



Vancouver Fraser Port Authority view on container forecast volumes

2020-2060 Container forecasts

Overview

As part of our work to ensure there is enough space for growing trade on Canada's west coast, the port authority has commissioned a series of independent, expert third-party container traffic forecasts that consider long-term trends in global markets and trade, as well as a range of other drivers of container traffic demand. The findings of these forecasts, which have historically proven to be very accurate, conclude that container traffic to and from the West Coast is expected to grow significantly, well into the future.

In March 2020, the port authority selected two firms, WSP UK Ltd. and Drewry Shipping Consultants Ltd. to update our most recent container forecast completed in 2016 by Ocean Shipping Consultants.

The port authority supported Drewry and WSP in developing their forecasts by providing them historical Port of Vancouver container data for their independent analysis. Throughout the development of the forecasts, the port authority reviewed and provided feedback to both firms as they progressed through several draft reports and models before making their final submissions in October 2020.

Results

To complete their forecasts, the two firms used different forecast methodologies. WSP based its forecast on granular historical Canadian west coast port container data by origin/destination and real GDP outlook, and then applied a set of gradual reducing multipliers to GDP outlook assuming the conventional connection between container trade growth and real GDP growth will weaken over the long term.

Drewry forecasted high-level container trade for Canada and the USA based on the trend of historical relationship between container volumes growth and real GDP growth, and then drilled down to the coastal and port level by applying market share assumptions. Both WSP and Drewry created a range of forecasts in high, base and low cases that considered various scenarios.

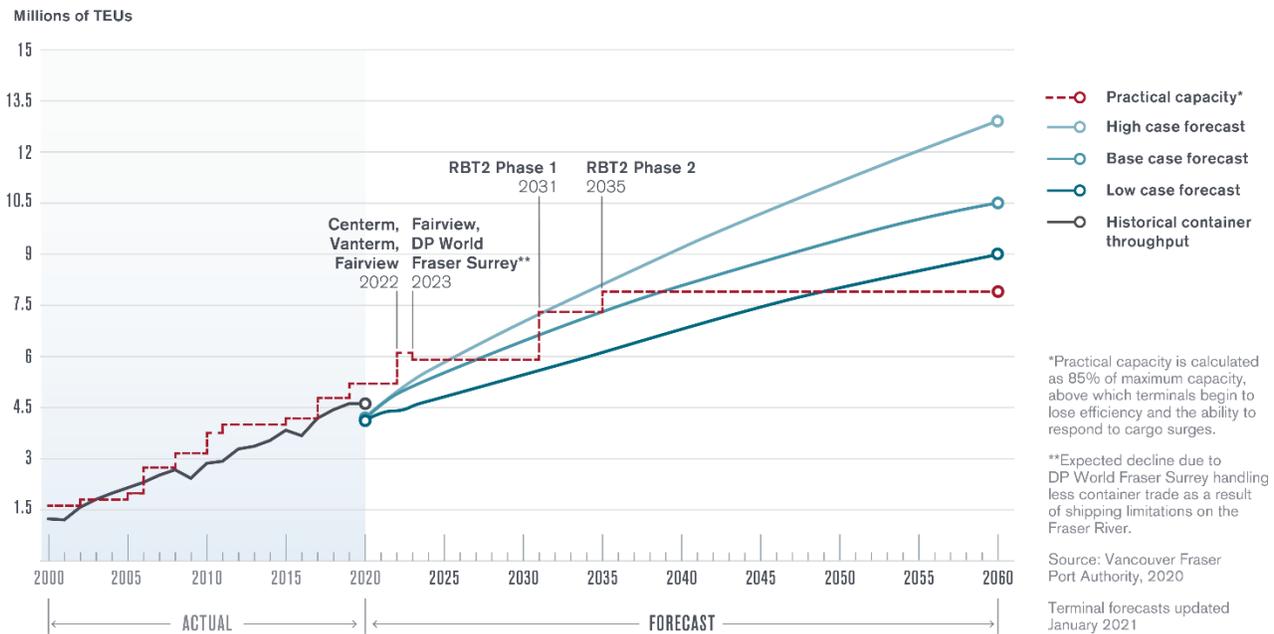
Upon thorough review, the port authority determined that both Drewry and WSP forecasts have features that can complement each other and form a more balanced forecast. Given the long-range forecast period, the port authority recognized the merit of projecting high-level economic and trade patterns, as well as a gradual reduction of GDP multipliers to account for the long-term market saturation of containerization.

The port authority chose to produce a new view on the forecast volumes by using a hybrid model informed by Drewry's and WSP's forecast, as well as the latest real GDP outlook as of December 2020 sourced from Oxford Economics. The port authority believes the new hybrid model combines advantages from the original Drewry and WSP forecasts and generates a more balanced container trade projection for Canada's west coast. The following graph and table show 2020 to 2060 long-term container traffic forecast for the West Coast from the forecast of Drewry, WSP, and the port authority's view respectively.

Container traffic forecast for Canada’s west coast (2020 to 2060)

		2020	2021	2025	2030	2040	2050	2060	CAGR* 2020-2060
Scenario		(Million TEUs)							
Vancouver Fraser Port Authority view	High case	4.2	4.6	5.8	7.0	9.1	11.1	12.9	2.8%
	Base case	4.2	4.6	5.5	6.5	8.1	9.4	10.5	2.3%
	Low case	4.1	4.5	4.8	5.3	6.8	8.0	9.0	2.0%
Drewry	High case	4.0	4.5	5.7	7.0	9.8	13.4	17.9	3.8%
	Base case	4.0	4.4	5.4	6.5	8.5	10.9	13.9	3.2%
	Low case	3.9	4.3	4.7	5.3	7.2	9.2	11.7	2.8%
WSP	High case	4.4	4.6	5.4	6.4	7.8	9.2	10.8	2.3%
	Base case	4.4	4.6	5.2	6.0	6.9	7.9	8.9	1.8%
	Low case	4.4	4.5	5.0	5.3	6.0	6.7	7.3	1.3%

* Compound annual growth rate



Both forecasts, and the port authority’s view, align with historical trade figures and previous third-party forecasts that have long signaled the capacity of West Coast ports to serve long-term growth is quickly becoming constrained. The WSP and Drewry forecasts indicate that by the mid- to late-2020s, the Canadian West Coast will not be able to handle the anticipated future growth in trade in containers.

In anticipation of this growth, the port authority is proposing the Roberts Bank Terminal 2 Project. The project, a 2.4 million-TEU container terminal in Delta, British Columbia, would provide the additional needed capacity to ensure that the port is ready to serve Canadians into the future, realize our nation’s trade potential, and help sustain our quality of life.

Learn more about the [forecasts and methodology](#).