



TOMAX
NEWS

Issue 128
12th May 2023

PLUS:





MARKET SUMMARY

- Container terminal and empty container park operators are steadily increasing their charges to nothing short of ridiculous levels. The time slot fees for returning an empty container in NSW are expected to hit \$180 over the coming month. Port infrastructure and time slot booking fees for full container collection also continue to rise. Despite some extremely hard work from industry advocate associations working on behalf of importers and freight forwarders, the operators are not seeing any pressure brought to bear on them by industry regulators and government bodies.
- Shipping lines have announced a general rate increase for cargo on the southbound China-Australia trade-lane to be implemented from 22nd May 2023. Lines have already begun blanking their schedules prior to the 22nd in order to build up some backlogs to support the increase. It is expected that the increase will not hold but there may be some very short term increases in the rates put forward by lines. We will continue to work hard on behalf of our clients to push the rates down and reduce the impact of any attempted GRIs by the lines.

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.

[CLICK TO VIEW LATEST GAZETTE](#)

GEARLESS VESSEL DELAYS AT CHITTAGONG PORT

The Chittagong Port is experiencing delays of three to four days for gearless container feeder vessels, which has led to increased costs for operators due to what they claim is a “discriminatory” policy by the port authority. These 45 vessels, operate between Chittagong Port and transshipment ports in Colombo, Singapore, Port Klang, and Tanjung Pelepas to transport containers to and from mother vessels.

According to shipowners, the Chittagong Port Authority (CPA) is prioritising berthing for flag-carrier vessels and those that sail directly to Europe from the port, leaving gearless vessels with only four jetties to use out of the seven available. With growing imports, operators claim that this is not enough, and the resulting delays are costing them between \$10,000 and \$15,000 per day.

An agent of Yang Ming, has reported the severe delays, highlighting how they are affecting production activities and export

earning. Stakeholders have also raised concerns about the implications of the new Bangladesh Flag Rules, which have caused problems, including a reduction in competition for shipping services to and from Bangladesh, delays, congestion, and other operational disruptions.

Syed Mohammad Arif, chairman of the Bangladesh Shipping Agents Association, has sought an immediate solution to the problem and raised the issue with the port authority. The World Shipping Council (WSC) has expressed severe concerns over the consequences of these disruptions, stating that they have a substantial negative impact on Bangladesh importers and exporters, ultimately affecting the national economy, which relies heavily on foreign trade.

Bangladesh correspondent. (2023). Gearless vessels having to wait four days to berth at Chittagong. Retrieved from <https://theloadstar.com/gearless-vessels-having-to-wait-four-days-to-berth-at-chittagong/> on 11th May, 2023.



LOGIXBOARD'S NEW SAVED VIEWS FEATURE

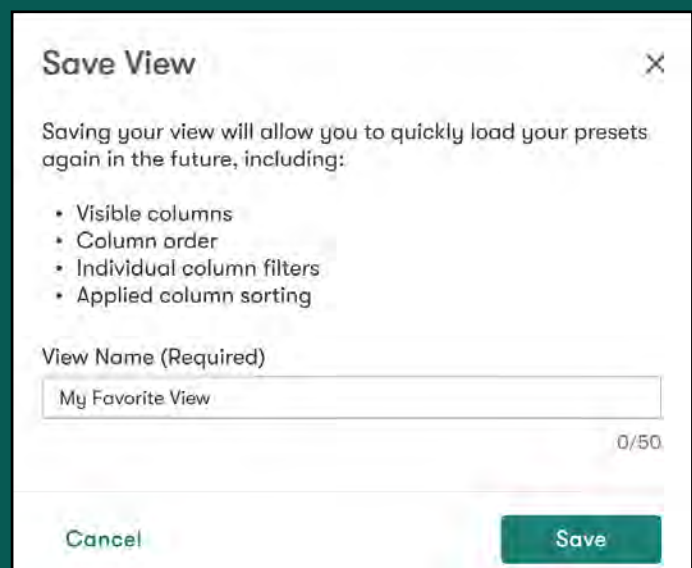
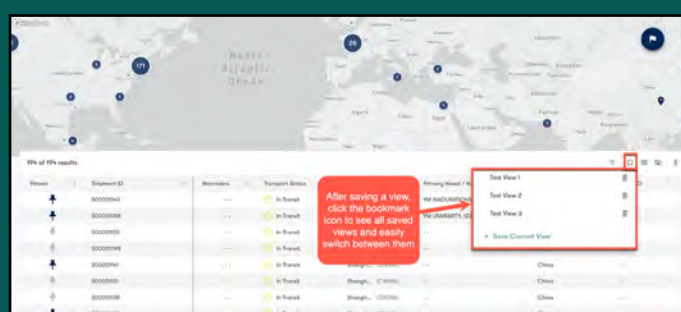
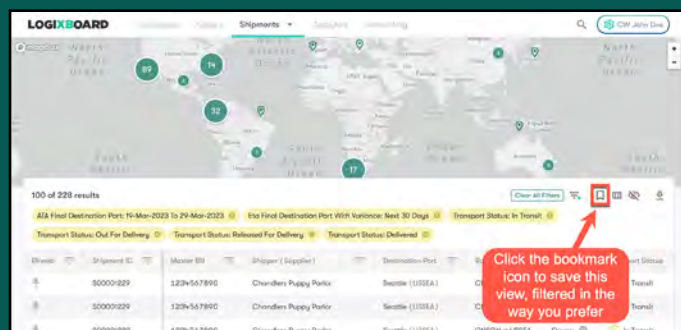
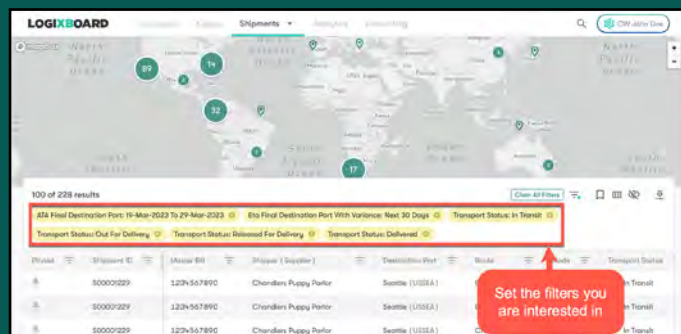
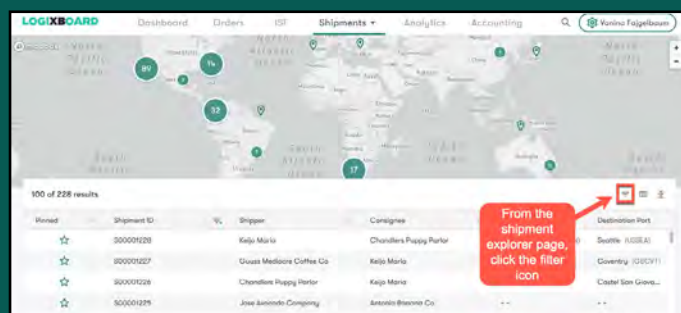
Logixboard has added a new feature called “Saved Views For Shipment Explorer” which will allow saved views on the shipment explorer page, enabling users to easily swap between filters to help segment their work based on preference. This will eliminate the repetitive task of having to set filters from scratch each time, and increase the speed and efficiency of finding the shipments that are of interest.

Saving a view will allow users to load the following presets again:

- Visible Columns
- Column Order
- Individual Column Filters
- Applied Column Sorting

Click on the link below for a User Guide on Saved Views.

VIEW SAVED VIEWS USER GUIDE



Frequently Asked Questions

Is it possible to save more than one view of the filtered table?

Yes, you are not limited on the number of views you can create.

Is it possible to select which view of the filtered table I want to use?

Yes, it is possible to select from a list of saved views.

Does Saved Views store the state of the Archived Status Filter?

No. A user can create the saved view and then can enable/disable the relevant shipments filter.

Can I rename the view of the filtered table?

No but you can delete and save again with new name.

MEGA PROFITS KEEP CARRIERS AFLOAT DURING LOW DEMAND

During the Taipei Shipowners' Association AGM, Cheng Cheng-mont, the chairman of both Yang Ming and the association, commented on the global economic uncertainty that may prevent a recovery in cargo volumes within the first half of this year. He stated that the market had originally estimated a Q2 23 global economic improvement, but now, we should look forward to Q3 due to the high level of uncertainty. Cheng pointed out that the US economy performed poorly in Q1, Germany's economic growth declined slightly, and China's 4.5% growth was due to a low base last year. While freight rates have returned to pre-Covid-19 levels, operating costs are higher than before the pandemic.

Alphaliner's forecast of supply and demand growth in the shipping market suggests that this year's supply will grow 8.2%, and demand will grow by 1.4%. Next year, supply is expected to grow 8.9%, and demand is expected to grow by 2.2%.

Mr Cheng noted that shipping lines are currently cash-rich after the unprecedented container shipping boom of 2020-2021, so they do not need to worry about the current downcycle.

Concerning overcapacity, container lines face a long-term battle of resistance and need to adjust their capacity appropriately while effectively allocating resources. Although there is more shipping capacity than last year, demand has also deteriorated.

EU's carbon tax in 2024 where shipping companies have to comply with environmental protection trends was also noted. When asked if Yang Ming would follow Evergreen's reported move to build methanol dual-fuel ships, he said the main consideration was a stable methanol supply chain.

Li, Martina. (2023). Mega-profits will help carriers ride the wave of demand downturn. Retrieved from <https://theloadstar.com/mega-profits-will-help-carriers-ride-the-wave-of-demand-downturn/> on 10th May, 2023.



CONTAINER CLEANLINESS: THE NEXT SUPPLY CHAIN DISRUPTOR

The cleanliness of shipping containers and the risk of hitchhiker pests are long-standing issues in the container logistics industry. While some countries have implemented strict biosecurity measures, many others have not. Now, it seems that more countries are willing to adopt stricter guidelines that could have significant impacts on the flow of the approximately 17 million sea containers shipped across the globe.

The International Plant Protection Convention (IPPC), an intergovernmental treaty signed by over 180 countries, aims to protect the world's plant resources from the introduction and spread of pests and to promote safe trade. Australia, which has one of the world's strictest biosecurity regulations, is a member of the IPPC. To implement the IPPC standards, the Commission on Phytosanitary Measures (CPM) was established. The CPM focus group on sea containers has recently produced a report with recommendations that could revolutionise the way containers are handled. These recommendations will be implemented in 2024.

One of the draft recommendations is the concept of "custodial responsibility," whereby stakeholders in the container supply chain are responsible for the cleanliness of the containers at each interchange point. Another recommendation is the use of "verified pest prevention declarations," which would require exporters or their forwarding agents to present a signed declaration to the transport operator that a container was pest-free at the time of shipment. To minimise visible pest contamination, the internationally developed Code of Practice for Packing of Cargo Transport Units would be used as a guide.

However, what constitutes a "clean" container is still up for debate. Some hitchhiker pests are easy to detect, while others such as the khapra beetle are more difficult to spot, sometimes hiding undetected in cracks and under the floors of sea containers. Assessing the risk of infestation for each import container would be a challenging task.

The issue for all stakeholders in the container logistics chain is how to cope with potential new regulations without delaying the flow

of containers or adding additional costs. Delays due to unclear cleanliness status can create bottlenecks at each interchange point. Moreover, there is an issue of occupational health and safety as climbing on top of containers or crawling under them to assess cleanliness can be hazardous. There is hope that new technologies could help detect any infestations.

In July, the IPPC will hold an international workshop on sea containers in Brisbane. Industry stakeholders, such as container owners, shipping lines, container manufacturers, freight forwarders, port authorities, marine terminal operators, shippers, importers, exporters, and biosecurity experts from around the world, will discuss how best to implement the recommendations of the CPM focus group on sea containers. DAFF and several Australian industry associations will play a leading role in the workshop. The aim is to find solutions that minimise the threat of infestations while ensuring efficient container movement at each interchange point. A consensus must be reached between biosecurity experts and those involved in the container logistics chain.

Ultimately, container cleanliness and hitchhiker pests are emerging supply-chain disruptors that need to be addressed by the container logistics industry. The potential impact of new regulations on the flow of containers and occupational health and safety requires careful consideration by all stakeholders. Finding solutions that balance biosecurity concerns and efficient container movement is crucial for the smooth functioning of the container logistics chain.

Duyn, P. (2023). OPINION: CONTAINER CLEANLINESS MAY BE THE NEXT SUPPLY-CHAIN DISRUPTOR. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/opinion-container-cleanliness-may-be-the-next-supply-chain-disruptor/> on 11th May, 2023.



MORE FUNDING TO STRENGTHEN AUSTRALIA'S BIOSECURITY

The Australian government has announced an increase in funding of over \$1 billion over four years to strengthen Australia's biosecurity system in the 2023-24 federal budget. The lion's share of this increase is \$845 million over four years, which will be used to maintain biosecurity policy, operational and technical functions, with the cost being partially met through the introduction of cost recovery arrangements for the clearance of low value imported cargo. These arrangements are expected to raise \$81.3 million over three years from 2024-25.

In addition, the government has allocated \$145.2 million over three years from 2023-24 for modern digital systems in cargo pathways that are integrated with business systems, cut red tape, and streamline regulation and service delivery for importers. Furthermore, there is \$40.6 million over four years from 2023-24 for the Indigenous Ranger biosecurity Program in Northern Australia.

To fund the additional biosecurity measures, the government has introduced a biosecurity protection levy on agricultural producers, which will enter into force from 1 July 2024, and is set at a rate equivalent to 10% of the 2020-21 industry-led agricultural levies. This levy is expected to increase revenues by \$153 million over three years. In the budget papers, the government stated that the

levy recognizes the benefits that primary producers derive from Australia's biosecurity system, including detection, identification, and response associated with invasive pests and diseases, maximising trade opportunities, and enhancing access to premium overseas markets.

While the National Farmers' Federation welcomed the government's commitment to increase baseline Commonwealth funding into the budget, it criticised the levy on farmers, which it described as a bitter pill to swallow. The Invasive Species Council also welcomed the biosecurity measures in the budget but said they do not go far enough, and that an effective levy on sea and air containers and other risk-creating sectors is vital if biosecurity funding is to keep pace with growing volumes of trade.

Finally, the budget allocated \$600,000 to develop a Maritime Emissions Reduction National Plan to facilitate the energy transition for the domestic maritime sector. Ports Australia suggested more funding would be required to see the emissions reduction project through.

Ackerman, I. (2023). THE BIOSECURITY BUDGET. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/the-biosecurity-budget/> on 11th May, 2023.



LNG FUEL RECEIVES BACKLASH

Forty lawmakers in the US have signed a letter to Brenda Mallory, chair of the Council on Environmental Quality (CEQ), expressing concerns about the expansion of liquefied methane gas (LNG) infrastructure. The letter highlights the impact of LNG projects on the environment, stating that the ability to combat the worst effects of climate change is dependent on whether the US approves proposed LNG pipeline and export terminal projects on top of the already-substantial LNG infrastructure. The letter was signed by senators Jeff Merkley, Jared Huffman, Raul Grijalva, and Nanette Barragán, who led a coalition of over 40 Democrats.

A campaign against LNG bunkering at the port of Long Beach by Pacific Environment has gained over 1,300 signatures, with a new anti-methane advocacy group called “Say No To LNG” formed last month. Members of the European Parliament also recently resolved to attack the issue of methane emissions from the oil, gas, coal, and petrochemical sectors, with a new law banning venting and flaring methane and requiring operators to submit a methane leak detection and repair program to national authorities within six months of the regulation’s entry into force. Crucially, the law will apply to imported methane as well, meaning the standards will have to be similarly enforced outside the EU.

Jutta Paulus, rapporteur and member of Germany’s Group of the Greens/European

Free Alliance, said, “In the energy sector, three-quarters of methane emissions can be avoided by simple measures and without large investments...As Europe imports more than 80% of the fossil fuels it burns, it is essential to expand the scope of these rules to energy imports.”

Steve Esau, COO of advocacy group Sea-LNG, which recently welcomed a tenth fossil fuel company, Énestas, to its board’s line-up, said, “from 2024 the EU ETS will include CO2 emissions only, while the EU MRV will be extended to include reporting of methane and nitrous oxide (N2O). From 2026 the EU ETS will include these two GHGs.”

Advocates of LNG assert that LNG plays an important role as a bridging fuel, stating that the maritime industry has demonstrated it is possible to reduce CO2 emissions by burning LNG instead of liquid fossil fuels. However, the issue of methane slip - the unburned proportion of the LNG emitted from the funnel - remains a concern. Thanks to a great deal of research and development, many ship engines now exude little unburned methane. However, due to its proportionate GHG potency, even a small amount of methane slip is enough to mitigate any CO2 emissions reduction.

Badger, D. (2023). US and EU lawmakers join growing backlash against LNG. Retrieved from <https://theloadstar.com/us-and-eu-lawmakers-join-growing-backlash-against-lng/> on 10th May, 2023.



STAFF SPOTLIGHT

KRIS COOPER COURIER DRIVER TOMAX TRANSPORT QLD

What do you do at Tomax?

I am a Courier Driver.

How do you spend your free time?

I enjoy relaxing!

Do you follow any sports?

Which are your favourite teams?

I follow the NHL, NBA, NRL and the Cricket. My teams are the Penrith Panthers, New York Rangers and New York Knicks.

What is something that always makes you smile?

Whenever I watch something funny!

Describe yourself in three words?

Quiet and likes to laugh!



A movie you can keep watching on repeat?

“Step Brothers”

If flights were free, where would you go?

New York.



WORD SEARCH

See if you can find the words below! You can play this puzzle online by clicking [HERE](https://thewordsearch.com/puzzle/5591945/tomax-word-search/) or pasting the URL in your browser:

<https://thewordsearch.com/puzzle/5591945/tomax-word-search/>

C	U	C	E	E	G	A	R	R	U	M	E	D	R
A	D	E	T	E	N	T	I	O	N	A	D	N	T
A	L	C	R	C	A	R	R	I	E	R	O	S	N
I	A	N	W	H	A	R	F	O	R	I	A	M	E
S	B	A	T	A	R	I	F	F	T	W	E	R	M
E	O	R	F	I	A	N	I	A	H	S	I	E	N
P	L	A	P	R	N	T	G	C	Y	H	T	T	G
C	G	E	N	R	T	I	R	T	N	T	C	O	I
N	N	L	I	T	M	E	U	U	T	O	M	C	S
T	R	C	T	U	A	D	R	A	C	U	R	N	N
L	E	U	F	O	I	B	T	C	H	K	I	I	O
G	M	M	A	R	I	T	I	M	E	N	I	E	C
L	T	G	Q	Q	U	A	R	A	N	T	I	N	E
T	R	A	N	S	H	I	P	M	E	N	T	O	G

BIOFUEL

CARRIER

CLEARANCE

CONSIGNMENT

DEMURRAGE

DETENTION

DUTY

FUMIGATION

GLOBAL

INCOTERMS

MARITIME

QUANRATINE

TARIFF

TRANSHIPMENT

TRUCKING

WHARF



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

