



TRADE-TALK Article – April 2009

Ports Can Assist Lift Transport Efficiency

In the current recession the good news is that shipping rates have fallen as surplus liner capacity co-incides with a decline in cargo volumes. Not so good is that fewer offshore vessels are calling at our main ports, a trend likely to continue in the medium term.

For export and import cargoes this means more freight having to be transferred domestically between regions to meet changing offshore liner services. Under this scenario of uncertainty there is high potential for delays and increased local transport costs.

To help shippers and their agents minimise such impositions on trans-shipped freight, port companies and coastal shipping operators have a clear responsibility. This is to set aside regional parochialism or inter-modal jealousies and to work on developing efficient and reliable sea-freight links between all the main domestic business centres.

By far the most suitable linking service is a sea-based hub and spoke coastal network connecting ports over long distances. To be effective it needs to have fixed schedules, cover all the major producer regions and provide a high level of container handling efficiency.

To date New Zealand lacks such a comprehensive coastal network. It relies over-heavily on long haul land transport movements bottlenecked across Cook Strait, which are relatively costly and inefficient compared to coastal ships.

Only recently has a specialist container ship been introduced - Pacifica's Spirit of Endurance - linking the major ports of Auckland, Tauranga, Lyttelton and Dunedin on a weekly schedule. But one ship alone is not sufficient, as other ports such as Napier, Bluff, Gisborne and Timaru should be included.

Only when additional vessels are added to the spokes of a wider coastal cargo network will exporters be able to move more goods into and out of the big hub ports cost-effectively and with minimal environmental impact.

While demand for more efficient trans-shipment of cargo will undoubtedly grow, service capacity is well below par at existing levels. What is needed is for port companies and shippers to facilitate and stimulate new ships and help grow the coastal network much more actively than in the past.

By Richard Allan, national sales and marketing manager, Pacifica Shipping.