



Photo: ECTUG

Charting a new course

Thinking big and digging deep: Halifax is on the move and planning for the future

THERE'S NO QUESTION THAT MARINE trade is a more important economic driver than ever. With the increasing globalization of trade and newly robust Asian markets, international shipping has grown dramatically. The United Nations Conference on Trade and Development estimates that the operation of merchant ships contributes about \$380 billion US in freight rates to the global economy, equivalent to about five per cent of total world trade. Shipping trade estimates are usually calculated in tonne-miles (tonnes carried, multiplied by the distance travelled). Over the last four decades total seaborne trade estimates have nearly quadrupled, from less than 6,000 billion tonne-miles in 1965 to 25,000 billion tonne-miles in 2003.

While the Port of Halifax has posted several strong years in a row, industry watchers feel that a lot more business awaits. "The HPA [Halifax Port Authority] is taking a hard look at itself," says Karen

Oldfield, president and CEO. "We've been trying to find out where we fit in the global shipping industry of the future."

Long noted as a key transportation hub for the region, the Port of Halifax is repositioning itself, drawing on its strategic location and strong intermodal links to serve as Canada's East Coast connection for worldwide trade. "We're going to grow this port in three ways," Oldfield says. "We're going to focus on growing our existing customers, we're going to focus on growing with new customers and we're going to focus on growing by diversifying."

China, with its rapidly modernizing economy and growing middle class, is the key. Federal transportation minister Jean Lapierre addressed the topic during a recent conference on intermodalism in Shanghai. "Our world is changing," he says. "There is a new dynamism at play and China is leading the way. New economies are rising. The global power structure is evolving and China has come to occupy an increasingly pivotal role on the international stage. The Chinese dragon is on the move." And the dragon is hungry. "Its fast-growing economy needs resources," he adds. "China has become the world's largest importer of raw materials. As the country's manufacturing sector grows, it is also becoming the largest exporter of finished products. Since 1979, China has achieved an average annual GDP growth rate of nearly 10 per cent. These impressive numbers have not been ignored."

The tyranny of distance no longer limits trade, as Canada and China have forged a lucrative relationship despite minor inconveniences like oceans. "China is Canada's second-largest trading partner," Lapierre explains. Our two-way trade has grown to some \$25 billion annually, up from \$5 billion a year only a decade ago. In fact, our trade increased by 50 per cent last year alone. And there is no doubt that it will continue to expand. This growth is taking place as both Canada and China evolve as trading nations."

The implications for marine trade are obvious. Lapierre offers an example. "In Shanghai, there is a shipping tidal wave," he says. "Traffic has increased at a staggering rate. The number of containers handled in Shanghai has increased from 1.5 million TEUs to 14.6 million today. [It is] now the third largest container port in the world and ranks as the second largest freight port in the world."

That offers opportunities for Halifax. "Halifax boasts the only seaport on the eastern coast of North America deep enough to accommodate fully laden, post-Panamax vessels," says the transport minister. "Even more important than its depth is the seamless intermodal connection from ship to the CN line into the heart of North America. In fact, Halifax is starting to handle containers from China and Southeast Asia that are going through the Suez Canal."

Locally that message is echoed by the HPA, which has been aggressively courting that business. "We've got some good news in this respect," Oldfield says, referring to China Shipping's new Halifax service (see story on page 19). China Shipping will have 4,200-TEU vessels calling weekly at Halifax's South End Container Terminal, operated by Halterm Ltd. It's the only Canadian port of call on its Asia Med America Express (AMAX) service.

But while bringing new lines into the port is key, it's not the only way to grow business. "When I'm talking about new customers, I'm not just talking about shipping lines,"

she adds. "I'm also talking about the shippers themselves... On July 1, Halifax became the destination port for products from Southeast Asia and the Indian Subcontinent. We're going to be the East Coast hub for sorting and distribution for Sears, Sony, Reitman's and other [Canadian Retail Shippers Association] members."

Halifax's new business with Asia is a sign of a shift in how international trade moves, according to Brian Lee Crowley, president and CEO of the Atlantic Institute for Market Studies (a public-policy think-tank based in Halifax). He spoke at Port Days 2005 (see story on Page 18) and shared his ideas. "The new network activities that increasingly dominate the globe and the continent [can] connect the industrial heartland of North America with Europe and Asia via a series of trade corridors radiating out from the Port of Halifax to major destinations in North America," he says. "Halifax has a natural depth that allows it to accommo-

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NORTH AMERICA'S RAILROAD



Transport minister Jean Lapierre

Photo: Submitted



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date the largest ships in the world, it has no air draft issues at the entrance to the harbour and it has spare capacity.”

Crowley describes short-sea shipping as the potential “jewel in the crown” of Halifax’s transportation network and growth in the market suggests he’s right. For instance, Halship (headquartered in Halifax with offices in Boston) recently partnered with Eimskip on service between Halifax and Boston, plus Newfoundland and Boston. The deal significantly strengthens Eimskip’s activities and service range on the East Coast and streamlines operations substantially. Transport capacity will increase in these areas, as Eimskip now offers weekly sailings between Canada and the U.S., on routes previously served every other week. Oceanex is another good example. After more than two decades

servicing Halifax, it’s added another vessel to the Newfoundland run.

This port’s confluence of geography, services and intermodal links leave it uniquely positioned. “Shipping and trade pattern developments are driving the emergence of a hub-and-spoke structure,” Crowley explains. “It is not sufficient to drop the stuff at the port. You have to unload those boxes from those ships. You have to put them on a truck, on a train or on a short-sea shipping carrier destined for a smaller regional port.”

That’s why seamless intermodal links are paramount. “We have been adapting to this new reality by promoting policies and investments that deal with transportation as a system, rather than a collection of individual modes,” Lapierre says. “Integration will allow our ports, terminals, brokers, truckers and rail com-

TOP: AIMS’s Brian Lee Crowley addresses the Port Days audience. BOTTOM: The naming ceremony for *Svitzer Bedford* included Doug Harding, Regional Director, ECTUG; Stuart McNiven, Svitzer Marine; a student from Bedford Academy; Karen Oldfield, President and CEO, HPA

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panies, among others, to talk, plan and harmonize their activities in an effective and innovative manner." Steps include the development of the Halifax Gateway Council and new technology to improve information sharing between the modes, allowing for more efficient service. Halifax's Smart Port initiative is another such example. "We need to keep looking at our entire gateway," Oldfield says. "Rail, road and sea—this isn't something any one of us can do on our own."

These developments reflect a new approach to growth for the Port of Halifax. "This past year, we've built a growth strategy about being united, about collaboration," Oldfield says. "We believe in working collaboratively. This was a strategy we used to bring China Shipping to Halifax... The global supply chain is complex... The port that comes together to identify problems and solutions will emerge a winner." That's important because demonstrating to potential clients that the port's stakeholders work in close cooperation, reinforces the smooth relations and efficiencies that are Halifax's strengths. "When we went to Asia last spring, our colleagues from Ceres, Halterm and CN were there with us," she explains. "The fact that we were all in the room together made our message stronger and clearer."

The approach is paying dividends already and port stakeholders are bullish about what the future holds. For instance, Eastern Canada Towing Limited (ECTUG) recently made a major new purchase. On November 3, Oldfield christened the *Svitzer Bedford*, which sailed to Halifax in September from Chile, where the ASENAV yard built it to the stringent requirements of Transport Canada and Lloyd's Register of Shipping. Upon arrival, ECTUG immediately incorporated it into the Halifax operation, assisting ships on and off berths in the harbour. One of its first jobs was CSCL *New York's* first call.

The most powerful of ECTUG's Halifax's fleet, *Svitzer Bedford* is a key addition to the Port's infrastructure. The Azimuthing Stern Drive tug boasts exceptional manoeuvrability and is equipped with a comprehensive array of modern navigational equipment. "Our tug fleet in Halifax, now enhanced by the *Svitzer Bedford*, is a demonstration of our commitment and determination to assist in the continued development and expansion of the Port of Halifax," says Doug Harding, ECTUG's

regional director. "We are very proud to welcome her to our fleet."

Moves like those are good omens. "It's a sign that service providers are confident in the port's future," says Patrick Bohan, HPA's manager of business development. And in this period of change, as new trade customers and routes emerge, that's criti-

cal. "There is no room for complacency anywhere, as the world trade networks become increasingly fluid," Crowley says. "Now is the time for all of us, wherever we are, to take part in this debate about where we fit in the emerging global trade networks before the networks are formed and solidified for the next 20 years." ■



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Oceanex is one of the key short-sea services serving the Port of Halifax.

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