

March 2005

## COASTAL SHIPPING CARGO - 2003/04

### Introduction

1. This report sets out the main findings from shipping cargo data supplied by port companies in New Zealand. The aggregated data from port companies is set out at the end of the report.

### Summary

2. In 2003/04 coastal cargo totalling about 8.6 million tonnes was carried between NZ commercial ports by local (85%) and overseas shipping (15%).

3. Overseas shipping carried a minority of three main categories of coastal cargo: containerised domestic (8 – 11%), non-containerised domestic (14%), and exports/imports in transit between commercial ports (37%).

4. Overseas shipping carried almost 33,000 TEUs (standard-size container equivalents). This was 8 – 11% of containerised domestic cargo, depending on how the 'market' is defined. This compares with previous estimates of up to 10,000 TEUs, and market shares ranging from 3 – 15%. Total containerised cargo (domestic TEUs plus exports/imports in transit) carried by sea was 4.7 million tonnes, versus previous estimates of 2.4 MT.

### Background

5. In August 2004 port companies were approached to supply data about shipping cargo moving across their wharves for the financial year 2003/04. The Minister of Transport Hon Pete Hodgson sought this information for the government to gain a better understanding about the carriage of coastal cargo around New Zealand by both overseas and New Zealand coastal shipping.

6. An appendix sets out the specific data requested from port companies. In summary, port companies were asked to report all their cargoes in terms of:

- containerised and non-containerised cargo, with each of these split into three main categories of cargo;
  - final exports/imports;
  - exports/imports in transit between New Zealand ports; and
  - domestic cargo (cargo originating and terminating in New Zealand).
- each category further split into the cargo carried by New Zealand shipping, and that carried by overseas shipping.

### Commercial confidentiality

7. The data supplied by port companies was commercially confidential. Officials gave port companies an undertaking that only aggregated figures for all port companies in total would be published, and that data for individual port companies would not be released.

## Total coastal cargo

8. In 2003/04 local and overseas shipping carried a total of 8.63 million tonnes of coastal cargo between commercial ports. The table below shows a breakdown of total coastal cargo in 2003/04 (some figures in the tables below do not sum exactly, due to rounding).

<b>Total Coastal Cargo, 2003/04</b>			
(million tonnes)	Containerised	Non-containerised	<b>Total</b>
Domestic cargo	3.79	3.85	<b>7.65</b>
Exports/imports in transit	0.89	0.09	<b>0.98</b>
<b>Total coastal cargo</b>	<b>4.68</b>	<b>3.95</b>	<b>8.63</b>

9. Of this total coastal cargo, New Zealand coastal shipping carried about 7.30 million tonnes (85%).

10. About 1.33 million tonnes (15%) was carried by overseas ships sailing between commercial ports in the course of international trade with New Zealand. The portion of cargo carried by overseas shipping for different cargo categories was as follows:

<b>Coastal cargo carried by overseas shipping, 2003/04</b>		
Cargo category	(million tonnes)	% of cargo category
Containerised domestic	0.41	8 – 11% <sup>1</sup>
Non-containerised domestic	0.55	14%
Exports/imports in transit (both containerised and bulk)	0.37	37%
<b>Total coastal cargo</b>	<b>1.33</b>	<b>15%</b>

11. Overseas shipping carried relatively more non-containerised domestic cargo (0.55 million tonnes, or 14%) than containerised domestic cargo (0.41 million tonnes, or 11% of containerised domestic cargo carried only by sea). This non-containerised cargo (i.e., bulk and general cargo) included petroleum carried by overseas tankers for New Zealand operators.

<sup>1</sup> The proportion depends on how 'the market' is defined. This can be in terms of the service being provided (long-haul containerised domestic cargo carried by combined sea and inland transport, about 400,000 TEUs p.a. based on estimates by P&O Nedlloyd). Or it can be defined in terms of containerised domestic cargo carried by sea, about 300,000 TEUs p.a..

12. Overseas shipping's 15% of overall total coastal cargo is higher than for domestic cargoes (up to 11% for containerised, and 14% for non-containerised). This is because it carries a relatively higher proportion of overall exports/imports in transit (containerised plus non-containerised, 37%). Overall export/imports in transit were about 11% of total coastal cargo.

### **Container-equivalent coastal cargo**

13. Containerised cargo, plus road and rail freight carried by sea across the Cook Strait converted into container-equivalents, was 54% of total coastal cargo. This was about 370,000 TEUs (4.68 million tonnes), of which domestic cargo comprised about 300,000 TEUs (3.79 million tonnes, or 81%) and exports/imports in transit were 70,000 TEUs (0.89 million tonnes, or 19%). As with overall exports/imports in transit, overseas shipping also tended to carry relatively more containerised exports/imports in transit (about 32%).

14. The majority of containerised domestic cargo was carried by New Zealand coastal shipping (mainly Toll's Interisland Line, Strait Shipping and Pacifica Shipping). This was about 267,000 TEUs, or 3.38 million tonnes.

15. Overseas shipping carried almost 33,000 TEUs of containerised domestic cargo, some 0.41 million tonnes or 8% - 11% of 'the market'. The proportion depends on how 'the market' is defined (see footnote on page 2).

### **Non-containerised cargo**

16. Bulk and general cargoes (both domestic and export/imports in transit) totalled 3.95 million tonnes (46% of total coastal cargo). New Zealand coastal shipping carried 3.32 million tonnes of this non-containerised cargo, mainly petroleum products, cement, and some forestry products, with very little being exports/imports in transit. Overseas shipping (including overseas oil tankers voyage-chartered to New Zealand operators) carried 0.63 million tonnes. This was mainly petroleum, fertiliser, motor vehicles, salt and forestry products, of which nearly 0.08 million tonnes was exports/imports in transit.

17. Of domestic-only bulk cargoes, New Zealand coastal shipping carried 3.30 million tonnes (almost 86% of total non-containerised cargo). Overseas shipping carried about 14% (0.55 million tonnes) of domestic bulk cargoes carried by sea.

### **International trade**

18. The international trade data from the port companies totalled about 40.0 million tonnes. This cross-checked with the 2003/04 figure published by Statistics New Zealand of 40.3 million tonnes.

**Request to port companies for shipping cargo data - 5 November 2004**

1. Data is sought on all shipping cargo (if possible) through a port. Data should be in the form of the table in para. 5 below, with separate tables for TEUs (full), TEUs (empty), and 'non-containerised' cargo (breakbulk plus bulk).

Ports may chose to provide TEU (full) data initially, and other data at a later time. In this case it would be appreciated, when providing TEU data, if ports could indicate the proportion that non-containerised cargo is of total cargo.

2. Data for 2003/04 financial year. It is not expected that shipping cargo data will be needed in future years, but just in case, it would be useful if ports kept some records about how they compiled the data.
3. The Ministry appreciates that ports are supplying data in confidence and on the understanding that data from all ports is to be aggregated nationally. Data aggregated into all-North Island ports, and all-South Island ports, is subject to further consultation. Data from each port on its own is not for release.
4. In aggregating the data from all ports, the Ministry will need to take account of 'double counting' (the same cargo going through two NZ ports).
5. The shipping cargo data to be structured in terms of the following table.

(TEU volumes, or bulk&b/bulk tonnes)	International		Coastal*		total for rows
	Imp/Exp	Tranship	Tranship	Domestic	
<b>Foreign Shipping</b>	?	?	?	?	
<b>NZ Shipping</b>	?	?	?	?	
total for columns					total volumes

\* If this breakdown of coastal data (transhipments, and domestic cargo) is not readily available, please indicate port's "best estimate" of these volumes.

**Brief description of terms**

International imports and exports

Imports and exports (originating or terminating in NZ) that leave/enter through one NZ port only.

International transhipments

Imports and exports (originating and terminating overseas) that are shipped via one NZ port. For example, cargo from the USA to a Pacific country, that is shipped via an NZ port. If not applicable to your port, please indicate "N/A".

Coastal transhipments

Imports and exports (originating overseas and terminating in NZ, or originating in NZ and terminating overseas), that are carried by sea between two NZ ports.

Domestic

Cargo that both originates and terminates in NZ, that is carried by sea between two NZ ports.

Using these four categories will keep domestic cargo separate from exports/imports, but also allow 'coastal cargo' (that is, imports and exports in transit, plus domestic cargo, carried by sea between two NZ ports) to be quantified.

APPENDIX

Shipping cargo data from port companies

SUMMARY	Container equivalents (full TEU volumes)			
	International		Coastal	
all port cos 2003/04	imp/exp	t/s	t/s	domestic
o/seas	1,007,946	58,828	22,718	32,539
NZ			47,570	267,328
<b>Total</b>	<b>1,007,946</b>	<b>58,828</b>	<b>70,287</b>	<b>299,867</b>

Bulk & general (tonnes)			
International		Coastal	
imp/exp	t/s	t/s	domestic
27,881,258	83,959	78,350	548,416
24,173		15,717	3,304,635
<b>27,905,431</b>	<b>83,959</b>	<b>94,066</b>	<b>3,853,051</b>

t/s means - transshipment

TEU means - Twenty-foot Equivalent Unit

Some figures in the tables may not sum exactly, due to rounding

MoT analysis of coastal cargo data

SUMMARY	Coastal Cargo								
	Container equivalents (tonnes)			Bulk and general (tonnes)			Total coastal cargo (tonnes)		
all port cos 2003/04	t/s	domestic	subtotal	t/s	domestic	subtotal	t/s	domestic	TOTAL
o/seas	287,378	411,618	<b>698,997</b>	78,350	548,416	<b>626,766</b>	365,728	960,034	<b>1,325,762</b>
NZ	601,755	3,381,697	<b>3,983,451</b>	15,717	3,304,635	<b>3,320,351</b>	617,471	6,686,331	<b>7,303,802</b>
<b>Total</b>	<b>889,133</b>	<b>3,793,315</b>	<b>4,682,448</b>	<b>94,066</b>	<b>3,853,051</b>	<b>3,947,117</b>	<b>983,199</b>	<b>7,646,366</b>	<b>8,629,565</b>