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Röhlig Australia Market Update

10 April 2024

Dear Valued Customer,

Welcome to Röhlig Australia Monthly 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.

Röhlig Australia Achieves CEIV Li-batt Certification

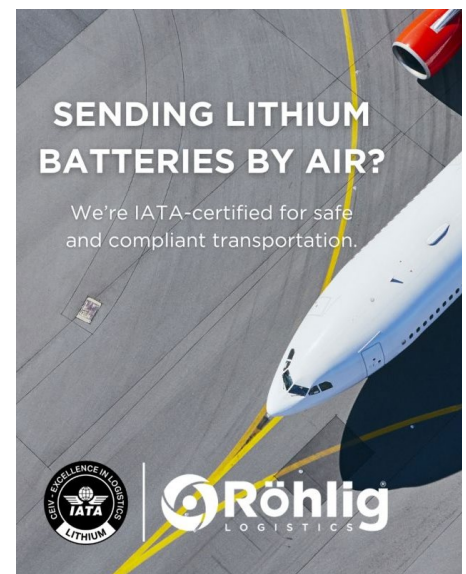
Röhlig Australia has achieved a significant milestone by receiving the prestigious IATA Center of Excellence for Independent Validators Lithium Batteries (CEIV Li-batt) certification for all branches across Australia.

According to the International Air Transport Association (IATA), lithium batteries are classified as dangerous goods due to their potential to ignite, making their safe transport a top priority. The CEIV Li-batt certification, introduced by the IATA, is a rigorous validation ensuring the safety and compliance of the lithium battery product supply chain with applicable transport regulations. To attain this esteemed recognition, Röhlig Australia underwent a comprehensive certification process, including extensive employee training, meticulous on-site assessments, and a final validation.

Mat Vermeulen, Managing Director of Röhlig Australia, expressed his excitement, stating, "We are proud to be the **only** freight forwarder in Australia recognised with the CEIV Li-batt certification. This accomplishment underscores our expertise in handling lithium batteries and our unwavering commitment to regulatory compliance. With highly efficient, standardised processes and a dedication to the highest safety standards, our customers can have complete confidence that their goods containing lithium batteries are in safe hands."

The certification of Röhlig Australia's facilities represents just one of many steps for the international logistics solutions provider. A roll-out to additional offices and countries within Röhlig's global network is anticipated in the coming months, further solidifying the company's commitment to excellence in logistics services.

To learn more and see the accreditations, please [CLICK HERE](#)



AIR FREIGHT

Oceania

The air market is very stable at present, the bulk of airlines have set routes in place for the northern hemisphere summer season, air rates for most sectors are at their lowest for 4 years, perhaps lower inflation adjusted.

Increased northern hemisphere flights have pulled some widebody aircraft north, giving us some squeeze on capacity Trans -Tasman, however that is the only downside at present.

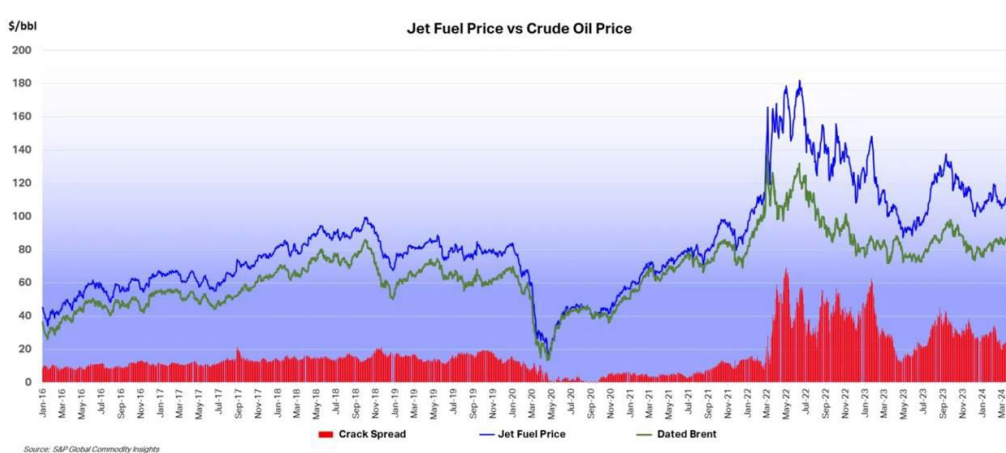
Fear around the red sea shipping situation creating airfreight bottle necks have not eventuated, we don't expect this to cause any further issue.

Oil and Jet fuel prices

Oil has rebounded of the lows in December and January, below 70 USD/barrel to 85 USD at the time of writing. Some easing of inflationary pressures in jet fuel production have kept fuel surcharges in check for now, keeping a lid on any increases expected from rising oil prices, however we will wait to see how this develops further.



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



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

Australia

Stable and abundant flights from most sectors, as above, the only downside we have is Trans-Tasman, with both Qantas and Air New Zealand moving the bulk of their widebody aircraft to longer routes. This has limited our Trans-Tasman options, however, we are well set for the coming months. Most flights across are now narrow body aircraft with very limited cargo uplift.

New Zealand

Trans-Tasman trouble aside, New Zealand has seen a good downtrend in costs mostly in lockstep with Australia. While there are less flights and in particular less freighters, options remain good, with costs around 25% higher than AU on freight.

Asia

Most Asian lanes still running on a spot basis, with some areas bucking the trend with stability from north China and Malaysia. As always, high dense cargo can attract great rates.

USA

North America has been stable now for some time. With rates and cargo volumes decreasing, we are seeing pressure on existing freighter flights in particular that require to be full to fly, this has seen a decrease in freighter capacity, with passenger craft now contributing an ever increasing share of the cargo market.

This has limited some flexibility for larger shipments, however, with cargo volumes lower this has been mitigated for now. Contact us for the best airfreight in the business, email rohlig.australia@rohlig.com or [call our Team](#).

Europe

The biggest effect we've seen of recent has been cost drops ex Europe coming into effect for the northern summer. There is an abundance of flights in particular to the east coast, with Perth still showing some limitations, still being serviced entirely by passenger options. We continue to operate both premium and economy options to most Australian destinations.

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

After news that the New Zealand economy slipped into recession in the latter part of 2023, it comes as no surprise that 2024 conditions remain challenging. Continued and mounting pressure on living costs, shortages in skilled labour and the housing crisis have all contributed to a downturn in discretionary spending. This is not helped by the unemployment rate climbing due to redundancies and mortgage pain from very high rates. Many vertical markets are citing lower than usual orders such as in the agriculture, construction and mining and retail sectors. Local container transport operators are claiming to be 20-30% down on previous years. Exports from New Zealand are soft and empty depots in Auckland having occasional issues with congestion, but hoping it will ease in the coming month.

The good news is that space on Trans-Tasman services both from Australia to New Zealand and New Zealand to Australia remain open and rates are stable.

Auckland Port Operations

- Port congestion *averaging - 1 day
- Average import dwell time * - 2 days

Tauranga Port Operations

- Port congestion averaging - 1 day
- Average import dwell time - 2 days
- Rail transit TRG/AKL est 2 – 3 days

Lyttleton Port Operations

- Port congestion averaging - 1 day
- Average import dwell time -2 days

Asia

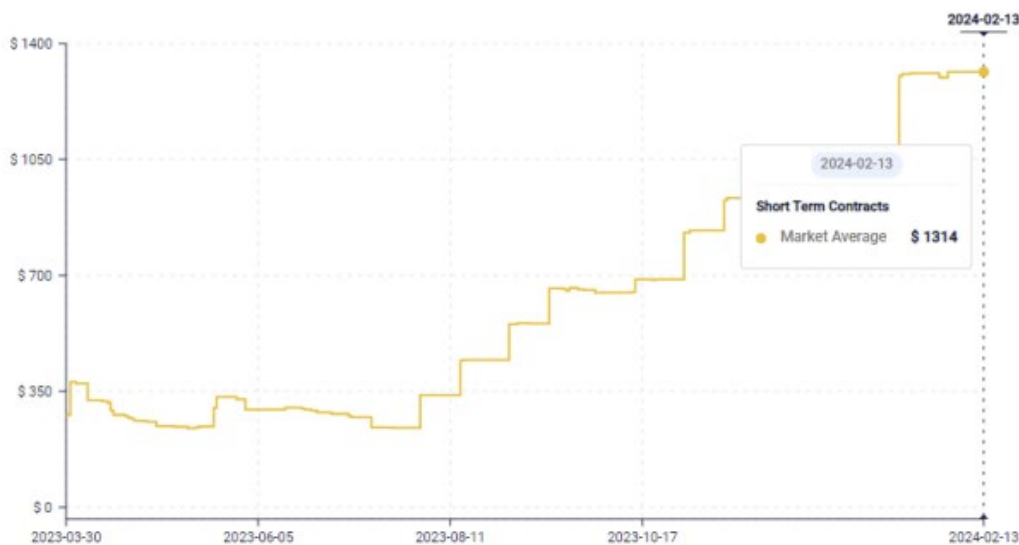
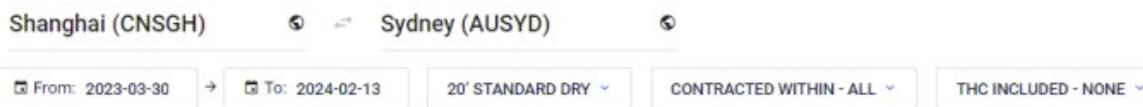
After the Lunar New Year extended factory closures, the rates out of Asia to Oceania started to fall over a few rate cuts in March. However, the rate reprieve is to be short lived and General Rate Restorations (GRR) have been announce on North East Asia to Australia and New Zealand routes. The quantum of USD300/TEU has been announced effective 15th April on all North East Asia cargo to Australia and USD150/TEU also effective 15th April from North East Asia to New Zealand.

The strict blank sailing programs in April and May will further constrict available capacity to our region and the projection is that rates will be increasing further from all of Asian ports. This is not to say that demand for imports is up but rather a way for the shipping lines to control the market and stem the losses from operating at unsustainable rate levels last year. Carriers are knocking back some opportunities due to a mounting roll pool in Asia and are stating that vessels are full until end of April, at least. Due to the severe restriction in capacity, some carriers are starting to see congestion at transshipment ports such as Singapore, and bookings on direct services have been pushed to tranship at the discretion of the carriers. Please reach out to your Rohlig Customer Service representative to discuss your sailing options.

Breakbulk/over dimensional and RORO capacity is opening up ex. CN /KR/ JP with some good opportunities for space, but remains closed from Europe.

Named Account opportunities are still being discussed but with a reduced appetite from the carriers as they anticipate the imminent rate increases.

Although we should be in what is traditionally a slack season in Q2, this year is proving again to be and exceptional



year!



Europe

The attacks on shipping lines in the Red Sea continues with no signs of abating. Transit times have increased dramatically with the new routing and schedule reliability is still volatile. Some mitigation of the Red Sea Surcharges (also called PSS) has been offered by transshipment carriers from Europe to Australia however, all Oceania-bound vessels continue to sail around the Cape of Good Hope.

There has been a blank sailing on the direct services from Europe to Australia however, space remains open and rates are being held for all of Q2.

[Red Sea update: More ships attacked as Houthis claim danger area 'expanding' - The Loadstar](#)

Americas

It has been a week since the pylons of the Francis Scott Key Bridge in Baltimore port was struck by a large containership, the Maersk operated *Dali*. The vessel had lost power but was still able to issue a mayday call that enabled police to block traffic at either end of the 1.6-mile bridge prior to its collapse, but it sadly still resulted in casualties.

We understand that nearby ports have been handling about 20% below the throughput volumes experienced during the COVID cargo peaks and the expectation is that they should be able to cope with Baltimore overflow.

[Ship Lost Control Before Hitting Baltimore Bridge \(gcaptain.com\)](#)

Maersk's OC1 resumes Panama transits

"AFTER a break of around four months Maersk Line's OC1 service will resume Panama Canal transits in mid-May.

The carrier split its ANZ-East Coast North America service into two loops in January, citing the Panama Canal Authority (ACP)'s drought-driven reduction in the number of allowable daily passages. The Pacific leg (ANZ-

Balboa, Panama-ANZ) operated with eight ships and the Atlantic leg (Manzanillo, Panama-Latin America-East Coast North America) with three, with containers land bridged by rail between the two, 80km across Panama.

As a consequence Cartagena calls were omitted; simultaneously Maersk replaced Port Botany with Brisbane calls on the Pacific leg and expanded its Polaris (trans-Tasman) service to four vessels using Port Botany as the Australian base port.

The Gatun Lakes were plagued by low freshwater levels for much of 2023, causing Canal draft and passage restrictions, mostly thanks to a severe El Niño. Good rainfall in November and December saw the situation gradually improve, such that instead of a February projection of just 18 transits per day the Authority was able to open up to 27 per day last month.”

Read more: [Maersk's OC1 resumes Panama transits - Daily Cargo News \(thedcn.com.au\)](https://thedcn.com.au/maersk-oc1-resumes-panama-transits/)

Customs and Quarantine

Customs Update

Tariff reform: removal of nuisance tariffs

The Australian Government is set to abolish around 500 nuisance tariffs in the biggest unilateral tariff reform in two decades to boost productivity, reduce compliance costs for businesses and ease the cost of living for Australian families by over \$120 million over the next four years.

From 1 July 2024, tariffs will be abolished on a range of imported goods including household necessities such as toothbrushes, tools, fridges, dishwashers and clothing.

These tariffs do nothing to protect Australian businesses because they apply to goods that often arrive under a concessional rate.

More Information: [Tariff reform: removal of nuisance tariffs | Treasury.gov.au](https://www.treasury.gov.au/tariff-reform-removal-of-nuisance-tariffs)

Quarantine Updates

The end of the 2023/ 24 BMSB Season approaching

BMSB seasonal measures apply to targeted goods manufactured in or shipped from target risk countries, that have been shipped between 1 September and 30 April (inclusive).

Meaning goods shipped on or after the 01 May 2024 will not require BMSB treatment.

More information: [Seasonal measures for Brown marmorated stink bug \(BMSB\) - DAFF \(agriculture.gov.au\)](https://www.agriculture.gov.au/seasonal-measures-for-brown-marmorated-stink-bug-bmsb)

New Biosecurity Cost Recovery Charge for shipments under \$1,000 (Self Assessed Clearance).

A new biosecurity cost recovery charge will commence from 1 July 2024 – referred to as the Biosecurity Self Assessed Clearance (SAC) Charge.

This was announced by the Australian Government as a key element of its 2023-24 Budget [Biosecurity Sustainable Funding measures](#).

A consultation cost recovery implementation statement (CRIS) to set out the context and cost recovery foundations for this charge will be released shortly.

More information: [Self-Assessed Clearances cost recovery - DAFF \(agriculture.gov.au\)](https://www.agriculture.gov.au/self-assessed-clearances-cost-recovery)

For more information [CLICK HERE](#) or [contact your Röhlig Customs Broker](#) Representative.

TRANSPORT

We continue to face delays with quarantine inspections across the country. Hopefully, this situation will begin to improve soon.

The rail closure in Western Australia caused more deliveries going to and from the West Coast and along the East Coast. This put extra pressure on our service suppliers Nationally. Now that the Perth rail service is back, things are getting better. We expect things to improve more as the situation calms down and rail services get back to normal.

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