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Check Against Delivery

Ladies & gentlemen I picked up the Globe & Mail's Report on Business last Saturday and I couldn't believe the headline.

"Now It's India Rising"

My first reaction was who leaked my speech?

Then I thought wait a minute, it's nice to see one of our national newspapers finally talking about something we already know at the Port of Halifax.

Trading with India is Canada's next big opportunity. In fact at the Port of Halifax we have already done something about India.

I want to tell you what that is and why I believe India is so important for all of us. Canada is a trading nation. It has international container ports on both coasts. On the west coast there is a little Port called Vancouver

You have probably also read a story or two about its biggest trading partner Asia the world's fastest growing economy.

But on the other side of Canada, the east coast there's a little Port too that I am rather fond of called Halifax.

Because the world is round and because shippers can choose to go east or west Halifax is also a trading partner with Asia. That's because of the Suez Canal. The Suez Canal lets Halifax and other east coast ports trade with Asia and India.

For example, a ship leaving the Laem Chabang Port in Thailand with cargo destined for eastern North America will save a couple thousand nautical miles simply by traveling through the Suez Canal.

Shipping lines are looking to the Suez Canal because it has lots of capacity. The Suez can accommodate both large vessels and a large number of vessels. So the Suez will help us pursue opportunities in Asia. Asia is and will continue to be a key part of our Port's growth strategy. That is why we will keep an active interest in the Asia Pacific Foundation.

I am very pleased to see Charles McMillan, a former Director of the Asia Pacific Foundation in the audience today. I want to thank Charley and his colleagues for their interest and support in growing Canada's international trade on both coasts.

We know the story of trading potential with Asia. But today's story is about the trading potential with the world's second fastest growing economy India.

In a few short years we believe the India Atlantic freight corridor will rival the Asia Pacific freight corridor.

Think about that for a second. The India Atlantic freight corridor being in the same class as the Asia Pacific corridor.

My focus today and everyday is to grow the India Atlantic corridor and to capture as much of the freight on that corridor as possible.

And here's why. India has 17% of the world's population. Its annual growth rate is expected to get to the double digits. Its current trade is valued at \$ 800 billion per year. India's trade with Canada is less than 1% of that trade.

Just a little room for growth, wouldn't you agree.

If I could sum up India in one word that word would be opportunity. For Canada it is a tremendous opportunity. But how do we turn that opportunity into results.

I want to tell you about a couple of companies that are turning trade opportunities with India into results. The companies are household names in Canada and they are achieving those results through the Port of Halifax.

Let me start with the Canadian Retail Shippers Association, the CRSA. The CRSA represents 12 of Canada's biggest retail organizations including Sears, Sony, Eddie Bauer, and Reitmans.

20 months ago they created an east coast distribution hub through the Port of Halifax. They did this because a few years ago there were labour conflicts on the west coast. Of course that affected freight owners. CRSA had to make sure their products got to market. They realized they couldn't depend on just one port. So they implemented a multi-port strategy.

Brian Gerrior, Chairs the CRSA. He's also the National Manager for Import Logistics Services for Sears Canada. Brian will tell you, they are always looking for ways to cut time and cost out of their supply chain.

They are already doing a significant amount of business with India. Brian works with David Sood. David 's company is Associated Indian Exports. David is a key buyer for Sears in India. And he traveled here all the way from New Dehli. We appreciate you joining us David.

CRSA figured they could cut transit time for shipments from India in half from 46 days to 23 days by shipping through Halifax not the west coast.

From factory to store not in 46 days but in 23 simply by going through the Port of Halifax.

These reduced transit times give CRSA members an advantage. They get to replenish stock much more easily within seasonal cycles. Obviously quite important when you manage both retail stores and catalogue operations.

CRSA has the flexibility of working with Ports on both coasts. But they chose the Port of Halifax because of these significantly reduced transit times.

When we were working out our deal with the CRSA there was one more piece that needed to be in place. That piece was the intermodel service getting the goods out of the port.

Halifax has one rail service but the CRSA was used to having two rail services to choose from. So they also wanted a trucking service before making the move to Halifax.

CRSA was looking for a trucking company with transload services so they could distribute to their retail stores east of Montreal. Transload means a place where goods are unloaded, sorted and reloaded.

CRSA found what they were looking for in Armour Transport. So 20 months later CRSA members like Sears run a backlog free operation through the Port of Halifax.

Next time you're in your local Sears store the items you buy that say made in India came through the Port of Halifax.

The next story I want to share with you is about Canadian Tire and their transload distribution partner Consolidated Fastfrate.

It's a formidable team, Pat Sinnot of Canadian Tire and Ron Tepper from Consolidated Fastfrate. When you hear them tell this story it's a lesson in basic math.

Canadian Tire carefully manages its supply chain and is always looking for ways to reduce time and cost. Canadian Tire imports a lot of goods from China. It's increasing its imports from India. But the bulk of its import comes from China through the Port of Vancouver. Then it goes by rail to Calgary, Toronto and Montreal for distribution by truck to stores throughout Canada.

10% of Canadian Tire stores are east of Montreal. So trucks delivering product to those stores were returning empty. Empty trucks equal lost cost.

Pat identified the need to have trucks traveling full in both directions. To make that happen he needed to bring cargo in through the east coast. Sounds simple And it was.

In a few months from now Consolidated Fastfrate will open a 90,000 square foot transload facility in Halifax. Canadian Tire will be one of its key customers.

The common thread in both of these stories about CRSA, Sears, and Canadian Tire is that there was a supply chain issue that needed to be addressed. In all cases solutions were found through the Port of Halifax.

We worked with CRSA, with Consolidated Fastfrate and Canadian Tire to find the right solution for everyone. We didn't do it all by ourselves. We worked with our partners at the city, at NSBI, at the province and in the business community.

We will take that collaborative approach for any organization looking to do business with our Port.

We are in the business of helping our customers grow and we are in the business of adding new customers.

The Port of Halifax has been involved in international trade since 1749 over 250 years ago. Historically our bread and butter has been with European trade. But in recent years we determined there is a bigger role for us and we should be increasing our contribution to the Canadian economy.

We have tackled this from four fronts. One - growing our existing markets. Two - establishing new markets. Three - broadening our core services to encompass the needs of freight owners as well as shipping lines. Four - finding companies, investors and others who believe in the Port of Halifax and what it can contribute to Canada's International Trade.

Before I get into markets and India I want to touch on some of the investment that is happening in Halifax. 2007 is a good year for us. Macquarrie Infrastructure Partnership recently bought the Halterm terminal operations. That is a \$170 million investment in the Port. Cerescorp will soon take delivery of two new Super Post Panamax Cranes. That is an investment of over \$20 million and as I

mentioned earlier Consolidated Fastfrate will soon be opening its \$14 million transload/distribution facility.

Each of these investments is more than just private money. Each is a sign of confidence in Halifax. At the Port we have our own investment program, \$135 million over 5 years. That's over one quarter billion dollars in investment. That's not all. We have plans for a substantial expansion at each of our terminals. That will get us to a 2 million TEU capacity. That is 4 times bigger than we are today. When you combine this with everything else we have going for us, the future is looking pretty good.

So good the province of Nova Scotia represented here today by Transportation Minister Angus MacIsaac has made the gateway, one of its top priorities. A gateway that has great bench strength provincially and regionally. We have an international airport in a network of smaller regional airports. We have seaports that have built solid businesses in bulk, breakbulk and containerized cargo and we have a strong, supportive business community.

Now back to our markets. We're obviously looking at Asia. There are parts of China in our sight. China has potential for Halifax but its natural alignment with the west coast makes it a big hill for us to climb, not insurmountable but a big hill none the less.

When CRSA became part of the Port of Halifax we were introduced to India. As we learned more about India the potential became more and more obvious. We took a page from Pat's book and started to do some math of our own.

If a ship travels via the Suez Canal, India is 1840 nautical miles closer to Halifax than it is to west coast ports. India's top exports also match the markets we serve. As well, there is good match between what our market exports and what India imports.

So we asked ourselves how do we turn this opportunity into results.

For the first time in our history we opened an office outside of our harbour. We opened that office in India, in Mumbai and New Delhi.

We entered into an agreement with Jeena & Company Global Logistics. They are a well established organization, owned and managed by the Katgara family.

Our relationship with Jeena is less than a year old and we are very pleased with how it is going. We aren't expecting short term results but we are banking on medium and long term ones. We chose India because we believe this is where our growth potential lies as a Port, as a Province and as a country.

We have high hopes for North America's trade with India. And our specific goal is to establish a relationship between Atlantic Canada and India just like the one between Asia and the Pacific.

As you know Premier Dalton McGinty recently led a trade mission to India. We took advantage of this opportunity to introduce Jeena to some of the people traveling on this trade mission.

Why? Because HALIFAX is Ontario's Port for containerized cargo trade with India. We're your Port because big ships just can't go up the St. Lawrence Seaway.

And if we aren't your Port then freight owners are paying too much to transport containers and travel time is a lot longer than it needs to be. How can I say this with such conviction?

Well in this business time is money. We save time for shippers.

We save time because we have fast access to central Canadian markets and the US Midwest. We save time because we are congestion free. We have capacity at the berths, on the terminals and on the rail line.

Right now as you know there is a strike at CN. It's affecting everyone across the country. We all hope it gets settled as soon as possible. Now I have just been talking about how the Port of Halifax is Ontario's Port for containerized cargo from India. You must be wondering what does that mean for the Toronto and Hamilton Ports.

My colleagues from Toronto and Hamilton are here today. They will tell you, we are all part of the freight corridors. Ports, railways and roads in Canada and around the world connect.

How we connect to create freight corridors is directly related to the needs of shippers who are looking for access to markets. Our job is to help them find the best solution. And Halifax is the best Canadian solution for ships traveling through the Suez Canal.

As I said earlier the Suez Canal plays a big part in our growth strategy especially in terms of India. We already have lines calling on Halifax via the Suez. When we combine these lines with the others calling from all over the globe we clearly demonstrate we are accessible to world markets.

It may surprise you to know other Canadian Ports can't access these markets as easily as we do at the Port of Halifax. This accessibility is real and it is this accessibility that will lead to economic growth and success not only for the Atlantic region but also for the whole country.

Canada is a big country with a small population. We will grow and prosper on the strength of our trade links. We have international container terminals on both coasts. They are vital links to world trade corridors.

This isn't about one or the other, the east versus the west playing both ends against the middle. It is about both coasts working together as assets in a national trade strategy.

A trade strategy that sees Canada redefining its niche as an importer, an exporter, a supply chain contributor and a service provider.

We have to have a strong national trade strategy. We have to work harder at this than other countries. We have to think bigger.

If we don't we'll be left behind.

When Minister Papatello returned from India she said "They're not waiting for us".

This is our challenge. We need to capture our share of Asia. We need to capture our share of India and for that matter any other emerging trading partners around the world. Our challenge is also our opportunity.

Yes as the Globe & Mail said "Now It's India Rising"
And "India's Time Has Come."

But it's also our time, as a country, to seize this tremendous opportunity. Halifax will do its share. We'll even do more than our share if that's what it takes.

There's a part for all of us to play. You play your part. Let the west play its part. Let us play our part. And when we all do our part, Canada will not be left behind.

Thank you

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