

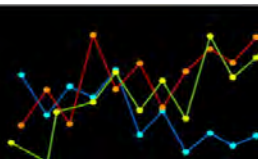


TOMAX  
NEWS

**Issue 04**  
9<sup>th</sup> Oct 2020



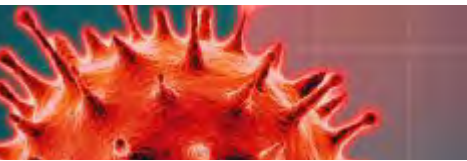
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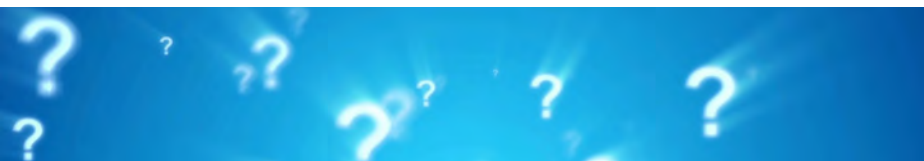
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## TOMAX CORPORATE MISSION

Our mission is to supply high quality, end-to-end supply chain solutions to our clients in a friendly, secure and supportive manner.







# MARKET SUMMARY

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- Excluding Sydney, OOCL advises that with immediate effect, booking acceptance will resume from Asia, Middle East, Indian sub-continent, Europe, North America, Latin America and Africa to Australian ports covered by the AAA1/AAA2/ASA/AWX services.
- Federal budget announcement includes focus on moving away from reliance on China for trade, including initiatives towards easing existing trade barriers with Europe and India.
- CMA-CGM/ANL online services remain suspended due to the impact of the recent cyberattack, this is affecting the ability to book and track shipments with the mega-carrier
- Record high freight rates may not drop post Chinese National Holiday despite a lull in freight, and additional services being introduced. Lines are scrambling to keep rates at inflated levels to increase their profits.



# LATEST NEWS



## BUDGET 2020/21 INTERNATIONAL TRADE DEVELOPMENTS

**T**he 20/21 Budget announcement on the 6th October 2020 focused on the commitment to making trade simpler. Simplification measures are aimed to assist our agricultural exporters and continue the development of the well anticipated single window trade system. COVID-19 assistance measures including the extension of the International Freight Assistance Mechanism (IFAM) were of key importance. Below is a summary of the key developments:

### **Trade outlook**

The industry can expect steady volumes over the next year. While exports and imports are expected to each fall by 9%, these decreases are caused by large falls in the import and exports of services (including education and tourism). The goods trade should be steady. However, the outlook is primarily guesswork due to the difficulty in predicting the future economic performance of the key trading partners.

### **International Freight Assistance Mechanism (IFAM)**

This integral support mechanism has been extended to 30th June 2021. As all are aware, the collapse of passenger flights have left a huge hole in air freight availability. The IFAM is an emergency response to keep international supply chains open. IFAM prioritises essential imports, such as medical supplies, into Australia to support our health response

to the Covid-19 Crisis. Additionally, it also re-establishes domestic links for producers and growers in regional and rural locations whom are reliant on airfreight to transport their products to customers.

### **Duties on certain medical and hygiene products**

An immediate COVID-19 measure taken by the Government was to waive customs duties on certain hygiene and medical products (such as face masks and gloves, but not hand sanitiser). This duty waiver has been extended to 31st December 2020 at a cost of \$7.2 million.

### **Implementation of Waste Export Ban**

The Government has provided funding to support the ban of certain types of waste from 1st January 2021. The Department of Agriculture, Water and Environment (DOA) will be responsible for administering a licensing and declaration scheme to enable the export of waste material where it can be confirmed that adequate processing has occurred prior to export to avert harm to the environment or human health overseas.

### **Diversifying trade**

The Government has previously hinted the need to be less dependent on Chinese trade, therefore committing \$6.6 million to “expanding and diversifying trade”. How this will occur has not yet been specified, but the Government has not been subtle in linking the measure with



the free trade negotiations with the EU and the UK. Related to this, the budget estimates continue to make provision for a Free Trade Agreement with India and the conclusion of the Regional Comprehensive Economic Partnership.

Furthermore, 2022-23 could be the year for purchasing a duty-free European car, with duty on passenger motor vehicles expected to fall from \$340 million on 21/22 to \$100 in 22/23.

### **Simplified Trade System**

A number of measures were announced to produce a less complex trade system including the following:

- \$7.8 million to reduce compliance complexity for Australian business
- \$12.8 million over two years from 2020-21 to develop a new border intervention model for sea and air cargo to potentially ease delays for cargo subject to X-ray
- 3 year extension for the Trusted Trader Scheme. The Government forecasts that this measure will reduce revenue by \$7.5 million over the 3 year duration.

The Government stated that “Setting the foundations for a Trade Single Window is an important part of this work and will build on reforms of trade regulations and processes to make it easier for businesses to integrate into global supply chains.” Notably, 28 agencies currently regulate trade at the border, applying more than 120 pieces of Commonwealth regulation. For the majority of traders, if the Australian Border Force and the DOA

streamlined their border activities, this would be a satisfactory measure.

Updated Agricultural export trade ICT systems – The Government will invest \$222 million across the span of four years in modern agricultural export trade ICT systems. The Government hopes that the funding will reduce the impact to trade from system outages and reduce the regulatory burden on exporters. There will also be \$106 million over four years into targeted regulation of exported goods. Much of the funding will take into the digital age an export approval system that is commonly paper based.

### **Remember**

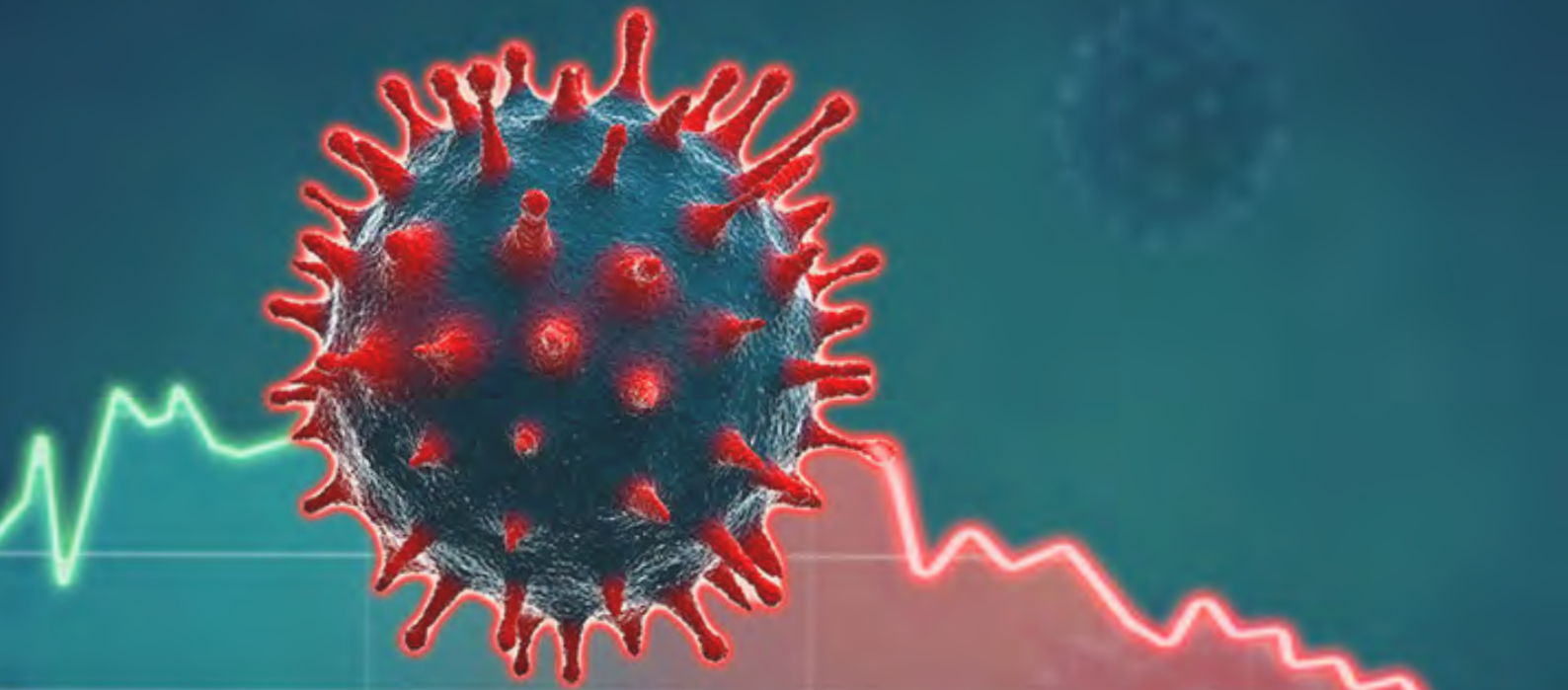
The budget does not mention the poor ideas from previous budgets that were sparred. Although, it is important to remember that this year’s budget was not inclusive of a revenue line for the Biosecurity Import Levy. Through industry body lobbying, importers avoided being taxed an extra \$100 million a year to import goods on a scheme with no direct correlation to biosecurity risk.

Overall, we will endeavour to provide further detail regarding the above policies should updates arise.

Please contact Tomax Logistics (1300 186 629 or [sales@tomax.com.au](mailto:sales@tomax.com.au)) if you would like to discuss how the 20-21 budget impacts your business.

Reference: Wiese, R. (2020). Budget 2020-21 International Trade Developments. Retrieved from <https://www.ftalliance.com.au/news/19288> on 7th October, 2020.





# CORONAVIRUS TRADE UPDATE

**A**mongst shipping delays, enterprise agreements, freight rate increases, congestion surcharges, equipment shortages in Asia, empty container park congestion in Sydney and the refusal to accept bookings for cargo travelling to Australia by some shipping lines, Covid-19 is seemingly becoming “yesterday’s news”.

Unfortunately, the notion of being “all in this together” is losing its value as shipping lines will undoubtedly exit the tunnel unscathed and with healthy balance sheets according to many global online media sites. Profitable returns can be made from cutting the capacity, and then raising rates and applying surcharges on full vessels along with lower fuel prices. In conjunction to the savings they are generating whilst making infrastructure changes/Terminal Access fees that should be for their account as the contractor of stevedores are being forced onto the transport sector without consultation

and/or the ability to negotiate. Due to the events spanning across the last few weeks, this places a focus on the Australian Competition and Consumer Commission discussion paper “Proposed Class Exemption for Ocean Liner Shipping”.

In light of these recent events as well as the actions undertaken, industry associations will be lodging a supplementary submission alongside the original submission to support the need for a reform of shipping legislation.

Reference: Freight & Trade Alliance (FTA). 2020. Coronavirus Trade Update. Retrieved on 1st October, 2020.

# PROTESTS IN INDIA CAUSING SUPPLY CHAIN DISRUPTIONS

## BREAKING NEWS UPDATE

**T**he Indian Government has introduced a Farm Bill 2020 which has met a lot of resistance from the farmers leading to protests across India. Large scale protests have been going on in the states of Uttar Pradesh, Haryana, Telangana, Gujarat, Goa, Odisha, Karnataka, Tamil Nadu and Punjab. Farmers, who account for 85% of the lower income bracket community, blocked road traffic in several places, only permitting the movement of emergency services. Road blockages stifled the operation of public transport forcing people to travel to their destination by foot. Railways also suspended dozens of trains scheduled to pass through the State. As the majority

of the National Highways and train routes cross through these States, movements were drastically slowed with some resulting in a complete stop.

Hence, these issues will continue to affect the transit times for both pick-up and delivery of shipments and will be affecting the TAT for surface movements. Given the recent emergence of the situation, the extent or duration of these disruptions are unknown.

Reference: Hindustan Times. (2020). Farm bills anger spills onto highways, railways. Retrieved from <https://www.hindustantimes.com/india-news/farm-bills-anger-spills-onto-highways-railways/story-XfOdSzakpvQfrlwvlsGWPL.html> on 6th October, 2020.





# STAFF SPOTLIGHT



**MEET  
MICHAEL WOOD**  
C.E.O.  
**TOMAX LOGISTICS USA**  
(This photo was taken before Covid!)

## Q: WHAT DO YOU DO AT TOMAX?

CEO of Tomax USA. The term CEO simply means in addition to the day to day work, it's also my job to empty the rubbish bins.

## Q: IF YOU COULD EAT ONE THING FOR THE REST OF YOUR LIFE, WHAT WOULD IT BE?

Easy question - dumplings.

## Q: YOUR GO-TO KARAOKE SONG?

Clearly you have never heard me sing! If I do sing its always in a far flung country where no one knows me and with a bottle of Dutch courage so whilst I can't remember my favourite song of the night, I know I sounded pretty good!

## Q: DO YOU PLAY/WATCH SPORTS? IF SO, WHICH SPORT IS YOUR FAVOURITE?

I'm certainly more of a watcher than a player. I've seen what happens to middle aged men playing sport, just ask Chris Chalmers! Pre Covid the atmosphere at USA stadiums (regardless of the sport being played) is pretty amazing. It's like an MCG AFL Grand Final every game for atmosphere! I'm looking forward to getting back to more games once life returns to normal.



## Q: HOW DO YOU UNWIND AFTER A LONG DAY OF WORK?

Like everyone else in this industry - alcohol!



# TOMAX STAFF IN ACTION!

Our Tomax Warehouse staff: Akash, Leo, David and Edvin working incredibly hard to ensure the warehouse is up to date and running smoothly!



The past few months in our Dandenong Warehouse have been busy with 20-22 containers per week!

## FOLLOW US ON LINKEDIN!

**@Tomax Logistics Australia**



Click here or paste the below in your browser

<https://www.linkedin.com/company/tomax-logistics-australia>

For the latest news updates, events & more!



# QUIZ ANSWERS

CONGRATULATIONS to Laura Russell from Daval International who was the winner of last week's Tomax Quiz! Laura received her prize pack this week in Sydney.

**1:** Which country does "K-POP" music come from?

**SOUTH KOREA**

**3:** Who is running against Donald Trump in the current US presidential election?

**JOE BIDEN**

**5:** How many 20 meter long pieces of metal could you fit into a standard 20' container with the doors closed?

**NONE**

**2:** In what Brisbane suburb is the new Tomax office/warehouse facility? (refer last week's newsletter if you need help).

**YATALA**

**4:** Who wrote the famous, allegorical novel "Animal Farm" which was first published in 1945?

**GEORGE ORWELL**

**6:** In which country would you find the Christ the Redeemer statue on top of Corcovado Mountain?

**BRAZIL**

STAY TUNED FOR  
OUR NEXT QUIZ!!!

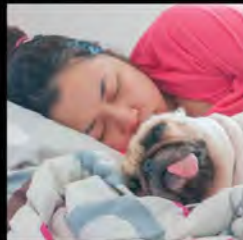


# FRIDAY MEMES

We hope these relatable memes can brighten up your Friday!



## Working From Home



## RAINY DAYS & MONDAYS



## WORKING FROM HOME AND



## FRIDAY, 4.59PM







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