



**KOTAHI**

### **Ocean freight disruption real risk for primary exporters**

Some exporters from New Zealand's primary sector are exposed to potential service disruptions as the downturn in global shipping drives consolidation in the industry, says the CEO of one of the country's largest players in the logistics sector.

"We're currently experiencing a global oversupply of shipping capacity. Together with low fuel costs, we're seeing a continued decline in ocean freight rates which freight owners are enjoying, however these current market conditions are not sustainable," said David Ross, chief executive of Kotahi, New Zealand largest export supply chain collaboration.

"We need to take care that consolidation, cost saving initiatives and co-operation amongst shipping lines doesn't degrade the quality and service levels for our New Zealand exporters and importers. A significant portion of New Zealand's primary exports such as chilled meat, produce, seafood and dairy have a short shelf life and as a result have a unique requirement to access shipping services that can offer fast transit times to all corners of the globe," he said.

Kotahi continues to develop a secure, sustainable supply chain with a focus on direct transport links, between manufacturing site and key international markets, which is right for all economic market conditions.

"By consolidating cargo, predominantly export, we have the ability to drive efficiencies and take waste out of the supply chain. We're able to achieve more for our customers than what they can achieve individually, through improving asset utilisation with the flexibility that our cargo pooling gives us," said Ross.

Ross said Kotahi works with logistics partners to build solutions that are based on customer needs, with a strong focus on quality features that are essential for the characteristics of New Zealand primary exporters.

"Some exporters and importers will be influenced by low freight costs and we understand this. But longer-term, we don't want to risk low prices driving out quality shipping services that have the features essential for New Zealand's requirements.

"Kotahi is able to provide New Zealand with a well utilised, collaborative supply chain. By working together with logistics partners in ocean freight, ports, rail, road, landside infrastructure and our customers, we're providing certainty of cargo supply. This has already facilitated significant investment in assets and infrastructure across New Zealand, supporting the introduction of more efficient "Big Ships" in the future," he said.

**ENDS**