

SCHENKER*Ocean* Ltd.

35/F, Skyline Tower  
39 Wang Kwong Road  
Kowloon Bay, Hong Kong  
S.A.R. China

Phone +852 2828 3592  
Fax +852 2828 3593

To whom it may concern

Update situation in Australia

September, 24<sup>th</sup>, 2020

Dear valued customer,

Kindly find some information about the current market into Australia.

The industry is experiencing ongoing MUA Industrial Action at major Australian terminals. The congestion issue is most severe at Port Botany (SYD) where vessel berthing delays are now between 16 - 20 days at the Patrick's terminal. Hutchison and DP World terminals are experiencing delays between 3-5 days currently.

Currently, many carriers are choosing to omit Sydney port call and de-hire shipments at either Brisbane or Melbourne. Other carriers are refusing to accept any future bookings to Sydney until the situation improves.

The current situation endangers supply chains for critical products and has started to place increasing pressure on the economy. There is an appeal for direct Government intervention which is still in application from Shipping Australia.

We observe that

- Carriers have introduced congestion surcharges, eg for Sydney port wef Sept 18<sup>th</sup>, 2020
- Sailings and schedules can no longer be guaranteed
- Shipments are expected to be delayed by an average of 10 to 14 days and 2-4 days for Brisbane and Melbourne.
- The congestion surcharge serves to recover costs based on charges imposed by the carriers
- At this point, the information/update related to "Patrick" terminal is very minimal due to the sensitivity of the issue's faces between the Maritime Union and Patrick's terminal.
- Carrier feedback is very conservative due to the fluidity and sensitivity of the of the situation
- The current situation will likely result in further congestions elsewhere, most likely Brisbane and Melbourne due to additional vessel diversion and additional time required to work the vessels.

From current point of view

- Both the Maritime Union of Australia and Patrick's terminal seem firm not to change their position.
- At this stage it is unlikely that we will see improvement before the end October - unless the AU Gov. Intervenes.

- Congestion and delay will not improve until agreement has been reached and full working hours return.

To protect your supply chain as much as possible and to keep any impact as minimal as possible, we are by your side with timely and comprehensive updates as soon as they are available, for example with regular information feeds about vessel schedule details.

At the same time, we have alternative options available to avoid the shipment discharge delays at SYD port. Please feel free to reach out our network.

Best Regards

On behalf of SCHENKER*ocean*