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Future delays at Port of Vancouver could send Asian exporters elsewhere: Improvements needed to road, rail and port facilities to cope with booming China trade

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Byline: Bruce Constantineau
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Congestion at the Port of Vancouver threatens to scare business thousands of miles away to the U.S. Eastern seaboard, Vancouver Port Authority president Gordon Houston said Tuesday.

He said some port customers are considering longer "all-water" routes to bring products from Asia to North America, using either the Suez or Panama canals to reach ports like New York and New Jersey in order to avoid delays in Vancouver, even though the Asia-Vancouver voyage is several days shorter.

It hasn't happened yet, Houston stressed in an interview, but the fact it's even being considered should concern everyone in the B.C. port community.

"If we don't get the road and rail infrastructure and our own infrastructure in place, that all-water route starts to look very attractive," he said after a speech to the Vancouver Board of Trade.

Congestion at Vancouver's port facilities has become a major issue as port business booms as a result of huge increases in trans-Pacific shipping traffic. Houston said the total volume of trade with China shipped through Vancouver has increased by 56 per cent in the past year, with lumber exports climbing 46 per cent and sulphur exports rising by 63 per cent.

Growth in Asia-Pacific trade will provide a huge stimulus to future economic growth in B.C. but the province has to be ready, he said. The port and its business partners plan to spend \$1.4 billion to triple the port's container terminal capacity by 2020 and Houston said major capital investments are also needed to boost capacity in the region's road and rail networks.

"If we build it, they will come," he said in his speech. "But if we cannot accommodate their growth, we will be left behind as they seek other gateways."

Houston headed a 25-person trade mission to Asia this month and he came back with a newfound respect for the "incredible dynamism" driving that continent's economic growth.

"Until you have seen these things first-hand, and experienced the energy that drives these contemporary Asian economies, it's all just a bunch of numbers," he said. "The people in Asia are hell-bent on business and I believe the growth we're seeing today will not slow down or flatten out in the foreseeable future. If anything, it will increase."

The provincial government will release a report next month on plans to develop a provincewide ports strategy to get the greatest benefit from Asia-Pacific trade but ports are a federal responsibility and Houston noted the federal government does not have a national strategy to optimize Canada's trade relationship with China.

"Unless we have a national vision of what we're trying to achieve, we're not going to make it," he said.

Greater Vancouver Regional District officials have expressed concerns over the Port of Vancouver's expansion plans, fearing air quality will be threatened by increases in marine traffic while congested road and rail networks will be under even more pressure.

A joint Canada-U.S. study recently forecast that marine traffic emissions would surpass air pollutants from motor vehicles in the Georgia Basin and Puget Sound regions by 2010.

GVRD chairman Marvin Hunt said district officials want the region to receive a special designation that would force marine vessels to use more expensive, cleaner-burning fuels but Houston said it would be unrealistic to force that on the industry overnight.

"It's going to take the GVRD 50 to 70 years to change the system to get cleaner sewage and the shipping community is no different," he said. "Ships last about 20 years and it will take them 20 years to change the engines so they can use better fuel with better burning capabilities.

"Ship engines weigh 150 tonnes and cost tens of millions of dollars. You don't just throw that away."

Houston said urban congestion in Vancouver has made it extremely difficult for port industry officials to find the land necessary to develop new infrastructure. We still use rail corridors that were developed in 1910 and those constraints have to be lifted, he said.

"Vancouver has become a society that loves to live on the waterfront but people don't want to see anything when they get there," Houston said. "It's a very difficult position for us. People who live on the waterfront here have a responsibility to that farmer in Saskatchewan [who has to get his wheat to market]."