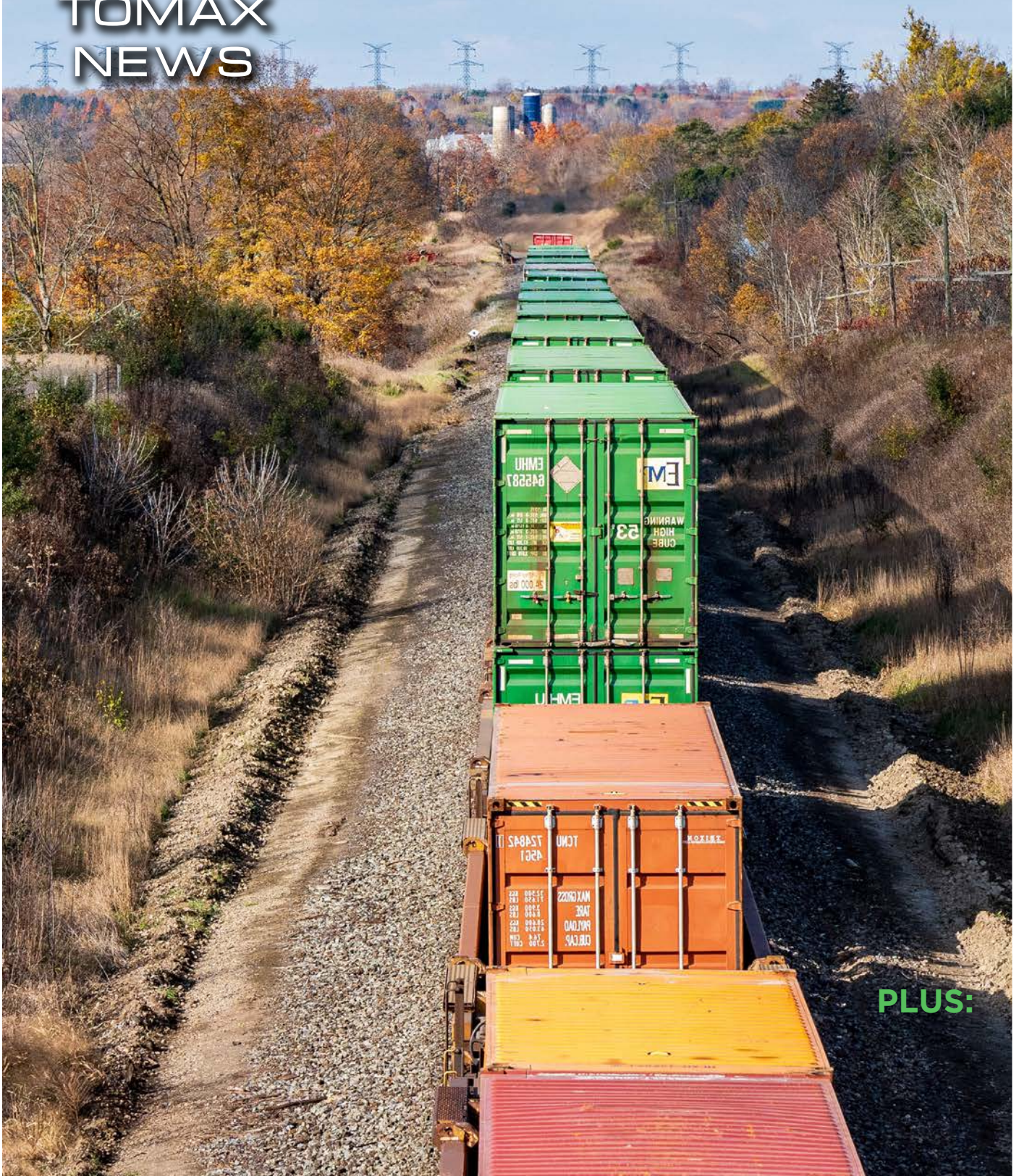




TOMAX
NEWS

Issue 136
7th July 2023



PLUS:

MARKET SUMMARY

- Shipping lines have announced a GRI (General Rate Increase) to be applied on Asia-Australia tradelanes to be implemented from 1st August. Lines are expected to attempt to increase their rates by USD 150 per 20' / USD 300 per 40'. Previous increase attempts have failed, but lines are intending to work hard to make these ones firm. The Tomax account managers will keep you updated on this situation as we draw closer to the time.

- Australian Customs fees have increased as of 1st July 2023 for the processing of customs entries. More information can be found within this bulletin. If you have any queries please do not hesitate to contact our brokerage team for more information.

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. When a new TCO is made, it is published in the Gazette by the Australian Border Force. 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](#)



REMINDER: INCREASE TO BIOSECURITY COST RECOVERY CHARGE

Please be reminded that from 1st July 2023, the biosecurity cost recovery charge for goods arriving by air and sea will be increased to AUD \$43.00 and AUD \$63.00, respectively. This only applies to imported goods with a customs value over AUD \$1000.

The **Australian Border Force collects the biosecurity cost recovery charge** through the Integrated Cargo System, on behalf of the Department of Agriculture, Fisheries and Forestry (DAFF) and therefore, Tomax passes this charge on at cost. The new charge rates, reflected in the table below, will apply to imports from 1 July 2023.

If you have any questions regarding the new rates, do not hesitate to contact one of our friendly Tomax team members on 1300 186 629. Thank you!

Charge	Current Charge	New charge from 1 July 2023	Who is affected?
Full Import Declaration charge – air	AUD 38	AUD 43	Customs brokers and importers of consignments over AUD 1000
Full Import Declaration charge – sea	AUD 58	AUD 63	Customs brokers and importers of consignments over AUD 1000



VICT/PATRICK/ DP WORLD WEIGHT DISCREPANCY FEE

In line with DP World & Patrick Terminal, Victorian International Container Terminal have announced the introduction of a weight discrepancy fee. This will apply to all import & export containers determined to have a weight variance greater or less than +/- one metric tonne from the declared gross weight.

All import containers are weighed upon discharge and if a variance is found of +/- 1 tonne, the transport carrier will receive the Certified Weight Certificate as well as the discrepancy fee, which will be on charged to the client. In the case of a mis-declared export container, the shipping line will receive this charge.

Please note that Tomax's Terminal Weight Amendment Fee is \$290 for each terminal (DP World/Patrick/VICT). Should this charge be applicable, a member of our Tomax team will advise accordingly. Thank you.



EMISSION TARGET TENSION RISES

Following China's criticism of the proposals discussed at MEPC 80 (Marine Environment Protection Committee) in particular, the greenhouse gas (GHG) levy, this has circulated and stirred controversy. China referred to the proposed measures as "overly ambitious" and expressed concerns that the emissions reduction targets would negatively impact the sustainable development of international shipping, increase supply chain costs, and impede global economic recovery.

In response to China's resistance, environmental NGOs voiced their opinions during the MEPC 80 session and called for even more stringent requirements. While a 20% reduction in well-to-wake ship emissions seemed to be the favoured outcome at the event, followed by a 70% reduction by 2040, Pacific Environment argued that pursuing this path would deplete shipping's CO₂ emissions budget by 2031.

The zero-emission ship technology association, ZESTA, demanded that the IMO revise its 2030 target to nearly 40% and aim for 96% by 2040 to align with the Paris Agreement's 1.5°C target. The Clean Shipping Coalition (CSC) went further and

called for a more demanding increase of 50% by 2030, asserting that the IMO is on the wrong side of history.

On Monday, activists from Extinction Rebellion (XR) staged protests outside the IMO headquarters in South London, displaying banners with the message "50% ↓ by 2030 = 1.5°C." Ocean Rebellion, the XR group associated with the protests, emphasised the need to raise awareness among the public about how goods are transported globally, as 90% of the country's purchased items arrive by ship. They criticised the IMO for inaction and claimed that the shipping industry has enjoyed anonymity, but it is time to bring its environmental impact into the spotlight.

IMO member countries are under significant pressure to produce tangible results, as the European Commission and other international bodies have demonstrated their willingness to surpass IMO regulations they consider insufficient by implementing their own measures, such as the EU Emissions Trading Scheme.

Ortiz, J. (2023). MEPC 80: Emission target tension rises as NGOs and protest groups pile in. Retrieved from <https://theloadstar.com/mepc-80-emission-target-tension-rises-as-ngos-and-protest-groups-pile-in/> on 6th July, 2023.



SHIPS LEAVE CHITTAGONG HALF EMPTY DUE TO FACTORY CLOSURES

Due to the week-long closure of Bangladeshi factories for Eid-ul-Azha holidays, vessels departing from Chittagong port are experiencing a significant shortage of cargo, resulting in them leaving the port only partially loaded.

The factories ceased operations on June 26 and are scheduled to reopen over the weekend. However, shipping executives predict that ships will not be able to be fully loaded until the end of the following week, as it will take three to four days for the factories to resume production and generate sufficient goods.

To maximise cargo capacity during this period, some agents have requested ships to wait at the outer anchorage of the port for two to three days, hoping to accumulate an additional 200 to 300 TEU of cargo while they wait.

A representative from a prominent shipping company in Chittagong advised that their 2,000-TEU vessel is currently receiving only 600 to 700 TEU of exports,

compared to the usual 1,500 TEU or more. The official highlighted the scarcity of empty containers as well, as importers are unable to receive deliveries during the holiday period, leading to a shortage of containers available for transportation.

Furthermore, the movement of cargo from the port yards has begun as the goods previously stored in depots before Eid are now being relocated, further reducing the number of containers available at the port.

Ruhul Amin Sikder (Biplob), Secretary General of the Bangladesh Inland Container Depots Association (BICDA), stated that typically, the depots in Chittagong dispatch around 2,500 TEU of export goods daily. However, since the beginning of this week, the average has dropped to just 1,300 TEU. As a result, the vessels are currently utilising only half of their container-carrying capacity.

The Loadstar. (2023). Ships leave Chittagong half-empty as factories remain closed. Retrieved from <https://theloadstar.com/ships-leave-chittagong-half-empty-as-factories-remain-closed/> on 6th July, 2023.



“CHINA+1” RESHORING TREND GAINS MOMENTUM

The trend of companies reshoring from China is gaining momentum, leading to potential benefits for airfreight due to infrastructure and resource concerns. Following disruptions in the supply chain caused by the COVID pandemic and amid growing tension between China and the US, Western firms are actively establishing production facilities outside of China. Vietnam has emerged as the top destination for the “China+1” model.

A source from a European shipper stated that re-shoring is indeed taking place. However, as this is a relatively recent phenomenon, Vietnam has not had sufficient time to develop adequate logistics infrastructure, particularly in terms of ports. With new companies flocking to the country, the existing infrastructure is reaching its capacity limits.

Consequently, some shippers are exploring alternative options within the region. Countries such as Thailand, Laos and Burma are being considered. Mexico has also benefited from the trade tensions

between the US and China. However, some sources believe that media coverage may be exaggerating its significance, and they anticipate China will remain the dominant player.

Nevertheless, the source noted that in the long term, re-shoring will become a prominent trend, and countries will adapt by addressing the demand and enhancing their infrastructure. However, in the short term, the strain on existing infrastructure presents an opportunity for airfreight.

Companies from around the world are eyeing Vietnam as a potential investment location, including Chinese companies seeking to avoid geopolitical issues. One particular industrial site in northern Vietnam, Deep-C 2, is already nearing its capacity. When challenges arise in sourcing capacity through ports and ocean freight, airfreight emerges as an alternative option, with shippers willing to pay for the service.

Whiteman, A. (2023). ‘China+1’ reshoring trend could provide a fillip for air freight. Retrieved from <https://theloadstar.com/china1-reshoring-trend-could-provide-a-fillip-for-air-freight/> on 5th July, 2023.



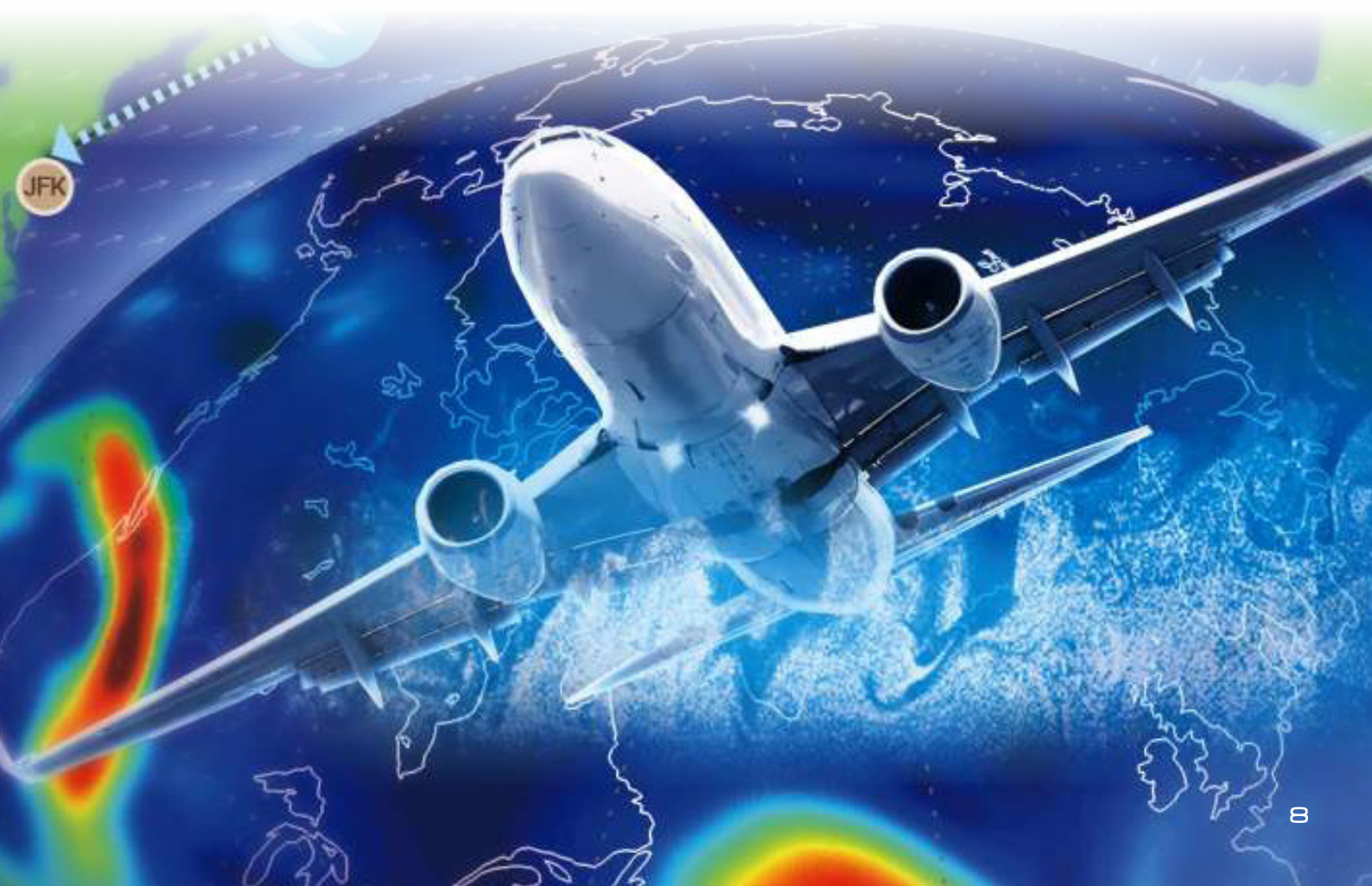
AIR CARGO SEES TURBULENT TIMES AHEAD DUE TO CLIMATE CHANGE

According to DC Velocity, climate change is causing a significant increase in severe turbulence along one of the world's busiest flight routes, which will have an impact on the freight sector. Researchers at the University of Reading in the UK have found that from 1979 to 2020, severe turbulence over the North Atlantic has risen by 55%.

Unlike turbulence associated with storms, this increase is primarily due to higher temperatures leading to a rise in "clear air" turbulence, which is difficult to detect using remote sensing tools. This type of turbulence is also challenging to predict because it is created by small-scale eddies that are too localised for most weather models to explicitly calculate.

"Turbulence makes flights bumpy and can occasionally be dangerous," said Mark Prosser, a meteorologist at the University of Reading who led the study, "airlines will need to start thinking about how they will manage the increased turbulence, as it costs the industry \$150 to \$500 million annually in the United States alone," largely in terms of wear and tear on the plane, injuries, and damage to baggage and cargo.

Oritz, J. (2023). Turbulent times ahead for air cargo, due to climate change. Retrieved from <https://theloadstar.com/turbulent-times-ahead-for-air-cargo-due-to-climate-change/> on 7th July, 2023.



NAGOYA PORT REOPENS AFTER CYBER ATTACK

After more than 48 hours of disruption caused by an alleged Russian ransomware attack, operations at Nagoya, Japan's busiest port, resumed this afternoon, local time.

The Nagoya Harbor Transportation Association announced that the Nagoya United Terminal System, responsible for operating the port's five container terminals, had its operations restored at 7:30 am today. However, the complete recovery of the data lost in the cyber attack was only achieved in the afternoon.

Toyota Motor Corp., a major user of the port, stated that the cyber attack did not impact its car exports and production.

The association reported that the attack occurred at 6:30 am local time on Tuesday, leading to the suspension of container loading onto trucks and vessel loading and unloading. This disruption caused supply chain disruptions for various companies.

Nagoya is an important industrial hub, with its port handling key cargoes such as car parts and industrial machinery. Annually, it manages around 200 million tonnes of cargo, making it the busiest port in Japan. In 2021, Nagoya's container throughput reached 2.68 million TEU.

The Nagoya Harbor Transportation Association has filed a police report

regarding the incident, which it believes to be a cyber attack. The association noted that some containers that were unloaded prior to the attack could not be moved onto trailers during the outage, resulting in significant queues near the port.

While container ships at Nagoya primarily carry vehicle parts, they also transport foodstuffs, raising concerns about the impact of the cyber attack.

Cybersecurity specialist InfosecPartners highlighted that as ship infrastructure and port operations become increasingly connected and reliant on operational technology, the risk of cyber attacks is heightened. Statistics from Rightship show that in 2022, half of maritime cyber attacks occurred in ports and terminals. Previous incidents include a ransomware attack affecting operations at Portugal's Lisbon port in January and a hacking incident targeting 17 container terminals operated by APM Terminals in June 2017.

The Nagoya Harbor Transportation Association stated that all relevant parties are working together to restore the situation, striving to have the system ready by 6 pm on July 5. They also acknowledged that the start of work may be delayed depending on the progress of system recovery.

Li, M. (2023). Nagoya port reopens following crippling cyber attack. Retrieved from <https://theloadstar.com/cyber-attack-cripples-nagoya-port-operations/> on 5th July, 2023.



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

