



# Marine Outlook

*Highlights of the Marine Industry*

July 2004 – Issue 8

Index	
Ports .....	1
Marine Security .....	6
Seaway .....	7
Commodities .....	8
Ferries .....	9
Cruises - Tours .....	9
International Cruises .....	10
Recreational Boating .....	10

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**PORTS****Montréal*****Increase in Handled Tonnage***

On June 30, 2004, the tonnage handled at the Port of Montreal totaled 11 Mt, 16% more than for the same period last year. As for container traffic, the port handled 5.2 Mt of containerized goods, an 8% increase compared to the two first quarters last year. Tonnages of grain/cereal and other dry bulk cargo totaled 723 000 t and 1.9 Mt respectively, an increase in both cases from last year. Liquid cargo also jumped compared to last year with a total of 2.9 Mt, a 32% increase. The only sector that reported a decrease in tonnage was general non-containerized cargo.<sup>1</sup>

On May 20, the Montreal Port Authority (MPA) received confirmation from Transport Canada that the port and each of its facilities are in compliance with the International Ship and Port Facility Security (ISPS) Code as well as the new Canadian regulations.<sup>2</sup>

**Sept-Îles*****Several Projects Planned for the Port of Sept-Îles***

On June 30, 2004, almost 10 Mt of goods were handled at the Port of Sept-Îles, 5% more than on the same date last year. This is explained in large part by an increase in the transshipments of iron ore. During the two first quarters of 2004, 223 ships docked at the Port of Sept-Îles, 9 less than for the same period last year.<sup>3</sup>

The Sept-Îles Port Authority recently announced the construction of an almost two kilometre long leg of tracks connecting the La Relance terminal to the Wabush Mines rail network. This connection will be used to transport raw material demanded by different industries on the North Shore, clearing Route 138, in addition to favouring the development of new markets. This project will also permit the eventual development of a train ferry service that would link this leg to the ports of Sept-Îles, Port-Cartier and Matane. The rail extension work will begin shortly and should be completed in the summer of 2005.<sup>4</sup>

The recent reopening of the Uniforêt pulp and paper plant in Port-Cartier and the expansion of the Alouette aluminum plant restarted the debate on the development of a train ferry in the Sept-Îles and Port-Cartier region. The port should soon tranship close to 600 000 t of new goods, which amply represents the critical mass needed to ensure the viability of such a service. The Sept-Îles Port Authority is optimistic about being able to complete this project in the next few years.<sup>5</sup>

The Iron Ore Company of Canada (IOC) recently suggested renewing its Sept-Îles port facilities' decadal maintenance dredging program in order to maintain sufficient depth for the safe navigation of ships transshipping iron ore. The dredging work will be carried out over a period of ten years.<sup>6</sup>

<sup>1</sup> Montreal Port Authority.

<sup>2</sup> « Le port de Montréal rencontre les exigences des réglementations internationales et nationales en matière de sûreté », press release, [Montreal Port Authority](#), June 14, 2004.

<sup>3</sup> « Projet de terminal au port de Sept-Îles : intéressant, mais... », [Radio-Canada Website](#), April 13, 2004; « Le port de Sept-Îles prolonge la voie ferrée sans l'aide du gouvernement », [Radio-Canada Website](#), June 16, 2004.

<sup>4</sup> [Groupe TVA Website](#), June 18, 2004.

<sup>5</sup> Tremblay, Stéphane, « Un pas vers un traversier-rail Sept-Îles-Port-Cartier », [Le Soleil](#), May 9, 2004.

<sup>6</sup> « Bureau d'audiences publiques sur l'environnement – Programme décennal de dragage d'entretien des installations portuaires de la compagnie minière IOC à Sept-Îles », [Canada NewsWire](#), April 20, 2004; Tremblay, Stéphane, « IOC investira 4,5 millions \$ pour l'environnement », [Le Soleil](#), April 27, 2004.



# Marine Outlook

## Highlights of the Marine Industry

July 2004 – Issue 8

### Quebec

#### **Increase in Handled Tonnage**

As of June 30, 2004, the tonnage handled by the Port of Quebec totaled 9.3 Mt, a 10% increase from the same period last year. This increase in total tonnage is due in large part to dry bulk cargo (grains and cereals, iron ore, nickel, alumina, raw sugar, etc.) which totaled 2.7 Mt, a 37% jump compared to the first two quarters of 2003. The port welcomed approximately 400 ships since the beginning of the year.<sup>7</sup>

The Quebec Port Authority hopes that the Inco mine will choose the port to tranship the nickel that will be extracted from Voisey Bay, Labrador. The Port of Quebec already has transshipment and storage facilities for nickel from Falconbridge's Raglan mine in the Great North. However, the ports of Montreal and Trois-Rivières also hope to welcome the ice breaker transporting nickel. The nickel would then be sent to Sudbury, Ontario.<sup>8</sup>

If the Beaumont methane port project takes place, this could allow the Port of Quebec to develop new markets in the raw material sector. The construction of the wharf at the terminal could be undertaken by the Port of Quebec which would be ready to invest \$50 to \$60 million in the development of the port facilities in Beaumont.<sup>9</sup>

### Port-Cartier

#### **Increase in Handled Tonnage**

On June 30, 2004, the tonnage handled at Port-Cartier totaled 7.3 Mt, a 4.6% increase compared to the same period last year. This is explained in large part by the increase in the tonnage of iron pellets and concentrate during the first two quarters of 2004 compared to last year.<sup>10</sup>

### Port-Alfred

#### **Decrease in Handled Tonnage**

As of June 30, 2004, the total tonnage handled at the Port of Port-Alfred was 2.2 Mt, a 3% drop compared to the same period last year. The tonnage of alumina, green coke, and caustic soda dropped in the first two quarters in 2004, compared to last year. 68 ships docked at the port between January and June 2004, the same number as last year.<sup>11</sup>

### Baie-Comeau

#### **Increase in Handled Tonnage**

At the end of June 2004, the tonnage handled at the Port of Baie-Comeau totaled 1.8 Mt, 18% more than on the same date in 2003. This is largely explained by an increase in the tonnage of non-specified goods at the Cargill Wharf. In terms of traffic, 102 ships docked at the Port of Baie-Comeau during the first two quarters of the year, compared to 96 for the same period last year.<sup>12</sup>

To this tonnage must be added approximately 416 000 t of goods that passed through the Port of Baie-Comeau (and also the Port of Matane) via the *Georges-Alexandre-Lebel* during the first two quarters of the year, representing a 9% increase compared to the same period last year. This increase is due to the jump in the tonnage of alumina, logs and wood. Between January and June 2004, the rail ferry made 255 round trips, 9% more than on the same date last year.<sup>13</sup>

Alcoa, the multinational, could not agree with the Government of Quebec on the cost of electricity over the long term, and so officially abandoned the project of modernizing its plant in Baie-Comeau. Alcoa will maintain aluminum production with its old feed troughs until 2010.<sup>14</sup>

<sup>7</sup> Quebec Port Authority.

<sup>8</sup> « Le Port de Québec veut le nickel de Voisey Bay », *Le Soleil*, June 18, 2004.

<sup>9</sup> Pelchat, Pierre, « Le Port de Québec est prêt à investir 60 M\$ », *Le Soleil*, May 22, 2004.

<sup>10</sup> *Service des Relations publiques de Québec Cartier*.

<sup>11</sup> Port-Alfred Port Authority.

<sup>12</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, January to June 2004.

<sup>13</sup> « Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel », *SOPOR and COGEMA*, 2003 and 2004.

<sup>14</sup> « Alcoa abandonne son projet », *Radio-Canada Website*, June 29, 2004.



# Marine Outlook

Highlights of the Marine Industry

July 2004 – Issue 8

## Sorel

### *Slight Decrease in Handled Tonnage*

On June 30, 2004, the tonnage handled at the Port of Sorel totaled 1.8 Mt, a decrease of hardly 1% compared to the same period last year. 100 ships visited the port in the first two quarters of 2004, two less than during the same period last year.<sup>15</sup>

## Trois-Rivières

### *Increase in Handled Tonnage*

As of June 30, 2004, the tonnage handled at the Port of Trois-Rivières totaled 1 Mt, 19% more than for the same period last year. This increase is explained by a rise in the transshipment of liquid and solid cargo. The port welcomed 128 ships during the first two quarters of the year, compared to 91 ships last year. This difference is due to the Dauphins du Saint-Laurent hydrofoils, which began to register every time they docked starting this year. If it was not for them, the number of ships that docked to date at the Port of Trois-Rivières would have been more or less the same as last year.<sup>16</sup>

The port began rebuilding wharves 19 and 20 at the beginning of May, a project that will take place between April 2004 and September 2005. This work will notably allow transshipment companies to provide the different water carriers with better service. Despite ship docking restrictions during certain periods, the port authorities will ensure that the current manoeuvres required to welcome ships are maintained.<sup>17</sup>

## Bécancour

### *Worrisome Strike at the A.B.I Aluminum Plant*

On June 30, 2004, the tonnage handled at the Port of Bécancour totaled 865 000 t, 3% less than for the same period in 2003. This decrease is explained in part by the decrease in the tonnage of steel and coke, despite the increase in the tonnage of alumina, magnesite and paraffin. The Port of Bécancour welcomed a total of 53 ships in the first two quarters, five more than in 2003.<sup>18</sup>

The strike of workers at Alcoa's A.B.I aluminum plant in Bécancour could have an impact on the tonnage handled at the Port of Bécancour if the plant's production is eventually slowed or stopped. Transshipments of alumina and coke represent approximately 60% of the tonnage handled at the port year after year, 55% of the port's total revenue.<sup>19</sup> The plant's management already closed a third of its feed troughs and several days later, closed a second series of the smelter plant's troughs.<sup>20</sup>

## Havre-Saint-Pierre

### *Decrease in the Tonnage of Ore*

At the end of June 2004, the total tonnage handled at the Port of Havre-Saint-Pierre was approximately 825 000 t, 19% less than during the first two quarters in 2003. The decrease in the shipment of ore (ilmenite and iron) and titanium is almost completely to blame for this drop in tonnage. 22 ships docked at the Fer et Titane wharf between January and June 2004, six less than during the same period last year.<sup>21</sup>

The *Nordik Express*, which supplies several Mid and Lower North Shore municipalities, will no longer stop at the Havre-Saint-Pierre wharf until further notice. The company cites the strike of 12 dock workers as an explanation for this decision.<sup>22</sup>

<sup>15</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), January to June 2004.

<sup>16</sup> Trois-Rivières Port Authority.

<sup>17</sup> Veillette, Guy, « *Cure de rajeunissement de 15 \$ millions* », [Le Nouvelliste](#), May 28, 2004.

<sup>18</sup> Bécancour Port Authority.

<sup>19</sup> « *Un poids lourd pour le port de Bécancour* », [Le Nouvelliste](#), July 9, 2004.

<sup>20</sup> [Radio-Canada Website](#), July 11, 2004; « *Alcoa fermera une deuxième série de cuves* », [Le Soleil](#), July 14, 2004.

<sup>21</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), January to June 2004.

<sup>22</sup> « *Le Nordik Express suspend son arrêt à Havre-Saint-Pierre* », [Le Soleil](#), July 12, 2004.



# Marine Outlook

Highlights of the Marine Industry

July 2004 – Issue 8

## Port-Saguenay

### ***Increase in the Tonnages of De-icing Salt and Granite Aggregate***

On June 30, 2004, the tonnage handled at Port-Saguenay totaled 171 315 t, 15% more than for the same period in 2003. This increase is explained by a jump in the transhipped tonnages of de-icing salt and granite aggregate, despite a strong decrease in the tonnage of newspaper. 25 ships visited the port during the first two quarters of 2004, the same number as in 2003.<sup>23</sup>

Six months after the temporary closing of the Abitibi-Consol plant in Port-Alfred, a follow-up committee presented a plan for the construction of an \$80 M pulp mill that the governments of Quebec and Ottawa are willing to partially finance. Workers are waiting for an answer from management. Plant employees already received encouraging news recently. In fact, Abitibi-Consol announced that it will restart its paper machines in the beginning of August.<sup>24</sup>

## Matane

### ***Increase in Handled Tonnage***

At the end of June 2004, the total tonnage handled at the Port of Matane was approximately 123 992 t, 16% more than on the same date in 2003. Tonnage of salt, wood pulp and petroleum products all jumped compared to the same period last year. 21 ships docked at the port in the first two quarters of 2004, one more than in 2003.<sup>25</sup>

416 000 t of merchandise that passed through the Port of Matane via the *Georges-Alexandre-Lebel* in the first two quarters of 2004 must be added to this amount.<sup>26</sup> (See *Port of Baie-Comeau*, pg.2)

## Rimouski

### ***Decrease in the Tonnage of Gasoline and Petroleum Products***

As of June 30, 2004, the tonnage handled at the Port of Rimouski was 110 000 t, 7% less than on the same date in 2003. A decrease in the unloading of gasoline and petroleum products explains this drop. During the first two quarters of 2004, 30 ships docked at the port, the same as last year.<sup>27</sup>

Last May, Transports Québec confirmed that the Government of Quebec is maintaining the home port of the Lower North Shore steamship services in Rimouski. The delegated minister from Transport Québec, Julie Boulet, clarified that she hoped that the next contract will be for a period of ten years in order to optimize services. Furthermore, the ports of the service will be maintained in Rimouski, Sept-Îles, Havre-Saint-Pierre and Natasquan. The Lower North Shore steamship service will continue to be provided by the *Nordik Express*, whose contract was renewed for next year.<sup>28</sup>

## Pointe-au-Pic

### ***Decrease in the Tonnage of Newspaper***

On June 30, 2004, the total tonnage handled at the Port of Pointe-au-Pic was 55 368 t, 38% less than for the same period last year. This decrease is explained by the drop in tonnage of newspaper. The number of ships in the port decreased, 14 ships in total compared to 17 for the same period in 2003.<sup>29</sup>

<sup>23</sup> Port-Saguenay Port Authority.

<sup>24</sup> « *Port-Alfred : six mois plus tard, les espoirs sont toujours minces* », [Radio-Canada Website](#), June 10, 2004; Côté, Daniel, « *Redémarrage des machines* », [Le Quotidien](#), July 7, 2004.

<sup>25</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), January to June 2004.

<sup>26</sup> « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », [SOPOR and COGEMA](#), 2003 and 2004.

<sup>27</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), January to June 2004.

<sup>28</sup> « *La desserte de la Basse-Côte-Nord à Rimouski pour encore 10 ans* », [Radio-Canada Website](#), May 19, 2004.

<sup>29</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), January to June 2004.



# Marine Outlook

Highlights of the Marine Industry

July 2004 – Issue 8

## Gros-Cacouna

### ***Gros-Cacouna Still Hopes to Have its Methane Port***

As of June 30, 2004, the tonnage handled at the Port of Gros-Cacouna totaled 50 313 t, 36% less than for the same period last year. The decrease in the tonnage of newspaper, lumber and scrap metal explains this significant drop. During the first two quarters of 2004, the port welcomed a total of 14 ships, compared to 21 last year.<sup>30</sup>

Although Gros-Cacouna was not chosen by Gaz Métro for the building of its methane terminal, Gros-Cacouna may finally obtain its terminal. According to *Le Soleil*, the daily newspaper, Trans-Canada Pipeline is planning to build a \$750 M methane port in Gros-Cacouna. Gaz Métro had stated winds, fog and ice as reasons for overlooking the area. These factors will not cause any problems for Trans-Canada Pipeline which should begin more in-depth studies of the sea floor shortly.<sup>31</sup>

## Gaspé

### ***Increase in Handled Tonnage***

On June 30, 2004, the tonnage handled at the Port of Gaspé was 37 490 t, a 15% increase compared to the same period in 2003. This is explained by the increase in the tonnage of salt and gasoline. During the first two quarters of 2004, the port welcomed eight ships, four less than for the same period last year.<sup>32</sup>

## Portneuf

### ***Decrease in Handled Tonnage***

As of June 30, 2004, the Port of Portneuf handled a total of 23 141 t, 42% less than in 2003. This increase is due in large part to the decrease in the tonnage of salt and gravel. Two ships visited the port in the first two quarters of 2004, two less than last year.<sup>33</sup>

## Cap-aux-Meules

### ***Decrease in Handled Tonnage***

On June 30, 2004, the tonnage handled by the Port of Cap-aux-Meules was approximately 21 931 t, half of what was handled during the same period last year. This drop is explained by a decrease in the unloading of salt, gravel and petroleum products. The port welcomed 13 ships, compared to 28 during the same period last year.<sup>34</sup>

## Chandler

### ***A Glimmer of Hope for the Gaspésia Plant***

As of June 30, 2004, the Chandler wharf had handled a total of 2 054 t, 36% less than for the same period last year. This is explained by a decrease in the unloading of salt. Only one ship docked at Chandler in 2004, the same number as last year.<sup>35</sup>

In July, *Le Soleil* reported that four pulp and paper companies were inquiring about Chandler's Gaspésia plant. The identities of these companies remain confidential. However, all are European companies, perhaps with American interests, who would be interested in buying the plant and completing its modernization. Ernst & Young, the firm in charge of selling the plant, is not expecting to receive an offer before August.<sup>36</sup>

<sup>30</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, January to June 2004.

<sup>31</sup> « Terminal méthanier à Gros-Cacouna : un second projet pourrait voir le jour », *Radio-Canada Website*, June 26, 2004.

<sup>32</sup> "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, January to June 2004.

<sup>33</sup> Ibid

<sup>34</sup> Ibid

<sup>35</sup> Ibid

<sup>36</sup> « La Gaspésia sous la loupe des Européens », *Le Soleil*, July 12, 2004.



# Marine Outlook

## Highlights of the Marine Industry

July 2004 – Issue 8

### Forestville

#### *An Ilmenite Mine to the North of Forestville*

Vancouver's Quinto Technology is seriously thinking of operating an ilmenite mine in the region of Lac Brûlé, 210 km north of Forestville. The company should begin deposit exploration work in August. The international ilmenite market is presently very good, particularly in China, which makes the 6 Mt deposit quite interesting to exploit. According to the mayor of Forestville, Quinto is planning to grind the ore onsite and then transport it by truck to the Forestville wharf where it will be loaded on a barge.<sup>37</sup>

### Summary of the First Two Quarters in 2004

#### Estimation and Comparison of the Tonnages Handled at the Main Ports of Quebec during the First Two Quarters in 2003 and 2004

LIST OF PORTS	Jan-June 2003	Jan-June 2004	Variation 2004/2003
1. Montreal	9.5 Mt	11 Mt	+ 16%
2. Sept-Îles	9.6 Mt	10.1 Mt	+ 5%
3. Quebec	8.5 Mt	9.3 Mt	+ 10%
4. Port-Cartier	7.0 Mt	7.3 Mt	+ 4,6%
5. Port-Alfred	2,25 Mt	2.19 Mt	- 3%
6. Baie-Comeau <sup>38</sup>	1.5 Mt	1.8 Mt	+ 18%
7. Sorel	1.79 Mt	1.78 Mt	- 1%
8. Trois-Rivières	873 Kt	1.0 Mt	+ 19%
9. Bécancour	890 Kt	865 Kt	- 3%
10. Havre-Saint-Pierre	1 Mt	825 Kt	- 19%
11. Port-Saguenay	149 Kt	171 Kt	+ 15%
12. Matane <sup>38</sup>	107 Kt	124 Kt	+ 16%
13. Rimouski	118 Kt	110 Kt	- 7%
14. Pointe-au-Pic	90 Kt	55 Kt	- 38%
15. Gros-Cacouna	79 Kt	50 Kt	- 36%
16. Gaspé	33 Kt	38 Kt	+ 15%
17. Portneuf	40 Kt	23 Kt	- 42%
18. Cap-aux-Meules	45 Kt	22 Kt	- 51%
19. Chandler	3 Kt	2 Kt	- 36%
<b>TOTAL</b>	<b>43.6 Mt</b>	<b>46.8 Mt</b>	<b>+ 7%</b>

Source: Port authorities and Transport Canada.

Compilation: DRPE, Fisheries and Oceans Canada, Quebec Region.

The most important port in Quebec handled a total of 46.8 Mt during the first two quarters of 2004, 7% more than in the first two quarters of 2003. This increase is mainly due to the increase in tonnage at the ports of Sept-Îles, Montreal, Quebec and Port-Cartier, the four most important ports in Quebec in terms of tonnage.

## MARINE SECURITY

### *International Ship and Port Facility Security (ISPS) Code*

The International Maritime Organization (IMO)'s International Ship and Port Facility Security (ISPS) Code came into effect in Canada on July 1st. The ISPS Code applies to all commercial vessels with a gross register tonnage of 500 tons or more, or ships that transport more than 12 passengers and travel between countries. It also applies to the Canadian maritime facilities and ports that serve these ships. The Regulation requires, among other things, the completion of security evaluations, the elaboration of security plans and the hiring of security guards. Moreover, an International Ship Security Certificate was issued to all Canadian maritime facilities, ships and ports that satisfy the Regulation's requirements. This

<sup>37</sup> Paradis, Steeve, « Mine de fer et de titane au nord de Forestville – Un gisement découvert en 1954 sera exploité », *Le Soleil*, July 19, 2004.

<sup>38</sup> This data does not include the tonnage passing through the ports of Baie-Comeau and Matane via the *Georges-Alexandre-Lebel* rail ferry.



# Marine Outlook

## Highlights of the Marine Industry

July 2004 – Issue 8

certificate is required in order to facilitate entry into maritime facilities that are in compliance with the requirements of the ISPS code in Canada and abroad.<sup>39</sup>

### **Marine Security in the United States**<sup>40</sup>

Since the September 11, 2001 attacks, the U.S. Department of Transportation and American marine security experts believe that American ports are more vulnerable to terrorist attacks than any other area of transportation. Among the measures taken by the Bush administration, the Department of Homeland Security was created. The security standards adopted by this new department include, among others, the following measures for the maritime industry:

- the U.S. Coast Guard (USCG), the 55 largest ports in the country and maritime companies must equip themselves with a plan to fight terrorism,
- the United States Bureau of Customs and Border Protection must deploy inspection team across the world to ensure the reliability of the security plans in almost 2 500 foreign ports,
- the creation of identification papers for workers in the maritime transportation sector and visas for entry into the United States for crew members of foreign ships,
- the obligation for ship owners to provide American customs with a detailed description of the products loaded in containers destined for the United States or passing through a port in the United States 24 hours before the ships' arrival,
- the creation of a U.S. Coast Guard rapid response team to be deployed in answer to a terrorist attack

Under the new regulation, the USCG is named the marine security standards' main federal application agency and is in charge of prevention, response and the minimization of damages from terrorist attacks in American maritime areas.

## **Seaway**

### **Increase in Transported Tonnage**

For the period from January to May 2004, the St. Lawrence Seaway welcomed 892 ships, a 16% increase compared to last year. An increase in tonnage was also observed for the same period. Ships using the seaway transported 9.4 Mt in the first five months of 2004, 12% more than for the same period last year. Cereals and iron ore recorded increases in tonnage in the first five months of 2004, 20% and 13% respectively.<sup>41</sup>

### **Marine Security in the St. Lawrence Seaway**

The St. Lawrence Seaway Management Corporation (SLSMC) announced in June that the security plan for its maritime facilities was approved by Transport Canada. The SLSMC also received certificates of compliance indicating that its installations respect the requirements of the International Maritime Organization (IMO)'s International Ship and Port Facility Security (ISPS) Code.<sup>42</sup>

To receive the ISPS certificate of compliance, the SLSMC identified potential threats to seaway facilities and elaborated plans to deal with security violations. Ongoing training is planned for the employees. The improvement of fences, gates, locks, cameras and display stepped up security at the SLSMC facilities. Marine security inspectors from Transport Canada and the U.S. Coast Guard will board all foreign ships entering the St. Lawrence Seaway to carry out an initial security check. Verification and regular exercises will test the components of the security plan.<sup>43</sup>

<sup>39</sup> "Marine Security – International Ship and Port Facility Security Code", press release, [Transport Canada](#), June 30, 2004.

<sup>40</sup> « La stratégie de la Garde côtière américaine pour la sûreté maritime dans le système Grands Lacs - Voie maritime du Saint-Laurent », [Innovation Transport](#), June 2004.

<sup>41</sup> « Résultats mensuels du trafic de la Voie maritime, en date du 31 mai 2004 », [Great Lakes St. Lawrence Seaway System Website](#), May 2004.

<sup>42</sup> "Canadian Seaway Conforms to ISPS Security Code", press release, [Great Lakes St. Lawrence Seaway System Website](#), June 30, 2004.

<sup>43</sup> Ibid



# Marine Outlook

Highlights of the Marine Industry

July 2004 – Issue 8

## Commodities

### Iron Ore

#### ***Increase in Quebec's Production of Iron Ore***

As expected, the strong demand for iron ore for the production of steel in China contributed to the international increase in the production of iron. China now produces 24% of the total world production of steel.<sup>44</sup> In Quebec, the production of iron ore increased 14.6% in 2003 due to the great demand in China and elsewhere in Asia and to date, also points toward increased production in 2004.<sup>45</sup> The most recent statistics on iron ore production in Quebec show the production of 3.3 Mt in the first four months of 2004, 11% more than during the same time last year.<sup>46</sup>

However, the Quebec production of iron ore could record a slowdown in the coming months. Activities at Wabush Mines, in Sept-Îles and Labrador, are paralyzed by the strike of some 600 employees without a work contract since the end of February. The Iron Ore Company of Canada (IOC) is also faced with the strike of its employee in the Labrador City mine and their colleagues in Sept-Îles.<sup>47</sup>

### Wheat

#### ***Slight Increase in Exportations***<sup>48</sup>

The analysts at Agriculture and Agri-Food Canada (AAFC) predict a 3.5% increase in Canadian exportations of wheat for the 2004-2005 harvest year. These predictions were made by calculating an average yield and using estimations relative to the seeded areas published by Statistics Canada.

According to the AAFC analysts, the main factors to watch in 2004-2005 are the growth conditions in the main regions where grain is grown, the demand for importation in China, ocean freight charges and the relative values of the Canadian and American currencies. Fluctuations of these factors should affect not only productivity of the Canadian wheat industry, but also the quantity of wheat handled in the St. Lawrence Seaway in the next year.

In the more long term, the Profile of the Canadian Wheat Industry<sup>49</sup> recently published by AAFC mentions that the areas seeded with wheat should be stable in the next decade. Assuming that a slightly higher yield is obtained compared to the last few years (due to dryness), it is possible to anticipate a slight increase in production in the next ten years, which could also affect the Canadian exportation of wheat.

### Aluminum

#### ***Slight increase in the Canadian Production of Aluminum***

According to Export Development Canada (EDC), the world demand for aluminum should intensify in the future, but the offer should also remain excessive. The capacity for production will increase the most in China in 2004 and 2005, but the country's consumption will strongly increase due to the growth of industrial production in China. According to EDC, streamlining measures within the Canadian aluminum industry should be translated into a decrease in production in 2004, at best a slight increase.<sup>50</sup>

The most recent statistics on the Canadian production of aluminum reveal that 934 024 t were produced in the first four months of 2004, a very slight increase compared to the same period last year.<sup>51</sup>

<sup>44</sup> « Aperçu sectoriel – Métaux industriels et minerais métalliques », Export Development Canada, Spring 2004.

<sup>45</sup> Riverin, François, « Une grosse année pour l'exploitation minière », Les Affaires, April 24, 2004.

<sup>46</sup> "Production of Canada's Leading Minerals", Natural Resources Canada, January to May 2004.

<sup>47</sup> Tremblay, Stéphane, « Rien ne va plus à Mines Wabush », Le Soleil, July 9, 2004; « Les producteurs de minerai de fer créent une crise au Labrador, estiment les Métallos », Canada NewsWire, July 6, 2004; « Grève dans deux usines d'Iron Ore », Radio-Canada Website, July 19, 2004.

<sup>48</sup> "Bi-weekly Bulletin: Profile of the Canadian Wheat Industry", Agriculture and Agri-Food Canada, July 5, 2004, Page 1.

<sup>49</sup> "Canada: Grains and Oilseeds Outlook", Agriculture and Agri-Food Canada, July 5, 2004.

<sup>50</sup> « Aperçu sectoriel – Métaux industriels et minerais métalliques », Export Development Canada, Spring 2004.

<sup>51</sup> "Production of Canada's Leading Minerals", Natural Resources Canada, January to May 2004.





### Lumber and Newspaper

#### **Decrease in American Countervailing Duties on Canadian Lumber**

The Canadian forest industry received good news in June. The American government announced that it will reduce the countervailing duties on Canadian lumber, from 27% to 13% starting in December. To this news is added the very good performance of residential construction in the United States, an important market for Canadian lumber.<sup>52</sup>

#### **Increase in Advertising Lineage in Large American Daily Newspapers**

The advertising lineage of the four largest daily newspapers in the United States increased in the last several months. Since the beginning of 2004, the volume of advertising in these newspapers rose 1.5%. The increase in advertising lineage in the main American daily newspapers could mean an increase in the demand for newspaper toward the middle of the year.<sup>53</sup>

### Natural Gas

#### **Beaumont is Chosen for the Gaz Métro Methane Port**

Gaz Métropolitain finally chose its location for the construction of a methane port, within the limits of Beaumont and Lévis. The *Rabaska* project involves the construction of an almost 300 m wharf to welcome the methane tankers and the installation of two liquefied natural gas storage tanks, pumps, vaporizers to return the combustible to its vapour form and a gas pipeline to connect to the current Gaz Métro network to the west of Lévis. Gaz Métro has still not decided on the precise location of the terminal in a shoreline area approximately 3 km between Lévis and Beaumont.<sup>54</sup> To date, certain Beaumont citizens are very worried about the project.<sup>55</sup>

The liquefied natural gas (LNG) that will be imported is a gas that is cooled to -160 degrees Celcius. It becomes liquid and can therefore be transported by boat. The four methane tankers of Gaz de France, one of the *Rabaska* project's three partners, will unload the LNG by turns. The LNG will then be sent by gas pipeline toward tanks on land for storage. Gaz Métro also plans to build a pump and vaporizers to re-gasify the LNG in order to send it to Lévis via its transportation network.<sup>56</sup>

## FERRIES

#### **A Website Promoting a Bridge on the Saguenay River**

The Society for a Bridge over the Saguenay has just launched a Website ([www.pontsaguenay.com](http://www.pontsaguenay.com)) in which it promotes a bridge over the Saguenay between the villages of Baie-Sainte-Catherine and Tadoussac. Among the information available on the site, there are details on the two proposed bridge projects, one by Buckland and Taylor (1999) and one by SNC-Lavalin/Genicar (2004).<sup>57</sup>

A study ordered by the Government of Quebec on the impact of building a bridge on the Saguenay River began in summer 2002 and will be completed in fall 2004. This study will gather all of the relevant information to start up audiences before BAPE (*Bureau d'audiences publiques en environnement*), required before a bridge is built.<sup>58</sup>

## CRUISES - TOURS

#### **The Success of the Film "La grande Séduction" has Positive Effects on Tourism on the North Shore**

The *Nordik Express*, a ship that offers cruises on the Mid and Lower North Shore, including a stop in Harrington Harbour, has already reached its capacity of passengers for this summer. The success of the film *La Grande Séduction* seems to explain the success of this cargo-passenger ship which can accommodate 268 passengers, 72 in cabins. "The boat is completely booked for all trips in a private

<sup>52</sup> « Bois d'œuvre : Washington réduit ses taxes », *Radio-Canada Website*, June 3, 2004.

<sup>53</sup> « Le prix du papier journal fléchit », *Les Affaires*, July 3, 2004.

<sup>54</sup> Saint-Pierre, Marc, « Le port méthanier sera aux limites de Beaumont », *Le Soleil*, April 30, 2004.

<sup>55</sup> Saint-Pierre, Marc, « Le projet du port méthanier soulève déjà l'inquiétude », *Le Soleil*, April 30, 2004.

<sup>56</sup> Normand, François, « Une conjoncture favorable au projet de terminal méthanier », *Les Affaires*, May 22, 2004.

<sup>57</sup> « L'idée d'un pont sur le Saguenay fait son chemin Internet », *Groupe TVA Website*, June 11, 2004.

<sup>58</sup> Ibid



# Marine Outlook

Highlights of the Marine Industry

July 2004 – Issue 8

cabin. There are only one-way trips, so the plane-boat option, a mixed trip, is suggested”, explains Élisabeth Blais, president of ATR Duplessis.<sup>59</sup>

## **New Maritime Tours in the Magdalen Islands**

Located in Havre-Aubert, south of the Magdalen Islands archipelago, the Istorlet nautical centre is offering excursions on a new giant rubber dinghy this summer. Baptized the Istorlet IV, the 12 meter pneumatic boat is very quick, stable and can seat 36 passengers. During the day, the dinghy will navigate toward the Île d'Entrée and the Corps Mort to bring passengers swimming with the seals. When the sun sets, the Istorlet IV will go back to sea for a two-hour guided visit of the history of the archipelago's six lighthouses.<sup>60</sup>

## **INTERNATIONAL CRUISES**

### **Baie-Comeau: A Destination for Cold Water Cruises**

A study led by Zins Beauchesne & Cépro confirms that Baie-Comeau has the potential to become a top tourist destination for cold water cruises. Among Baie-Comeau's assets, the study lists its port adapted to cruise ships, the historical downtown area, the boreal forest, the large dams and the presence of the Montagnais communities in the region. The cold water cruise tourism industry is in full growth and in this context, Baie-Comeau estimates that it could attract 5 000 visitors per year in the short term, ten times more in the long term.<sup>61</sup>

## **RECREATIONAL BOATING**

### **Requests for Assistance... Urgent or Not?**

Each year, the Canadian Coast Guard, Quebec Region, answers almost 900 requests for help from pleasure boaters and fishermen traveling on the St. Lawrence River and the Gulf of St. Lawrence. Three quarters of these calls are classified as non-urgent, as is the case in all requests involving motor breakdowns and stalls from lack of gas that do not put the occupants' lives in danger. These calls are costly for the CCG because they monopolize resources for incidents of real distress. Also, the CCG encourages the use of commercial or private resources to assist these sailors who are unfortunately in need of assistance, as is done elsewhere in the country. If expenses are incurred during the assistance operation, the bill is naturally the disabled boat owner's responsibility. The CCG's goal is also to better use its resources and keep them available for true emergencies.<sup>62</sup>

### **The Sept-Îles Marina is Open**

Contrary to what was announced, the Club nautique de Sept-Îles has decided to open the Sept-Îles marina for the summer. The marina's new board of directors decided to complete the work needed to make the facilities safe. Thanks to the boating club's volunteer involvement, the welding work was completed and the new pontoons were anchored. Over 7 000 pleasure boaters, the majority visitors, make a trip to the Sept-Îles bay each year.<sup>63</sup>

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<sup>59</sup> « *Tourisme : une saison faste attendue sur la Côte-Nord* », *Radio-Canada Website*, June 5, 2004.

<sup>60</sup> « *Un nouveau bateau de croisières aux Îles-de-la-Madeleine* », *Radio-Canada Website* July 8, 2004.

<sup>61</sup> « *Baie-Comeau investit \$300 000 pour lancer les croisières en eau froide* », *Radio-Canada Website*, June 22, 2004.

<sup>62</sup> Fisheries and Oceans Canada – Quebec Region, Canadian Coast Guard.

<sup>63</sup> « *Revirement de situation à la marina de Sept-Îles* », *Radio-Canada Website*, June 7, 2004.