



TOMAX
NEWS

Issue 39
16th July 2021

PLUS:



MARKET SUMMARY

- High air freight rates are returning for cargo movements from China to Australia as further capacity and passenger restrictions have an impact on the availability of services.
- The Tomax Logistics Group is celebrating the 10 year anniversary of our Australian warehousing operation this week! What started out as a small operation in a tiny warehouse in Dandenong has now grown into a national 3PL warehousing service with over 10,000 pallets stored for clients. Congratulations to the Tomax warehousing team on their continued growth!
- Industrial action in many Australian container ports will result in more and more delays to vessels and container availability. See the article in this newsletter for further information.
- Domestic cargo transport services are classed as an essential service and as such are able to continue despite the COVID lockdowns now affecting many major cities. The Tomax drivers operating around the country continue to work to move client cargo whilst following all the applicable rules relating to testing and mask wearing.
- The pool of shipping containers is thinning again with suppliers in China often finding it difficult to procure a container for cargo loading. As a result, the standard of containers will often be questionable. Please remind suppliers to carefully check and photograph containers prior to cargo loading in order to report any existing damage to avoid claims from shipping lines.
- Inland movements for both import and export cargo within the USA are being heavily impacted by severe congestion at all intermodal locations. Cargo is often taking several weeks, if not months to reach destinations due to the truck, chassis, and rail car shortages. Industry participants advise to allow up to 8 weeks additional time to bookings for cargo to reach inland loading/destination points.



LATEST NEWS

MORE PATRICK INDUSTRIAL ACTION ANNOUNCED BY UNION

Again, the Maritime Union of Australia (MUA) continues to intensify its campaign of industrial action against Patrick Terminals. The work stoppages will be taking place in Patrick's terminals in Brisbane, Fremantle and Melbourne.

Although Patrick claims that the terminals are experiencing no current delays to the vessel schedules, its Sydney AutoStrad terminal is reporting an average terminal delay of 6.2 days, an average delay for on-window vessels of 4.8 days and an average delay for off-window vessels being 8.2 days (as of Tuesday 13th July). The MUA announced that Brisbane will be facing two 24 hours work stoppages beginning from 7am on Wednesday 21st July and at 7am on Thursday 29th July. Additionally, in Brisbane, the union announced three 1 hour work stoppages (at 3:30am, 11:30am and 7:30pm every day starting from Thursday 22nd July until Wednesday 28th July). Working overtime and shift extensions will be banned between 22nd July and 29th July. These notices are in conjunction to the PIAs which have been announced.

Two 24 hour work stoppages will also take place in Fremantle from 11:00pm 22nd July and 11:00pm on 25th July. An added ban on attending work on days employees are rostered as "off/avail" will also be implemented from Wednesday 21st July until 11th August.

Meanwhile, Patrick's Melbourne terminal will introduce a 24 hour work stoppage commencing 7am on 23rd July.

Patrick released a statement to customers, arguing that they were "disappointed" at the actions while regular bargaining discussions are taking place. The statement read, "the industrial action, combined with the MUA's industrial action on Svitzer, is creating schedule delays and uncertainty for our

customers' shipping services. As the COVID-19 situation begins to impact our country again, the union seems intent on causing disruption for Australia's exporters and importers ultimately impacting households across the country." The union has since been in contact for comment.

Below is a list of current PIA notices for Patrick Terminals, as of 13th July.

PATRICK TERMINALS - SYDNEY AUTOSTRAD

- A ban on the performance of overtime at Port Botany (Sydney) from 6am Thursday 20th May 2021 for 14 days finishing 6am Thursday 3rd June 2021.
- A ban on the working of shift extensions at Port Botany (Sydney) from 6am Thursday 20th May 2021 for 14 days finishing 6am Thursday 3rd June 2021.
- A ban on the performance of upgrades and/or work in higher levels at Port Botany (Sydney) commencing at 10pm Friday 4 June 2021 until 10pm Sunday 6 June 2021.
- A ban on the performance of upgrades and/or work in higher levels at Port Botany (Sydney) commencing at 10pm Friday 11 June 2021 until 10pm Sunday 13 June 2021.
- A ban on the performance of overtime at Port Botany (Sydney) from 6am Thursday 3rd June 2021 for 14 days finishing 6am Thursday 17th June 2021.
- A ban on the working of shift extensions at Port Botany (Sydney) from 6am Thursday 3rd June 2021 for 14 days finishing 6am Thursday 17th June 2021.
- A ban on the performance of overtime commencing at 6am Thursday 17 June 2021 for a 14-day period finishing at 6am on Thursday 1 July 2021

- A ban on the performance of shift extensions commencing at 6am Thursday 17 June 2021 for a 14-day period finishing at 6am on Thursday 1 July 2021.

- A ban on the performance of work on vessels that have been subcontracted to or outsourced to Patrick Terminals by another stevedoring company from 00:01 on Thursday 24 June 2021 until Thursday 15 July 2021.

- Stoppages of work of 1-hour duration at 0500, 1300 and 2100 each day commencing on Thursday, 24 June 2021 for a 21-day period until Thursday 15 July 2021.

PATRICK TERMINALS – BRISBANE AUTOSTRAD

- A ban on attending work on days an employee is rostered as “off/avail” commencing from 7am Saturday 15th May 2021 and finishing 11pm Sunday 16 May 2021.

- A ban on working overtime commencing from 7am Saturday 15th May 2021 and finishing 11pm Sunday 16 May 2021.

- A ban on attending for work on days an employee is rostered as “off/avail” commencing from 11pm Friday 28 May 2021 and finishing 11pm Sunday 30 May 2021.

- A ban on working overtime at Fisherman Island (Brisbane) from 11pm Friday 28 May 2021 and finishing 11pm Sunday 30 May 2021.

- A ban on the performance of upgrades and/or work in higher levels at Fisherman Island (Brisbane) commencing at 11:00pm Friday 4 June 2021 until 7:00am Saturday 5 June 2021.

- A ban on the performance of overtime at Fisherman Island (Brisbane) commencing at 11:00pm Friday 4 June 2021 until 7:00am Saturday 5 June 2021.

- Work stoppages for 1-hour duration at 03.30, 11.30 and 19.30 on Tuesday 15 June 2021, Wednesday 16 June 2021 and Thursday 17 June 2021.

- A ban on the performance of overtime from 0700 on Wednesday 23 June 2021 until 2300 on Friday 25 June 2021.

- A ban on the performance of upgrades and/or work in higher levels from 0700 on Wednesday 23 June 2021 until 2300 on Friday 25 June 2021.

- A ban on the performance of work when an employee is rostered as “off/avail” from 0700

on Wednesday 23 June 2021 until 2300 on Friday 25 June 2021.

- A ban on the performance of overtime from 0700 on Wednesday 30 June 2021 until 2300 on Friday 2 July 2021.

- A ban on the performance of upgrades and/or work in higher levels from 0700 on Wednesday 30 June 2021 until 2300 on Friday 2 July 2021.

- A ban on the performance of work when an employee is rostered as “off/avail” from 0700 on Wednesday 30 June 2021 until 2300 on Friday 2 July 2021.

- A ban on the performance of work on vessels that have been subcontracted to or outsourced to Patrick Terminals by another stevedoring company from 0700 on Wednesday 23 June 2021 until 2300 on Wednesday 7 July 2021.

- Stoppages of work for 1-hour duration at 03.30, 11.30 and 19.30 on each day from Thursday 22 July 2021 to Wednesday 28 July 2021 (inclusive of those days).

- Stoppages of work of 24 hours duration commencing at 0700 on Wednesday 21 July 2021 and 0700 on Thursday 29 July 2021.

- A ban on the working of overtime from 0700 on Thursday 22 July 2021 until 0700 on Thursday 29 July 2021.

- A ban on the working of shift extensions from 0700 on Thursday 22 July 2021 until 0700 on Thursday 29 July 2021.

PATRICK TERMINALS – FREMANTLE

- A ban on attending work on days an employee is rostered as “off/avail” commencing from 7am Saturday 15th May 2021 and finishing 11pm Sunday 23 May 2021.

- A ban on attending work on days an employee is rostered as “off/avail” commencing from 7am Tuesday 25th May 2021 and finishing 7am Tuesday 8 June 2021.

- Work stoppages of 1-hour duration at 0600, 1400 and 2200 each day from 27 May 2021 (excluding Saturday and Sunday) finishing on 4 June 2021.

- A ban on the performance of upgrades and/or work in higher levels commencing from 0700 on Saturday 26 June 2021 and ending at 2300 on Monday 28 June 2021.

- A ban on attending for work on days an employee is rostered as “off/avail” commencing from 7.00am Friday 11 June 2021 and ending at 7.00am on Wednesday 30 June 2021.
- A stoppage of work of 24 hours duration commencing at 2300 on Tuesday 29 June 2021.
- A ban on the performance of upgrades and/or work in higher levels commencing from 0700 on Saturday 3 July 2021 and ending at 2300 on Monday 5 July 2021.
- A ban on attending for work on days an employee is rostered as “off/avail” commencing from 7.00am Wednesday 30 June 2021 and ending at 7.00am on Wednesday 21 July 2021.
- A ban on attending for work on days an employee is rostered as “off/avail” commencing from 7.00am Wednesday 21 July 2021 and ending at 7.00am on Wednesday 11 August 2021.
- Stoppages of work of 24-hours duration commencing at 2300 on 22 July 2021 and 2300 on 25 July 2021.

PATRICK TERMINALS - MELBOURNE

- A ban on the performance of overtime at East Swanson Dock (Melbourne) commencing at 12:01am Saturday 19 June 2021 until 12:01am Saturday 26 June 2021.
- A ban on the working of shift extensions at East Swanson Dock (Melbourne) commencing at 12:01am Saturday 19 June 2021 until 12:01am Saturday 26 June 2021.

Ackerman, I. (2021). MUA Announces more Patrick Industrial Action. Retrieved from https://www.thedcn.com.au/region/australia/mua-announces-more-patrick-industrial-action/?utm_source=DCN+Daily+Newswire&utm_campaign=aecb6ca858-EMAIL_CAMPAIGN_04_27_2021_COPY_01&utm_medium=email&utm_term=0_505d67c448-aecb6ca858-143548541 on 15th July, 2021.





EVERGREEN'S \$40 MILLION SPLURGE ON NEW CONTAINERS

Evergreen Marine Corporation will be forking out close to \$40 million for 6,000 refrigerated containers from China, increasing its fleet including subsidiaries to 78,800 boxes.

The Taiwanese liner operator did not specify which container type during the Taiwan Stock Exchange filing on Monday, but indicated the order was to Guangdong Fuwa Equipment (Fuwa) which only builds reefers. Fuwa is a part of Guangdong Fuwa Engineering Group, the world's largest manufacturer of trailer axles, who began building reefers in 2016.

During March, Evergreen International Storage & Transport Corporation (EITC), its container leasing and warehousing subsidiary, ordered 18,000 containers from its Malaysian factory, Evergreen Heavy Industrial Corp (M) Berhad, for \$69.3m. Furthermore, in the following month, 11,000 boxes from Dong Fang International Container (Hong Kong) were ordered spending \$61.07m. In April, two overseas Evergreen subsidiaries, Evergreen Hong Kong and Panama's Greencompass Marine, placed an order of 39,500 containers for \$214 million. EITC decided to order 15,300 containers in April 2020 after recognising a shortage of equipment. EITC usually leases containers to its parent and largest customer. These shortages are a result of empty containers being slow to return to Asian ports of origin from North America which therefore pile upward pressure on freight rates as shippers compete for boxes.

Evergreen believe expanding its container fleet will increase its competitiveness, especially after ordering new vessels. March

saw Evergreen commission twenty 15,000 TEU ships at Samsung Heavy Industries for delivery by June 2025. In June, a pair of 24,000 TEU ships from China's Hudong-Zhonghua Shipbuilding were ordered. From now and 2022, Evergreen will be accepting a delivery of 14 ships i.e 11 large containerships, 2 feeders and 1 sub-panamax, from SHI, Jiangnan Shipyard and Hyundai Mipo Dockyard.



Li, M. (2021). Evergreen spending spree on new containers continues with 6k reefer order. Retrieved from <https://theloadstar.com/evergreen-spending-spreed-on-new-containers-continues-with-6k-reefer-order/> on 16th July, 2021



2021 SEES CARRIER PROFITS SURPASSING \$100 BILLION

Container shipping liner profits will surpass a staggering \$100 billion in 2021 despite continued operational disruption to ports and the global supply chain, according to Drewry Shipping Consultants (Drewry).

Based off its latest Container Forecaster, Drewry predicted freight rates will rise by a 50% average “against a backdrop of huge operational disruptions to the port and ship systems”. The COVID-19 pandemic, coupled with rising consumer demand and freight rates, have seen carriers raking in consistently substantial profits.

Carriers posted record earnings of \$21.7 billion, before interest and taxes from the 1st Quarter of 2021. One year ago during the same period, the earnings were a comparatively miniscule \$1.6 billion. The latest quarterly results were so impressive, they eclipsed the full year 2020 figure of \$25.4 billion. This earnings boom has become so great that carriers are enabled to make a decade’s worth of money from 2020 and 2022.

Although, there still runs the risk of carriers being perceived as “profiteering villains” whom lack sympathy to the needs of their customers. “We hope they will be a good global citizen and do more to help improve the efficiency of the supply chain. The containership fleet is not growing fast enough to meet unsustainable redemand right now,” Drewry spoke.

This viewpoint is shared by many in the US, where port congestion has placed immense pressure on the inland supply chain. The actions of carriers are currently undergoing investigation by the Federal Maritime Commission (FMC) after allegations contracts with US exporters have been broken.

According to Drewry, the demand for containerised goods is increasing so fast it will be challenging for carriers to be able to keep up. Drewry added, “a scarcity of open charter fixtures means that some lines are scouring the second-hand market for expensive new assets to add to the pile, but others can only supplement with newbuild deliveries, or are simply having to make do with what they have.”

The company does not believe a solution will be found to the problem of supply chain disruption and therefore, predicted the market will struggle with under-supply in the extended medium-term. The recent congestion at the Port of Yantian, China, after the COVID-19 outbreak among workers, showcases how fragile the supply chain is and that port congestion is a permanent risk which will inevitably lead to yet higher freight rates.

“Supply side disruption has become the key driver of freight rates and remains the top sensitivity to our forecasts,” Drewry said before forecasting the “lower port productivity” will continue into 2022.

Schwerdtfeger, M. (2021). Carrier profits to surpass \$100 billion in 2021. Retrieved from <https://www.porttechnology.org/news/carrier-profits-to-surpass-100-billion-in-2021/> on 16th July, 2021.

STAFF SPOTLIGHT

MEET HOKCHAY KIT

Interstate Cartage Coordinator
TOMAX LOGISTICS AUSTRALIA

WHAT IS YOUR ROLE AT TOMAX?

I'm an interstate transport coordinator.

WHAT ARE YOUR HOBBIES?

I enjoy playing basketball and going to the gym in my free time.

YOUR FAVOURITE CHILDHOOD MEMORY?

My favourite childhood memory would be going overseas to Cambodia to visit my family and grandparents there. Another favourite childhood memory would be trying to achieve my hoop dreams.



DO YOU HAVE ANY GOALS YOU'D LIKE TO ACHIEVE?

One goal I've been meaning to achieve this year is to go skydiving. I have tickets already booked but unfortunately, it's been delayed due to COVID-19.



DO YOU FOLLOW OR PLAY ANY SPORTS?

I follow a number of sports but mainly basketball. I'm a substitute for the Golden State Warriors, but don't play for any teams at the moment - just a few casual pick up games with my mates.



WHERE IS THE BEST PLACE TO VISIT IN MELBOURNE?

The best place to visit in Melbourne would be Mt Buller or Mt Hotham because I enjoy snowboarding. Being from Melbourne, I can only go during winter time but haven't been able to go due to COVID-19.





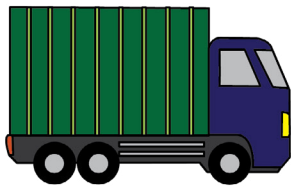
We warmly thank our staff and clients for the ongoing support across the years and many more!

SPOT THE ODD ONE OUT

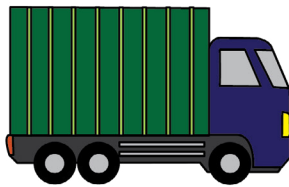
See if you can spot the odd one out in each sequence.

Answers are located on the bottom of the page - no cheating!

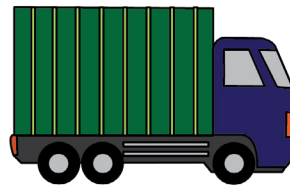
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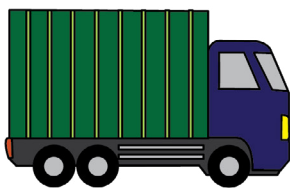
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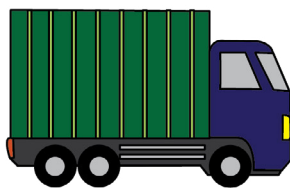
B



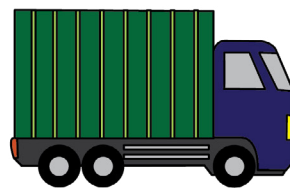
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D

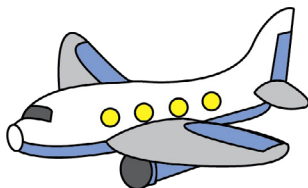


E

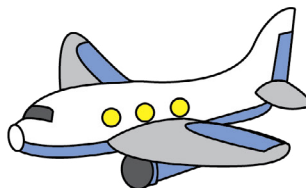


F

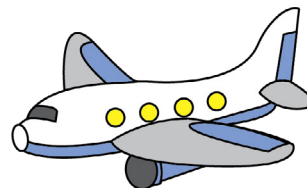
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A

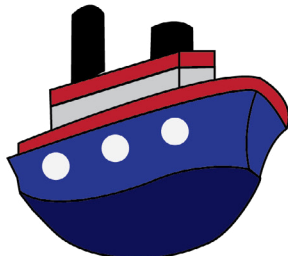


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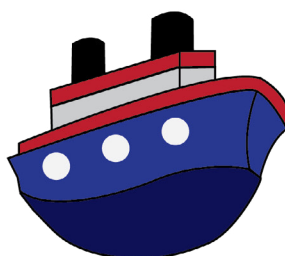


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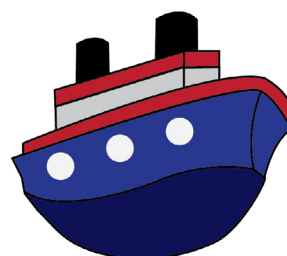
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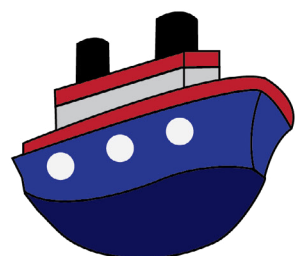
A



B



C



D

Answers: 1) C, 2) B, 3) A