



TOMAX  
NEWS

Issue 153  
15<sup>th</sup> December 2023

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PLUS:

# MARKET SUMMARY

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- Congestion and delays at DP World are at near chaos levels around the country with the MUA continuing it's ongoing industrial action at the terminals. Industry advocate bodies are calling on the governments at both state and federal level to step in and mediate the issues. The FTA has projected that the current delays are costing industry around \$20 million per day in lost productivity.
- Lines have announced a GRI to be applied from late December in response to an increase in container vessel bookings leading up to Christmas and into the new year.
- The entire team at the Tomax Group of companies wishes you, your teams, and your family a very Merry Christmas and wonderful New Year! We hope you have a nice and relaxing break over the coming weeks and we look forward to serving you again in 2024.



# TARIFF CONCESSIONS GAZETTE (TC)

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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.

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](#)

# DP WORLD - FURTHER INDUSTRIAL ACTION NOTICES

**D**P World has received further industrial action notices from the CFMEU (Construction, Forestry and Maritime Employees Union) at the West Swanson Terminal.

A summary of the planned stoppages are outlined below beginning on Monday 18th December through to Saturday 23rd December. A visual table of the stoppages can be seen below.

Further updates will be provided as information becomes available.

## PLANNED STOPPAGES

### Monday 18th December 2023

- 2-hour stoppage starting at 0400hr.
- 4-hour stoppage starting at 1200hr.
- 2-hour stoppage starting at 2000hr.

### Tuesday 19th December 2023 to Thursday 21st December 2023

- 2-hour stoppage starting at 0400hr.
- 4-hour stoppage starting at 1200hr.

### Friday 22nd Dec 0600hrs to Saturday 23rd Dec 0600hrs

- 24hr Ban on loading and unloading trucks.
- 8hr work halt after ship docks.
- Bans on overtime, extensions, call ins and upgrades.

	11/12/2023	12/12/2023	13/12/2023	14/12/2023	15/12/2023	16/12/2023	17/12/2023	18/12/2023	19/12/2023	20/12/2023	21/12/2023	22/12/2023	23/12/2023
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# AUSTRALIAN ONLINE SHOPPING SURGE: CYBER SALES RECORD

Australia Post's analysis of parcel data has unveiled a significant surge in online shopping activity among Australians grappling with the rising cost of living. The Black Friday and Cyber Monday sales events have set an all-time high in the realm of Australian online shopping and subsequent parcel deliveries.

According to Australia Post's parcel sending data encompassing the cyber sales period spanning from November 20 to December 03, a noteworthy 5.2 million households engaged in online purchases. This figure indicates an increase of nearly half a million compared to the previous year, signifying a substantial uptick in online consumer activity.

Gary Starr, the Executive General Manager overseeing Parcel, Post, and eCommerce Services at Australia Post, affirms that their delivery teams are well-prepared to handle the amplified delivery demands resulting from this surge. "The enduring presence of cyber sales is evident as more astute shoppers leverage the extended sales period to stock up in anticipation of Christmas," Starr remarks, emphasizing the company's readiness to manage the heightened volume. He assures customers of expanded capacity within their workforce, including weekend deliveries, augmented freighter capacity, and extended retail operating hours in specific locations. Expressing enthusiasm for the holiday season, Starr expresses pride in contributing

to spreading joy nationwide through their delivery services.

The data highlights Australians' penchant for fashion as the leading category in online purchases, experiencing a remarkable year-on-year growth of 36 percent. This was followed by athleisure with a growth rate of 22 percent, footwear at 14 percent, and sporting and outdoor goods at 11 percent.

Key highlights from the data analysis include:

- Processing of more than 53.5 million parcels in November, marking a 1.4 percent increase and representing the most substantial November figures ever recorded by Australia Post.
- Cyber weekend, spanning from November 24 to 27, observed a 4.2 percent increase compared to the previous year, with Cyber Monday witnessing a record 3.5 million parcels—a 5.1 percent growth from the prior year.
- Queensland exhibited notable growth in online purchases year-on-year, recording a 7.6 percent increase, followed closely by Western Australia and the ACT, both at 7.5 percent.

Australia Post's comprehensive analysis provides insights into the burgeoning trends in online shopping, accentuating the evolving preferences and habits of Australian consumers during peak sales periods.



Misuraca, J. (2023). Online shopping and deliveries set new record. Retrieved from <https://mhdsupplychain.com.au/2023/12/11/online-shopping-and-deliveries-set-new-record/> on 14th December, 2023.

# UNCTAD: GLOBAL TRADE CONTRACTION AND GEOPOLITICAL TRENDS

The latest update from the United Nations Conference on Trade and Development (UNCTAD) foresees a significant 5% contraction in global trade by the conclusion of 2023. This projection indicates a staggering drop of US\$1.5 trillion, bringing trade volumes to below US\$31 trillion for the year.

The outlook for 2024 appears “highly uncertain and generally pessimistic,” according to UNCTAD’s global trade update. This assessment stems from various factors, including escalating debt, geopolitical tensions, and widespread economic fragility.

Several elements contribute to this decline, such as reduced demand in developed nations, decreased trade activity in East Asia, a surge in trade barriers, volatile commodity prices, and elongated supply chains, notably between China and the US.

Despite these challenges, UNCTAD highlights some positive trends for 2023, including a slight rise in trade volumes, indicating resilient global import demand, and a \$500 billion increase in trade in services.

Certain developing economies, particularly Mexico and various East Asian nations, have found opportunities to enhance supply chain integration affected by geopolitical issues. The report reveals a growing trend termed “friend shoring,” suggesting that geopolitical alignments increasingly influence global trade patterns, with nations showing preferences for politically aligned trade partners. This trend has gained prominence since late 2022, while the proximity of international trade—nearshoring or far-shoring—has remained relatively stable.

UNCTAD also notes a significant increase in trade concentration, with global trade increasingly concentrated within major trade relationships and reduced diversification of trade partners.

Moreover, the report highlights a noteworthy uptick in trade-restrictive measures, especially non-tariff measures, driven by a resurgence of industrial policies and the imperative for countries to meet climate commitments.

Another recent UNCTAD report on trade regulations for climate action identified 2366 climate change-related non-tariff measures affecting a portion of potentially tradable goods and covering a substantial percentage of global trade. UNCTAD suggests that these inward-looking policies might hinder international trade growth.

The update presents a mixed scenario across economic sectors. Certain sectors like office and communication equipment, textiles, and apparel have witnessed declines in 2023, while sectors such as road vehicles and transport equipment experienced growth rates of 13% and 25%, respectively, albeit seeing a downturn in the third quarter of 2023.

Looking ahead to 2024, UNCTAD warns of continued uncertainty in the commodities sector due to persistent regional conflicts and geopolitical tensions. The increasing demand to secure critical minerals vital for the energy transition is expected to contribute to market volatility in this sector.

Williams, A. (2023). GLOBAL TRADE TO SHRINK 5% IN 2023: UNCTAD. Retrieved from <https://www.thedcn.com.au/region/international/global-trade-to-shrink-5-in-2023-unctad/> on 14th December, 2023.



# WA RAMPS UP FESTIVE BIOSECURITY CHECKS

Over the upcoming festive season, the Western Australian government is mobilising Quarantine WA inspectors across freight yards, the domestic airport, and mail centers to conduct thorough biosecurity checks. Quarantine WA, a division within the Department of Primary Industries and Regional Development, holds the responsibility for inspections at the state's various entry points via sea, air, road, and rail.

Inspectors, assisted by detector dogs, will remain vigilant to intercept prohibited items, which include fresh produce like fruits, vegetables, honey, seeds, plants, flowers, and other items posing potential biosecurity risks. The state government stressed the necessity of these inspections, especially during the heightened travel and increased parcel deliveries throughout the holiday period. Jackie Jarvis, the Minister for Agriculture and Food in WA, underscored the critical importance of early pest, weed, or disease detection to safeguard the state's \$11 billion agriculture, aquaculture, and fisheries industries, as well as the environment.

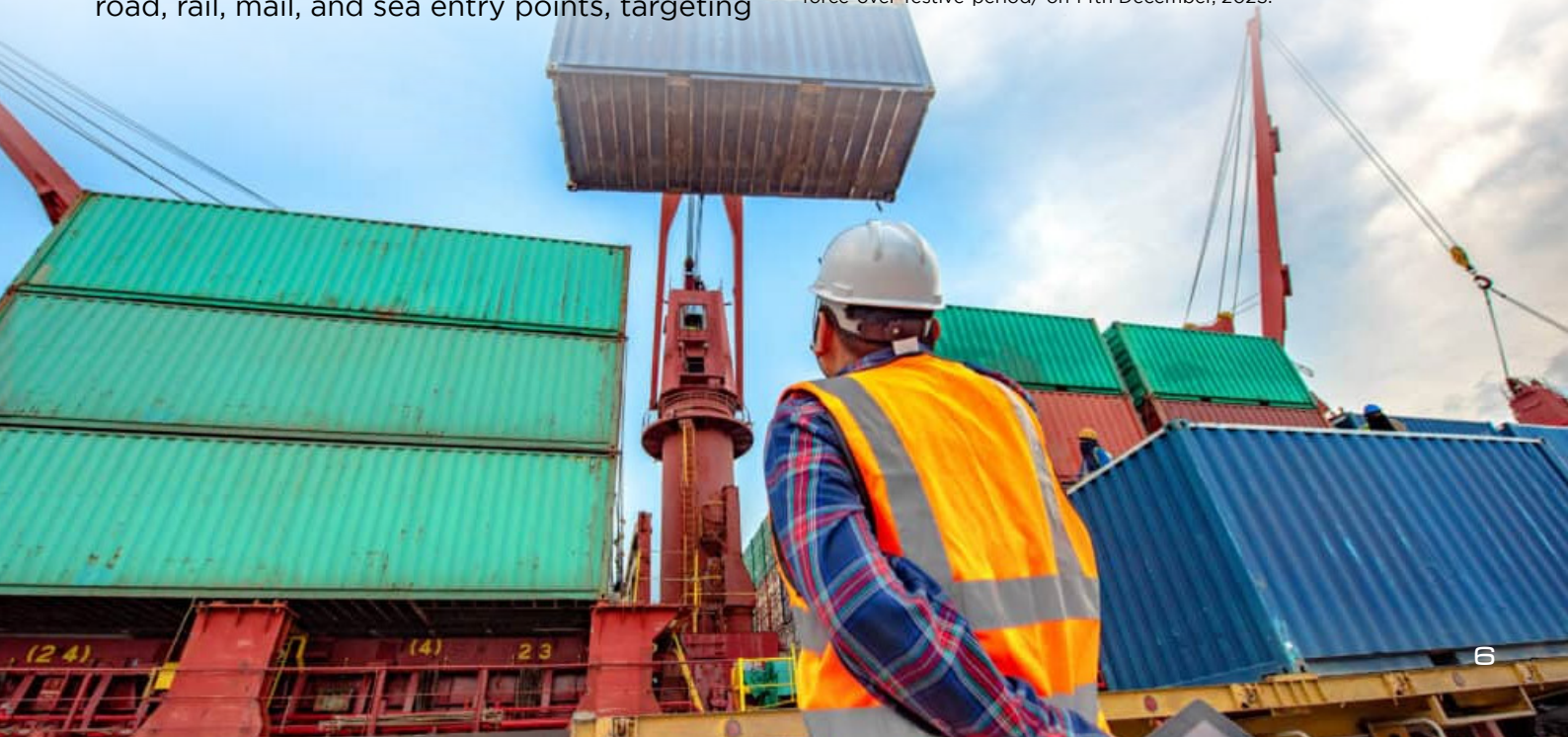
The quarantine inspections carried out at Western Australia's borders are integral components of the state government's early warning biosecurity and surveillance systems. During the 2022/23 financial year, inspections doubled as interstate travel resumed post the removal of COVID-19 restrictions. Over 1.4 million inspections were conducted across air, road, rail, mail, and sea entry points, targeting

harmful pests, diseases, and weeds, such as codling moth, red imported fire ants, and American foulbrood, a bee disease posing threats to agriculture and the environment.

This surge in inspections included the screening of nearly 650,000 interstate airline passengers, a substantial increase from about 250,000 in the preceding financial year. Additionally, approximately 160,000 vehicles underwent inspections at road checkpoints, compared to 80,000 in the previous year. Mail centers across the metropolitan area screened over 258,000 parcels during the 2022/23 period. Between July and September of the current year, Quarantine WA conducted screenings that encompassed about 150,000 airline passengers, 87,000 vehicles at road checkpoints, and 65,000 parcels.

As the holiday season approaches, Minister Jarvis urged those planning to visit WA or sending gifts to ensure compliance with quarantine import requirements to avoid inadvertently including items carrying unwanted pests and diseases. Furthermore, she emphasised the importance for individuals returning to WA from overseas to adhere to national quarantine requirements, preventing the introduction of diseases like foot and mouth into the state.

Williams, A. (2023). WA BIOSECURITY INSPECTORS OUT IN FULL FORCE OVER FESTIVE PERIOD. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/wa-biosecurity-inspectors-out-in-full-force-over-festive-period/> on 14th December, 2023.



# ACCC: PROFIT RISE IN AUSTRALIAN STEVEDORING

The Australian Competition and Consumer Commission's (ACCC) Container Stevedoring Monitoring Report for 2022-23 revealed an increase in the operating profit margins of the container stevedoring industry in Australia, reaching 24.9% in 2023. This marks a consistent upward trend from a low of 5.8% observed in 2018-19.

While the recent surge in profit margins has been remarkable, the ACCC remains cautious about the sustainability of these current levels. They highlighted the capital-intensive nature of stevedoring businesses, emphasising that the industry's financial performance needs to be evaluated over a more extended period, considering the intermittent and uneven large investments made by stevedores.

Despite the significant increase in profits, the industry had previously recorded historically low margins before the onset of the COVID-19 pandemic. The average operating profit margin for the industry between 2012-13 and 2022-23 stands at 16%.

ACCC Commissioner Anna Brakey expressed concerns regarding the effectiveness of the two new entrants, Hutchison and VICT, in constraining the incumbent multi-port stevedores. Emerging evidence suggests that these new entrants might not be adequately restricting the dominance of established players like Patrick and DP World. Some shipping lines seem to favour the same stevedore across multiple ports due to their efficiency and cost minimization strategies, providing an advantage to Patrick and DP World.

Key Recommendations and Supply Chain Recovery Insights from the Report:

The ACCC proposed several reforms to enhance the efficiency of the container freight supply chain, stressing the need for increased transparency in cost-related information for cargo owners. This includes facilitating access to details regarding stevedore and empty container park fees over time.

Addressing the issue of unreasonable detention fees charged by shipping lines for exceeding agreed container use periods, the ACCC advocated for measures to protect importers and exporters when circumstances beyond their control lead to delays in returning containers.

The report supported the Productivity Commission's recommendation to replace Part X of the Competition and Consumer Act 2010 with a more targeted exemption for shipping lines.

Regarding supply chain recovery, the report noted a more predictable operation of the container freight supply chain in 2022-23 after pandemic-induced disruptions. However, vessel schedule reliability remains lower than pre-pandemic levels, prompting some shipping lines to restructure Australian services to minimise potential delays.

Despite freight rates mostly returning to pre-pandemic levels by June 2023, certain exporters faced increased rates due to shortages of food-grade refrigerated containers.

Ackerman, I. (2023). ACCC FLAGS COMPLETION CONCERNS AS STEVEDORE PROFITS INCREASE. Retrieved from <https://www.thedcn.com.au/news/ports/accc-flags-completion-concerns-as-stevedore-profits-increase/> on 13th December, 2023.



# MAERSK'S ISRAELI PORT SURCHARGE AMID CONFLICT

In response to the ongoing conflict in Gaza, Maersk has joined Zim and Hapag-Lloyd by introducing an Emergency Risk Surcharge (ERS) for cargo shipments discharged at Israeli ports.

Announcing the decision last week, Maersk cited increased insurance premiums for vessels bound for Israel as the primary reason behind implementing the emergency surcharge. The company stated that additional insurance had allowed them to maintain operational continuity and secure capacity for customers in the final quarter of the year. However, continuing insurance cost escalations led to the need for the official introduction of the emergency surcharge.

The surcharge imposed by Maersk amounts to \$50 per TEU and \$100 per FEU and is set to apply to Israeli import cargo for bookings starting from January 8.

This follows similar moves by Hapag-Lloyd, which implemented a \$40 surcharge for intra-Europe shipments to Israel and an \$80 per TEU charge for shipments from other origins effective January 1. Zim also introduced various war-risk surcharges last month ranging from \$25 to \$100 per TEU, depending on the service.

Maersk clarified that the Emergency Risk Surcharge would remain in effect for as long as necessary to cover the increased insurance costs incurred.

However, Maersk also informed customers that several special measures introduced to support Israeli shippers and importers would

be lifted if operational stability persisted. These measures included free change of destination services, detention and demurrage 'clock stop,' and waived spot booking amendment and cancellation fees, which would no longer be available from December 9.

Despite the removal of these support packages, Maersk emphasised the potential for risk and the possibility of changes in the situation in Israel, expressing readiness to reassess its support packages if needed.

Amid rising concerns of vessels being targeted by Yemen's Houthi rebels on Suez Canal approach lanes, some carriers, including Maersk and Zim, have redirected Israel-bound vessels to the Cape of Good Hope route, adding around 7,000 miles and up to two weeks' additional sailing time.

Freightos data revealed a notable increase in container costs for Asia-Mediterranean shipments by the end of November, especially from Chinese origins to Israel, with rates climbing between 16% and 36%. This escalation in costs suggests higher expenses for carriers and subsequently increased prices for customers, driven by the ongoing conflict.

Goldstone, C. (2023). Israel-Hamas war driving up costs for carriers and their customers. Retrieved from <https://theloadstar.com/israel-hamas-war-driving-up-costs-for-carriers-and-their-customers/> on 13th December, 2023.



# STAFF SPOTLIGHT

## TOSHI NAKAMURA DRIVER TOMAX TRANSPORT

What is your role at Tomax?  
To enjoy working with my work mates.

Name your hobbies and interests?  
Chilling.

Who is your biggest role model?  
Father.

Your dream holiday destination?  
Japan.

Do you have any plans for Christmas?  
Playing with my kids on the beach.

Your proudest achievement?  
I was the Judo over 30s world champion.

Favourite food?  
Ramen.



# SPOT THE ODD ONE OUT

See if you can identify which one is the odd one out?



Australian HQ  
19/202 Ferntree Gully Rd  
Clayton VIC 3168

[tomax.com.au](http://tomax.com.au)  
1300 186 629  
03 9544 4227

