

P&O Ports to spend \$130 million to double terminal capacity

Expansion will relieve pressure of growing container traffic and create more than 100 new jobs

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BLOOMBERG WITH VANCOUVER SUN

THE HARBOUR | P&O Ports Canada Inc. plans to invest \$130 million over the next 18 months, doubling the capacity of its Vancouver container terminal.

P&O Ports, an arm of Peninsular and Oriental Steam Navigation Co. of London, has signed a new 51-year agreement with the Vancouver Port Authority to operate its "Centerm" terminal in Vancouver harbour.

"We're moving very fast," said Tom Boardley, P&O Ports Canada's president and chief executive.

"This is going to relieve a lot of pressure as container cargo volumes continue to grow."

P&O, which acquired a foothold in the western Canadian port with the February 2003 purchase of the former marine assets of BC Rail Group for \$110 million, said the expansion would create more than 100 new jobs.

Expansion in Vancouver comes amid increased competition for container traffic among Pacific coast ports including Los Angeles and Long Beach, Calif., and Tacoma, Wash. Vancouver is P&O Ports' first operation on the west coast of North America.

"At the moment Vancouver is keeping up but needs to find other means to expand," Boardley said.

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Two new cranes, on-dock rail lines to double in plan



IAN SMITH/VANCOUVER SUN FILES

Expansion should keep traffic moving at Centerm and will boost the annual longshoremen wage bill to \$57.5 million from \$23 million last year.

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Vancouver is one of the fastest growing container ports in North America and container cargo is expected to increase from 1.54 million TEU last year to four million TEU by 2020. Each container handled in the Port is worth \$1,200 to the regional economy in the provision of value-added goods and services.

The expansion will increase the terminal's capacity to 720,000 20-foot equivalent units, the company said in a statement. New equipment includes two additional container cranes, 16 rubber-tired gantries used to move and stack containers, and a doubling of on-dock railway lines to about 2,400 metres

(8,000 feet), the company said.

The work will be done on the existing 29½-hectare (73-acre) terminal footprint located east of downtown on the south shore of Burrard Inlet.

It's expected that additional cargo resulting from expansion will boost Centerm's wage bill for longshoremen to \$57.5 million annually, compared to \$23 million last year, the company said.

In a statement, Boardley said this latest investment in jobs and infrastructure is made possible by provincial government legislation capping municipal taxes. He also credited the new lease on Centerm, which is the longest lease in VPA's history, and cooperation from the longshore unions.