

RÖHLIG EXPERTS

 **Röhlig UPDATE**
LOGISTICS

Röhlig Australia Market Update

August 2023

Dear Valued Customer,

Welcome to our August issue of Röhlig ANZ 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.

AIR FREIGHT

Oceania

August airport arrivals are up around 90% of pre-covid flights which is near enough now a full recovery. The last 10% or so is now down to a lack of passenger demand in a softening economy, rather than the inability of airlines to service AU/NZ with crew and aircraft post COVID.

Read more: [Major issue ruining European holidays this summer](#)

What that means for us cargo lovers is still a wildly dynamic market, as airlines operating freighters on fixed contracts from the dark days are mixed in with passenger airlines chasing spot cargo to supplement their varying passenger loads.

Freighter only cargo and premium arrival times are still bringing in higher rates, however, there are opportunities if you have time on your side, with Asian carriers offering spot rates that for Australia are particularly effective ex Europe. In a curious development, the Australian government has blocked Qatar Airways from adding an additional 28 flights per week on top of their current 21. Speculation is running wild on this, and it's certainly an interesting decision to make a move that prevents a free market finding a natural balance between airfare costs and airline operating margins.

Read more: [Virgin Australia hits back at government's decision to block Qatar Airways expanding into Australia](#)

If this type of action continues, we may expect the back end of the year to tighten up on cargo space and cargo costs, as artificially limiting aircraft arrivals will put pressure on peak season belly space.

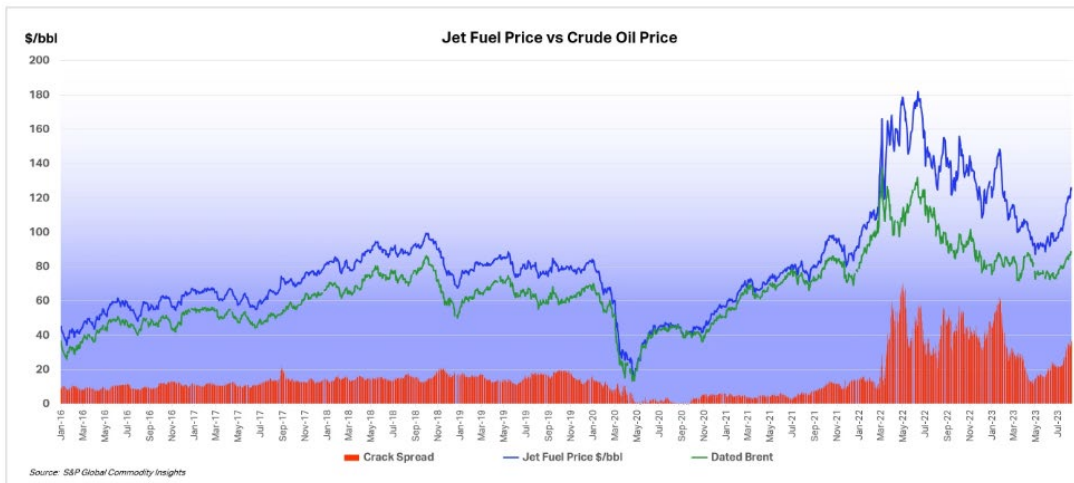
Oil and Jet fuel prices

Oil prices have just taken a breather after quite a tear up since June, the effect of the 85 USD top will be felt for a couple of more weeks moving forward. Prices at the browser and in airline fuel surcharges have certainly noticed, however, with a 6% downturn in the last two weeks this should ease.



Jet fuel pricing specifically has widened its price gap to oil from May as the economic reality of production cost inflation continues to bite.

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



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

Australia

Mostly the status quo from last month, with some further easing on some routes with more inbound widebodies. Outbound routes continue to trouble-free, particularly the once highly challenging Trans-Tas route, which from Sydney, in particular, has opened right up.

Air Cargo Examination Requirements – factsheet

The Department of Home Affairs has created a fact sheet for shippers in relation to piece level screening of air cargo. The fact sheet provides basic (non-security sensitive) information about the Government's air cargo security requirements, including about 'piece-level' examination and the role of a RACA in examining air cargo. This is intended to assist RACAs when they engage with their customers about the examination requirements, such as how cargo should be packed to facilitate the efficient examination of air cargo by a RACA.

You can find that here - [Air Cargo Examination Requirements](#)

New Zealand

NZ continues its roughly 6-month lag behind Australia on flights and costs. That does mean we've seen drops into and out of NZ, meaning shippers are now able to again plan around a functioning airfreight supply chain.

We are just beginning to see some better spots in the market for NZ, though freight rates still remain around 20% higher than cargo into AU, route dependent.

AIR FREIGHT EXPRESS - Adelaide, AU to Auckland, NZ

Door- to-Door Express Service = 3 Days

- SUPER FAST SERVICE: Pick up Friday in Metro Adelaide and delivery on Monday in Metro Auckland
- SHARP RATES: For General cargo (non DG)
- Space guarantee
- In-house customs and quarantine clearance
- Real-time visibility at all delivery stages

For more details, contact your Röhlig team or feel free to reach out to: mika.johansson@rohlig.com or sharon.olson@rohlig.com

Asia

Again still very stable out of the main areas of China/Malaysia/Thailand with very workable air rates. Taiwan and Korea are still somewhat stubborn, though easing volumes in August might see some relief over the next few weeks.

USA

We expect rates are sitting at close to a local bottom in pricing for this year. Spot opportunities exist off the west coast, however, anything west of the Rockies is still best served by the freighter network.

We're operating twice weekly from Chicago (servicing most of the USA) now, and regularly out of LAX airport. Contact us for the best airfreight in the business, email rohlig.australia@rohlig.com or [call our Team](#).

Europe

The freighter and passenger battle mentioned earlier in the newsletter is most evident ex Europe. We now operate on both fast and slow services depending on your need, so if you have time on your side and need to save big on your airfreight, contact your local account manager.

We expect this gap to close up in September but for now it can be very attractive for cargo to take a 2-3 day holiday in Asia and save on your landed costings.

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

ZIM announced last week that they will overhaul their Asia to Oceania services and this will no doubt also have some impact on the Trans-Tasman market. From Q4 onwards, the rotation of services will change and it appears that the biggest difference will be the westbound call from Auckland, Lyttelton, Port Chalmers to Brisbane. We will share service details and new transit times when they come to light. For now, the status quo prevails and rates remain at a competitive level.

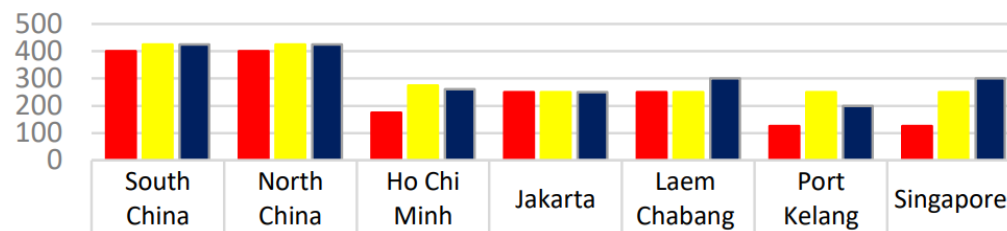
October may be a pivotal month in shipping where the New Zealand market is concerned. Further to the ZIM and MSC vessel sharing agreement, which is advertised to commence in October, New Zealand is also anticipating their 2023 General Election on the 14th of October. Typically there's a downturn in the lead up to an election as industries await how the outcome will affect their business', then a burst of economic activity usually ensues in a couple of months following. It will be interesting to see how the leadership of the country will affect the supply chain into Q1 and Q2 of 2024.

Asia

The shipping lines' August GRI/RR strategy proved to be a successful one with two increases added to base rate levels on 1st August and 15th August from North East Asia to Australia. Spurred on by the effects of their blank sailing programs, which will continue throughout September, vessel downsizing and service reshuffling, the shipping lines have announced a further two GRI/RR's in September. These will aid to restore rates ex. North East Asia to Australia on 1st September and to Australia and New Zealand on 15th September at a quantum of USD150/TEU each. Increased booking activity from Chinese ports is expected to put extra demand on space, which is already constrained, in the lead up to Golden week in early October. Factories will be partially or fully shut for the two-week break, therefore, forecasting is imperative to manage bookings during this period. It is important to make advance bookings of 3-4 weeks for FAK space, particularly for larger volume shipments.

Current vessel utilisation is at the highest level it has been all year and some shipping lines are having to roll cargo and push direct bookings onto transshipment services to cope with the demand. This is applying pressure to the transshipment hub ports and, as a consequence, a South East Asia GRI/RR is now expected from 15th September to both Australia and New Zealand at a quantum of USD100/TEU. Lower paying cargo is at risk of being rejected for more profitable cargo and most carriers have now closed named account contract (NAC) opportunities or are quoting long-term NAC levels which are much higher than current FAK.

FAK rate ex Far East to Australia base ports 15-31 Aug 2023



FAK rate ex Far East to New Zealand base ports 15-31Aug 2023



(*As a comparison over 3 carriers)

GLOBAL

World Container Index Inches Up Again

The latest Drewry World Container Index increased by 1.7% to US\$1790.60 per 40-foot container this past week. The WCI and has dropped by 72.2% when compared with the same week last year.

The index is now 83% below the peak of US\$10,377 reached in September 2021. It is 33% lower than the 10-year average of US\$2684, indicating a return to more normal prices, but remains 26% higher than average 2019 (pre-pandemic) rates of US\$1420.

The average composite index for the year-to-date is US\$1771 per 40-foot container, which is US\$913 lower than the 10-year average.

Freight Rates on New York – Rotterdam increased by 8% or US\$61 to US\$798 per 40-foot container. Similarly, spot rates on Shanghai – Rotterdam grew 3% or US\$53 to US\$1673 per FEU.

Likewise rates on Shanghai – Los Angles rose by 2% or US\$40 to US\$2362 per 40-foot box and rates on Rotterdam – Shanghai, Los Angles – Shanghai, and Shanghai – New York surged by 1% to US\$526, US\$846 and US\$3363 per 40-foot container respectively. Moreover, spot rates from Shanghai – Genoa and Rotterdam – New York remained static at the previous week’s level.

Drewry expects east-west spot rates to remain stable in the next few weeks.

Source: [World Container Index inches up again - Daily Cargo News \(thedcn.com.au\)](https://www.thedcn.com.au/news/world-container-index-inches-up-again)

Carriers get tougher on blankings as earnings tumble, but GRIs hold

“Ocean carriers appear to have held onto most of their August GRI gains this week on the transpacific and Asia-Europe tradelanes – and have halted the spot rate erosion on the transatlantic.

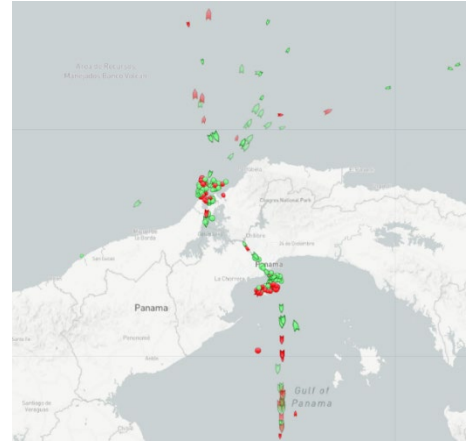
Xeneta’s XSI Asia-North Europe spot rate component ticked down slightly, by 2.5%, for an average of \$1,692 per 40ft, after a 31% jump the previous week.

The average rate falls below the circa-\$2,000 per 40ft FAK rates the carriers were seeking, but they will still regard their GRI campaign as a success, and a platform from which they can launch another GRI for September.”

Read more: [Carriers get tougher on blankings as earnings tumble, but GRIs hold](https://www.thedcn.com.au/news/carriers-get-tougher-on-blankings-as-earnings-tumble-but-gris-hold)

USA

Delays at the Panama Canal averaged about 15 to 19 days per vessel in the August, as the Panama Canal Authority continues to regulate a reduced draft requirement in the face of a regional drought. Low water levels linked to El Niño and climate change have led authorities to restrict travel through one of the world's most important trade arteries. The traffic jam is a grim sign for a global economy that has been affected by supply-chain challenges — and for American businesses in particular. Around 40 percent of U.S. container traffic moves through the canal that connects the Atlantic and Pacific oceans. The congestion is driving up shipping prices and causing delays in transporting merchandise just as importers are starting to gear up for the Christmas season.



Source - [MarineTraffic: Global Ship Tracking Intelligence | AIS Marine Traffic](#)

Major U.S. Retailers returning to 'Just-in-Time' Supply Chain

“During the worst shipping delays of the early pandemic, consumer and transportation analysts predicted U.S. retailers would buy more goods than they needed to prevent future disruptions from turning into empty store shelves, but a new analysis suggests they are returning to old habits.

With pandemic-related shipping problems in the rearview mirror, major U.S. retailers are no longer buying more than they think they'll need to cover for goods that arrive late.”

Source - [Major U.S. Retailers Returning to 'Just-in-Time' Supply Chain \(gcaptain.com\)](#)

Europe

Despite the ongoing summer holiday period, European exports appear to be quite normal.

Rates are stable and no real issues obtaining space to AU, however, vessels to NZ are full.

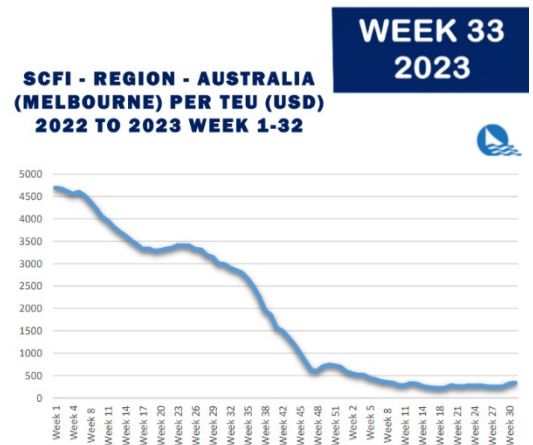
RÖHLIG COASTAL SERVICE

Did you know about Rohlig Coastal service?

Consider Rohlig Coastal service to reduce your transport costs within Australia. The main benefits are:

- Cost efficiency
- Environmentally friendly
- Consistency
- Transit time (Freight congestion relief)

If you have any questions about coastal shipping, please contact zac.petrovski@rohlig.com or send an email to rohlig.australia@rohlig.com.



TRANSPORT

Recently, the services offered by container and taxi truck providers have been improving. This positive change is because there has been a decrease in the volumes compared to the previous year leading to less and less congestion and smoother operations. However, despite these positive developments, service providers are still facing challenges with driver shortages. On a brighter note, there have been improvements in the terminal and empty park movements, further contributing to the overall enhancement of the industry's efficiency and effectiveness.

RÖHLIG LINEHAUL SERVICE - AUSTRALIA WIDE

Röhlig Linehaul service offers reliable, flexible, and cost-effective solutions for customers' road freight needs. We have a network of experienced and qualified drivers, own fleet, subcontractors and partners who ensure safe and timely delivery of your goods.

Rohlig linehaul can handle various types of cargo, from general to oversized, from palletised to containerised.

- Advanced 3PL/carrier management
- Reduced trucking costs
- Rural deliveries available
- Faster deliveries
- Enhanced delivery experience
- Increased door to door visibility



For special rates, more information on Röhlig linehaul or any other logistics services, please contact zac.petrovski@rohlig.com or send an email to rohlig.australia@rohlig.com.

CUSTOMS

- [The Brown Marmorated Stink Bug 2023/24 Seasonal Measures begin](#)
- [FLYER: 2023-2024 Seasonal measures for Brown Marmorated stink bug \(BMSB\)](#)

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