

NPDL Network Update

Quarter Two 2022



Market Outlook

Some encouraging signs in quarter two as several Pacific nations have either re-opened their borders or announced plans to re-open in the short term. The abatement of COVID-19 related restrictions is a positive sign for the Pacific as it allows for both the return of tourism and facilitates travel for seasonal workers. For NPDL these developments will allow us to return to face-to-face discussions with customers and partners across the region. After more than 2 years on screens this is exciting for everyone in our business, and we look forward to more in person engagement over the coming months.

The release of additional space in the Auckland container terminal with the cessation of the automation project is encouraging. We are hopeful the additional capacity leads to reduced congestion. At the time of writing the multi cargo terminal remains significantly impacted by congestion related delays – we continue to monitor this situation closely and encourage customers to fully utilize access to cargo receivals and delivery outside of normal business hours when available.

Despite the relaxation of border restrictions, we continue to maintain COVID free bubbles on all our vessels by maintaining pre-boarding quarantine and PCR testing procedures of crew and contactless port operations across our network.

There appears to be no relief in sight to dampen fuel prices, a consequence of this is that Bunker Adjustment Factors continue to increase. On a broader scale inflationary pressure is beginning to be felt in developed economies. The impact of this in shipping capacity and demand is yet to be fully ascertained as the cost of capacity remains at historic highs and the overall supply chain continues to feel the effects of COVID related regulations and other operational shocks in many parts of the world.

Within our network we continue to operate with as much flexibility as possible to minimize the impact of congestion and related delays on our customers.



Network

Fiji – We are in the process of finalizing replacement tonnage for the service. Whilst this is underway, we will add additional capacity on a short-term basis to ensure trade demand is met. In order to facilitate this, from September the Capitaine Baret will be deployed into the South Pacific on a rotation of *New Zealand – French Polynesia – Fiji – New Zealand*. She will be replaced in the *Fiji – United States East Coast Trade* by the Capitaine Dampier during September.

Samoa – The temporary changes to the Tahiti services will mean that cargo to Tonga will be routed on to the Capitaine Kupe. From September the Capitaine Kupe rotation will be *Apia - Pago Pago - Nuku'alofa – Auckland*.

New Caledonia and Vanuatu – After an extended period in dry dock due to lockdowns in China the Capitaine Magellan has returned to our network. We are excited to have her back in service and look forward to providing improved connections to Vanuatu and New Caledonia for the remainder of 2022.

Inter-Island Services – The Capitaine Wallis is planned to be the last of our vessels that required dry docking within 2022. She will depart our network in mid-July and is expected to return in September. To cover market demand, we will adjust the rotation of the Southern Pearl on alternate voyages and make two ad-hoc calls of the Kota Hening and the Kota Halus in Kiribati during this period. Further details will be released in our schedules this week.

Tahiti – In addition to the temporary rotation changes advised above the port in Papeete will commence civil works in mid-July. This will result in reduced space and capacity whilst the works are underway in the medium term. We will continue to monitor this situation closely and provide updates as we know more

Asia – Space pressures remain on PIL services from Asia to New Zealand, compounded by dry docking of an SPS vessel. Equipment in East China remains tight as Asia supply chains recover from lock-downs.

