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MPW SUPPLY CHAIN – INDUSTRY UPDATE – 26TH FEBRUARY 2025

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AUSTRALIA & NZ NEWS

PORTS AUS CALLS FOR NATIONAL ACTION ON CYBERSECURITY

Ports Australia calls for a consultative forum to strengthen the national supply chain against cyber threats. CEO Mike Gallacher emphasizes the need for collaboration between government and industry, a simpler incident reporting process, and a flexible approach to security requirements. The forum would enhance resilience and efficiency in addressing cyber incidents, ensuring economic stability and security for Australian trade. The DCN

FOUR BOARD MEMBERS RESIGN FROM LOGISTICS SOFTWARE FIRM WISETECH

Four board members of WiseTech resigned over founder Richard White's future role. The resignations, effective after the half-year financial report, include Lisa Brock, Richard Dammery, Michael Malone, and Fiona Pak-Poy. The company's share dropped over 20%, but some believe this will end board differences and focus on future development. WiseTech is appointing new board members and faces delays in product launches, impacting revenue. Air Cargo News

INDUSTRY OPINION: THE HIGHLY COMPLIANT IMPORTER SCHEME

The DAFF's highly compliant importer (HCI) scheme reduces inspection interventions for specific commodities like green coffee beans, new tyres, and machinery parts. Importers must consistently comply with biosecurity import requirements to qualify. The scheme is automatic and not voluntary, potentially incurring additional costs. Recent cases show significant extra charges due to mandatory inspections, questioning the scheme's benefit for low-volume importers. The DCN

SUPPLY CHAIN NEWS

SANCTIONS-BUSTING FORWARDER JAILED

An Israeli forwarder, Gal Haimovich, was sentenced to two years in jail for breaching US sanctions on Russia by sending 160 shipments of aircraft parts worth $2 million. Haimovich's company deceived US firms about the shipments' true destination. The US Department of Justice stated that false information was submitted to conceal the scheme. This conviction coincides with the EU's 16th sanctions package against Russia. The Loadstar

TRUMP PLAN TO TAX CHINESE-BUILT, OWNED SHIPS

The Trump administration proposes new port fees and bans on infrastructure ownership to counter China's maritime dominance. The USTR's study, initiated under the Biden administration, found China's practices in the maritime, logistics, and shipbuilding sectors to be unreasonable and burdensome to US commerce. Proposed actions include service fees on Chinese maritime transport operators and restrictions on Chinese-built vessels. The USTR seeks public feedback on these recommendations. The DCN

ELECTRONIC BILLS OF LADING A STEP CLOSER WITH STANDARDISED FRAMEWORK

The Digital Container Shipping Association (DCSA) has finalized its standardized framework for digitized bookings and bills of lading (B/Ls). The new standards, Booking 2.0 and Bill of Lading 3.0, aim to overcome standardization hurdles and ensure seamless data exchange across industry participants. This initiative is expected to cut costs, reduce carbon emissions, and enhance global shipping efficiency. The standards also incorporate a digital signature mechanism to address cybersecurity concerns. The Loadstar

OCEANFREIGHT

UP TO $1.5M FEE FOR EVERY CHINESE-BUILT BOX SHIP CALLING A US PORT

The US trade representative proposes fees for China-built ships calling at US ports, potentially up to $1.5 million per ship call. This follows an investigation into China's shipbuilding industry, which found Chinese policies burdensome to US commerce. The proposal includes service fees for Chinese shipping lines and restrictions on carrying US exports. The measures aim to counter China's dominance in maritime supply chains. The Loadstar

TAIWAN AND SOUTH KOREA LINES DON'T FEAR US LEVY ON CHINESE SHIPS

The US Trade Representative Office's proposed levies on Chinese-built ships could see fees up to $1.5 million per US port call. Operators with at least 50% of their newbuildings from China face the maximum additional charge. Taiwanese and South Korean carriers would benefit, as a smaller proportion of their fleets are Chinese-built. The protectionist move aims to restore US shipbuilding but could also impact US container carriers. The Loadstar

PRICE WAR AS CARRIERS COMPETE FOR CARGO DRIVING DOWN CONTAINER SPOT RATES

Container spot freight rates on major east-west liner trades declined due to slack demand. Drewry's World Container Index showed a 10% week-on-week drop to $2,795 per 40ft, levels last seen in April. Transpacific carriers saw double-digit declines, with Shanghai-Los Angeles rates down 11% to $3,888 per 40ft. Carriers are planning general rate increases from March, but further capacity reductions may be needed to balance supply and demand. The Loadstar

LATEST ORDER TAKES MSC BOX SHIP ORDERBOOK PAST 2M TEU MARK

MSC has returned to Zhoushan Changhong International Shipyard for up to eight 21,700 teu LNG dual-fuelled ships, consolidating its position among liner operators. The yard announced the order, clarifying that TMS Dry had commissioned ten 11,400 teu LNG dual-fuelled ships. MSC's order includes four vessels with options for four more. The price is estimated at $220m each, with delivery starting in 2027. MSC's orderbook now stands at over 2.06m teu. The Loadstar

AIRFREIGHT

AVIATION AUTHORITY DISMISSALS FIRE UP US AVIATION SAFETY DEBATE

The Department of Government Efficiency (DOGE) task force, led by Elon Musk, has sacked FAA employees, sparking concerns about air traffic control. The National Air Traffic Controllers Association (NATCA) will analyze the impact on aviation safety. The FAA faces challenges with outdated systems and staffing shortages, affecting air cargo operations. Industry stakeholders call for emergency funding and oppose privatization of air traffic control services. The Loadstar

AIRFREIGHT RATES RISING GENTLY AS ECOMMERCE GIANTS EYE NEW TRADELANES

Global airfreight rates and volumes are rising gently, but confusion over US ecommerce rules and tariffs complicates data interpretation. There are 12 fewer daily freighter flights on the transpacific, a 15% drop. WorldACD reported a 3% increase in global tonnages week on week, following a 13% drop over Chinese New Year. Spot rates from China to the US fell 6%, while to Europe they regained 10%. The Loadstar

FREIGHTER CONVERSION MARKET TO SEE FURTHER DECLINES IN 2025

Conversion numbers are expected to fall again this year due to overcapacity in the narrowbody market, feedstock limitations, and weaker demand levels. Cargo demand growth is predicted to moderate to 5% year on year, down from 11% last year. The narrowbody conversion market will be at its lowest level since 2020, while the widebody market will be at its lowest level since 2021 as conversion numbers return to pre-Covid levels. Air Cargo News

US FAA ADVISES 757 CARGO-DOOR TESTS

The US Federal Aviation Administration (FAA) recommends checks on Boeing 757-200 converted freighters after a cargo door opened mid-flight. The incident occurred in February 2021 on a DHL Air aircraft. The FAA suggests operators perform specific test procedures every 5,000 cycles and inspect for contaminants and defects. The European Union Aviation Safety Agency (EASA) also warned of similar risks on Boeing 757-200 conversions in June 2023. Air Cargo News