



## Röhlig Australia Market Update – January 2023

January 2023

Dear Valued Customer,

*Welcome to the first issue in 2023 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](mailto:rohlig.australia@rohlig.com). We appreciate your suggestions and feedback.*

### AIR FREIGHT

#### Oceania, beginning of 2023

Flight numbers in January are finally on the move, with 80-90 flights per day now common into Sydney, that's now around 75% of pre-covid capacity.

We are starting the year with a dip in passenger airfares, which domestically, the Australian Competition and Consumer Commission (ACCC) is claiming is a result of pressuring airlines to reduce fares, though this really looks more like pure supply and demand. ( Read more: [Surprising change to airfare costs as tickets drop from December](#)).

Typically with all things related to passenger airline, we see a cargo flow on. Rates out of Asia, particularly the south-east have begun dropping, and we will see American rates lower before the next newsletter.

Europe rates are currently holding, however, flights were light on cargo through Christmas until the time of writing. The expectation is that will continue and in combination with increasing passenger flights, European rates are due to drop soon.

We are very early in our new year, though signs increasingly point to a positive outlook for lower freight bills in 2023.

#### Oil and Jet fuel prices

Oil has been trading in the 70 to 80 USD barrel range since November 2022, and there are no technical signs showing for now that we will leave this range. That's a busy travel period in which we didn't really see a rise in prices, and early January historically sees an increase.



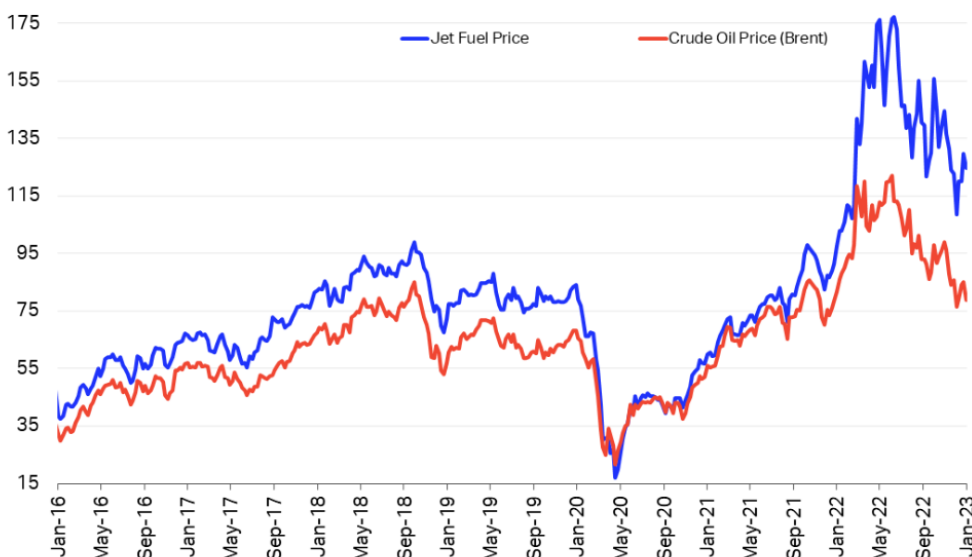
(Source: <https://www.tradingview.com/chart/?symbol=TVC%3AUSOIL>)

On the one hand, it is nice at the pump and excellent for fuel surcharges, on the other, it is not screaming 'economic recovery'. February and March will tell a big story.

Our jet fuel price still shows its alarming inflationary price difference to oil, which you can see started ripping high right as global reserve banks hit the interest rate panic button, but is also still tracking the peaks and troughs of oil for now.

#### Jet fuel price developments - longer term perspective

Jet Fuel & Crude Oil Price (\$/barrel)



Source: S&P Global, Refinitiv Eikon

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

## Australia

Rates out of Australia into NZ are stable for now, driven by Qantas' ability to shift to smaller aircrafts that correspondingly provide less space whenever their advanced passenger bookings drop off.

We could see additional Trans-Tasman entrants in the next quarter, which has the potential to shake up the local market. Exports elsewhere have eased in price as long as your cargo is staying away from east-west transits in the northern hemisphere.

## New Zealand

As mentioned above, Trans-Tas is stable and space is good. We are still seeing disruptions ex Europe into Auckland, where the 14-hour flight legs and ever changing aircraft types are creating minor havoc.

We expect a resolution to this within the next few weeks, with some proper wide-body freighter action returning to Auckland for the first time in a long time, finally putting in some competition (stay tuned!).

## Asia

Chinese New Year is upon us. Flights are more or less allocated right up to Chinese New Year, so very short term rates should push up, then ease right off post New Year once more flights resume.

From then on we are in a spot market again, where the expectation is we'll see rates drop off.

## USA

Early indications now are that we are seeing lower economic activity, combined with increasing flights which will push rates down this month. This is a nice area to see some relief. Likely, there will be a balance on how far we'll see these drop, as increasing costs on ground handling will keep the freighter networks expensive in comparison to a passenger.

That equilibrium will need to be found between freighters disappearing/prices holding and passenger aircraft cargo capacity. New freighter options ex JFK coming up mean we can now pickup those late week orders and still fly over the weekend, [contact us for more information](#).

## Europe

Europe into Australia is teetering on finally giving us some price relief. We are working hard to get results for all clients on European inbound, it's a "stay tuned" for now, though, we hopefully will have positive news soon.

Flights post-Christmas until now are not at capacity, if capacity remains under-utilised through January then a market drop off is inevitable.

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

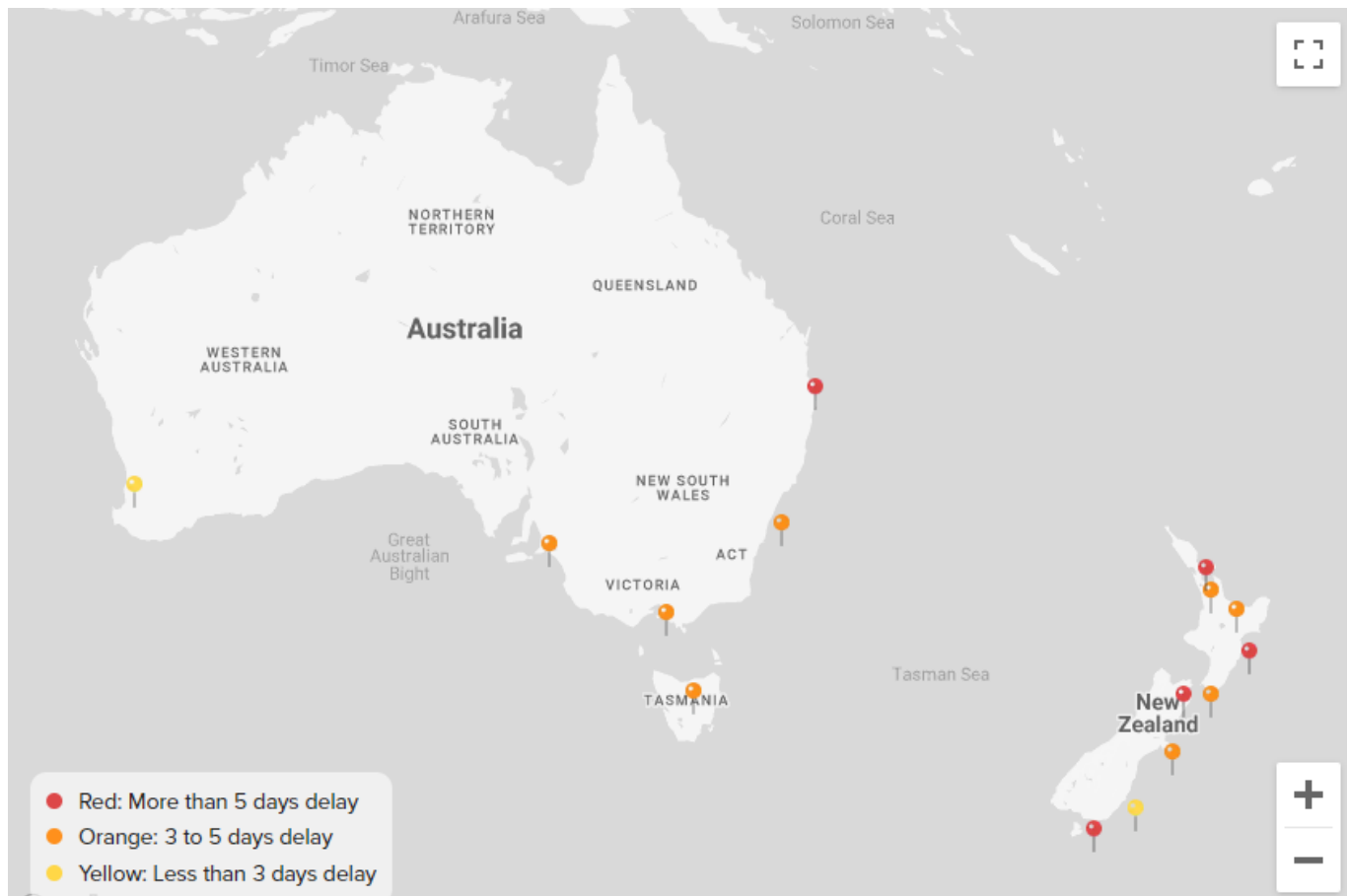
## SEA FREIGHT

### Oceania

There has been some softening to demand on the Oceania Trans-Tasman trade in the first few weeks of the year. However, recent issues at Auckland Dehire Depot has had a massive impact on container detentions and delays in container availability

ZIM have announced their re-instatement of their Napier and Port Chalmers calls on the N2A service adding more connections on their Trans-Tasman services. [Contact us if you need any information or support.](#)

## ANZ Port Congestion



\*([Port Congestion: Real Time Worldwide Port Congestion Status - GoComet](#))

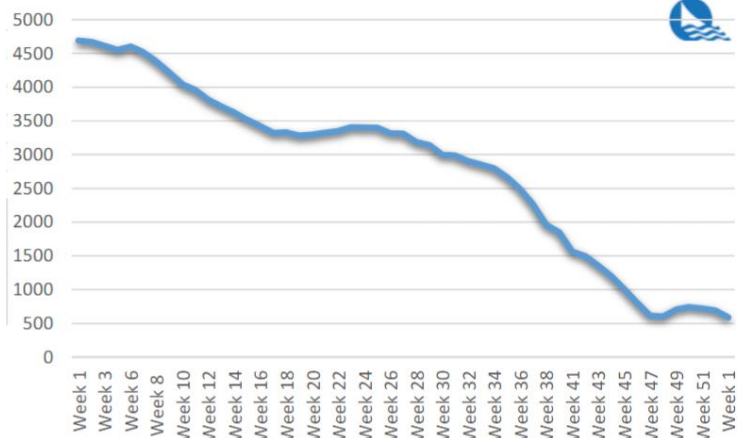
## Asia

A slowdown in demand for orders in China has already started in anticipation of Chinese New Year celebrations this weekend. Many people have commenced travelling to their home towns for the week-long holiday and we can expect operations to slow for the next couple of weeks as factories also start to close. Rates continue their downward trend to both Australia and New Zealand's main ports. There are a high number of blank sailings, more than last year, which shows just how low demand is this year during the Chinese New Year period. Many schedule delays on the trade have added to increased transit times and port omissions as shipping lines try to keep to their intended schedule times. We can expect to see blank sailings continue in the coming months in a bid to constrict the overcapacity in the market.

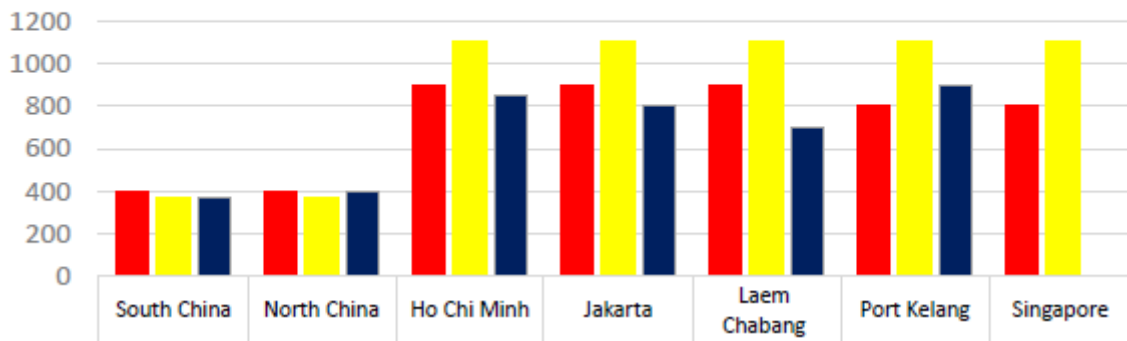
Carriers have not yet started negotiating any long term named accounts for 2023 and these will commence after Chinese New Year.

**SCFI - REGION - AUSTRALIA  
(MELBOURNE) PER TEU (USD)  
2022 TO 2023 WEEK 1-2**

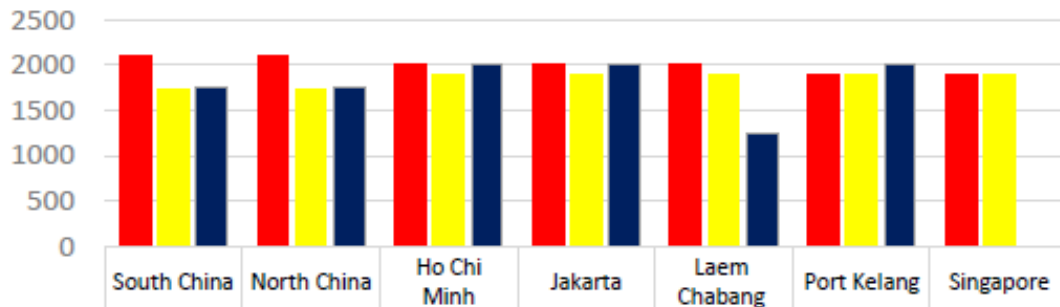
**WEEK 2  
2023**



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



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



(\*As a comparison over 3 carriers)

## Europe

Extra tonnage in the Europe SB market coming into the trade in February will help alleviate port congestion in Europe but may drive rates down further as demand is softer in Q1 2023 than we saw last year. The disparity between transshipment rates and direct rates grow further apart and transshipment hubs are not experiencing any notable delays at this time. The cold winter weather in Europe sees an already struggling energy crisis worsen and this may have a direct impact on bunker prices in coming months.

## Customs

### Free Trade Agreements

#### **Australia-European Union Free Trade Agreement (A-EUFTA)**

- While progress was delayed as a consequence of the reaction to the submarine projects decision it now appears to be back on track following the Prime Minister's visit in July.
- Still in discussions on about 30 chapters of the Agreement including technical barriers to trade and intellectual property, including geographical indicators.
- Hope to finish negotiations mid 2023 but operative date would be some time after that due to the treaty making process.
- Consignment rule still in discussion as are eligibility for goods made from imported parts and drawbacks. EU FTA commonly do not include these last two provisions.

#### **Australia-India Economic Cooperation and Trade Agreement (AI-ECTA)**

- The Australia-India Economic Cooperation and Trade Agreement (ECTA) will enter into force on 29 December 2022.
- Year 1 reductions will start 29 Dec 2022. Year 2 reductions will then start 1 January 2023.
- Note that the tariff reduction provisions at this time only cover up to and including Chapter 72 of the tariff. Further negotiations will occur next year for the remaining chapters of the tariff and are hoped to be concluded in 2023. This second agreement will be referred to as Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA).
- Certificates of Origin will be required.
- Draft guide to this FTA as is on the DFAT website <https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text>
- Rules of Origin are contained in Chapter 4 of the above.
- <https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-4b-product-specific-rules-origin>

#### **Australia-United Kingdom Free Trade Agreement (A-UKFTA)**

- Australia is very advanced in being ready to start this FTA. On 22 November 2022, the A-UKFTA passed the Australian Parliament but we do not yet have a start date. We are awaiting an update from UK as to their own progress. Once the domestic procedures have been completed, Australia and the UK will provide each other with confirmation of their completion through an exchange of diplomatic notes, and the agreement will enter into force 30 days later, or on any other date that is mutually agreed.
- The text of the proposed FTA is on the DFAT portal at <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/aukfta/official-text>
- Rules of Origin are at Annex 4 above

- Declarations of Origin from the producer or exporter will be permitted, with the required format and minimum mandatory information required being available at this link <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/aukfta/official-text/australia-uk-fta-annex-4a-data-requirements>

## **Quarantine**

The Department of Agriculture, Fisheries and Forestry intends to increase the Import Declaration charge

The Department advised its intent to cost recover for its increased efforts to manage hitchhiker risks through the [2021–22 Biosecurity Cost Recovery Statement \(CRIS\)](#), published on 25 March 2022. It has also been raised at various industry forums such as the Department's Cargo Consultative Committee.

The department intends to increase the Full Import Declaration charge for sea cargo (Sea FID) for each declared consignment arriving by sea from \$49 to \$58, commencing 16 January 2023.

Billing arrangements will remain the same with the proposed increase applied to Sea FIDs lodged on or after 16 January 2023.

A draft [Biosecurity \(Hitchhiker\) CRIS 2022-23](#) sets out the details of this proposed change to the Sea FID and is available on the department's website.

Please contact the department at: [BioCRIS@agriculture.gov.au](mailto:BioCRIS@agriculture.gov.au) if you have concerns or need support managing the transition to the new price.

## **Cessation of temporary BMSB measures for Roll-on Roll-off (RoRo) vessels from China**

To manage the increased detections of exotic stinkbugs on RoRo vessels, on 2 November 2022 the Department of Agriculture, Fisheries and Forestry (the department) introduced a temporary intervention measure for RoRo vessels carrying cargo from Chinese ports.

All RoRo vessels with cargo loaded from China were directed to conduct:

- A BMSB routine vessel inspection (RVI), followed by mandatory pyrethrum (pyfog) fogging and residual insecticide spray, with a follow up seasonal pest inspection (SPI).

## **The department has now ceased this temporary measure on 9 January 2023**

Upon submission of mandatory pre-arrival reporting, RoRo vessels with loaded with cargo from Chinese ports are now subject to same seasonal pest measures as for other vessels. The department's National Maritime Centre (NMC) officers will advise, through Biosecurity Status Document (BSD) issued from Maritime Arrivals Reporting System (MARS), specific biosecurity risk mitigation measures that are required.

Should detections of BMSB or other exotic seasonal pests increase along this entry pathway, the department may resume this additional measure.

The department requests vessel masters and crew to remain vigilant for BMSB and other hitchhiker pests, and to report any findings to the department at the earliest time possible.

For more information: [05-2023: Cessation to Temporary Brown Marmorated Stink bug \(BMSB\) measures for Roll-on Roll-off \(RoRo\) vessels from China - DAFF \(agriculture.gov.au\)](#)

## **Brown Marmorated Stink Bug (BMSB) 1st of December rule changes**

### **Goods Manufactured after the 1st of December**



## New, Unused and not Field Tested (NUFT) goods

- Certain goods that can meet all the following criteria will not be subject to mandatory BMSB treatment:
- Have the goods been manufactured on or after 1 December? (manufacture must start from 1 December of the current BMSB risk season).
- Are the goods classified under the following tariff chapters only: 82, 84, 85, 86, 87, 88 and 89?
- Can evidence be provided in the form of a BMSB NUFT (new, unused and not field tested) manufacturers declaration that the goods are manufactured on or after 1 December?

## BMSB NUFT Declarations

- In addition to [Minimum Documentary and import declarations policy requirements](#) for manufacturers declarations (sections 4.6.1), your BMSB NUFT Manufacturers declaration must also meet the following requirements:
- Must contain the statement “the product is new, unused and not field tested”
- Must have a manufacture start date.
- Note: As per minimum documentary and import declaration requirements, manufacturers declarations will only be accepted from the company that manufactured/produced the goods and must be issued by either the individual manufacturing site or head office within the country of manufacture unless a valid import permit or BICON case states otherwise.
- Note: The department considers goods field tested, if during the manufacture of the goods, animal or plant material or soil has been introduced or has come into contact with the machine or equipment.
- If evidence is not provided, the goods may be directed for export or onshore treatment (if permitted).
- A NUFT template has been added to the [Templates for documentary evidence](#) section of this page to use as a guide.

## Post Treat window ceases after the 1st of December

The post treatment window does NOT apply to goods treated from 1 December onwards. Containerised goods are no longer required to be loaded into a six hard sided container and sealed within 120 hours.

Break bulk (including flat racks and open top containers) – are no longer required to be loaded onto a vessel for export from the target risk country within the defined timeframe of 120 hours.

## [Australia's importing country requirements for phytosanitary certificates from 1 May 2023](#)

The Department of Agriculture, Fisheries and Forestry (the department) has issued Industry Advice Notice [02-2023](#) advising of changes to the Australia's importing country requirements for phytosanitary certificates from 1 May 2023

What is the issue?

Australia is receiving some paper phytosanitary certificates that are not signed, dated and stamped in accordance with ISPM 12.

Requirements for paper phytosanitary certificates from 1 May 2023

From 1 May 2023, paper phytosanitary certificates must have all required information in accordance with ISPM12, including being signed, dated and stamped. This applies to paper phytosanitary certificates dated on or after 1 May 2023.



Australia will not accept paper phytosanitary certificates dated on or after 1 May 2023 presented with QR codes only and without a signature, date and stamp.

Australia's importing country requirements for phytosanitary certificates

Australia accepts phytosanitary certificates that are:

1. Delivered via an agreed, secure government-to-government digital exchange, known as electronic certification or ePhyto/eCert. Australia currently only has such an arrangement with New Zealand for use in import clearance.
2. Original paper hardcopies issued by trading partners that have been dated, signed, and stamped.
3. Certified copies that are copies of an original hardcopy or printouts of an electronic phytosanitary certificate that have been dated, stamped, and countersigned.

On paper certificates, a 'stamp' can be in the form of a watermark or logo on the document that has been approved for use by the exporting country and communicated to the Australian IPPC contact point ([ippc.contactpoint@agriculture.gov.au](mailto:ippc.contactpoint@agriculture.gov.au)).

A 'signature' can be in the form of either a pen-inked signature directly onto the document or a printed image of a signature inserted into the document. Printed names will not be accepted.

Australia's acceptance of ePhytos or eCerts

Australia only accepts ePhytos or eCerts for use in import clearance where there has been a prior agreement to accept them via a government-to-government electronic exchange. This arrangement currently only applies to the government-to-government exchange of eCerts from New Zealand.

Countries sending ePhytos or eCerts to Australia without prior agreement and arrangements for electronic exchange cannot be accepted. Paper certification continues to be required until ePhytos or eCerts are bilaterally negotiated between Australia and the exporting NPPO.

Class 19 approved arrangements

From 1 May 2023, brokers or self-reporting importers lodging under a Class 19 approved arrangement must ensure that paper phytosanitary certificates have been signed, dated and stamped. Until 1 May 2023, brokers operating under a Class 19 approved arrangement may accept phytosanitary certificates that are not signed, dated and stamped providing they can be verified using the QR code or website link.

Further information

If you have questions or need further information, you can contact our Biosecurity Import Support team on:

- Email at [imports@agriculture.gov.au](mailto:imports@agriculture.gov.au)
- Phone (from within Australia): 1800 900 090
- Phone (from outside Australia): + 61 3 8318 6700

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**

