



TOMAX
NEWS

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ALSO INCLUDED



LATEST NEWS

FUTURE GLIMPSE INTO AUTONOMOUS SHIPPING

E5 Lab, provider of ocean shipping solutions, has successfully completed a large-scale proof of concept testing on the ROBOSHIP Joint Value Creation Project in Toyosu, Tokyo's waters.

"What future can we create for ships and the sea?" was the theme for the project and involves 22 corporations across multiple industries, a ship classification society plus an e5 lab.

The test was reliant on cutting edge speed offshore communication technology to conduct remote controlled operation of unmanned vessels just off metropolitan Tokyo.

A promotional film was produced to show the future and possibilities of unmanned vessels, lead by the ROBOSHIP joint development project members. This can be viewed here.

"The video was created with passion and in the hope that it will serve as a catalyst to bring encouragement and energy to the Japanese ocean shipping and maritime industries," e5 Lab states.

Alongside industry-leading joint value creation partners, e5 Lab envisions future concepts for the ocean shipping and maritime industries, innovations in electric powered vessels and offshore energy.



Concept illustration of e5 Lab's ROBOSHIP



Concept illustration of e5 Lab's ROBOSHIP

Reference: Wallace, P. (2020). AUTONOMOUS SHIPPING PROGRESS REPORTED. Retrieved from https://www.thedcn.com.au/e5-lab-and-partners-succeed-in-autonomous-shipping/?utm_source=DCN+Daily+Newswire&utm_campaign=fb170ca60c-EMAIL_CAMPAIGN_11_30_2020_COPY_540&utm_medium=email&utm_term=0_505d67c448-fb170ca60c-143548541 on 7th December, 2020.



MANUFACTURING SHIFT CAUSES RISE IN CONGESTION IN VIETNAM

The manufacturing transition from China to Vietnam is turning up a notch and as a result, causing pressure on the country's container supply chains.

In 2020, Vietnam is on track to becoming one of the fastest growing economies in the world, with a forecasted growth of 2.4% GDP by the IMF. Meanwhile, other countries have debilitated into a lockdown-induced recession due to the Covid-19 outbreak.

Singapore and Malaysia's grim economic outlook, will see Vietnam rise to the occasion, overtaking the pair and becoming the fourth largest Asean economy.

The rise is stimulated by manufacturing increase, with exports up by 11% in the third quarter to \$80 billion.

Vietnamese media is buzzing with reports of leading tech giants, Apple and Samsung, relocating larger chunks of their assembly lines into the country. The lines extend beyond just smartphones and includes higher value goods such as laptop computers.

In the interim, the global capacity crunch in conjunction with equipment shortage, is putting pressure on Vietnam's major

container gateway, Ho Chi Minh City's Cat Lai port. Already notorious for congestion, the inner river city terminal is now facing extra exacerbated waiting times because of the current market conditions. One local Vietnamese forwarder, believes the container yard space to be at "120% capacity" causing vessels to be in a 2-3 day waiting limbo for a berth.

The fast-growing deepwater port at Cai Mep-Thi Vai is waiting 50km in the distance, however the APM Terminals-operated Cai Mep International Terminal (CMIT) saw the 20,000 TEU Margrethe Maersk call in October.

The facility has had ultra-large container ships call in the past - temporarily - but current demand trends could now see the vessel-upsizing here to stay. For example, CMA CGM is due to open Cai Mep's newest terminal next year, partnering with local player Gemadept.

Reference: Whelan, S. (2020). China-Vietnam sourcing shift enters phase two, bringing more box congestion. Retrieved from <https://theloadstar.com/china-vietnam-sourcing-shift-enters-phase-two-bringing-mounting-box-congestion/#:~:text=News%20%2F%20China%2DVietnam%20sourcing%20shift,two%2C%20bringing%20more%20box%20congestion&text=The%20manufacturing%20shift%20from%20China,the%20country's%20container%20supply%20chains.&text=Manufacturing%20continues%20to%20drive%20the,third%20quarter%20to%20%2480bn> on 10th December, 2020.



HUGE CONTAINER LOSS IN THE PACIFIC

A container ship is reported to have lost an estimated 1900 containers which fell overboard during a voyage from Yantian, China to Long Beach in the US.

The ship, ONE Apus, is a 14 000TEU Japanese-flagged vessel which was hit with wild weather north west of Hawaii. There has been no mention of any crew injuries so far.

Owners, Chidori Ship Holding LLC, and managers, NYK Ship management, released a statement on the 3rd December confirming that the ship was now sailing to Kobe, Japan and is expected to arrive on the 8th December.

The joint statement read, “the priority remains on getting the vessel and crew safely to port. Once berthed, it is expected to take some time to offload the dislodged containers that remain on board. Then a thorough assessment will be made on the exact number and type of containers that have been lost or damaged. Whilst it remains unsafe for the crew to conduct close-quarter inspections of the impacted container bays at sea, it is estimated that the number of lost or damaged units could exceed 1,900, of which some 40 are believed to be dangerous goods containers. Once the ONE Apus is in port

and deemed safe, a full investigation will be conducted into this incident in conjunction with the flag state and the relevant maritime authorities.”



Photo of ONE Apus, shared by a crew member onboard.

Reference: Sexton, D. (2020). LARGE CONTAINER LOSS REPORTED IN THE PACIFIC. Retrieved from https://www.thedcn.com.au/large-container-loss-reported-in-the-pacific/?utm_source=DCN+Daily+Newswire&utm_campaign=fb170ca60c-EMAIL_CAMPAIGN_11_30_2020_COPY_540&utm_medium=email&utm_term=0_505d67c448-fb170ca60c-143548541on 7th December, 2020.

AUSTRALIAN TRUSTED TRADER BENEFITS UPDATE 2020

AUSTRALIAN
TRUSTED
TRADER



New benefits were recently announced for Australian Trusted Traders:

Expansion of ATT Origin Waiver benefit

The expansion of the Origin Waiver benefit for Australian Trusted Traders has been expanded to four additional trade agreements.

- Indonesia-Australia FTA (IA-CEPA)
- Australia-Hong Kong FTA (AHKFTA)
- Peru-Australia FTA (PAFTA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

Further expansion of ATT Origin Waiver benefit to the Pacific Agreement on Closer Economic Relations (PACER) Plus

As of 13 December 2020, Pacer Plus will enter into force for Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands and Tonga. PACER Plus will enter into force for Nauru, Tuvalu and Vanuatu 60 days after they complete their respective ratification processes.

Periodic Payments benefit

The announced measure will enable eligible Australian Trusted Traders to pay ABF-collected import related fees and charges on a monthly basis (on the 21st

day of the month following the month in which the goods are imported), rather than transactionally. The measure is expected to become available by mid-2021.

The benefit will initially be available to eligible Trusted Traders who defer payment of GST through the GST deferral scheme. It will allow deferred payment of: Import Processing Charge (IPC), Wine Equalisation Tax (WET), Luxury Car Tax (LCT), Agriculture Processing Charge, and the Wood Levy.

The Periodic Payment benefit extends the existing ability for Trusted Traders to defer payment of customs duty, including anti-dumping duty, which was introduced to the program in 2018.

The ATT Origin Waiver benefit waives the requirement for Certificates or Declarations of Origin for Trusted Traders importing originating goods under the trade agreements covered by the benefit.

Trusted Trader importers will still need to keep evidence (for at least five years from the day of importation) that imported goods comply with the relevant rules of origin.

Any queries please call or email Paul on 1300 186 629 or paul@tomax.com.au



EMPTY CONTAINER MANAGEMENT CHALLENGES

Empty Container Park Gate Capacity and Opening Times

While the situation differs in each port, the ability of Empty Container Parks (ECPs) to handle sufficient volumes of truck traffic through their gates can be constrained, especially during peak dayshift hours. Thankfully, in general, ECP operating hours have increased when compared to a decade ago, with some standout examples such as ACFS e-Depots operating 24/5 Monday to Friday, and varying operating hours on a Saturday depending on the port. Unfortunately, there are some ECPs which have reduced their operating hours due to declining volumes, reverting to day shift only operations Monday to Friday to reduce their own operating costs, or have shut their doors. Capacity constraints are being felt most in Sydney with recent ECP closures and lethargic truck processing times in some depots, leading to excessive truck queuing delays. In some cases, the gate capacity of the ECP is not sufficient to handle the volume of containers being directed to the facilities by shipping lines. Shipping lines aren't concerned about potential transport delays in their commercial decisions to direct empty containers to one ECP over another, or to demand that the container be de-hired direct to the wharf for repatriation interstate or overseas. Rather, shipping lines take account of competitive costs and optimal empty

positioning to suit their own needs. Truck queuing at ECPs can be made worse when trucks arrive without a valid notification or arrive well outside of their notification window. It's understandable that transport operators want to deal with the empty de-hire as soon as practical once picked up from the customer, without the need for added handling and delays. However, due to current ECP capacities, it's less likely that a suitable truck notification slot will be available immediately to suit the transport operator's needs, especially during day shift.

Empty Container Staging a Significant Cost Multiplier

ECP gate capacity constraints, the mismatch of operating hours, and other scheduling factors, mean that container transport operators are having to stage more and more empty containers through their transport yards, incurring significant additional handling and administrative costs. It is a conservative estimate that the additional costs borne by transport operators are between \$90 to \$200 per container depending on the level of delay and additional handling. It is not unrealistic in these circumstances for container transport operators to seek to recover additional empty container handling costs from their customers. The unfortunate consequence though is added costs in container import and export logistics chains.

Empty Container Redirections – Lack of Electronic Data

A significant contributor to the higher costs of empty container management, particularly in Sydney, are the number of empty container “re-directions” ordered by the shipping lines and ECPs with little notice. Port Botany is Australia’s empty container “Re-Direction Capital”, with between 30 to 50 re-direction notices current every day, equating to hundreds of re-directions per month. By contrast, this is more than double the number of re-directions in Melbourne. These re-directions are occurring to solely suit the shipping lines who want the empty containers sent to a specific location for their next use, including to meet regional rail export empty demands or for empty repatriation, rather than the shipping line being responsible for the costs of repositioning the empty at a later date.

That’s all well and good, but the lack of sufficient notice penalises others in the container logistics chain through higher import empty container handling and transport costs. To make matters worse, the lack of sufficient operational notice of the redirections means that trucks with a valid ECP arrival notification, based on the original de-hire location specified by the shipping line, are being turned away because a re-direction has been put in place last minute. This results in futile truck trips, added truck kilometres travelled, more “one-way” under utilisation of trucks, the need to constantly rearrange empty containers stacked in transport yards, and de-hire time delays. The lack of sufficient notice of redirections, and the practice of not honouring original legitimate truck bookings at ECPs, is unacceptable to container transport

operators. CTAA has called on all shipping lines and their ECP providers to give at least 24 hours’ notice of any empty container redirections, as well as a clear end-date for the re-direction. Also, several larger shipping lines are notorious for not providing their ECP providers and the wider landside logistics chain with electronic data on empty container de-hire destinations. Among other concerns, this has heldback the landside logistics sector from truly implementing “paperless” truck processing, and improving truck turnaround times at ECPs. In the frequent circumstances where shipping lines have not provided the electronic data, fleet allocators must process container de-hire information manually, truck drivers must be supplied with paper or electronic versions of the DO, and ECP gate staff must process trucks and drivers manually. All of these issues lead to delays and added costs. In the 21st Century, it is unacceptable that the container logistics chain is “held back” because of this lack of information visibility. Foreign shipping lines should be compelled by government regulation to provide this simple electronic information 100% of the time if they want to service container trades to and from Australia. Container Transport Alliance Australia (CTAA), in concert with peak bodies such as FTA and APSA, continues to seek improvements in these empty container management issues. We are encouraging governments, port operators, technology providers, and industry participants to take more focused, collective actions to address these concerns, so that we can improve the productivity and efficiency of Australia’s empty container management practices.

By Neil Chambers, Director of CTAA



PACIFIC AGREEMENT FOR CLOSER ECONOMIC RELATIONS PLUS ENTERS INTO FORCE

The Pacific Agreement for Closer Economic Relations (PACER) Plus enters into force on the 13th December 2020.

This agreement provides preferential tariff treatment between Australia, New Zealand and eight Pacific Island countries – Cook Islands, Kiribati, Nauru, Niue, Samoa, Solomon Islands, Tonga and Tuvalu. (Vanuatu is also a signatory to the Agreement but does not appear to have ratified it yet.)

The Australian Border Force (ABF) has published a Guide (<https://www.abf.gov.au/importing-exporting-and-manufacturing/free-trade-agreements/pacer-plus>) which explains how to determine whether goods that are imported to Australia are eligible for preferential rates of customs duty under

PACER Plus in accordance with the Customs Act 1901 and the PACER Plus rules of origin.

Additionally, the ABF PACER Plus website includes links to ACNs relevant to PACER Plus. Such as:

- Australian Customs Notice No 2020/48 - Expansion of Origin Waiver benefit for Australian Trusted Traders
- Australian Customs Notice No 2020/49 - Pacific Agreement on Closer Economic Relations Plus - Entry into Force

The full text of the Agreement is on the Department of Foreign Affairs and Trade (DFAT) website at <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/pacer/Pages/documents>

QUICK RATES UPDATE

Norman Carriers will be consolidating the wharfs' VBS, Infastrucutre and CoR charges into a one line Terminal Access Charge. The following adjusted charges are applicable as of 1st January 2021.

| Port Operator | Import Access Charge | Export Access Charge |
|---------------|----------------------|----------------------|
| DP World | \$195.00 + GST | \$130.00 + GST |
| Patrick | \$171.00 + GST | \$124.50 + GST |
| VICT | \$174.50 + GST | \$174.50 + GST |

Millers Transport Group will pass on the following adjusted charges for all containers handled through DP World from January 1st 2021.

| Item | Price |
|-----------------------|----------------|
| EXPORT Infrastructure | \$148.50 + GST |
| IMPORT Slot Fee | \$36.80 + GST |
| EXPORT Infrastructure | \$87.45 + GST |
| EXPORT Slot Fee | \$36.80 + GST |

STAFF SPOTLIGHT

MEET AKASH SINGH

**NATIONAL WAREHOUSE
MANAGER
TOMAX WAREHOUSING**

WHAT IS YOUR ROLE AT TOMAX?

I am a very proud National Warehouse Manager at team Tomax.

HOW DO YOU SPEND YOUR WEEKENDS?

I love to spend quality time with my 3 girls doing various activities such as gardening, walks along the lake, push bike and their favourite...shopping!

DESCRIBE YOUR DREAM HOLIDAY DESTINATION?

Canada, so I can visit my twin sister and finally meet my beautiful niece.

BEST THING YOU'VE EVER EATEN?

Anything my grandma ever made for me and more recently, the pretend dishes my 3 year old makes for me as soon I get home from work.

A MOVIE OR TV SHOW YOU HIGHLY RECOMMEND AND WHY?

Suits (on Netflix)- cause it helps me with the arguments with my wife!

DO YOU HAVE ANY PLANS THIS CHRISTMAS/END OF YEAR?

Plans include a pig on a spit and catching up with my family which I am looking forward to.



Akash's two beautiful girls, Amara (3 months) and Gursara (3 Years).



Akash's partner, Mariana.



At 3 years of age, Gursara is ready to take on the Tomax Warehouse responsibilities!

FRIDAY FUNNIES

We hope these funny or not-so-funny jokes will brighten up your day as we approach another weekend!

It's cleaning day so naturally, I've already polished off a whole chocolate bar.

Talk is cheap?
Have you ever talked to a lawyer?

What's a foot long and slippery?
A slipper!

What do you call an alligator in a vest?
An investigator.

What do Alexander the Great and Winnie the Pooh have in common?
The same middle name.

Sometimes I tuck my knees into my chest and lean forward.
That's just how I roll.

I didn't know my dad was a construction site thief, but when I got home all the signs were there.

Never criticise someone until you have walked a mile in their shoes.
That way, when you criticise them, you'll be a mile away, and you'll have their shoes.

