



TOMAX
NEWS

Issue 132
9th June 2023



PLUS:

MARKET SUMMARY



• Logistics Conference & Exhibition Season

Over the last few months the Tomax Logistics teams from around the world have been busy visiting exhibitions and conferences in Germany, Dubai, Thailand and

Vietnam. At these events our teams were able to showcase the Tomax values and range of services to a huge audience of shipping lines, airlines, importers, exporters, and fellow freight forwarders. The events were a huge success and we were extremely pleased to be able to meet with those customers that were also in attendance. A big thanks to all the Tomax staff around the world that worked hard to make this a successful season.

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. You can stay up to date with the weekly gazette via the Tomax Newsletter.

[CLICK TO VIEW LATEST GAZETTE](#)





BIOFUEL PRODUCTION INADEQUACIES MAY THREATEN INDUSTRY UPTAKE

The utilisation of biofuels in the shipping industry to facilitate decarbonisation may face significant challenges due to limitations in production capacity, as highlighted in a recent report by DNV. The report, titled “Biofuels in Shipping,” asserts that while biofuels have the potential to expedite the industry’s decarbonisation efforts, the scarcity of supply could impede widespread adoption.

According to DNV, the current constraints on biofuel production capacity could have short-term repercussions on the availability of these fuels and result in competition with other sectors. At present, the global production capacity of sustainable biofuels stands at approximately 11 million tonnes of oil equivalent (Mtoe) per year.

DNV further predicts that by 2050, a sustainable and economically feasible supply of biofuels ranging from 500 to 1300 Mtoe annually could be attained. However, to achieve the objective of decarbonising the shipping sector through the utilisation of biofuels, in conjunction with energy efficiency measures, an annual supply of 250 Mtoe of sustainable biofuels would be required by 2050.

This level of demand, as noted by DNV, would account for 20 to 50% of the potential global biofuel production capacity. Therefore, it becomes evident that the shipping industry’s ambitious decarbonisation goals heavily rely on addressing the limitations and scaling up the production capacity of sustainable biofuels.

Eirik Ovrum, DNV Environment Advisor principal consultant, believes biofuels

are poised to play a notable role in the decarbonisation of shipping. “Nevertheless, existing constraints on production capacity and competition from other sectors is likely to impact short-term supply to the maritime industry,” he said, “a major build-up of sustainable production capacity is needed before biofuels can reach their full potential and thus shipping’s goal of decarbonising will need to be achieved in combination with energy efficiency measures as well as use of other low carbon fuels alternatives.”

According to DNV, the implementation of regulatory measures like the EU Emissions Trading System (EU ETS) serves as a powerful motivator for the adoption of biofuels. This has led to a growing demand for biofuels and biomass among sectors that are actively pursuing decarbonisation.

The report highlights that biofuels and biomass are not only sought after by the shipping industry but also find applications in various other sectors such as cooking, water and space heating, as well as timber and pulp and paper production. However, this increased demand across multiple industries poses certain challenges related to production capacity and availability.

As these resources are being utilised in multiple sectors simultaneously, the production capacity of biofuels and biomass may face constraints. The challenge lies in meeting the growing demand from different sectors without compromising the availability and supply of these resources.

Williams, A. (2023). BIOFUEL PRODUCTION LIMITATIONS MAY IMPACT INDUSTRY UPTAKE: DNV. Retrieved from <https://www.thedcn.com.au/news/environment/biofuel-production-limitations-may-impact-industry-uptake-dnv/> on 6th June, 2023.



\$1.2 BILLION HYDROGEN PROJECT AT BELL BAY PROCEEDS

Progress is being made towards the development of a massive green hydrogen and methanol plant in Tasmania, as Hydro Tasmania and Bell Bay Powerfuels have signed a term sheet for the sale of the decommissioned Bell Bay Power Station. The ambitious \$1.2-billion Bell Bay Powerfuels Project is being spearheaded by Abel Energy, an Australian company, with support from Iberdrola Australia, a renewable energy investor.

Abel Energy's objective is to create projects that utilise green hydrogen primarily for the production of green methanol, while Iberdrola Australia focuses on investments in renewable energy assets. The selection of the Bell Bay site has expedited the project's development, with front-end engineering and design slated to commence in the coming months. Commercial operation is planned to begin in 2027, with an expected annual output of 300,000 tonnes.

To support the project, new power generation assets will be developed to provide sufficient renewable power for the proposed 240-megawatt electrolyser unit, which will generate the required green hydrogen for on-site green methanol production. The Bell Bay Power Station, originally oil-fired when it was established in 1971, will be demolished, but efforts will be made to repurpose certain existing structures.

Substantial progress has already been achieved in various aspects of the project, including biomass supply from certified plantations, sustainable water sourcing, engineering capabilities, and green methanol off-take agreements. Michael van Baarle, CEO and co-founder of Abel Energy, believes this development marks the beginning of a remarkable era for renewable energy in Tasmania, positioning the region as a global leader in green methanol production, which is

anticipated to be a significant future fuel for the shipping industry.

Ross Rolfe, CEO of Iberdrola Australia, expressed his company's commitment to providing decarbonisation solutions for challenging sectors by supporting the Bell Bay Powerfuels green methanol project. In addition to financial support, Iberdrola will provide technical and commercial assistance, leveraging its local market expertise and global capabilities in this emerging technology.

The Tasmanian government has embraced the proposal to revitalise the Bell Bay Power Station site, recognizing the potential of green methanol for export and the transition of manufacturing, heavy transport, and energy-intensive industries towards renewable energy sources. The government views this initiative as an exciting opportunity to create a new clean energy production facility, while also repurposing the decommissioned power station.

Furthermore, a memorandum of understanding was recently signed by multiple companies to explore the establishment of a green methanol bunkering hub at the Port of Melbourne. The parties involved are examining the feasibility of transporting green methanol from production sites in Victoria and Tasmania, including Bell Bay, further highlighting the growing interest in this renewable energy resource.

Ackerman, I. (2023). PROPOSAL FOR \$1.2-BILLION HYDROGEN DEVELOPMENT AT BELL BAY MOVES FORWARD. Retrieved from <https://www.thedcn.com.au/news/environment/proposal-for-1-2-billion-hydrogen-development-at-bell-bay-moves-forward/> on 6th June, 2023.



AGRICULTURAL SECTOR TO DROP FOLLOWING RECORD HEIGHTS

The overall value of the agriculture sector is expected to drop by 14% in 2023-24, according to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Published in ABARES' June quarter Agricultural Commodities Report, a production value of \$79 billion is forecasted for 2023-24, a decrease from the record \$92 billion in 2022-23.

Jared Greenville, ABARES executive director, said the reduction is expected after the previous three years of records being broken. The sector is now facing drier than normal conditions following the three years of La Niña.

"The value of agricultural production will still reach \$79 billion in 2023-24, which is an expected fall given the circumstances," Dr Greenville said, "we are expecting exports to follow suit, falling by 17% to \$65 billion in 2023-24, which would be the third highest result on record. The latest seasonal outlooks see an expectation of drier conditions as we move away from three years of exceptional La Niña weather patterns. Looking further ahead, it's likely we will see either El Niño or a positive Indian Ocean Dipole in the coming months, which will reduce crop yields."

Crop production in 2023-24 is predicted to drop by 34% from record production volumes in 2022-23, while domestic prices for most crops are expected to fall in 2023-24. "Prices both in Australia and overseas will also ease,

as global production increases world supply," Dr Greenville advised.

He said the easing prices will not be experienced across all industries, stating, "horticulture production is expected to increase by \$1.5 billion to reach a record \$18 billion, reflecting strong growth in nut production and increasing domestic fruit and vegetable consumption. The wine industry will also rebound from a challenging 2022-23, as the expected drier conditions in 2023-24 should reduce the occurrence of disease which reduced the 2022-23 crop."

Dr Greenville said the results are more mixed for the livestock sector, adding, "there will be slight increases in production across beef, sheep and milk, but a drop in the value of livestock production to \$35 billion in 2023-24 because of lower prices...This is down to a number of factors, such as less demand for restocking, and like crops, we expect global production to pick up."

Meanwhile, ABARES is expecting a strong 2023-24 for the wool market. "Strong demand for Australian from China is forecast to increase wool prices, with production values expected to rise by \$175 million in 2023-24," Dr Greenville said.

Williams, A. (2023). AG SECTOR VALUE TO FALL FROM RECORD HEIGHTS: ABARES. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/ag-sector-value-to-fall-from-record-heights-abares/> on 7th June, 2023.



REPORT OUTLINES PRACTICAL STEPS FOR MARITIME DECARBONISATION

Inmarsat Maritime, a mobile satellite communications company, has released a report that presents a comprehensive plan for achieving decarbonisation in the maritime industry. Developed by maritime consultancy Thetius, the report titled “Decarbonisation Toolkit” outlines a practical blueprint for transitioning to cleaner and more efficient operations in three key areas: operation, ship, and human element.

According to Ben Palmer, the president of Inmarsat Maritime, the report emphasises the importance of implementing a pragmatic and data-driven strategy to successfully decarbonise the shipping industry. By adopting solutions that support environmentally friendly practices and enhance efficiency, shipping companies can effectively work towards reducing their carbon footprint. “As a long-standing technology partner to the international maritime industry, Inmarsat remains committed to supporting businesses in overcoming their challenges, seizing their opportunities and achieving their decarbonisation goals,” Mr Palmer said.

The Decarbonisation Toolkit provides a framework that enables shipping companies to develop and implement sustainable strategies across various domains, addressing the operational aspects, optimising vessel

design and performance, and incorporating the human element into the decarbonisation process.

Matthew Kenney, Thetius principal research consultant, advised it is overly simplistic to think of decarbonisation as a compliance issue alone, stating, “companies that have made proactive moves to seize the opportunities of decarbonisation are already seeing return on their investments. Carbon footprints are being reduced at the voyage, vessel and fleet level, and fuel costs, time and effort are being saved as a result. This report examines some of these achievements and maps out a practical blueprint to success.”

Voyage optimization proves to be a highly effective method of decarbonisation at the operational level. In September 2022, Wallenius Wilhelmsen, a Scandinavian shipping company, announced its plan to implement an AI-based voyage optimization system across its fleet of 120 vessels. This decision followed an 18-month trial of a performance-routing solution that resulted in a 6.9% improvement in vessel efficiency. The projected outcome of implementing this system fleet-wide is a reduction of approximately 170,000 tonnes of carbon dioxide equivalent emissions.

In addition to voyage optimization, collaboration and data sharing play a crucial role in reducing emissions. In February 2023, KCC Chartering and energy company Raízen signed a three-year contract aimed at achieving more energy-efficient operations through enhanced communication and data exchange between charterers and cargo owners. By minimising ballast legs and optimising loading and discharge processes, this partnership expects to achieve a 40% reduction in the carbon intensity of their agreement.

Other methods that contribute to decarbonisation efforts include port-call optimization and the implementation of green corridor schemes. Tools available for reducing emissions from the vessels themselves encompass carbon capture and storage, optimised hull design, energy-saving coatings and devices, wind propulsion, future fuels, and connectivity and data exchange infrastructure.

For instance, in the first quarter of 2023, ship management company Eastern Pacific successfully installed carbon capture and filtering technology on the chemical tanker

Pacific Cobalt. Positioned in the ship's stack, this system is capable of capturing up to 40% of the vessel's carbon dioxide emissions while filtering out sulphur and particulate matter from the exhaust gases.

Regarding the human element, behavioural economics, change management, and skilled decarbonisation teams are crucial. The report emphasises the importance of training crews in new technologies and processes that enable greener shipping operations. Furthermore, it emphasises the willingness of the crew to embrace the changes associated with the transition to maritime energy efficiency.

DCN. (2023). REPORT OUTLINES PRACTICAL STEPS FOR MARITIME DECARBONISATION. Retrieved from <https://www.thedcn.com.au/news/environment/report-outlines-practical-steps-for-maritime-decarbonisation/> on 7th June, 2023.



AUSTRALIA'S FIRST DOUBLE STACKED CONTAINER VEHICLE ROLLS OUT

QUBE recently conducted a groundbreaking trial at the Port of Brisbane, introducing a new double-stacked container vehicle. This trial marks the first of its kind in Australia, as affirmed by the port authorities.

The innovative vehicle, known as the Super B Double Double Stacked, was tested on public roads for the first time in the country. The trial involved transporting eight empty twenty-foot equivalent unit (TEU) containers along a designated route within QUBE's facilities at the port and on selected public port roads.

Notably, the National Heavy Vehicle Regulator (NHVR) and the Australian Road Research Board actively participated in the trial, further emphasizing its significance. The NHVR granted a temporary permit for the trial, while the Port of Brisbane Pty Ltd (PBPL) provided temporary consent as the road manager of the port.

Neil Stephens, the CEO of PBPL, expressed that the trial was the culmination of extensive efforts involving design, engineering, and stakeholder consultations undertaken by QUBE. The successful execution of this trial showcases the commitment of all parties involved to drive innovation and explore new possibilities in container transportation within the port environment.

"This is a fantastic outcome for Qube and all parties involved today," Mr Stephens said, "it's also a clear demonstration of the collaboration and innovation being achieved by our customers and partners here at the port that's enhancing productivity and efficiency in their operations. As port manager, one of our key priorities is investing in infrastructure to support supply chain efficiency. We were pleased to deliver road improvement works and upgrade the access/egress to a number of facilities to support this new vehicle and Qube's innovation."

The new double-stacked vehicle will proceed with transporting empty containers within Qube's facility and limited public port roads, adhering to strict safety and operational conditions as outlined in the existing permit and consent. These measures ensure that the transportation process maintains the highest standards of safety and efficiency.

Williams, A. (2023). QUBE TRIALS DOUBLE STACKED CONTAINER VEHICLE AT PORT. Retrieved from <https://www.thedcn.com.au/news/containers-and-container-shipping/double-stacked-container-vehicle-trialled-at-port/> on 8th June, 2023.



DOES LOWER FREIGHT RATES EQUAL LOWER PRICES FOR CONSUMERS?

According to a recent survey conducted by Freightos, consumers can anticipate a positive impact on their wallets as freight rates decline and supply chains begin to normalise. The survey, which involved 500 small and medium-sized enterprises (SMEs) utilising the online freight platform, revealed that lower-than-anticipated freight expenses have had a significant macroeconomic effect. As a result, approximately 25% of the surveyed SMEs were able to lower product prices while simultaneously achieving a 15% increase in profit margins.

Head of research, Judah Levine said, “rates have fallen significantly, having a pronounced impact on SMEs, which are almost entirely exposed to the spot market. When we asked if falling rates had led to a reduction in pricing, more than a quarter said it had, while others said that although they had not yet been able to reduce prices, they had seen an improvement in profitability.”

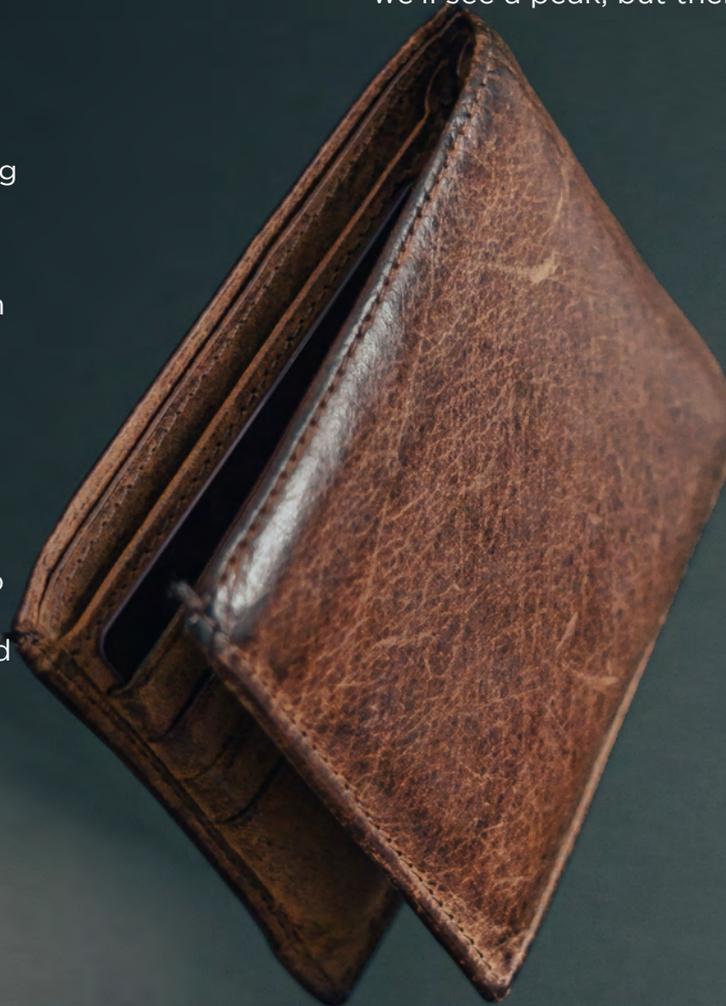
The survey results indicate that consumer demand patterns have undergone significant changes in the past year. Approximately 57% of respondents reported a decrease in consumer demand, with suggestions that it has returned to levels similar to those observed in 2019.

As we reach the halfway point of the year, carriers and shippers are assessing the possibility of a peak season ahead. However, the outlook appears gloomy for many, as most carriers believe that the first quarter, despite being weak, will turn out to be their strongest period.

Nevertheless, there are indications of a potential late peak season, aligning with the survey findings that only half of the SMEs surveyed are planning to increase their importing activities in the near future. This suggests a cautious approach among businesses regarding their import plans.

Mr Levine added, “it’s hard to say whether we’ll see a peak, but there are always two

factors that will determine this, inventories and consumer demand - so those retailers with a reasonable inventory can still have a decent peak. Reports from Adidas and Nike are that they’re struggling with excess inventory, while Target has said it is entering a restocking cycle. Obviously for us to see any peak it takes more than Target to move the needle, but if enough importers are entering their restocking cycle, we should see this felt more broadly across the supply chain.”



Whiteman, A. (2023). Lower freight rates means lower prices for consumers, says new survey. Retrieved from <https://theloadstar.com/lower-freight-rates-means-lower-prices-for-consumers-says-new-survey/> on 7th June, 2023.



AUSTRALIA AND SINGAPORE COLLABORATE FOR A GREENER FUTURE

Australia and Singapore have unveiled plans to establish a green and digital shipping corridor connecting the two countries by the end of 2025. The announcement was made during the eighth Australia-Singapore Annual Leaders' Meeting, where Prime Minister Anthony Albanese and acting Prime Minister Lawrence Wong Shyun Tsai agreed to explore collaborative opportunities in the fields of green and digital shipping.

This initiative aims to bring together key stakeholders including ports, maritime and energy operators, and regulators to foster the development of low and zero-carbon supply chains, green port services, and sustainable shipping operations. The primary objective is to expedite the advancement and adoption of environmentally friendly marine fuel technologies. Leading the initiative will be the Department of Infrastructure, Transport, Regional Development, Communications and the Arts of Australia, in conjunction with the Maritime and Port Authority of Singapore. Through their joint efforts, the corridor will serve as a platform for innovation, cooperation, and knowledge exchange in the pursuit of greener shipping practices.

By leveraging digital technologies and embracing sustainable solutions, Australia and Singapore seek to establish a pathway for more environmentally conscious maritime activities. This collaborative endeavour is expected to play a significant role in promoting sustainable growth and reducing carbon emissions in the shipping sector.

"These authorities are working closely with port operators, relevant jurisdictions and maritime and energy value chain stakeholders on both sides to galvanise action to decarbonise and digitalise the shipping industry," the parties said in a joint statement, "through coordinated efforts, DITRDCA and MPA aim initially to scope areas of mutual

interest and collaboration to reduce carbon emissions in the maritime sector. This includes the establishment of low and zero-carbon fuel supply chains and greening port services and shipping operations to accelerate the development and uptake of green marine fuel sources."

In addition, the Maritime and Port Authority of Singapore (MPA) and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will collaborate to explore "digital shipping solutions" that streamline port calls, goods movement, and paperless handling across ports in Australia and Singapore. Both parties recognise that their aspirations align with the objectives of the Green Shipping Cooperation initiative outlined in the Singapore-Australia Green Economy Agreement.

Don Farrell, federal minister for trade and tourism and Gan Kim Yong, Singapore's minister for trade and industry, signed the agreement in October 2022. The parties said, "in view of the substantial cross-border trade between Australia and Singapore, this collaboration is a significant step towards exploring how both partners can take a global leadership role in optimising their shipping routes to test and trial green and digital solutions. This reinforces the importance of international cooperation in decarbonising shipping and the maritime industry."

Mr Albanese's visit to Singapore was an opportunity to map the next steps in implementing the Singapore-Australia Green Economy Agreement. He stated, "we are ambitious for what we can achieve together on the path to net zero, pushing boundaries and setting new standards to drive green trade and investment."

Williams, A. (2023). AUSTRALIA AND SINGAPORE TO DEVELOP GREEN, DIGITAL SHIPPING CORRIDOR. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/australia-and-singapore-to-develop-green-digital-shipping-corridor/> on 6th June, 2023.

UK'S AUTONOMOUS FLEET EMBRACE AI REVOLUTION

The UK port of Felixstowe will soon roll out a 100-strong fleet of autonomous battery-powered trucks this September, with hauliers declaring “the AI revolution is truly upon us”.

The Hutchison-owned port struck a deal with manufacturer Westwell, whom has had 15 AI-controlled trucks operating at its Terminal D in Thailand’s Laem Chabang Port since 2020. Hutchinson views the trucks as “essential” in its decarbonisation effort. Additionally, Hutchison has future plans to invest in battery-powered tractor units, replacement or re-engineering of its yard cranes and use certified renewable sources for its electricity.

Clemence Cheng, Felixstowe C.E.O, said, “the new trucks will increase the efficiency and operational consistency of our container handling, as well as making a significant contribution to decarbonising operations at the port.”

Chair of Westwell, Kenny Tan added, “this contract marks a very important development of Westwell’s Ai-nergy Strategy, to utilise AI applications to reduce energy consumption and facilitate decarbonisation.

However, hauliers have been quick to show concern over the extent to which AI vehicles will replace traditional human-operated vehicles. One source said, “I’m not a luddite and recognise that AI vehicles can work in ports, but there are a few things to consider when rolling these out, not least of which is the unions, which will not be happy about AI replacing human operators. And there are variables, different road conditions being key. There are of course many fewer of these in a closed environment – but the AI revolution is truly upon us.”

Whiteman, A. (2023). ‘AI revolution’ set to drive into Felixstowe with robot truck fleet. Retrieved from <https://theloadstar.com/ai-revolution-set-to-drive-into-felixstowe-with-robot-truck-fleet/> on 5th June, 2023.



STAFF SPOTLIGHT

PETER QIAN SALES REPRESENTATIVE TOMAX LOGISTICS SHANGHAI



What is your role at Tomax?

I am a Sales Representative at the Tomax Shanghai office.

Your hobbies and interests?

My interests are fitness and I enjoy painting.

Proudest achievement?

Whenever I win over the import/export business.

Favourite food?

I love seafood and Japanese cuisine.

A destination you would like to travel to?

Either the United Kingdom or Iceland!

Do you prefer hot or cold weather?

I prefer winter time.

Your favourite musician or song?

There are many different musicians I enjoy - it depends on how I am feeling.



FRIDAY FUNNIES

We hope these animal jokes brighten up your Friday!

What was the first animal in space?
The cow who jumped over the moon.

Where are fish in orbit?
In trout-er space.

What do you call a sleeping bull?
A bull-dozer.

How do bees get to school?
By school buzz!

Who comes to a picnic but is never invited?
Ants.

What do ducks watch on TV?
Duck-umentaries!

What's a frog's favorite soda?
Croak-a-Cola!

What do you get when you cross a fish with an elephant?
Swimming trunks!

What kind of bird works at a construction site?
The crane!

Why did the kangaroo stop drinking coffee?
She got too jumpy!

Where do orcas hear music?
Orca-stras!

Why did the pig have ink all over his face?
The pig just came out of the pen.

How long do chickens work?
Around the cluck!



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

