

\$150m expansion just the first step

P&O's long-range plan to tap growing global container trade

By Ashley Ford
Business Reporter

P&O Ports Canada Inc. is wasting little time in becoming a major player in the Port of Vancouver's fast-growing container business.

Darcy Clarkson, newly appointed president and CEO of the U.K.-based company, told

The Province yesterday that the current \$150 million expansion at P&O's Centerm facility in the inner harbour is only the first step in its long-range plan to capitalize on an exploding global container business worth billions of dollars worldwide.

P&O is one of the world's major container-terminal operators and "we intend to be here for a long time. P&O sees itself as a developer and not just an operator and tenant," he said.

Expansion alone will create 100 new jobs and transform it into one of the most advanced container operations in the world. New container cranes are being brought in and 14 new rubber-tired gantries will help double container capacity on the 33.1-hectare site. It will boost Centerm's container capacity to 435,000 containers from the present capacity of 220,000.

Just as important is the huge regional economic spinoff the container industry creates. It is estimated every box that moves over the

docks is worth \$1,200 to the regional economy.

"Expansion at Centerm is just a first step as far as we are concerned. We are very interested in working with the Vancouver Port Authority [VPA], to explore other options and how they fit in with our objective to expand our involvement in Vancouver," Clarkson said.

"Once the Centerm expansion is complete, we will be pursuing other opportunities to develop container facilities in B.C.," he said.

The level of commitment from such a major international company in such a short space of time — the company only came here in February of 2003 — is impressive. It has just wrapped up a 51-year lease with VPA for Centerm.

"It is the longest-term lease the VPA has made with anyone and I don't know that P&O has that length of agreement anywhere else in the world. That's a pretty strong indication of the level of commitment P&O has to this port," Clark-

son said.

He says Vancouver is the fastest and most efficient gateway from Asia to Eastern Canada, the U.S. midwest and the Eastern Seaboard and intense competition from other West Coast ports means it is vital that Canada keeps pace with demand. The VPA is targeting a doubling

linernotes

The Peninsular and Oriental Steam Navigation Company of London has an enduring relationship with the Port of Vancouver stretching back over half a century.

It's famous passenger liners Arcadia, Oriana, Canberra, Chusan, Orsova, Orcaés and Iberia were regular callers at the old Pier BC, now the convention centre. Though the great passenger-liner era had passed into history by the 1970s, P&O didn't stray far. Befitting a company that invented ocean cruising in 1844 and gave the English-speaking world the word POSH — for *port out; starboard home* on its liners plying between the U.K. and India — it purchased Princess Cruise Lines in 1974 and popularized the now famous Alaska cruise ships.

Last year, it re-cemented its links with Vancouver by acquiring the marine assets of B.C. Rail Group, including Centerm, one of the port's main container terminals, where it is spending \$150 million to double capacity by the end of next year.

of container capacity by 2020 to keep pace with demand and maintain its vital business stake in the industry.

Clarkson's appointment also heralds a new era for P&O here and puts the Canadian division under complete Canadian management control for the first time.

"It's confirmation that the team here has what it takes and has the full support of corporate head office in London," he said.

Tom Boardley, whom Clarkson is replacing, said it was P&O's intention since purchasing Centerm and Canadian Stevedoring last year from B.C. Rail Group for \$110 million to hand over control to local management.

Clarkson said the company has already had discussions with the VPA about possible future business and obviously has its keen eye on the pending expansion of Deltaport at Roberts Bank. VPA will add a third berth at Deltaport and construct a new \$750 million terminal close to Deltaport. This massive expansion is scheduled for completion by 2012.

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