



TOMAX  
NEWS

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PLUS:



# MARKET SUMMARY

- Shipping lines are attempting to make the General Rate Increase (GRI) that they advertised from 1st April 2023 on the China-Australia trade-lane stick, implementing rates for April vessels at around USD 300 per TEU higher than the current level. It is unclear as to whether they will be successful as cargo volumes do not support an increase and it is anticipated that lines will drop the GRI in the hope of filling their vessels over their competitors.

- Tomax has positions advertised for transport drivers in Brisbane and Sydney currently. If you know someone looking for a driving position please have them contact our HR team on [jobs@tomax.com.au](mailto:jobs@tomax.com.au)

- The Easter holiday period is coming up soon and deliveries will be impacted by the extra long weekend. Your Tomax account manager will be in touch with you regarding your cargo arrivals during this time to help mitigate and additional costs that may be incurred. If you have any queries please contact your account manager asap to discuss.

# 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. You can stay up to date with the weekly gazette via the Tomax Newsletter.

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# MAERSK'S LATEST EUROPE-CHINA AIR FREIGHT SERVICE

This week, Maersk launched their newest freight service connecting Denmark and China. Taking off on Monday 20th March, the inaugural flight on the Eurasia service will continue with three weekly flights between Billund and Hangzhou.

All Europe-China flights will be operated by Maersk Air Cargo, the company's air freight division which commenced in October 2022. The new service was launched to meet the increasing customer demand. Maersk Air Cargo recently added three newly converted Boeing 767-300 freighters to its fleet, which will support the new service.

Global head of air at A.P. Moller - Maersk, Michel Pozas Lucic, described the introduction of the new service as "a lead" in providing integrated logistics. He said, "We want to ensure that our customers have the visibility, reliability and resilience in their supply chains. In this, air freight with scheduled flights and controlled capacity represents a crucial part of our customers' end-to-end logistics needs."

The air freight corridor from Billund Airport is expected to significantly increase access for time sensitive and high value cargo between Scandinavia, Northern Europe and the whole Asia-Pacific. Additionally, the division's new air freight hub at Billund Airport will prevent congestion and delays which occur at larger airports.

Williams, A. (2023). MAERSK launches Europe-China air freight service. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/maersk-launches-europe-china-air-freight-service/> on 22nd March, 2023.



# WORLD CONTAINER INDEX (WCI) FALLS AGAIN

**P**ublished by Drewry, the world container index (WCI) decreased by 1% this past week, falling by 80% compared to the same period in 2022. The composite index for this week is US\$1790 per 40-foot container, which is now 83% below the peak of US\$10,377 reached in September 2021.

This week's WCI is 33% lower than the 10-year average of US\$2691, which indicates a return to more normal prices, however, remains 26% higher than the average 2019 (pre-pandemic) rates of US\$1420. The average composite index for the year-to-date is US\$1976 per 40-foot container, which is US\$715 lower than the 10-year average.

## **Below are rates updates as of this week:**

### **Rates on Shanghai – New York**

dropped by 2% or US\$45 to settle at US\$2662 per 40-foot box.

### **Rates on Rotterdam – Shanghai**

dropped by 2% to US\$687 per FEU.

### **Rates on Shanghai – Rotterdam**

dropped 1% or US\$1553 per 40-foot container

### **Rates on Shanghai – Genoa**

dropped 1% or US\$2256 per 40-foot container.

### **Rates on Los Angeles – Shanghai**

dropped 1% to US\$1070 per FEU.

### **Rates on Rotterdam – New York**

dropped 1% to US\$5326 per FEU.

### **Rates on Shanghai – Los Angeles**

are the same as the previous week's level.

### **Rates on New York – Rotterdam**

are the same as the previous week's level.

Drewry expects small week-on-week reductions in rates in the next few weeks.



# NETHERLANDS DEFECTIVE CARGO SHIP BANNED IN AUS

The Netherland-flagged general cargo ship, Flevogracht, has been banned for a 90 day period by the Australian Maritime Safety Authority (AMSA). Operated by the Spliethoff Group, the vessel was detained following the ship's rescue boat engine being discovered as defective. Prior to its detainment, two warning letters were issued to Spliethoff Group which outlined concerns over the ship's seaworthiness.

AMSA said in a statement, "this latest incident is part of a pattern of unacceptable performance from the operator, that poses a risk to the integrity of the ship, the safety of the crew, and the marine environment." In the past two years, five Spliethoff ships have been detained. AMSA explained, "three of these detentions were related to serious failures to effectively implement safety of navigation processes. All three of these detentions occurred in Queensland waters, around the Great Barrier Reef."

In early February, the master of Spliethoff ship copped a \$6000 fine for breaching mandatory pilotage laws after the ship illegally entered the Great Barrier Reef Marine Park without a marine pilot. Michael Drake, AMSA executive director of operations, said AMSA takes its responsibility as Australia's maritime regulator very seriously. He said, "the fact that Spliethoff ships continue to be detained is evidence of their ongoing and repeated lack of concern for safety and environmental protection."

The Great Barrier Reef is one of the world's great natural wonders, and we have an obligation to ensure that any ships entering its waters do so safely and in full compliance of the law. Ship operators should be on notice that AMSA will not hesitate to take action when we find unacceptable practices on board ships."

In response, Spliethoff released a statement indicating that they have been sailing to Australia for over 40 years and it is committed to ensuring that all its vessels visiting the country meet with all of the applicable requirements. The company stated, "we take the incidents that led to the ban of MV Flevogracht very seriously and have taken additional measures to ensure that our vessels meet the various international conventions and comply with the standards set for the safety of ships, safety and welfare of their seafarers and the protection of the marine environment. Having provided services of the highest industry standards for over a century, we are confident we can achieve the same level of safe operations in Australia as we achieve in the rest of the world with our fleet of over 110 vessels."

AMSA's ban of the general cargo vessel follows the ban of containership MSC Kymea II in late February, for 90 days for "substandard performance" and maintenance issues.

Ackerman, I. (2023). AMSA BANS NETHERLANDS-FLAGGED SHIP. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/amsa-bans-netherlands-flagged-ship/> on 22nd March, 2023.



# NEW LAWS FOR A GREENER FUTURE IN SHIPPING

Shipping, forwarding and environmental groups have welcomed the world's first law enforcing ships to utilise sustainable fuel. Following the agreement by the European Parliament and Council, the FuelEU Maritime law requires shipping to use green fuels from 2025 onwards. The legislation will be reviewed in 2028. The European Council said, "fuelEU Maritime will help decarbonise the maritime transport sector by setting maximum limits on the yearly greenhouse gas intensity of the energy used by a ship."

Moreover, the regulation will force containerships to use onshore power or a zero-emission substitute, while at a berth to protect local communities. Greenhouse gas reduction will see a 2% decline from 2025, with a 6% reduction by 2030, increasing to 14.5% in 2035, 31% in 2040, 62% from 2045 and 80% in 2050. FuelEU is the second component of the EU's plan to decarbonise maritime transport, following the agreement to add maritime to its Emissions Trading System last year.

Jim Corbett, World Shipping Council's environmental director in Europe, said, "I am pleased to see that the regulation will evaluate fuels on their GHG performance across their full lifecycle. The WSC worked with the parties for an effective, technology neutral regulation that will help drive the supply of alternative fuels and ensure real reductions in GHG emissions."

A freight forwarder representative added, "this is an important step towards the decarbonisation of shipping via the increased uptake of renewable and low-carbon fuels.

It will ensure that the shipping sector will deliver on climate targets and progressively ceases to be dependent on highly polluting heavy fuel oil. The agreement now gives some clear guidance to the maritime sector and to suppliers on the fuels that may be used."

Delphine Gozillon, Transport & Environment's (T&E) sustainable shipping officer, said, "the decision marks the beginning of the end of dirty fuels in shipping. The EU is charting the way with the most ambitious package of green shipping laws ever adopted. This success should inspire other countries to do the same."

However, T&E cautioned that there are limited options available for sustainable fuels for deep sea shipping and that "loopholes" in the legislation "risk letting biofuels and low-carbon fuels in the backdoor". The environmental campaign group has urged the EU to address these when revising the law in 2028. Furthermore, shippers voiced concerns that carbon charging by the lines could be introduced via the International Maritime Organisation before the lines pay those charges themselves. This legislation should somewhat alleviate such fears.

Although, not all those in the maritime sector were enthused. CEO of maritime Knut Ørbeck-Nilssen said, "new fuels and infrastructure will be late and in short supply. It's really important that we do what can be done now, rather than wait for some fantastic fuel in the future."

# FREMANTLE PORTS' SWITCH TO SOLAR POWER

Fremantle Ports' passenger terminal has recently installed a major solar array, supplying power to the Victoria Quay and port offices. The Western Australian government stated the solar array has the ability to supply 100% of Fremantle Passenger Terminal's power during cruise ship operations and 65% of the power at Fremantle Ports' administration building. The 500-kilowatt system includes over 1100 solar panels with installation costing \$950,000.

Ports minister, Rita Saffioti, advised the initiative contributes to Fremantle Ports' plan to reach net-zero scope 1 and 2 emissions by 2027 and to become a sustainable port and supply chain over the long-term.

Ms Saffioti said, "this is a great example of how community assets, like the Fremantle Passenger Terminal, can play a role in climate action. The passenger terminal is a very large building which made it ideal for installing 1100 solar panels, delivering one of the largest rooftop solar arrays in the metropolitan area. With this project, Fremantle Ports has demonstrated strong and sensible leadership at the local level in terms of cutting emissions."

The system is expected to generate about 836 megawatt-hours of electricity annually,

which equates to 2.5% of Fremantle Ports' direct usage. Additionally, it is expected to offset 15,000 tonnes of carbon dioxide over its predicted 25-year lifespan, the equivalent of planting 85,000 trees.

Reece Whitby, climate action minister, said, "it's exciting to see the Fremantle Passenger Terminal make the sustainable switch to solar and take action to combat climate change. Our government is investing significantly in renewable energy while supporting cutting-edge solutions to the climate crisis. Western Australia is embracing the solar revolution at a rapid rate and we will continue to focus on innovative ways to power our state."

To confirm there would be no increase in the glare index for nearby residents in Fremantle or for passengers on visiting ships, a glare analysis report was undertaken.

According to the government, the panels cannot be seen from the surrounding area, at ground level and the system is expandable to meet future needs if required.

Williams, A. (2023). MAJOR SOLAR SYSTEM INSTALLED AT FREMANTLE PORTS. Retrieved from <https://www.thedcn.com.au/news/environment/major-solar-system-installed-at-fremantle-ports/> on 24th March, 2023.



# STAFF SPOTLIGHT

## MEET KEN GAO

DOCUMENTATIONS OFFICER  
TOMAX LOGISTICS SHANGHAI

**What is your role at Tomax?**  
Documentations Officer.

**What are your hobbies and interests?**  
Playing Mahjong and travelling.

**Any goals you would like to achieve?**  
None at the moment.

**Your favourite destination to travel to?**  
Japan.

**The most delicious thing you've eaten?**  
My mum's cooking.

**Your proudest moment?**  
The birth of my daughter.





# FRIDAY FUNNIES

We hope these jokes brighten up your Friday!

What do you call malware on a Kindle?  
A bookworm.

What do you call a lazy kangaroo?  
A pouch potato.

Why did the can crusher quit his job?  
Because it was soda pressing.

Why is it sad that parallel lines have so much in common?  
Because they'll never meet.

What can you serve but not eat?  
A tennis ball.

What 3 letters hold a lot of data?  
USB

Which sport involves the most chewing?  
Gumball.

What do you call a baby with a drum?  
A baby boomer.

What kind of shoes do frogs wear?  
Open toed.

What button can't unbutton?  
Your belly button.

When do you stop at green and go at red?  
When you're eating a watermelon!

Why was the cat afraid of the tree?  
Because of its bark!

Why couldn't the shoes go out and play?  
They were all tied up.

How do you mend a broken jack o' lantern?  
With a pumpkin patch.

Which are the stronger days of the week?  
Saturday and Sunday, the rest are weekdays.

What moth is really huge?  
A mam-moth

Why couldn't the shoes go out and play?  
They were all tied up.



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