



TOMAX
NEWS

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LATEST NEWS

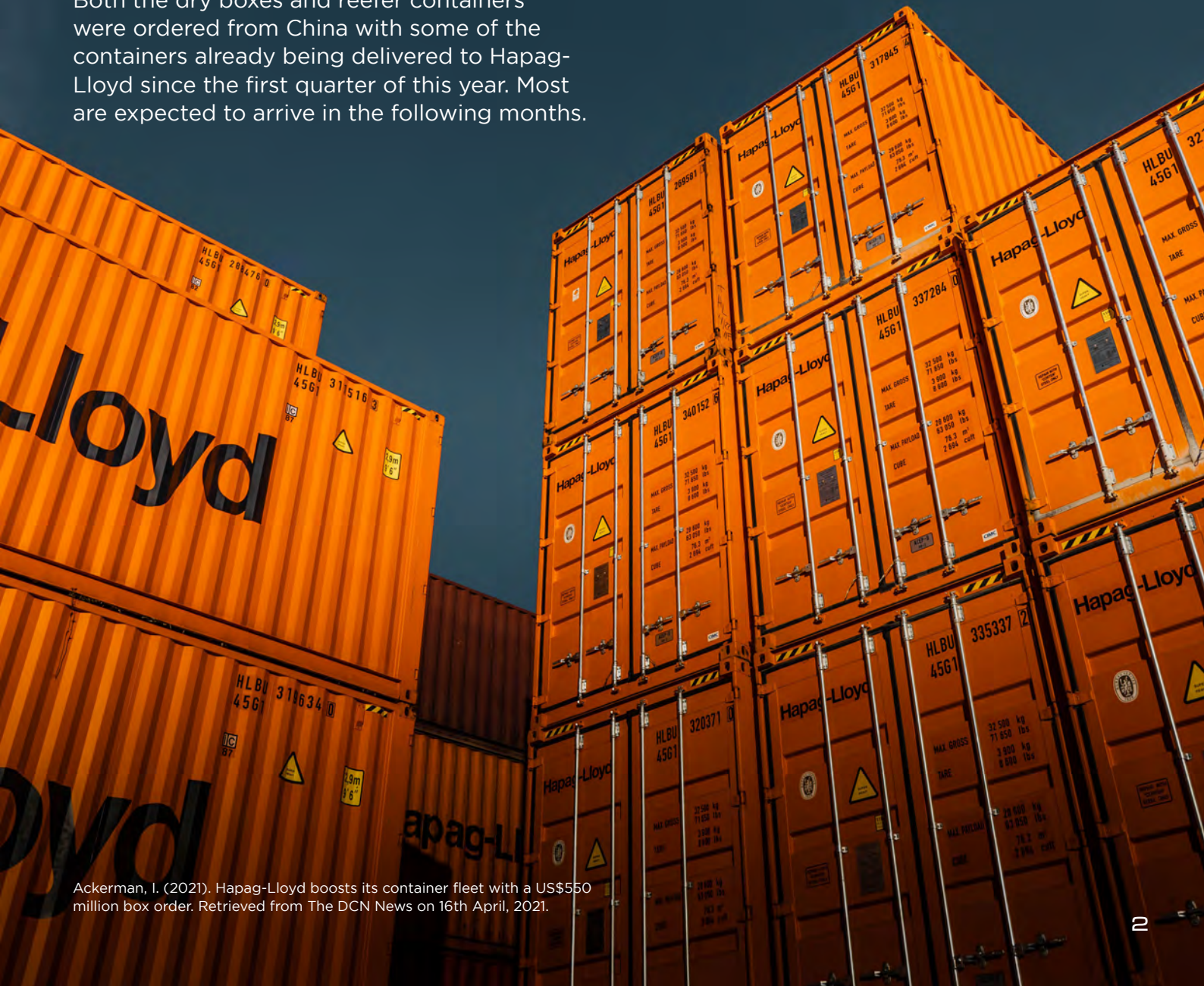
HAPAG-LLOYD'S US\$550 MILLION CONTAINER FLEET BOOST

Marking one of the biggest container orders in its history, HAPAG-Lloyd has put down a US \$550 million order consisting of 150,000 TEU of standard and reefer containers. The fifth largest container line by TEU capacity, said the investment in its container fleet originates from the fact that it requires significantly more boxes to carry the same volume of cargo. This is due to slower turnover of boxes, compared to the pre-pandemic period.

Both the dry boxes and reefer containers were ordered from China with some of the containers already being delivered to Hapag-Lloyd since the first quarter of this year. Most are expected to arrive in the following months.

In addition, Hapag Lloyd has ordered 8000 TEU of special containers designed for over-sized or dangerous goods.

Rolf Habben Jansen, CEO of Hapag-Lloyd, said, "the container shipping industry is currently seeing unprecedented demand, which has led to a shortage of containers all over the world. With its recent container orders, Hapag-Lloyd is contributing to efforts to ease the current situation and will be able to offer its customers a much better service".



STATE OF PLAY: CHINA AIRFREIGHT MARKET



The Chinese civil aviation industry, which has been struggling for a long time under the epidemic, is hoping for a turning point in its recovery process, driven by domestic demand. At the same time, service routes for cargo to international destinations are being reduced due to the continuing lack of international travel opportunities. The recent QingMing holiday festival drove up domestic travel considerably and this is expected to continue during the May Day holidays. The big three Chinese airlines of Air China (based in Beijing), China Southern (based in Guangzhou) and China Eastern (based in Shanghai) are adding 116 new routes to their schedules in response to the demand, resulting in approximately 9,500 flights per day operating within China for these three airlines.

As a result of the early months of the pandemic and the immediate drop off in international passenger flights, airlines found

it very difficult to find a balance between closing down operations, switching to cargo focus, or applying a wait and see approach. During the 2020 calendar year the big three Chinese airlines lost on average around RMB 100 million per day. For the year end results Air China reported a RMB 14.41 billion loss, China Eastern reported a RMB 11.8 billion loss, and China Southern reported a RMB 10.8 billion loss. For the year the number of flights carried out was down by over 40%. In response, many airlines like China Southern made decisions to switch passenger planes on international routes to carry cargo only, including packing cargo into the passenger cabin on seats and in overhead lockers.

In 2020, China Southern operated 8,431 cargo charter flights, mostly in relation to pandemic related goods movement. Charters for cargo flights range from USD 150,000 to USD 300,000 per flight on average usually depending on the size of the plane and the

route. During the height of the pandemic and the demand for face masks, isolation gowns and other related cargo, the cost of charters rose astonishingly to as much as USD 1.8 million per flight. Even at these astronomical prices the flights were being snapped up weeks in advance as global governments fought to keep their citizens safe and hospitals provided with the necessary items.

Spot rates on international cargo movements during the height of the pandemic rose to around USD 16 per KG on the China-Australia trade route, more than a 450% increase on the pre-COVID rates of around USD 3.50 per KG depending on the volume. Until recently, spot rates had dropped back to reasonable levels at around USD 4.50 per KG allowing importers to look seriously at airfreight as a viable option for urgent cargo. However, in mid-March several Chinese airlines reduced their international flight schedule in order to

reallocate capacity on the growing domestic passenger market instead. As an example, China Southern previously operated daily flights between Guangzhou and Melbourne but have now reduced this to only one or two flights per week. The large reduction in general cargo carrying capacity has caused an upsurge in pricing and demand for charter flights once again. Spot rates have risen again to around USD 8.00 per KG depending on cargo volume and type, with flights booked out more than a week in advance. Shippers and importers are now having to scurry again in order to find viable service options often with both pricing and transit times being unattractive.



STAFF SPOTLIGHT

MEET STEPHEN REDMOND

Courier Driver
TOMAX TRANSPORT



WHAT DO YOU DO AT TOMAX?

I am a Courier Driver who does deliveries in the Western suburbs of Melbourne.



ONE THING THAT INSTANTLY BRIGHTENS YOUR DAY?

Seeing my fellow Tomax colleagues, especially David Gulle!



HOW DO YOU SPEND YOUR WEEKENDS?

I spend my weekends doing housework, gardening, cleaning my Tomax Van and putting together Lego Technics!



IF YOU CAN TRAVEL ANYWHERE WHERE WOULD IT BE?

Canada, because when I was in school I did a project on Canada and have always wanted to go there since!



DO YOU PLAY OR FOLLOW ANY SPORTS?

I follow the AFL and barrack for Richmond Tigers.



THE BEST PLACE TO GRAB A GOOD MEAL IN MELBOURNE?

Be sure to check out Royal Standard Hotel in North Melbourne!



FRIDAY FUNNIES

We hope these jokes will lift your mood as we approach the weekend!

Which events do spiders love to attend?

Webbings.

Why did the cookie go to the hospital?

Because he felt crummy.

Why are ghosts such bad liars?

Because you can see right through them.

Why did the pony get sent to his room?

He wouldn't stop horsing around.

Why do fish live in saltwater?

Because pepper makes them sneeze!

What are the two things you can't have for breakfast?

Lunch and dinner.

Where do you learn to make banana splits?

At sundae school.

What bone will a dog never eat?

A trombone.

What kind of dinosaur loves to sleep?

A stega-snore-us.

