



## Annual general meeting – June 2024

Peter Xotta, president and CEO

### Year-in-review remarks

Hi, everyone. Thanks for joining us for the Vancouver Fraser Port Authority's 2024 Annual General Meeting. I'm Peter Xotta; it's been my privilege to lead the port authority as president and CEO since December 2023. I'm sorry not to be able to join the AGM today, but we've recorded this segment so I can share our year-in-review update with everyone.

I'll talk about the 2023 trade landscape and port performance, and then some key work we advanced and accomplished last year to enable trade, protect the environment, and consider communities. What I hope you'll take away is that we're working alongside industry and all our partners to position the port for a strong, sustainable future and enable Canada's trade objectives through this gateway.

### Trade context and performance

Starting with the 2023 trade picture, last year, the port faced a cooling global economy; a challenging global trade landscape, including disruptions to the Panama Canal and Red Sea trade routes; and the strike last summer that affected the port's bulk, breakbulk, container, and auto terminals. Despite that challenging context, port terminals, shippers, and supply-chain partners moved a record 150.4 million metric tonnes of cargo last year. That exceeds the port's previous record, which was set in 2018, by 2%, and it's 6% higher than 2022 volumes.

This new record is an outstanding result and I'd like to congratulate and thank port terminal operators, supply-chain partners, the port's workforce and the entire port community for everyone's hard work and dedication through another complex year.

To highlight some key trendlines we saw last year—and our CFO, Victor Pang, will go into more detail:

- we saw a 12% increase in export volumes, supporting Canadian farmers and producers across the country;
- we saw strong auto imports, as supply-chain and production issues eased and consumer demand remained resilient; and
- we saw a banner year for cruise where the port welcomed a record 1.24 million passengers—and I'd add that we expect to set a new passenger record this year and that we've also just become the first seaport in Canada to implement facial biometrics technology for cruise, to continue to enhance a fast, secure, and seamless passenger experience.

Back to 2023 cargo themes, we did see container imports soften last year, in line with trends across the West Coast, however, it's been great to see both import and export volumes strengthen in the first half of this year.

As a final comment on 2023 volumes, alongside the port community's exceptional work, port performance and resilience continues to be upheld by one of this gateway's foundational strengths: having the most diversified cargo-handling capacity of any port in North America.

## Enabling trade

Turning to milestones and highlights last year, I'll start with our work to enable trade capacity, which is at the heart of our purpose. On the infrastructure front, we achieved two standout milestones in 2023. First, in partnership with DP World, we completed the Centerm Expansion Project, after about a decade of work together through concept, design and construction. It's a great project that increases throughput by 60%, with just a 15% increase to the landmass. Second, after nearly a decade in the federal environmental assessment process, we achieved a federal project approval for the Roberts Bank Terminal 2 Project, and then B.C.'s approval as well.

Additionally, we completed the South Shore Access Project, we progressed construction on the Annacis Auto Terminal Optimization Project, and we started construction on the Fraser Surrey Port Lands Transportation Improvements Project. All these projects support Canada's trade capacity, efficiency, and resilience.

Alongside our work, I'd like to thank port tenants for continuing to invest in your businesses and the port's future. Some key tenant-led projects advanced last year include: Westshore Terminals' potash export project, in partnership with BHP; the Trans Mountain Expansion, GCT's suite of investments to densify and modernize GCT Vanterm; DP World's canola oil transload facility, and Pacific Coast Terminals' glycol expansion project.

Alongside infrastructure, and in collaboration with industry, we're also working to extract latent capacity from existing infrastructure. As part of that, last year we launched Connect+: a new overarching program to unify our suite of supply-chain optimization initiatives. A big 2023 milestone for this workstream was the launch of a centralized scheduling system for commercial ships: the first of its kind at a Canadian port. It's a key component of the Active Vessel Management Program, as we work to meet Canada's growing trade needs, including more ship traffic as TMX comes online this year, while mitigating environmental and social impacts of trade. We launched the system in the busy Second Narrows waterway last fall, and we're working to expand it to the First Narrows later this year.

## Environment

Turning to some environmental highlights last year, we continued to deliver and advance decarbonization programs and initiatives, as we work alongside industry to phase out port emissions by 2050, in alignment with federal climate targets—and there's some great work going on!

For example, over the past few years, we've collaborated with the B.C. government to fund and support industry-led trials of cleaner fuels and technologies, and as a result, today: Seaspan has adopted the first battery-electric terminal tractors at the port, and 100% biofuel throughout its operations; Viterra has adopted 100% renewable diesel for its locomotive fleet; and DP World is moving forward with the world's first hydrogen fuel cell-powered gantry at Centerm, using all B.C.-based technology. Simultaneously, tenants are leading their own substantive efforts. For example, GCT recently signed the federal government's Net Zero Challenge, and is investing in a suite of new technologies to decarbonize their operations by 2050. All of these are excellent projects and initiatives that are advancing innovation and decarbonization across the port.

Additionally, last year, we collaborated with the marine industry, and other partners and advisors, to deliver the ECHO Program's seventh season of threat-reduction measures to support the recovery of at-risk whales. Once again, it was a tremendous success: ship operators on 87% of all ship transits participated in program measures, including ship slowdowns and lateral displacements, to support quieter seas and healthier whales. Congratulations and thank you to all partners and advisors for your enduring commitment to this powerful program that's delivering local results and global influence.

## **Communities**

Turning to our community-facing work, the port borders 16 municipalities and intersects the traditional and treaty lands of more than 35 Coast Salish Indigenous groups. In 2023, alongside on-going engagement with communities, we worked to develop and strengthen relationships with First Nations to advance mutual goals and economic reconciliation. As part of that, we continued to implement the landmark relationship agreements that we were honoured to sign with Musqueam Indian Band and Tsawwassen First Nation in 2021, and we worked toward further agreements with additional Nations.

## **Conclusion**

I'll wrap up our highlights there. To pull everything together, 2023 was another challenging year, but as a port community, we made important progress towards the port's long-term success. I'd like to thank everyone joining us today for the role you are playing in that success, with a particular thank you to terminal operators, port customers, and the port's workforce. Thank you as well to our team at the port authority, for your dedicated work for this port community and for Canadians.

In closing, I strongly believe that collaboration is, and will be, the cornerstone of our collective success—and at the port authority, we look forward to working with the entire port community towards a strong shared future for this port and for Canada. Thank you.