



TOMAX
NEWS

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PLUS:



MARKET SUMMARY

- Empty container park congestion remains at critical levels in most ports, causing serious delays, high detention costs, and additional transport & staging costs for importers
- Space on container vessels is still heavily restricted as a result of increased demand and continuing restriction of vessels allocated to the China-Australia trade-lane
- Ocean freight rates on most international trade-lanes increased again in January to record levels as a result of the ongoing space and equipment issues
- Rates for LCL cargo as a result of FCL rate increases have also risen with the following General Rate Increases (GRIs) applied from 1st January 2021:
 - » Ex China, Korea, Taiwan and Hong Kong to Australia: **USD 12/CBM**
 - » Ex Middle East and Indian Subcontinent to Australia: **USD 6/CBM**
 - » Ex Italy to Australia: **USD 16/CBM**
- Westgate Tunnel Roadworks & Freeway closures are causing Delivery ETA chaos. Closures will be in place until 22nd Feb 2021. Western Suburbs are being choked and most of our carriers are impacted. Normans are behind schedule by up to 2 or more hours daily. This pressing issue is due to continue for the next two months.

LATEST NEWS

\$14.5 MILLION INVESTMENT TO TACKLE KHAPRA BEETLE THREAT

Following a \$14.5 million investment to strengthen biosecurity measures at the border, the Australian grain and horticulture industry will be better protected from the threat of the Khapra beetle. The initiative was in response to the global increase in detections of the pest' presence at international borders, according to David Littleproud, Minister for Agriculture.

“An outbreak of khapra beetle could conservatively cost Australia 15.5 billion over 20 years”, he says, “it is a devastating pest of stored grains and dried foods. However, like the brown marmorated stink bug, it has increasingly been found hitchhiking outside these food sources such as in containers and in packaging. As a trading nation, Australia cannot simply close its borders. Our biosecurity system must evolve and respond to changing risks. That is why we are investing 14.5 million over 18 months in new measures at the border. Additional resources for containerised cargo inspections will help to speed up border clearance and deliver greater assurance. We are investing in rapid diagnostic technology and capability, as well as targeted surveillance efforts at the border. And operational system enhancements will enable mandatory treatment of containers arriving from khapra affected countries. These targeted measures ensure the Australian biosecurity system continues to serve out \$61 billion agriculture sector and the \$53 billion it returns to the national bottom line each year through exports”.

WHAT IS THE KHAPRA BEETLE?

The Khapra beetle is a highly invasive pest which feeds on stored products, causing significant losses and posing detriment to the human health as a result of contamination. It is largely found hitchhiking on containers and inside packaging, such as within cardboard corrugation or under floors of storage containers. It is not present in Australia but it poses as a major threat to Australia's grains industry.



HOW TO PREVENT INFESTATION?

Frequently check your stored grain, storage facilities, pantry and any shipping containers for any signs of pests and damage. Sustaining good hygiene and implementing effective pest control methods can limit infestation. Maintenance of the containers include involves removing spillages and residues as well as sealing any cracks/crevices where pests can breed.



36 CONTAINERS LOST AT SEA FROM EVERGREEN SHIP

Evergreen Marine's container ship, Ever Liberal, lost 36 containers at sea during their expedition to Los Angeles from Port of Busan on the 30th December 2020.

According to a statement released by Evergreen on the 2nd January, the incident occurred after Ever Liberal encountered strong winds of roughly 20 nautical miles of Kyushu. The extreme weather conditions resulted in the 40 foot containers falling into sea and an additional 21 containers failing onto the deck. In an attempt to retrieve the drifting containers, Evergreen engaged in salvage operations.

No personnel were injured during the incident and none of the containers carried dangerous goods. The ship's captain was swift to notify Japan Coast Guard so that ships in adjacent waters were aware of the drifting containers.

Ever Liberal was diverted to the Port of Taipei to remove the stock of the damaged cargo prior to its journey to Los Angeles, the company states.

The World Shipping Council's "Containers Lost at Sea 2020" update saw an average of 1382 containers being lost at sea annually between 2008 and 2019. The statistics are skewed by catastrophic casualties, for instance the 2013 sinking of the MOL Comfort which caused a loss of 4293 containers.

During the years of 2017 and 2019, the industry managed to decrease the average loss per year to 779.



Reference: Wallace, P.(2021). Evergreen Ship Loses 36 Containers at Sea. Retrieved from https://www.thedcn.com.au/evergreen-container-ship-loses-36-containers-at-sea/?utm_source=DCN+Daily+Newswire&utm_campaign=2f4a495335-EMAIL_CAMPAIGN_12_18_2020_COPY_554&utm_medium=email&utm_term=0_505d67c448-2f4a495335-143548541 on 5th January, 2021.

HAPAG-LLOYD SIGNS FOR 6 NEW MEGA VESSELS

Hapag-Lloyd has signed onboard six new ultra large container vessels, an investment of about US \$1 billion.

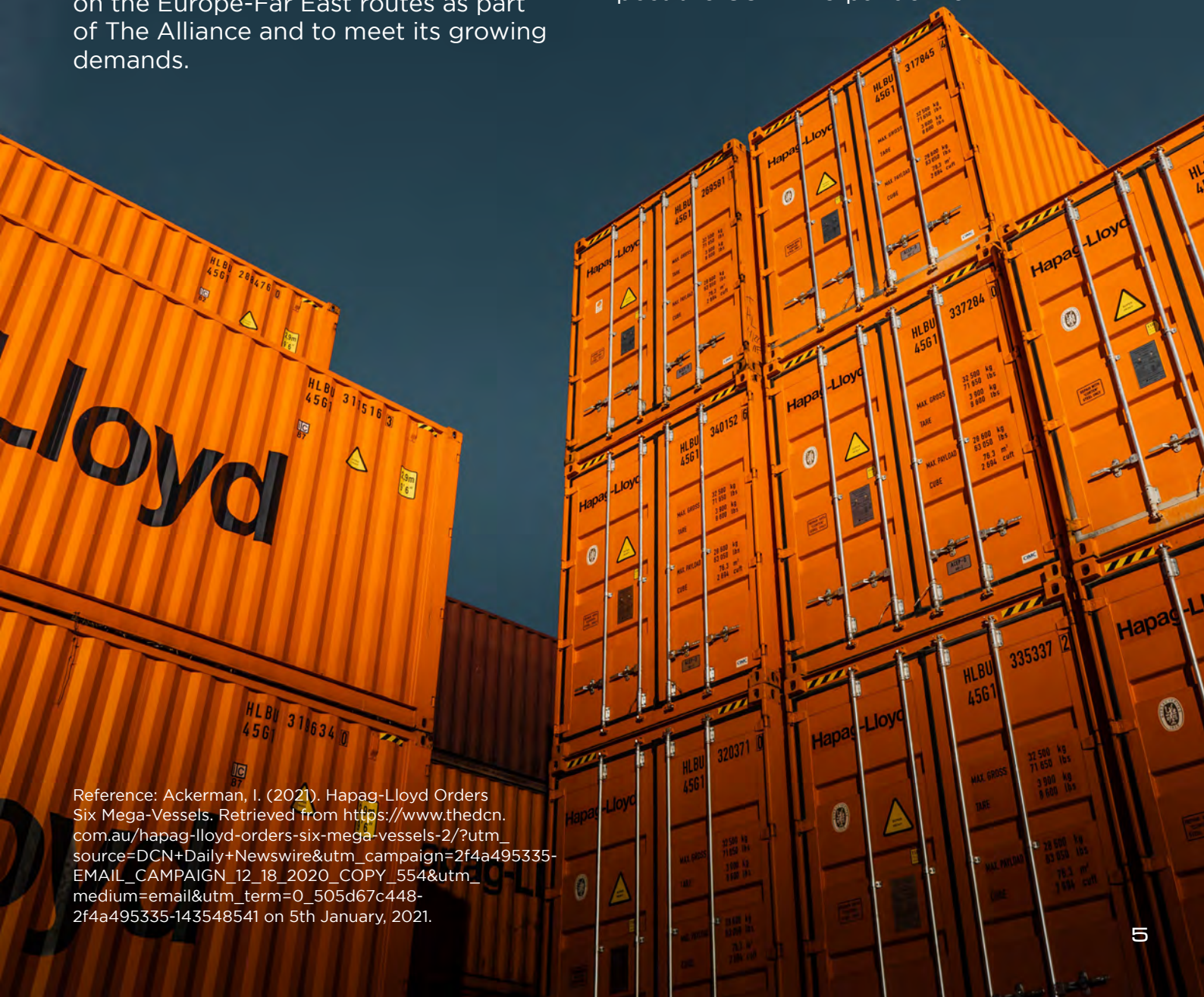
The vessels will be built by Daewoo Shipbuilding and Marine Engineering and will be delivered to Hapag-Lloyd between April and December 2023. The vessels will have a 23000 TEU capacity and will be fitted with high pressure dual fuel engines, allowing it to operate on LNG and conventional fuel.

A statement released from Hapag-Lloyd indicated that the vessels will be deployed on the Europe-Far East routes as part of The Alliance and to meet its growing demands.

Rolf Habben Jansen, CEO of Hapag-Lloyd, states the vessels will enable the company to remain competitive on the routes.

He says “with the investment in six ultra large container vessels we will not only be able to reduce slot costs and improve our competitiveness on the Europe-Far East trade, but also take a significant step forward in modernising our fleet. Additionally, we will further reduce our environmental impact.”

The announcement is another sign of the recovery of the container shipping sector post the COVID-19 pandemic.



Reference: Ackerman, I. (2021). Hapag-Lloyd Orders Six Mega-Vessels. Retrieved from https://www.thedcn.com.au/hapag-lloyd-orders-six-mega-vessels-2/?utm_source=DCN+Daily+Newswire&utm_campaign=2f4a495335-EMAIL_CAMPAIGN_12_18_2020_COPY_554&utm_medium=email&utm_term=0_505d67c448-2f4a495335-143548541 on 5th January, 2021.



EMPTY CAPACITIES STILL UNDER HEAVY PRESSURE

Empty Container Park (ECP) capacity constraints continue to affect transport operations in Melbourne.

For the past few months, Victoria's ECPs have been at or close to capacity. New constraints have been formed due to congestion, timeslot availability and redirection issues. This has been led on by continued vessel bunching, lack of exports and empty container repositions. Its impact is now wide spread, affecting nearly every ECP in Melbourne. The congestion has been projected to reach a crisis point as we approach Chinese New Year. As a result of the reduced ECP capacities, unprecedented challenges in securing container chain slots have been created. Unfortunately, container transport operators feel obligated to work outside of regular business hours to obtain, manage and execute bookings that work in line with operational collections and container free time.

Due to the increased administration attached to the Container chain bookings, many carriers are increasing their empty dehire booking fees, as of 1st Feb 2021.

Additional to administration costs, there are also operational and transport issues created as a result of the unavailability of Container chain timeslots, forcing containers back to transport depots for staging. In turn, this leads to a raft of second order issues including additional truck kilometres travelled, risks of no-shows and other penalty fees and longer truck turnaround times.

All parties in the supply chain will be detrimentally impacted, however transport operators in particular are experiencing a significant financial burden. As a result many carriers are also charging via yard surcharges for MT containers that cannot be directly de-hired during normal business hours, up to as much as \$175 + GST per container.

STAFF SPOTLIGHT

MEET LUCY NAYLOR

COURIER DRIVER
TOMAX TRANSPORT

WHAT DO YOU DO AT TOMAX?

I am a Courier Driver who recently joined Tomax Transport.

HOW DID YOU SPEND YOUR CHRISTMAS AND NEW YEARS?

I spent my Christmas with my family whom are all over the Mornington Peninsula, so I spent Christmas Eve and Christmas Day driving everywhere to see them. I spent New Years with a few of my friends drinking and watching a live local band. (Never get an Uber on New Years, it cost me \$80!)



WHAT DO YOU LIKE TO DO IN YOUR SPARE TIME?

In my spare time I like watching movies, listening to music, cooking heaps of recipes, going for walks, catching up with friends, going to the beach and road trips. Weirdly I love mowing the lawn too haha.

WHERE IS THE COOLEST PLACE YOU'VE BEEN TO?

When I was a teenager I did a world trip. I went to Hawaii, LA, NY, Canada, UK, Amsterdam, Paris, Egypt and Greece. I loved that. Egypt was interesting and the water in Greece is a beautiful turquoise, but I love exploring Australia- North Queensland the most out of all my trips. Port Douglas is my favourite place in the world. It must be the Palm trees and weather as it's such a happy place.

WHICH SEASON DO YOU PREFER THE MOST?

My favourite season is summer, I love hot weather! Then spring, because new flowers bloom and it's still relatively warm. My least favourite season is winter because it's too depressing.

AT WHICH STORE COULD YOU MAX OUT YOUR CREDIT CARD?

I don't have a credit card, but if I did, I would max it out at Kmart- they have everything! I hate clothes shopping so it wouldn't be that. Maybe I'd buy a Lamborghini and max it out that way!!!

FRIDAY FUNNIES

We hope these funny or not-so-funny jokes will lift your mood as we approach the second weekend of January!

Why is England the wettest country?

Because the queen has reigned there for years.

And God said to John, "Come forth and you shall be granted eternal life."

But John came fifth and won a toaster.

What did the mayonnaise say when the refrigerator door was opened?

Close the door, I'm dressing.

Why did the painting go to jail?
It was framed.

Why couldn't the pony sing?
Because she was a little hoarse.

They all laughed when I said I wanted to be a comedian.
Well, they're not laughing now!

Did you hear about the guy whose whole left side was cut off?
He's all right now.

