



TOMAX
NEWS

Issue 185
11th July 2025

PLUS:



MARKET SUMMARY

- Despite economic turbulence shipping lines are pushing hard with heavy rate increases announced across various trade-lanes. Blank sailings and weather related congestion are enabling lines to achieve higher rates in the market. It is expected that lines will continue to push in the coming months with further hefty increases.

- Australian Quarantine (DAFF) have announced an increase in their entry processing fees from 1st July 2025. The increases are very marginal, but still add additional cost pressures. Air entries will increase by \$1, and sea freight entries are set to increase by \$2.

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.

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AUSTRALIA'S INDUSTRIAL SECTOR MAINTAINS MOMENTUM IN Q2 2025

Australia's industrial and logistics sector continued to show resilience in Q2 2025, with leasing activity rising 8% compared to the previous quarter, according to CBRE's latest market data.

National vacancy averaged 2.8% for the first half of the year—slightly higher than the 2.5% recorded earlier, yet still among the lowest globally. Sydney led all cities in leasing activity, accounting for the largest share of gross floorspace taken up during the quarter.

Gross take-up for the period reached approximately 756,000 square metres, driven by solid demand for modern distribution facilities. While the increase in vacancy indicates a gradual easing in the supply-demand imbalance, the sector remains undersupplied relative to historical norms.

CBRE notes that Australia's industrial development pipeline is on track to exceed the long-term average of 1.9 million square metres by 27%. Importantly, around half of the new space expected in the second half of 2025 has already been pre-leased,

highlighting strong tenant confidence in future requirements.

On the investment front, year-to-date sales of income-generating industrial assets priced above \$10 million have reached \$3.7 billion. The national average yield for super prime-grade assets currently stands at 5.85%, with Sydney being the only market to experience yield compression this quarter.

Rental incentives edged slightly higher, while net effective rents grew by a modest 0.1%, pointing to a stabilising market in which landlords continue to maintain rental growth despite minor increases in vacancy.

Overall, with historically low vacancies, a robust development pipeline and consistent investor interest, Australia's industrial and logistics sector remains a vital component of the commercial property landscape heading into the latter half of the year.

Hazell, P. (2025). Report: Australia's industrial market holds firm as conditions rebalance. Retrieved from <https://mhdsupplychain.com.au/2025/07/09/report-australias-industrial-market-holds-firm-as-conditions-rebalance/> on 11th July, 2025.



RECORD HIGH FOR AUSSIE RED MEAT EXPORTS

Australia's red meat industry has hit record-breaking export volumes, highlighting strong international demand for the country's beef, lamb and mutton, according to Meat & Livestock Australia (MLA).

Total beef and veal exports for the 2024–25 financial year reached 1.4 million tonnes—the highest annual volume ever recorded. Mutton exports also set a new record at 256,104 tonnes, while lamb exports reached 363,109 tonnes, making it the second-largest year on record for lamb. June 2025 alone saw 134,593 tonnes of beef shipped overseas, marking the highest monthly beef export volume. This figure was up 4% from May and 27% higher than June 2024.

MLA Managing Director Michael Crowley said achieving record beef and sheep meat exports in a single financial year was not just a milestone but “a reflection of Australia’s resilience and agility in a competitive global market.”

“We’ve seen double-digit growth in chilled and frozen exports, strong performance across both grassfed and grainfed beef, and significant increases in key markets like Mainland China, South Korea, and the United States,” Mr Crowley said, “these results are underpinned by the industry’s commitment to quality, sustainability, and innovation, as well as the strength of our trade relationships.” In total, red meat exports in June 2025 reached 209,074 tonnes—20% more than

the same time last year. Chilled exports rose by 11% year-on-year to 44,715 tonnes, while frozen exports jumped 22% to 164,359 tonnes. Exports to the United States were especially strong, with 35,343 tonnes of beef shipped in June—23% more than June 2024.

“Despite facing the 10% imposed tariff by the United States, Australian red meat continues to command strong demand, enhanced by our international reputation for product quality, safety, and supply chain integrity,” Mr Crowley said.

Other major markets also saw strong growth. Exports to South Korea rose 16%, while Southeast Asia experienced a 20% increase year-on-year.

Lamb exports in June totalled 32,437 tonnes, 4% higher than the same month last year, despite a seasonal dip from May. Notably, exports to Greater China jumped 53%, and exports to Canada rose by 93%. “These figures show that Australia is maintaining its position as a global leader in red meat exports but expanding upon it,” Mr Crowley said, “with continued focus in sustainability, quality assurance, and strategic market access, Australia is well-positioned to build on this momentum through the second half of 2025 and beyond.”

Sexton, D. (2025). Industry bullish over red meat exports. Retrieved from <https://www.thedcn.com.au/news/industry-bullish-over-red-meat-exports> on 10th Jul, 2025.



FREE TRAINING SEMINAR AT TOMAX HQ

Tomax is pleased to announce that we will be running another training day on Thursday 17th July for any clients who would like to have staff attend. Many of the Tomax team will present different modules during the day covering all areas of international and domestic freight, including Incoterms, ocean shipping, customs, quarantine, transport and warehousing. After our previous sessions, the attendees were able to obtain a lot of information that helped in their day to day work.

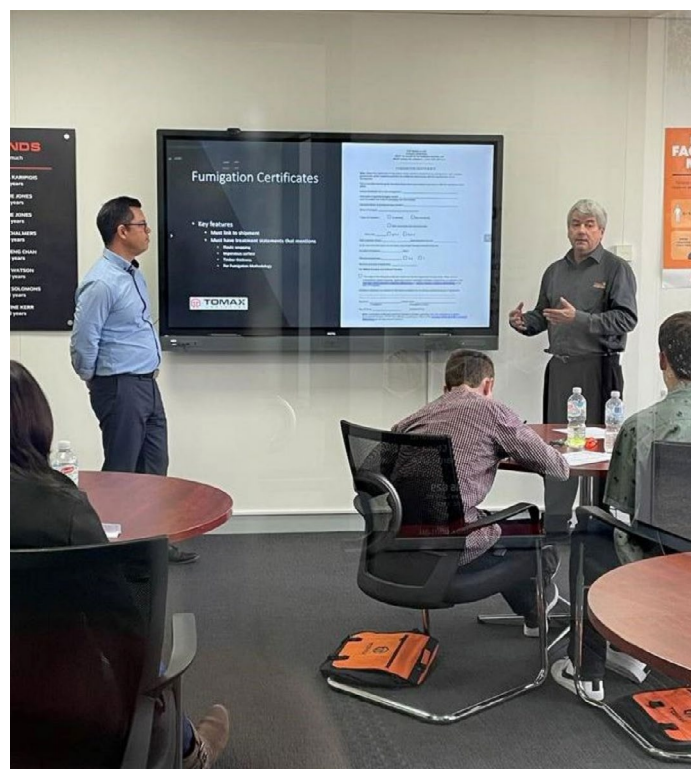
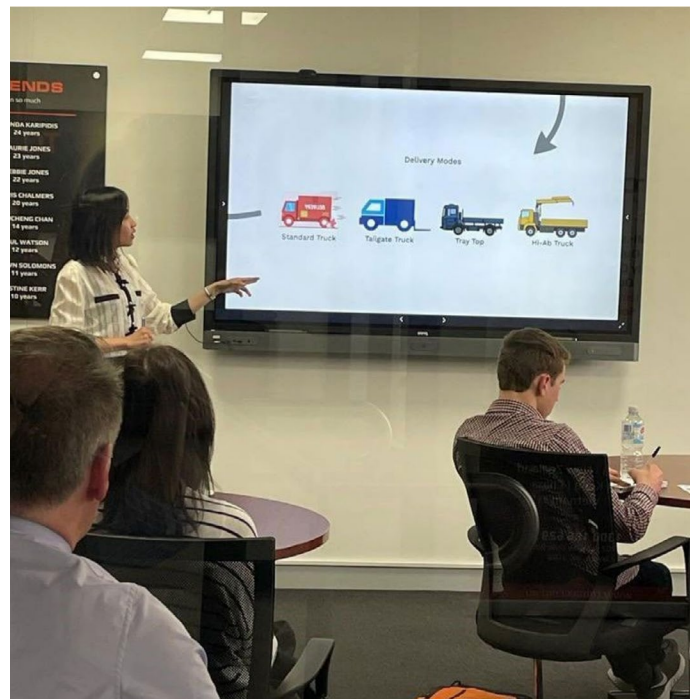
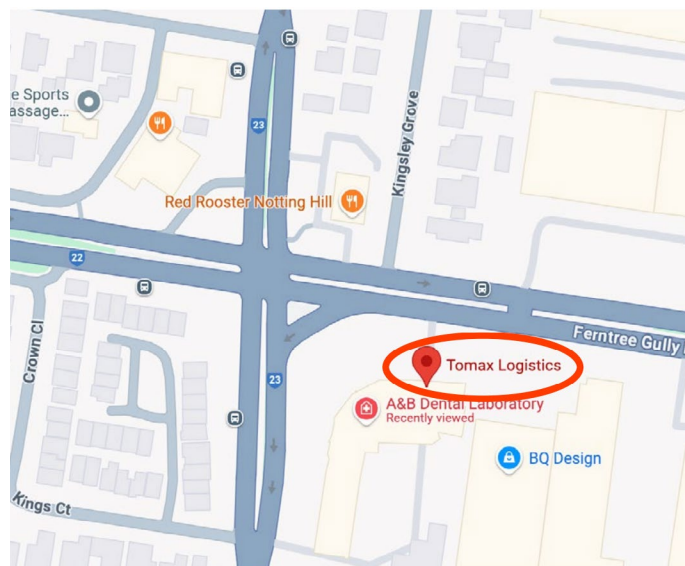
If you would like to have any of your team attend this free session please email your interest to jessica@tomax.com.au. Please note, there are limited places available. We are looking forward to seeing you!

Date: Thursday 17th July 2025

Time: 9:00am to 2:00pm

Location: Tomax Headquarters
19/202 Ferntree Gully Road, Clayton 3168

RSVP: jessica@tomax.com.au



U.S TARIFF THREAT PUTS AUSTRALIAN PHARMA AT RISK

U.S President Donald Trump's proposed tariffs on Australian pharmaceutical exports have triggered serious concerns among Australian government officials and industry leaders, with potential economic losses estimated at up to A\$2.8 billion. The tariffs—still under consideration—are being linked to mounting pressure from U.S pharmaceutical lobby groups. These groups are urging the Trump administration to use trade negotiations as leverage to push changes to Australia's Pharmaceutical Benefits Scheme (PBS), including calls to raise drug prices. Treasurer Jim Chalmers has firmly rejected this approach, stating the government will not compromise the integrity of the PBS in any trade deal. Nationals Senator Bridget McKenzie echoed this sentiment, confirming bipartisan support for preserving the PBS framework.

The United States is Australia's largest pharmaceutical export destination, accounting for 38% of total pharmaceutical exports and valued at \$2.2 billion in 2024. A significant portion—approximately 87%—comprises blood plasma products, predominantly produced by Australian biopharmaceutical company CSL. In a formal submission to the U.S Commerce Department, CSL urged a phased implementation of any tariffs over five years and requested exemptions for specific biotech equipment. President Trump has floated tariff rates as high as 200%, though he has indicated any changes would be delayed by at least 12 to 18 months to allow room for negotiations. Despite this window, there is growing concern that tariffs, if enacted, could harm local manufacturing and undermine Australia's pharmaceutical research and innovation ecosystem.

The Pharmaceutical Benefits Scheme is a cornerstone of Australia's healthcare system, designed to ensure affordable

access to essential medicines. Under the PBS, the government subsidises the cost of medications, with patients paying only a capped co-payment. In 2023–24, more than 900 medicines were listed under the scheme, costing the government \$17.7 billion. Listing decisions are made by the Health Minister based on advice from the Pharmaceutical Benefits Advisory Committee, which assesses new drugs for clinical effectiveness, safety, cost-effectiveness, and financial impact. If approved, the government negotiates directly with manufacturers to secure lower prices. Unlike Australia's centrally regulated approach, the U.S pharmaceutical system operates largely on free-market principles. Drug prices in the U.S are set by manufacturers and are typically subsidised through private insurers or federal programs like Medicaid—neither of which directly negotiate prices with pharmaceutical companies. This fragmented model allows for significantly higher prices. On average, U.S drug prices are nearly 2.8 times higher than in other developed nations, driven by minimal cost controls and extended patent protections that limit competition from generics.

U.S pharmaceutical industry groups have long criticised the PBS, arguing it undervalues innovation by benchmarking prices against older or generic medications and using outdated value metrics. In response, the Australian government commissioned a comprehensive review of the PBS in 2024, resulting in 50 recommendations aimed at improving access, affordability and timeliness. However, it remains uncertain whether these efforts will satisfy the demands of powerful U.S industry lobbyists—or deter further trade pressure from the Trump administration.

Carrello, J. (2025). Trump has flagged 200% tariffs on Australian pharmaceuticals. What do we produce here, and what's at risk? Retrieved from <https://theconversation.com/trump-has-flagged-200-tariffs-on-australian-pharmaceuticals-what-do-we-produce-here-and-whats-at-risk-260909> on 11th July, 2025.



RED SEA CRISIS DEEPENS AMID NEW STRIKES ON SHIPS

Insurance premiums are expected to surge for the limited number of carriers still navigating the Red Sea, following recent attacks on merchant ships—further delaying any prospects for a return to normal shipping operations via the Suez Canal.

The crisis escalated yesterday after the Israeli Defence Force (IDF) launched an airstrike on the *Galaxy Leader*, the same vessel whose 2023 hijacking by Iran-backed Houthi militants marked the beginning of the Red Sea crisis. The IDF claims the ship's radar system was being used to coordinate attacks on other commercial vessels. A spokesperson from maritime security firm Ambrey confirmed that the strike was part of the IDF's "Operation Black Flag" and targeted both the *Galaxy Leader* and the Yemeni port of Ras Isa.

"The IDF claimed to have struck the *Galaxy Leader*, following the reported installation of a radar system which the IDF stated had been used to 'facilitate further terrorist activities.' At the time of writing, no casualties had been reported," the spokesperson said. In addition to the IDF's actions, the Houthis resumed their assaults on commercial vessels in the Red Sea for the first time since November. The group claimed to have sunk the bulk carrier *Magic Seas* and later launched a drone strike on the Greek-operated *Eternity C*. The latter attack resulted in the deaths of two crew members—the first fatalities from Houthi strikes since June 2024—bringing the total death toll from the rebel campaign to six. These renewed incidents cast doubt over the Houthis' earlier announcement that they would focus exclusively on vessels bound for Israel's Haifa port.

In a statement issued in May, the group said their attention would shift to ships entering Haifa. However, the announcement left uncertainty about the safety of ships merely

passing through the Red Sea. The Houthis later clarified their position stating, "ships transiting the Red Sea without stopping at port of Haifa will not be targeted. Port of Haifa is included in the target bank"

One of *Magic Seas'* two commercial managers, Stem Shipping, advised that no warning had been received prior to the attack. The vessel was reportedly transporting fertiliser from China to Turkey.

Following the attack, maritime insurance platform Vanguard Tech published a post implying that calls made at Haifa by other ships within *Magic Seas'* co-manager, Allseas Marine, may have justified the vessel being targeted.

Given the heightened risks, Ambrey offered new safety recommendations. "Merchant shipping is advised to designate a safe muster point above the waterline and central within the accommodation block and to retreat to this SMP when sirens are sounded." The spokesperson also urged minimal deck activity and reduced bridge staffing when sailing through areas vulnerable to Houthi attacks.

Despite the hostile environment, a handful of container lines have cautiously resumed Suez Canal operations. Notably, CMA CGM has continued operating its BEX2 service since April 2024 and recently expanded its presence in the region. In early June, the company announced enhancements to its Europe Pakistan India Consortium (EPIC) service, with one of its ten vessels now set to pass through the Suez. CMA CGM is also maintaining Suez transits for its MED2 and MED5 rotations.

Whiteman, A. (2025). Two killed after Houthi attacks resume on merchant ships. Retrieved from <https://theloadstar.com/two-killed-after-houthi-attacks-resume-on-merchant-ships/> on 10th July, 2025.



STAFF SPOTLIGHT

CECILIA CAI

IMPORT OPERATIONS CLERK
TOMAX LOGISTICS AUSTRALIA



What is your role at Tomax?

Import Operations Clerk.

What do you enjoy doing in your free time?

Hiking and camping.

Favourite restaurant in Melbourne?

Yugen Tea Bar - Omakase.

If you won the lottery, what would be the first thing you would buy?

Small islands, around the sea.

Your dream holiday destination?

Africa.

Name something you are afraid of?

Snakes.

A goal you wish to achieve?

Being happy everyday!

What was your first ever job?

Waitress at a cafe.



FRIDAY FUNNIES

Happy Friday! We hope the following jokes make you laugh!

I was going to try an all almond diet,
but that's just nuts.

Who won the neck decorating contest?
It was a tie.

I tried to make up a joke about ghost but I couldn't.
It had plenty of spirit but no body.

I got an A on my origami assignment
when I turned my paper into my teacher.

What do you call the security guards for Samsung?
Guardians of the galaxy.

What does a nosey pepper do?
It gets jalapeño business.

I was making a joke about retirement.
It did not work.

What did the alien say to the landscaper?
Take me to your weeder.

Did you hear about the famous pickle?
He's a really big dill.

What's an astronaut's favourite board game?
Moon-opoly.

What do you call a chicken looking at salad?
Chicken Caesar Salad.

Where do basketball players go when they need a uniform?
New Jersey.

Singing in the shower is fun until you get soap in your mouth.
Then it's a soap opera.

