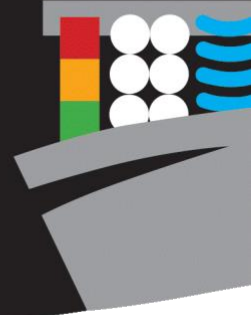


# New Zealand Council of Cargo Owners

The association for NZ's largest shippers



## **CARGO OWNERS NEED TO SEE BANG FOR BUCKS IN LATEST POAL PRICE HIKE**

19 October 2023

The organisation representing New Zealand's largest cargo owners says POAL's recently announced price rises and new charges need to be accompanied by equally significant increases in productivity, to at least what they were pre-Covid-19.

Current Ministry of Transport data shows port ship productivity, e.g. number of containers moved on and off a ship per hour in Q2 2023 is 46.71, which is 42% below Q2 2019 (80.46). This in itself is a significant problem for shipping lines and cargo owners but is even more concerning given the significant impact to vessel schedules and cargo liftings at all other ports of call around the country.

Chair of the NZ Council of Cargo Owners, Mike Knowles, said that if importers and exporters are expected to pay more, they have a right to expect productivity gains.

"Right now, we want to see POAL get back to pre-Covid-19 levels of productivity as a minimum. If we are being asked to pay more, any increase needs to be matched with productivity gains", said Mr Knowles.

"The bottom line is that every increased charge on cargo owners - including the never-ending increases in VBS charges and port surcharges - without a gain in productivity, directly hits the competitiveness of NZ exporters and importers. At the end of the day, it's NZ Inc. that's losing because our global competitiveness is eroded by poor port productivity."

Mr Knowles said that NZCCO understands the need for the port to be run profitably but it also needs to be run efficiently.

"Australian ports have similar regulatory requirements to NZ and are able to maintain productivity at a higher levels than POAL, and in fact all NZ ports," he said.

NZCCO represents the shipping supply chain interests of many of the country's largest exporters and importers. Its members collectively account for some 70% of New Zealand's containerised exports and a significant amount of bulk export, imports and domestic volume.

The Council continues to argue that all New Zealand ports need to lift their game so NZ can regain its competitiveness internationally.

“Overall, the NZ port sector lags behind other countries – it's a myth that we've bounced back from the supply chain disruption of the last couple of years – it's simply been masked by lower volumes moving through our ports. Those companies trying to move imports and exports in and out of the country know the stark reality is that our ports have yet to fully recover their productivity levels and the Port of Auckland in particular has a long way to go.”

### **About NZCCO**

The NZ Council of Cargo Owners represents the shipping supply chain interests of many of the country's largest exporters and importers, spanning companies with major interest in industries such as horticulture, dairy, meat, steel, forestry and timber, FMCG, and pulp and paper. Current members companies collectively account for in excess of 70% of New Zealand's containerised exports and a significant amount of bulk export, imports and domestic volume.

Members include: Fonterra, Zespri, Silver Fern Farms, The Warehouse, T&G Global, Pan Pacific Forest Products, Rayonier, Oji Fibre Solutions, WPI International NZ Timber Importers Association, Alliance Group, AFFCO, ANZCO, Synlait, Scales Corporation, Westland Milk Products, Dominion Salt, New Zealand Steel, Holcim NZ, Bostock, Ravensdown, and Balance Agri-Nutrients.

Members share a common goal of efficient, reliable, cost-effective movement of cargo; domestically and internationally.

### **For further enquiry contact:**

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**Data source:** Ministry of Transport FIGS port container handling data:

<https://www.transport.govt.nz/statistics-and-insights/freight-and-logistics/sheet/figs-port-container-handling>

Summary statistics of national container trade obtained through the Freight Information Gathering System (FIGS).