



### **Shipping Line Schedule Reliability**

Schedule reliability currently stands at 52.1%, with only 6 out of the 13 major carriers maintaining a reliability above 50%. The average delay for vessels is 4.74 days.

Demand continues to exceed expectations for 2024, with the Red Sea crisis further disrupting the market. Port congestion throughout Europe and Asia has caused significant delays in container movements. Although carriers added 1 million TEUs of new containership capacity between January and April 2024, congestion in Europe and Asia, coupled with increased demand on Asia-Europe and Transpacific routes and the rerouting of vessels around the Cape of Good Hope, has negated this additional capacity.

On the Asia-North Europe route, 24% more vessels have been deployed, adding 17% more capacity. However, this has only resulted in a 2% increase in effective capacity. The Asia-North America East Coast routes have seen a 9% increase in ships, but the effective capacity remains unchanged. This lack of space has caused rates to increase exponentially.

### **Labelling Cargo - Exports**

A friendly reminder for labelling export cargo to ensure your shipments are not rejected by the CFS.

The cargo label/s must include the following:

- Shipper Name
- Consignee Name
- Destination
- Piece count (e.g., 1/2, 2/2)

Additionally, both the Shipper Name and Consignee Name must be included in the documentation.

### **Darwin Direct LCL Service**

We are excited to announce our new direct LCL import services from Singapore! This innovative routing allows imports from around the globe to come straight into Darwin, bypassing the additional costs and delays associated with interstate options.

For more information about this service, please contact our customer service team at [cs@salglobal.au](mailto:cs@salglobal.au).

## Peak Season Surcharges and Rate Restorations

Major shipping lines have implemented rate increases starting from the 1st of July, with indication of further increases from the 1st of August. This is due to the current situation in the Red Sea and congestion in China. Carriers are raising their rates by as much as USD 500 per TEU, with others implementing Peak Season Surcharges (PSS) of USD 250 per TEU for shipments arriving in Australia.

Maersk and MSC have also announced increases to their detention and demurrage charges, with a rise of approximately 20% on dry containers and up to 58% on reefer containers.

Additionally, we are seeing increases in LCL cargo to and from Australia. For sailings departing from the 1st of July, import freight charges will increase by approximately USD 40 per W/M, and exports from Australia to Europe will see increases of up to approximately USD 60 per W/M.



## USA Disruptions

Shipments departing from the Port of New York/New Jersey have been facing trucking operational challenges over the past six weeks. Current port conditions that are straining trucking operations include:

- **Container Diversions and Restrictions for Empty Containers:** Over one-third of empty containers that need to be returned are being redirected to locations other than their originally planned dehire locations, with some containers being redirected to Bayonne and Staten Island terminals.
- **Terminal Delays:** Drivers are forced to queue outside the terminal, compounded by terminal system issues.

These redirections and terminal delays are leading to significant increases in costs and tolls, along with a reduction in driver productivity. While there is no indication of an immediate change, we are hoping to mitigate the impacts on our clients.

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## **Air Conditioning Small Equipment Import Restrictions**

The Australian Border Force (ABF) has published an Australian Customs Notice effective from 1st July 2024, regarding the import prohibition on certain small air conditioning equipment.

The Ozone Protection and Synthetic Greenhouse Gas Management (OPSGGM) Regulations define small air conditioning equipment as any of the following:

- The outdoor unit of a single head split system air conditioning system
- A portable air conditioning system
- An air conditioning system that consists of a single unit designed to be mounted on a wall or window.

Importers can apply for an equipment licence from the Department of Climate Change, Energy, the Environment, and Water (DCCEEW) to import the above equipment under certain circumstances, including if:

- The equipment is essential for medical, veterinary, defence, industrial, public safety, or scientific purposes, and no practical and effective alternative exists.
- The equipment is incidental to the main import and is impractical to remove or retrofit (for example, equipment incorporated into a drilling rig).

The import prohibition does not apply to air conditioning equipment that is:

- An outdoor unit for a ducted system.
- An outdoor unit for a multi-head split system air conditioning system.
- Designed for use in motor vehicles, caravans, aircraft, boats, or other mobile units.
- Designed for use in electrical enclosures and computer rooms.
- Air-to-water equipment, such as units for hydronic home heating systems or swimming pool heat pumps.

If you have any questions or concerns, please contact our customs team at [customs@salglobal.au](mailto:customs@salglobal.au).