



The largest cruise ship to ever visit Northland, the Ovation of the Seas, arrived in the Bay of Islands in January – with 5000-plus passengers aboard, the ship's arrival placed enormous pressure on facilities ashore

NZ conference provides ideas for maritime policy initiatives

By Dave MacIntyre

Policy-makers from several international countries have left New Zealand armed with food for thought about how their governments' maritime policies may be shaped, after attending an influential conference in Auckland in December.

The PECC (Pacific Economic Cooperation Council) conference held at the University of Auckland was unusual in that the audience did not comprise people from the maritime industry nor politicians. Rather, the 75 delegates registered from 10 countries were mainly government officials whose role was to get a better understanding of the main issues facing shipping and ports in the Pacific Rim.

They will take these lessons back to their respective countries and possibly weave some of them into their policy recommendations to their governments to aid the stable economic development of the region and coordinate policy in areas including trade, invest-

ment and finance. PECC itself is a unique partnership of senior individuals from business and industry, government, academic and other intellectual circles. All participate in their private capacity and discuss freely on current practical policy issues of the Asia Pacific region.

Established in 1980, PECC now has 26 'member committees', including one associate member and two institutional members. Each member committee brings together leading thinkers and decision-makers from government and business in an informal setting to discuss and formulate ideas on the most significant challenges facing the region. PECC's regional community-building efforts led to the establishment of the official APEC (Asia Pacific Economic Cooperation) process in 1989.

Managing the blue economy

The Auckland conference on 5-7 December was the third in a set of three seminars led by the

France-Pacific Territories committee for PECC, focusing on maritime trade as a driver of growth for the PECC economies and small island states. The other seminars were held in Papeete and Busan.

Under the broad theme of 'managing the blue economy', attention was given to factors leading to the emergence of new trade flow patterns, the associated trade routes, and to enhancement of port capabilities to cope with the growth in trade and tourist numbers throughout the region. The Auckland seminar saw speakers focus on technical innovation, integrated services at ports, the hub-and-spoke strategy of maritime routes, the growth of the cruise tourism industry and the need for ports to support it, international cooperation for customs clearance, sustainability, energy efficiency, and safety and security in ports and on ships.

A concluding session focused on the challenges and opportunities facing ports in smaller Pacific Island nations.

Strategic coastal shipping

Annabel Young, executive director of the New Zealand Shipping Federation, and counterpart Teresa Lloyd, executive director of the Australian Shipowners' Association, made forceful presentations about the challenges facing the Australasian maritime industries.

Annabel Young spoke of the need for policy-makers to review support for coastal shipping as a result of the Kaikoura earthquake in New Zealand. Suddenly, support for coastal shipments had increased remarkably as the best way to ship goods from Auckland to Christchurch, she said, and the policy choice was clear: "Either you spend an enormous amount on roads or you focus more on coastal shipping."

Teresa Lloyd also addressed the coastal shipping issue and said that Australia needed to make decisions on whether it wished to retain a strategic maritime capability. Without it, she said, Australia was reliant on international shipping for its supply

chain and fuel security: "It is a squandered opportunity." Ms Lloyd also suggested policy-makers need to address limited liability issues for environmental accidents. She questioned whether ship operators were meeting their full social responsibility for things like oil spills, when their liability was capped.

Bigger ships

One of the major speakers at the conference, ports consultant David Wignall (managing director of David Wignall Associates), says the conference was very well received. "The delegates got a range of different angles and approaches to the issues. There was a 'real' feel about many of the presentations."

Mr Wignall says a main theme of the PECC conference which would have made an impression on delegates was the challenge of dealing with bigger container ships and what happens when they cascade from major international routes to Pacific trades. "We really need to generate exports, or find other ways to back-fill containers. Though hard, fixed-day sailings and the discipline would be good for more services and lines in the Pacific," he says.

"The cruise industry is not a panacea for port development

and someone has to pay for the facilities to accept the ships that are going to come. This is not likely to be the shipping lines." Asked what issues were discussed which may give delegates scope to suggest new policy initiatives to their governments, Mr Wignall suggests:

- ▶ How to support and connect to fixed-day sailings
- ▶ Generating cargo to fill export containers
- ▶ Hub-and-spoke is coming, and may need to be accepted and optimised by many islands.

Fast-growing industry

Dr Dong Yang, assistant professor at the Department of Logistics and Maritime Studies in Hong Kong, says he was impressed by the conference coverage of the cruise and tourism industry: "It is a fast-growing industry in Asia, and many Asian customers seem to be interested in visiting islands in the Pacific."

Other discussions which he learned from included presentations on the shipping networks in the Pacific Islands and the influence of free trade agreements on maritime trade. Asked if there was a specific issue raised of particular importance for trade in the Pacific Rim, he highlights vessels cascading down from major sea routes into the local trades.

"More and more big ships which were used for major trade lanes now have been put in the Pacific Rim. Then the old infrastructures need to be upgraded and the shipping network must be further optimised," he says. "The development of the cruise ship industry is also important. Governments should think about facilitating cruise ship visits, improve the port infrastructure and also try to benefit from the OBOR strategy issued by China." The OBOR – One Belt, One Road – initiative is a development strategy by the Chinese government to revive the land and maritime Silk Roads dating back to the days of Marco Polo. The concept was unveiled in 2013 and covers 65 countries on three continents, including Kazakhstan, Uzbekistan, Russia, Thailand, Malaysia and Indonesia. It is viewed as China's Marshall Plan to aid development in Central Asian countries and build relations with its neighbours.

Island infrastructure

Pascal Cheylan of the French



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Ports of Auckland to look at 'plugging in' cruise ships

Ports of Auckland has commissioned a feasibility study to look at alternative methods for powering cruise ships when in port.

The main alternative being studied is powering ships from the national grid, known as 'shore power' or 'cold ironing' (a shipping industry term that first came into use when all ships had coal-fired engines; for a ship tied up at port there was no need to continue to feed the fire and the iron engines would literally cool down, eventually going completely cold).

The study will also consider a range of alternatives, including LNG (liquefied natural gas) or methanol powered barges to generate a ship's power, and the use of low-sulphur fuels to reduce emissions.

Currently, ships in port need to keep their generators running to supply onboard power. By providing shore-based power,



Ports of Auckland would be able to reduce locally generated emissions and shipping's carbon footprint, supporting Auckland Council's carbon reduction goals.

Reducing its carbon footprint

Ports of Auckland CEO Tony Gibson says the company has set itself the goal of becoming carbon neutral by 2025 and having zero emissions by 2040. "This work will support both these goals. Initially we will look at the feasibility of providing alternative power just for cruise

ships, but we aim to extend that across the whole port longer term," he notes.

"In carrying out the study, we will work closely with Vector to understand the capability of the local grid, and with cruise lines to understand their capabilities and future requirements."

Cruise Lines International Association (CLIA) Australasia chairman Steve Odell says the CLIA and its member cruise lines welcome the feasibility study and look forward to working closely with Ports of Auckland on it. "The cruise industry is committed to

Ports of Auckland is considering using shore-based power for visiting cruise ships, helping to reduce locally generated emissions

ensuring that its environmental footprint continues to be minimal through world's best practice and technology. Our member lines are developing and deploying innovative technologies to reduce emissions and we will be sharing these initiatives with Ports of Auckland," he says.

The study is due to be completed by April 2017.



Charles Morrison of the USA East-West Center addresses delegates at the PECC conference



Ann Sherry of Carnival Australia outlines to conference delegates how the cruise tourism industry works