

RÖHLIG EXPERTS IN LOGISTICS

Röhlig UPDATE
LOGISTICS

Röhlig Australia News and Market Update

6 June 2024

Dear Valued Customer,

Welcome to Röhlig Australia Monthly 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.

OUR NEWS

Röhlig Australia Expands Contract Logistics Footprint

New State-of-the-Art Warehouse in Melbourne



Röhlig Australia is pleased to announce the commencement of construction on our new state-of-the-art warehouse facility in Melbourne.

The proximity of the new facility to Melbourne Airport provides a substantial advantage, enabling rapid delivery of customer goods and improving overall supply chain efficiency. This strategic location underscores Röhlig's commitment to offering superior logistics solutions that are both innovative and responsive to customer needs.

Key Highlights of Our New Facility:

- Location: Melbourne Airport
- Size: 18,500 sqm
- Capacity: 17,500 pallet positions
- Sustainability: Green Star Accreditation [Read more about Röhlig Melbourne new facility and a soil turning ceremony ...](#)

Röhlig Australia Achieves CEIV Li-batt Certification

The First and Only freight forwarder in Australia

Röhlig Australia proudly maintains its position as the First and Only freight forwarder in Australia to achieve CEIV Li-batt Certification!

This certification, held by all five of our branches—Sydney, Melbourne, Brisbane, Adelaide and Perth—underscores our ongoing dedication to excellence and safety in air cargo handling.

What does this mean for you? Peace of mind. You can trust that your cargo is always in the hands of a reliable partner who meets the highest industry standards. [Read more...](#)



AIR FREIGHT

Oceania

The middle east situation causing flight re-routes last month is still in place, with the bulk of airlines now readjusted on schedules and the impact minimised.

Air space returned en masse earlier this year, however cracks are now starting to appear with the predicted increase in passengers not materialising and airlines cancelling flights now regularly. This is certainly causing some challenges across AU/NZ, with short notice cancellations causing cargo delays through the network.

Qantas is a local example of this, with the most high profile route to Shanghai making the news. Read more: [Qantas announces major change to Asia network including one route to China axed](#)

Before any flight gets cancelled, the first move is to do whatever you can to fill it, which is why we are seeing a drop in fares globally and plenty of sales on. Great for consumers, though worrying for cargo with potential flight cancellations and aircraft downgrades.

Read more: [Big drop in economy airfares revealed](#)

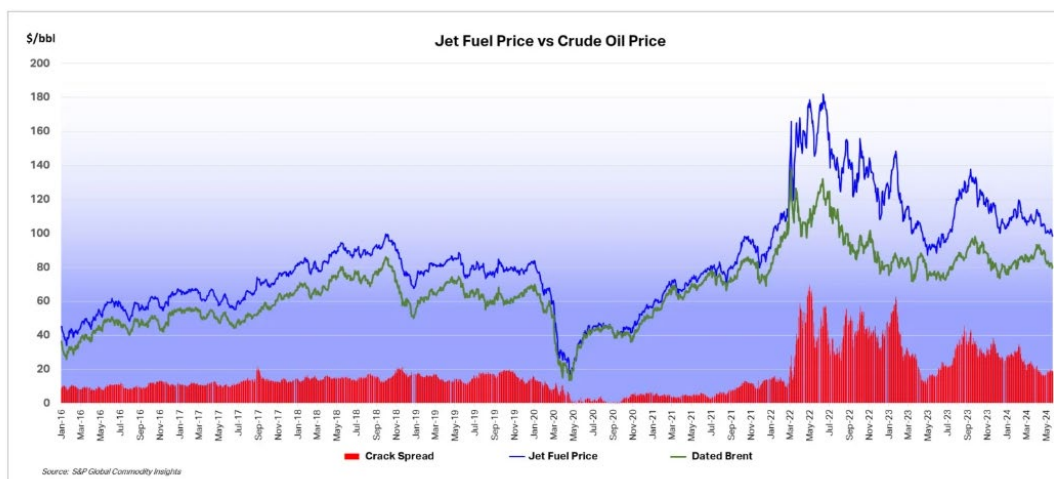
This now puts us in a new phase in the air cargo market, where prices are suppressed (good), though reliability on flights is tracking notably worse (bad).

Oil and Jet fuel prices

Oil prices have remained suppressed through the month of May, tracking almost entirely in the mid-high 70s per barrel, which has finally seem some fuel relief on freight prices with Jet Fuel trending down in sync. This is despite the best efforts of producers trying to raise the barrel price, and is indicative of a slowing global economy.



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



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

Australia

All sectors relatively stable bar ongoing flight cancellations causing some delays. We continue to monitor this and adjust accordingly.

New Zealand

More heavily affected by cancellations than AU, the window for schedule reliability has proved challenging through May. This could not continue through winter with lower passenger numbers into NZ.

Asia

Flight cancellations could not have come at a worse time - particular for China - with the sea freight container imbalance and blank sailing putting pressure on airfreight. This has recently increased rates upwards of 50% into AU and NZ. This could pose a challenge through winter and we will continue to monitor.

USA

North America continues its market stability. Recent capacity cuts have been managed as there hasn't been any real changes in total volume over the time. We expect this to remain for the next quarter, then become tighter for the remainder of the year.

Europe

The middle east conflict and flight cancellations has caused some disruptions to capacity and reliability as mentioned earlier. For now we are mitigating risk, however there have been some delays. We are actively managing this situation to ensure any delays are kept to a minimum.

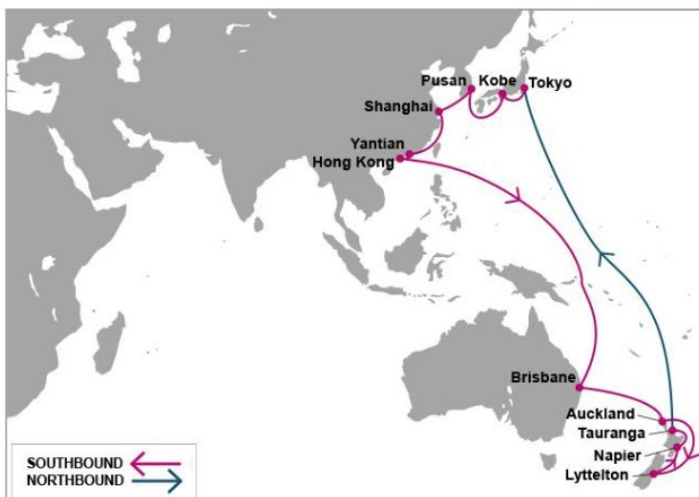
For more information about our Air Freight services, please click [Rohlig Air Freight](#), call your local account manager or [our friendly Team](#).

SEA FREIGHT

Oceania

Since the beginning of May we saw a slight increase in Trans-Tasman Rates East Bound from Australia to New Zealand. However rates should continue to be stable into Q3 and on the Trans-Tasman West bound leg the space remains open.

ONE OCEANIA | NZJ: New Zealand Japan



New Service

ONE Line have introduced a new service and are accepting bookings Southbound ex. Brisbane to Auckland, Lyttelton, Napier & Tauranga using their NZJ service.

<<<<See details on the chart.

Despite local economic challenges in NZ, the demand and services are full from Asia. Shipping lines are rolling cargo and strong demand for

imports means space is hard to come by. NZ is currently struggling with schedule integrity and productivity issues at the ports, exacerbated by weather events like high swells in Napier and labour constraints in Port Chalmers is causing delays there.

Asia

Carriers ex China main ports are reporting that the strong demand continues for North East Asia services to both Australia and New Zealand. Carriers are facing massive equipment shortages globally due to varying factors such

as containers sitting for longer on vessels that sail around the Cape of Good Hope, sitting idle at transshipment ports as congestion mounts and shipping lines making containers available to higher yielding lanes. Carriers expect the equipment shortage ex. China will be critically low for the next 6 weeks, at least. Major China ports are seeing some congestion as vessels queue to berth. Vessel sliding, port omissions and blank sailings will continue to impact operations as shipping lines divert vessels to avoid these ports.

The SCFI (Shanghai Containerized Freight Index) has jumped more than 40% in the past month, with this expected to jump further in June, as carriers are now also adding new surcharges and rate hikes.

As the demand for space is more than the open space on ships the carriers have announced GRRs (General Rate Restoration) for June 1st at USD300/TEU ex. North East Asia to Australia and USD100/TEU ex. South East Asia, plus another 300/TEU from 15th June ex. North East Asia to Australia. Similarly, USD300/TEU ex. North East Asia to New Zealand from 01st June and another USD 300/TEU ex North East Asia to New Zealand from 15th June.

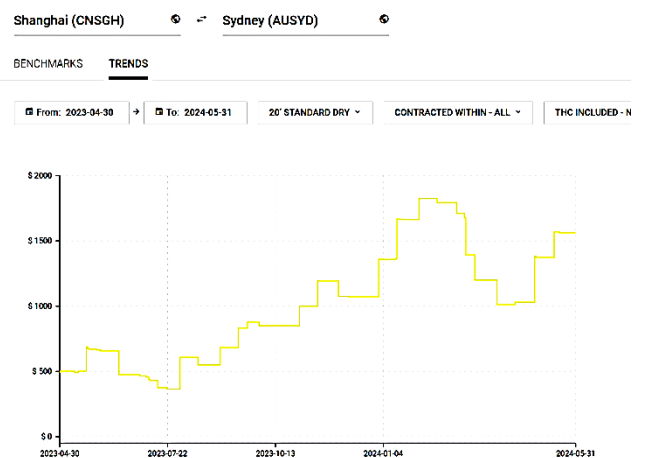
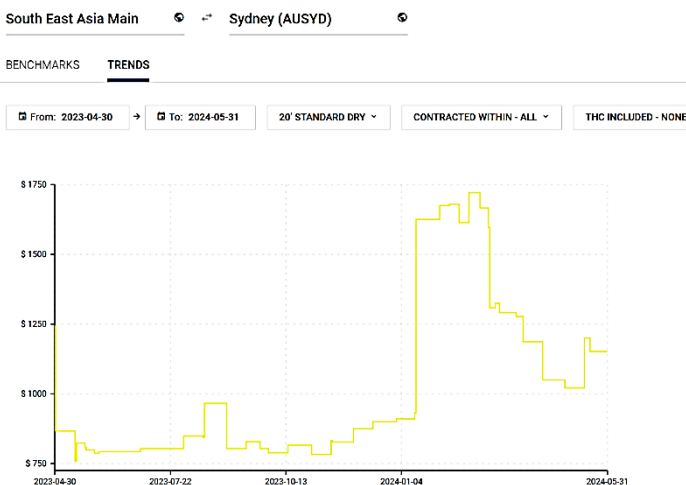
Some carriers have also started announcing PSS (Peak Season Surcharge) with their implementation date anywhere from 12th June and 1st July of USD 500/TEU ex North East Asia and South East Asia to Australia and USD 300/TEU ex North East Asia and South East Asia to New Zealand.

Carriers have overcommitted cargo on vessels ex South East Asia and are reporting 100% utilisation of the capacity to Australia and New Zealand ports. Congestion is mounting at transshipment hubs and there are reports that Singapore port congestion has reached 2million TEU. Some carriers are having to omit their Singapore call which will put pressure on other ports in the region.

Please consider these market conditions when planning your shipments and we recommend booking your shipment as far in advance of the ETD as possible.

Container Rates (12 months): South East Asia and Shanghai

USD rates for 20ft container



Europe

It has now been more than 150 days of the unfortunate Red Sea / Suez canal situation and we see no further positive developments. This geo-political event has led various shipping lines to conclude that we are not going to see any changes to the status quo for the remainder of 2024. The contingency routing via the Cape of Good Hope (CoGH) looked more stable at the beginning of this year, however, it is now showing clear signs of fragility. Carriers are reporting that the space and equipment out of Europe is currently a big issue. Equipment shortages are dynamic and can affect certain ports at any given time, then may change the following week. Our origin teams are working with carriers to release equipment for their respective ports.

Operational issues in Genova and Hamburg ports are also causing delays for trucking companies dropping of and picking up containers. The bottlenecks in truck processing have intensified to such an extent that several trucking service providers have already announced price increases or surcharges for waiting times to their clients.

Americas

Carriers have advised their ships are mostly booked to capacity on exports from Australia to North America and surrounding ports, and are hence unable to accept bookings. Some lines have capacity currently booked out till September / October 2024. Rates ex. Australia to North America continue to rise as a result of ships being at capacity

New FMC rules on detention and demurrage come into force

“The US Federal Maritime Commission (FMC) revision to detention and demurrage (D&D) rules came into force yesterday, introducing new requirements for billing, timeframes and how to dispute unfair charges.

A key provision determines that D&D invoices can only be issued to either the consignee – defined as “the ultimate recipient of the cargo”– the person who contracted with the billing party provide to ocean transportation or storage of cargo, or the person for whose account this was provided.

The FMC highlighted that “billing the proper party is an important part of the final rule”.

Read more: [New FMC rules on detention and demurrage come into force - The Loadstar](#)

Baltimore Bridge Collapse: Wreckage Removal Continues

“Efforts to clear wreckage from the riverbed to restore the Federal Channel to its original dimensions are continuing in the Port of Baltimore after the reopening of the limited access channel to a width of 400 feet and a depth of 50 feet on Monday, May 20.

The reopening followed the refloating and removal of the M/V Dali on Monday, allowing the transit of all deep-draft commercial vessels calling on the Port of Baltimore.”

Read more : [Baltimore Bridge Collapse: Wreckage Removal Continues \(gcaptain.com\)](#)

Global

Globally rates are climbing to near COVID levels on the Asia to US and Asia to Europe trades. Carriers are moving capacity away from Oceania to boost their fleet on these more profitable trades, which has meant a 10% reduction in capacity or roughly 47,000FFE diverted to other trades, to support heavily impacted areas from the Red-Sea situation. Schedule integrity has been low this year due to the Red Sea issues and we can expect that the situation will not improve this year. Vessel bunching is exacerbating the unreliability of schedules and the delays for ships to berth in Asia, so carriers are looking to introduce more vessels on these long-haul loops to catch up their schedules. The new builds being released into the market this year with 1.1m TEU capacity are being pushed to these hot-spot areas to help ease the situation. Nevertheless, this is still not enough to offer a similar sized product to the market as seen in 2023.

The Röhlig Sea Freight team is in daily exchange with our core carrier partners, addressing any contract compliance issues and working on solutions for existing customers/businesses jointly with sales.

Alphaliner has reported an early onset of peak season as almost zero vessel idling

“Higher-than-expected cargo demand and the reappearance of vessel congestion in some key ports are putting additional strain in the maritime supply chain. Combined with the fallout from the Israel – Gaza War, subsequent threats in the Red Sea, and the ensuing service diversions via the Cape of Good Hope, supply of container tonnage remains tight on a global level. The number of commercially idle ships, which had already been low in recent months, has fallen even further in the second half of May, with idle capacity now at only 0.4% of the total fleet. The market has last seen such a low level of vessel idling in February 2022, when carriers deployed each and every available ship to capitalize on the sky-high post-pandemic container freight rates”

TRANSPORT

Due to operational delays, AQIS document processing is currently taking an average of five days, significantly longer than usual. This is affecting the logistics chain for the movement of goods.

While all ports are generally operating as usual, DP World is experiencing periodic outages. These outages are disrupting their operations and consequently client deliveries. The situation is expected to continue until the end of this week.

Simplify Your LCL Shipping Experience!

Röhlig Logistics offers a tailored LCL solution between Malaysia and Australia that addresses these pivotal challenges:

- **Unforeseeable Expenses** - Leveraging our purchasing power ensures competitive and fixed rates.
- **Prolonged Transit Periods** - Direct weekly sailings reduce duration to 11-15 days.
- **On-Site Unpacking** - Swift Availability
- **Limited Visibility** - Real-time enables comprehensive shipment monitoring and visibility.



Röhlig's LCL service brings the convenience of FCL with the flexibility of partial load shipping.

Let us simplify your MY - AU freight while optimising costs and transit.

For any questions or further information please contact your [Röhlig Account Manager](#) or send an email to Carly Heenan on carly.heenan@rohlig.com.

Thank you for your ongoing support of Röhlig Australia. 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