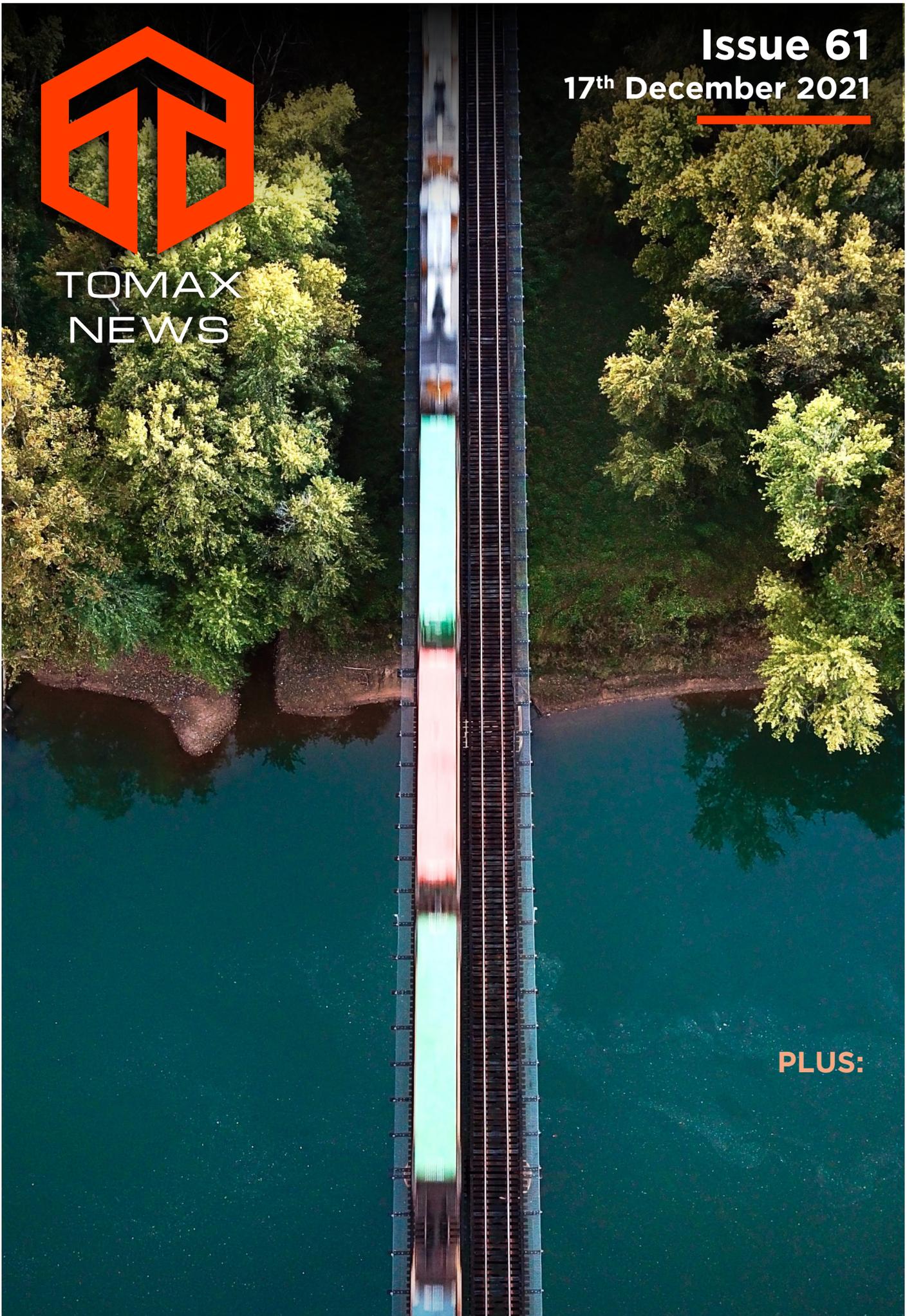




TOMAX
NEWS

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PLUS:



MARKET SUMMARY

- The latest Free Trade Agreement (FTA) coordinated by the Australian Department of Foreign Affairs and Trade (DFAT) was signed today with the United Kingdom. The Australia UK FTA now needs to go through the parliamentary approval process in both Australia and the UK, and is likely to come into effect from July 2022. Once this FTA comes into force it will mean that approximately 75% of the trade that Australia conducts with overseas partners will be covered by free trade agreements.

- One week until Christmas! And let the madness....begin!!! Well, it's been madness for many months now, but the congestion in the Australian transport network is only going to get worse over the last week before Christmas. Vessel delays are the main issue currently with many vessels omitting ports, changing rotations, and being held up for many days in port waiting for unloading, all of which will result in serious delays to cargo that was planned to be received prior to the Christmas break.

- REMINDER: Please keep in mind that Australian terminals have announced increases to their Port Infrastructure Levies / Terminal Access Fees being applied from 1st January 2022. The amount of the increase is different from port to port, and terminal to terminal. Your Tomax account manager will keep you further updated over the coming weeks.

- Customs and Quarantine processing delays are becoming more and more problematic as their systems and personnel struggle to keep up with the extremely high pre-Christmas demand. Inspection bookings are up to 7 days behind, and system processing delays are very common, often resulting in container detention and sometimes even wharf storage. In order to minimise the risk of these delays and costs please aim to have all commercial documentation forwarded for processing by Tomax at least 10 days prior to cargo arrival.



GAZETTE TARIFF CONCESSIONS

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. Objectors to the making of a TCO are not identified unless the objection is successful. At least 50 new TCOs are made each month.

When a new TCO is made, it is published in the Gazette by the Australian Border Force.

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](#)



FACTORY CLOSURES AND TRUCKING RESTRICTIONS PROMPTED BY LOCKDOWNS IN CHINA

Shortly after lockdowns were imposed across China's Zhejiang province, this has in turn prompted multiple factory closures and now restrictions have been placed on trucking.

This week, China reported new COVID cases in Tianjin and Guangzhou, which included the Omicron variant, however the outbreak in Zhejiang, another major manufacturing heartland, remains the most serious. 20 listed companies operating in the province have suspended operations, including textile, battery and pharmaceutical manufacturers.

Operations include those in Ningbo's Zhenhai district, a key petrochemicals hub, which is currently under lockdown, and Shangyu district in the neighbouring city of Shaoxing, under partial lockdown, with all factories besides those producing essential items and PPE, instructed to suspend production.

According to Chinese media, the restrictions have impacted textile firms and their access to Ningbo-Zhoushan Port, due to truck drivers being hesitant to enter the area due to quarantine requirements. Additionally, Ningbo has tightened restrictions on truck drivers entering its container terminals, depending on which areas they have visited previously.

A spokesperson at a supply chain company, believed that while the situation across the province was developing quickly, it was under control saying, however, it is inevitable that the epidemic situation in the city will have a certain impact on the truck transport of import and export containers, because many areas require truck drivers to provide a nucleic acid negative test certificate. It takes time to do the test and get the certification, so it will cause a slight delay in inland trucking."

According to Marine Traffic, there are now 30 container vessels waiting outside the port of Ningbo. Elsewhere, Hangzhou, the province's capital, is under partial lockdown, and hundreds of domestic flights out of the city's airport have been cancelled. ANZ Research said the disruption to Zhejiang manufacturing would mostly affect fibre and textile production and compared the likely supply chain impact to the power rationing experienced in September and October.

Whelan, S. (2021). Factories shut and Ningbo restricts truckers in Zhejiang province lockdowns. Retrieved from <https://theloadstar.com/factories-shut-and-ningbo-restricts-truckers-in-zhejiang-province-lockdowns/> on 17th December, 2021.



HIGH DEMAND AND HIGH AIR FREIGHT RATES EXTEND INTO 2022

Forwarders are reporting that they expect no real break in air cargo demand – or high prices – in the first part of 2022. According to one Shanghai-based forwarder even the Chinese New Year (CNY) holiday, from 31 January to 6 February, could stay busy.

“Due to the Beijing Olympics, there is a strict quarantine regulation and, I guess, it’s most likely that the government will again encourage people to reduce unnecessary travelling during CNY. That means some factories will still produce goods, so we might not expect a very quiet moment, like previous CNYS.”

Furthermore, the fast spreading Omicron variant in Europe is triggering high demand for COVID-related products. “I think, to Europe, it depends on how the COVID situation is developing. If it becomes worse, then those rapid test kits won’t stop moving, and I’m sure January will still be a busy month. I can hardly imagine what kind of general cargo could afford to move at such a high rate level as at present.”

Additionally, airlines are set on maintaining high rates, said a forwarder in Singapore. “Airlines are reporting rates on a weekly basis, but it is uncertain if rate levels will reduce during the Christmas week as airlines are trying to keep them high,” he said, although he believes the current rates are “unsustainable” and, therefore, likely to fall by CNY.

However, he added: “As airlines and ocean lines are trying their best to keep rate levels high, any reduction will not be too drastic, and definitely not to the rates levels we were familiar with pre-COVID.”

Out of India, where one forwarder reported a rate of \$25 per kg to New York this month, COVID restrictions are increasing and passenger numbers falling, reducing belly capacity, while cargo facilities are expected to operate more slowly, owing to a shortage of labour. The forwarder stated, “the market expects peak season and market demand for air freight to continue until March.” And he warned shippers needed to prepare: “Customers need to be mentally prepared that their rates are not going to be valid for the long term. They have to plan space and rates issues, aware that the market will keep on changing. Sea freight may not vary much, but air freight is going to create havoc, I think. The only chance of improvement is if all passenger flights return to normal.”

One Sri Lankan forwarder said that, while rates had slipped recently, he expected them to tighten again in January. And, in Pakistan, a forwarder said, “currently air rates are up, and increasing day by day, due to the upcoming holiday season and new year, although we expect some relaxation in rates after 20 December”. But he added, “we are expecting the same volumes until March, both in ocean and air.”

Meanwhile, a sea-air specialist in Dubai said the market was strong, adding: “The peak season is continuing and this is unexpected. We are seeing a lot of sea-air shipments moving to the EU, during and after Christmas and new year. There is no break and we suspect this will continue until June.”

Lennane, A. (2021). No relief from high demand and high air freight rates into 2022, warn forwarders. Retrieved from <https://theloadstar.com/no-relief-from-high-demand-and-high-air-freight-rates-into-2022-warn-forwarders/> on 17th December, 2021.



CMA CGM - CUSTOMER ADVISORY MISDECLARATION FEE

Cargo transportation is subject to strict regulations. Complete and accurate declaration is required at the time of booking to ensure full compliance with applicable law and necessary safety measures, both at the port and onboard our vessels. Please be informed that effective from 15 December 2021 (date when misdeclaration is identified), CMA CGM will implement a Misdeclaration Fee at the below quantum to replace Hazardous Cargo Misdeclaration Charge which was in place since October 2019:

Charge: Misdeclaration Fee

Amount: DG Misdeclaration Fee - USD 17,000 per container
Non-DG Misdeclaration Fee - USD 7,000 per container

Applicability: For all export shipments from China

Dangerous (DG) Misdeclaration Fee will be charged if any one of the following circumstances is discovered:

- i. DG cargo mis-declared as non-DG cargo or requested to be amended to DG cargo after release of empty container.
- ii. Cargo description / HS code / UN No. / Class No. / CAS No. / weight / dimension / VGM / quantity and any other information declared to carrier is incomplete, insufficient

or different from that of actual stuffed cargo (except for VGM discrepancy within tolerance granted by applicable law).

- iii. DG cargo found as counterfeit cargo, military cargo or any other cargo that is not allowed to be exported from China or carriage of which will expose carrier to liability.

Non-Dangerous (Non-DG) Misdeclaration Fee will be charged if any one of the following circumstances is discovered:

- i. Non-DG cargo mis-declared as DG cargo or requested to be amended to NonDG cargo after release of empty container.
- ii. Cargo description / HS code / weight / dimension / VGM / quantity and any other information declared to carrier is incomplete, insufficient or different from that of actual stuffed cargo (except for VGM discrepancy within tolerance granted by applicable law).
- iii. Non-DG cargo found as counterfeit cargo, military cargo or any other cargo that is not allowed for export from China or carriage of which will expose carrier to liability.

The fee shall be paid in addition to any expenses/ costs/ losses/ damage incurred to the vessels/ crews/ staffs/ properties and the terminal/ port staffs/ properties arising out of or in connection with the cargo misdeclaration.

SHIPPING LINE DETENTION POLICIES - CHRISTMAS/NEW YEAR 2021



BAL: 3 extra free days as aligned with the terminal and depot operations over 25 DEC - Christmas day, 26 DEC - Boxing Day and 1 JAN - New Year's Day.



CMA CGM: Will not be extending additional free days across the Christmas & New Year Break in Australia. Individual requests reviewed via case-by-case basis.



ANL: Will not be extending additional free days across the Christmas & New Year Break in Australia. Individual requests reviewed via case-by-case basis.



COSCO: Charges are per calendar day, incl weekends and public holidays. Detention tariff info can be found on website. For special agreements, negotiate with marketing team.



Hamburg Sud: Still awaiting clarification of any relief measures.



Hapag-Lloyd: Free time starts from date of discharge from the vessel, incl weekends but excl National Public Holidays. Dry Containers & Special Equipment 8 days, Reefer Containers 5 days. Explore Additional Free time Procurement tool.



HMM: No clarification at time of publishing.



Maersk: For Aus, free time period in addition to tariff: 25th Dec, 26th Dec & 1st Jan 22. Tariff can be viewed on website.



MSC: standard detention conditions will apply throughout the holiday period. NO waiver of detention for the listed public holidays. Reach out to MSC should they require any extra relief with returning empties.



ONE: public holidays excluded. Normal detention tariff will apply, but individual requests reviewed via case-by-case basis. Demurrage/Detention information is shown on ONE website.



OOCL: Review the OOCL website and liaise with OOCL contacts as necessary.



PIL: Operating hours remain the same apart from: 24/12/21 - close 12:30 pm & 31/12/21 - close 3:00 pm. Detention policy under review and will be advised asap. Individual requests reviewed via case-by-case basis.



TS Lines: No clarification at time of publishing.



ZIM Australia: detention exclusion days over the holidays will be 25-26th December 2021 and 1st January 2022.



NEW DANDENONG SOUTH PORT RAIL SHUTTLE UNDERWAY

Exciting major works are currently underway to deliver an 862-metre track connection, which will link the Cranbourne rail line to a new freight terminal, built and operated by Salta Properties. This \$28 million track connection will allow the smooth transportation of freight from Dandenong South to Port of Melbourne via rail which will reduce transport costs for businesses and remove trucks off arterial and suburban roads. Once operational, Dandenong South's Port Rail Shuttle connection is predicted to eliminate over 300 truck trips daily from the Monash Freeway which can see road congestion easing whilst minimising pollution, impacting on the road network.

The Dandenong South connection is one of three major projects carried out as part of the Victoria Port Rail Shuttle Network, with projects including the linking of the Somerton terminal and the Altona terminal. Furthermore, after completion, the Port Rail Shuttle Network is estimated to cut freight transport costs by up to 10% and slash truck movements on suburban roads by up to 175,000 trips annually and by 2050, is predicted to move 30% of Melbourne containers by rail. The Australian government has invested \$18.3 million into the Port Rail Shuttle Network, and the Victorian government is investing \$9.7 million.

Barnaby Joyce, Deputy Prime Minister and minister for infrastructure, transport and regional development, said construction of the project is expected to be completed

by the end of 2023, stating, "this project is about capitalising on the existing rail network, supporting and connecting industry, and creating jobs in the south east of Melbourne. Once complete, the new spur line will build on the strengths of this region as a freight and logistics hub."

Melissa Horne, Victorian minister for ports and freight agreed that connecting Melbourne's rapidly growing south east to the Port Rail Shuttle Network was a key priority. She said, "Melbourne's south east supports the largest employment numbers in Victoria outside the CBD - home to 90,000 jobs and generating 40% of Victorian manufactured products every year. A dedicated rail freight terminal will provide an alternative to truck transport for the business community, reducing the need for trucks to visit the port, the Monash Freeway and other key arterial and suburban roads."

The terminal will be built close to major distribution centres for Bunnings, Woolworths, and Amazon Australia and to lower the project's impact, crews from the Level Crossing Removal Project are delivering the works in parallel with work already underway to duplicate the Cranbourne line, which will enable metropolitan passenger trains to run every 10 minutes on average during the busy morning peak. Over the past few months, crews have been gearing up for significant works, carrying out design and geotechnical investigations, setting up site sheds and relocating underground gas, electricity, and communications cables.

Gabrielle Williams, State member for Dandenong, said major road projects and level crossing removals in the area were already well on the way to creating jobs and improving transport networks and freight movement. “It’s a highly anticipated upgrade and will generate jobs for workers and suppliers in addition to the hundreds of workers already employed on projects such as major upgrades to the Monash Freeway and Cranbourne line,” she said.

Salta Properties is investing an extra \$50 million to construct Stage 1 of the terminal located on its 180-hectare site. Sam Tarascio, Salta Properties managing director, said that the terminal – which begins construction in 2022 – would use the latest technology to achieve optimum efficiency around container tracking, leading to fast turnaround times. He said, “Salta is planning for five train trips per day to service stevedores at the Port of Melbourne, and each leg will transport up to 84 import/export containers.”

All containers entering and leaving the terminal will be photographed with high-definition cameras, granting trucks and trains the ability to pass through continuously whilst their containers are photographed. Phase 1

of this project is expected to be finished in two years, with Salta anticipating the value of the new Nexus Industrial Estate to exceed \$1 billion over the next three to five years.

Ackerman, I. (2021). Construction begins on Melbourne Port Rail Shuttle Connection. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/construction-begins-on-melbourne-port-rail-shuttle-connection/> on 16th December, 2021.



STAFF SPOTLIGHT



TARAN MILLS COURIER DRIVER TOMAX TRANSPORT



What are you looking forward to?

I'm most looking forward to meeting my baby girl in less than 7 weeks!



Your favourite snack?

Too many to choose from but I'd have to say pizza and doughnuts!

Do you live by any life motto?

The motto I go by is 'everything happens for a reason'.

If you could have any superpower, what would it be?

I wish I could fly! It would be so much faster than driving in Melbourne!



What do you do at Tomax?

I'm a courier driver at Tomax.

How do you enjoy your spare time?

Spare time?? What's that?? Haha! I love spending time with my family, enjoy outings at the beach as well as a good road trip.



Your favourite song/artist?

My all time favourite band is Metallica. A few of my favourite songs are 'Whiskey in a jar', 'One', 'Nothing else matters'... oh so many to choose from!



Taran's 3 beautiful children with a 4th on the way!

FRIDAY FUNNIES

As we approach the festive season, here are some Christmas themed jokes to brighten up your day!

How do the elves clean Santa's sleigh on the day after Christmas?

They use **Santa-tizer**.

What was Santa's favorite subject in school?

Chemis-tree!

Why are Christmas trees so fond of the past?

Because the present's beneath them.

What did one Christmas tree say to another?

Lighten up!

What's Santa Claus's favorite type of potato chip?

Crisp Pringles!

What's every elf's favorite type of music?

Wrap!

What do angry mice send to each other at Christmas?

Cross-mouse cards!

What's every parent's favorite Christmas Carol?

Silent Night.

What kind of photos do elves take?

Elfies!

What did Santa do when he went speed dating?

He pulled a cracker!

What do fish sing during the holidays?

Christmas corals