

RÖHLIG EXPERTS

Röhlig UPDATE
LOGISTICS

Röhlig Australia Market Update

July 2023

Dear Valued Customer,

Welcome to our July 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

July airport arrivals are up around 80% of pre-covid flights as they continue the upward trajectory of inbound flights. That's good news, as we typically see cheaper costs from all regions in Australia and New Zealand. In what is now the most dynamic market we've seen, there is an emerging trend, in particular, ex Europe, for fast transit times to hold a premium and a noticeable drop in costs if you have a few extra days up your sleeve. Differences can be stark and worth considering, particularly for heavy cargo.

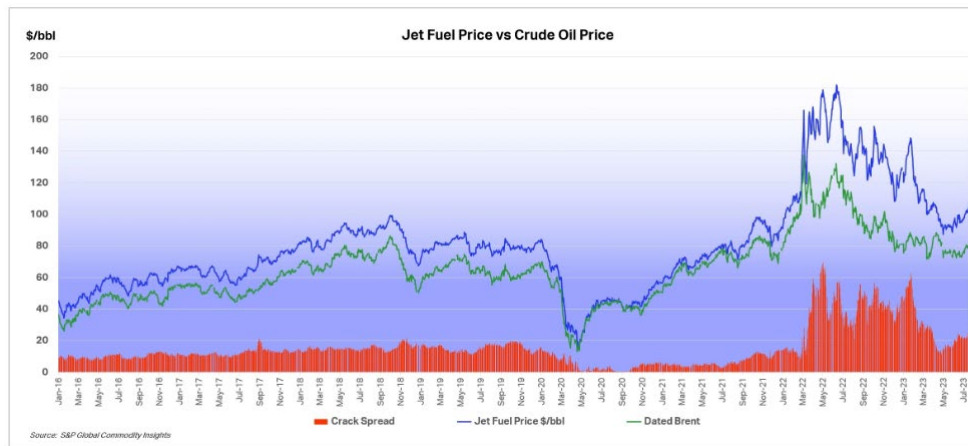
Oil and Jet fuel prices

Oil prices have eased up since June, which will be reflected in a minor move up on fuel surcharges in July, though as of the time of writing, we are still in the 70-80 USD range we've seen since last year. OPEC oil producers are at least for now winning the titanic struggle of reducing supply against a spluttering global demand.

Technical signs point to a turning point in the oil market and a rise over the coming weeks. Jet fuel also has detached a little from the barrel price (the 'crack spread') as short term demand from all these aircraft we've been seeing is pushing up costs.



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



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

Australia

To paraphrase a McCain's corn commercial, 'the planes are here'. Plenty of wide-body routes are opening up Australia to the world, which has certainly eased up local costs over the last quarter. Outbound routes are generally trouble free, and locally Qantas have been adding wide-body flights Trans-Tas, which is easing the route.

An interesting watch will be the price of passenger tickets, which are doing their best to hang onto 2022 prices for now but can't hold forever.

New Zealand

NZ is still crying out for more wide-body aircraft, and while now well served from Australia, is still lagging behind its Australian neighbour on a good wide-body to cargo ratio. We expect this to improve over the next 6 months.

Freight rates still remain a good 20% higher than cargo into AU.

Asia

Still very stable out of the main areas of China/Malaysia/Thailand and rates are looking very attractive. We aren't seeing the big drops yet out of Taiwan and Korea, as routes from there are still somewhat isolated from the freighter networks needed to give a good amount of space.

USA

Space, space, space! Alarmingly this is due more to a lack of industry volume moving out of the USA, hopefully not a canary in the coal mine for the US economy.

Passenger flight options have improved a little, and we are now operating out of LAX regularly with a reliable schedule, plus additional flights ex Chicago both on weekends and mid-week.

If you got something needing the best airfreight in the business, email rohlig.australia@rohlig.com or [call our friendly Team](#).

Europe

European rates continue to slide, and interestingly the slow services are starting to peak into pre-covid rates. Asia routes really opening up into AU have given the humble supply chain manager a reprieve on the gigantic costs of years past.

If you need on time and fast delivery then that's still attracting a higher rate, though if your supply chain is up for taking a little longer then we can cover that for you.

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

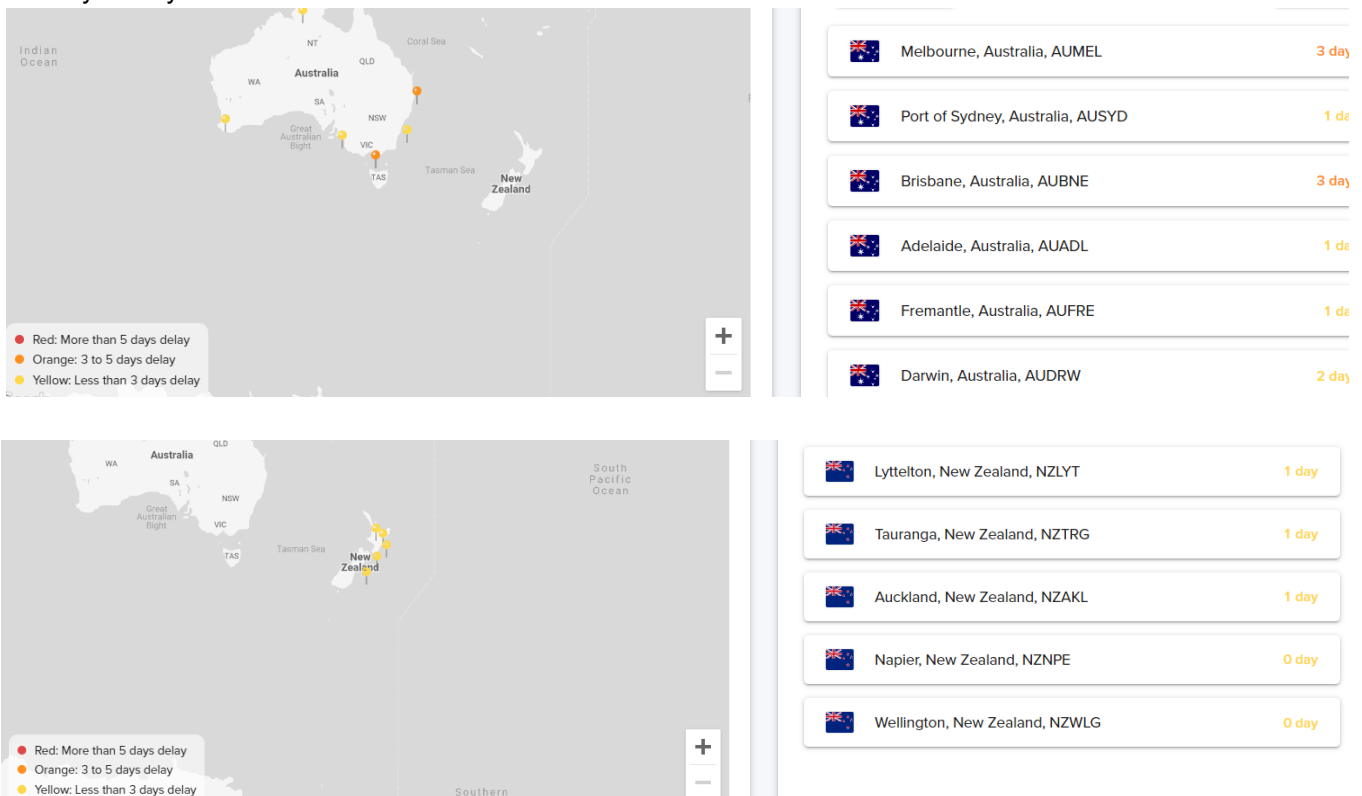
SEA FREIGHT

Oceania

In our last update we mentioned the rate drop on the Trans-Tasman market and we were fortunate to be able to secure competitive rates and space allocation from Australia to New Zealand. Please [contact](#) your local Röhlig Account Manager or Customer Service Representative to hear more about our FCL and LCL products as well as our own Consol box program.

Napier port is still recovering from the ongoing impact of Cyclone Gabrielle, which caused devastating damage to New Zealand's north island. back in February of this year. Their total cargo volumes have seen a significant drop in the last three months which has led to a mini restructure at the port.

In regard to port congestion, there are currently no issues at Australian or New Zealand ports with a maximum of 1-3 days delay.



Resource: [New Zealand Port Congestion / Delay Status Data - GoComet](#)

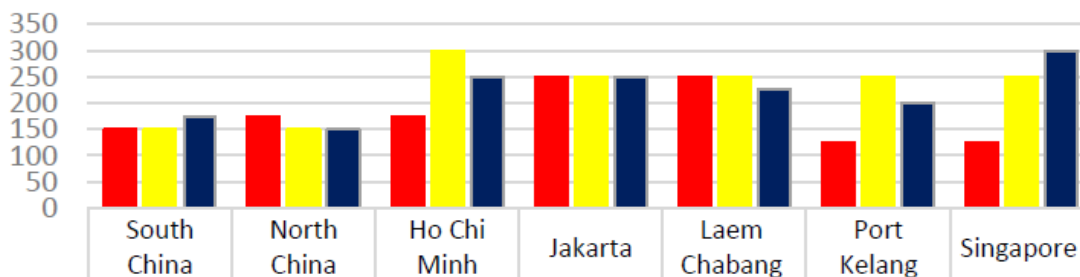
Asia

After a few failed attempts, it now appears that the first GRI/RR ex. China to Australia will stick in August. This is a culmination of the effects of carrier blank sailing programs, vessel downsizing and vessels being pulled from our trade and repurposed in other markets. The result of less capacity has led to carrier roll pools of 2-3 weeks and this has helped drive rates up in August.

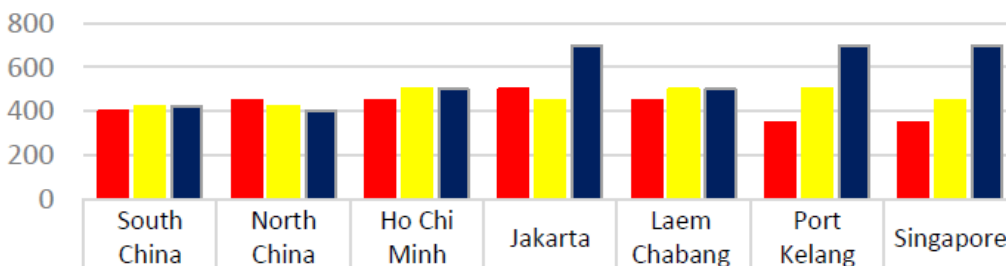
GRI/RR ex. NEA to AU quantum has been announced by the lines at USD150/TEU effective 1st August. Except for MSC who announced a USD300/TEU GRI/RR increase ex. NEA & SEA to AU & NZ effective 15th August. Rates ex. Asia to NZ continue to be mostly extended for August. South East Asia liftings are down by approx. 10%. There are no significant delays at T/S hubs at SIN, PKL, TPP however this may change now that roll pools are increasing at Asian origin ports. It is recommended to make advance bookings of 3-4 weeks for FAK space, particularly for larger volume shipments.

Terminal Operations: Ningbo and Qingdao have a higher than average waiting time. Shanghai is also experiencing some delays, resulting in some carriers applying a small increase on CNSHA rates.

**FAK rate
ex Far East to Australia base ports
15-31 Jul 2023**



**FAK rate
ex Far East to New Zealand base ports
15-31 Jul 2023**

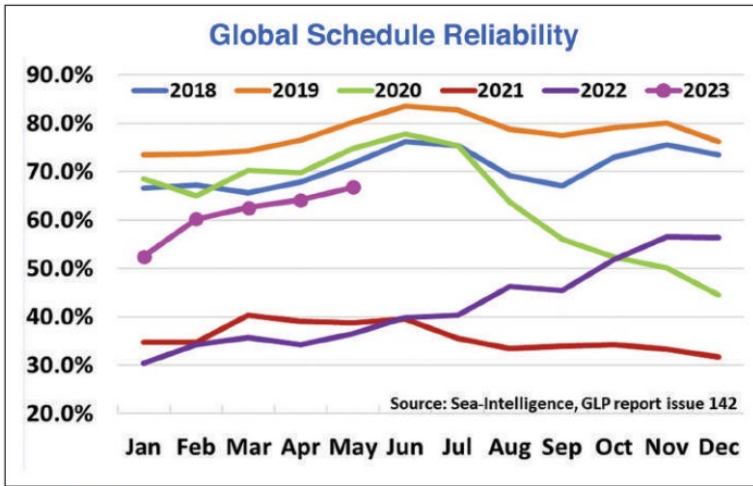


(*As a comparison over 3 carriers)

GLOBAL

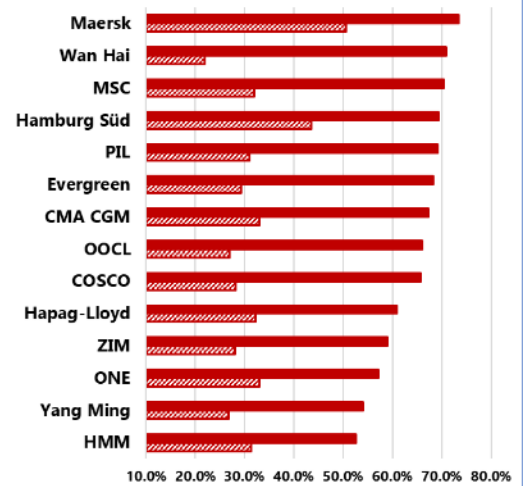
Schedule Reliability Continues to Improve

Sea-Intelligence has published issue 142 of the Global Liner Performance (GLP) report, with schedule reliability figures up to and including May 2023. As the report itself is quite comprehensive and covers schedule reliability across 34 different trade lanes and 60+ carriers, this press release will only cover the global highlights from the full report.



July 15, 2023

Fig. 3: Carrier scores for May 2023 (compared with May 2022)



Global schedule reliability has continued to improve M/M, with the latest improvement of 2.7 percentage points in May 2023. With this increase, schedule reliability is now up to 66.8%. Compared to the same point in 2022, schedule reliability is up 30.3 percentage points. On the other hand, average delay for LATE vessel arrivals increased slightly, by 0.04 days M/M to 4.39 days. Despite the increase, the May 2023 figure was still -1.86 days lower Y/Y, while also being better off than in any of the pandemic years.

Maersk was the most reliable top-14 carrier with schedule reliability of 73.5%, followed by Wan Hai with 70.9%, and MSC with 70.4%. There were 7 carriers with schedule reliability of 60%-70%, with the remaining carriers recording schedule reliability of 50%-60%. Unlike previous months, the difference between the most and least reliable carrier increased substantially in May 2023. HMM was the least reliable carrier in May 2023 with schedule reliability of 52.6%. 13 of the top-14 carriers recorded a M/M improvement in schedule reliability in April 2023, with HMM recording the only decline of -2.5 percentage points. On a Y/Y level, all 14 carriers recorded double-digit improvements in schedule reliability.

Sea-Intelligence - Schedule reliability continues to improve

Use of 'smart' containers speeds up as more ocean carriers get onboard

"Updating a previous estimate, Drewry now says that by 2027, almost one-third of all containers will be equipped with telematics hardware.

A container becomes "smart" with the addition of a telematics device, enabling real-time tracking and monitoring, which boosts operational efficiency, equipment availability and supply chain control.

Last year, Drewry reckoned 25% of containers would be equipped with a tracking and telemetry device by 2026. However, by the end of last year, the number of telematic containers had shot up, by 57%, to 5.6% of boxes globally.

Prevalent in reefer trades, but with historically few examples on dry containers, this number will increase six-fold over the next five years, Drewry now says, to more than 10 million."

Resource: [Use of 'smart' containers speeds up as more ocean carriers get onboard - The Loadstar](#)

USA

The volatility of the Canadian labour strike continues to affect the North America continent. Canada's Prince Rupert and Vancouver ports are currently experiencing vessel waiting times of approx. 14 days due to the labour strike. As a flow on effect, USA ports are also experiencing increased volume at destination ramps and inland rail

facilities. As a result of the persistent congestion nationwide, chassis shortages continue to be observed resulting in potential delays for pick-up and delivery.

Trade Cools at Port of Long Beach

“Trade passing through the Port of Long Beach slowed down in June, as retailers continued to clear out their warehouses, the port said Thursday.

Dockworkers and terminal operators at the port moved 597,076 TEUs last month, a 28.5% decline from June 2022, which was the port busiest June on record, and more than 21% below May’s volume. Imports were down 34% YoY to 274,325 TEUs, while exports declined 18% to 94,508 TEUs. Empty containers moving through the Port decreased 25% to 228,243 TEUs. “We are hopeful to obtain a greater percentile of market share,” said Port of Long Beach CEO Mario Cordero. “We remain confident that our reliability, efficiency and unparalleled service will attract additional trade and economic activity to our Port.”

Next door, the Port of Los Angeles reported its best month in a year in June, with volumes just 5% below last year’s monthly record.

Economists report that consumer spending exceeded expectations during the first half of 2023 and may flatten out through the rest of the year, the Port of Long Beach said.

“We continue to work with our industry partners to grow cargo volume and raise the bar on sustainable operations,” said Long Beach Harbor Commission President Sharon L. Weissman. “Our highly skilled workforce, infrastructure projects and environmental programs continue to make us the Port of Choice.”

In the first half of 2023, the Port of Long Beach moved 3,732,676 TEUs, down 25.5% from the same period last year.” (Resource: [Trade Cools at Port of Long Beach \(gcaptain.com\)](https://www.gcaptain.com/news/2023/06/28/trade-cools-at-port-of-long-beach)).

Canadian West Coast Port Strike back on – and then off, for now.

“The renewed strike at 30 Canadian ports has been called off, for now, after a see-saw of work and walk-outs.

The past 36 hours have been a rollercoaster for anybody involved with cargo flowing through the ports in British Columbia, with the strike by longshoremen flipping between resumption and being called off.

As of noon yesterday, it is off, within hours of the International Longshore and Warehouse Union (ILWU) calling it on. It is unclear though, how the situation will evolve. The federal government has signalled that it wants to end the stand-off and is examining its options. The prime minister’s office convened a meeting of its crisis cabinet committee yesterday to discuss the situation.” (Resource: [Canadian west coast port strike back on – and then off, for now - The Loadstar](https://www.the-loadstar.com/news/2023/06/28/canadian-west-coast-port-strike-back-on-and-then-off-for-now))

Europe

Demand out of Europe has had a sudden boost due to a summer rush for bookings before factories closed down for the long summer break. Europe vessels are almost at 100% capacity on both T/S and direct loops. Our Europe rates are valid to end September and it is unlikely that they will come down again this quarter.



CONTRACT LOGISTICS

Rohlig Adelaide Warehouse – OPEN for Business!

Rohlig Adelaide's Warehouse is officially open for receiving cargo! So far we have moved approximately 250 pallets into the warehouse and have another 350 pallets that will start to move inbound this week. With still plenty of space available in our brand new 2.500 SQM warehouse located at 7/20 Cheltenham Pde, Woodville SA 5011, we would welcome a visit to give you a guided tour and to meet with the team.



We are in the process of finalising our Customs Bond & Quarantine Facility applications and hope that we will have these finalised and approved very soon!

The office will also be moving to our new warehouse, and at this stage we anticipate that to have everyone operational by the 4th of September.

If you are looking for a 3PL storage solution in Adelaide or know someone that is, please get them to reach out as we are happy to have a discussion to see if Rohlig can provide you with the right solution.



For any New Business Enquiries please contact Mika Johansson on 0403825498 (mika.johansson@rohlig.com)

for any Existing clients please reach out to Sharon Olson on 0474233211(sharon.olson@rohlig.com).

CUSTOMS

2023/24 Brown Marmorated Stink Bug Season begins 1st September 2023

Albeit the Department of Agriculture, Fisheries and Forestry are yet to announce the 2022/23 BMSB season measures, we expect similar measures to those of the previous 2022/23 season.

We expect the Season will commence on the 1st September

We encourage Importers to Check if your goods need to comply with the seasonal measures

- Will the goods be shipped between 1 September and 30 April (inclusive)?
- Will the goods be shipped as sea cargo?
- Have the goods been manufactured in, or shipped from, a target risk country?
- Are the goods categorised as target high risk or target risk goods?

If you have answered yes to all the above questions, then BMSB measures will apply to your goods.

New Zealand has signed a free trade agreement with the European Union

On 9 July 2023 New Zealand and the European Union signed a free trade agreement. It is expected this agreement will enter into force by the first half of 2024. To find out more [CLICK HERE](#)

Australia–European Union free trade negotiations break down

The European Union and Australia have failed to conclude talks on the planned free trade agreement after differences remained unresolved, notably on agricultural products.

The EU and Australia opened negotiations in 2018 and had hoped to conclude talks this week. However, differences remained, particularly over the degree to which the EU will open its markets to Australian farm products, notably beef.

Australian Trade Minister Don Farrell said officials on both sides would continue negotiations and seek to meet again in August.

For more information on Australia–European Union free trade [CLICK HERE](#)

TRANSPORT

- The transport industry has met with federal ministers to discuss major transport issues in Australia, such as heavy vehicle safety, infrastructure investment, and workforce development.
- Monash University is looking at a new national road safety program to keep road users safe around heavy vehicles. The program will use data from truck cameras and sensors to identify risky behaviours and provide feedback to drivers and operators. The program aims to reduce crashes involving heavy vehicles by 20 per cent by 2030.
- Sydney terminals have been hit with heavy slot demands due to a number of vessel availabilities falling over the weekend which has a huge demand for import slots. The effect of this rolls over the weekdays which causes slot limitation. Transport companies have been encouraged to work over weekend and evenings to alleviate some of the congestion.
- In line with recent announcements of increases to WA empty container parks, we would like to advise that our Container Chain Booking Fee for all empty depots will be increased accordingly.
- Both wharfs Patricks and DP world continuing to release FFD days of collections on weekends forcing most carriers to work weekends to collect containers on stack runs.
- Quarantine – turnaround times for inspections have improved mainly due to the end of BMSB season.
- Fuel prices remain steady this month

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