

# August 2022 Market Update

## International

### Port Congestions

#### Europe

Negotiators from the port of Felixstowe and the Unite union will meet at conciliation service ACAS today in a last-ditch attempt to agree a wage deal and prevent an eight-day strike starting on 21 August.

Over 1,900 workers at the UK's biggest container port voted overwhelmingly to take strike action after the Hutchison-owned employer declined to improve its wage increase offer at ACAS on Thursday.

Ocean carriers serving the port are adopting a "wait and see" strategy but may have few options available to overcarry UK imports, given that other North European hubs remain congested.

The court moratorium on strikes at German ports will end on 26 August and, with both sides appearing to be as far apart as ever on a new inflation-beating wage agreement, more stoppages are possible. This would increase yard density and restrict landside and ship working operations.

Maersk has advised customers it expects "disruption to continue through August and September" at its Hamburg terminals.

#### North America

Supply chain problems continue in the USA and costs hit a new high in July. Truckers and chassis shortages are hindering the removal of containers from terminals and there seems to be no end in sight until early next year. North American port congestion is worsening, increasing the likelihood of more missed sailings. USEC port congestion delays vary from port to port although the overall waiting time is 0-3 days. At Savannah congestion is 10-15 days and Houston congestion is up to 14 days. Los Angeles and Long Beach waiting time slightly reduced to 15 days. Vancouver waiting time reduced to 7 days, however congestion is still severe with yard density increased to 113% and rail dwell time increased to a minimum of 10 days.

#### New Zealand

Congestion at Auckland caused by labour shortages and vessel bunching is leading to vessel delays of up to eight days which is impacting container availability, final delivery to end users and extended transit times

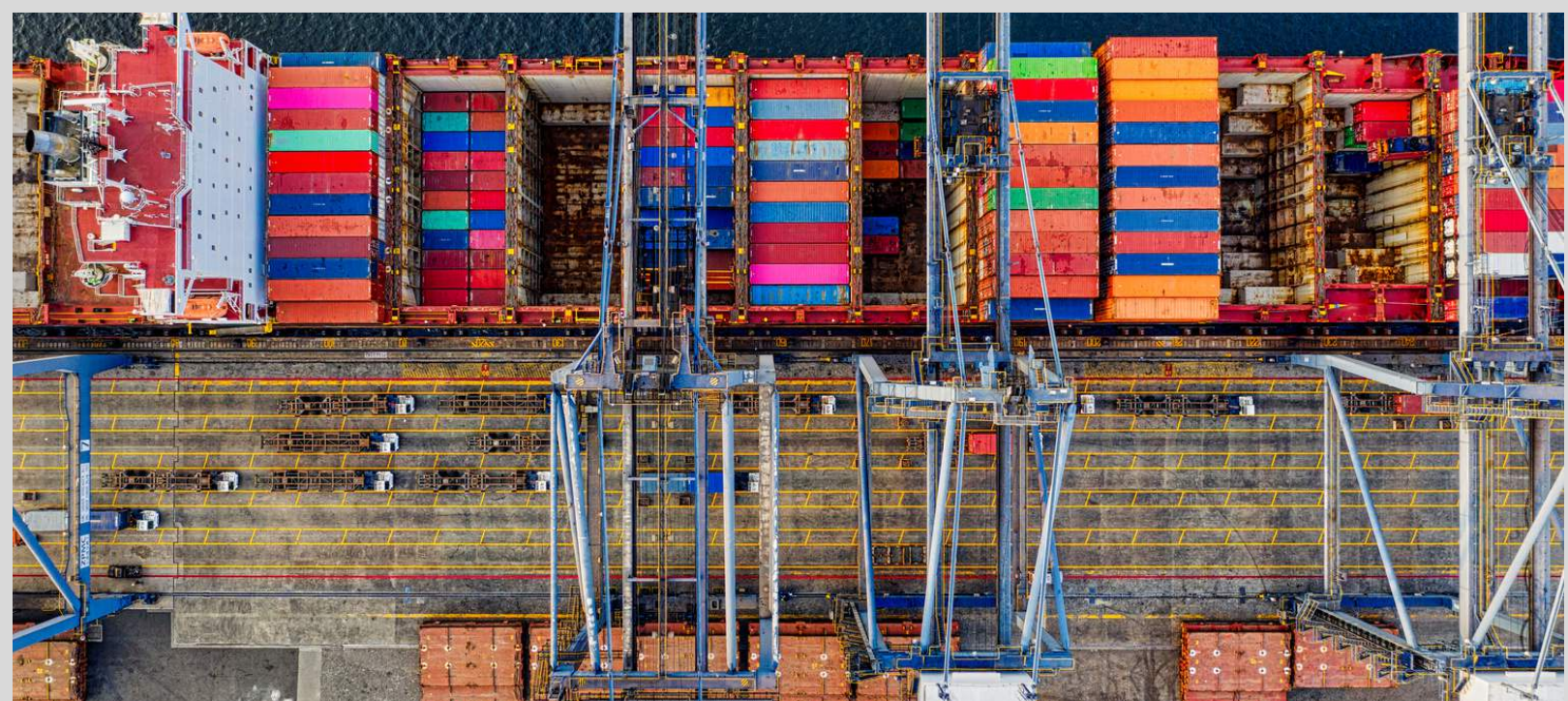


#### China

Shanghai is gradually returning to normal after the two-month city-wide lockdown in April and May. Factory production is picking up and demand rebounded nicely in July with positive signs of a seasonal peak on many trades. Trucking in the city area has also been fully restored. Intra-provincial trucking is also back to pre-lock down levels although truckers are subject to local testing requirements.

#### Taiwan

China's 'war games' in the Taiwan Strait is being closely monitored by Liner Operators. Ships heading for the Taiwanese ports of Kaohsiung, Taiwan's busiest container hub, Taipei, Keelung, Suao, Tainan (Anping) and Hualien have been advised to detour as much as possible. Korean Airlines and Asiana Airlines have cancelled flights to Taiwan, a move emulated by many airlines with safety concerns. Yang Ming chairman Cheng Cheng-mont said: "Ships don't have fixed routes like planes. As long as the ships avoid the exercise area, it should be fine. It shouldn't have much impact."



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## Australia

### Domestic Transport

Rising fuel and additive costs caused by global factors and demand, labour and skills shortage, long equipment purchase lead times, supply chain capacity constraints and fees imposed by third parties are significantly squeezing container transport operator margins and cash flow in Australia. Average diesel fuel prices have increased by a whopping 41.19 per cent in the last 12 months. In addition, road transport operators lost their ability to claim Fuel Tax Credits for on-road diesel use when the Federal Government halved the Fuel Excise rate for petrol and diesel. In practical terms this means that heavy vehicle operators have been over 17 cents per litre worse off in the last few months on top of the spike in diesel prices. Driver availability has dried up, and the cost of employing drivers, warehouse and other labour categories has risen.

### Australian Transport Fuel Levy For August

Aug-22	FUEL LEVY - TRANSPORT		
PORT	MODE	METRO	REGIONAL
<b>BRISBANE:</b>	FCL	27.00%	POA
	LCL/AIR	27.00%	
<b>SYDNEY:</b>	FCL	32.00%	34.50%
	LCL/AIR	27.00%	
<b>MELBOURNE:</b>	FCL	26.50%	37.50%
	LCL/AIR	27.00%	
<b>Perth/Fremantle:</b>	FCL	33.50%	35.60%
	LCL/AIR	27.00%	
<b>ADELAIDE:</b>	FCL	20.50%	POA
	LCL/AIR	27.00%	



### Terminal and Port Update - Australia

**Sydney** is currently facing delays of 6-7 days waiting time. Empty container park congestion has spiked again in Sydney in recent weeks, leaving importers and their transport providers incurring added costs from empty de-hire delays, yard storage of empties, futile trucks trips, and additional administration.

**Brisbane, Melbourne, Fremantle, Adelaide** are currently operating with minimal delays.

### BMSB Season

The Department of Agriculture, Fisheries & Forestry (DAFF) has finalised the seasonal measures for the 2022-2023 BMSB risk season. The measures remain consistent with previous BMSB risk seasons.

The BMSB risk season is for goods and vessels that depart Target Risk Countries between 1st September 2022 and 30th April 2023 (inclusive). The final seasonal measures are available on [SAL Global's webpage](https://www.salglobal.com.au)

