



TOMAX
NEWS

Issue 62
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PLUS:



MARKET SUMMARY

- MERRY CHRISTMAS from the entire Tomax team! We hope that the next few days are filled with fun, laughter, love, gifts, and time with your family and friends. Enjoy some time to relax and we look forward to seeing you again soon in 2022 !

- Waiting times at Melbourne container terminals continues to worsen, with vessels now averaging an 8 day wait from arrival to getting a berth.

- Potential lessening of border controls which currently require transport drivers to get a clear COVID-19 test result prior to entry may assist in enabling the faster movement of freight and an increase in the number of eligible drivers. Christmas freight volumes have been extremely large and coupled with testing queues of up to 9 hours, and result wait times approaching 3-4 days has resulted in many drivers being unable to enter states with barriers in place.

- Freight rates in January 2022 are tipped to reach new record heights on the China-Australia trade-lane. Already around the USD 10,000 mark per 40' container level, rates of up to USD 12,000 per 40' are now being seen for shipments in January.



TARIFF CONCESSIONS GAZETTE

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](#)

LATEST NEWS

2021: A YEAR OF COVID VARIANTS AND MILKING THE FREIGHT RATE CASH COW

BY MIKE WACKETT

While 2021 proved to be a very challenging year for shippers, but an exceptionally profitable one for ocean carriers and containership owners.

Soaring freight rates – both short-term and contract – along with a dysfunctional and, at times, broken supply chain heaped more misery onto the shipper community over the past year.

Following the Chinese New Year in mid-February, there was a brief glimmer of hope that rates had peaked and carriers were beginning to regain some semblance of schedule reliability – but then along came the hapless Ever Given, attempting a three-point turn in the Suez Canal and blocking the waterway for a week in March.

The pent-up demand from the stymied Asia-Europe supply chain overwhelmed container hub ports in North Europe, and the effect of chronic ship delays and equipment shortages rippled around the world.

None more so than the southern Californian ports of Los Angeles and Long Beach, where disrupted schedules, container shortages and a spike in consumer demand conspired to back-up ships awaiting berths and labour for weeks at a time, reaching peaks of more than 80 idled vessels. And even when ships reached a discharge berth, landside delays and a dearth of truck drivers in the US and

Europe led to reports of Halloween costumes arriving in mid-December!

Already on the ropes from taking hit after hit from carrier rate increases and de rigueur premium fees (essential to secure equipment and prevent containers being rolled) shippers were dealt a blow below the belt with extortionate demurrage and detention (D&D) charges. Carriers continued to spew out D&D invoices to shippers often unable to pick up containers from chronically congested terminals, or return the boxes when empty. And, notwithstanding that a significant part of the D&D charges is pure profit, the shipping lines were not under any commercial pressure to negotiate reductions and all protests fell on stony ground, with regulatory warnings largely brushed aside.

Carriers didn't really need the money – their record quarterly profits even exceeded their best-ever annual returns, with the cumulative 2021 result for the industry now expected to exceed \$150bn! With only around a third of their earnings spent on ordering new ships, the carriers still had plenty of money to burn, so raids on the logistics sector, crossing over into the air freight space, and terminal acquisitions – and, in fact, anything that popped up on the M&A radar screen was fair game.

With an estimated 20% of the cellular fleet idled at ports around the world, it was the

turn of beleaguered containership owners, many of which had tottered on the brink of insolvency for years, to reverse the tables on their carrier customers and ratchet up daily hire rates for chartered tonnage.

Indeed, some panamax ships of 4,000-5,000 TEU that were destined for the scrapyard only a few years ago, achieved eye-watering rates of \$100,000 a day or more, with long-term fixed-rate highly elevated deals becoming the norm.

Mirroring the hold they had over shippers, the lines, concerned that they were being held to ransom by shipowners, went on a frantic tonnage buying spree, thus spiking the asset values of all sectors, which in some cases exceeded the original build price.

It was no surprise, therefore, that the demolition market, which only a few years before had exceeded 750,000 TEU of vessel deletions annually, was reduced to almost zero, as “anything that floats” was put into service.

As a consequence of the much higher freight rates, for the first time in many years the economic barrier for new entrants to trades came down, with several new services

springing up from old-fashioned liner operator disrupters that still understood the value of looking after their shippers as customers.

Unfortunately, the outlook for shippers in 2022 is more of the same, at least until the second half of the year. They face a difficult choice between ‘the devil and the deep blue sea’ of taking their chances in the spot market ‘casino’, or signing up to loaded multi-year contracts.

But for carriers, it looks like they will still be milking the highly elevated freight rate cash cow for some time to come.

Wackett, M. (2021). 2021: a year of Covid variants and milking the freight rate cash cow Retrieved from <https://theloadstar.com/2021-a-year-of-covid-variants-and-milking-the-freight-rate-cash-cow/on> 23rd December, 2021.



2021/22 CHRISTMAS AND NEW YEAR WORKING ARRANGEMENTS

		Patrick Terminal	Patrick CargoLink	DP World (R&D)	Qube Container Park & Qube Central	Tyne ACFS	MEDLOG (ECP)	Intermodal Container Services	Intermodal Link Services (NQRT)	Toll Global Express	Dept Agriculture, Water and the Environment
Friday	24-Dec	Midnight - Open Day - Open Evening - Closed	Normal Operations	Close at 2pm	6am - 12pm	6am - 12pm	6am - 2pm	6am - 1pm	6am - 2pm	5am - 3pm	7am - 3pm
Saturday	25-Dec	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED
Sunday	26-Dec	Midnight - Closed Day - On-request Evening - On-request	CLOSED	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED
Monday	27-Dec	ON REQUEST	Subject to demand	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	Subject to requirement	CLOSED
Tuesday	28-Dec	ON REQUEST	Subject to demand	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	Subject to requirement	CLOSED
Wednesday	29-Dec	Midnight - On-request Day - Open Evening - Open	Normal Operations	Normal R&D	6am - 10pm	6am - 11pm	Normal Operations	6am - 11pm	Normal operations	5am - 10pm	7am - 3pm
Thursday	30-Dec	Midnight - Open Day - Open Evening - Open	Normal Operations	Normal R&D	6am - 10pm	6am - 11pm	Normal Operations	6am - 11pm	Normal operations	5am - 10pm	7am - 3pm
Friday	31-Dec	Midnight - Open Day - Open Evening - Closed	Normal Operations	Close at 2pm	6am - 12pm	6am - 12pm	6am - 2pm	6am - 1pm	6am - 2pm	5am - 3pm	7am - 3pm
Saturday	01-Jan	Midnight - Closed Day - Open Evening - Open	CLOSED	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED
Sunday	02-Jan	Midnight - Closed Day - Open Evening - Closed	CLOSED	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	Subject to requirement	CLOSED
Monday	03-Jan	Midnight - On-request Day - Open Evening - On-request	Subject to demand	Subject to demand	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	Subject to requirement	CLOSED
Tuesday	04-Jan	Midnight - On-request Day - Open Evening - Open	Normal Operations	Subject to demand	Normal Operations	Normal Operations	Normal Operations	Normal Operations	Normal Operations	Normal Operations	Normal Operations



MAERSK BUYS HK FORWARDER FOR \$3.6 MILLION

A.P. Moller – Maersk has recently announced a US\$3.6-billion deal to acquire LF Logistics, a Hong Kong-based contract logistics company.

LF Logistics operates an extensive pan-Asian network with capabilities in omnichannel fulfilment services, e-commerce and inland transport in the Asia-Pacific region. The company specialises in B2B and B2C distribution solutions within retail, wholesale, and e-commerce.

Søren Skou, Maersk C.E.O., said the acquisition would establish critical and scalable capabilities and technologies within the Asia-Pacific region. He said, “the acquisition of LF Logistics is an important and truly strategic milestone on our journey to become the global integrator of container logistics; a global logistics company that provide digitally enabled end-to-end logistics solutions based on control of critical assets.”

A statement from Maersk said LF Logistics, with its Asia-Pacific-wide footprint and fulfilment capabilities, corresponds with Maersk’s strategic intent to support customers’ supply chain needs end-to-end as a trusted partner in control of the assets.

Maersk will add 223 warehouses to its current portfolio, bringing the total number of facilities to 549 globally, spread across a total of 9.5 million square meters.

Vincent Clerc, Maersk C.E.O. of ocean and logistics, added, “with this move, we will boost

our warehousing and distribution offering and respond to the rapidly growing needs of our customers for contract logistics. Guided by a customer-centric culture and well-executed operations, LF Logistics has built an unparalleled track record of executing a superior omni-channel strategy for customers, which is a unique position we can use to build and operate fulfilment to customers across our network.”

Joseph Phi, LF Logistics C.E.O, said for the company, achieving scale is of great importance, saying, “Maersk provides the ideal fit for our people and our customers. It has a substantial presence around the world and will utilise LF Logistics’ talent base and operational platform across Asia to build out its logistics and fulfilment offering globally. This is testament to the strength of our team, our unique operations-centric culture, and superb growth potential. Together we will deliver a compelling value proposition that allows our people to attain their full potential and our customers to achieve sustainable competitive advantage.”

LF Logistics employs 10,000 people and has 223 warehouses and fulfilment centres in 14 countries totalling 2.7 million square meters. LF Logistics reported a revenue of around US\$1.3bn, in the full-year 2020.

Ackerman, I. (2021). Maersk buys Asian logistics company for US \$3.6 billion. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/maersk-buys-asian-logistics-company-for-us3-6-billion/> on 23rd December, 2021.

PATRICK TERMINAL OPERATIONS UPDATE - MELBOURNE OPERATIONS EXPERIENCING EXTENSIVE DELAYS

The below is an update on the terminal operations. Patrick's Melbourne delays are caused by a slow recovery from industrial action combined with high seasonal volumes. Patrick stated that they are working closely with their Melbourne team to address these delays.

TERMINAL OPERATIONS UPDATE

Patrick Terminals - Melbourne

Vessel delays are 10 -12 days

Patrick Terminals - Sydney AutoStrad

2 - 4 days delay as a result of vessels arriving off-window

Patrick Terminals - Brisbane AutoStrad

Currently operating on schedule

Patrick Terminals - Fremantle

Currently operating on schedule



STAFF SPOTLIGHT

JUSTINE KERR

MEDIA/HR MANAGER

TOMAX LOGISTICS AUSTRALIA

1. What is your role at Tomax?

I am the Media/Human Resources Manager at Tomax.

2. What are your hobbies/interests?

I am a creative at heart and consider myself an avid baker, cook, bookworm, outdoor adventurer and Netflix junkie!

3. Your plans this holiday season?

I hope to get away camping for a few days with the family.

4. Favourite movie/TV show?

The Fifth Element.

5. A childhood memory you cherish?

Dad playing the guitar and us singing along together to old school songs.

6. If you could only eat one thing for the rest of your life what would it be?

Ice cream!

7. Any hidden/not-so-hidden talents?

I am a great photographer and sewer.



Justine Kerr, Media/HR Manager



MERRY CHRISTMAS AND A HAPPY NEW YEAR!

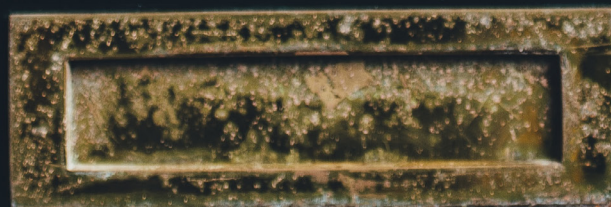
Please be advised of our closure and reopening dates:

TOMAX LOGISTICS - Closed only on main public holidays

TOMAX TRANSPORT - Closed only on main public holidays

TOMAX WAREHOUSE - Closed 25th Dec 2021 until 4th Jan 2022

The Tomax team is wishing you and your families a safe and joyous Christmas season and all the very best for the upcoming year!



FRIDAY FUNNIES

Here are some Christmas jokes just in time for Christmas Day tomorrow!

Why was the snowman looking through the carrots?
He was picking his nose!

How does Christmas Day end?
With the letter Y!

Why did the turkey cross the road?
Because it was the chicken's day off!

What did Mrs. Claus say to Santa Claus when she looked up in the sky?
Looks like rain, dear!

What do you call Santa living at the South Pole?
A lost clause!

What do the elves cook with in the kitchen?
Utinsels!

What did the Christmas tree say to the ornament?
Quit hanging around!

Why are mummies such big fans of Christmas?
Because they enjoy wrapping.

Got a Christmas card full of rice in the post.
I think it was from my Uncle Ben.

Why did the red-nosed reindeer help the old lady cross the road?
It would have been Rudolph him not to.

The Christmas jumper my kids gave me last year kept picking up static electricity. I took it back and exchanged it for another one - free of charge.