

SEPT-ÎLES •

ST. LAWRENCE EXPRESS

May 23, 2014

SAGUENAY

MATANE

QUÉBEC •

«COMM
PROFESSIONALS
DAY»

PIERRE MARC
JOHNSON
AT SODES'
LUNCHEON
MEETING

TROIS-RIVIÈRES •

A NEW SODES
MEMBER

MONTREAL •



SODES

PRESIDENT' MESSAGE

Maritime Strategy

Jean D'Amour's appointment to the position of Minister for Transport and the Implementation of the *Maritime Strategy* is a clear sign of the government's desire to prioritize the marine sector as a tool for economic development.

With this appointment, the Liberal Party's vision, as announced in its 2014 election platform, "to increase the economic spinoffs resulting from activities linked to the St. Lawrence River", has a good chance of materializing.



Nicole Trépanier,
President

For this to happen, SODES is convinced that the maritime community could forge a productive working relationship to advance the files that are important to both the industry and the government.

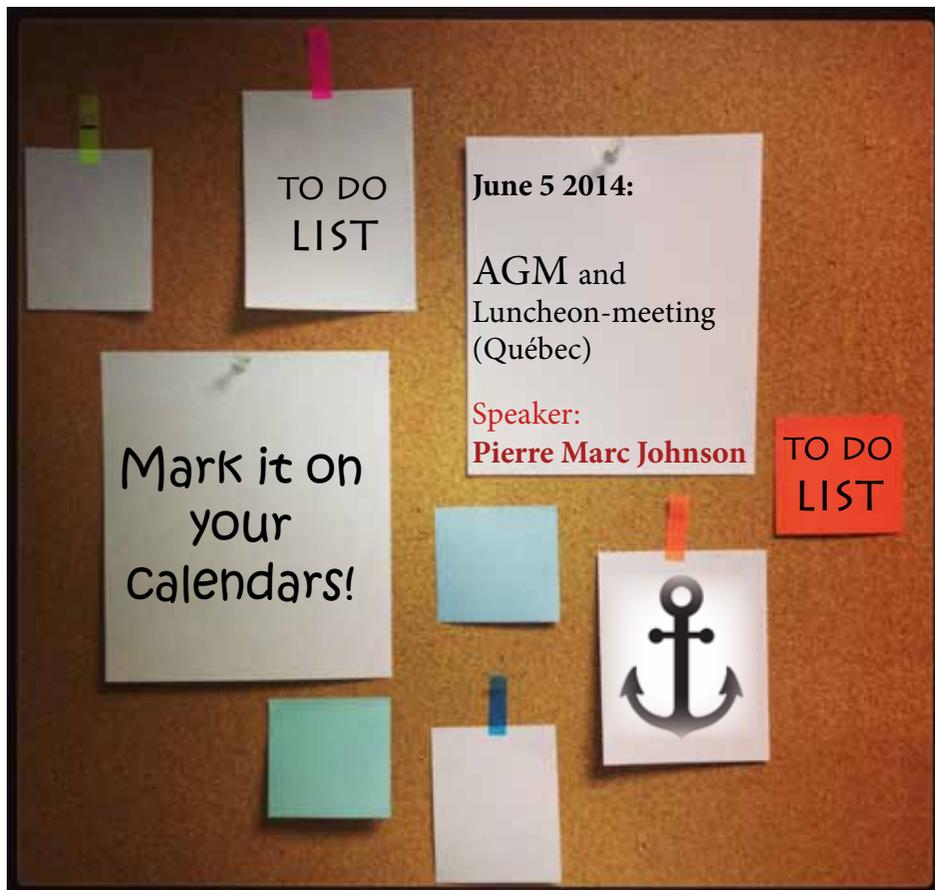
Be it through the *Marine Industry Forum*, created to oversee the implementation of the different measures proposed in the *Marine Transportation Policy*, through the exercises of the St. Lawrence – Great Lakes Trade Corridor follow-up committee or through the marine industry's promotional activities developed by SODES, many efforts have been made to create ties of trust between the Québec government and our sector of activity.

I feel it is important to point that much of SODES' work in recent years has coincided with certain *Québec Maritime Strategy* objectives. Therefore, I think that our organization will play a key role in implementing this Strategy and, as a result, I offer the government our support and collaboration in order to ensure the success of this wonderful venture.

The President,

A handwritten signature in blue ink that reads "Nicole Trépanier". The signature is written in a cursive, flowing style.

SODES' EVENTS



Luncheon Meeting in the presence of Jean D'Amour, Minister for Trans- port and the Implementation of the Maritime Strategy

June 5, 2014

**The luncheon meeting is at
11:30 am.**

Hotel Pur

**Speaker:
Pierre Marc Johnson
Chief negotiator for the
Gouvernement du Québec
regarding the Canada-
European Union
Comprehensive Economic
and Trade Agreement (CETA)**

[Register to the event](#)

[Sponsor the event](#)

The Canada-European Union (EU) Free Trade Agreement signed in fall 2013 promises extraordinary opportunities for Canadian economic development.

Described as the most ambitious trade partnership in Canadian history, the Comprehensive Economic and Trade Agreement (CETA) will take effect in or around 2015-2016. It will reduce trade barriers by eliminating most customs duties on products traded with the European Union (EU) and harmonizing regulations and standards. CETA covers almost all sectors of activity—goods, services and investment. The agreement will be the first of its kind between developing countries.



SODES NEWS

Fundraising campaign

SODES is currently running a fundraising campaign to finance promotional activities linked to the marine industry's communications plan.

As shown in the March edition of the St. Lawrence Express, this communications plan's implementation is designed to highlight shipping's importance and advantages and to counter biases and preconceived notions circulating with regard to it.

AGM

The SODES AGM will take place on June 5 at Hôtel Pur in Québec City.

This annual get-together provides an opportunity for SODES to report on our accomplishments and for our members to be made aware of the many services we offer you.

« Comm Professionals Day »

«Comm Professionals Day» is an initiative written into SODES' new communications plan and intended for its members. The first edition was held on April 29.

Unhampered dissemination of information within the marine industry is of critical importance. It is to SODES members' advantage to share all relevant information with each other. To do so, those in charge of communications must know each other and understand the mission of each company in the marine sector.

Information-sharing mechanisms must be set up. We need to work together for the benefit of our members and the industry as a whole.

Our first Comm Professionals Day provided an opportunity for the communications directors of SODES member companies based in Québec City to meet one another. SODES presented its 2014-2016 communications plan. There was talk of the marine industry adopting more proactive communications. Comm Professionals Day was used to compile all members' events in order to produce a comprehensive calendar of the activities and events occurring within the marine industry.

Another Comm Professionals Day will take place in Montréal on May 26. For further information, please contact Laurie Grenier, communications coordinator, at 418 648-4572, Ext. 201.



Multimodal Portrait of Freight Transportation in Québec

Launched in 2011 by the ministère des Transports du Québec and assigned to the firm CPCS, the multimodal study on freight transportation in Québec aims to define the actual and future supply and demand in terms of freight transportation in Québec and to evaluate potential intermodality solutions. This evaluation helped determine the inter-city truck movements in a typical week¹, which could have been replaced by rail or marine transportation.

The results of the study reveal that a low percentage of truck movements represent a certain intermodality potential (6% of movements and 26% of kilometers travelled). The main identified fluxes are located between Montréal and the United States, Ontario or the Maritimes, and between the Montérégie region and the United States.

The detailed analysis of these fluxes, considering the specific origins/destinations of the types of products involved, shows that the implementation of modal transfers remains a rather uncertain option. The authors pointed out a certain number of obstacles to intermodality, which apply to both rail and marine transportation:

Multiple specific origins/destinations;

- Insufficient volume if competitors do not regroup;
- Irregular fluxes;
- Longer delays compared to road transport.

The following constraints are specific to marine transportation:

- Seaway winter closure;
- Additional distances to cover compared to other modes of transportation for the flux between Québec and the East Coast of the United States.

¹ The analysis of truck movements is based on the Enquête nationale en bordure de route sur le camionnage (2006-2007).



Marine intermodality suffers from the absence of regular lines due to the lack of volume, a reality which could only be overcome if competitors would accept to pool their transportation needs.

This global analysis based on a time-specific portrait of inter-city truck movements does not rule out possible opportunities for certain consignors, which could benefit from marine transportation, even between two regions in Québec.

Claude Sirois (ministère des Transports), in collaboration with Jean François Arsenault (CPCS), presented an article in this regard entitled: "Portrait multimodal du transport de marchandises au Québec" (Multimodal Portrait of Freight Transportation in Québec) in the fall 2013 issue of Routes et Transports produced by the Association québécoise des transports.

A [PowerPoint](#) on this subject, presented at the 2013 NASCO Conference in Montréal, is also available, in French only, on the ministère des Transports's website.



INDUSTRY NEWS

AQTr Grands prix d'excellence en transport gala

Discover the highest-profile transportation projects!

The [Grands prix d'excellence en transport gala](#), which will be held on June 18 at the Montréal Science Centre this year, will be attended by more than 200 professionals from the transportation sector. The gala offers an opportunity to spotlight more than 20 projects, announce the winners in 10 categories, and award the honorary jury's Prix Distinction and Prix Coup de cœur awards.

The AQTr hopes to see you there!

One St. Lawrence River, 2300 different faces

SODES, proud partner of the Mon fleuve et moi drawing contest

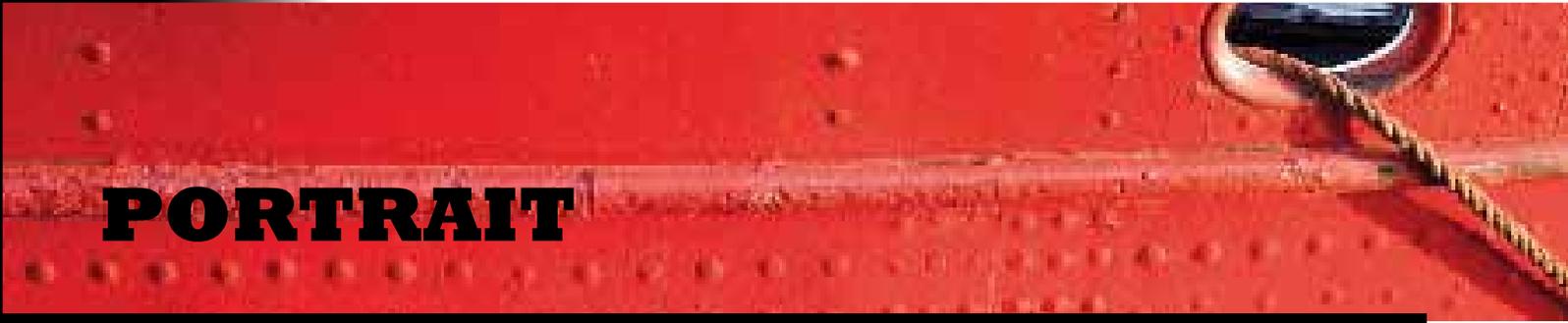
The project Mon fleuve et moi, with which SODES has collaborated, is much more than a drawing contest. It is a comprehensive edukit that includes teaching activities designed to get youngsters thinking and to promote their commitment to finding solutions linked to issues related to protecting, promoting and developing the St. Lawrence River.

On April 22 and 26, 2014, the events to recognize the winners of the Fondation Monique-Fitz-Back's Mon fleuve et moi drawing contest were held in Québec City and Montréal.

Some 200 participants from throughout Québec were on hand to acknowledge the talent of the finalists who had expressed their vision of the St. Lawrence River. Since its inception, Mon fleuve et moi has reached out to close to 2600 youngsters! Although it was initially available for certain regions only, the project now runs province-wide in order to reach as many teachers and students as possible.

In addition to the impressive number of youngsters made aware of St. Lawrence River-related issues, their vision has been shared with many people throughout Québec. For instance, approximately 4 million people will see the Mon fleuve et moi murals on Québec's ferries during summer 2014, thus visualizing the message of hope the finalists wanted to transmit.





PORTRAIT

A New Member at Sodes! CanEst

CanEst Transit Inc., a new company founded by La Coop fédérée, Transit BD Inc. and MGT Holdings, will create on port territory a facility that will specialize in the containerization of agricultural products destined for local and international markets.

CanEst has signed a long-term lease with the Montreal Port Authority to operate out of the former Grain Elevator No. 3 annex. Once modernization work at the facility is complete, CanEst will receive by rail and truck bulk products from Quebec, Ontario, Western Canada and the U.S. Midwest. The company will be able to store, clean, sift, package and containerize agricultural products, as well as handle bulk or bagged grain and by-products. Once containerized, agricultural products will be delivered by truck to local markets or directly to the Port of Montreal's container terminals for onward transit by vessel to the international markets that the port's container lines serve. The CanEst facility is scheduled to open in the second quarter of 2014.

«The CanEst project fits in perfectly within our 'port-plus' strategy to provide value-added services to port users and to attract new clients,» said Sylvie Vachon, president and CEO of the Montreal Port Authority. «This project will increase our capacity for handling bulk products. Users will benefit from the port's strategic location on the St. Lawrence River to serve international markets.»

SODES welcomes our new member!



THE WORLD OVER...

Hapag-Lloyd reduces its deficit in 2013

Although Hapag-Lloyd reduced its losses in 2013, its leaders qualified the company's results as disappointing—lower than expected. The German firm is counting on the market to recover in 2014.

Hapag-Lloyd minimized its losses in 2013 with a net deficit of \$135 million compared to losses bordering on \$195 million in 2012.

The ship owner improved its performance by stepping up its activities from \$62.3 million to \$102.12 million.

However, its average freight rate remained low at \$1482 per TEU—\$99 lower than the average 2012 price. As a result, the group's revenues declined. The company attributed this drop to the value of the US dollar, the marine sector's main currency, which remained weak.



Photo: Hapag Lloyd

Growth on the horizon

Despite fierce competition and rising energy costs, the company was able to reduce its expenditures and increase its transport volumes 4.6% to approximately 5.5 million TEUs. «Thanks to its global liner network, Hapag-Lloyd was able to take advantage of growth opportunities in a difficult market», said the group in its annual report released on March 26.

The company deems the outlook for 2014 to be encouraging for shipping lines, since fewer ships will come onto the market and an increasing number of old vessels will be removed and demolished.

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