



TOMAX
NEWS

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PLUS:

MARKET SUMMARY

- Ocean freight pricing on the China-Australia trade-lane remains relatively lower in April than recent levels as the China lockdown continues in many major cities. It is however expected that rates will rise quickly once the current lockdown ends and factories flood back to work.
- Airfreight pricing around the world is rising dramatically as fuel surcharges kick at high levels and various COVID lockdowns impact the number of passenger movements.
- Airline terminals, airfreight depots, and sea freight depots continue to be impacted heavily with staffing shortages leading to extended delays in loose cargo availability. Cargo check in at airline terminals is taking 2-3 days still at many locations, and LCL cargo availability is also taking up to 7 days from vessel availability.

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. The weekly Tomax Client Newsletter will contain a link to the latest Gazette document so that you can stay updated.

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LATEST NEWS

LOCKDOWNS CONTINUE TO DISRUPT FREIGHT ACROSS CHINA

The Surge in COVID-19 cases followed by a wave of lockdown measures is yet again, impacting freight across China. Shipping companies have reported limited trucking availability and broader impacts to landside operations, which is affecting port operations. Just a month ago, freight operations were also disrupted across China's major cities due to the wave of restrictions which were imposed amid the deadly omicron outbreak. Among those impacted by the lockdowns in March, were Shenzhen and Shanghai ports as a result of landside operations being disrupted, impacting air and sea freight services.

According to Maersk's statement, local authorities had imposed a lockdown in Shanghai, which was expected to lift on Tuesday. However, a situation update from Ocean Network Express suggests some measures have been extended until further notice. "ONE is carefully monitoring the situation of Shanghai port and terminal from these measures and restrictions. Currently the port and terminal operations remain operational, however trucking availability is very limited, and this has impeded clearance of import cargoes."

Maersk added that Shanghai ports, Waigaoqiao and Yangshan, are currently operating as usual, and that the company had not omitted or redirected any of its Shanghai calls due to the outbreak. Although, the warehouse situated in the lockdown-affected area has reportedly been seriously impacted. The company said in a statement, "it is foreseeable that the efficiency of Maersk trucking services from/to Shanghai will be further impacted due to the lockdown. We are providing multi-modal services via barge and rail as alternative solutions between Shanghai and nearby cities."

In relation to airfreight, Maersk said gateway operations in Shanghai are operating as normal, but larger volumes of freight are expected to be shifted to other airports including Zhengzhou and Beijing due to

airlines canceling flights. Furthermore, lockdown measures around Shanghai are expected to create supply chain bottlenecks stemming from the trucking capacity shortage.

Warehouse, factory and trucking operations are still recovering from the significant impact of identifying positive cases and urgent support measures have been carried out to support truck drivers. Maersk added, "there will be noticeable drop-in trucking services between Shenzhen and nearby cities due to stricter COVID-19 controls and need for drivers to have frequent NATs, leading to longer delivery times and higher transport costs. In Hong Kong, together checks and tests on cross-boundary truckers have led to a cut of at least 70% in trucking capacity, which in turn is having a domino effect in the rest of the supply chain. The same challenge also applies to Shanghai for inter-provincial pick-up and drop-off."

Airfreight has reportedly been affected as airlines adapt and reduce the frequency of flights due to a decline in demand. "The situation in China will cast a challenge onto the global supply chain recovery. The pandemic has revealed how lean the supply chain has become and any small disruption in the country will likely lead to ripple effects across the world", Maersk said.

The European Union Chamber of Commerce in China confirmed the freight challenges at ports, which have been attributed to a strategy characterised by major lockdowns. Chamber president, Joerg Wuttke, believes it would likely impact China's ability to export, which could eventually stoke inflation saying, "in China, COVID is still associated as if it were the plague. I think there needs a bit more education from the Chinese authorities, to take the fear away in order to make people more comfortable to live with this kind of uncertainty."

Williams, A. (2022). LOCKDOWNS CONTINUE TO DISRUPT FREIGHT ACROSS CHINA. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/lockdowns-continue-to-disrupt-freight-across-china/> on 8th April, 2022.



\$62.3 BILLION ONLINE SHOPPING SPREE IN 2021

According to Australia Post, more than 4 in 5 Australian households took part in online shopping during 2021 and spent a total of \$62.3 billion on physical items. The online share of total retail rose to 19.3% as a result of the spending. Additional data showcased 81% of Australian households shopped online with 5.4 million households engaging in online shopping each month - an increase of 39% from 2019. National growth in online purchases rose up 12.3% compared to 2020, which is nearly double the pre-pandemic level.

Australia Post Group C.E.O. and Managing Director, Paul Graham, believes the pandemic brought about a fundamental shift in the way Australians live, work and shop, and that online shopping is now essential for Australian families when purchasing everything from clothing to day-to-day households. He said, "right across the 2021 calendar year Australians turned to online shopping like never before, and with fluctuating restrictions and 15 million people in lockdown at one stage, e-commerce as a lifeline support for people and businesses alike." He added that despite the easing of restrictions, Australians enjoy online shopping and its love for it has not faltered.

Other observations made on consumers include their confidence with buying online increasing, their rising willingness to shop around and their spendings are now ranging across a broader cross-section of retailers and new categories. Paul continued, "today's online shoppers are looking for choice and convenience, reliability in supply

and delivery, and with 75% thinking about sustainability when they shop online, it's having an enormous impact on which brands they choose to buy from and where they spend their money. While we expected the growth we've seen over the last to years to moderate, shoppers' eagerness to buy online will continue to increase, and Australia Post is ready and committed to supporting our customers as we move into this next phase of retail in Australia."

In 2019, the average shopper bought from 9 individual retailers and in 2021, this figure rose to 15 with the number of categories increasing from 6 to 8 over the same period. It was also noted that most purchases are made between 2pm and 4pm and fever between 7pm and 10pm. During October 2021, Australia Post announced that it would invest an additional \$400 million in new facilities, fleet and technology by mid 2022 and will strive to improve the customer experience with new solutions including 2 hour ETA notifications which it is progressively rolling out.

In 2021, nationwide, metro areas saw a growth of 12.9% year on year while regional locations saw a growth of 10.6% and the top online buys included athleisure, footwear, baby products and pet products. Point Cook in Melbourne's West topped the chart for the seventh year in a row, as the National top online shopping suburb, followed by Liverpool in New South Wales and Hoppers Crossing in Victoria.

Musuraca, J. (2022). Households spent \$63.81 billion online in 2021: Auspost. Retrieved from <https://mhdsupplychain.com.au/2022/04/04/households-spent-62-3b-online-in-2021-australia-post/> on 7th April, 2022.

99KG OF METH SEIZED AND TRIO CHARGED

Three men were arrested and charged after Australian Border Force officers found 99 kilograms of drugs hidden in a shipment of latex bed pillows. ABF officers in Fremantle examined the consignment and found anomalies within the latex pillows, which they carefully deconstructed.

A crystal-like substance within the pillows tested positive for methamphetamine. After replacing the drugs with a harmless substance, AFP and ABF officers arrested the men after they allegedly entered the shipping container and accessed the boxes.

The 99 kilograms of meth could have been sold to nearly one million people as individual street deals, putting an estimated \$100 million into the pockets of organised crime groups and their networks. If convicted, the three men each face a potential penalty of life imprisonment.



If you work with cargo, be aware of the common suspicious indicators including:

- Someone attempting to conceal their identity.
- Someone preferring to settle their accounts early or insisting on paying (or being paid) in cash.
- Goods described inaccurately or goods description misspelled.
- Goods damaged, modified or tampered with.
- Goods weight inconsistent with the stated goods description

RIPPED OFF: RIP ON/RIP OFF INDICATORS IN SHIPPING CONTAINERS

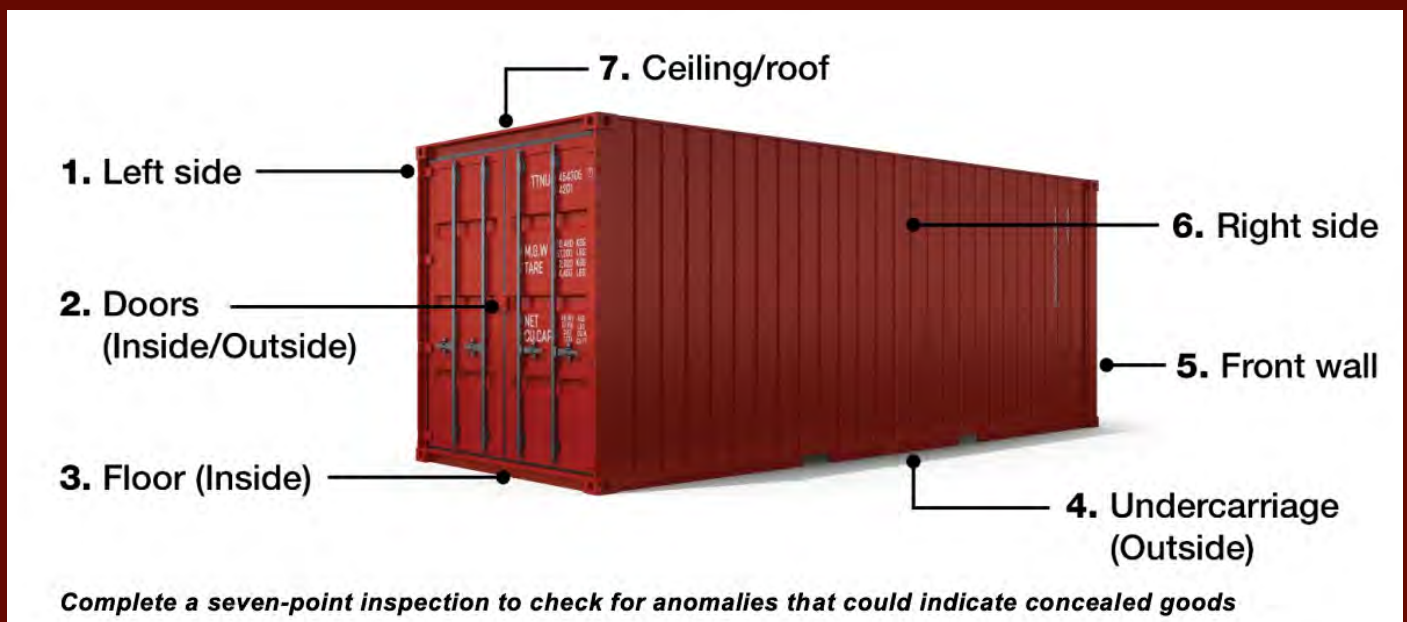
Criminals may use shipping containers to conceal illicit goods. 'Rip-on / Rip-off' is a concealment methodology where illicit goods are placed inside a shipping container, separate from the documented contents ('Rip-on'). These goods are then removed at the destination ('Rip-off').

Indicators that may be present include:

- Seals that do not match the documentation, or missing container seals.
- Damaged access panels, unusual repairs or newly -painted surfaces.
- Panels with missing screws.
- Uneven internal floor and wall surfaces.
- Signs that the container's structure appears to have been altered.
- Refrigerated containers (reefers) without a working fan mechanism.
- Unusual marks or messages on the consignment (such as an X on the container).

Knowing how to spot a potential Rip-on / Rip-off concealment could prevent these goods from entering and harming our community. Complete a seven-point inspection (below) to check for anomalies that could indicate concealed goods.

Australian Border Force (2022). Retrieved on 8th April, 2022.



STAFF SPOTLIGHT

SANDY CHALMERS INVOICING

TOMAX LOGISTICS AUSTRALIA

What do you do at Tomax?

I invoice our sea freight jobs to our clients. No two days (or even two jobs) are the same, and I still learn something new every day!!

Your hobbies and interests?

I play badminton once a week, I enjoy reading books of all kinds and I love to travel and explore new places and cultures.

A place you would like to revisit again?

I would love to revisit Morocco! I've been twice and it would be fun for Chris and I to take the kids there next time. I think some things would have changed a lot and some things would still be the same since we were last there 20 years ago!

What skill would you like to master?

Well as a mum of two 15 year olds and a 12 year old, it would be handy to learn to clone myself some time so I could be in two places at once! Can anyone teach me that please?!?

What movie title best describes your life?

It's hard to go past the movie title "Life is Beautiful" (which is also an amazing movie I might add) - life is a roller coaster of ups and downs, but a positive attitude is everything and I'm truly grateful for all that I have in this beautiful life!

Your favourite meal of all time?

Any meal from an Izakaya in Japan.

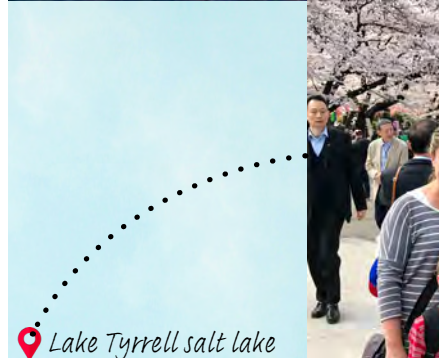
Something you are looking forward to?

We have postponed our family holiday to South Africa many times over the last 2 years - I'm looking forward to getting there one day!!



📍 Lake Tyrrell at sunset

📍 Tokyo



📍 Lake Tyrrell salt lake



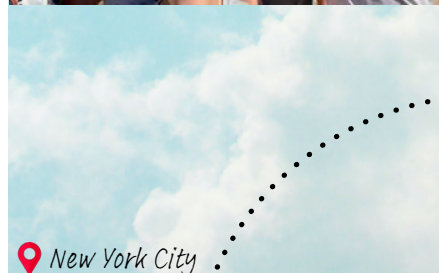
📍 Tokyo



📍 Sea Lake Silo Art



📍 New York City



📍 New York City



FRIDAY FUNNIES

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

The guy that invented the umbrella was gonna call it the brella.
But he hesitated.

I tried to organize a professional Hide-and-Seek tournament, but it was a complete failure.
Good players are hard to find.

What kind of dogs love car racing?
Lap dogs!

What did the green grape say to the purple grape?
“Breathe, damn it! Breathe!”

Why do fish live in salt water?
Because pepper makes them sneeze!

Why do seagulls fly over the sea?
Because if they flew over the bay, they’re bagels!

Where do spiders seek health advice?
WebMD.

It’s inappropriate to make a “dad joke” if you are not a dad.
It’s a faux pa.



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