



TOMAX
NEWS

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PLUS:

23

MARKET SUMMARY

- What is happening with the China-Australian trade lane at the moment? There is a lot of commentary going around as to congestion, delays, equipment shortages, and blank sailings. Shipping lines are definitely enjoying an unexpected rise in rates as a result of global instability and unexpected strong demand. Ocean freight rates for June are expected to hover around the USD 2800 mark for 40' containers from China, however this morning Maersk put out an announcement that they are planning on introducing a

PSS (Peak Season Surcharge) – in JUNE !!! A PSS being applied in the first half of the year is unheard of, and importers will need to see if current market demands stay strong, and if the various conflicts around the world begin to ease, which would see rates most likely settle back to semi-normal levels. It is very much a “WATCH THIS SPACE” situation at the moment and the Tomax team will endeavour to keep you updated on developments.

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. 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 MELBOURNE TERMINAL FACES EXTREME CONGESTION

Landside logistics operators are continuing to experience extreme congestion at DP World's West Swanson Terminal in Melbourne.

For many weeks, DP World has been undertaking construction works to reconfigure the landside truck grids within the Terminal. This has removed approximately 35% of landside capacity.

Coupled with these landside constraints, DP World has a very heavy program of vessel arrivals this week and next week:

- 10 vessels are advertised as having import availability between now and 7 June; while
- 10 vessels have export receivals at the Terminal up until 7 June 2024.

Truck turnaround times have blown out on some shifts to over 4 hours, meaning that transport operators miss subsequent vehicle time slots and can't complete the freight task planned.

DP World WST has now subcontracted CMA CGM Quelimane to Victoria International Container Terminal (VICT) with a partial discharge of imports at WST and the remainder of the imports to be handled through VICT.

This has resulted in transport operators needing to cancel plans for import pick-ups from WST from this vessel and reschedule import deliveries from VICT. This also requires the impacted shipping line (ANL) to resend

PINs which are required to complete truck manifesting into the alternate terminal.

Additionally, this morning DP World WST had to reboot its entire IT system, which has delayed straddle carriers being able to service trucks within the Terminal this morning. Once again, this will have a compounding effect on truck servicing times and cargo movement delays.

Freight forwarders, importers and exporters should speak with their container transport providers about the impacts of the extreme delays. Charges for futile truck trips, truck waiting time at the wharf, and additional lifts via transport yards, are commercial matters between transport operators and their customers.

Once DP World has completed its landside terminal reconfiguration in the coming weeks, the flow of vehicles through the Terminal, particularly higher productivity freight vehicles, should be drastically improved.

Although, with the ongoing West Gate Tunnel Project roadworks on Footscray Road and the Dock Link Road intersection in the Swanson Dock precinct of the Port, truck travel times between the yard and wharf will likely to be negatively impacted.

Container Transport Alliance Australia. (2024). DP World Melbourne Terminal Extreme Congestion. Retrieved from <https://mailchi.mp/74fdf8e9c420/dp-world-melbourne-terminal-extreme-congestion-2324750?e=6b230d9151> on 31st May, 2024.



CONTAINER SHORTAGES IN NORTHERN CHINA

Container shortages in northern China are reaching critical levels, according to reports from forwarders. A combination of robust market demand and reduced vessel capacity stemming from the Red Sea crisis has led to a scarcity of both ships and containers.

Hans-Henrik Nielson, the Global Development Director at CargoGulf, highlighted the severity of the situation, stating, “there is a very real shortage of 40-foot HC containers in China – we are all running out.” Containers are being swiftly filled upon arrival at ports in the People’s Republic of China (PRC), Malaysia and Singapore, leading to disruptions such as port omissions and congestion, wreaking havoc on equipment planning.

Tight equipment stock is evident, particularly in North China, which fluctuates daily based on vessel arrivals and container discharges. In Shanghai, major carriers like CMA and ANL are experiencing a lack of empties, resulting in extended vessel waiting times of 3 to 14 days due to port congestion. Delays in schedules are becoming commonplace across carriers.

The shortage extends beyond Shanghai, with carriers struggling to secure containers in various Chinese ports, including Yantian, Ningbo, Tianjin, and Qingdao. However,

Xiamen stands out as an exception with sufficient container availability.

Carriers are responding to the situation by becoming increasingly selective about bookings, prompting some Beneficial Cargo Owners (BCOs) to seek additional quotes for handling anticipated excess volume in the coming months. Blank sailings announced for June are further exacerbating capacity reductions, with an estimated 15-20% decrease, leading to fluctuating capacity on a week-to-week basis.

Metro Shipping echoed the sentiment, warning of growing equipment challenges in multiple origins and advising to prepare for continued difficulties.

Mr. Nielsen likened the current market demand to a state of “COVID-19” shipper capitulation,” suggesting that resistance is futile and urging stakeholders to secure transportation space proactively. Drawing on the philosophy of Soren Kirkegaard, he described the situation as a leap of faith, where decisions are made in the absence of rational options, reflecting the unprecedented nature of the current shipping landscape.

Lennane, A. (2024). Mounting container shortages creating ‘total havoc’. Retrieved from <https://theloadstar.com/mounting-container-shortages-creating-total-havoc/> on 29th May, 2024.



WESTERN INTERSTATE FREIGHT TERMINAL PLANS DEFERRED

Plans to build the Western Interstate Freight Terminal (WIFT) in Truganina, has been scrapped indefinitely by the Victorian Government. This decision marks a significant shift from the initial support for the project, which was first proposed in 2018 and later prioritised by the state government from 2021 onward. The rationale behind WIFT's conception was to facilitate Melbourne's ongoing capacity for interstate rail freight terminals, which is vital for future logistics.

However, the Commonwealth Government has now redirected its focus towards the development of the Beveridge Interstate Freight Terminal (BIFT) in Melbourne's north. The debate between the proposed WIFT and BIFT locations has been ongoing since their inception in 2018. While the Victorian Government advocated for WIFT as a top priority, the Commonwealth Government favoured the development of BIFT.

The recent decision to defer WIFT's support stems from the Commonwealth Government's endorsement of an independent review of the Inland Rail Project. This review emphasised the importance of prioritising a new terminal in

Beveridge, aligning with the Commonwealth's preference. Factors such as BIFT's strategic location, closer proximity to the inland rail line, and concerns regarding oversaturation of freight hubs in Melbourne likely influenced this decision.

In terms of funding allocation, BIFT received a significantly larger sum of \$1.62 billion compared to WIFT's \$740 million in Commonwealth funding, as outlined in the Federal budget preceding the 2022 Federal Election.

Neil Chambers, Director of Container Transport Alliance Australia, pointed out that while WIFT initially seemed logical, its focus on domestic rather than international freight may have rendered it less crucial. Additionally, the development of a terminal in Somerton, near Beveridge, geared towards port rail shuttles, further reduced the necessity for both WIFT and BIFT.

Murday, H. (2024). PLANNED MELBOURNE FREIGHT TERMINAL DEFERRED INDEFINITELY. Retrieved from <https://www.thedcn.com.au/region/australia/planned-melbourne-freight-terminal-deferred-indefinitely/> on 29th May, 2024



PORT OF MELBOURNE: APRIL 2024 TRADE REPORT

In April 2024, the Port of Melbourne experienced another surge in monthly container trade, marking an 11.7% increase compared to previous records. The port successfully managed 277,000 TEU during this period. Notably, imports saw a rise of 7.9% from the figures recorded in April of the preceding year, while exports surged by 8.8% for the same timeframe.

Among imports, categories such as furniture, domestic appliances, non-electrical machinery, and paperboard all surpassed the volumes of the previous year. Similarly, exports of hay, chaff, fodder, barley, and meats also exceeded the levels seen in the corresponding period.

Trade across Bass Strait saw a notable uptick of 12.8% in April 2024, with the empty container trade witnessing a substantial increase of 25.9%. However, full transshipments experienced a decline of 19% during this reporting period.

In the non-container trades, motor vehicle units saw a significant boost of 25.2% compared to April 2023, while the liquid bulk trade exhibited a commendable increase of 10.2%. Conversely, the dry bulk trade witnessed a decline of 10.9% year-on-year, and break-bulk trade saw a substantial decrease of 34.4% for the same period.

Other non-container trades collectively surged by 22.7% in April 2024 compared to the previous year, showcasing a diverse and evolving trade landscape at the Port of Melbourne.

DCN. (2024). MONTHLY CONTAINER TRADE UP AGAIN AT MELBOURNE. Retrieved from <https://www.thedcn.com.au/region/international/monthly-container-trade-up-again-at-melbourne/> on 28th May, 2024.



MASSIVE VAPES SEIZURE IN SYDNEY

The Australian Border Force (ABF) has made a significant seizure in Sydney, intercepting nearly 400,000 illegal disposable vapes within a week. This marks the largest confiscation at the border since the implementation of importation bans.

Discovered at Sydney's Container Examination Facility from May 20th to May 23rd, the illicit consignments were concealed in three sea cargo containers and were detected through rigorous x-ray screenings conducted by the ABF.

Anomalies were identified in the shipments, with each consignment featuring varying declarations of goods, including clothing items, machinery, and furniture. In total, 389,880 disposable vapes were uncovered across the three containers, estimated to have a street value of approximately \$12.47 million.

Disposable vape importation has been prohibited in Australia since January 1st, 2024, following legislative changes aimed at safeguarding public health, as stated by the Australian Government.

Asha Patwardhan, acting commander of Trade East at ABF, expressed concern over the frequency and quantity of vaping products intercepted, highlighting importers' blatant disregard for Australian regulations. She emphasised the necessity to disrupt these organized crime syndicates, which utilise profits from such illicit activities to fund other criminal ventures, including the distribution of illicit drugs.

Patwardhan highlighted the industrialised nature of these illegal importations, noting a wide range of vaping products being seized, from vape liquid and accessories in international mail facilities to container loads of disposable products on a large scale.

The seized consignments originated from Asia, and investigations into the importation and intended destination of these goods are ongoing.

Murday, H. (2024). HUGE VAPE IMPORTATION STOPPED IN HISTORIC SYDNEY BUST. Retrieved from <https://www.thedcn.com.au/region/australia/huge-vape-importation-stopped-in-historic-sydney-bust/> on 28th May, 2024.



STAFF SPOTLIGHT

MEET MAJAR BISHOP REMOVALIST OFFSIDER TOMAX TRANSPORT NSW



What is your role at Tomax?

I am a Removalist Offsider.

How do you spend your free time?

I spend my free time doing some exercise or playing Playstation.

Which games are you currently playing on your Playstation?

Rainbow Six Siege and NBA 2k24.

Do you play or watch any sports?

I play baseball and I watch both NRL and baseball.

If flights were free, where would you go?

Bora Bora or Africa!

What was your first ever job?

KFC.

If you could have any super power what would it be?

The ability to manipulate thoughts.



FRIDAY FUNNIES

We hope these jokes put a smile on your face as we welcome another weekend!

I phoned a call center today, and it said all the advisors were engaged. I was delighted for them, **but my fridge is still broken.**

I went for a job interview. The interviewer told me I'd start on \$2,000 a month, and then after six months, I'd be on \$2,500 a month. **I told them I would start in 6 months.**

Why couldn't the leopard play hide and seek?
Because he was always spotted.

How do astronomers organise a party?
They planet.

A man got hit in the head with a can of Coke, **but he was alright because it was a soft drink.**

What type of sandals do frogs wear?
Open-toad!

What nails do carpenters hate to hit?
Fingernails.

A lot of people cry when they cut an onion. **The trick is not to form an emotional bond.**

What's a shark's favorite sandwich?
Peanut butter and jellyfish.

Answers for last week's 'Spot the Difference':



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