END TO END SUPPLY CHAIN SPECIALISTS

# MPW Supply Chain Consultancy

SUPPLY CHAIN CONSULTANCY

## MPW SUPPLY CHAIN - INDUSTRY UPDATE - 18TH SEPTEMBER 2024

OCEANFREIGHT | AIRFREIGHT | LOCAL TRANSPORT | WAREHOUSING/3PL | COURIER |

## AUSTRALIA & NEW ZEALAND NEWS

### COMMODITY SLUMP HAS RUN A BULLDOZER OVER OUR MINERS, AND EXPORT INCOME

Fears of a global slowdown following two years of interest rate hikes and a Chinese economy rapidly running off the rails have hit demand, while a huge ramp up in mineral supply suddenly have coalesced.

For a nation like Australia that relies upon mineral exports, the consequences could be significant.

Last month, Treasurer Jim Chalmers warned plunging commodity prices could cost the federal budget $4.5 billion. ABC News

### THIRD RUNWAY AT MELBOURNE AIRPORT TO SUPPORT FREIGHT ACCESS

The federal government has given the all-clear for construction of a third runway at Melbourne Airport, with anticipated benefits for the air freight sector.

The development plan was approved on Friday (13 September) by federal minister for infrastructure and transport Catherine King, who has imposed certain noise-related conditions that need to be met for the runway to proceed.

The 3000-metre-long runway is expected to open in 2031, increasing the airport's capacity by allowing for simultaneous take-offs and landings The DCN.

### ICS LAUNCHES NEW GUIDE TO REDUCING EMISSIONS

The International Chamber of Shipping (ICS) has announced the release of the second edition of Reducing Greenhouse Gas Emissions: A Guide to International Regulatory Compliance.

The global shipping organisation says the resource provides shipowners, operators, and managers with essential guidance on navigating the increasingly complex regulatory landscape of maritime decarbonisation. The DCN

## SUPPLY CHAIN NEWS

### DSV AND DEUTSCHE BAHN AGREE €14.3BN SALE OF DB SCHENKER

Finally putting an end to all the media leaks, this morning Deutsche Bahn (DB) and DSV announced they have agreed a deal for the purchase of DB Schenker – subject to DB's supervisory board approval.

DB's board has signed a deal which will give DB Schenker an enterprise value of €14.3bn, which, with interest before closing, will be a total sales value of €14.8bn. All sale proceeds will go to DB, which will help it cut debt. The Loadstar

### SEVERE FLOODS CAUSE DELAY AND DISRUPTION ACROSS CENTRAL EAST EUROPE

Severelooding across central and eastern Europe is leading to transport delays, forwarders have warned.

The border between the Czech Republic and Poland was hit by heavy rain at the weekend, forcing some residents to evacuate and bridges to collapse – so far, 17 people across the region have died. The Loadstar

### AMAZON SAYS INACCURATE DATA LED TO 'PRIME POLLUTER' LABEL

Amazon has kicked back against last week's article in The Loadstar, which reported that a joint investigation by environmental research groups had come to the conclusion that Amazon's sustainability strategy was merely 'greenwashing'.

The investigation, conducted by Stand.Earth Research Group, Ship It Zero and Pacific Environment, was based on "inaccurate data", according to the etailing behemoth. The Loadstar

## OCEANFREIGHT

### TYPHOON BEBINCA SHUTS DOWN PORT OPS IN SHANGHAI AND NINGBO

Departures from Shanghai's container terminals are likely to be erratic following typhoon Bebinca causing serious vessel bunching that could also lead to serious disruption to vessel schedules at destination ports.

Bebinca is the strongest typhoon to hit Shanghai since 1949, and ships that moved away from the port in anticipation of the storm will return over the coming days, resulting in vessel bunching that is expected to cause delays lasting over a week. The Loadstar

### OCEAN FREIGHT RATES CONTINUE TO TUMBLE AS PEAK COMES TO AN EARLY END

Spot freight rates on every major container lane continued to tumble over the past week as demand remained flat, while a possible short-term pre-Golden Week upsurge has so far failed to materialise.

Golden Week begins on 1 October and the week-long public holiday sees work stop across the country – in previous years there has often been a spike in demand over the fortnight before it begins. The Loadstar

### WORLD CONTAINER INDEX CONTINUES STEEP DECLINE

Drewry's World Container Index has continued its sharp decline this week, decreasing 13% to US$4168 per 40-foot container.

The latest composite index of US$4168 per 40-foot container is 60% below the previous pandemic peak of US$10,377 in September 2021.

Further, it is 193% more than the average pre-pandemic 2019 rate of US$1420.

The average composite index for the year-to-date is US$4128 per 40-foot container, which is US$1310 higher than the 10-year average rate of US$2818 (inflated by the exceptional 2020-22 covid period). The DCN

### SHIPPERS EYE CANADIAN PORTS AS US EAST COAST STRIKE 'LOOKS CERTAIN'

A US East and Guilf port strike "looks certain" for 1 October, as talks between the International Longshoremen's Association (ILA) and employers the US Maritime Alliance (USMX) flounder over wages increases and terminal automation.

Last week, the USMX said: "While there are fewer than three weeks remaining until the expiration of our current agreement, if the ILA is willing to meet it is still possible to agree to terms on a new master contract. The Loadstar.

## AIRFREIGHT

### US CUSTOMS CLAMPS DOWN ON VAGUE CARGO DESCRIPTIONS

US Customs and Border Protection (CBP) is clamping down on the use of vague descriptions of shipments submitted through the Air Cargo Advance Screening (ACAS).

CBP said that from October 7, carriers and other parties electing to file ACAS data to CBP are required to provide a precise description of the cargo.

Until then, a warning period has been put in place. Daily warning messages will be sent to the main ACAS contact each day with a summary of each vague description from the previous day. Air Cargo News

### FORWARDER WARNS OF POTENTIAL GOLDEN WEEK SUPPLY CHAIN DISRUPTIONS

Global forwarder has warned customers to "start preparing now to minimise potential disruptions" to supply chains ahead of Golden Week in China.

The forwarder said that from October 1 to October 7, most businesses and factories in China will be closed for the Golden Week holiday, which takes place during an already capacity-constrained peak season for airfreight. Air Cargo News

### US PLANS A FURTHER CRACK DOWN ON E-COMMERCE IMPORTS

The Biden administration last week announced plans to implement stricter rules on e-commerce goods being imported into the country under the de minimis exemption.

If implemented, the requirements would mean that any products that are part of the Section 301, Section 201, or Section 232 trade enforcement actions would no longer be covered by the de minimis exemption. Air Cargo News

### APPLE DRIVING GROWTH IN INDIA'S AIR CARGO SECTOR, BUT AT A COST

Growth in India's electronics industry has boosted air cargo – but at the expense of some lower-margin verticals.

US tech giant Apple continues to expand its iPhone exports out of India, where it aims to produce a quarter of its smartphone variants by 2025 – its latest iPhone 16 series is lined up for local production.

Apple seems to be well on track to fulfil its intent: the tech giant has three contract manufacturers in India for iPhone production – Foxconn, Pegatron and Wistron – with the value of iPhone exports from India hit $5bn in the April-to-August period, the first five months of fiscal year 2024-25, year-on-year growth of 54%. The Loadstar