

INTERCONNECT

THE MAGAZINE FOR OUR CUSTOMERS

MARCH 2011



- › POAL Berth Expansion
- › PDL - Pacific Pacemaker
- › The Exporter & Its Agent

CONTENTS

2-3
POAL
FOCUS

4-5
**OPERATIONS
REVIEW**

BERTH EXPANSION
FOR DUAL SERVICING
OF LARGER
CONTAINER SHIPS

6-7
FACE TO FACE:
OLIVIER RAVEL OF
PACIFIC DIRECT LINE

POAL FOCUS



TONY GIBSON
CEO
PORTS OF
AUCKLAND

8-9
POAL
NEWS

BUMPER CRUISE SEASON AT
POAL; NEW INTERACT KPI
RATING FACILITY

10-11
**THE SHIPPER &
ITS AGENT**

JENKIN TIMBER & ITS
AGENCY RELATIONSHIP
WITH MAINFREIGHT

12-13
IAPH COMES
TO AUCKLAND
SPOTLIGHT ON POAL,
HOST FOR 2011 FORUM
FOR INTERNATIONAL
ASSOCIATION OF PORTS
& HARBORS

14-15
**MARKET
ROUND UP**

**BACK
PAGE
DIRECTORY**

IT HAS BEEN A BUSY START TO THE YEAR FOR PORTS OF AUCKLAND. IN FEBRUARY, WE HOSTED THE 11TH INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS ASIA / OCEANIA FORUM WHICH WAS AN EXTREMELY SUCCESSFUL EVENT AND A GREAT OPPORTUNITY TO MEET AND NETWORK WITH OUR INTERNATIONAL PORT COLLEAGUES AND OUR INDUSTRY CONTACTS HERE IN NEW ZEALAND.

For my part, these are still early days in my role at the Port, during which I have concentrated much of my time engaging with employees and customers. I believe it is important to quickly achieve a deep understanding of the opportunities and challenges we face.

Ports of Auckland has been able to report some growth in container, bulk and breakbulk volume in the first half of the financial year. However, conditions are still challenging and our expectations are for a continued slow improvement in the New Zealand economy. It has been encouraging to see a return to positive financial results for many customers and we hope this trend continues with flow-on benefits for the Port.

As our customers strive for improved operational efficiency, all ports are themselves challenged to turn vessels around quicker and in the most economical way. The efficient turnaround of vessels will be a key differential between NZ ports in the future. At Ports of Auckland we are constantly looking to improve our competitiveness, challenging ourselves to enhance performance and develop innovations to deliver excellence.

In order to do this, we need to get the foundations correct and that includes building more flexibility into our business. Therefore, we will be revisiting and assessing current processes and procedures, and striving for sustainable improvements on an ongoing basis. As the saying goes "Good enough - never is". It would be wrong though to fixate solely on one aspect of our operations so it is important we focus on excellence across the business.

Improvements are already in train with work started on a multi-million dollar berth deepening and lengthening programme (see pages 4 & 5). This has been in response to a change in vessel profile calling our port in the foreseeable future, and in those expected over the immediate future. The project will see the current Fergusson wharf being extended by 40m to the maximum combined length of vessels able to be serviced simultaneously at the container terminal. This is designed to maximise operational efficiency and productivity for our customers.

We are also developing new processes for managing our container terminal operations. To ensure that we have world class systems in place to support an efficient national supply chain, we are enhancing our pre-notification and gate procedures. This will provide benefits to the Port, and users of port services, but will involve change. More details will be provided on this initiative over coming months.

Constantly striving for excellence is what 2011 is all about for Ports of Auckland. I am confident that our team here has the passion and drive to deliver great results.

On a final note, I would like to extend our deepest sympathy to those who have been affected by the recent Christchurch earthquake. It has been a trying time for the Canterbury region, and indeed the whole of New Zealand. Our thoughts are with you all.

POAL CHARITY GOLF DAY

Ports of Auckland will again host its Charity Golf Day this year with proceeds going to POAL's nominated charity Cure Kids. The POAL Charity Golf Day will be held on Thursday 26 May 2011 at Remuera Golf Course, Auckland.

Invitations and information about the event will be emailed at the end of March. All those interested are kindly advised to respond quickly as in the past this event very quickly booked out!

POAL CHARITY GOLF DAY TROPHIES



OPERATIONS REVIEW:



POAL FIRST TO
START ON BERTH
DEEPENING &
LENGTHENING
TO ENABLE
DUAL SERVICING
OF LARGER
CONTAINER SHIPS

OVER THE LAST DECADE PORTS OF AUCKLAND HAS BEEN PREPARING FOR THE ADVENT OF LARGER VESSELS. IN TERMS OF WHAT EXACTLY CONSTITUTES 'LARGER', AT POAL A CHANGE IN VESSEL PROFILE HAS ALREADY BEEN OBSERVED WHERE SHIPS OF THE 1,700-2,000 TEU RANGE ARE BEING REPLACED WITH 1,800-2,500 TEU RANGE WHILE OTHER SERVICES ARE PUSHING UP FURTHER TOWARDS THE 3,000-3,500 TEU RANGE OF VESSEL. IN 2010 POAL CARRIED OUT EXCHANGES ON SHIPS OF 4,500 AND 5,000 TEU RESPECTIVELY - BOTH USED IN EXTRA-LOADER PROGRAMMES. SIMILAR EXCHANGES ARE EXPECTED FROM MARCH THIS YEAR WITH THE EXPORT SEASON ALREADY IN FULL SWING.

Continuing its preparation for the larger container vessels, POAL obtained all necessary consents and commenced work early this year on another stage of its berth deepening and lengthening programme. A NZ\$8 Million investment, this will include the deepening of the northern berth at Fergusson Container Terminal to 13.5 metres and the construction of a Mooring 'Dolphin' that will extend the maximum combined length of vessels able to be serviced simultaneously at the berth, by approximately 40 metres.

POAL Assistant Engineer Andre Erasmus, says that in the first stage of the project, salt is being flushed off the rock beneath the wharf which will prepare the rock wall for concrete grouting. "The re-enforcing process will include further 'armouring' of the rock wall and construction of a retaining structure. This is all by way of essential preparation for the actual deepening of the berth."

As he explains, work on the berth is being carried out around shipping arrivals and departures. "We are looking at the schedules every day to plan in advance and we are making good progress. We are likely to be ready to commence dredging at the end of March."

Meanwhile work will shortly be started on construction of the new Mooring Dolphin - an independent structure located some 60 metres out from the end of the berth. This will enable the dual servicing of longer vessels at the berth. Eventually the gap between berth and Dolphin will be bridged with a 'hard stand' physical berth extension of some 47 metres to bring an overall berth length of 629 metres. The current workable Fergusson wharf length is 590 metres.

POAL CEO Tony Gibson, says the need to dual service longer and larger vessels at Fergusson Container Terminal is now 'pressing' in terms of vessels in the 3,500-5,500 TEU range. "We see this as our priority in terms of meeting our shipping line customers' requirements today and over the next few years."

The entire deepening and lengthening project is expected to be completed before the end of 2011.

REGIONAL EXCELLENCE AWARD FOR POAL STEVEDORE

Wallace Investments, a stevedoring contractor at POAL's Multi-Cargo Facility, has been awarded Wallenius Wilhelmsen Logistics' Oceania Regional Cargo Quality Excellence Award for 2010.

FROM LEFT: RICHARD IKI (WALLACE), CAPTAIN SUNIL DHOWAN (WWL), JOHN VAN AALST (WALLACE), ALAN HOPE (WALLACE), CAPTAIN MATS LEWIS (WWL MANAGER PORT OPERATIONS NZ).



Wallace Investments performs the loading and discharge operation on Wallenius Wilhelmsen (WWL) vessels at POAL's Multi-Cargo Facility where WWL has been a customer for 20 years. WWL Regional Ocean Performance Manager, Captain Sunil Dhowan, told Interconnect that the WWL Award is contested over the five major Oceania ports served by WWL (Auckland, Brisbane, Port Kembla, Melbourne and Fremantle) and is given to the port/stevedore which has the least percentage of cargo related incidents during their loading and discharge of all the WWL cargo units they handle during the year.

Captain Dhowan says that WWL sets high quality standards of its subcontractors so as to achieve their cargo quality vision of zero damage to customers' cargo. "WWL's cargo quality vision recognises that the customer is at the centre of every aspect of the process and it is with constant review and improvement of the process that we can ensure that customers' needs will always be met or, exceeded. Stevedore performance is closely monitored; Cargo Quality is achieved by providing this Excellence framework and

empowering people handling our cargo to drive the outcomes we require for our customers".

When he accepted the Award in Auckland, John van Aalst of Wallace said the Company had always recognised the importance of zero damage and vessel despatch. "Since our conception in 1998 we have constantly strived to create a team of employees who have these values in common. Today we have 70 permanent and 50 casual employees and this award recognises the commitment from all these individuals who come together as a team to deliver these results consistently."

NEW EMPTY DEPOT

In line with development of a centralised Empty Depot, POAL has combined the Bledisloe and Fergusson Empty Depots into one expanded on-wharf depot facility at Fergusson Container Terminal. This facility, the **POAL Empty Depot**, now serves both terminals and the Bledisloe Empty Depot has been closed permanently. There is additionally a separate Empty Depot at POAL's Wiri Freight Hub in South Auckland.

NEW CUSTOMS DEVANNING WAREHOUSE

At Bledisloe Terminal alongside the former Administration block, POAL has completed construction of a new 1,000 sq. m. warehouse for NZ Customs. The facility will be used for the devanning of containers and inspection of cargo. A newly constructed concrete slab on the port-side of the facility enables easy access to the containers and there are automated canopies to provide shelter for goods against weather. The new facility was handed over to NZ Customs in February 2011.



FACE TO FACE:

OLIVIER RAVEL

CEO Pacific Direct Line (PDL)



OVER TIME MANY SHIPPING LINES HAVE MET THEIR DEMISE ON THE PACIFIC ISLAND TRADES. THE SURVIVORS ARE THOSE WHO HAVE PUT IN THE HARD YARDS ON THE NOTORIOUSLY CHALLENGING TRADES THAT DEMAND IN-DEPTH MARKET KNOWLEDGE, CONSISTENCY, CONTINUITY AND FLEXIBILITY TO SUSTAIN A COMMERCIAL SHIPPING OPERATION.

One such is Pacific Direct Line - PDL, which dates its Pacific Island trade origins back over 40 years and is a long-standing customer of Ports of Auckland and its Multi-Cargo (General Wharves) facility.

PDL's Chief Executive Officer, Auckland-based Olivier Ravel, reflects on the milestones that have marked PDL's development of liner shipping services from New Zealand and Australia to 16 Pacific Island countries. "Our fleet has developed from low tonnage conventional ships to seven larger self-geared, multi-purpose vessels equipped to load and carry breakbulk and both dry and reefer containers. It's a fleet designed to meet the needs of what is primarily a grocery trade. We carry everything from timber, steel and cement to livestock, food and other essential supplies."

As Olivier explains, the NZ/Pacific Island trade is largely imbalanced with northbound cargo accounting for a predominant 95%. "For various reasons including the small markets and their generally imbalanced cargo flows, we recognized the value of strategic space-sharing agreements. Today we operate in consortia with a range of other regional operators which enables us to closely match capacity with demand."

But without doubt the most significant milestone for PDL came with Pacific International Line's (PIL) acquisition of 51% of PDL in 2006. "Our relationship with PIL grew out of our recognition that our clients' purchasing habits were changing. More of them were increasingly looking to Asia for an alternative and more competitive source of products they had traditionally purchased from Australia and New Zealand. With PIL we developed a service from China over Singapore to Auckland where PIL tranships onto PDL's Pacific Islands services. With the extensive PIL network covering Asia, China, South Africa and South America, we can now offer wide-ranging through-services over Ports of Auckland to Pacific Islands and vice versa.

"POAL is an integral part of our logistic chain. We move thousands of containers from Asia to the islands via Auckland. That would be impossible to achieve efficiently without the close relations PDL and PIL have with POAL. POAL offers us a streamlined service that we can always rely on."

With the PIL/PDL combined services in particular, Olivier Ravel says POAL has proved its mettle on the transshipment front: "We have always operated the bulk of our services through POAL. Auckland is of course, the main NZ loading port for the Pacific Islands as most of the traders are based in and around Auckland. Any cargo from out of Auckland we bring in on coastal, road or rail and centralise over Ports of Auckland. Our relationship with POAL is very positive. We appreciate the increased attention we receive these days as a Multi-Cargo customer."

"On the transshipment front we benefit from POAL's focus on being the premier NZ hub port. They are highly responsive to our needs; they listen and do their utmost to provide us with optimum service on all levels."

Other important developments for PDL include the expansion of PDL-owned agency, Transam as the largest shipping agency network in the South Pacific. It has given PDL the opportunity to spread the risk by taking it into the 'total logistics' field with stevedoring, cartage, Customs, warehousing/distribution and container depots. "Transam gives us a major competitive edge over our competitors - it brings the local touch, commitment and presence" says Olivier Ravel. He reveals that with the recent establishment of Transam in both Suva and Lautoka, Fiji has become the lynchpin for PDL's Pacific Island operation. "It's enabled us to achieve a balanced trade with Fiji. We've done that by using Suva as the hub for the *Southern Pasifika* Micronesia service. Containers imported to Fiji are then filled with exports for the other Islands which saves us dragging back empties to NZ."

Obviously the gain is a more cost-effective operation. We are now also looking at setting up two container depots in Fiji to look after our equipment requirements - in much the same way as we do in Auckland with our container depot CRS".

In assessing PDL's South Pacific success, Olivier Ravel puts market knowledge at the top of the list: "We know our Pacific Island trades inside-out. We form long-term relationships with clients and we maintain the relationships through regular visits."

He confirms that having a strong shareholder like PIL has brought huge benefits for PDL both financially and administratively: "Since PIL invested in PDL, our corporate governance has been transformed - for the better."

We now have access to resources that have greatly strengthened PDL and that will help us to achieve the goals we have set for ourselves over the next few years. In the last few years PDL has been re-invented from a fledgling Pacific carrier to a strong logistics provider. The goal now is to further develop and consolidate our position in the niche markets we operate in through vertical integration."

PDL FACT FILE:

- Liner shipping operator to South Pacific Region including: Fiji (Suva & Lautoka), Samoa & American Samoa, Tonga (Nuku'alofa & Vavau), Wallis & Futuna, Funafuti, Vanuatu (Vila & Santo), New Caledonia, Tahiti, Cook Islands, Norfolk Island, Tarawa and Marshall Islands.
- Owns Transam Agencies throughout Pacific which also represents international shipping lines such as Marfret, HSD, Swire, Maersk, Newpac, Armacup.
- PDL's ships are: *Southern Lily*, *Southern Fleur*, *Southern Tiare*, *Southern Pasifika*, *Majala*, *Florence*, *Forum Pacific*. The Latest addition to the fleet is the 2007-built *Southern Lily* with its 907 TEU/100 reefer points capacity.
- In 2006 Ravel family-owned-managed PDL sold 51% to Pacific International Line (PIL) Singapore.



NEWS:

ONE BRAND ONE WEBSITE

The Axis Intermodal website officially closes on 18 March 2011. InterACT is the new POAL flagship electronic, cargo management and information system. All POAL business is now conducted through the single website and anyone wishing to login can register at www.poal.co.nz



BUMPER CRUISE SEASON FOR POAL

THE 2010/11 CRUISE SEASON HAS BEEN A BUMPER ONE FOR PORTS OF AUCKLAND, NZ'S PREMIER CRUISE EXCHANGE PORT WITH ITS 50% MAJORITY MARKET SHARE OF THE NZ CRUISE BUSINESS. AUCKLAND IS THE NZ PORT WHERE MOST PASSENGERS EITHER BEGIN OR END THEIR CRUISE. AS WELL AS HOSTING 25% MORE SHIP VISITS OVER THE CURRENT SUMMER SEASON, THE INDUSTRY IS EXPECTING 78 SHIP CALLS THROUGH AUCKLAND THIS SEASON AS COMPARED WITH 58 LAST SEASON, WHICH IS GETTING BACK UP TOWARDS PRE-RECESSION CRUISE-BOOM TIMES OF 2007/08.

In December Auckland welcomed P&O Cruises' newest superliner, *Pacific Pearl* which is the first superliner to make Auckland its home port. The first week of February saw 10 cruise ship calls into Auckland while the month ended on a very high note with a warm welcome for luxury liners *Queen Elizabeth* and *Queen Mary 2*. With each cruise generating around NZ\$1 Million for the Auckland regional economy, POAL's support of the industry is vital. The Port's Marine Services Team manages the logistics of every cruise call, working with the ship's NZ agent, hospitality and tourism providers, stevedores, NZ Customs and MAF and other agencies to ensure each call goes smoothly.



RATING THE GOOD, THE BAD & THE UGLY

POAL IS POISED TO INTRODUCE YET ANOTHER UNIQUE FACILITY UNDER THE UMBRELLA OF INTERACT, THE GROUNDBREAKING POAL ELECTRONIC CARGO MANAGEMENT AND INFORMATION SYSTEM INTRODUCED EARLY IN 2010.

Built over the past six months the new InterACT KPI Dashboard is designed to measure the respective nominated KPIs (Key Performance Indicators) of the shipping line and the port in their mutual relationship at POAL.

Essentially a reporting module, the KPI Dashboard is viewed on-line on the Web where it is displayed in a Dashboard format with a traffic light display that indicates a yellow, red and green rating. Richard Potton, POAL Manager Sales, Marketing & Product Development, explains: "It's based on an allocated 'tolerance' rate for each nominated KPI eg, ship arrival time - is it ontime, just outside the window, very late or missed altogether? There might be a KPI for ETAs and ETDs. Certainly there are various productivity KPIs for the port eg, crane rates, berth rates/ship turnaround times. If the performance doesn't quite reach the tolerance level then it will get a yellow light; if it falls short of tolerance then it gets a red light. Any performance that is bang on tolerance and better, obviously gets a green light. And so in this way, the good, the bad and the ugly ratings are all immediately visible to both parties."

As with the development of InterACT, the KPI Dashboard has also been designed in consultation with customers. "Many of our individual port/customer KPIs are interdependent. For example, if a shipping line misses a window, that inevitably impacts on port productivity. Equally, if the port falls down on ship turnaround time with a slow exchange, then that may delay the ship's on-time departure which in turn impacts on the Line's schedule integrity. The KPI Dashboard really is a unique breakthrough. This is very smart technology indeed and we will progressively introduce it to our Shipping Line Customers over the next six months or so" says Richard Potton.

NZ CHINA TRADE AWARDS

PORTS OF AUCKLAND WILL AGAIN THIS YEAR BE A MAJOR SPONSOR FOR THE CATHAY PACIFIC NEW ZEALAND CHINA TRADE AWARDS.

There are six Award categories including The Best Logistics Strategy For China Award sponsored by POAL. Organised by the NZ China Trade Association in association with the Hong Kong NZ Business Association, the Awards aim to recognise those companies that have excelled or taken bold new steps in trading with China or Hong Kong. Entry applications are available now from www.nzctaawards.co.nz and www.hongkong.org.nz and close on 15 April 2011. The Awards presentation will take place on 12 May at a gala dinner at the Langham Auckland Hotel.

A LONG TERM RELATIONSHIP

NZ exporter Jenkin Timber talks about its shipping agency relationship with Mainfreight.

Exporting through Ports of Auckland since the mid 1970s, Jenkin's export volumes pre-recession, were up to 23,500 cu.m of timber products to Australia, Europe and US. As a result of the recessionary effects on the NZ export timber market, export volumes declined during 2008/09 but have been steadily improving since then according to Jenkin Timber Logistics Manager John Andresen. He confirms that volume is building again to average 27 X 40ft high cube export containers a month through Ports of Auckland.



All of Jenkin's products are made from a renewable resource of plantation grown Radiata Pine. The export range includes A-Lign Cladding - a finger-jointed timber, treated, double-primed, cladding system including all pre-cut trim items to give a high quality and durable finished result. Tru-Pine is also finger-jointed, treated and primed into various shapes and sizes for multiple applications from structural and framing to cladding and other exterior applications. Exported exclusively to the US market, Bodyguard* is a range of treated timber products suitable for all non-structural applications such as trimboards, sidings and mouldings.

Over a decade ago Jenkin switched from organising and negotiating its own export shipping to using an agent. The agent was Mainfreight and the two have enjoyed an excellent working relationship ever since. John Andresen explains: " TransTasman shipping was in a slightly perilous situation - the Union Company had pulled ships off the Tasman as had other NZ operators like South Pacific Shipping and Pacifica. It left the international deep-sea shipping lines. It became apparent to us that we were a little fish in a large pond and we were feeling a bit vulnerable. Right then Mainfreight popped out of the woodwork and approached us.

We realised that by using Mainfreight, we could leverage off their volume and get a wider choice of shipping service, plus of course the benefit of a professional shipping and export documentation service. Mainfreight give us a high quality service and we have an excellent working relationship. It's very close - I see my contact regularly and if there are any issues that need sorting, then more often than not he will be on the phone to me before I've had a chance to get on to him."

The Jenkin/Mainfreight relationship is primarily a transTasman affair at present with Mainfreight providing a full service package from rate negotiation to clearance through Sydney, Melbourne, Brisbane or Adelaide and destination delivery - should the customer require it. (*Bodyguard is run as a Joint Venture company between Jenkin Timber and two other companies and it negotiates its own US export shipping). From its manufacturing plant in Henderson, West Auckland, Jenkin Timber has always exported exclusively through Ports of Auckland. "It's ideally located for us; we deliver off-peak and our long term contractor Reliance Transport, can be inside the port in 15 minutes door-to-door which is brilliant for our export deliveries" says John Andresen.

WITH ITS ORIGINS DATING BACK TO THE 1870S, AUCKLAND COMPANY JENKIN TIMBER IS A LEADER IN THE MANUFACTURE, DISTRIBUTION AND MARKETING OF FINGER-JOINTED, TREATED AND PRIMARY COATED PINE PRODUCTS.

He confirms that speedy processing of documentation is a highly valued element of the Mainfreight service. "It gives us the early opportunity to pre-advise our Australian customers; they need the information as early as possible. At the other end it's all about getting the container cleared, emptied and most importantly, about ensuring the product arrives in good order. Jenkin Timber is a company that has always prided itself on good, high quality product that is well packed and protected to ensure it arrives in pristine condition for our customers - Mainfreight is our partner in achieving that standard".

Traditionally shipping break-bulk and then in flat-packs, Jenkin Timber turned to containerisation about a decade ago. "We started straight in using 40ft high cube containers as they offered us a more flexible load potential. But there was a big learning curve associated with us packing the containers to achieve best optimal load and balance - as we have a mix of product shapes, sizes and lengths" explains John Andresen.

He reveals that at any one time, Jenkin Timber's Australian export order book may contain 210 item types of varying shapes, sizes and lengths ranging from eg, 18ml wide X 18ml

thick to 290ml wide X 65ml thick. With product packed in full or half packs, Andresen says that Jenkin gets 32 full packs or 64 half packs in a 40ft high cube container. "Our biggest challenge is the 7.2M lengths which obviously limit our packing flexibility however, our packing and loading guys have pretty much perfected our container packing these days. This enables us to achieve a good balance of item sizes to optimise container fills."



IAPH

COMES TO
AUCKLAND

POAL HOSTS INTERNATIONAL PORTS & HARBORS FORUM

VIPs from over 45 international and local ports were in Auckland mid February to attend the 11th Asia/Oceania Regional Forum and Meeting of the International Association of Ports and Harbors (IAPH).

An inaugural event for New Zealand, the IAPH Regional Forum was hosted by Ports of Auckland. The keynote opening address was given by the Hon Steven Joyce, NZ Minister of Transport. The three day Forum provided the opportunity for senior executives from shipping lines, ports, exporters and agencies around the Pacific Rim to discuss global port-related challenges such as capacity and sustainability.

The IAPH is a global alliance representing some 230 ports in 90 countries. Combined, the member ports handle in excess of 60% of the world's seaborne trade and nearly 80% of global container traffic. It is a non-profit-making and non-government organisation with its headquarters in Tokyo.

At POAL's invitation many shipping line customers were invited to attend not only the Gala Dinner, but also Forum sessions including Session 3 on Capacity. It was Chaired by former POAL CEO Jens Madsen who addressed the issue of which key factors should ports consider in port capacity building. He also examined the realities and challenges in determining best port service level to POAL customers and partners. In another session on the Supply Chain, Maersk Country Manager NZ, Julian Bevis examined key cost drivers such as

productivity and the increasing importance of sustainability in the relationship between the ports and the lines.

As MC for the Forum, Richard Potton, POAL Manager Sales, Marketing and Product Development, said the Forum brought New Zealand, Auckland and Ports of Auckland into the international spotlight. "The IAPH is a major and highly regarded international organisation that speaks with authority on the international ports industry. We were honoured to host the Forum for the first time. It was a platform to showcase NZ, Auckland and POAL to representatives from the 11 different nations present."

PICTURES:

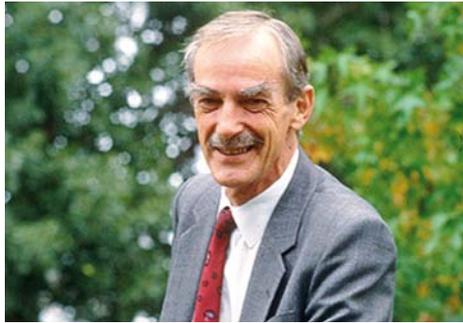
1. A GROUP PHOTO OF SENIOR IAPH MEMBERS.
2. JOHN LINDSEY CHAIRMAN POAL, TONY GIBSON CEO POAL, STEVEN JOYCE NZ MINISTER OF TRANSPORT, JENS MADSEN FORMER CEO POAL.
3. STEVEN JOYCE.
4. NIGEL JONES, FONTERRA.
5. JULIAN BEVIS, MAERSK LINE.
6. GRANT GILFILLAN CEO SYDNEY PORTS CORPORATION & JOHN LINDSEY CHAIRMAN POAL, EXCHANGE GIFTS.
7. CRAIG SAIN POAL WITH MICHAEL BRITTON AND GEOFF GREENWOOD BOTH FROM HAMBURG SUD LINE.
8. THREE POAL CEOS - PRESENT: TONY GIBSON. FORMER: GEOFF VAZEY & JENS MADSEN.



MARKET ROUND UP:

NEWS AND VIEWS ON NEW ZEALAND SHIPPING TRADES

The NZ flag at Ports of Auckland was flying at half mast in honour of one of its former chairmen, **Sir Richard Carter**, who died earlier that week. He was Chairman of the POAL Board from 1993 to 2000. Sir Richard was also former Executive Chairman of Carter Holt Harvey, the forestry company that became one of NZ's biggest businesses.



Fonterra CEO Andre Ferrier, has announced his intention to step down from his position in the second half of 2011. Mr Ferrier, a Canadian, has headed Fonterra for the past eight years. 25 year old NZ shipping line Pacifica has announced the appointment of **Steve Chapman** as Chief Executive replacing **Rod Grout** who has retired. Steve Chapman joined Pacifica in 1994 and has since worked in operations, sales and branch management. He will be based in Auckland. In late March, the former Head of NZ Customs, **Martyn Dunne**, takes over as NZ High Commissioner in Australia - NZ's largest trading partner. When announcing the appointment, Foreign Minister **Murray McCully** said the new High Commissioner's job 'will be to ensure that this most important relationship for NZ

is not only maintained in good health but extended and strengthened'. Mr Dunne has headed up NZ Customs since 2004 after a 27 year military career in the NZ Defence Force. He replaces **John Larkindale** who is retiring. Continuing with Foreign Affairs' appointments, National Party MP **John Carter** will be NZ's High Commissioner in the Cook Islands from August this year. Deputy Director Ministry of Foreign Affairs **Malcolm Millar**, has been appointed NZ's first Ambassador to the United Arab Emirates (UAE) based in Abu Dhabi. The UAE is one of NZ's top 20 trading partners. US express parcel giant UPS, has appointed **Stephen Flowers** as President of UPS Global Freight Forwarding. Formerly UPS Americas Regional President, he will be responsible for international strategy and performance of the fast growing UPS freight forwarding organisation which provides air and ocean freight services, brokerage and specialised transportation.

Maersk has signed with Daewoo to build 10 of the world's biggest ever container ships with an option for another 20. The Triple E Class 18,000 TEU capacity is 16% greater than the *Emma Maersk*, currently the world's largest container ship. The design represents industry record Economy, Energy, Efficiency and Environmental improvements.

In February 2011, Hamburg Süd christened the *Santa Isabel* in Singapore. She is the second in a series of 10 identical 7,100

TEU capacity container ships which are the largest ever built for **Hamburg Süd**. Significantly, with their 1,600 reefer plugs each, these ships offer the biggest individual reefer capacity currently available in the worldwide shipping container fleet. The *Santa Isabel* is deployed in Hamburg Süd's service between Asia/South Africa/South America East Coast. The considerable reefer capacity is in line with Drewry Consultants' Reefer Shipping Market Review and Forecast 2010/11 which indicates significant increase in container ship reefer capacity between mid 2010 to early 2012.

After recording 41% turnover and 7% profit increases for first nine months 2010, **Hapag-Lloyd** has announced the order of four 13,200 TEU container ships from Hyundai. At the same time the Line upgraded versions of existing orders for six 8,600 TEU capacity container ships to the same 13,200 TEU capacity. Announcing the order, Hapag-Lloyd Chairman, **Michael Behrendt**, said it was 'a clear sign that Hapag-Lloyd has returned to its previous position of strength and will take advantage of its opportunities to grow profitably'.



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Ports of Auckland pilot boat *Akarana*.

On the cover: Ports of Auckland tugs assist a Hamburg Süd Vessel into port.

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