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MPW SUPPLY CHAIN – INDUSTRY UPDATE – 16TH OCTOBER 2024

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AUSTRALIA & NZ NEWS

INDUSTRY INSIGHT: EXPLORING RESPONSES FOR EV FIRE RISK

"With the importation of electric vehicles on the rise, the maritime sector is grappling with a pressing challenge: is Australia ready to respond to a lithium battery fire aboard vessel?

This was the focal point of a recent Port Operations Committee Meeting held by Ports Australia in Brisbane, where harbour masters from across the country convened with first responders and industry experts to explore strategies for mitigating these "low frequency, but high consequence" hazards." The DCN

INDUSTRY GETS BEHIND VIC FREIGHT FUTURE

"More than 150 ports and freight stakeholders, companies, regional and rural councils, advocacy groups and the public have provided feedback for the update to the Victorian Freight Plan, which is due to be completed next year.

Minister for Ports and Freight Melissa Horne said participants had put forward more than 200 ideas for consideration to turbocharge the state's $36 billion freight sector, secure and decarbonise supply chains, ensure Victoria remains the freight and logistics capital of Australia." The DCN

ONESTOP TO ENHANCE SOLUTIONS FOR ACFS TERMINAL

"Technology solutions company OneStop has announced the expansion of its partnership with ACFS Port Logistics.

Aimed at enhancing efficiency, the newest collaboration will see OneStop's logistics solutions adopted at the ACFS E-Depot in Gillman, Adelaide.

Beginning November 1, all container movements at the ACFS E-Depot Gillman will require a booking through OneStop's behicle booking system (VBS)." The DCN

SUPPLY CHAIN NEWS

CHINA'S ECOMMERCE GIANTS REVAMP STRATEGY TO GET ROUND NEW US RULES

"The ecommerce titans are quickly adapting their business models in the face of greater regulatory oversight and heavy competition.

Executive action, announced by the White House last month, to tighten scrutiny of ecommerce and de minimis shipments has triggered changes by Chinese platforms – although implementation of some new rules has been delayed." The Loadstar

TRUMP OR HARRIS: WHO WILL BE BETTER FOR REVISION OF US TRADE DEAL WITH MEXICO?

"North American supply chain stakeholders near-shoring to Mexico have increased opportunities for the region's trucking sector, but the upcoming change of US president could jeopardise – or encourage – trade relations.

Since former president Donald Trump replaced the North American Free Trade Agreement (NAFTA) with the United States-Mexico-Canada Agreement (USMCA) in July 2020, Mexico has become the US's number-one trading partner." The Loadstar

CLOSE PRICE GAP BETWEEN FOSSIL FUEL AND GOING GREEN

"Shippers shouldn't have to choose between "what is cheap, and what is the right thing to do", according to Maersk's CCO Karsten Kildahl, as he urged authorities to close the fuel-pricing gap." "If I look at our top 200 customers, more than two-thirds of them already have science-based targets for their emissions. And the vast majority of the rest are working on it." The Loadstar

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OCEANFREIGHT

CAPACITY SQUEEZE WILL EASE AS MORE NEWBUILDS ARRIVE, SAYS XENETA

"Additional tonnage being introduced to the ocean shipping market next year presents "an opportunity for shippers" to use the broad spectrum of carrier alliance strategies to their advantage.

In Xeneta's 2025 ocean shipping forecast, the analytics platform says "a large-scale return to the Red Sea seems inconceivable at present", but a partial return could be on the cards for some carriers." The Loadstar

SURGING TRANSHIPMENT CARGO MEANS SE ASIA PORTS MUST COOPERATE, NOT COMPETE

"The combination of challenges posed by the Red Sea crisis and an early peak season, particularly on the Asia-Europe trades, has changed the nature of competition for transhipment traffic among South-east Asian ports.

Traditionally, the battle for transhipment cargo in the region, a vital transit point in Asia-North Europe and Asia-Mediterranean trades, has traditionally been a three-way battle between Singapore, Port Klang and Tanjung Pelepas. The Loadstar

LINER INDUSTRY FRUSTRATION AS INDIA DEMANDS MILLIONS IN TAXES

"Foreign-flagged ontainer shipping lines facing the heat from Indian tax authorities have been lobbying the government for relief, with no results thus far.

The issue has significant repercussions for the liner industry. Last year, all major box ship operators on Indian trades, received a government notice over their alleged failure to fulfil their obligations under India's Goods and Services Tax (GST), a unified tax law implemented in 2017.

Maersk, for example, was told to pay a tax penalty of some $450m, according to available documents." The Loadstar

CARRIERS BATTLE FOR MARKET SHARE AS DEMAND FALLS AND ALLIANCE SHUFFLE LOOMS

"The shuffling of container shipping alliances in 2025 is prompting liner operators to fight for market share, impeding capacity discipline, despite a relentless fall in freight rates.

Linerlytica's report today notes that just 37 box ships, amounting to 77,185 teu, equivalent to 0.3% of the active fleet, are currently unemployed." The Loadstar

AIRFREIGHT

CALLS FOR BEIRUT AIRPORT, 'LEBANON'S ONLY GATEWAY FOR AID', TO BE PROTECTED

"Israel's assault on Lebanon has left the country bereft of airfreight capacity, its sole airline struggling to service demand and charter companies unwilling to plug the gaps.

Mourad Aoun, CEO of distribution firm The Net Global, which has branches in Lebanon, said regional supply chains' capacity to do business had been "significantly impacted" by the attacks in the south and against Beirut. The Loadstar

BOEING DELAYS 777 DELIVERES AND AXES 767F PRODUCTION

"Problems at Boeing will mean freighter orders will go to the back of the queue. Boeing has said it will push back its first 777-8F deliveries, as well as ending production of the 767F.

It will also cut 17,000 staff.

President and CEO Kelly Ortberg said customers should not expect 777-9s before 2026; and no 777-8Fs before 2028, citing a "difficult position" for the business. "It's hard to overstate the challenges we face." The Loadstar

AIR CARGO SPOT RATES HIT 2024 PEAK, WHILE VIETNAM BECOMES HOTSPOT

"Air cargo spot rates have risen to their highest level this year, despite the recent Golden Week holiday in China.

Tonnages fell by 7% week on week out of Asia Pacific, in the week to 6 October, WorldACD said. But worldwide spot rates went up +1% in the week to $2.84 per kg – their highest level this year.

Asia Pacific rates rose 1%, while Africa was up 2% and Central and South America up 5%. WorldACD noted that contract rates out of Asia Pacific rose 2%.

One current hotspot is Vietnam – and it has not gone unnoticed by carriers."The Loadstar

AIRFREIGHT RATES STAY STRONG DESPITE GOLDEN WEEK DEMAND DROP

Airfreight spot rates on global basis edged up in the first week of October to their highest level of the year despite volumes out of Asia declining due to the Golden Week holiday, according to WorldACD.

Statistics from the data analyst show that airfreight spot rates increased by 1% week on week in the week ending October 6 (week 40) to $2.84 per kg even though volumes fell by 5% on a week earlier." Air Cargo News