



An interview with Bob Kemp



Although much of Australia's history and folklore has been centered around the bush – its vast pastoral holdings, its mining wealth and its farming production – the fact is that Australia's wealth has always rested on its ability to connect these ventures with the rest of the world. Australia has always been therefore, in essence, a maritime nation. The same continues today. David Mason-Jones interviews Bob Kemp, Australian General Manager for P&ONedlloyd.

DMJ: Firstly Bob, about the name. It contains two historic shipping references. Who owns the company?

Kemp: The name P&ONedlloyd links us with two famous lines. In the case of Australia this has been P&O which has been calling here since 1852 and Nedlloyd links us with centuries of Dutch global shipping. The immediate antecedents to the present company were the container lines, P&O Containers and Nedlloyd Lines. These were independent and separate companies. In December 1996 they merged to form P&O Nedlloyd. Growth by acquisition followed soon after and this included Blue Star, Harrison and Farrell Lines.

In April 2004, the P&O's 50 percent stake in P&O Nedlloyd was acquired by Royal Nedlloyd NV, now renamed Royal P&O Nedlloyd NV. The company is listed on the Amsterdam Stock Exchange (Euronext). Royal P&O Nedlloyd is based in Rotterdam while the operational headquarters of P&ONedlloyd is in London.

DMJ: So the company has been a totally arms length legal entity from P&O since April last year.

Kemp: That's true.

DMJ: What role do you see for P&ONedlloyd in the economic growth of Australia?

Kemp: The continuation of Australia's economic growth is highly dependent on sea trade and sea freight. It is true that some forms of trade are now in services and some are moved by air. But the vast majority of the trade in physical items will continue to be by sea. The success of Australia's commodity trade in iron ore, coal and LNG are an example of this.

The same applies with freight and container shipping. It is easy for many Australians to forget the fundamental extent to which shipping underpins our wealth and lifestyle.

Supply chain management now demands standards of reliability that were unheard of just twenty years ago. Just in time delivery procedures are common today as greater and greater efficiencies are demanded in the supply chain.

The shipping to support Australia's growth must be regular and reliable. P&ONedlloyd has at least one port call in Australia every day of the year. This is in its own right as a separate container line. We also have extensive global arrangements with leading global carriers and we run joint services with them which link Australia with the rest of the world. If you included the number of port calls in which P&ONedlloyd is a participant in a joint service, then the number of calls would rise from around 365 into the thousands.

DMJ: You mention connections with the rest of the world. Can you quantify this?

Kemp: Yes. P&O Nedlloyd's ships call at 229 ports in 94 countries with the support of more than 400 offices in 156 countries. Our ports of call include all hubs together with an extensive network of supporting feeder services.

It is well to remember that Australia's exports do not only

include the vast bulk trades with Asia but also include the development of niche products into niche markets all over the globe. Many of the ports into which these niche products are exported are not directly served by mainline container line services. P&ONedlloyd has an outstanding capacity to connect Australian exporters with market entry points anywhere on the globe.

DMJ: What is your current fleets size?

Kemp: We are the fourth largest provider of container shipping services in the world by fleet capacity. We operate a modern fleet of 154 container ships with a total nominal capacity of over 416,732 teu.

DMJ: What capacity ships do you use on the Australian run?

Kemp: The largest of our ships to visit Australia are our 4100 teu class. These are our Round the World Container Liners. A range of other ships, including vessels of 1200 teu capacity, also call at Australian ports.

DMJ: How about your fleet development plans?

Kemp: Globally we have commenced our development into the largest container liners capable of carrying over 8000 teu per voyage. This ship size upgrade commenced in December 2003 with the delivery of our first 8450 teu vessel, P&O Nedlloyd Mondriaan.

This is being used on the main lines in the Atlantic, Europe to Asia and trans Pacific routes. More than 40 vessels – including a significant number of ships in excess of 8100 teu capacity – are due to enter service in the next three years to replenish existing capacity and to cover market growth.

DMJ: Apart from raw capacity, what will be the new innovations concerning capability?

Kemp: Improvements in the

efficiency of exporting fresh fruit, vegetables and meat will provide huge opportunities for Australian commodity exporters. We are developing and commissioning new technologies for controlled temperature shipments in our ships.

DMJ: What development needs to happen in Australian ports to cater for the growth in world trade?

Kemp: World sea trade is developing at such a rapid rate, that the capacity of the Australian ports, and their ability to interface with this trade, could become one of the limiting factors in Australia's economic growth. With regard to dry bulk this is already being seen at places like Dalrymple Bay in Queensland and the Port of Newcastle in NSW. Capacity restraints will mean missed opportunities for Australian export businesses.

The same pressure is being felt in container shipping and the Port of Melbourne is one example of this. The port may be deep enough to handle the largest ships that come here at the moment – but even this can be with difficulty at times related to tides and access depths in Port Phillip Bay. Without the development of deeper access, the port will not be able to handle the larger container liners coming into service.

DMJ: What is your prognosis for the future?

Kemp: Australia is well placed to participate in the growth of world trade. But there is nothing inevitable about success and Australian infrastructure must be developed to match the future shipping needs. As for ship availability and capacity P&ONedlloyd, through its famous antecedent, has been coming here since 1852 and is keen to continue to play a strong part in Australia's future trade growth.