



TOMAX
NEWS

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PLUS:



MARKET SUMMARY

- With the China Government's decision to relax the heavy COVID restrictions in time for people to travel for the Chinese New Year period, the inevitable COVID outbreak has spread. Many factories have stopped producing due to staff shortages and many supply chain employees are also absent from work causing delays in a lot of areas. Ocean freight rates are beginning to drop again as a result of the reduction in available cargo to ship. The Chinese New Year period runs from 22nd January for approximately two weeks and it can be expected that it won't be until late February until Chinese production starts to really ramp up again.

- The US winter has set in and storms are impacting supply chain activities across the mid-west and north-east of the country. Freight volumes are down from previous years however, mainly due to the worsening economic conditions which has reduced consumer spending, so the backlogs and delays to freight are not as severe as they have been in the past.

- The Tomax Logistics Group would like to wish a Happy New Year to all of our amazing customers, staff and partners, and hope that 2023 is an outstanding year for one and all!

TARIFF CONCESSIONS GAZETTE (TC)

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.

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LATEST NEWS



MAIN WESTERN RAIL LINE REOPENS FOLLOWING FREIGHT TRAIN DERAILMENT

Following last month's freight train derailment, passenger services on the Main Western Rail Line in the Blue Mountains will recommence on the 21st January 2023. Sam Faraway, NSW minister for regional transport and roads, advised crews were working diligently to repair a 10 kilometre section of the track between Lawson and Linden, with the line set to re-open towards the end of this month.

Mr Faraway said, "This line is a vital component of our supply chain and the NSW government will work closely with industry as crews work hard to get it repaired and reopened. Our maintenance crews are working around the clock right through the holiday period to get the job done. They have already laid almost 10 kilometres to support the new track, installed more than 15,000 new sleepers, laid more than 11,000 tonnes of ballast and replaced or repaired 39 pieces of signalling equipment. This work has been carried out in extremely difficult terrain and has required detailed planning and specialist engineering expertise to get the crews and replacement material on site to carry out the repair work safely...I want to thank the community for their

patience while crews carried out the repairs as safely and quickly as possible,"

By working closely with industry, freight has continued moving across the critical supply chain by opening the adjacent track in blocks of days to diesel trains.

The repair works involved the removal of 18 kilometres of damaged rail and 15 kilometres sleepers, replacement of approximately 92 pieces of signalling equipment which was damaged and laying more than 11,000 tonnes of ballast.



Ackerman, I. (2023). Rail line repaired after freight train derailment. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/rail-line-repaired-after-freight-train-derailment/> on 6th January, 2023.

COVID OUTBREAK IN CHINA TO IMPACT AUSTRALIAN SUPPLY CHAINS

Treasurer Jim Chalmers stated that Australian supply chains will be impacted by current stresses arising from the rapid spread of COVID in China.

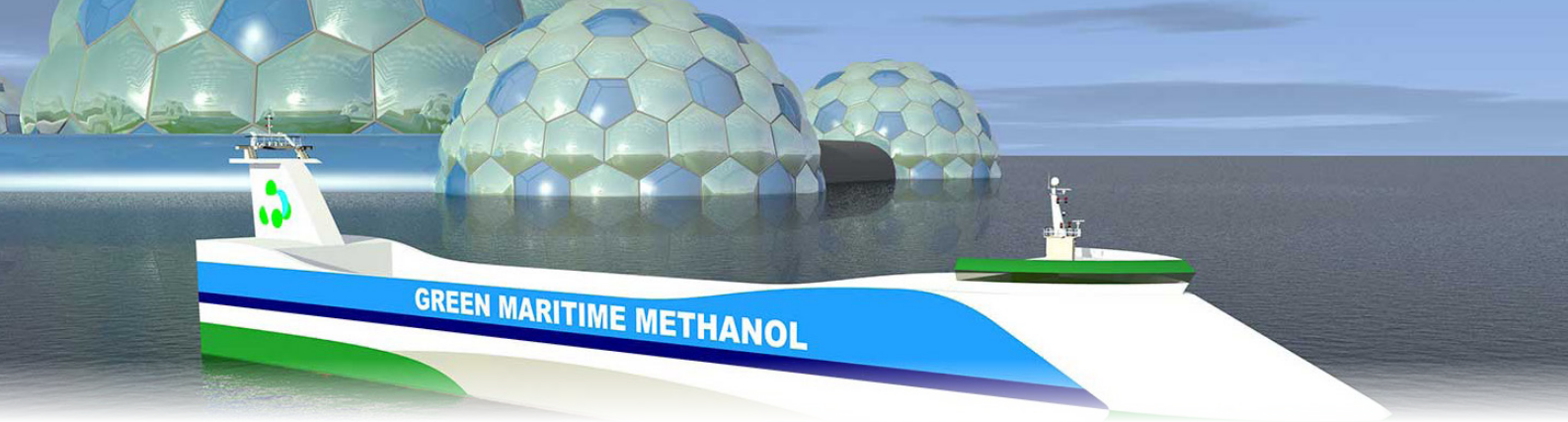
Jim noted that the Australian and Chinese economies are “incredibly intertwined” and highlighted that China’s transition away from their COVID zero policy will be a big influence on supply chains and the economy generally in 2023.

Jim said, “how they manage this wave, which still has a little way to run yet – that will flow through and have consequences for us because the Chinese workforce will be affected. That means supply chains will be affected, and our economy will be as well. But that’s not the only thing we’re monitoring in the economy and 2023. We’re optimistic about the future but we’re realistic about expectations for the global economy in the coming year. China’s a big part of it, the war

in Ukraine is a big part of it. The big advanced economies have all got inflation problems, and higher interest rates – the US, UK, Europe, all got a version of that. The impact of interest rates here in Australia from the independent Reserve Bank and the impact of natural disasters, those five things will be probably the key determinants of how our economy fares in 2023.”

Cranswick, E. (2023). Chinese COVID outbreak to impact Australian supply chains: Treasurer. Retrieved from <https://mhdsupplychain.com.au/2023/01/05/chinese-covid-outbreak-to-impact-australian-supply-chains-treasurer/> on 6th January, 2023.





2022 SAW 275 ALTERNATIVE FUELLED SHIPS ORDERED

In the year 2022, 275 ships with alternative fuels (excluding battery-operated vessels) were ordered, according to DNV's recently published Alternative Fuels Insight report.

Of that total, 81% (222 ships) were LNG-fuelled and 74% of these orders were for container vessels and pure car and truck carriers. Meanwhile product tankers came in third, representing 9% of orders. According to the report, last year came close to 2021's record of 240 vessels ordered for LNG-powered ships. The total count of LNG-fuelled ships in operation and on order is currently 876. During 2022, 104 new LNG-fuelled ships entered operation, representing a 41% growth within the sailing fleet. The second-most popular alternative fuel choice was methanol, with 35 ships ordered throughout 2022, bringing the total count to 82 ships. 30 of the methanol-fuelled ships ordered last year were large container vessels.

In total, 18 ships capable of running on hydrogen fuel were ordered, ranging from small crew-transfer vessels for the offshore wind industry designed to operate fully on hydrogen, to large cruise vessels installing hydrogen powered fuel cells that cover a smaller portion of the energy demand onboard.

DIVERSITY IN LNG SHIPS

Martin Wold, principal consultant for DNV's maritime advisory business, stated a diverse portfolio of LNG fuelled ships was delivered in 2022, led by large crude oil tankers and container ships in second place. Mr Wold said, "far from all are currently operating fully on LNG fuel but there are geographical pockets where LNG is still competitively priced and being bunkered regularly. The underlying growth for LNG fuel is nevertheless very strong and the market will likely return with a boom at some point, with bunkered volumes

expected to triple within a very short time span. Looking ahead we expect 2023 to turn out similarly to 2022 in terms of newbuild orders for alternative fuels. The orders will likely materialise across somewhat different ship types and sizes compared to last year, moving with the newbuild market in general."

According to the report, in 2023, the majority of ships ordered with alternative fuels is expected to be LNG dual fuel – which is similar to last year. The elevated price levels for natural gas will continue to delay the widespread adoption of LNG as fuel in the marine industry. Although, looking from a big picture perspective, delivery times for newbuilds align well with the cooling down of global gas and LNG prices.

METHANOL IN THE FUTURE

Orders for methanol dual fuel are also likely to continue, and possibly grow somewhat in terms of number of ships, according to Mr Wold. Compared to LNG, methanol fuel systems are cheaper and easier both for the yard to fit – in particular on smaller vessels – and for the owners to operate. Mr Wold believes last year was the year in which methanol really established itself as an alternative to LNG and engine makers report about record high interest for methanol capable engines. He said, "concerns around sourcing and the scalability of green methanol in the short to medium term will remain the main slowing factor here. Whereas the main competition will be between conventional fuels, LNG and methanol in 2023, we expect to see a further positive trend for the ordering of hydrogen fuelled ships. We also expect to add the first officially confirmed ammonia fuelled ship to our AFI database this year."

Ackerman, I. (2023). 275 Alternative-Fuelled ships ordered in 2022. Retrieved from <https://www.thedcn.com.au/news/environment/275-alternative-fuelled-ships-ordered-in-2022/> on 6th January, 2023.

FREIGHT CAPACITY INCREASES ON VICTORIAN RAIL NETWORK

As part of the Murray Basin Rail Project, freight capacity has increased for trains who operate along the Ararat and Maryborough line, an 88 kilometre section of Victoria's rail network. The installation of new rail and extra ballast will enable freight trains to take on heavier loads along the section of the track.

Catherine King, federal minister for infrastructure, transport, regional development and local government believes regional exporters would benefit from the upgrades. Catherine said, "these vital works will help Victorian primary producers move their goods to the rest of the country and the rest of the world as easily and efficiently as possible."

Commencing in April 2022, works were completed during a 39-day closure of the line with its completion scheduled for late December. Freight capacity increased to 21-tonne axle loading following the installation of 166 kilometres of rail and 75,000 tonnes of ballast.

Ports and freight minister, Melissa Horne, said, "the upgrades to the Ararat-Maryborough Line have delivered critical capacity improvements to allow more freight to be moved by rail."

The Murray Basin Rail Project aims to increase the number of weekly train paths on the Murray Basin network from 28 to 49. Currently, design work and planning approvals are continuing for the next stage of upgrades to the Murray Basin freight network, including building new passing loops at Tourello and Elmhurst, a mobile refuelling station at Ouyen, extending a passing loop at Emu and

performing signalling upgrades at the Ouyen and Maryborough yards.

Jacinta Allan, minister for transport and infrastructure said, "we are continuing to make progress on these important freight upgrades for Victoria, with industry to benefit from more capacity and a boost to network reliability and resilience."

The Victorian government said the rail was delivered by 11 separate freight train trips from South Australia, replacing the estimated equivalent of 356 truck trips on a journey of more than 800 kilometres each way. Scrap rail from the track upgrades was donated to the Daylesford Spa Country Railway, to be used to replace sections of current line and assist with a planned future extension for the tourist railway.

Williams, A. (2023). Freight capacity increases on Victorian rail network. Retrieved from <https://www.thedcn.com.au/news/logistics-and-supply-chain/freight-capacity-increases-on-victorian-rail-network/> on 4th January, 2023.



STAFF SPOTLIGHT

CHERRY WEI

KEY ACCOUNT MANAGER
TOMAX LOGISTICS SHANGHAI



What do you do at Tomax?

I am a Key Account Manager at Tomax Logistics Shanghai, who is mainly responsible for all FCL sea exports.

What are your hobbies/interests?

I like to read books, listen to songs and look after my plants. I would say I am a relatively simple person!

Favourite food?

I really love seafood!

What makes you smile?

Helping customers and/or receiving praise from them really puts me in a good mood for the day.

If you could go anywhere in the world, where would you go?

I prefer to stay safe at home, given the COVID situation. Sipping on some warm milk and petting my cat at home is enough to keep me happy.

Something you are afraid of?

Mice!

Goals you wish to achieve this year?

- Work hard every day.
- Go to bed early and wake up early.
- Look after my body well.



FRIDAY FUNNIES

Enjoy some New Year's jokes to kick off 2023!

My New Year's resolution is to be more optimistic by keeping my cup half-full...

with either rum, vodka or whiskey!

Why did the man sprinkle sugar on his pillow on New Year's Eve?
He wanted to start the year with sweet dreams.

My resolution was to read more...
So I put the subtitles on my T.V.

What should people never eat on New Year's Eve?
Fire crackers.

My New Year's resolution is to stop procrastinating.
But I will wait until tomorrow to start.

What New Year's resolution should a basketball player never make?
To travel more.

An iPhone and a firework were arrested on New Year's Eve.
One was charged and the other was let off.

What's the best New Year's resolution?
1080p.

At the beginning of this year I made a New Year's resolution to lose 10 kilos...**Only 15 more kilos to go!**

I was going to quit all my bad habits for the new year...
But then I remembered, no one likes a quitter!

Dracula passed out at midnight on New Year's Eve;
there was a countdown.



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