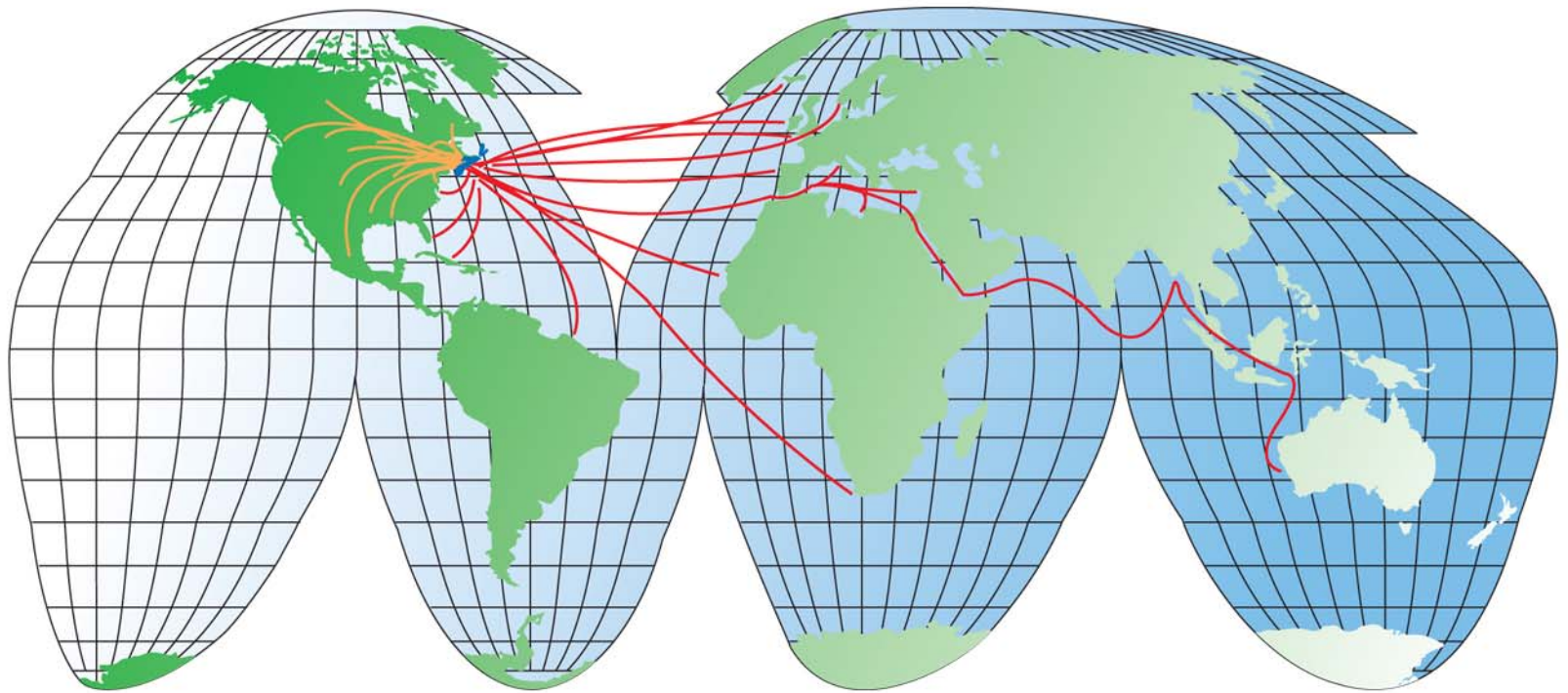


# Community Business Development Corporations

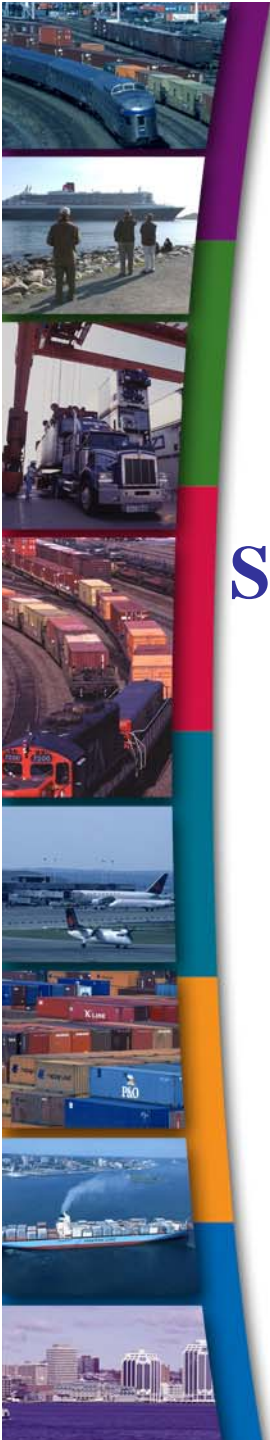


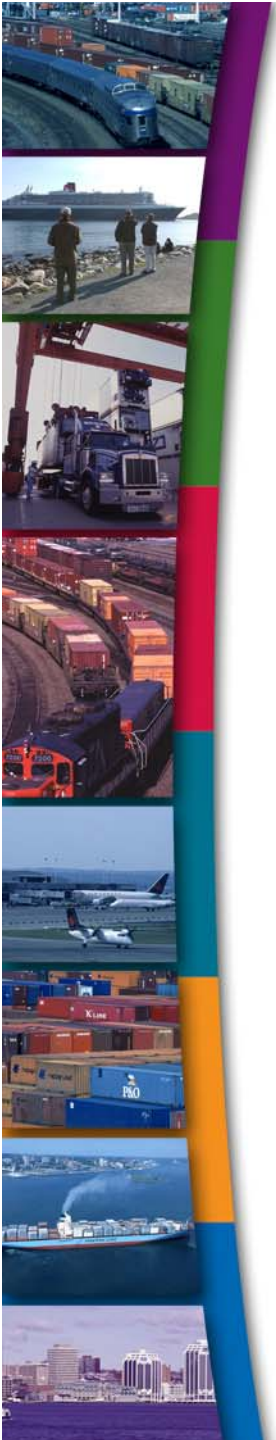
CANADA'S EAST COAST  
**Gateway**  
*via Nova Scotia*

## Self Employment Benefit Conference, New Glasgow



Nov. 9, 2007





# Presentation Overview

- Gateway Definition
- Globalization – Silk & Container Trades
- What Is Driving the Opportunity
- Benefits
- Regional Cooperation
- Opportunities
- Progress to Date
- Preparing for Gateway
- Next Steps
- Atlantic Gateway Video

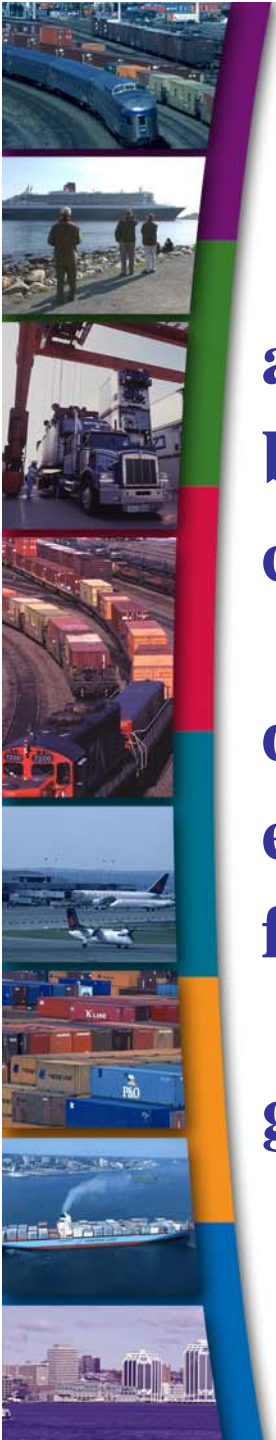


# Atlantic Gateway Quiz!

Is the Atlantic Gateway:

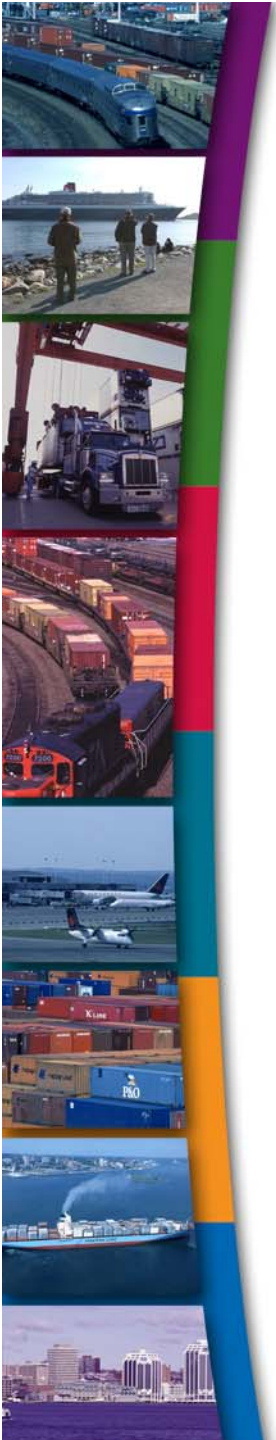
- a) A bold vision?
- b) A once- in- a- lifetime opportunity?
- c) The political & economic lifeline for the government?
- d) The government's No. 1 priority?
- e) Yawetag Citnalta spelled backwards?
- f) A political dogfight between Halifax & Strait of Canso area?
- g) A lot of tosh from political spin doctors?

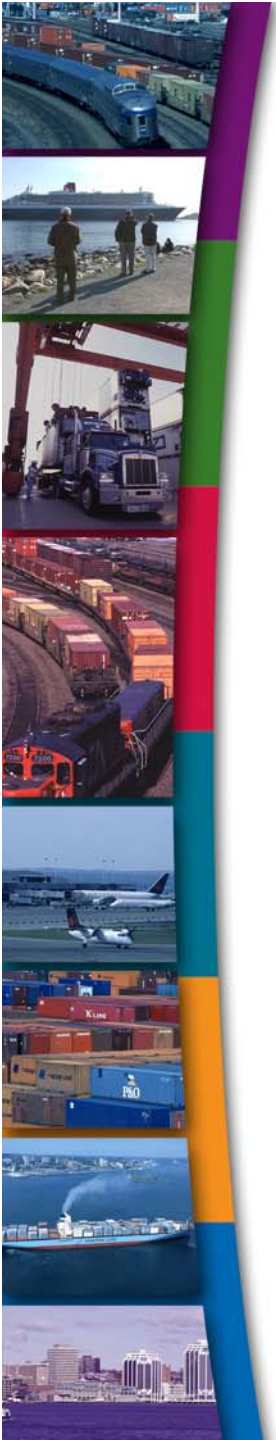
Source: Halifax-Herald  
Tuesday, March 6, 2007



# Gateway Definition

- **Gateway:**
  - A system of marine, road, and air transportation infrastructure of **national significance for international trade.**
  - » Source: Transport Canada





# Nova Scotia Priorities

- **Premi**
  - Nov
- **Minis**
- **Estab**
- **Canac**
- **Separ**
- **07/08 Budget increased - \$750,000**
- **Responsibility**
  - **Champion**
  - **Facilitate**



**riority**

**PNS lead  
tegitic role as**

**ed in 06/07**



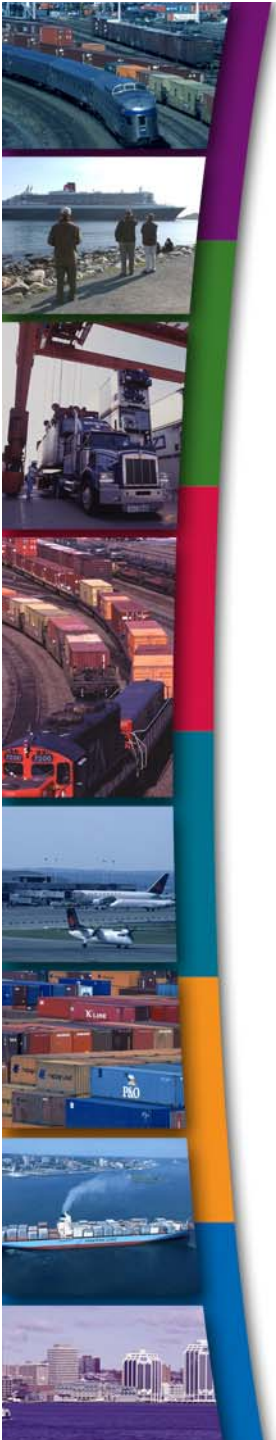


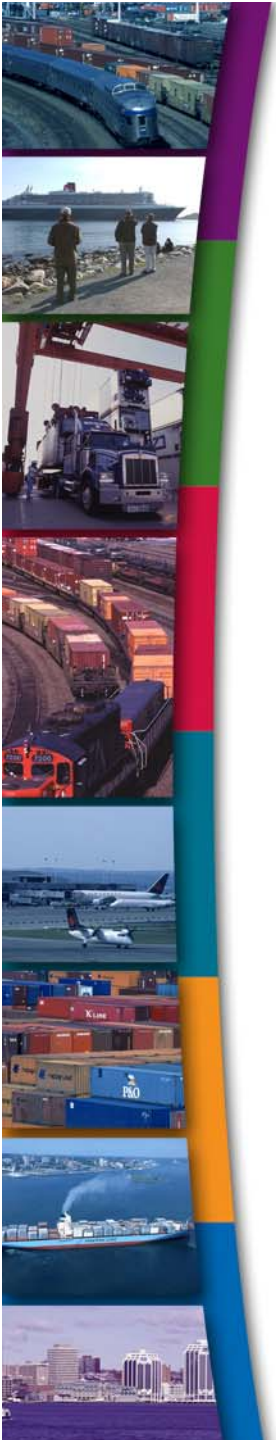
# What Consultants Told Us

## Gateway Opportunities

- **Air:**
  - air cargo facility
- **Cruise:**
  - homeporting - small ship niche operators
- **Containers:**
  - Large post-panamax ships from Asia/India via Suez Canal

# Cruise Opportunity



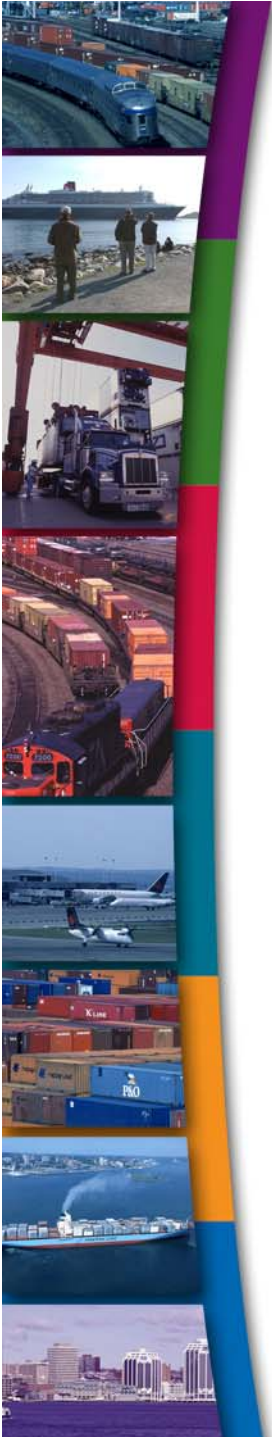


# Market share of major sailing regions

	2006	2005	2004	2003	2002
• Caribbean/Bahamas	46.4	48	49.8	51.5	50.4
• Mediterranean	16.5	15.3	14.6	15	14.4
• West Coast (Mexico)	7.1	7.7	6.5	4.3	5.5
• Alaska	6.4	6.8	6.6	6.7	7
• Asia/Pacific	5.6	4.3	5.1	6.4	7.2
• Northern Europe	5.3	5	4.9	4.4	3.9
• Hawaii	2.8	2.6	1.8	1.8	2.1
• Bermuda	2.2	1.6	1.8	1.8	2.1
• South America	2	1.9	1.7	1.8	1.8
• Transatlantic	1.5	1.5	1.3	1.2	1.3
• <b>New England/Canada</b>	<b>1.1</b>	<b>1.3</b>	<b>1.6</b>	<b>1.3</b>	<b>1.8</b>
• Canary Islands	0.9	1.5	1.8	1.8	1.5
• Panama Canal	0.8	1.2	1.2	1	1
• Indian Ocean	0.6	0.2	0.2	0.1	0.1
• Domestic Waterways (U.S.)	0.5	0.8	0.9	0.7	n/a
• Antarctica	0.1	0.1	0.1	0.1	0.1
• Africa	0.1	0.1	0.1	0.1	0.2
• World Cruise	0.1	0.1	0.1	0.1	0.1



• Source: Cruise Industry News Annual 2006, Nineteenth Edition, p.12.

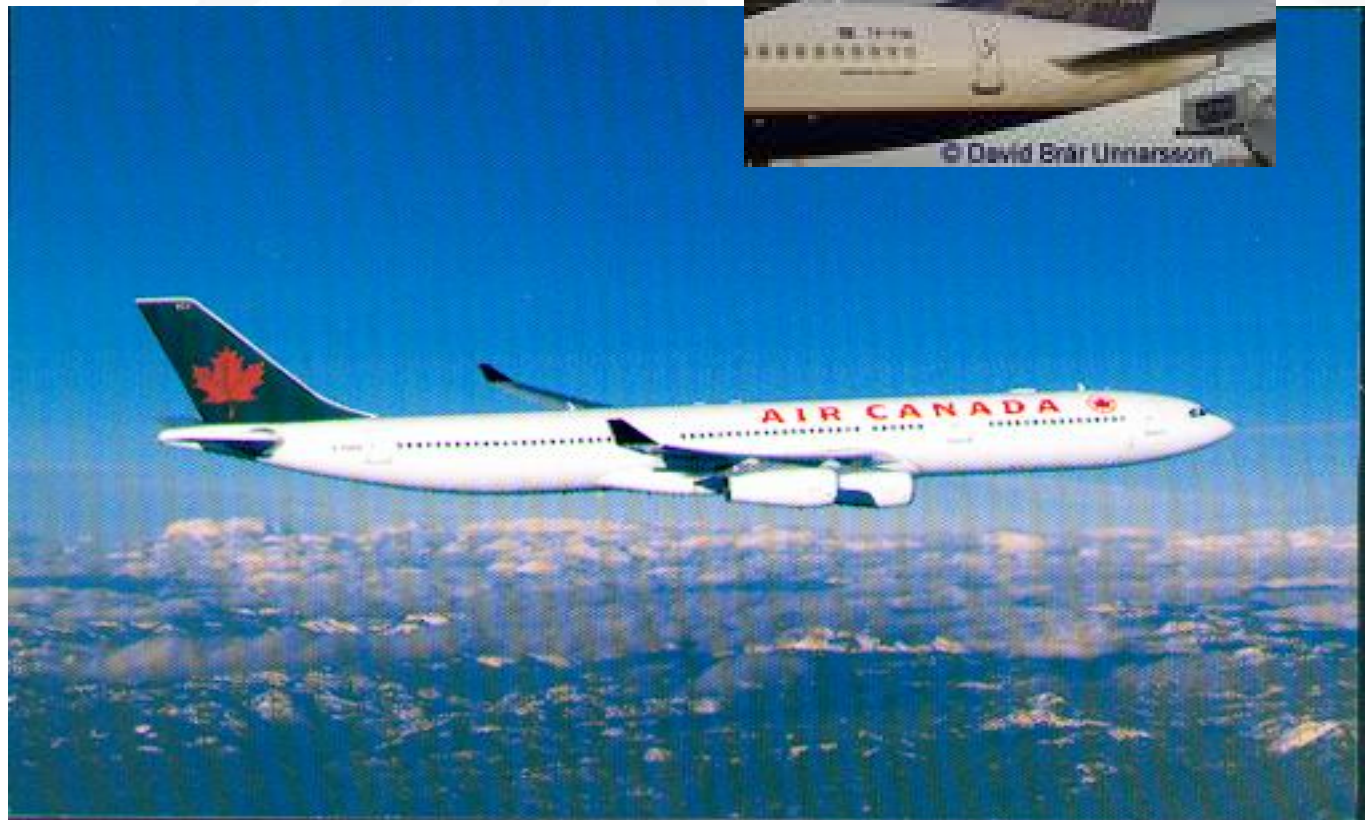


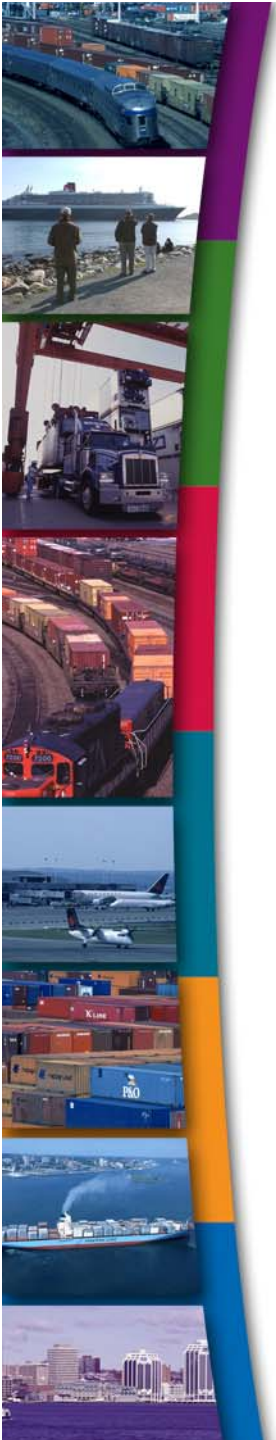
# Nova Scotia as a Homeport

- Nova Scotia well positioned geographically
- Homeporting generates new opportunities for airports, accommodations, other services
- Homeporting small ships in NS creates opportunities for small ports and communities to share cruise business
- European travelers more affluent \$500-\$700/night average per diem
- Good fit for American travelers who are largest percentage of market



# Air Passengers & Cargo

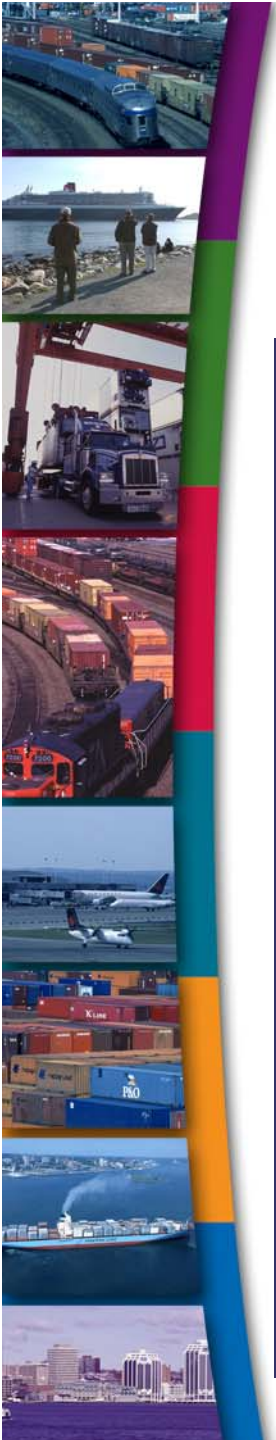


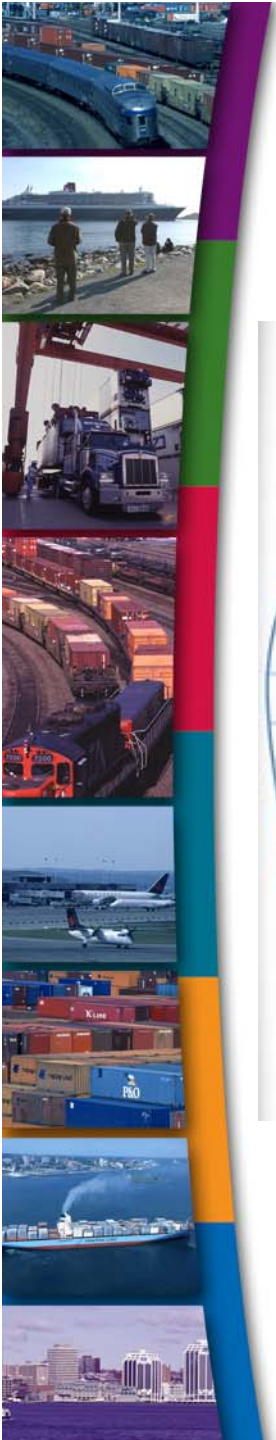


# Air

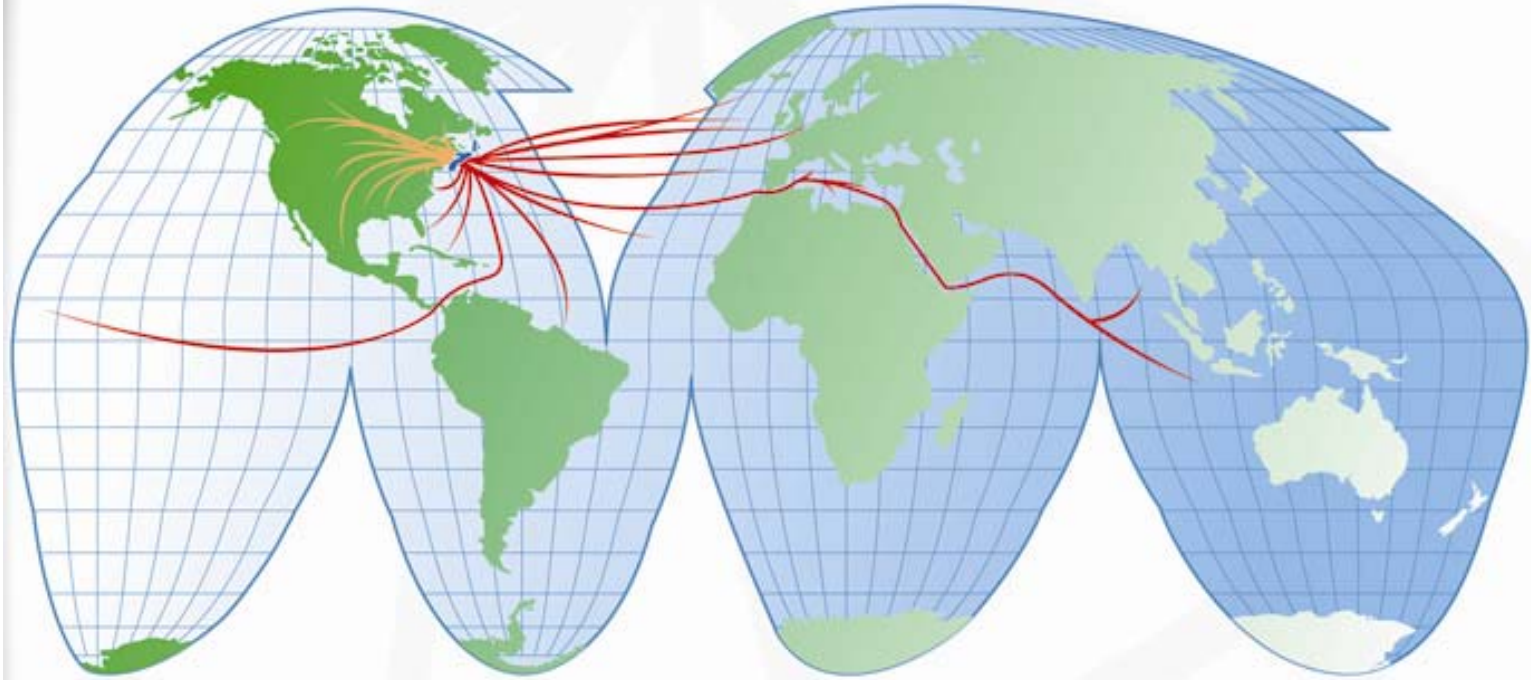
- Opportunities
  - Transport Canada (Blue Sky)
  - Open skies with EU (Germany)
  - Develop air cargo facility
- Initiatives
  - Blue Sky opportunities (Icelandair, others)
  - Air cargo facility
  - Continue work with Halifax International Airport Authority

# Silk Trade & Container Trade





# Silk Trade To North America



## Via the Atlantic Gateway

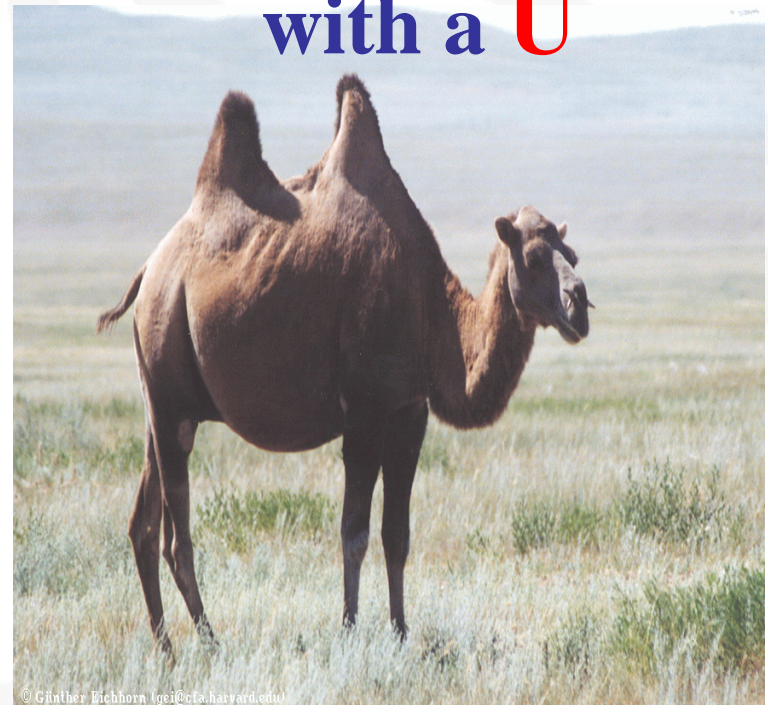


# Container **TEU** definition evolved from the silk trade

1 hump

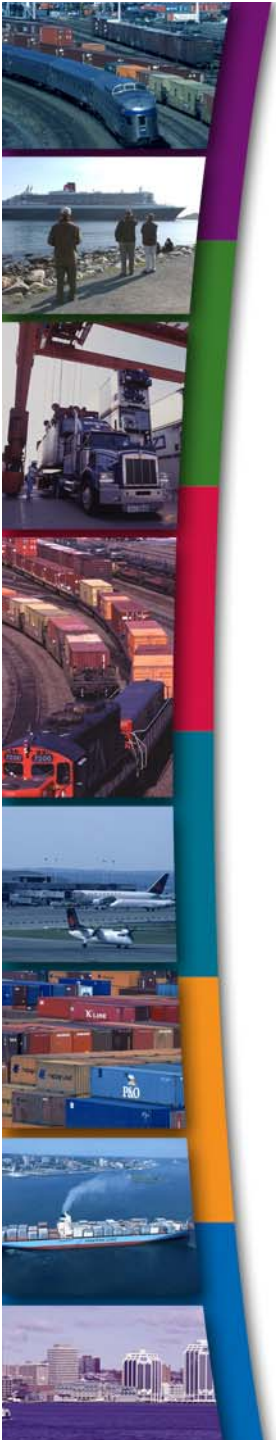


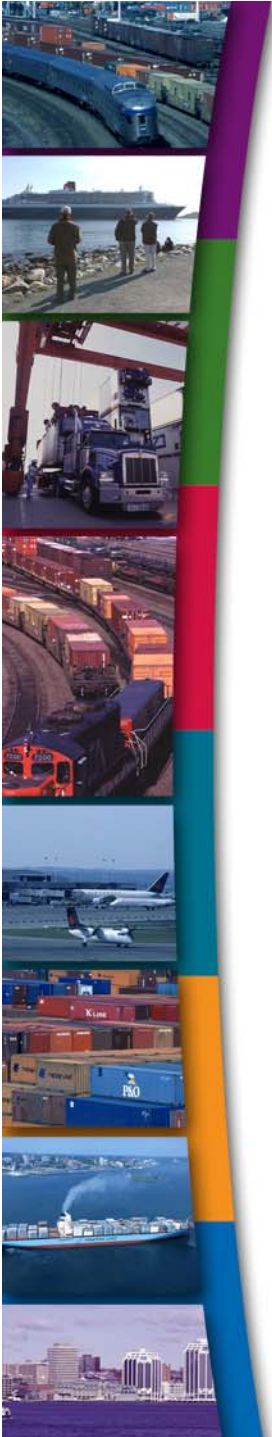
**T**wo hump **CamE**ls  
with a **U**



**TEU** is a standard measure  
for a 20' container

CANADA'S EAST COAST  
**Gateway**  
via Nova Scotia





# Trade Expands

- **Canada is a trade-dependent nation.**
  - Transportation system moves a trillion of goods a year
  - Employs a workforce of 800,000
- **Global trade is being driven by Asian countries (China & India).**
- **India, Vietnam, Malaysia, Thailand & several other Asian countries are all experiencing strong economic growth.**

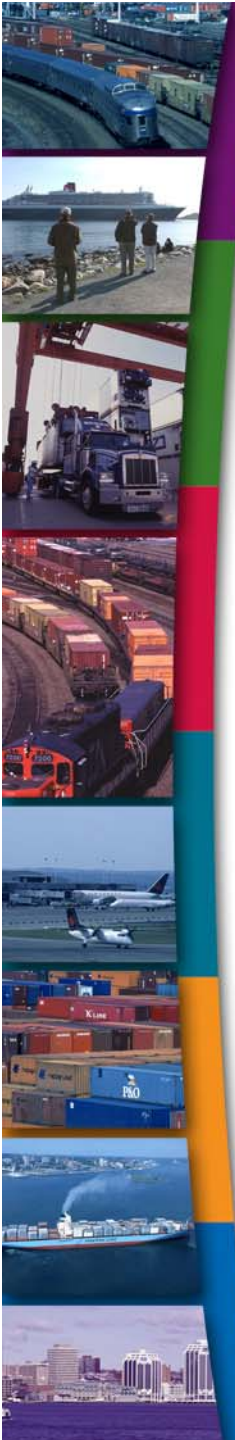
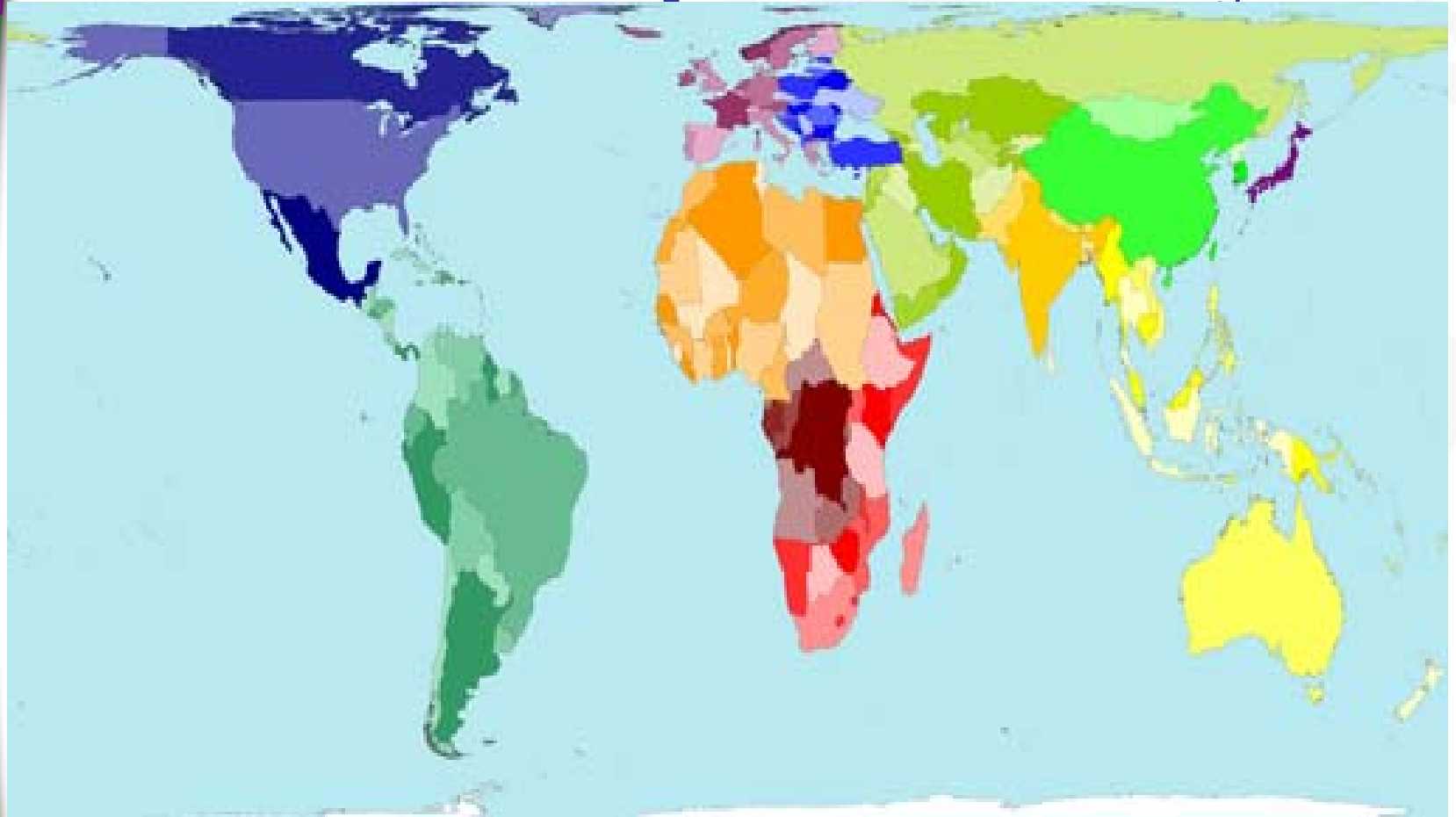
# Asian Powerhouse

- 13 of 20 largest ports in the world
- 8 of 10 tallest skyscrapers
- 38% of world's electronics produced
- 42% of world's 2 billion mobile phones
- 25% of global auto sales
- 2013 China largest market for PCs
- More than 1/4 of world's high net worth individuals – excess of \$30million US



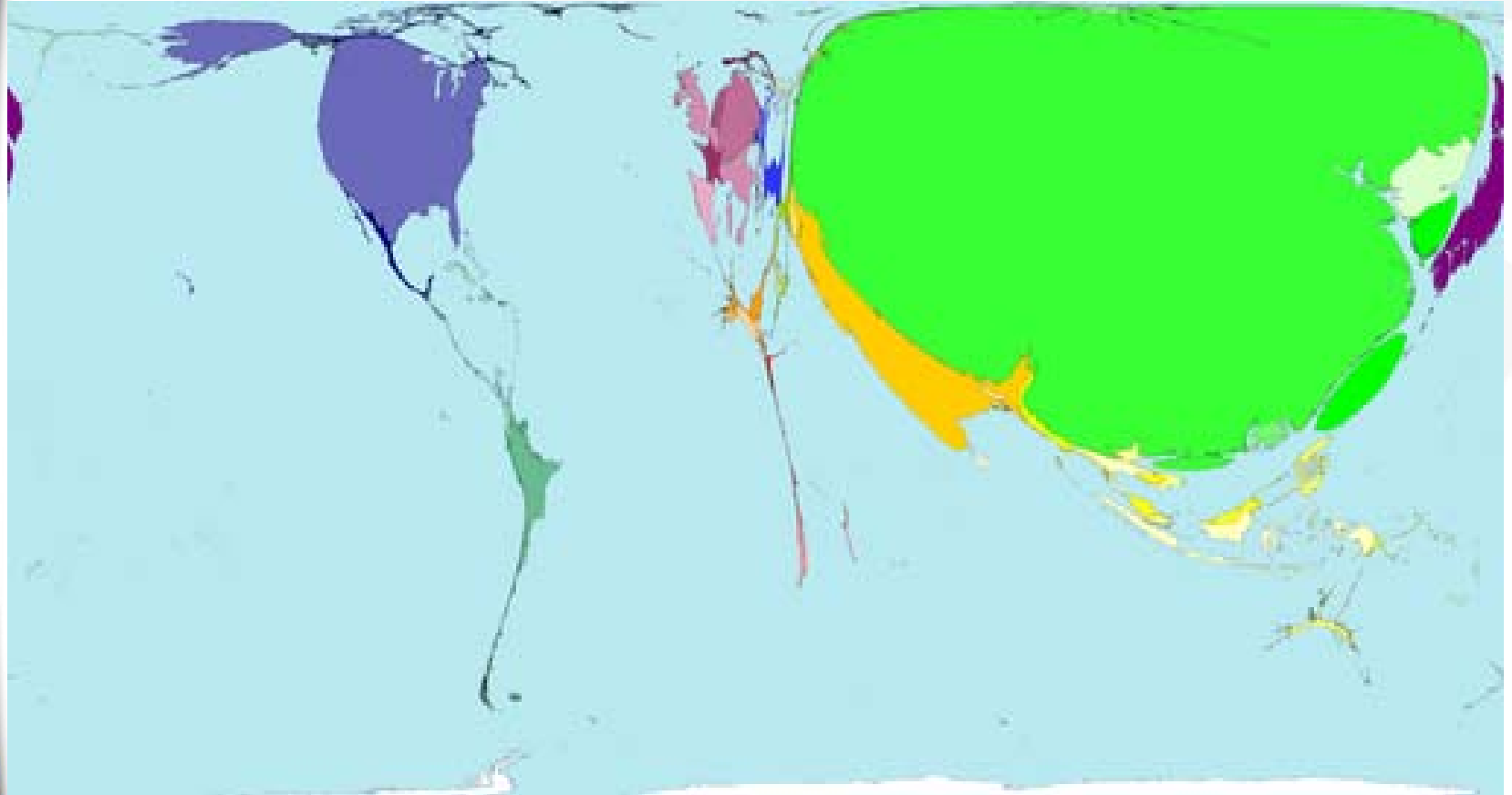
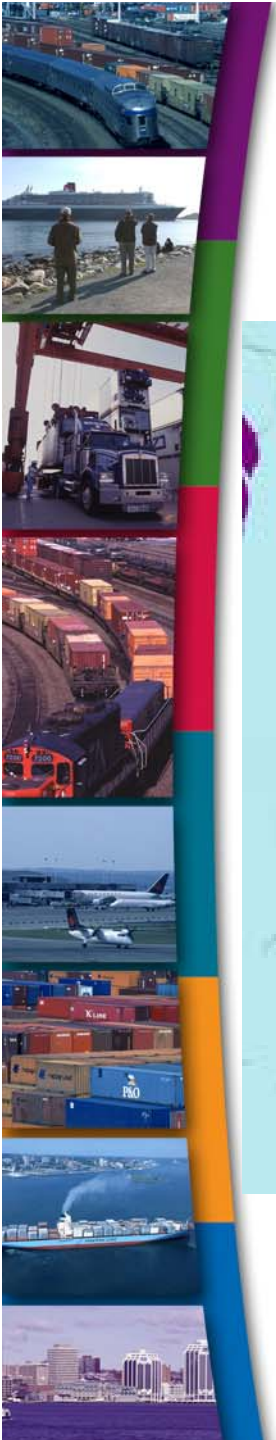
» Source: Asia Pacific Foundation of Canada

# World Map - Territory

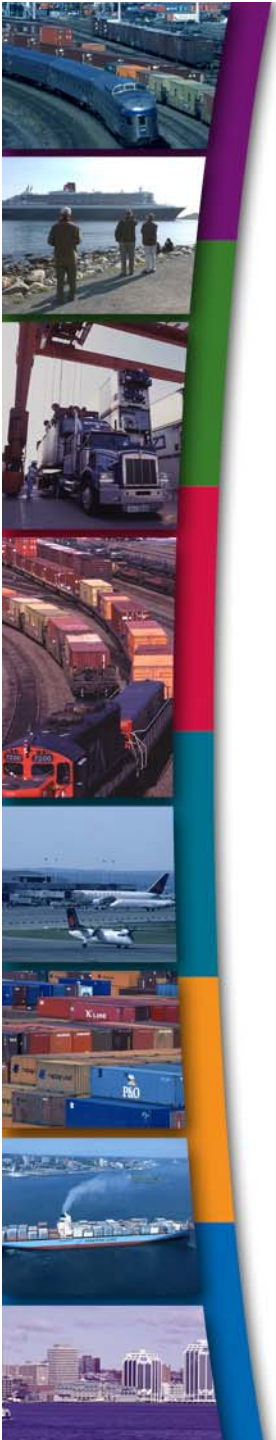


CANADA'S EAST COAST  
**Gateway**  
*via Nova Scotia*

# World Container Traffic



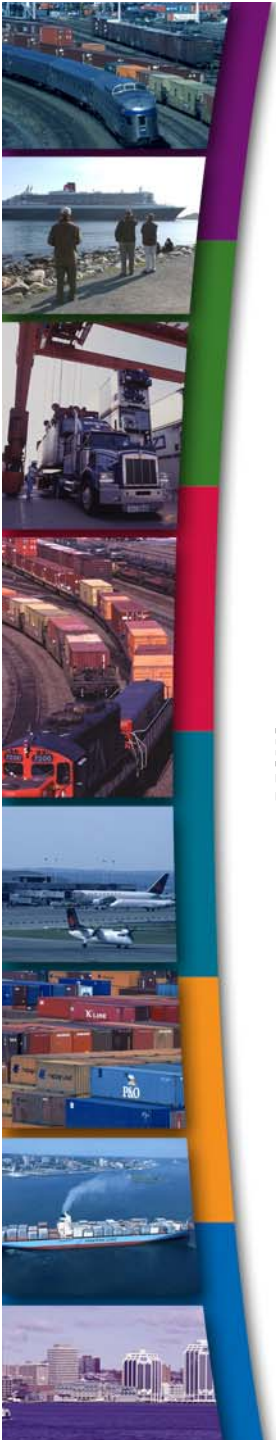
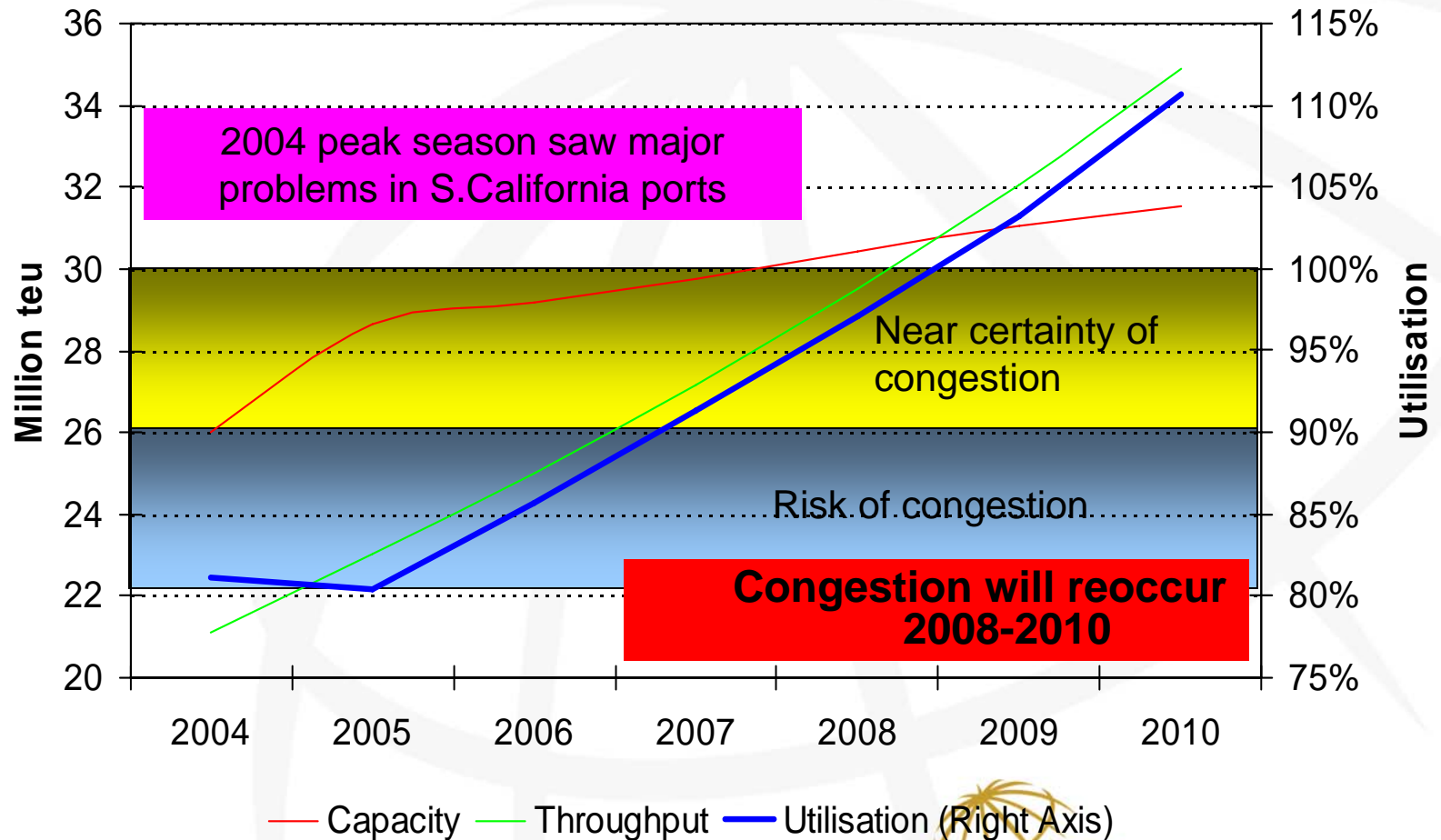
CANADA'S EAST COAST  
**Gateway**  
*via Nova Scotia*



# Container Traffic via Suez Canal

- **Emerging Suez routes**
  - First in and last out port on Suez route
- **Larger container ships**
- **Capacity constraints:**
  - West Coast Ports
  - Panama Canal
- **Nova Scotia Government Strategy**
  - private sector driven
  - province play supporting role
  - position in the national interest

# West Coast Port Congestion



# Container Traffic via Suez Canal

- Capacity constraints
  - West Coast Ports & infrastructure



# Panama Canal - Capacity

- Pre booked transits increased to 91.3%
- August 2006, 90 ship backlog at Canal.
- Record price of \$220,300 paid for daily auctioned slot (plus fees).

www.miras.cz





# Container Ships Get Bigger

## First Generation (1956-1970)

 Converted Cargo Vessel

**Length**

**135 m**

**Draft**

**< 9 m**

**TEU**

**500**

 Converted Tanker

**200 m**

**800**

## Second Generation (1970-1980)

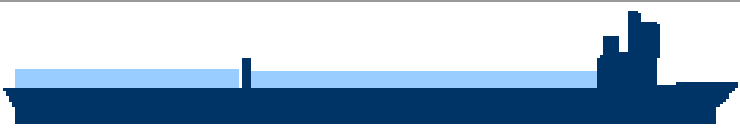
 Cellular Containership

**215 m**

**10 m**

**1,000 –  
2,500**

## Third Generation (1980-1988)

 Panamax Class

**250 m**

**11-12 m**

**3,000**



**290 m**

**4,000**

## Fourth Generation (1988-2000)

 Post Panamax

**275 –  
305 m**

**11-13 m**

**4,000 –  
5,000**

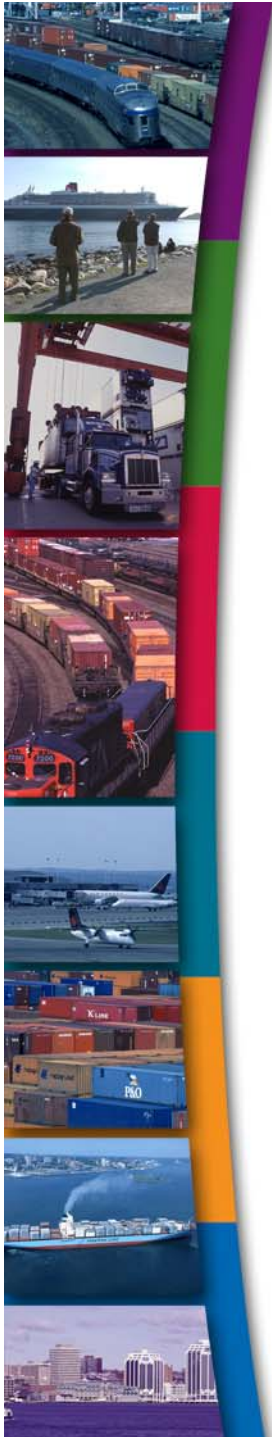
## Fifth Generation (2000-?)

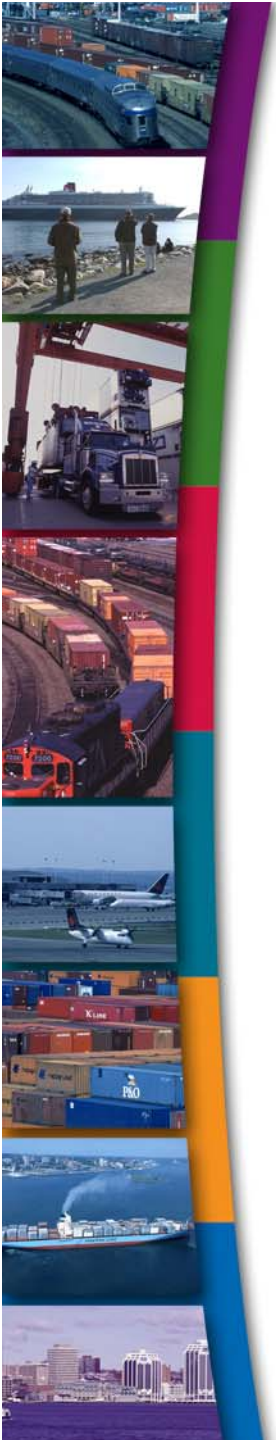
 Post Panamax Plus

**335 m**

**13-14 m**

**5,000 –  
8,000**

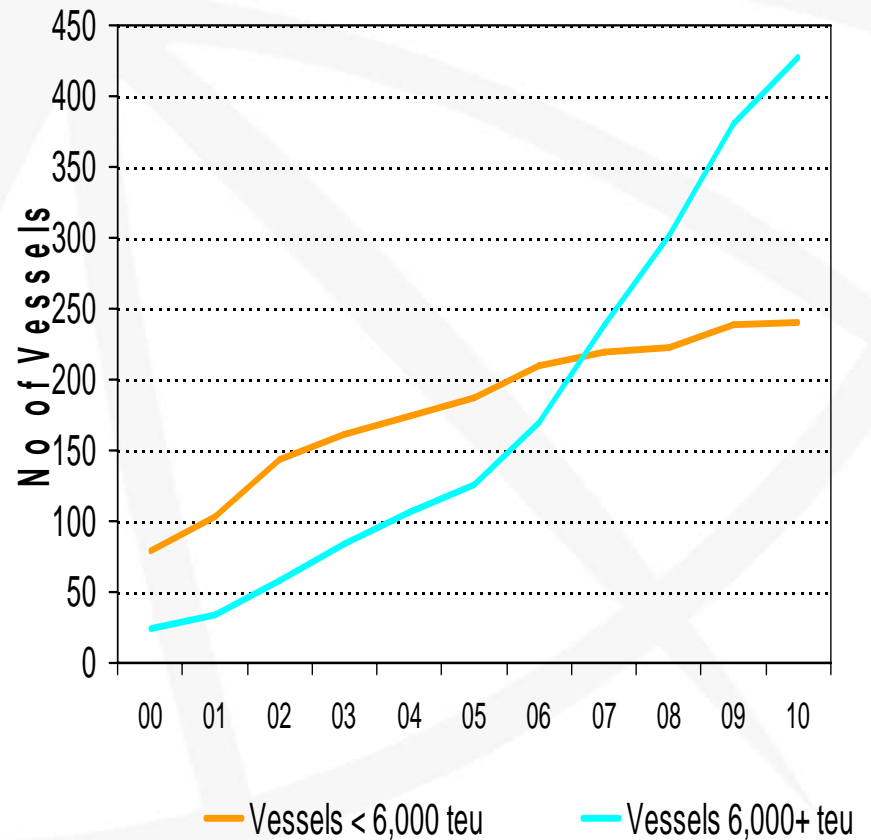




# Container Traffic via Suez Canal

- **Emerging Suez**

- Larger ships
- August Orders
  - 45 ships ordered
  - 87% are 8,000+ TEUs
- Deep harbours





# Geography

**Via WCNA**

77.6% of e/b trade

**Via Panama to ECNA**

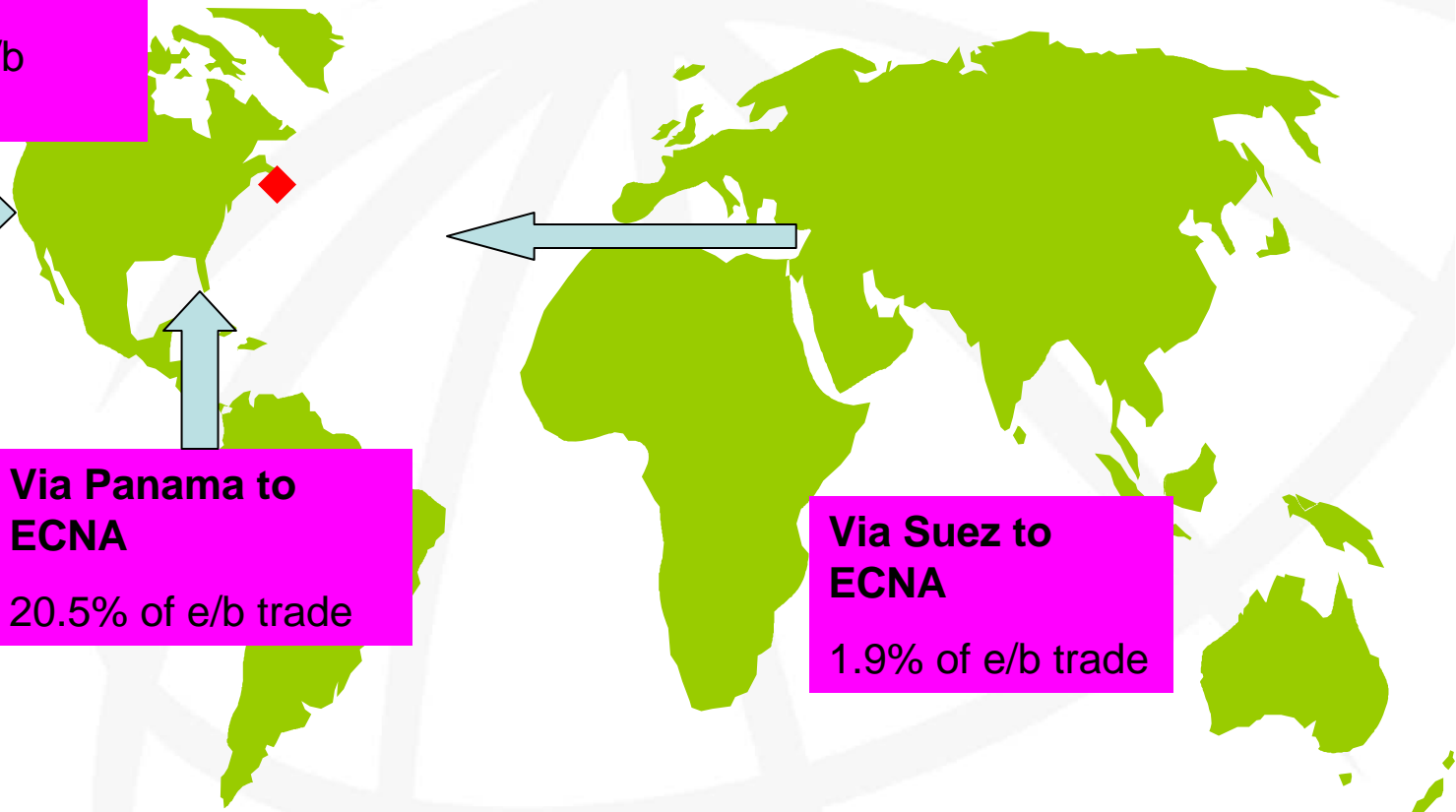
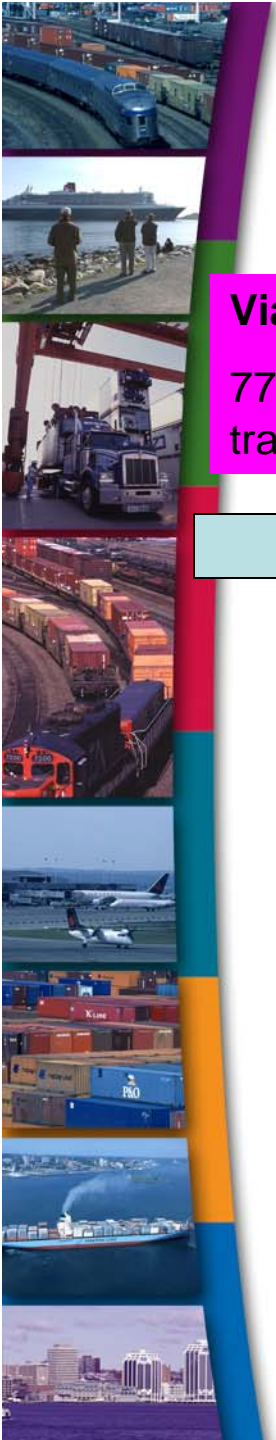
20.5% of e/b trade

**Via Suez to ECNA**

1.9% of e/b trade



CANADA'S EAST COAST  
**Gateway**  
*via Nova Scotia*



# Distance is not an issue for Suez - even for Hong Kong

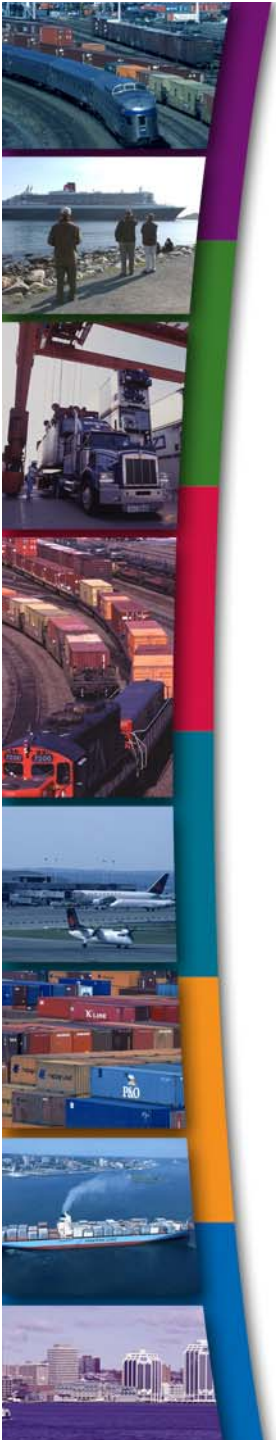
**Via USWC**  
15-24 Days

**Via Suez**  
Min 24 Days

**Via Panama**  
22-31 Days

The Break-Even Line

Mileage	Via Panama	Via Suez	Difference
HK/NY	11,301	11,632	+331
Laem Chabang/NY	12,645	11,002	-1,643

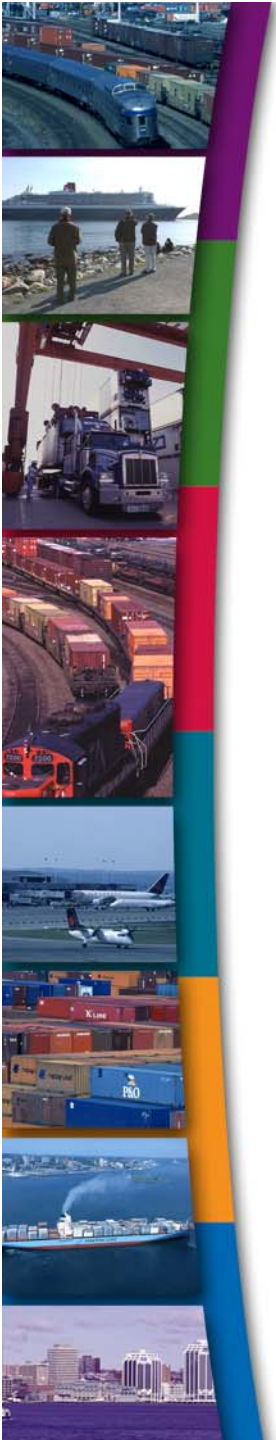
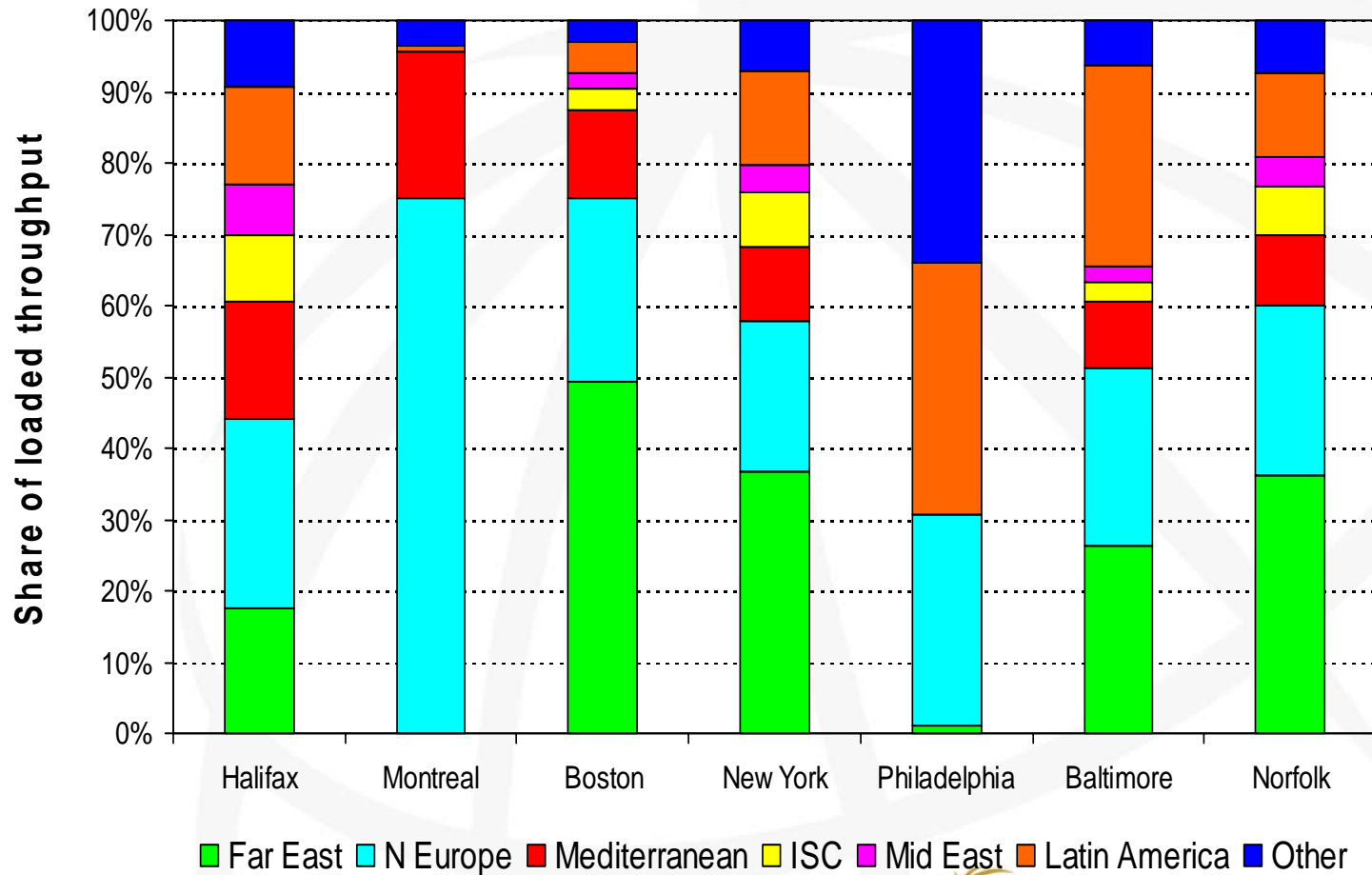


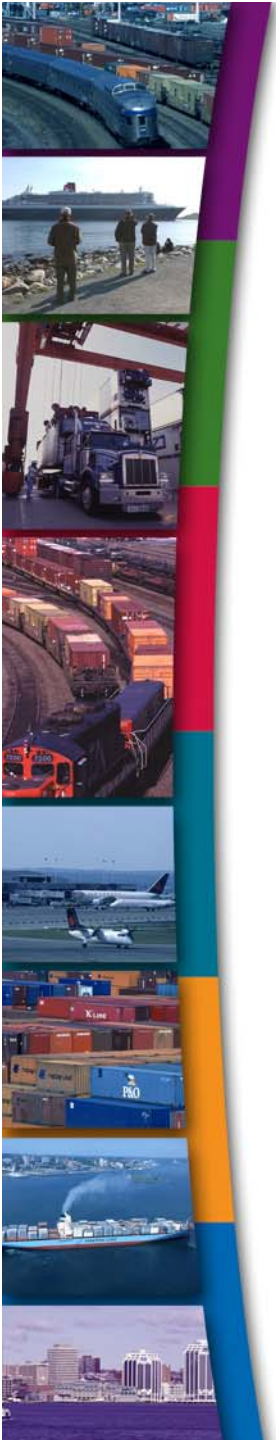
# Our Competitive Advantage

- **Congestion-free & can accommodate additional traffic right now**
- **Competitive labour rates, labour peace**
- **Competitive access to Quebec/Ontario & US Midwest**
  - 75% of Halifax containers go directly to Quebec, Ontario and USA
- **Halifax closest NA port to India**
  - 1,840 nautical miles closer



# Halifax market mix-diverse





# Nova Scotia Economic Benefits

- **Every container ship contributes over 3 person years of employment**
- **Every cruise ship contributes 2.1 person years on employment**
- **Port of Halifax employs 5,750 people**
- **Generates \$250 million in wages**
- **Transload activities adds value to cargo & creates economic spin offs**

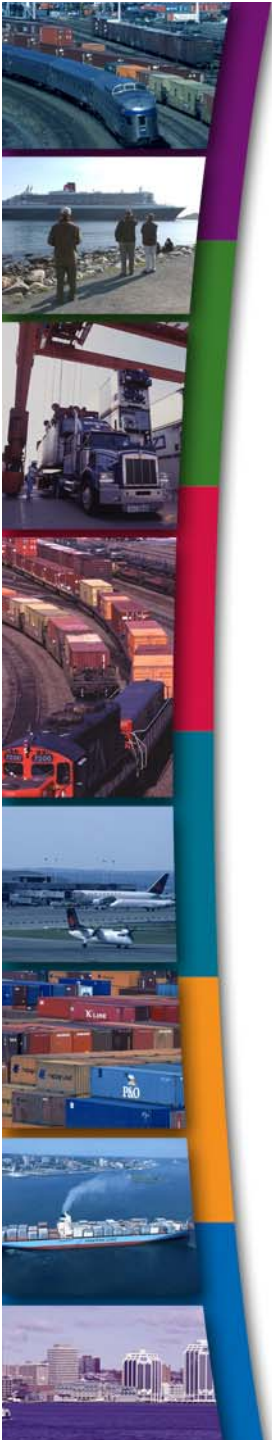
# The Benefits

- **Expanded international trade & commerce**
  - Increased access to foreign markets
  - Efficient infrastructure supports internal trade
- **Marketing the region**
  - Greater international recognition of the region supports immigration strategies, tourism, and cultural/educational exchanges



# Private Sector Leading

- **Macquarie Banking**
  - purchase of Halterm Container Terminal \$172million
- **Ceresglobal Container Terminal**
  - purchases 2 additional “super post-panamax cranes - \$20million
- **Water Link to New England – Eimskip**
  - operating service to Portland, Portsmouth, Boston and Halifax
- **Transload & Distribution Industry**
  - Factfrate & Canadian Tire
  - Amour Group & Canadian Retail Shippers Association



# Private Sector Leading

- **Halifax Port Authority**

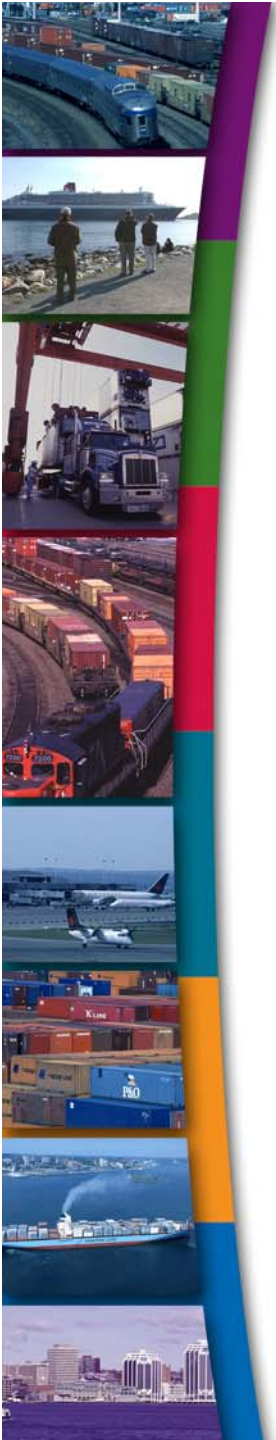
- Strategic plan focused on container & cruise growth
- Opened India office, Jeena & Company
- Cruise homeporting Strategy
- New security systems being implemented

- **Halifax International Airport**

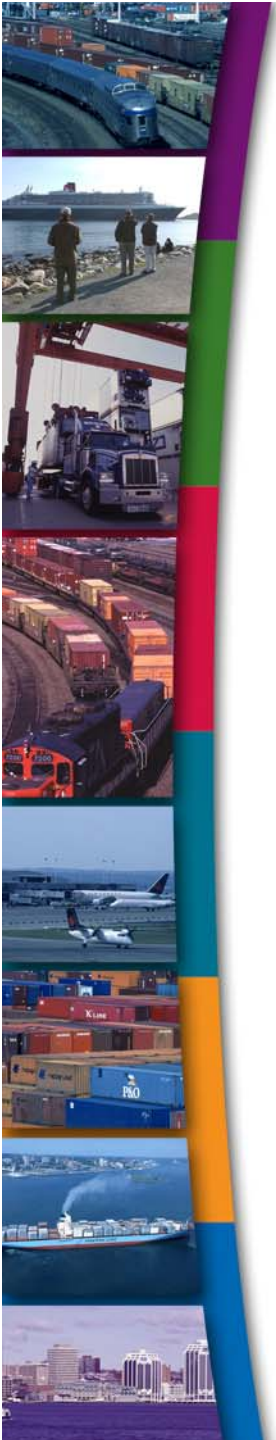
- Air Cargo Study
- Blue Sky
- US Pre-Clearance

- **Halifax Gateway Council (2003)**

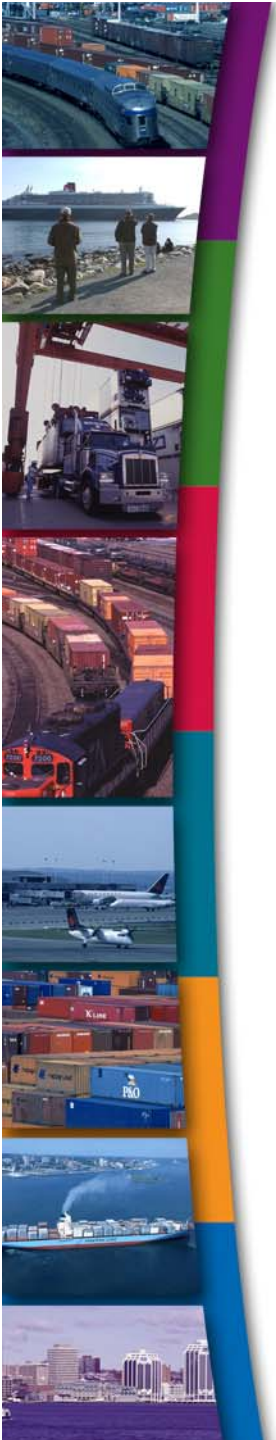
- Collaborative process focused on creating an efficient and competitive gateway
- Transportation sector lead
- public sector partnership



# Private Sector Leading



- **Plans to build**
  - Sydport
  - Melford
- **Need for skilled labour**
- **Support services & industries**



# Education & Training

- Prepare our youth for future jobs
- Need both types of knowledge based workers
- Project underway with institutions



**DALHOUSIE  
UNIVERSITY**

*Inspiring Minds*

**nsc**

*education that works for you*

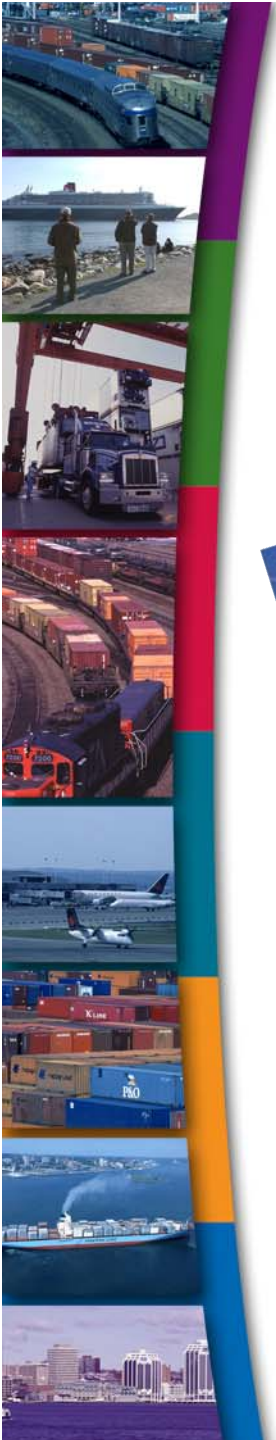


CANADA'S EAST COAST  
**Gateway**  
*via Nova Scotia*

# Federal Budget 2007-2008

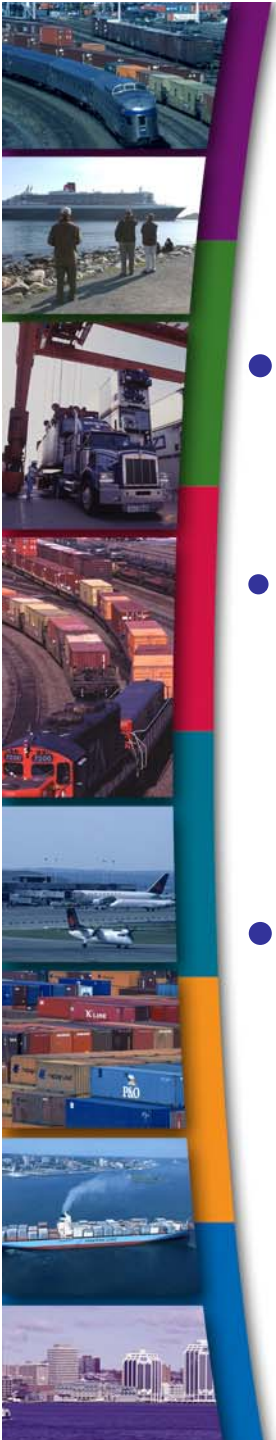
## National Fund for Gateways and Border Crossings - \$2.1 Billion

A limited number of national gateway strategies ... to enhance Canada's trade competitiveness and the efficiency of the national transportation system.



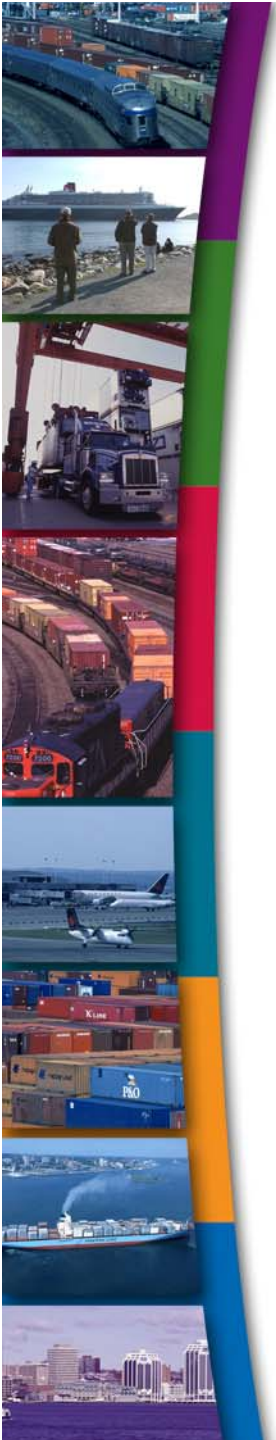
# Atlantic Gateway Committee

- Collaboration with ACOA, Atlantic Provinces & Transport Canada
- Chaired by NB & ACOA
  - 10 member committee
    - 2 reps. ACOA, TC
    - 1 reps. NS, NB, NFLD, PEI
- Objectives:
  - Atlantic Gateway Strategy



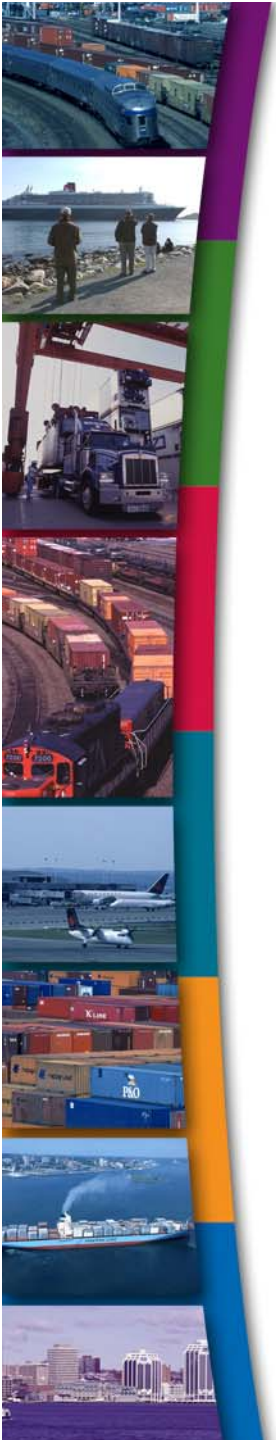
# Competitors

- Competition for this traffic is intense.
- USA ports are aggressive.
- New York is a “must stop port of call”
- Panama Canal has approved widening project.



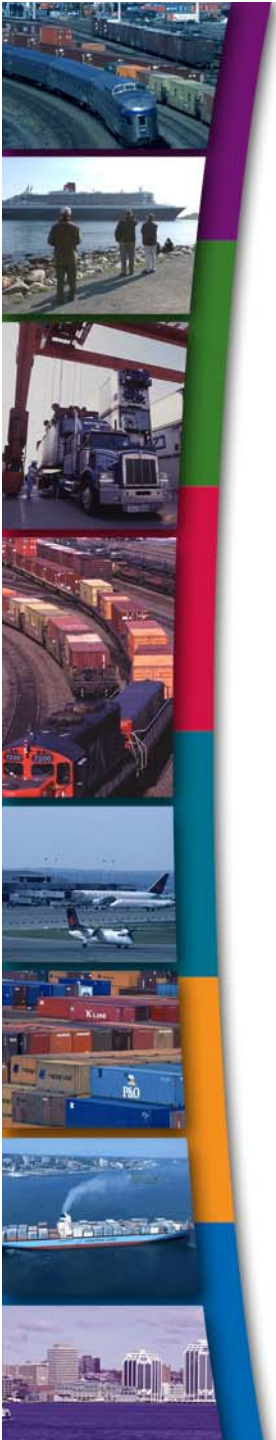
# Progress To Date

- Regional cooperation
- Engagement with Transport Canada
- ACOA NS supports NS vision
- 07 Federal Budget - gateway funding
- MOU signed 4 Atlantic Provinces, ACOA & Transport Canada
- Private & public sector engaged
- NS leading Atlantic Gateway initiative
- Premier's Gateway Symposium



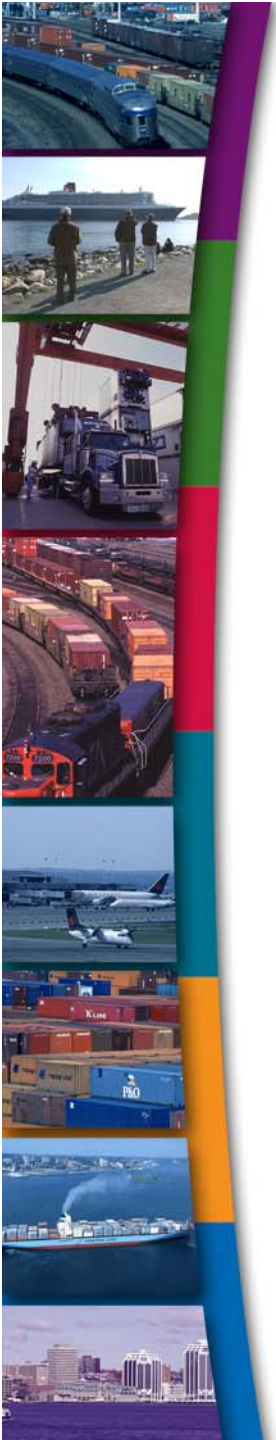
# Preparing for Gateway

- Educate business & people
- Develop new export markets
- Training and education key
- Opportunities for tourism, immigration & foreign investment
- Talk to existing industry stakeholders
- Port of Halifax – in war
- Threat is not within – USA ports huge competitors
- Be strategic
  - Not every port is not a gateway



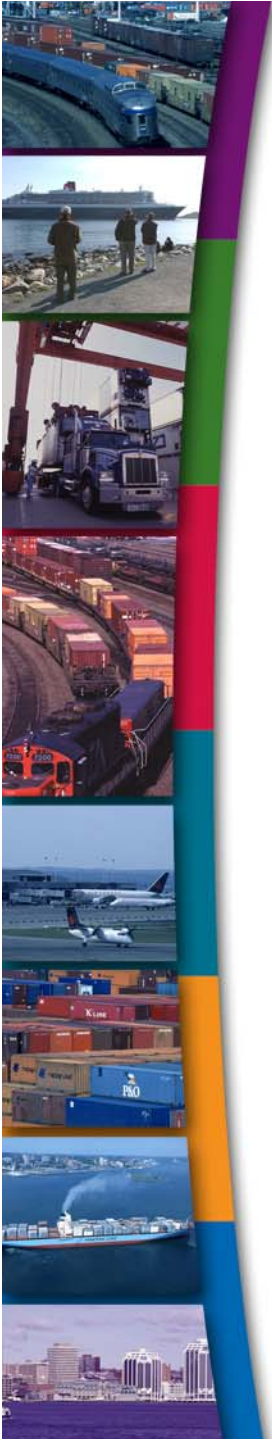
# Next Steps 07-08

- **Gateway separate budget area 07/08**
  - Budget of \$1,004,000 & 2 additional staff
- **Marketing RFP issued to MT&L**
- **Atlantic Gateway Fed/Prov Committee**
  - Develop the Atlantic Gateway Strategy
- **Develop a NS strategic framework for submissions to national gateway fund**
- **Need to be strategic!**



# Atlantic Gateway

- **Atlantic Gateway represents an opportunity of historic proportions for Canada. Business from Southeast Asia/Indian Sub-continent is incremental, it didn't exist 10 years ago. Canada's only way to capture a significant share of this business is with a Gateway based in Nova Scotia.**



# Thank You – Any Questions

