

ROHLIG EXPERTS

Röhlig UPDATE
LOGISTICS

Röhlig Australia Market Update

05 February 2024

Dear Valued Customer,

Welcome to the first issue in 2024 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

This will be our last flight arrival update post-covid as we are more or less at pre-covid flight arrivals, sitting just under the 2019 average 120 per day into SYD.

That means the air cargo market is about back normal in terms of capacity, with supply/demand evening out and the cost of supply after 4 years of inflation keeping rates a little higher than pre-covid.

There is noise around airfreight rates being affected by the ongoing Red Sea attacks and rerouting of vessels around Africa, for now we have not seen a rate effect, however, air cargo volumes ex Europe are very strong for this time of year which indicates some potential effect.

If the situation is ongoing, we could see a challenge with rates as more air cargo enters the market after the summer holidays, and we will continue to monitor the situation closely.

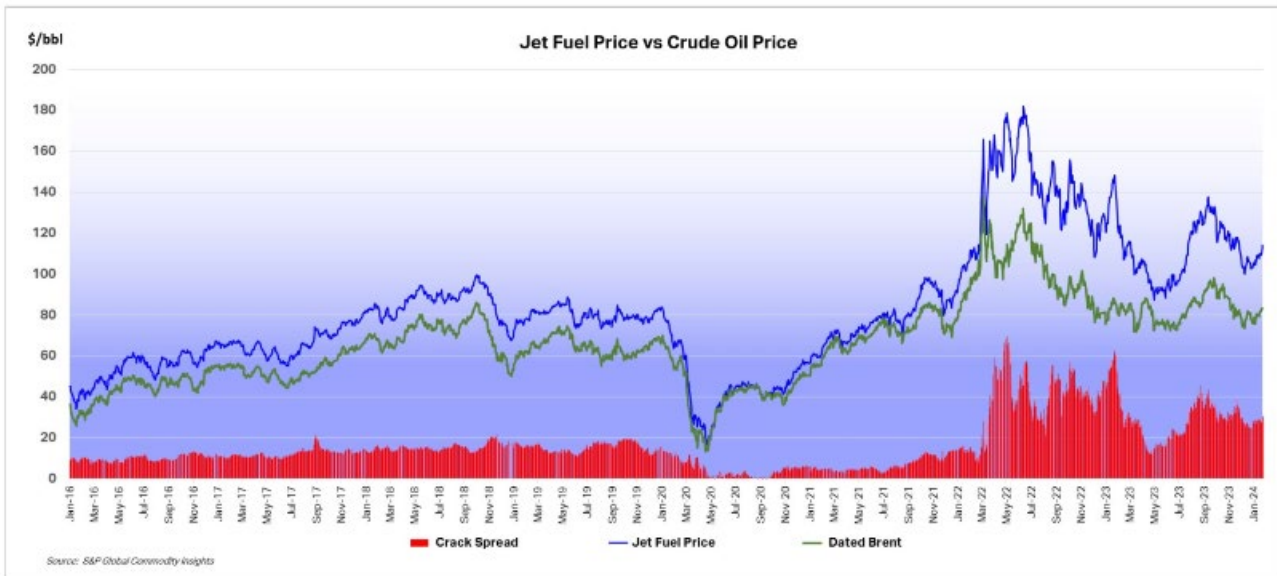
Oil and Jet fuel prices

Oil is on the rise after the lovely low prices of late December and January. The aforementioned Red Sea situation certainly doesn't help, however, OPEC have been looking for ways to increase the barrel price for months. The US have been increasing their own barrel price which is helping offset this for now. The jet fuel price continues to track, with the now large premium on barrel price holding steady.



See the chart, Source: <https://www.tradingview.com/chart/?symbol=TVC%3AUSOIL>

Jet Fuel Price Developments - Longer Term Perspective



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

Australia

Stable flights , stable rate through Jan and into Feb. Qantas have indicated a switch back to narrow body aircraft to New Zealand in Feb/March which may have some impact east coast into New Zealand.

New Zealand

Space has been on the improve into New Zealand, though it's still lagging on the near full recovery that Australia has seen. Rates tend to be higher by about 20% accordingly.

Asia

Rates have begun rising prior to Chinese new year which begins Feb 10th for 8 days. We expect strong upward pressure on rates until after the new year ends.

USA

Downward rates have been continuing ex USA with recent drops. We now aren't far at all from 2019 pricing so we expect this to be a bottom for the foreseeable future as passenger and freighter options are plentiful.

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, remember to speak to your local representative if you have a few extra days on your side for discounted rates.

Recent farmer and train strikes across the EU, with the train strikes in Germany of particular concern. With aviation security staff also striking we could see flight disruptions

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

2024 is already proving to be an extraordinary year in shipping. Nobody last year could have anticipated the enormity of the situation nor the significant impact it would have across all trades in our global supply chain. In our region, the DP World industrial action continues to directly disrupt operations in Sydney, Melbourne, Brisbane and Fremantle, with a flow on to Adelaide, as carriers discharge cargo in alternate ports and terminals or omit ports all together. Severe delays are noted as vessels wait to berth at least +10 days in many cases. Reduced number of sailings, for example, where shipping lines operated 4 loops in one month, they can now only manage 3, had led to lesser capacity in the market and mounting congestion at origin ports. It was announced on Friday of last week that the industrial action at DP World terminals has been withdrawn. Please note that it may take some time to clear back log of cargoes and disruptions will still be felt for the coming weeks.

Maersk adds fourth Tasman ship

Maersk Line will this week add a fourth vessel to its trans-Tasman Polaris service, in conjunction with changes to its OC1 East Coast North America product.A

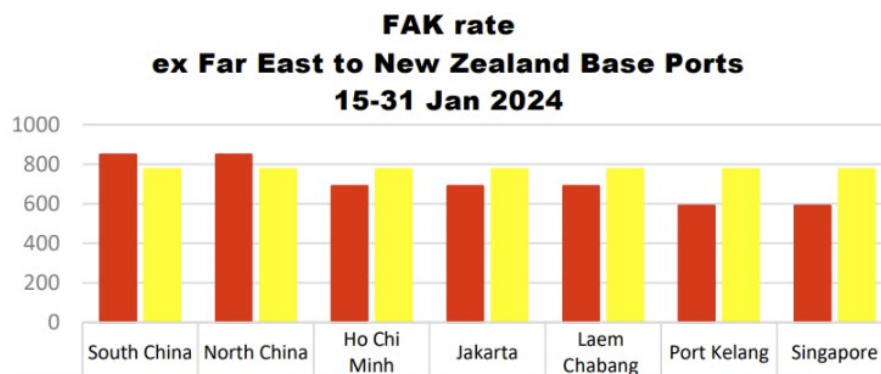
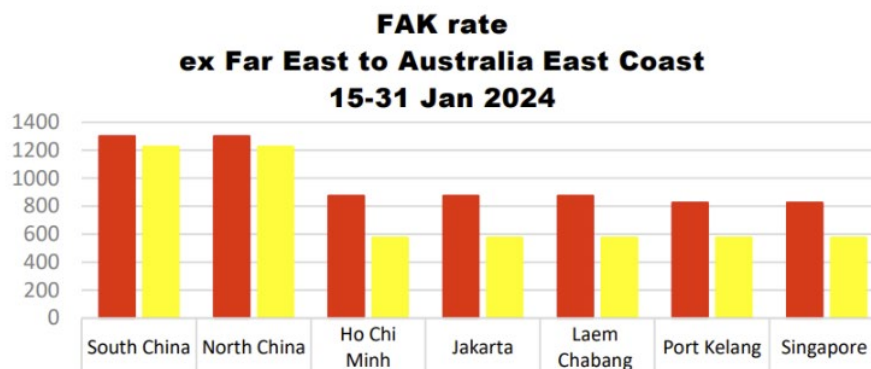
The 2824 TEU *Archer*, which has been 'freelancing' on various Maersk duties, is scheduled to arrive at Port Botany from Tanjung Pelepas on Wednesday evening (31 January) to take up Polaris service.

The addition of the fourth ship enables Maersk to increase the frequency of Tauranga calls to weekly, such that Polaris' weekly rotation now becomes Port Botany, Auckland, Nelson, Timaru, Port Chalmers, Tauranga, Port Botany.

Read more: [Maersk adds fourth Tasman ship - Daily Cargo News \(thedcn.com.au\)](https://thedcn.com.au/maersk-adds-fourth-tasman-ship/)

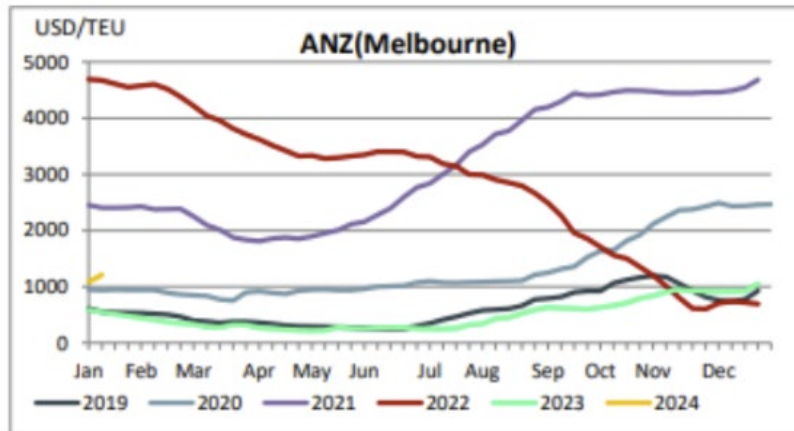
Asia

A succession of Rate increases in the way of Rate Restorations (RR) out of Asia to Australia continued this year and were advertised for 1st and 15th January. USD300/TEU was the advertised quantum effective 15th January ex. North East Asia and USD500/TEU ex. South East Asia to Australia and varying lesser amounts to New Zealand. This trend will continue post Chinese New Year if the current lack of space doesn't ease. Shipping lines are citing full vessels until end of February at least, so it's unlikely we'll see any reprieve on the higher freight rates in Q1. Chinese New Year holidays celebrating the year of the Dragon will see operations, factories and truckers shut down or operate skeleton staff for two weeks in February and some carriers have already planned blank sailings for February. Furthermore, the repositioning of empty containers from the Europe to the Asia trades is suffering delays due to the longer transit time to sail around the Cape of Good Hope to avoid the Red Sea. This together with delays on loops sailing back from Australia due to DP World strikes is leading to an equipment shortage in Asia. Congestions at South East Asia transshipment hubs in Singapore and Port Kelang are experiencing longer wait times than normal.



(*As a comparison over 3 carriers)

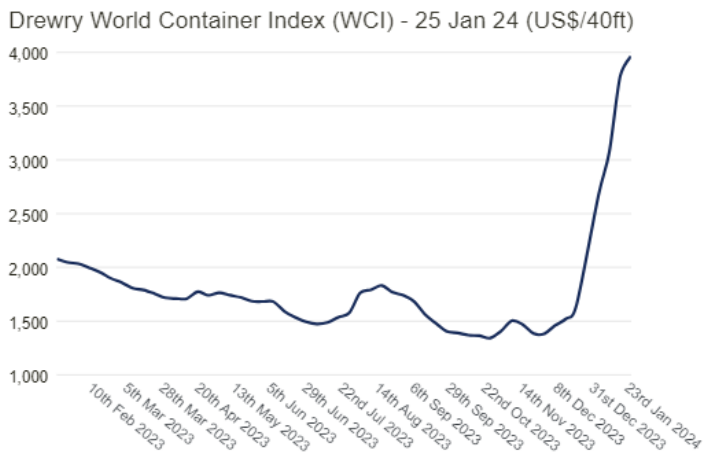
SCFI Index Development



Global

Drewry's World Container Index

Drewry's World Container Index increased by 5% to \$3,964.00 per 40ft container this week and has increased by 94% when compared with the same week last year. The latest Drewry WCI composite index of \$3,964 per 40ft container is the highest since October 2022 and is 179% more than average 2019 (pre-pandemic) rates of \$1,420.



Learn more: [Drewry - Service Expertise - World Container Index - 25 Jan](#)

Americas

Maersk opts for rail solution to combat Panama drought

“Reflecting the ongoing water situation in the Panama Canal, Danish carrier Maersk has amended its OC1 service, operating between Oceania and the Americas.

The vessels that utilised the Panama Canal before will now omit the Panama Canal and use a land bridge that utilises rail to transport cargo across the 80 km of Panama to the other side. This creates two separate loops, one Atlantic and one Pacific. Pacific vessels will turn at Balboa, Panama, dropping off cargo heading for Latin America and North America and picking up cargo heading for Australia and New Zealand. Atlantic vessels will turn at Manzanillo, Panama, dropping off cargo heading for Australia and New Zealand and picking up cargo heading for Latin and North America.”

Read more: [Maersk opts for rail solution to combat Panama drought - Splash247](#)

Europe

There has been no change to the Red Sea / Suez Canal issue and carriers continue to reroute their vessels via the Cape of Good Hope on their voyages to Asia and Oceania from Europe. The majority of vessels are now sailing this new route but some that do traverse the Red Sea may be escorted by military operations. It is very much on a vessel by vessel basis and carriers can change their routing at their discretion declaring a ‘force majeure’ situation. In order to be sure of the routing for your shipment/s please check with your local Rohlig representative. We advise you to also check with your marine insurance provider if your policies cover shipments via the Red Sea.

Below is an interesting map showing the current situation of vessel traffic from Europe to Asia via the Cape of Good Hope.



Mid-Year Economic and Fiscal Update 2023 – 24

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

Eradicating red imported fire ants

The Department will invest \$268.2 million towards the eradication of red imported fire ants. Fire ants are an aggressive invasive exotic species that swarm and inflict painful bites on people, pets, wildlife, and livestock. They also damage electrical utilities including air conditioners, streetlights, and telecommunications networks. Left unchecked, this pest has the potential to spread across the nation and cost over \$1.25 billion annually. This investment will pay for 350 new workers, a new depot, new vehicles, new aerial eradication contracts and an additional 1,400 tonnes of bait each year.

Facilitating agricultural exports

The Department will invest \$95.5 million to support Australian farmers to continue exporting food and fibre to the world. A further \$8.8 million will support the ongoing resumption of live cattle trade with Indonesia and Malaysia and mitigate the risk of further trade suspensions.

CUSTOMS

Simplified Trade System

The Department will invest \$53.5 million over four years from 2023–24 to continue development and delivery of a simplified trade system that will simplify cross-border trade for Australian businesses, while maintaining integrity of Australia's border and biosecurity. Funding includes:

- \$28.3 million over four years from 2023–24 to support delivery of simpler and better aligned rules for cross-border trade and streamlined models for government and trade business interactions
- \$25.2 million over four years from 2023–24 to trial new cargo intervention models for cross-border trade. This measure builds on the 2023–24 Budget measure titled Simplified Trade System – additional funding.
- \$21.0 million over three years from 2024–25 (and \$7.2 million per year ongoing) to maintain biosecurity clearance activities in international mail gateway facilities

A Stronger Deterrent at the Border Against Counterfeit Goods

Amendment of the Commerce (Trade Descriptions) Act 1905 to bring counterfeit goods within the Australian Border Force's infringement notice scheme, providing an additional deterrent to the importation of counterfeit goods into Australia.

Customs Duty – exemption on imported goods for the 2023 FIFA Women's World Cup

Exemption of FIFA, related entities, and commercial affiliates from customs duties on goods imported into Australia for the 2023 FIFA Women's World Cup (WWC) **retrospectively** from 1 January 2022 until 31 December 2028. The exemption provides a 'free' rate of customs duty for prescribed goods imported for the 2023 FIFA WWC. A new power will also be introduced into the Customs Act 1901 to make regulations to streamline the implementation of similar customs concessions for future international sporting events held in Australia.

Customs Legislation Amendment (Prohibited Exports and Imports) Regulations 2023

The regulations seek to:

- impose controls on the importation and exportation of drugs, and
- amend the Prohibited Imports Regulation

Kindly consult Australian Customs Notice No. [2023/49](#) for additional details and comprehensive information

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

Southeast Asia Economic Strategy

In September 2023, Invested: Australia's Southeast Asia Economic Strategy to 2040 (the Strategy) was launched. The Strategy sets out a pathway to strengthen Australia's economic engagement with the region by mapping emerging trade and investment opportunities in Southeast Asia and matching those with Australian capabilities. In response to recommendations in the Strategy, \$95.4 million in new initiatives has been announced for new investment deal teams based in the region, working with Australian businesses to increase investment in the region, a Southeast Asia Business Exchange program to boost Australia's trade in the region, and an internship pilot for young professionals to help build enduring links between Australian and Southeast Asian businesspeople.

Comprehensive Economic Partnership Agreement (CEPA)

Commencement of negotiation for a bilateral free trade agreement with the United Arab Emirates (UAE) Please see the attached [media release](#) from the Minister for Trade and Tourism, Senator the Hon Don Farrell.

TRANSPORT

The National container industry is currently grappling with several challenges.

The de-hiring of empty containers is hindered by congestion in storage parks, leading to logistical complexities. Ongoing strikes at the terminals are causing disruptions in container transportation together with the protests in Melbourne, resulting in a backlog which is expected to be resolved in the coming weeks.

Furthermore, delays in biosecurity inspections are also having an impact on cargo releases and deliveries. Despite these challenges, we are optimistic about the industry's ability to overcome these hurdles and restore normality in the near future.

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