



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Index	
Ports	1
Marine Security	6
Seaway	7
World Maritime Transport.....	7
Commodities	7
Ferries	9
International Cruises	9
Recreational Boating.....	10

**For comments concerning this publication,
contact:**

Julie Lavallée, Chief, Economic Analyses
Policy and Economics Branch
Quebec Region
Tel.: (418) 648-5926
Fax: (418) 649-8003
E-mail: lavallee@dfp-mpo.gc.ca

PORTS

Montreal

Heading Towards a Record Year in Container Handling

On September 30, 2004, the total tonnage handled by the port was 17.2 Mt, 12% more than for the same time period last year. As for container traffic, the port handled 8.3 Mt of containerized cargo, a 10% increase compared to the first three quarters of 2003.¹ Container traffic should exceed 10 Mt in 2004 due to the growth of the North American and European economies and the arrival of three new ship-owners in the Port of Montreal.²

The tonnage of bulk cargo (grains, cereal and other) totaled 4.3 Mt, a 15% increase. The liquid cargo sector also grew compared to last year with a total of 4.5 Mt, a 12% increase. Between January and September 2004, 975 ships passed through the Port of Montreal compared to 945 for the same period last year.³

In mid-September, 7 000 containers on the Port of Montreal's wharves waited to be loaded on trains or trucks. The loading delay reached three weeks in the middle of summer. The arrival of new clients at the port resulted in a rise in the number of containers passing through the Port of Montreal.⁴ The port authority explains that the volume of containers did not decrease as much as usual during the summer season, during the time that the workers were on vacation. The authority added that the situation is beginning to return to normal.⁵

Quebec

Increase in Handled Tonnage

As of September 30, 2004, the Port of Quebec had handled a total of 15.3 Mt, an 11% jump compared to the same period last year. This increase is due in large part to the 28% increase in solid cargo. Liquid cargo also increased, but by a smaller margin. A total of 806 ships passed through the port between January and September 2004, 8% more than in the three first quarters of 2003.⁶

The Port of Quebec recently increased its surveillance measures. There are now more security guards around the cruise terminal, security cameras were installed and gates and watch houses were erected.⁷

Sept-Îles

Decline in Handled Tonnage

As of September 30, 2004, nearly 13.1 Mt of goods were handled at the Port of Sept-Îles, 18% less than on the same date last year. This can be attributed in large part to the decrease in the tonnage of iron ore. During the first three quarters of 2004, 344 ships passed through the port, 17% less than for the same period last year, with 414 ships.⁸

¹ Montreal Port Authority.

² Théroux, Pierre, « *Le Port de Montréal vogue vers une année record* », *Les Affaires*, July 24, 2004.

³ Montreal Port Authority.

⁴ « *Le port de Montréal déborde* », *Radio-Canada Website*, September 16, 2004.

⁵ Swift, Allan, « *Ports et chemins de fer s'accusent de ralentir le trafic des conteneurs* », *Le Soleil*, October 12, 2004.

⁶ Québec Port Authority.

⁷ LaFrance, Annie, « *Surveillance accrue dans le port* », *Le Soleil*, July 17, 2004.

⁸ Sept-Îles Port Authority.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

The project to turn the Port of Sept-Îles into a container transshipment port is a very hypothetical one for the port authority, as recently reported in the daily newspaper, *Le Soleil*. In the authority's opinion, this project is not at all part of the port's short or medium term development priorities. Instead, the port's priority is the train ferry. This project, estimated to be worth \$3 M, would involve extending the train tracks to the La Relance landing pier in Pointe-Noire. The missing leg of the track is 1.8 km long.⁹

Port-Cartier

Increase in Handled Tonnage

On September 30, 2004, the tonnage handled at the Port of Port-Cartier totaled 12.2 Mt, a 2.3% increase from the same period last year. The reason for this, among others, is the increase in the tonnage of iron concentrate and pellets.¹⁰

Port-Alfred

Drop in Handled Tonnage

As of September 30, 2004, the total tonnage handled at the Port of Port-Alfred was 3.2 Mt, a 6% drop from the same period last year. The tonnage of alumina, green coke, fluorite and caustic soda were lower in the first three quarters of 2004, compared to the same period last year. A total of 98 ships passed through the port, approximately the same number as last year.¹¹

Sorel

Decrease in Handled Tonnage

As of September 30, 2004, the tonnage handled by the Port of Sorel totaled 3.2 Mt, a 5% fall compared to the same period last year. The tonnage of wheat and cereal decreased significantly. The tonnage of metal ingots also decreased. The number of ships using the port was 160, seven less than in the same period last year.¹²

Port-Saguenay

Fall in Handled Tonnage

As of September 30, 2004, the Port of Port-Saguenay had handled 281 286 t, 12% less than for the same period in 2003. This decrease can be explained by a significant decrease in the transshipment of newspaper and granite aggregate as well as a lesser drop in the tonnage of caustic soda. A total of 41 ships passed through the port in the first three quarters of 2004, barely six less than for the same period last year.¹³

The City of Saguenay is still hoping to equip itself with the infrastructures it needs for cruise ship stopovers in Saguenay. The city has already invested \$700,000 in this project. The money will notably be used to complete an environmental impact study with regard to the construction of mooring buoys and the extension of the Lepage wharf.¹⁴

Moreover, Port-Alfred's Abitibi-Consolidated paper plant recently announced that the plant's closure is final. Shipments of newspaper to clients overseas passed through the Port of Port Saguenay's Powell wharf.¹⁵

⁹ Tremblay, Stéphane, « *Le port de Sept-Îles dédié au transbordement* », *Le Soleil*, September 1, 2004.

¹⁰ *Service des Relations publiques de Québec Cartier*.

¹¹ Port-Alfred Port Authority.

¹² "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, Jan. to Sept. 2003-2004.

¹³ Port-Saguenay Port Authority.

¹⁴ « *Jean Tremblay débloque 700 000 \$ pour une escale destinée aux navires de croisières* », *Radio-Canada Website*, September 25, 2004.

¹⁵ « *Espoir chez les travailleurs de l'usine Port-Alfred* », *Groupe TVA Website*, August 30, 2004; « *Port Alfred : Laval Perron optimiste* », *Radio-Canada Website*, September 26, 2004.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Baie-Comeau

Slight Decrease in Handled Tonnage

On September 30, 2004, The Port of Baie-Comeau had handled a total of 2.8 Mt, 2% less than on the same date last year. In terms of traffic, 171 ships passed through the port in the first three quarters of 2004, compared to 168 for the same period in 2003.¹⁶

Approximately 588 000 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 three quarters of the year must be added to this tonnage, representing a 15% jump compared to the same period last year. This increase can be explained by the rise in the tonnage of aluminum and wood. Between January and September 2004, the train ferry made 363 round trips, 14% more than on the same date last year.¹⁷

After having attempted in vain to convince Alcoa and the Government of Quebec to modernize the Baie-Comeau plant's Soderberg smelters, the region's elected officials and economic leaders will work together to keep the plant open beyond 2010, the date of the closure of the smelters. Among others, they are banking on the parliamentary energy committee to once again attempt to convince the government to invest in this project.¹⁸

Moreover, SOPOR, the company that exploits the Baie-Comeau rail port, is continuing its dealings with the federal government in order to finish off the loan guarantee for its railroad project that will link the regional industrial park to the Port of Baie-Comeau.¹⁹

Havre-Saint-Pierre

Slight Drop in Handled Tonnage

As of September 30, 2004, the total tonnage handled at the Port of Havre-Saint-Pierre was approximately 2 Mt, hardly 1% less than in the first three quarters of 2003.²⁰

The Havre-Saint-Pierre dock worker labour dispute ended in mid-October.²¹

Trois-Rivières

Increase in Handled Tonnage

On September 30, 2004, the total tonnage handled at the Port of Trois-Rivières was 1.6 Mt, 19% more than for the same period last year.²² These excellent results are explained in part by Prommel's new liquid cargo terminal. In fact, liquid cargo grew in tonnage thanks to the increase of liquid clay in particular. Dry cargo also recorded an interesting increase. Products like manganese and sugar were part of this improvement, for example.²³

The port welcomed 191 ships in the year's first three quarters, compared to 143 last year. This difference can be explained by the *Dauphins du Saint-Laurent* hydrofoils, which registered every time they docked starting this year.²⁴

Bécancour

The Strike at the Aluminum Plant has Impacts on the Port of Bécancour

As of September 30, 2004, the Port of Bécancour had handled a total of 1.5 Mt, 10% less than for the same period in 2003. This decrease is due in large part to the decrease in the tonnage of alumina, coal, coke and chemical salt. In term of traffic, the port welcomed a total of 90 ships in the first three quarters of 2004.²⁵

¹⁶ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, Jan. to Sept. 2003-2004.

¹⁷ « *Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel* », *SOPOR et COGEMA*, 2003 and 2004.

¹⁸ « *Modernisation d'Alcoa à Baie-Comeau : la coalition révisé sa stratégie* », *Radio-Canada Website*, September 7, 2004.

¹⁹ Duhamel, Alain, « *Baie-Comeau revient à ses autres dossiers économiques* », *Les Affaires*, October 2, 2004.

²⁰ "Detailed report on tonnage handled at harbours and ports in Quebec", *Transport Canada*, Jan. to Sept. 2003-2004.

²¹ « *Fin du conflit des débardeurs de Havre-Saint-Pierre* », *Radio-Canada Website*, October 19, 2004.

²² Trois-Rivières Port Authority.

²³ Veillette, Guy, « *Le port de Trois-Rivières renverse la vapeur* », *Le Nouvelliste*, July 15, 2004.

²⁴ Trois-Rivières Port Authority.

²⁵ Bécancour Port Authority.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

The labour dispute at Alcoa's A.B.I. aluminum plant in Bécancour is ongoing. For the moment, A.B.I.'s total aluminum production fell from 403 000 t to 133 000 t.²⁶ At the Port of Bécancour, the last few months were marked by a significant drop in the unloading of alumina. Deprived of hundreds of thousands of dollars in revenue due to the decrease in marine traffic in the port, the industrial park and Bécancour port authorities even had to delay wharf rebuilding and paving work planned for this year.²⁷

Matane

Increase in Handled Tonnage

At the end of September 2004, the total tonnage handled at the Port of Matane was 200 409 t, 35% more than on the same date in 2003. The tonnage of lumber and wood pulp increased compared to the same period last year. In terms of traffic, the Port of Matane welcomed 37 ships in the first three quarters of 2004, seven more than in the same period last year.²⁸

Approximately 588 000 t of goods that passed through the Port of Matane (and also the Port of Baie-Comeau) via the *Georges-Alexandre-Lebel* during the first three quarters of the year must be added to this amount.²⁹ (See Port of Baie-Comeau, pg. 3)

Rimouski

Slight Drop in Handled Tonnage

As of September 2004, the tonnage handled at the Port of Rimouski totaled 188 545 t, 1% less than on the same date in 2003. The decrease in the unloading of gasoline and petroleum products explains this drop. During the first three quarters of 2004, 56 ships docked at the port, one more than last year.³⁰

Barges are coming to the forest industry's aid in the Lower St. Lawrence region, which is suffering from a major decrease in its wood supply. The Bowater plant in Price, near Mont-Joli, acquires its logs from Anticosti Island, transported by barge to the Port of Rimouski. Each barge contains between 6 000 and 7 000 cubic metres of wood.³¹

Julie Boulet, *Transports du Québec's* delegated minister, stated that the next ship that will take on steamship services on the Lower North Shore will continue to get its supplies in Rimouski. The service's other ports will continue to be Sept-Îles, Havre-Saint-Pierre and Natashquan. The minister also specified that she would like the next contract to be for a period of 10 years.³²

Gros-Cacouna

Decrease in Handled Tonnage

As of September 30, 2004, the tonnage handled at the Port of Gros-Cacouna totaled 133 355 t, 11% less than in 2003. The decrease in the tonnage of newspaper, metal waste and scrap metal explains this drop. The port welcomed a total of 29 ships during the first three quarters of 2004, compared to 37 last year.³³

Pointe-au-Pic

Fall in Handled Tonnage

On September 30, 2004, the total tonnage handled at the Port of Pointe-au-Pic was 82 340 t, 50% less than for the same period last year. This drop is explained by the decrease in the tonnage of newspaper and wood chips. The number of ships also decreased; 21 ships in 2004 compared to 30 in 2003.³⁴

²⁶ « Un sondage confirme l'impact économique de la grève à l'Aluminerie de Bécancour », [Radio-Canada Website](#), September 17, 2004.

²⁷ Veillette, Guy, « Travaux retardés au port de Bécancour », [Le Nouvelliste](#), October 7, 2004.

²⁸ « Detailed report on tonnage handled at harbours and ports in Quebec », [Transport Canada](#), Jan. to Sept. 2003-2004.

²⁹ « Rapports des tonnages manutentionnés sur le traversier-rail Georges-Alexandre-Lebel », [SOPOR et COGEMA](#), 2003 and 2004.

³⁰ « Detailed report on tonnage handled at harbours and ports in Quebec », [Transport Canada](#), Jan. to Sept. 2003-2004.

³¹ Thériault, Carl, « De grandes « voitures d'eau » au port de Rimouski », [Le Soleil](#), August 6, 2004.

³² « Desserte maritime : le port d'attache reste à Rimouski », [Groupe TVA Website](#), October 22, 2004.

³³ « Detailed report on tonnage handled at harbours and ports in Quebec », [Transport Canada](#), Jan. to Sept. 2003-2004.

³⁴ Ibid



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Portneuf

Jump in Handled Tonnage

On September 30, 2004, the Port of Portneuf had handled a total of 71 511 t, 31% more than during the same period last year. This increase is due in large part to the increase in the tonnage of coal. Six ships docked at the port during the first three quarters of 2004, two less than last year.³⁵

Gaspé

Wind Turbines Unloaded at the Port of Gaspé

As of September 30, 2004, the Port of Gaspé had handled a total of 65 415 t, 4% less than in the same period in 2003. The decrease in the tonnage of de-icing salt and petroleum products explains this significant drop. The port welcomed 16 ships in the first three quarters of 2004, five less than last year.³⁶

Activities have resumed at the Port of Gaspé. In fact, wind turbines from Denmark, headed for the Murdochville Park were unloaded at the port. Since the closure of the Murdochville mine and smelting plant, transshipments at the Port of Gaspé have been limited mainly to fuel and de-icing salt.³⁷

Chandler

Decrease in Handled Tonnage

On September 30, 2004, the total tonnage handled at the Chandler wharf was 2 804 t, 24% less compared to the same period last year. This drop is explained by a decrease in the unloading of salt. Two ships passed through Chandler in 2004, the same number as last year.³⁸

Cap-aux-Meules

New Ferry Terminal at the Port of Cap-aux-Meules

On September 3, 2004, Canada's transport minister, Jean-C. Lapierre, inaugurated a new ferry terminal worth approximately \$2M at the Port of Cap-aux-Meules ferry wharf. The second phase of the construction project should begin shortly. The work will mainly involve demolishing the old terminal, rebuilding the parking lot and making the exterior facilities safe.³⁹

Forestville

The Titanium Mine North of Forestville is Attracting Much Interest

Discovered fifty or so years ago, Lac Brûlé's titanium deposit north of Forestville now seems to be the envy of several mining companies interested in its exploitation. The potential of the Lac Brûlé deposit is higher than what is normally found on the North Shore. The site apparently contains ore for at least fifty years of exploitation, with an annual extraction rate of 200 000 t. From now until the end of the fall, new drilling will confirm the deposit's concentration levels of titanium. Next spring, more elaborate drilling will establish the deposit's exploitability. If it is promising, the mine could begin operating several months later.⁴⁰

³⁵ "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), Jan. to Sept. 2003-2004.

³⁶ Ibid

³⁷ Côté, Charles, « 1000 emplois en jeu », [La Presse](#), September 19, 2004.

³⁸ "Detailed report on tonnage handled at harbours and ports in Quebec", [Transport Canada](#), Jan. to Sept. 2003-2004.

³⁹ "New Marine Terminal at the Port of Cap-aux-Meules", press release, [Transport Canada](#), September 3, 2004.

⁴⁰ « Une mine de titane à ciel ouvert au nord de Forestville », [Radio-Canada Website](#), September 14, 2004.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Summary of the First Three Quarters of 2004

Estimation and Comparison of the Tonnage Handled at the Main Ports of Quebec during the First Three Quarters of 2003 and 2004

LIST OF PORTS	Jan-Sept. 2004	Jan-Sept. 2003	Variation 2004/2003
1. Montreal	17.2 Mt	15.4 Mt	+ 12%
3. Quebec	15.3 Mt	13.8 Mt	+ 11%
1. Sept-Îles	13.1 Mt	15.9 Mt	- 18%
4. Port-Cartier	12.2 Mt	11.9 Mt	+ 2.3%
5. Port-Alfred	3.2 Mt	3.4 Mt	- 6%
6. Sorel	3.2 Mt	3.3 Mt	- 5%
7. Port-Saguenay	2.8 Mt	3.2 Mt	- 12%
8. Baie-Comeau ⁴¹	2.78 Mt	2.84 Mt	- 2%
9. Havre-Saint-Pierre	2.01 Mt	2.02 Mt	- 1%
10. Trois-Rivières	1.6 Mt	1.3 Mt	+ 19%
11. Bécancour	1.15 Mt	1.3 Mt	- 10%
12. Matane ⁴¹	200 Kt	149 Kt	+ 35%
13. Rimouski	189 Kt	191 Kt	- 1%
14. Gros-Cacouna	133 Kt	149 Kt	- 11%
15. Pointe-au-Pic	82 Kt	170 Kt	- 50%
16. Portneuf	72 Kt	55 Kt	+ 31%
17. Gaspé	65 Kt	68 Kt	- 4%
18. Chandler	2,8 Kt	3.7 Kt	- 24%
TOTAL	73.7 Mt	76.7 Mt	- 4%

Source: Port authorities and Transport Canada.

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

MARINE SECURITY

The Government of Quebec to Enhance Seaport Security

In order to protect itself from all possibilities of a terrorist attack, the province of Quebec will increase control measures, notably at the Port of Montreal, better equip the *Sûreté du Québec* and maximize the sharing of information with Canadian and American authorities. The Government of Quebec has also ratified an agreement concerning the fight against terrorism with the State of New York. Within its framework, the two parties entered into an agreement to increase the sharing of information about security, criminality and terrorism.⁴²

Modifications to the Marine Security Regulations

Last September, the transport minister announced that consultations on the suggested modifications to the Marine Security Regulations will begin on September 20, 2004. These modifications include the implementation of the Marine Facilities Restricted Area Access Clearance Program. The proposed program will enhance marine security by requiring port workers to submit to a background inquiry. This is in addition to the new marine security requirements already in place since July 1, 2003.⁴³

⁴¹ This data does not include the tonnage passing through the ports of Baie-Comeau and Matane via the *Georges-Alexandre-Lebel* rail ferry.

⁴² Richer, Jocelyne, « Québec entend mieux se prémunir contre le terrorisme », *La Presse*, August 6, 2004; « Québec améliorera la sécurité dans les ports maritimes », *Radio-Canada Website*, August 7, 2004.

⁴³ "Transport Canada Announces Consultations on Marine Security Regulations", press release, *Transport Canada*, September 17, 2004.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

SEAWAY

Seaway Traffic at a Five-Year High

Since the beginning of the year, traffic on the seaway reached levels that have not been seen in the last five years. 2004's results exceeded last year's and even the results predicted by the St. Lawrence Seaway Management Corporation. This performance is caused by the strength of the North American economy. For the period from January to August 2004, the St. Lawrence Seaway welcomed 2 336 ships, a 10% jump compared to the preceding year. An increase in tonnage was also observed during the same period. The ships passing through the seaway transported 23.5 Mt of goods in the first eight months of 2004, 9% more than for the same period last year. Cereal, iron ore, various and general cargo all recorded increases in tonnage. Only the tonnage of coal decreased.⁴⁴

WORLD MARITIME TRANSPORT

Increase in World Maritime Transport

The world economy is doing very well and consequently, world trade is growing rapidly. In 2000, world trade increased by more than 12%. Following the events of September 11, 2001, world growth slowed. Since, thanks to the increase in world trade and renewed confidence in security, the growth of trade was a little higher than 3% in 2002 and 5% in 2003. In this context, the world seaways are very busy and the trends should continue.⁴⁵

COMMODITIES

Iron Ore

Strong World-Wide Demand for Iron Ore

The Quebec production of iron ore has benefited from the world upturn of the iron market. In fact, the most recent statistics in Quebec reported a production of \$18.2 M, 3% more than during the same period last year.⁴⁶

The current world-wide demand for ore helped increase the price of iron pellets and concentrate, which allowed the industry to prosper. In Quebec, only the Québec Cartier mine was truly able to benefit, in light of the strike at the Iron Ore Company of Canada (IOC) and at the Wabush Mines up until very recently.⁴⁷

Beginning of Exploratory Drilling in the Schefferville Region

New Millenium Capital has begun drilling the ferrous magnetite deposit in the Schefferville region; an immense surface deposit, located 20 kilometres from Schefferville and measuring 2 kilometres by 10. The goal of these first drillings is to check the concentration and quality of the iron deposit and more particularly, to confirm that the deposit will truly allow the processing of 660 Mt of iron ore at a concentration of 69%. The compilation and analysis of the results of these first drilling will be completed in the summer of 2005.⁴⁸

⁴⁴ « Résultats mensuels du trafic de la Voie maritime, en date du 31 août 2004 », [Great Lakes St. Lawrence Seaway System Website](#), October 2004; "Seaway Traffic at Five-Year High", press release, [Great Lakes St. Lawrence Seaway System Website](#), August 2004.

⁴⁵ Poloz, Stephen S., « Boom dans les expéditions mondiales – le 15 septembre 2004 », [Export Development Canada](#), September 27, 2004.

⁴⁶ "Production of Canada's Leading Minerals", [Natural Resources Canada](#), January to July 2004.

⁴⁷ Riverin, François, « L'investissement dans l'industrie minière mondiale reprend », [Les Affaires](#), September 11, 2004; « Retour au travail pour les syndiqués d'IOC de Sept-Îles et du Labrador », [Radio-Canada Website](#), September 28, 2004.

⁴⁸ « Gisement de magnétite de fer : début des forages en septembre », [Radio-Canada Website](#), August 16, 2004.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Wheat

Anticipated Increase in the Canadian Exportation of Wheat

The analysts at Agriculture and Agri-Food Canada (AAFC) predict that Canadian exportations of wheat will increase approximately 4% during the 2004-2005 harvest year. This translates into 12.8 Mt due to increased production (approximately 3%) in all of Canada. According to the AAFC, important elements to watch for in 2004-2005 are harvesting delays, the somewhat lower quality of Canadian harvests, the strength of the Canadian dollar compared to the greenback, importations in China and the European Union's export policy.

In what concerns importations in China, the Canadian Wheat Board (CWB) estimates that this country will become an increasingly important buyer of Canadian wheat during the coming years, therefore offering Canadian producers a chance to increase their market share. This will not necessarily affect traffic on the seaway, since exportations to China will be made mainly through the ports of Vancouver and Prince-Rupert.⁴⁹

Aluminum

Slight Drop in the Canadian Production of Aluminum

The most recent statistics revealed that the Canadian production of aluminum was 1.6 Mt for the first nine months of the year, a 2.6% decrease.⁵⁰ Despite the increased world demand for aluminum, Canadian production has declined.

Lumber and Newspaper

Expected Increase in Canadian Lumber

The demand for Canadian lumber should record strong growth in the coming months, following the hurricanes touching down in the southern United States. The rebuilding of many homes damaged or destroyed by the recent hurricanes will require a large amount of wood. According to the *Conseil de l'industrie forestière du Québec*, every time there is a tropical storm in the United States, there is always a sudden and increased demand for lumber. Moreover, it is possible that this will be an opportunity to speed up the settlement of the Canadian/American lumber conflict, as long as there is a strong demand for construction material in the United States in the next several months.⁵¹

Drop in the North American Demand for Newspaper

According to newspaper market specialists, the global consumption of newspaper should increase by 2.6% per year over the next 10 years, but will regress 0.5% to 1% in North America. The expected drop in demand will perhaps force producers to reduce production once more and certainly remain more vigilant. Increased use of the Internet to consult electronic media and the reduction of the size of newspapers explain this ongoing decrease in the demand for newspaper.⁵²

Natural Gas

Controversy Surrounding the Beaumont Methane Port Project

The methane port project in Beaumont continues to be steeped in controversy. The City of Lévis struck a harsh blow to the Gaz Métropolitain methane port construction project in Lévis-Beaumont by voting, during a municipal council meeting in the beginning of October, for a resolution in which it firmly opposes the building of a terminal in the municipality's eastern sector.⁵³

Furthermore, the *Groupe d'initiatives et de recherches appliquées au milieu* (GIRAM) found that the site chosen for the methane port is inadmissible due to the area's geographical, human and heritage context.⁵⁴

⁴⁹ "Sales to Asia Soar as China Becomes Largest Foreign Buyer of Western Canadian Wheat", *Canadian Wheat Board*, August 6, 2004.

⁵⁰ "Production of Canada's Leading Minerals", *Natural Resources Canada*, January to July 2004.

⁵¹ « Des tempêtes payantes pour l'industrie du bois d'œuvre », *Radio-Canada Website*, September 13, 2004.

⁵² Riverin, François, « Hausse prévue de la demande mondiale de papier journal », *Les Affaires*, October 9, 2004.

⁵³ Vaillancourt, Claude, « Lévis dit non au terminal méthanier », *Le Soleil*, October 5, 2004.

⁵⁴ Saint-Pierre, Marc, « Un projet rejeté 12 fois aux États-Unis en deux ans », *Le Soleil*, September 16, 2004.



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

The Citizens of Beaumont will be Consulted Using a Referendum

During the municipal council meeting, the municipality of Beaumont engaged the services of a firm of experts from Montreal to determine if the construction of the Gaz Métro methane port is safe or not. Stabilis will submit its report in a month. Then, the citizens of Beaumont will be consulted by way of a referendum to see if they support the construction of a methane port.⁵⁵

Proponents of the Methane Port in Gros-Cacouna are Taking Action

For TransCanada and Pétro-Canada, the third partner in the \$1 billion methane port project in Gros-Cacouna will be the population. To this effect, an information office was opened and a meeting with the citizens is planned before the end of the month. TransCanada is reassuring the population of the project's high level of safety, reminding citizens that no major accidents have occurred concerning these types of facilities since 1980. The construction of the methane port, if it is accepted, will last three years, with activation around 2009.⁵⁶

FERRIES

Increase in the Use of Ferries in 2004

The *Société des traversiers du Québec* (STQ) recorded an increase in the use of its ferries during the summer of 2004. In fact, between the months of April and September, the number of passengers who used one of the eight ferries operated by the STQ increased 3.3%, rising from 3.54 million in 2003 to 3.66 million in 2004. The number of cars, trucks, buses and other motor vehicles rose from 1.37 million in 2003 to 1.40 million in 2004, a 2.2% increase. This growth was not uniform since 3 of the 8 STQ ferries recorded a decrease in use: Île-aux-Grues/Montmagny, Île-d'entrée/Cap-aux-Meules and Île-aux-Coudres/Saint-Joseph-de-la-Rive.⁵⁷

It should be noted that September 2004 had a particularly high rate of use compared to the same period in 2003, on most of the network's ferries. A 20% increase of passengers in September was observed. For the five other months, the average increase was only 0.5%. The passage of the *Queen Mary II* largely explains this increase in passengers.

Emergency Ferry Project in the Île d'Orléans

Transports Québec will soon submit for public consultation an estimated \$2.5 M emergency ferry project connecting the Île d'Orléans to Quebec City. The ferry can be used in all emergency situations that would prevent the islanders from having access to the bridge. According to a chosen scenario, the ferry's home terminal will be built at the Saint-Laurent-de-l'Île-d'Orléans wharf. If the ferry service is needed, one of the three ferries that serve the Québec-Lévis run will be used.⁵⁸

INTERNATIONAL CRUISES

Increase in Cruise Ships and Visitors to Quebec

On November 1, 2004, the Port of Quebec will have welcomed 26 ships belonging to about twenty different cruise lines, for a total of 104 stop-overs. Approximately 62 000 passengers and 34 500 crew members stopped over in Quebec City. These tourists represent important economic benefits for the city because it is estimated that cruise passengers spend on average \$159 during their short stay in Quebec City, while crew members spend on average \$70.⁵⁹

Six ships visited the port for the first time in 2004, the *Orion* (Travel Dynamics International), the *Jewel of the Seas* (Royal Caribbean International), the *Aurora* (P&O Princess Cruises), the *Constellation* (Celebrity Cruises), the *Deutschland* (Peter Deilamn Cruises) and of course, the majestic and much awaited *Queen Mary II* (Cunard Line).⁶⁰

⁵⁵ « Port méthanier à Beaumont : une firme déposera un rapport d'ici un mois », *Radio-Canada Website*, September 8, 2004.

⁵⁶ Larouche, Marc, « Gros-Cacouna : les promoteurs veulent s'allier la population », *Le Soleil*, September 3, 2004.

⁵⁷ « Statistiques pour la période de six mois se terminant le 30 septembre 2004 », *Société des traversiers du Québec*.

⁵⁸ Fleury, Élisabeth, « Projet de traversier d'urgence à l'Île d'Orléans », *Le Soleil*, October 15, 2004.

⁵⁹ Port of Quebec Website: <http://www.portquebec.ca/>

⁶⁰ Ibid



Marine Outlook

Highlights of the Marine Industry

October 2004 – Issue 9

Increase in Cruise Ships and Visitors to Montreal

The Port of Montreal is on the verge of one of its best cruise seasons. Over 40 000 cruise passengers were welcomed at the end of 2004, compared to 33 427 last year, a 20% increase. At the same time, the number of stop-overs also rose, from 52 stop-overs last year to 61 this year.⁶¹

A dozen major cruise lines offer cruises on the St. Lawrence and the North American east coast, either as a destination or leaving from Montreal. The most frequent cruise, New-York/Montreal, includes stop-overs in Boston, Portland, Saint John, Halifax, Sydney, Corner Brook, Charlottetown and Quebec.⁶²

A First Cruise Ship in Saguenay

Saguenay pulled out all of the stops to welcome the *Deutschland* cruise ship, a first for the region. The cruise passengers benefited, notably, from being able to visit a heated tent to see artisans at work and taste regional products. According to the mayor of Saguenay, each tourist that got off the ship represented not only an additional client for the region, but also a potential ambassador for the region.⁶³

RECREATIONAL BOATING

Enhanced Marine Security in the Quebec Region

Even if the new safety standards in Canadian ports do not apply to them, pleasure boaters in the Port of Quebec and Beauport Bay felt the tightening of the marine security measures. Since last July, marine security was reinforced in the Quebec region through the collaboration of the region's police forces to monitor the sectors of the port and Beauport Bay.⁶⁴

Marine Outlook is a free quarterly reporting the highlights of marine transport activities in Quebec.

**Get your copy by sending your electronic information to the following address:
menardm@dfo-mpo.gc.ca.**

⁶¹ « Nombre accru de croisières et de visiteurs en 2004 », *PortInfo* (bulletin from the Port of Montreal), Volume 26 – No 2, September 2004.

⁶² Ibid

⁶³ « Opération de séduction à Saguenay », *Radio-Canada Website*, Octobre 5, 2004.

⁶⁴ Lafrance, Annie, « Surveillance accrue dans le port », *Le Soleil*, July 17, 2004.