



TOMAX
NEWS

Issue 52
15th October 2021



PLUS:

MARKET SUMMARY



- A potential new container shipping service has been announced by BAL servicing Qingdao, Ningbo, Shenzhen to Brisbane, Sydney and Melbourne to start from late October, utilising 4,500 TEU vessels. This new service would significantly reduce the pressure on ports such as Qingdao which have been experiencing large backlogs and reduced options for sailings.
- Vessel rotation changes and delays at ports are common place at the moment in Australia with vessels often being delayed by 7 days or more from the anticipated arrival date.
- The MV Thorstar has now arrived at a berth at Sydney's Port Botany container terminal so that container unloading can begin. The vessel was sent for repairs prior to being allowed access to terminals due to safety issues identified by AMSA. The Thorstar is delayed more than a month from it's expected arrival date into the terminal.

LATEST NEWS

WORLD SHIPPING UPDATE



The world of container shipping remains in a severe state of upheaval with record high freight rates, problematic container shortages and geographical location issues, heavy congestion and long dwell times at ports, and extensive backlogs for vessel bookings. The industry is currently operating amidst the traditional peak season for global shipping, and the conditions have never been more difficult. Vessels are continuously delayed both into arrival ports for container collection, and destination ports for delivery. Ongoing strike action in Australian ports continues to have a serious impact on our ability to have vessels unloaded/loaded quickly and back in transit. Australia already has a bad track record with the length of time container vessels are required to be in port for container exchanges and 2021 has only seen our record worsen. Despite the fact that Australia receives much small container vessels in general, the average number of days vessels are kept in port is historically 1.18 days in Australia, and this compares badly to other countries receiving much larger vessels, such as Japan (0.35 days), the USA (1.03 days),

China (0.60 days), and Germany (0.74 days). These dwell times all over the world have been extended over the last year due to labour shortages, crane limitations, and just the pure volume of container movements.

Following are some statistics and information from the world of shipping to provide some insight into the volume of cargo moving all around the world.

Container Ship Visits by Country per Year:

Australia: 4,800
USA: 28,200
China: 83,500

These figures may seem to point to a disparity in the imported volumes per capita between the USA and Australia, with the USA having 12.7 times the population of Australia, but only 5.8 times the container vessel arrivals. However, the average container vessel size visiting the USA is much larger than those servicing the Australian trade-lanes. Vessels of around 23,000 TEU regularly visit USA ports, whilst Australian ports usually see vessels at around 4,000 – 5,000 TEU.

TOP 10 BUSIEST CONTAINER PORTS BY TEU

Ranking	Port Name	TEU (Millions)	YOY Growth
1	Shanghai, China	22.9	14%
2	Singapore	18.7	5%
3	Ningbo, China	16.1%	21%
4	Shenzhen, China	13.7%	24%
5	Guangzhou, China	11.8%	9%
6	Qingdao, China	11.7%	13%
7	Busan, South Korea	11.4%	6%
8	Tianjin, China	10.3	20%
9	Los Angeles, USA	10.2	41%
10	Hong Kong, SAR	8.8	2%

Global vessel tracking systems provide a good indication of how busy ports are around the world. The maps below are courtesy of MarineTraffic.com with vessels in green being cargo carrying vessels.

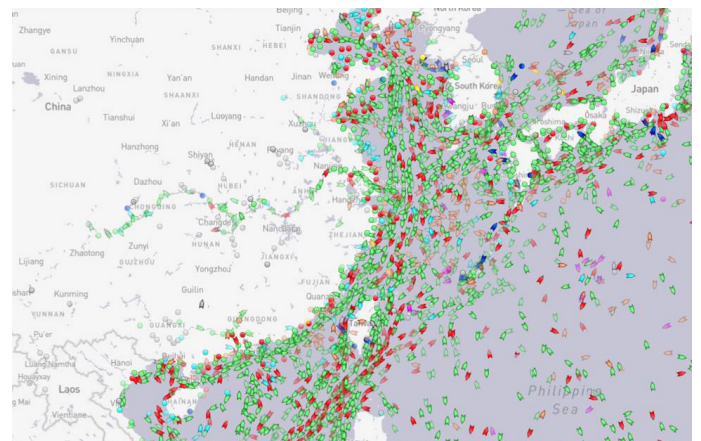
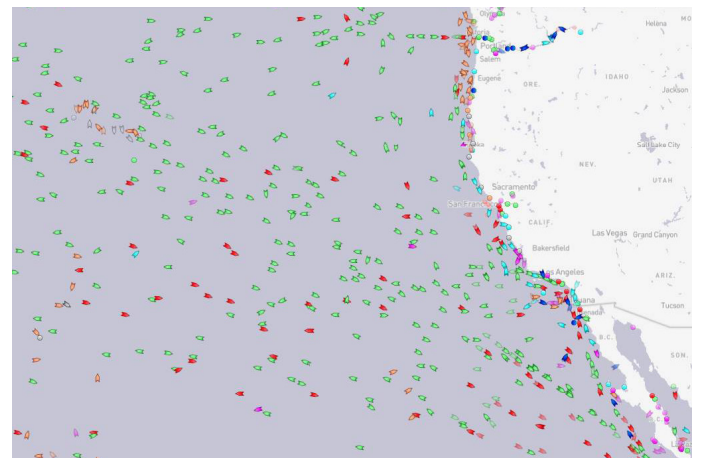
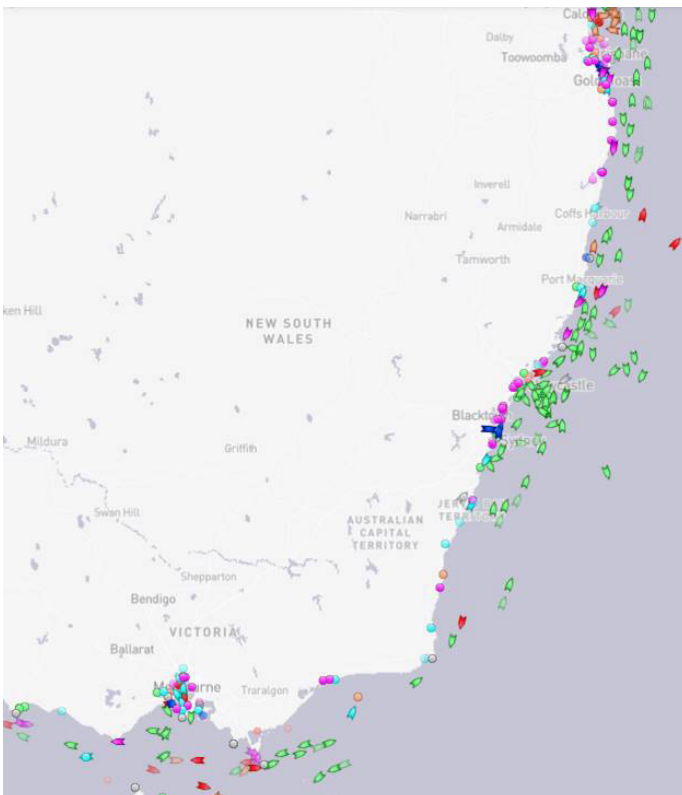
The US map shows the severe congestion mostly in US West Coast ports (Los Angeles/Long Beach, Oakland, Seattle), and the huge amount of container vessel traffic moving on the east/west tradelane with China.

The map of Chinese ports illustrates the incredible number of vessels operating around China, South Korea and Japan. China receives on average 228 vessels per day at ports around the country.

Australia by comparison, whilst recording historical highs for vessel activity, is far less busy at 13 vessel arrivals into ports each day on average.

MAPS OF VESSEL ACTIVITY (GREEN VESSELS ARE CARGO VESSELS):

Australia – East Coast
USA – West Coast
China





MEN JAILED SMUGGLING \$3.96 MILLION OF METHAMPHETAMINE

The Australian Federal Police and Australian Border Force have reported that two Sydney men have been jailed for their involvement in the importing 13.2 kilograms of methamphetamine, with an estimated street value of \$3.96 million, which was concealed in two shipments of vehicle parts.

Both men were sentenced to jail at the Downing Centre District Court on 11 October. The 32-year-old Roselands man was sentenced to four years and six months' jail, with a non-parole period of two years and ten months. He is eligible for parole on 23 July 2024. While the 28-year-old Narwee man was sentenced to four years' in jail, with a non-parole period of two years and six months. He is eligible for parole on 21 January 2024.

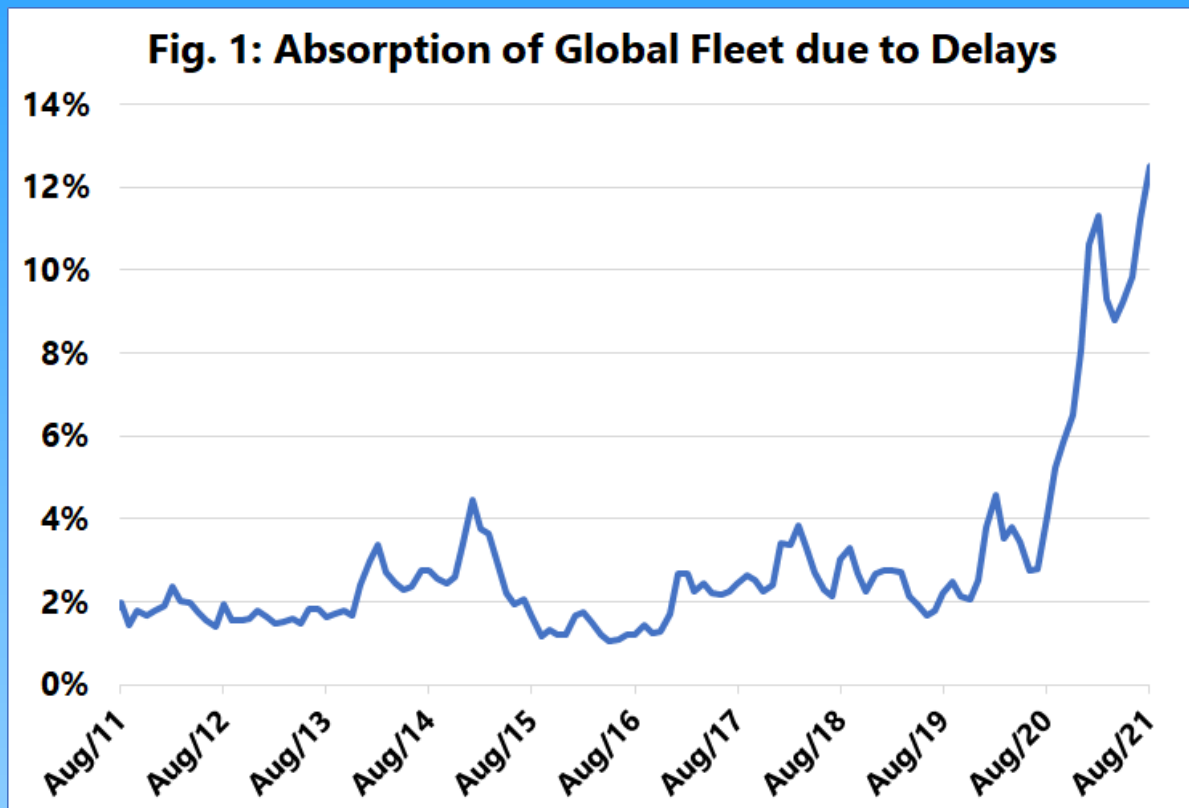
The results of the joint investigation between the Australian Federal Police and Australian Border Force were announced in September 2020 after the seizure of the illicit drugs and arrest of the two men that month. The men pleaded guilty in Downing Centre

District Court, on 1 June 2021, for attempting to possess a commercial quantity of an unlawfully imported border-controlled drug.

Susan Drennan, ABF Commander Port Operations East, believes this is a shining example of commonwealth law enforcement agencies working together to stop illicit substances crossing our border, saying, "protecting the Australian community from harmful substances is a top priority for the ABF. Our officers are well equipped to stop illicit drug importation, no matter how it is concealed. The ABF works closely every day with our law enforcement partners across the country, to stop harmful substances from reaching the Australian community, and to bring those who attempt to import them to justice."

Wallace, P. (2021). Two jailed for smuggling \$3.96 million in methamphetamine. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/two-jailed-for-smuggling-3-96-million-in-methamphetamine/> on 13th October, 2021.

12.5% OF THE GLOBAL CAPACITY UNAVAILABLE



The graph above illustrates the global impact. Observing the previous height in February 2021, 11.3% of global capacity was absorbed by delays, dropping to 8.8% in April, but rising again in the following months. We are now at a point where 12.5% of the global capacity was unavailable in August as a result of delays. In nominal terms, August 2021 saw a full 3.1 million TEU of nominal vessel capacity absorbed due to delays.

To put this into perspective, the insolvency of Hanjin in 2016, which was the world's 8th largest carrier at that time, removed only 3.5% of the global capacity, and that too for only a short period of time, until the vessels came back in circulation in full with new owners or charterers. The current situation is therefore comparable to a hypothetical scenario of 3.5 Hanjins all going bankrupt at the same time – with no immediate outlook for the vessels getting back at sea. The 12.5% global capacity removal, is also equivalent to removing a fleet slightly larger than either CMA CGM or COSCO, the 3rd and 4th largest container lines.

Building more vessels will not materially solve the issue right now, due in part to the time between order and delivery of 2-3 years, and in part because injecting more vessels would run the risk of compounding the existing bottleneck problems.

The timeframe of when a resolution will take place? The US West Coast labour disruptions in 2015 saw normal operations resume after 6 months. This means that at best, this is a timeframe which should be expected, bringing us to April 2022, based on the resolution commencing now. However, as the problem is global and not localised to the US West Coast, the time frame might be even longer, also taking into consideration the potential impact any future port closures and other disruptions might have. Thereby, with the current operational challenges, it appears that a realistic timeframe for resumption to full normality extends at least towards the end of 2022.

Sea Intelligence (2021). 12.5% of the global capacity now unavailable. Retrieved from <https://globalmaritimehub.com/12-5-of-the-global-capacity-now-unavailable.html> on 15th October, 2021.



SWIRE JOINS ZERO-CARBON SHIPPING BODY

A partnership between the parent company of the Swire Group and Mærsk Mc-Kinney Møller Center has emerged for Zero Carbon Shipping, a long-term strategic collaboration around the development of safe and sustainable decarbonisation solutions for the maritime industry.

John Swire & Sons, as a strategic partner, will be closely involved with the centre team and provide support in realising the centre's transition strategy. Working in collaboration, they will explore opportunities to fund and research practical solutions to accelerate decarbonisation in the shipping industry.

John Swire & Sons will also join the centre advisory board guiding and contributing to the future development of the centre activities. As a multidisciplinary group Swire introduces expertise across a diverse range of sectors and geographies, as well as valuable insights into regulatory and financing services.

Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping CEO Bo Cerup-Simonsen said, "As a diversified company, Swire brings experience and know-how from a wide range of segments and can help us bridge learnings across disciplines and sectors

which is essential when you are changing an entire business system. We have a shared commitment to fight climate change through innovative and forward-looking solutions and I look very much forward to the collaboration."

Director of John Swire & Sons Limited, Sam Swire, said, "next year, the Swire Group will have been involved in shipping for 150 years. Becoming a partner in the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping is an exciting step for us. We are committed to a sustainable shipping industry and this partnership allows us to work together with like-minded organisations to help the industry achieve that goal."

Wallace, P. (2021). Swire joins Zero-Carbon Shipping Body. Retrieved from <https://www.thedcn.com.au/news/bulk-trades-shipping/swire-joins-zero-carbon-shipping-body/> on 14th October, 2021.

FINE FOLLOWING BREACH IN OZONE PROTECTION LAWS

An infringement notice has been issued by The Department of Agriculture, Water and the Environment, to a Victorian company for breaching the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989. The company was sent a \$13,320 fine due to not having the proper licence to import equipment containing synthetic greenhouse gas.

The department's investigation found the company imported heat pumps – used to heat water in domestic hot water systems – containing a potent synthetic greenhouse gas, hydrofluorocarbon R410a. It is a contravention of the legislation to import equipment containing these gases without a valid license.

The department said import licensing requirements are in place under Australia's laws to protect the ozone layer and climate system, stating, "importers are reminded to

ensure they have an import licence in place before attempting to bring these items into the country, without the correct licences it can be a costly mistake."

A contravention of the legislation can result in civil penalties of up to \$2.22 million.

Ackerman, I. (2021). Fine issued for importing equipment in breach of Ozone protection laws. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/fine-issued-for-importing-equipment-in-breach-of-ozone-protection-laws/> on 13th October, 2021.

STAFF SPOTLIGHT



Tiffany, her husband, Edmond, and their adorable daughter, Nora.



MEET TIFFANY TO CUSTOMS COMPILER TOMAX LOGISTICS AUSTRALIA

What do you do at Tomax?

I am a Compiler in the Customs team. I prepare Customs entries and ensure shipments get cleared with Customs and Quarantine.

What are your hobbies/interests?

I am interested in Macrame but I have yet to make anything.

Your proudest achievement?

Becoming a mum.

What is something you are looking forward to?

Becoming an aunty. My nephew is due to arrive any day!

If you could have one wish come true, what would it be?

I would wish that COVID never happened!

Are you a collector of anything?

I collect Funko Pop toys (as per the below photo)!



Check out Tiff's incredible Pop Toy collection above! Surprisingly, not all of her toys could make it in the photo!

FRIDAY FUNNIES

We hope these jokes will brighten up your day as we approach the weekend!



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