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CONTAINERIZATION: Issues and Priorities

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Globalization

- Don't blame or credit big business, governments and the WTO
- Credit or blame technology:
 - Jet engine – fast and cost-effective – 24/7
 - Computer chip – instant low cost info and documentation
 - Container – low cost, faster and secure transportation – mostly non-bulk
- Without them, especially containers, globalization and trade wouldn't be where they are



Containerization Trends and Issues

- Forecasts of continuing double digit growth in container transportation – changing flows and O/D
- Market segmentation and specialization – lines and ports
- Size and capacity of ships and ports – bigger
- Transport issues (e.g., distance, empty containers)
- Rail and truck connections and land distance
- Urban bottlenecks and rail congestion
- Competition among ports – location, efficiency and financing





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Top 5 Policy and System Issues to track

- 1) Three “S” - Safety, Security, Sustainability –post 9/11, pollution and climate change, congestion, trade lanes
- 2) Efficiency of Port Operations – turn around time - technology, labour, intermodal co-operation
- 3) Rail and truck connections –speed, distance, costs



Top 5 Policy and System Issues to track

- 4) Documentation and Customs – lots of progress but US “security concerns” leads to double inspection and delays
- 5) Capacity Constraints and Investments - system wide all ports have capacity/handling problems – private versus public role



CONCLUSIONS

- Geographic location of Canada – small domestic market – US access – 4 mn TEU Canada vs 40 MN in USA – 400 mn World
- Only four ports in the running – 2 in BC, MTL and Halifax – good location, access and facilities – capacity there or being added - Seaway/TO not big players.
- Demand for competitive approach - driven by efficiency. US ports are the main competitors but operate under different rules
- Importance of co-operation among inter modal partners and private operators – firm plans and good implementation
- However, ports cannot control urban and rail/truck problems. Hence, roles and responsibilities of three levels of government