Positive half-year for Napier Port before uncertainty

Growth in container services and cruise early on in the first half of Napier Port’s financial year has offset the effect of lower log volumes later in the period due to changes in key export market conditions and the COVID-19 pandemic.

Napier Port has reported improved revenue and underlying earnings for the first half of the 2020 financial year.

Revenue increased 7.5% to $82.3 million from $48.7 million last year, underpinned by an increase in container volume, growth in cruise revenue, and previously announced tariff increases.

Pro forma net profit after tax for the half year rose to $11.2 million from $10.5 million.

The pro forma result excludes a one-off non-cash deferred tax gain of $1.5 million related to the deductability of tax depreciation on buildings. This gain helped lift statutory net profit after tax to $12.8 million from $9.2 million in the prior year.

The statutory net profit after tax for the half-year also benefited from finance cost savings when compared to the prior year, following the repayment of all borrowings following the successful initial public offer in the second half of 2019. In the same period a year ago, Napier Port expended finance costs of $20.0 million.

The Hawke’s Bay port, unsurprisingly, also reports an uncertain outlook for the full year with the outcome linked to broader economic conditions and ability to overcome impacts from the COVID-19 pandemic.

Chair Alasdair MacLeod says Napier Port’s positive financial results “stand in stark contrast to the significant challenges that we, the surrounding region, and the broader economy face as a result of the COVID-19 pandemic”.

“For most of the six-month period that these results cover, trade has been trending largely in line with the expectations set when we launched our IPO in August 2019.

“However, as the half year drew to a close, and COVID-19 infections both offshore and in New Zealand rose, the Government imposed its state of national lockdown, with restrictions limiting air traffic and impacting freight transport. Trade has been impacted in many industries in New Zealand, and it is concerning to see a significant drop in containerised cargo volumes.

Napi er Port’s positive financial results ‘stand in stark contrast to the significant challenges that we, the surrounding region, and the broader economy face as a result of the COVID-19 pandemic.’ Chair Alasdair MacLeod says.

“However, as the half year drew to a close, and COVID-19 infections both offshore and in New Zealand rose, the Government imposed its state of national lockdown, with restrictions limiting air traffic and impacting freight transport. Trade has been impacted in many industries in New Zealand, and it is concerning to see a significant drop in containerised cargo volumes.

Napier Port lifted revenue and profit in the first half of the year.

Billed by: McCutcheon & Co.

TRADE OVERVIEW

<table>
<thead>
<tr>
<th></th>
<th>HY2020</th>
<th>HY2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cargo (kt)</td>
<td>2,527</td>
<td>2,666</td>
<td>-129</td>
</tr>
<tr>
<td>Contained cargo (TEU)</td>
<td>135,000</td>
<td>128,000</td>
<td>+7,000</td>
</tr>
<tr>
<td>Bulk cargo (kt)</td>
<td>1,597</td>
<td>1,724</td>
<td>-126</td>
</tr>
<tr>
<td>Logs exports (kT)</td>
<td>1,184</td>
<td>1,247</td>
<td>-63</td>
</tr>
</tbody>
</table>

Source: Napier Port

RTF asks for higher threshold in Fair Trading Act

A contract threshold of $500,000 should be included in the Fair-Trading Act Amendment Bill, Road Transport Forum (RTF) chief executive Nick Leggett told the Economic Development, Science and Innovation Select Committee at Parliament.

“The RTF supports the overall intent of this Bill,” said Mr Leggett.

“That is, to extend the current protections under the Act against unfair contract terms (UCT) to small trade contracts.

“A significant chunk of the road freight transport industry is small and medium sized business operators. However, despite being small businesses themselves, they take on large contracts. This is why we are submitting that the definition of small trade contracts in the Bill should be increased to a threshold of $500,000.

“Too many contracts whose parties deserve protection from unfair contract terms will be worth more than $250,000. Many transport operators will have contracts with an annual threshold value well in excess of that amount.

“Unless the threshold is increased, a significant number of small businesses that deserve protection under the Act will not get it.”

RTF has also submitted that the Commerce Commission’s monopoly on enforcement of unfair contract terms (UCT) should be removed; the amendment should apply to all existing standard form small trade contracts, not just when they are varied; and extending the UCT provisions to small businesses is more important than the prohibition on unconscionable conduct.

“Prohibiting unconscionable conduct is unlikely to be effective. We prefer the focus on protections against unfair contract terms to small trade contracts,” Mr Leggett said.

“This will have a profound impact on small transport companies that in some parts of the country are subject to unfair contract terms in the form of unilateral deferred payments (UDP).

“This is an insidious practice used by some large corporates seeking to extend payment times to their suppliers beyond what is normally considered acceptable.

“Road freight is critical to New Zealand’s economy and will have a substantial role to play in COVID-19 recovery to ensure that supply chains remain connected. Support for road freight transport must be prioritised at this critical period.”
Shipping Ball postponed

Iain MacIntyre
A postponement of this year’s The Great New Zealand Shipping Ball has been announced, with the organising committee advising that current plans are to reschedule for June next year “subject to favourable conditions”.

Launched in 2016, the biennial black-tie event was to this year have been hosted on June 26 at Shed 10, Princes Wharf. Last year’s event raised $88,000 for Coastguard Northern Region.

Organisers have advised that anyone who has paid for a table in advance should contact Coastguard Northern Region to arrange a refund.

Pandemic delays Navy vessel

Iain MacIntyre

COVID-19 has caused a currently-undetermined delay to the previously-scheduled January 2021 delivery of the newbuild HMNZS Aotearoa.

A New Zealand Defence Force spokesperson told the Shipping Gazette™ that, following some members of the project team returning from South Korea during the pandemic, video conferencing had been utilised where possible to continue their contribution to the build. It is understood that other, less-critical aspects of the project are to be delivered once travel restrictions have been eased.

“Due to the COVID-19 pandemic, the Ministry of Defence is working closely with Hyundai Heavy Industries (HHI), suppliers and other relevant New Zealand government agencies on a plan that will enable the delivery of Aotearoa to take place whilst ensuring all COVID-19 restrictions and requirements are met,” said the spokesperson.

“The primary focus is on the safety of our personnel at this time and the many others involved in the delivery of this vessel to New Zealand. Therefore, we are not currently in a position to provide you with a confirmed date for her arrival at this stage.”

The spokesperson added that the Defence Force had been working with HHI on the impact of delays resulting from the pandemic and “at this time it is not expected that the project will exceed its budget”.

A number of Navy personnel have remained with the build in the Korean port city of Ulsan. It is expected that those who have repatriated to New Zealand will not be required to return to Korea again for the purposes of the build.

At 173 metres, the purpose-built support ship will be the Navy’s largest-ever vessel.

Port Taranaki unloads shipment for wind farm

“Logistically, these projects are very exciting and challenging for us,” he said.

“It’s our great assets, skills and expertise are being used for a new thread of cargo — wind farm business was in line with the port’s aim of diversifying trade coming across its berths.

The spokesperson added that the Defence Force had been working with HHI on the impact of delays resulting from the pandemic and “at this time it is not expected that the project will exceed its budget”.

A number of Navy personnel have remained with the build in the Korean port city of Ulsan. It is expected that those who have repatriated to New Zealand will not be required to return to Korea again for the purposes of the build.

At 173 metres, the purpose-built support ship will be the Navy’s largest-ever vessel.

From page 1
the fact it’s in our area and utilising local businesses is a real boost to the region.”

“Agreeing with the sentiments, Tilt Renewables project manager Jim Pearson added: “We’ve got about 80 guys on site now and when the crew arrive to start erecting the turbines there will be another 80. Plus there’s all the spinoff work.”

Port Taranaki commercial head Ross Dingle said securing the Waipipi and other wind farm business was in line with the port’s aim of diversifying trade coming across its berths.

The fact it’s in our area and utilising local businesses is a real boost to the region.”

“Agreeing with the sentiments, Tilt Renewables project manager Jim Pearson added: “We’ve got about 80 guys on site now and when the crew arrive to start erecting the turbines there will be another 80. Plus there’s all the spinoff work.”

Port Taranaki commercial head Ross Dingle said securing the Waipipi and other wind farm business was in line with the port’s aim of diversifying trade coming across its berths.

The fact it’s in our area and utilising local businesses is a real boost to the region.”

“Agreeing with the sentiments, Tilt Renewables project manager Jim Pearson added: “We’ve got about 80 guys on site now and when the crew arrive to start erecting the turbines there will be another 80. Plus there’s all the spinoff work.”

Port Taranaki commercial head Ross Dingle said securing the Waipipi and other wind farm business was in line with the port’s aim of diversifying trade coming across its berths.

The fact it’s in our area and utilising local businesses is a real boost to the region.”

“Agreeing with the sentiments, Tilt Renewables project manager Jim Pearson added: “We’ve got about 80 guys on site now and when the crew arrive to start erecting the turbines there will be another 80. Plus there’s all the spinoff work.”

Port Taranaki commercial head Ross Dingle said securing the Waipipi and other wind farm business was in line with the port’s aim of diversifying trade coming across its berths.

The fact it’s in our area and utilising local businesses is a real boost to the region.”

“Agreeing with the sentiments, Tilt Renewables project manager Jim Pearson added: “We’ve got about 80 guys on site now and when the crew arrive to start erecting the turbines there will be another 80. Plus there’s all the spinoff work.”

Port Taranaki commercial head Ross Dingle said securing the Waipipi and other wind farm business was in line with the port’s aim of diversifying trade coming across its berths.
Shipping and ports crave post-pandemic recovery

As hopes for world trade gather momentum in the wake of countries loosening lockdown restrictions, the reality of the impact of COVID-19 on shippers and operators is becoming apparent.

All industry segments have suffered from the pandemic with the possible exception of tankers, where there has been demand for floating storage for Ferries, cruise lines, car carriers and offshore service vessels are the worst hit, with turnover in the first quarter of the year falling as much as 60% according to a study conducted by the European Community Shippers’ Association in April.

There is nervousness across all market sectors. Shippers have taken a hit, with many charter rates dropping as a result of reduced and even flagged concerns are about potential credit risk as shipping companies come under pressure from reduced earnings. These fears are real. The UK had to step in to invest £55 million with six companies to safeguard 16 freight routes in danger of closure across the North Sea and to Ireland.

Individual port pairs were designated as Public Service Obligation Routes for up to nine weeks, with the government paying the shipping companies to maintain services which otherwise would probably have been axed.

Port companies welcomed such state support too because their revenues have dropped. The financial woes of the shipping companies have been fed down the line to the ports.

The British Ports Association announced that 86% of its member ports reported either “substantial or severe” impacts on their business as a result of the pandemic and a third reported that they required financial support.

At one stage the International Association of Ports & Harbours estimated 42% of ports globally were experiencing declines of 5%-25% in container vessel calls, and 10% of ports were seeing decreases of more than 25%.

As an example, Germany’s major port, Hamburg, reported a 7.9% reduction in cargo throughput in the first quarter of the year, inclusive of a 6.6% decline in containers.

In the US, the Federal Maritime Commission (FMC) recommended federal government aid to help some container terminal operators stay in business.

The FMC commissioners wrote to the Department of Transport saying they feared some terminal operators could rack up such substantial losses that they might cease to operate, particularly if cargo volumes dropped below the “break point” of meeting the terminal operators’ fixed rents.

The commission argued that it was in the US national interest to protect the continued existence and prosperity of terminal operators to ensure an efficient supply chain.

Among the global shipping lines, the financial implications have been dire even though low bunker prices have helped ease the pain a little.

Some major operators such as CMA CGM have had to tap into state aid with the French line receiving a €1.05 billion loan secured from a consortium of banks, 70% guaranteed by the state.

South Korea injected USS1 billion to bail out its shipping sector, including flag-carrier HMM, which ironically has just taken delivery of a massive 24,000-TEU containership, the HMM Ohio.

Taiwanese carrier Yang Ming received a USS27 million loan for the first three months of this year following a loss of USS44 million for full-year 2019. It is 48% state-owned and initiated a share issue to raise funds, which will probably rely on further government support.

Hapag-Lloyd saw its net result fall nearly 75% against the corresponding period of last year, albeit it still turned in a profit and its CEO Rolf Habben Jansen said it is “well positioned to weather the storm”.

Maersk chief executive Soren Skou issued a warning to the industry that global container volumes could drop by as much as 25%.

An interesting development is that carriers have resisted the temptation to follow the pattern of previous market downturns, where they have responded with price wars in order to protect market share.

Perhaps because of the growing influence of alliances, which have consolidated the major players into tight groupings, they have instead moved to mitigate the damage to their bottom line by managing capacity and equating supply to demand.

They are doing so principally by “blanking” (cancelling) sailings because the volume of cargo available has been insufficient to fill the ships. Blankings happen in the best of years as seasonal swings impact on cargo flows but this year’s rate is historically high.

Lloyd’s List recently reported that since the outbreak of the pandemic, container lines had blanked more than 500 sailings. The highest such cancellation since the COVID-19 outbreak was in February, registering a spike of 105 cancellations across Transpacific and Asia-North Europe and Mediterranean trades. The lowest was in March, with only 33 cancellations.

Industry consultants Drewry have reported that this provides weekly insights for shippers, freight forwarders and NVOCCs, helping them to face the daily operational challenges generated by the uncertainty of sailing schedules and the continual capacity deployed on the major container shipping routes.

The effect has been to dramatically reduce the amount of box slots available on the major East-West trades. The Asia-Europe trade (an important one for New Zealand because we transport on it to some of our exports to Europe and elsewhere) had just over 25% of its capacity removed.

This, along with other measures such as slower steaming and diverting ships around the Cape of Good Hope instead of via the shorter route through the Suez Canal, has to a degree stabilised freight rates. Industry analysts Sea-Intelligence reported that rates had already recovered significantly from a major collapse earlier in the year.

Another factor which will ease the pressure on major lines is a delay to newbuildings coming on stream. This will help dampen the supply of more capacity.

The question is, when will there be a snap back in demand? Some international economic forecasters have suggested there will be a major upturn from July onwards.

Although the current feeling in New Zealand is optimistic, as we drop down through the alert levels, there are continuing fears about the ability of the UK and US to control fresh outbreaks of the virus. Plus, there is the constant threat of an escalating trade war between the US and China.

With the shipping and ports industries craving a return to normality, that’s the last thing we want to hear.

Footnote: Recently I subscribed to the international Capital Link Shipping Conference which was held online this year due to the lockdowns.

It featured panel discussions on the outlook for various sectors of the shipping industry and the Container Shipping Panel provided some interesting insights on some of the practical difficulties faced by shippers during the lockdowns. Not only were container crews unable to be repatriated, but conducting surveys became a problem.

One shippers revealed he had a vessel dry docking in China for a survey and couldn’t send an engineer because no one was willing to go to a country which at that time did not have COVID-19 under control. The survey had to be conducted by a video link with the muster nesting the parts of the vessel that the engineer wanted to check.

Another vessel was intended to be going for scrap but the shipping in India was stopped because of restrictions of taking the vessel into that country’s waters.

Dave MacIntyre can be contacted at d.macintyre@stra.co.nz
Available of cargo space key

Container shipping lines’ ability to provide cargo space as needed showed a marginal improvement in 2019, but this gain will have been dramatically reversed by the end of the first half of this year, according to the fourth annual shipper satisfaction survey of Drewry and the European Shippers’ Council (ESC).

The survey, run jointly by the ESC and Drewry, reveals that the 227 shippers and forwarders who took part rated the service of container shipping lines with an average score of 3.2 on a scale of 1 (very dissatisfied) to 5 (very satisfied). Availability of cargo space is now seen by shippers and forwarders as the most important criterion of carrier service, meaning that an improvement in cargo space availability in 2019 was a welcome development for the industry.

However, following the Coronavirus outbreak since February 2020, some 281 Asia-Europe and Asia-North America sailings have been cancelled and availability of cargo space has decreased dramatically.

“Drewry foresees that the next ESC-Drewry survey will show growing concerns among shippers over the specific areas of service quality: availability of space and equipment, reliability of bookings and carriers’ financial stability,” said Philip Dumas, head of the logistics practice at Drewry. “These are key factors of carrier and forwarder selection particularly in today’s disrupted market, but also in the next year as and when ocean-borne volumes recover,” he added.

“This is a market with volatile capacity where liners maintain price setters and keep freight rates high, despite very low fuel indexes, whilst they can only plan in the short term themselves. Our view is that carriers will benefit from shorter-term contracts, and whether diversifying their carriers’ selection pool or by concentrating more on financially healthier or government supported carriers” said Godfried Smit, secretary general of the European Shippers’ Council.

Shippers and forwarders also said that carrier performance has deteriorated between 2018 and 2019 in four areas: the range of different available carriers, the range of different available services, the price of the service and the overall carrier service quality.

On carrier performance related to sustainability/green and carrier financial stability has improved since 2019, according to respondents.

NSW Ports is to open a new 24/7, 2.4-hectare, empty, container park inside Port Botany, in June that is being viewed as a boost for container management efficiency.

It comes at an opportune time as shipping services are being disrupted by COVID-19 and keeping containers in the supply chain is more important than ever, says Shipping Australia.

Shipping Australia deputy chief executive officer Melwyn Noronha commented, “the new empty container park at Port Botany has an ideal location within the container supply chain.

With over 600,000 TEU empty containers loaded onto vessels annually at the port, empty container parks play a vital role in the supply chain as the final repository, or the initial starting point, for import and export chains.

“The management of both static and dynamic capacities at some empty container parks has been a challenge in recent times. It is envisaged that with a 24/7 service the operational efficiency of the NSW Ports facility will overcome these capacity challenges.”

OCCL’S Kuala Lumpur moored at Haynes Wharf, Port Botany.

New container park at Port Botany timely

The Insurance Council of New Zealand (ICNZ) says weather-related losses during 2019 cost insurers $167.6 million to support their customers recover from severe weather events.

The figures follow finalising claims for the November 20, 2019, Timaru hailstorm, which increased from $83 million to $130.75 million, and the November 18 Christchurch tornado which increased to $4.04 million. The Timaru hailstorm now stands out as the second most costly weather event this century.

“The figures reflect the true cost of weather events and the vital role insurance plays in supporting communities,” says Tim Grafton, CEO of ICNZ. “While the Timaru hailstorm lasted minutes, the destructive nature of the event was felt by thousands of locals. Insurance support for people equates to more than $2,700 for every man, woman and child that live in the city.”

Mr Grafton says this reiterates the important role of insurance to help in the wake of a natural disaster or weather event.

“Events like the Timaru hailstorm show us how quickly costs can escalate. The updated figures make it the second most costly weather event since 2000, sitting just behind the 2004 Lower North Island Storms at $148.3 million – which was for a much larger region.”
### Exports

#### To the Americas, Europe and Africa

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rotterdam</td>
<td>28/03</td>
<td>05/04</td>
</tr>
<tr>
<td>Antwerp</td>
<td>30/03</td>
<td>04/04</td>
</tr>
<tr>
<td>Le Havre</td>
<td>25/04</td>
<td>03/05</td>
</tr>
<tr>
<td>Charleston</td>
<td>25/05</td>
<td>03/06</td>
</tr>
<tr>
<td>Port Everglades</td>
<td>29/06</td>
<td>07/07</td>
</tr>
<tr>
<td>Taura</td>
<td>28/06</td>
<td>07/07</td>
</tr>
<tr>
<td>Cartagena</td>
<td>17/06</td>
<td>24/07</td>
</tr>
<tr>
<td>Vigo</td>
<td>08/07</td>
<td>15/07</td>
</tr>
<tr>
<td>Port Louis</td>
<td>24/06</td>
<td>01/07</td>
</tr>
<tr>
<td>Leixões/Leixões</td>
<td>26/06</td>
<td>03/07</td>
</tr>
<tr>
<td>Bilbao</td>
<td>09/07</td>
<td>16/07</td>
</tr>
<tr>
<td>Genoa</td>
<td>11/07</td>
<td>18/07</td>
</tr>
<tr>
<td>Corfu</td>
<td>03/07</td>
<td>10/07</td>
</tr>
<tr>
<td>Tauranga</td>
<td>25/05</td>
<td>31/05</td>
</tr>
<tr>
<td>Auckland</td>
<td>25/06</td>
<td>01/07</td>
</tr>
<tr>
<td>Wellington</td>
<td>20/07</td>
<td>26/07</td>
</tr>
<tr>
<td>Sydney</td>
<td>17/08</td>
<td>23/08</td>
</tr>
<tr>
<td>Port Kelang</td>
<td>26/07</td>
<td>02/08</td>
</tr>
<tr>
<td>Shekou</td>
<td>02/07</td>
<td>08/07</td>
</tr>
<tr>
<td>Nhava Sheva</td>
<td>16/07</td>
<td>22/07</td>
</tr>
<tr>
<td>Port Shekou</td>
<td>24/07</td>
<td>30/07</td>
</tr>
<tr>
<td>Capricorn Synergy</td>
<td>19/06</td>
<td>25/06</td>
</tr>
<tr>
<td>Capricorn Synergy</td>
<td>29/05</td>
<td>05/06</td>
</tr>
<tr>
<td>Furano Navios</td>
<td>29/05</td>
<td>05/06</td>
</tr>
<tr>
<td>Warrnambool Cap</td>
<td>06/06</td>
<td>12/06</td>
</tr>
<tr>
<td>Savannah</td>
<td>08/07</td>
<td>14/07</td>
</tr>
<tr>
<td>Savannah</td>
<td>03/08</td>
<td>09/07</td>
</tr>
<tr>
<td>Savannah</td>
<td>20/08</td>
<td>26/08</td>
</tr>
<tr>
<td>Chicago</td>
<td>28/09</td>
<td>04/10</td>
</tr>
<tr>
<td>Houston</td>
<td>27/09</td>
<td>03/10</td>
</tr>
<tr>
<td>Charleston</td>
<td>26/09</td>
<td>02/10</td>
</tr>
<tr>
<td>Charleston</td>
<td>29/08</td>
<td>05/09</td>
</tr>
</tbody>
</table>

#### From the Americas, Europe and Africa

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rotterdam</td>
<td>09/06</td>
<td>16/06</td>
</tr>
<tr>
<td>Antwerp</td>
<td>11/06</td>
<td>18/06</td>
</tr>
<tr>
<td>Le Havre</td>
<td>13/06</td>
<td>20/06</td>
</tr>
<tr>
<td>Charleston</td>
<td>13/06</td>
<td>20/06</td>
</tr>
<tr>
<td>Port Everglades</td>
<td>17/06</td>
<td>24/07</td>
</tr>
<tr>
<td>Taura</td>
<td>18/06</td>
<td>25/07</td>
</tr>
<tr>
<td>Cartagena</td>
<td>20/06</td>
<td>27/07</td>
</tr>
<tr>
<td>Vigo</td>
<td>23/06</td>
<td>30/07</td>
</tr>
<tr>
<td>Port Louis</td>
<td>28/06</td>
<td>05/07</td>
</tr>
<tr>
<td>Leixões/Leixões</td>
<td>30/06</td>
<td>07/07</td>
</tr>
<tr>
<td>Bilbao</td>
<td>03/07</td>
<td>10/07</td>
</tr>
<tr>
<td>Genoa</td>
<td>05/07</td>
<td>12/07</td>
</tr>
<tr>
<td>Corfu</td>
<td>07/07</td>
<td>14/07</td>
</tr>
<tr>
<td>Tauranga</td>
<td>02/05</td>
<td>09/05</td>
</tr>
<tr>
<td>Auckland</td>
<td>05/05</td>
<td>12/05</td>
</tr>
<tr>
<td>Wellington</td>
<td>09/05</td>
<td>16/05</td>
</tr>
<tr>
<td>Sydney</td>
<td>16/06</td>
<td>23/06</td>
</tr>
<tr>
<td>Port Kelang</td>
<td>17/06</td>
<td>24/06</td>
</tr>
<tr>
<td>Shekou</td>
<td>19/06</td>
<td>26/06</td>
</tr>
<tr>
<td>Nhava Sheva</td>
<td>22/06</td>
<td>29/06</td>
</tr>
<tr>
<td>Port Shekou</td>
<td>24/06</td>
<td>01/07</td>
</tr>
<tr>
<td>Capricorn Synergy</td>
<td>25/05</td>
<td>02/06</td>
</tr>
<tr>
<td>Furano Navios</td>
<td>29/05</td>
<td>06/06</td>
</tr>
<tr>
<td>Warrnambool Cap</td>
<td>03/06</td>
<td>10/06</td>
</tr>
<tr>
<td>Savannah</td>
<td>05/06</td>
<td>12/06</td>
</tr>
<tr>
<td>Savannah</td>
<td>08/07</td>
<td>15/07</td>
</tr>
<tr>
<td>Savannah</td>
<td>11/08</td>
<td>18/08</td>
</tr>
<tr>
<td>Chicago</td>
<td>28/09</td>
<td>05/10</td>
</tr>
<tr>
<td>Houston</td>
<td>27/09</td>
<td>04/10</td>
</tr>
<tr>
<td>Charleston</td>
<td>26/09</td>
<td>03/10</td>
</tr>
<tr>
<td>Charleston</td>
<td>29/08</td>
<td>06/09</td>
</tr>
</tbody>
</table>

### West Coast North America

#### To West Coast North America and Pacific Islands

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seattle</td>
<td>05/04</td>
<td>12/04</td>
</tr>
<tr>
<td>Seattle</td>
<td>12/04</td>
<td>19/04</td>
</tr>
<tr>
<td>Seattle</td>
<td>19/04</td>
<td>26/04</td>
</tr>
<tr>
<td>Seattle</td>
<td>26/04</td>
<td>03/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>03/05</td>
<td>10/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>10/05</td>
<td>17/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>17/05</td>
<td>24/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>24/05</td>
<td>01/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>01/06</td>
<td>08/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>08/06</td>
<td>15/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>15/06</td>
<td>22/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>22/06</td>
<td>29/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>29/06</td>
<td>06/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>06/07</td>
<td>13/07</td>
</tr>
</tbody>
</table>

#### From West Coast North America

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver</td>
<td>05/05</td>
<td>12/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>05/05</td>
<td>12/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>12/05</td>
<td>19/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>19/05</td>
<td>26/05</td>
</tr>
<tr>
<td>Seattle</td>
<td>26/05</td>
<td>03/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>03/06</td>
<td>10/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>10/06</td>
<td>17/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>17/06</td>
<td>24/06</td>
</tr>
<tr>
<td>Seattle</td>
<td>24/06</td>
<td>01/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>01/07</td>
<td>08/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>08/07</td>
<td>15/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>15/07</td>
<td>22/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>22/07</td>
<td>29/07</td>
</tr>
<tr>
<td>Seattle</td>
<td>29/07</td>
<td>06/08</td>
</tr>
<tr>
<td>Seattle</td>
<td>06/08</td>
<td>13/08</td>
</tr>
</tbody>
</table>

### From North and East Asia

#### To North and East Asia

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghai</td>
<td>05/04</td>
<td>12/04</td>
</tr>
<tr>
<td>Shanghai</td>
<td>12/04</td>
<td>19/04</td>
</tr>
<tr>
<td>Shanghai</td>
<td>19/04</td>
<td>26/04</td>
</tr>
<tr>
<td>Shanghai</td>
<td>26/04</td>
<td>03/05</td>
</tr>
<tr>
<td>Shanghai</td>
<td>03/05</td>
<td>10/05</td>
</tr>
<tr>
<td>Shanghai</td>
<td>10/05</td>
<td>17/05</td>
</tr>
<tr>
<td>Shanghai</td>
<td>17/05</td>
<td>24/05</td>
</tr>
<tr>
<td>Shanghai</td>
<td>24/05</td>
<td>01/06</td>
</tr>
<tr>
<td>Shanghai</td>
<td>01/06</td>
<td>08/06</td>
</tr>
<tr>
<td>Shanghai</td>
<td>08/06</td>
<td>15/06</td>
</tr>
<tr>
<td>Shanghai</td>
<td>15/06</td>
<td>22/06</td>
</tr>
<tr>
<td>Shanghai</td>
<td>22/06</td>
<td>29/06</td>
</tr>
<tr>
<td>Shanghai</td>
<td>29/06</td>
<td>06/07</td>
</tr>
<tr>
<td>Shanghai</td>
<td>06/07</td>
<td>13/07</td>
</tr>
</tbody>
</table>

#### From North and East Asia

<table>
<thead>
<tr>
<th>Port</th>
<th>Departure Date/Time</th>
<th>Arrival Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>22/04</td>
<td>01/05</td>
</tr>
<tr>
<td>Tokyo</td>
<td>01/05</td>
<td>08/05</td>
</tr>
<tr>
<td>Tokyo</td>
<td>08/05</td>
<td>15/05</td>
</tr>
<tr>
<td>Tokyo</td>
<td>15/05</td>
<td>22/05</td>
</tr>
<tr>
<td>Tokyo</td>
<td>22/05</td>
<td>29/05</td>
</tr>
<tr>
<td>Tokyo</td>
<td>29/05</td>
<td>05/06</td>
</tr>
<tr>
<td>Tokyo</td>
<td>05/06</td>
<td>12/06</td>
</tr>
<tr>
<td>Tokyo</td>
<td>12/06</td>
<td>19/06</td>
</tr>
<tr>
<td>Tokyo</td>
<td>19/06</td>
<td>26/06</td>
</tr>
<tr>
<td>Tokyo</td>
<td>26/06</td>
<td>03/07</td>
</tr>
<tr>
<td>Tokyo</td>
<td>03/07</td>
<td>10/07</td>
</tr>
<tr>
<td>Tokyo</td>
<td>10/07</td>
<td>17/07</td>
</tr>
<tr>
<td>Tokyo</td>
<td>17/07</td>
<td>24/07</td>
</tr>
<tr>
<td>Tokyo</td>
<td>24/07</td>
<td>01/08</td>
</tr>
</tbody>
</table>

### Services to and from Australia

Hamburg Sud offers two export and four import services per week connecting all key New Zealand North and South Island ports with fast, frequent, reliable sailings to and from Sydney, Melbourne, Auckland, and from Brisbane. For further details, call our Export or Import service centres (see numbers below) or visit our website at [www.hamburgsud.com](http://www.hamburgsud.com).
Rise in container and cruise at Napier

Earnings gains from increased container volumes and growth in cruise revenue were notable factors in a favourable start to the 2020 year for Napier Port – before the impacts of the COVID-19 pandemic and national lockdown began to emerge.

“Container services benefited from the early repositioning of empty containers ahead of the peak primary export season,” said Mr Dawson.

“Volumes rose 7.5% to 125k TEU from 126k TEU in the same period a year ago. This increase helped to lift container services revenue by 12.1% to $30.9 million from $27.6 million.”

Average revenue per TEU increased 4.2% to $229 per TEU from $219 per TEU, assisted by increased volume through the Port Pack operation, and tariffs introduced during 2019 to recover costs of infrastructure investments made to extend capacity and support growth.

“Even though the cruise season came to an abrupt and early end following the COVID-19 outbreak, cruise services revenue for the first half was up 22.5% to $4.2 million from $3.4 million,” said Napier Port chief executive Todd Dawson.

“This reflected an increase in ship visits to 76 ships from 66 ships in the prior season, albeit short of the 87 ships we had booked. Larger passenger vessels also helped to lift revenue.

“Despite a strong first quarter in log exports, these were down 5% on the same period a year ago as the impact of high Chinese log inventories was compounded by the COVID-19 outbreak and extended Chinese new year holiday, suppressing demand for New Zealand log exports.

“Ferterer imports were, as we expected, lower.

“As a direct result, bulk cargo revenue fell 3.5% to $16.0 million from $16.5 million.”

The result from operating activities fell 1.6% to $21.7 million from $22.1 million, as operating expenses increased in line with expectations to support growth and build operational resilience, he said.

Employee benefit expenses increased with employee numbers. Other operating expenses increased with increased container volumes, higher insurance costs, and listed company costs.

COVID-19 IMPACT

The move in late March to the Alert Level 4 COVID-19 lockdown, saw Napier Port make dramatic changes to its operation.

“We had a duty as a ‘life asset’ to protect the flow of essential cargo through Napier Port,” said Mr Dawson.

“At the same time, we had to protect our people, deemed ‘essential workers’, and take steps to prevent the inadvertent transmission of the virus within the community.

“The changes we put in place to achieve these goals have been effective, but they came at the cost of productivity and revenue.

“The cruise season was prematurely closed. Meanwhile, in line with government directives, we saw a sharp reduction in non-essential cargo arrival, the most significant of which was in the key export trades of logs, pulp and timber.

“We were also required to cease conversion work on 6 Wharf, the centrepiece of our strategic investment programme, as its construction was not considered an essential service.

“The implementation of the Level 4 lockdown reduced expected cargo through Napier Port to levels lower than those assumed in our financial forecasts, with a material impact on our outlook for the 2020 financial year.

“In response, we rightfully joined many NZX-listed companies in withdrawing our full year earnings forecast.”

CARGO FLOWS

Many of Napier Port’s key trades qualified within the Government’s definition of essential services and these continued to flow to the port during the Level 4 lockdown.

“Harvesting of apples, squash and other fresh produce has continued during the additional operational challenges for our exporters.

“Similarly, the region’s food and meat processing industries have continued production and their products have been flowing right through this period of uncertainty, with Hawke’s Bay’s primary food-based exports seeing continued demand.”

Post the lifting of the Level 4 lockdown, exporters of forest products have quickly resumed and ramped up their production to meet pent up demand.

Mr Dawson says “Containerised trades such as the wood pulp and milled timber are maintaining demand and running against forecasts to work through their backlog and continue to maintain our export markets.

“The revival of the cruise industry ahead of the peak primary export season.

“However, we are mindful of the significant implications for trading in the export markets, both in the short and long term.”

B ALANCE SHEET

Napier Port retains a strong balance sheet following its capital raising in the prior year. At the end of the half-year, cash and cash equivalents stood at $31.2 million, down from $31.1 million at the end of the last financial year. In addition, the company has undrawn bank facilities of $180 million, the majority of which mature in 2024.

Over the six-month period Napier Port invested $22.3 million in capital assets with $8 million spent on 6 Wharf.

Other projects included the commissioning of a third tug, Kaikoura, the continued development of our off-port depot site in Thames Street, Napier, and replacement wharf maintenance, maintenance dredging, paving works and replacement of soft assets.

“We remain committed to the strategic investment programme,” said Mr Dawson. “These are long-term solutions that will allow us to capitalise on future long-term growth opportunities and continue to support our customers and therefore our wider Hawke’s Bay region.”

DIVIDEND

The board of directors has considered both the short-term impacts and long-term risk associated with COVID-19 in considering the interim dividend.

With a full programme of committed strategic capital investments, including 6 Wharf, the board considers that it is prudent to take a conservative approach to the management of cash whilst this uncertainty exists, and has decided to defer any consideration of dividend payments until the end of the financial year. The interim dividend has been cancelled.

The board expects to review the full financial year result and outlook in December 2020 before making a decision on a final dividend.

The board’s intent is to pay a final dividend in respect of the 2020 financial year result, in accordance with our stated dividend policy, subject to developments and the economic outlook at that time.

OUTLOOK

“The future trade outlook and the timing of the revival of the cruise industry remains uncertain and is now dependent upon COVID-19 public health developments and the economic impact in New Zealand and key international trading markets, both in the short and longer-term,” Mr MacLeod said.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.

“We intend to provide a further interim update to the NZX market regarding our nine quarter trading results during August. We expect at that time to update the market on full year earnings guidance, if not available earlier.

“Napier Port is a long-term infrastructure asset and an essential lifetime asset during times of national emergency, supporting the economic health and prosperity of Hawke’s Bay and the surrounding regions.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.”

Positive half-year for Napier Port before uncertainty

From page 1

emergency and Alert Level 4 lockdown.

“If it also became clear the pandemic and lockdown would have a material impact on our region and Napier Port’s financial result for the year.”

Chief executive Todd Dawson said:

“Napier Port is having a year of two halves.

“In the first we have delivered on the expectations we set when we launched our IPO last year, but in the second half of the year we, along with most of the country, are facing a period of extended uncertainty and an external shock that has significant implications for trading in the current financial year and beyond.”

BALANCE SHEET

Napier Port retains a strong balance sheet following its capital raising in the prior year. At the end of the half-year, cash and cash equivalents stood at $31.1 million, down from $31.2 million at the end of the last financial year. In addition, the company has undrawn bank facilities of $180 million, the majority of which mature in 2024.

Over the six-month period Napier Port invested $22.3 million in capital assets with $8 million spent on 6 Wharf.

Other projects included the commissioning of a third tug, Kaikoura, the continued development of our off-port depot site in Thames Street, Napier, and replacement wharf maintenance, maintenance dredging, paving works and replacement of soft assets.

“We remain committed to the strategic investment programme,” said Mr Dawson. “These are long-term solutions that will allow us to capitalise on future long-term growth opportunities and continue to support our customers and therefore our wider Hawke’s Bay region.”

DIVIDEND

The board of directors has considered both the short-term impacts and long-term risk associated with COVID-19 in considering the interim dividend.

With a full programme of committed strategic capital investments, including 6 Wharf, the board considers that it is prudent to take a conservative approach to the management of cash whilst this uncertainty exists, and has decided to defer any consideration of dividend payments until the end of the financial year. The interim dividend has been cancelled.

The board expects to review the full financial year result and outlook in December 2020 before making a decision on a final dividend.

The board’s intent is to pay a final dividend in respect of the 2020 financial year result, in accordance with our stated dividend policy, subject to developments and the economic outlook at that time.

OUTLOOK

“The future trade outlook and the timing of the revival of the cruise industry remains uncertain and is now dependent upon COVID-19 public health developments and the economic impact in New Zealand and key international trading markets, both in the short and longer-term,” Mr MacLeod said.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.

“We intend to provide a further interim update to the NZX market regarding our nine quarter trading results during August. We expect at that time to update the market on full year earnings guidance, if not available earlier.

“Napier Port is a long-term infrastructure asset and an essential lifetime asset during times of national emergency, supporting the economic health and prosperity of Hawke’s Bay and the surrounding regions.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.”

The board’s intent is to pay a final dividend in respect of the 2020 financial year result, in accordance with our stated dividend policy, subject to developments and the economic outlook at that time.

OUTLOOK

“The future trade outlook and the timing of the revival of the cruise industry remains uncertain and is now dependent upon COVID-19 public health developments and the economic impact in New Zealand and key international trading markets, both in the short and longer-term,” Mr MacLeod said.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.

“We intend to provide a further interim update to the NZX market regarding our nine quarter trading results during August. We expect at that time to update the market on full year earnings guidance, if not available earlier.

“Napier Port is a long-term infrastructure asset and an essential lifetime asset during times of national emergency, supporting the economic health and prosperity of Hawke’s Bay and the surrounding regions.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.”

The board’s intent is to pay a final dividend in respect of the 2020 financial year result, in accordance with our stated dividend policy, subject to developments and the economic outlook at that time.

OUTLOOK

“The future trade outlook and the timing of the revival of the cruise industry remains uncertain and is now dependent upon COVID-19 public health developments and the economic impact in New Zealand and key international trading markets, both in the short and longer-term,” Mr MacLeod said.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.

“We intend to provide a further interim update to the NZX market regarding our nine quarter trading results during August. We expect at that time to update the market on full year earnings guidance, if not available earlier.

“Napier Port is a long-term infrastructure asset and an essential lifetime asset during times of national emergency, supporting the economic health and prosperity of Hawke’s Bay and the surrounding regions.

“Napier Port continues to engage with cargo owners to understand how COVID-19 trading conditions are affecting them and the expected outlook for cargo volumes through Napier Port.”

The board’s intent is to pay a final dividend in respect of the 2020 financial year result, in accordance with our stated dividend policy, subject to developments and the economic outlook at that time.
Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.

Mainfreight delivery in Taipei.
Tucker.

Americas President & CEO Randy unexplained times,” said GEODIS to stay safe and healthy during these make sure millions of essential pandemic.

Hartsfield – Jackson Atlanta protective equipment (PPE) arrived at an Antonov AN-124, the world's largest delivered to the International Airport (ATL) on May 24. GEODIS has transported 13 million masks from China to the US utilising freight to be rolled on and off the Antonov, GEODIS uses Antonov operations easier and faster.

It has the added benefit of allowing transporting large quantities of cargo. GEODIS has experience in this critical element of the global supply chain response to COVID-19; GEODIS established an air bridge between China and France to transport PPE for the French Government as early as March. Experienced in this critical element of the global supply chain response to COVID-19, GEODIS is the largest delivered to the airport during the COVID-19 pandemic.

“With the help of an Antonov AN-124, GEODIS has been able to make sure millions of essential workers receive the masks they need to stay safe while they work during these unprecedented times,” said GEODIS Americas President & CEO Randy Tucker. The Antonov, which GEODIS chartered on behalf of its client, is an aircraft specially designed for transporting large quantities of cargo. It has the added benefit of allowing freight to be rolled on and off the plane, making loading and unloading operations easier and faster.

“Having a more transparent market will increase trust with both buyers and owners of trees, and particularly for first-time entrants to the market to timber processors and marketers of forest resources to domestic and overseas customers.” However, with stakeholders given just seven days to make a submission from the Bill’s introduction on May 14, Federated Farmers forestry spokesperson Andrew Hoggarth said there had been no time for the sector to properly consider and address all implications and concerns.

“The Bill has come from nowhere and should be sent back to the drawing board for proper consideration,” he said.

Mr Hoggarth said Federated Farmers, who have many forest owners among its membership, believe the Bill will introduce a raft of new regulations, costs and red tape.

While acknowledging Minister Jones’ desire to ensure steady supplies of competitively-priced timber for the domestic processing industry, he said his organisation opposed any Government moves to interfere in its members’ commercial decisions. “Those farm foresters want the freedom to make decisions about their land,” Mr Hoggarth said. 

PPE shipment

The New Zealand Shipping Gazette

DOES YOUR COMPANY OR CLIENT REQUIRE A SHIPPING CONTAINER?

At SEA Containers we offer a range of container sizes to fit your clients needs. We specialise in shipping containers and leasing for both NZ and Export use.

Call now with your requirements – 0508 732-266
Northern/Auckland Region – Odi Modan – 021 030-33876
Central Region – Steven Rott – 027 320-2266
South Island Region – Nick Moore – 027 439-2479
Lance Swain
Ivan Jackson
07 313-43279
Hadden Lock
07 933-2698
www.seacontainers.co.nz | sales@seacontainers.co.nz

GEODIS uses Antonov for PEP shipment

The French supply chain operator GEODIS has transported 13 million masks from China to the US utilising an Antonov AN-124, the world’s second largest aircraft.

This shipment of personal protective equipment (PPE) arrived at Hartsfield – Jackson Atlanta International Airport (ATL) on May 24 and is the largest delivered to the airport during the COVID-19 pandemic.

“The help of an Antonov AN-124, GEODIS has been able to make sure millions of essential workers receive the masks they need to stay safe while they work during these unprecedented times,” said GEODIS Americas President & CEO Randy Tucker. The Antonov, which GEODIS chartered on behalf of its client, is an aircraft specially designed for transporting large quantities of cargo. It has the added benefit of allowing freight to be rolled on and off the plane, making loading and unloading operations easier and faster.

Experienced in this critical element of the global supply chain response to COVID-19, GEODIS established an air bridge between China and France to transport PPE for the French Government as early as March. Involving multiple flights over the subsequent weeks, and employing two Antonov AN-124s, the consignments will consist of several hundred million masks.

In New Zealand, GEODIS has offices at Auckland, Wellington and Christchurch.

Sanford hit by weather induced catch shortfall

The first half results of fishing and aquaculture exporter Sanford saw a shortfall in catch volumes for toothfish, caused in part by weather affecting its fishing division.

Pricing for this species was also softer globally, following the impact of COVID-19. Coronavirus impacts were also felt in other areas of the business, particularly toward the end of the half year. Sanford has reported statutory net profit after tax (NPAT) for H29 of $19.0 million, 17% behind the FY19 result of $22.9 million. Adjusted (underlying) EBIT of $22.3 million represents a 29% decrease on adjusted FY18 EBIT ($32.6 million) or a 16% decrease on a comparable basis, when excluding the pelagic business which Sanford sold in March 2019.

Total revenue was $245.5 million, a 7% decrease ($265.0 million). The sale of Sanford’s Tuamarua-based pelagics business (catching mackerels and tunas) at the end of March 2019, accounted for the sales volume difference to prior year.

In recent years, Sanford has made a strategic shift into higher-value products such as Greenshell mussel powders and high-end branded salmon.

Sanford noted that normalised EBIT per greenweight kilogram improved across its aquaculture business with salmon at the Stewart Island farm showing particularly good growth with a 19% increase in bio-mass.

“However, this wasn’t enough to counter the shortfall in the highly valuable toothfish catch and softer pricing, leading to an overall EBIT/kg decrease to $0.46 from $0.57 on the prior year,” said CEO Volker Kuntzsch.

He said that, while the overall interim result was below expectations, there was clear strength in salmon and Greenshell mussels, demonstrating the benefits of Sanford’s transition into a more diverse company.

“We were pleased that overall sales volumes for our salmon were up 2% versus the same period last year and sales revenue increased 6%.

Our Big Glory Bay grown salmon are exceptional and have been highly sought after in some of the world’s finest restaurants. Unfortunately, food service channels have been highly impacted by COVID-19. While our salmon sales have been holding up well and we are hopeful of continuing growth here.” Mr Kuntzsch said that Sanford’s strategy to address the-related influences on the fishing business is a long term one.

Regarding the impact of the coronavirus (COVID-19) on demand, CFO Katherine Turner says being an essential business has provided some protection against the impacts of the response to the virus, but never the less, the company was affected.

“We did experience a short interruption to normal operations in March while we put in place changes right across the business which were necessary to meet Government COVID-19 safety requirements. However, thanks to incredible efforts from our fishing, farming and processing teams, we were able to return to relatively normal operations and supply levels within two weeks.

“The issues we face now are on the demand side. Consumer behaviour has changed and the foodservice industry is impacted through restrictions on people’s movements and the absence of tourism.

“Retail and on-line sales, although only a small share of our total business, show strong growth and we are aggressively pursuing further leads in these areas.”

Mr Kuntzsch acknowledges the value of demand and the uncertain future and believes it is unlikely that the company will be able to make up the first half earnings shortfall in the second half of the year.

Proposed logging legislation ‘deserves the chop’

Iain MacIntyre

Federated Farmers and the New Zealand Forest Owners’ Association have jointly slammed the Forests (Regulation of Log Traders and Forestry) Amendment Bill, labelling it “rushed” and risking “unnecessary consequences.”

Introducing the Bill as part of Budget 2020, Forestry Minister Shane Jones said it would require forestry advisers, log traders and exporters to register and work to nationally-agreed practice standards and was another step towards achieving “value over volume” in the sector.

“The quality of advice from forestry advisers and interactions with log traders is critical to the financial returns forest growers receive and to the operation of the broader log market.”

“The new regulatory system will provide some critical foundations to help the industry navigate what is anticipated to be a more volatile and uncertain trading environment during the COVID-19 recovery period.

“Having a more transparent market will increase trust with both buyers and owners of trees, and particularly for first-time entrants to the market to timber processors and marketers of timber. It will better connect owners of land and timber processors and marketers of timber. It will better connect owners of land to the market, helping to establish industry standards and give consumers confidence in New Zealand timber and the product it is used to create.”

Mr Jones’ desire to ensure steady supplies of competitively-priced timber for the domestic processing industry, he said his organisation opposed any Government moves to interfere in its members’ commercial decisions.

“These are commercial considerations. We need to have the right to buy and sell, and take our own risks in the marketplace. It’s not a decision for Government to make,” Mr Hoggard added that with the Bill including provisions that could be arbitrarily applied to various forestry sector participants so as to favour large domestic wood processors over log exporters and forest owners, New Zealand’s could be in contravention of its free trade obligations.

“This Bill risks undermining New Zealand’s credibility going forward as well as opening the door to potential trade retaliatory measures on our other exports, such as meat and dairy.”

“Forest Owners’ Association president Phil Taylor said it appeared the Bill was designed to use local processing as an instrument to provide employment.

“Instead of the Government paying for it, they want to instead introduce a forestry cross-subsidy,” he said.

“That’s never happened before in New Zealand.

“That amounts to another tax, which is unfair to the forestry sector, and would produce more jobs or not. The Government has dreamt this up under urgency and done no research.”

Sanford hit by weather induced catch shortfall

The New Zealand Shipping Gazette

May 30, 2020
Road user charges relief urged by RTF

Trucking companies have missed out on the Government’s Covid-19 money folly scramble and this will mean increased costs across the already damaged economy, Road Transport Forum (RTF) chief executive Nick Leggett says.

“The RTF wrote to Transport Minister Phil Twyford on March 19, asking that the Government reconsider the RUC increase coming on July 1, 2020. That increase is 5.3% unilaterally across all current RUC rates. The Minister rejected that request (April 20, 2020) but the RTF is calling on the Government to reconsider that decision.

“The RTF request was at the start of when businesses were seeing the economic impacts of COVID-19 and we pointed out there was a strong case for cancelling the RUC increases due to the economic headwinds, for both trucking companies and their customers.

“Things are even worse than we imagined and not only is our economy in serious trouble, many New Zealanders are now unemployed and cannot cope with an increasing cost of living.

“Increased costs for moving goods mean increased costs all down the line at a time when many businesses and either struggling for survival, or are terminal. Everything comes on the back of a truck at some point, so that will mean prices going up everywhere, including essentials such as food.

“We believe the Government doesn’t need this tax revenue at this time, taking into account that spending from the National Land Transport Fund (NLTF) was about 7% below budget in the year to June 30, 2019 and was about 5% below budget in the first (September) quarter of the 2020 financial year. Added to this is the $15 billion of new money the Government has announced for infrastructure building.

“RUC for many heavy vehicles over-receives the road costs it is tagged to pay for. Government spending on works that relate to road wear and tear caused by heavy vehicles is less than the growth in revenue generated from those vehicles. They are taking more, but spending less.

“Experience from the 2008 economic downturn indicates road wear is likely to decrease, due to lower traffic volumes. But trucks will still need to travel the distances they always travel to ensure the flow of goods, so they will keep paying regardless.

“In his response, Minister Twyford advised the Government had many ways of giving substantial and direct assistance to businesses and workers affected by COVID-19.

“However, he said pausing the RUC increase would not only reduce the NLTF revenue at the very time we need it to be investing in transport infrastructure, and when revenue is taking a hit because of falling vehicle kilometres travelled, it would also create disparity between RUC and fuel excise duty which has already had its increase legislated.

“We think that is not good enough. We don’t believe one tax should be increased just because another one has. We think New Zealanders can’t face this. We also think businesses also cannot sustain increased costs when they are doing everything to keep people employed,” Mr Leggett said.
TRADES

Worldwide Trades

These are hectic times with the coronavirus spreading around the world. With countries in lock-down and travelling still reduced to a minimum, the situation for liner shipping remains challenging. The below is just a short summary of what has been happening in the sector this week:

• The International Monetary fund (IMF) estimated that world trade could contract by 11% in 2020, with the possibility of a 15% fall in 2021. However, Drewry expects container throughput to go down by 8% this year.

• As volumes are returning earlier than expected, in June, THE Alliance (Hapag-Lloyd, HMM, ONE and Yang Ming) will carry out four sailings between the Far East and Mediterranean that were previously suspended. On top, there will be two unplanned sailings from the Far East to the US West Coast.

• 2M (Maersk and MSC) will add more cancellations to its Transatlantic T/A/NEU/ALT4 service, which is now service reduced. In the new setup, the two loops will discontinue calling Southern Africa (Walvis Bay and Cape Town), but add Port Kelang, Singapore and back to Shanghai.

Europe

The dominant import went down by 5.8%, whilst exports reduced by a much smaller 1.6%. The tiny intra-North America trade contracted by 17.4% to 7420 TEU.

It should be noted that CTS statistics may be substantially revised afterwards, when new information and corrections are processed, which may impact growth rates, amongst others.

The export container trade decline was caused by reductions to the Far East (12.8%), Americas (5.0%) and Latin America (-9.1%). Exports to the Middle East/Indian Sub Continent and Sub Saharan Africa still experience strong growth, whilst the Europe trade went up by a decent 2.3%.

Intra-Americas

Caribbean Feeder Services (CFS) will shift a number of destinations from its current Guyana Service to the Suriname Service, Alphaliner found out. In the new setup, coverage will be as follows:

- Guyana - 2x 1100 TEU Kingston, Caucedo, Point Lisas, Port of Spain, Georgetown, Point Lisas and back to Kingston.
- Suriname - 3x 1200 TEU Kingston, Caucedo, Río Haina, Kingston (fortnightly), Castrés (fortnightly), Bridgeport, Point Lisas, Paramaribo, Port of Spain, Bridgetown and back to Kingston.

Tariff and Trade Statistics

During the first three months of 2020, North American container volumes dropped by 4.3% to 10,000 TEU. The dominant imports went down by 5.8%, whilst

TRADEWS2016 (16.4 million), causing the company to end the year with a net loss of TWD-53 million (US$24 million). In the same three months of 2019, it was still a TWD40.9 million net profit.

• REX - Riga, St. Petersburg, Kotka and Gdynia.

• SEDX - Copenhagen Express (SDX) and Gothenburg Express (GTE). These covered:

- Gothenburg Express (GTE). These covered:

- REX - Riga, St. Petersburg, Kotka and Gdynia.

• SEDX - Copenhagen Express (SDX) and Gothenburg Express (GTE). These covered:

- Gothenburg Express (GTE). These covered:

- REX - Riga, St. Petersburg, Kotka and Gdynia.

• SEDX - Copenhagen Express (SDX) and Gothenburg Express (GTE). These covered:

- Gothenburg Express (GTE). These covered:

- REX - Riga, St. Petersburg, Kotka and Gdynia.

• SEDX - Copenhagen Express (SDX) and Gothenburg Express (GTE). These covered:

- Gothenburg Express (GTE). These covered:

- REX - Riga, St. Petersburg, Kotka and Gdynia.
Ports, Terminals & Arteries

Américas

As it failed to appoint a new concessionaire and the current concessions expired earlier this month, the Argentine government has once again, extended by two years the concession for the current operators (APM Terminal, Hutchison Ports and DP World) to run the three terminals at Buenos Aires. The plans of Argentina’s previous government was to combine these facilities under one roof, but the tender process was stopped by the incumbent government, which considers different alternatives.

Wilson Sons has received three new Ship-to-Ship gantry cranes plus five RGFs for the main quay expansion of Tecon Salvador, which now measures 800 metres and will offer capacity for 900,000 TEU. The long-delayed project was originally planned to be completed in 2017. A recent plan to sell the facility failed, because buyers failed to meet the required conditions.

Port and Terminal Statistics

The table below provides an overview of port throughput figures for 1Q 2020 compared with those of 2019.

<table>
<thead>
<tr>
<th>Port</th>
<th>Country</th>
<th>Growth</th>
<th>1Q20</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg</td>
<td>Germany</td>
<td>-0.8%</td>
<td>2,315,000</td>
<td>2,335,000</td>
</tr>
<tr>
<td>Algeciras</td>
<td>Spain</td>
<td>6.6%</td>
<td>2,500,000</td>
<td>2,280,000</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>Netherlands</td>
<td>-11.3%</td>
<td>2,040,000</td>
<td>2,260,000</td>
</tr>
<tr>
<td>Alkmaar</td>
<td>The Netherlands</td>
<td>12.0%</td>
<td>65,000</td>
<td>70,000</td>
</tr>
</tbody>
</table>

During January-March 2020, the six main ports in the Hamburg-Le Havre range lifted 10.6 million TEU, a decline of 3% year-on-year. This moderate average hides some swings and changes between ports. Le Havre’s throughput went down by a dramatic 23% to 532,000, while, with declines of 5% and 6% respectively. Rotterdam and Hamburg did not score well either. With a pleasing 9% gain, Antwerp was the big winner.

<table>
<thead>
<tr>
<th>Port</th>
<th>Growth</th>
<th>1Q20</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hamburg</td>
<td>-0.8%</td>
<td>2,315,000</td>
<td>2,335,000</td>
</tr>
<tr>
<td>Algeciras</td>
<td>6.6%</td>
<td>2,500,000</td>
<td>2,280,000</td>
</tr>
<tr>
<td>Rotterdam</td>
<td>-11.3%</td>
<td>2,040,000</td>
<td>2,260,000</td>
</tr>
<tr>
<td>Alkmaar</td>
<td>12.0%</td>
<td>65,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Le Havre</td>
<td>-23%</td>
<td>532,000</td>
<td>680,000</td>
</tr>
</tbody>
</table>

Ships & Containers

Construction & Design

Due to the coronavirus epidemic, Norwegian vessel operating company Yara International and partner maritime technology firm Kongsberg have put their project to build an autonomous and zero emissions container ship on hold. The ship’s hull was completed in February, but it still needs to be fitted with various control and navigation systems.

Energy & Propulsion

After a low-point at the end of May, fuel prices are slowly on the rise again. Currently, the price of Very Low Sulphur Fuel (VLSFO) is at around USD 250 per ton, approximately 60% higher than the price of Heavy Fuel Oil (HFO).

Lay-up/Idle

Compared to two weeks earlier, the idle fleet grew by eighty-three ships and 560,600 TEU to 524 ships and 2.64 million TEU. This represents 11.5% of the entire fleet and is expected to rise in the coming period. Fifty-three vessels are in the largest size category. Currently, seventy-one units for 659,000 TEU are undergoing scrubber retrofits.

Liner Shipping News is sourced from Dymanar BV, Alkmaar, The Netherlands.
The loss of boxes from containerships in heavy seas is something of a known hazard of the business and not necessarily particularly noteworthy – unless it is! I was sitting down to my first family lunch on Sunday afternoon following Victoria’s easing of COVID-19 lockdown restrictions when I received a text from a Sydney contact alerting me to a 500 TEU container ship proceeding to the area located to the north of Sydney and is continuing to head north to minimise the impact of the heavy weather.

It turned out that the good people at the Australian Maritime Safety Authority (AMSA) were quick off the mark with a media release announcing that at about 10.45am AEST that morning, Sunday May 24, it had received notification that a container ship had lost cargo overboard off the NSW coast.

“Just after 6.00am, the Singapore flagged container ship APL England experienced a temporary loss of propulsion during heavy seas about 73 kilometres south east of Sydney,” AMSA stated.

“The ship was en route from China to Australia.

“The ship’s power was restored within five minutes but during this time the ship reported that it was rolling heavily, causing container stacks to collapse and several containers to fall overboard.

“The Master of the APL England has reported that 40 containers were lost overboard, 74 containers have been damaged and support services are reported to be protruding from starboard side, and three from the port side of the ship.

“AMSA intends to task one of our Challenger jets to proceed to the area to look for containers and debris and to inspect the ship for any signs of damage or pollution.

“The APL England is currently located to the north of Sydney and is continuing to head north to minimise the impact of the heavy weather.

“At this stage it is not known whether there will be any shoreline impacts associated with this incident and AMSA is working with NSW Maritime to monitor the situation and develop an appropriate response.

“The Australian Transport Safety Bureau has been notified.”

The first thing that came to mind was the irony of this incident occurring just two weeks after AMSA and contractors worked up the recovery of containers similarly lost, from the YM Efficiency, back in June 2018 and slightly north of Sunday’s mishap.

The second was to recall that this was not the first time APL England had had an event of this nature during its operations in Australian waters.

The ship first appeared in local trades in February 2016 when, in the days before APL’s acquisition by the CMA CGM Group, it was a standalone partner in the ANL-led AAX service, the premium South East Asia-Asia weekly operation. At that time AAX was undergoing a tonnage overhaul and the 5,514 TEU APL England was brought in to replace a 500 TEU smaller unit.

In August 18 of that year APL England was sold to the Great Australian Bight when it lost an undisclosed number of containers overboard during stormy conditions and was consequently delayed for about five weeks. When things were sorted out, on its voyage back to Sydney it was observed prudent to alter in Port Phillip Bay rather than tackle similar conditions in the Bight as it headed westbound.

In May 2017 APL England left the China to Australia service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

In May 2017 APL England left the AAX service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

“Under the National Plan for Maritime Environmental Emergencies, the NSW Government has lead response for shoreline clean-up. AMSA will support NSW in this response. Modelling suggests that debris such as this could continue to wash-up over the coming days.”

“Under the Australian Transport Safety Bureau’s investigation which will focus on the safety of the ship including whether cargo was appropriately stacked and secured on board the ship, and any potential breaches of misinventorisation pollution regulations.”

Mr Schwartz said he was still unclear exactly which containers had fallen overboard, initial indications were that the affected stacks contained a wide range of goods like household appliances, building materials and medical supplies.

“No dangerous goods appear to be in the areas affected by the collapse of container stacks and AMSA is working closely with the ship’s cargo agent to confirm exactly which containers went overboard.”

Mr Schwartz said.

“We have received a report of some medical supplies (face masks) washing up between Magenta Beach and The Entrance (on the NSW coast). This information has been passed onto NSW Maritime. These correlate to drift modelling of debris and are consistent with items listed on the ship’s cargo manifest.

“Under the National Plan for Maritime Environmental Emergencies, the NSW Government has lead response for shoreline clean-up. AMSA will support NSW in this response. Modelling suggests that debris such as this could continue to wash-up over the coming days.”

Duly on Wednesday morning the ship was cleared to berth and my Brisbane correspondent was quickly on the phone to tell me of what he deemed “media-driven overkill” as APL England was escorted into Moreton Bay by two harbour tugs, one container salvaging vessel, two Queensland water police vessels and a MSQ pollution response vessel. It arrived safely in port at midday.

As write APL England is alongside at the AAT terminal at Fisherman Islands where, presumably, the clean-up mobile harbours will be deployed for the delicate task of dismembering the damaged container stacks to see if there is anything of any interest and, if so, quickly, spayed towards the side of the ship and one about midships, protruding over the starboard side.

As part of this undertaking, we have appointed a company with expertise in environmental clean up, the Varley Group, which is commencing the clean-up operation today May 27.

“We remain in close contact with the Australian authorities and would like to express our thanks for their swift and professional response to this situation.”

Mr Schwartz said.

The second was to recall that this was not the first time APL England had had an event of this nature during its operations in Australian waters.

The ship first appeared in local trades in February 2016 when, in the days before APL’s acquisition by the CMA CGM Group, it was a standalone partner in the ANL-led AAX service, the premium South East Asia-Asia weekly operation. At that time AAX was undergoing a tonnage overhaul and the 5,514 TEU APL England was brought in to replace a 500 TEU smaller unit.

In August 18 of that year APL England was sold to the Great Australian Bight when it lost an undisclosed number of containers overboard during stormy conditions and was consequently delayed for about five weeks. When things were sorted out, on its voyage back to Sydney it was observed prudent to alter in Port Phillip Bay rather than tackle similar conditions in the Bight as it headed westbound.

In May 2017 APL England left the China to Australia service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

In May 2017 APL England left the AAX service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

“The ATSB said the preliminary report of its inquiry into the incident should be available in about a month. In the interim, I expect AMSA and its insurers will be doing everything possible to complete the clean-up while minimising any risk to the environment. This will be a particularly sensitive time as this second was to recall that this was not the first time APL England had had an event of this nature during its operations in Australian waters.

The ship first appeared in local trades in February 2016 when, in the days before APL’s acquisition by the CMA CGM Group, it was a standalone partner in the ANL-led AAX service, the premium South East Asia-Asia weekly operation. At that time AAX was undergoing a tonnage overhaul and the 5,514 TEU APL England was brought in to replace a 500 TEU smaller unit.

In August 18 of that year APL England was sold to the Great Australian Bight when it lost an undisclosed number of containers overboard during stormy conditions and was consequently delayed for about five weeks. When things were sorted out, on its voyage back to Sydney it was observed prudent to alter in Port Phillip Bay rather than tackle similar conditions in the Bight as it headed westbound.

In May 2017 APL England left the China to Australia service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

In May 2017 APL England left the China to Australia service and was scheduled to operate on the ANL’s AAX service to replace a 500 TEU smaller unit.

“The ATSB said the preliminary report of its inquiry into the incident should be available in about a month. In the interim, I expect AMSA and its insurers will be doing everything possible to complete the clean-up while minimising any risk to the environment. This will be a particularly sensitive time as this
The money is in place, now it’s a matter of confidence

Warren Head

The New Zealand financial market cannot be said to be short of information at this worrying time for the economy. What is worrying, whilst often starkly realistic on the emerging economic impacts of the coronavirus pandemic, is also showing up some determination to push on.

A message of realism is coming from the Reserve Bank governor Adrian Orr and the fiscal and monetary authorities, built up to both regulatory requirements and several years of favourable banking conditions,” said Mr Orr.

“These buffers can now be used to support their customers’ long-term economic future. Our economic stress test analysis suggest banks can continue to lend and prosper through a broad range of adverse scenarios,” Mr Orr said.

Strategically, let’s have some balance about banks being unduly wealthy – in the new reality that is rather fortunate. Also, don’t forget the contribution of New Zealanders also own shares in ANZ, National Australia Bank (BNZ), Commonwealth Bank (ASB) and Westpac. In the present crisis there’s not time for such meaninglessness distinctions. The key factors are the strength of the banks’ balance sheet and their willingness to be supportive.

Unlike the Global Financial Crisis, which was triggered by US and UK banks being loaded to the eyeballs with collateralised debt obligations being used to package high-risk unsecured mortgage debt, the economic impact of the Covid-19 pandemic is not so far become a banking crisis.

Central bankers and Treasury departments learnt a great deal from the GFC, most notably the necessity to inject liquidity into the financial system. The combination of low interest rates, induced by monetary and the central bank providing non-renounceable support, and trading banks with massive liquidity (cash) through a quantitative easing programme of buying bonds (up to $60 billion), and massive support funding from Government (also up to $60 billion) is a stimulus quite unparalleled in our history.

The Reserve Bank has run stress test scenarios that at worst-case envisage bank resilience will be tested. Even perhaps, by a double-dip unemployment, a second wave of the virus forcing a return to Level 4 lockdown and a global credit crunch.

Governor Orr has an open mind on creative options such as yield curve management, money financing. Less likely, it seems, is any drop to negative interest rates, as the economic conditions acting as a catalyst might also suggest zero appetite for borrowing.

A number of central banks have expressed reluctance to venture into the land of negative policy rates, economists at ANZ noted. “The Bank of England said they are not remotely close. The Bank of Canada has ruled out going below 0.25%. The RBA and Federal Reserve are also sceptical, and we think the RBNZ are more than reluctant than they are letting on. Rightly so; they are a bad idea and there are other options on the table.”

Progress from here depends on the current measures shorting up consumer and business confidence. The May ANZ Business Outlook Survey showed small further lifts in most indicators as the country makes good progress in beating back COVID-19 and loosening restrictions on economic activity.

However, the levels of the indicators remain pretty bleak, says ANZ chief economist Sharon Zollner. Headline business confidence is up a further 4 points - to -42% from early in the month. A net 39% of firms expect weaker activity for their own business, still well below 2008/09 lows.

“While the outright disruption is easing, the recession is just getting started,” said Ms Zollner. “Expected profitability, investment and employment intentions, lifted but are all still deeply negative.”

It’s not as gruesome as it was, but it’s hardly happy days out there. To put it in context, whilst often starkly realistic on the emerging economic impacts of the coronavirus pandemic, is also showing up some determination to push on.

Comvita raising capital to fund growth agenda

Honey products exporter Comvita aims to raise ~$50 million via a NZ$230 million placement to institutional investors, together with an ~$30 million 1 for 4.15 pre-emptive non-renounceable entitlement offer to reset its capital structure, build resilience and support its growth agenda.

The offer is fully underwritten by Craigs Investment Partners Ltd and Forsyth Barr Group Ltd.

Comvita chairman Brett Hewlett said “Comvita has continued to benefit from strong demand for its products as consumers are accessing natural products that strengthen immunity.

“This year’s Mānuka honey harvest has been very strong in terms of both volume and quality setting us up nicely to meet that strong demand in larger key target markets of China and North America.

“The business continues to make good progress on its cost out and business transformation programme, driving profitable January through May and paying down debt from improving operating cashflows.

“The board believes that now the market conditions have stabilised, it is prudent to undertake the equity raising as forecasted in the strategy to reset the capital structure, build greater

To page 17
Venison industry able to weather disruption

Several seasons of strong export returns have left New Zealand venison farmers well positioned to overcome the severe trade disruptions resulting from COVID-19, according to Rabobank animal proteins analyst Blake Holgate.

Speaking on a recently-released RaboResearch podcast, Mr Holgate said New Zealand’s venison producers have enjoyed a good run in recent seasons with the industry benefitting from healthy export sales into both established and new venison markets.

“The last five years we’ve seen significant export growth in the US – due in part to increased demand for venison as a component in pet food – while we’ve also seen strong sales in long-standing European markets such as Germany and Belgium,” he said.

“In addition, the industry has been able to increase sales into emerging venison markets like China, with exports to this market growing rapidly – particularly throughout the course of 2019.”

Mr Holgate said venison prices reached a historical peak of $11.50 per kilo in 2018 and, while prices had drifted lower in 2019, the industry was in a healthy position moving into 2020.

“Many in the industry started this year with strong resilient businesses and this will be important as the industry navigates what is now likely to be a challenging next 12 months following the onset of the COVID-19 pandemic,” he said.

**DEMAND DROP**

Mr Holgate said the impacts of the coronavirus on the global food service sector had significantly affected venison demand.

“As a high-end product, venison demand is heavily linked to the food service sector, and with this industry currently closed or operating at significantly reduced capacity in virtually all key markets across the globe, venison sales have been hit hard,” he said.

“Venison exporters in key markets across North America, Europe and Asia are reporting a significant decline in demand from end-users for venison products and this has resulted in a number of importers cancelling or delaying their own incoming orders for venison.”

In the Chinese market, Mr Holgate said, venison exporters were also running into additional challenges over and above lower food service demand.

With the initial outbreak of COVID-19 thought to be linked to a Wuhan wet market, the Chinese government declared a ban on consumption of wild animals in January and this originally included deer products. Fortunately, since then many deer species have been re-classified as “special livestock,” exempting them from the ban, he said.

“However, there are still concerns that confusion about the status of deer products under the ban could cause some disruption once the product arrives in China. Exporters are seeking assurances that the exemption for deer is well understood and consistently applied across the various Chinese regional authorities.”

Mr Holgate said the fall in global demand for venison had quickly translated into lower New Zealand venison exports.

“Export volumes for the month of March 2020 were down 36% on last year, with the United States the most affected market, dropping by 55% on the same month in 2019,” he said.

“Prices for New Zealand venison have also fallen with the current stag price sitting at $7 per kilo, 20% back on the same month in 2019. Fortuitously for New Zealand producers, March is typically the end of the venison production season – with most young venison processed from September through to March – and most farmers will have moved most of their finishing stock off by now so they can focus on removing call hends through the autumn and winter.”

Mr Holgate said the challenges for the industry stemming from COVID-19 would evolve as the year progressed.

“We’re currently seeing some any consumers across the globe slowly begin to relax restrictions on the movement of their people and, as a result, the food service industry will begin to open up. While this should help boost venison demand, we also expect the virus to have longer-lasting economic impacts,” he said.

“The probability of a global recession is growing, along with a likelihood of a negative impact on consumer spending across all our markets. And for New Zealand venison producers, the magnitude of the fall in consumer spending and the speed and extent of recovery will be very important.”

Despite the likelihood of considerably-lower demand for venison in coming months, Mr Holgate said sales of manufacturing venison and the European game season would help ensure a base level of demand.

“Venison sales to manufacturing remain stable and in coming months we expect demand for these products is likely to fair better as more consumers are shopping and preparing meals in their own homes,” he said.

“The well-entrenched game season in the northern hemisphere autumn remains an important sales window for New Zealand exporters and, at this stage, we anticipate the worst of the COVID-19 related disruptions may be behind us by then. However, given the high level of uncertainty currently facing European buyers, there has been a reluctance to commit to large forward orders of product.”

**INDUSTRY REBOUND**

While the industry faced several challenges in the short term, Mr Holgate said there were a number of factors to support a strong rebound in New Zealand venison sales once global demand recovers.

“The New Zealand deer industry is well diversified across markets with the USA, Continental Europe and now China providing balance for marketers,” he said.

“This will advantage New Zealand exporters by giving them the ability to switch exports to those markets that recover earliest.”

Mr Holgate said New Zealand’s strong response to the crisis should also help position New Zealand venison exporters for future sales.

“If New Zealand can continue to contain the virus, this will also benefit ongoing venison sales by helping to position New Zealand as a reliable producer of safe food.”

---

**Comvita raising capital to fund growth agenda**

From page 16

resilience in our balance sheet and enable the business, under the new CEO, David Banfield to focus on profitable growth.”

**Key highlights**

- Comvita has experienced strong trading performance year to date across most major markets with year-to-date sales up 7% on a like-for-like basis and year-to-date gross margin up from 39% to 49%.
- Very strong honey harvest season with volume increased 84% and quantity of UMFTM 210+ up 185%.
- Three point plan to stabilise performance, transform the organisation and build long term resilience and growth well under way, including Comvita’s NZS15 million business transformation programme.
- All of the Independent directors and the CEO will be supporting the offer with a minimum combined committed participation of $0.5 million.
- Post the equity raising, Comvita expects net bank debt / FY20 Underlying EBITDA (per guidance) to decrease from 3.6x to 0.9x (as at June 30, 2020).

The New Zealand Shipping Gazette 17

---

**Comvita honey production line.**

---

**Venison industry able to weather disruption**

---

**Blake Holgate, animal proteins analyst at Rabobank.**
Regional currencies weaken as trade tensions rise

Volatile quarter for Anzac currencies

Whilst the NZD/USD exchange rate settled into an increasingly narrowing trading range attention has turned to the other major currency risk New Zealand importers and exporters face. The extraordinary wild swings of both currencies against the USD in late March when the world economy went into a COVID-19 lockdown, resulted in the NZD/USD cross rate spiking from 0.9300 to 0.9900 in a matter of days, notes the currency commentator ‘Cross-rate’ in the Headliner financial newspaper.

The AUD tumbled at a much faster rate than the NZ dollar. The subsequent rapid recovery of the AUD, when the US Federal Reserve pumped USD swap facilities to other central banks, reversed the direction of the NZD/ USD cross rate as the AUD powered all the way back up again.

Since February, the AUD depreciated 11 cents from 0.6800 to a low of 0.5700 against the NZD at the height of the currency panic on 20.3.20 and has now recovered 8.5 cents (77%) back to 0.6560.

“In contrast, the Kiwi dollar plummeted nine cents from 0.6400 to 0.5500 and has now recovered six cents to 0.6100 (66%).”

The NZD/AUD cross rate has tested both ends of its established trading range over the last two months, providing both buyers and sellers with an opportunity to lock in a hedging advantage to local AUD importers and exporters.

When economists and financial market commentators thought it was time to put the champagne on ice in preparation for the NZD/AUD “parity parity,” that was a soft signal that the road to the other way, said ‘Cross Rate’.

Whilst short-term market speculation and thus trading volatility have driven the massive swings in the NZD/AUD cross-rate in recent weeks, over the medium term the cross-rate will continue to be driven by the three prime determinants of relative value:-

Commodity price differentials –
Both currencies are accurately categorised as “commodity” currencies, with strong historical correlations to mining/metals commodity prices in Australia and dairy commodity prices in New Zealand. The commodity price for differential would have the NZD/ USD cross rate somewhat higher at 0.9800.

Interest rates differentials –
Whether the RBNZ was in or out of synch with the RBA on the timing of monetary policy changes, determined the interest rate gap between the two currencies. For many years, the interest rate differential was a very reliable forward indicator of the direction and value of the NZD/AUD cross rate. Over recent years, with both interest rates reducing to historically low levels, the correlation has broken down somewhat. The current interest rate differential points to a 0.9000 NZD/ USD cross rate.

Relative GDP growth performance –
Over the last five years the New Zealand economy has generally outperformed the Australian economy and growth in the growth leagues table. That outperformance was confirmed by the NZD/ AUD trading range from 0.8500 to 0.9000 previously to 0.9000 to 0.9600 (broadly) in recent years.”

Following the economic growth of Australia and New Zealand over the next 12 months are high impossible currently, the only guide was that the US dollar could not alone the enforce the extreme COVID-19 lockdown under Level 4 that the NZ economy was hit with therefore Australia is better positioned to perform in the earlier and stronger economic recovery.

“Consumer and business confidence are recovering faster in Australia compared to New Zealand. Our ausdnaud forecast for the first quarter of 2021 is 0.7010 and that the end of 2021, suggesting a lower NZD/AUD cross-rate.

Looking forward, how the New Zealand economy (thus currency) will perform will be determined by not only the three prime determinants described above, but also the economic policy decisions the respective Governments make to drive the recovery. The Australians appear to be well ahead of us in initiative, purpose and organisation.”
### NEW ZEALAND TO/FROM SUVA & LAUTOKA

<table>
<thead>
<tr>
<th>VESSEL VOYAGE</th>
<th>CMA CGM AMBER V302N*</th>
<th>XIN ZHANG ZHOU V307N</th>
<th>APL-DISPER V350N*</th>
<th>CMA CGM EFFEL V312N</th>
<th>OOCL BUSAN V335N*</th>
<th>SIMA GISSELLE V310N</th>
<th>KOTA LARAR V312N</th>
<th>CMA CGM AMBER V308N*</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETD AUCKLAND</td>
<td>SAILED</td>
<td>28-29/05</td>
<td>05-06/06</td>
<td>12-12/06</td>
<td>19-19/06</td>
<td>26-26/06</td>
<td>03-03/07</td>
<td>10-10/07</td>
</tr>
<tr>
<td>ETD PORT CHALMERS</td>
<td>IN PORT</td>
<td>03-03/06</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ETD LYTTLETON</td>
<td>28-28/05</td>
<td>04-04/06</td>
<td>09-09/06</td>
<td>16-16/06</td>
<td>23-23/06</td>
<td>30-30/06</td>
<td>07-07/07</td>
<td>14-14/07</td>
</tr>
<tr>
<td>ETD WELLINGTON*</td>
<td>-</td>
<td>10-10/06</td>
<td>17-17/06</td>
<td>24-24/06</td>
<td>01-01/07</td>
<td>08-08/07</td>
<td>15-15/07</td>
<td>17-17/07</td>
</tr>
<tr>
<td>ETD NAPIER</td>
<td>30-30/05</td>
<td>06-06/06</td>
<td>12-12/06</td>
<td>19-19/06</td>
<td>26-26/06</td>
<td>03-03/07</td>
<td>10-10/07</td>
<td>17-17/07</td>
</tr>
<tr>
<td>METROPORT C/O 7000RS</td>
<td>27-27/05</td>
<td>04-04/06</td>
<td>11-11/06</td>
<td>18-18/06</td>
<td>25-25/06</td>
<td>02-02/07</td>
<td>09-09/07</td>
<td>16-16/07</td>
</tr>
<tr>
<td>ETD TAURANGA</td>
<td>31-31/05</td>
<td>07-07/06</td>
<td>14-14/06</td>
<td>21-21/06</td>
<td>28-28/06</td>
<td>05-05/07</td>
<td>12-12/07</td>
<td>19-19/07</td>
</tr>
<tr>
<td>ETA HONG KONG</td>
<td>14-14/06</td>
<td>21-21/06</td>
<td>28-28/06</td>
<td>05-05/07</td>
<td>12-12/07</td>
<td>19-19/07</td>
<td>26-26/07</td>
<td>02-02/08</td>
</tr>
</tbody>
</table>

* No Reefer shipment ** Moved coastwise ex Wellington to Tauranga on NZS service

### NEW ZEALAND TO/FROM SUVA

<table>
<thead>
<tr>
<th>VESSEL VOYAGE</th>
<th>KOTA RATU V303</th>
<th>KOTA RATNA V404</th>
<th>KOTA RATU V304</th>
<th>KOTA RATNA V405</th>
</tr>
</thead>
<tbody>
<tr>
<td>ETD HONG KONG</td>
<td>24/06</td>
<td>08/07</td>
<td>22/07</td>
<td>05/08</td>
</tr>
<tr>
<td>ETA GUAM</td>
<td>01/07</td>
<td>15/07</td>
<td>29/07</td>
<td>12/08</td>
</tr>
<tr>
<td>ETA SAIPAN</td>
<td>02/07</td>
<td>16/07</td>
<td>30/07</td>
<td>13/08</td>
</tr>
<tr>
<td>ETA YAP</td>
<td>06/07</td>
<td>20/07</td>
<td>03/08</td>
<td>17/08</td>
</tr>
<tr>
<td>ETA KOROR (PALAU)</td>
<td>08/07</td>
<td>22/07</td>
<td>05/08</td>
<td>19/08</td>
</tr>
</tbody>
</table>

NZ Agents: Pacific Direct Line Limited
Ph: +64 09 308 3939 or 0800 PDL123 (0800 735 123)
Fax: +64 09 358 4833
Email: marianalexpresslines@pdl123.co.nz

---

**NEW ZEALAND SCHEDULE**

For all bookings & enquiries email: bookings@pdl123.co.nz or phone: 0800 PDL123 (0800 735 123)

Phone: 64 9 308 3939 / Fax: 64 9 358 4833

---

**FCL Schedule from New Zealand to Guam/Saipan**

---

**FOR ENQUIRIES ON OUR F.C.L. AND REEFER SERVICES TO GUAM, SAIPAN AND THE FEDERATED STATES OF MICRONESIA**

**0800 735 123**