



Media Release

Economic Impact Study of Independent Marine Ports in Atlantic Canada

The Independent Marine Ports Association of Canada has completed a comprehensive economic impact study of eleven independent marine ports in Atlantic Canada. IMPAC was established to facilitate safe, self-sustaining marine ports that are effectively operating in an appropriate regulatory environment while meeting the social and economic marine transportation needs of their communities.

The study, prepared by Gardner Pinfold of Halifax, who has extensive experience in conducting port impact studies, found that the region's independent ports are integral to the economic health of their host communities as well as to the Atlantic Provinces' broader economic fabric. Marine shipping more than any other form of transportation, provides linkages to overseas markets for a vast array of goods we depend on every day. It represents the least cost and lowest environmental impact mode of shipping, especially for many importers and exporters of large items and bulk volumes of goods. The communities, businesses, and port operations are closely intertwined, and the ports continue to be a cornerstone of local and regional economic development. Specific and consolidated port economic impacts are provided throughout the study.

Study findings

The findings of the study include:

- Independent marine ports tend to be more export-oriented than the major ports in the Atlantic region.
- The businesses dependent on the study ports represent a combined total of 7,103 full-time equivalent jobs, \$388 million of earned income, and over \$505 million in other expenditures in the economy. This underscores the important enabling function ports play in the local and regional economies.
- The study ports and related marine shipping generated combined economic impacts of \$303 million in total expenditures; total employment of 4,040 person-years, total GDP (added value) of \$232 million, and total salary income of \$172 million.
- The average wages and salaries paid by ports and related businesses ranges from 2 to 3 times the average earned income in their communities, indicating the leading job opportunities ports offer and the critical role they play as employers in the local community.
- Study ports represent about one quarter of all Atlantic port impacts – Based on total output (expenditures), the study ports share of total provincial port and marine shipping

impacts is estimated at: 19% in Nova Scotia, 5% in New Brunswick, 60% in Prince Edward Island, 28% in Newfoundland and Labrador, and 23% for Atlantic Canada overall.

Issues and Challenges

The study also identified issues and challenges facing ports such as the need for dredging, wharf repair or expansion, marketing and attraction of new business, re-orientation following business failure among key clients, or meeting new port security requirements.

The study found the dominant challenge for independent ports is raising sufficient revenues. This is not only reported by the ports themselves, but is also evident from Industry Canada profiles that show that port and harbour operations are facing a unique challenge of insufficient revenues when other support services to water transport and marine shipping businesses are enjoying stable and healthy profits.

Recommendations

The consultant has recommended a number of key issues be addressed including:

Harbour Maintenance Fees

Ports should enter into a dialogue with Transport Canada and other pertinent stakeholders to clarify the regulatory and policy context surrounding the implementation of Harbour Maintenance Fees to provide greater long-term stability for port operations.

Capital Assistance Program

Capital maintenance remains as the largest cost and most pressing challenge for ports. A publicly funded capital assistance program should be designed to meet these needs. This could follow both the principle and design of the Airport Capital Assistance Program (ACAP) that regional and local (non-National Airport System) airports have access for capital projects.

Extending and Reviewing Contribution Agreements

Various ports divestiture contribution agreements would better serve the ports if they have more flexibility so that funds can be allocated to the full range of port priorities. Transport Canada should be engaged to determine the possibilities for renewal and changing the terms of agreements.

For further information:

Denis Thibodeau
Chairman
902-687-1319

Daryl Black
Executive Director
506-836-7162