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Vancouver port may be left waiting for its ships to come in 3

Geography, some historians say, is destiny. If so, Vancouver as a West Coast port may be destined for some leaner times.

We happen to be blessed with a natural harbour. We happen to be Canada's largest city on the Pacific. We happen to be among the closest ports to the giant Asian economies. Those geographic happenstances secured Vancouver's past; they have been held up as the promise of its future. The entire premise of Premier Gordon Campbell's Gateway expansion plan is based on them.

But events now and in the very near future could deflate the promise of Gateway. Geography is central to that.

The first event is far to the south. By 2014, the expansion of the Panama Canal is scheduled for completion. That expansion will not only allow bigger ships to go through the canal, but, more to the point, bigger container ships.

The second event is far to the north. Last year, for the first time, the Northwest Passage was free of ice. Some scientists are predicting it could be ice-free by 2030. The passage will be open to large ocean-going ships, opening up a second and even faster route between Asia and eastern North America. So? Container traffic is the *raison d'être* of Gateway. The more containers there are, the more infrastructure is needed to move them. The planned expansion of Roberts Bank and the development of lands around it, for example, are based on container traffic. Here where geography intrudes. The longer a container is moved by sea, the cheaper the transportation costs. The containers that are off-loaded here, however, and either moved by rail through Vancouver or repacked into other containers at local terminals are headed primarily for bigger markets in the east. But if you are a shipper, why deal with any of that? Why not just ship it directly to the biggest markets you hope to exploit? Those questions may have begun to be answered in other West Coast ports. This news item on the twin ports of Long Beach/ Los Angeles comes from the Los Angeles Times business section, on Nov. 28, 2008: " But the problems at the twin ports, along with smaller West Coast harbors" — [such as Vancouver's] — " extend beyond the nation's economic woes, maritime experts say, and changes on the horizon could leave the seaports struggling to keep customers.

" That's the assessment of a recent report by London-based Drewry Supply Chain Consultants, a maritime industry research firm that has about 3,000 clients in more than 100 countries.

West Coast ports will see increased competition from the Panama Canal, which is undergoing a bigger-than-expected expansion due to be completed in 2014, Drewry said.

" Even if global trade returns to its formerly robust pace, Drewry said, ' any new trade will probably pass the West Coast by. Volumes are unlikely to decline, but the days of strong growth on the Pacific Coast are behind us.' "

According to Port Metro Vancouver's overview report for 2008, the tonnage of cargo handled here was down 10 per cent from the previous year. According to industry-watcher Port Tracker, shipping volumes here are expected to drop more than 15 per cent in 2009.

And if we extrapolate from American forecasts, the extended future doesn't hold much promise for West Coast ports, either. This from the Dallas Morning News, in February 2008:

" Once the canal expansion is completed by 2014, shippers say as much as 40 per cent of U. S. imports from Asia will pass through the Panama Canal."

Add the approaching spectre of the ice-free Northwest Passage, and Vancouver may find itself not just caught between a northern and southern sea route, but between a rock and a hard place.



More Thursday.

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