

ROHLIG EXPERTS

 Röhlig LOGISTICS UPDATE

Röhlig Australia Market Update – June 2023

June 2023

Dear Valued Customer,

Welcome to our June issue of Röhlig ANZ Market Update. We will continue to be in contact with you, 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.

AIR FREIGHT

Oceania

With more passengers taking flights in the lead up to the Northern hemisphere summer, we are seeing a few more airlines offering alternative routes, with little change in price. This allows for random sale prices for dense cargo, although no change in general rates, which is also assisting in the overall cost of living.

As per the last update, we expect further cost drops over the next quarter, if they have not happened already.

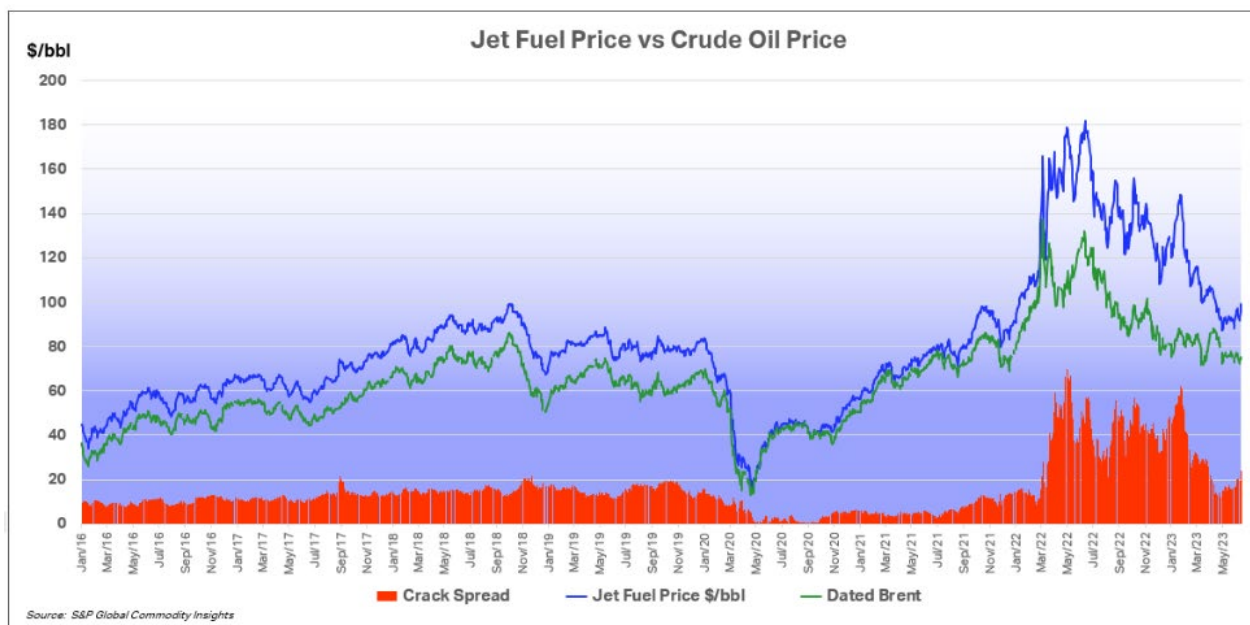
Oil and Jet fuel prices

Oil prices were below 75 USD/BBL for most of the week as the market tightened in anticipation of a rebound of the Chinese economy failed to materialize. The decision by the US Federal Reserve on 14 June to pause the tightening cycle, failed to boost the market as the possibility remains for the rate hikes to be reinstated in the months ahead.

Read more: [China Is Quickly Becoming The World's Largest Refiner | OilPrice.com](#)



(Source: <https://www.tradingview.com/chart/?symbol=TVC%3AUSOIL>)



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

Australia

Qantas and Jetstar announced to be the first Airlines to fly from the new Western Sydney International Airport. Although the first flight will not depart until late-2026, it is expected, four million passengers are to fly through this new airport in the first year of opening.

We are yet to see how this will shape the Air freight market as unlike Sydney Airport, which has a curfew in place between 11pm and 6am, Western Sydney Airport will operate 24 hours a day, 7 days a week.

What is more exciting, is the facility is expected to cater for more than 80 million passengers annually, which is larger than New York's JFK operations.

Read more: [Qantas and Jetstar revealed as first airlines to fly from western Sydney airport](#)

Qantas is also set to operate the longest flight, from Sydney to New York and London, in 2025 for the long awaited “Project Sunrise”. This will consist of 19 hours onboard Airbus A350 flights, including new premium and economy seats with ultra-high definition TV’s and an exclusive “wellness zone”. The aim is to decrease transit times, and also reduce passenger jet lag, by two or even up to four days.

Read more: [Qantas reveals new economy class seats for ultra-long flights](#)

New Zealand

New Zealand air freight capacity is set to expand with the launch of a new airline – Texel Air. Texel Air is New Zealand owned and is set to work with Freight companies, Airline industries and Government agencies, as opposed to selling to direct customers.

Operations have started with one Boeing 737-800 (servicing domestic cargo), with plan to have 2 more aircrafts by the end of the year, and additional 10 aircrafts to service Australasia by 2026.

Read more: [Texel Air launches freight service in New Zealand](#)

Asia

We have noticed a decrease in rates out of Malaysia and Thailand, although China has stabilised their prices over the last 4 weeks. While it’s unlikely we are done yet with lower costs, we’ll need some more flights online, particularly out of Singapore.

USA

We are currently running Rohlig Air Express campaign from Los Angeles and Chicago to Australia.

With our weekly service flights from Los Angeles and twice a week flights from Chicago to Sydney, Melbourne and Brisbane, we provide the most cost efficient way to move your cargo. Our operational partnerships with leading airlines ensure excellent standards of service around the globe.



FEATURES AND BENEFITS:

- Flights: Qantas passenger and freighter options
- Competitive rates
- Over height cargo up to 3 metres
- Direct route minimising chance of delay
- Fastest timeframe with direct service

- Rohlig build palletised airfreight consolidations (Reduced risk or loss, protected capacity, priority uplift, faster retrieval upon arrival, quicker delivery to our customers)
- Rohlig TSA-approved Warehouse (All air cargo can be screened prior to being tendered to the airlines for transport on passenger flights).
- Real-time visibility at all delivery stages [click to learn more](#)

For special rates and any further information email to rohlig.australia@rohlig.com or [call our friendly Team](#).

Europe

European rates have dropped further over the past few weeks, with expected movement over the coming months. No change in the spot market, as it is favourable for big, high-dense cargo, giving us an indication that there is more room to move on general rates.

Following on from the May update, the 'B service' options via Asia, are offering sale prices with 'tentative' booking options. We recommend avoiding anything listed with a 5-day-airport-to-airport transit, as these have been taking much longer through their transit hubs.

For more information about our Air Freight services, please click [Rohlig Air Freight](#).

SEA FREIGHT

Oceania

The biggest movement rate-wise this month has been on the Trans-Tasman markets, both east bound from Australia to New Zealand and west bound from New Zealand to Australia. We are now seeing the effects from the recent new entrants mentioned in a recent update, which saw extra capacity and more sailing options available to this trade. This has helped to drive down rates resulting in strong competition from the shipping lines as they strive to secure more volume on their already light vessels.

The Trans-Tasman market is one of the few that withheld the rate decline and remained quite buoyant in Q1 and for most of Q2, 2023. However, this has shifted in the last week or so and may continue to do so if supply continues to exceed demand.

In Australia, port congestion remains at a critical level for breakbulk carriers. The problem of contaminated seeds continues, and the ensuing quarantine holds have a detrimental effect on port operations.

Current average waiting times : Melbourne: 10x days, Port Kembla: 20-25 days, Brisbane: 10x days, Fremantle: 0-5 days

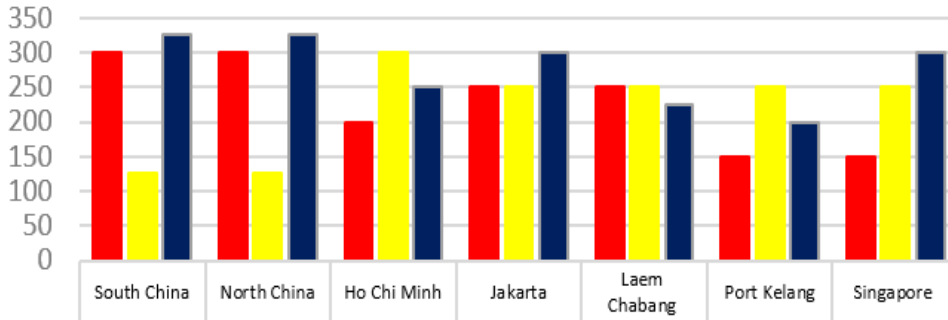
Asia

After a few unsuccessful attempts at implementing GRI's ex. China to Australia, shipping lines had some success this month. Vessel utilisation ex. China has sat around the 80% mark giving carriers the confidence to seek a small increase on rates for July bookings.

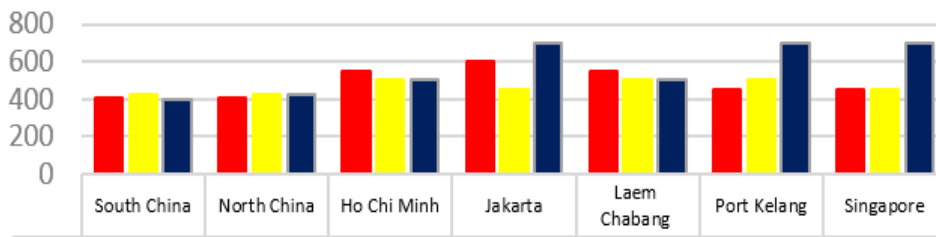
Despite this, the outcome is still far from favourable and only a moderate increase in rates is expected in Q3, 2023. This is, of course, unless carriers really ramp up the blank sailing programs currently in place and strategically pull vessels out of the Asia-Oceania market.

No increased demand for South East Asian cargoes and rates remain stable for now.

**FAK rate to Australia base ports
15-30 June 2023**



**FAK rate to New Zealand base ports
15-30 June 2023**



(*As a comparison over 3 carriers)

USA

Unprecedented drought' forces changes along the Panama Canal (Read more: [Here Splash247](#))

“Last month, further draft restrictions were announced for the canal, whereby some of the larger boxships transiting it will have to do so carrying 40% less boxes than normal. Authorities at the canal warned yesterday that global trade ought to brace for further restrictions, especially with the imminent arrival of the El Niño weather phenomenon.”

A West Coast port labour deal reached

After more than 13 months of negotiations, suddenly, what has become unexpected happened on the US west coast, the Pacific Maritime Association (PMA), representing the terminals, and the International Longshore and Warehouse Union (ILWU), representing workers, finally announced a tentative agreement on a new six-year contract.

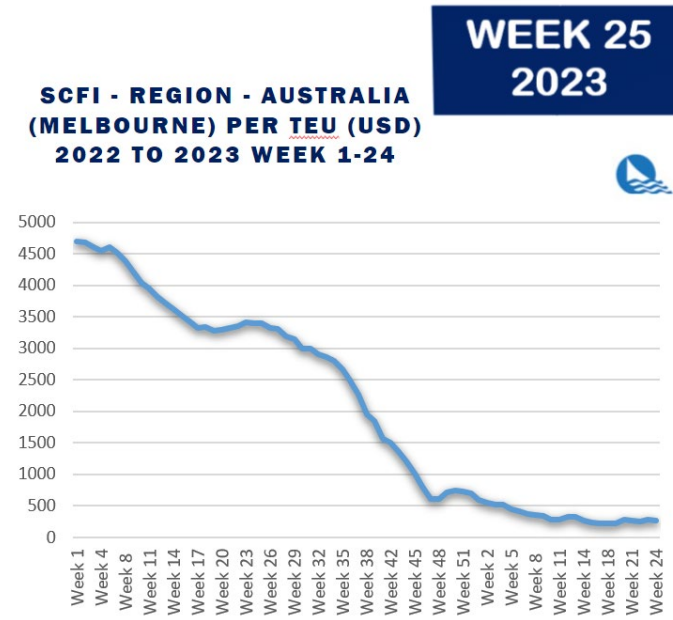
Details of the new agreement have yet to be shared, however, the news will be well received by shippers who have been very concerned about the very prolonged negotiations and now can have some peace of mind. This week the US government decided to get involved and send acting Labor Secretary Julie Su to San Francisco to meet both PMA and ILWU and this seems to have had a positive impact on the negotiations.

For now, it looks as upcoming Christmas cargo will be saved and west coast terminals can return to focus on increasing productivity.

The question is now how much of the west coast volume which has been lost to east coast ports, during the negotiations, will return again to west coast. The Panama Canal draft issues could be a factor that will accelerate the move of volumes back to the west coast. Hopefully, the US economy will pick up in the 2nd half of the year, at least, it looks as the terminals will be ready for any potential peak periods.

Europe

There has been no improvement on the Europe to Oceania trade and rates are still on the downward trend, particularly to Australia. Space is not an issue and transshipment services are being favoured due to little risk of congestion at Asia transshipment ports. Europe's economy is expected to return to growth in the coming quarters as energy prices moderate, foreign demand strengthens and supply bottlenecks resolve. After stagnating in 2022, real disposable income is projected to recover, being driven by falling inflation and robust wage growth, further expected to grow 1.3% in 2023.



TRANSPORT

- Recent protests around Brisbane and Melbourne port affected and delayed some deliveries last week. Looks like this is no longer the case and we have business as usual.
- As we head towards the end of BMSB season, we expect quarantine delays to be reduced heading into July. This may change in a few months once the BMSB season kicks in.
- We have seen a fuel decrease in NSW for June and a further reduction in QLD for July. We will continuously update and advise as the fuel fluctuates.

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