

## INFORMATION BULLETIN

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**DATE: August 20, 2014**

**SUBJECT: *Canada's ports must prepare for 21-century trade deals***

**SOURCE: *Wendy Zatylny, The Globe and Mail, 8/18/14***

*Wendy Zatylny is president of the Association of Canadian Port Authorities, representing 18 port authorities and related marine interests which handle more than \$162-billion worth of cargo annually.*

The maritime trade winds that have helped chart Canada's economic course for decades are shifting dramatically.

As Canada's Port Authorities gather in Belledune, N.B. – one of the National Port System's key Atlantic gateways – it's clear that the shipping world is going through a remarkable transformation and that Canada has a unique opportunity to advance its global leadership into the top ten nations when it comes to supply chain efficiency.

Expanded trade agreements between Canada and international partners are making our world smaller. Traditional trade patterns are changing. Competition to carry and receive cargo is intensifying. Navigating this new environment effectively is crucial to Canada's economy and our standard of living.

With 90 per cent of everything we buy travelling by ship, maritime trade underpins the global economy. We buy, therefore we must ship.

These are the goods we depend on every day: cars, tools, electronics, resources, food, and medicines – to name just a few.

A combined \$162-billion worth of goods are shipped or received through Canadian Port Authorities each year from trading partners in more than 160 countries. Our ports handle over 60 per cent of the country's waterborne cargo.

In the process, our ports contribute to job creation and economic growth, creating 250,000 direct and indirect jobs that pay higher-than-average wages. Every one million tonnes of new cargo at Canada's Port Authorities generates 300 new jobs.

The expansion of Canadian trade presents a remarkable opportunity for our shipping industry.

Since 2006, Canada has concluded new trade agreements with nine countries and is negotiating with many more. The Comprehensive Economic and Trade Agreement with the 28-nation European Union promises to open up preferred access to the world's largest economy, with 500 million people and annual economic activity of almost \$17-trillion.

The recent announcement that Canada and the EU have completed a text creates an historic, once in a lifetime opportunity that we must seize.

However, we will only be able to capitalize on this expanded market and increase our competitiveness through strengthened port facilities and improved supply chain efficiencies. With the expansion of trade comes the necessity for the expansion of port infrastructure.

A 2012 report by the World Bank on logistics ranked Canada 14th out of 155 countries when it comes to the efficiency of our clearance process, the quality of trade- and transport-related infrastructure, the ease of arranging competitively-priced shipments and other key factors.

This measure is important because it is an alternate measure for the efficiency of a nation's economy, and is indicative of a nation's competitiveness. The report notes, "Countries with better logistics can grow faster, become more competitive, and increase their investment."

In our view, 14th is not good enough for a leading trade nation. Our goal should be to break into the World Bank's Top 10 in terms of supply chain efficiency. We're confident we can improve our position with the government of Canada on board, engaging with Canada's Port Authorities to ensure our infrastructure is able to accommodate increasing trade demands and that our supply chains operate as smoothly and efficiently as possible.

We hope to create a partnership with Canada's Trade Commissioner Service to develop a training program for trade commissioners, helping them better understand the value-add that is the National Port System. We'd also like to see our partners in government create an Inter-Departmental Working Group that would examine and seek to resolve other regulatory issues and barriers to "smooth sailing" on a continuing basis.

The efficiency of our supply chains in the marine shipping industry is as much a value-add as the trade agreements that support our exports. Indeed, creating opportunities by

addressing challenges will help Canada maximize its advantage and truly seize the moment.

Doing so will allow Canada to fully leverage the benefits of the trade agreements it is negotiating, bring additional economic benefits to its citizens, and position us as the world leader in transportation logistics and supply chain efficiency. The time is now to pair Canada's 21st century trade agenda with 21st century transportation efficiency.

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