



TOMAX  
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# MARKET SUMMARY

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- Rates for August on the southbound trade-lanes are beginning to circulate with shipping lines pushing to make their GRI stick. Some lines are advertising some rates at over USD 3000 per 40' container from Chinese ports to the Australian East Coast ports. Demand for space is decreasing however, so it will be interesting to watch and see if lines start to drop rates again chasing as much cargo as possible. Lines have openly advised that that are re-routing even medium sized vessels onto the more profitable northern trade-lanes at the moment, and moving smaller and smaller vessels onto

the Australian trades. Even with these adjustments, it is expected that supply will still outstrip demand for the time being.

- Meanwhile, with the Australian dollar dropping further this week, exports are continuing to see a significant rise as Australian products are more and more attractive to various markets around the globe. The Tomax exports team have been very busy moving cargo to all corners of the globe for customers, with commodities including wine, computer equipment, coffee machines, excavators, DG chemicals and cosmetics.

## 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](#)



# FREIGHT FORWARDING MARKET SLUMPS

**T**ransport Intelligence's (Ti) Global Freight Forwarding Market Report highlights "disappointing results" largely attributed to the economic downturn, with the airfreight sector particularly impacted compared to ocean freight.

In 2023, the global freight forwarding market saw a dramatic 45.6% contraction in nominal terms, primarily due to the collapse of freight rates from their unusually high levels in 2021 and 2022, during the pandemic.

Michael Clover, Ti's head of commercial development, noted that while a 45% drop might seem catastrophic, most forwarders anticipated the temporary nature of the price surge and managed the situation accordingly. He pointed out that real-term growth, reflecting underlying volume, indicates that the market's health isn't as dire as nominal figures suggest.

According to Ti, the market contracted by just 1.3% in real terms last year, reducing its value to \$209 billion. The contraction stems from a mix of global economic challenges, changes in consumer behavior, and an oversupply that outstripped demand.

Additional factors impacting the forecast include geopolitical risks (such as conflicts in Ukraine and Israel), inflation, rising fuel costs, and weakened consumer demand. The air freight sector experienced a 2.1% decline, whereas ocean freight forwarding faced a smaller contraction of 0.6%.

The freight forwarding market's growth is closely linked to international trade, which, according to UNCTAD, saw a moderate decline to around \$31 trillion last year, driven by reduced global demand for goods.

Looking ahead, Ti projects that the global freight forwarding market will grow at a 3.3% compound annual growth rate (CAGR) through 2028, reaching \$245.9 billion. Air freight forwarding is expected to grow at a 3.6% CAGR, while ocean forwarding is forecasted to expand at 3%.

Goldstone, C. (2024). 'Doomsday scenario' for forwarders just a post-Covid rate drop blip. Retrieved from <https://theloadstar.com/doomsday-scenario-for-forwarders-just-a-post-covid-rate-drop-blip/> on 25th July, 2024.







# AUSTRALIA'S RAIL SECTOR: INNOVATIONS AND INVESTMENTS FOR A SUSTAINABLE FUTURE

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In the past year, Australia's rail sector has made significant strides towards achieving net-zero emissions, with substantial investments in infrastructure, technological advancements, and an increased recognition of rail's critical role in the nation's supply chains. This momentum is expected to continue into the coming year, bringing further infrastructure development, enhanced efficiencies, and innovative solutions.

The impact of major floods over the last few years has underscored the vulnerability of supply chains. For instance, floods that isolated Western Australia from the east coast highlighted the state's dependence on road, rail, and sea transport, which in turn spurred significant investments from both government and private sectors.

## **SUPPORTING URBAN DEVELOPMENT IN MELBOURNE'S NORTH**

The 2024-25 federal budget, released

in May, allocated an additional \$16.5 billion for new road and rail infrastructure projects over the next decade. One key project is Victoria's Camerons Lane interchange, which will bolster urban development in Melbourne's north and improve freeway access. This project is crucial for the Beveridge Intermodal Precinct, which will become Australia's largest intermodal hub, revolutionising the national supply chain and reducing transport costs.

Strategically positioned on the Inland Rail route, which is part of the Australian Rail Track Corporation (ARTC) network, the Beveridge Intermodal Precinct will facilitate double-stacked container services for long-haul freight trains to major cities like Adelaide, Perth, Darwin, and Brisbane. The ARTC is enhancing the resilience and reliability of its 8,500-kilometre rail network, addressing disruptions caused by extreme weather since 2021. This includes upgrades to track

infrastructure, signalling, and terminal facilities, building on the \$150 million already invested by ARTC over the past two years.

The Inland Rail project, a transformative nation-building initiative, will connect Beveridge to Parkes by 2027, with future plans extending to Ebenezer in Queensland. Currently, ARTC is working on 12 project sites in Victoria, with four nearing completion and work on the remaining sites expected to begin in early 2025. Key progress includes enhancements at Wangaratta, Glenrowan, and Seymour-Avenel Road, with significant upgrades underway.

### **RAIL A KEY FOCUS FOR PORT OF MELBOURNE**

As Australia's largest general cargo and container port, the Port of Melbourne manages over 3.2 million TEU annually, accounting for more than a third of the nation's container trade. The port's extensive catchment area relies heavily on road and rail connectivity for efficient transport of exports and imports.

Currently, trucks handle over 94% of container movements to and from the port, while trains carry less than 6%, primarily for regional exports. Each month, 125 freight trains unload at the Port of Melbourne, with 105 being intermodal trains that contribute to over 22% of full exports from the port.

### **PORT RAIL TRANSFORMATION PROJECT**

The Port Rail Transformation Project, part of the Port of Melbourne's strategy to shift more international container movements to rail, aims to enhance rail efficiency within the metropolitan area. This project, the first of 12 outlined in the port's 2020 rail access strategy, involved significant investments in rail assets, construction of a new rail terminal, and improvements to access infrastructure.

Completed in August 2023, the project features 3.5 kilometres of rail track accommodating two 600-metre trains and has been handed over to Patrick Terminals. This initiative aligns with the Victorian government's Port Rail Shuttle Network,

which seeks to increase container rail movements through new metropolitan intermodal terminals expected to be operational by 2025.

### **LOOKING AHEAD: MODE SHIFT**

By 2050, container volumes at the Port of Melbourne are projected to double, driven by Melbourne's anticipated growth as Australia's largest city. In response, the port plans to release an updated rail access strategy in 2025 to enhance rail transport for containers, focusing on sustainability, supply chain resilience and reduced road congestion.

### **INNOVATION AWARD FOR NSW PORTS**

NSW Ports, overseeing Port Botany and Port Kembla, along with intermodal terminals at Enfield and Cooks River, is investing in rail projects to boost rail mode share and supply chain efficiency. The federal budget outlined \$4.6 billion for 69 new rail projects, including significant investments in Western Sydney, METRONET in Western Australia, and upgrades in Queensland, Tasmania, South Australia, and Victoria.

The budget also allocated \$540 million to improve the ARTC interstate freight rail network, complementing previous investments. In Sydney, NSW Ports has focused on long-term investments to enhance rail use and reduce truck traffic. The recent award-winning Sydney AutoStrad Botany Rail Expansion project integrates automated rail and container terminals, increasing rail capacity and efficiency.

### **THE NEXT GENERATION OF FREIGHT TRAINS**

Aurizon, Australia's largest rail freight operator, is advancing towards zero-emissions freight locomotives with a \$9.4 million grant from the Australian Renewable Energy Agency. This grant will fund the development and testing of a battery-electric tender to work with a modified locomotive, enhancing hybrid and renewable energy use in freight trains. Aurizon is also exploring hydrogen-powered trains to extend freight hauls beyond 850 kilometres.



## WEATHER AND THE WEST

Recent severe flooding in Western Australia exposed the state's reliance on eastern states for supplies, prompting a report on improving supply chain resilience. The report emphasised enhancing rail infrastructure, better communication, and improved recovery processes, while also advocating for more efficient coastal shipping policies.

## CHANGE FOR FREMANTLE

The Port of Fremantle is planning a significant shift by moving container shipping to Kwinana, which will include upgrades to rail terminals and networks. The Port of Fremantle currently has the highest percentage of rail-conveyed container freight among Australian ports,

with government subsidies supporting this mode of transport.

The Port of Brisbane faces challenges due to a lack of dedicated freight rail, with 98% of freight currently transported by road. The Port of Brisbane has long advocated for a dedicated rail connection to improve freight efficiency.

Overall, the rail sector's ongoing investments and innovations are setting the stage for a more resilient, efficient, and sustainable future in Australia's transportation network.

Newton, A. (2024). RAIL: RAIL SHORING UP AUSTRALIA'S SUPPLY CHAINS. Retrieved from <https://www.thedcn.com.au/dcn-magazine/feature/rail-rail-shoring-up-australias-supply-chains/> on 24th July, 2024.



# CMA CGM LEVERAGES AI FOR SHIPPING EFFICIENCY

CMA CGM is set to integrate artificial intelligence (AI) into its operations, including the establishment of a new AI department, according to Park Jae-seo, CEO of the French carrier's South Korean branch. Park announced this initiative at the Incheon International Ocean Forum, shortly before CMA CGM finalised a partnership with Google to implement AI across its shipping and logistics operations.

Park outlined that the goal is to create a strategy that connects ships and manages container movements through digital transformation. "Our diverse shipping methods, including ferries and ro-ro ships, allow us to adapt to customer needs and provide alternative solutions if issues arise," he noted. He emphasised that digital transformation is key to enhancing efficiency.

"We are increasing efficiency by connecting ships and managing overall movements digitally," Park explained. "We are also digitising customer interactions, such as price checks, reservations, and freight billing, to streamline these processes through our website."

CMA CGM is also focusing on improving punctuality through digitalisation. Addressing issues that have arisen during the pandemic and recent disruptions in the Red Sea, Park said, "we are working on optimising each route and integrating complex services to enhance efficiency through digital programs."

He added that the company's commitment to efficiency, rather than merely punctuality, has remained consistent before and after the COVID-19 pandemic. "Our ultimate goal is to handle volatility and unpredictability effectively by leveraging technological advancements," he said.

The recent agreement with Google aims to use its AI solutions to enhance vessel routing, container handling, and inventory management, ultimately improving cargo movement efficiency while reducing costs and carbon emissions.

Li, M. (2024). CMA CGM outlines plan to deploy AI across shipping and logistics operations. Retrieved from <https://theloadstar.com/cma-cgm-signs-up-to-deploy-ai-across-shipping-and-logistics-operations/> on 24th July, 2024.





# STAFF SPOTLIGHT

LUCY WANG

DOCUMENTATIONS OFFICER  
TOMAX LOGISTICS AUSTRALIA

**What is your role at Tomax?**

I am a Documentation Officer in the Imports Department.

**What are your hobbies and interests?**

Travelling around the world with family and friends.



**If you could only bring one thing to a deserted island, what would it be?**

A lighter.

**Your dream holiday destination?**

Switzerland.

**A goal you wish to achieve?**

Financial freedom.

**Favourite restaurant in Melbourne?**

Golden Leaf Restaurant.

**The last movie you watched?**

Interstellar.

**Your most used emoji?**





# FRIDAY FUNNIES

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

Why did the author get married?  
*She found Mr. Write.*

A horse walks into a diner.  
The host says, "Hey!"  
*The horse says, "You read my mind."*

How did people see in the dark during medieval times?  
*They used knight lights.*

Why aren't there a lot of jokes about peaches?  
*Because most of them are pit-iful.*

What's the best way to catch a squirrel?  
*Act like a nut.*

Why is the ocean so clean?  
*It has mer-maids.*

Did you hear about the archeologist who got fired?  
*His career was in ruins.*

Where do boats go when they're sick?  
*To the dock-tor.*

Did you hear about the ghost that joined a soccer team?  
*It wanted to be a ghoulie.*

What do you get when you cross a guitar, drums and a car tire?  
*A rubber band.*

I'm obsessed with telling airport jokes.  
*My Doctor says it's a terminal problem.*

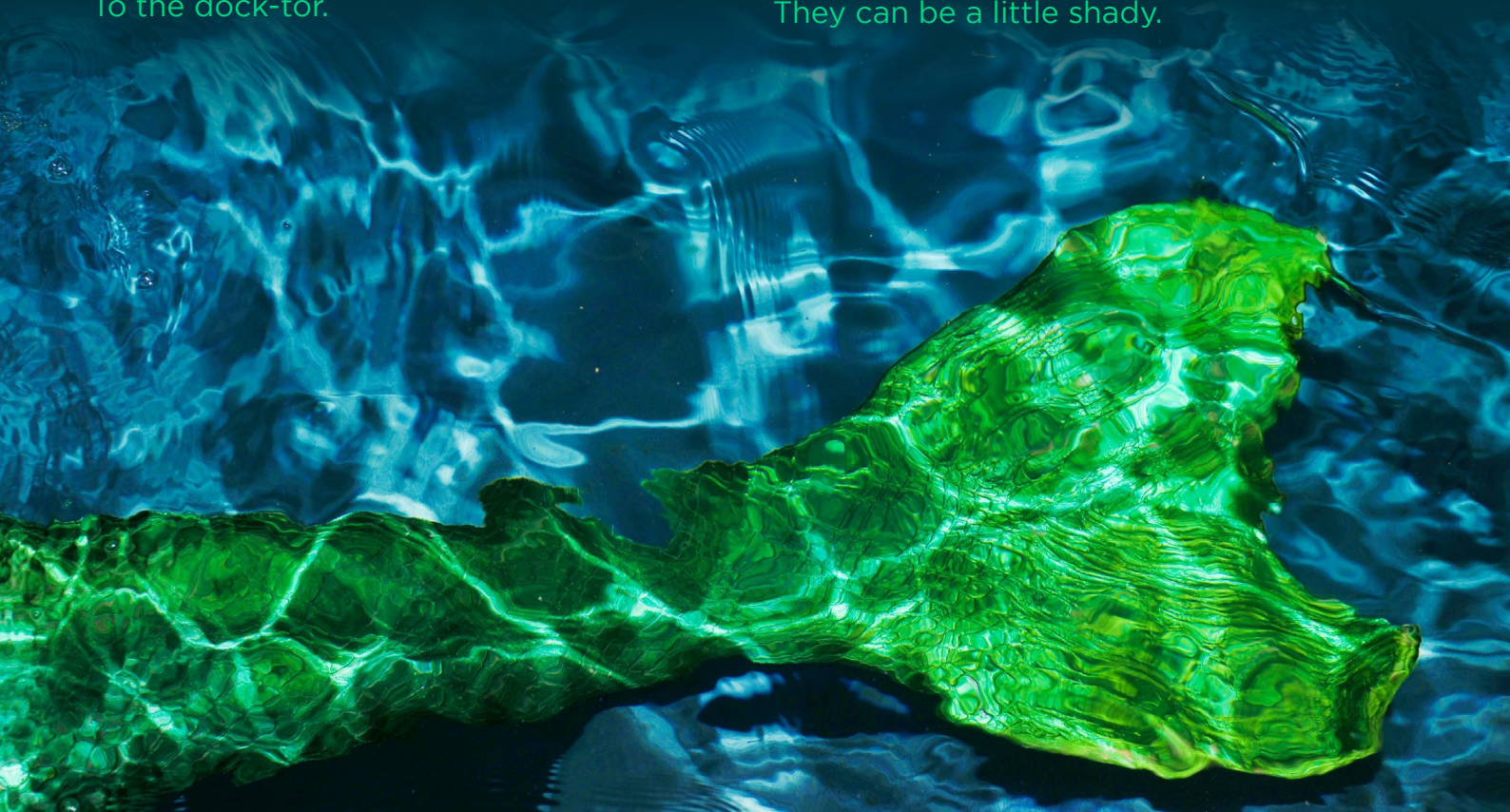
Why did the financial planner quit his job?  
*He was losing interest.*

Did you hear about the light that got arrested?  
*It went to prism.*

Why did the king go to the dentist?  
*He needed a crown.*

What do you call a crocodile that's always causing trouble?  
*An insta-gator.*

Why shouldn't you trust trees?  
*They can be a little shady.*



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