



TOMAX
NEWS

Issue 83
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MARKET SUMMARY

- The lockdown in some parts of China is ending with people able to leave their homes once again. The Tomax Shanghai team are excited to be back in the office from Monday 6th June.

- The international supply chain remains in a state resembling chaos at the moment with so many disruptions across every area of logistics. Vessel delays, container shortages, intermodal lags, increasing staff absenteeism, labour shortages, and rising costs are all adding to the issue globally with no real end in sight.

- Warehousing space remains at the tightest levels in history across the country

with many cargo holders scrambling to find whatever space can be made available. Rates are increasing as a result with landlords also heavily increasing rental rates and demanding long term leases.

- A free client training seminar in Melbourne is coming up soon at Tomax Logistics in Clayton. See the next page for more details!



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. 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](#)



FREE CLIENT TRAINING DAY

What: FREE Client Training Day
Where: TOMAX HQ CLAYTON
19/202 Ferntree Gully Road
Clayton, VIC 3168
When: Tuesday 14th June 2022
Who: Yourself and/or team!
RSVP: jessica@tomax.com.au
Let us know ASAP as there are limited places left!

Tomax is pleased to announce that we will be running another training day on Tuesday 14th June for any clients who would like to have staff attend.

Many of the Tomax team will present different modules during the day covering all areas of international and domestic freight, including Incoterms, ocean shipping, customs, quarantine, transport and warehousing. During previous sessions the attendees were able to obtain a lot of information that helped in their day to day work.

If you would like to have any of your team attend this free session please email your interest to **Jessica Kong - jessica@tomax.com.au**.

Note: There are limited places currently available.

See you there!



LATEST NEWS

FREIGHT OPERATIONS AT BOTANY DISRUPTED BY WILD WEATHER

Due to the wild weather across eastern New South Wales, the flow of cargo through the state's ports was impacted. The weather affected all three container terminals at Port Botany to varying degrees.

Hutchison Ports Australia said at least one vessel had been delayed due to "boisterous" weather conditions and later suspended road operations during the late morning to afternoon, stating, "the Terminal is experiencing a significant weather event that caused the cessation of truck services due to workplace health and safety concerns."

Patrick's Port Botany terminal also saw operations ceased on Tuesday due to the weather, closing for a total of about 8 hours. Currently, operations have since restarted although weather conditions are being monitored.

Similarly, at DP World Australia terminal, delays of a couple hours on one vessel took place, however, road and rail operations continued with no major disruption. A spokesperson advised, "we are continuing to monitor the weather conditions throughout the day to determine the suitability for yard operations to continue."

Port Kembla anchorage closed to shipping on Tuesday due to strong winds and high swell with all vessels instructed to drift off port at a safe distance.

The Bureau of Meteorology has issued a gale warning over the next upcoming days for several regions, including Sydney Coast, Illawarra Coast, Hunter Coast and Eden Coast.

The bureau has also issued a severe weather warning that covers a long swathe of eastern New South Wales, which includes the Sydney and Illawarra regions.

NORTH EUROPEAN PORTS AT FULL CAPACITY BEFORE PEAK SEASON

With a wave of import containers expected from Shanghai's reopening as well as the peak season just around the corner, North Europe's box port hubs, worryingly, remain severely congested. Huge towers of empty containers and hundreds of frustrated export boxes have accumulated at major North European hubs as carriers blanked a third of their advertised sailings during the recent two-month Shanghai lockdowns. Additionally, the ports have used much of their off-dock overflow capacity for the long-term storage of thousands of customs-blocked Russia-destined containers.

Commenting specifically about congestion at Hamburg, a spokesperson advised the city port was "sitting on an enormous pile of export containers", adding, "the German industry still works to a seven-day schedule, but vessels are arriving every nine to 12 days. That equates to a missing sailing every four to five weeks, and terminals are overflowing." He mentioned that this also applied to warehouses and storage areas in and around Hamburg.

Maersk advised that its networks were "under severe pressure", which it blamed on "disrupted operations in European ports", during a market update this week. The carrier said, "our vessels are incurring delays in North Europe, which affect the schedule back to Asia Pacific." Furthermore, the carrier said terminals at Rotterdam and Bremerhaven were currently "the most severely congested", causing "extensive" berth waiting times and slow ship-working productivity.

Meanwhile, Hapag-Lloyd said the yard occupancy at Hamburg's Container Terminal Altenwerder (CTA) stood at 90%, "mainly caused by the discharge of import heavy

vessels and reduced import pick up rates". Hapag Lloyd warned, "due to the high yard utilisation, reefer slots are being used as storage for dry boxes, in return limiting the maximum amount of reefer plugs available." Elsewhere, at PSA's Antwerp terminal, Hapag-Lloyd said yard utilisation was back up to 90% at 869 berth and reefer plug utilisation at 913 berth continued at 100%, with reefer containers stacked three high. At neighbouring Rotterdam, Hapag-Lloyd is experiencing similar congestion issues to those of its Danish rival. It said yard density had "deteriorated" at Rotterdam World Gateway (RWG) to 95%, due to "increasing container dwell times and Russian cargo from various carriers", while it advised that, at ECT, the density level had increased to 96%, attributed to, "long dwell times of transshipment and import cargo blocking slots".

The severe congestion impacting the Benelux hubs bears bad news for barge operators, with Antwerp reportedly terminating all barge operations until 30 June.

Moreover, feeder operators are also suffering huge berthing delays at the North European hubs, with one stating that the line's vessels were regularly waiting four to five days on arrival at Rotterdam and Antwerp terminals, making scheduling impossible. The operator said, "in the past we easily sent a ship Rotterdam-Dublin-Rotterdam in six days; we now need to plan on nine days. This means we need to deploy more vessels on butterfly loops to maintain a somewhat fixed-day service."

Wackett, M. (2022). North European box ports at capacity even before peak season starts. Retrieved from <https://theloadstar.com/north-european-box-ports-at-capacity-even-before-peak-season-starts/> on 2nd June, 2022.



ASIA-PACIFIC MARKET UPDATE



AIRFREIGHT UPDATES

Greater China:

Airlines are starting to recover cargo flights from Shanghai mainly to North America and

continental Europe. Maersk switched its European charter flights from Wuhan to Hong Kong in May. The Liege-Hong Kong-Liege routing is expected to remain until the end of this year. While Beijing has reported a number of COVID-19 cases in May there is no obvious impact on airline operations.

Australia and New Zealand:

Airfreight shipments with China continue to be disrupted by lockdowns there. Capacity is extremely tight and best offered on spot basis. The absence of Chinese carriers is adding to capacity tightening and rate pressure. Qantas will add Trans-Tasman cargo capacity between Sydney and Auckland in Q3 although Air New Zealand will introduce smaller aircraft between Melbourne and Auckland that will keep prices high with available space on ad-hoc pricing terms. Dnata is adding a new import cargo terminal in Sydney.

Japan:

Air cargo capacity is tightening between Japan and Europe because carriers are weight restricted due to the diversionary flight paths in place to avoid Russian airspace. Continuing lockdowns in Shanghai is leading to a reduction in the number of weekly freighter flights by 14 major carriers in May to a total of 229 flights. The three main Japanese airlines increased fuel surcharges in May by about JPY40 per kg on long-haul flights and JPY10-JPY20 on Asian flights. Surcharges are expected to increase further in June.

Vietnam, Cambodia and Myanmar:

Vietnam, customers have the option of splitting large shipments across multiple flights. Lockdowns in some cities in China are leading to reduced airfreight demand from Vietnam, Cambodia and Myanmar. with some airlines cancelling flights.

INLAND UPDATES

There are signs of improvement with the partial re-opening of some warehouses in Shanghai, while trucking from and to Shanghai has gradually improved. Warehouse volumes in Shanghai are around 50% of pre-pandemic levels overall till 24 May. Most of the warehouse operations in the Pudong, Fengxian and Jinshan districts partially resumed in May after workers adopted closed-loop COVID prevention measures. Truck drivers in Shanghai and other areas including Ningbo, Qingdao, Xiamen, Shenzhen and Guangzhou continue to face restrictions including the need for negative test results, a health code or local pass depending on the location. Barge services grew as an alternative to trucking to improve the efficiency. An increase in the number of confirmed cases in Taiwan is causing concern for the potential impact on warehousing operations and productivity.

Australia and New Zealand:

The Oceania market is seeing a leveling out from recent disruptions across inland ports. Consequently, the focus has switched to developing rail connections across the eastern seaboard.

Japan:

Import cargo volumes from Yokohama container yard to Tokyo off-dock container yard are stable. There is still excess trucking capacity to meet demand.

Indonesia:

Inland volumes are expected to rebound in June following the Eid festival. Exports of palm oil are expected to see a significant drop after the government banned exports although there were signs in mid-May the ban could be lifted. Trucking capacity is expected to be sufficient to meet demand.

Thailand:

The supply of trucks is very tight due to the reduction in fuel subsidies in May which could potentially drive the price of diesel to THB35/litre.

Vietnam, Cambodia, Myanmar:

Fuel prices continue to rise across all three countries.

EMPTY PARK CONGESTION/ REDIRECTION FEES/ DE HIRE CHALLENGES

Please note that some carriers, such as Swift, will be enforcing the below:

The de hire issues faced have now escalated again to a point where every empty park is now at full capacity. Time and resources taken to attempt de hires have again led to constant redirection from one congested ECP to another congested ECP. As a result, empties have been block stacked, impacting certain containers along with the associated Empty Congestion Levy fee.

Therefore, it is recommended to contact the shipping lines in question to ensure no detention fees are applied whatsoever, as lack of forward planning is on the shipping line, not on your clients, yourselves or your nominated carrier. De-hiring older containers first will not be possible as they will be heavily buried in the empty stacks which are increasing in size. As all containers are equal, regardless of discharge date, receiving particular sizes and types into an already congested ECP will make no difference to the shipping lines. Containers that have been collected or are about to be collected are waiting in the depot, only to be stored for an open ECP will incur a \$250 + Fuel Levy fee for via yard, lifts and up to 5 days calendar days of storage, thereafter storage fees will apply at our previously agreed 20' / 40' storage rates.

Please note that any redirection from one ECP to another will incur a \$250 Redirection Fee which allows for 30 mins of waiting time. If that ECP then redirects to another ECP, an additional \$250 Redirection Fee will apply up until the container is finally de-hired.

Swift. (2022). EMPTY PARK CONGESTION / REDIRECTION FEES / DE HIRE CHALLENGES. Retrieved from <https://mailchi.mp/swifttrans.com.au/empty-park-congestion-redirection-fees-de-hire-challenges-16th-may-2022> on 2nd June, 2022.



STAFF SPOTLIGHT

AYDEN ATKINSON COURIER DRIVER TOMAX TRANSPORT



What do you do at Tomax?

I am a Courier Driver.



What do you enjoy doing in your spare time?

Spending time with my kids and going on random family adventures.



If you could meet any celebrity alive or dead - who would it be?

Paul Walker because I loved watching Fast and Furious as a kid.



Do you follow any sports?

I follow AFL and barrack for Essendon.



Favourite TV show/movie?

Animal Kingdom



Do you have any goals you would like to achieve?

None at the moment as I am happy with where I am currently.

What is one thing that can instantly brighten your day?

My kids and partner.



BONUS QUESTION:

Does tomato sauce belong in the fridge or pantry?!

The fridge!

FRIDAY FUNNIES

We hope these “punny” jokes put a smile on your face as we approach another weekend!

Time flies like an arrow.

Fruit flies like a banana.

What did the grape say when it got crushed?

Nothing, it just let out a little wine.

To the guy who invented zero,
thanks for nothing.

A crazy wife says to her husband that moose are falling from the sky.

The husband says, it's reindeer.

Geology rocks but

Geography is where it's at!

A man sued an airline company after it lost his luggage.

Sadly, he lost his case.

Waking up this morning was
an eye-opening experience

Long fairy tales have a tendency
to dragon.

The Middle Ages were called the Dark Ages because **there were too many knights.**

My sister bet that I couldn't build a car out of spaghetti.

You should've seen her face when I drove pasta.

Never discuss infinity with a mathematician, they can **go on about it forever.**

I knew a guy who collected candy canes,
they were all in mint condition.

My friend's bakery burned down last night.
Now his business is toast

England doesn't have a kidney bank,
but it does have a Liverpool.

She had a photographic memory,
but never developed it.

Why didn't the cat go to the vet?
He was feline fine!

Apple is designing a new automatic car.
But they're having trouble installing Windows!

I've started sleeping in our fireplace.
Now I sleep like a log!

Why are frogs so happy?
They eat whatever bugs them.



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