

Caisse accelerates industrial real estate shift with deal

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The Canadian Press

MONTREAL — With a growing number of consumers moving away from shopping malls to online shopping, the Caisse de depot et placement du Québec is accelerating its shift in industrial real estate by getting hold of U.S. firm IDI Logistics for nearly \$4.7 billion.

The amount was put forward at the end of November by the pension fund manager's real estate subsidiary, Ivanhoe Cambridge, as part of its transaction with Brookfield Asset Management. The amount paid was not disclosed, but various sources have confirmed the price.

Due to the size of the transaction, the institution recruited an ally and announced Wednesday an equal partnership in the venture with Oxford Properties Group, the real

estate subsidiary of the Ontario Municipal Employees Retirement System (OMERS) for its first foray into the United States.

Each party will contribute \$2.4 billion. "This is certainly the most strategic investment we've made in logistics resulting from our shift a few years ago," Ivanhoe executive vice-president industrial North America Mario Morroni told the Canadian Press.

Ivanhoe Cambridge decided to solicit a partner because of the volatility of markets and the uncertain economic context, he added. "It had become quite clear that at a time when markets seemed extremely nervous, that our preferred choice was to buy the business and immediately find a partner," Morroni said.

With the growing popularity of e-commerce, retailers and other giants such as Amazon are turning to industrial buildings

and logistics centres to store merchandise for shipping.

It is in this context that Ivanhoe Cambridge began to change its direction more than two years ago. Since then, its investments in this sector have reached \$9 billion, including the IDI Logistics transaction.

Based in Atlanta, IDI Logistics operates a portfolio of 111 assets from six offices and owns land generally near major centres that represent a potential for 1.3 million square metres of space.

IDI Logistics's clients include giants such as Amazon, Wayfair, Costco and Walmart, Morroni said.

"To get the same quality of assets while having such a good management team in place, it would have taken us easily from five to 10 years to build such a platform," he said.

Logistics assets are coveted by

managers on both sides of the border. In Canada, the industrial vacancy rate reached a new low of 2.8 per cent at the end of 2018, according to recent data from Avison Young.

According to Ivanhoe Cambridge, most of IDI Logistics' properties are only seven or eight years old, making them better suited to the needs of online commerce. Morroni explained that the goal is often to have buildings of a certain height in order to store a maximum of items inside.

With this addition, industrial real estate accounts for 10 to 11 per cent of Ivanhoe Cambridge's portfolio. It hopes to raise that to 20 per cent in about four years, he said.

Ivanhoe Cambridge has reduced its ownership of Canadian shopping centres to 28 from 48 in 2009, according to its website. As of June 30, its assets were valued at \$60 billion.

Canada's best whisky maker credits Saskatchewan grain

LUMSDEN, Sask. — It turns out some of Canada's best-made whisky comes from a small town just northwest of Regina.

Last Mountain Distillery in Lumsden has been named the 2019 Micro Distillery of the Year at the annual Canadian Whisky Awards in Victoria.

Its single cask whisky was also awarded a gold medal. Master distiller Braeden Raiwet credits Saskatchewan's natural ingredients for helping Last Mountain's products to stand out. Raiwet also says the distillery makes some extraordinary libations, such as a 100 per cent wheat whisky.

The Canadian Whisky Awards are judged by an independent panel of experts who do a blind-tasting. "We have the privilege of having some of the best grain and we like to think that quality in gets quality out, so thank you to those farmers that are growing those awesome grains for us." — Canadian Press

Canfor curbs production at 3 B.C. mills

VANCOUVER — Canfor Corp. will temporarily curtail operations at three B.C. sawmills due to log-supply constraints, log costs and current market conditions. The company said the cuts will reduce its production by 40 million board feet.

Canfor said its sawmill in Vavenby will be curtailed for six weeks starting on Feb. 11.

Meanwhile, sawmills in Houston and Mackenzie will be curtailed for one week each in the first quarter.

The cuts are in addition to the 150 million board feet of production capacity cut by the company in the fourth quarter of 2018 and early in the first quarter of 2019. — CP

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Jailed auto executive blames 'plot and treason' at Nissan

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The Associated Press

TOKYO — Nissan's former chairman Carlos Ghosn, in his first interview since his arrest in November, blamed fellow executives opposed to forging closer ties with the automaker's French alliance partner Renault for scheming against him, the Japanese newspaper *Nikkei* reported Wednesday.

The financial daily said it spoke with Ghosn for 20 minutes at the Tokyo Detention Centre, where the 64-year-old star executive has been held since Nov. 19.

Earlier, Ghosn only was allowed visits by his lawyers and embassy officials.

Prosecutors have charged Ghosn with falsifying financial reports in under-reporting his compensation. He has also been indicted on charges of breach of trust related to his handling of investment losses and to payments made to a Saudi businessman.

In the interview, Ghosn reiterated that he is innocent and said others in the company schemed to force him out with a "plot and treason."

"People translated strong leadership to [mean] dictator, to distort reality," he told the *Nikkei*. It was for the "purpose of getting rid of me," he was quoted as saying.

Nissan Motor Co. defended itself, saying prosecutors took action following an internal investigation set off by whistleblowers in the company. "The sole cause of this chain of events is the misconduct led by Ghosn and Kelly," company spokesman Nicholas Maxfield said. He was referring to Greg Kelly, another executive who has been charged with collaborating with Ghosn in under-reporting his compensation. Kelly was released on bail last month and remains in Tokyo.

French government spokesman Benjamin Griveaux declined to comment when asked about Ghosn's interview.

Authorities have rejected Ghosn's requests for bail, saying he might tamper with evidence or possibly flee.

Ghosn told the *Nikkei* he had no intention of fleeing and wants to defend himself in court. But he questioned why he could not gain release on bail.

"I don't understand why I am still being detained," he was quoted as saying, adding he could not tamper with evidence because "all the evidence is with Nissan."

The newspaper said Ghosn did not appear tired or flustered and when asked about his health, he said he was "doing fine."

"In life there are ups and downs," the newspaper quoted him as saying.

Renault SA owns 43 per cent of Nissan. It sent Ghosn to Japan in 1999 to help lead the Japanese automaker's turnaround from near bankruptcy. Ghosn said he had discussed a "plan to integrate" Nissan with Renault and their smaller alliance partner Mitsubishi Motors Corp. with Nissan's CEO, Hiroto Saikawa, in September.

The plan was to bring Nissan, Renault and Mitsubishi Motors closer together and ensure they had "autonomy under one holding company," he told the newspaper.

Nissan dismissed Ghosn as chairman shortly after his arrest. He was also dismissed as chairman of Mitsubishi. This month, he resigned as Mitsubishi and CEO of Renault and was replaced by Jean-Dominique Senard, the former chairman of Michelin.

Ghosn refuted various allegations against him, saying most of the alleged violations were approved by Nissan's legal department or other senior executives.

Health Canada 'dead wrong' to OK weedkiller glyphosate: U.S. lawyers

The Canadian Press

OTTAWA — American lawyers who successfully sued the makers of the glyphosate-based weedkiller Roundup on behalf of a man dying of cancer say Canada is "dead wrong" to allow it to be widely used here.

Los Angeles-based lawyers Michael Baum and Brent Wisner were part of the team that secured a multimillion-dollar verdict against Bayer AG last year on behalf of a former groundskeeper who believes his terminal cancer is a result of years of exposure to the herbicide glyphosate in Roundup. A court originally ordered Bayer AG to pay \$289 million US, but it was dropped to \$78 million. The order is under appeal.

There are more than 11,000 additional U.S. plaintiffs suing the Monsanto-based Bayer, which bought the German firm in 2018.

Baum and Wisner were in Ottawa Wednesday meeting with MPs on Parliament Hill to explain the evidence they said proves glyphosate causes cancer. Baum said he doesn't know of any Canadians suing over Roundup, but he said

there should be a lawsuit here.

"There's going to be the same type of injuries suffered here," he said.

Beatrice Olivastris, CEO of Friends of the Earth, said the lawyers will be in Toronto today working with Canadian activists and lawyers to determine how best to proceed, including possible court action. "We're actively looking for ways forward in litigation," she said.

Glyphosate has been on the market for more than four decades and is included in more than 130 products.

Health Canada's Pest Management Regulatory Agency just re-approved glyphosate for use in Canada after a regular review process, including going back over their assessment following objections filed by eight organizations. Those objections included allegations Monsanto improperly influenced the evidence the agency relied on to determine the product was safe.

This month, Connie Moase, director in the health-effects division of the agency, said agency scientists "left no stone unturned" and did not find any evidence the science was tainted.

