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Providing information by email to our members and fellow unionists

ILWU Canada Waterfront eNews

Official e-newsletter publication of the International Longshore & Warehouse Union Canada

Feb 19, 2016

Panama Canal lock repairs pass the test

Linton Nightingale | Thursday, 18 February 2016

Contractors successfully reinforce sills at Pacific entrance

The Panama Canal Authority (ACP) has confirmed that works to repair seeping sills in the waterway's new third set of locks have been completed and tests on the reinforced structure have proved successful.

A team of specialists from the multi-billion-dollar project's contractors, Grupo Unidos por el Canal, monitored the testing process in which water was gradually raised behind the Cocolí lock gate, located at the Pacific entrance to the canal, to the middle and lower chambers, where the leak was first detected last year.

The ACP said that following positive results from GUPC the locks were then inspected by independent experts and engineers from the Technological University of Panama (UTP).

"Following the completion of this work, GUPC will proceed to test the electromechanical components necessary for the expanded canal to operate," said the canal authority.

News that the sills had failed in the new locks was confirmed by the ACP in August last year, which raised fresh fears that the timetable for the already delayed project was set to be pushed back even further. The ACP played down these claims at the time stating that it was still confident of opening its third locks for business in April this year.

These concerns however have since proved to be legitimate.

Instead, this April the ACP will use a chartered vessel for transit trial tests in the Atlantic locks, after which, depending on their success, a date for the expansion's inauguration will be announced.

With the cracked sills repaired, the ACP said that the overall project is now 96% complete and, rather more cautiously than in previous statements, added that it expects to welcome the first vessel through its new locks later this year.

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Container Shipping Shake-Up as CMA CGM, China Cosco, OOCL and Evergreen Plan New Alliance

February 17, 2016 by [The Loadstar](#)

By Mike Wackett

(The Loadstar) - Newly-merged Chinese ocean carriers Cosco and CSCL, together with Evergreen, OOCL and CMA CGM are set to form a new east-west mega-alliance.

According to Alphaliner, the new grouping would challenge the market dominance of the Maersk and MSC 2M vessel-sharing agreement.

The plans, apparently discussed at high-level meetings last month, would "radically alter the currently liner shipping landscape". Of the four east-west alliances, only the 2M (Maersk and MSC) would remain unchanged.

OOCL is a member of the G6; Evergreen and Cosco are part of the CKYHE; and CMA CGM and CSCL are members of the O3.

The 2M alliance operates over 2.1m teu of capacity on across the three main east-west trades, followed closely by the CKYHE offering of just over 2m teu, the G6's 1.8m teu and the O3's 1.5m teu.

CMA CGM has already stated its intention to pull APL out of the G6 alliance once it completes its acquisition from NOL in the second half of this year, and Alphaliner suggests that the financial distress of the two South Korean carriers, Hyundai and Hanjin Shipping in the CKYHE alliance, could be the catalyst for a new game of musical chairs in liner shipping alliances.

It said: "The potential insolvency of two Korean carriers and any potential restructuring arising from an (enforced) merger could undermine the service networks of the CKYHE and G6."

The plan for the new grouping also appears to be a move by the stronger players to distance themselves from the rest and, at the same time, prevent the 2M partners from becoming totally dominant on some routes.

The "CCEO" (CMA CGM, Cosco, Evergreen and OOCL) would potentially be larger in capacity terms than the 2M, and Alphaliner said the move could leave UASC (O3); Hapag-Lloyd, NYK and MOL (G6); and K Line and Yang Ming (CKYHE) without the necessary partners to enable them to offer a full range of services.

These carriers would then seem to have little option but to form a new alliance in order to compete.

"Various partnership scenarios are being contemplated and, given the prevailing uncertainties, the carriers are keeping all options open at this stage," said Alphaliner.

However, with the ink barely dry on a previous round of alliance changes, ports and service providers are set to again face another period of uncertainty. And shippers face a similar set of unknowns regarding potential network changes and whether contracts with carriers would be honoured if capacity becomes tighter.

Meanwhile, it is understood that relationships have become strained between some alliance partners over the past six months, as financial results have deteriorated on many trades and pressure from shareholders to improve results has intensified.

One source told The Loadstar recently that the decision-making process in one particular alliance on the blanking of voyages last year had become "extremely heated".

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February 18
FOR IMMEDIATE RELEASE



Diversification protects Port Metro Vancouver from full impact of economic downturn

Year-end statistics include record growth in some sectors

Vancouver, B.C.: Port Metro Vancouver today released its 2015 year-end statistics. Overall volume remained steady at 138 million tonnes of cargo as sectors experiencing declines were offset by others that hit new records. This is the port's third consecutive year of strong cargo volumes, with new records set in the container, potash, and grain and agri-product sectors.

Cargo shipped in containers continued to show substantial growth due to increased trade with Asia, with a five per cent jump in units (known as twenty-foot-equivalent units or TEUs) for a new record of 3.1 million TEUs. Grain and agri-product exports increased by eight per cent over 2014 to 25.1 million metric tonnes, and potash exports were 8.7 million metric tonnes, up 15.6 per cent from the prior year.

Port Metro Vancouver is Canada's largest port and it accommodates the most diversified range of cargo of any port in North America. This diversification has allowed the port to continue to grow, despite economic downturns in some sectors.

"These strong and consistent cargo volumes through Port Metro Vancouver demonstrate the diversification of the port and the Canadian economy," said Robin Silvester, President and Chief Executive Officer of Port Metro Vancouver. "The many terminals throughout the port have done a remarkable job of facilitating Canada's trade."

"As Canada's largest port, Port Metro Vancouver is a leading example of how to operate a global port with respect for the environment, marine safety and security," said the Honorable Marc Garneau, Federal Minister of Transport. "It continues to play a critical role in Canada's economy - importing goods from around the world and exporting Canada's resources to critical international markets - while also working with local communities and promoting environmentally sustainable operations."

Grain handlers and railways implemented effective measures to handle the significant increase in grain exports after the bumper year in 2014. Bulk specialty crop (lentils, pulses) volumes reached 3.5 million metric tonnes, an increase of 20 per cent, with growth in exports to India and China.

There was a decline in breakbulk metal imports (construction steel and fabricated components) during the second half of 2015 as a result of lower capital investments in the energy sector; however with volumes of 1.4 million metric tonnes, 2015 remained the second highest year for metals on record. Foreign forest product exports (logs, lumber, woodchips and woodpulp) ended the year at 10.9 million metric tonnes, a slight decrease from 2014. Coal volumes were down by eight per cent mainly due to reduced demand from China and lower thermal coal exports from the United States.

"In the last five years, the port has grown by the equivalent of the annual volume of Canada's second largest port - the Port of Montreal," continued Robin Silvester. "And we anticipate that growth to continue at about the same rate over the next five years, despite the current slow-down."

To manage that growth, the port authority is collaborating with all levels of government and other port stakeholders to ensure the port is responsive and prepared to meet increasing consumer and international demand. A number of infrastructure projects are being proposed to improve the flow of goods throughout the Lower Mainland and beyond, and the port authority is working with terminals and tenants to use port lands as efficiently as possible.

Canadian port authorities are mandated to safely facilitate Canada's trade demand while protecting the environment and considering local communities. Port Metro Vancouver is recognized globally as a leader in sustainability, including by the likes of Sir Richard Branson and the Carbon War Room. In 2015 the port authority announced initiatives such as shore

and the Carbon War Room. In 2016 the port authority announced initiatives such as shore power for container vessels and the ECHO Program, the latter of which aims to better understand and manage the impact of shipping activities on at-risk whales throughout the southern coast of British Columbia.

About Port Metro Vancouver:

Port Metro Vancouver is Canada's largest port and the third largest tonnage port in North America, responsible for Canada's trade with more than 160 world economies. Located in a naturally beautiful setting on Canada's west coast, Port Metro Vancouver is responsible for the efficient and reliable movement of goods and passengers, and integrates environmental, social and economic sustainability initiatives into all areas of port operations. Port Metro Vancouver is committed to meaningful engagement with the communities in which it operates and the shared obligation to improve the quality of life for Canadians. Enabling the trade of approximately \$200 billion in goods in 2015, the port generates an estimated 100,000 jobs, \$6.1 billion in wages, and \$9.7 billion in GDP across Canada. As a non-shareholder, financially self-sufficient corporation established by the Government of Canada, Port Metro Vancouver operates pursuant to the Canada Marine Act and is accountable to the elected federal Minister of Transport.

Waterfront News

Reminder



The Waterfront News is the newsletter produced by ILWU Canada and mailed to members several times per year. The Dispatcher is the newsletter produced by our International Union and is also mailed to members several times per year. ILWU Canada keeps an address database for both of these, but we only receive addresses from the Locals or the Members directly.

[Copies of past editions of the Waterfront News are available here:](#)

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