations into equal parts and the other Neighbourhood Houses come and collect their individual donations. ColdStar oversees the entire Community Food Project. “We are committed to seeking out donations from like-minded business partners.”

When asked about goals for the future, Hawes replies, “Trying to drive cost down, supporting local farmers and figuring out what will be most beneficial to the consumers on Vancouver Island.”
Nova Cold Logistics a vital enabler of Nova Scotia’s food export industries

BY TOM PETERS

At Nova Cold Logistics there is always a chill in the air. It’s been that way for a quarter of a century. Nova Cold operates approximately 150,000 square feet of cold storage space in three facilities, two of which are located in Burnside Industrial Park and the third in the Halifax Gateway Logistics Park, all in Dartmouth, NS.

In 2015, Nova Cold (formerly Brookfield Cold Storage, Calgary) gained a presence in Nova Scotia with the purchase of Nova Cold Storage, adding an Atlantic Canada location to its operations in Central and Western Canada.

Approximately 65 to 70 per cent of the product handled by Nova Cold is frozen seafood, says General Manager Mike Harper. The remaining products include dairy, fruit, vegetables and other foods.

Located within minutes of Port of Halifax, Nova Cold is a third party logistics provider for both importers and exporters, acting as a hub as containers loaded with product move through the facility, heading to either an international or domestic destination. The temperature controlled containers not only move on truck, but also rail.

“We are a bit unique here in that we have our own rail siding at our Thornhill location (Thornhill Drive, Burnside). So we have rail cars for our biggest customers and we are the only one (cold storage facility) to have rail,” he said.

Harper said Nova Cold is a fairly large operation. “Our throughput is pretty big. We likely move six million to seven million kilos (of product) a month,” he says.

“The great thing about our facility here (Halifax Gateway Park) is we have a temperature controlled dock and our dock at all times is at zero (Celsius) so when you take off boxes there is no temperature change. The dock ramps are inside the building so the doors of the trailer stay closed until the trailer gets into the facility. That is a big thing for our customers,” he said, because it helps to
maintain product quality. In the facility’s storage freezers, the temperature is minus 18 Celsius.

The Nova Cold spokesman said what is also “unique” about the company “is our excellent service levels. That is what our facilities in the West and Central Canada are known for. We use a HighJump warehouse management system (inventory software). Our customers can track their products in real time, at all times,” he said. “HighJump is an excellent system. They are the 3PL experts of the world,” he said. Harper noted that in the “old days with pen and paper, people actually lost inventory. You don’t want to lose seafood, that’s expensive,” he said.

With Nova Cold’s facilities in Nova Scotia at capacity and growth opportunities on the horizon, the company is planning a major expansion, a 60,000-square-foot warehouse attached to its location in Halifax Gateway Logistics Park. The company expects to have the new facility operational by the end of 2018.

As for future growth, Harper sees natural growth in the Atlantic Canada seafood industry which already generates over $2 billion for the region’s economy. He also sees increased trade potential with Europe when the Comprehensive Economic and Trade Agreement becomes a reality, and also possibly with China.

Nova Cold is a partner in Port of Halifax’s “highly efficient supply chain” and through this supply chain the Port Authority is helping Nova Scotia exporters get their product to international markets, says the Port’s Lane Farguson.

“Nova Cold Logistics is an excellent example of a Nova Scotia company that enables producers to access international markets,” said Farguson. “By providing an efficient and convenient way of packing food products and perishable goods to be shipped as frozen or refrigerated cargo, Nova Cold Logistics is helping berry harvesters, seafood producers and the dairy industry to reach customers far beyond the provincial borders of Nova Scotia,” he said.

At the Port’s two container terminals operated by Halterm and Ceres, approximately 1,000 electrical plugs for temperature controlled cargo have been installed, and the Port plans to add another 50 plugs this year at Halterm, says Farguson.

Online food market may not provide the tasty results operators expect

BY IAN PUTZGER

Amazon’s move to buy Whole Foods may have convinced investors that the online food market is the next El dorado, but entrants face a number of issues that could spoil the feast for them. Projections for the online food business are decidedly frothy. According to one estimate, by the year 2025, 20 per cent of food will be ordered online and 70 per cent of consumers will order some food over the web.

Chronofresh, a subsidiary of La Poste, established two years ago, certainly sees an opening. After a regional pilot programme, it launched a new service in July to deliver fresh meat, cheese and seafood ordered online to customers across France, mainly restaurants and meat and cheese retail establishments. The company estimates that revenue this year will be between €17 million and €20 million, and expects this to grow annually at least fourfold until 2020.

Horst Manner-Romberg, Managing Director of Hamburg-based research and consulting firm M-R-U, which focuses on the express parcel and mail sector, is not convinced that online food is the next big growth field for the industry, notwithstanding the current hype. He is reminded of the dot-com boom, when investors were throwing money at virtually any business idea that involved the
temperature-controlled cargo

Cool ... très cool

proteins. It found that 47 per cent of the shipments examined arrived at temperature levels above the threshold considered safe to avoid pathogens, which suggests that many delivery firms do not invest adequately in cool chain elements – an additional expenditure to push up their costs.

The researchers identified a host of problems, from lack of labelling and food safety information to the widespread use of gel packs, which the researchers found unsuitable for the online shipping business.

One issue for operators is an absence of comprehensive standards. The U.S. has introduced tightened guidelines for the transportation of food, but these do not apply to businesses that sell or deliver food directly to consumers. This sector is governed in the U.S. by state or local rules. While this situation suggests that consumers who purchase food online bear the risk of spoiled nutrients, it could provide an opening for operators that can distinguish themselves with a service marked by proven cool chain standards.

Vancouver-based Flying Fresh Air Freight, which specialises in perishables, has been offering an e-commerce service for the past 18 months, principally between Canada and China. While it covers a host of other commodities, the company moves perishables to China and is looking to expand its role there. So far it has handled shipments to the Chinese destination airport, but management is thinking of tackling the final mile. “We’re looking to delivering to the consumer’s door,” said CEO and chairman Brendan Harnett. “We don’t want to duplicate what our customers are doing,” he added.

Flying Fresh ships online orders to consumers and restaurants as well as wholesalers and e-commerce platforms. In the perishables segment, lobsters and seafood have done particularly well, while fruit and vegetables have been slower to gain traction, Mr. Harnett said. This tallies with Mr. Manner-Romberg’s take on the online food market. High-price nice products such as prime meats and seafood can absorb the transportation costs, but when it comes to groceries, consumers balk at what they regard as disproportionately high charges, he noted.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)
Tropical Shipping, which began service through Port of Halifax in January of this year, will introduce two new vessels into its fleet in 2018 increasing its capability to move temperature controlled cargo. Tropical moved to Halifax from Saint John and provides weekly service to Florida, the Bahamas, Puerto Rico and the Caribbean.

In June, 2018 Tropical, with headquarters in West Palm Beach, Florida, will begin moving cargo through Halterm International Container Terminal on its own vessels. The company is having six new ships built and the first two vessels will go into service in August, 2018. Presently, the Canadian service employs chartered ships.

The new ships will each have capacity of 1,100 TEUs and 270 electrical plugs for temperature controlled containers. Each of the two ships now in service only has 220 plugs.

Tim Martin, Tropical’s VP Commercial & Trades, said when Tropical made its move, “We are committed to our maritime customers and to maximizing our extensive Caribbean network. With our new vessels due to start service in June 2018, Tropical Shipping is working closely with Halterm, CN and Port of Halifax to build on its specialized reefer trade, all the while enhancing our reputation for loyal customer service.”

Halterm CEO Kim Holtermann, added that, “From our perspective, Tropical Shipping’s greatest strength has been in its ability to deliver a quality refrigerated service, on-time and from end-to-end, while all the time planning for the future development of its markets with bigger vessels due in 2018.”

Tropical is working diligently to increase its business on this service, considered by the line to be “the premier carrier for reefer cargo to the Caribbean,” says Cole.

Interestingly, Tropical’s reefer business is somewhat tied to these various southern destinations because of tourism. Tropical’s Caribbean trade is based on the vacation destinations, says Cole. “Most of the product going into the islands is for vacationing spots,” he says. The line has a base of local customers on the islands but with the ever-increasing construction of vacation resorts and with the continuous increase in people taking Caribbean vacations “our business increases. In a sense, we cater to the tourism industry,” Cole said.

Most of Tropical’s Halifax cargo is export with product coming from the four Atlantic provinces, Ontario and Quebec. In addition, Tropical acts as a feeder line Halifax for major global carriers whose vessels are too large to operate in many of the Caribbean’s small ports.

There were a number of reasons for Tropical’s move to
WHEN EVERY DEGREE COUNTS
Count on CN as your true partner in the food value chain

www.cn cargocool.com
Ship your temperature-sensitive cargo by CN Rail and enjoy year-round capacity, predictable pricing and great service with an extensive reach into the North American market.

One of the most critical elements of the cold supply chain is consistency. A day saved in transit is a day gained in shelf life. A cold supply chain needs to be tight with no room for errors. To achieve that you need a player with enough capacity, not only to meet current market demand but also to cater to seasonality spikes and growth. CargoCool – CN’s refrigerated transport service – provides stakeholders with a transportation solution that is more adaptable to volume demands and, with an increased fleet size coupled with a diversified asset base, more sustainable in the long run.

In a resource-based economy such as Canada’s, and with the population in emerging countries growing at a rapid pace, we will be playing an important role in feeding not only Canadians but also the world population. Canadian sourced food products are considered to be superior quality; and so the food supply chain within Canada must be robust to help our producers maintain high food safety standards with minimal environmental impact.

CN is the only rail network connecting all the three coasts (Pacific, Atlantic and Gulf). This puts CN in a unique position to connect all key consumer markets in the east (United States & Canada) and at the same time provide prompt connections for all exports originating from the Midwest. CN’s cross-border cold supply chain program also connects producers in key U.S. markets—California, Washington, Oregon, Texas—to consumer markets within Canada, the United States and Mexico. The CargoCool program allows customers to grow locally and expand globally.

CargoCool is a safe, reliable, environmentally friendly service that employs the latest monitoring technology and exception management systems. The remote monitoring technology provides end-to-end visibility through tracking and tracing. The cargo is extremely secure due to set point verification. While in transit, there is an automated alarm system that provides reporting and notifications. In addition, the advanced monitoring is accessible, capturing and holding historical temperature data. All this, and a dedicated team combine to give customers first-rate service. Security, visibility and traceability from beginning to end – that’s the CargoCool experience.
Halifax after many years of calling Saint John. “There are a lot of operational efficiencies with the move to Halifax and a lot of connectivity to the rest of the world,” said Cole. Plus, the “intermodal links are definitely a benefit for our service,” he said. CN, for example, provides a daily train with temperature controlled cars, in and out of Halifax. A further benefit, said Cole, is the greater number of cold storage facilities in the Halifax region.

Holtermann said “Tropical Shipping’s direct weekly service from Halifax to its own dedicated terminal in West Palm Beach, Florida and to the widest range of Caribbean port choices, most notably its direct call to Puerto Rico, allows Canadian exporters in the Atlantic provinces fast, efficient access to these markets.”

He said the move by Tropical to Halifax “also challenges shippers to make new connections via Halifax - whether that is from Newfoundland to Florida or from Singapore to Saint Thomas, U.S. Virgin Islands, the arrival of Tropical Shipping at Halterm provides shippers with an even stronger value proposition, at the only Atlantic container terminal handling vessels above 10,000 TEUs in capacity.”

“This is an important service for both regional Atlantic and inland Canadian exporters to the Caribbean,” said Halifax Port Authority’s Lane Farguson. “The additional direct shipping connections between the two regions translates into new opportunities for importers and exporters, particularly those who produce or specialize in frozen food products like seafood or vegetables,” he said.

“Tropical Shipping provides excellent refrigerated container service, which aligns well with the reefer capabilities at Port of Halifax. Currently, there are approximately 500 reefer plugs at each of the container terminals and the Port Authority is working to add additional capacity at Halterm,” Farguson added.
Maintaining the quality of imported wine and beer is an absolute necessity for the Nova Scotia Liquor Corporation (NSLC), and is one of the reasons NSLC relies on the cool supply chain through Port of Halifax. “Of the 890 containers last year with shipments of wine, beer and spirits, 197 or 22 per cent, were insulated and 196 were reefer containers,” said Beverley Ware, NSLC’s Communications Advisor. She said the insulated and reefer containers carry beer and wine from such countries as Belgium, the Netherlands, Denmark, South Africa, Chile, Argentina, New Zealand and Australia.

It is also interesting to note, she said, “these containers are used not just to keep products cool. We use them most from October to March to prevent product from freezing when it gets here.

It is not only wine and beer that benefit from the port’s cold chain infrastructure. Temperature-controlled cargo is a very important category of cargo for Port of Halifax,” said Halifax Port Authority’s Lane Farguson. “The agri-food and seafood export industries contribute significantly to the economic output of Nova Scotia and Atlantic Canada.” He said a significant volume of these products move through the port and “Thanks to advancements in the cold storage supply chain, high-value food products including pork, beef, seafood, blueberries, potatoes as well as food-grade lentils and grains can be shipped anywhere in the world from Atlantic Canada,” he said.

Other high-value reefer cargo moving through the port includes fruits and vegetables from Europe and North Africa and frozen shrimp from Asia moving into inland markets like Montreal and Toronto via CN’s intermodal temperature controlled cargo service. “We are fortunate that our rail provider, CN, is an industry leader when it comes to the movement of temperature-sensitive cargo,” Farguson said.

“CargoCool is an important and growing business for
The facts and numbers speak for themselves. See how a small change can make a big impact on your bottom line.

CN, said CN’s Patrick Waldron. “We continue to expand our CargoCool 53-foot fleet with additional units becoming available by the end of the year. CN is also upgrading the fleet for better monitoring of KPIs (key performance indicators) and mechanical issues and also testing new internal designs to improve air flow and further reduce the emissions of diesel engines as cargo cool containers flow in and out of Halifax,” he said.

CN’s CargoCool service is equipped with an advanced monitoring system that detects the slightest variation from the temperature designated for the cargo. Not all foods are shipped equally. Apples, for example, need to be shipped at -1 to +4 degrees Celsius and yams need to be shipped at 16 to 20 degrees Celsius. CN’s reefer containers are customizable to allow the carrier to adjust to each customer’s needs.

CN says shipping smarter also means making greener moves. CN’s CargoCool gensets can power up to 17 refrigerated containers at once compared to just one by truck, and rail emits four times less greenhouse gases than trucking.

Export container filled with Nova Scotia seafoods provide considerable direct and spinoff economic benefit to the economy of Nova Scotia, said Farguson. “This underscores two things – the importance of the seafood industry in Nova Scotia and the importance of having a convenient and efficient way of getting that product to international markets,” he said.

Currently, there are approximately 500 reefer plugs at each of the container terminals. The Port Authority is investing $70,000 to have an additional 50 plugs installed at the South End terminal operated by Halterm by mid-August with plans to invest in an additional 100 plugs this fall, Farguson said.
Charting the complexities of produce distribution with a major Western Canadian wholesaler and grocery chain

BY R. BRUCE STRIEGLER

Buy-Low Foods is a privately held company purchased by the Vancouver-based Jim Pattison Group in 1995. Pattison owns a number of grocery chains and wholesalers in western Canada which include Overwaitea Foods, Buy-Low Foods, Nesters Food Market, Urban Fare, PriceSmart Foods, Meinhardt Fine Foods, Bulkley Valley Wholesale and the distributors Associated Grocers and Van-Whole Produce. Buy-Low Foods is the largest food wholesale distributor to independents in Canada, servicing nearly 1,800 supermarket, convenience and specialty produce markets. With 24 corporate and franchise supermarkets, Buy-Low Foods also provides quality products at low prices directly to consumers in communities throughout British Columbia and Alberta. Pattison’s food assets also include fruit juice and fruit snack maker SunRype Products, seafood firms Canfisco and Ocean Brands and wine retailer Everything Wine.

Aaron Bregg, Director, Produce Operations, Buy-Low foods and Associated Grocers says, “In our company all the product is brought into a refrigerated warehouse in Langley B.C. From there, we match up all the products to ship – our company is a both a corporate retailer and a wholesaler of food. What this means is that in Western Canada, we deliver all over B.C., Alberta, Saskatchewan, Northwest Territories and the Yukon, all by truck.” Bregg explains that the company has two distribution centres, one in Langley, B.C. and another in Calgary.

The significance of the cold chain paramount to customer satisfaction

“The cold chain in essence, begins where the product is manufactured or picked. Products we purchase from farms are put into refrigeration at the farmer’s warehouse, usually at a temperature of 39F. We hire a reefer (refrigerated) truck to go to that location, where it is picked up at the same temperature, thus maintaining cold chain from the farm to the truck and then to our distribution centres.” Bregg says that, at the same temperature, the product is transferred from the distribution centre by refrigerated truck, to the store. “That is what we call cold chain.” He says that using various types of sensors, at warehouses, on trucks and in distribution centres, a steady temperature is monitored and maintained at all times.

Product that has fallen out of the cold chain, say, a reefer truck who has had a refrigeration unit failure during transport, is refused by the company. As an example, Bregg says that recently an entire load of bananas arrived in B.C. frozen. “We refused to accept the load, and resolution becomes an insurance matter for the trucking companies.” He says, “There’s a rule of thumb in our business that says for every 15 minutes outside of the appropriate temperature of the product, we lose one day of shelf-life.” Grocery wholesalers, including Buy-Low sources products globally, with a buyer team who build relationships with suppliers and place the orders. Buy-Low, like many Canadian food wholesalers, has a mandate that “buy local” is the preferred course of action. But Bregg says “The more people I talk to, the more I find there are different definitions of local. I believe that local is within the marketplace of our distribution location, so we procure product in B.C. for our B.C. warehouse, in Alberta for that distribution location.”

Bregg notes that one of the challenges confronting food distributors remains the cost of fuel, “This continues to be a significant issue in the...
Overall price of a tractor/trailer unit,“ and is relevant when the company loads multiple trailers weekly out of California or Arizona. Another big issue confronting Bregg, particularly in his role as director of produce operations, is weather. “In the produce business, all it takes one really hot day, snowy day or rainy day to wreck an entire market. It’s a challenge we constantly face, one that we will never have any control over, and so we accept it and move on.” To illustrate his point, he mentions farmers the company buys from in the Ashcroft area of B.C., currently in the midst of an historically massive forest fire season, saying, “Their fields have been wiped out.” He notes that his office always has a ‘Plan B’ when it comes to replacement of lost crops or truckloads.
NAVIGATING THE WATERS THROUGH HIGHWAY CONGESTION!

It’s simply smarter to use marine shipping:
add it up:
• No traffic congestion
• Economical
• Environmentally Responsible

Shipping smarter into the centre of the Great Lakes Basin.
Port of Windsor looking forward to a very promising future

After a somewhat disappointing year in 2016, Port of Windsor is rebounding strongly in 2017 with total traffic up by almost 20 per cent at the end of July.

David Cree, the Port’s President and CEO, stated “We had expected a downturn in 2016 after very strong seasons in three out of the four previous years. In 2012, 2013 and 2015, the Port recorded near-record levels of stone and construction aggregates due to the construction of the Right Honourable Herb Gray Parkway which is a major extension of Highway 401 leading to the new Gordie Howe International Bridge; and secondly, the construction of the 100 acre customs plaza which will serve the new bridge. With most of that construction completed in late 2015, we had projected that volumes of stone and construction aggregates would fall off in 2016 and that in fact occurred with volumes declining by approximately 30 per cent”.

Stone and construction aggregates and salt are the largest commodities handled within the port, traditionally accounting for over 80 per cent of total throughput. Unfortunately, salt volumes also declined in 2016 which contributed to the disappointing overall results for the year. However, the port’s other major commodities all posted solid growth this past season. Grain, which is handled at the ADM Windsor Grain Terminal, had a banner year with throughput increasing by 25 per cent. Similarly, general cargo which is shipped through Morterm Terminal and consists primarily of domestic and imported steel, was up significantly by almost 30 per cent. And finally, petroleum products which are shipped through the Sterling Fuels dock (which is owned by Windsor Port Authority and operated by McAsphalt Industries) were up by just over 3 per cent.

As noted, 2017 has started out very strongly with salt shipments up by 32 per cent, grain shipments up by 36 per cent and general cargo up by over 25 per cent. Stone and construc-
McAsphalt Marine Transportation Limited (MMTL) specializes in providing marine transportation that goes the extra mile.

We pride ourselves in offering our customers the safest, most environmentally friendly and efficient means of transportation “on time, every time”.

Operating two Articulated Tug/Barge (ATB) units, the “Everlast/Norman McLeod” and the “Leo A. McArthur/John J. Carrick”, on the Great Lakes, St. Lawrence Seaway and Eastern Seaboard.
tion aggregate shipments have levelled off and are keeping pace with 2016 volumes. With the start of construction of the new Gordie Howe International Bridge scheduled to commence in early 2018, and a very vibrant local economy, it is projected that volumes of stone and construction aggregates should approach near-record levels for the period 2018-2022.

The Port Authority has always been a strong supporter of community activities and that support has been “stepped up” in recent years. One of its longest standing partnerships is with the Windsor Police Service to provide effective marine patrol capability on the Detroit River. That partnership was expanded in 2016 with the purchase of a second “state-of-the-art” vessel which has greatly expanded the Police Service’s patrol capabilities.

As part of its environmental activities, the Port has undertaken two “greening projects” in the Olde Sandwich Town area of the port. The first involves the rehabilitation of an old Federal dock which has been re-purposed with a public fishing pier, green space and significant fish habitat; and the second, the development of vacant lands abutting the Port Authority’s office building which will be developed into an “outdoor museum”. This will include public green space, seating areas and walking trails as well as numerous story boards detailing the history of Olde Sandwich Town and the port of Windsor.

In conclusion, Mr. Cree stated “The Port Authority has a very strong history of economic development, environmental stewardship and community support, and those principles will continue to guide its activities in the future. With construction of the new bridge scheduled to commence next year, near full employment in the area, and a vibrant local construction industry, we are projecting that the next five years will be very positive for both the Port and the City".

The Port of Windsor
A Key to Our Success

Since 1954 Southwestern Sales has provided high quality aggregates and shipping services from quarries throughout the Great Lakes. Our network of ships, barges, docks and trucks enables us to move a variety of bulk commodities in the most economical manner for our customers. Full service operations are available at our docking facilities in East Windsor and at our new dock in West Windsor located at 210 Detroit Street in Olde Sandwich Towne. These join facilities in Sarnia, Sombra, and Kingsville. Our strategically located docks coupled with our large volume purchasing power allows us to offer the best price for brokerage, retail and wholesale needs, on either full or split cargoes, of bulk waterborne freight. If you have aggregate and shipping needs along the Great Lakes or down the St. Lawrence Seaway please call us first. You can count on our hallmark of experience, dedication and service.

Southwestern Sales Corporation Limited
Crushed Stone • Sand • Shipping
• Cargo Handling • Trucking
100 Lesperance Road, Unit #5
Tecumseh, Ontario N8N 1W1
Phone: (519) 735-9822
Fax: (519) 735-1913
www.southwesternsales.ca
The Cross-Border Institute (CBI) at the University of Windsor is dedicated to research, education and public outreach related to the movement of people, goods and services across the Canada-U.S. border. It takes a multi-disciplinary perspective, incorporating engineering, economics, the social sciences, management and law. Drawing on the expertise of the University’s faculty, its goal is to find practical solutions to real world problems.

CBI’s location, steps away from the Windsor-Detroit border – the largest point of crossing for the huge Canada-U.S. trade relationship – provides a unique perspective from which to study the impact of trends in cross-border transportation, trade, technology, and policy decisions by governments on both sides of the border. Working with public and private sector stakeholders, CBI has developed expertise in cross-border business and border management, both critical to Canada’s economic future. It is a leading centre for research on cross-border supply chains and transportation.

A major pillar of CBI is its Traffic Lab, which maintains sophisticated software, data and hardware including an array of sensors tracking all cars and trucks across the Ambassador Bridge border crossing in real time. CBI’s Traffic Lab is a leading centre for the application of big data analytics in the logistics sector. As an example, the map that is illustrated represents the spatial patterns of origins for trucks crossing into Canada at the Detroit River based on millions of Global Positioning System records generated by a sample of over 50,000 Canadian registered trucks. CBI research initiatives include computer simulations of border facilities and application of the methods of artificial intelligence to predict border crossing times.

CBI, with support from the Windsor Detroit Bridge Authority and in association with researchers from Michigan...
State University, is conducting a study of the economic impacts of the Gordie Howe International Bridge project. Located close by Port Windsor facilities and the Essex Terminal Railway line, it is expected that the new Bridge will become the most important crossing for Canada-U.S. trade. CBI is consulting with the community of shippers and logistics service providers and conducting objective, quantitative analyses of the feasibility of a variety of innovative logistics services that might benefit from the new bridge. CBI is especially interested in exploiting the region’s pivotal position in both trucking and marine networks. Through this research, CBI will identify new opportunities for economic development where marine, rail and highway transportation come together at the crossroads of the Great Lakes Region.

For nearly a decade, Windsor Port Authority has been a supporter, advisor and friend to CBI and its predecessor organization the Cross-Border Transportation Centre at the University of Windsor.

To learn more about CBI, its research activities and its outreach to the transportation and logistics community, visit the web site at http://cbinstitute.ca or contact CBI at crossborder@uwindsor.ca.
WE KNOW WHAT POWERS YOU.

Sterling Fuels provides a full range of fuels and ExxonMobil lubricants, all of which meet the strictest industry standards. Just like the service we offer, whether by water, land or truck.
Sterling Fuels: The power of exceeding expectations

Sterling Fuels contributes much of its success to its location on the third largest Canadian Great Lakes port in terms of shipments, namely Port Windsor. In turn, Sterling strives to offer exceptional service and fuelling options for ships operating within the Great Lakes and Atlantic Canada. The properties on which Sterling is located in the southern-most port in Canada consists of two parcels owned by Windsor Port Authority and leased to Sterling Fuels, and a second parcel owned by Sterling Fuels.

Sterling also operates a dock owned by Windsor Port Authority, and is proudly a Division of McAsphalt Industries. McAsphalt is a recipient of the 2017 Canada’s Best Managed Companies Award presented by Canadian Business. Factors that led to this prestigious ranking included: delivering on its promises and exceeding expectations, and being a creator of innovations that solve real problems. Managed by these same principles, the focus of Sterling Fuels’ 2016 strategic planning meetings with McAsphalt was to develop a strategy that directly effected processes, products, customers and employees. In 2017, the resulting action items were executed, the strengths and opportunities capitalized on, and the weaknesses and threats addressed. What remains is a top-notch team reflecting an efficient world-class operation.

Spending continues at Sterling as management seeks to improve plant safety and environmental protection, following the $30-million infrastructure improvements in 2010 accomplished in partnership with the Port Authority. Improvements to the Sterling facility over the past three years cover plant and dock safety improvements, tank and loading arm emission control systems, personal and yard H2S monitoring devices, secondary product containment systems, and environmental protection projects including groundwater monitoring program.

Sterling Fuels is supportive of the Port Authority’s commitment to community service and local economic development, as shown through Sterling’s community-based sponsorship program that contributes to the International Tug Boat Race, Mission to Seafarers, the Sandwich Teen Action Group, the Port of Windsor Parquette, The Marine Club and more. A member of Waterkeeper, an independent Canadian charity focused on clean water, Sterling was a 2016 bronze sponsor for the 6th Annual Waterkeeper Gala in Toronto that raised $550,000 for programs in communities across Canada.

Widely recognized for its commitment to environmental management, Sterling has also received numerous awards. The Essex Regional Conservation Authority acknowledged Sterling for its environmental initiatives during the dock construction project, and the company has received praise from Walpole Island First Nations for its environmental achievements and stewardship. Additionally, Sterling has received awards from Safety Kleen Systems Inc. for reducing greenhouse emissions and environmental programs, recognition from both Windsor Utilities and Union Gas for its GHG and Energy Reduction Programs, and recognition from Georgian Bay Forever, a Great Lakes environmental group protecting water and aquatic species.

Marine Services offered by Sterling at Port Windsor cover: dock, pipeline and truck deliveries of MDO, MGO and all IFO grades, with truck deliveries available throughout Ontario; commercial and marine fuels (gasoline, marked diesel, ultra-low-sulphur diesel, MDO, MGO and IFO); coolants and metalworking fluids, with technical support and monitoring; ExxonMobil, Kluber and Blaser Swiss-Lube package and bulk lubricants, coolants, greases and specialty products; and waste removal, water, crew change and logistical services. In addition to supplying fuels and lubricant, customers benefit from a wide range of other Land Services including: fuel management systems with IT support; petroleum equipment, service and consulting; mini product information cards (MPCs) and equipment labels; and The Sterling Learning Centre, featuring professional education and training.
Accipiter Radar brings next-generation maritime domain awareness to Port of Windsor

For the past 5 years, the port of Windsor has been ground zero for the development and implementation of a radar-based next generation, shared, cross-border, maritime domain awareness (MDA) system that aims to offer low-cost and enhanced safety, security and environmental protection related to local marine traffic. Located at the heart of the 3,700 km long, bi-national, Great Lakes and St. Lawrence Seaway Shipping System, the opportunity to partner with so many trade corridor stakeholders couldn’t be better.

Accipiter Radar (www.accipiterradar.com) is a North American company and global provider of high performance radar surveillance solutions. Accipiter’s Surveillance-to-Intelligence™ solutions detect, track and characterize both large, co-operative, AIS-carrying ships, as well as the smaller and far more numerous recreational and commercial vessels to which ports, ships, marine safety personnel and other stakeholders are essentially blind.

Using innovative technologies, Accipiter delivers the tactical and strategic decision support needed to assist port stakeholders in their respective work. The collaboration with and leadership shown by Port of Windsor has been admirable. As a regular MDA working group host, the Port has not only graciously shared its meeting facilities and its relationships to bring stakeholders together, but through the dedication and leadership of Harbourmaster Peter Berry has also provided essential understanding of on-the-water traffic situations, activities, awareness gaps, and operational know-how to facilitate MDA requirements definition and capabilities develop-

---

**Windsor Shipping Agency Inc.**

Providing quality Agency service for the Port of Windsor

- Windsor’s only premier vessel husbandry Agent
- Family run business for over 56 years
- Expert knowledge of local suppliers of goods and services
- While the majority of our business is with bulk and break bulk cargoes, we also provide service for cruise ships, HMCS vessels and bunker calls

Phone: 519-966-2160
Fax: 519-966-0191
3540 Morris Drive
Windsor, Ontario
N9E 2K4
windsorshipping@primus.ca
ment that would be applicable to any shipping transportation/trade corridor.

The performance and affordability of this shared domain awareness technology has been clearly demonstrated over the past decade through the generous support of Defence Research Development Canada Centre for Security Sciences, Transport Canada, Royal Canadian Mounted Police, U.S. Federal Aviation Administration, U.S. Department of Homeland Security and others. In the same way that users can securely access and operate an array of apps of their choice on their smart phones, without owning any radio infrastructure, Port stakeholders can access the MDA apps of their choice without having to own/operate the underlying radar infrastructure.

In the Port of Windsor in particular, extensive testing, operational use, and feedback has been provided by the Port’s Harbourmaster, shipping companies, Coast Guards, and safety and security personnel, using: (i) cross-border sharing of radars installed on Port of Windsor and Port of Detroit lands; and (ii) ship-based radar sharing through collaboration from Canada Steamship Lines, Key Lakes Inc./Great Lakes Fleet and American Steamship Company. These efforts have provided the basis for a set of shared, bi-national, MDA-driven enhancements to safety, environmental protection, transportation operational efficiency and security. This next generation MDA is ready for rollout across the entire Great Lakes and Seaway, and the world.

Note: content for the above article was provided by Accipiter Radar Technologies Inc.
Morterm Ltd – Port of Windsor’s full-service marine terminal

Morterm Limited is a privately owned facility strategically located within an eight-hour drive of half of all U.S. businesses, manufacturing plants and households, and directly across from the City of Detroit. Ideally located in the industrial heartland of Southwestern Ontario, the terminal is located in the port of Windsor at North America’s busiest International Crossing with direct access to the Highway 401 corridor, the United States Highway system via the Ambassador Bridge, the soon to be constructed Gordie Howe International Bridge, and the Detroit–Windsor Truck Ferry.

In the world of international shipping, Morterm Limited has earned a
reputation for timely delivery, expert handling, and competitive rates. Whether customers are shipping steel, bulk, containers or general cargo, Morterm is ready to provide superior service. General Manager Rob Blondin has held a number of managerial positions within the company over the past 25 years, including seventeen years as Assistant Terminal Manager. Operations Manager Garnet Craig runs the day-to-day operations at Morterm. He has been with the company for 19 years, is a licensed crane operator and has exceptional skills running the stevedoring and material handling activities. Morterm offers top-of-the-line equipment, modern terminal facilities, and an enviable level of customer service. Discharge rates – especially for steel products – are unmatched in the Great Lakes. Port of Windsor cargo fees are among the lowest on the Great Lakes. There are no wharfage, MEA or harbour dues as would be charged by competing ports.

For rail deliveries, Morterm’s sister company, The Essex Terminal Railway, has a rich history in the Windsor/Essex Region, and provides direct connections to CN, CP and CSX rail lines. Essex Terminal Railway offers complete access to the entire Canadian, American and Mexican Railway network. Morterm and The Essex Terminal Railway excel at handling long unit trains of wind turbine components, steel product and other project cargo for marshalling and consolidation at our terminal for efficient and organized delivery to project site.

Morterm provides quality storage and warehousing solutions and other value-added logistics services tailored to meet customer needs. Facilities include full seaway depth berth, 150,000 square feet of indoor storage, 24-hour MARSEC security, perimeter fencing around its 90-acre site, and rail-served warehouses with available humidity control. One warehouse is equipped with overhead cranes for handling coil and long products such as pipe or tubing. Cargo can be transloaded from or onto rail, vessel or truck making Morterm a complete material handling specialist.
Speed restrictions imposed in Gulf of St. Lawrence - Chamber of Marine Commerce comments

The federal Minister of Transport, Marc Garneau, and Fisheries and Oceans Minister Dominic LeBlanc, announced on August 11 that, in order to help reduce or eliminate deaths of North Atlantic right whales in the Gulf of St. Lawrence through collisions or other unintentional contacts with commercial vessels, the government is imposing a temporary mandatory speed reduction for vessels of 20 metres or more in length to a maximum of 10 knots when travelling in the western Gulf of St. Lawrence from the Quebec north shore to just north of Prince Edward Island. These measures are in addition to other measures already taken to reduce the possibility of whales becoming entangled in fishing gear.

“Transport Canada inspectors, with assistance from the Canadian Coast Guard’s Marine Communications and Traffic Services, will enforce this precautionary measure until the whales have migrated from the areas of concern. Failure to comply will result in an Administrative Monetary Penalty of up to $25,000.

Bruce Burrows, President of the Chamber of Marine Commerce, said: “Our shipowner members have already been cooperating with federal officials and reducing speeds as requested, where they can, while travelling through the Laurentian Channel in the Gulf of St. Lawrence.

“We understand what the government is trying to achieve with the temporary mandatory speed restrictions, as these recent whale deaths are deeply troubling for our members too. We are fully on board with protecting the marine mammals in these waters. We would encourage the government to accelerate their analysis and research to properly understand all the factors that have led to the recent whale deaths. It’s critical that industry and government continue to work closely together to develop solutions based on strong science that both protect marine wildlife and minimize economic impacts.” The speed restrictions could lead to delays of up to seven hours depending on the vessel voyage. Chamber of Marine Commerce shipowners are currently evaluating how this may impact their customers, including deliveries of essential supplies such as groceries and passenger trips to local communities along the North Shore of Quebec.

In an interview with Radio Canada International, Sonia Simard, Director of Legislative and Environmental Affairs with Shipping Federation of Canada said “Container vessels are like your bus, they have a very tight schedule to make. Slowing down to 10 knots would add anywhere between five and eight hours to the vessel’s journey to the Port of Montreal, she said. For bulk carriers, which usually go slower than container ships, the slowdown could add three to five hours to their journey, Simard said. “In navigation time is of the essence. When you look at adding time to a voyage, that means additional costs for shipowners and on the other hand it could have an impact on the overall efficiency of the shipping corridors and the competitiveness of Canada versus other ports.”

As major users of North Atlantic waters, Canadian shipowners have long been engaged in research and other measures to protect marine wildlife and habitat. “We take this responsibility very seriously,” said Burrows. “The shipping industry reduces speed and alters routes in critical whale habitats, regularly collects important data for scientists and helps test new technologies such as the early-warning whale alert system under development by a scientific group being hosted at Dalhousie University.”

Past measures taken in critical habitat such as the Bay of Fundy in 2003 have reduced the threat of ship strikes to North Atlantic right whales by more than 80 per cent.

Ships have also taken voluntary protective measures around Saguenay Fjord and the St. Lawrence Estuary, including reducing their speed in whale feeding grounds and avoiding a sensitive area frequently used by beluga herds composed of females and young. According to Parks Canada, speed reductions between 2013-2016 resulted in nearly a 40 per cent reduction in the risk of ship collisions with whales.

Chamber of Marine Commerce members, including Groupe Desgagnés and CSL Group, have trained their crews on how to spot whales and collect data in the salt waters of the St. Lawrence and Eastern Canada up to the Arctic in partnership with Réseau d’observation de mammifères marins (ROMM).

CSL’s partnership with the World Wildlife Fund (WWF) has helped scientists study and monitor the behavior of belugas populations in the St. Lawrence Estuary and Gulf through the non-profit Group for Research and Education on Marine Mammals (GREMM). In partnership with the WWF, CSL has also for many years supported research to protect whales and their habitat in the Grand Banks of Newfoundland.

Historically, right whales were not commonly found in the Gulf of St. Lawrence and the Department of Fisheries and Oceans is working with partners to better understand their changing behavior patterns in recent years and to carry out necropsies on all dead whales to see how fish entanglements, ship strikes, food habitat, climate change and underlying health problems could have played a role. The population of right whales rose from an estimated 350 in the late nineties/early 2000s to around 500 today, however, scientists are concerned that their birth...
Seaway cargo up 18 per cent year-to-date

Total cargo shipments through the St. Lawrence Seaway are up 18 per cent this year as the marine highway supports business growth from key sectors of the North American economy. According to The St. Lawrence Seaway Management Corporation, total cargo tonnage from March 20 to July 31 reached 16 million metric tons – 2.5 million metric tons more compared to the same period in 2016.

“Seaway cargo shipments are a reflection of North American and global economic conditions in industries such as auto manufacturing, construction, mining and agriculture. Cargo volumes have improved in almost every category from iron ore and grain to road salt and construction materials compared to last spring,” said Terence Bowles, President and CEO, The St. Lawrence Seaway Management Corporation. “Great Lakes-Seaway shipping is supporting domestic economic growth and international trade from provinces across Canada by providing reliable, efficient and sustainable transportation.”

Canadian grain totaled 3.8 million metric tons, up 4.6 per cent, with vessels shipping a large carry-over of Prairie and Ontario grain products from the fall harvest to overseas markets. G3 Canada is a growing grain company that has a significant investment in grain handling facilities located at various points along the St. Lawrence Seaway. In June, G3 Canada Limited’s staff and customers, as well as other dignitaries gathered to celebrate the grand opening of G3’s $50 million new lake terminal at the Port of Hamilton. The terminal is the centerpiece of G3’s entrance into the southern Ontario grain handling market. G3 Hamilton features technology that maximizes facility load and unload speed. “Fundamental to the business case for the new terminal is access to the St. Lawrence Seaway as the intent is to load both Great Lakes tankers and inbound salties to ship volume through this facility. The St. Lawrence Seaway is strategic to G3’s western Canadian infrastructure as well as our facilities at Hamilton, Quebec City and Trois-Rivières,” said Karl Gerrand, CEO, G3 Canada Limited. “The Seaway is critical to the expansion of our business of exporting Canadian grain to world markets. G3 Hamilton loaded its first vessel in the month of June and is gearing up for a strong fall program when farmers begin to harvest this year’s crops.”

Year-to-date iron ore shipments totaled 3.7 million metric tons, up 68 per cent over 2016 levels. Canadian domestic carriers are loading U.S. iron ore pellets at Minnesota ports/docks to ship via the Seaway to the Port of Quebec, where they are then transferred to larger ocean-going vessels for onward transport to Japan and China.

Dry bulk cargo (including materials like stone, cement, gypsum, road salt and potash) shipments from March 20 to July 31 totaled 4.4 million metric tons, up 15.5 per cent over the same period last year. General cargo shipments including specialized steel and aluminum ingots destined to be used in the automotive and construction industries also topped 1.4 million metric tons, up 35.4 per cent.

Outbound shipments of prairie grain through the port of Thunder Bay have been strong so far this year, as have been export shipments of potash. Tim Heney, CEO of Thunder Bay Port Authority, added: “Potash has also been one of the highlights of the 2017 shipping season so far in Thunder Bay. There has been a large increase in direct-export shipments to Brazil and Europe via ocean-going vessels. Thunder Bay is the only potash load point on the Great Lakes – St. Lawrence Seaway System.”
Victoria’s Point Hope Maritime a good news story for B.C. shipyards

BY R. BRUCE STRIEGLER

For an industry that was declared a “sunset industry” in the 1980’s, shipbuilding and ship repair in British Columbia is showing resilience. Victoria’s Point Hope Maritime is again fulfilling its historical role of surviving, and doing so in a resoundingly successful manner. Only on the job as General Manager of Point Hope Maritime for little over a year, Riccardo Regosa, brims with enthusiasm. The Dutch-born Regosa has plenty of reason for the optimism. In June of this year, Point Hope Maritime entered into an agreement with Damen Shipyards of the Netherlands to provide technical and warranty support for two new vessels Damen is building for BC Ferries, scheduled to go into service in 2020. In the same week, Point Hope Maritime signed a second contract with BC Ferries, this one a five-year supply agreement for dry-docking, maintenance, repair or refit requirements for eight of BC Ferries’ minor vessels in a scheduled 20 dockings per year. Regosa says, “This is all very exciting news and at Point Hope Maritime, we are all very pleased. We have the space, the expertise and the schedule to accommodate this work.”

BC Ferries notes in the news release on the deal, that, “The agreement supports BC Ferries’ goal to continue its practice of investing in B.C.-based marine services. We are pleased to solidify an arrangement with Point Hope Maritime as our docking partner for our minor vessels. Point Hope Maritime has strong capabilities in safety, engineering, planning, project management procurement and quality control,” said Mark Wilson, BC Ferries’ Vice President of Engineering. “Access to a local, secure supply of services is crucial for the reliability of our fleet, and therefore essential to the communities we serve.”

Over the past ten years, the Ferry Corporation has spent approximately $1 billion at B.C. shipyards on dry-dockings and refits, repairs, mid-life upgrades and life-extension projects.

The company’s esprit de corps was noted when BC Ferries representatives came to the shipyard to sign the agreement. The entire Point Hope team had assembled to welcome the executives and cheer on the signing of the deal. Damen Shipyards will train the Canadian workers on practices and procedures in maintenance and repair of the new ships. Mr. Regosa notes that such a transfer of knowledge from builders to the Victoria team will be essential, and provide new knowledge surrounding vessels with hybrid propulsion systems. He adds that in his view, hybrid systems (diesel /batteries or LNG / batteries) and straight LNG powered ships is the direction the industry will be taking as shipbuilders find new greener methods to build and power vessels.

Point Hope’s notable history of survival

The shipyard that would become Point Hope Maritime was established in 1873. During the 1900’s, the yard was leased to the Foundation Company, which built 24 steam-powered wooden cargo freighters up to 300 feet in length. Eleven years later, the operation was sold and then sold again in 1938, to Island Tug and Barge Limited and Victoria Tug Company. Seaspan subsequently took ownership, although the company moved to Vancouver in 1985. Thirty of the company’s former employees opted to stay behind and bought Point...
Hope, with each investing $5,000 into the venture. Three decades of economic difficulty followed, but the employees-turned-entrepreneurs kept Point Hope operating into the mid-1990s. However, by 1996 the business owed $1.4 million to creditors, and went into bankruptcy protection. Two years later a group of four local men bought Point Hope out of bankruptcy. A few good years followed, which included work on the new BC Ferries fleet of three aluminum catamarans, the PacifiCats. But Point Hope was soon struggling again and by 2003 was bankrupt a second time.

Later in 2003, Ian Maxwell of Ralmax Group of Companies brought Point Hope out of bankruptcy, investing more than $20 million to modernize the site, which included remediation and replacement of old docks, a new marine railway system and spurlines as well as building a site wide water recovery and treatment system. (Up until 2003, the shipyard drained directly into Victoria Harbour) As part of the improvements, the company also employed a dedicated environmental engineer. Point Hope now holds an ISO 14001 certification and captures and treats all water that falls on the site, whether rainwater or water from ship repair work. In 2006, Point Hope reopened, with three spurlines able to drydock vessels up to 180 feet in length. By 2011, the yard was working at capacity, employing 100 workers. In 2014 Ralmax bought the harbour-front land on which Point Hope Maritime is located from the B.C. Government. Investing another three million dollars, the phase two expansion added another rail spurline. By 2016, the shipyard was working at capacity with 200 workers and was able to handle up to six vessels in the yard as well as afloat.

Today, Point Hope Maritime’s facilities include a 1,200-tonne marine railway that allows the simultaneous repair of up to six dry-docked vessels, as well as deep-water berthing for vessels undergoing repairs that don’t require coming out of the water. Point Hope’s facilities include a 15,000 square foot climate controlled assembly shed for specialized steel and aluminum fabrication, plus access to fully equipped metal fabrication and machine shop in United Engineering Ltd, also a Ralmax Group Company.

The Ralmax Group of Companies is a diversified, yet integrated group of eleven local industrial businesses that include industrial contracting, recycling, engineering, steel fabrication and machining, property management, ready-mix concrete, landscaping as well as industrial excavating. The Ralmax Group is also a partner in Salish Sea Industrial Services Ltd. with the Songhees and Esquimalt Nations. Owner Ian Maxwell, who was born in Victoria, has been an active champion working with local organizations to clean-up Victoria Harbour for the last 20 years.

Preparing plans for a new graving dock

The other item that Mr. Regosa is focussed on is the company’s plan to construct a new $50 million graving dock. Regosa explains that in 2015, Ralmax began to explore market conditions and the possibility that the shipyard would benefit from the addition of the facility which would be able to service vessels up to 560 feet in length. Essentially, a graving dock is an excavated drydock and the term is believed to have originated from the meaning of “grave”. Regosa says that research indicates that long-term demand does exist from Westcoast markets that include California, Oregon, Washington and Alaska. With the experience Point Hope Maritime has with servicing BC Ferries and Department of National Defence vessels managed by SNC Lavalin under its fleet maintenance contract, as well as Canadian Coast Guard vessels, private barges, tugs and fishing vessels, the decision to proceed was made.

The proposed new graving dock will measure 174 metres long, 35 metres wide and dock vessels with a draft up to six metres. The facility will have a 50,000 tonne displacement and include a mid-section gate to allow work on two shorter ships. The new drydock will occupy approximately four acres on the site, with about two acres of water used for mooring and access. It is expected the addition of the new graving dock would result in 200 additional jobs at the shipyard. Funding is secured, and now the company is embarking on the approval process, working through the Department of Fisheries and Oceans, Transport Canada and others. Regosa expects work can begin on the new graving dock in 2018.
NAFTA: Are we ready to deal with the onslaught of curveballs the U.S. will throw at us?

BY THEO VAN DE KLESTERSTEG

At a July 25 news conference in Ottawa, CBC reporter David Cochrane asked the PM if he was prepared to accept a renegotiated NAFTA deal that did not contain a dispute resolution mechanism. Mr. Trudeau responded by stating that his government’s goal is to conclude a “renegotiated and improved NAFTA agreement that will grow our economies and help our citizens”, and one which will contain a fair dispute resolution mechanism. Some journalists quoted an unnamed “senior Canadian official” who reportedly said that the PM considers the current dispute resolution chapter (Chapter 19) in NAFTA to be a “red line”, and would walk away from the negotiations if the U.S. insisted on abolishing Chapter 19, as it has demanded. Chapter 19 provides for multinational tribunals to rule on disputes when a NAFTA member wishes to impose anti-dumping duties on exports from another NAFTA member. The provision has been a thorn in the side of the U.S. – of the 71 cases brought before the tribunals over the years, almost 60 per cent sought redress from duties imposed by the U.S.

Clearly, the three partners must have recourse to judgment by an impartial arbiter if and when disputes should arise that would provoke one of the three governments to impose sanctions on its NAFTA trading partners. An agreement without such a mechanism would quickly deteriorate to a relationship where the most powerful trader could arbitrarily decide to impose serious harm on its “partners”. One way or another, it seems that negotiators acting in good faith should be able to reach acceptable compromises on this important issue. Without acceptable compromise, there will likely be no renegotiated NAFTA, which would open the door to Mr. Trump cancelling the existing NAFTA deal, as he has threatened many times. Without a NAFTA deal, our trading relationship with the U.S. would revert to being governed by WTO (World Trade Organization) rules.

Not everyone agrees, though. Bloomberg.com reported that, given that in the last decade Canada has only initiated three cases under Chapter 19, Robert Wolfe, professor emeritus at Queen University’s School of Policy Studies in Kingston, Ontario, questions whether Chapter 19 is essential. Wolfe suggests Canada may want to consider bluffing, and when push comes to shove, give in on Chapter 19 in exchange for something better, gaining concessions on Trump’s Buy America rules, for example, which restrict the ability of Canadian companies to bid on U.S. government contracts. “If you had to choose between a real restraint on Buy America and keeping Chapter 19, I’d yell and pound the table and give up Chapter 19,” Wolfe said. “A lot more Canadian jobs might benefit from stopping discriminatory government procurement in the U.S.”

If, on the other hand, Chapter 19 turns out to be a red line for the Prime Minister, Canadian Centre for Policy Alternatives senior research fellow Scott Sinclair wrote that “If NAFTA were to come apart, ...WETO-bound tariff rates would apply. This would be disruptive, but not catastrophic. Under that scenario, Canadian exporters could face an additional US$3.5-5 billion in customs duties, equivalent to the value of 1.25 to 1.8 per cent of current exports. That’s a speed bump, for sure, but would not bring trade to a screeching halt.”

However, if there were to be no renegotiated NAFTA, and Mr. Trump would cancel the existing NAFTA agreement, would that not entail a lot more than the mere imposition of tariffs under WTO rules? After all, NAFTA is about a lot more than just tariffs. Think, for example, of the numerous foreign-owned enterprises that have located in Canada in part because of Canada’s status as a NAFTA zone member, facilitating unencumbered access to markets in the U.S. and Mexico. If the rules of the game were to change, many such corporations would have to re-assess their presence in Canada. The possible consequences for Canada without NAFTA could be quite severe over the long haul, particularly if the Republicans (with or without Mr. Trump) were to follow up on election promises of lower corporate income taxes and material reductions in regulations, which would constitute additional reasons for corporations to
be drawn to the U.S., rather than Canada.

Interestingly, people in the U.K. are mulling over similar questions related to the economic cost of Brexit. The Economist of July 22-28 reported, for example, that “The government has not published any estimates of the impact of the various types of Brexit since the referendum, but academic studies suggest that even the “softest” option – Norwegian style membership of the European Economic Area – would cut trade by at least 20% over ten years, whereas the “hardest” exit, reverting to trade on the World Trade Organisation’s terms, would reduce trade by 40% and cut annual income per person by 2.6.%.”

If the U.K.’s exit from the European Union and its reverting to trade based on WTO terms would have such a dramatic impact on the U.K., is it reasonable to expect that Canada’s exit from NAFTA would have only minor consequences? Admittedly, the U.K.’s situation is altogether different from Canada’s – however, we should not underestimate the price we would have to pay for a possible life without NAFTA.

The Administration’s objective of a renegotiated NAFTA is to improve the U.S. trade balance, and reduce its trade deficits with NAFTA countries. According to the U.S. Census Bureau, Canada exported US$277.8 billion of goods to the U.S. in 2016, but imported only US$266.8 billion of goods from the U.S., creating a trade deficit of US$11 billion for the U.S. in 2016. During the first five months of 2017, the trade deficit widened substantially, to US$10 billion. The U.S. trade deficit with Mexico is far greater than that with Canada, and stood at US$64.4 billion in 2016.

Although U.S. trade with Mexico is far more unbalanced than its trade with Canada, one should not assume that Canada will come out scot-free. Is it possible that Mr. Trump aims to improve the U.S. trade balance partly by achieving consistent and more sizeable trade surpluses with Canada? Let’s face it: there are not that many products that the U.S. imports from Canada that are truly critical to its economy. At one time, Canadian energy exports were important, as were automobiles manufactured at lower cost in Ontario under the Auto Pact. However, with U.S. oil production slated to rise to 10 million barrels per day by the end of this year to become the world’s number two oil producer (after Russia), U.S. dependence on imported energy products is waning, and Canada’s role as a “critical” supplier of energy products to the U.S. will become less so in the future. As for autos, Mexico has become a very strong North American manufacturer. Indeed, Mexico’s manufacturing sector has grown by leaps and bounds, which has benefited not only Mexico, but also customers and suppliers in the U.S. and Canada. Attacking Mexican manufacturing output may well be similar to threatening mass deportation of undocumented Mexican labourers that have streamed across the border into the U.S.: it’s hard to imagine that the U.S. can truly do without either, and it therefore appears that aggressive deportations of undocumented Mexican citizens or initiating actions that would cause the U.S. trade deficit with Mexico to drop substantially might produce more harm to the U.S. than good. Is it possible that the U.S. sees Canada as a “soft” target from which it can extract more concessions than from Mexico?

There are numerous vague ideas expressed in the document setting out U.S. demands. For example, since the principal stated objective for the U.S. is to reduce its trade deficits with Canada and Mexico, does this mean that the U.S. wants some sort of provision to curtail trade when trade deficits begin to exceed predetermined limits? That would be unprecedented but, who knows? Also, the U.S. wants to “strengthen the rules of origin” that determine whether goods being traded between the partners qualify for duty-free movement across borders, or not. Presumably this means that the U.S. will insist on raising the percentage of North American content, which might become very disruptive for overseas corporations that have established or intend to establish “branch plants” in Canada or Mexico to access U.S. markets – the objective of the U.S. is to have those plants located in the United States, rather than in a state that provides “backdoor” access to the United States. I suspect that Canadian and Mexican negotiators will be facing a number of very tough U.S. demands once the numerous vague “principles” will be clarified.

Overall, ignoring some obvious inconsistencies, many U.S. demands for a renegotiated NAFTA appear to be reasonable, such as: “The new NAFTA must continue to break down barriers to American exports. This includes the elimination of unfair subsidies, market-driven distortions and practices by state-owned enterprises and burdensome restrictions of intellectual property.” Many demands appear to celebrate transparency and common sense. Yet, at the same time, U.S. negotiators will be asking to “maintain domestic preferential purchasing programmes”, including the Buy America programme and massive U.S. farm supports.

Canada’s dairy and poultry supply management system will be attracting a good deal of U.S. attention. However, one trade analyst commented that while the U.S. could live with Canadian supply management, it objects to increasing Canadian dairy exports, which deprives U.S. exporters of selling opportunities in Canada, and crowds out foreign markets.

America also seems to feel that restrictions to investments and activities in Canada by U.S. telecommunications and financial institutions should be scrapped. Again, this seems to make common sense: if...
our banks can have significant operations in the U.S., why should U.S. banks not be welcome in Canada?

Last, but not least, we should remember that protectionism comes at a price. In Canada, supply management has cost consumers dearly, and lack of real competition among telecom providers and financial institutions has similarly led to high consumer prices. Moreover, when domestic corporations are able to make plenty of money at home in a relatively protected and uncompetitive market, what incentive do they have to expand internationally, or to put greater emphasis on exports? Opening up Canada to greater competition may be the wakeup call that many Canadian corporations might ultimately benefit from, forcing them to reduce costs to compete with new market entrants, to create more innovative products and services, and to devote serious resources to developing new overseas markets. The process of becoming leaner and meaner would ultimately create stronger Canadian businesses that would be better equipped to seek out incremental opportunities on a global scale.

My bottom line is that, no matter what, we cannot afford to lose the benefits that NAFTA has created for Canadian trade, to face the nightmarish disruptions to supply chains and international investments that the loss of NAFTA would entail, or to see our share of world trade sink even further. Given that Canada is dealing with a U.S. President who is focused on making America great again, the negotiations will obviously be very, very straining on Canadian and Mexican trade representatives. However, if Canadian concessions will ultimately result in greater competitiveness, we might yet come to thank Mr. Trump. Thinking of Canada of a nation without preferential access to U.S. markets is truly unthinkable.

Whatever the ultimate outcome of these negotiations will be, if there is one thing we should have learned recently, it is that we need a reset of domestic policies to reflect a future in which Canadians’ reliance on free trade with the U.S. will not be as secure as it was in the past. Our success in attracting foreign investment through our ability to serve as a “backdoor” to the U.S. may be compromised, in addition to potentially facing export losses in industries that are of paramount importance to Canada, such as energy and autos. Canada has recently lost a major opportunity to become a global player in the export of liquefied natural gas (LNG), after many years of talking. While Canada talked, Australia and the U.S. got to work to build LNG plants. Today, although both Conservative and Liberal governments have emphasized the need for Canada to become less dependent on traditional trade flows with the U.S., there is still no viable plan for exporting western oil through eastern ports, and the federally-approved twinning of Kinder Morgan’s Trans-Mountain oil pipeline is mired in strong opposition in B.C., and may never be built. Canada is a country focused on natural resource exploitation, which we have learned to do well and responsibly, and which will likely remain the mainstay of our economy for decades to come, despite condemnation of such industries by die-hard greens who, apparently, do not need jobs to live well.

Given that we can no longer rely on unfettered access to U.S. markets which are easily accessible through rail, road, and pipelines, we must increasingly rely on overseas exports which are accessible prima- rily through our seaports. One way or another, we must ensure that new ports are built as the need for them arises, and existing ports expanded to accommodate this trade, and we must ensure that increasing volumes of goods produced anywhere in Canada can be transported safely and cost-effectively overland to these export ports. Not everyone will like the expansion of “legacy” industries, or our intra-provincial moral obligation to provide free movement of goods to our export ports. However, it’s an inconvenient truth that Canada’s economic future will continue to depend on such industries for a very long time to come, perhaps even more so in the future, if only because we don’t have much choice: After all, not everyone is skilled in biotechnology or artificial intelligence, but we all want to live in relative prosperity!
The stakes are high. For some, they’re about as high as they get. Tough talk south of the border has Canadian exporters worried that if they don’t relocate to the U.S., they will lose their sales there. These fears are not made up; they are real. And they are being validated by U.S. buyers who have brought in to ‘America first’ thinking. All year exporters have been asking me what I think they should do. Clearly, every business situation is different, and the answers have depended on the particulars of the situation. But is there a common response, a set of guidelines that every firm feeling pressure can consider?

Before getting to the answer, a bit of context: the U.S. is still overwhelmingly Canada’s largest customer, and by far the largest international recipient of Canadian direct investment abroad. While some characterize this outward investment as bad for the Canadian economy, believing that the money would be better spent here, EDC Economics has always viewed this as a necessary element of integrative trade – an efficient, business-directed expansion of supply chains globally that permits our enterprises to be efficient on a world scale. Without this, sales would at the least be impaired, and at worst, non-existent.

This practice has in fact not hollowed out the local economy, but has accompanied a dramatic diversification of Canadian sales to markets all over the world. In a number of industries, it has enabled Canada to achieve a scale of operation and specialization that would be unlikely if simply confined within our own borders. If left free to make efficient decisions about global activities, successful businesses will make the right decisions.

Add political pressure, and the game changes considerably. In this case, it’s no longer about standing up foreign investments on their own merits, but forcing activity under threat of losing the business – whatever the cost implications are. At first blush, it seems that there is not much choice. Nobody wants to forego hard-won contracts, so the short-run solution seems to favour capitulation. That has been the response of many I have spoken with in the first half of the year, with some even saying that their flag-waving U.S. buyers are willing to pay for it. Does any of this add up, or is there another way we should be looking at it?

Those considering relocation for political reasons need to do the math. A first consideration is that U.S. industrial capacity is tight. In certain industries, like the auto sector, wood products, furniture, paper production and certain parts of food processing, levels of capacity utilization are greater than during the red-hot growth just before the Great Recession. That means that getting into the U.S., already an expensive proposition, is going to be a fight for limited existing capacity, and limited capacity to create new capacity. If going, prepare for ‘No Vacancy’ signs.

A second factor is the labour market. Even if a firm succeeds in finding space to operate in, there may not be workers to fill it up. The unemployment rate is 4.4 per cent and falling. It hardly ever gets that low. True, there are still ample amounts of displaced workers looking to get into the market, but many of these require training or re-training, possibly an expensive proposition.

OK, assuming success on these first two factors, there’s a third: all of the costs of this new operation will be in U.S. dollars. That’s right, transplant the process, and you’re now paying roughly 30 per cent more for everything. And if you were getting paid in canuck bucks to begin with, that will be a pure margin hit. If you were taking payments in canuck bucks, even worse.

Two more considerations: if everyone in the world is rushing in to the U.S. for the same politically-motivated reasons, fighting for that same limited capacity, imagine the extra cost pressures – and the consequent interest rate increases. Finally, if your buyer is willing, for ‘patriotic’ or other reasons, to absorb all or a large part of your higher costs – and everyone else’s in their supply network – aren’t you just a little worried about their medium-to-longer-term viability in today’s globally competitive marketplace?

The bottom line? It gets pretty freaky when it seems a head of state is taking aim at your business model. And when your key buyers buy in to the rhetoric. But at the end of the day, you still have to make a buck. A quick move to hedge your bets could be as costly as standing your ground. As always, it is best to do diligent homework and make an informed decision.

These Reports are a compilation of publicly available information and are not intended to provide specific advice and should not be relied on as such. No action or decisions should be taken without independent research and professional advice. While EDC makes reasonable commercial efforts to ensure that the information contained in the Reports is accurate at the time it is placed on the site, EDC does not represent or warrant the accurateness, timeliness or completeness of the information contained in the Reports. EDC is not liable whatsoever for any loss or damage caused by or resulting from any inaccuracies, errors or omissions in such information.

Inside Sales Coordination: Montreal Office
At JIM we are committed to providing our clients around the world with reliable and flexible shipping solutions based on expertise gained from over 70 years of experience.
This is the ideal role for an individual that thrives in a fast paced office environment. Our office encourages work life balance with employees and fosters a fun, relaxed work environment.
Overall, we are looking for a proactive individual who takes initiative and is able to effectively prioritize their responsibilities.

Summary:
Reporting to the Sales Manager, the Sales Coordinator will manage an existing account portfolio with a focus on promoting profitable trade lanes in accordance with established monthly and quarterly marketing targets.

Duties and Responsibilities:
• Implement and maintain a call cycle to ensure customer satisfaction, execution of account development strategies and prospecting new business.
• Serve as the principle point of contact for customer rate requests and ongoing price negotiations.
• Monitor and manage account’s business volume and revenue metrics within our company CRM system.
• Target and develop new business opportunities with the objective of increasing revenue and market share.
• Maintain and log sales activities in the CRM system.
• Generate periodic customer forecast figures.
• Participate in global tender process (in conjunction with the Sales Manager).

Required Skills and Qualifications:
• Minimum 2 years of relevant experience
• Exceptional attention to detail
• Proficiency with the Microsoft Office suite -- Word, Excel, PowerPoint
• Customer service oriented and a team player

How to Proceed:
Please reply with a .doc or .docx version of your resume to papas.george@ca.zim.com. Privacy and confidentiality are important to us, as such all applications are kept strictly confidential.
Asia to Europe contract rates soar, but there’s pressure on the transpacific

BY MIKE WACKETT

Asia-North Europe long-term contract rates are 70 per cent higher than a year ago, bringing a big boost to the top line of ocean carriers in their critical third quarter. According to the latest crowd-sourced data from ocean freight rate benchmark Xeneta, the market average market rate for sailings in August is just over $1,550 per 40ft, but with some rates being agreed at "premium" levels.

And with all the signs pointing to a strong peak season this year, ships from Asia will be full and carriers are likely to be selective with the containers they load. Indeed, one forwarder source told The Loadstar recently that carriers were operating a two-tier system of higher- and lower-rated bookings, containers from the latter frequently being rolled-over or going in split shipments. The forwarder also said shippers had become reluctant to put their cargo on the spot market unless it was non-urgent.

A year ago, the spot market accounted for more than 50 per cent of containers loaded, but the ratio now is likely to be much lower as shippers try to achieve some certainty in their supply chains by agreeing medium- and long-term contract rates with carriers. As a consequence, hitherto bellwether spot indices are not being followed as avidly by the industry.

In fact, the Shanghai Containerized Freight Index (SCFI) components for North European and Mediterranean ports have hardly changed during early August, with North Europe shown at $931 per TEU and the Mediterranean at $849. And to underpin these gains, carriers have announced another wave of increased FAK (freight all kinds) rates for 15 August. Maersk Line’s FAK rates to Rotter-
Container lines could be banking $5 billion in profits this year, says Drewry

BY MIKE WACKETT

Strong cargo growth, driven by vigorous retail restocking, will result in global demand growth this year of some 4 per cent, compared to a capacity increase of about 3 per cent, according to the latest analysis from Drewry. And with supply and demand tightening, profitability in the liner industry is assured this year, said the consultant. “The tide of low freight rates is reversing,” said Drewry, forecasting an average, across-the-board 16 per cent hike in rates, with yet more increases to come, and “much higher contract rates on some routes”.

Speaking during the firm’s Container Market & Freight Rate Outlook webinar presentation, Director Philip Damas said there was no doubt that investors in container shipping would make money this year, estimating a 12-month cumulative industry profit of about $5 billion.

Describing the rush of M&A activity in the past two years as a “super-cycle” of carrier consolidation, Drewry says the Cosco-OOCL deal, along with other mergers and acquisitions, has “changed the playing field”, leaving shippers with much less choice. Mr. Damas said: “In effect, we have moved from an industry where we used to talk about the top 20 carriers, to 2018 when there will be just 11 left from this list.

“This, we suggest, will have very deep repercussions on the entire industry; on shippers, suppliers and terminals. Also on the level of competition between the carriers, where an industry that is moving, quite frankly, towards an oligopoly, will give carriers much more control than in the past.”

And he poured cold water on talk about further M&A activity, including recent rumours about PIL, saying regulators were getting tougher, as evidenced by the trade sacrifices made by Maersk Line in its takeover of Hamburg Sud.

Drewry said the forecast for fleet growth for 2018 looked higher, at 5 per cent, as a consequence of the push back from several ultra-large container vessel (ULCV) deliveries this year – although at this stage, with demand at around 3.5 per cent, the analyst did not expect the gap to have much of an impact on rates next year.

After that, the forward container vessel orderbook is “almost dead”, noted Drewry, a factor that will certainly encourage investors as they smell the opportunity for significant returns. Interestingly, it is the Ocean Alliance of CMA CGM, COSCO/OOCL and Evergreen that has by far the biggest orderbook.

In 2018, the Ocean Alliance is expected to receive over 500,000 TEUs of new vessels, mostly ULCVs, compared with some 250,000 TEUs for 2M partners Maersk Line and MSC, and only around 175,000 TEUs for THE Alliance partners Hapag-Lloyd, Yang Ming and soon-to-be merged K Line, MOL and NYK.

There is a big risk for shippers from the wave of M&A activity, said Mr. Damas urging them to ‘rethink’ their current strategy of long- or short-term contracts combined with use of the spot market, if they did not want to pay the price of significantly higher freight rates. “The old strategy will no longer work,” he said.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)
**Impressive transatlantic growth for U.S. imports, but outlook not so bullish**

BY MIKE WACKETT

Container exports from North Europe to North America increased 5.7 per cent, year-on-year, in the first five months of the year, but Drewry is “skeptical” that this growth can be maintained for the full year. Data from Piers and Container Trade Statistics (CTS) shows U.S. imports from Europe up 4.9 per cent in the period to 890,000 TEUs, while Canadian imports flattlined at some 260,000 TEUs, with volumes to Mexico surging by 20 per cent to about 180,000 TEUs.

In the past year, UK exports to the U.S. have been boosted by the “Brexit effect” of sterling falling to a 30-year-low against the dollar, noted Drewry, giving the example of a UK forwarder who claimed the firm’s exports were running at 8-10 per cent higher than a year ago. However, following the anniversary of the UK referendum, year-on-year comparisons are likely to be less pronounced. One factor that could dampen growth on the westbound leg, said Drewry, was the cooling of the U.S. new car sales market, after two years of “extraordinary growth” – a downturn that would impact the movement of automobile parts, mainly from Germany, it said. Nevertheless, Drewry said there was no sign of a slowdown in demand from Mexico for car parts to “support the new breed of car assembly plants in the country.”

The transatlantic tradelane is one of the least volatile of global routes, with ocean carriers enjoying a generally balanced trade. Consequently, rates are not subject to the enormous swings often seen on the Asia to Europe and transpacific tradelanes. Drewry notes that westbound spot rates have “moved very little in recent months” and, at about $1,700 per 40ft from Rotterdam to New York, for example, rates are currently 8 per cent less than a year ago.

Interestingly, there have been anecdotal reports of some North European shippers to Asia, frustrated by the capacity crunch earlier in the year, shipping urgent containers on North Atlantic services and then rebooking them onto transpacific services.

On the eastbound transatlantic leg, Drewry noted, the trade had been “pretty much static”, with growth of just 0.8 per cent in the four months of data published to date, to 724,000 TEUs. U.S. exports were actually down by 0.5 per cent, year on year, in the four-month period, to 457,000 TEUs, with Canadian exports down by a similar percentage to 154,000 TEU.

But it was thanks to Mexican exporters that the total figure was up, with shipments jumping 9 per cent to 113,000 TEUs, achieved mainly from improved shipments of car parts and beer.

Hobbled by a strong U.S. dollar, American exporters are struggling to compete in Europe, not least in the UK which accounts for over 40 per cent of volume, and are said to be re-focusing on new markets in Asia.

Drewry said: “Westbound demand growth will probably taper off as the year progresses, but even so, spot rates will continue to be relatively stable.”

Reprinted courtesy of The Loadstar
(www.theloadstar.co.uk)

---

**Some box terminals are facing ‘catastrophic economic failure’, warns analyst**

BY GAVIN VAN MARLE in AMSTERDAM

Major container ports could be facing an investment crisis that will dwarf the problems seen in liner shipping over the last few years. At the TOC Europe Container Supply Chain event in Amsterdam on June 27, Lars Jensen, partner and Chief Executive of liner analyst SealIntelligence Consulting, warned that with the large number of 18,000-21,000 TEU ultra large container vessels (ULCVs) entering the global shipping fleet, the only way operators at hub ports would be able to compete would be to embark on major investment projects – but with little guarantee of a return on investment.

“I’m afraid some terminals will suffer catastrophic economic failure over the next few years,” he said, explaining that ports are vulnerable to the ongoing consolidation among carriers, which he said would continue. “In 2025 we are going to face a market with only six to eight global carriers left, and at the same time there is likely to be a large reduction in the number of regional niche carriers. “I think in a few years there will be a discussion about how all these ULCVs simply were not needed.

“As a result of cascading, all trades are seeing larger ships, which means if the volumes are not there to fill them, there will be fewer and fewer services in terms of frequency. The problem is what is required in terms of port investment; and if you think the lines have had it bad over the last five years, watch what happens to the ports over the next ten,” he added.

Mr. Jensen argued that every region would likely reduce the number of ports to just a few larger transshipment hubs. “This is
where you are going to see fantastic competition between hub ports – the net result is that some ports will have the ability to handle large numbers of TEUs, but won’t have a single customer.

“The lines have bought 100 ULCVs – that’s a $15 billion investment, and means the ports are going to find themselves locked into a game they really won’t like, and it will be similar to the game the lines found themselves in. Once one or two lines ordered big ships, they all had to, and that meant they all lost because it created so much overcapacity. “The ports now face the same thing – they have to invest in facilities that are able to handle multiple ULCVs for multiple strings, and they have to make these investments just to have a seat at the table.”

Olaf Merk, ports and shipping administrator of the OECD’s International Transport Forum, said the liner shipping market increasingly resembled a monopoly and could lead to greater pressure on revenues.

“If ports have fewer customers, what those customers individually bring to ports will be larger volumes, which means they will have larger rebates. “Every consolidation of carriers means the re-negotiation with terminals starts at the level of the lowest tariff. Meanwhile, carriers play ports and terminals against each other with the threat of shifting ports, demanding lower rates and more infrastructure.” And he said this would ultimately have an effect on shippers. “There is decline in smaller ports; Amsterdam left the deepsea market and so have many of the terminals in Zeebrugge. This leaves less choice for shippers and fewer resilient supply chains.”

However, Neil Davidson, senior ports analyst at Drewry, reminded delegates that the ports business was currently highly profitable, with almost every major port company reporting double-digit EBITDA margins.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

HMM becalmed in the red, ‘challenged’ by high slot costs and low rates

BY MIKE WACKETT

Hyundai Merchant Marine (HMM) handled 46 per cent more containers between April and June this year than last, but its freight rate strategy has kept the South Korean carrier heavily in the red. HMM’s revenue was up by 22 per cent to KRW1.24 trillion on liftings of 986,000 TEUs, but it appears that the carrier has opted for a business plan of growth over profit, as its trading resulted in a KRW128 billion ($112 million) loss for the quarter. The cumulative loss for the six months was KRW254 billion, which, however, is a significant improvement on the loss of KRW417 billion recorded for H1 2016.

In a comment to the filing, HMM said: “Although revenues increased, which helped narrow the company’s operating loss, freight rates remained low, denting our bottom line”. But it added that it expected business conditions to improve in the second half of the year.

Excluded from THE Alliance membership last year, due to its parlous financial situation, HMM managed to survive the fate of bankrupt compatriot Hanjin thanks to a creditor restructuring plan led by state-owned Korean Development Bank (KDB). The restructuring was conditional on HMM joining a major shipping alliance which, in December it announced it had struck a deal for a “strategic cooperation” with the 2M partners, Maersk Line and MSC, to slot charter on their ships between Asia and Europe and Asia and the United States.

However, on the transpacific tradelane, HMM operates three services of its own to the U.S. west coast, for which the 2M have slot charter options, and recently reported that container volumes had soared 77 per cent year on year and that it was considering deploying more vessels to meet the strong demand.

Another condition of HMM’s continued support from the KDB and other creditors was that the carrier should obtain reduced charter hire rates from shipowners. After more than six months of very tough negotiations, HMM announced that it had succeeded in reducing daily hire payments by around 20 per cent from several shipowners, including Danaos, despite the normally sacrosanct nature of charter party contracts. Moreover, HMM was up to date with its payments when it started the negotiations, a factor that counted against Hanjin, which wasn’t when it adopted similar negotiating tactics with its counterparties.

Nevertheless, HMM has been badly tainted by the collapse of Hanjin and shippers are known to be cautious of committing large volumes to the carrier. It needs a lengthy period of stability before it can regain shipper confidence. Indeed, concerns from shippers obliged both Maersk and MSC to pledge that they would not load their boxes onto HMM ships on the transpacific without the express approval of the customers.

In order to achieve the growth on the transpacific, HMM has needed to be aggressive with its rate policy. And on the Asia-Europe tradelane, where it does not operate its own ships, the challenge has been even greater.

One source told The Loadstar that HMM had been forced to pay “over the odds” for the slot agreement with 2M to satisfy the conditions of its creditors to be a part of an alliance.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)
Yang Ming stays in the red as THE Alliance fine-tunes its contingency fund

BY MIKE WACKETT

Although troubled Taiwanese ocean carrier Yang Ming managed to improve its financial position in the second quarter of the year, it remains in the red. Yang Ming reported revenue of $1.1 billion for the period, up 19.6 per cent on the same quarter of 2016, from a 6.8 per cent increase in volume to 1.15 million TEUs. The result was a net loss of $14.7 million for Q2 and a deficit of $43.7 million for the six months. Yang Ming said the result showed a “consistent improvement” and said that it had “taken the initiative to control costs and to develop a new strategy to optimise its financial position”.

The carrier has been operating under severe pressure for some time, and in January, Drewry Financial Research Services identified Yang Ming as a “red flag risk”, suggesting it had taken the slot left vacant by Hanjin Shipping with the most leveraged balance sheet in the industry.

Faced with shipper and counterparty concerns, heightened after the collapse of the world’s seventh-biggest container line in August 2016, Yang Ming had sought to calm speculation by bringing in new investors to prop up its balance sheet. Following February’s $54 million share sale to state-run institutions, Yang Ming announced in May that it would confirm details of the new investors within a month, but the following month pleaded for more time to “achieve its recapitalization goal”. Then, on 14 July, Yang Ming issued a statement that it intended to make a public offering of 500 million shares.

Meanwhile, the U.S. Federal Maritime Commission (FMC) has confirmed that THE Alliance, of which Yang Ming is a partner along with Hapag-Lloyd and soon-to-be-merged Japanese carriers K Line, MOL and NYK, has filed an amendment to “add further detail to protections in the event of an insolvency”. THE Alliance filed the amendment on 7 August seeking authority to form, contribute funds to, and develop rules for a contingency fund designed to protect the operations of the VSA grouping should one of its members become bankrupt.

When Hanjin went into receivership on 31 August 2016, around 500,000 TEUs, worth some $14 billion, was stranded for weeks on 100 vessels around the world. The bankruptcy had a serious impact on containers booked by other partners in the now-defunct CHYKE alliance but loaded on Hanjin ships.

FMC commissioner William Doyle said that it was important that “another Hanjin debacle does not happen”. He added: “Looking back, things could have been done differently. Looking forward, things must be done differently. We need safeguards and THE Alliance is heading in this important direction.”

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

Tradelane rivalry may scupper partnership of 14 Korean shipping lines, warns analyst

BY MIKE WACKETT

The August 8 partnership agreement between 14 South Korean shipping lines falls far short of the consolidation needed to bring them significant benefits, according to Alphaliner. The Korean Shipping Partnership (KSP) was announced by the Korea Shipowners’ Association (KSA) and is supported by the Ministry of Maritime Affairs and Fisheries.

The companies are Hyundai Merchant Marine (HMM), CK Line, Dongjin Shipping, Doowoo Shipping, Dong Young Shipping, Hansung Line, Heueng-A Shipping, KMTC, Namsung Shipping, Pan Continental Shipping, Pan Ocean, Sinokor Shipping, SM Line and Taiyoung Shipping. It is part of the South Korean government’s strategy to revive the nation’s shipping sector after the collapse of ‘national’ carrier Hanjin Shipping last August.

However, Alphaliner said: “Previous attempts at forging a deeper cooperation between Korean carriers have resulted in limited success.” It cited the example of HMM+K2, inked in January between HMM, Sinokor and Heung-A on the intra-Asia route. Alphaliner said that, to date, the agreement had resulted in slot swaps of “less than 1 per cent of the total intra-Asia capacity deployed by the three partners”.

According to the KSA, the new KSP is expected to establish an operating framework by the end of the year and commence full operations early in 2018. Areas of planned cooperation include fleet replacement and expansion, route rationalisation and new services and the development of joint international terminal operations. However, in the view of Alphaliner, the South Korean carriers “are expected to remain disadvantaged, due to their fragmentation and lack of scale” against the major carriers serving the route, such as Maersk, MSC, Cosco and Evergreen.

The consultant argued that the KSP members themselves “remain fiercely competitive”, illustrated by the rebuttal of the highly ambitious SM Line’s attempt to join the HMM+K2 consortium. And on the transpacific tradelane, HMM and SM Line are involved in a bitter battle for volumes in the space left by the demise of Hanjin, which had an 8 per cent share of the market.

Further, aside from the announcement by the KSA, The Load-
star] failed to find any reference to the KSP cooperation on any of the websites of the 14 members. This lack of PR was also noted by Alphaliner. It said: “While some Korean carriers are keen to receive government funding to prop up their weak financial positions, the KSP initiative appears to have received tepid support from the carriers themselves.”

Alphaliner believes the “excessive competition in their common markets” can only be dealt with by a “fully fledged consolidation” of the South Korean shipping lines. It added, however, that radical compatriot mergers similar to that of China’s Cosco and CSCL, and the Japanese container businesses of K Line, MOL and NYK, would “appear to be remote, in the Korean context.”

**Another mega-containership runs aground, pushing salvors to their limits**

**BY MIKE WACKETT**

Another ultra-large container vessel has run aground in Europe, again raising questions about the ability of salvage facilities to tackle a major incident involving the new megaships. The 14,074 TEU CSCL Jupiter ran aground on August 14 in the river Scheldt after leaving the port of Antwerp en route for Hamburg. The fully-laden 366-metre vessel, with a pilot still on board, apparently failed to make a turn in the river when steaming at 14 knots. It became stuck on a sandbank near Bath in the Netherlands.

In a huge salvage operation mounted by the port and local authorities, 16 tugs were reportedly deployed to pull the ULCV off at high tide. Salvers were concerned that if they failed, the ship would sink deeper into the sand and would need to be lightened to enable it to be refloated. Fortunately, the combined power of the tugs was enough to pull the ship back into the water, with no damage so far been reported.

However, during the salvage operation, shipping traffic at North Europe’s second-biggest container port was suspended, and the immense salvage costs will be dwarfed by the cost to the port, shipping lines and shippers from the delay and knock-on impact.

The port of Antwerp is already suffering from quay and landside congestion as it strives to cope with increased throughput from higher demand, due to a combination of a recovery in trade, the realignment of alliance networks and the impact of more ULCVs.

But the port and its customers will be breathing a sigh of relief that the disruption was relatively brief: it could have been much more serious. Such as when the 19,100 TEU CSCL Indian Ocean ran aground on the river Elbe in February 2016 on its approach into the port of Hamburg after suffering a steering gear fault.

Despite being lightened by the pumping out of 2,500 tonnes of bunker fuel and the attendance of 12 tugs, the ULCV remained stuck for almost a week until a higher than expected spring tide helped the salvors. Without that high tide, the next move for CSCL Indian Ocean involved attempting to discharge the ship of some of its deck cargo. However, the nearest floating crane with sufficient height and reach was half a world away off the west coast of Canada.

Just a week later, the 13,892 TEU APL Vanda became another casualty, suffering an “engine blackout” after leaving Southampton and was subject to a “controlled grounding” on Bramble Bank, the Solent approach, to protect it from strong currents and high winds. Eight tugs succeeded in towing the ship back into port.

Loss of power or steering at sea could be catastrophic for an ULCV. And as one seasoned salvage operator told The Loadstar at the time of the CSCL Indian Ocean incident: “We just do not have the equipment on station any longer to deal with this size of casualty.”

**Tomorrow’s world today, as automated ‘rapid logistics’ begin to optimize supply chains**

**BY SAM WHELAN, ASIA CORRESPONDENT**

Software start-up Yojee is using artificial intelligence (AI) and blockchain technology to optimize freight movements and develop a new type of “collaborative economy” logistics model. Currently used primarily for last-mile e-commerce deliveries, Yojee connects retailers and logistics providers by combining an online freight platform with AI-powered software that optimizes transport capacity throughout the supply chain, including real-time tracking, pick-up and delivery confirmation, invoicing, job management and driver ratings.

Yojee co-founder and CEO Ed Clarke told The Loadstar he spotted an opportunity during a stint working in South-east Asia’s burgeoning e-commerce sector.

“I saw first-hand the disjointed nature of logistics and the complete lack of information being shared in any sort of organized manner. We saw a huge opportunity for all the different players in
the supply chain to work together on a single platform,” he explained.

Based in Singapore, Yojee has 33,000 vehicles and 592 warehouses registered across 10 countries in South-east Asia and Australia. Launched in January, it moved over 20,000 kg of parcel freight in its first six months.

At the heart of Yojee’s service offering is “autonomous synchron-modal transport”, what Mr. Clarke dubs “rapid logistics” – a real-time algorithm that can perform 1,250,000,000 pieces of analysis in less than three seconds. This translates to optimizing 400 jobs and 5,000 vehicles in under a minute, automatically assigning deliveries to drivers and ensuring the fastest routes are taken.

AI ‘chatbots’ have also been introduced to handle many of the sales, customer services and operational tasks, which allows e-commerce companies to book deliveries without direct human contact. “The system starts to learn how you operate and then the AI runs your logistics for you and further optimises your assets and empty capacity,” Mr. Clarke said. “It’s a bit like a ‘brokerage 2.0’, whereby everything is automated and all modes are linked up for resource planning and optimization.

“We’re able to provide a system that drops in on top of any type of logistics company with moving assets and optimize that company – any empty capacity is offered back to the wider network,” he added.

Yojee’s plug-and-play capability is being utilised in Cambodia where it has signed up Post Media, the country’s largest print media organisation. “They’re probably the most efficient nationwide delivery network in Cambodia, but they’re getting fewer newspapers in their vehicles. “We went to them and said you could be the best logistics company in the country if we drop our software on top. Suddenly you’ve got this digital express delivery network ready to go,” said Mr. Clarke.

As well as managing last-mile, Yojee has the capability to optimize all landside freight movements further up the supply chain, from the port gate onward. It also plans to expand into cross-border logistics, an area Mr. Clarke said was “begging for” AI-enabled efficiencies.

“AI is not used properly in cross-border logistics yet and even the container yards are not using it to manage those movements. There’s no resource planning between all the different segments in that supply chain, so there’s so much opportunity for efficiency growth through technology.”

Yojee uses blockchain to create an indisputable record for every freight transaction, including GPS data, communications and status updates. “It also serves to build a reputation for all participants in the global supply chain, where the more jobs you do the system rates you higher and you have a better understanding of who is a good partner to use in different countries if you haven’t worked there before. It creates a sense of trust and truth and reputation,” said Mr. Clarke.

Blockchain encryption also allows logistics companies to partner together while safeguarding data and intellectual property. For example, with less-than-container-loads, companies can “share only the information that needs sharing with the people who need to know,” according to Mr. Clarke.

“So you can see where your items are in the wider scheme of things, but not everything that is in that container,” he added.

He claimed the company was seeking to help develop the supply chain industry, rather than revolutionize it. “We want to use our software to optimize as opposed to trying to disrupt. There are some really good operators in logistics, and people have potentially optimized it to the absolute maximum in terms of human decision-making.

“But there is a heap of new efficiencies that can be created with a system that works across the different sections of the supply chain using AI and machine learning, because if you can manage the item and plan the future resources, there are so many efficiencies you can create with proper planning and decision-making that take into account the future steps, and not just what’s best at a specific point in time,” he said.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

CMA CGM ULCV order could send ripples across tradelanes as rates strengthen

BY MIKE WACKETT

CMA CGM’s potential order of up to nine 22,000 TEU ultra-large container vessels (ULCVs) is sending a message to the liner industry that the freight rate war that led to the bankruptcy of Hanjin Shipping is far from over. Based on early reactions to the order news, shippers expect container lines to return to their old ways and lose their current pricing discipline, resulting in freight rates sliding post-peak season.

Ocean carrier executives The Loadstar spoke to say they are struggling to understand what prompted CMA CGM to even consider ordering more ULCVs, given its membership of the Ocean Alliance, which already has more capacity on order than rival alliances.

Lars Jensen, Chief Executive and partner of SeaIntelligence Consulting, said the Ocean Alliance partners of CMA CGM – Cosco, OOCL and Evergreen –
would see their combined fleet capacity up around 18 per cent after all newbuilds are delivered by the end of next year. This forward capacity growth would increase to more than 21 per cent if the orders are confirmed by the French carrier. It contrasts with *THE Alliance*’s projected capacity growth of less than 10 per cent and the 2M’s even more modest sub-7 per cent.

One carrier source said he thought the order could be due to a fit of pique by CMA CGM after being usurped in its third-biggest-carrier ranking by the takeover of OOCL by Cosco. He added that if that acquisition went ahead it would also make Cosco the new lead line of the *Ocean Alliance*, a status CMA CGM has often proudly quoted in its company PR.

Meanwhile, in the deepsea market trends this week, sources report “prices are high and space is tight” on both Asia-Europe and transpacific tradelanes, as the peak season begins in earnest. Moreover, PSSs [peak season surcharges] are kicking in and, according to one source, “are being swallowed”. In this respect, CMA CGM has announced a new $150 per 20ft PSS applicable from Chittagong, Bangladesh from 7 August. Anecdotal reports suggest a deteriorating picture of congestion at the port.

Notwithstanding improved interim results recently reported by OOCL, K Line, MOL and NYK, Mr. Jensen suggested that analysts should not get too carried away, given that, on a year-on-year basis, the results are being compared with the “bottom of the market” of 2016. In regard to OOCL, for example, Mr. Jensen noted that the carrier was “essentially back at the same level as in 2015”. Compared with the same period of 2015, the carrier’s revenue was actually up 3 per cent this year, but the challenge is that OOCL’s carriages are ahead by 14 per cent on the second quarter of 2015, so more volume was needed to achieve the result.

“We still need to see second-quarter developments for the other carriers, but insofar as OOCL can be taken as the first market indicator, it is clear to see the challenge, and why market observers should not be blinded by the high percentage growth over 2016,” Mr. Jensen added.

**Spectre of overcapacity returns to haunt liner shipping as newbuilds queue up**

BY MIKE WACKETT

The spectre of overcapacity is clouding recent analyst optimism that ocean carriers could be heading for a period of sustained profitability. During the first six months of this year, 26 newbuild ships of 14,000 TEU-plus have been delivered – many of which will have been deployed between Asia and Europe, and according to Alphaliner, at least one new ultra-large vessel a week is set be delivered before the market slips into the traditional slack season in October.

Plus, encouraged by better-than-expected demand, several carriers have brought forward the delivery dates of large newbuild orders, added the consultant. They had pushed back the deliveries, based on the less-optimistic forecast a year ago. Bringing forward ULCV delivery dates has also been prompted by a dearth of spot tonnage charter availability in the larger sectors. And with the height of the peak season still to come, carriers are getting worried that they might not be able to take full advantage of the strong demand.

The current optimism is supported by Alphaliner’s bellwether idle fleet chart, which has shrunk to its lowest level for two years at 176 ships for 472,995 TEUs, representing just 2.3 per cent of global cellular tonnage. According to Alphaliner data from 24 July, there were just seven 5,100-7,499 TEU ships open for charter, seven vessels of 7,500-11,999 TEUs, and only one ship of over 12,000 TEUs that could be fixed for employment. But, it is what happens after the peak season that gives rise to concern.

With more than 700,000 TEUs of new capacity expected to hit the water during the next five months, supply could once again get out of control, Alphaliner warned, suggesting that laid-up tonnage could rocket to just under a million TEUs again by the end of the year.

The slowdown in the demolition market since April – a consequence of perceived improvements in the charter market – will not now receive a boost from the enforced scrapping of non-compliant middle-aged ships, following the postponement of new ballast water regulations for two years.

However, the orderbooks of Asian shipyards are virtually empty, and the supply of new tonnage will dry up. For the South Korean yards this means massive lay-offs of workers over the next year or so. The yards are trying to diversify into other sectors, such as cruise ships, supply and off-shore vessels, but this is unlikely to improve their position dramatically. So, any carrier that regains its appetite for ordering ULCVs will receive an extremely competitive price.

**Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)**
Revenue soars for Japanese lines in Q1 as they eye new alliance

BY MIKE WACKETT

Ahead of their integration into the Ocean Network Express (ONE), the container liner businesses of Japan’s NYK, MOL and K Line all produced improved results in the three months to 30 June – their financial first quarter. NYK, the biggest of the trio, and with a 38 per cent stake in the ONE alliance, saw its liner trade revenue leap 21.3 per cent on the same period of 2016 to ¥171.5 billion ($1.54 billion) resulting in a 14.5 per cent swing back into the black of ¥5.7 billion ($5.1 million).

MOL, which like K Line will have 31 per cent of ONE, also saw its turnover surge, by 22.4 per cent on the same quarter of the previous year, to ¥180.2 billion ($1.62 billion), but it was still unable to convert this into profit, albeit the loss of ¥6.2 billion improved on the ¥11.6 billion deficit previously.

Meanwhile, the turnover for K Line’s container business jumped 20.4 per cent in the quarter, compared with the previous year, to ¥147 billion ($1.32 billion) propelling the carrier back into the black, with a profit of ¥6.1 billion for the quarter, against a loss of ¥12.3 billion suffered the year before. NYK said: “Conditions in the container shipping market improved owing to brisk shipping traffic and steady spot rates along the European shipping routes.” It added that other routes had “also mostly recovered”, which it said included trade-lanes in Central and South America, but a tonnage increase on the transpacific routes “was delaying a recovery in the market”.

NYK said: “The group worked to limit fleet and operating costs by continuing efforts taken in the previous fiscal year to boost cargo-loading efficiency, switch to new highly fuel-efficient vessels with capacity for 14,000 TEU, and optimize vessel assignment and economic performance. By implementing measures for cutting freight costs, particularly the efficient operation of container ships, the group improved profitability and its resistance to market fluctuations.”

K Line said its liner business had seen “solid cargo movements” on east-west and intra-Asia services, handling 6 per cent more containers between Asia and North America, 9% more on Asia-Europe and an impressive 17 per cent more on intra-Asia. This however had to be tempered against a 5 per cent decrease in volume on K Line’s north-south routes, primarily due to the termination of its South America east coast services.

These much improved sector results in the second quarter of the year, when the majority of new higher rated contracts began to be recorded in voyage results, is further evidence of a return to profit in the liner industry.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

U.S. ports cheered by news that workers have agreed contract extension to 2022

BY ALEXANDER WHITEMAN

U.S. west coast ports received a welcome boost with projections indicating that port workers had approved an extension to their collective bargaining agreement (CBA). The International Longshore and Warehouse Union (ILWU) said reporting from local unions suggested the CBA extension with the Pacific Maritime Association (PMA) would pass by 67 per cent. If, as is expected, the ILWU-PMA agreement is ratified, this would see the CBA expire July 2022 instead of July 2019.

President of ILWU International Robert McEllrath said the union was founded on principles of democracy, with the “rank-and-file” always having the last word on their contracts. He said: “There was no shortage of differing views during the year-long debate leading up to this vote, and the members did not take this step lightly. “In the end, the members made the final decision to extend the contract for a further three years – the extension will raise wages, maintain health benefits and increase pensions.”
Following the expansion of the Panama Canal, container lines have been given greater freedom when choosing U.S. ports, with access to east coast ports for larger ships now more plausible.

West coast port strikes from 2015 into 2016 had caused some fear that continuing delays to the contract extension would see the ports lose volumes to their east coast rivals. Observers have warned both ports and port workers on the west coast that they could face significantly lower volumes in the future.

*Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)*

---

**Hanjin creditors can expect to get back less than two cents in the dollar**

**BY MIKE WACKETT**

Thousands of creditors of bankrupt ocean carrier Hanjin Shipping can expect to get back less than two cents in the dollar, after it was revealed that claims approved so far total some KRW12tr ($10.5 billion).

The mind-boggling extent of the South Korean carrier’s indebtedness was revealed in a declaration and status report filed with the U.S. Bankruptcy Court District of New Jersey on August 4. The statement also said that the amount recovered from the debtor’s estate had, as at the end of July, reached just KRW250bn ($220 million). There are many more claims filed by creditors that have been denied, but these decisions are likely to be challenged in Korean courts.

*The Loadstar* reported in January that the first meeting of creditors had been postponed, with claims registered totalling some $26 billion. The first meeting of creditors was eventually held in the Seoul bankruptcy court on 1 June and was attended by more than 180 creditors representing more than 3,000 claimants.

In the statement to the court, Jin Han Kim, managing partner of Seoul-headquartered DR & AJU International Law Group, said it was “uncertain when initial distributions will be made to creditors holding admitted claims”.

When Hanjin Shipping filed for court protection on 31 August last year it had debts of about $5 billion. However, claims from unpaid bunker suppliers of some $64 million and massive contract default claims from shipowners and container leasing companies in particular, saw the carrier’s debt spiral.

Non-operating shipowners, such as Seaspan and Danaos, are still suffering from the fallout of the collapse of the world’s seventh-biggest ocean carrier, with the outgoing CEO of Seaspan famously describing it as shipping’s own ‘Lehman moment’.

Greek shipowner Danaos, which had five 3,400 TEU and three 10,100 TEU vessels on long-term charter to Hanjin, representing about one-fifth of its $2 billion contracted revenue. In its Q2 interim results, the shipowner said its net income had slumped to $29 million, compared with $48 million earned in the same period of 2016. Chief Executive John Coustas said then Hanjin bankruptcy had led to a breach of its financial covenants with its lenders.

Hanjin’s sudden demise resulted in about 500,000 TEUs of cargo, worth an estimated $12 billion, stranded on the carrier’s 100-strong vessel fleet around the world. The bankruptcy dwarfed the crash of United States Lines in 1986 and is by far the biggest in the 60-year history of containerisation, with the Korean liner shipping industry continuing to struggle to regain its former status as a leading global player.

Hyundai Merchant Marine, now a lowly 15th in the carrier ranking, itself subject to creditor restructuring and having booked a loss of $652 million in Q1, is said to be teaming up with 14 of its shipping compatriots in a national alliance.

Reportedly dubbed the Korea Shipping Partnership the grouping, which also includes recently formed SM Line, Heung-A Shipping and Sinokor Shipping, will, it is said, “endeavour to improve the competitiveness and financial stability of the Korean shipping industry”.

*Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)*
Insurers grow twitchy as containerships get bigger and cargo more valuable

BY MIKE WACKETT

Indeed, when the 2008-built 8,110 TEU MOL Comfort broke its back off the coast of Yemen in 2008, resulting in a total loss of the ship and 4,380 containers, the insured cargo loss was reported at some $300 million.

Marine insurers typically calculate their average exposure per box at $50,000-$100,000, but Mr. Hauer said amounts recorded for single containers lost from the MOL Comfort were considerably higher. Mr. Hauer said the growth in size of containerships, more than double in the last decade or so, also means that historical large loss values “must be called into question”.

He said: “We have long understood and accepted that for certain trades/commodities we can expect high-value goods to be in a single box, maybe even into the millions – but surely we are talking low single-digit millions, are we not? “We are aware that these expectations are, for a number of – largely perishable – commodities, becoming increasingly unrealistic. We are aware of a number of instances where the value of a single pallet can be $1 million or more.”

Mr. Hauer went on to list some examples of single container losses, including a truck accident involving a cargo of pharmaceuticals resulting in a claim for around $50 million. “Values of these products within a single 40ft reefer container regularly reach $50 million,” wrote Mr. Hauer who even suggested that the figure is “possibly conservative”. “We can only begin to find answers to manage these large exposures if we understand them.” He argued that the insurance industry could not “continue making assumptions based on what has gone before”.

“One too much has, and is, changing. If we as underwriters do not recognize and manage these trends, it is certain that our capital providers will,” warned Mr. Hauer.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

One year on, the expanded Panama Canal still ‘surpassing expectations’

BY MIKE WACKETT

The Panama Canal Authority (ACP) celebrated the first anniversary of the opening of the expanded waterway, described as a game-changing event in the history of maritime transport. ACP said the expanded canal’s inauguration on 26 June 2016 had resulted in “redrawn global trade routes”.

The first post-panamax vessel to transit the canal was the specially renamed 9,443 TEU Cosco Shipping Panama. Prior to the $5.2 billion upgrade and widening of its locks, the 77km canal linking the Pacific Ocean with the Atlantic was restricted to vessels of about 5,100 TEU capacity.

Since then, the ACP said, more than 1,500 neopanamax vessels had transited...
the canal, of which 51 per cent were containerships that included 13,000+ TEU vessels, such as the Hapag-Lloyd-operated Valparaiso Express. “These transits are a testament to the global maritime industry’s confidence in the expanded canal,” said ACP administrator Jorge Quijano. “The countless accomplishments set over the past year have surpassed even our own expectations for the project.”

According to the ACP, 15 out of the 29 liner services that use the canal now deploy neopanamax vessels, with the majority of these linking Asia with the US east coast.

The knock-on effect of the bigger ships has been particularly strong growth in throughput through US Gulf and east coast ports. For example, Jacksonville Port Authority said it had seen a 13 per cent growth in Asian container shipments in its first half of fiscal year 2017, compared with the same period of the previous year.

Looking forward, ACP said it had plans to concession a ro-ro terminal to serve as a centre for vehicle redistribution as well as machinery and heavy lifts, along with a 1,200 hectare logistics park to strengthen logistics services in the region. Moreover, ACP said it would “continue to advance plans for the Corozal Container Terminal” in the form of a five-million TEU design and develop


things may be looking up for europe’s ports, say analysts, but growth is slowing

by alexander whiteman

North European ports may finally have rebounded: analysts are reporting a prosperous first half to the year and indicating sustained, if slowing, growth on the cards for the rest of 2017.

In its latest Global Port Tracker, ISL and Hackett Associates report that six North European ports – Antwerp, Bremen, Hamburg, La Havre, Rotterdam and Zeebrugge – had increased volumes for the five months to May, with growth forecasts of 5.7 per cent and 3.7 per cent in imports and exports, respectively, for Q2. Year-on-year growth, the report suggests, will last into 2018, however, it notes the pace of growth will slow in the second half of the year, with Q3 and Q4 both down quarter-on-quarter.

Third- and fourth-quarter import volumes are expected to increase year-on-year by 2.1 per cent and 4.6 per cent, respectively, but quarter-on-quarter imports for the final three months of the year are expected to drop by 4.1 per cent. On the export side, forecasts indicate year-on-year growth of 5 per cent (third quarter) and 2.9 per cent (fourth quarter), but again quarter-on-quarter projections indicate a dip, of 2.9 per cent in Q4.

Analyst Ben Hackett said surging strength in northern Europe had increased projections for full-year imports to the North European ports from 1.8 per cent to 3.7 per cent, with most of the growth in the first half, while export projections remained unchanged at 4.2 per cent.

“We expect Rotterdam to benefit the most from the increased traffic as the three alliances focus their transhipment there, except for MSC which uses Antwerp,” said Mr. Hackett. The port of Le Havre is also projected to see a strong comeback for the rest of this year, and if carriers can manage their capacity and not rush into market share wars, we could see a financial recovery. But as supply still outpaces demand, we have a certain amount of doubt about this.”

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)
OOCL needed cash and the ‘weight’ of Cosco to challenge the mega-competition

BY MIKE WACKETT

OOCL was too small to compete with mega-carriers and needed access to a large capital base to succeed, its Chairman said.

OOCL returned to the black in the first six months of the year, contributing a net profit of $25.3 million to the H1 result of its parent, Orient Overseas International Ltd, (OOIL). This compares with a loss of $82.4 million recorded in the same period of 2016. The result was achieved on revenue up 15.2 per cent to $2.6 billion and earned from 6.8 per cent growth in the carrier’s liftings, at 3.1 million TEUs. The improved return was realized despite the average cost of bunker fuel for its vessels increasing 64 per cent to $306 per tonne from $186 in the same period of last year.

Mr. CC Tung, OOIL Chairman, said: “We have begun to see a slow and steady recovery from the tough market conditions that characterised 2016.” But he remained cautious, saying the improvement in the supply/demand balance in the liner industry was not a sign of a “booming market”. “We are far from that,” he said, but noted that it was the first time since the financial crash that the supply/demand balance had not worsened year-on-year.

Mr. Tung believed that if orderbook suspension discipline could be maintained, “the industry will at least have the chance to start to absorb some of the excess capacity”. He said the shape of the liner industry had “changed dramatically” after a wave of mergers and acquisitions and the collapse of Hanjin Shipping. But Mr. Tung suggested that, over time, the consolidation would “help to provide a more stable context for the industry”.

Explaining the rationale behind OOIL’s decision last month to accept a $6 billion takeover bid from Cosco Shipping and Shanghai International Port Group, Mr. Tung said the deal provided an opportunity to merge “the highly respected OOCL brand” with Cosco’s size and scale and capital base. “For years, we have achieved scale benefits by means of alliance membership and the deployment of the right, often the largest, vessels in each tradelane. These techniques, alongside our highly skilled employees, our customer base, our IT system, our focus on cost efficiency and our robust balance sheet, go together to drive the success of our group.

“However, as the industry consolidates at speed, with the largest players now having millions of TEUs in carrying capacity, the capital base necessary to operate successfully and to establish a place among the leading industry participants is becoming increasingly sizeable,” explained Mr. Tung. He said the deal “would create a combined group that would have a very strong chance of maintaining and building a status as one of the very best performers in the industry”.

OOCL currently operates the biggest, by capacity, containership in the world, the 21,413 TEU OOCL Hong Kong, the first of a series of six vessels ordered.

At group level, OOIL earned some $49 million from its property investments, including a $30 million revaluation of its Wall Street Plaza property in New York. After tax, its consolidated net earnings for H1 were $53.6 million, versus a loss of $56.7 million in the same period of 2016.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

Port Saint John announces Bahri RoCon service, as well as CMA CGM container service

As part of their ongoing joint marketing strategy to increase global shipping services at Port Saint John, DP World and port officials jointly welcomed Bahri as the newest shipping line to call regularly at DP World Cargo Terminals located in Saint John, NB.

Bahri, the national shipping carrier of Saudi Arabia, and formerly known as NSCSA, operates six new state-of-the-art multipurpose vessels with an average age of less than three years on a regular liner schedule, all uniquely designed to carry Project, Roll-on Roll-off, Break Bulk and Container Cargo in a single voyage. Of these, four vessels connect Canada via Saint John to Saudi Arabia and...
Dock workers at Long Beach injured in chemical spill

BY ALEX LENNANE

Twelve longshoremen were injured when a container leaked propyl acetate after being loaded on to “K” Line’s Harbour Bridge in Long Beach. A firefighter who was trying to stop the damage was also injured after falling. Some of the flammable, toxic chemical went into the water and authorities created a 150-yard safety zone around the 9,040-TEU vessel.

Reprinted courtesy of The Loadstar (www.theloadstar.co.uk)

The St. Lawrence Seaway Management Corporation (SLSMC) is pleased to announce that Raymond Johnston and Patrick Bushby have been appointed to its Board of Directors.

Mr. Johnston is President of Chartwell Consulting Services Inc. and has a long history in the marine industry. From 2000 to 2013, he was President of the Chamber of Marine Commerce, and prior to that was President and CEO of Canada Steamship Lines. Mr. Johnston is also the President of Green Marine Management Corporation.

Mr. Bushby is Director of Operations for Ontario and Quebec for Viterra, a major Canadian grain industry participant. His grain industry experience also includes senior management positions with the Saskatchewan Wheat Pool.

Terence Bowles, President and CEO of SLSMC, welcomed the appointment of Mr. Johnston and Mr. Bushby, noting that their many years of experience will provide SLSMC’s Board with a wealth of knowledge to draw upon.

The St. Lawrence Seaway Management Corporation is a corporation created in 1998 pursuant to the Canada Marine Act to operate and maintain the Canadian locks and channels of the St. Lawrence Seaway.
Shore power project completed at Port of Montreal

Montreal Port Authority has completed its shore power project allowing vessels docking at the Port’s new cruise terminal to be powered by utility-generated electricity. This two-pronged project is expected to reduce greenhouse gas (GHG) emissions by 2,800 tonnes per year.

This is the first green initiative of its kind in Quebec. The project was rolled out in two phases. The first was shore power for wintering vessels and the second, for cruise ships. In 2016, the MPA developed four power supply stations at berths 25, 27, 29 and M2 for vessels that winter at the Port.

Hydro-Québec installed a new 25 kV line to supply the new substation installed at the cruise terminal in 2016. Carried out in 2016 and 2017, these works led on July 29 to the successfully completed, first ever connection to Holland America Line’s cruise ship, MS Veendam.

The total project cost was $11 million. The government of Canada is contributing up to $5 million under its Shore Power Technology for Ports Program. The government of Quebec contributed $3 million under its program to improve marine, air and rail transportation efficiency to reduce GHG emissions (PETMAF en matière de réduction des émissions de GES). The Port Authority contributed $3 million.

“Now completed, this shore power project will result in a significant reduction in greenhouse gas (GHG) emissions, offsetting virtually all the GHG emissions for which the Port is responsible,” said Sylvie Vachon, President and CEO of Montreal Port Authority.

“I warmly thank the governments of Canada and Quebec for their generous contribution to the project that enables the Port to keep providing efficient, modern and improved infrastructures to its clients and to remain a leader in environmental protection.”

“We would like to congratulate the Montreal Port Authority on their initiative to offer cruise ships the opportunity to use shore power when the ship is docked. This is another fine example of the extraordinary potential of our clean renewable energy during the energy transition to transportation electrification,” said David Murray, President of Hydro-Québec Distribution.

Port of Sept-Îles multi-user dock generates local spinoffs

Port of Sept-Îles, one of North America’s largest ore-handling ports with an annual volume of close to 25 million tonnes, is delighted that Société ferroviaire et portuaire de Pointe-Noire (SFPPN) has retained local contractor Groupe G7 to build the conveyor that will link the multi-user dock to SFPPN storage facilities. This local contract, a $15 million investment on the part of SFPPN, is in keeping with the agreements stipulating that users of the multi-user dock are responsible for linking it to their storage facilities.

This new regional infrastructure project follows on the December strategic agreements between SFPPN and Port of Sept-Îles setting out the terms and conditions for priority construction of the conveyor.

As the instigator of the multi-user approach and partner with SFPPN from day one, the Port will cooperate in every way possible to ensure the project is delivered on time so that loading operations can start at the multi-user dock before the end of the year.

“We’d like to acknowledge the Quebec government’s leadership in helping ensure that the contract benefits the region by going to a local company. Government investments at Pointe-Noire in recent years show that Quebec is attentive to the region’s needs and realizes the importance of supporting the iron mining industry,” said Pierre Gagnon, CEO of the Port of Sept-Îles.

CLARIFICATION

In the June 26th issue of Canadian Sailings, an article entitled” Montreal Gateway Truckers Appreciation Day 2017” contained the following sentence: “(MGT)... wishes to thank Montreal Mariners’ House for the maintenance of facilities to welcome seafarers from all over the world.” The sentence has apparently been interpreted by some readers as meaning that Mariners’ House was in some manner responsible for maintaining facilities at MGT, which is not the case.

Truckers Appreciation Day is an occasion where MGT recognizes the hard work of the Trucking Community and Montreal Mariners’ House benefits from the event because it is the beneficiary of donations made by truckers in attendance, and all other attendees, and matching donations made by Montreal Gateway Terminals Partnership. Canadian Sailings regrets any misunderstandings that its article may have caused.
UPCOMING EVENTS

Contact FRANCE NORMANDEAU
france@canadiansailings.ca

September 9
THE GRUNT CLUB
Summer Car Rally
Contact: Jeff Fisher
citi_2012@bell.net
www.gruntclub.org

September 21
THE GRUNT CLUB
Fall Golf Event
The Montreal Country Club, Saint Lambert, QC
Contact: Katherine Shaughnessy-Chapman
kshaughnessychapman@brissetbishops.com
www.gruntclub.org

September 24-26
CANADIAN FERRY ASSOCIATION
CFA AGM & Conference
Halifax Marriott Harbourfront Hotel, Halifax, Nova Scotia
Contact: Christine Helm
chelm@canadianferry.ca
canadianferry.ca/conference-2017

September 26
31ST ANNUAL CONFERENCE ON TRANSPORTATION INNOVATION AND COST SAVINGS
Burlington Performing Arts Center, Burlington, Ontario.
Contact: (905) 331-1755, Richard Lande
rlande@cogeco.ca
www.transportconference.website

September 27
CANADIAN FERRY ASSOCIATION
Golf Tournament
Chester's Golf Club, Chester, Nova Scotia
Contact: Christine Helm
chelm@canadianferry.ca
canadianferry.ca/conference-2017

September 28
THE TRAFFIC CLUB OF MONTREAL
Poker Tournament T.C.M.
Venue to be confirmed
Contact: 514-874-1207, ext. 102, Maryna Cheroshnykova
dg@tcmtl.com
tcmtl.com/en/event/poker-tournament-t-c-m/

October 25-27
CITT
Canada Logistics Conference
Delta Montreal, Montreal, Quebec
Contact: 416-363-6596 ext. 28, Chrissy Aitchison
caitchison@citt.ca
www.citt.ca/conference/2017/register.html

November 2
THE TRAFFIC CLUB OF MONTREAL
OysterFest
Venue to be confirmed
Contact: 514-874-1207, ext. 102, Maryna Cheroshnykova
dg@tcmtl.com
www.tcmtl.com/en/event/oysterfest/
www.citt.ca/conference/2017/register.html

November 14-16
13TH ANNUAL HWY H2O CONFERENCE
Hilton Toronto Airport Hotel & Suites
Contact: 905-641-1932, Ext. 5377, Kelly DiPardo
kdiporto@seaway.ca
www.hwyh2o-conferences.com

Canadian Sailings is not responsible for errors. Please verify with event organizers for possible changes or cancellations.
Announcing Equinox Class Phase Two

The largest self-unloader renewal program ever undertaken.

7 new Equinox class self-unloaders

3 different configurations

1 class leading design

The most efficient and environmentally friendly ships on the Great Lakes - St. Lawrence Waterway.

Short Sea Shipping is OUR BUSINESS

Algoma Central Corporation | www.algonet.com | @AlgomaCentral