

Minister Fast at APEC Ministerial Meeting

The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, participated in the 2011 Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Honolulu, Hawaii, on November 11, 2011. Minister Fast reiterated the Canadian government's commitment to deepening Canada's trading relationships in priority Asia-Pacific markets, and urged his counterparts to pursue measures that promote deeper trade and investment.

"With one in five jobs generated through trade and with trade equivalent to over 60 percent of Canada's economy, our government is committed to continuing to deepen Canada's trading relationships in high-growth markets around the world," said Minister Fast. "Increasing Canada's ties in the economies of the Asia-Pacific region will bring more jobs and opportunity and greater prosperity to hard-working Canadians in every region of our country."

Minister Fast's participation in the APEC Ministerial Meeting followed his trade missions to China and India, two of the highest-growth markets in the world. In addition to meeting with Chinese and Indian political leaders to discuss progress being made to grow Canada's trade and investment ties with those booming economies, the Minister highlighted Canadian expertise in a variety of sectors, advanced Canada's commercial interests in China and India, encouraged business leaders in both countries to look to Canada as an investment destination of choice, and promoted Canada's Asia-Pacific Gateway with its many advantages as the logical corridor of choice between Canada and Asia-Pacific markets.

While at the APEC Ministerial Meeting, Minister Fast held bilateral meetings with his counterparts from many of the APEC economies to discuss concrete ways to deepen Canada's economic ties in priority Asia-Pacific markets. He also met with many CEOs from leading global companies to showcase Canada as a location of choice for business investors.

APEC economies account for some 56 percent of world GDP, 48 percent of global merchandise trade and 40 percent of the world's population. Total two-way trade between Canada and APEC economies grew from \$374.6 billion in 1994 to \$654.4 billion in 2010, an average annual growth rate of 3.5 percent.

Minister Fast meets with Tan Puay Hin, Chief Executive Officer, PSA Southeast Asia, a Singapore company and one of the world's largest port operators.



Minister Fast Meets with Chinese Minister of Commerce Chen Deming.

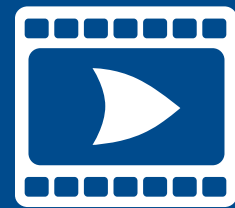


CANADA'S ASIA-PACIFIC GATEWAY

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CANADA'S ASIA-PACIFIC GATEWAY

Gateway Corridor NEWS

SPRING 2012

The Asia-Pacific Gateway: A Path to Prosperity

"Western nations, in particular, face a choice of whether to create the conditions for growth and prosperity, or to risk long-term economic decline. Canada's choice will be, with clarity and urgency, to seize and to master our future, to be a model of confidence, growth, and prosperity in the 21st century."

These words were spoken by Prime Minister Stephen Harper at the World Economic Forum in Davos, Switzerland in January 2012.

Less than one month later, the Prime Minister, accompanied by several senior ministers and a distinguished business delegation, were on their way to China. There, he and China's Premier Wen Jiabao signed new joint

initiatives between the two countries, and renewed existing ones, in the areas of energy, the sustainable development of natural resources, education, science and technology, and agriculture.

As a trading nation, Canada relies on strong partnerships with international partners. These agreements represent long-term benefits and opportunities for Canadians.

China has been a priority market of the Asia-Pacific Gateway and Corridor Initiative (APGCI) since its inception. Through the Initiative, steady progress has been made to engage public and commercial partners in Canada and China and to help put Canadian transportation providers on the map.

Prime Minister Stephen Harper and his wife Laureen are joined by Gerry Ritz, Minister of Agriculture, and Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, on a tour of Cuntan Port, China.



Canada

“Canada is using its Asia-Pacific Gateway, and new and strategic trade corridors in China, to open markets and create jobs and economic growth back home,” remarked Prime Minister Harper during his visit.

A key announcement concerned the conclusion of negotiations toward a foreign investment promotion and protection agreement (FIPA). Once signed, the agreement will facilitate trade and investment flows and contribute to jobs and growth. In addition, it will provide a more stable and secure environment for investors on both sides of the Pacific.

During the visit, Prime Minister Harper also announced an expansion of the Canada-China Air Transport Agreement, which will benefit travellers and businesses in various sectors of the Canadian economy, including the tourism industry.

The mission to China was also successful for the business delegation which accompanied the Prime Minister: approximately 23 commercial agreements were signed worth nearly \$3 billion.

“Deepening and broadening access to high-growth markets like China is a key part of our government’s job-creating, pro-trade plan,” said Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway. “Our government’s top priority is to create jobs, increase prosperity and preserve and strengthen the financial security of hardworking Canadians and their families.”

At the launch of the APGCI in 2006, China was Canada’s fourth-largest export market, China was the world’s fourth-largest economy and its growth was expected to continue. At that time, it was predicted that China would become the world’s second-largest economy by 2016 and the largest by 2041. However, China’s growth has already exceeded those expectations, becoming the world’s second-largest economy in 2011.

Today, China is Canada’s second-largest merchandise trading partner. Bilateral merchandise trade reached \$57.7 billion in 2010 and Chinese foreign direct investment in Canada increased by almost 10 percent in the same period, reaching \$14.1 billion in 2010.

The APGCI is critical to supporting Canada’s long-term trade agenda and to our collective interest in creating jobs and increasing our economic prosperity. It is a practical example of the Prime Minister’s vision for our country: to seize and to master our future, and to ensure growth and prosperity in the 21st century.

Prime Minister’s Asia Visit has Trade on the Agenda

The Government of Canada’s commitment to strengthen economic ties with Asia was clear during Prime Minister Harper’s visits to Thailand, Japan, and South Korea in March 2012. Travelling with senior ministers and a business delegation, the official visit began in Thailand, where it was announced that Canada and Thailand would pursue exploratory discussions towards a free trade agreement.

While in Japan, Prime Minister Harper and Japanese Prime Minister Yoshihiko Noda, officially launched bilateral negotiations towards a free trade agreement. This builds on a recently released Canada-Japan Joint Study which estimates that such an agreement could mean gains of up to \$3.8 billion a year in Canadian Gross Domestic Product (GDP), with Canadian exports to Japan increasing by as much as 67 percent.

Before returning home, Prime Minister Harper attended the Nuclear Security Summit in Seoul, where trade-focused side-meetings were held with leaders from Italy, India, New Zealand, Spain and the European Union. New Zealand is a founding member of the Trans-Pacific Partnership (TPP) which represents some 28 percent of the world’s GDP and over 505 million people.

Recently Completed APGCI projects

Progress on APGCI infrastructure projects is continuing. Three projects in the Corporation of Delta were completed as were highway upgrades to Highway 1 and Highway 97. Other examples of completed projects and their benefits to the local community and the Canadian economy include:

Roberts Bank Rail Corridor 41B Street Overpass at Deltaport Way

Local commuters, farmers and truckers now have a safer, more reliable route to cross Deltaport Way at 41B Street without being delayed by long trains and truck traffic, thanks to a newly completed overpass.

41B is the first of nine projects completed in the \$307-million Roberts Bank Rail Corridor (RBRC) Program and will ease traffic congestion in the communities of Delta, Surrey, the City of Langley and the Township of Langley. The RBRC Program comprises eight overpasses and one railway siding in a 70-kilometre stretch that connects Roberts Bank, which contains Canada’s largest container facility (Deltaport) and coal terminal (Westshore), to the North American rail network. The RBRC is expected to carry increasing volumes of imports and exports.

The \$24-million 41B Street overpass project is funded by the British Columbia Ministry of Transportation and Infrastructure (\$5.5 million), British Columbia Railway Company (\$12.6 million), Transport Canada (\$3.5 million) and Port Metro Vancouver (\$2.4 million).

Brooksbank Avenue Underpass

The Brooksbank Avenue underpass is one of several infrastructure projects along Burrard Inlet’s North Shore in Greater Vancouver that were announced by the Government of Canada in 2009. This project consisted of modifying the existing underpass to accommodate several additional rail tracks necessary for the port’s terminal expansion plans.

The improved underpass will enhance rail and port operations, as well as accommodate anticipated growth in rail and road traffic, helping to deepen Canada’s trade ties with high-growth Asia-Pacific markets. It will also provide environmental benefits, including reduced congestion on the local road network and reduced noise pollution.

River Road in the City of Prince George

The completion of the upgrading and widening of River Road will help the City of Prince George improve the infrastructure along this route and provide shippers with easier access to the CN Intermodal Facility located there.

Improvements will have many benefits for the region, including a safer, more reliable River Road, along with a wider roadway with bicycle lanes. They will also provide an alternate route between Highway 16 (Yellowhead Highway) and Highway 97 North, as well as a continuous east-west route in Prince George with recreational access to the Nechako River.

As part of this work, the roadway was raised to the 200-year flood level in order to avoid flood-related closures, such as those that occurred during the Nechako River flooding in 2008.

Supporting Growth in Northern British Columbia

The Government of Canada was pleased to announce in February 2012 a \$15-million contribution to the Ridley Island Road, Rail and Utility Corridor (RRUC) project at the Port of Prince Rupert.

Together with contributions from the Government of British Columbia, CN Rail and the Prince Rupert Port Authority, this \$90-million project will expand capacity and operations at the Port of Prince Rupert.

Specifically, the RRUC project will provide road and rail access, along with utility services, to 1,000 acres of multi-user heavy industrial land that is accessible through the deep-sea terminals at the Port of Prince Rupert. This will solidify the development plan for the Ridley industrial site by creating the required transportation and logistical framework.

New Air Services

Guangzhou to Vancouver

Non-stop flights between Vancouver and Guangzhou are now possible thanks to China Southern Airlines’ service which runs three times weekly between Vancouver and the capital of China’s most populous province, Guangdong.

This new service further strengthens Canada’s Asia-Pacific Gateway and is estimated to generate significant employment, producing \$2.2 million in wages and contributing \$3.5 million to British Columbia’s GDP annually. China Southern Airlines is the largest airline in Asia, and Guangzhou Airport, located on the Pearl River Delta, serves more than 330 million people. Along with Canada’s Approved Destination Status from China, this will contribute to the national economy and create more opportunities for Chinese travellers to visit Canada.

Air Canada offers year-round Tokyo link from Calgary

Air Canada announced in February 2012 that its Calgary to Tokyo non-stop flights will operate year-round beginning this winter. This follows the airline’s announcement that it will increase its Calgary-Tokyo non-stop summer service to five weekly flights.

A strengthening economy and demand from business travellers are part of the reason for Air Canada’s expanded service to the hub, where passengers can connect to other destinations, such as China and South Korea.

“This announcement shows the continuous investment Air Canada is making in the Calgary market which is consistent with the Airport Authority’s plans to constantly improve air service from the region we serve,” said Stephan Poirier, Chief Commercial Officer for the Calgary Airport Authority. “It also gives us the distinction of being one of only three airports in Canada to service both Asia and Europe, year-round, on a scheduled basis, consolidating Calgary’s position as a major passenger and cargo hub.”

Exports Now Flying Direct to China

Canadian exporters are finding new markets for their products in China through the new China Southern Airlines cargo service from Vancouver to Shanghai. Vancouver was chosen because of the great export potential through the Asia-Pacific Gateway and is already enjoying steady business.

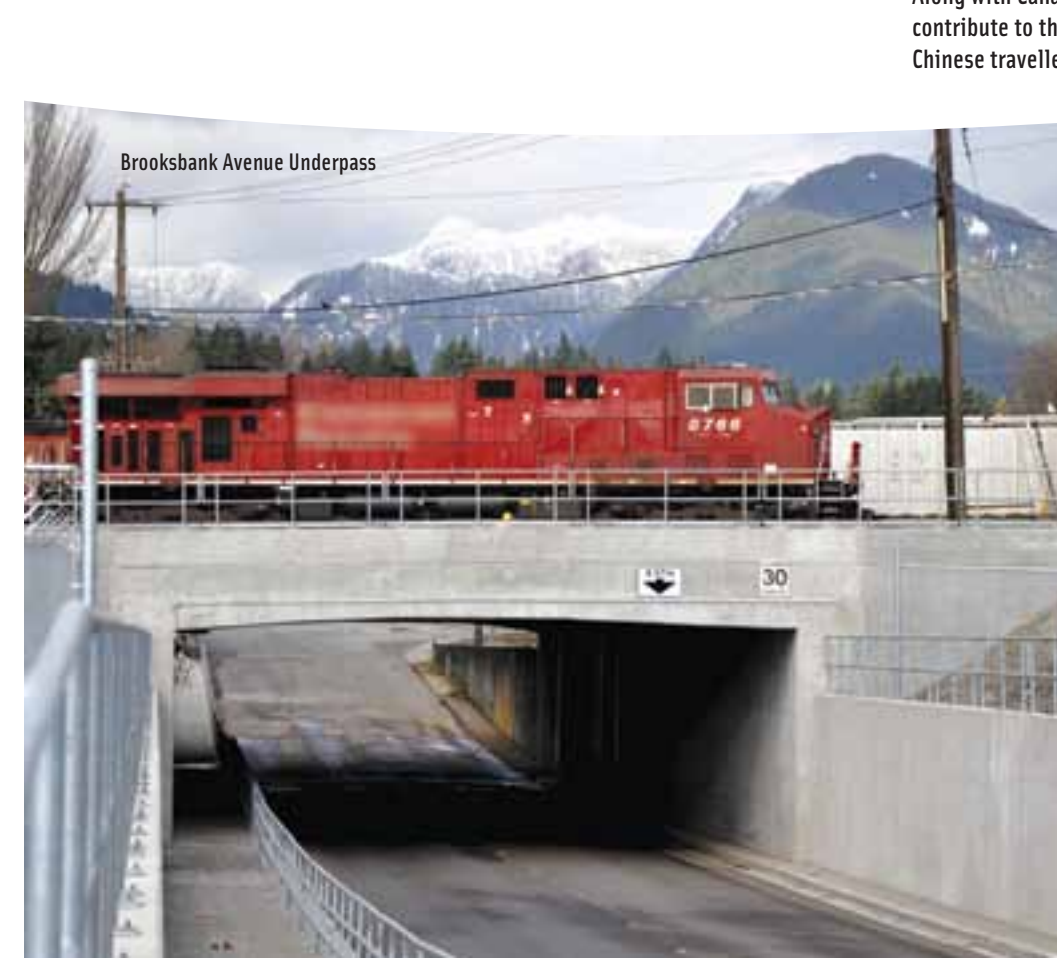
Since July 2011, China Southern Airlines has been moving British Columbia seafood and heavy equipment from across Canada four times a week. This service is a major boost to the Asia-Pacific Gateway’s air corridor, providing a vital service for high-value and time-sensitive Canadian goods that are in great demand in Asian markets.



Prime Minister Stephen Harper and Yoshihiko Noda, Prime Minister of Japan, announce the launch of free trade negotiations, March 2012.



41B Street Overpass at Deltaport Way



Brooksbank Avenue Underpass



Photo credit: Larry Goldstein

CANADA'S ASIA-PACIFIC GATEWAY

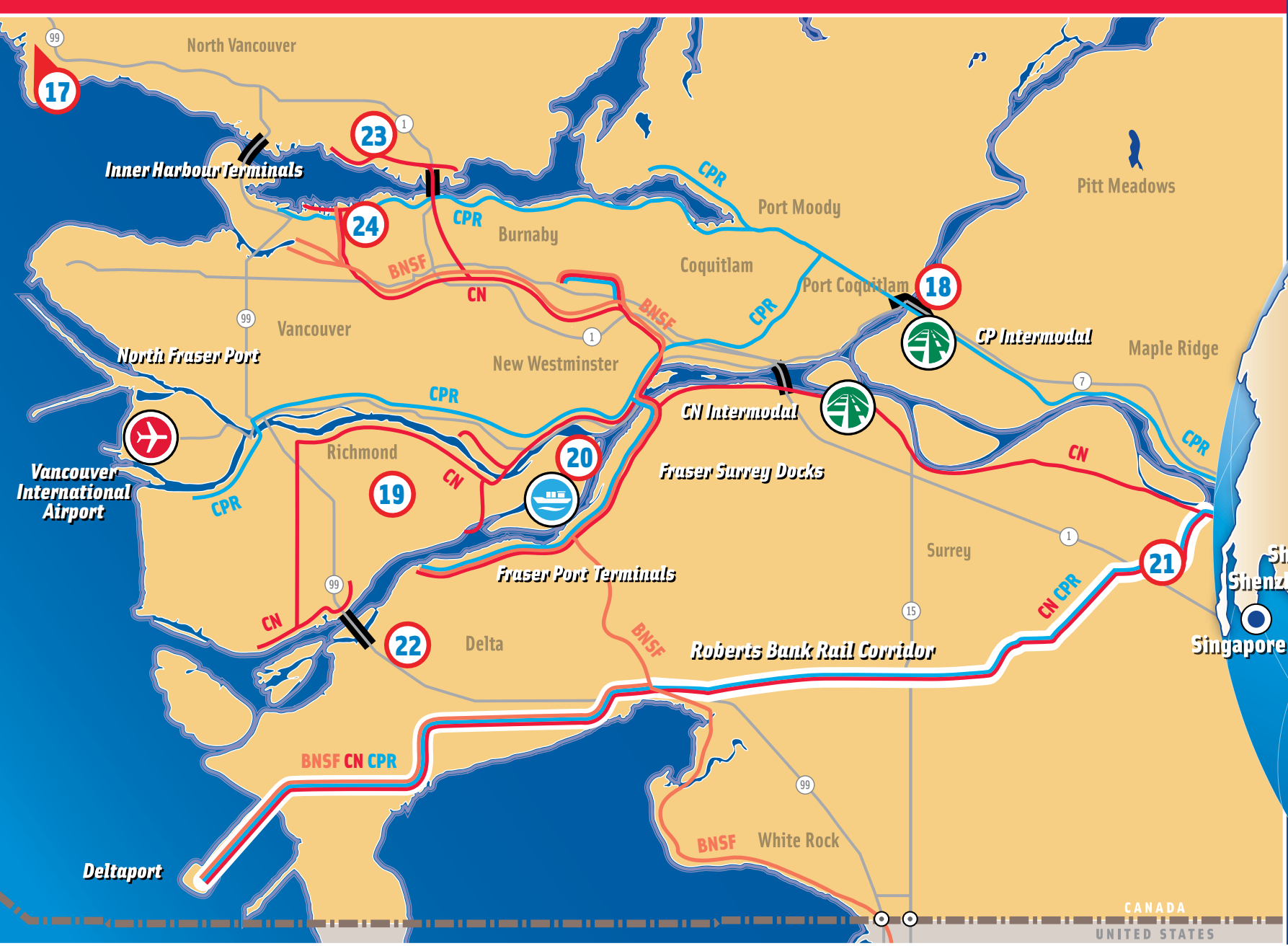


North America's closest major ports to Asia



— Burlington Northern Santa Fe (BNSF)
 — Canadian National (CN)
 — Canadian Pacific Railway (CPR)

Lower Mainland British Columbia (Projects 17-24)



- 1 Prince Rupert Port Container Security Program, \$28 million**
A Canada Border Services Agency Marine Container Program ensures secure and efficient border services for Fairview Container Terminal. Operations began in Fall 2007.
- 2 Road, Rail and Utility Corridor, Prince Rupert, \$15 million**
The project will provide road and rail access, along with utility services, to 1,000 acres of land on Ridley Island in the Port of Prince Rupert. It will provide the platform for the future development of deep-sea marine terminals for export of Canadian resources to meet the growing demand of Asian markets.
- 3 Highway Improvements near Vanderhoof, \$1 million**
A 2-kilometre auxiliary passing lane and intersection improvements for Highway 16, the only direct National Highway link to the Port of Prince Rupert.
- 4 Ashcroft Terminal, \$5 million**
The expansion of the terminal will facilitate railway access for shippers within the region. The project will provide more train capacity and will improve the movement of goods travelling between the west coast and the Ontario/Quebec region.
- 5 River Road, Prince George, \$2.8 million**
River Road is the primary road access to Canadian National (CN)'s Prince George Intermodal facility. Projects will upgrade and widen 1.9 km between Cameron Street Bridge and Foley Crescent and 1.7 km between Foley Crescent and the CN Fraser River Bridge and install left turn lanes to access the facility. Improved traffic flow along this route is essential to the community and to efficient movement of goods.
- 6 Twinning of Simon Fraser Bridge, \$16.1 million**
A project to reduce traffic congestion and make delivering goods between the Port of Prince Rupert container facility and the Prince George Inland Container Terminal more efficient. This bridge opened to traffic in August 2009.
- 7 Highway 97 Upgrade near Prince George, \$6.9 million**
Upgrading 4.2 kilometres of British Columbia's major north/south artery at Wright Station Curve, between 100 Mile House and Williams Lake to four lanes, supports development of the Port of Prince Rupert.
- 8 Grade Separations, British Columbia, \$2.4 million**
Grade separations in Smithers will improve truck and local traffic flow, help attract business to these areas, increase capacity and facilitate efficient intermodal train services.
- 9 Highway 2 and 41 Avenue Intermodal Access, Edmonton, \$75 million**
A new interchange will facilitate the relocation of the Canadian Pacific Railway (CPR) intermodal facility.
- 10 Freeway interchanges and South River Crossing bridge, \$95.8 million**
Interchanges at Lorne Avenue and Circle Drive South, and Idylwld Freeway and Circle Drive South will improve access to CN's intermodal terminal. Building a new six-lane bridge across the South Saskatchewan River will help divert commercial and other through-traffic from the downtown core.
- 11 TransCanada Highway Upgrade, \$7.2 million**
Now complete, the upgraded 4.3-kilometre section between Sorrento and Salmon Arm improves the safety and reliability of the primary highway link for commercial goods between Lower Mainland container ports, Asia-Pacific markets and the rest of Canada.
- 12 TransCanada Highway Upgrade, \$267 million**
Twinning the TransCanada Highway in Banff National Park will strengthen travel and trade between the dynamic economies of Alberta and British Columbia. APGCI has contributed \$37 million to this project.
- 13 52nd Street SE, CPR grade separation and Western Headwaters, Calgary, \$34.5 million**
Projects will widen the 52nd Street SE from 114th Avenue SE to 130th Avenue SE from two to four lanes, and from 90th Avenue to 106th Avenue SE, from two to six lanes; build a grade separation at the CPR rail line and the Western Headwaters Canal; improve intersections; and make storm water upgrades.
- 14 Global Transportation Hub, \$27 million**
Partners will relocate the CPR intermodal terminal outside the City of Regina and provide proper road access to the new larger capacity terminal.
- 15 Highway Interchange and Grade Separation, Portage la Prairie, \$21 million**
Building an interchange of the TransCanada and Yellowhead highways and a road/rail grade separation at the CN main line—parts of a competitive transportation and logistics system connecting the west coast to North American markets.
- 16 Centreport Way, Winnipeg, \$33.3 million**
Integrating a number of the major components of a previous proposal that included improvements to Inkster Boulevard.
- 17 Regional Transportation Management Centre, \$5 million**
Staff will control and monitor traffic conditions and provide traveller information on the Lower Mainland's major highway networks and transit system.
- 18 Pitt River Bridge and Mary Hill Interchange, \$90 million**
Now open, this seven-lane bridge connects trade-related and transportation facilities on both sides of the Pitt River to enhance the flow of international goods through the Lower Mainland.
- 19 City of Richmond, \$5.5 million**
Widening Westminster Highway and Nelson Road to four lanes as well as upgrading its traffic signals and building a new four-lane section between Wireless Way and Highway 91 will make roads serving Gateway facilities more efficient.
- 20 Corporation of Delta, \$1.8 million**
Improving the intersections at Chester Road/Derwent Way, Chester Road/Cliveden Avenue and Nordel Way at Brooke Road and Shepherd Way will facilitate trucking on Annacis Island.
- 21 Roberts Bank Rail Corridor Road/Rail Grade Separations, \$75 million**
Road/rail grade separations (up to nine), road closures, network reconfigurations and traffic management measures along 70 kilometres that connect international container and coal terminals with North America's rail network, will increase road and rail capacity and reduce impact on communities.
- 22 South Fraser Perimeter Road, \$365 million**
This 40-kilometre four-lane road will connect Deltaport to Highway 1 and the Golden Ears Bridge and be a designated east-west truck route to enhance international freight movement and reduce impacts on municipal roads.
- 23 Four Burrard Inlet's North Shore Projects, \$75 million**
These infrastructure investments will improve rail and road access to Canada's Pacific Gateway's ports and railways and strengthen Canada's trade connections overseas. Projects in the North Vancouver area are: Brooksbank Avenue Underpass (now complete), Neptune/Cargill Grade Separation, Low Level Road Re-Alignment, and Philip Avenue Grade Separation.
- 24 South Shore Trade Area, \$49.7 million**
These investments will improve rail, port and trucking operations, create jobs and increase mobility. Projects in the South Shore area are: Powell Street Grade Separation and Stewart Street Elevated Structure.
- Shortsea Shipping Project in the Lower Mainland, \$4.6 million**
Shortsea shipping reduces road congestion, increases throughput capacity at marine terminals and develops new transportation options—for more integrated and efficient flow of international trade. The completion of the Southern Railway of British Columbia (SYR) rail barge ramp was announced in January 2010.

All financial figures are anticipated federal contributions for projects, most of which are cost-shared with important contributions from partners, including British Columbia and other western provincial and municipal governments, ports and railways. All projects are subject to funding commitments of all partners, completion of due diligence, contribution agreements and final federal project approval.