



TOMAX
NEWS

Issue 111
23rd December 2022

PLUS!



THANK YOU!

We'd like to take this opportunity to thank all of you, our wonderful, amazing, and supportive clients and friends for allowing us to be a part of your family once again this year. 2022 has been another year of challenges, changing supply chain landscapes, and fluctuating costs.

Congratulations on surviving the year and we hope it has been successful and rewarding. The entire Tomax team around the world is grateful for the opportunity to work with you by assisting with your supply chain activities, it's an opportunity that we cherish, enjoy, and take great pride in.

To all our Tomax client family around the globe we wish you a very Merry Christmas, and hope you have a fantastic and relaxing break. We look forward to seeing you all again in 2023 and working together on what the new year brings.

Best wishes, Team Tomax

TARIFF CONCESSIONS GAZETTE (TC)

Tariff Concession Orders (TCOs) are an Australian Government revenue concession that exists where there are no known Australian manufacturers of goods that are substitutable for imported goods. The weekly Tomax Client Newsletter will contain a link to the latest Gazette document so that you can stay updated.

[CLICK TO VIEW LATEST GAZETTE](#)



MERRY CHRISTMAS AND A HAPPY NEW YEAR!

Please be advised of our closure and reopening dates:

TOMAX LOGISTICS

Closed only on main public holidays

TOMAX TRANSPORT

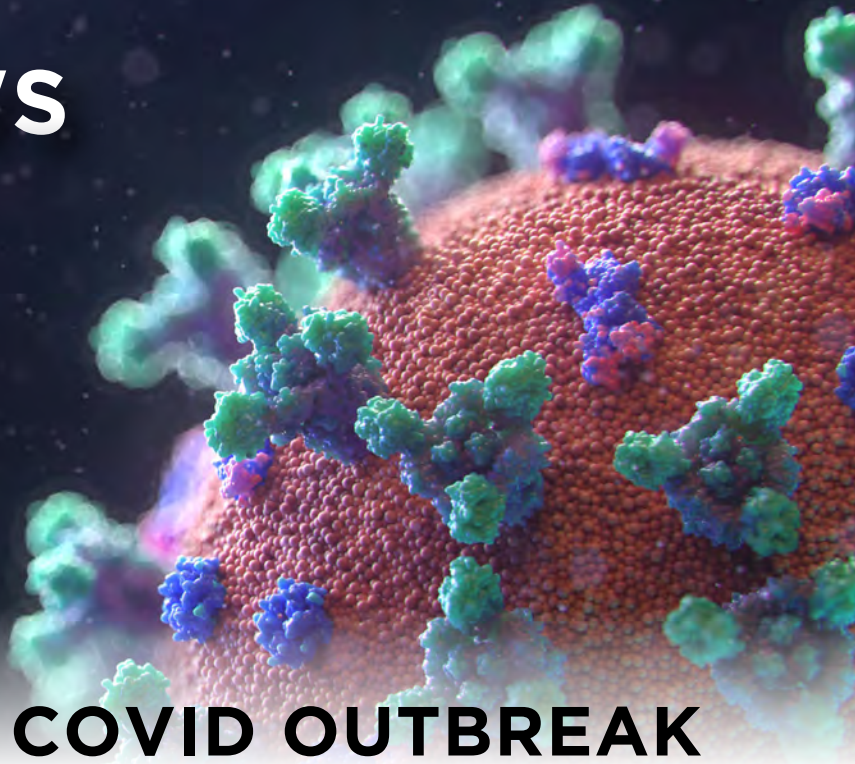
Closed only on main public holidays

TOMAX WAREHOUSE

Closed 25th Dec 2022 until 3rd Jan 2023

We are wishing you and your families a safe and joyous Christmas season and all the very best for the upcoming year!





CHINA'S LATEST COVID OUTBREAK CAUSES HAVOC IN SUPPLY CHAIN

With the easing of China's COVID restrictions, worker shortages and factory closures, due to outbreaks of the virus, are the latest disruptions to hit the country's supply chains. The sudden about-face on zero-COVID has led to soaring cases nationwide, with hospitals "struggling to cope".

Alice Tang, China-Europe land transport planner, said the virus had "spread really fast" over the past couple of weeks. She stated, "one forwarder in China said more than 50% of their colleagues are off sick, our partner in Xinjiang said 70% of their workers were infected and today I called some factories and they said the same. As a result, many factories and logistics companies have decided to start the new year holiday early. For example, some textile factories in Zhejiang announced a holiday for up to two months. By the end of December, 60% of enterprises in Guangdong, Zhejiang and Shandong will stop working. Furthermore, China's domestic courier services were delayed, she explained: "Parcels are said to be piling up on the streets of Beijing. Many supermarkets are filled with plastic bags of everyday goods waiting for couriers to deliver them."

According to one forwarder, some factories may also be forced to slow production, due to a lack of components from suppliers and added that, "truck drivers falling ill due to the coronavirus may also bring major disruption to supply chains."

However, the silver-lining is that, with destination markets winding down for Christmas, China's orders are seasonally significantly down. For instance, exports to the US dropped 25% year on year in November, while forwarders said December had been "very quiet".

According to the latest update from Linerlytica (market intelligence for the container shipping industry), this has also been reflected by plummeting ocean freight rates, although carriers have managed to slow declining rates, for now. Linerlytica stated, "capacity management measures to deal with the collapse in container freight rates are helping to slow the rate declines, with the SCFI recording its lowest weekly declines since July. However, more needs to be done to reverse the decline, as ad-hoc blanked sailings have been ineffective in reversing the rate slide, while capacity withdrawals are limited to smaller services that have not made any material impact on the overall supply-demand imbalance. Carrier refusal to commit to more permanent capacity cuts will continue to hurt rate prospects in 2023, with early contracts signed so far 70% fewer compared with last year."

A GLOBAL TRADE RECORD FOR THE YEAR 2022

The United Nations Conference on Trade and Development (UNCTAD) forecasts a record \$32 trillion for global trade value in 2022, although the upwards trend has taken a turn.

Published this week, UNCTAD's latest Global Trade Update, warns that the slowdown which took place in the second half of the year is expected to worsen in 2023. It attributes its expectations to geopolitical tensions and tight financial conditions. Despite the war in Ukraine and the lingering impact of the pandemic, trade in goods and services have been strong this year, reportedly growing 10% from last year to an estimated US\$25 trillion, due partly to higher energy prices. Services were up 15% to a record US\$7 trillion.

Due to the slowdown during the second half of this year points to tougher conditions in 2023, the report warns. "Economic growth forecasts for 2023 are being revised downwards due to high energy prices, rising interest rates, sustained inflation in many economies, and negative global economic spill-overs from the war in Ukraine. The ongoing tightening of financial conditions is expected to further heighten pressure on highly indebted governments, amplifying vulnerabilities and negatively affecting investments and international trade flows."

UNCTAD believes overall trade volumes continued to increase throughout 2022, regardless of the slowdown in trade value, stating, "part of the decline in the value of international trade during the second half of 2022 is due to a decrease in the prices of primary products."

Negative factors outweigh the positives in UNCTAD's current outlook however, the organisation highlighted improvements in the logistics of global trade as a positive. The report said, "ports and shipping companies have now adjusted to the challenges brought by the Covid-19 pandemic. Freight and cargo rates are still higher than the pre-pandemic averages, but their trend is downwards."

Two factors that could affect trade patterns in 2023 were believed to be the reshaping of global supply chains and the transition toward a greener world economy. Risks and uncertainties remain high for global supply-chain operations with "risk mitigation strategies, such as the diversification of suppliers, reshoring, near-shoring and friend-shoring, likely to affect international trade patterns in the coming year."

Williams, A. (2022). UNCTAD FORECASTS GLOBAL TRADE RECORD AND A TOUGH YEAR AHEAD. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/unctad-forecasts-global-trade-record-and-a-tough-year-ahead/> on 22nd December, 2022.



AUSTRALIA'S LOWEST VACANCY RATES

Industrial and logistics vacancy rates around Australia have reached a new record low, with the lack of supply resulting in increasing rents, according to the CBRE Research H2 2022 report. The second half of 2022 showed vacancy rates across Australia's five major markets further decreasing from 0.8% to 0.6%. "The vacancy rate in Australia continues to fall and sits at a new record low, with the downward movement reflecting the chronic under supply of stock," Sass J-Baleh, CBRE's Head of Industrial & Logistics Research Australia, says, "while vacancy rates in other countries remain low, we have begun to see a slight uptick in some offshore markets, mainly owing to a significant slowdown in the e-commerce penetration rate."

In the beginning of 2022, vacancy rates in Australia started at 1.3%, with the H1 tightening of the market giving it the world's lowest vacancy rate, ahead of both the UK on 1.6% and Hong Kong on 2.3%. Additionally, the lack of opportunity for tenants has driven a 25.3% year-on-year rise in supply-weighted average super-prime grade face rents across Sydney, Melbourne, Brisbane, Adelaide, and Perth. Sass added, "we expect to see more of this globally over the next six-to-12 months amid the challenges of the global economic market, however the supply-demand dynamics in Australia are unique. The Australian market is shaped by pent-up demand, with an immature-but-growing e-commerce sector and a chronic under supply of industrial space, which will keep vacancy rates at extremely low levels." (Based on 5,000sqm-plus NLA buildings in Sydney and Melbourne and 3,000sqm-plus NLA buildings in Brisbane, Adelaide and Perth: CBRE)

At 0.2%, Sydney maintained the lowest vacancy rate of any major city in the world, following a further tightening across H2, ahead of Perth at 0.4%. Meanwhile, Brisbane started 2022 with the highest vacancy rate of Australia's five key cities at 2.3% but finished

H2 at 0.5%. Net absorption across H2 2022 matched H1 at 1.4 million sqm nationally, led by 600,000 sqm in Sydney and with pre-leases accounting for almost half of all transactions nationally by floorspace.

Although the calendar-year figure of 2.8 million sqm is above the 10-year average of 2.6 million sqm, this is a significant reduction on the 4.2 million documented in 2021.

CBRE Regional Director, Industrial & Logistics, Cameron Grier, says, "Sydney and Perth were certainly challenging markets this year for occupiers with effectively 0 per cent vacancy in most major sub-markets, and landlords reaping the benefits from huge rental growth as tenants fought it out to secure space. Our view is that Melbourne and Brisbane are only six-to-12 months behind Sydney and Perth, and we all saw what happened in those markets in 2022. While we do expect economic headwinds in 2023, multiple identified tailwinds and our view that demand should continue to outstrip supply should set up our sector for another strong year of growth in 2023."

Of the 2023 and 2024 supply pipeline of 4.6 million sqm, only 50% is speculative development, in comparison to 76% in the US. Sass explained, "we expect that even if demand weakens significantly in 2023, there is still not enough supply to satisfy space requirements from major occupiers that are setting up their activities and supply chains for the long-term servicing of the Australian population."

The super-prime grade rental growth is led by a 38.1% year-on-year increase in Sydney, hitting a supply-weighted average of \$200 per sqm, 31.6% in Perth with only Brisbane falling short of a double-figure percentage increase in 2022.

Misuraca, J. (2022). Low vacancy rates causing higher rents. Retrieved from <https://mhdsupplychain.com.au/2022/12/14/low-vacancy-rates-causing-higher-rents/> on 20th December, 2022.



DP WORLD TERMINAL CHRISTMAS/NEW YEAR DATES

DP WORLD MELBOURNE

Date	Stevedoring Operational Hours	R&D Operational Hours
Saturday 24 th December	Vessel operations cease at 1400	Road operations cease at 1400
Sunday 25 th December	Closed - no vessel operations	R&D closed
Monday 26 th December	Vessel operations starts at 0600	Subject to demand
Tuesday 27 th December	Normal vessel operations	Subject to demand
Wednesday 28 th December		Subject to demand
Thursday 29 th December		Normal R&D operations
Friday 30 th December		
Saturday 31 st December	Vessel operations cease at 1400	Road operations cease at 1400
Sunday 1 st January	Vessel operations starts at 0600	Subject to demand
Monday 2 nd January	Normal vessel operations	Normal R&D

DP WORLD BRISBANE

Date	Stevedoring Operational Hours	R&D Operational Hours
Saturday 24 th December	Vessel operations cease at 1500	Road operations cease at 1500
Sunday 25 th December	Closed - no vessel operations	R&D closed
Monday 26 th December	Vessel operations starts at 0700	R&D starts at 0700
Tuesday 27 th December	Normal Vessel Operations	Normal R&D Operations
Wednesday 28 th December		
Thursday 29 th December		
Friday 30 th December		
Saturday 31 st December	Vessel operations cease at 1500	Road operations cease at 1500
Sunday 1 st January	Vessel operations starts at 0700	R&D starts at 0700
Monday 2 nd January	Normal vessel operations	Normal R&D

DP WORLD SYDNEY

Date	Stevedoring Operational Hours	R&D Operational Hours	Rail Operational Hours
Saturday 24 th December	Vessel operations cease at 1400	Road operations cease at 1400	Rail operations cease at 1400
Sunday 25 th December	Closed - no vessel operations	R&D closed	Rail operations closed
Monday 26 th December	Vessel operations starts at 0600	R&D starts at 0600	Rail operations start at 0600
Tuesday 27 th December	Normal vessel operations	Normal R&D	Normal rail operations
Wednesday 28 th December			
Thursday 29 th December			
Friday 30 th December			
Saturday 31 st December	Vessel operations cease at 1400	Road operations cease at 1400	Rail operations cease at 1400
Sunday 1 st January	Vessel operations starts at 0600	R&D starts at 0600	Rail operations start at 0600
Monday 2 nd January	Normal vessel operations	Normal R&D	Normal rail operations

DP WORLD FREMANTLE

Date	Stevedoring Operational Hours	R&D Operational Hours
Saturday 24 th December	Vessel operations cease at 1400	Road operations cease at 1400
Sunday 25 th December	Closed - no vessel operations	R&D closed
Monday 26 th December	Vessel operations starts at 0600	Subject to requirement
Tuesday 27 th December	Normal vessel operations	Subject to requirement
Wednesday 28 th December		Subject to requirement
Thursday 29 th December		Normal R&D operations
Friday 30 th December		
Saturday 31 st December	Vessel operations cease at 1400	Road operations cease at 1400
Sunday 1 st January	Vessel operations starts at 0600	Subject to requirement
Monday 2 nd January	Normal vessel operations	



STAFF SPOTLIGHT

ARIEL WANG
ACCOUNTS OFFICER
TOMAX LOGISTICS SHANGHAI

What do you do at Tomax?

My role at Tomax is an Accounts Officer.

What are your hobbies/interests?

My hobbies include traveling, yoga and singing.

Next holiday destination?

My next destination will hopefully be Tibet, as I was unable to visit due to the pandemic.

Favourite song or singer?

I have many favourite songs! I have recently enjoyed listening to Taiwanese singer, Zhou Huajian's, "Forget Me Not".

Your proudest moment?

Whenever I overcome any difficulty!

Do you celebrate Christmas Day?

This year, due to the pandemic, Christmas will be celebrated at home on a small scale.



SPOT THE 5 DIFFERENCES

See if you can spot the 5 differences between the Christmas scenes!



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