



# THE OTHER SIDE PROJECT

## SEA FREIGHT EX TASMANIA

Presented by Jessica Doyle – 19<sup>th</sup> October 2020

# Who Are We?

## Pacific Asia Express Pty Ltd

- ❑ Family owned business established in 1990 as a subsidiary company of Pacific International Lines Pte Ltd (PIL)
- ❑ We represent Pacific International Lines, Mariana Express Lines and Toyofuji Shipping in Australia
- ❑ Office locations in all the Australian major ports, as well as regional centers Darwin, Townsville and Mildura.
- ❑ We specialise in the movement of:
  - ❑ General and Reefer Containers
  - ❑ Specialised Equipment such as Flat Racks and Open Top containers
  - ❑ Project and Over-Dimensional cargo
  - ❑ Break Bulk cargo
  - ❑ Hazardous cargo

## Pacific International Lines Pte Ltd

- ❑ Founded by YC Chang in 1967, the Chang Teo family continue to run the business to this day
- ❑ PIL has developed from a coastal ship-owner/operator in Singapore into the largest ship-owner in Southeast Asia
- ❑ PIL launched their first dedicated Australia – Asia service in 1990, which is still operating as our AAA Service today.
- ❑ PIL are ranked the 11<sup>th</sup> largest carrier in the world by vessel capacity,
  - ❑ **131 vessels**
  - ❑ **500 locations in**
  - ❑ **100 countries**
  - ❑ **361,349 teus capacity**
  - ❑ **530,000 teus containers**

# Tasmanian Focus

## SERVICE COVERAGE

- Transhipment via Melbourne to/from gateway ports **Burnie** and **Devonport**
- Inbound underbond services provided through to **Hobart**
- Dehire options available in **Bell Bay** for import containers
- Full suite of Customs Clearance, Documentation and Transport services available. E commerce platform accessible for all customers

## EQUIPMENT

- Empty Reposition available for all equipment types from Melbourne
- Tasmania historically has faced a significant container imbalance, with laden inbound insufficient to cater for outbound demand for International Cargo.
- Container Leasing and One Way Free Use opportunities available for domestic movement into Tasmania to help support the export market with containers
- Repositioning Fees are quoted separately and only applied if the equipment cannot be sourced locally from laden inbound
- Depots located in **Devonport, Burnie, Hobart** and (Bell Bay)

# Our Core Trades

## ASIA

- ❑ 10 weekly services from Australian Main Ports direct to South East Asia and North Asia
- ❑ Direct calls from Melbourne to Laem Chabang, Singapore, Port Kelang West, Jakarta, Hong Kong, Xiamen, Shanghai, Shekou, Ningbo & Kaohsiung
- ❑ Extensive maritime and land network coverage in China
- ❑ Full coverage over Southeast Asia via fast connections in Singapore and Port Kelang

## RED SEA / MIDDLE EAST / INDIAN SUB-CONTINENT

- ❑ #2 carrier to the Red Sea from the Far East
- ❑ Extensive Network, supported by feeders that provide dedicated coverage to secondary markets
- ❑ Extensive network of owned agency offices to support liner services

## AFRICA

- ❑ #1 carrier to East Africa from the Far East
- ❑ Ability to service ports in geopolitically sensitive regions
- ❑ Deep inland operating presence via network of 28 shipping agencies and an integrated logistics footprint

# Market Conditions

## AU SERVICES & TERMINALS

- Patrick's Port Botany Terminal experiencing delays of up to 21 days, Patrick's East Swanson delays are up to 8 days.
- All 3 major terminals are yet to finalise their new Enterprise Agreements, leaving the industry open to more disruption and further industrial action
- VICT's non-union agreement with their workforce expires today, 19<sup>th</sup> October
- Patrick Terminals and the Maritime Union of Australia will appear before the Fair Work Commission for a 2 day hearing on the 26<sup>th</sup> October
- Svitzer's workforce who are MUA members voted in favour to take protected industrial action
- Significant number of port omissions triggered by carriers in an attempt to regain schedule integrity
- Sydney empty container park capacity is improving but remains a challenge for most carriers with port omissions limiting opportunities to evacuate empties
- With all of the delays and congestion at the container parks, a lot of carriers have introduced various cost recovery fees, there are genuine costs associated with these disruptions.

# Market Conditions cont.

## MARKET UPDATE

- Unprecedented demand across all major North-South and East-West trade lanes is putting significant pressure on equipment globally.
- Market rates are at record levels for imports to Oceania, as space and equipment become increasingly difficult to secure.
- Bumper Grain season on the East Coast is expected to put further pressure on equipment availability
- Global equipment shortage could effect carrier pricing strategies moving forward
- North East Asia to Australia services reduced capacity by approx 17% in the first half of 2020
- ZIM's new service commencing this month adds 5% capacity back into the North Asia market (6 x 2500 TEU vessels)
- A3 consortium members (ANL, OOCL, Cosco) launched a peak season service from China to Australia, commenced in late August and advertised to finish in November
- Asia-Oceania demand expected to hold until the Lunar New Year

# Looking Ahead..

- Exporters & Importers should look to have a Plan A, B, C and D to minimise supply chain interruptions as we head into another year of uncertainty
- Ensure free time requirements are negotiated with the carrier at the time of quoting
- Plan early for shipments around the Christmas and Chinese New Year periods, with the potential for blank sailings
- Regular communication with service providers is key to being on top of schedule disruptions
- Crucial for exporters to have an awareness of schedule changes and the possible impact to transit times