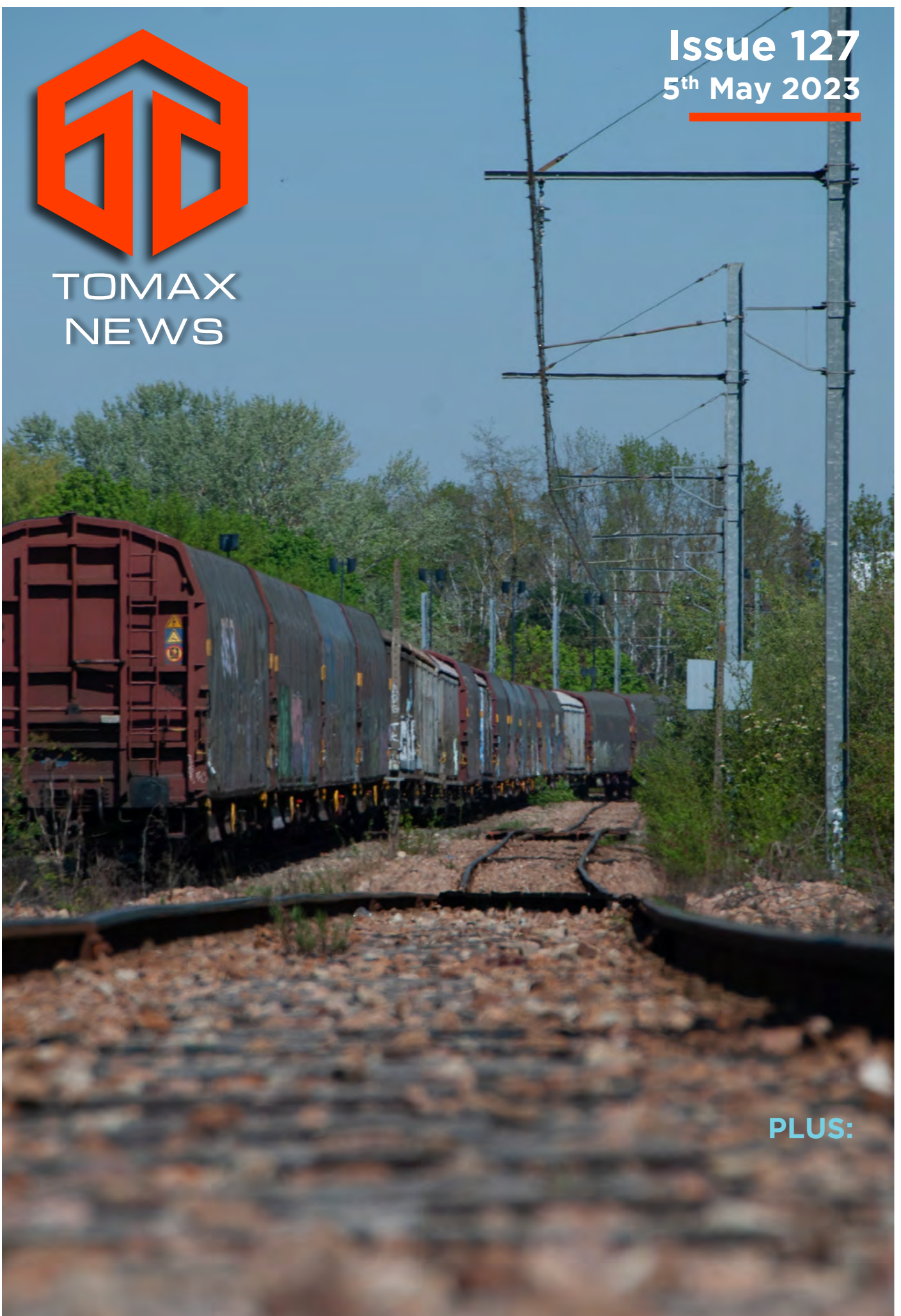




TOMAX
NEWS

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PLUS:

MARKET SUMMARY/ GRI NOTIFICATION

- Shipping lines servicing the North Asia to Australia trade-lane have announced a General Rate Increase (GRI) to be implemented from 22nd May 2023. Shipping lines are very keen to lift their rates from the current historic lows in order to move into a profitable position. Given the current market conditions and amount of space available on the market, Tomax expects that the GRI will not be able to be implemented to the extent advised, if at all.

Lines are advertising rate increases of USD 250 per 20' container, and USD 500 per 40' container. Whilst Tomax Group client container movements are actually up, the market in general is down and lines will be fighting amongst themselves for as much volume as they can, so rates are not expected to experience much movement over the coming months. The Tomax International team will keep you updated as always.

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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THE GLOBAL TRAFFIC JAM

Multiple challenges are impacting long-haul ro-ro schedules, leading to congestion and delays in handling cars in ports across Europe, China, South Africa, the US, and Australia. Ports in Europe, particularly Southampton, Koper, and Zeebrugge, are currently struggling with space issues due to driver shortages, resulting in difficulties in moving cars. Additionally, a lack of ro-ro vessel space is causing delays in exporting cars.

An Antwerp-Bruges spokesperson said, “the car terminals in the whole of Europe [are] experiencing congestion.” However, it insists that the port is not closed for new cars as “additional sites are already being made available to the automotive sector, and more sites are in accelerated development.”

The “bullwhip effect” has been identified as a key contributor to the congestion, according to the Port of Antwerp-Bruges. The pandemic resulted in production delays caused by a shortage of semiconductors, which increased significantly during the post-COVID recovery. However, the primary cause of congestion has been attributed to the trucking sector. A lack of drivers and a decline in the number of companies operating car-carrying vehicles have been major concerns in this regard.

According to a port spokesperson, driver shortages were getting worse every year as drivers retire from the profession, adding, “the war in Ukraine also made the shortage worse, as many drivers came from that country. And trucking cars is also not very popular among drivers.”

Both the UK’s Southampton port and the Slovenian port of Koper, located in the Adriatic, are encountering congestion issues, particularly with regards to exports.

Koper exports cars, farm equipment, and construction vehicles for Central and Eastern Europe, including Austria and Hungary. According to a car exporter, delays of up to 18 weeks are being witnessed for export vehicles at Southampton. In Australia, imports are being delayed by checks at ports for unwanted and invasive organisms, often up to three weeks. As a result of schedule delays, long-haul carriers are skipping ports to make up time, further worsening the situation.

One forwarder said it was sending cars in containers instead of waiting for delayed ro-ro services that have seen freight rates spiral due to congestion and shortage of space. “We can get two large cars into a 40ft box, while smaller cars, with a rack, we can fit four in,” said the forwarder, “with container rates comparatively low and the scheduling for liner shipping back to normal, the costs for containerising vehicles is on a par with ro-ro costs. Inland rates are higher for container movements and that’s what brings the costs up to a par.”

An increase in the production of cars in China has added to the congestion challenges. With congestion and rate increases occurring “due to a bigger demand for the vessels to handle the increase in production of cars in China,” said the Port of Antwerp-Bruges. Additionally, they highlighted the longer wait to enter a port and that more vessels need to be put in the rotation. “This shifts part of the shortsea fleet to the deep sea fleet. The shortage of short sea vessels then further limits the capacity of terminals in Europe to move cars from their terminals to their final destination,” explained the port spokesperson.

Savvides, N. (2023). Traffic jams worldwide playing havoc with car-carrying vessel schedules. Retrieved from <https://theloadstar.com/traffic-jams-worldwide-playing-havoc-with-car-carrying-vessel-schedules/> on 3rd May, 2023.



AUSTRALIA'S HISTORIC TRADE DEAL WITH THE U.K

Prime Minister Anthony Albanese has announced 31st May as the date of entry into force of the Australia-United Kingdom Free Trade Agreement (A-UKFTA), following the expected completion of UK domestic processes.

The gold-standard trade agreement will deliver unprecedented benefits to Australian businesses and create new well-paying jobs. With the entry into force of this comprehensive agreement, there will be no tariffs on over 99 per cent of Australian goods exports to the UK, opening up new export opportunities, including for the agriculture sector. This includes Australian exports of wine, short- and medium-grain rice, honey, nuts, and manufactured products such as auto parts, electrical equipment and cosmetic products.

For some agricultural products like beef, sheep meat, dairy and sugar, Australia will have access to expanding tariff quota volumes – within 10 years these tariff quotas will be eliminated completely. Savings of approximately \$200 million a year will be made as tariffs on imports from the UK are eliminated. After five years, all UK imports will enter Australia duty free, helping ease cost-of-living pressures for households and input costs for Australian business.

On services exports worth \$4.4 billion in 2021-22, the deal includes commitments on the movement of business people, making it easier to do business in the UK market.

The FTA also provides a framework for professional bodies to agree to streamline licensing processes to facilitate the movement of qualified professionals between Australia and the UK. This outcome will help address the skills shortage in Australia.

Within two years of entry into force, Australians will be able to apply for working holidays in the UK to the age of 35, up from 30, and stay for a maximum of three years instead of two. Digital trade rules under the A-UKFTA will provide greater certainty and facilitate trade for Australian businesses looking to grow their digital footprint in the UK.

The deal includes strong commitments on the environment, including climate change, and labour. The trade agreement will preserve the right of the Australian Government to regulate in the public interest, including for the environment, education, and health. Importantly, there is no Investor-State Dispute Settlement mechanism.

Prime Minister Albanese said, “this agreement will deliver significant benefits to Australian exporters, consumers, workers, and our economy more broadly...The Australia-UK FTA represents one of the most comprehensive, innovative and ambitious free trade agreements concluded by Australia to date and strengthens an already close relationship between Australia and the UK.”

The Minister for Trade and Tourism said, “our trade agreement with the UK will significantly reduce costs for exporters and assist Australian businesses seeking to diversify trade to a wider range of overseas markets...This agreement will underpin and deepen the already strong bilateral investment relationship with our second-largest source of foreign direct investment in Australia... This deal establishes procedures for artists, including First Nations peoples, to receive royalties when their artworks are resold in the UK.”

CLEAN ENERGY PRECINCT DESIGN UNVEILED

Concept designs for the first stage of the Clean Energy Precinct at Port of Newcastle have been unveiled. The port has set aside 220 hectares of land for the development of a hub that will produce, store, and export clean energy products and technologies, such as hydrogen and green ammonia. The federal government has pledged \$100 million in funding for the project, which was announced in the 2022-23 budget. The goal is to commence construction of stage one in 2025 and have the precinct up and running by 2028. Stage one will entail various ancillary and civil works, such as site buildings, offices, administration facilities, internal roads, car parks, warehousing, laydown areas, storage yards, staging areas, and a clean energy storage facility, along with pipeline infrastructure. Additionally, electrical infrastructure (such as grid connection, transmission infrastructure, substation, and switchyard) and water and wastewater infrastructure (including network connection and supply corridors) are part of the proposal for stage one.

Craig Carmody, Port of Newcastle CEO, advised that the port has worked for over two years to accelerate plans for domestic decarbonisation, hydrogen readiness and clean energy export. Mr Carmody said, “the Clean Energy Precinct is a cornerstone of our diversification strategy and bringing to life, visually, for the community how we are planning to regenerate one of Newcastle’s most iconic sites to support future generations marks a significant project milestone. This project positions us for the future, providing a once in a generation opportunity to reshape the Hunter region’s energy economy and drive the development of new trade flows and industries of the future. Through the Clean Energy Precinct, Port of Newcastle will support all hydrogen, and clean energy projects in the Hunter by providing land, utilities, storage, transport and export infrastructure and services.”

Simon Byrnes, Port of Newcastle chief commercial officer and project lead believes the new precinct would co-locate hydrogen producers, users and exporters in one location, while common-user shared infrastructure would reduce the cost of

hydrogen. “The establishment of Stage 1 of the Port’s Clean Energy Precinct would enable future production, storage, distribution and export of clean energy types for further development stages, including green hydrogen and green ammonia, using common user, shared infrastructure” he said, “the precinct will support a shared regional, state and national ambition towards decarbonisation, drive innovation, foster connections, accelerate technology to market and promote jobs growth. Fully constructed, the project would facilitate clean energy production, storage, transmission, domestic distribution and international export.”

Sharon Claydon, Federal member for Newcastle, said the government’s \$100-million commitment and investment in training and apprenticeships would assist the local workforce in taking advantage of energy jobs. She stated, “Newcastle and the Hunter have powered Australia for generations. Positioning Newcastle as a clean energy hub will ensure we continue to do so for generations to come.” Clean energy projects, supported via the new precinct, are expected to generate about 5800 jobs, new educational pathways and widespread economic growth.



Williams, A. (2023). PORT OF NEWCASTLE UNVEILS DESIGNS FOR CLEAN ENERGY PRECINCT. Retrieved from <https://www.thedcn.com.au/news/ports/port-of-newcastle-unveils-designs-for-clean-energy-precinct/> on 3rd May, 2023.



AUSTRALIA URGED TO TAKE ON NATIONAL ZERO EMISSION TRUCK STRATEGY

The freight and transport industry is urging the Australian government to establish and execute a National Zero Emission Truck Strategy. The Electric Vehicle Council, Australian Trucking Association, Heavy Vehicle Industry Association, and the Australian Hydrogen Council are working collaboratively to push for government support and direction that goes beyond light vehicles, which were the focus of the government's first National Electric Vehicle Strategy launched recently.

While the strategy and the commitment to a Fuel Efficiency Standard are significant steps forward for Australia, the freight and transport industry believes that the progress towards decarbonisation will be sluggish for trucks and logistics if the government's policy's scope is not broadened. The freight and logistics transport sector is accountable for 38% of Australia's transport emissions. Despite Australia's commitment to net-zero emissions, there is no plan to curtail emissions from road freight transport.

The Australian trucking industry is encountering several obstacles in adopting zero-emission trucks, including vehicle design regulations, a lack of electric truck recharging and hydrogen refuelling infrastructure, and significantly higher upfront costs that are temporary but noteworthy.

The Australian Government should:

- Develop a national zero emission truck strategy
- Sign the global memorandum of understanding on zero emission trucks, to set clear climate ambition for medium and heavy vehicles
- Fix the regulatory barriers (i.e. width and axle mass limits) to zero emission trucks, to increase vehicle model supply
- Increase investment in electric recharging and hydrogen refuelling infrastructure for trucks
- Implement a purchase price incentive for zero emission trucks
- Fund and implement an upskilling and reskilling plan to ensure the preparedness of the workforce to transition to a zero emission fleet.

IKEA Australia backs the industry call for the government to support the decarbonisation of the commercial logistics sector. Alexandra Kelly, Zero Emissions Delivery Lead, IKEA Australia said, "freight is a big part of Australia's decarbonisation journey with unique challenges. It's essential for this industry to have dedicated policy support that would enable retailers, vehicle manufacturers, transport service providers and owner-drivers to make the transition to zero emissions delivery. As the first home-furnishing retailer in Australia to use electric vehicles for deliveries with our transport service providers,

we are committed to achieving 100% zero emissions delivery by 2025. But we cannot do it alone. More is needed to build confidence in the sector that now is the time to electrify.”

Behyad Jafari, chief executive, Electric Vehicle Council said, “Australia relies on trucks to function, but right now those trucks need imported oil to keep moving. We don’t need to be this vulnerable because our truck fleet can run on renewable energy we make domestically. We just need to get the policy settings right. With the EV and the trucking industry agreeing on these principles, the government can act swiftly.”

Samuel Marks, Sustainability and Future Transport Manager, Australian Trucking Association added, “Australia has a legislated net zero emissions target but needs a strategy for zero emissions trucks. We need to move from one-off pilot projects to a strategy that enables all trucking operators to plan with certainty for low and zero emissions transport. Financial incentives in the United States mean that cost parity for urban electric trucks is already approaching cost parity with diesel trucks, and Australia now risks falling behind.

Stronger action now to incentivise and enable trucking operators to deploy zero emission trucks will enable industry to reduce carbon emissions whilst continuing to drive a growing economy.”

Fiona Simon, chief executive, Australian Hydrogen Council stated, “decarbonisation of Australia’s transport sector is becoming increasingly urgent. Heavy vehicles in particular require clear policy and strong enablers to propel transition. There is a cost of not acting. Heavy vehicle transition is already naturally delayed, compounded by the timeframe they remain on the road and regulatory barriers. It is with absolute urgency that a comprehensive low emissions trucks strategy be developed.”

Mirage News. (2023). Australia Requires National Zero Emission Truck Strategy for Net Zero Emissions. Retrieved from <https://www.miragenews.com/australia-requires-national-zero-emission-truck-999112/> on 5th May, 2023.



THREE MISSING FROM BURNING TANKER OFF MALAYSIA

A 26-year-old tanker named Pablo has caught fire off the coast of Malaysia, with three crew members currently unaccounted for. The Malaysian maritime authorities have rescued 25 crew members from the vessel, which was travelling from China to Singapore to load crude oil. The vessel was not carrying any cargo and there have been no reports of an oil spill.

The Malaysian Maritime Enforcement Agency has stated that the missing crew members, two Indian nationals and a Ukrainian, may still be on board the 232-metre-long tanker, which has a cargo capacity of 96,773 DWT tonnes and is registered in Gabon.

According to sources, six days before the incident, the tanker changed flags, indicating its possible involvement in the transport of illicit and sanctioned oil within the “shadow fleet.”

Ackerman, I. (2023). TANKER OFF MALAYSIA BURNS, SEVERAL CREW MEMBERS MISSING. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/tanker-off-malaysia-burns-several-crewmembers-missing/> on 3rd May, 2023.



STAFF SPOTLIGHT

LUKE M^cMILLAN

COURIER DRIVER

TOMAX TRANSPORT QLD



What do you do at Tomax?

I do interstate driving from Queensland to Sydney.

What are your hobbies/interests?

I love jetskiing and going to the gym.

What is something you are looking forward to?

I always look forward to being with my friends and family.

Name one thing you can't live without?

My phone.

Favourite place to go?

I love Bali and always go once or twice per year!

Something you don't like the taste of?

Dairy.

What is your favourite season?

Summer time!



QUICK RIDDLES

See if you can solve these quick riddles?!

- 1) The more you take away, the bigger I become. What am I?
- 2) I speak without a mouth and hear without ears. I have no body, but I come alive with wind. What am I?
- 3) What has a neck but no head, two arms but no hands?
- 4) What is always in front of you but can't be seen?
- 5) I am not alive, but I can die if I'm not fed. What am I?
- 6) The more you have of me, the less you see. What am I?
- 7) What has to be broken before you can use it?
- 8) What has a thumb and four fingers but is not a hand?
- 9) What has one eye but cannot see?
- 10) What has a neck but no head, and wears a cap but has no hair?
- 11) I can be cracked, made, told, and played. What am I?
- 12) What can be broken, but is never held or touched?
- 13) What is black when it's clean and white when it's dirty?
- 14) What has many keys but can't open any locks?



Answers: 1) Hole, 2) Echo, 3) Shirt, 4) The future,
5) Battery, 6) Darkness, 7) Egg, 8) Glove, 9) Needle,
10) Bottle, 11) Joke, 12) A record, 13) Chalkboard, 14) Keyboard



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