

ROHLIG EXPERTS

Röhlig LOGISTICS UPDATE

Röhlig Australia Monthly Update

September 2022

Dear Valued Customer,

Welcome to the Röhlig Australia September 2022 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 in a holding pattern

Some mild growth in flights since a month ago, with Sydney up to around 65-70 flights a day from 50, with Singapore and New Zealand showing good growth. We are not expecting more significant increase in ANZ through the rest of this year, though we will continue to monitor changes in airline traffic that could potentially ease space and cost. ([Sydney Airport](#))

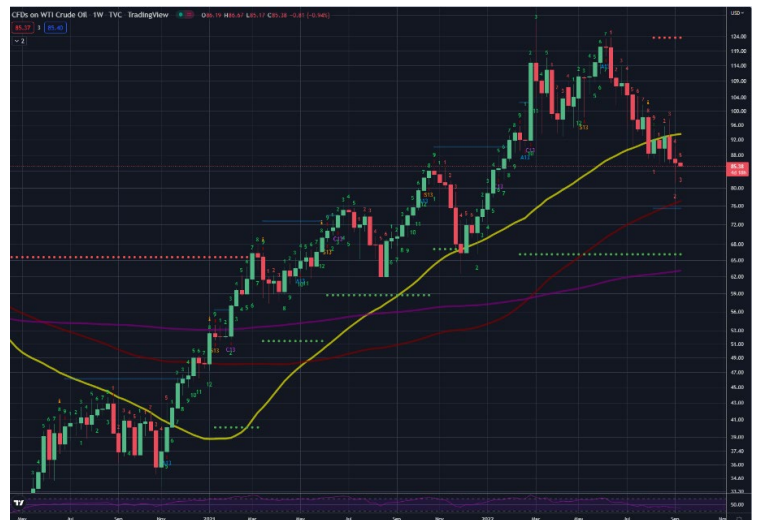
Nothing is ever simple at the moment, though, with increased strain on ground handling nearly spilling over into strikes in Sydney and Melbourne. That crisis was averted last week, which avoided quite a catastrophic scenario. ([Airport ground handlers to strike despite massive staff shortages](#)).

Peak season is now beginning, however, with skyrocketing inflation, in particular energy costs and a gloomy outlook on global GDP, we are not expecting the extreme peak season backlogs of 2021.

Oil and Jet fuel prices

Oil and jet fuel prices continue their bumpy run, with prices just recently increasing and now looking to resend down again in the weeks to come.

The lag in Jet fuel prices means our cost will head up in the back half of September before seeing the drop shown in current oil prices, sitting around 85 USD per barrel. (Read more [OPEC+ agrees small oil production cut](#)).



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

Australia

Passenger flights have had a nice increase since our last newsletter, with no additional freighter capacity. Freighters and passenger flights continue to be at capacity, with some easing in August, which is now being absorbed in September with increased tonnage.

With no notable changes that have affected capacity into and out of Australia recently, we haven't seen any change in end freight costs.

New Zealand

Trans-Tasman' wide bodies still remain in passenger demand, so they will stay around, for now, helping cargo from Australia. We haven't seen much further inroad from airlines operating from Asia/Europe. There had been some indication that Q4 could welcome additional flights. However, Q1 is more likely, with Emirates indicating Q1 for extra flights specifically due to the staff hiring challenges we've discussed before, with Christchurch flights being delayed until Q1 2023.

Flights inbound from Australia have increased, with Melbourne recently opening up and Sydney weekend flights increasing. We are now operating a Sunday flight SYD-AKL as a result of this increase.

There has been an uptick in air cargo brought into Australia then moving sea freight to NZ. There are some savings over pure Air freight for this option. Please [get in contact](#) with your Account Manager or Customer Service Representative for more information.

Asia

- Asia rates continue to be highly volatile. Yield management with Asian carriers heavily affects rates, as they balance demand from cargo transshipping from other parts of the world to Australia, keeping the rate market incredibly dynamic.
- Some localised Covid restrictions are currently in effect across the port cities of Dalian and Shenzhen, China, as well as in the west China travel hub of Chengdu. Although logistics services remain operational, please be advised of delays in these areas due to enhanced health check requirements and staff quarantine.
- The **National Day/Golden Week holidays** will take place from **October 1-7**. Little disruption expected during the national holidays, however Röhlig staff will still be standing by for urgent inquiries.
- The Ezhou Huahu cargo hub (EHU) has opened and is expected to operate closely with nearby Wuhan Tianhe International Airport (WUH) in Central China.
- Rohlig Taiwan reports that due to global inflation, export volume is dropping with airlines adjusting allocation per market demand. Should the trend continue, it is possible that air rates could decline.
- We are seeing a mini low season from China, with large heavy shipments benefiting most. [Contact us for any shipments you have](#), and we'll look at the best options for you at the time.

USA

- US space remains pert the status quo, with limited options. However, we are managing well with mid-west and east coast shipments. West coast can still be choppy, with passenger flights running across the long pacific route not always managing to take belly loads.
- Airline and terminals' staff shortages are ongoing and not dissimilar in Australia. We've been mitigating the delays on this effectively and hope to see some easing of shortages post the US summer.

Europe

- Europe has been relatively steady; the east coast for Australia has not seen the cost decrease that the west coast has, with New Zealand also keeping firm.
- The strong volume seen in June and July eased in August, and we are now just seeing the expected the ramp-up in volume to push into the end-of-year silly season. It's unlikely this year's peak demand will be that of last year, however, we will be prepared in case an unexpected spike does happen.

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

SEA FREIGHT

Oceania

New Zealand

New Zealand imports continue to experiencing high congestion with most vessels waiting up to 10 days for berthing windows. Shipping lines indicate that this will not change until at least Q1 2023. As a response, the Trans-Tasman rates on the West bound have increase for Q4 of this year by approx. USD250/TEU.

Australia

Empty parks are at full capacity and we are working on getting extended free time to help prevent large detention costs being imposed by the shipping lines.

ANZEX Service - Dropping BNE Call Effective from CMA CGM Seattle 385S/386N

Please be advised that the ANZEX Service will undergo structural change by dropping Brisbane call effective from CMA CGM SEATTLE 385S/386N and will be a dedicated North East Asia to/from New Zealand service.

The rotations are as follows:

OLD ROTATION: Hong Kong / Keelung / Shanghai / Ningbo / Shekou / Kaoshiung / Brisbane / Auckland / Lyttelton / Wellington / Napier / Tauranga

NEW ROTATION: Hong Kong / Keelung / Shanghai / Ningbo / Shekou / Kaoshiung / Auckland / Lyttelton / Wellington / Napier / Tauranga

The changes are in line with ANL's recent development with commencing ANZ Shuttle servicing Brisbane to/from New Zealand.

NPDL boosts NZ-Fiji and NZ-Tahiti

NPDL has introduced a dedicated New Zealand-Tahiti service and reintroduced a second vessel to its New Zealand-Fiji operation. These developments and other network adjustments follow the deployment of the 175-metre and 18,123-GT container ship *Capitaine Tupaia*, which is scheduled to commence the dedicated service on September 14 at Auckland with its first call to Papeete nine days later.

An NPDL spokesperson said the addition of the 1713-TEU *Capitaine Tupaia* would “*significantly enhance connections and increase supply chain reliability across our network*”. “*Capitaine Tupaia is the same size as Capitaine Tasman and Capitaine Dampier,*” the spokesperson stated. “*Now that we have three homogenous 1700-TEU, geared vessels, it provides us with greater flexibility to manage ongoing port disruptions and offers additional capacity to ensure we meet future MARPOL emission reductions requirements, beginning in January 2023.*”

The spokesperson said NPDL was committed to delivering a robust suite of freight services tailored to meet the demands of the South Pacific. (Learn more: [The New Zealand Shipping Gazette September 10, 2022](#))

ANZ Port Congestion (as of September 17, 2022)



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

Asia

Rates ex. Asia, particularly NEA to AU/EC have been in free fall the last couple of weeks and this has increased the disparity between contract rates and general cargo. Demand from Asia to Oceania has been softer than historically at this time and a Peak Season this year is yet to materialise.

Golden Week is fast approaching and this may have an effect on volumes increasing in September, however, we do not expect this to be as strong as previous years. Warehouse utilization is very high, customer inventory is full, China is going in and out of localised partial lockdowns which continues to affect production, whilst some factories remain shut for lack of workers and shortages of raw materials.

Shipping lines are strategically announcing blank sailings to artificially generate demand, placing a squeeze on space in an effort to prevent rates from falling further.

South East rates and space remain much the same as the previous month, and rates are more stable. Stronger demand from this region to Oceania means that we need to continue to book in advance to ensure space.

Typhoon Hinnamor

Typhoon Hinnamor has forced the ports of Shanghai, Ningbo and Busan to close, further disrupting shipping schedules from Asia. Shanghai's container terminals and equipment yards were closed at 4pm yesterday "until further notice", according to Norman Global Logistics (NGL). Ningbo's terminals closed on Friday, the forwarder added. Thomas Gronen, head of Greater China at Fibs Logistics, told The Loadstar: "We haven't had any delay notices from the shipping lines, but we need to check the individual vessel status, case by case". (['Massive' typhoon disrupts ports and airports in Shanghai, Ningbo and Busan - The Loadstar](#))

- Typhoon Muifa may cause disruption along the east coast of China between September 15-16.

- Ningbo Meidong container terminal, as well as Shanghai Yangshan, Outer Ports and Wusong/Yidong port areas have announced the temporary suspension of empty and laden container pick-up and gate-in on September 13 and early September 14. The suspensions will be in place until further notice.
- Logistics services remain operational after the recent earthquake recorded in west China. However, please be advised of possible price increases.
- Cargo and document cut-off scheduled September 29 prior to the National Day/Golden Week holiday.

ZIM – Blank sailing arrangement (C3A/CAX/C2A) in week 40 & 42 For details

Please be informed that there will be blank sailings in CI6 on ETA Shanghai 1 & 8 Oct positions due to Chinese National Holidays. For further queries, or required information, please [contact your Rohlig local representative](#).

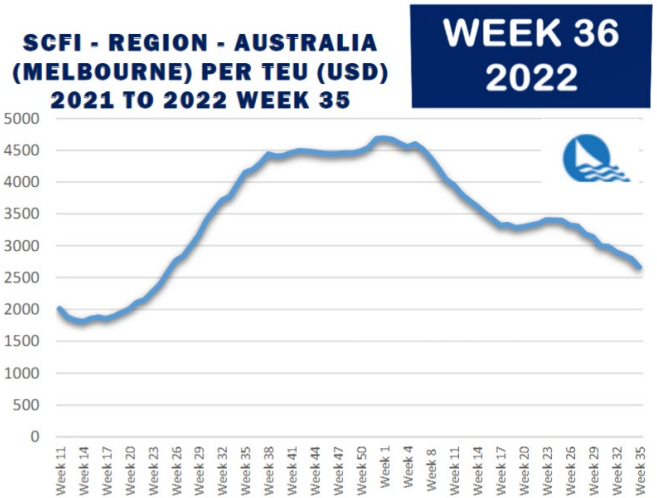
Asia to ANZ

SCFI index falls a further 10%

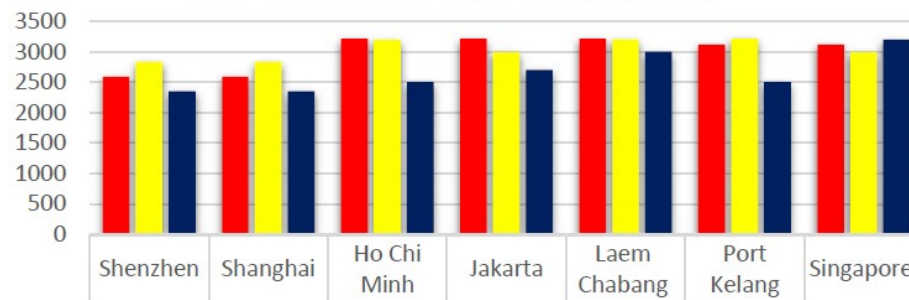
The Shanghai index, measuring spot rates on container freight from the Chinese city to many global destinations, fell by 10% this week to 2,562.12, thus showing 13 weeks of consecutive decline.

The index is thereby down by 43.9% against the same period last year. Throughout this last year, freight rates have been driven dramatically upward by massive demand following the Covid-19 lockdowns as well as supply-side problems of varying nature, and this development also continued into the first week of January, when the SCFI set a record at 5,109.6.

(Read more [SCFI index falls a further 10%](#)).



FAK - Far East to AU (1-14 Sept, 2022)



**As a comparison over 3 carriers*

FAK - Far East to NZ (1-14 Sept, 2022)



**As a comparison over 3 carriers*

Europe

Demand out of Europe remains stable and volumes are still healthy and on an upward trend. The economic situation in Europe is deteriorating due to high inflation and increase in the cost of energy. We are expecting Europe action to cap the price of energy and there may be a decrease in the bunker price which will release pressure on European suppliers to cope with Oceania orders.

Therefore, rates out of Europe to Oceania for Q4 have softened as a result. Extra capacity is coming into the market for the direct carriers in mid-September which will also ease the congestion and realign schedules to weekly.

Liverpool port faces two-week strike from September 19

More than 560 port operatives and maintenance engineers at the Port of Liverpool, one of the UK's largest container ports, will down tools from September 19 to October 3 over pay and working conditions. Dockworkers voted for strike action in August after being offered a 7% pay increase by MDHC Container Services, part of Peel Ports, the second largest port group in the UK. The Unite union said the offer was inadequate and far below the current real inflation rate, which is estimated to reach 13% this year.

Workers will also strike over MDHC's failure to honour the 2021 pay agreement. This includes the company not undertaking a promised pay review, which last happened in 1995, and failing to deliver on an agreement to improve shift rotas.

The strike action will severely disrupt both shipping and road transport in Liverpool and the surrounding areas, Unite warned, adding that more strikes are set to be scheduled in the coming weeks if MDHC fails to put forward an acceptable offer to the workers. The planned Liverpool strike comes on the heels of an eight-day walkout by 1,900 Unite members at Felixstowe, Britain's largest container port, last month, which congested supply lines but failed to cause major disruption in an industry already under pressure. (For more information: [Liverpool port faces two-week strike from September 19 - Splash247](#))

Potential second Felixstowe strike may overlap with Liverpool walkout

It is expected that dockers at the port of Felixstowe are set to be balloted over a second strike, which may be timed to overlap with a walkout at Liverpool.

Port users fear the new action could involve a 15-day walkout, coinciding with a two-week strike at [Liverpool starting 19 September](#).

Unite national officer Robert Morton told The Loadstar: "Unite is surveying our members at the port of Felixstowe. "This is to determine which course of action they wish take next." Mr Morton refused to either confirm or deny an overlap with action at the Mersey port, where more than 500 workers are also represented by Unite. (More info [Potential second Felixstowe strike may overlap with Liverpool walkout - The Loadstar](#))

USA

Please note that we have been advised the US Freight railroads are preparing for a possible strike to commence on Friday, September 16th. In light of this, the railroads have begun to reduce service effective on Monday September 12, 2022. Contract negotiations are ongoing, so these rail preparations and reduced services do not mean that a work stoppage is unavoidable.

The "cooling off period" expires on September 16th, but negotiations continue to work toward an agreement with the final 2 rail unions. Even if an agreement is made by Friday, September 16, we do expect some rail service disruptions and delays due to the announced service reductions by the railroads. As of Monday, September 12, the rail lines stopped accepting any hazardous container, reefer containers or security-sensitive containers.

(Learn more [Congestion alert as US railroads brace for strikes](#))

Customs

Quarantine

2022/23 Seasonal measures for Brown marmorated stink bug (BMSB)

The BMSB season started on the **1st of September**.

Will your Importations be affected by the BMSB Measures?

- Will the goods be shipped between 1 September 2022 and 30 April 2023 (inclusive)?
- Will the goods be shipped as Sea Cargo?
- Have the goods been manufactured in, or shipped from, [Target High Risk Countries](#)?
- Are the goods being shipped LCL or categorised as [Target High Risk Goods](#)?

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

To find out more, we encourage our customers to reference the Rohlig [BMSB flyer](#) and the Departments guide [Preparing to import goods during the BMSB season - DAFF \(agriculture.gov.au\)](#)

More news from Rohlig Global:

- [Röhlig Logistics opens a new office in Queretaro, Mexico, and expands its global network](#)
- [Röhlig Logistics expands its global network with the opening of a branch in Switzerland](#)
- [Röhlig Asia Logistics Newsletter – September 2022](#)

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 Rohlig Australia and New Zealand

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