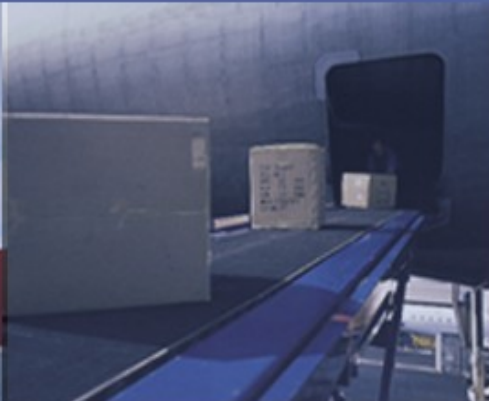




Developing the Atlantic Gateway: New Transportation and Trade Opportunities for Atlantic Canada



**Premier's Symposium on
the Atlantic Gateway**

**Halifax, Nova Scotia
May 30, 2007**



**Elizabeth Beale,
President and CEO,
Atlantic Provinces
Economic Council
(APEC)**

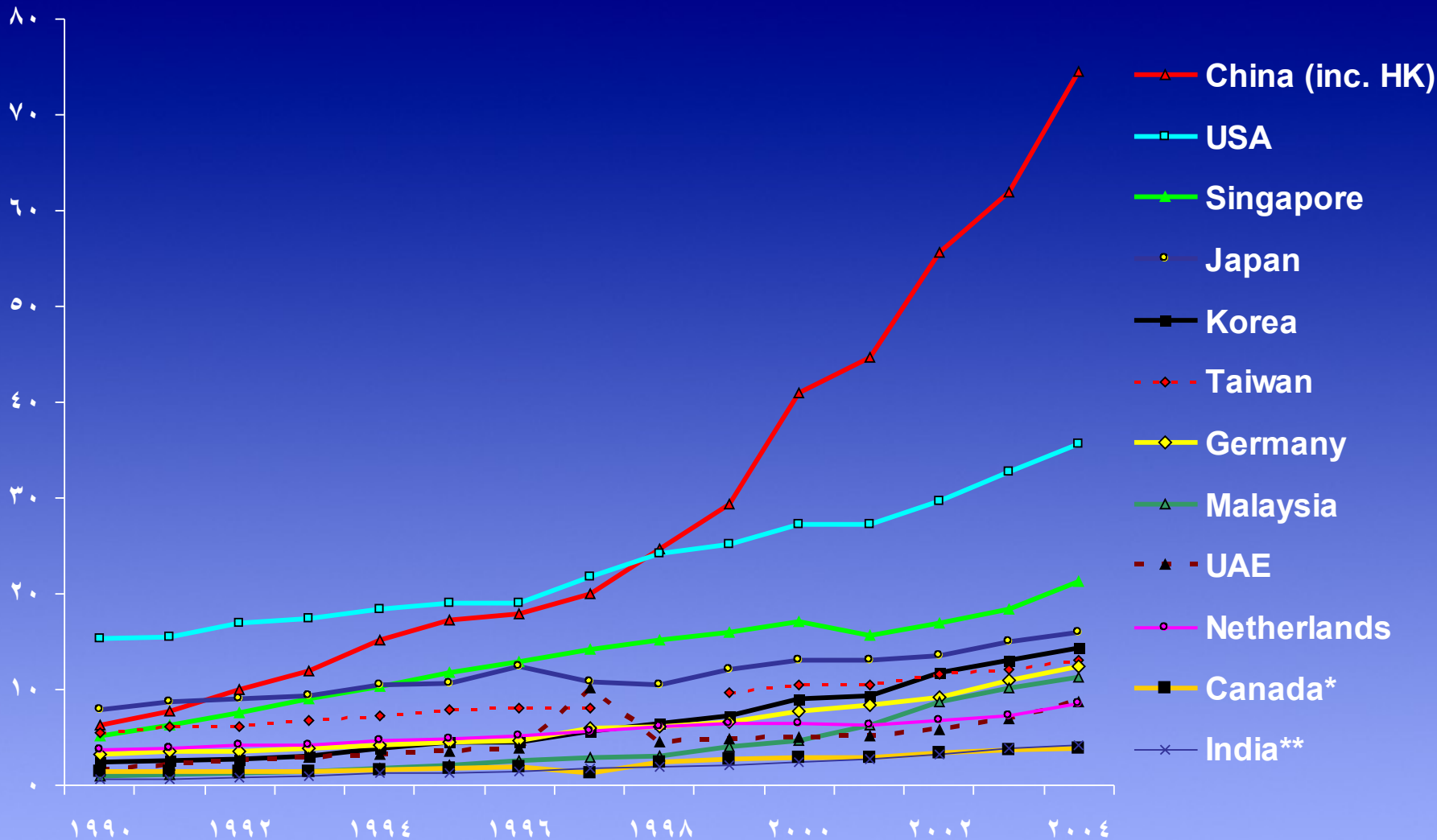
Developing the Atlantic Gateway



- **The East Coast-Suez Option: Global Trade and Shipping Developments**
- **Opportunities for an Atlantic Gateway**
- **Economic Benefits of a Gateway**
- **Competitors and Challenges**
- **Key Issues in Developing the Gateway**
- **Conclusion**

Global Trade Shifts: China Storms to the Top of the Global Container League

Top Ten Countries for Container Movements (million TEUs)



* Canada ranks 20th ** India ranks 18th

Source: Containerisation International Yearbook

Potential For East Coast Ports to Play Greater Role via the Suez Canal



- Rapid growth in Asia-North America trade – driven by imports of manufactured goods from low-cost countries (e.g., China) as firms develop global supply chains
- Potential shifts of manufacturing activity within Asia – may favour increased shipments from countries such as Malaysia, Vietnam and Thailand
- Larger, post-Panamax vessels are being deployed
- Congestion at West Coast ports is prompting diversification by shippers
- Congestion and ship size constraints at Panama Canal offer window of opportunity for East Coast ports

Opportunities for an Atlantic Gateway



- Major opportunity to be a North American gateway, particularly for imports from Asia
 - Atlantic Canadian market not large enough to influence port of call choices (cf. New York)
 - Closest East Coast ports to Europe and Asia via Suez

Transit Time (via Suez) Between Selected Ports (days:hours)			
	Mujmbai (India)	Laem Chabang (Thailand)	Singapore
Halifax	14:13	19:20	18:06
New York-New Jersey	15:01	20:18	19:05
Norfolk	15:18	21:01	19:12
Savannah	16:09	21:16	20:02

Note: Times based on 22 nautical miles per hour

Source: World Ports Distances Calculator

Opportunities for an Atlantic Gateway



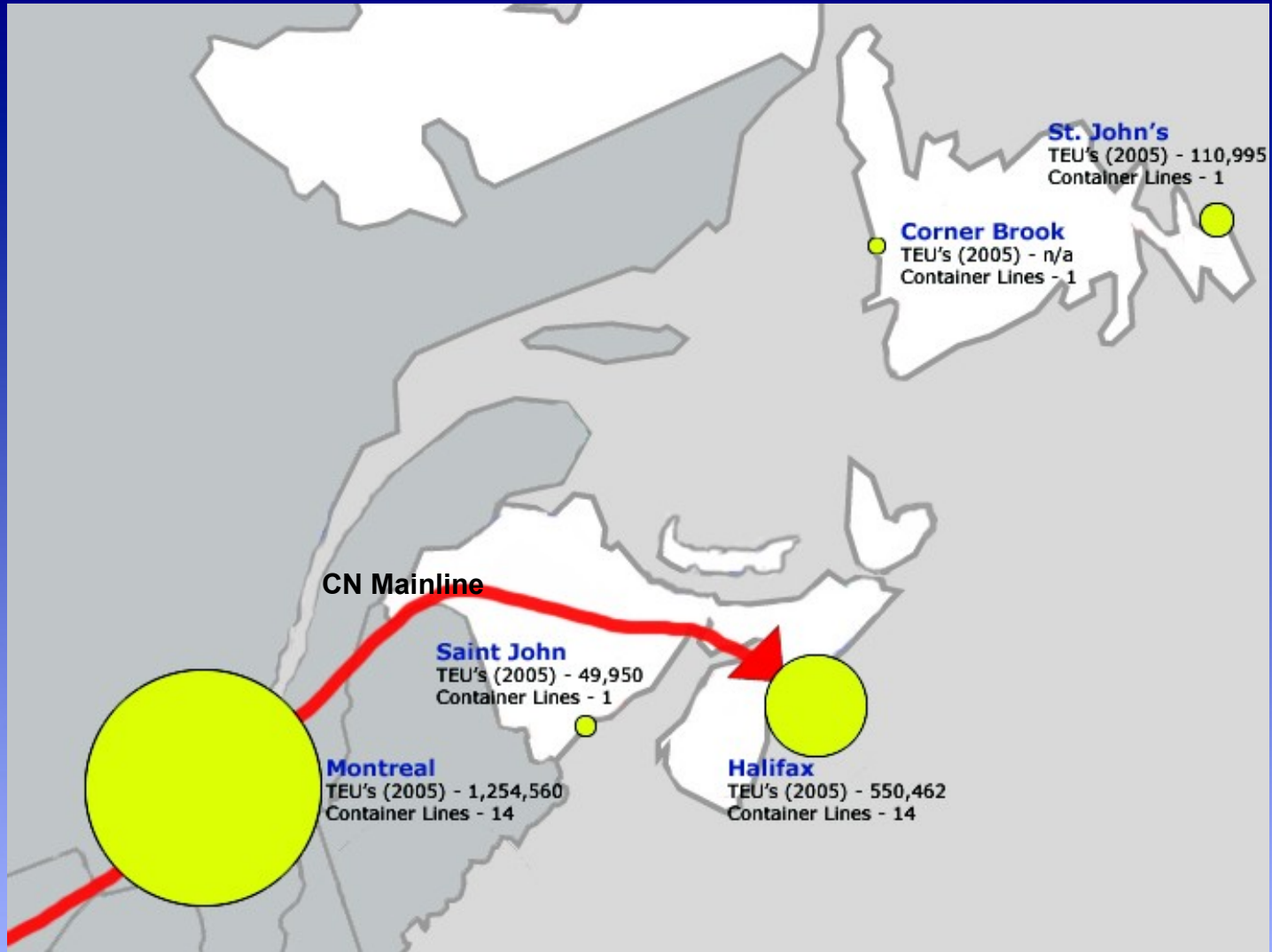
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 - Atlantic Canadian market not large enough to influence port of call choices (cf. New York)
 - Closest East Coast ports to Europe and Asia via Suez
 - Transit time advantages over Norfolk & Savannah for markets in central Canada and U.S. Midwest
- Gateway for European-North American trade
- Potential for increased transshipment and short-sea shipping

Economic Benefits of Atlantic Gateway: Atlantic Canada, Canada and U.S.



- **Increased incomes & tax revenues at Atlantic container ports**
- **Opportunities for regional trucking & related services (e.g., transload, logistics)**
- **Improved transportation infrastructure and services would benefit broad range of businesses in the Atlantic region**
- **Improved access to markets for Atlantic, central Canadian and U.S. exporters and importers**
- **Provide Canadian and U.S. importers with greater options to help manage risk in their supply chain**
- **Put Halifax – Nova Scotia - Atlantic Canada “on the map” as an international business location**

Halifax Currently Best Positioned Canadian East Coast Container Port ...



... But Intense Competition at North American Container Ports for Increased Asian Trade

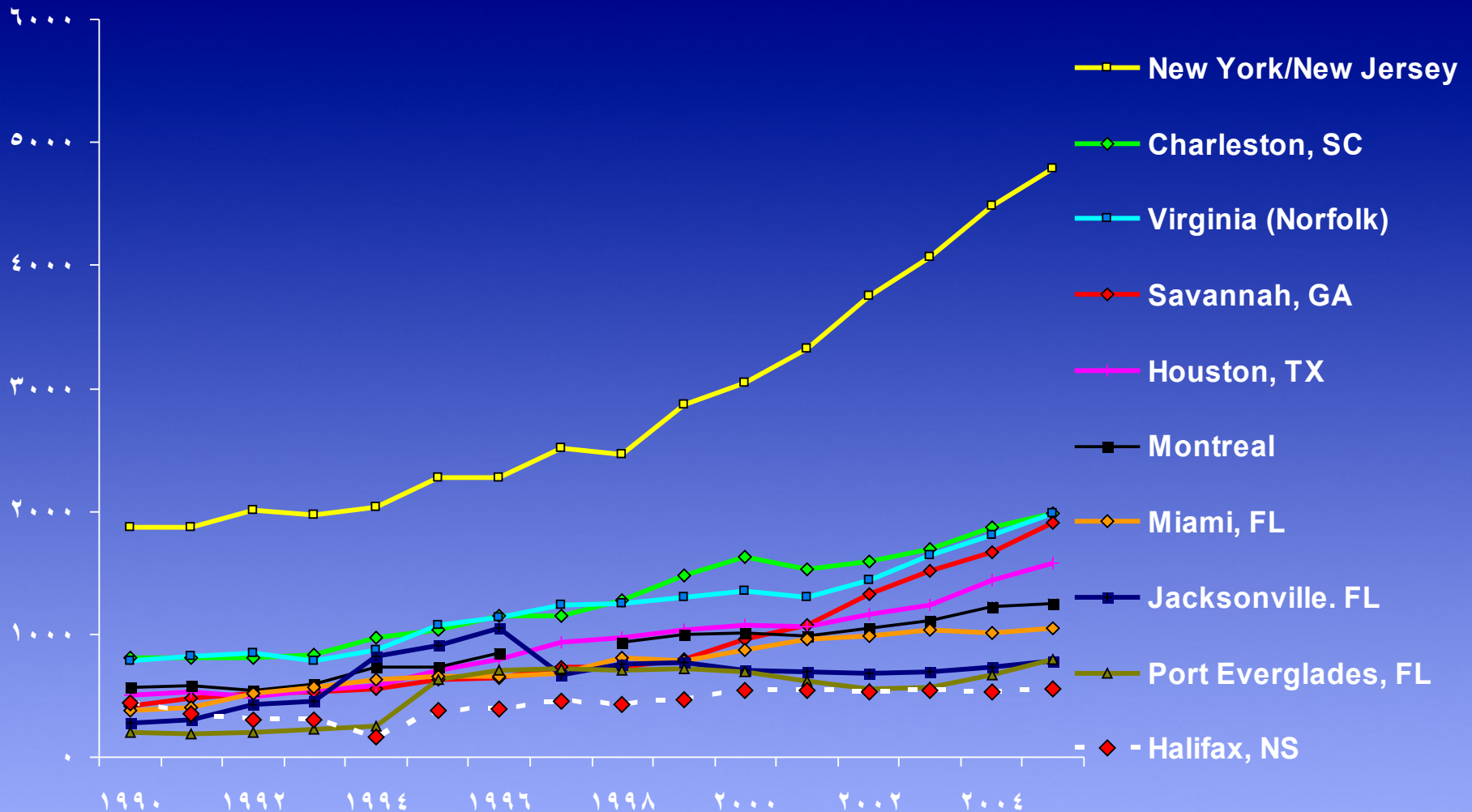


- **Expansion of Panama Canal (complete by 2013/14?)**
- **Investments at West Coast ports in Canada (Prince Rupert, Vancouver-Deltaport)**
- **Improvements at U.S. West Coast ports**
- **Investments at Mexican ports (Lázaro Cárdenas)**
- **Investments at U.S. Gulf ports (Houston)**
- **Investments at U.S. East Coast ports (Savannah, Norfolk, New York-New Jersey)**

Can Halifax Move up the East Coast Container League Table?



Top North American East Coast Container Ports (thousand TEUS)



Source: Containerisation International Yearbook

Developing the Atlantic Gateway: Issues for Regional Stakeholders



Atlantic region lacks a large local market:

- **Strong connections to inland markets are absolutely vital**
- **Port efficiency also crucial: invest to boost productivity**

Intense competitive pressures require urgent action

- **Need to market Atlantic gateway outside the region**
- **Remove regulatory barriers (e.g., port governance)**
- **Ensure sufficient port capacity – can change quickly**
- **Work together – common vision, coordinated action**

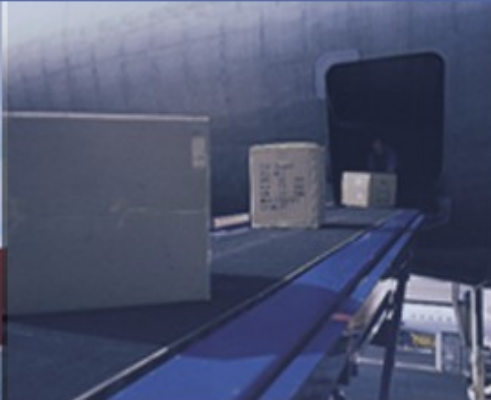
Conclusion



- **The Atlantic Gateway for container shipments presents a real opportunity of strategic regional and national importance**
- **However, success is not guaranteed: our competitors are moving quickly to strengthen their respective positions**
- **Requires focus and sense of urgency to move forward**
- **From a regional perspective, must not neglect other important transportation priorities (e.g., highways, border/security, transportation regulations)**



The Changing Global Economy: The Implications and Opportunities for Transportation in Atlantic Canada



**APEC's gateway report and
related Commentary available
on our website at:**

www.apec-econ.ca

