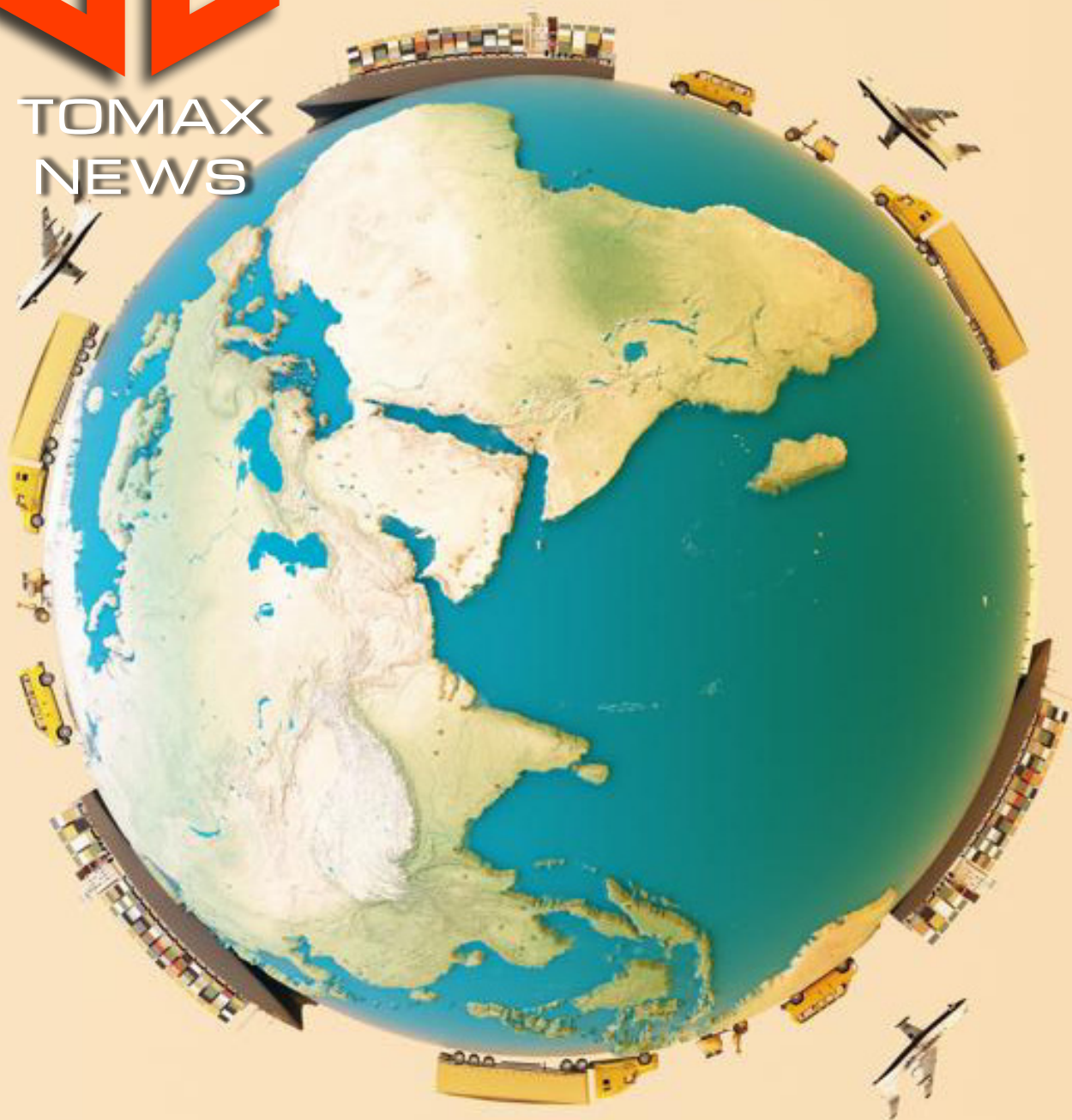




TOMAX
NEWS

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PLUS:

MARKET SUMMARY

- Shipping lines servicing the South-bound East-Asia to Australia trade-lane have made a further GRI announcement to be implemented from 15th August 2023. This is on top of the increase already announced for 1st August which is showing signs of holding firm with most lines being overbooked and starting to roll cargo. Volumes from China to Australia are beginning to spike upwards as importers seek once again to replenish stock holdings before the peak season kicks in.

- Australian Customs are tightening up controls in relation to checks on the use of Certificates of Origin (COOs) for Free Trade Agreements (FTAs). Clarifications are being sought regarding relationships between entities and validating cargo linkages to commercial documentation. Tomax will continue to work to protect our customers from potential claims by Customs for duty evasion by ensuring that all documentation processed meets the requirements set down by Australian Customs.

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](#)

CONTAINER TERMINAL CHALLENGES IN NORTHERN EUROPE



Container terminals in Northern Europe are currently facing low yard utilisation levels, dipping below 60%, despite the expectation of being busy with peak season imports. A year ago, it was a rare sight to see idle ship-to-shore cranes at container hubs in the Le Havre – Hamburg range, as numerous ships waited outside for berths.

However, the situation has drastically changed over the past 12 months. The large 24,000 TEU ultra-large vessels operating on the Asia-North Europe route can now easily secure berths upon arrival, leading to a significant decrease in waiting times. Consequently, the first-half throughput figures at Rotterdam, the busiest container hub in Northern Europe, witnessed an 8.1% decline compared to the previous year, totaling 6.7 million TEU. This decline can be attributed to reduced imports from Asia and the termination of cargo volumes to Russia.

The Port of Rotterdam Authority has linked the import decline to the prevailing geopolitical situation and high inflation. Moreover, limited growth in the Dutch economy and global recessions have also contributed to dampened global trade volumes and industrial production.

Terminal operators have experienced a sharp drop in storage charge revenue as landside congestion has practically vanished. This has further impacted the already depleted bottom line for terminal operators, who are facing reductions in stevedoring and storage charges, as well as substantial increases in wage settlements, energy costs, and other inflation-linked expenses.

While new annual terminal contracts with carriers may include some inflation-linked

increases, terminal operators are cautious about pushing for significant raises in stevedoring charges, as they need to consider the available capacity at competing hubs.

Drewry's latest Global Container Terminal Operators Annual Review and Forecast report highlights ocean carriers' increased interest in investing their profits, earned during the post-pandemic demand surge of the past two years, in container terminals through mergers and acquisitions. This investment trend includes companies like Hapag-Lloyd, ONE, MSC, and Wan Hai.

In terms of rankings, PSA International maintains its top position among the leading global operators in 2022, with a total throughput of 61 million TEU across its facilities worldwide. However, this represents a 3.6% decline from the previous year. China Cosco Shipping and China Merchants Ports stand out among their rivals, with the former experiencing a 4.2% volume increase year on year (reaching 52.9 million TEU) and the latter achieving a throughput growth of 5.4% (reaching 50.6 million TEU).

APM Terminals slid down to fourth place in the container terminal operator rankings, recording a throughput of 46.5 million TEU last year, a 3.1% decrease. DP World also experienced a 3.1% decline, reaching 46.5 million TEU, ranking fifth. Hutchison Ports followed with a 3.6% decrease, reaching 45.1 million TEU.

Wackett, M. (2023). Box terminal operators feel the pain as peak season disappoints. Retrieved from <https://theloadstar.com/box-terminal-operators-feel-the-pain-as-peak-season-disappoints/> on 25th July, 2023.



SAFETY CONCERNS SOAR AFTER FATAL CAR CARRIER INFERNO

In yet another tragic incident, a car carrier inferno involving electric vehicle batteries has resulted in the death of a seafarer and injuries to 22 others, raising grave safety concerns beyond the fire threat itself.

The Panama-flagged Fremantle Highway faced a perilous situation when seven out of its 25 crew members were forced to jump into the water to escape the inferno. The drop from a height of approximately 30 metres led to severe injuries and broken bones due to the impact on seawater, reaching speeds of 130 kph - a lethal force. Willard Molenaar, a lifeboat captain who witnessed the event, recounted the crew's desperation as they jumped off the ship one by one. He emphasised that such a desperate measure was taken out of necessity, highlighting the urgency for improved safety protocols.

The Fremantle Highway tragedy has added to the existing concerns surrounding the safety record of car carriers. Even before the recent wave of electric car-related fires, these carriers suffered from various design flaws, including the free-surface effect and high wind resistance.

Peregrine Storrs-Fox, TT Club risk management director, expressed deep concern regarding the crew's safety. While most of them managed to evacuate, tragically, one life was lost. The fact that some crew members had to resort to jumping overboard rather than having access to lifeboats is a significant issue that needs immediate attention.

Disturbingly, pre-fire images of the Fremantle Highway showcased twin freefall lifeboats positioned aft of the bridge. However, video analysis indicates that the initial explosion and subsequent blaze originated precisely underneath these lifeboats, rendering them unusable. Further investigations are underway to determine the reason behind this failure.

This month, another incident involving the Grimaldi ro-ro vessel Grande Costa d'Avorio resulted in the loss of two New York firefighters while the ship was docked. Though electric vehicle batteries were ruled out as the cause, the authorities in Newark are considering establishing a specialised unit to respond to port emergencies.

Regarding the Felicity Ace, lost in February 2022, authorities agree that the presence of electric cars was likely an exacerbating factor, even though they couldn't determine it as the primary cause. In 2019, catastrophic fires led to the loss of three car carriers, including the Diamond Highway and Grande America. The worrisome trend of these incidents is a clear indication of the urgency to address safety concerns. Following the loss of the Felicity Ace, the car carrier sector has taken measures to refuse loading used or damaged electric cars in certain cases. Shipowners like K-Line's compatriot, MOL, have embraced this approach.

Despite crew members having firefighting training, they often hold various other responsibilities. The car industry's focus on improving battery performance and charging speed has overshadowed the crucial aspect of safety. There is an evident lack of emphasis on engaging with first responders and those involved in moving and storing vehicles on

behalf of manufacturers, posing substantial risks. Enhancing safety standards necessitates collaborative efforts, breaking down silos, and fostering communication among stakeholders. Ensuring that crew members receive proper firefighting training and necessary resources during emergencies is pivotal to preventing future tragedies.

Ultimately, the recent car carrier inferno involving electric vehicle batteries demands immediate action to prioritise safety. By addressing crew safety, improving lifeboat functionality, and promoting industry-wide cooperation, a safer environment can be created for the transportation of electric vehicles.

Bartlett, C. (2023). Fatal Fremantle Highway blaze rendered lifeboats inaccessible. Retrieved from <https://theloadstar.com/fatal-fremantle-highway-blaze-rendered-lifeboats-inaccessible/> on 27th July, 2023.





NSW TO QLD INLAND RAIL RECEIVES APPROVAL

The Queensland and New South Wales stretch of the Inland Rail track has received the green light from the government with environmental approval. The Department of Climate Change, Energy, the Environment, and Water has given the go-ahead after reviewing the environmental impact statement for the North Star to New South Wales/Queensland Border section. The assessment was conducted to meet the requirements of the Environment Protection and Biodiversity Conservation Act 1999.

The ARTC Inland Rail team expressed their delight at the approval of the North Star to Border section, marking another significant step on the approval pathway. According to their statement, this project involves upgrading approximately 27 kilometres of non-operational rail corridor and constructing 12 kilometres of new track, with around 30 kilometres situated in New South Wales and nine kilometres in Queensland.

While the approvals for the NSW section of the project are now complete, the nine-kilometre rail section in Queensland is currently under consideration by the

Queensland state government's Office of the Coordinator General, as part of the separate Border to Gowrie EIS process.

The Inland Rail team continues to make progress by securing the required land for the North Star to New South Wales/Queensland Border corridor and conducting land and geotechnical surveys to inform the project's design.

They highlighted that future construction north of Narromine will only proceed once all necessary approvals have been obtained, ensuring the Inland Rail project can be carried out within the agreed budget and timeframe, providing certainty for the project's success.

Williams, A. (2023). INLAND RAIL BORDER TRACK RECEIVES ENVIRONMENTAL APPROVAL. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/inland-rail-border-track-receives-environmental-approval/> on 27th July, 2023.



NEW HYBRID STRADDLES FOR PORT OF MELBOURNE

Australian container terminal operator Patrick Terminals is making a significant move towards environmental sustainability by acquiring ten Kalmar hybrid straddles for its Port of Melbourne terminal. This decision marks a pioneering step as it will make Patrick the first terminal operator in Australia to adopt the latest Kalmar hybrid technology.

Expected to be commissioned next year, the new Kalmar hybrid straddles come with impressive benefits. Compared to their diesel-powered counterparts, these straddles can remarkably reduce fuel consumption by up to 40%. The CEO of Patrick Terminals, Michael Jovicic, expressed pride in the company's commitment to adopting this cutting-edge technology and leading the industry in environmentally friendly container handling.

Recognizing the importance of reducing their carbon footprint and promoting sustainable practices, Patrick Terminals aims to build a more eco-conscious industry. By partnering with Kalmar, a trusted company in this domain, the terminal operator is paving the way for a greener future.

The new hybrid straddles from Kalmar boast not only efficiency and reliability but also low emissions and noise levels. Leveraging advanced technology, these straddles operate on electric power, significantly reducing their reliance on fossil fuels.

Allan Baker, the Sales Director of Kalmar APAC Horizontal Transportation, highlighted the potential impact of these hybrid straddles, emphasising that they will play a pivotal role in supporting Patrick Terminals' decarbonisation strategy.

With this investment in innovative and sustainable technology, Patrick Terminals is demonstrating its dedication to a greener and more eco-friendly approach to container handling, setting a new benchmark for the industry in Australia.

Ackerman, I. (2023). PATRICK TO BUY HYBRID STRADDLES FOR MELBOURNE. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/patrick-to-invest-in-hybrid-straddles/> on 28th July 2023.



AMSA'S 2023-24 COMPLIANCE PLAN: STRENGTHENING MARITIME SAFETY

Australian container terminal operator Patrick Terminals is making a significant move towards environmental sustainability by acquiring ten Kalmar hybrid straddles for its Port of Melbourne terminal. This decision marks a pioneering step as it will make Patrick the first terminal operator in Australia to adopt the latest Kalmar hybrid technology.

The Australian Maritime Safety Authority (AMSA) has unveiled its National Compliance Plan 2023-24, outlining its efforts to strengthen focus on maritime issues within Australian waters. This plan aims to provide insights into priority focus areas for maritime industries and compliance partners moving forward.

For both Australian and foreign-flagged vessels, AMSA's focus areas include deficiency and detention rates, fire safety, and planned maintenance. The persistent issue of planned maintenance, which poses safety risks, has been on AMSA's compliance radar for the past two years. Propulsion machinery and vessel equipment failures have increased by 34% since 2020, with many attributed to lapses in planned maintenance. Ensuring compliance with the Maritime Labour Convention to uphold modern working and living conditions for seafarers will remain a key focus area for regulated vessels.

AMSA utilises inspection and incident data to refine the focus of its compliance activities, employing a data-driven, risk-based approach to enhance safety outcomes for maritime industry workers across the country.

For domestic commercial vessels, the key focus areas encompass safe navigation, electrical safety, reporting culture, and fire safety. AMSA has also included new requirements on operational safety, specifically on risk assessments, crewing, and safety management systems, which will take effect from 1st August 2023, in its priority list.

After a survey of domestic commercial vessel operators in 2022, AMSA acknowledged the need for improved understanding of marine pollution requirements, leading to the inclusion of MARPOL Annex V (Prevention of Pollution by Garbage from Ships) as a focus area for 2023-24.

AMSA is firmly committed to a data-driven, pragmatic, and risk-based approach to compliance, fostering continual improvement and collaboration with maritime communities to achieve the shared mission of ensuring safe, clean seas, and saving lives.

Williams, A. (2023). AMSA TO SHARPEN FOCUS ON DEFICIENCIES AND DETENTION RATES IN AUSSIE WATERS. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/amsa-to-sharpen-focus-on-deficiencies-and-detention-rates-in-aussie-waters/> on 25th July, 2023.

SPOT THE 5 DIFFERENCES

See if you can identify the 5 differences between each of the photos below?! Answers will be revealed in next week's newsletter.



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