

RÖHLIG EXPERTS

Röhlig UPDATE
LOGISTICS

Röhlig Australia Market Update

November - December 2023

Dear Valued Customer,

Welcome to our final 2023 issue of Röhlig Market Update. We will continue to be in contact with you next year, letting you know what is happening in the world of freight forwarding and logistics. If you have any questions and would like to address them, please send them to rohlig.australia@rohlig.com. We appreciate your suggestions and feedback.

RÖHLIG AUSTRALIA CELEBRATES 50 YEARS

Established in Germany in 1852, Röhlig Australia commenced its Australian operations in 1973, marking the second subsidiary of Röhlig Logistics, following the establishment of the first in South Africa. Over the past half-century, Röhlig Australia has consistently delivered high-quality services to the Australian market, witnessing significant transformations since its inception.



Initially focusing on sea freight services, we expanded our portfolio to encompass air freight, contract logistics, project logistics, domestic transport and more, always prioritising customer needs. Presently, we have six offices across the country in Sydney, Newcastle, Melbourne, Brisbane, Adelaide and Perth. Recent additions to our logistical footprint include purpose-built warehouses in Adelaide and a new warehouse at Perth Airport, reflecting our commitment to continual growth and service enhancement. We offer a comprehensive suite of services, including Air Freight, Sea Freight, Customs Brokerage, Contract Logistics, Domestic Transport, Digital and Courier services. With a team of 200 dedicated, highly skilled employees, we are on a trajectory of continuous expansion.

Today, we stand as one of the market leaders in the freight forwarding industry within Australia, setting benchmarks in customer service excellence.

In celebrating our **50th anniversary**, Röhlig Australia organised events across six locations, wherein the senior management team traversed each branch to personally connect with customers. Emphasising the significance of customer proximity, Mr. Hanses stated, "*Being close to our customers is paramount, which led us to celebrate in each branch, allowing all our customers to join us. Over the last six weeks, we've travelled to express our gratitude for their unwavering support.*"

With nearly a thousand guests joining the celebrations nationwide, customers had the opportunity to engage with Röhlig Australia's local teams and Head Office. We extend our heartfelt thanks for your continued business and support over the years. Please [CLICK HERE](#) to watch a brief video about Röhlig Australia's 50-year journey, highlighting our incredible people, customers and achievements.

Thank you for being a part of Röhlig Australia's incredible journey!

AIR FREIGHT

Oceania

November for Sydney arrivals is still around 100 international flights per day and that seems to be the level now for a while. It is still down on 2019 flight levels, along with government restrictions on adding new flights, airlines continue to be cautious about adding flights that are not full.

Heading into Christmas, there is no doubt now that flights are full of cargo. It is not 2021/22 Armageddon, however, we are managing this carefully to reduce and remove any potential supply chain delays during these crucial pre-Christmas weeks.

Air cargo rates, having seen some significant drops this year, are now stable. We might see some volatility in December with busy flights and rush orders.

Barring any Qantas terminal-style disaster, this is the scene for the year, With Q1 next year being the next opportunity for market disruptions. Singapore airlines will add flights early into Sydney and Adelaide and with our new Adelaide bonded warehouse, we will be looking to take advantage of direct flights there.

Read more: [International airline's big move a win for Aussie travellers](#)

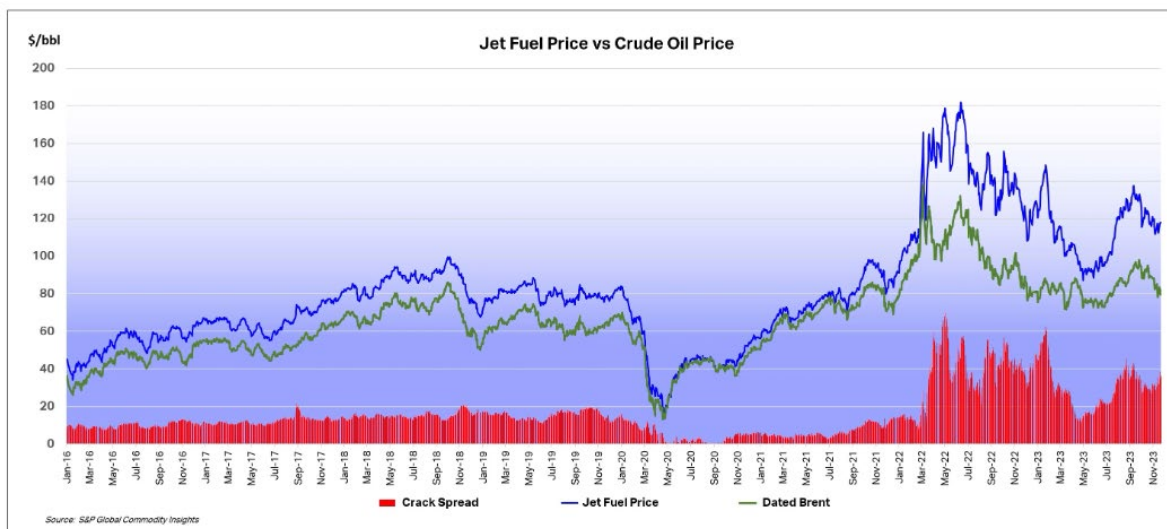
Oil and Jet fuel prices

The large hike in barrel prices through August to mid-November are over for now which is pleasing relief on fuel surcharges.



December should see an ease off, bar a holiday peak at the bowser, then OPEC can try their 100USD march again next year. See the chart, Source: <https://www.tradingview.com/chart/?symbol=TVC%3AUSOIL>

Jet fuel price developments - longer term perspective



Source: S&P Global Commodity Insights

Source: <https://www.iata.org/en/publications/economics/fuel-monitor/>

Australia

Stable flights now out of the country, import terminals busy in peak, however, no show stopping challenges as of the time of writing.

New Zealand

We have seen some additional northern winter schedule flights servicing New Zealand which has eased capacity and has been very welcomed. US can still be a challenge, however, Europe is holding well, with space tight but manageable.

Asia

We are expecting smooth sailing through to Chinese New Year, with rates in good shape and the spot market still active for larger shipments.

USA

We have expectation that the USA will tighten up more than most into Christmas, don't leave your order to last minute in the lead up to Christmas. Slower services have become backlogged now, however, we have taken this into consideration on planning and still operating smoothly on Qantas flights.

We're operating twice weekly from Chicago (servicing most of the USA) now, and regularly out of LAX airports. Contact us for the best airfreight in the business, email rohlig.australia@rohlig.com or [call our Team](#).

Europe

Our premium and economy options out of Europe continue to operate and will do through to the end of the year and beyond Our on time and fast Emirates freighter services remain solid with little delays. Our slower services certainly take longer however there is savings to be made if you have time on your side.

Rate are now stable bar the varying fuel costs having an impact week to week however we do expect this to be calm through December.

For more information about our Air Freight services, please click [Rohlig Air Freight](#), call your local account manager or [our friendly Team](#).

SEA FREIGHT

Oceania

Disruptions due to DP World's industrial action have dominated our news for the last couple of months and the latest update is that, despite continued efforts to reach an understanding, a further series of work bans and stoppages will continue up to and including Monday 11th December. Not helped by the cyber-attack on the 10th November, delays to vessel berthing has directly impacted all main container ports in Australia, except Adelaide. Shipping lines are trying to manage in various ways, including by changing their port rotations to discharge cargo at alternative ports and announcing changing of terminals where possible. Backlog at major origin ports is building as overall loop sailing times increase on the return voyage from Australia. Therefore, schedules are being impacted and delays at Port of Load are also being felt. Rohlig will keep our customers updated on any further development on this topic throughout the rest of the year.

TRANZTAS (TTZ) To See New Vessel & Three New Calls

ANL have announced the deployment of a new vessel and three new calls on their Transtaz (TTZ) service. The service improvements will commence in December on the Eastbound leg

TRANZTAS current rotation: SYD – MEL – AKL – TRG – LYT – SYD

TRANZTAS new rotation: SYD – MEL – AKL – POE – LYT – NSN – NPE – TRG – SYD

The new TRANZTAS service will provide New Zealand exporters with faster transit time ex Tauranga to Australia, as well as a direct service from Nelson and Port Chalmers to Australia. Furthermore, it will also provide connections on other ANL services to Asia, US and Europe.



Asia

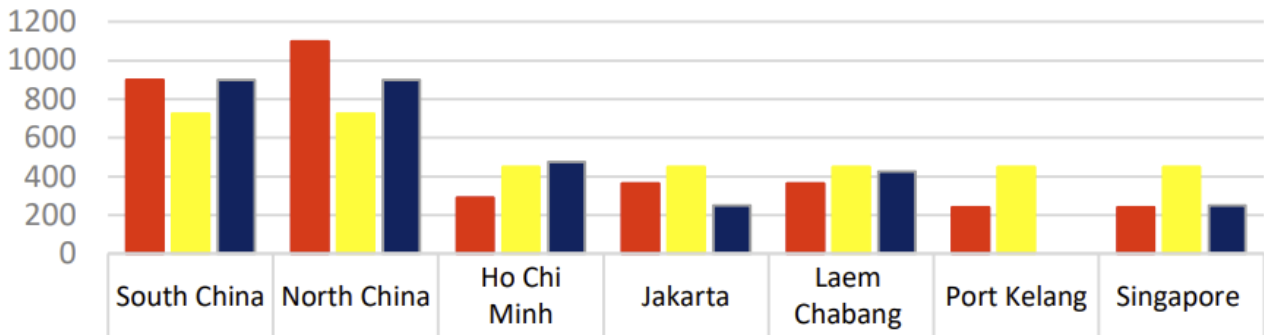
Rate increases in the way of Rate Restorations (RR) out of North East Asia to Australia continued to be advertised for 1st and 15th December but we are already seeing some lines extending current rates out, as vessel capacity is not being fully utilised for the couple of weeks between Christmas and New Year. Additional loaders have also been brought on in China to help clear the backlog on an ad hoc basis. It is hard to predict trends in this market but January 2024 is looking to be strong in terms of demand leading up to Chinese New Year and we expects rates out of China to increase further into January until Chinese New Year in February, at least. Blank sailings are set to continue until the end of the year to try to curb the capacity available in the market in an effort to maintain the healthy freight rate levels the lines have built up from numerous RRs over the last few months.

Long Term Named Account Contract (LTNAC) negotiations will commence early next year and ramp up until after Chinese New Year for contracts commencing 1st April for 12 months. Your Rohlig representative will be in touch in the coming weeks to discuss your needs for contract rates for 2024/25.

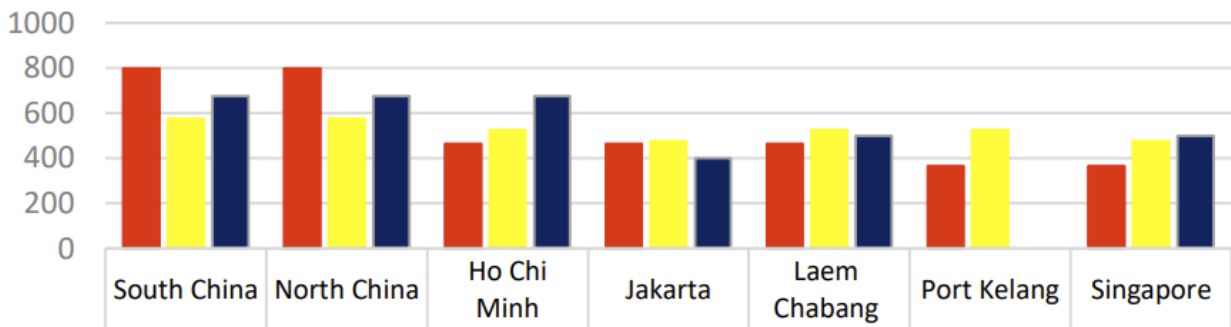
Breakbulk carrier update from Wallenius Wilhelmsen on Australian Port Congestion:

- Port congestion remains at a critical level. Averaging waiting time as follows for AU Ports:
 - Fremantle 0-5 x days waiting time
 - Melbourne/MIRRAT 7-10 x day waiting time. When possible, WW continues to use AAT Appleton Dock. Next vessel TBA.
 - Port Kembla: 0-1 x day waiting time.
 - Brisbane: 1-4 x day waiting time.

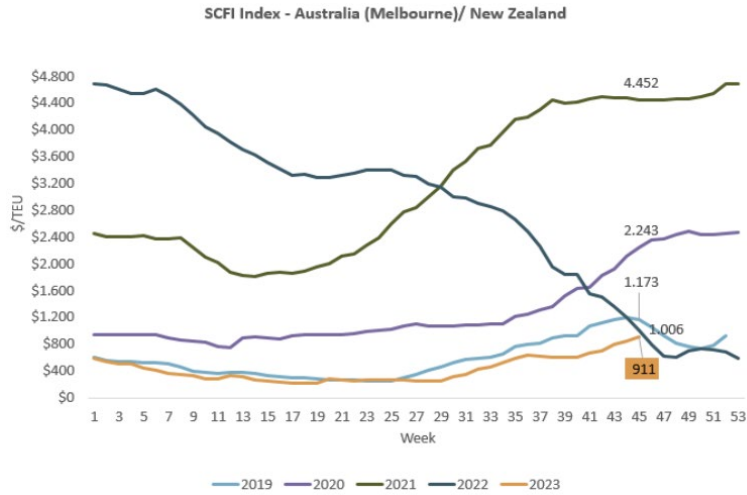
**FAK rate
ex Far East to Australia base ports
1-14 Dec 2023**



**FAK rate
ex Far East to New Zealand base ports
1-14 Dec2023**



(*As a comparison over 3 carriers)



USA

Rates to/from USA are stable with little change. Looking forward, there is lower economic growth predicted for the US despite strong activity in the last few months of 2023. The US recorded 2.2% GDP growth in the first quarter of 2023 and 2.1% growth in the second quarter. GDP growth is predicted to slow to just 1.5% in 2024, a modest but positive pace.

Port of Savannah Sees Notable Uptick in Containership Calls

“The Port of Savannah’s Garden City Terminal experienced a significant increase in the number of containership calls last month, with 129 visits for a 26 percent rise compared to October 2022. The surge in activity comes after the completion of renovations on Berth 1, resulting in all berths being open at the largest single-terminal container facility in the country.

The Port of Savannah handled a total of 449,000 twenty-foot equivalent container units (TEUs) in October, making it the fourth-busiest October on record and representing a 5% increase compared to the same month in 2019. However, October volumes were down nearly 19% compared to the same month last year, which marked the second-busiest month in Savannah’s history.”

Read more: [Port of Savannah Sees Notable Uptick in Containership Calls \(gcaptain.com\)](https://www.gcaptain.com/news/port-of-savannah-sees-notable-uptick-in-containership-calls)

Port of Los Angeles Reports Cargo Growth for Third Straight Month

“The Port of Los Angeles continues to see positive growth as it reports an increase in cargo volume for the third consecutive month as West Coast ports work to regain market share.

The port October processed a total of 725,775 Twenty-Foot Equivalent Units (TEUs) in October, marking a 7% improvement compared to the same month last year.”

Read more: [Port of Los Angeles Reports Cargo Growth for Third Straight Month \(gcaptain.com\)](https://www.gcaptain.com/news/port-of-los-angeles-reports-cargo-growth-for-third-straight-month)

Europe

The European Union’s Emission Trading System (ETS)

The European Union’s Emission Trading System (ETS), a policy to combat climate change and a key tool in reducing greenhouse gas emissions, will come into effect for the shipping sectors as of 1st January 2024. The EU ETS works on the ‘cap and trade’ principle; a cap is a limit set on the total amount of greenhouse gases that can be emitted by the installations and aircraft and vessel operators covered by the system. The cap is reduced annually in line with the EU’s climate target, ensuring that emissions decrease overtime. The cap is expressed

in emission allowances, where one allowance gives the right to emit one tonne of CO₂eq (carbon dioxide equivalent). For each year, companies must surrender enough allowances to fully account for their emissions, otherwise heavy fines are imposed. The applicable range of EU ETS differs depending on the calling ports of each service provided: 50% of emissions from voyages departing from an EU port to a non-EU port and vice versa. 100% of emissions from voyages between EU ports. 100% of emissions from ships within an EU port of call.

Shipping lines will be required to report their emissions and purchase an equivalent amount of allowances on the EU ETS market, according to a progressive schedule. Emissions in 2024(surrendered in 2025):40% of the total emissions in the scope. Emissions in 2025(surrendered in 2026):70% of the total emissions in the scope. Emissions from 2026 onwards: 100% of the total emissions in the scope.

Ships included in the calculation are commercial passenger and cargo ships of 5,000GT or more. At the end of 2026, the EU will discuss whether to include ships in the 400-5,000GT range.

We are seeing the first surcharges being announced for 1st January implementation both on Europe to Oceania and Oceania to Europe trade routes.

Panama Canal surcharge

There seems to be no relief as the most severe drought experienced by the Panama Canal in half a century continues. The drought has had a serious impact on container ships with The Panama Canal Authority reducing the number of vessels transiting the canal per day. They are also imposing draft limits whereby space and weight allocations are challenged. Shipping Lines transiting through the Panama Canal are announcing a Panama Adjustment Factor or Panama Canal surcharge to apply from 1st January 2024 of varying amounts.

More box ships diverting to Suez Canal routes as Panama restrictions tighten

“Hapag-Lloyd and Cosco have become the latest carriers to impose a Panama Canal surcharge (PCC), as the worst drought in more than 50 years continues to restrict capacity at the waterway.

Garman carrier Hapag-Lloyd said it would introduce a \$130 per teu PCC on 1 January, when Cosco is set to introduce what it termed a Panama Canal Low Water Surcharge (PLW) of \$255 per teu – nearly double Hapag-Lloyd’s, but less than the \$297 per teu MSC has plans to introduce on 15 December.”

Read more: [More box ships diverting to Suez Canal routes as Panama restrictions tighten - The Loadstar](#)

TRANSPORT

We have had several factors that are affecting our operations throughout Australia and still causing major disruptions at the terminals. The current situation poses some challenges in the logistics landscape.

The ongoing MUA action is causing a bit of an impact on container movements at the wharf and turnaround times, prompting a need for careful adjustments.

Additionally, terminal closures and reduced working hours are adding some complexity to the operation. Looking forward, there’s news of an increase in Terminal booking slots and Terminal Infrastructure for January 2024.

Moreover, the consistently long Quarantine timeframe for confirming bookings adds a critical aspect, requiring a thoughtful approach to navigate delays effectively.

Thank you for your ongoing support of Röhlig Australia and New Zealand. We will continue to keep you updated, however should you have any questions relating please do not hesitate to [contact](#) your Röhlig Account Manager or Customer Service Representative.

The Team at Röhlig Australia and New Zealand

