

2024

MAINFREIGHT

AIR & OCEAN – NEW ZEALAND MARKET UPDATE

APRIL 2024

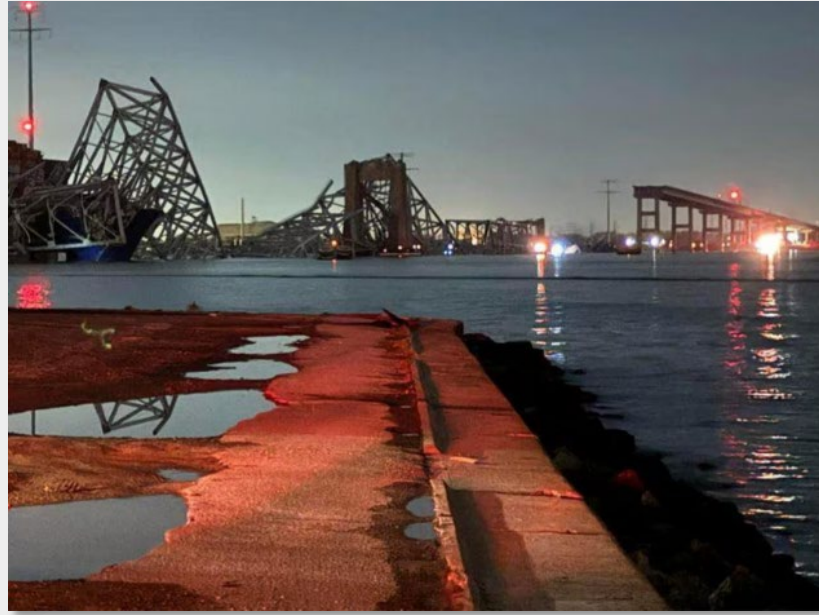


SUPPLY CHAIN “SHOCKS”



- Covid-19
- Ever given - Suez canal blockage
- Russia / Ukraine conflict
- Panama canal drought
- Australian port industrial action
- Yemen / Houthi Red Sea Conflict
- **What's next?**

SUPPLY CHAIN “SHOCKS”

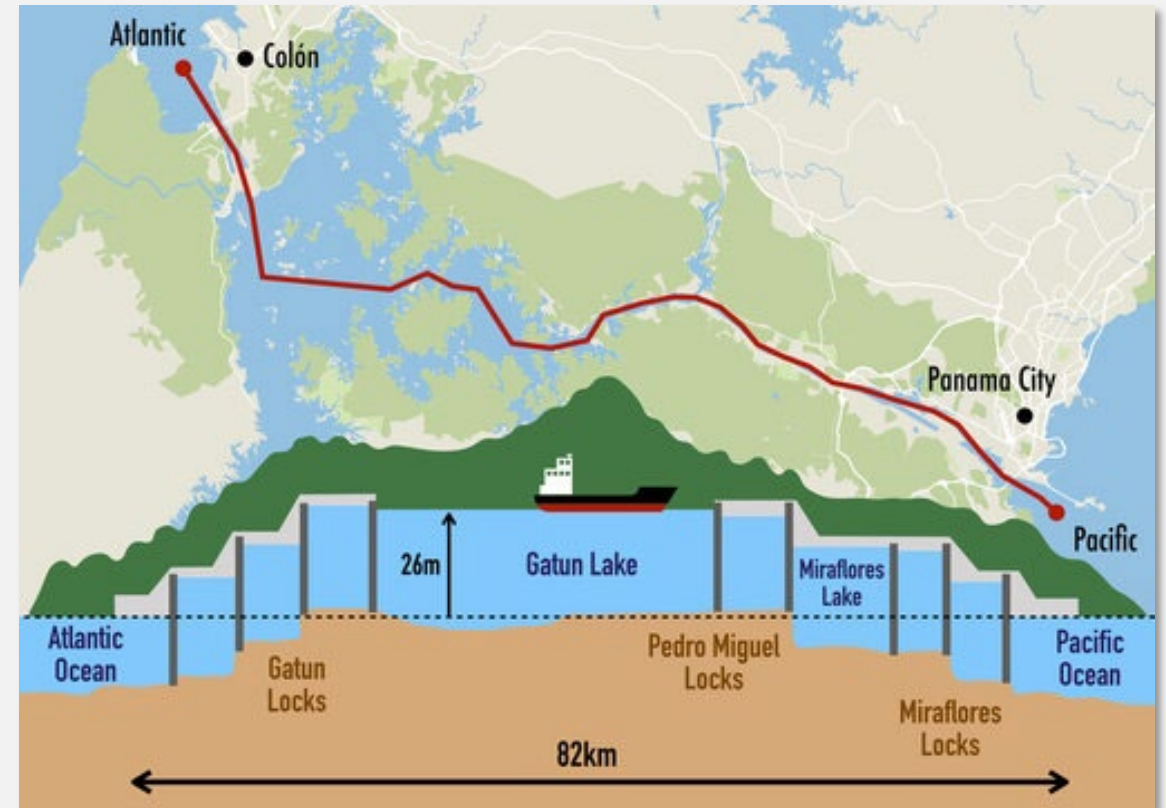


* BALTIMORE UPDATE *

- Effect on NZ cargo is likely to be minimal, although there could be additional pressure on neighboring ports such as New York, Philadelphia & Norfolk while Baltimore is closed
- Recommendation is to speak with your Mainfreight customer service contact if you have any imports or exports to Baltimore to understand whether you have cargo directly affected, or alternatives available for future shipments

PANAMA CANAL: CASE STUDY

- Drought in Central America since early 2023
- Exceptionally low water levels in “Gatun Lake”
- Restrictions on the number & weight of vessels
- Priority given to container ships, especially large ‘Panamax’ vessels
- Surcharges as a result of Canal tariff increases + capacity restrictions



PANAMA CANAL: SOLUTIONS



- NZ services using two different Panama Canals
 - Old locks not subject to the same restrictions
- Land-bridge now in place for alternate service
- Allocations / Protected Contracts
 - Seasonal v Year-Round bookings
 - Short-term options available
- 'Priority' transshipment services to Europe via SE Asia
 - Particularly suitable for Reefer cargo
- Mid-West / East Coast USA & Canada freight able to be routed over West Coast ports



AUSTRALIAN PORT INDUSTRIAL ACTION: CASE STUDY



- October 2023 – February 2024
- Delays of up to 3 weeks for vessels to berth at major Australian ports
- 50,000+ containers
- More than just Australia
 - More than just Trans-Tasman
- (Unrelated) Cyber Attack in Nov 2023
- Fair Work Commission required to intervene

AUSTRALIAN PORT INDUSTRIAL ACTION: CASE STUDY SOLUTIONS



- Alternate Terminals to avoid DP World
 - Patricks, VICT...
- Alternate Services to avoid Australia
- Understanding the range of options
 - Niche vessel operators
 - Airfreight services
- Trucking & Warehousing support
 - Access to landside storage

WHAT'S NEXT & HOW TO PREPARE

- **Finnish Port Operations**
- **USA**
 - East Coast Labour Negotiations
 - US Presidential Elections
 - Los Angeles Container Inspections
- **South China Sea**
- **RoRo capacity constraints**
- **Global Emission Standards**
 - ETS / CBAM
 - Alternative fuels
 - Reporting Requirements
- **NZ Seasonal Demand**
 - Import/Export balance
- **NZ's Access to Capacity**
 - Limited Resources in a Global Market
 - Sea & Air
- **E-Commerce volume surge**
 - Temu, Shein, AliExpress
- **Forward planning...**
- **Forecasting...**
- **Communication...**
- **Booking as early as possible...**

Forward planning, forecasting, communication & booking as early as possible is critical to understanding your options in order to make pro-active decisions versus passively accepting whatever the market throws at us.

THANK YOU

Please reach out to your local Mainfreight Branch should you want to discuss any of this content further.

