



TOMAX
NEWS

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PLUS:

MARKET SUMMARY

- The US Government is pushing the FMC (Federal Maritime Commission) to expedite their enquiry into shipping line company behaviour in relation to market operations and pricing. Hapag Lloyds announcement today of a USD 1.8 billion dollar profit over the 3 months from April to June 2021 highlights the need for reform.
- Did you know that Tomax Logistics has a global online tracking system which provides powerful insights into your cargo movements? For more information please call one of our sales team members on 1300 186 629 and get a demo of Tomax Live today.
- COVID impacts continue to hamper freight worldwide, with the major port of Ningbo, China now also having to close several terminals due to an outbreak. Locals in China are reporting several outbreaks affecting logistics operations with several cities moving into various stages of lockdown.
- Supply chain operations in the USA remain severely congested with cargo often stuck in intermodal locations for many weeks. Massive shortages on trucks and chassis continue to result in long delays to import and export container movements.
- BMSB season will soon be upon us once again. Please make sure that your suppliers, where affected, are up to date with the latest regulations. For more information you can contact the Tomax customs team on 1300 186 629.



NINGBO PORT SHUTDOWN AFTER POSITIVE COVID CASE

After a Ningbo Port worker tested positive with COVID-19, operations have now been suspended at the Meidong Container Terminal in Ningbo Zhoushan Port, since Wednesday.

Hapag-Lloyd's statement read, "please know that we are working on alternatives, and hope for your understanding on a matter that is beyond our control...Our thoughts are with the teams working at the Meidong Container Terminal in Ningbo, and please know that we will update as soon as more details are made available." Unfortunately, due to the abrupt suspension, this is expected to result in delays in planned sailings, according to Hapag-Lloyd.

CMA CGM issued a statement indicating that cargo operations on its two vessels are alongside the port and must therefore be put on hold until the port reopens.

Being one of the busiest box ports in the world, Ningbo Port came in third place on the Lloyd's List Top 100 Ports list in 2020. Its throughput in 2019 was 27.5 million TEU, up 4.5% on the year before.

Ackerman, I. (2021). More disruption in the Pacific on the way with Ningbo Port shutdown. Retrieved from https://www.thedcn.com.au/news/containers-and-container-shipping/more-disruption-in-the-pacific-on-the-way-with-ningbo-port-shutdown/?utm_source=DCN+Daily+Newswire&utm_campaign=2616dbab62-EMAIL_CAMPAIGN_04_27_2021_COPY_01&utm_medium=email&utm_term=0_505d67c448-2616dbab62-143548541 on 13th August, 2021.



IMPORTERS AND EXPORTERS FACE CHALLENGES

Inside cool rooms down at Seaway Intermodal in Merbein, located in North West Victoria, boxes of citrus stacked high and continuing to pile up can be seen. The COVID pandemic along with shipping delays have imposed challenges for the export of oranges and mandarins this season.

Ros Milverton from Seaway Intermodal said there were major issues in the supply chain at the moment who said, “in recent years we’ve had fewer shipping lines calling through Australia, although they’ve been larger vessels, but when they call less often it does create more complexity to make sure we meet the market...This was happening a bit prior to the pandemic but with overseas port issues since then it’s proved really difficult to manage export programs.”

Perry Hill, Mildura Fruit Company’s managing director, says getting citrus to export markets this season has been far more challenging than usual and has not been ideal during the last 2 years.

“It just creates so many problems because suddenly you’ve got a build-up of stock, you’re paying for cool store for that stock, so you’re trying to slow the harvest down, so it’s not a great position to be in,” he emphasised.

In addition, Mr Hill said some of the big ports in China have had issues alongside Singapore, a key port for transshipping fruit to other markets. He stated, “at this stage, we haven’t had great hold-ups in those ports but when you have big loads you can get some serious delays.”

Seaway Intermodal expressed difficulty in sourcing refrigerated shipping containers. Seaway Intermodal runs a rail service to the Port of Melbourne three times a week and Ms Milverton said sourcing empty containers to bring back to Mildura to meet orders was a daily challenge.



“Once we get availability of containers, then the other trick is finding plug space on the vessels where the refrigerated containers can continue their cold treatment right through to market,” Ms Milverton said, “you need to keep trying to get on to the shipping lines to put pressure on them to find out where the available containers are, constant with notifying us of vessel changes.”

She stated that citrus exports were not the only produce being impacted but almonds from the region were also struggling with shipping container availability and vessel changes. Due to the import team struggling with finding space she warned that some products might be in short supply for Christmas.

Meanwhile, a food importer claims to be bracing for the continuous rise of sea freight rates. Mukesh Pahwl from Sabrini Foods said a container that cost \$600 pre-COVID was now worth \$2,000 and could even reach a whopping \$4,000 and beyond. He said, “everybody has to increase prices, whoever is the first one will get the bad limelight, it’s a competitive world.”

Ms Milverton believes there is a low possibility that the problems will cease once the pandemic ends. After highlighting these concerns with the government, they conceded the issue was not of high priority. She said, “continuing to get shipping lines to call to Australia and see us as an important destination is critical to keep on that international front...all of the shipping companies are internationally owned so it’s hard to get any sort of traction in that space.”

NEW SHANGHAI PORT CENTRE OPENS TO EASE EMPTY CONTAINER SHORTAGE

A centre to co-ordinate the transport of empty containers from Shanghai port has been launched by Shanghai International Port Group (SIPG) and several mainland operators. In an attempt to alleviate the equipment crunch by accelerating the turnover of empty containers in the world's busiest port, the opening of Shanghai Port North-east Asia Empty Container Dispatching Centre took place yesterday. This is mainly due to the slow return of empty containers being of the factors which triggers runaway freight rates. With the centre being located in the comprehensive bonded zone of Yangshan Port's Lingang New Area, leading shipping lines such as Maersk, MSC, CMA CGM and Evergreen are onboard. Yangshan, while part of Zhoushan in Zhejiang province, was developed as a Shanghai sub-port to enable the latter to take on more cargo.



Chen Wei, SIPG's senior marketing manager, stated that the container dispatching centre was part of a 450,000 sq metre empty container transfer yard. "Freeing such a large physical space to store empty containers is conducive to overall planning and reducing logistics costs. The container dispatch centre is not only a concept of a yard, but also involves the development of many innovative businesses, including container matching, land-based and water transport", Mr. Chen explained.

Being one of Shanghai's most important sub-ports, in the first 6 months of 2021, Yangshan processed 11.16M TEU. This equates to almost half of Shanghai's entire throughput with many empty containers from transpacific and Asia-Europe services also being handled at Yangshan. "The centre won't only enable empty containers to be collected in Shanghai Port, but also provide supporting services, such as container repair, washing, and inspection. Shipping companies can be assured that empty containers will be given priority in Shanghai", Mr. Chen added.

Gu Jinshan, SIPG Chairman, indicated that the company would collaborate with mainline operators to improve port and shipping logistics to increase service standards. Gu Jinshan said, "we hope the dispatching centre will become a symbol of the Yangshan Special Comprehensive Bonded Zone, boosting development in Lingang New Area."

The future sees plans for a similar facility to be located along the Yangtze River to cater for empty containers in the hinterland.

Li, M. (2021). Shanghai Port opens dispatching centre to prioritise empty containers. Retrieved from <https://theloadstar.com/shanghai-port-opens-dispatching-centre-to-prioritise-empty-containers/> on 13th August, 2021.



STAFF SPOTLIGHT

MEET NATALIE LEONARDI

Credit Controller
TOMAX LOGISTICS
AUSTRALIA



WHAT DO YOU DO AT TOMAX?

I work in the accounts team. My role is Credit Controller. I look after the receivables and liaise with our clients about their accounts.

HOW HAVE YOU KEPT BUSY DURING LOCKDOWN?

Cleaning, entertaining a 2 year old and quite a bit of Netflix and Foxtel.

SOMETHING YOU ARE LOOKING FORWARD TO?

I am looking forward to continuing our family caravanning travels. We are lucky that we have so much to see in our backyard and some incredibly beautiful places to visit.

DO YOU HAVE ANY HIDDEN/NOT-SO-HIDDEN TALENTS?

I like to think I can sing. I showcased these talents at our trivia night Christmas party a few years back.

WHICH AFL TEAM DO YOU BARRACK FOR?

Essendon!!

BEST PLACE TO TRAVEL TO IN AUSTRALIA?

Favourite destinations that I have travelled to in Australia were Coffs Harbour and the Sunshine Coast.



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Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

