

# Marine outlook

Highlights of the marine industry

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## PORTS

### Sept-Îles

#### *A stable tonnage in spite of the steel crisis*

As of November 30<sup>th</sup> 2002, the total tonnage handled at the Port of Sept-Îles totalled 19,3 Mt, almost equal to the 20 Mt of 2001. Port Authority expects that last year's total will be reached by the end of the year. In order of importance, the commodities handled by the Port of Sept-Îles are iron ore, bauxite, alumina, ilmenite and coke. 479 ships have visited the Port of Sept-Îles in 2002, compared with 551 in 2001. Here again, Port Authority feels that the 2001 figures will be matched by the end of the year. At this point in time, there are no estimates on the tonnage that will be handled in 2003, since it highly depends on the steel and aluminium markets situation.<sup>1</sup>

### Montreal

#### *More containers but lower total tonnage*

Although container traffic rose, the total tonnage of all commodities handled for the first eight months of 2002 was 12,1 Mt, compared with 12,9 Mt for the corresponding period of 2001. Port Authority expects that 2002 total will be close to last year's 19,1 Mt.

This drop in tonnage is attributed to a decrease of solid and liquid bulk handled by the port. The decrease of liquid bulk is explained by fewer shipments of clinker and fertilizers and also lower cereal tonnage due to a reduced production of Canadian grain. As for liquid bulk, the drop is a direct consequence of lower petroleum products demands due to the 2001-2002 winter being exceptionally mild.

Container traffic totalled 6,2 Mt between January and August 2002, or 400 Kt more than for last year's corresponding period. There were 686 398 containers handled during the first eight months of 2002, 4,5 % more than last year's 656 557 for the same eight-month period.<sup>2</sup>

### Port-Cartier

#### *Higher concentrated iron ore tonnage*

Port-Cartier Port Authorities expect that the total tonnage handled in 2002 will increase by 11,5 % to reach 16,5 Mt, compared with 14,8 Mt in 2001. This is explained by more iron ore handled by the port in 2002. Last year's six-week walkout at Quebec Cartier Mining brought the tonnage down, but the dispute is now settled and iron ore shipments have resumed normally in 2002, to reach 9,7 Mt by the end of October compared with 7,8 Mt last October.

Port Authorities foresee that 2003 tonnage will compare with that of 2002 since they don't expect a marked recovery of the world steel market in the near future. The U.S. steel market is currently experiencing a severe crisis and consequently, several steel mills have declared bankrupt on account of overproduction, weak world demand and massive steel imports from China. The North-American steel market is not likely to show serious signs of recovery before the U.S. steel industry undergoes a major restructuring.<sup>3</sup>

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

<sup>2</sup> Port of Montreal, [Canadian Sailings](#), 21 October 2002, PF3-31.

<sup>3</sup> Port-Cartier Port Authority.

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### Quebec

#### *Tonnage goes up*

According to Quebec Port Authorities, the total tonnage handled in 2002 will be 17 Mt, or 13 % higher than the 15 Mt total of 2001. This increase is attributed to a slight increase of liquid and solid bulk. All major commodities have gone up in 2002 : grains and cereals, petroleum, iron ore and general cargo. Port Authority expects that 2003 will be similar to 2002.

### Sorel

#### *Ore and titanium tonnage drops*

As of October 31<sup>st</sup> 2002, the tonnage handled by the Port of Sorel totalled 3,6 Mt, which is 14 % less than the 4,2 Mt handled during the corresponding period of 2001. The Port of Sorel was hit by the North-American steel market slowdown and recorded a total ore and titanium combined tonnage of 2,4 Mt by October 2002, or 14% less than the 2,8 Mt at the end of October 2001.<sup>4</sup>

Port Authorities mention that, for the port to keep its competitive advantage, dredging works will be necessary. The Société des parcs industriels Sorel-Tracy has already conducted urgent works at the mouth of the Richelieu River to remove some 4 000 m<sup>3</sup> of sediments. These are only a prelude to more important works that could be done within the next two years. There has been no dredging at the Port of Sorel for the last 15 years. Port Authority says that if the port is to keep on accommodating high tonnage vessels, water depth will have to match that of the Saint-Lawrence Seaway.<sup>5</sup>

### Port-Saguenay

#### *Stable pulp and paper tonnage*

The total tonnage handled at Port-Saguenay in 2002 reached 448 Mt, or a slight drop of 3 % compared with 2001. In addition, 77 vessels were accommodated at Port-Saguenay's two terminals in 2002, one more than in 2001, and the year has not yet ended.

Pulp and paper tonnage, which, year after year, represents almost half the total tonnage handled by the port, does not seem to have suffered too deeply from the North-American pulp and paper industry slowdown.

In 2003, the tonnage is expected to be 540 Mt, carried by 90 vessels, 10 more than in 2001.

As to the project of bringing in petroleum products by ships, as was the case until 1992, no decision has yet been made. Talks are still underway between the various stakeholders involved in the project, oil companies, the governments and the Saguenay Port Authority.<sup>6</sup>

### Baie-Comeau

#### *5,3 M\$ government grant for la Société du port ferroviaire*

By the end of October 2002, the total tonnage handled at the Port of Baie-Comeau was 2,9 Mt, which is almost identical as the 3,1 Mt for the corresponding period of 2001.<sup>7</sup>

The Quebec Government has granted 5,3 M\$ to la Société du port ferroviaire de Baie-Comeau-Hauterive for implementing a railway line between the new regional industrial park and the Port of Baie-Comeau. This 10,6 M\$ project calls for the installation of a 6,2 kilometre main track, a bypass track to accommodate 34 railcars and a transshipment centre for 25 cars.<sup>8</sup>

### Port-Alfred

#### *Slight drop in tonnage*

With a total of 4,1 Mt on November 30<sup>th</sup> 2002, the tonnage handled at Port-Alfred was 7% lower than in 2001, when it had reached 4,4 Mt. Tonnage of bauxite, coke, caustic soda, fluorspar (fluorite) and fuel oil are all slightly down in 2002. The number of vessels is also down to 108, which is 30 less than in 2001.

The main commodities handled by the port are bauxite (66 %) and alumina (21 %) which are distributed to the four aluminum smelters of the Saguenay-Lac-Saint-Jean region. We must remember that Canada

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<sup>4</sup> Detailed report on tonnage handled in harbours and ports of Quebec, [Transport Canada](#), 31 October 2002.

<sup>5</sup> Lemieux, Sylvie, « Le vrai port d'entrée des entreprises agricoles », [Les Affaires](#), 7 September 2002.

<sup>6</sup> Port-Saguenay Port Authority.

<sup>7</sup> Detailed report on tonnage handled in harbours and ports of Quebec, [Transport Canada](#), 31 October 2002.

<sup>8</sup> « Québec consacre plus de 5 millions \$ au transport à Baie-Comeau », [La Presse Canadienne](#), 10 July 2002.

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has no bauxite deposits and must import it from foreign markets. Most of the bauxite and alumina imports are unloaded at Port-Alfred.

The most recent forecasts call for an increase in tonnage for 2003 to a total of 4,7 Mt, which should translate into more vessels using the Port of Port-Alfred's facilities during the coming year.<sup>9</sup>

### **Trois-Rivières**

#### ***Significant drop in grains tonnage***

From January to September 2002, 1,7 Mt were handled at the Port of Trois-Rivières, which represents a 6,5 % drop compared with the first three quarters of 2001. The solid bulk tonnage handled by the port totalled 679 Kt, down 13 % on the same period of 2001. Similarly, grains shipments dropped by 11%. The slowdown of the Canadian cereal market has an inevitable impact on the activities of ports that handle these goods. The port also recorded a decrease in the alumina it handled. As for liquid bulk, it reached 435 Kt, or an increase of 2,6 % compared with the first three quarters of 2001.<sup>10</sup>

### **Bécancour**

#### ***Liquid bulk terminal construction in progress***

The tonnage handled in the first half of 2002 at the Port of Bécancour totalled 863 Kt, up 14 % compared with the same period of 2001, which generated an increase of the port's revenue of the order of 17%. Certain companies of the Bécancour industrial park have contributed significantly to this increase in the port's activities. Norsk-Hydro, PCI Chemicals of Canada and Alcoa of Bécancour have all increased their tonnage.<sup>11</sup>

Since the beginning of the summer, Servitank Co., a division of Prommel of Trois-Rivières, is building tanks of various sizes for the Petresa plant which produces linear alkylbenzene (LAB) from paraffin wax, intended for the North-American market. Servitank specialises in the transshipment of bulk material. Its project consists in building and operating nine storage tanks, three of which have a 5000 m<sup>3</sup> capacity, the remaining six having a capacity of 2500 m<sup>3</sup> for a total storage volume of 30 000 m<sup>3</sup>. Six of the nine tanks are now under construction; the remaining three will be built later. Servitank will also install a marine pipeline that will connect to the tanks the vessels carrying the products. 2003 looks promising with the opening of the new liquid bulk terminal planned for next January.<sup>12</sup>

### **Gros-Cacouna**

#### ***Newsprint and softwood lumber tonnage falls heavily***

As of October 30<sup>th</sup> 2002, the volume of transhipped products decreased significantly at the Port of Gros-Cacouna, compared with October 2001, dropping from 122 Kt (53 ships) to 50 Kt (28 ships). The port's tonnage was badly hit in 2002 by the weak world demand for pulp and paper and also by the Canada-U.S. softwood dispute. Only 8 Kt of paper were handled by October 30<sup>th</sup> 2002, compared with 50 Kt in October 2001. The decrease in softwood tonnage was not as significant as it went from 46 Kt in 2001 to 31 Kt in 2002. Metal scraps and old iron are also down heavily, from 46 Kt to 19 Kt in 2002.<sup>13</sup>

Port Authority believes that a return to cabotage could be an antidote against the decrease of tonnage handled by the port. Interregional transport of commodities could represent an interesting option for Gros-Cacouna since the international traffic of newsprint and other goods varies tremendously with the economic situation.<sup>14</sup>

### **Gaspé**

#### ***A new plant for the Port of Gaspé?***

On August 31<sup>st</sup> 2002, the tonnage handled at Gaspé totalled 225 Kt, half the figures of August 2001. The closing of the Murdochville smelter in 2001 explains this situation.<sup>15</sup>

But there could be a glimmer of hope for the Port of Gaspé. There is talk of an important industrial project for the construction, by la Société Minière Ressources Allican, of a 100 M\$ low carbon ferro-chrome plant creating 85 direct jobs and 115 indirect jobs in the new industrial park located in the Port of Gaspé. The director of the Gaspé's office of Economic Development Canada and the Federal MP of Bonaventure-

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<sup>9</sup> Port-Alfred Port Authority.

<sup>10</sup> Frederick, Brent, « New clientele, a measure of Port of Trois-Rivières success », *Canadian Sailings*, 2 December 2002, PF3-8; Lafrenière, Martin, Hausse de 14 % au port de Bécancour – À Trois-Rivières, la cadence est au ralenti », *Le Nouvelliste*, 24 July 2002.

<sup>11</sup> Ibid

<sup>12</sup> Aubry, Marcel, « Le port de Bécancour prend de l'ampleur », *Le Nouvelliste*, 22 August 2002.

<sup>13</sup> Detailed report on tonnage handled in harbours and ports of Quebec, *Transport Canada*, 31 October 2002.

<sup>14</sup> Larouche, Marc, « Le port de mer de Gros-Cacouna en attente », *Le Soleil*, 23 September 2002, p.A-24.

<sup>15</sup> Detailed report on tonnage handled in harbours and ports of Quebec, *Transport Canada*, 31 October 2002.

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Gaspé-Les-Îles-Pabok both confirmed they talked with Ressources Allican management concerning this project. Negotiations are presently underway.<sup>16</sup>

### **Rimouski**

#### ***Tonnage stable in 2002***

As of October 31<sup>st</sup> 2002, the tonnage handled at the Port of Rimouski was 242 Kt, a figure identical to that of October 2001. The Port of Rimouski's major activity is the transshipment of petroleum products such as gas, bunker fuel and other products. The number of vessels using the port's facilities was also stable with a total of 70 vessels up to October 2002, compared with 69 last year.<sup>17</sup>

### **Havre Saint-Pierre**

#### ***Ilmenite tonnage drops***

As of October 2002, the total tonnage handled at the Port of Havre Saint-Pierre was 2,0 Mt, down 17 % from 2,4 Mt over the same period of 2001. Of course, this means fewer vessels visiting the port; 80 in 2002 compared with 133 by October 31<sup>st</sup> 2001. The decrease in total tonnage for 2002 is essentially due to fewer ilmenite loadings.<sup>18</sup>

### **Pointe-au-Pic**

#### ***Newsprint shipments tonnage stable***

By October 31<sup>st</sup> 2002, the total tonnage handled at the Port of Pointe-au-Pic reached 168 Kt, or 24 % less than the 221 Kt of October 2001. In spite of the North-American newsprint market slowdown, the paper tonnage remained stable with 134 Kt handled in 2002, a figure identical to that of 2001 for the same date. However, wood chips tonnage went down from 86 Kt on October 31<sup>st</sup> 2001 to 34 Kt in 2002, a drop of 61%. In terms of traffic, 31 vessels came into port in 2002 compared with 34 in 2001, down 9%.<sup>19</sup>

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<sup>16</sup> Haroun, Thierry, « Ressources Allican s'installera à Gaspé », Le Devoir, 10 October 2002, p. A3.

<sup>17</sup> Detailed report on tonnage handled in harbours and ports of Quebec, Transports Canada, 31 October 2002.

<sup>18</sup> Ibid

<sup>19</sup> Ibid

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### Saint-Lawrence Seaway

#### **Tonnage carried remains stable**

For the period January 1<sup>st</sup> to October 31<sup>st</sup> 2002, 3037 vessels used the Saint-Lawrence Seaway, compared with 3203 for the same period of 2001, which represents a drop of 5 %. However, these vessels carried more or less the same tonnage for both periods. Bulk products were the main commodities carried in 2002 with 9,9 Mt. Iron ore and cereals came respectively second and third with 7,7 Mt and 7,5 Mt. General cargo was fourth with 3,4 Mt followed by coal with 3,3 Mt. Compared with figures shown for the same period of 2001, cereals and coal suffered the most significant drops with 12% and 5% respectively. Other bulk products were down 4%. General cargo recorded the highest increase with 51% over 2001. Iron ore increased by 5%.<sup>20</sup>

#### **New winter fees**

Effective October 11<sup>th</sup> 2002, berthing fees for all or part of the winter season have been increased from 0,11\$ per gross registered ton to 0,30\$ per linear meter per day (minimum right of 185\$). The option of using U.S. ship tonnage measurement rules was rejected.<sup>21</sup>

#### **Projects for increasing Seaway capacity**

During the St.Lawrence Day, organised by the St.Lawrence Economic Development Council, Guy Veronneau, President and CEO of the St.Lawrence Seaway Management Corporation, stated that traffic in the St.Lawrence Seaway is likely to drop significantly and that actions must be taken to cope with the situation. Major investments to allow larger vessels in the Seaway and to extend the navigation season could be the solution. For the time being, the Seaway only maintains its facilities in good operating conditions. It will be necessary to invest 6,2 G\$ in maintenance until 2048. Seaway traffic is down 28% compared with 1998 figures. Lower cereal yields over the past years are responsible, in part, for that decrease in traffic. In addition, problems with the steel industry will certainly not help increase traffic. Another factor that disadvantages Seaway traffic is the «just-in-time» method of production. The Seaway must close for part of the winter season and the users will certainly not want to modify their mode of supply during that period of the year.

M. Véronneau also insisted on the fact that a large number of Canadian and U.S. organisations are involved in the management of the Seaway. «A vessel using the Seaway will be faced with 23 different bodies ».<sup>22</sup>

The Canadian and U.S. governments have undertaken a five-year study with a view to finding solutions to the problems identified. The first three years of the study will be used to review the condition and reliability of the Seaway and the various channels leading to the Great Lakes. Ports will also be examined with a view to identifying the improvements required in the network. The last two years will be devoted to the preparation of improvements and maintenance plans.<sup>23</sup>

Engineers responsible for the study believe that trade could rise to 1,4 G\$ a year if smaller locks were replaced by larger ones measuring 33 metres x 365 metres and the canal dredged to allow a draft of 10 metres.<sup>24</sup>

On the other hand, environmentalists criticise the project. The larger number of vessels using the Seaway and Great Lakes Network, the possible introduction of new threatening species and expansion works that will dig and turn over the already polluted seabed, could cause permanent damages to habitats.<sup>25</sup>

#### **Closure of 2002 navigation season**

Seaway closing dates for the 2002 navigation season have been set. For the Montreal-Lake Ontario section, the latest transit date is December 20<sup>th</sup> 24H00 but the final closing date will be determined by traffic, ice conditions and temperature. Welland Canal is expected to close on December 24<sup>th</sup> at 08H00; afterwards, transits may be authorised on a per request basis, weather permitting. The 2003 season opening date is expected to be March 25<sup>th</sup>, but vessel transits will depend on weather and ice conditions. Day navigation only might be authorised in certain sectors until all light buoys are installed.<sup>26</sup>

### COMMODITIES

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<sup>20</sup> Great Lakes / St.Lawrence Seaway Network.

<sup>21</sup> ibid

<sup>22</sup> Tison, Marie, «La Voie maritime fait face à une baisse de trafic», La Presse, 22 November 2002.

<sup>23</sup> Great Lakes / St.Lawrence Seaway Network.

<sup>24</sup> Le Nouvelliste, «Les États-Unis veulent agrandir la Voie Maritime», 24 September 2002.

<sup>25</sup> Great Lakes Information Network, «Critics fear expanding seaway could be trouble for Great Lakes», December 2, 2002.

<sup>26</sup> Great Lakes / St.Lawrence Seaway Network.

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### Iron ore

#### **North-American steel market slowdown**

Against all expectations, the anticipated recovery of the steel market did not materialize in 2002. A low manufacturing activity, lack of consumers confidence and the increase of steel imports in North-America have further depressed the steel market in 2002.

The steel market slowdown had an impact on Quebec's iron ore industry. Since almost all of the Canadian production of iron ore is concentrated in the Labrador Field – major geological belt extending in Northern Quebec and Labrador – the three Quebec mining companies took the blow.

Quebec Cartier Mining which has facilities at Port-Cartier and Fermont on the North-Shore, lost 4 M\$ in the third quarter of 2002. The company explains these figures are due to a 6% decline in the price of iron pellets combined with a reduced production. QCM transformed 3,3 Mt of iron ore during that period, 500 Kt less than for the previous quarter. Since the year began, QCM's shipments are down 15% on last year's.<sup>27</sup>

The situation is no brighter for Iron Ore of Canada. The company will cut 240 jobs between now and 2004, which is 20% of its workforce, mainly in its Labrador City installations. Badly hit by the world's iron and steel crisis, IOC lost significant ground in North-America, particularly in the U.S., where the steel industry was submerged by low price iron imports. For the first time in 10 years, IOC, the North-Shore's leading iron producer stopped its activities during five weeks this summer in order to clear over 800 Kt of stocked iron pellets.<sup>28</sup>

As for Wabush Mines, iron ore production should run at 75% capacity in 2002.<sup>29</sup>

BMO Nesbitt Burns foresees a noticeable drop in the production of automobiles in 2003, which usually follows a drastic decline in consumers confidence. The automobile industry uses most of the steel sheet production. Some North-American steel companies have already announced cuts in production for 2003.<sup>30</sup>

### Wheat

#### **Record feed wheat imports**

Wheat is the 4<sup>th</sup> commodity in importance handled in ports of the Province of Quebec. The major ports handling wheat are Baie-Comeau, Quebec, Montreal, Port-Cartier and Sorel.

The impact of the past years' drought in the Canadian prairies will be more perceptible this winter. Stocks are at historically low levels and Statistic Canada (SC)<sup>31</sup> expects that production will drop by 32 % for the crop-year 2002-03 to reach its lowest mark since 1970-71. SC analysts also expect a 50% drop on exports to reach 6 Mt in 2002-03, the lowest figures since 1954-55.

The report also states that feed wheat imports, previously marginal and statistically insignificant, should reach a historic high of 0,2 Mt during the crop-year 2002-03. Since these imports are mostly made in Eastern Canada, they bring little hope of increasing shipments of this commodity on the St.Lawrence for the coming year.

### Aluminium

#### **World demand for aluminium is low**

Low demand and strong growth in the production of aluminium, particularly in China, have saturated the world market and contributed to keeping aluminium prices low. However, Canadian aluminium smelters, mostly located in Quebec, have not been affected by this situation. From January to August 2002, the total aluminium production was 1,8 Mt compared to 1,7 Mt for the corresponding period of 2001.<sup>32</sup>

In Quebec, the Alouette Sept-Îles phase II expansion works began officially last October. Owned by a consortium of aluminium companies, among which Alcan, Alouette will become North-America's largest aluminium smelter when these works end in November 2005. The first casting is planned for February 2005. Alouette will then be able to double its actual capacity of 243 Kt to an annual production of 550 Kt. The Sept-Îles aluminium smelter will then be among the world's ten largest aluminium plants.<sup>33</sup>

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<sup>27</sup> Tremblay, Stéphane, « Perte de 4 millions \$ pour la minière Québec Cartier », *Le Soleil*, 25 October 2002.

<sup>28</sup> Tremblay, Stéphane, « IOC supprime 240 emplois à Labrador City et à Sept-Îles », *Le Soleil*, 21 September 2002.

<sup>29</sup> Perron, Louis, « Directory of Canadian Minerals, Iron ore », *Natural Resources Canada*, 2001.

<sup>30</sup> « Ralentissement dans le secteur de l'acier », *Les Affaires*, 16 November 2002, p.54.

<sup>31</sup> *Grain and Oilseeds Outlook*, Agriculture and Agri-Food Canada, 9 December 2002.

<sup>32</sup> Production of main Canadian minerals, *Natural Resources Canada*, août 2002.

<sup>33</sup> « *Agrandissement d'Alouette : le coup d'envoi est donné* », site Web de Radio-Canada, 30 septembre 2002.

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### Softwood and newsprint

#### *Production is down*

Recent figures from Statistics Canada show that Canada recorded a 1,9 % rise in its production of softwood for the first eight months of 2002, for a total of 20,3 billion board feet. Quebec's production, however, was down by 4,6 % and Ontario's by 8,6 % over the same period.<sup>34</sup> This is a direct consequence of the Canada-U.S. yet unsettled softwood dispute. Both countries continue their negotiations to find a solution. Until then, softwood producers will suffer from this situation and consequently, the tonnage handled by the ports of Montreal, Baie-Comeau, Matane, Gros-Cacouna and Port-Saguenay in 2003.

As regards the paper industry, Quebec's paper companies have reduced their production in 2002, because of a lower North-American demand. Newsprint consumption in the U.S. has dropped by 2,8 % since the beginning of the year, which is far less than the 12% drop experienced in 2001. Despite cost reduction efforts on their part, Quebec's producers have announced losses heavier than they had expected by the third quarter of 2002. On the short term, company managers and financial analysts are not very optimistic of a market recovery, but remain confident that there are better days ahead in 2003. Notwithstanding a hypothetical recovery of the newsprint market in North-America, the recovery in production will be slow and gradual.<sup>35</sup>

## FERRIES

#### *Weak rise in the number of passengers carried*

From April 1<sup>st</sup> (beginning of 2002-003 financial year for la Société des Traversiers du Québec) to September 30<sup>th</sup> 2002, close to 3,8 million passengers and 1,7 million vehicles<sup>36</sup> used ferry services provided by the STQ. Compared with the same period of 2001, this represents an increase of 1 832 passengers and 126 168 vehicles, the highest passenger increase being observed at the Quebec/Lévis ferry with 21 %, followed by the Île d'Entrée/Cap-aux-Meules ferry with 15 %. As for the number of vehicles Île d'Entrée/Cap-aux-Meules ranks first and Quebec/Lévis second, with increases of 88 % and 40% respectively.<sup>37</sup>

STQ statistics for the Tadoussac/Baie-Sainte-Catherine ferry show significant variations in the number of passengers from April 2001 to September 2002, due to a change in the compiling method. In fact, since September 2001, passengers are counted by the boarding staff, whereas before there were estimates based on the number of vehicles. This led to a 20% reduction of the number of passengers.<sup>38</sup>

#### *Service resumes*

The Trois-Pistoles/Les Escoumins ferry will resume its operation next spring. The Federal Minister responsible for Quebec assured that works will be done to repair the Les Escoumins wharf before navigation begins. Temporary pillars will allow ferry-boats to come alongside safely. However, it will be another two years before Transport Canada decides on the wharf's future (repairs or reconstruction). Furthermore, stakeholders of the tourist industry intend to file a class action suit against the Federal Government to get compensation for economic losses incurred during the 2002 season.<sup>39</sup>

#### *Île d'Orléans - Port of Quebec Ferry Project*

A study will begin shortly on the feasibility of a ferry service between Île d'Orléans and the Port of Quebec. The Quebec Transport Department (MTQ) believes that this service would be very useful to the islanders when emergencies or grave events prevent them from using the bridge. The Île d'Orléans bridge appears on the list of important structures that MTQ says could be affected by a natural disaster. If the feasibility study is conclusive, a terminal would be built on the Saint-Laurent, I.O. wharf between now and 2005. However, works would not begin before another year, to allow engineers to evaluate the wharf's sturdiness, the weight of vehicles and overall costs. Further delays could also arise should anyone oppose the project. The ferry service would prove very useful when the bridge's roadway is resurfaced a few years from now and the bridge closed to traffic.<sup>40</sup>

#### *Replacement of two ferry-boats confirmed*

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<sup>34</sup> « Le Québec a produit moins de bois », *Les Affaires*, 9 November 2002, p. 60.

<sup>35</sup> Riverin, François, « Les producteurs de papier journal au bout du rouleau », *Les Affaires*, 16 November 2002, p. 47.

<sup>36</sup> Converted in automobile equivalent units (AEU).

<sup>37</sup> Société des traversiers du Québec, « Statistiques pour la période se terminant le 30 septembre 2002 », November 2002.

<sup>38</sup> *ibid*

<sup>39</sup> Radio-Canada, « Un recours pour récupérer les pertes de la dernière saison est toujours sur la table », 9 December 2002

<sup>40</sup> Ballivy, Violaine, « Un traversier pour les urgences », *Le Soleil*, 28 August 2002.

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La Société des Traversiers du Québec plans on replacing two ferry-boats, the Radisson operating at the Charlevoix/Île-aux-Coudres ferry and the Camille-Marcoux in Matane, an investment of 161 M\$. So, between now and 2005, a new boat will be built, but unlike the Camille-Marcoux, this one will be able to carry heavy trucks and vans. As for the Radisson, the STQ plans its replacement for 2010. The rumour that Quebec will give the contract to Davie without an invitation to tender has not been confirmed.<sup>41</sup>

Last April, Quebec announced that it would consider a partnership with the private sector to provide the ferry service between Matane/Baie-Comeau and Rimouski.<sup>42</sup> In fact, if the government accepted to support financially the private ferry service between Rimouski and Forestville, there is a possibility that a new, larger and faster catamaran, capable of carrying 50 vehicles and 225 passengers, would replace the actual boat and come into service for the 2005 season.<sup>43</sup>

### **Year-round link between Cap-aux-Meules and Souris**

Elected MPs from les Îles-de-la-Madeleine are seeking a year-round sea link between Cap-aux-Meules and Souris, P.E.I., which is currently not in service in February and March of each year. They claim that winter is now milder due to climatic changes and that the ferry option is less expensive than the air service or the scheduled marine connection with Matane. They are asking that CTMA obtain Transport Canada's approval to operate the Madeleine on an annual basis.<sup>44</sup>

### **Grant for maintaining the Rimouski/Forestville link turned down by Quebec**

The Rimouski-Forestville ferry management is demanding financial support from the Department of Transport and the STQ to maintain and expand its connection. It is also asking the government to support the cost of bunker fuel and the annual shortfall of 150 000 \$ to 200 000\$, otherwise it says that service could be reduced or interrupted. If an agreement is reached before 2003, the owner promises to build a boat that will carry 50 cars and 225 passengers and be able to navigate in 3-metre swell at 35 knots. This project would permit to double the transport capacity.<sup>45</sup> However, the Department of Transport mentioned that subsidizing the deficit of the Rimouski/Forestville catamaran is out of question and will rather focus on the project of a new «super catamaran» that would ply between Matane/Baie-Comeau/Rimouski.<sup>46</sup>

## CRUISES - TOURS

### **Another call for le Vacancier**

Le Vacancier that connects Montreal and les Îles-de-la-Madeleine with calls at Quebec and Matane could make still another call at Chandler as early as next year. Works on the boarding ramp could begin soon depending on the necessity of conducting an environmental impact study.<sup>47</sup>

Furthermore, le Vacancier is undergoing a complete overhaul since the beginning of October : wheelhouse, bathrooms, heating system, electricity, bridge and staircase ramps, etc. The ship should be back for winter service between Matane and Les Îles, by the end of January.<sup>48</sup>

### **Going across!**

Every summer, more than 65 000 people use the ferry to cross the St.Lawrence between Longueuil and Montreal. The two cities recently renewed their agreement to maintain this link. Again this year, the contract was awarded to les Navettes maritimes du Saint-Laurent. The shuttle is in service from May to October.<sup>49</sup>

## INTERNATIONAL CRUISES

### **Trois-Rivières is getting ready**

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<sup>41</sup> Hébert, Michel, Remplacement des traversiers confirmé, des contrats de 161 M\$, Le Journal de Québec, 13 December 2002.

<sup>42</sup> Michaud, Henri, «Contrats de la Davie sans appel d'offres; Étonnement et déception dans Charlevoix et l'Est du Québec», Le Soleil, 15 November 2002.

<sup>43</sup> Radio-Canada, «La famille Journeault, propriétaires de la traverse Rimouski-Forrestville, met le poing sur la table», 9 October 2002.

<sup>44</sup> CFIM - TVA «Les élus madelinots réclament un service de traversier à longueur d'année», 17 October 2002.

<sup>45</sup> Wells, Ernie, «Traversier entre Rimouski et Forestville, Le propio du navire menace de partir», Le Soleil, 9 October 2002.

<sup>46</sup> Thériault, Carl, «Traversier Rimouski-Forestville, Québec dit non à une subvention», Le Soleil, 11 October 2002.

<sup>47</sup> Radio-Canada, «Le Vacancier à Chandler dès l'été prochain?», 7 October 2002.

<sup>48</sup> Radio-Canada, «Un Vacancier refait à neuf en janvier», 29 October 2002.

<sup>49</sup> Simard, Claude, 65 000 personnes sur l'eau, entre Longueuil et Montréal, Les Affaires, 26 October 2002.



# Marine outlook

## Highlights of the marine industry

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Trois-Rivières, like Quebec and Montreal, wishes to welcome cruise ships. A real-estate developer recently began building a housing and recreational-tourism complex that will accommodate cruise ships. The shores of the Saint-Lawrence, at the junction of the Saint-Maurice and the Saint-Lawrence, will be laid out in 2003 to receive the first cruise ships in 2004.<sup>50</sup>

### **2002 cruise season excellent for Quebec and Canada**

In 2002, there were 74 calls made at the Port of Quebec and some 66 366 passengers came down to visit, according to preliminary figures. This represents an increase of 36% compared with 2001. 2003 looks as promising as 2002.<sup>51</sup>

At Montreal, on a total of 31 calls, there were 33 000 passengers visiting, which is 38% higher than in 2001. Four new ships came into Montreal in 2002.<sup>52</sup>

The Port of Halifax ended the 2002 season with over 157 000 passengers, down 2% on last year. An increase in the number of passengers is expected for 2003 with a total of 167 000 passengers.<sup>53</sup>

At Saint-John, New-Brunswick, 71 168 passengers were hosted, a drop of 19% compared with 2001. Saint-John is expecting 91 000 passengers in 2003.<sup>54</sup>

In Vancouver, over 1,1 Million passengers came in 2002, up 5% on last year's total.<sup>55</sup>

## RECREATIONAL BOATING

### **Nautical tourism industry symposium**

The nautical tourism industry symposium was held in Montreal on November 29<sup>th</sup> 2002. It gathered participants from various sectors of the industry, manufacturers, marinas and organisations involved in the development of shores and the various levels of government.

A report titled « Nautical tourism marketing and development strategic plan » was tabled. This report, produced jointly by eleven partners of the public and private sectors on the initiative of Tourisme Quebec and Parks Canada, states several observations as well as a plan of actions.

The report demonstrates that the recreational boating industry in Quebec can capitalize on many trends and strengths to support its development :

- The integration with major nautical circuits in the eastern part of the North-American continent;
- The presence of three major attractions urban hubs (Montreal, Quebec, Ottawa-Gatineau);
- A good network of historic canals making boaters stay longer;
- The development potential of new navigable circuits in an exceptional natural environment (Outaouais, Saint-Maurice, etc);
- The market potential is important; there are over 22 000 pleasure crafts of 25 feet or more in Ontario and nearly 1 million in New-England, central and north-eastern Atlantic coast;
- Nautical tourists spend significant amounts of money during their stay; Quebec boaters spend 259\$ a day, Ontarians 295\$ and Americans 380\$;
- Global trends favour a growth in nautical tourism : signs such as ageing of the population, baby-boomers retirements, new experiments and lifestyles.

Conversely, the study also lists a certain number of problems that restrain development at the present time :

- Montreal area's waterways are isolated or hemmed-in (dams, limited access to locks, absence of development of canals);
- Unlike the trend observed in competing nautical circuits, shores development is almost totally absent;
- Equipment and services in marinas do not meet boaters requirements (lack of mooring space, inadequate water levels, deficient electric capacity, lack of co-ordination of reception services, restaurants, shops, etc...);

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<sup>50</sup> Plantevin, Jérôme, «Trois-Rivières se prépare pour accueillir des transatlantiques», *Les Affaires*, 16 November 2002.

<sup>51</sup> Port of Quebec, 6 December 2002.

<sup>52</sup> Canadian Sailings, «Port of Montreal, a great saison for cruises as Port welcomes four new ships», October 21, 2002.

<sup>53</sup> Port of Halifax, 22 November 2002.

<sup>54</sup> Port of Saint-John, 28 November 2002.

<sup>55</sup> Port of Vancouver, 22 November 2002.

# Marine outlook

## *Highlights of the marine industry*

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- Obstacles, mainly environmental, that hinder the addition or expansion of marinas.

The report also notes the absence of a unique spokesperson of the nautical tourism industry in Quebec, inadequate consultation between the various stakeholders and marketing efforts still very limited.

To summarize, in order to be able to capitalize on the strong development potential of its nautical tourism, the report states that Quebec must first, solve several problems concerning consultation and representation within the industry, but also improve its hosting infrastructure in order to meet the increasingly demanding needs of domestic and foreign customers.

## **Water level**

### ***Water level readings available!***

#### **Saint-Lawrence River<sup>56</sup>**

The Canadian Hydrographic Service (Quebec Region) is measuring water levels on the Saint-Lawrence from the Port of Montreal to Sept-Îles. The system used is called Coastal and Oceanic Water Level Information System (SINECO is the French acronym used in both languages). It provides validated official information on water levels in real-time, as well as forecasts (tide tables) and short and long term forecasts. This network is also used by the Canadian Coast Guard for vessel traffic management purposes.

Tide forecasts are available, from the same telephone service, for 55 stations across Canada. In Quebec, water levels from 17 stations can be obtained without charge by calling 1-877-775-0790. The tide agent can also be reached at 418-775-0600. An on-line observation service, 0-48 hours forecast and 2-30 days long-term forecast is also available on subscription and according to the stations required.

Two stations, operated by Environment Canada, were added this year : Pointe-Claire (Lake Saint-Louis) and Sainte-Anne-de-Bellevue (Lake of Two Mountains).

#### **Quebec's lakes and rivers<sup>57</sup>**

The Centre d'expertise hydrique du Québec has a data bank on levels and flows of Quebec's lakes and rivers taken from 214 stations. This information is available on request at a cost of 50\$.

This data is not available electronically except during spring thaw.

Contact the Centre d'expertise hydrique du Québec by phone at 418-521-3866 or e-mail : [cehq@menv.gouv.qc.ca](mailto:cehq@menv.gouv.qc.ca).

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<sup>56</sup> Service hydrographique du Canada.

<sup>57</sup> Centre d'expertise hydrique du Québec.