

Ensuring the Vancouver Gateway is Future Ready



**BCIT International Business Management Program
Showcase April 2016**

Outline

- Introduction.
- Trade Enabling Industrial Land.
- Inland Terminals.
- Short Sea Shipping.
- The Next 20 Years.



Introduction: Recent Research

Port of Vancouver (2015):

- **Trade Enabling Industrial Lands.**

Metro Vancouver (2015):

- **Inland Terminals,**
- **Short-Sea Shipping.**

Trade Enabling Industrial Lands

- Lands required to support goods movement in and out of the region, including other parts of BC and to and from other provinces.
- Lands occupied by marine terminal facilities, distribution centres and warehouses.



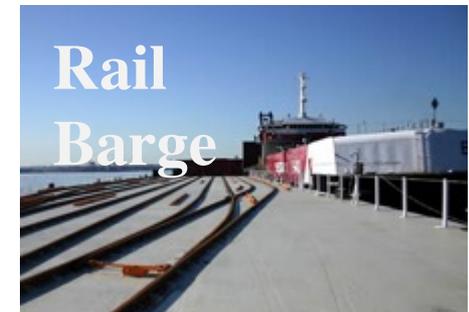
Inland Terminals

- Multi-modal terminals handling port-related traffic located inland from port terminals.



Short Sea Shipping

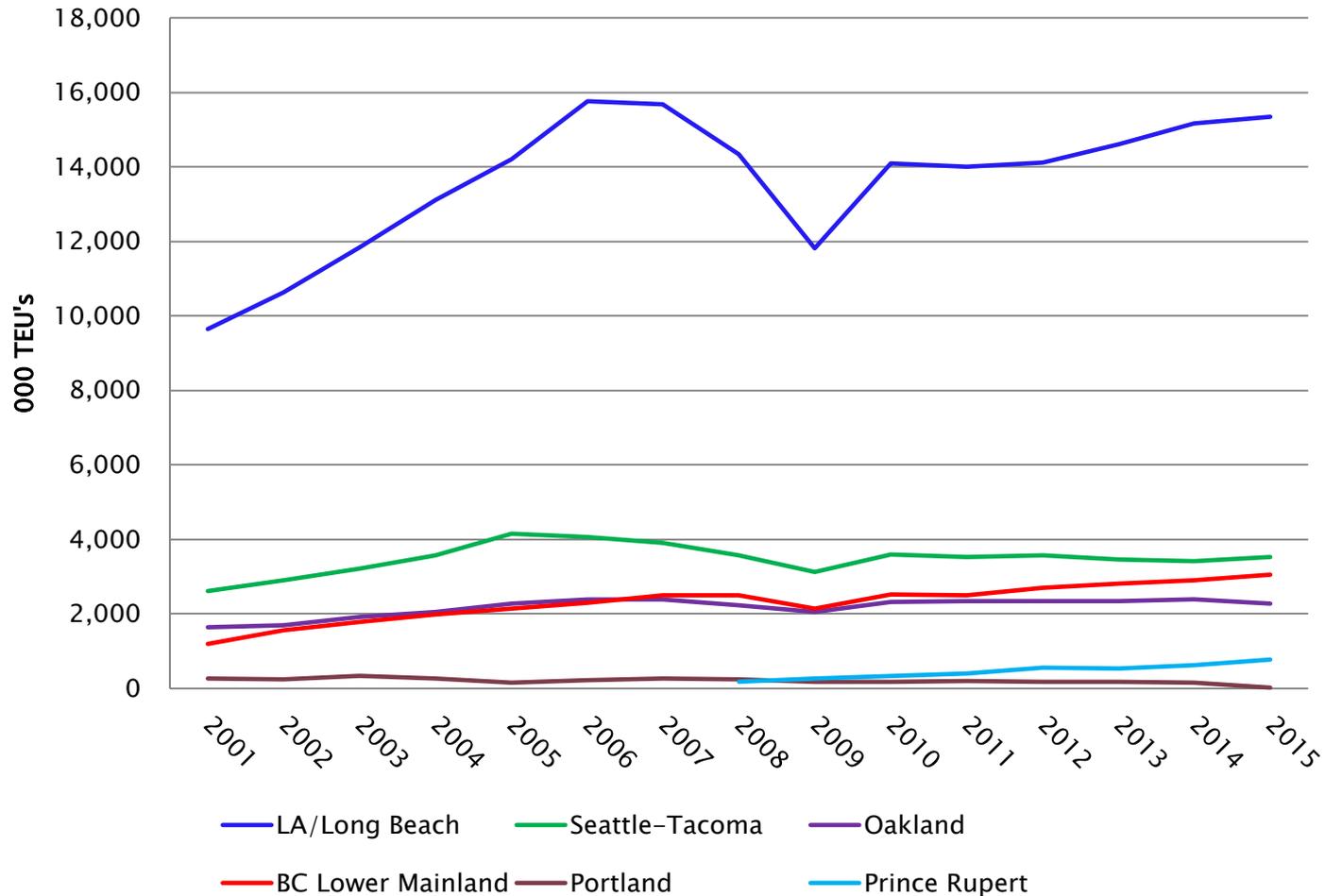
- The movement of cargo by water over relatively short distances, excluding trans-oceanic voyages.



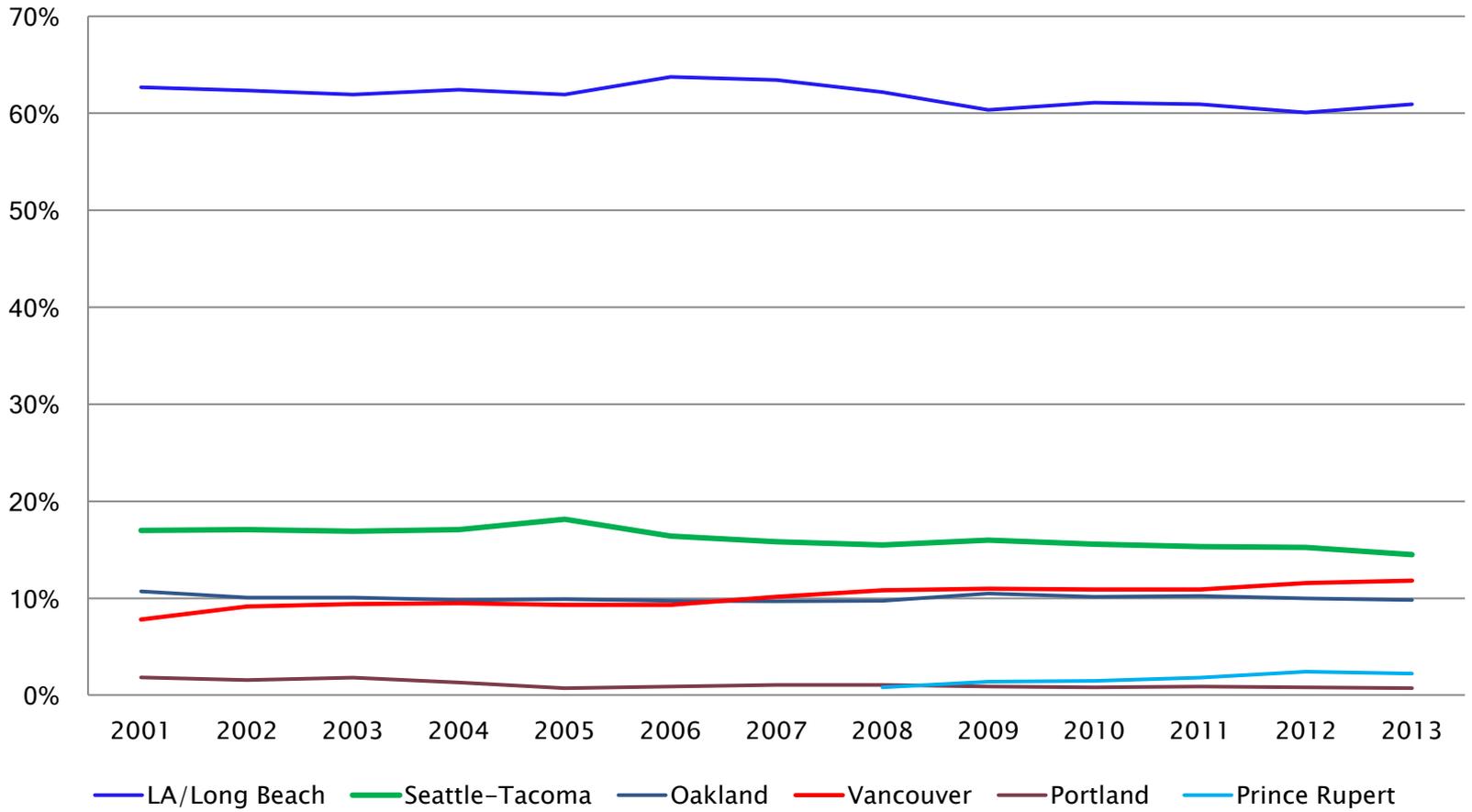
Trade Enabling Industrial Lands: Potential Benefits

- Lands occupied by marine terminal facilities, distribution centres and warehouses.
- Are close to major roads and railways, and are crucial to facilitating trade in an increasingly connected and interdependent global economy.
- Job creation opportunities: the most significant demand for new industrial land in the region is being driven by the container logistics sector.

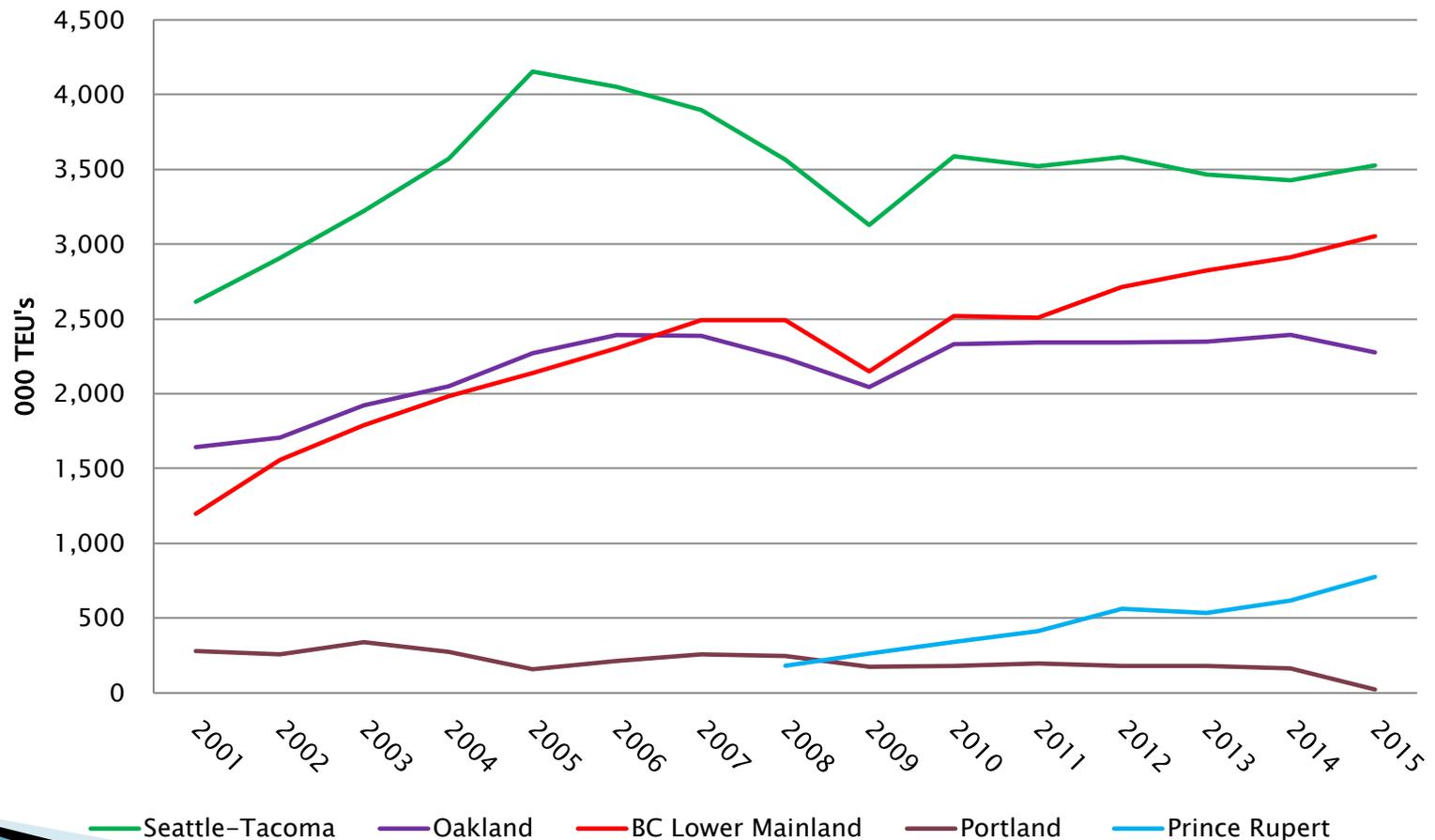
West Coast Ports Container Volumes 2001-2015



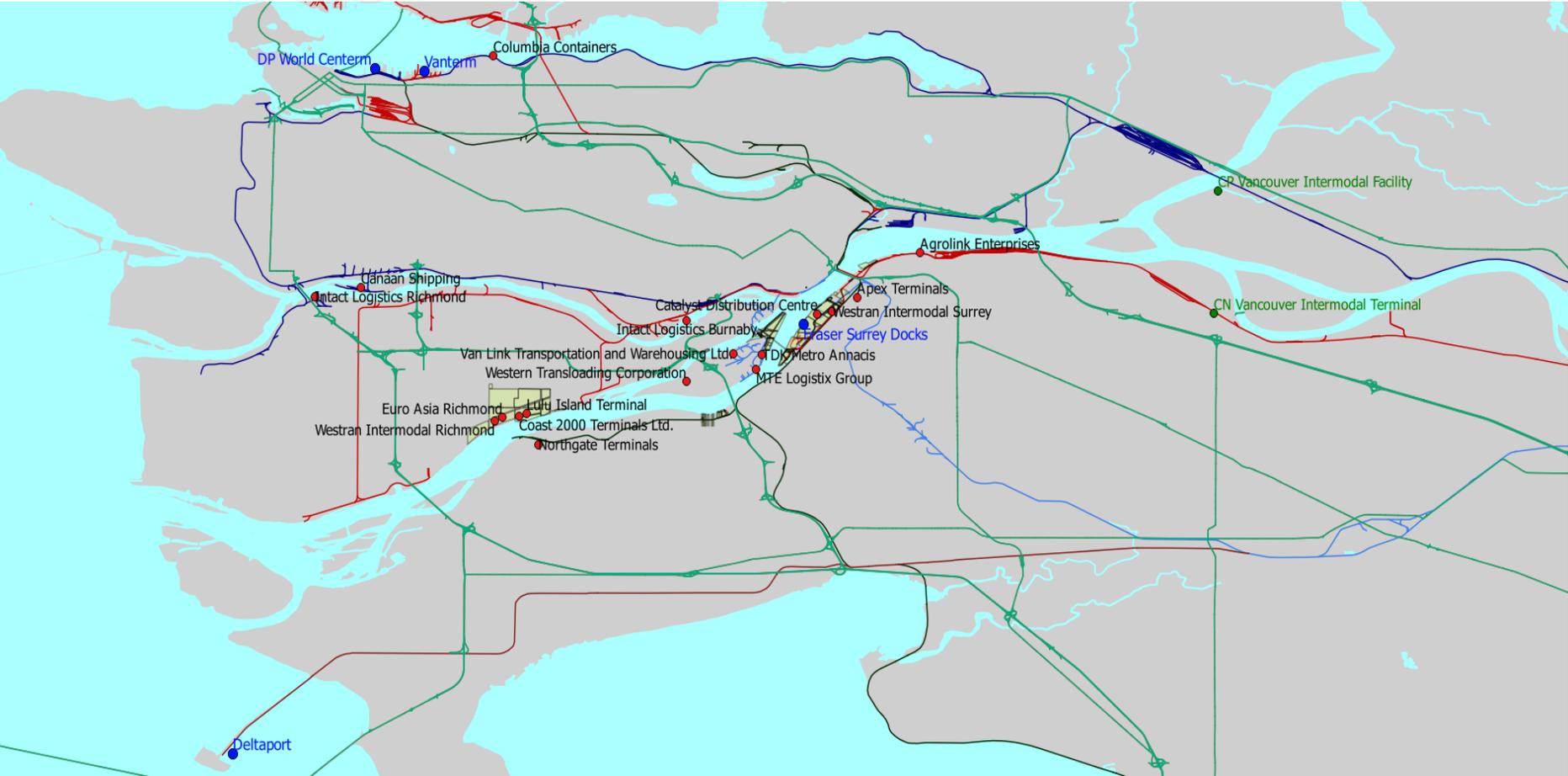
West Coast Ports Container Market Shares 2001-2015



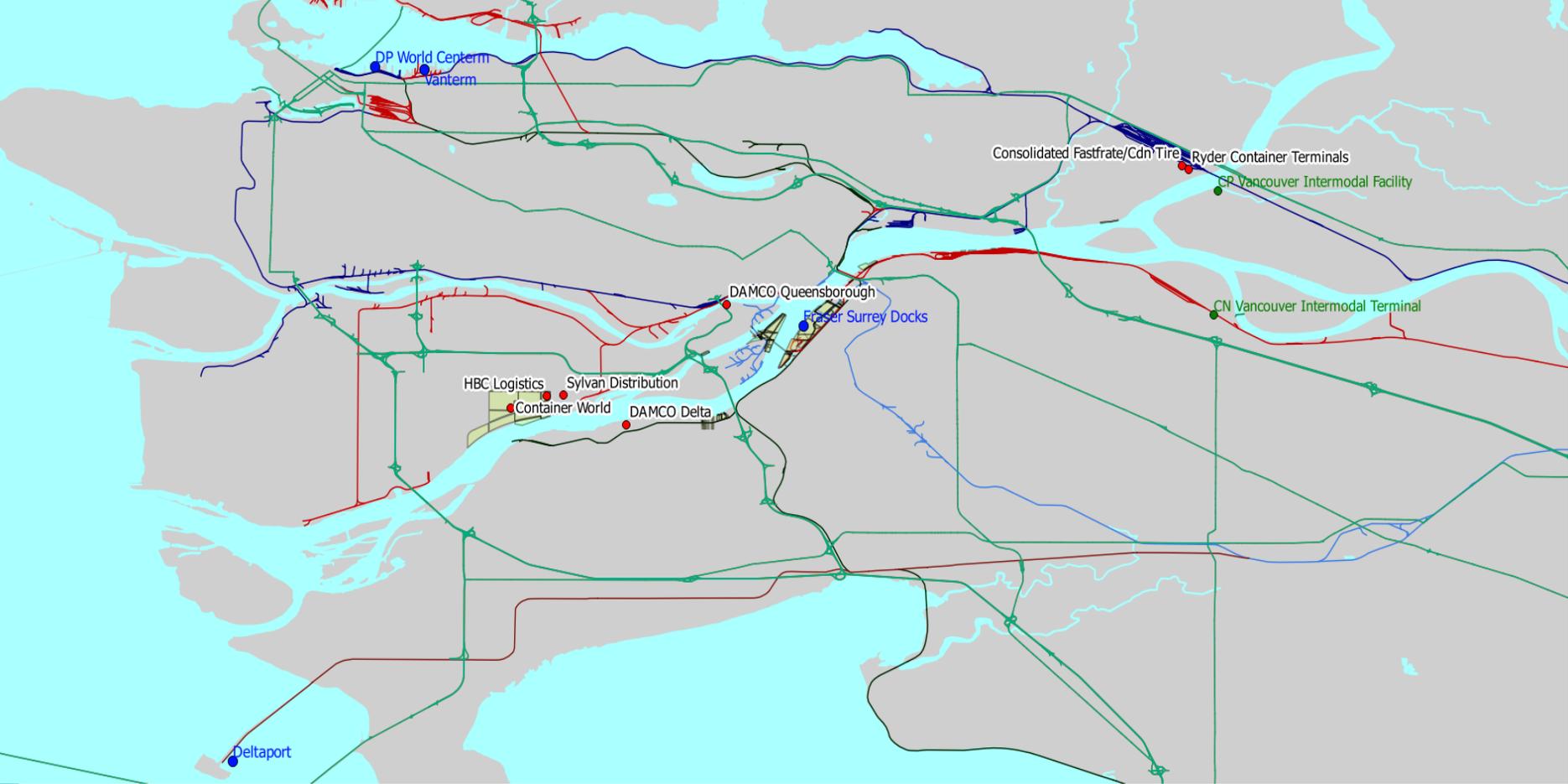
West Coast Ports (Excluding LA/Long Beach) Container Volumes 2001-2015



Trade Enabling Industrial Land: Major Export Facilities



Trade Enabling Industrial Land: Major Import Facilities



Trade Enabling Lands: Key Findings

The regional supply of developable industrial land is under threat of extinction through redevelopment.

International Trade:

- Fluidity and connectivity: Lands are required to support goods movement in and out of the region, including other parts of BC and to and from other provinces.

Regional Economy:

- Local population is continuing to grow, and industrial land is needed for job creation and prosperity.
- Fluidity and connectivity: land is needed to locate warehouses and distribution centres strategically and efficiently. The more these facilities are forced to spread out far from port lands, the more traffic arrives on our roads, causing congestion, air emissions and other consequences.

Trade Enabling Lands: Issues

- Larger & higher warehouses should be accommodated, with more loading doors and outside space used to support logistics activity.
- There is a need to allocate some well-located portions of the land base for firms that need property, on a build to suite basis for very large facilities.
- The needs of supply chain participants for very large facilities are outcompeted by small bay industrial land uses, or speculative construction.



Inland Terminals: Potential Benefits

- The co-location of logistics services and collaboration improves supply chain performance and cost.
- To accommodate traffic growth on a limited port land footprint.
- To influence mode choice for port-related traffic.
- To enable ports to access market areas which are outside their existing catchment areas.
- To transfer port-related activity inland to reduce pressure for the conversion of agricultural lands to industrial uses.

Inland Terminals: Key Findings

- Import-oriented terminal: Typically located in high population areas; Calgary role growing.
- Export-oriented terminal: Rail service model critical; Commercial challenges (transportation costs).
- Integrated Logistics Park: Combines import, export and container storage; ideally requires large site, proximity to population centre, good rail service, and provides value added logistics and supply chain services for the cargo.

Inland Terminals: Issues

What role can inland ports such as Prince George and Ashcroft play?

- A robust export ability depends on obtaining and attracting an import box. CN's, Marketing Director Intermodal and International suggests, the debate about what role inland logistics facilities can play in the supply chain should not solely be limited to shifting growth away from port locations.
- CN's Dan Bresolin stated, "Success of the port, shippers and railways starts with the round-trip experience of the 40-foot box. Success in generating a new import box depends to a large degree on how well the rail carrier can mitigate round-trip costs of the container for the shipping line."

Short Sea Shipping: Potential Benefits

Reduce adverse impacts associated with:

- Truck traffic on the region's roads (congestion, accidents).
- Air quality, GHG emissions, noise.



Short Sea Shipping: Key Findings

- Short sea shipping is already a vital part of marine commerce of non-container goods.
- Opportunity to expand bulk, break bulk, and roll-on/roll-off operations on existing sites.
- Limited viability of new short sea shipping service for containers.



Short Sea Shipping: Issues

- Vancouver Island based short sea shipping initiatives:
 - Nanaimo Port Authority & DP World,
 - Port Alberni Transshipment Hub Proposal.
- Is there a role for short sea shipping during the George Massey Tunnel Replacement Project and to help reduce congestion while Patullo Bridge is undergoing continuous repair.



The Next 20 Years

- **Key challenge is to help others thrive by overcoming the obstacles of moving goods and people to market.**
- **Shipper priorities:**
 - Low transportation costs,
 - Reliability in transportation options,
 - Frequent shipments.
- **Logistics service providers & carrier priorities:**
 - Maximize utilization of capital assets (e.g. trains, containers, distribution centers, marine terminals),
 - Maximize throughput capacity,
 - Maximize operational efficiencies.
- **Transportation and logistics fluidity and connectivity will drive both commercial viability and environmental sustainability.**



The Next 20 Years

Policy decisions made now will have a profound impact on Canada's international trade and business opportunities.

Examples:

- **Provincial:** ALR protects agricultural lands.
- **Regional:** *Metro 2040* protects industrial lands, but cannot encourage specific forms of industrial activity.
- **Municipal:** Zoning to retain trade enabling and waterfront lands for compatible industrial uses.

Studies Cited



Port of Vancouver: Site Economics Ltd. led trade enabling industrial lands study.

<http://www.portvancouver.com/news-and-media/news/new-study-reveals-looming-shortage-of-trade-enabling-industrial-land-in-lower-mainland>

Metro Vancouver: Davies Transportation Consulting Inc. led inland terminal and short-sea shipping studies.

<http://www.metrovancouver.org/services/regional-planning/PlanningPublications/PPEInlandTerminalFactsinFocus.PDF>

http://www.metrovancouver.org/services/regional-planning/PlanningPublications/Short_Sea_Shipping_Facts_in_Focus.pdf



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