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MPW SUPPLY CHAIN – INDUSTRY UPDATE – 2ND JANUARY 2025

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AUSTRALIA & NZ NEWS

NZ MARINE WOES CONTINUE

The New Zealand maritime scene faced challenges with two incidents in late December. On December 27, the Interisland Line's ro-pax Kaitaki experienced a significant roll near Karori lighthouse, causing vehicle damage and a minor injury. On December 26, South Port's pilot launch Takitimu II ran aground at Sterling Point due to fog. Both incidents led to investigations and support for affected individuals. The DCN

AUTHORITIES TARGETING REEFERS FOLLOWING COCAINE SEIZURE

The Australian Federal Police (AFP) and Australian Border Force (ABF) have identified a trend of criminal syndicates hiding cocaine in refrigerated shipping containers. Over one tonne of cocaine has been seized in the past two years. The drugs are hidden in containers used by legitimate businesses to import goods into Sydney from or via Panama. Authorities are actively targeting these containers to counter the importations and prevent harm to the public and workers. The DCN

ADF SETS OUT 30-YEAR MARITIME CAPABILITY PLAN

The Australian Government's 2024 Naval Shipbuilding and Sustainment Plan outlines a $123-$159 billion investment in maritime capability over 30 years1. It includes building conventionally-armed nuclear-powered submarines, enhanced lethality surface combatants, and minor war vessels. The plan aims to create 8,500 jobs by 2030 and 20,000 jobs over 30 years. It emphasizes collaboration across government, industry, academia, and trade unions to bolster Australia's maritime industrial base. The DCN

SUPPLY CHAIN NEWS

US PORT DISPUTE: 'THE CARRIERS AND USMX ARE GOING TO LOSE THIS BATTLE'.

The employers' "only choice" is "how they want to lose" the stand-off with US east coast dockers; with suggestions this may provoke a longer strike than expected. After suspending strike action in September, the ILA dockers' union has struggled to win any concession from employer association USMX on the issue of port automation, but the US presidential election may have handed it a trump card. - The Loadstar

THE BIG QUESTION: WHAT IS THE FUTURE FOR THE GLOBAL PORT LABOUR FORCE?

The US east and Gulf coast ports faced a brief hope in early October with a tentative agreement on remuneration, but optimism faded due to unresolved port automation issues. President-elect Trump supported the ILA, criticizing automation's impact on workers. Automation's effect on jobs and efficiency remains debated, with examples from Long Beach, LA, and Auckland. The future of global port labor is uncertain, with automation posing significant challenges. The Loadstar

RECENT LAY-OFFS IN LOGISTICS COULD WELL BE 'A HARBINGER OF HEADWINDS'.

Last month, the logistics sector saw significant layoffs, with 2,400 jobs lost in the US. True Value filed for bankruptcy, cutting 1,108 jobs, while PepsiCo closed a plant, affecting 131 jobs. GXO, DHL Supply Chain, Kuehne + Nagel, Americold, and Amazon also faced layoffs. Experts predict market headwinds, with uncertainties in tariffs, Eurozone struggles, and China's market challenges. Industrial demand and e-commerce face pressures, impacting the logistics industry. The Loadstar

OCEANFREIGHT

TWO WINNERS FROM THE RED SEA CRISIS: THE SHIPPING LINES AND HOUTHIS

In 2024, commercial shipping faced significant challenges due to Houthi attacks in the Red Sea, leading to rerouting around the Cape of Good Hope. This resulted in increased surcharges and better-than-expected earnings for carriers like Maersk and ONE. The Egyptian government struggled with a $6bn budget shortfall from reduced Suez Canal revenue. The Houthis turned the Bab al-Mandeb strait into a lucrative fiefdom, netting around $2bn. The Loadstar

TRUMP WILL HAVE A 'HEAVY IMPACT ON CONTAINER VOLUMES', WARNS WAN HAI CHIEF

Wan Hai Lines' general manager Tommy Hsieh highlighted the impact of US president-elect Donald Trump's policies on container volumes and supply chains. Tariffs on imports from Mexico, Canada, and China have caused a rush to front-load goods. The objection to automate operations in US east coast ports may lead to shipping schedule disruptions. Large ships and detours around the Cape of Good Hope have caused congestion and high freight rates. The Loadstar

YANG MING TO ORDER 13 NEWBUILD BOX SHIPS FOR FLEET RENEWAL AND NEW MARKETS

Yang Ming plans to acquire 13 containerships, ranging from 8,000 to 15,000 TEU, to expand into the India-Europe route. The newbuildings will support fleet renewal and business development. Yang Ming will join the India North Europe Express service, launching on February. The service will connect West India, Sri Lanka, and Pakistan to North Europe. Yang Ming aims to replace older ships and strengthen its operational advantages. The Loadstar

DATA-SHARING TOOLS WILL BE KEY TO MANAGING SURGING VOLUMES OF COMMERCE

Data=sharing tools are becoming crucial for e-commerce due to the overwhelming number of low-value shipments. Establishing a global standard for every shipment is complex, balancing regulation with speed and scalability. Extensive data points, including sender and receiver details, goods description, and logistics information, are required. Incremental steps like pre-clearance systems and data-sharing initiatives are being adopted. Future advancements will need international collaboration and technological integration to improve efficiency and predictability. The Loadstar.

AIRFREIGHT

THE ECOMMERCE JUGGERNAUT - AND THE HAZARDOUS WASTE IT EMITS

The rapid growth of e-commerce giants like Temu and Shein, has highlighted their massive daily shipments and product launches. Regulatory scrutiny has increased, particularly in the US, on issues like illegal operations and environmental harm caused by airfreighted goods. There has been a shift towards ocean freight and local production, as the unsustainable nature of current consumerism, suggesting that the e-commerce bubble may eventually burst. The loadstar

HAPPY LAST YEAR IN AIR FREIGHT (FOR SOME) - AND GOOD LUCK WITH THE NEXT

Airfreight saw significant growth in 2024, driven by the ecommerce boom and the Red Sea crisis. Despite this, freight forwarders did not benefit as much as airlines. The industry faces challenges like potential tariffs, maritime strikes, and cyber threats. Rate fluctuations and capacity limitations are also concerns. Experts emphasize the need for fair and transparent deals. The industry is advised to rest and prepare for future challenges. The Loadstar

QANTAS FREIGHT EXPECTS 5% RISE IN FESTIVE PEAK VOLUMES

IQantas Freight expects a 5% increase in volumes this Christmas due to booming online shopping. They plan to deliver over 50,000 tonnes of freight, including mail, gifts, seafood, and critical supplies. The domestic freighter fleet will add 3,000 tonnes of capacity, and on peak days, Qantas Freight will carry around 1 million kilograms of cargo. They also introduced a festive 'Santa's Freight' livery on one of their A321 freighters. Air Cargo News

UK EXPORTERS WARNED TO PREPARE NOW IN CASE OF NEW US TARIFFS

Logistics firm Aramex has warned UK exporters about potential extra supply chain costs and shipment delays if the US imposes tariffs on UK products1. President-elect Donald Trump suggested tariffs on imports from Mexico, Canada, and China. Aramex advises UK firms to prepare for possible tariffs by optimizing supply chains and shipping strategies. The introduction of tariffs could lead to congestion at US ports, increased shipping costs, and reduced demand for UK goods. Air Cargo News.