

# Marine Outlook

Highlights of the marine industry

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|                                 | Index |
|---------------------------------|-------|
| Ports.....                      | 1     |
| Seaway.....                     | 4     |
| Commodities.....                | 5     |
| Ferries.....                    | 6     |
| Cruises – Tours.....            | 7     |
| International cruises.....      | 8     |
| Marine safety and security..... | 8     |

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## PORTS

### Sept-Îles

#### **Several major projects on the board**

As of May 31<sup>st</sup>, 2003, the tonnage handled at the Port of Sept-Îles totalled around 7,4 Mt. This is a 9 % increase over the same period of last year. A total of 161 ships came into port compared with 151 by the end of May 2002.<sup>1</sup>

Concerning the extension project, port authorities are hoping for a financial grant from the Federal, to finance part of the project that is now required because of Alouette's phase II.<sup>2</sup>

In addition to the extension of the port's facilities, there are talks about a project of a ferry-rail service between Sept-Îles, Port-Cartier and Matane. The port's administrators believe that the extension of Alouette will help cross that critical point where the economic viability of such a service is ensured. With the ferry-rail service, regional industrial projects would gain immediate access to marine transport; for example, the apatite and ilmenite mine of Canton Arnaud, a 150 M\$ project piloted by la Société québécoise d'exploration minière (SOQUEM), a subsidiary of la Société générale de financement (SGF).<sup>3</sup>

Port authorities also hopes to increase coal transshipments as well shipments of aggregates in 2003. The use of Mgr Blanche and Pointe-aux-Basques wharves will be studied, as both these installations are ageing and require significant investments in maintenance every year.<sup>4</sup>

### Montreal

#### **Strong first quarter for the Port of Montreal**<sup>5</sup>

During the first three months of 2003, the Port of Montreal recorded a strong tonnage growth, compared with the first quarter of 2002. Overall traffic reached 4 Mt, up 8,5 % from last year's corresponding period, due to increases in almost all transshipments sectors.

As for containers, the port handled 2,2 Mt of goods, 4 % more than last year's first quarter. There were some 236 822 TFE (twenty-foot equivalent units) containers handled, which is 5 % more than for last year's corresponding period. Port authorities believe that 2003 will be another record year for the containers sector.

Non-containerized commodities increased by 38 000 t, to a total of 136 000t, mostly due to higher tonnage of steel products. The liquid bulk sector, which had dropped during the first quarter of 2002, on account of the mild winter, increased to a total 784 000 t during the first quarter, up 65 % from last year..

Solid bulk traffic was down due to lower cereals transshipments resulting from the Prairies' severe drought of 2002; grains and cereals totalled 850 000 t, down 13 % from the first quarter of 2002.

In June, Petro-Canada officially inaugurated a one-kilometre tunnel connecting the refinery's storage yard to its Port of Montreal facilities.<sup>6</sup>

Last March, the water level of the St-Lawrence River, by the port, came down to a record low. This could lead to a critical situation this summer, if the spring's rainfall is not sufficient. In March, one container ship

<sup>1</sup> Sept-Îles Port Authority.

<sup>2</sup> Tremblay, Stéphane, « Le port de Sept-Îles a besoin de 20 M\$ pour s'agrandir », *Le Soleil*, 23 May 2003, p. A-15.

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> « A strong first quarter for the Port of Montreal », press release, *Port of Montreal*, 1 May 2003; Frederick, Brent, « Good first quarter for Port of Montreal », *Canadian Sailings*, 21 April 2003, p.21.

<sup>6</sup> Baril, Hélène, « Petro-Canada investit 100 millions à sa raffinerie de Montréal », *La Presse*, 17 June 2003.

# Marine outlook

## Highlights of the marine industry

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was in fact unable to come up the Seaway to Montreal for that reason; it had to let go part of its load downstream in order to reach destination. Port authorities fear that such an enduring situation could harm the port's competitiveness.<sup>7</sup>

### Quebec

#### **Presentation of the Baie de Beauport Development Plan**

On May 31<sup>st</sup>, 2003, the tonnage handled at the Port of Quebec totalled 6,8 Mt, slightly higher than last year's 6,6 Mt over the same period.<sup>8</sup>

Port Administration presented its development plan for the Baie de Beauport. Some 2 million sq.ft. of land could be developed for amusement. Included in this concept are two 300-metre wharves and inner harbours that would make place for future major projects. Back in the mid 80's the Port contemplated building three wharf sections totalling one kilometre; the space is somewhat reduced now, but the Port still holds a minimum land ownership for future development. Project schedule has yet to be specified. Environmental impacts study also have to be made and financing found.<sup>9</sup>

### Sorel

#### **QIT- Fer et Titane could increase production**

As of May 31<sup>st</sup>, 2003, the tonnage handled at the Port of Sorel totalled 1,3 Mt, slightly higher than the 1,2 Mt reached for last year's corresponding period. This increase is essentially attributed to higher shipments of ilmenite from Havre-Saint-Pierre. To that date, 80 ships visited the port, unchanged from last year.<sup>10</sup>

In order to meet an increasing demand, QIT-Fer et Titane plans on increasing the production of enriched titanium clinker at its Sorel-Tracy metallurgical complex. Owner of an open-cast ilmenite mine at Havre-Saint-Pierre, QIT-Fer et Titane mainly produces titanium dioxide as well as pig-iron, steel and iron dust by-products. The anticipated expansion would bring the production capacity to approximately 350 000 t per year, compared with 280 000 today. An increase in QIT's production would mean higher tonnage handled at both ports of Sorel-Tracy and Havre-St-Pierre.<sup>11</sup>

### Baie-Comeau

#### **Wheat and alumina tonnage down**

At the end of May 2003, the Port of Baie-Comeau had handled around 1,2 Mt, down 8% from last year at the same date. Wheat and cereals dropped during the first five months, compared with last year, a consequence of the Prairies' drought of the last years and Cargill's continuing lock-out. There is also a slight drop in the tonnage of alumina. In terms of marine traffic, there were 76 vessels compared with 83 for the same period of 2002.<sup>12</sup>

In addition to the 1,2 Mt, the *Georges-Alexandre-Lebel* carried 327 000 t of cargo between the ports of Baie-Comeau and Matane, which is a 30 % increase from the 253 000 t carried by May 2002. This increase is attributed to a higher tonnage of aluminium. Between January and May 2003, the ferry-rail made 200 round-trips across the River, compared with 158 by the same period of 2002.<sup>13</sup>

### Havre-Saint-Pierre

#### **Ilmenite tonnage is up**

By May 31<sup>st</sup>, 2003, the tonnage handled at the Port of Havre-Saint-Pierre reached 450 000 t or 14 % more than last year's corresponding period, which is explained by an increase of ilmenite for QIT of Sorel-Tracy.<sup>14</sup>

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<sup>7</sup> « Le niveau du fleuve menace la compétitivité du port de Montréal », Radio-Canada WEB site, 24 April 2003.

<sup>8</sup> Quebec Port Authority.

<sup>9</sup> « Le port de Québec présente un concept d'aménagement pour le développement de la plage de Beauport Port », Press release, Port of Quebec, 4 February 2003.

<sup>10</sup> « Detailed report on tonnage handled at harbours and ports of Quebec », Transport Canada, June 2003.

<sup>11</sup> Riverin, François, « QIT mijote une expansion à Sorel-Tracy », Les Affaires, 10 May 2003, p.73.

<sup>12</sup> « Detailed report on tonnage handled at harbours and ports of Quebec », Transport Canada, June 2003.

<sup>13</sup> « Rapports du tonnage manutentionné sur le traversier-rail *Georges-Alexandre-Lebel* », SOPOR and COGEMA, January to May 2002 and 2003.

<sup>14</sup> « Detailed report on tonnage handled at harbours and ports of Quebec », Transport Canada, June 2003.

# Marine outlook

## Highlights of the marine industry

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### Trois-Rivières

#### Major 10 M\$ investment

The tonnage handled at the Port of Trois-Rivières, by May 31<sup>st</sup>, 2003 totalled 730 000 t, some 19% lower than for the same period of 2002. Seventy ships visited the port during the first five months of 2003.<sup>15</sup>

The Port of Trois-Rivières will invest 10 M\$ on repairs to wharves 19 and 20. According to Port Authority, this is the most important investment of the last thirty years. Works on the 75-year-old wharves will begin during the spring of 2004 to end a few months later. Port Authority says these major works will enable transshipment companies to provide a better service to the various shippers. Other investments for the construction of new hangars could be announced over the next weeks.<sup>16</sup>

### Bécancour

#### Liquid bulk terminal inaugurated

As of April 30<sup>th</sup> 2003, the tonnage handled at the Port of Bécancour totalled 553 000 t, down 12 % from last year's corresponding period. This drop is attributed partly to a decrease of alumina tonnage. Other commodities have also decreased, such as coke, magnesite and salt. But this drop in tonnage was offset by a significant increase of steel rods tonnage, which rose from 6 000 t to 107 000 t by the end of April 2003. Consequently, the Port of Bécancour accommodated a total of 28 ships by the end of April 2003, 5 less than for the first four months of 2002.<sup>17</sup>

In June, the new liquid bulk terminal was inaugurated.<sup>18</sup> One of the main promoters of this terminal, Servitank, a division of Groupe Prommel de Trois-Rivières, said it already plans a second phase for liquid bulk at the new multimodal transshipment and storage centre. New tanks will be build for new products during this second phase.<sup>19</sup>

### Matane

#### Tonnage down

At the end of May 2003, the tonnage handled at the Port of Matane totalled around 73 000 t, down 9 % on last year, attributed to a drop in woodpulp and petroleum products transshipments. Fourteen ships came into port during the first five months of the year, compared with 17 last year.<sup>20</sup>

327 000 t of cargo were also carried by the *Georges-Alexandre-Lebel* (see Port of Baie-Comeau).

### Port-Saguenay

#### Tonnage handled decreases

On May 31<sup>st</sup>, 2003, the total tonnage handled at Port-Saguenay was around 99 000 t, down 26 % on last year. Woodpulp, newsprint, liquid tar and other commodities such as coal and quartzite also dropped.<sup>21</sup>

A first 40 000 t shipment of Saguenay granite will leave port in July for the New-England market. Granite aggregates are highly prized by U.S. concrete and asphalt industry. Port Authority hopes that U.S. demand for granite will increase.<sup>22</sup>

Among other projects, there is a development plan for a large industrial-port complex in which a large company has already reserved space. Port Authority also hopes to eventually link up the port to the regional railroad network.<sup>23</sup>

### Rimouski

#### Tonnage down

As of May 31<sup>st</sup>, 2003, the tonnage handled at the Port of Rimouski totalled 79 000 t, down 17 % on last year's corresponding period. Fewer unloadings of gasoline and petroleum products explain this drop. Consequently, the number of ships visiting the port fell from 24 in 2002 to 19 this year.<sup>24</sup>

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<sup>15</sup> Trois-Rivières Port Authority.

<sup>16</sup> « 10 millions au port de Trois-Rivières », [Groupe TVA WEB site](#), 29 May 2003.

<sup>17</sup> Bécancour Port Authority.

<sup>18</sup> « Prommel inaugure son terminal de vrac liquide », [Le Nouvelliste](#), 19 June 2003.

<sup>19</sup> Aubry, Marcel, « Prommel : une deuxième phase est à venir », [Le Nouvelliste](#), 20 June 2003.

<sup>20</sup> « Detailed report on tonnage handled in harbours and ports of Quebec », [Transport Canada](#), June 2003.

<sup>21</sup> Port-Saguenay Port Authority.

<sup>22</sup> Vézina, René, « Au port de Grande-Anse, on manutentionne des projets », [Les Affaires](#), 3 May 2003, p. 46.

<sup>23</sup> Ibid

<sup>24</sup> « Detailed report on tonnage handled at harbours and ports of Quebec », [Transport Canada](#), June 2003.

# Marine outlook

## Highlights of the marine industry

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### Pointe-au-Pic

#### *Less newsprint*

The tonnage handled at the Port of Pointe-au-Pic on May 31<sup>st</sup>, 2003 totalled 60 000 t, or 20 % less than last year, due to a decrease in newsprint and wood shavings. Marine traffic went down from 16 to 12 ships.<sup>25</sup>

### Gaspé

#### *Significant drop in tonnage*

By May 31<sup>st</sup>, 2003, the Port of Gaspé had handled approximately 16 000 t of goods, a huge drop from the 196 000 t handled by the end of May 2002 and a direct consequence of the closure of the Murdochville foundry in 2001. From January to May, only gas and other oil products (heavy fuel oil) were handled. Traffic went down from 28 ships by the end of May 2002, to 7 by May 31<sup>st</sup> of this year.<sup>26</sup>

### Gros-Cacouna

#### *Rise in softwood lumber tonnage*

During the first five months of the year, the tonnage handled at the Port of Gros-Cacouna reached 38 000 t, up 5 % on last year due to an increase in softwood shipments. By the end of May 2003, marine traffic remained stable with 10 ships transiting the port, compared with 9 by the end of May 2002.<sup>27</sup>

### Cap-aux-Meules

#### *Diesel fuel tonnage down sharply*

As of May 31<sup>st</sup> 2003, the total tonnage handled at Cap-aux-Meules was down 72 %, from 38 000 t in 2002 to 11 000 t this year. This is explained by a significant decrease of diesel fuel used to run Hydro Quebec's power plants on the Islands. Diesel is the main commodity handled.<sup>28</sup>

### Transport Canada's capital investment projects

The following projects will materialise in 2003/2004 <sup>29</sup> :

#### *Les Escoumins wharf*

Temporary docking facilities are presently being built; works will end in 2004.

#### *Blanc-Sablon wharf*

Over 14 M\$ will be spent on rebuilding the Blanc-Sablon wharf; works will begin this summer and be completed in 2005.

## SAINT-LAWRENCE SEAWAY

#### *Tonnage carried is down*

During the period of January 1<sup>st</sup> to May 31<sup>st</sup> 2003, there were 769 vessels using the Seaway, down 10 % on last year's total. A decrease in tonnage is also observed, as these vessels carried 8,4 Mt during these first five months, compared with 8,9 Mt in 2002. The largest decrease was in cereals shipments, with 34 % less than in 2002. Bulk products were the main commodities carried during the period with 2,7 Mt. Iron ore and cereals ranked second and third with 2,5 Mt and 1,5 Mt respectively.<sup>30</sup>

#### *Back to 2002 navigation season*

In 2002, more than 34 % of all commodities carried on the Seaway had their origin and destination in Canada. Canadian shipments to the United-States represented nearly 17 % of the total carried, mainly composed of iron ore and other bulk products. U.S. shipments to Canada represented 21 % of the total, mainly iron ore and cereals.<sup>31</sup>

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<sup>25</sup> Ibid

<sup>26</sup> Ibid

<sup>27</sup> Ibid

<sup>28</sup> Ibid

<sup>29</sup> « Partners », [Transport Canada](#), 31 May 2003.

<sup>30</sup> « Monthly review of Seaway traffic, 30 April 2003 », [Great Lakes/Seaway Network WEB site](#).

<sup>31</sup> « 2002 traffic report », [Great Lakes/Seaway Network WEB site](#).

# Marine outlook

## Highlights of the marine industry

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### **Enhanced surveillance**

New regulations on Seaway Property were brought in by Transport Canada and come under the control of the Saint-Lawrence Seaway Management Corporation (SLSWMC), whose powers were enhanced in terms of surveillance of order and security and the protection of the environment in the Seaway. The regulations deal with the access to Seaway property, use of vehicles, fire protection, emergency and precautionary measures.

Therefore, SLSWMC will be in a position to respond to pollution or ecological incidents, at the polluter's expenses and risks and also ban any activity that could compromise public safety or affect the quality of land, air and water.<sup>32</sup>

### **Project to increase Seaway potential**

For several months, the Canadian and U.S. governments have both been working on a large-scale study of the Saint-Lawrence Seaway and the Great Lakes. With a view to strengthening collaboration in this study, a memorandum of co-operation was signed last May by Canada's Transport Minister and the U.S. Department of Transportation Secretary, to ensure long-term profitability of the Seaway/Great Lakes Network. The accord will help :

- Target factors and trends associated with marine transportation industry;
- Analyse current and future Seaway transportation needs;
- Assess the waterway's condition and reliability, including the benefits and costs of maintaining the current infrastructure;
- Assess the environmental and economic factors, as well as those related to engineering, associated with current and future network requirements.<sup>33</sup>

### **Great Lakes clean-up**

Canada and the U.S. have agreed to clean up some 43 heavy polluted sites of the Great Lakes, 12 in Canada, 26 in the U.S. and five others sitting on the border. Canada will spend 1,9 billion \$ CDN and our neighbour 7,4 MM \$ US on decontamination.<sup>34</sup> The sites contain PCB, heavy metal and other noxious products harmful to humans and the environment.<sup>35</sup>

### **Water level**

Water level in the Port of Montreal, last May was 1,3 metres below mean and the Canadian Hydrographic Service forecast for June is 0,78 below mean.<sup>36</sup>

## COMMODITIES

### **Iron ore**

#### **Quebec's production of iron ore is down for first quarter of 2003**

The most recent figures on the production of iron ore in Quebec indicate a total production of 1,9 Mt for the first quarter of 2003, down 12 % on last year's corresponding period.<sup>37</sup> In the context of strong international competition, Quebec's three mining companies are still shaken by the steel industry's problems of the last years.

However, liberal Finance Minister Yves Séguin's recent budget contained great news for Quebec Cartier Mining, as the government will finally deliver the 226 M\$ grant promised QCM.<sup>38</sup> This grant is part of QCM rescue plan that will bring the Mont Wright annual production to 12 Mt over a 15-year mining schedule.<sup>39</sup>

In early June, Iron Ore of Canada announced that the last phase of renovation at the Sept-Îles pellet plant will not be done before 2005-2007. To date, IOC invested close to 200 M\$ of its 360 M\$ total expenditures in the Sept-Îles pellet plant. Works were suspended on account of the deterioration of the world iron market.<sup>40</sup>

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<sup>32</sup> « Transport Minister announces new Seaway Property Regulations », press release, [Transport Canada](#), 9 April; « Seaway Property Regulations SOR/2003-105 », [Transport Canada WEB site](#).

<sup>33</sup> « Canada and the U.S. sign a memorandum of co-operation for long-term profitability of the Great Lakes / Seaway Network », press release, [Transport Canada](#), 1 May 2003.

<sup>34</sup> « Special report – Progress to restore Great Lakes areas of concern », [Internal Joint Commission WEB site](#).

<sup>35</sup> Côté, Charles, « La dépollution des Grands Lacs avance à trop petits pas », [La Presse](#), 2 May 2003.

<sup>36</sup> Canadian Hydrographic Service, Tides, Currents and Water Levels section.

<sup>37</sup> « Production of main minerals in Canada », [Natural Resources Canada](#), March 2003.

<sup>38</sup> « Le gouvernement Charest confirme qu'il respectera l'aide financière promise sous l'administration Landry », [Radio-Canada WEB site](#), 13 June 2003.

<sup>39</sup> Tremblay, Stéphane, « Québec Cartier : le milieu craint le pire », [Le Soleil](#), 28 May 2003.

<sup>40</sup> Riverin, François, « L'usine de bouletage de Sept-Îles ne démarrera pas avant 2005 », [Les Affaires](#), 7 June 2003, p.40.

# Marine outlook

## Highlights of the marine industry

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### Wheat

#### **Canadian wheat exports increase in 2003**<sup>41</sup>

Agri-food and Agriculture Canada (AAC) analysts expect that the 2003-2004 Canadian wheat production will rise by 64 %. Wheat production in the Prairies should climb for this crop-year because of significantly higher humidity levels, compared with last year.

AAC analysts feel that Canadian wheat exports should rise by 95% next year to reach 12,1 Mt, still below the 15 Mt 10-year average. Wheat tonnage in ports of the Saint-Lawrence are expected to increase but remain below the 10-year average.

### Aluminium

#### **Canada's aluminium sales rise in 2003**

Outlook is good for Canada's aluminium industry. According to the Economics Division of Export and Development Canada (EDC), sales of Canadian aluminium should rise to 7,7 billion \$ in 2003, a jump of 10 % and be followed by another increase of 6 % in 2004, to a total of over 8 G\$. These excellent prospects are attributed to a combination of factors that can be summarized to the relative stability of the North-American automobile sector and the increasing commercial demand for aluminium (which has numerous industrial applications) in the context of an economic recovery in the U.S., although still a little faint for the moment.<sup>42</sup>

In this context, Quebec aluminium companies should see production increase in 2003. Statistics on Canadian production (concentrated in Quebec) for the first quarter show a total of 699 000 t, 3,5 % more than for the first quarter of 2002.<sup>43</sup>

### Softwood lumber and newsprint

#### **Rising Loonie hurts forestry**

The crisis in Canada's and Quebec's softwood industry was amplified, over the last few weeks, by a rising Canadian dollar, whose value adds further to the countervailing duties imposed by the U.S. and to the falling prices of softwood on North-American markets. Many sawmills have lowered their production, all over the Province, and some of them even had to shut down temporarily.<sup>44</sup> In one year, net softwood lumber exports from Quebec to the U.S. fell by 22 %.<sup>45</sup> The number of lost jobs is estimated at 1 500 since the dispute started, about two years ago. Across Canada, exports value dropped by 26 %.<sup>46</sup>

#### **Hard times for newsprint industry**

Like softwood lumber, the newsprint industry suffers from the disastrous consequences on exports to the U.S. of the appreciation of the CDN \$ on its U.S. counterpart. The North-American demand for newsprint has dropped and stocks increased, during the last months. This situation could possibly lead to several Canadian paper mills stopping production, many of which operate in Quebec.<sup>47</sup>

## FERRIES

#### **Traffic increases**<sup>48</sup>

During the 2002-2003 financial year ending last March 31<sup>st</sup>, close to 5,5 million passengers and 27 million vehicles<sup>49</sup> have used the different ferry services provided by la Société des traversiers du Québec (STQ). Compared with 2001-2002, the number of passengers went up 1 % and vehicles 8 %. There were 106 547 ferry crossings in 2002-2003, up 5 % on the previous year.

The most significant increases were observed at the Quebec/Lévis ferry, where passengers and vehicles went up 15 % and 32 % respectively<sup>50</sup>, followed by the Île-aux-Coudres/Saint-Joseph-de-la-Rive ferry with 7 % more passengers and 10 % more vehicles. The largest increase in the number of crossings was observed at Îles-aux-Coudres/St-Joseph-de-la-Rive with an appreciation of 10 %.

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<sup>41</sup> « Canada : Grains and Oilseeds Outlook », *Agri-food and Agriculture Canada*, 10 June 2003.

<sup>42</sup> « Exports estimates », *Export and Development Canada*, Spring 2003.

<sup>43</sup> « Production of main minerals in Canada », *Natural Resources Canada*, March 2003.

<sup>44</sup> « Le Bloc réclame des mesures d'aide vigoureuses pour l'industrie du sciage », *Radio-Canada WEB site*, 6 June 2003.

<sup>45</sup> « L'industrie du bois d'œuvre sollicite l'aide du fédéral », *Le Soleil*, 6 June 2003.

<sup>46</sup> Dubuc, André, « Le Québec, principale victime du conflit du bois d'œuvre », *Les Affaires*, 31 May 2003.

<sup>47</sup> « Le papier journal moins en vogue », *Les Affaires*, 29 mars 2003.

<sup>48</sup> « Statistiques pour la période de douze mois se terminant le 31 mars 2002 » et « Statistiques pour la période de douze mois se terminant le 31 mars 2003 », *Société des traversiers du Québec*.

<sup>49</sup> Converted in Automobile Equivalent Units (AEU).

<sup>50</sup> Ibid

# Marine outlook

## Highlights of the marine industry

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As for private ferries, the Rimouski/Foresville service accommodated 68 000 passengers.<sup>51</sup> There are no figures available on annual variations. The Notre-Dame-des-Sept-Douleurs ferry carried 15 643 passengers<sup>52</sup>, down 7 % on the previous year.

### **Back in operation**

The Les Escoumins wharf is now operational and crossings to and from Trois-Pistoles resumed after being interrupted for one year. The ferryboat *Héritage 1* will be in service until October 15<sup>th</sup>, 2003.<sup>53</sup>

### **Crossings between Grande-Vallée, Anticosti and Havre-Saint-Pierre**

A few months ago, the Government of the Parti Québécois seemed interested by a sea link project between the municipalities of Grande-Vallée in Gaspésie, l'Île d'Anticosti and Havre-Saint-Pierre on the North-Shore. La Société des traversiers du Québec had planned on buying a ferryboat for this connection. But the project will not materialize as the new Liberal Government showed no intention of investing the required 23 M\$ for purchasing the boat and building port facilities.<sup>54</sup>

At the same time, Voréal, a transport company that owns a ship called *Le Carapac*, proposes a seasonal service, from the beginning of May to the end of November. The ship could be modified into a ferryboat for approximately 1 M\$ and be able to carry 125 passengers, cyclists, as well as light vehicles. Voréal says the plans to modify *Le Carapac* are ready and that a profitability study will be completed soon.<sup>55</sup>

### **Marine servicing of the Lower North-Shore**

A study on a marine schedule to the Lower North-Shore was contracted out to a private firm by le Conseil Régional de Développement (CRD) in collaboration with various partners and stakeholders. The study will look at the economic spin-offs for a port of call situated on the North-Shore instead of Rimouski. The CRD will make a proposal to the Quebec Department of Transport, before July 1<sup>st</sup>. Note that the actual contract, awarded to Relais Nordik, ends in 2005.<sup>56</sup>

## CRUISES - TOURS

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### **Call at Chandler**

*Le Vacancier* now stops at Chandler once a week, since July 2<sup>nd</sup>, on the way back from Îles-de-la-Madeleine to Montreal.<sup>57</sup>

### **L'Île Caramer back in service soon**

Just before beginning its second tourist season, *L'Île Caramer*, a boat offering guided tours in Baie-des-Chaleurs, Gaspésie, sunk on June 2<sup>nd</sup>, rocked by strong winds and high tide. The boat will be repaired and resume its tours early in July, the owner says.<sup>58</sup>

### **Modification to Marine Mammals Regulations**<sup>59</sup>

Fisheries and Oceans Canada intends to modify the Marine Mammals Regulations, of the enabling Fisheries Act. Current regulations do not provide sufficient information on behaviours and consequences of observing marine mammals in their natural environment. Consultations are underway across Canada to amend current regulations. In Quebec, four sessions were held, addressing :

- Approach distances;
- The number of boats and their use near marine mammals;
- The issue of permits to commercial eco-tourism operators.

The new regulations have to go through many other steps before they are passed.

### **New shuttle by Les Dauphins du Saint-Laurent**

Since the summer of 1999, Les Dauphins du Saint-Laurent offers a daily high-speed river shuttle between Montreal and Quebec. The company plans on offering another shuttle between Montreal and Ottawa, with a call at the marina of Montebello, in 2004.<sup>60</sup>

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<sup>51</sup> Société Inter-Rives Île-Verte, 19 June 2003.

<sup>52</sup> Thériault, Carl, « Une autre saison sans subvention », *Le Soleil*, 24 April 2003.

<sup>53</sup> « L'héritage reprend du service », *Groupe TVA WEB site*, 9 June 2003.

<sup>54</sup> Tremblay, Stéphane, « Lien maritime entre la Côte-Nord et la Gaspésie – La STQ abandonne », *Le Soleil*, 30 June 2003.

<sup>55</sup> « Un autre projet de desserte maritime entre Grande-Vallée et Anticosti », *Radio-Canada WEB site*, 10 June 2003.

<sup>56</sup> « Étude sur la desserte maritime de la Basse Côte-Nord », *Radio-Canada WEB site*, 27 May 2003.

<sup>57</sup> « Test matinal », *Le Soleil*, 26 June 2003.

<sup>58</sup> « L'Île Caramer reprendra du service », *Groupe TVA WEB site*, 6 June 2003.

<sup>59</sup> « Bulletin on marine mammals », *Fisheries & Oceans Canada – Fisheries Management – Resources Management Branch*, May 2003.

# Marine outlook

## Highlights of the marine industry

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### **Berthing resumes at Pointe-au-Pic**

After Transport Canada recommended to la Corporation Régionale d'Administration Portuaire de Pointe-au-Pic (CRAPPP) that the Pointe-au-Pic wharf no longer be used by tour or cruise ships, for safety reasons, CRAPPP found a solution to the problem. Cruise ships can now tie up on a dam, where a small platform was built. The wharf was closed by TC, after a recent study indicated that the facilities would most likely collapsed during a major earthquake. Since earthquakes hit the Charlevoix region once every day-and-a-half, on the average, according to the Geological Survey of Canada<sup>61</sup>), Transport Canada took this decision to prevent accidents.<sup>62</sup>

### **Cold water cruises**

Croisière Transboréale plans to operate year-round cruises from Montreal to Newfoundland, via the North-Shore, Gaspésie and Nova Scotia. This cold water cruise project is estimated at 522 M\$ and could create 700 new jobs in Montreal and Newfoundland. Various stakeholders are presently being approached. The business plan is underway and the financing plan is expected to be completed within nine months. The promoter believes that, if everything unfolds as expected, the vessel might set sail two years from now, carrying an equal number of passengers, trucks and cars. Baie-Comeau is in the project, as the main North-Shore port of call.<sup>63</sup>

## INTERNATIONAL CRUISE

### **Craze for cruises grows**

During the first quarter of 2003, more than 2,2 million were cruising in North-America. This is 23 % more than for the first quarter of 2002. Of this number, 1,9 million passengers were North-Americans. The estimates for the 2003 season are 8,5 million passengers. From 1980 to 2001, cruise passengers increased by a little over 8 % each year<sup>64</sup>

### **International cruises on the Saguenay**

The Saint-Lawrence Cruises Association is looking for alternate destinations, should the water level on the Saint-Lawrence, specially in the Montreal area, drop to a point where some of the ports will no longer be able to accommodate ships measuring 220 metres and more. The Association identified five ports of the Saint-Lawrence/Saguenay that can take in cruise ships in the regions of Havre-Saint-Pierre, Sept-Îles, La Baie, Îles-de-la-Madeleine and Gaspésie.<sup>65</sup>

In fact, Promotion Saguenay and the Saguenay Port Authority firmly believe and work on the prospect of accommodating cruise ships at the La Baie Lepage wharf on the Saguenay River. La Baie already has major tourist infrastructures that the other regions don't. Estimates are underway and call for investments of the order of 3 to 6 M\$ for infrastructures and passengers facilities. The project could generate annual spin-offs of 15 M\$ by accommodating 25 ships a year. Experts' assessments are underway to ensure that the Saguenay can receive the ships. The first liner could come in as soon as 2004.<sup>66</sup>

## MARINE SECURITY AND SAFETY

At the last G8 summit held in Évian, France, Heads of State and Government undertook to intensify their efforts to deal with terrorism in mass transportation. More specifically, resolutions were passed on the following points<sup>67</sup> :

### **Container security**

« We are working together to reinforce container security arrangements generally and to develop specifically, within the World Customs Organisation (WCO), joint standards and guidelines for electronic transmission of customs data for cargo and a standardised set of data elements to identify high-risk cargo. (...) Our continued support of the Container Security Initiative (CSI) will encourage rapidly expanding participation by other ports, further enhancing global container security. As international

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<sup>60</sup> Nadeau, Jean-Benoît, « Les ailes du Saint-Laurent; Voler sur le fleuve entre Québec et Montréal? C'est possible à bord de l'hydroptère, un drôle d'engin qui se prend à la fois pour un avion et un bateau. À essayer cet été! », *l'Actualité*, 15 May 2003.

<sup>61</sup> « Les secousses sismiques sont très fréquentes dans la région de Charlevoix-Kamouraska », *Groupe TVA WEB site*, 13 June 2003.

<sup>62</sup> « Les bateaux accosteront à Pointe-au-Pic », *Radio-Canada WEB site*, 1 June 2003.

<sup>63</sup> Cloutier, Laurien, « Croisière Transboréale émerge », *Le Soleil*, 27 May 2003; Tremblay, Stéphane, « Un projet de 522 M\$ qui prend forme », *Le Soleil*, 13 June 2003; « Croisières Transboréale veut offrir des excursions entre Montréal et Terre-Neuve », *Radio-Canada WEB site*, 14 June 2003.

<sup>64</sup> « More than 2,2 millions people cruise in first quarter 2003. », *CLIA WEB site* ([www.cruising.org/cruisenews](http://www.cruising.org/cruisenews)), 6 June 2003.

<sup>65</sup> « Port et Promotion Saguenay songent à investir pour attirer les croisières », *Cyberpresse.ca*, 22 May 2003.

<sup>66</sup> « Une ambition qui ferait des vagues, attirer des bateaux de croisière à La Baie », *Groupe TVA WEB site*, 22 May 2003.

<sup>67</sup> 2003 Evian Summit: [http://www.g8.fr/evian/francais/navigation/le\\_sommet\\_2003/accueil.html](http://www.g8.fr/evian/francais/navigation/le_sommet_2003/accueil.html)



# Marine outlook

## *Highlights of the marine industry*

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security is only as effective as its weakest link, we support international co-operation in the WCO to ensure a more co-ordinated approach for all ports handling international cargo ».

### **Sea transport**

« At Kananaskis (Canada), we agreed to support in the International Marine Organisation (IMO) amendments to the International Convention for the Safety of Life at Sea that require mandatory ship security plans, on-board ship security officers, mandatory port facility security plans and port facility security assessments for relevant ports serving ships engaged on international voyages, to be included during the development of an International Ship and Port Facility Security Code by July 2004 ».

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