



TOMAX  
NEWS

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PLUS:



# MARKET SUMMARY

- Freight rates have stabilised on most south-bound trade-lanes with shipping lines unable to push through scheduled increases in the wake of a shortage of cargo available to be shipped. The next few weeks will be closely scrutinised for the China-Australia lane in the lead up to the Autumn festival holiday starting from October 1st. If cargo volumes surge in order to ship out prior to the holiday there may be renewed upward pressure on rates.
- Backlogs in the USA for cargo inspections have increased this week with many depots now reporting more than 70 containers in the queue for inspection, causing several weeks delay in almost all cases. A high volume of cargo on the

USA-Australia trade-lane continues to be targeted for inspection. Airfreight cargo is also being targeted. Serious delays are being experienced and are expected to remain problematic for several weeks to come.

- Did you know that Tomax provides more services than freight, customs and transport? If you have a supply chain need, we've got your answers! Tomax provides services in 3PL storage and warehousing, distribution including last mile B2C deliveries, consulting and professional tariff advice, full vessel and aircraft charters, and much more. Call us today to see how we might be able to help you!

## 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](#)





## ABF'S BORDER BLITZ AT PORT OF TOWNSVILLE

The Australian Border Force (ABF) carried out a proactive operation known as a “border blitz” at the Port of Townsville last week, aiming to combat potential criminal activities within the supply chain. This operation was a crucial component of Operation Jardena, designed to disrupt criminal organisations exploiting supply chains for the smuggling of illicit drugs and tobacco.

ABF authorities directed their efforts towards ensuring strict protocols for site access at the port and the surrounding airport area, as well as maintaining the integrity of international cargo shipments. Queensland Police and Queensland Transport and Main Roads also lent their support to this operation.

ABF Inspector Neil Singh emphasised the continuous efforts of officers since the inception of Operation Jardena, focused on identifying and thwarting attempts to exploit vulnerabilities within the supply chain.

He pointed out a recent notable success, saying, “people will recall our interception earlier this year when we seized almost 250 kilograms of cocaine from a vessel arriving at the Port of Townsville. This incident underscores the very real threat of criminal activities at all international border crossings, not limited to major metropolitan locations. To safeguard the Queensland community from the repercussions of criminal operations

in our regional ports, it is imperative that we dismantle the criminals’ ability to operate at the border.”

Inspector Singh further explained that criminal groups often capitalise on “trusted insiders” within the supply chain, exploiting their unique access and privileged positions. He stressed the ABF’s commitment to preventing such corruption, stating, “we must not and will not allow that.”

During the recent operation, significant information was gathered, and areas for local improvement and reform were identified. These improvements included enhanced utilisation of closed-circuit television (CCTV), more stringent issuance of access cards, and other measures related to international cargo and vessels. Additionally, education played a pivotal role in ensuring that stakeholders were fully aware of their responsibilities and their crucial role in upholding the integrity of Australia’s supply chain in regional areas.

Inspector Singh expressed his gratitude to the Port of Townsville for its cooperation and assistance during the operation, highlighting their dedication to ongoing enhancements in this critical domain.

Williams, A. (2023). ABF BORDER BLITZ TARGETS PORT OF TOWNSVILLE. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/abf-border-blitz-at-port-of-townsville/> on 13th September, 2023.





# CAR CARRIER FACES STEERING CHALLENGES IN BASS STRAIT

**T**he NYK vehicle carrier, Kariyushi Leader, encountered a steering malfunction while navigating through Bass Strait late last week. Difficult weather conditions on Friday 8th September exacerbated the situation, complicating emergency towing efforts.

The Australian Maritime Safety Authority (AMSA) promptly provided assistance to the 180-metre Japanese-flagged vessel, which had 23 crew members on board. By Friday afternoon, the ship was located approximately 100 kilometres south of Victoria's Phillip Island and was making slow progress under its own power, relying on bow thrusters for steering.

In the morning, Mark Morrow, AMSA's Maritime Emergency Response Commander (MERCOT), issued an intervention directive to the ship's master, instructing them to seek assistance from two emergency towage operators. However, adverse weather conditions persisted, with winds reaching 20-30 knots and seas reaching heights of 4-5 metres overnight.

The AMSA spokesperson reported, "over the course of [Friday], both emergency towage vessels have sustained damage. This has resulted in both tugs returning to shore." Despite the challenges, the situation remained stable, with the ship gradually moving away from the coastline. AMSA's top priority was

ensuring the safety of the vessel and its crew while minimising risks to the environment.

Repair work commenced on Saturday, September 9 and fortunately, all crew members were safe, and no injuries had been reported. The vessel's owner dispatched tugboats to stabilise its position and prevent further drifting. The primary cargo on board comprised approximately 3,000 passenger cars.

The Svitzer tug Burra, based in Geelong, was actively assisting the distressed vessel despite the challenging conditions. The Bureau of Meteorology had issued gale warnings for all of Victoria's waters on September 8, including the Central Coast region. Additionally, a severe weather warning for damaging winds had been issued for much of the southern part of the state. The Australian Transport Safety Bureau (ATSB) was notified of the incident involving the car carrier and according to AIS data, the Kariyushi Leader appeared to start drifting at around 1am on Friday.

Ackerman, I. (2023). CAR CARRIER LOSES STEERING IN BASS STRAIT. Retrieved from <https://www.thedcn.com.au/news/specialist-shipping/car-carrier-loses-steering-in-bass-strait/> on 11th September, 2023.

# FIRST LIQUEFIED HYDROGEN CARRIER ARRIVES IN SINGAPORE



**T**he pioneering vessel, SUIISO Frontier, celebrated its arrival in Singapore as the world's first liquefied hydrogen carrier. Docked at the Shell Energy and Chemicals Park on Pulau Bukom from September 1st to September 7th, 2023, this vessel marks a significant leap in the development of hydrogen transport.

SUIISO Frontier made history with its inaugural journey between Australia and Japan in 2022 when it reached the Victorian Port of Hastings on January 20th. Following a refurbishment period, it has now entered the next phase of its demonstration phase. This phase is dedicated to evaluating the vessel's performance, reliability, and system integrity through a series of load-unload cycles, thereby accumulating more operational insights.

Operating under the CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association (HySTRA) project, funded by the Japanese government and various partners, Shell manages the SUIISO Frontier project. The vessel boasts advanced storage capabilities, capable of carrying up to 1250 cubic metres of liquefied hydrogen, stored at a frigid temperature of -253 degrees Celsius. The vessel's design and construction credit goes to Kawasaki Heavy Industries.

Teo Eng Dih, C.E.O of the Maritime and Port Authority of Singapore (MPA), emphasised that Singapore had unveiled its National Hydrogen Strategy recently. He stated, "the properties of hydrogen, along with its potential for large-scale production using renewable sources, position hydrogen as a viable fuel for facilitating the transition to a low and zero-carbon future. MPA is

actively exploring hydrogen and its carriers as marine fuels and is pleased to collaborate with industry leaders like Kawasaki Heavy Industries and Shell. We also value our partnerships with research institutions such as the A\*STAR Institute of High-Performance Computing. The visit of SUIISO Frontier has been instrumental in refining safety and operational protocols, supporting further feasibility studies, and preparations for deep-sea transportation and the receipt of liquefied alternative fuels."

Shigeru Yamamoto, Deputy General Manager of the Hydrogen Strategy Division at Kawasaki Heavy Industries, expressed their belief in the importance of an international liquefied hydrogen supply chain by marine transport to achieve a carbon-neutral world. SUIISO Frontier, the world's first liquefied hydrogen carrier, demonstrated the viability of cryogenic liquefied hydrogen transportation by ship. Kawasaki Heavy Industries anticipates growing global interest in liquefied hydrogen in the future.

Nick Potter, General Manager of Shell Shipping and Maritime for Asia Pacific and the Middle East, highlighted the significance of deep-sea shipping in advancing hydrogen as a zero-carbon fuel for the future. Potter stated, "the SUIISO Frontier represents a significant milestone in proving the technical feasibility of liquefied hydrogen shipping, underscoring Shell's leadership in maritime innovation. Shell remains unwavering in its commitment to the safe and efficient operation of this groundbreaking vessel."

Ackerman, I. (2023). Suiso Frontier Arrives in Singapore. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/suiso-frontier-arrives-in-singapore/> on 12th September, 2023.





# CONTAINER SPOT RATES DECLINE AMID MARKET CHALLENGES

Container spot rates from Asia to North Europe and the Mediterranean have experienced a significant decline this week, leading carriers to implement additional sailings cancellations in addition to their already extensive blanking programs. Furthermore, there have been reports of newbuild ultra-large vessels, with capacities of 24,000 TEUs, going directly from shipyards to anchorage areas. This trend is attributed to diminishing European consumer demand in anticipation of China's Golden Week holiday, scheduled for the first week of October.

Drewry's WCI Asia-North Europe component recorded a 10% decrease this week, averaging \$1,449 per 40-foot container, which is 81% lower compared to the same period a year ago. While rates on this trade have returned to pre-pandemic levels, the cost landscape has evolved significantly.

During a recent press briefing by Hapag-Lloyd, CEO Rolf Habben Jansen acknowledged the decline in rates and the pressure on revenues. He pointed out that while rates might appear to be at 2019 levels, costs have risen due to factors such as inflation and compliance with new IMO rules.

The Asia-Mediterranean trade, which had been relatively robust, is also now experiencing a short-term erosion in rates. The WCI reading for this trade fell by 7% to \$1,888 per 40-foot container, marking a 76% decline compared to the rates from a year ago.

In contrast, the transpacific carriers have been able to stabilise rates from Asia to North America through prudent capacity

management. Xeneta's XSI Asia-US west coast reading increased by 2% during the week, reaching an average rate of \$2,178 per 40-foot container. This marks a 77% increase since the end of June. Peter Sand, Chief Analyst at Xeneta, noted that carriers seem to be gaining the upper hand over shippers, and long-term contracts on this route are also on the rise.

Despite concerns about the Panama Canal's restrictions affecting demand or spot rates for Asia-US east coast services, the evidence suggests otherwise. Rates for the WCI Shanghai to New York route only dipped 1% during the week, settling at \$3,398 per 40-foot container.

While there is positive news for carriers in the transpacific trade, the transatlantic market faces potential collapse, as spot rates plummet to levels 50% lower than before the pandemic. The Freightos Baltic Exchange (FBX) North Europe to US east coast component saw rates fall to an average of \$1,094 per 40-foot container, compared to approximately \$8,000 a year ago.

Lars Jensen of Vespucci Maritime highlighted the predictable outcome of carriers injecting more capacity into the transatlantic trade to capitalise on attractive rates. In August, carriers operated 19% more capacity than in the same month of 2019. Data from CTA indicates that demand on this route in the first half of 2023 was 13.6% lower than in the first half of 2022.

Wackett, M. (2023). Asia to Europe spot rate plunge pushes carriers to cancel loops last-minute. Retrieved from <https://theloadstar.com/asia-to-europe-spot-rate-plunge-pushes-carriers-to-cancel-loops-last-minute/> on 8th September, 2023.



# AUTOMATING COLD SUPPLY CHAIN OPERATIONS

**T**he frozen food and cold supply chain industry in Australia and New Zealand is grappling with an array of challenges, including soaring energy costs, labour shortages, and evolving customer demands. To address these issues and optimise cold chain operations, Swisslog's Head of Sales and Consulting, Sean Ledbury, and Senior Sales Consultant, Charles John, presented their insights at the 2023 Refrigerated Warehouse and Transport Association of Australia (RWTA) Conference.

Marianne Kintzel, Executive Officer of RWTA, highlighted the importance of maintaining the integrity of the cold chain to ensure food quality, asserting that automation plays a pivotal role in the future of the cold chain.

One of the primary challenges faced by companies in the cold chain industry is labour shortages, especially in refrigerated warehouses, where prolonged exposure to low temperatures poses health and safety risks. Automation enables machines to handle tasks in these harsh environments, freeing up staff to take on other roles.

Additional challenges confronting the cold chain sector include shifting customer demands, evolving compliance regulations, and energy consumption concerns. Simultaneously, the food production industry grapples with water scarcity, soil degradation, deforestation, and a reduction in farmers, all of which complicate the supply chain.

Charles John highlights the potential for an automated high-bay chilled warehouse to reduce energy consumption by up to 20% compared to labour-intensive alternatives. Moreover, it maximises storage capacity within the same building footprint, a crucial advantage given the rising costs of industrial land in major cities.

Compliance is a critical aspect of the cold chain, given its challenging environmental conditions and stringent requirements for food and beverage products. Automation can aid compliance by offering features such as automatic doors with airlocks, ensuring the cold chain's integrity from production to shipping, facilitating connections between production areas and shipping buffers in deep freeze temperatures, eliminating the need for ice, and enhancing goods management and traceability through advanced software, which can play a vital role in optimising warehouse operations.

Ultimately, despite the cold supply chain industry facing multifaceted challenges, automation and advanced software solutions are available to overcome these obstacles and ensure the quality and efficiency of cold chain operations in Australia and New Zealand.

MHD. (2023). Automating cold chain operations. Retrieved from <https://mhdsupplychain.com.au/2023/09/11/automating-cold-chain-operations/> on 12th September, 2023.





# INDONESIA RESUMES AUSTRALIAN LIVE CATTLE & BUFFALO EXPORTS

Indonesia has lifted its restrictions on live cattle and buffalo exports from Australia, effective immediately. The Department of Agriculture, Fisheries, and Forestry made the announcement on September 9, citing negative test results for lumpy skin disease (LSD) in Australian cattle and buffalo that were provided to Indonesian authorities.

Indonesia had previously suspended shipments from four Australian establishments and imposed restrictions on three others due to allegations of LSD being present in livestock arriving in the country. Nicola Hinder, acting deputy secretary of the Agricultural Trade Group at DAFF, reinforced that LSD has never been detected in Australia, reaffirming the country's disease-free status.

Hinder stated, "our ongoing freedom from the disease, as well as other pests and diseases, emphasises the success of Australia's robust biosecurity systems, which underpin Australian agriculture trade. We thank our government partners in Indonesia for their continuous cooperation and look forward to resuming the supply of healthy, high-quality Australian cattle to Indonesia."

Federal Minister for Agriculture, Fisheries, and Forestry, Murray Watt, welcomed the decision, noting that it allows the live cattle and buffalo export trade from Australia to Indonesia to resume. Watt highlighted the extensive testing conducted across Northern Australia to demonstrate Australia's LSD-free status.

Paul Kirby, the Northern Territory Minister for Agribusiness and Fisheries, pointed out that Indonesia's decision to lift restrictions followed a similar move by Malaysia. Malaysia had suspended live cattle exports from Australia after the LSD scare in Indonesia but lifted its restrictions earlier in the month.

He highlighted the significance of Indonesia as a trade partner for Australia and the Northern Territory and expressed gratitude for Indonesian officials' collaborative efforts in resolving the issue swiftly.

Williams, A. (2023). INDONESIA LIFTS BAN ON LIVE CATTLE EXPORTS FROM AUSTRALIA. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/indonesia-lifts-ban-on-live-cattle-from-australia/> on 12th September, 2023.





# DEMAND FOR TRADITIONAL CONTAINERS DROP

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**C**ontainer demand is facing challenges this year, according to Cosco Shipping Development (CSD), following two years of peak sales. In its review of H1 2023 performance, CSD, the parent company of Dong Fang Container, the world's second-largest container manufacturer, anticipates market stabilisation next year as older containers are scrapped.

CSD reported a 59% year-on-year decrease in its first-half net profit, totaling \$151.86 million. Container sales fell by 68% to 185,100 TEU (twenty-foot equivalent units) and pre-tax profit from container sales was down 63%, reaching \$170.4 million.

Cai Lei, the corporate secretary, noted the complexity and volatility of the global economic and trade situation in the first half of 2023. Factors such as overseas inflation and the tightening of US monetary policy contributed to cyclical adjustments in the shipping industry. While the container shipping market continued to grapple with increased supply, there were new opportunities arising from macro policy adjustments and a growing focus on

environmental protection. This, in turn, was expected to maintain a more balanced supply-demand relationship in the market.

CSD is active in container leasing through its subsidiary, Florens International. The demand for dry containers slowed, but the special container market, particularly for new types like energy storage and folding units, remained active.

Looking ahead, CSD aims to explore container-based IoT technology to enhance the integration of goods, capital, and information flow, especially in response to the growing demand for logistics services over the long term. In H1, the company developed containers with folding frames to accommodate vehicles in response to increased demand for automobile shipping, driven by a shortage of pure car and truck carriers. This led to forwarders and car makers transporting vehicles in containers.

Li, M. (2023). Less demand for traditional containers this year, says CSD as profits tumble. Retrieved from <https://theloadstar.com/less-demand-for-traditional-containers-this-year-says-csd-as-profits-tumble/> on 13th September, 2023.



# STAFF SPOTLIGHT

## JAMIE FIELD

REMOVALIST OFF-SIDER  
TOMAX TRANSPORT BRISBANE



**What do you do at Tomax?**

I am a delivery driver.

**How do you spend your weekends?**

I spend my weekends with family.

**Favourite genre of music?**

Classic rock.

**Besides necessities, what is something you cannot live without?**

My family.

**Describe yourself in three words?**

New to Tomax!

**Do you play or watch any sports?**

I am not too big on sports.

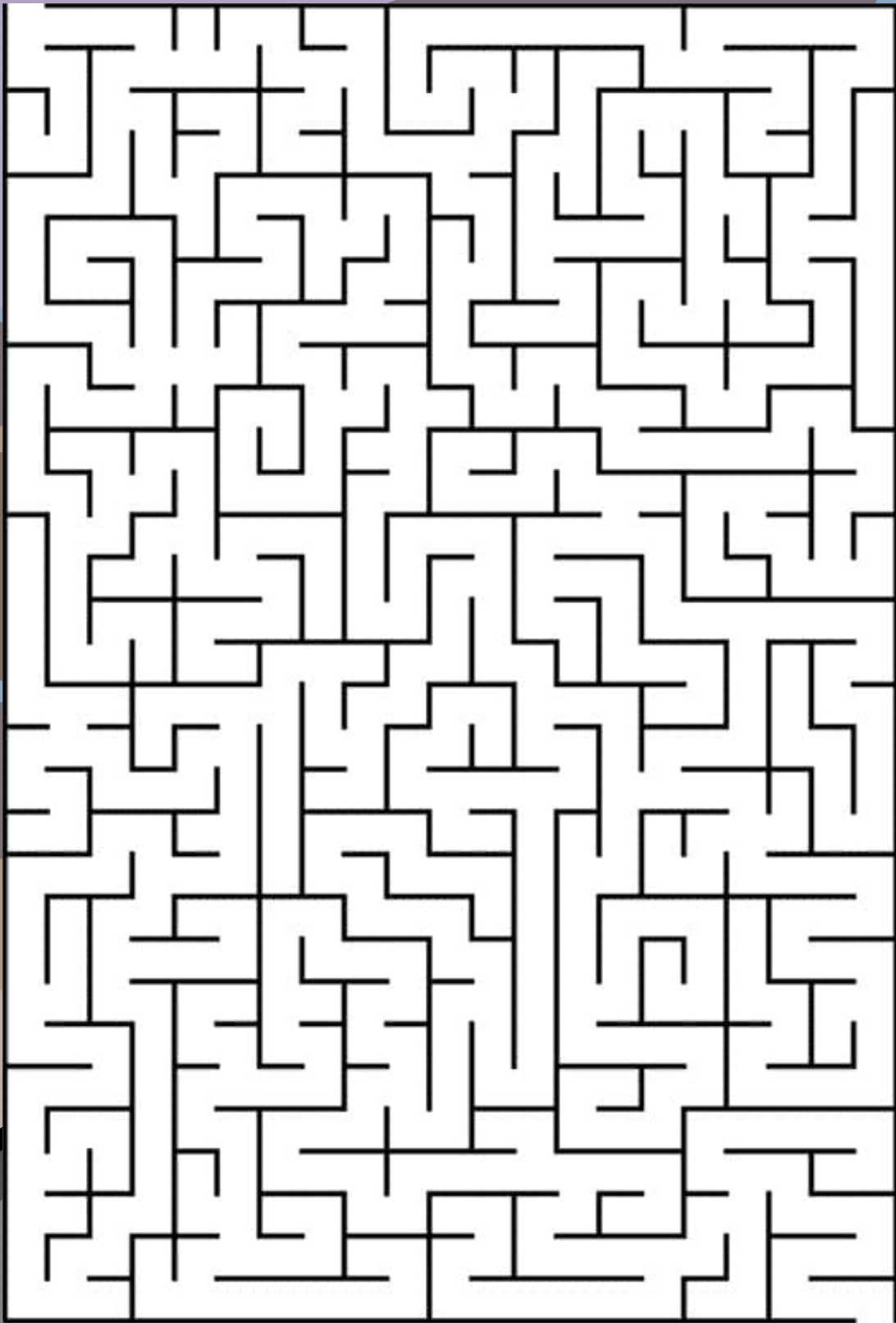




# MAZE CRAZE!



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