



TOMAX  
NEWS

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5<sup>th</sup> August 2022

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**PLUS:**

# MARKET SUMMARY

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• What will happen to freight rates over the next few months?? It's the question on everyone's lips, but there is very little definitive guidance to be offered as to answer. Rates on a lot of trade-lanes have been dropping over the past month, and currently seem to have stabilised, but who knows for how long. Will the next move be downwards or upwards? Traditionally rates should move to a higher position as demand for space increases during the peak season. However, with continuing disruptions to global production through economic and political issues and COVID lockdowns, there could still be a shortfall in normal production levels. Maersk are very bullish on their projections, revising

their full year profit forecast to USD 37 billion (as reported in this newsletter). Hopefully for shippers and importers there will still be some relief from the never ending supply chain cost impacts, but the current feeling is don't hold your breath.

## TARIFF CONCESSIONS GAZETTE (TC)

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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.

[CLICK TO VIEW LATEST GAZETTE](#)



## ILLEGAL LOGGING REMINDER

**T**omax Logistics has recently received information that the Department of Agriculture, Fisheries and Forestry (DAFF) have renewed their efforts to verify if importers of regulated timber products have established a due diligence system to ensure that the products they import are not sourced from illegally logged timber products.

Importers of regulated timber products are legally required to establish a due diligence system before you import a regulated timber product into Australia.

Regulated timber products are products that fall into the below Customs Tariff chapters:

**Chapter 44** - for wood and articles of wood

**Chapter 47** - for pulp of wood

**Chapter 48** - for paper and paperboard

**Chapter 94** - for furniture

A good due diligence system will help you to:

- understand where the timber in your product has come from
- decide if it has been legally sourced
- avoid illegally logged timber
- support local investment, profitability and jobs

If you do not carry out a suitable due diligence assessment before importing a regulated

timber product, you could face significant financial penalties.

DAFF provide guidance on setting up a due diligence system with the below steps being the minimum requirements for a due diligence system:

**Step 1** - Establish and maintain a due diligence system

**Step 2** - Gather information

**Step 3** - Assess the risk

**Step 4** - Risk mitigation

**Step 5** - Keep records

For more detailed information on the above due diligence steps click on the following link <https://www.agriculture.gov.au/agriculture-land/forestry/policies/illegal-logging/importers/due-diligence>

To enable the Tomax Customs team to answer the due diligence question for illegal logging for products in Chapters 44, 47, 48 & 94, our Customs team will contact you in the future if your products fall into the above chapters to request that you complete the importer authority for Customs brokers.

**CLICK TO COMPLETE ILLEGAL LOGGING DECLARATION DOCUMENT**



# BIOSECURITY ALERTS & CHANGES THIS WEEK

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Please note the Biosecurity updates for this week:

## **REVISED PHYTOSANITARY REQUIREMENTS FOR VACUUM PACKED GREEN COFFEE BEANS TRADE SAMPLES**

Effective from 4 August 2022

The department has revised the phytosanitary requirements for vacuum packed green coffee beans trade samples. Vacuum packed green coffee beans trade samples imported via low value air freight, mail items or passenger baggage are now exempt from the phytosanitary certificate requirements implemented in Phase 4 of the Urgent actions to protect against khapra beetle.

### **Who does this notice affect:**

Importers and brokers of coffee bean trade samples and Pathway Operation Cargo - Assessment and Inspections.

### **Further information:**

Please contact Plant Import Operations on 1800 900 090 or email [imports@agriculture.gov.au](mailto:imports@agriculture.gov.au).

## **KENTIA PALM SCIENTIFIC NAME UPDATE**

Effective from 4 August 2022

The department has updated the Palm seed for sowing case to reflect *Howea forsteriana* as the accepted name for Kentia palm (with the synonym *Kentia forsteriana*) in the list of permitted *Kentia* spp.

### **Who does this notice affect:**

Importers of Palm seed for sowing, their brokers, Client Contact Group and Cargo Operations (formerly Inspections Group).

### **Further information:**

Please contact Plant Import Operations on 1800 900 090 or email [imports@agriculture.gov.au](mailto:imports@agriculture.gov.au).



# MAERSK INCREASES ANNUAL EARNINGS FORECAST BY \$7 BILLION

**S**purred by continued global supply chain disruptions, Maersk has upgraded its guidance for the full year by \$7 billion, which reflects higher than anticipated earnings. Shippers clinging onto the hope for return to some form of normalisation have been dashed by port congestion and intermodal bottlenecks on the world's tradelanes.

Maersk's Q2 revenue was \$21.7bn, compared with Q1 turnover of \$19.3bn, for an ebitda of \$10.3bn and an underlying ebit of \$8.9bn. The carrier said, "the strong result is driven by the continuation of the exceptional market situation within Ocean. Congestion in global supply chains leading to higher freight rates has continued longer than initially anticipated."

For Q1, Maersk reported an ebitda of \$9.1bn, and ebit of \$7.3bn, for a net profit of \$6.8bn. It has now revised its full-year ebitda forecast to \$37bn from its previous upgrade of \$30bn, and said it expected an underlying ebit of \$31bn (previously \$24bn). As such, Maersk sees no sign of a weakening in Q3 earnings as previously anticipated, and is confident of a strong result in the final quarter. Maersk advised its revised guidance was "based on gradual normalisation in Ocean in the fourth quarter".

In its Asia-Pacific July outlook, Maersk referred to "long-term challenges", which were being offset by "a positive short-term outlook", adding, "the outlook remains highly uncertain and we mainly see downside risks to our base scenario."

The liner market outlook's uncertainty for the latter part of Q4 and beyond is the reason why Japanese carrier ONE was unable to forecast full-year earnings when it posted a \$5.5bn Q1 profit on Monday. Should the erosion of container spot rates accelerate in Q4 and into the first quarter of 2023, the unwinding of supply chain disruption as well as an expected reduction in demand, will test the integrity of Maersk's annual and multi-year contracts.

Although spot rates have now fallen below contract rates in some trades, Maersk has reiterated it has no plans to renegotiate rate agreements with its core portfolio of 200 large volume customers mid-term. However, the Danish transport group, will come under increased pressure if some of its competitors that carry a higher percentage of spot cargo, strive to lure its contracted shippers with heavily discounted rates.

As such, Xeneta's July long-term rates review was enhanced by a survey of its large-volume subscribers, highlighting some alarming feedback for the contract business of carriers. Patrik Berglund, Xeneta's CEO said, "our survey shows 44% no longer feel confident of the stability of long-term contracts." Of those responses, half were likely to allocate lower volumes, but only to cheaper contracts, while 50% were intending to tap the spot market when short-term rates fall below their contract rates.

Wackett, M. (2022). Optimistic Maersk pumps up earnings forecast for the year by another \$7bn. Retrieved from <https://theloadstar.com/optimistic-maersk-pumps-up-earnings-forecast-for-the-year-by-another-7bn/> on 4th August, 2022.



# NEW TRADE RECORDS AT NORTH QUEENSLAND PORT

**B**reaking a decade-long record, the Port of Mackay has posted its biggest trade year by volume. Cameron Dick, Queensland treasurer and trade minister, said the 3.6 million-tonne throughput for 2021-22 surpassed the previous record for 2012-13. He said, “one in five Queensland jobs rely on exports, and two out of five exporting businesses are based in regional Queensland. The 3.6-million-tonne throughput for 2021-22 is a 9% increase on the previous record in 2012-13 and it’s nearly 13% higher than the 3.2-million-tonne record in 2021-22.”

Nicolas Fertin, North Queensland Bulk Ports C.E.O., believes strong fuel trade also contributed to Mackay’s record throughput stating, “for petroleum, it was a record high year and a 19% increase on the previous financial year (2021/22:1.84 million tonnes; 2020/21: 1.55 million tonnes). Sugar was the port’s second-largest trade at 978,000 tonnes. Grain trade saw a four-fold increase from around 60,000 to 300,000 tonnes. We’ve kept trade flowing safely and efficiently through Mackay during a difficult time for markets globally. This could only be achieved

with the support and commitment of our people, port partners, customers and port communities.”

Member for Mackay, Julieanne Gilbert said the trade numbers highlighted the strength and diversity of the local economy. Ms Gilbert said, “Mackay’s importance to Queensland’s mining exports is well known, but this record for the Port of Mackay is built on high sugar and grain exports. Our strength across resources, agriculture and tourism gives the Mackay economy resilience through diversity and helps to insulate us from external shocks.”

Ackerman, I. (2022). TRADE RECORDS BROKEN AT AUSTRALIAN PORT. Retrieved from <https://www.thedcn.com.au/news/ports/trade-records-broken-at-australian-port/> on 5th August, 2022.



# NSW RAIL FREIGHT ROUTE RESTORED

**A** major landslip on the main western rail line has now been fixed, allowing freight train services through the Blue Mountains to restore to full operations.

Sam Farraway, New South Wales regional transport and roads minister, says the night-time freight operations returned to usual service last week, with 76 freight trains resuming their usual trips. The restoration work shortly followed after the main western line was damaged by weather events, causing a landslip to develop between Blackheath and Mount Victoria which ceased freight movements to Port Botany.

However, Farraway confirmed the freight route has fully reopened saying, “thanks to the hard work of Sydney Trains, night-time freight operations were restored on the evening of July 24 and, since then, we have seen trains carrying coal, grain, bulk materials and general freight safely travelling the route. Once again, this vital rail line is connecting the central west to our domestic and international markets.”

For nearly 4 weeks, Sydney Trains crews worked to restore the freight line, with the repairs requiring around 40,000 tonnes of gabion rock.

Paul Scurrah, Pacific National C.E.O. says his company can now gratefully return to running its usual main western line services. Paul said, “the Blue Mountains rail line is a vital link in the national supply chain connecting thousands of regional exporters and importers and primary producers to ports, processing plants, freight terminals and mills across the state.”

Fully Loaded. (2022). NSW RAIL FREIGHT ROUTE RESTORED. Retrieved from <https://www.fullyloaded.com.au/logistics-news/2208/nsw-rail-freight-route-restored> on 5th August, 2022.

# STAFF SPOTLIGHT

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**DENNIS TOYE**  
**COURIER DRIVER**  
TOMAX TRANSPORT



**What do you do at Tomax?**

I am a Courier Driver who delivers cargo on our Sydney route and I am based in our warehouse in Prestons.

**What are your hobbies/interests?**

Plane spotting.

**Favourite music to listen to?**

I enjoy listening to 70's music.

**Your favourite sports team?**

Chelsea United.

**A life motto you live by?**

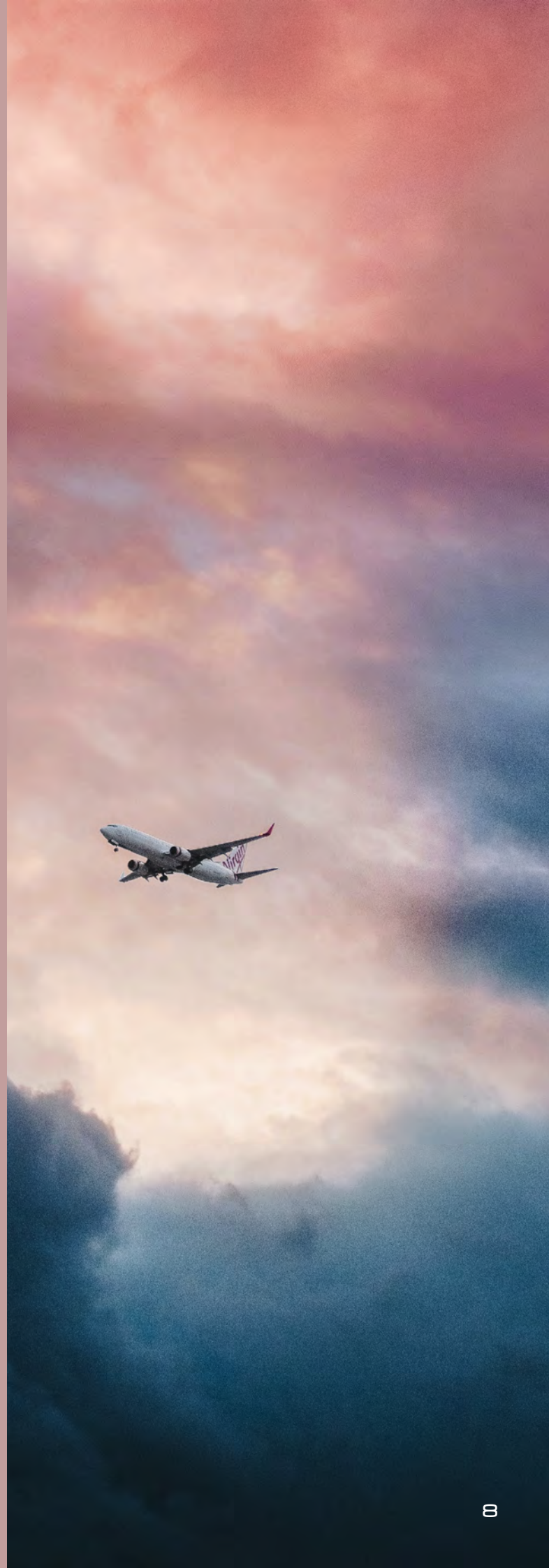
"Live life the best".

**Are you a collector of anything?**

I collect coins.

**What was your first ever job?**

I was a storeman.





# FRIDAY FUNNIES

We hope these jokes brighten up your day as we approach another weekend! Happy Friday!

What do you call a can opener that doesn't work?

**A can't opener!**

The world tongue-twister champion just got arrested.

**I hear they're gonna give him a really tough sentence.**

What's the difference between a cat and a complex sentence?

**A cat has claws at the end of its paws.  
A complex sentence has a pause at the end of its clause.**

Why did the tree go to the dentist?  
**It needed a root canal.**

How do you know when the moon has had enough to eat?

**When it's full.**

Why are hairdressers never late for work?

**Because they know all the short cuts!**

Why do we tell actors to break a leg?  
**Because every play has a cast.**

To whoever stole my copy of Microsoft Office, I will find you.

**You have my Word!**

How do you catch a whole school of fish?

**With bookworms.**

I went to the zoo and saw a baguette in a cage.

**The zookeeper said it was bread in captivity!**

What's the difference between the bird flu and the swine flu?

**One requires tweetment and the other an oinkment.**

How do you stop a bull from charging?  
**Cancel its credit card.**

What do cows most like to read?  
**Cattle-logs.**

## Answers:

Here are the answers to last week's "Spot the 5 Differences" circled in pink.

[Click here to view the previous Newsletter.](#)



Australian HQ  
19/202 Ferntree Gully Rd  
Clayton VIC 3168

tomax.com.au  
1300 186 629  
03 9544 4227

