

SHIPPING GAZETTE™

StraitNZ put up for sale by CPE Capital

The StraitNZ freight and ferry business, which provides competition to KiwiRail's InterIslander service on the Cook Strait, is to be sold by its Australian private equity owners.

CPE Capital has added StraitNZ to a series of divestments it is making from its investment portfolio. The investment bank Macquarie Capital has begun marketing StraitNZ for sale, according to Australian media this week. Macquarie Capital is itself a minority investor in StraitNZ.

CPE Capital declined to comment, when approached by *Shipping Gazette™*.

StraitNZ has been operating vessels on Cook Strait for 30 years, and is currently sailing two ferries under the Bluebridge Cook Strait Ferries banner. They carry passengers and freight between Wellington and Picton. StraitNZ also maintains a national freight forwarding operation and a

landside fleet of 220 trucks, which ply both the North and South Islands across some 20 locations. The Australian interests acquired StraitNZ in 2018.

The *Australian Financial Review* disclosed some details from a sale flyer, that showed StraitNZ was making about NZ\$175 million a year revenue and NZ\$45 million in earnings, and had about 400 full-time staff.

The sales material said the ferry services act as "an essential extension of New Zealand's national highway", bridging the 22-kms gap between the two islands.

The sales process will be taking place against the background of increased domestic travel and demand for consumer goods. But the international tourist market has panicked. Intensified competition from KiwiRail's Interislander operation lies over the horizon, with the 2020 Budget



Bluebridge ferry (foreground), berthed at Picton adjacent to KiwiRail's Interislander ferry.

providing \$400 million for the state-owned to re-equip with new 220-metre, 50,000 tonnes, mega-ferries with capacity for passengers and freight treble that of the existing Awatere Interislander ferry.

Last year, Bluebridge determinedly opposed KiwiRail plans to relocate its Wellington ferry terminal to a more

centralised location.

The StraitNZ business began in 1992 when road transport operator, Jim Barker, seeking a solution to the ongoing problems in shipping livestock across Cook Strait, secured MV Straitsman for Strait Shipping.

Growing public demand for an

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"Polar blast" interrupts Wellington shipping

Iain MacIntyre

Both Bluebridge and the Interislander cancelled all ferry sailings on Tuesday and Wednesday this week as strong winds, freezing temperatures and large waves were forecast ahead of a "Polar blast" arriving from Antarctica.

At the time of writing on Wednesday morning, the ferry operators were expecting to recommence operations on Thursday, with delayed freight and travellers being accommodated on those services.

A service alert on the Interislander's Website advised: "We anticipate that both Thursday and Friday will be fully booked for vehicle passengers. However, there is limited availability for foot passengers from Thursday onwards and limited space for vehicle bookings might become available on Friday and Saturday.

"We are hoping to add extra sailings later in the week and anticipate that services will be back to normal by Sunday and new bookings are currently available. However, please be aware that changes might be made to scheduled departure times."

On Wednesday morning, CentrePort Wellington communications and external relations manager John Tulloch confirmed that the weather had also

caused some disruption to other vessel movements.

"Due to the swells, two vessels have been held over in port, while another's entry to port has been delayed," he told the *Shipping Gazette™*: "We expect to be back to normal tomorrow.

"The port is open, but we are operating to the maritime conditions."

With reports that Wellington was potentially to face its "worst tidal storm in eight years", mayor Andy Foster declared a state of emergency for the city's South Coast on Tuesday afternoon.

Residents in houses 53-194 Breaker Bay Road were consequently evacuated, with Police checkpoints established, ahead of the heavy swells predicted between 9pm Tuesday and midday Wednesday.

A MetService buoy at the mouth of Wellington Harbour reportedly recorded one 15-metre wave during the period, with the majority of other "significant" waves said to have been at about six metres high.

With the weather easing at the time of writing, it was understood that although the waves had dumped a considerable volume of debris across south coast roads, there was no apparent damage to homes.



Napier Port experienced the best schedule reliability during an industry-wide drop over the past year.

Schedule reliability bottoms out

Iain MacIntyre

Liner shipping schedule integrity across New Zealand's major container ports has fallen from an average of 84% in February 2020 to what has been described as an "historic low" of 6% in April this year.

According to maritime data and analysis firm, Sea Intelligence, schedule reliability over the period has dropped at the following local ports as per:

- Ports of Auckland – 78% to 6%.
- Port of Tauranga – 82% to 5%.
- Napier Port – 92% to 16%.
- CentrePort Wellington – 78% to 0%.
- Port Nelson – 100% to 0%.
- Lyttelton Port Company – 88% to 7%.
- PrimePort Timaru – 100% to 0%.
- Port Otago – 79% to 0%.

In its recent Global Liner

Performance report, Sea Intelligence advised that overall liner schedule integrity had fallen from 65% in February 2020 to 39% in April this year.

Maritime Union of New Zealand

national secretary Craig Harrison said the COVID-19 pandemic had exposed pre-existing weaknesses in New Zealand's logistics sector which required "bold thinking and speedy action to fix".

Observing the country's transport policy had previously been dominated by a "leave it to the market" ideology, Mr Harrison claimed local stakeholders were now seeking a more co-ordinated

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An Interislander ferry — in calmer conditions than earlier this week.

News tips: Call 0800 649 696, (03) 358-3219 or headliner@xtra.co.nz

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How to make the marine claims process easier

Marine insurance claims have never been more topical, not just with shipments being compromised globally through congestion delays but with other one-off incidents hitting the headlines, such as thousands of containers still stuck on the Ever Given in the Suez Canal and containers having literally gone up in smoke on the X-Press Pearl off Sri Lanka.

Insurance claims routinely run into five- or six-figure sums which could be crippling for smaller exporters and importers. Yet do cargo interests know enough about the claims process – or take enough care with their insurance precautions – to ensure they are well-prepared when a claim has to be made?

It was interesting to hear a presentation at the recent Maritime Law Association of Australia and New Zealand Wellington conference, which suggests shippers can be better prepared.

The address was given by Simon Marshall, a marine surveyor in New Zealand with the leading global marine claims operation Sedgwick. His presentation “A View From the Front - A Surveyor’s Perspective”, took delegates on a journey of what happens from day one of a claim.

Along the way, he pointed out areas where the surveyor’s job – and therefore the claims process – can be made easier, and I contacted him afterwards to expand on his message for the benefit of readers.

In an ideal world the first steps come when the consignee or vessel owner promptly notifies the loss to the insurance broker and a surveyor is appointed. The consignee issues a pro forma claim against the carrier, and shipping documents are sent to the surveyor for review.

It is important to lodge a pro forma claim against the carrier and that this occurs as soon as possible. This process is often overlooked and can limit the prospects of cargo interests (and their insurers) of recovering costs should it later be found that the carrier was responsible for the damage.

It is also very important that all delivery dockets are kept and any damage is endorsed on these documents to assist with future recovery of costs.

I would have thought that cargo interests would pursue all claims quickly but to my surprise, it turns out that some claims are submitted weeks or months after the accident. One reason appears to be that the party making the claim may be more focused

By:- Dave MacIntyre



on making a repair (for hull damage for example, in order to get the vessel operating again) or getting replacement goods such as machinery or parts.

So the first lesson to take on board is that the quicker the claim is made, the better it is for the broker, insurer and surveyor to guide the claimant on the process to follow, so that no steps are missed.

The second lesson is that it is important to supply the necessary shipping documents, such as bill of lading, commercial invoice and packing list.

These will reveal such details as the Incoterms (the internationally-recognised rules which define the responsibilities of sellers and buyers), and who is responsible for paying for and managing the shipment, insurance, documentation, customs clearance and other logistical activities. It will be helpful if the trader has an understanding of Incoterms such as ex-works, FOB and CIF, and the differences between them.

A small trader may not have all of these documents to hand but their freight forwarder or customs broker can be contacted to assist. Failure to supply these documents will slow the claims process.

The survey of damage may be done by one surveyor or jointly, if other parties to the claim want independent corroboration of the cause and extent of the damage.

Organising the survey may be complicated because the cargo may have been delivered overseas, or have been packed overseas for delivery here, or the ship involved in carrying the damaged cargo may have sailed.

When the survey does take place, the surveyor has a number of issues to resolve. The nature of the product has to be determined and how sensitive it is. Questions arise such as is the damage physically visible? Is the product actually damaged or is it just the packaging that is damaged?

This can be a contentious point and Mr Marshall gave a good case in point. Is a bottle of perfume “damaged” if the bottle is fine but the box is crushed?



The contents of this crushed container are showing the effects of water damage.

The contents may be perfect but the packaging is part of the buying experience, and therefore the question arises as to whether the whole product is written off or whether it can be salvaged by obtaining new boxes from the maker.

This point is more important than a shipper might think because their marine insurance contract may include a clause imposing upon them the duty to mitigate loss.

While the claimant may be leaning towards a solution of “write the lot off and compensate me in full”, the surveyor may be obliged to point out various mitigation options. For example, is all of the cargo damaged, or can damaged and undamaged

products be separated, and some saved?

In some cases product such as machinery may be able to be repaired and sold, which may recover up to 80% of its “new” price. In the worst case some money can be achieved by the sale or auction of damaged goods. All the above might lessen the amount of the claim and ensure the claimant has adhered to the obligations of the insurance contract.

Another approach Mr Marshall has found helpful in recent times is considering the environmental effects of dumping damaged cargo wholesale. For example, if any items can be reused, even a small amount, it means

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CMA CGM launches Ransomware protection 'Better Ways' strategy advice by NZ Customs

Iain MacIntyre

A commitment to forging a more efficient, resilient and sustainable global trade has been embodied in CMA CGM's new group signature — "Better Ways".

CMA CGM executive officer and CMA CGM Foundation president Tanya Saadé Zeenny described Better Ways as a "game changer" for the organisation.

"[It] embodies a mindset and a commitment for logistics and transport solutions that are more responsible and efficient while being built on strongly humane values from a family-led enterprise," said Ms Saadé Zeenny.

The group's new strategic direction is built around the five following pillars:

- Expansion in shipping — innovation for higher levels of security, operational efficiency and greater customer satisfaction, through pursuit of more sustainable and enhanced transport solutions.
- Efficient logistics solutions — building

a complete and seamless range of services encompassing warehouse management, shipping, overland transport and air freight.

- Innovation and digitalisation — investment in research and development as well as in the Internet of Things, artificial intelligence and blockchain solutions to deliver enhanced security and user experience.
- People/planet-friendly solutions — adopting LNG, biomethane, biofuel and other best-solutions to achieve carbon-neutral by 2050.
- Support and guidance for its 110,000 staff members — developing and enhancing expertise, safety and wellbeing as well as championing more-inclusive approaches via tailor-made training programmes from the CMA CGM Academy (staff are also able to pass on their skills and knowledge via the CMA CGM Foundation).

Iain MacIntyre

As Hyundai Merchant Marine (HMM) became the latest global carrier to suffer a cyber-attack — and major New Zealand transport bodies having been similarly afflicted in recent times — New Zealand Customs Service has moved to highlight protection advice to stakeholders.

In its recent E-newsletter, Customs has promoted the latest "protect your business" advice from certnz, which includes the following key precautionary steps:

- Be aware of phishing campaigns — "Phishing is a common way that computers and systems get infected. Learn how to spot dodgy E-mails, Websites or links that could be harbouring malicious software. If you have staff, talk to them to make sure they're aware of the risks as well."

- Regularly install updates on software and devices — "This will prevent attackers from exploiting vulnerabilities which they could use to get into your systems."
- Implement two-factor authentication — "Two-factor authentication is usually a code that's sent to your phone or an authentication app to verify your identity. This is used in addition to a password and adds another layer of security to your logins."
- Back up business and customer data — "This way if your data is lost or stolen, you can recover it quickly. You can back it up on an external hard drive or on a cloud service."
- Set up logs (discuss with the IT team or service provider) — "They record when particular actions are taken on your Website and systems and who's done them. You'll then be notified if any unusual or unexpected activity occurs."
- Have an incident response plan — "No matter how well you prepare and how good your cyber security is, things can still get through the cracks. Have a plan that will help you take control of the situation if the worst were to happen. Know who to call and prepare by doing things like making hard copies of all important documentation in case you can't access your system." "Prevention is better than cure,"

stated the certnz advice.

"These simple steps can help protect you and your business from ransomware and cyber-attacks"

If suffering a cyber-attack, the organisation emphasised that businesses should immediately take their networks offline and seek the advice of an IT professional.

certnz also requested that any attacks be reported to it.

Furthermore, the organisation asserted: "Don't pay ransoms. There's no guarantee that you'll get your files back. You'll also be at risk of further attacks if you're seen as willing to pay."

US\$5 billion decarbonisation fund urged

Iain MacIntyre

Global governments are being implored to promptly sign off on a shipping industry-provided US\$5 billion decarbonisation research and development (R&D) fund, supervised by the International Maritime Organization (IMO).

Agreement to progress the initiative, which is designed to accelerate development and introduction of zero-emission technologies and fuels for maritime transport, was reached at the recent IMO Marine Environment

Protection Committee (MEPC) meeting.

However, a subsequent media release issued by eight leading world shipping industry and shipowner bodies, stated it was "disappointing" that commencement was postponed until the committee's 77th session.

"To catalyse innovation, the industry is willing to provide guaranteed funding of US\$5 billion at no cost to governments — giving all nations equitable access to the work and the technologies the fund advances," the

industry bodies jointly stated.

"So, what are we waiting for?"

To achieve the IMO's target of cutting total shipping emissions by at least 50% by 2050, new technologies need to be developed to enable zero-carbon transoceanic ships to be built by 2030, stated the bodies.

"We urgently need to expand and accelerate R&D around zero-carbon technologies and fuels.

"The R&D fund proposal is mature and ready for approval, and the industry has already committed to doing the work needed to establish the fund, a payment system and the funding necessary. It is the only concrete proposal on the table and can be agreed and put in place by 2023.

"Governments rightly call for innovation and for decarbonisation to happen now. This is now and we need IMO member states to move forward and allow us to accelerate the R&D needed without further delay."

How to make the marine claims process easier

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avoiding up to 67 cubic metres of product from a 40ft container ending up in a landfill.

There remains the question of how the damage occurred. The harder it is to find the cause, the harder it is to find agreement on a pathway forward. Surveyors employ various methods to investigate cause. The most obvious is the physical inspection of the container or vessel.

Testing for culture and mould and other micro-organisms can show when a problem occurred and how long it has been happening. Similarly, identifying any insects in the cargo may show where the damage occurred, if the insects are native to one particular region.

A test using silver nitrate can reveal whether salt water is present in wet cargo, which can show whether seawater has gained access to the container. Not all cases of wet cargo are caused by seawater. An example quoted by Mr Marshall involved coffee beans transhipped in Sri Lanka, which suffered from storm damage and flooding on the wharf.

This shows why a review of the weather conditions during the vessel's transit may reveal cause, particularly with perishables. Mr Marshall says it is surprising to find that some traders do not grasp that shipping goods

between hemispheres entails moving through variable temperatures and weather patterns.

In one case a non-operating reefer was used to import chocolate, but the importer failed to recognise the fact that the vessel would be crossing the tropics en route to New Zealand. Data loggers and sensors are an important asset in determining cause, as are drop/tilt sensors which show if a container has been dropped or subjected to a heavy blow. Tracking and tracing the transit is important, as are any records of data readings taken during the voyage.

In most of the above cases, the claim process can be made much easier by determining the pre- and post-shipment condition of the cargo via photographs. Digital photographs can be easily and quickly emailed between parties, so this is something shippers and importers can factor into their planning.

While only a small percent of claims end up in litigation, Mr Marshall advises one final lesson — use a reputable insurer and shipping agent. The discovery of a fake insurance certificate in one shipment received on CIF terms, was a tough lesson for one trader to learn.

Dave MacIntyre can be contacted at d.macintyre@xtra.co.nz

SOFRANA ANL

SCHEDULE DATE: 02 JULY 2021

NZ, NEW CALEDONIA, AUSTRALIA, PNG, SOLOMON ISLANDS					
Vessel	Sofrana Surville	Antwerp Bridge	Capitaine Magellan	Sofrana Surville	Sofrana Torville
Voyage No.	272	196*	6	273	251
Tauranga	05 Jun	25 Jun	01 Jul	20 Jul	05 Aug
Auckland	10 Jun	23 Jun	02 Jul	22 Jul	07 Aug
Noumea	16 Jun	-	07 Jul	28 Jul	12 Aug
Brisbane (N/B)	19 Jun	01 Jul	-	31 Jul	15 Aug
Townsville	-	-	-	01 Aug	20 Aug
Motukea Island	28 Jun	05 Jul	-	04 Aug	22 Aug
Lae	03 Jul	07 Jul	-	09 Aug	24 Aug
Kimbe	05 Jul	-	-	11 Aug	-
Rabaul	06 Jul	-	-	12 Aug	-
Honiara	10 Jul	19 Jul	-	17 Aug	29 Aug
Brisbane (S/B)	15 Jul	-	-	21 Aug	03 Sep
Tauranga	20 Jul	-	-	26 Aug	08 Sep

Remarks - *Vessel will accept cargo at Metroport - AKL. PI bound cargo will tranship at BNE.

NZ, TONGA, SAMOA, AMERICAN SAMOA					
Vessel	Southern Moana	Southern Moana	Southern Moana	Southern Moana	Southern Moana
Voyage No.	35	36	37	38	39
Auckland	07 Jul	25 Jul	12 Aug	30 Aug	17 Sep
Nuku'alofa	14 Jul	01 Aug	18 Aug	05 Sep	23 Sep
Apia	17 Jul	04 Aug	21 Aug	08 Sep	26 Sep
Pago Pago	18 Jul	04 Aug	22 Aug	09 Sep	27 Sep
Auckland	25 Jul	12 Aug	30 Aug	17 Sep	05 Oct

Remarks -

*Centralisation from other NZ centres is available on request.

CMA CGM
GROUP

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