

## **KEEPING PORTS CONNECTED**

### **Opening Statement**

To ensure that an economy continues to grow, investment in technological advancements in shipping are a necessary. Technological advancements improve efficiencies, provide competitive advantages, and reduce the prices of commodities. In order for Canadian ports to remain competitive in the globalized realm of shipping, the B.C., Federal, and local governments must work with the Port of Vancouver and other port authorities to invest in digital technology that can communicate with shipping line technology.

The Vancouver Fraser Port Authority (VFPA) needs to enhance the Lower Mainland's trading and shipping capabilities via the Roberts Bank Terminal 2 (RBT2) project. As total cargo volumes are projected to increase, the expanded terminal will allow the Lower Mainland to ensure we are capable of handling increased volumes. Without this project, shipments will slow and divert to various other ports along the US coast, causing job losses and economic re-investments into our local Canadian communities. Thousands of jobs will be created throughout construction and operations.

### **Background**

The Port of Vancouver is expecting cargo to grow at the rate of 3.6% over the next 4 years with the majority of increases coming from foreign sources. This is a major boon to the economy but there are two issues that are causes for concern:

1. Without adequate space for the containers, this increase will be diverted to other ports in America.
2. Many international shipping lines that utilize digital technologies that are years ahead of current technology used by the Port of Vancouver will choose to go to other ports that can communicate with the new technology.

The Port's long-planned \$2-billion expansion project will expand terminal capacity from 1.8 million twenty-foot equivalent units (TEU) per year to 2.4 million TEUs, handling 260 container ship calls annually. This is needed for BC and Canada to ensure that we have the needed trading infrastructure to participate effectively and efficiently in the global economy.

Top international shipping lines like A.P. Moller-Maersk are increasing their investment in digital technologies to improve efficiencies and sharpen competitive edges in what is an extremely capital-cost-intensive industry. The connectivity and digital efficiency of major ports and their operations is therefore becoming a critical differentiator in attracting and maintaining business from major shipping lines.

The newly updated United Nations Conference on Trade and Development liner shipping connectivity index (LSCI) shows Canada moving in the wrong direction in its rankings.

The LSCI measures container port performance to determine where countries rank within global ocean liner shipping networks based on several data streams, including the number of ships deployed to and from each country's seaports.

Canada's 2019 ranking dropped to 37th from 32nd in 2018 and is well down from its ranking of 23rd in 2006 and below smaller economies such as Colombia (34th). The United States ranks fifth overall. Canada's competitiveness is weak and requires large investment in new technology.

#### THE CHAMBER RECOMMENDS

That the Provincial and Federal Government:

1. Ensure that the Vancouver Fraser Port Authority receives continued infrastructure support for the Roberts Bank Terminal 2 Project;
2. Ensure that industrial land is protected so that it may be used to enhance port activity, and;
3. Work with the Vancouver Fraser Port Authority to invest in digital technologies that allow seamless communication with the technology used by large commercial shipping companies.

**Submitted by the Surrey Board of Trade**