

SODES, voice of the St. Lawrence maritime community

Founded in 1985, the St. Lawrence Economic Development Council (SODES) has established itself over the years as a credible partner of the various levels of government. Through its activities, SODES constantly strives to further the interests of the St. Lawrence maritime community when its economic future is at stake.

With its many members from a variety of backgrounds, SODES works to secure the economic future of the St. Lawrence River while embracing the principles of sustainable development. st-laurent.org

Mission

Protect and promote the economic interests of the St. Lawrence maritime community in keeping with a sustainable development perspective.

Vision

Be the prime mover in responsible maritime economic development.

The marine industry in Quebec

According to 2017 data,¹ the marine transportation industry on the Great Lakes and the St. Lawrence River produces 181,000 direct, indirect and induced jobs and contributes \$26 billion to the Canadian economy. Sixty percent of these jobs are in Quebec, with the rest in Ontario.

The marine industry and its employees make a significant contribution to the health, education and general prosperity of Canadian society through the \$5.7 billion they pay in federal and provincial taxes.

¹ [Economic Impacts of Maritime Shipping in the Great Lakes-St. Lawrence Region](#), 2018.

The St. Lawrence–Great Lakes Trade Corridor

We were interested to learn that the Standing Committee on Transport, Infrastructure and Communities had been given a mandate to study trade corridors.

Although the focus is on marine transportation, the St. Lawrence–Great Lakes Trade Corridor is multimodal and thus represents a development opportunity for all modes of transportation. It has efficient intermodal connections to railway lines and the North American road network.

It is a pathway to economic prosperity, providing Quebec and much of the Canadian economy with a link to every continent and a wide range of available services. It is truly a natural gateway for trade between North America and the other continents.

The St. Lawrence–Great Lakes Trade Corridor's economic impact is extensive. It is the fourth-largest economic zone in North America and Canada's busiest and largest multimodal corridor, accounting for \$560 billion in trade and 74.4% of the country's commerce.

Issues and problems

SODES has long been interested in the issue of trade and transportation corridors in Canada. In fact, a study on the issue was carried out in 2008 and updated in 2013.

It will take a combined effort to ensure that the Trade Corridor remains prosperous and is capable of meeting the needs of tomorrow's economy. Although the outlook for growth is trending upward, global competition is very strong and trade routes are constantly changing. Hence, we have to ensure that all of Quebec's ports remain competitive by investing in infrastructure and optimizing navigation conditions. As the St. Lawrence River ports are among the oldest in Canada, we need to keep them operating by budgeting the funds required to maintain and develop them. In the end, this will benefit the entire Canadian economy.

Recommendations

The following are a few recommendations for ensuring that the Trade Corridor will be able to meet the economy's future needs and respond to the evolution of market trends.

- **Provide dedicated, recurring budget envelopes for modernizing (with innovations) and upgrading transportation infrastructure, including renewal of existing port infrastructure.** The facilities put in place will have to be flexible and tailored to the realities of the St. Lawrence–Great Lakes region.
- **Give priority to and invest in the optimization and effectiveness of efficient supply chains.** This is a prerequisite for the seamless transportation of goods and people. In this regard, the January 15 announcement of the RFP for the National Trade Corridors Fund, which involves investments of \$2 billion over 11 years, is good news. This RFP had been a long time coming. Any measure that increases port capacity will be beneficial in keeping the Trade Corridor competitive.
- **Rebuild the Canadian Coast Guard's icebreaker fleet, whose ships are 40 years old on average, as soon as possible.** Ice jams and shipping interruptions this past winter have made it even more urgent to purchase and commission new icebreakers. This is critical to the St. Lawrence trade route's international competitive reputation.
- **Fund the development of short sea shipping (SSS) infrastructure.** Marine transportation is known for its safety and energy efficiency. Replacing door-to-door trucking with a truck-ship-truck solution has a number of advantages:
 - lower accident risk,
 - better air quality,
 - lower road maintenance costs, and
 - less noise pollution and congestion due to truck traffic.

According to a recent study commissioned by SODES, the total external social costs associated of North Shore road transportation are an estimated \$120.4 million a year, 28% of it due to trucking.² Some of these social costs could be reduced by promoting SSS for freight transportation.

² http://www.st-laurent.org/wp-content/uploads/2018/09/Co%C3%BBts_sociaux_externes_transport_routier_Cote-Nord_Rapport_final.pdf [English summary http://www.st-laurent.org/wp-content/uploads/2018/11/Summary_North_Shore_road_transports_social_costs.pdf]

- **Support funding of the Maritime Information System (MIS) to improve understanding and knowledge of the Trade Corridor's performance.** Support for the MIS will help develop the collection, processing and dissemination of data to assist marine industry stakeholders and governments in making informed decisions. Since Statistics Canada stopped regularly compiling and disseminating data on things such as the movement of ships and freight on the St. Lawrence River in 2011, several marine industry partners in Quebec (mainly SODES and Innovation maritime) have been working on setting up an information system. Without financial support, development of the MIS cannot continue, even though it is a tool that many stakeholders need to understand shipping activity.
- **Boost efforts to promote the St. Lawrence–Great Lakes Trade Corridor internationally.** With the constant evolution of supply chains, the growth of trade, and the opening-up of new markets, the Government of Canada needs to redouble its efforts to make the Canadian economy more competitive. An international marketing strategy should be deployed to promote the St. Lawrence–Great Lakes Trade Corridor, a key access route for the North American market. Trade missions led by federal Cabinet ministers and activities organized by federal government offices abroad are important tools for this purpose.

In conclusion, we need to work on making our maritime transportation infrastructure more modern and more competitive. At the same time, efforts should be made to promote the full potential of the St. Lawrence River economy in other countries. Such a campaign would support the many activities undertaken by local marine companies to attract and recruit new employees. These are the challenges we face today, and we must address them if we want to benefit collectively from the full growth potential of the St. Lawrence–Great Lakes Trade Corridor.