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CANADIAN PORTS HAVE A PRODUCTIVITY PROBLEM

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Canadian ports are among the first points of contact for international trade. Over the past couple of years, however, they have faced a series of labour tensions, with unionized workers often opposing modernization and automation efforts.¹ Protests and labour disputes have taken place at both ends of the country, notably in Montreal, Vancouver, and Halifax. Workers in Montreal and Vancouver had to be ordered back to work by the government.²

Ports are an essential link in the country's supply chain, and pivotal to economic growth, as they facilitate the movement of goods into and out of Canada.³ What happens at ports therefore impacts the entire Canadian economy, consumers and producers alike.⁴ Disruptions have negative consequences not just at the ports themselves, but throughout the country.

Given the ongoing threat of US tariffs on Canadian exports, it is more obvious than ever that maintaining a diversity of international trading partners is a crucial part of ensuring a stable Canadian economy across numerous sectors. Port operators need to be able to pursue development in the ways they think are most beneficial to increased economic activity, up to and including measures like automation. Unfortunately, a new federal labour law adopted in 2024 risks making things worse, not better.

Table 1

Ranking for medium ports, top 10 and Canadian ports		
Ranking (medium ports)	Name of port	Overall ranking (all sizes)
1	Cartagena (Colombia)	6
2	Yokohama	9
3	Port de Hamad	10
4	Yeosu	17
5	Visakhapatnam	18
6	Callao	26
7	Gemlik	27
8	King Abdullah Port	30
9	Port de Khalifa	32
10	Savona-Vado	33
...
46	Halifax	95
...
140	Montreal	351
...
148	Vancouver	363
...
167	Prince Rupert	397

Note: Ranking out of 173 medium ports, and overall ranking out of 405 ports of all sizes. Source: World Bank Group, *The Container Port Performance Index 2023*, July 18, 2023, pp. 49-51.

CANADIAN PORTS FAIL TO MEASURE UP INTERNATIONALLY

Almost \$400 million in goods move through the Port of Montreal every day, and the Port of Vancouver sees over \$800 million.⁵ Despite these high volumes of trade, Canadian ports are failing to keep up in terms of performance.

The World Bank measures the productivity of 405 container ports around the world, based on metrics such as ship processing times and capacity to perform transactions when they get to the dock. According to its index, Canada has some of the worst performing ports in North America and internationally.⁶ Even looking just at the world's medium-sized ports, only one Canadian port, Halifax, is ranked in the top 100. As Table 1 shows, other ports in Canada fare even worse.

Clearly, Canadian ports have a lot of room for improvement when it comes to productivity. Port authorities need to modernize, given their poor performance record. One promising avenue for increasing their efficiency and closing the gap with their international counterparts is automation.⁷ Top ports around the world such as Singapore have embraced automation in the name of efficiency.⁸

Although medium-sized ports may be expected to move more slowly in adopting automation, progress is nonetheless being made.⁹ The world's top two medium-sized ports, Cartagena (Columbia) and Yokohama (and Japanese ports in general) are notably making greater use of technology at the docks.¹⁰

Unions in Canada, however, have expressed their intention to stand in the way of such measures, and block trade altogether through strike actions if necessary.¹¹ A recent example of this is the case of Halifax, where the union has expressed concerns about the port owners' desire to increase the number of shipping containers it can handle, and has threatened actions against them.

Moreover, there is reason to fear that the negative impact of strikes at ports could be exacerbated by the new federal law banning replacement workers.¹² When Bill C-58 comes into effect later this year, it could lead to longer and

more frequent strikes at Canadian ports. This in turn could lead to less investment and a deterioration in the reliability and quality of services offered to the Canadian population.

CONCLUSION

The future of Canadian trade is in a precarious position given the threat of tariffs by the United States. Improving the productivity of our ports would positively affect Canadian producers, exporters, and consumers. Narrow union interests alone should not be allowed to block such progress. Among other measures, rescinding the new federal law banning replacement workers would help ensure that our ports remain operational and are able to pursue initiatives like automation in order to improve productivity, for the benefit of all Canadians.

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