



The Bulletin

The Newsletter of the British Columbia Maritime Employers Association

A successful 2018 cruise season wraps up at Canada Place



portvancouver.com

The final cruise ship set to sail during the 2018 season departed from Vancouver on October 19th, marking the end of the 32nd consecutive cruise season at Canada Place terminal at the Port of Vancouver.

The Star Princess was the first ship to kick off the 2018 season and her sister ship, the Emerald Princess, was the last to depart Canada Place this year, heading down the Pacific Coast to Los Angeles, before embarking on a 28-day round trip to Hawaii. *(continued)*

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A successful 2018 cruise season wraps up at Canada Place (continued)

“This year was an especially exciting season for the cruise industry in Vancouver,” said Peter Xotta, vice president of planning and operations at the Vancouver Fraser Port Authority. “Working alongside our destination, cruise line and industry partners, we made history with the arrival of the 25-millionth cruise passenger through the Port of Vancouver, saw the highest number of cruise passengers since 2010, and hosted the largest cruise ship ever to visit Vancouver.”

In 2018, Vancouver welcomed more than 900,000 cruise passengers on 243 ship visits, reflecting a seven per cent increase in passenger volumes over 2017. Cruise is a key economic driver for the region as each cruise ship adds about \$3 million to the local economy.

The 2019 cruise ship season kicks off with the arrival of the Emerald Princess on March 29.

<https://www.portvancouver.com/news-and-media/news/a-successful-2018-cruise-season-wraps-up-at-canada-place-tomorrow/>

Highlights for 2018 cruise season:

- Vancouver cruise passenger volumes have been strong and steady over the past five years, and in 2018 were the highest since 2010. This year, more than 900,000 passengers arrived in Vancouver on 243 cruise ship visits, representing a seven per cent increase in passenger volumes compared to the 2017 season.
- On September 30, the Port of Vancouver welcomed the Norwegian Bliss, which accommodates more than 4,000 passengers and is the largest cruise ship ever to visit Vancouver.
- On May 23, the Port of Vancouver made history with the arrival of the 25-millionth cruise passenger.
- The Vancouver cruise industry stimulates on average nearly \$3 million in direct economic activity for each ship that visits Canada Place, generates nearly 7,000 jobs across Canada and \$300 million in wages, and contributes \$840 million to national GDP.
- The 2018 season included several new cruise ships to homeport at the Port of Vancouver, such as Windstar Cruises’ luxury Star Legend and the Norwegian Jewel, which replaced the Norwegian Sun.
- The Port of Vancouver’s Canada Place cruise ship terminal welcomed the return of Holland America, Princess Cruises, Norwegian Cruise Line, Oceania Cruises, Regent Seven Seas Cruises, Disney Cruise Line, Celebrity Cruises, Royal Caribbean International, Crystal Cruises, Seabourn Cruise Line, and Silversea Cruises. These cruise lines all have ships that use the Port of Vancouver as homeport to begin and end each cruise.
- In 2009, the Canada Place cruise ship terminal became the first in Canada and third in the world to offer shore power for cruise ships. Since then, there have been 493 successful shore power connections out of 624 calls from ships able to connect to shore power. This equates to a total of 58,000 tons of fuel savings, more than 18,000 tons of greenhouse gas (GHG) emission reductions and 524 tons of air pollutant reductions.

Multimillion-dollar container terminal investments in B.C. buck global trend

\$810 million in upgrades expanding Metro Vancouver's cargo capacity despite growing transpacific trade war concerns

biv.com



Left to right, GCT Canada president Eric Waltz, B.C. Premier John Horgan, Global Container Terminals CEO Doron Grosman and GCT Deltaport vice-president of operations Daniel Howell touring GCT Deltaport terminal's new rail densification project

Globally, investors have become wary of sinking big dollars into port and terminal projects, but locally they are being far less cautious. Global Container Terminals (GCT) recently went live with its \$300 million rail densification project at GCT Deltaport.

The investment in the Roberts Bank container cargo terminal is part of what GCT president and CEO Doron Grosman sees as one of his three main objectives after he replaced Stephen Edwards in July 2017: increase GCT's return on capital. The company is also set to invest \$160 million to expand container cargo handling capacity at its Vanterm terminal in Vancouver.

Current market conditions appear to support the wisdom of GCT's investments.

Vancouver recently graduated into the list of the world's top 50 container ports as compiled by the U.S.-based Journal of Commerce. Its 10.9% increase to 3.25 million 20-foot equivalent units (TEUs) handled in 2017 ranked it No. 47. Mid-year cargo numbers released earlier this year showed container cargo through the Port of Vancouver up 5% to a record 1.64 million TEUs and up 16% through the Port of Prince Rupert to 591,335 TEUs compared with 2017's first six months. *(continued)*

Multimillion-dollar container terminal investments in B.C. buck global trend (continued)

In the wider world, a new United Nations Conference on Trade and Development (UNCTAD) report concludes that prospects for global seaborne trade are good.

Review of Maritime Transport 2018 notes that trade expanded by 4% in 2017 as 752.2 million TEUs were moved through global container ports. It was seaborne trade's fastest growth in five years, and UNCTAD estimates volume increases this year will match 2017's 4% growth. UNCTAD is also forecasting 3.8% compound annual growth for seaborne trade between 2018 and 2023, with containerized and dry bulk sectors leading that growth.

But not all analysts share the same optimistic outlook for trade and shipping.

Drewry, a U.K.-based shipping consultancy, recently downgraded its five-year projection for annual container port traffic growth to 4.3% from 5.7% based in part on the China-U.S. trade war and collateral skirmishes on other fronts. A September Drewry briefing added that the number of greenfield container port projects globally has dropped from 130 in 2009 to around 80 today.

Neil Davidson, senior analyst in Drewry's ports and terminals practice, pointed out that the capacity of new container terminals is also down. "This suggests that investors are most cautious about the largest terminal projects, and the focus for greenfield projects [now] is on smaller facilities. This is understandable, but it's not necessarily what the market wants or needs."

According to Drewry, annual global container port capacity is projected to expand by only 2%, or 125 million TEUs, by 2022, which it argues is well below projected demand. The trend in a global container cargo shipping sector that continues to struggle with overcapacity, escalating bunker fuel costs, chronically low freight rates and looming environmental challenges has been to deploy larger ships and consolidate shipping lines via acquisitions or alliances.

Those two factors intensify container-handling efficiency pressures for ports and terminals; they also reduce choices for shippers and marginalize smaller ports and terminals that can't handle mega-container ships. In addition, more liner companies are partnering with container terminals or acquiring operating interests in them to secure customer commitments, increase revenue and diffuse operational risks.

But those deals create their own complications.

Davidson noted that the politics of liner alliances is complex because the aims of terminal operators and shipping lines often conflict. "The independent terminal operator wants to maximize profits," he said, "but the shipping line wants to pay the lowest possible price for terminal handling."

Container terminal operators are also investing in extending their operations further along logistics chains.

DP World Ltd., which operates Vancouver's Centerm and Prince Rupert's Fairview container terminals, acquired Unifeeder earlier this year in a deal worth an estimated US\$765 million. The integrated logistics company is the largest container feeder operator in Europe. DP World also plans to invest \$350 million to increase the capacity of its Centerm container terminal in Vancouver to 1.5 million TEUs from the current 900,000. The project would expand Centerm's footprint by an estimated 15%.

Consolidated container cargo volume through the Dubai-based company's 78 terminals dipped 0.5% to 9.1 million TEUs in 2018's third quarter compared with the same quarter a year ago. The slowdown, according to CEO Sultan Ahmed bin Sulayem, was due in part to "general caution in the market given uncertainty in global trade." (continued)

Multimillion-dollar container terminal investments in B.C. buck global trend (continued)

Angela Kirkham, DP World (Canada) Inc.'s manager of marketing and communications, said the Centerm project still needs to complete several approval processes before work on it can begin.

"We are progressing, but there are no shovels in the ground."

GCT's \$160 million Vanterm upgrade would increase container handling capacity 25% (220,000 TEUs) and allow it to handle larger container ships.

The project, which includes no expansion of Vanterm's physical footprint, is expected to get underway by year's end.

GCT is also looking at further Deltaport expansion as part of what company vice-president of public affairs Marko Dekovic said is GCT's game plan of incremental expansion to service growing container traffic through its terminals.

Meanwhile, the Vancouver Fraser Port Authority's ambitious Roberts Bank Terminal 2 project is still undergoing environmental assessment. In planning stages since 2012, the \$2 billion container terminal would add 2.4 million TEUs to the port's annual containerized cargo handling capacity.

In an interview with *Business in Vancouver*, Grosman said container shipping industry consolidation and larger ships concentrated in the hands of fewer shipping lines create challenges for terminal operators.

"The bigger the vessels, the higher the cranes need to reach and the further out the cranes need to reach because the vessels get longer, they get higher and they get broader."

The investment in Deltaport's rail densification is aimed at addressing those infrastructure issues. Grosman said it has increased Deltaport's overall capacity 33% and its ability to move railcar boxes by 50%.

And, a month after the project's completion, "it is a beautiful purring machine."

More purring logistics machinery in the Port of Vancouver would be music to the ears of Asia-Pacific Gateway shippers. Early in October, the *Journal of Commerce* reported concerns raised by shippers over container dwell times exceeding five days rather than the usual three days at the port.

A reckoning of terminal cargo-handling efficiency, dwell time is a measure of how long a container sits on a dock after being unloaded from a ship and before it's loaded onto railcars or trucks. As of September, port statistics pegged the average dwell time at 3.7 days.

Grosman said that another major challenge facing the global shipping sector is "the man down in Washington barking and waving his arms and creating all kinds of waves across the world that don't exactly help global trade and promote movement of goods."

Grosman, a U.S. citizen, added that the tariff disputes and the aggressive approach of the current U.S. administration are moving international relations and global trade in the wrong direction.

Previous administrations, he said, were far from perfect, "but we were all trying to move in a direction that was for the improvement of the world at large, with a lot of squabbling but the intention was honourable.... We didn't poke our best allies in history in the eye; we didn't say rude things about them; we argued and we figured it out."

Grosman said the current trade and tariff war "is not hurting our business today; it may hurt our business in the new year [but] that's still not clear.... There is a lot of barking but not a lot of biting, and the biting that is occurring is not adversely impacting the container business – yet."

<https://biv.com/article/2018/10/multimillion-dollar-container-terminal-investments-bc-buck-global-trend>

Industry News Links

Vancouver Fraser Port Authority Director recruitment

<https://www.portvancouver.com/news-and-media/news/director-recruitment-3/>

Will LNG riches now come within Canada's reach, as the global market continues to grow?

<https://canadiansailings.ca/will-lng-riches-now-come-within-canadas-reach-as-the-global-market-continues-to-grow/>

Vancouver Fraser Port Authority recognized for best practices in sustainability governance

<https://www.portvancouver.com/news-and-media/news/vancouver-fraser-port-authority-recognized-for-best-practices-in-sustainability-governance/>

Canada's ports policy needs to move into the 21st century

<https://www.canadianshipper.com/transportation-and-logistics/canadas-ports-policy-needs-move-21st-century/1003378247/>

Changing the face of shipping? How climate change is posing dramatic challenges to the maritime industry

<https://www.bcshippingnews.com/home/industry-news-feature-articles/changing-face-shipping>

WorkSafeBC: The high price of too little sleep

<https://www.worksafebc.com/en/resources/newsletters/worksafe-magazine/worksafe-magazine-septoct-2018/worksafebc-updates-high-price-too-little-sleep>

IMO Moves Forward on GHG Reduction Plans

<https://maritime-executive.com/article/imo-moves-forward-on-ghg-reduction-plans>

British Columbia Considers Kwispaa LNG Project

<https://www.breakbulk.com/news-british-columbia-considers-kwispaa-lng-project/>

Nanaimo Port Authority CEO Ewan Moir leaves post after one year

<https://biv.com/article/2018/10/nanaimo-port-authority-ceo-ewan-moir-leaves-post-after-one-year>

Performance of the Canadian Transportation System in 2017

<https://www.tc.gc.ca/eng/policy/transportation-canada-2017.html#toc8>

Canadian National Railway CEO 'bullish' despite U.S. China trade tensions

<https://www.canadianshipper.com/transportation-and-logistics/canadian-national-railway-ceo-bullish-despite-u-s-china-trade-tensions/1003378237/>

Why the maritime industry needs more women

<https://www.raconteur.net/finance/maritime-jobs-women>

Learn how Transport Canada is protecting the Marine Transportation Sector

<https://www.tc.gc.ca/eng/policy/transportation-canada-2017.html#toc4>

The digital age is not quite the disruptor freight forwarders feared, says report

<https://canadiansailings.ca/the-digital-age-is-not-quite-the-disruptor-freight-forwarders-feared-says-report/>

Tackling maritime emissions – IMO rolls out ship and port toolkits

<http://seanews.co.uk/maritime/tackling-maritime-emissions-imo-rolls-out-ship-and-port-toolkits-2/>

Proposed changes to protect major industrial operations in British Columbia

<https://news.gov.bc.ca/releases/2018MAH0132-002006>

New Paper: Safety in Automation

https://www.porttechnology.org/news/new_paper_safety_in_automation

CN reports Q3-2018 financial results

<https://www.cn.ca/en/news/2018/10/cn-reports-q3-2018-financial-results/>

Tweet of the Week



GCT Canada
@GCT_Can

Following

"Our vision is to be the world's most sustainable port," said [#RobinSilvester](#) [@PortVancouver](#). As Canada's largest maritime employer, we are [@climatesmart](#) and [@GMarine_AVerte](#) certified, and strongly support the VFPA's drive towards our green future.



INDUSTRY EVENTS CALENDAR

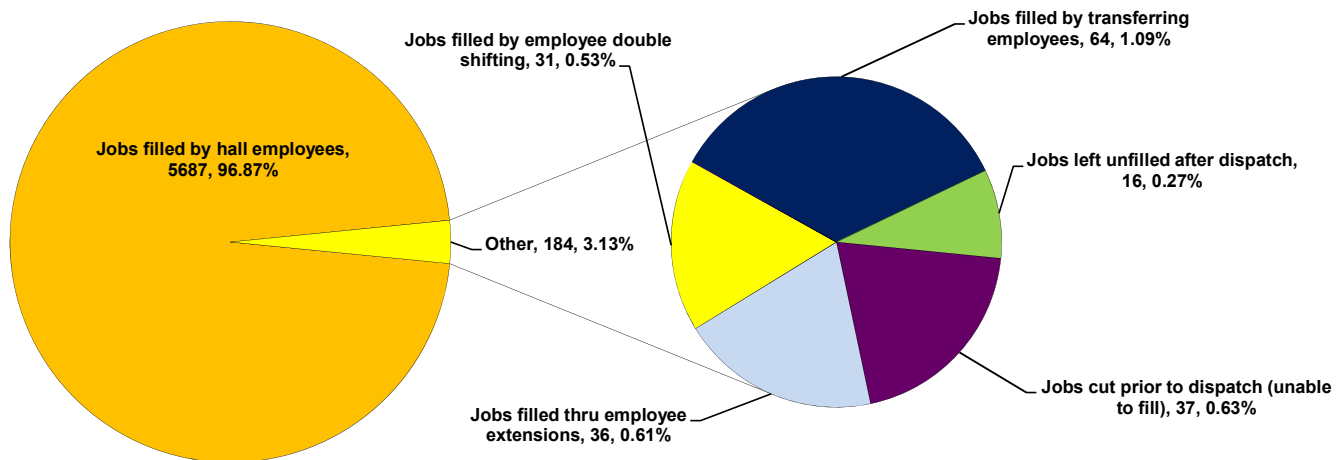
- Nov. 13-15, 2018 **National Canadian Marine Advisory Council Fall 2018**
Shaw Center
Ottawa, ON
<https://www.eventbrite.ca/e/national-cmac-fall-2018-ccmc-national-automne-2018-registration-48696949888>
- Nov. 14, 2018 **ABCMI Business Opportunities Conference**
Vancouver Convention Centre - East Building
Vancouver, BC
<https://www.abcmi.ca/events/abcmi-business-opportunities-conference-1>
- Nov. 14-16, 2018 **WOC Sustainable Ocean Summit: “Ocean Sustainable Development -Connecting Asia and the World”**
Hong Kong
<https://sustainableoceansummit.org/>
- Dec. 5-7, 2018 **National Workers’ Compensation and Disability Conference & Expo**
Mandalay Bay
Las Vegas, NV
<http://www.wccconference.com/>
- Dec. 11-12, 2018 **JOC Port Performance Conference North America**
Renaissance Newark Airport Hotel
Newark, New Jersey
<https://events.joc.com/2018-port-performance>
- Feb. 5-7, 2018 **Cargo Logistics Canada**
Vancouver Convention Centre West
Vancouver, BC
<http://cargologisticscanada.com/>
- March 3-6, 2019 **19th Annual TPM Conference**
Long Beach Convention Center
Long Beach, CA
<https://events.joc.com/tpm-2019>

Dispatch Shortage Statistics

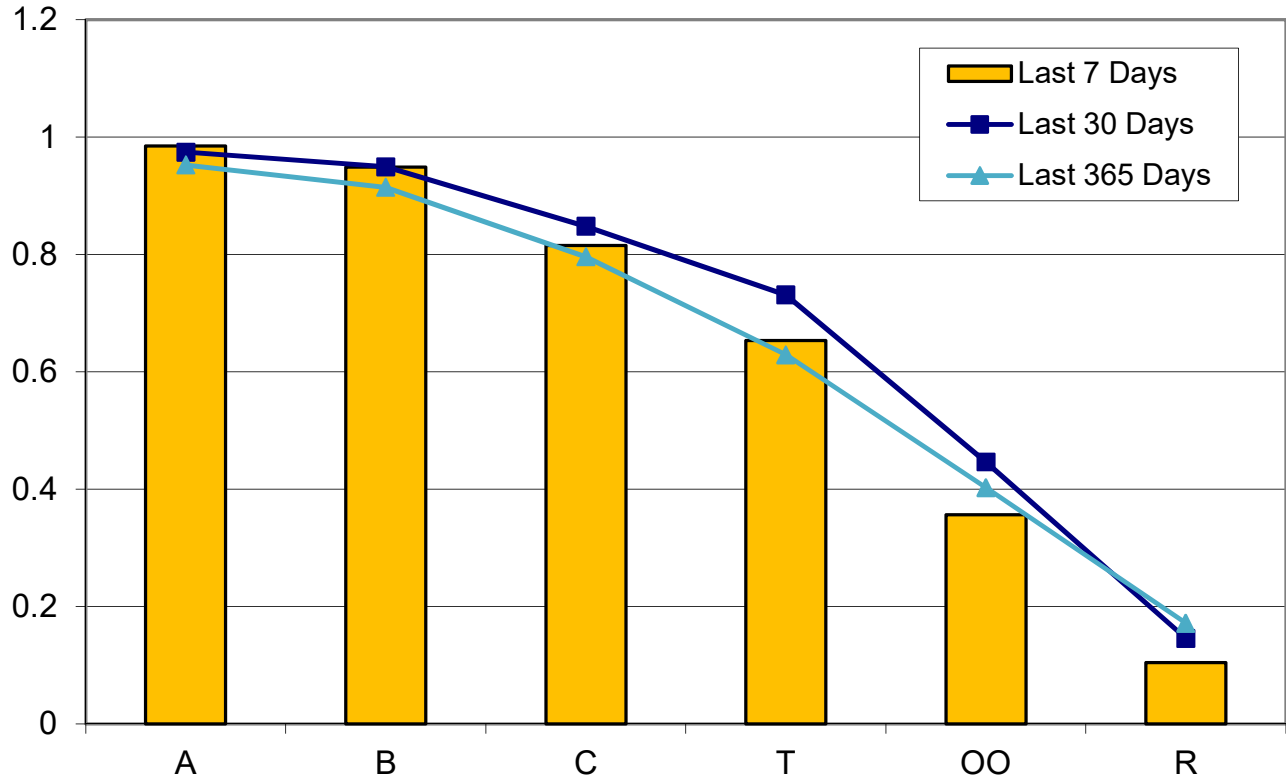
For the Period Sunday October 21st, 2018 to Saturday October 27th, 2018

JOB	Jobs cut prior to dispatch (unable to fill)	Jobs filled thru employee extensions	Jobs filled by employee double shifting	Jobs filled by local 502 employees	Jobs filled by transferring employees	Jobs left unfilled after dispatch	TOTAL
40 TON & RACK					2		2
6000 SURFBOARD						1	1
BULK OPERATOR			7		2	1	10
BULLDOZER	1				1		2
CARPENTER						1	1
CHECKER (DOCK)	2				8		10
DOCK GANTRY		14			5		19
DOCKMEN	4				1		5
DRIVER	12				7	1	20
ELECTRICIAN					3		3
F.E.L.			9		1		10
FILLIN	4						4
FIRST AID						1	1
GEARPERSON	1						1
H.D. MECHANIC					3	2	5
HATCH TENDER	2	4				2	8
HEAD CHKR		10			10	1	21
HT SIGNALS					1		1
KINDER MORGAN LIQUID			1				1
KOMATSU OP			1		3		4
LOCIE ENGINEER			5				5
MAINT LABOUR						2	2
MEN - DOW					1		1
PLUMBER			1				1
PUSHER					1		1
RED DOG CRANE		1					1
RUBBER TIRE GTY	1				9		10
SHIP GANTRY					1		1
SLINGMEN	4						4
SPARES	4					1	5
SWITCHMAN			7				7
TRAC. TRAIL. (Y)					3		3
WELDER						2	2
WINCH DRIVER	2	7			2	1	12
TOTAL	37	36	31		64	16	184

How were shortages handled by Dispatch?



Vancouver Casual Employee % Dispatched per Dispatch Board



Future BCMEA Meeting Dates:

Finance & Audit and Direct Employers Committee Meeting

November 15th, 2018
8:30am - 11:00am
5th Floor Boardroom
349 Railway Street

Board of Directors Meeting

November 27th, 2018
8:30am - 11:00am
5th Floor Boardroom
349 Railway Street



Your Feedback:



Have something for
the BCMEA Bulletin?

Send your comments
or contributions to
the Bulletin's
Editor at:

editor@bcmea.com