

## **LYTTELTON PORT THRIVING AND FUTURE READY**

### **LPC Looking Forward – ready to meet increasing freight demands**

Lyttelton Port of Christchurch (LPC) is looking forward – ensuring it is ready to meet Canterbury’s increasing freight demands.

LPC Chief Executive Peter Davie says the Company is working on all aspects of its business to continually improve and to make sure it can meet the requirements of future export and import shipping while also remaining competitive at an Australasian level.

“We face a large forecast increase in freight demand. We are looking forward to ensure our customers’ cargo continues to move as efficiently as possible through our Port. We will continue to provide the best connections for them to international markets and ensure Lyttelton remains the most significant Port in the South Island and its gateway for trade.

“We are in one of the most exciting stages of development in our history with a programme underway which is expanding our reach and capacity to facilitate continuing growth and provide world-class facilities. We will have the best facilities and capacity in the South Island. We are well positioned to continue attracting major international shipping lines and, for importers and exporters, ongoing access to competitive freight networks as well as cost effective and ever-increasing access to markets and goods.

“We are developing a Port capable of handling ongoing growth while providing excellent customer service, high performing operations and improved market-leading exporter and importer services and support.

“The Port is vital to the industries that are the engine of our regional economy - agriculture, manufacturing, construction, forestry and fishing. We are ready to manage the freight rise from the \$264 million a year increase in agribusiness production resulting from irrigation projects such as Central Plains Water. We are also well positioned to support the Government’s growth target of doubling primary industry exports from \$32 billion in 2012 to \$64 billion by 2025. Our redevelopment programme, encompassing 20 major projects, means we can cater for this growth and much more.

“Lyttelton Port manages 52 per cent of the South Island's full containers total import/exports. We ensure a total of \$9 billion in exports and imports flow across the area each year. Our volume growth is forecast to increase at greater than GDP levels for the next 30 years. We are developing a Port capable of efficiently managing this growth. This is critical to the regional economy as it supports thousands of jobs and creates billions of dollars in wealth.

### **Financially Secure and Growing**

“The Port has achieved record breaking container volume in the year to June and a solid increase in profits. We broke the 400,000 TEU threshold and had record imports and exports. The Port has also had a significant increase in transshipment volumes. This is both export volume coming from other South Island ports and transshipping in Lyttelton, as well as import volumes destined for other New Zealand ports. We achieved an all time record for car imports, while bulk fuels, log exports and coal are all up compared to the previous year.

“The value of exports moved through LCT has increased from \$4.5 billion to \$4.8 billion and imports increased from \$4 billion to \$4.2 billion. We are in the enviable position of having the best balance of import and export containers of any port in the country and this produces efficiencies and cost savings for our customers. This year’s outstanding performance has generated \$114.4 million in revenue, a significantly increased net profit after tax of \$14.4 million and the level of declared dividends has almost doubled.

## Financial Performance

	2017 (Million)	2016 (Million)
Revenue	114.4	105.7
Net profit after tax	14.4	-59.8*
Declared Dividend	8.0	4.2

\*Note: One-off costs impacted profit after tax, the biggest being an impairment of \$99.5 million.

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## Volumes

	2017	2016
Container volumes	401,711	361,812 TEUs
Coal Exports	1,182,143	1,078,887 tonnes
Bulk Fuels Imports	1,125,378	1,099,577 tonnes
Log Exports	487,190	477,697 tonnes
Cars	55,488	43,533

## Developing for Freight and Regional Economic Growth

“We are committed to continued freight service innovation to drive down costs, improve customer service and our performance efficiency. We have efficiently managed the significant increase in coastal container shipping volume which followed the North Canterbury earthquakes, supporting the recovery and the regional economy. We now provide double berthing for ships, and investment in state-of-the-art infrastructure continues with the arrival of a new \$12.5 million Liebherr crane, maintaining our crane fleet at four.

“Our new Inland Port at Rolleston, MidlandPort provides unprecedented connectivity for the South Island’s long term trade growth, with the first container rail service route between Rolleston and the Port. It services the increasing production from the Canterbury Plains, improves freight transport travel time and removes about 80 trucks a day from the road route.

“We have obtained resource consent to deepen the harbour’s channel so larger vessels carrying more containers can access the Port. It is estimated this will decrease freight costs for Lyttelton customers by over 10 per cent. There is currently an appeal process underway relating to this consent.

“We are moving Port operations to the east, onto land being reclaimed in Te Awaparahi Bay, freeing up parts of the Inner Harbour for public access. The reclamation will triple our space for the growing container trade. We are building Te Ana Marina, creating Canterbury’s only walk-on floating marina and providing public access to the waterfront, as well as upgrading and rebuilding container berths and some of our Inner Harbour jetties.

“We look forward to welcoming some of the world’s largest cruise ships. The local and regional economy will be boosted by the \$56 million cruise berth we are planning to help future proof Christchurch as a cruise destination of choice. Our eyes remain firmly fixed on the future to ensure our Port, our region and our country continue to thrive.”

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