Message from the Chair

Thank you to the Halifax port community for your focus on building our diverse port. Together we are broadening the reach of our Port. For instance, local exporters can now tap into 150 countries via Halifax and waterfront port lands have been transformed to handle nearly a quarter million cruise passengers each year. Canada is a trading nation and Halifax is Canada’s prime East Coast connection for year-round trade while seven months a year we generate spinoffs for tourism through cruise.

Looking back and looking ahead, I see great examples of the Port of Halifax doing what’s needed to be a highly-competitive port. Thanks to major private, Federal and HPA investments, both container terminals are well-positioned “big ship” container terminals with capacity to grow. Assets such as the Grain Elevator and breakbulk terminals have been reinvigorated with capital investments and concerted efforts to market these assets aggressively. Rail and trucking service providers know the key role they play in the supply chain and work hard to deliver the quality of service that keeps Halifax in the game.

The Halifax Port Authority has a Strategic Plan in place and will continue to work co-operatively to develop our Port in a smart and prudent manner. Our business is diverse and subject to the world economy which has been extremely volatile over the past few years. The HPA and our partners are committed to the Port of Halifax and its future success.

Mark MacDonald, Chair
Halifax Port Authority Board of Directors

Message from the CEO

On any given day, you can stroll the waterfront in Halifax and see our Port in action. In the fall, you can walk amongst 10,000 cruise ship passengers at the Halifax Seaport. On 142 days last year you could look into our harbour and see a post-Panamax container vessel headed for a container terminal.

Every time a cargo or cruise ship comes to Port, it means that our Port has competed for, and won, business. It means that our Port secured a customer’s confidence to handle their goods or passengers. It means that local supply chain partners offered the facilities, efficient service, and time/cost equation that works.

The Halifax Port Authority (HPA) is proud of the part we play at the Port of Halifax. We have a world-class port because of significant private and public infrastructure investments made over time. We have a committed port community delivering quality service and focused on driving sustainable growth over the long term. We have a port that generates jobs and over $1.5 billion in economic benefits a year.

The Port of Halifax is an asset we can all be proud of with the groundwork laid for future success. The business case for our Port is strong. With the continued tenacious efforts of everyone involved we will continue to ride through local and global economic volatility and evolve Halifax as Canada’s Atlantic Gateway.

Karen Oldfield, President and Chief Executive Officer

Karen Oldfield
President & Chief Executive Officer

D. Geoffrey Machum
Incoming Chair

Mark MacDonald
Chair: August 2007-May 2012
Growing the global cargo business

From Nova Scotia maple syrup to European auto imports, the Port of Halifax has long been a gateway for domestic and international trade. Trade continues to play an important role in our Port, our province and our country.

Trade patterns are shifting as manufacturing moves to different areas of the world. Take Asia for example. Over a decade ago this region was not on the radar for the Port of Halifax. In 2011, Asia accounted for 45 per cent of our cargo. Europe remains a key market for Halifax, although their still fragile economy means many countries are struggling to recover. Halifax continues to pursue business development opportunities for containerized, bulk and breakbulk cargo in these key markets.

Halifax is increasingly a diverse cargo-handling port. We see great potential to handle even more breakbulk cargo and we are investing in infrastructure to increase our capacity. One of the two Gateway Projects cost shared with the Government of Canada is the expansion of Richmond Terminals. This $73-million project will upgrade and expand this facility to enable it to handle breakbulk and project cargo. Richmond Terminals, when complete will provide additional capacity for breakbulk operations. This terminal will feature a large lay down area and shed space to allow for growth in this area.

We are continuing to build on the investments made last year by the private operator, Halifax Grain Elevator Limited and the HPA. We are now able to containerize products such as soybeans and lentils and ship them worldwide. Working with our partners at the grain elevator and other organizations, we are helping farmers in Atlantic Canada and throughout the country find new global markets for their agricultural products.

We continue to invest in our containerized cargo handling capabilities. The Gateway Project at the South End Container Terminal increases our overall competitiveness. This project involves extending one of the piers to allow two super post-Panamax vessels to be docked simultaneously. The next phase of this project is to create a new truck gate and marshalling yard. The new truck gate will feature state-of-the-art technology to allow for efficient servicing of cargo moving into the terminal by truck.

Export Cargo Depth Chart

Port of Halifax handles over 140 post-Panamax vessels a year.
Environment

At the Port of Halifax we are committed to operating in an environmentally-responsible manner. Halifax was the first port in Canada to be ISO 14001 certified for our Environmental Management System.

We encourage environmental stewardship throughout the Port of Halifax and in 2011 we became a member of the Green Marine program. This voluntary environmental program is specifically tailored for the Canadian and American marine industry.

We continue to implement initiatives to reduce our impact on the environment including lightning improvements at Fairview Cove Container Terminal and the purchase and use of a Nissan Leaf – an all-electric vehicle. These projects will help us to reduce greenhouse gas emissions.

The environment is important to the Port of Halifax. Annually the environment ranks as a top cause that our employees at the Halifax Port Authority want to support.

More is planned in 2012 and beyond to lessen our environmental impact and demonstrate environmental leadership at the Port.

Community Investment

The Port of Halifax believes in making our community a stronger and more vibrant place to live and do business by investing in the community.

The employees of the Halifax Port Authority selected three main areas where they would like to see investments: the environment, arts and culture and port-related projects.

This past year we supported a number of organizations in these areas including: Mission to Seafarers, the Halifax Employers Association fundraisers for Hope Cottage, Clean Nova Scotia, Atlantic Film Festival, Neptune Theatre, Alderney Landing Children’s Fine Art Camp, the Nova Scotia Multicultural Festival and Nocturne Art at Night.

Green Marine Goals:

- Strengthen environmental performance through a process of continuous improvement;
- Build strong relations with marine waterway stakeholders;
- Heighten understanding of the industry’s activities and environmental benefits.
**Business strategy: investment, diversity keys to success**

The Halifax Port Authority has three diverse lines of business – cargo, cruise and real estate. The core business is cargo with a focus for many years on diversifying the business. This applies to geographic markets, commodities and revenue streams – all aimed at insulating our Port during times of economic peaks and valleys.

Over 30 years, cruise has developed into a strong contributor to the Port and tourism sector. Making the highest and best use of federal real estate has also meant that Port lands are contributing well to the Port and broader community.

Private and public investments in infrastructure are building competitive Port assets. The HPA has invested assertively in infrastructure as well as in private business initiatives with calculated risk – an approach that’s required to find new opportunities for success. We will continue with this proactive and prudent approach to drive innovation and long-term growth.

**For 2012, our key objectives include:**

- Regularly reviewing our business strategy to ensure we’re on target with the volatile market we will see this year and coordinating the execution of this strategy with our stakeholders.
- Continuing our advocacy to demonstrate that the Port of Halifax is a national strategic asset.
- Monitoring the status of the Federal Rail Review and working with CN on strategic marketing to advance the Big Ship Strategy.
- Continuing to measure and refine specific areas of the Port to ensure a highly competitive and productive supply chain.
- Maintaining regular contact with stakeholders, Gateway partners and all three levels of government.

**Cargo**

Cargo is at the core of the Port of Halifax’s business. Halifax has developed diverse cargo-handling capabilities and continually assesses world markets that can bring maximum volumes through our Port. The HPA has taken the opportunity in the past decade to examine shifting trade trends and tap into relevant markets.

On the container front we continue to implement the Big Ship Strategy. More than 140 post-Panamax container vessels called Halifax in 2011 and we are super-post-Panamax ready.

From private sector breakbulk companies, to container terminal operators, to CN and transload operators, Halifax has been aggressive in our efforts to build cargo market share. In South East Asia for example, our statistics show positive results with 45 per cent of all cargo moved via the Port of Halifax now originating from or destined for Asia.

Despite Europe’s current economic turmoil, that market remains integral to our Port’s long-term cargo strategy. Thirty-eight per cent of throughput in 2011 was with Europe and with a trade agreement between Canada and the European Union close, Halifax will be a major beneficiary for cargo movements to and from Europe.

The HPA has also been diligent in investing in and promoting breakbulk and bulk handling capacity. Infrastructure enhancements at Richmond Terminals will offer significantly increased project and heavy-lift cargo handling capability when complete in 2013, supplementing an already strong business that saw 100 per cent-plus growth in the first quarter of 2012 as compared with the first quarter of 2011. In terms of bulk traffic, we continue to work with the Halifax Grain Elevator on Canadian market outreach for both Atlantic-based and overall Canadian agricultural exports and the resumption of wood pellet handling.
Cruise

Cruise was on a roll in Halifax in the past year – two cruise industry awards, seven new cruise ships and maintaining a steady nearly a quarter of a million passengers for four straight years. Sustained traffic volume indicates we and our tourism partners have developed a leading, attractive market for cruise lines, particularly as part of the Canada-New England itinerary.

The HPA and partners have had some good success with turnarounds and continue to pursue opportunities in homeporting, particularly with small expedition-style cruise ships and upscale adventure luxury cruises.

With impending Emission Control Area regulations, which seek to reduce sulphur content in maritime fuel, a top priority for 2012 is evaluating the application of a marine shore power system.

Real Estate

The HPA has 258 acres of federally-owned land under its management and our mandate is to deliver the maximum return on our assets to the benefit of the local economy and the region. This includes cargo handling terminals with state-of-the-art infrastructure, secure and world-class cruise facilities along with retail and office space in the Halifax Seaport district.

HPA property is in high demand with developed, leasable space currently operating at less than three per cent vacancy.

In 2012, the priority for this line of business is to enhance properties and work closely with tenants and customers to support their businesses.

Growth of Halifax Seaport district supports cruise industry

The Halifax cruise industry and the Halifax Seaport district go hand-in-hand.

The Seaport was developed as a destination for local residents and cruise passengers alike. The idea was to create an attractive area built around the arts and culture elements that already existed on the waterfront.

This district provides cruise passengers with a warm and vibrant welcome to our city. In 2011, Halifax earned the Most Efficient Port Services Award from Dream World Cruise Destinations magazine for having the “most efficient combination of pilotage, port agency services, customs clearance and good working relations with the operations departments of cruise lines”.

In Cruise Insight Magazine’s spring 2012 issue, it announced its 2011 Ports and Destinations Awards, with Halifax receiving honours for Best Shoreside Welcome and Best Destination Experience (Organized Tours). The awards, voted on by a panel of cruise line executives, are a testament not only to the revitalization of the Seaport area, but also to the tremendous service the tour operators provide on shore excursions.

Halifax’s cruise season runs through spring, summer and fall, with the majority of vessels visiting in September and October on fall foliage itineraries. The cruise industry contributes $50 million annually in economic spin off for the local economy.
The Halifax Port Authority is governed by a board of seven directors who are appointed for three-year terms, chosen as follows:

- One member nominated by the Minister of Transport and appointed by the Governor in Council (Federal Director)
- One member chosen and appointed by the Province of Nova Scotia (Provincial Director)
- One member chosen and appointed by the Halifax Regional Municipality (Municipal Director)
- Four members nominated by the Minister of Transport in consultation with Port users and appointed by the Governor in Council (Port User Directors)

The Halifax Port Authority Board welcomed two new directors in May 2012.

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**Board of Directors and Committees**

*March 1, 2012*

**Chair**
Mark MacDonald, QC  
Port User Director 1*, 4, 5*, 6

**Vice-Chair**
D. Geoffrey Machum, QC  
Port User Director 1, 3, 5, 6

**Directors**
Trevor Johnson  
Provincial Director 1, 3

David Henderson  
Port User Director 2, 4*

Thomas McInnis  
Port User Director 2, 6*

L. Anne Galbraith, CA  
Federal Director 2*, 3, 5

David Fox  
Municipal Director 5, 5

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**Officers**

*March 1, 2012*

**Chair**
Mark MacDonald

**Vice-Chair**
D. Geoffrey Machum

**President & CEO**
Karen Oldfield, QC

**Corporate Secretary**
Lorraine Brenton

**Senior Vice President**
Paul Maclsaac, CA

**Vice President**
Business Development & Operations  
George Malec

**Vice President**
Real Estate  
Krista Dempsey

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**Board Committees:**

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www.portofhalifax.ca

2011 Audited Financial Statements available at:
www.portofhalifax.ca