



TOMAX
NEWS

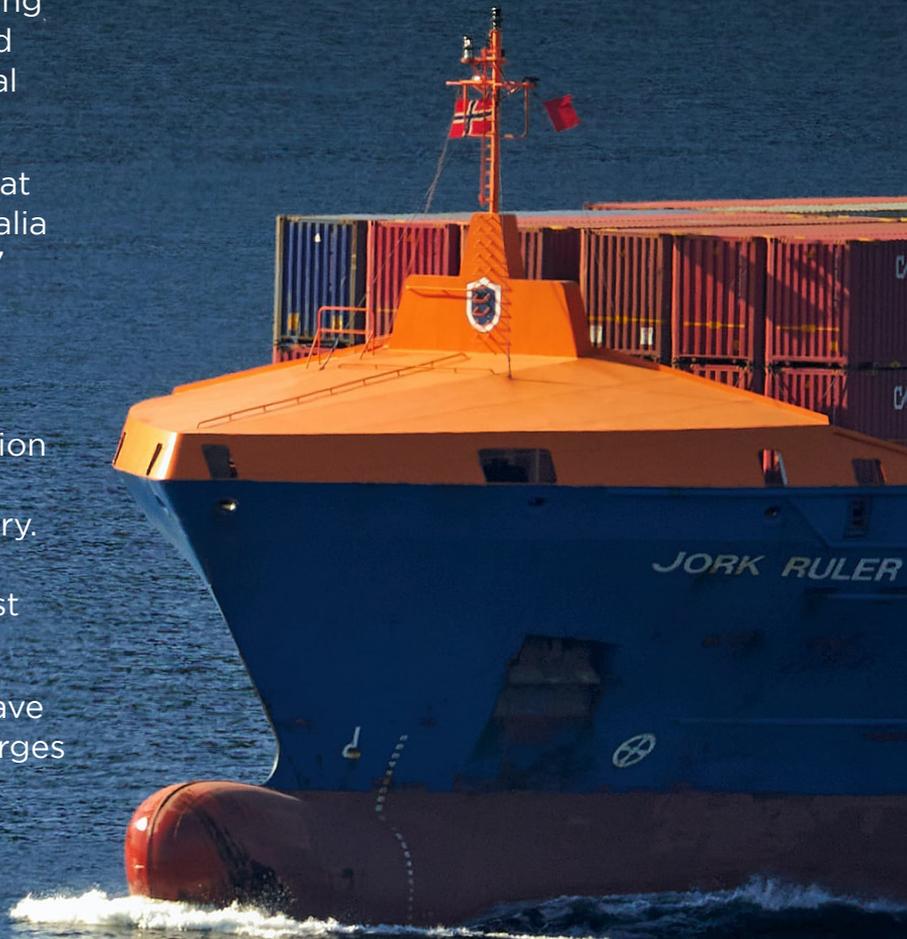
Issue 57
19th November 2021



PLUS:

MARKET SUMMARY

- Shipping lines continue to adjust vessel schedules mid-sailing in order to meet available berth slots at the heavily congested Australian container terminals. Delays in container unloading remains a massive issue and expected to worsen unless COVID and industrial action impacts ease.
- Vessel rotation changes and delays at ports are common place still in Australia with vessels often being delayed by 7 days or more from the anticipated arrival date.
- Small parcel services are quickly moving towards a critical mass situation with enormous delays expected right up until Christmas for package delivery. Anything not ordered by now may not make it in time for Christmas most experts believe.
- REMINDER: terminals in Australia have advised of rate increases in most charges from 1st January 2022.



GAZETTE TARIFF CONCESSIONS (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. Objectors to the making of a TCO are not identified unless the objection is successful. At least 50 new TCOs are made each month.

When a new TCO is made, it is published in the Gazette by the Australian Border Force. 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](#)

LOGJAM AT PORT OF LOS ANGELES EASES

A logjam at the Port of Los Angeles is easing, after record numbers of container ships were trapped in queue and authorities dealt with a backlog of containers crowding its dockside.

As of Tuesday, there were 84 container ships waiting offshore to enter the Port of Los Angeles or its neighbouring sister port in Long Beach, an improvement from some previous days where the number exceeded 100. During a normal period, only a handful of ships are required to wait to dock.

Gene Seroka, Port of Los Angeles executive director, said the sprawling complex had “24/7 capability”, but a shortage of truck drivers and night-time warehouse workers posed problems in establishing a non-stop schedule, along with getting importers to embrace expanded hours. He said, “it’s an effort to try to get this entire orchestra of supply chain players to get on the same calendar.” Among thousands of importers, “we’ve had very few takers to date”.

Pete Buttigieg, US Transportation Secretary, said that going to a 24-hour schedule “is, of course, not flipping the switch. There are so many players, even just on the grounds of the port”.

US ports have been inundated with cargo since the COVID-19 pandemic shifted spending away from restricted entertainment like travel and splurging instead on physical goods. Furthermore, COVID-19 also reduced the workforce needed to keep the goods flowing smoothly. Ageing truck drivers retired

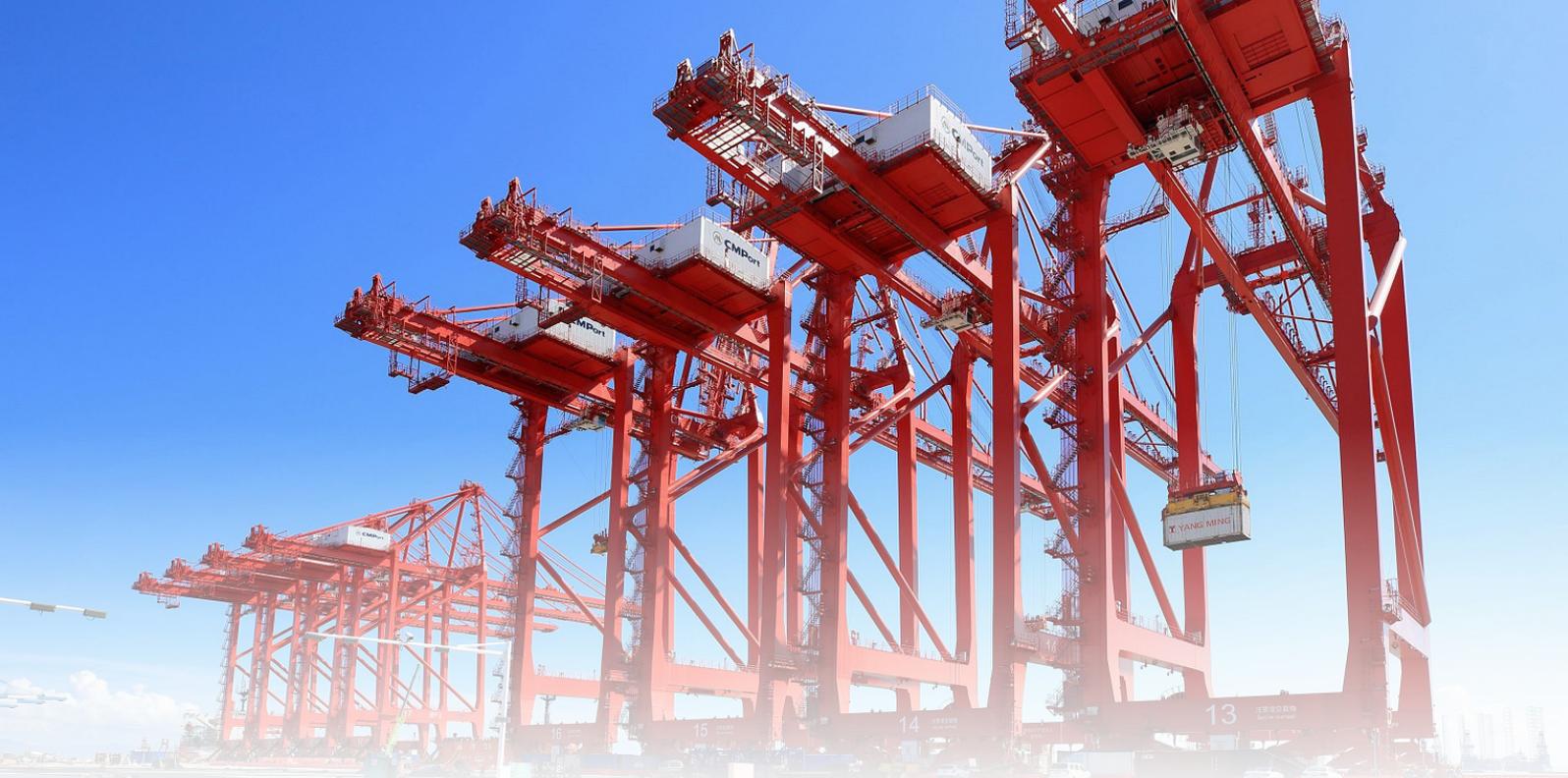
early in conjunction with infection control measures which have limited dock and warehouse staffing.

Mr. Seroka indicated that there are now roughly 65,000 empty containers on the Port of Los Angeles docks, up about 18% from just a couple of weeks ago. He added that “sweeper” ships were being sent to shuttle some of the shipping containers back to factories in Asia. Meanwhile, the number of import containers – those still carrying cargo – at the Los Angeles port had fallen by 25% to 71,000 since October 24 and during the same time, cargo sitting 9 days or longer dropped by 29%.

Railroads and trucking companies have made progress moving import containers off the docks at Los Angeles and Long Beach, leading executives to delay imposing a new fee on overstaying imports by one week to November 22. The new fee would hit imports destined for truck removal after 9 days or more on docks, and would start after 6 days or more for rail-bound cargo.

Before the pandemic, containers intended for local truck deliveries spent less than 4 days on average on docks, while containers earmarked for trains stayed less than 2 days, the ports said. However, some ocean carriers such as AP Moller Maersk, plan to pass any new fees on to importers – meaning consumers could ultimately shoulder the extra cost.

ABC News (2021). As Port of Los Angeles import backups ease, empty containers pile up. Retrieved from <https://www.abc.net.au/news/2021-11-17/as-port-of-los-angeles-import-backups-ease-empty-containers-pile/100626750> on 19th November 2021.



MAWAN, GREATER BAY'S FIRST SMART PORT OFFICIALLY OPENS

On Sunday, China Merchants Ports' (CMPorts) smart port project in Mawan in western Shenzhen, was officially opened, making it the Greater Bay Area's first 5G-enabled container terminal.

The project launched in 2015, with CMPorts signing a strategic cooperation framework with French mainline operator CMA CGM, to widen the Tonggu Channel and convert four multipurpose vessel wharves into two berths to accommodate ultra-large containerships.

The Greater Bay Area was conceptualised in 2017 and targets greater economic cooperation between Hong Kong, Macau and nine cities, including Shenzhen, in Guangdong province.

Mawan port features autonomous trucks using digital perception radar sensor solutions from US digital imaging radar specialist Uhnder. These sensor solutions enable trucks to operate safely, regardless of rain, fog or dust.

The port facelift covers 983,600 sq metres, with a wharf length of 1.93 km and a designed annual throughput capacity of three million TEU. According to state-controlled CMPorts, Mawan was the first smart port upgraded from conventional dry bulk/general cargo terminals and features technologies based on Chinese intellectual property rights.

It features nine elements, including CMCore, a terminal operating system developed by CMPorts, China Merchants ePort, CMPorts' integrated customer service platform, blockchain, artificial intelligence and low-carbon emissions. Due to the automated operations, it is predicted that annually, Mawan port could reduce nitrogen dioxide emissions by an estimated 1,350 tonnes, carbon monoxide emissions by about 450 tonnes and sulphur dioxide emissions by roughly 15 tonnes.



Li, M (2021). Mawan, Greater Bay Area's first smart port officially opens. Retrieved from <https://theloadstar.com/mawan-greater-bay-areas-first-smart-port-officially-opens/> on 16th November, 2021.



CONGESTION IS NOT JUST FOR CHRISTMAS

The wave of congestion currently sweeping through global supply chains delaying deliveries of seasonal goods and essential commodities, is not predicted to subside anytime soon.

The Global Shippers Forum – the voice of cargo owners in international trade – says this is proving to be the “peak season like no other”. James Hookham GSF’s director, who spoke at a maritime dialogue hosted by FIATA last week, highlighted the challenges that importers and exporters experience in getting their goods on shelves and in warehouses for the upcoming holiday season.

They are struggling with historically poor levels of service from shipping lines, ports and terminals, and inland logistics providers, yet paying the highest shipping rates and surcharges seen for decades. Mr Hookham said, “global shippers are riding a tidal wave of congestion this peak season that started in exporting countries and is now arriving on the shores of importers and sweeping inland. First, we had lock-downs in Chinese ports, then an inexplicable shortage of empty containers, then the ships suddenly all maxed out and slots were like gold dust (and costing as much). Now our goods are queuing to get into ports, waiting for a crane to unload the box and then for a driver to move it inland to where we need it.”

The most vulnerable businesses are the importers and distributors fighting to meet delivery deadlines, set by their retailer customers. They simply cannot predict when

the goods they have paid so much to have transported actually will be available. But with most deliveries expected to land in the next few weeks, and Thanksgiving and Christmas probably safe for this year, big questions remain: will this congestion continue well into next year? Will tight market conditions persist through 2022? “Or will consumer demand slacken and will capacity and resilience improve service levels and prices become more predictable?” Mr Hookham added, “just about every shipping line is predicting the latter. And why wouldn’t they when they are collectively expecting to turn profits exceeding \$150 billion this year? But there is good reason to query the hype of continued congestion. The expectations for consumer inflation levels in most developed countries are hardening and most central banks are expected to increase interest rates next year.”

That won’t affect retail prices immediately, but it could trigger a rapid change in consumer sentiment that means the “click-fest” of online shopping that has reportedly fuelled the surge in shipping demand for the past 18 months could be extinguished.

“Sure, maritime congestion will take some time to unwind, but if the ‘Great Shipping Crisis of 2021’ proves to be just that, then the speed at which shipping rates shadow the drop in demand will be a critical indicator of the responsiveness and competitiveness of this market,” Mr Hookham said.

Wallace, P. (2021). CONGESTION IS NOT JUST FOR CHRISTMAS: GSF. Retrieved from <https://www.thedcn.com.au/news/law-regulation-trade/congestion-is-not-just-for-christmas-gsf/> on 18th November, 2021.



SHIPPING CONTAINER SAFETY ADVICE BY NHVR

The National Heavy Vehicle Regulator (NHVR) has just released regulatory advice to a range of parties on safe shipping container packing, which provides guidance on identifying and managing the safety risks of transporting freight in shipping containers via road travel. The regulator stated, “unsecured or inappropriately packed freight in shipping containers, pose a significant safety risk to drivers, workers, other road users and the community. If you consign, pack, load or unload goods, you have the most ability to influence and manage the risks associated with transporting freight in shipping containers.”

The three main risks identified are:

1) Unbalanced loading – Incorrectly positioned loads or loads with a high centre of gravity can affect a heavy vehicle’s stability, steering and braking performance. Loads that are not balanced across and along the container can make the vehicle unstable and increase the rollover risk.

2) Inadequate load restraint – Poorly restrained freight can move and slide within the container when a heavy vehicle brakes and navigates bends and round-a-bouts. The shifting of freight inside the container can cause the vehicle to become unstable and increase the rollover risk.

3) Safety risks for unloaders – There is a risk of death or serious injury when unloading containers where freight has been poorly restrained or has shifted during transit. The

freight could fall when the container is opened and strike or crush workers in the immediate vicinity.

The national regulator makes note of the parties most responsible under Chain of Responsibility aspects of the Heavy Vehicle National Law (HVNL) if a badly packed container results in an incident.

The advice reads, “because of their activities, importers, exporters, manufacturers, freight forwarders, freight brokers, shipping agents, container terminal operators, stevedores, freight consolidation or deconsolidation providers are considered parties in the CoR. They have a duty to ensure safety by eliminating or minimising public risks under the HVNL. Consignors and consignees have the best opportunity to influence how shipping containers are packed and loaded at the point of origin through contractual and commercial relationships. They must communicate with suppliers, manufacturers, packers and loaders to ensure packing, loading and freight restraint processes are carried out in a way that ensures safety and meets the requirements in the HVNL. At a minimum, consignors and consignees – and all other parties in the CoR – should undertake a risk assessment considering the risks of transporting freight in shipping containers and the best controls for mitigating these risks. Executives should be fully aware of, and endorse or approve, the final risk assessment.”

Fully Loaded. (2021). NHVR RELEASES SHIPPING CONTAINER SAFETY ADVICE. Retrieved from <https://www.fullyloaded.com.au/industry-news/2111/nhvr-releases-container-safety-advice> on 18th November, 2021.

STAFF SPOTLIGHT

DALE ROZARIO NATIONAL SALES MANAGER TOMAX LOGISTICS AUSTRALIA



What do you do at Tomax?

I have over 25 years of experience in the Freight and Logistics industry and am currently working as a National Sales Manager at Tomax Logistics. I have worked with major multinational clients to improve and develop the business and have extensive experience across strategic marketing, sales planning, improving customer service and client management, operations planning and implementation to enable businesses to achieve a high performance. I am passionate about helping businesses grow and enjoy working closely with our clients and staff internally and externally to achieve results.

Name your hobbies/interests?

Fishing, reading and playing sports.

What makes life meaningful to you?

Being a humble person and living a valuable life without any regret.

Favourite place to dine in Melbourne?

Naked in the Sky - Roof Top Bar because you can dine and drink with an awesome view!

Someone who inspires you and why?

My Parents (both now deceased) are my greatest inspiration in my life because of their upbringing, respect, self-responsibility, education, their love and protection from when I was an infant to an adult and most importantly their blessings.

Do you have any pets?

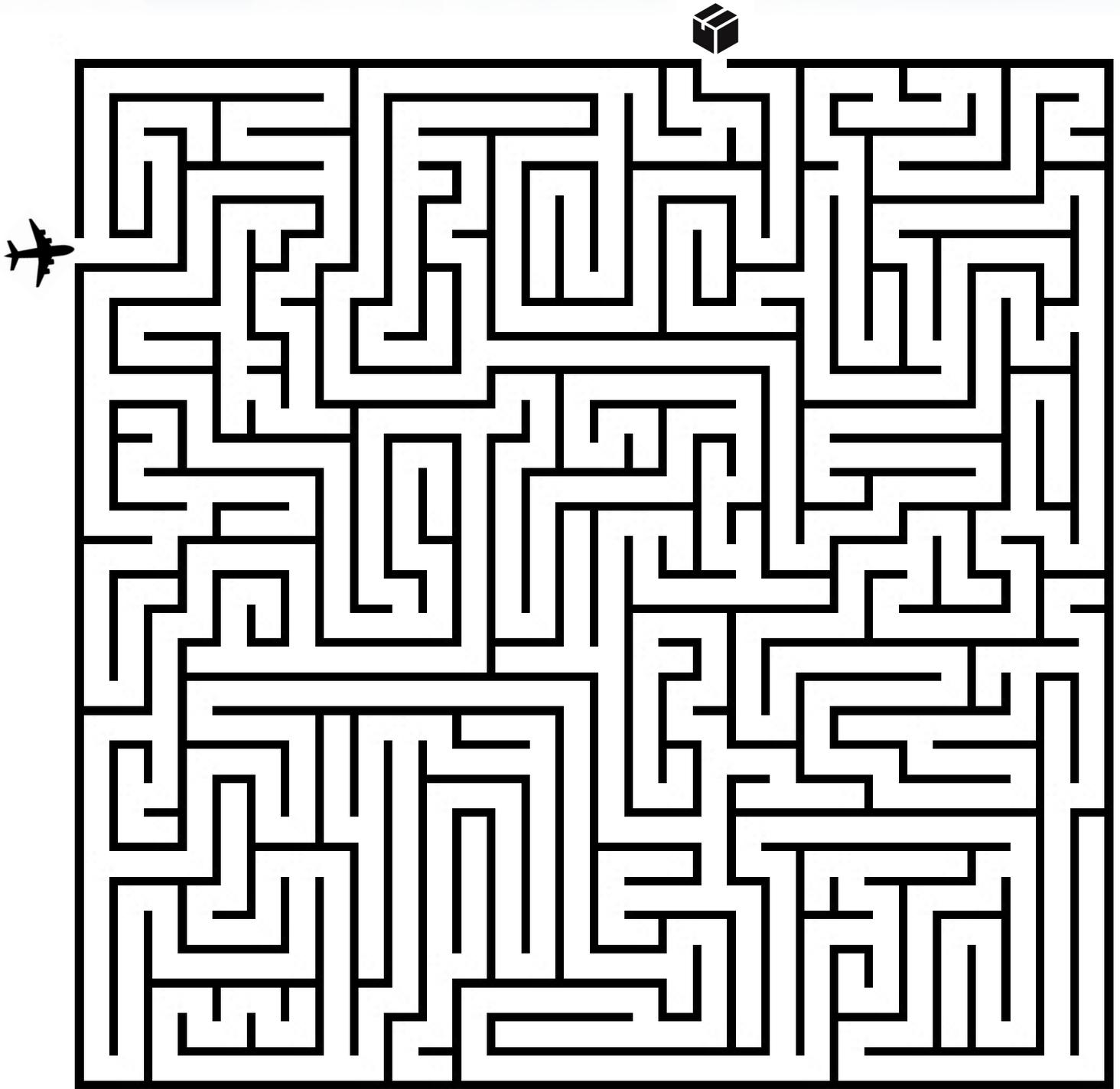
I have an English Mastiff and Staffy mixed dog named Clay.

Next holiday destination?

From Melbourne to Rome, then Venice by Euro-rail, then Vienna and maybe a few visits to neighbouring countries.

MAZE CRAZE

See if you can help the plane collect the cargo!



Australian HQ
19/202 Ferntree Gully Rd
Clayton VIC 3168

tomax.com.au
1300 186 629
03 9544 4227

