



2020 Address to the Greater Vancouver Board of Trade

Robin Silvester, President and CEO

December 10, 2020

I would like to begin by acknowledging the Musqueam, Squamish and Tsleil-Waututh Peoples, on whose ancestral lands I am speaking from today, and to extend my thanks to them.

I would also like to thank the Greater Vancouver Board of Trade for giving me this opportunity to speak. This is my 12th year addressing you at this event, and it is just as humbling now as it was the first time, though I have to say I do prefer being able to gather in person as has been the case in previous years and hopefully will be the case again next year!

In many ways, these last 12 months have felt as eventful as the last 12 years.

Globally, 2020 has been one for the history books.

We've seen an international pandemic, broad lockdowns, and a global race for a vaccine.

We've seen the powerful Black Lives Matter movement in the U.S. and beyond, prompting self-examination here in Canada as well, with regard to racism, Indigenous peoples, and policing.

And, we've seen a historic and controversial election in the U.S. that certainly captured the world's attention.

2020 has been no less memorable for the Port of Vancouver.

We've weathered nine months of the pandemic, which so far has seen the cancellation of the port's cruise season, reduced auto trade due to decreased consumer spending, and presented many other challenges to port businesses.

Yet, despite this and further challenges—such as protests and rail blockades in and around the port—supply chain businesses have still proved what a powerful and resilient economic force the Port of Vancouver is.

A new records are being set for grain, with significant increases in specialty crops, and canola.

Other successes for the port's private sector include the opening of G3's new grain terminal and significant progress with large capital projects at Neptune, Fraser Grain and Fibreco.

And at the port authority, we've made major progress on key projects, despite the pandemic, including the Centerm Expansion Project and several road and rail projects throughout the region as well.

Which brings us to today.

As we close in on the end of 2020, I'd like to talk about the state of the port right now, and look ahead to where we go from here.

What I hope you'll take away is that this unprecedented and challenging year has showcased—and indeed amplified—the value of Canada's largest port, but has also put an even stronger focus on the barriers we face to continued growth and prosperity.

I'll start with a quick overview of the port and our role at the Vancouver Fraser Port Authority.

Then I'll outline three ways that—in this turbulent year—local port stakeholders and the port authority's work have bolstered our region and our country.

Finally, I'll talk about key opportunities we have to further grow the port's value to the region, to Canada and beyond.

So, let's dive in with some background on the port and the port authority.

The Port of Vancouver is a complex system that includes many organizations beyond us at the port authority, including terminal operators, railways, pilots, shipping lines, freight handlers, the Coast Guard, and many more.

Activity generated by the port supports 115,000 port and supply-chain jobs across Canada, and of course is critical to many more jobs in businesses—like many of yours—that depend on importing and exporting goods.

The federal lands and waters that make up the Port of Vancouver are overseen by us: the Vancouver Fraser Port Authority. As a federal agency, we're mandated to enable Canada's trade objectives, while ensuring safety, environmental protection and consideration for communities.

We work in the public interest, in the interest of Canadians, and we re-invest around 90% of our revenues back into trade infrastructure to benefit Canada and all Canadians.

So, let's take a look at some of the work we're involved in that has established the Port of Vancouver as a valuable part of Canada's economic recovery.

This year, port industries have proved their resiliency in the face of incredibly uncertainty.

As we have all seen, the pandemic has caused significant negative impacts for many regional industries including hospitality, tourism, retail, and film.

Yet continuing trade flows have meant port industries have been able to perform well, for both this region and for the country, and they are supporting large numbers of good jobs even amidst the lockdowns that have been required.

As of October, total cargo volumes were on par with volumes recorded by the same time last year – which is remarkable, given the global economic challenges created by COVID-19.

One reason for that is the gains we've seen in sectors such as grain, where we're seeing record levels of cargo moving through the port.

To put those levels into perspective, the amount of grain exported through the Port of Vancouver year to date, nearly 25% more than last year, would feed almost 200 million people around the world—which is truly remarkable.

The port's strength throughout the pandemic echoes the strong rebound in trade that we saw after the 2008/2009 recession.

In fact, the impact of the economic downturn on the port this time is far less than was the case in 2008/2009. For example, in October of 2009, container volumes were down by 16%; whereas, in October 2020, they were already back to within 1% of 2019 volumes.

The resiliency of port businesses—a key factor in weathering instability—is in part related to the port's ability to handle the most

diversified range of cargo in North America, as well as the access the port provides to 170 countries around the world.

And of course, the efficient movements of goods through the port is only possible thanks to the dedicated efforts of marine carriers and pilots, longshore workers, terminal operators, railway workers, trucking companies and drivers, along with many others who make up the port community.

I really want to give a shout out to all these groups, and indeed all stakeholders and partners who have worked through very challenging circumstances this year to keep the port open round the clock, day in and day out, and to keep Canadians across the country supplied with essential goods. Thank you!

And of course I want to thank all the customers who choose to use the port – we appreciate the choice you make to use this port to ship your cargo.

Another significant strength this year has been the gateway infrastructure agenda, whether the private sector projects or the more than \$1 billion dollars' worth of infrastructure projects that we as the port authority are leading with partners, currently underway across the Lower Mainland.

It's worth celebrating that, despite the pandemic, development and construction on these projects has continued to move forward.

These projects are designed to support trade capacity throughout the region by making goods movement more efficient. They also serve to reduce the impact of trade on local communities by addressing traffic congestion and lowering emissions. And they have kept people employed in this most challenging of years.

Take the Pitt Meadows Road and Rail Improvements Project as an example.

This project will separate at-grade crossings of CP rail lines, while also extending an existing track that serves CP's Vancouver Intermodal Facility.

In doing so, it aims to eliminate the rail crossings at Harris Road and Kennedy Road, which are blocked by moving trains each day.

These changes will improve safety and community access by creating more reliable travel times and better emergency response options, while also enabling the safe and efficient movement of trade.

Projects like these are sustaining jobs and helping drive this region's economic recovery at this pivotal time.

Longer term, these projects will strengthen the region's competitiveness as a west coast trade hub, which will benefit not only the Lower Mainland, but Canada as a whole.

Finally, amidst broad concerns about how the pandemic may slow climate action, I'm proud to say that our work in this area never stopped.

As we strive to make the Port of Vancouver the world's most sustainable port, we are leading a suite of programs and initiatives that are protecting the environment from the impact of port activities and providing valuable insight into further improvements that can be made.

One such initiative is our work to support the transition to LNG—liquefied natural gas—as a marine fuel, with a goal of being able to provide LNG bunkering services at the port as early as 2022.

The growing interest in the use of LNG for the marine industry is starting to deliver a potentially material global reduction in air pollutants and greenhouse gas emissions.

For us, more broadly, we are focused on leading and participating in air quality and climate action programs designed to help conserve energy, reduce air contaminant and greenhouse gas emissions, and promote alternative energy sources.

Of course, for all of our strengths, we still see opportunities to enhance the Port of Vancouver's value to Canadians.

So let me walk you through the issues we must address if we are going to continue to successfully fulfill our mandate.

The first of these opportunities is one you've heard me speak about many times before, and that's the need to protect this region's rapidly dwindling supply of industrial land.

The pandemic has accelerated the shakeup we've been witnessing in the retail space, with movement toward larger-footprint operations and e-commerce to meet consumer demand.

As a port city, we have a natural advantage in adapting to this change—but only if we can protect large parcels of industrial land.

At current rates, the Metro Vancouver region is projected to run out of the industrial land needed to support these logistics centres and warehouses in well under 10 years – in fact we already are.

To further complicate matters, only a subsection of the industrial lands that remain are trade-enabling lands—which is to say, the larger land parcels with good transportation connections that are needed to

facilitate the movement and storage of the goods many businesses locally and across the country rely on.

What is happening now is that companies who require these larger parcels of industrial land are going elsewhere to establish their businesses and create jobs.

We are encouraging the province to step in and lead action in this area, by conducting a regional land assessment of the Metro Vancouver land base to start to protect and grow trade-enabling lands in the region.

The second opportunity we see comes back to continued investment in our gateway's trade enabling infrastructure.

Around the world, Canada is seen as a leader in many ways. However, in the dynamic and shifting global economy, if we fail to prepare for future trade demands, we run the risk of being left behind.

The pandemic has showcased the value of trade infrastructure investment, both in difficult times, when it is key to driving economic recovery, and in normal times, when it is growing long-term trade capacity for the country.

Projections for both trade and population growth through the region underline the need for well-designed, green, community-supporting infrastructure, such as our gateway projects.

In a similar vein the projects we're leading address the critical issue of scarce container terminal capacity on Canada's west coast. The proposed Roberts Bank Terminal 2 project in Delta is a nationally critical project which, if built, will increase the port's container capacity by one-third, maintaining global market access for Canadian exporters,

and efficient access to imported goods for consumers through the two more decades.

Continued Infrastructure investment is essential to support our economy and our competitiveness, locally and nationally.

The third opportunity lies in our environmental influence.

As part of our vision to make the Port of Vancouver the world's most sustainable port, we've been bringing Canadian environmental expertise to the port industry globally through efforts such as the port authority-led Enhancing Cetacean Habitat and Observation Program.

Through voluntary slowdowns and displacement trials for ships moving through feeding areas of the southern resident killer whales, this award-winning program is gathering valuable data about how underwater noise created by vessels impacts these vulnerable populations. And it's significantly reducing noise that affects these iconic mammals – a 50% reduction in underwater noise in 2019!

We are using this program to inform the future of marine shipping not only at the Port of Vancouver, but around the world too.

To pull this together, I've outlined three ways that port activity and the port authority's work have strengthened the region and the country in this pandemic year.

Then, looked at three ways to take that work forward: by protecting industrial land, by further investing in gateway infrastructure, and by expanding the port's environmental influence globally.

If I can leave you with one idea, it really is that this unprecedented and challenging year has showcased—and amplified—the value that Canada's largest port brings to this region, and to Canada.

And we have opportunities to further build on that.

To close, I want to give a big shout out to the staff at the Port Authority. Hopefully from my remarks you get a sense of the complexity, and importance of the agenda we are working on. The team at the port authority, like so many other organizations, has worked tirelessly to keep this agenda on track through this incredibly challenging year and I want to thank each one of them – Thank you!

So, Thank you very much for your time and attention – I look forward to answering your questions!