



Marine Outlook

Highlights of the Marine Industry

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PORTS

Montreal

Increase in Handled Tonnage

By June 30, 2005, the Port of Montreal had handled a total of 11.9 Mt, 8% more than during the same period last year. As for container traffic, the port handled 5.6 Mt of containerized cargo, an 8% increase compared to the first quarter of last year. The total tonnage of grains/cereals and other solid cargo totalled 2.9 Mt, a 7.5% increase compared to last year. The tonnage of liquid cargo also increased compared to last year with a total of 3.1 Mt, a 6.3% jump. Some 638 ships passed through the port since the beginning of the year, about 40 more than during the same period last year.¹

Océanex, the coastal carrier that provides a twice weekly service between Montreal and the

¹ Montreal port authority.

port of St-John's in Newfoundland put its new ship into service. With a capacity of 1 000 T.E.U. containers, *Océanex Avalon* docked at the Bickerdike container terminal in Montreal in mid-May.²

Furthermore, the Montreal Port Authority is maintaining its five-year \$152 investment program whose priority is to increase container traffic on the Island of Montreal and preserve a land reserve of approximately 375 hectares in the Contrecoeur port facilities. The port has already moved its activities to the Bickerdike wharf in the Old Port in order to free space to expand the container terminal.³

Quebec

Increase in Handled Tonnage

As of June 30, 2005, the Port of Quebec handled approximately 10 Mt, an 8% increase compared to the same period last year. The tonnage of solid, general and liquid cargo all increased in the first quarter.⁴

Sept-Îles

Decrease in Handled Tonnage

As of June 30, 2005, 9.6 Mt of cargo were handled at the Port of Sept-Îles, 5% less than during the same period last year. The decrease in transshipments of iron ore is one of the major

² "Port of Montreal Sparkles in First Quarter", press release, Port of Montreal, April 18, 2005.

³ Duhamel, Alain, « Les grands ports laurentiens en pleine effervescence », Les Affaires, January 29, 2005.

⁴ Quebec port authority.



reasons for this drop in handled tonnage. During the first quarter of 2005, 236 ships passed through the Port of Sept-Îles, about 10 more than during the same period last year.⁵

Sept-Îles' Alouette aluminum plant will ship at least half of its production of ingots and pigs⁶ by water. In fact, Alouette signed a business agreement to put a transport barge, acting as a weekly shuttle between Sept-Îles and Trois-Rivières, into service.

Thanks to this barge, Alouette will ship approximately 250 000 t of aluminum destined for the North American market each year. 400 feet long with a capacity for 11 000 t, this barge will be secured to a powerful tugboat. Alouette will use the barge to ship 5 000 to 6 000 t of aluminum, allowing other shippers to take advantage of the extra capacity for other cargo transported either up or down the St. Lawrence River. The aluminum will be shipped from the Port of Trois-Rivières to different markets by truck, train or boat via the Great Lakes St. Lawrence Seaway system.⁷

The Port of Sept-Îles announced last March that it will begin the \$8.5 M work to extend the La Relance terminal's rail ferry wharf in Pointe-Noire. Work will begin in August at wharf 41 of the Le Relance terminal and should be completed by the end of 2007. The project involves extending the rail ferry wharf by 200 metres. Moreover, the access channel will also be dredged to widen and deepen it by a dozen meters. The wharf will be able to welcome larger ships and develop its intermodal offer.⁸

Last February, the *ministère des Transports du Québec* announced that a \$1 M grant was being given to the Sept-Îles Port Authority to partly fund the construction of a 1.8 km rail line that will link the main section of the port to the future

rail ferry terminal located at the La Relance wharf. The total cost of the project is evaluated at \$3 M.⁹

The Iron Ore Company of Canada (IOC) recently announced that it will be investing \$25 M to improve rail transport equipment, including the acquisition of seven locomotives. The trains transport iron concentrate produced in Labrador City to the Port of Sept-Îles. Due to the increase in the global demand for iron, the IOC is currently examining its mining activities in Labrador and Sept-Îles in order to make the most of these favourable conditions.¹⁰

Port-Cartier

Fall in Handled Tonnage

As of June 30, 2005, Port-Cartier had handled 6.0 Mt, 18% less than during the same period last year. This drop is explained by a significant decrease in the tonnage of iron ore due to striking by employees at the Québec Cartier mining company. The company's production slowed considerably during the two months of the labour dispute. There was also less maritime traffic at the Port of Port-Cartier. During the first quarter of 2005, 150 ships passed through Port-Cartier, about 40 less than in the first quarter of 2004.¹¹

Port-Alfred

Increase in Handled Tonnage

As of June 30, 2005, the Port of Port-Alfred handled a total of 2.24 Mt, a 1% increase compared to the same period in 2004. The increase in caustic soda and fuel oil has more than made up for the drop in alumina and fluorite. In terms of traffic, 71 ships passed

⁵ Sept-Îles port authority.

⁶ Primary production of cast iron ingots.

⁷ Duhamel, Alain, « *Aluminerie Alouette donne une impulsion au transport fluvial* », *Les Affaires*, March 26, 2005; « *Le fleuve – autoroute maritime de la Côte-Nord – Aluminerie Alouette ouvre la voie* », *Canada NewsWire Web site*, March 16, 2005.

⁸ « *Début des travaux pour le traversier-rail au port de Sept-Îles* », *Radio-Canada Web site*, March 23, 2005.

⁹ « *Amélioration des infrastructures ferro-maritimes du port de Sept-Îles* », press release, *Ministères des Transports du Québec*, February 2005.

¹⁰ « *IOC investit à Labrador City* », *Les Affaires*, June 18, 2005; « *IOC augmentera sa production* », *Radio-Canada Web site*, July 6, 2005.

¹¹ Québec Cartier public relations service.

through the port during the first quarter of 2005, 2 less than during the same period last year.¹²

Sorel

Increase in Handled Tonnage

By June 30, 2005, the Port of Sorel had handled a total of 2.1 Mt, a 20% jump compared to the same period last year. A total of 114 ships passed through the port during the first quarter of 2005, 13 less than during the same period last year.¹³

Baie-Comeau

Drop in Handled Tonnage

As of June 30, 2005, the Port of Baie-Comeau had handled a total of 1.6 Mt, 12% less than on the same date in 2004. As for traffic, 101 ships docked at the Port of Baie-Comeau during the first quarter of 2005, 4 less than during the same period last year.¹⁴

Approximately 408 000 t of goods that passed through the port aboard the *Georges-Alexandre-Lebel* during the first six months of the year must be added to this amount. This represents a 2% drop compared to the same period last year. The decrease is attributable to a fall in the tonnage of wood, aluminum and paper. The rail ferry made 243 round trips between January and June of 2005, a dozen less trips than during the first quarter last year.¹⁵

Havre-Saint-Pierre

Rise in Handled Tonnage

As of June 30, 2005, the total tonnage handled by the Port of Havre-Saint-Pierre was approximately 1.2 Mt, 9% more than during the same period last year. The increase in loads of ore (ilmenite and iron) and titanium are largely

responsible for this rise in tonnage. About 40 ships passed through the Fer et Titane wharf during the first quarter in 2005.¹⁶

QIT – Fer et Titane intends to produce 6.5 Mt in 2005. Last year, the mining company shipped 6.2 Mt of ore to processing plants in Sorel. It exports 70% of its production as titanium oxide and cast iron, its two main products. QIT-Fer et Titane plans to suspend its production for two weeks in July and September for renovations.¹⁷

Trois-Rivières

Increase in Handled Tonnage

By June 30, 2005, the Port of Trois-Rivières had handled approximately 1.1 Mt, barely 1% more than on the same date last year. This rise can be explained by an increase in the transshipment of general cargo. Moreover, 129 ships docked at the Port of Trois-Rivières during the first quarter of 2005, the same number as last year.¹⁸

The Kruger company announced that it will be using the St. Lawrence River to transport wood chips. The company decided to begin a pilot project to transport wood chips from Forestville to the Port of Trois-Rivières via the seaway in order to supply one of its Trois-Rivières paper mills. The barge can transport up to 5 000 t of wood chips, making one trip a week except during the ice season. This will help clear route 138 in Charlevoix and on the North Shore.¹⁹

Groupe Prommel will invest \$10 M over two years to complete its new liquid and solid cargo terminals. Prommel will reuse six reservoirs acquired from the Irving oil company last year, allowing it to increase its storage capacity from 120 000 to 150 000 t. Thanks to these investments, the annual volume handled at the

¹² Port-Alfred port authority.

¹³ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, 2004 and 2005.

¹⁴ Ibid

¹⁵ « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », *SOPOR et COGEMA*, 2004 and 2005.

¹⁶ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, 2004 and 2005.

¹⁷ « *QIT-Fer et Titane veut augmenter sa production d'ilmenite* », *Radio-Canada Web site*, March 13, 2005.

¹⁸ Trois-Rivières port authority.

¹⁹ Paradis, Steeve, « *Kruger utilisera la voie fluviale pour transporter ses copeaux* », *Le Soleil*, April 29, 2005.

Prommel terminals will jump from 800 000 to 1.2 Mt.²⁰

The Matane naval shipyard will launch the research boat ordered by the Université du Québec à Trois-Rivières (UQTR). This 25 meter long, 8 meter wide catamaran will be used to carry out different research missions between the Trois-Rivières and Quebec City bridges and will be based in Trois-Rivières.²¹

Bécancour

Drop in Handled Tonnage

By June 30, 2005, the Port of Bécancour has handled a total of 777 000 t, a 10% drop compared to the same period last year. The transshipment of alumina decreased by a noteworthy 200 000 t (approximately), which was offset in part by the increase in the tonnage of sugar, chemical salt, ore, coal and various equipment. The Port of Bécancour welcomed a total of 60 ships, 7 less than during the same period last year.²²

The Bécancour port authority's main challenge in 2005 is to maximize the objectives of its three-year plan despite a considerable drop in revenue. The resumption of activities at the A.B.I. aluminum plant, the industrial park's largest employer, will allow the port to reach its handled tonnage goals.²³

The port recently had to comply with the new international security standards by investing \$500,000 to set up various equipment and security measures. Finally, the port intends to complete some of the following work this year or the next: extend the raw water system to serve the TransCanada Energy company, carry out dredging activities and rebuild the wharves.²⁴

²⁰ Plantevin, Jérôme, « Norsk Hydro injecte 30 M\$ dans son usine de Bécancour », *Les Affaires*, February 5, 2005.

²¹ « Un catamaran de plus de 2 M\$ pour l'UQTR », *Radio-Canada Web site*, May 4, 2005.

²² Bécancour port authority.

²³ Veillette, Guy, « Port de Bécancour – Projets sur la glace », *Le Nouvelliste*, January 22, 2005.

²⁴ Ibid

Norsk Hydro will invest \$30 M over the next 18 months to increase the production capacity at its magnesium plant in Bécancour. Total capacity will increase from 7 000 t to 58 000 t per year. A portion of the plant's production is shipped via the Port of Bécancour.²⁵

Port Saguenay

Decrease in Handled Tonnage

By June 30, 2005, Port-Saguenay had handled a total of 144 733 t, 16% less than during the same period in 2004. This drop can be explained by a decrease in the transshipments of wood pulp and de-icing salt, despite an increase in the tonnage of liquid cargo. The port welcomed 20 ships during the first quarter of 2005, 5 less than during the same period last year.²⁶

Transports Québec recently announced that it will be making a \$420,000 financial contribution to TPQ Vrac Liquide inc. This amount will be used to carry out environmental and engineering studies and will be an important step in preparing to build an oil handling terminal in Port Saguenay. This project would allow the region to offer an intermodal option for the transportation of petroleum products, which would help clear the road network, among other things.²⁷

A new aluminum residue recovery company, Alumitherm International Inc., was founded in La Baie. The company specializes in the production of combustible granules made from aluminum waste, used for welding and metal processing. The managers plan to export several thousands of tons of their product to their North American clients by boat.²⁸

²⁵ Plantevin, Jérôme, « Norsk Hydro injecte 30 M\$ dans son usine de Bécancour », *Les Affaires*, February 5, 2005.

²⁶ Port Saguenay port authority.

²⁷ « Études préalables à la construction d'un terminal pétrolier à Port Saguenay », press release, *Ministère des Transports du Québec*, January 2005.

²⁸ « Investissement de 1,7 M\$ à Grande-Anse », *Le Quotidien*, May 11, 2005.

Rimouski

Increase in Handled Tonnage

As of June 30, 2005, the Port of Rimouski handled a total of 128 323 t, 16% more than on the same date in 2004. The tonnage of fuel, petroleum products and various cargo all increased. During the first quarter, 33 ships docked at the port, 3 less than during the same period last year.²⁹

Matane

Rise in Handled Tonnage

By June 30, 2005, the tonnage handled at the Port of Matane totalled 125 490 t, 1% more than on the same date in 2004. The increase in the tonnage of fuel, petroleum products and lumber are the main cause. A total of 20 ships docked at the port during the first quarter, 2 less than during the same period last year.³⁰

Approximately 492 000 t that passed through the Port of Matane during the first quarter of 2005 aboard the *Georges-Alexandre-Lebel* must be added to this amount. The rail ferry made 243 round trips during this period.³¹

Marmen in Trois-Rivières has been chosen to build assembly towers for the nacelles of the wind turbines that will be erected in Gaspé between 2006 and 2012. Marmen will build two new plants in Matane to meet the order for 660 nacelles and 847 wind turbine towers. The Port of Matane will benefit due to increased traffic.³²

²⁹ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, 2004 and 2005.

³⁰ Ibid

³¹ « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », *SOPOR et COGEMA*, 2004 and 2005.

³² Veillette, Guy, « *Marmen investit 25 M\$ à Matane* », *Le Nouvelliste*, February 11, 2005; « *Marmen construira deux usines de composantes d'éoliennes à Matane* », *Radio-Canada Web site*, February 10, 2005; Michaud, Henri, « *L'économie de Matane enregistre une nouvelle vigueur* », *Le Soleil*, April 2, 2005.

Gros-Cacouna

Jump in Handled Tonnage

As of June 30, 2004, the Port of Gros-Cacouna handled a total of 104 065 t, a 107% jump from the same period last year. The reason for this considerable increase in tonnage is that new cargo, salt, sand and gravel, is now being transhipped to Gros-Cacouna. The port welcomed a total of 18 ships in the first quarter of 2005, 4 more than last year.³³

A ferry service used to tow trucks between Gros-Cacouna and Baie-Comeau could eventually be established. The ferry's potential would be 50 tow trips a day.³⁴

Portneuf

Slight Increase in Handled Tonnage

By June 30, 2005, the port had handled a total of 58 094 t, a very slight increase compared to the same period in 2004. In terms of traffic, 5 ships passed through the Port of Portneuf during the first quarter of 2005, 1 more than last year.³⁵

Pointe-au-Pic

Drop in Handled Tonnage

By June 30, 2005, the Port of Pointe-au-Pic had handled a total of 34 611 t, 37% less than during the same period last year. The sole reason for this drop is the lack of wood chip transhipments since the beginning of the year. The number of ships also fell with a total of 11 ships compared to 14 for the same period in 2004.³⁶

³³ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, 2004 and 2005.

³⁴ Joncas, Hugo, « *Des entreprises troquent le camion pour les barges flottantes* », *Les Affaires*, June 11, 2005.

³⁵ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, 2004 and 2005.

³⁶ Ibid

Gaspé

Decrease in Handled Tonnage

As of June 30, 2005, the Port of Gaspé had handled a total of 35 338 t, 6% less than in 2004. This decrease is due to a drop in loads of salt. During the first quarter of 2005, 8 ships passed through the port, the same amount as in the first quarter of last year.³⁷

Chandler

Jump in Handled Tonnage

On June 30, 2005, the Chandler wharf had handled a total of 3 820 t, 36% more than during the same period last year. This increase is explained by a rise in salt transshipments. Two ships docked in Chandler in the first quarter of 2005, the same number as last year.³⁸

Plastiques Gagnon Énergie will build a plant to manufacture small wind turbines in Chandler. The project is evaluated at \$3.3 M and will create approximately 100 jobs within five years. The small wind turbines will be exported to developing countries.³⁹

Review of the First Quarter of 2005

The largest ports in Quebec handled a total of 47.2 Mt of goods in the first quarter of 2005, the equivalent of the tonnage handled during the first quarter of 2004. The ports of Montreal, Quebec City, Sept-Îles and Port-Cartier alone tranship approximately 80% of the total tonnage in Quebec. Almost 40% of the total tonnage in Quebec is handled on the North Shore via the ports of Sept-Îles, Port-Cartier, Baie-Comeau and Havre-Saint-Pierre.

³⁷ Ibid

³⁸ Ibid

³⁹ Gélinas, Geneviève, « Un PPP pour l'usine de petites éoliennes à Chandler », *Le Soleil*, May 17, 2005; « Des éoliennes seront fabriquées en Gaspésie », *Le Droit*, May 14, 2005.

REVIEW OF THE FIRST QUARTER OF 2005

Estimate and Comparison of the Tonnage Handled in Quebec's Leading Ports during the First Quarter of 2005 and 2004

List of ports	2005	2004	Variation 2005/2004
	Jan.-June	Jan.-June	
1. Montreal	11.9 Mt	11.0 Mt	+ 8%
2. Quebec	10 Mt	9.3 Mt	+ 8%
3. Sept-Îles	9.6 Mt	10.1 Mt	- 5%
4. Port-Cartier	6.0 Mt	7.3 Mt	- 18%
5. Port-Alfred	2.24 Mt	2.22 Mt	+ 1%
6. Sorel	2.1 Mt	1.8 Mt	+ 20%
7. Baie-Comeau ⁴⁰	1.6 Mt	1.8 Mt	- 12%
8. Havre-Saint-Pierre	1.2 Mt	1.1 Mt	+ 9%
9. Trois-Rivières	1.1 Mt	1.0 Mt	+ 1%
10. Bécancour	777 Kt	865 Kt	- 10%
11. Port-Saguenay	145 Kt	171 Kt	- 16%
12. Rimouski	128 Kt	110 Kt	+ 16%
13. Matane ⁴⁰	126 Kt	124 Kt	+ 1%
14. Gros-Cacouna	104 Kt	50 Kt	+ 107%
15. Portneuf	58 Kt	58 Kt	0%
16. Pointe-au-Pic	35 Kt	55 Kt	- 37%
17. Gaspé	35 Kt	38 Kt	- 6%
18. Chandler	3.8 Kt	2.8 Kt	+ 36%
Total	47.2 Mt	47.1 Mt	+0.1%

Source: Port authorities and Transport Canada

Compilation: DRPE, Fisheries and Oceans Canada, Quebec Region

SEAWAY

Slight Decrease in Handled Tonnage

The St. Lawrence Seaway welcomed 1 404 ships during the first quarter of 2005, barely 1% more than during the same period last year. A decrease in tonnage was also recorded for the same period. The ships that passed through the seaway transported 14 Mt of goods in the first six months of the year, 2% less than during the same period last year. The main reason for this situation is the drop in the tonnage of iron ore and coal.⁴¹

Increase in Toll Fees and Decrease in Lockage Fees

A 1.72% increase in cargo tolls and ship charges came into effect at the beginning of the navigation season last March in two sections of the Seaway: Montreal/Lake Ontario and the Welland Canal. Furthermore, lockage fees in the Welland Canal were reduced for ships carrying new cargo on the waterway. All ships will benefit, although the smallest ships will receive the greatest reductions.⁴²

MARINE SECURITY

Investments in Marine Security

Last March, Transport Canada announced the sites and projects chosen in the framework of the Marine Security Contribution Program's first funding phase.

The program, announced in May 2004 with a budget of \$115 M over three years, will help ports and marine facilities in Canada to modernize and reinforce their security systems and marine security programs. Note that the \$115 M is added to the \$308 M in funding

⁴⁰ This data does not include the tonnage passing through the ports of Baie-Comeau and Matane via the *Georges-Alexandre-Lebel* rail ferry.

⁴¹ "Seaway Monthly Traffic Results as of June 30, 2005", *Great Lakes St. Lawrence Seaway System*, July 2005.

⁴² "Tolls Schedule", *Great Lakes St. Lawrence Seaway System*, March 2005.

announced by the National Security Policy in April 2004.

The first funding phase will provide 60 ports and marine facilities in Canada with \$23.6 M. Of this amount, \$6.5 M will be distributed among 13 ports and marine facilities in Quebec. Quebec businesses that will receive funding include: the Port of Sept-îles, the Port of Montreal, the Port of Quebec City, Port-Saguenay, Duncan wharf and Powell no. 4 wharf – Alcan Metal Primaire (City of Saguenay), the Port of Trois-Rivières, the Société du parc industriel et portuaire de Bécancour, the Société du port de Valleyfield, Béton provincial Ltd (Charlesbourg), Logistec Arrimage (Contrecoeur and Trois-Rivières), Logistec Stevedoring (Montreal), Vopak Terminals of Canada Incorporated (Montreal).

The funds allotted to the ports and marine facilities will be used to improve security, notably acquiring surveillance equipment, improving the security of the ports and their perimeter, acquire command, control and communication equipment and provide employees with training.⁴³

Secondary Ports in Canada more Vulnerable to Terrorist Acts

Small commercial ports in Canada are vulnerable to eventual terrorist and criminal acts and the government should do more to protect them. That is what an Ipsos-Reid survey ordered by the Canadian Maritime Worker's Council concluded. The survey was taken by 60 leaders who direct, finance or offer police protection to the secondary ports in Canada.

In response to the survey's conclusions, Transport Canada reminded everyone that \$115 M in funds is available to help all ports, large or small, improve their marine security and safety program. Transport Canada also stated that ports interested in obtaining funds to implement

or improve their security measures must submit their application.⁴⁴

MARITIME TRANSPORT IN CANADA

The Importance of Maritime Transport to the Canadian Economy

A recent study carried out jointly by Transport Canada and the Marine and Industrial Coalition informs us how important marine transport is to the Canadian economy.⁴⁵

It states, among other things, that:

- Maritime transportation in Canada contributes \$9.1 billion to the GNP of Canada (2003), 75% of the Canadian GNP,
- Maritime transport in Canada handles 325 Mt of cargo per year (2002),
- International ships make up 82% of maritime movement while domestic ships make up 18% of the movement (2002),
- Maritime transport in Canada generates approximately 93 000 direct and indirect jobs (2003),
- The revenues generated by the marine industry contribute to the revenues of the federal and provincial governments for a total of \$5.3 billion annually.

ENVIRONMENT

Marine Transportation and the Kyoto Accord

According to the *Association québécoise de lutte contre la pollution atmosphérique* and SODES, marine transportation should be favoured over road or railway transportation, which would allow Canada to meet the

⁴³ "Marine Security Projects Announced", press release, [Transport Canada](#), March 15, 2005.

⁴⁴ Peters, Tom, "Report for Canadian Maritime Workers Council – Survey Says Secondary Ports Vulnerable to Terrorist Acts", [Canadian Sailings](#), April 18, 2005.

⁴⁵ Binkley, Alex, "Study Shows Importance of Marine Transport to Canadian Economy", [Canadian Sailings](#), February 14, 2005.

requirements of the Kyoto protocol. In Quebec, many heavy trucks loaded with various cargo travel through the province. In addition to considerably contributing to the deterioration of the road network, these vehicles also pollute heavily. The use of barges, in addition to clearing Quebec roads, is ten times more energy efficient than the use of trucks. Even though road transportation will always remain essential for delivering commodities, there are ways to increase the use of marine transportation to deliver raw material (wood, ore, etc.) or industrial cargo (pulp and paper, aluminum ingots, etc.).⁴⁶

“Green” Cruise Tours

Last May, the partners of the BioMer project presented the conclusions and results obtained from the use of biodiesel (biofuel made with recycled cooking oil) by the cruise tour industry. The goal of the project was to fuel a fleet of twelve cruise tour ships, whose home ports are the Old Port of Montreal and the Lachine Canal National Historic Site, with pure biodiesel (B100). Carried out in the summer of 2004, the BioMer project proved the viability of using biodiesel in actual operating conditions.

The 117 000 litres of biodiesel used in this project reduced the polluting air emissions and greenhouse gases produced by the ships and reduced carbon dioxide emissions by 356 tons. The BioMer project is the first of its kind in the marine sector in Canada and could help convince cruise tour ship owners to use biodiesel.⁴⁷

Transport Canada Takes Part in the Oceans Action Plan

In the framework of completing the first part of the Oceans Action Plan, Transport Canada will receive close to \$4.5 M to implement various initiatives to support the first part of the Plan. Among other things, Transport Canada will:

- increase the number of flight hours for the surveillance aircraft used to detect oil spills,
- increase the use of the Radarsat satellite during aerial surveillance flights,
- finalize a new regulation that will help reduce the risk of introducing harmful aquatic species in Canadian waters through ballast water.⁴⁸

Transport Canada Proposes Requirements Concerning the Disposal of Ballast Water

Last June, Transport Canada announced a draft regulation whose purpose is to reduce the risk of introducing harmful aquatic species into Canadian waters through ballast water. The regulation notably provides that:

- Ships must exchange their ballast water at a distance of no less than 200 miles from the coast, in water that is 2 000 meters deep or deeper prior to entering Canadian waters.
- Ships traveling less than 200 miles from the coast or those unable to exchange their ballast water due to bad weather must treat the ballast water or keep it on board.

The regulation also establishes alternative ballast exchange areas in Canadian waters where there is little risk. These exchange areas were chosen based on scientific data provided by Fisheries and Oceans Canada.⁴⁹

Heightened Surveillance of Illegal Discharges in the Arctic

Transport Canada, along with Environment Canada and Fisheries and Oceans Canada, recently announced that the current aerial surveillance programs regarding ice-breaker operations in the Arctic will be expanded to also detect illegal discharges made by ships. The purpose of this initiative is to prevent intentional

⁴⁶ « *Le transport maritime : plus écologique?* », [Radio-Canada Web site](#), April 22, 2005.

⁴⁷ “Green” Tour Boats cruised St. Lawrence and Lachine Canal on Biodiesel”, [Canada NewsWire](#) May 16, 2005.

⁴⁸ “Transport Canada Supports the Government of Canada’s Oceans Action Plan”, press release, [Transport Canada](#), May 27, 2005.

⁴⁹ “Transport Canada Proposes Requirements for Ships to Exchange their Ballast Water Outside Canadian Waters”, press release, [Transport Canada](#), June 13, 2005.

discharges by ships in the Arctic and support intervention and cleaning efforts in all spill incidents.⁵⁰

Oil Spills in the St. Lawrence River

The City of Montreal will build an underground wall and a wet well in the Technopark to prevent polluting oil from spilling into the St. Lawrence River. The 7.5 meter high, 160 meter long screen and well will be erected near the Victoria Bridge between the Bonaventure highway and the river. Begun in June, the construction of the underground screen should be completed in the fall. Note that the Technopark has spilled nearly 4 tons of toxic products and oil into the St. Lawrence River over the last ten years.⁵¹

COMMODITIES

Iron Ore

Strong Chinese Demand for Iron Ore

The worldwide demand for iron ore should remain strong in 2005. Once again, this increase will be largely attributable to China, which should continue to increase its importation of ore. China is currently enjoying a significant economic boom. According to the *ministère des Ressources naturelles et de la Faune du Québec*, the global demand stemming from the main markets of iron ore producers in Quebec-Labrador, North America and Europe, should also rise, although more moderately. In this context, the three iron ore companies in Quebec-Labrador should produce at a maximum rate in 2005.⁵²

⁵⁰ "Government of Canada Expands Aerial Surveillance Programs to Detect Illegal Discharges from Ships in the Arctic", press release, *Transport Canada*, July 19, 2005.

⁵¹ « *Un muret contre des tonnes de produits toxiques* », *La Presse*, May 27, 2005.

⁵² « *Bilan et faits saillants de l'industrie minière du Québec en 2004* », *Ministère des Ressources naturelles et de la Faune du Québec*, 2004.

Wheat

Anticipated Drop in Canadian Wheat Production

According to the most recent predictions made by the Canadian Wheat Board, Canadian wheat production should decrease this year due to the abundant rain and flooding that devastated the southern Canadian prairies. The total wheat production is estimated at 22 Mt, 2 Mt less than last year. It is difficult to predict Canadian wheat exportations in this context.⁵³

Aluminum

Anticipated Increase in Canadian Aluminum Production

According to the analysts at Export Development Canada (EDC), Canadian aluminum production, which decreased in 2004 due to strikes, will increase in 2005.⁵⁴ The Alouette aluminum plant in Sept-Îles began production of phase 2 of its expansion which will help increase Canadian production and the tonnage in transit on the river.

Lumber and Newspaper

Strong Demand for Lumber

In 2004, demand for lumber was very strong due to the combined effect of the devastating hurricanes in the United States and the effervescence of the American residential construction market. According to the predictions made by EDC analysts, the steady demand for Canadian lumber should continue in 2005 while the residential construction industry in the United States remains excellent.⁵⁵ A final settlement of the Canada/USA lumber dispute could also contribute to an increase in Canadian production. In Quebec, however, the lumber offer could be affected if the *ministère des Ressources naturelles du Québec* decides to go

⁵³ Binkley, Alex, "Significant drop in Wheat, Barley Production Expected", *Canadian Sailings*, July 11, 2005.

⁵⁴ "Global Export Forecast, July 2005 Update", *Export Development Canada*, Spring 2005.

⁵⁵ Ibid

ahead with the announced 20% reduction in the cutting of spruce and fir over three years.⁵⁶

Worldwide Demand for Newspaper on the Decline

With sales abroad dropping for two years, Canadian newspaper exporters were faced with a faltering demand in all markets. In 2004, American consumption fell for the fifth consecutive year, despite an increase in advertising lineage. This drop in consumption is due to the fact that large American daily newspapers have reduced the size of their newspapers and compressed the editorial content with reference to advertising space. According to the EDC, the demand for newspaper is not expected to improve in 2005.⁵⁷

FERRIES

Wharf Rebuilding Work in Trois-Pistoles and Les Escoumins

The federal government agreed to pay \$13 M for the rebuilding of the Trois-Pistoles - Les Escoumins ferry's two wharves. However, this will not prevent the service from being interrupted this year as well as the next. A recent underwater diving inspection of the Trois-Pistoles and Les Escoumins wharves revealed significant damage to the wharf structures. The Trois-Pistoles - Les Escoumins ferry generates economic benefits of \$5 M per year; 90 direct and indirect jobs depend on it. Over 40 000 people use the ferry service annually, between the months of May and October.⁵⁸

⁵⁶ « *Moins de bois, moins de papier* », [Radio-Canada Web site](#), March 23, 2005.

“Global Export Forecast, July 2005 Update”, [Export Development Canada](#), Spring 2005; Riverin, François, « *Baisse de la demande de papier journal de 7,5 % en janvier* », [Les Affaires](#), March 5, 2005.

⁵⁸ « *Fermeture du quai des Escoumins* », [Radio-Canada Web site](#), April 19, 2005; *13 millions pour la traverse Trois-Pistoles-Les Escoumins* », [Radio-Canada Web site](#), April 26, 2005.

A Busy Year for CNM Évolution

When the Trois-Pistoles – Les Escoumins ferry service is stopped, traffic on the *CNM Évolution* catamaran, which acts as a shuttle between Rimouski and Forestville, will rise dramatically. The captain of the catamaran reminds us of when the Trois-Pistoles – Les Escoumins ferry service was stopped three years ago, resulting in an increase in customers. Note that last year over 67 000 people used the catamaran, which can transport 175 passengers and 30 vehicles.⁵⁹

A Ferry between Dalhousie and the Gaspé Coast Could Become a Reality

The City of Dalhousie (New Brunswick) has long been linked to its neighbour to the front, Miguasha in Gaspé, by ferry. This maritime link was interrupted in 1999 due to the ferry's dilapidated condition. The results of a recent study ordered by a committee of citizens from Dalhousie and Gaspé demonstrated the viability of resuming this service. According to the study, the ferry would help increase the number of tourist on either side of the ferry's maritime link.

Promoters are interested in a boat that is anchored in Nova Scotia, the *Joshua Slocum*. The members of the committee are currently working on elaborating the financial plan needed to carry out the project.⁶⁰

Extension for the Camille-Marcoux Ferry

The *Camille-Marcoux* ferry, which acts as a shuttle between Gaspé and the North Shore, obtained a new extension. The ferry will be able to continue to navigate all summer between Baie-Comeau, Matane and Godbout, with its over 600 passengers.⁶¹

Bear in mind that the *Société des traversiers du Québec* intends to replace the *Camille-*

⁵⁹ « *Le capitaine du CNM Évolution s'attend à une année chargée* », [Radio-Canada Web site](#), April 27, 2005.

⁶⁰ « *Le service de traversier entre Dalhousie et la côte gaspésienne pourrait revoir le jour* », [Radio-Canada Web site](#), May 4, 2005.

⁶¹ « *Sursis pour le traversier Camille-Marcoux* », [Radio-Canada Web site](#), April 27, 2005.

Marcoux. The ferry does not meet the new international security standards for enclosed deck ferries, standards that will soon be applied by the Canadian government.⁶²

A Ferry to Tow Trucks between Gros-Cacouna and Baie-Comeau

According to the *Commission de développement du parc portuaire de Gros-Cacouna*, the project to implement a ferry service to tow trucks between Gros-Cacouna and Baie-Comeau is in progress. The Commission and Transport Canada agreed on a landing site that is also expecting the eventual presence of the methane terminal. Moreover, the Port of Gros-Cacouna has found a potential promoter to eventually bring this marine link between the two shores into being. The CTMA company, a ship owner in the Magdalen Islands, has expressed interest.⁶³

CRUISES-TOURS

Learning French on a Cruise

Groupe CTMA from the Magdalen Islands is proposing a new cruise product destined for English-speaking clients who want to learn French during a six day cruise between Montreal and the Magdalen Islands. This type of cruise product specifically targets university or school groups who want to celebrate the end of the school year with an original, recreational and educational activity. A qualified teacher will offer 4 hours of courses per day on the ship. Since most of the *Le Vacancier* ferry's crew and passengers are French-speaking, the participants will be able to benefit by immersing themselves in an almost completely French environment.⁶⁴

⁶² « *Le Camille-Marcoux devra être remplacé d'ici 2010* », *Radio-Canada Web site*, November 12, 2004.

⁶³ « *Cabotage entre Gros-Cacouna et Baie-Comeau : le projet avance* », *Radio-Canada Web site*, April 11, 2005; Joncas, Hugo, « *Des entreprises troquent le camion pour les barges flottantes* », *Les Affaires*, June 11, 2005.

⁶⁴ « *Apprendre le français en croisière vers les Îles-de-la-Madeleine* », *Radio-Canada Web site*, March 30, 2005.

New Quebec – Newfoundland Cruises

New cruises leaving from Montreal and Quebec City and heading for Newfoundland, Saint-Pierre-et-Miquelon, Nova Scotia, Prince Edward Island and Gaspé could be offered this summer. This project was introduced by a businessman from the North Shore and is supported by the City of Baie-Comeau.

The private promoter has recently acquired a Norwegian ice-breaker called *Midnatsol*. The ship can welcome 328 people in cabins and dozens of others for a day trip between two stop-overs. The 12-day cruise would leave from Montreal and then stop over in Quebec City, Baie-Comeau, Sept-îles or Havre-Saint-Pierre, Blanc Sablon, St. Anthony and St. John's in Newfoundland, the island of Saint-Pierre-et-Miquelon, Pictou in Nova Scotia, Summerside in Prince Edward Island and Gaspé before returning to Quebec City and finally Montreal. On each stop-over, passengers would be able to go ashore for 6 to 12 hours. The promoter intends to offer 25 cruises each year with year-round service.⁶⁵

An International Tourism Project

Last December, the *Conférence régionale des élus de la Côte-Nord* relaunched its \$20 M ferry project between Havre-Saint-Pierre and Grande-Vallée in Gaspé, passing through Port-Menier on Anticosti Island. Besides the maritime service between the North Shore, Anticosti and Gaspé, the project also involves rebuilding the wharves at the three sites, developing or enhancing tourist activities and reception infrastructures and making a network of provincial and federal parks in the area.⁶⁶

⁶⁵ Pelchat, Pierre, « *Nouvelles croisières en vue* », *Le Soleil*, February 7, 2005.

⁶⁶ Paradis, Steeve, « *La Côte-Nord mousse un projet récréotouristique de calibre international* », *Le Soleil*, April 9, 2005; Dubuc, André, « *Les villes de la Côte-Nord rêvent d'une autoroute maritime* », *Les Affaires*, February 26, 2005.

INTERNATIONAL CRUISES

An Excellent Season Anticipated by the Port of Quebec

The coming cruise season in the Port of Quebec is expected to be excellent. In total, 23 liners will make 87 stop-overs in the old capital from now until October. Approximately 70 000 cruise passengers will go ashore in Quebec City between May and October. For the first time this year, the Port of Quebec will also be used as a boarding port for five cruises.⁶⁷

A Dozen Cruise Ships Expected in the Fall of 2006

The mayor of Saguenay recently assured everyone that the project to build a port of call in the Bagotville sector at La Baie will be completed before the arrival of the first cruise ships in fall of 2006. The \$25 M project is funded by the federal and provincial governments, the municipality and the private sector. Already 11 ships have confirmed that they will dock in La Baie in the fall of 2006.⁶⁸

Cold Water Cruises North of Quebec

Travel wholesaler Kilomètre Voyages, a subsidiary of Transat group, is offering a cruise in the Canadian Arctic leaving from Kuujuaq in Nunavit. A small 280 ton ship with room for 66 passengers, the *Arctic Explorer* will make eight trips from the beginning of July to the beginning of September. Note that cold water cruises have gained in popularity in the last several years.⁶⁹

⁶⁷ Pelchat, Pierre, « Croisières – Grosse saison en vue », Le Soleil, May 21, 2005.

⁶⁸ Côté, Daniel, « Bateaux de croisière à La Baie », Le Quotidien, April 21, 2005; Côté, Daniel, « L'ombre des élections fédérales », Le Quotidien, April 21, 2005.

⁶⁹ Désiront, André, « Les croisières en eaux froides », La Presse, May 18, 2005.

PLEASURE BOATING

Free Training for Pleasure Boaters

Following the marine accident involving a pleasure craft and a commercial ship last summer in Saint-Nicolas in the Quebec region, the local chapter of the Canadian Power & Sail Squadrons will offer a free training program to teach all pleasure boaters in the Quebec region about marine and port regulations. This initiative was very well received by Transport Canada's Office of Boating Safety. Several boating clubs and marinas have already showed an interest in having their members receive this training.⁷⁰

Water Safety Campaign

With the coming of summer, the *Conseil québécois du nautisme* is launching a Sécurité-Été 2005 campaign to convince pleasure boaters to wear safety vests. According to the *Conseil du nautisme*, the number of drownings involving small crafts is approximately 20% higher than those due to swimming. Moreover, 86% of the people who drowned while navigating on the waterways of Quebec were not wearing a safety vest.⁷¹

⁷⁰ Lestage, Marc, « Plus jamais de « Mondisy » - Des séances d'information gratuites offertes aux plaisanciers », Le Soleil, May 3, 2005.

⁷¹ « La sécurité à fleur d'eau », Radio-Canada Web site, May 29, 2005.

COMMENTS

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