

Marine Outlook

Highlights of the Marine Industry

Policy and Economics Branch
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	Index
Ports.....	1
Seaway.....	5
Commodities	6
Ferries	7
Cruises – Tours.....	8
International Cruises	9
Water Level.....	9

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PORTS

Sept-Îles

The Port of Sept-Îles Remains First in Québec in 2003

The Port of Sept-Îles is ahead of all of the other ports in Québec with a total of 22.9 Mt handled in 2003. The approximate 9% jump in tonnage from 2002 is due to a rise in the transshipment of iron ore. Iron ore shipments, which represent 90% of the tonnage handled at the Port of Sept-Îles year after year, reached 20.6 Mt in 2003, 8% more than in 2002. There was also an increase in the transshipment of solid cargo such as bentonite¹, coke, limestone, salt, silica and other bulk cargo. Transshipments of containerized merchandise also rose. However, the handled tonnage of aluminum, fuel oil/diesel and gasoline decreased slightly in 2003. The number of ships passing through the Port of Sept-Îles increased from 527 in 2002 to 574 in 2003.²

Montreal

Jump in Handled Tonnage

The Montreal Port Authority is expecting to end 2003 with an 11% increase in traffic as compared to 2002, representing a total tonnage of about 20.8 Mt. The port registered a record 1.1 million T.E.U³ containers in 2003. St. Lawrence River's high water level (4 feet more than in 2002), the presence of a large Hydro-Québec project in Sorel-Tracy and Québec's good economic forecast are all reasons for the jump in tonnage.⁴

A 2% growth in traffic is foreseen for 2004, due mainly to the recent American decision to lift its restriction on steel imports. Approximately 40% of the traffic in the Port of Montreal is to or from the United States. Container traffic should also be up 4% in 2004. The port is negotiating with three new container transportation companies, hoping to attract their business during the next year.⁵

In order to fight terrorism and organized crime, the Royal Canadian Mounted Police will soon have an investigation office directly on the wharves of the country's three largest ports: Montreal, Vancouver and Halifax. These joint investigation units will have an office in the port and will work in collaboration with the other inspection and security services that are onsite. Priorities will be terrorism, smuggling and crime in general.⁶

Québec

A Record Year for the Port of Québec

The tonnage handled at the Port of Québec was at a record high in 2003, with a total of 19.5 Mt, 9% more than in 2002. The Ultramar refinery in Saint-Romuald remains the port's largest client with 11 Mt of petroleum, 50% of the total volume. The port's other terminals transhipped 8.5 Mt of merchandise (primarily grain, ore and sugar). This is approximately 40% more than in 2002, due mainly to the Port Bunge grain terminal which had its best year since 1996. Port administration also attributes the reason for the increase in tonnage to the versatility of the bulk facilities, allowing very different goods to be transhipped from one day to the next.⁷

¹ Clay with powerful absorbing and dissolving properties, for various industrial uses.

² Sept-Îles Port Authority.

³ Twenty foot equivalent unit.

⁴ "Le port de Montréal a pris la tête des ports de l'Atlantique Nord en 2003", *La Presse Canadienne*, January 5, 2004; "Bonne nouvelle pour le port de Montréal"; *Radio-Canada Website*, January 5, 2004; "Le niveau d'eau a stimulé les affaires au port de Montréal", *Le Droit*, December 31, 2003, pg.19.

⁵ Ibid

⁶ Cédilot, André, "La GRC s'implante dans les ports du pays", *La Presse*, November 7, 2003.

⁷ Asselin, Pierre, "Port de Québec – Une année record pour le tonnage manutentionné", *Le Soleil*, January 6, 2004; "Le port de Québec a connu une année exceptionnelle en 2003", *Radio-Canada Website*, January 5, 2004.

Maritime Perspectives

Highlights of the Marine Industry

Port-Cartier

Increase in Handled Tonnage

In 2003, the total tonnage handled at the Port-Cartier port facilities reached 17.6 Mt, up 7% from the previous year. Shipments of iron ore products totaled 13.6 Mt in 2003, a 12% increase from 2002. Iron ore makes up almost 80% of the port's total tonnage. Grain totaled 3.1 Mt, while bulk goods (raw material and petroleum products) reached 900 000 t. Total traffic consisted of 418 ships in 2003, 27 more than in 2002.⁸

The Port-Cartier Port of Authority foresees that the shipments of iron pellets and concentrate from Québec Cartier in 2004 will be similar to last year.⁹

Baie-Comeau

Significant Increase in the Tonnage of Grains and Cereals

In 2003, the tonnage handled at the Port of Baie-Comeau totaled approximately 5.1 Mt, 31% more than in 2002. Wheat and cereal totaled 1.6 Mt, 40% more than in 2002, due to better harvests in western Canada in summer 2003. As for traffic, 265 ships visited the port in 2003, 38 more than the previous year.¹⁰

Approximately 710 000 t of merchandise must be added to the total tonnage. This is merchandise that transited through the Port of Baie-Comeau (and the Port of Matane) via the *Georges-Alexandre-Lebel*. The 6% increase is mainly due to the rise in the tonnage of aluminum. In 2003, the train ferry made 436 round trips, 22 more than in 2002.¹¹

The Port of Baie-Comeau still relies on the industrial park to increase its volume of transhipped goods. However, before developing its full potential, the industrial park must be linked by rail to the Port of Baie-Comeau, a distance of 6 km. According to the mayor, this project, (estimated at \$14 M) should begin soon.¹²

Sorel

Increase in Handled Tonnage

The tonnage handled at the Port of Sorel totaled 4.9 Mt in 2003, up 3% from 2002. The tonnage of grain (mainly soy) and metal ingots (mainly steel rolls) increased. The Port of Sorel welcomed 258 ships in 2003, 5 less than the previous year.¹³

QIT-Fer et Titane announced that it would invest close to \$500 M in the next 4 years to modernize its Sorel-Tracy facilities. This investment will maintain 1 600 jobs in Sorel-Tracy and 300 others in the Côte-Nord (Havre-Saint-Pierre) where the company is working a mine.¹⁴ Note that a significant part of the tonnage at the Havre-Saint-Pierre and Sorel ports is generated by *QIT-Fer et Titane*'s industrial activities.

Port-Alfred

Increase in Handled Tonnage

The tonnage handled in Port of Port-Alfred increased 4% from 2002, with a total of 4.7 Mt in 2003. The tonnage of alumina and green coke increased, while the tonnage of bauxite dropped slightly. The increase in handled tonnage is the result of the number of ships in transit, with a total of 130 ships in 2003, 10 more than the previous year.¹⁵

Havre-Saint-Pierre

Increase in Iron Ore

The tonnage handled in the Port of Havre-Saint-Pierre totaled 2.8 Mt in 2003, a 12% increase from 2002. This is due to an increase in iron ore, (ilmenite and iron) and titanium shipments. 131 ships visited the port, compared with 156 ships in 2002.¹⁶

⁸ Port-Cartier Port Authority.

⁹ Ibid

¹⁰ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

¹¹ "Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel", SOPOR et COGEMA, 2002 and 2003.

¹² Paradis, Steeve, "Le parc industriel a son premier locataire", [Le Soleil](#), September 25, 2003.

¹³ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

¹⁴ "Investissement majeur à Sorel-Tracy", [Radio-Canada Website](#), January 19, 2004.

¹⁵ Port-Alfred Port Authority.

¹⁶ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

Maritime Perspectives

Highlights of the Marine Industry

Trois-Rivières

Decrease in Handled Tonnage

The Port of Trois-Rivières handled 1.9 Mt in 2003, down 21% from 2002. The tonnage of grains, dry and liquid cargo and general goods all decreased. In 2003, 218 ships docked in the port, 35 less than in 2002.¹⁷

Bécancour

Slight Decrease in Handled Tonnage

The volume of merchandise handled at the Port of Bécancour totaled 1.8 Mt in 2003, a 2% decrease. The tonnage of alumina, aluminum, magnesite, chemical salt, de-icing salt and sodium hydroxide decreased while the tonnage of alkyl benzene, coal and paraffin increased. As in previous years, the port first served the Bécancour industrial and port park. Approximately 90% of the merchandise handled at the port is shipped to or from companies in the park. In 2003, 115 ships visited the port, 9 more than in 2002.¹⁸

Port-Saguenay

Increase in Tonnage Due to Shipments of Granite Aggregate

Port Saguenay handled a total of 479 000 t of merchandise in 2003, a 9 % increase from 2002. 68 ships docked in the port, 9 less than in 2002.¹⁹

The exportation of 40 000 t of granite aggregate to Florida in 2003 made up for the drop in handled tonnage of newsprint (37 000 t). According to the port authority, the significant decrease in newsprint exportation could eventually lead to the abandonment of activities at Powell Wharf, used in the transshipment of newsprint from Abitibi-Consolidated.²⁰

In spite of the decrease in newsprint tonnage, Port Saguenay has grown. In 2003, the port handled 77 000 t of liquid cargo, compared to 69 000 t in 2002, and 174 000 t of solid cargo as compared to 137 000 t in 2002. The volume of general cargo remained stable at 228 000 t. Transshipments of de-icing salt from the Îles-de-la-Madeleine increased 10 000 t.²¹

Port-Saguenay's port administration is placing a lot of hope in future granite shipments. The port's goal is to export 500 000 t to the United States each year. Moreover, the project to bring the transportation of gasoline between the Ultramar refinery and the Saguenay – Lac-Saint-Jean region back to the seaway is still in the air. Absent since 1992, the return of the transport of hydrocarbons requires \$25 M in investments. Groupe Prommel has already applied for funding from the federal and provincial governments.²²

Rimouski

Decrease in Handled Tonnage

The Port of Rimouski had a decrease in overall traffic in 2003 with a tonnage of 256 000 t, 14 % less than in 2002. This is mainly due to the drop in the shipments of salt and petroleum products. 2003 was also marked by the absence of the transshipment of lumber and wood pulp. 76 ships used the port in 2003, compared to 86 in 2002.²³

Matane

Increase in Tonnage of Gasoline and Petroleum Products

In 2003, the tonnage handled by the Port of Matane totaled approximately 212 000 t, 18 % more than the previous year. The transshipment of salt, gasoline and petroleum products increased, while lumber and wood pulp decreased slightly. The port welcomed 44 ships to the Marginal Wharf in 2003, compared to 41 in 2002.²⁴

710 000 t of merchandise must be added to the total tonnage, representing cargo from the Matane rail port via the *Georges-Alexandre-Lebel* (see Port of Baie-Comeau, pg.2).²⁵

¹⁷ Trois-Rivières Port Authority.

¹⁸ Bécancour Port Authority.

¹⁹ "Dure année pour les installations portuaires", [Radio-Canada Website](#), December 30, 2003.

²⁰ Bouchard, Denis, "Chute des exportations de papier journal", [Le Quotidien](#), December 31, 2003.

²¹ Ibid

²² Thérault, Pierre, "Port Saguenay souhaite tripler son volume d'activités", [Les Affaires](#), October 4, 2003.

²³ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

²⁴ Ibid

²⁵ "Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel", [SOPOR et COGEMA](#), 2002 and 2003.

Maritime Perspectives

Highlights of the Marine Industry

Pointe-au-Pic

Decrease in Newsprint Tonnage

The Port of Pointe-au-Pic handled 191 000 t in 2003, a 7% drop. This is due to a 20% drop in newsprint tonnage, totaling 131 000 t. Also, the number of ships decreased slightly. The total traffic was 35 ships in 2003, 4 less than the previous year.²⁶

Gros-Cacouna

A Better Year for the Port of Gros-Cacouna

After a significant drop in tonnage in 2002, the Port of Gros-Cacouna's situation improved in 2003. In fact, the volume of transhipped goods totaled 183 000 t in 2003, up 36%. The improvement was felt most in the wood and newsprint exportation sector. 46 ships visited the port in 2003, 10 more than in 2002.²⁷

This renewed activity was not enough to develop the port's full potential, however. *La Commission de développement du port de Gros-Cacouna* (Gros-Cacouna port facilities development commission) would like to implement cabotage in 2004. It is preparing to commission a study on the establishment of a north-south route that would lighten the heavy traffic on Highway 138. The *Commission de développement* is also placing a lot of hope in a project to implement a methane tanker terminal. Gaz Métropolitain will announce its position on this project in the spring.²⁸

Portneuf

Decrease in Handled Tonnage

The Port of Portneuf had a decrease in overall traffic in 2003. Its total tonnage was 93 000 t, 34 % less than in 2002, due to a decrease in the transshipment of gypsum, gravel and coal. In 2003, 12 ships docked at the Portneuf Wharf, three less than in 2002.²⁹

Gaspé

Big Drop in Handled Tonnage

The total cargo handled at the Port of Gaspé dropped from 240 000 t in 2002 to 86 000 t in 2003, a 64% decrease. The port welcomed 27 ships, compared to 40 in 2002. Since the closing of the smelting plant in Murdochville, goods transhipped to Gaspé are limited to salt, sand (stone), gravel, gasoline and a few other petroleum products.³⁰

Chandler

Delay Expected in the Reopening of Papiers Gaspésia

The total tonnage handled at the Port of Chandler in 2003 was 3 690 t, up 13% from 2002. The goods transhipped to Chandler are limited almost exclusively to salt. Two ships landed in Chandler in 2003, one more than in 2002.³¹

The Port of Chandler is counting on the reopening of *Gaspésia* to increase its handled tonnage. However, Chandler's *Papiers Gaspésia* plant will begin paper production four months late, in October 2004. The plant must produce 200 000 t of high quality paper per year to be used in high-end magazines.³²

Port-Menier

A Hotel and Villas on Anticosti Island

Within two years, Anticosti Island will undergo the largest real estate development in its history. The project requires \$40 M in investments and involves building a sprawling complex, including a hotel and luxurious villas. All types of infrastructures will be added to this housing complex. Construction could begin as early as the spring and should contribute to the increase in tonnage handled at the Port of Port-Menier.³³

²⁶ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

²⁷ "Une meilleure année pour le port de Gros-Cacouna", [Radio-Canada Website](#), January 5, 2004.

²⁸ Ibid

²⁹ Detailed report on tonnage handled at harbours and ports in Québec (2002 and 2003), [Transport Canada](#).

³⁰ Ibid

³¹ Ibid

³² "Papiers Gaspésia : échéancier et budget seront dépassés", [Radio-Canada Website](#), November 30, 2003.

³³ Wells, Ernie, "Un hôtel et des villas pour l'Île d'Anticosti", [Le Soleil](#), January 3, 2004.

Maritime Perspectives

Highlights of the Marine Industry

Rivière-du-Loup

Lack of Funds Needed to Renovate the Rivière-du-Loup Wharf

During the transfer of the wharf property, the City of Rivière-du-Loup negotiated \$20 million with the federal government for wharf maintenance over the next 25 years. However, for safety reasons, the city estimates that the wharf will have to be extended during construction, meaning an additional \$10 to \$20 million. The city is trying to convince the Government of Québec to help renovate the wharf because it is a crucial link to maintaining ferry service between Rivière-du-Loup and Saint-Siméon.³⁴

Annual Review: 2003

Estimate of the tonnage handled in Québec's 15 main ports, 2002 and 2003

LIST OF THE PORTS	2002	2003	Var. 2003/2002
1. Port of Sept-Îles	21.1 Mt	22.9 Mt	+ 9%
2. Montreal	18.7 Mt	20.8 Mt	+ 11%
3. Québec	17.9 Mt	19.5 Mt	+ 9%
4. Port-Cartier	16.5 Mt	17.6 Mt	+ 7%
5. Baie-Comeau ³⁵	3.9 Mt	5.1 Mt	+ 31%
6. Sorel	4.7 Mt	4.9 Mt	+ 3%
7. Port-Alfred	4.5 Mt	4.7 Mt	+ 4%
8. Havre-Saint-Pierre	2.5 Mt	2.8 Mt	+ 12%
9. Trois-Rivières	2.4 Mt	1.9 Mt	- 21%
10. Bécancour	1.84 Mt	1.81 Mt	- 2%
11. Port-Saguenay	441 Kt	479 Kt	+ 9%
12. Rimouski	296 Kt	256 Kt	- 14%
13. Matane ³⁵	179 Kt	212 Kt	+18%
14. Pointe-au-Pic	206 Kt	191 Kt	- 7%
15. Gros-Cacouna	135 Kt	183 Kt	+ 36%
TOTAL	95.3 Mt	103.3 Mt	+ 8%

Source: Port authorities and Transport Canada.

Compilation: DRPE, Fisheries and Oceans Canada –Québec Region.

The 15 most important ports in Québec handled a total of 103.3 Mt in 2003, 8 % more than in 2002. Québec's ten most important ports all had an increase in tonnage in 2003, except for Trois-Rivières and Bécancour. The increase in tonnage of iron ore, aluminum ore, petroleum, grains and cereal are the reason for this good performance. The ports of Sept-Îles, Montreal, Québec and Port-Cartier tranship approximately 80% of Québec's total tonnage. Also, almost 50% of the total tonnage is handled on the Côte-Nord via the Sept-Îles, Port-Cartier, Baie-Comeau and Havre-Saint-Pierre ports.

SAINT-LAWRENCE SEAWAY

Stability in Transported Tonnage

The St-Lawrence Seaway welcomed almost 4 400 ships in 2003, compared to 3 891 ships in 2002, a 13% increase. However, the ships transported more or less the same tonnage in 2003 (40.9 Mt) as in 2002 (41.4 Mt). Bulk products were the main commodity carried in 2003 (12 Mt), followed closely by iron ore (10.9 Mt) and grains (9.8 Mt).³⁶

Closing of the 2003 Shipping Season

The Montreal-Lake Ontario section of the St-Lawrence Seaway and the Welland Canal officially closed their 45th shipping season on December 28 and 29. The network closes for the winter to do maintenance work on the 13 locks and connecting channels. The work to be done this winter will come to \$7.8 M for the Montreal-Lake Ontario section and \$16.2 M for the Welland Canal section. Improvements will be made to the bridges, locks, communication and power facilities, roads, weirs and walls. The seaway should open for the 2004 shipping season in March.³⁷

³⁴ "Manque de fonds pour rénover le quai de Rivière-du-Loup", *Radio-Canada Website*, November 17, 2003.

³⁵ This data does not include the tonnage passing through the ports of Baie-Comeau and Matane via the *Georges-Alexandre-Lebel* train ferry.

³⁶ "St-Lawrence Seaway Closes 45th Shipping Season", press release, *The Great Lakes/St-Lawrence Seaway System*, December 29, 2003.

³⁷ Ibid

Maritime Perspectives

Highlights of the Marine Industry

Marine Security

A report presented by the Senate Committee on National Security and Defence states that The Great Lakes/St-Lawrence Seaway System is not protected enough. There is no organization in charge of keeping order and monitoring the St-Lawrence and the other navigable waterways. Transport Minister David Collenette thinks that the importance of marine safety should be emphasized. In his opinion, the Coast Guard should be better funded and should be in charge of reinforcing security.³⁸

Similarly, David Collenette recently announced a new maritime security requirement. Operators of certain categories of ships³⁹ making international trips or traveling within The Great Lakes/St-Lawrence Seaway System will now need a safety certificate issued by Transport Canada. This certificate will allow the ship to penetrate the waters of the United States and Canada. A similar procedure applies to ships in the United States under American regulations. Port facilities that serve ships under the SOLAS⁴⁰ Convention must also meet this new requirement.⁴¹

Widening of the St-Lawrence Seaway

The Canadian and U.S. governments are presently studying the future of the Great Lakes/St-Lawrence Seaway System. The two countries signed a protocol last May to study the existing infrastructures and explore the possibility of improving navigation. The US Army Corps of Engineers, the organization in charge of waterway transport in the United States, suggested widening the locks and dredging the channels. The project is not being officially studied in Canada for the moment.⁴²

Recently, the senator of the State of New York, Hillary Clinton, sent a letter to President Bush asking that the St-Lawrence Seaway study be stopped. Mrs. Clinton stated that "*The St-Lawrence River is a natural environment, a dynamic community and a flourishing tourism industry. It must be protected*". In the past, Mrs. Clinton was often involved in this issue, reminding everyone that the study of the seaway must be limited to the existing configuration. The St-Lawrence River flows north of New York, for a distance of 150 km.⁴³

COMMODITIES

Iron Ore

Good Outlook for Iron Ore in 2004

The most recent statistics on the production of iron ore in Québec stated that production totaled 11.1 Mt between January and October 2003, 17% more than the same period in 2002.⁴⁴

More precisely, shipments of ore are on the rise from the Wabish mine and Iron Ore Company of Canada. Also, the price of iron ore increased almost 10%. There is great demand for iron pellets on the global market, especially in Asia. This good news could mean the beginning of a better period for the iron industry which expects new price increases over the next few months.⁴⁵ To partly compensate for the hike of the Canadian dollar, the three Québec mines are banking on this anticipated jump in iron ore prices which could reach between 7.5% and 15% during 2004.⁴⁶

Export Development Canada (EDC) foresees that Canadian steel exports will increase 7% in 2004.⁴⁷

Wheat

Increase in the Handling of Wheat in the St-Lawrence

The Canadian Wheat Board (CWB) believes that it will export 5 Mt of grains over the St-Lawrence Seaway during the 2003-2004 harvest-year. This represents a jump of 1.5 to 2 Mt compared to the historical average.⁴⁸ This increase in grain handling can be primarily explained by a drought that affected

³⁸ Rodrigue, Isabelle, "La Voie maritime du Saint-Laurent, menace à la sécurité du pays", *La Presse*, October 30, 2003.

³⁹ Cargo ships with 100 gross registered tons or more, towboats more than eight meters long and ships transporting more than 12 passengers.

⁴⁰ International Convention for the Safety of Life at Sea established by the International Maritime Organization. This convention applies to ships that make international trips and whose displacement capability is more than 500 tons.

⁴¹ "Transport Canada Announces New Maritime Security Requirements", press release, *Transport Canada*, October 23, 2003.

⁴² Côté, Charles, "Collenette favorable à l'élargissement de la Voie maritime", *Le Soleil*, October 17, 2003.

⁴³ Côté, Charles, "Hillary Clinton contre l'élargissement de la Voie maritime du Saint-Laurent", *Le Soleil*, January 22, 2004.

⁴⁴ "Production of Main Minerals in Canada", *Natural Resources Canada*, October 2003.

⁴⁵ "Un nouveau marché et une hausse de prix pour le fer de la Côte-Nord", *Radio-Canada Website*, January 6, 2004; Tremblay, Stéphane, "Les minières se préparent à ferrailleur", *Le Soleil*, October 30, 2003; "Industrie du fer : la situation s'améliore pour CVRD", *Radio-Canada Website*, November 15, 2003.

⁴⁶ "Les minières comptent sur la reprise du marché du fer", *Radio-Canada Website*, January 8, 2004.

⁴⁷ Export Development Canada, "Survot des prévisions à l'exportation", Fall 2003.

⁴⁸ Binkley, Alex, "Grain Transportation System to the Test", *Canadian Sailings*, December 22, 2003, pg.23.

Maritime Perspectives

Highlights of the Marine Industry

production in countries of the European Union (EU) and also a substantial increase in ocean freight rates for exports to Asia via the ports of the West Coast.⁴⁹

Analysts from Agriculture and Agri-Food Canada (AAFC) anticipate that wheat exports will more than double in 2003-2004 to reach 12.6 Mt. That will still be slightly under the decadal average of 13.5 Mt.⁵⁰

Aluminum

Increase in the Canadian Production of Aluminum

Statistics about the Canadian production of aluminum between January and October 2003 show a total production of 2.4 Mt. This is a 3% rise from the previous year.⁵¹

The outlook for North American production is good thanks to the economic upswing in the United States and the recent upward revision of the predictions about the growth of the American GDP. Preliminary signs of economic recovery were even observed in Europe and Japan. Export Development Canada foresees that cash flow from the Canadian industry will increase 5% in 2004 due to increased demand for aluminum and the more stable Canadian dollar, favouring the increase of sales abroad.⁵²

In Lac-Saint-Jean, Alcan announced that it will close its Arvida plant. This will mean the loss of 550 jobs. The antiquated cells, the high operating costs and the recent rise of the Canadian dollar are all issues the multinational took into consideration when making its decision.⁵³ The impact on the tonnage handled in the Saguenay-Lac-Saint-Jean region will have to be monitored closely over the next few months.

Softwood Lumber and Newsprint

Another Difficult Year for Lumber

The Canadian lumber trade dispute with the United States continues to hit the Québec and Canadian logging industries hard. Moreover, exporters had to deal with the rise of the Canadian dollar over the greenback. The Québec logging industry also had to deal with large reductions in its public forest timber supply, 20% in certain areas. The Government of Québec imposed the largest reduction in cutting areas.⁵⁴

According to EDC's predictions, the outlook for lumber in 2004 is not very encouraging. Despite the recent NAFTA ruling in favour of Canada, it is difficult to know when this conflict will end.⁵⁵

Hard Times for the Newsprint Industry

Several economic indicators show hard times for the pulp and paper industry. The demand for newsprint is on the decline in North America and paper companies, which also do business on the lumber market, must deal with the crisis caused by the imposition of American countervailing duties on Canadian lumber exports. Add the rise of the Canadian dollar, now approaching 78 cents US (a phenomenon that remained unseen for 10 years) which greatly affects Québec and Canadian newsprint exports.⁵⁶

On the upside, EDC predicts a modest increase in the demand for newsprint and container board in 2004, due to an economic upswing in the United States.⁵⁷

FERRIES

Decrease in the Number of Transported Passengers and Vehicles

From April 1, to November 30, 2003, almost 4.2 million passengers and 1.7 million vehicles were transported by STQ ferries. This is a 6% drop in passengers and a 3% drop in vehicles. It is the Québec/Lévis crossing that saw the largest decrease in passengers (13%), followed by Montmagny/Île-aux-Grues with 12%. The Québec/Lévis and Rivière-du-Loup/Saint-Siméon crossings had the largest decrease in vehicles (19% and 11%).⁵⁸

⁴⁹ "Ocean Freight Rates Soar", *Grain Matters* (special edition), November-December 2003.

⁵⁰ "Canada: Grains and Oilseeds Outlook", Agriculture and Agri-Food Canada, December 8, 2003.

⁵¹ "Production of Main Minerals in Canada", *Natural Resources Canada*, October 2003.

⁵² Export Development Canada, "Survol des prévisions à l'exportation", Fall 2003.

⁵³ Pelchat, Pierre, "Alcan ferme son usine d'Arvida : 550 emplois perdus", *Le Soleil*, January 23, 2003.

⁵⁴ Riverin, François, "L'industrie forestière craint de perdre 20 % de son bois", *Les Affaires*, November 8, 2003.

⁵⁵ Export Development Canada, "Survol des prévisions à l'exportation", Fall 2003.

⁵⁶ "La situation de l'industrie papier et du bois est particulièrement sombre", *Le Quotidien*, September 25, 2003; Larouche, Marc, "La vigueur du huard ne plaît pas à F.F. Soucy", *La Presse Affaires*, January 7, 2004; Riverin, François, "Les coûts des producteurs de papier s'envolent avec le huard", *Les Affaires*, November 8, 2003.

⁵⁷ Export Development Canada, "Survol des prévisions à l'exportation", Fall 2003.

⁵⁸ Société des traversiers du Québec, "Statistiques pour la période se terminant le 30 novembre 2003", January 2004.

Maritime Perspectives

Highlights of the Marine Industry

A Sea Link Between Havre-Saint-Pierre/Anticosti and Grande-Vallée: Cause for Concern

Promoters of the sea link project connecting Havre-Saint-Pierre/Anticosti and Grande-Vallée hope that the Government of Québec will quickly undertake this \$25 M project. They are worried that the amount calculated for this project will not be guaranteed by the government for much longer. The purchase of the ship is a priority and the wharves for the three stops must be renovated. Also, the project involves the construction of new reception facilities on Anticosti Island. It is hoped that the connection will be implemented before June 2005.⁵⁹

Fear of Another Interruption in Service in the 2004 Season

In 2002, the poor state of the Les Escoumins Wharf caused an interruption of the ferry service between Trois-Pistoles and Les Escoumins. The deputy of Kamouraska-Rivière-du-Loup-Témiscouata-Les Basques, Paul Crête, fears another interruption in the 2004 season due to the bad condition of the Trois-Pistoles Wharf. He has asked Transport Canada to act quickly and to take the required measures.⁶⁰

New Developments for Groupe CTMA

In spring 2004, Groupe CMTA's ship, *Le Vacancier*, which makes trips between Montreal and the Îles-de-la-Madeleine, will make a stop in Chandler. Groupe CTMA will no longer stop in Matane and must abandon the project of a second weekly trip between the Îles-de-la-Madeleine and Chandler because of insufficient lodging on the Îles.⁶¹ Moreover, Groupe CTMA will offer nine one-week winter cruises to the Îles-de-la-Madeleine from Matane during February and March.⁶²

Replacing the Camille-Marcoux

For many years, the *Société des traversiers du Québec* has been insisting that the *Camille-Marcoux*, which makes trips between Matane, Godbout and Baie-Comeau, needs to be replaced. The *Société* hopes that the Government of Québec will fund the purchase of a larger and quicker ship. According to the STQ, the *Camille-Marcoux* no longer meets the transportation standards, services on board are deemed inadequate and there are too few crossings.⁶³

A Bridge over the Saguenay River

An impact study ordered by *Transports Québec* is being carried out on the construction of a bridge over the Saguenay at Tadoussac. The 2 km-long bridge will be erected 300 m downstream from the *Société des traversiers du Québec's* wharves and will have 4 lanes. The access roads to the bridge will skirt the municipalities of Baie-Saint-Catherine and Tadoussac.⁶⁴

CRUISES - TOURS

Sailboat Cruises Could be Offered in New Brunswick and Gaspésie

Canadian Sailing Expeditions⁶⁵ wants to organize cruises along the banks of New Brunswick and Gaspésie. The construction of a large sailboat to accommodate 80 passengers and 20 crew members has already begun. The port of embarkation would be at Miramichi in New Brunswick and the trip would skirt the Acadian shore and make stops in Caraquet, Bathurst and Gaspé. If all goes well, two seven-day trips will be offered next summer.⁶⁶

Delayed Croisière Transboréale Project

The *Croisière Transboréale* project to establish a maritime route between Québec and the Atlantic provinces for cold water cruises may be delayed. The project promoter is not expecting to receive an answer to the request for financial aid from the federal government for several months, following an announcement on the reduction of government expenses. Moreover, *Croisière Transboréale* is preparing a proposal for the Government of Québec to take over from the *Nordik Express* in early 2005. *Nordik Express* has been serving the Basse-Côte-Nord for several years. *Transboréale Express's* home port will be Baie-Comeau instead of Rimouski or Sept-Îles.⁶⁷

⁵⁹ "Lien maritime Havre-Saint-Pierre-Anticosti et Grande-Vallée : la Côte-Nord s'inquiète", [Radio-Canada Website](#), December 15, 2003.

⁶⁰ "Une autre interruption de service pour le traversier de Trois-Pistoles?", [Radio-Canada Website](#), October 30, 2003.

⁶¹ "Le Vacancier fera escale à Chandler dès l'été prochain", [Radio-Canada Website](#), December 16, 2003.

⁶² Hubert, Achille, "Les Îles tentent d'attirer les visiteurs l'hiver", [Le Soleil](#), December 20, 2003.

⁶³ "La Société des traversiers du Québec veut toujours remplacer le Camille Marcoux", [Radio-Canada Website](#), November 20, 2003.

⁶⁴ "Construction d'un pont sur la rivière Saguenay, Tadoussac conteste toujours le projet", [Groupe TVA Website](#), December 2, 2003.

⁶⁵ Canadian Sailing Expeditions, whose head office is in Halifax, is one of Canada's main maritime tourism companies. It has several years of navigation experience in Canada and the Carribean.

⁶⁶ "Des croisières en voilier le long des côtes du Nouveau-Brunswick et de la Gaspésie", [Radio-Canada Website](#), November 27, 2003.

⁶⁷ Pelchat, Pierre, "Croisière Transboréale : projet encore retardé", [Cyberpresse](#), December 29, 2003.

Maritime Perspectives

Highlights of the Marine Industry

ÉcomerTours is Setting Up in Gaspésie

In summer 2004, the City of Carleton in Gaspésie will be the new home port for *Écho des Mers*. The cruise ship has been operating from the Rimouski Wharf for the last five years.⁶⁸

Modification to the Small Vessel Regulations

Transport Minister David Collenette announced modifications to the Small Vessel Regulations to increase the security of the marine transportation system in Canada. Small Vessel Regulations apply to all small commercial vessels under 15 gross registered tons, transporting 12 passengers or less, with the exception of fishing boats and pleasure crafts.

The requirements, among others, are as follows:

- Compliance with construction standards stemming from accepted international standards.
- The transportation of inflatable equipment for all passengers and crew on small vessels that are more than 5 gross registered tons, used in a more dangerous environment.⁶⁹

INTERNATIONAL CRUISES

Stopovers in Montreal and Québec City

In 2003, more than 58 000 passengers were welcomed during the 114 cruise stopovers at the Port of Québec, 9 000 passengers less than in 2002. Despite this decrease, 2003 was still the 2nd best year in the history of the port for cruises. The port president, Ross Gaudreault, anticipates a record number of passengers in 2004. The cruise season will also begin earlier this spring.⁷⁰

28 stopovers were made at the Port of Montreal in 2003 with an estimated 33 500 passengers. This is similar to the number of passengers for the previous year.⁷¹

Cruises in Saguenay

Saguenay is planning to become a destination for international cruises on the St-Lawrence. A \$10 M project transforming the Port Mars sector to La Baie was presented and accepted by the City of Saguenay. The Lepage Wharf's accommodation capacity will be increased and a port village will be built with condos, shops, and high-class restaurants. It is estimated that approximately 10 ships (300 m and longer) will make stops after three years and 25 to 30 ships will make stops after five years.⁷²

WATER LEVEL

Higher Water Level

The water level at the Port of Montreal was high last December, 1.65 meters more than on the same date the year before and 0.83 meters above the average water level for the last ten years.

Compared to the historical weekly average (1918-2002), the water levels of all of the Great Lakes except for Lake Ontario were below average for the month of December. The Port of Montreal is also below the historical average (1967-2002) for December.⁷³

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⁶⁸ "L'entreprise ÉcomerTours quitte Rimouski pour s'installer en Gaspésie", [Groupe TVA Website](#), October 1, 2003.

⁶⁹ "Transport Canada Proposes Amendments to Small Vessel Regulations", press release, [Transport Canada](#), December 9, 2003.

⁷⁰ Pelchat, Pierre, "Gaudreault prévoit un nombre record de croisiéristes en 2004", [Le Soleil](#), November 14, 2003.

⁷¹ Port of Montréal

⁷² Bouchard, Denis, "Investissement de 10M\$ à la Baie", [Le Quotidien](#), October 7, 2003.

⁷³ "Water Levels, Great Lakes and Montreal Harbour- Monthly Bulletin", [Canadian Hydrographic Service and Fisheries and Oceans Canada](#) <http://chswwww.bur.dfo.ca/danp/Graphs/bulletin.pdf>, December 2003