



C.H. ROBINSON

Client Advisory

June 24, 2021

Australian Coastal Shipping - Market Update

Dear Valued Customer,

The Australian coastal shipping schedule has been impacted throughout the course of the year due to expanding and challenging global and local supply chain events. Currently, the coastal shipping solution is experiencing additional unforeseen conditions causing further disruption to the National freight market.

The primary factors that are exacerbating the current market condition include but are not limited to:

- Renewed Maritime Union of Australia (MUA) Protect Industrial Action and stoppages causing delays throughout Australian ports.
- The lengthy delay of vessels arriving from Asia into Australia.
- Unprecedented increased import volumes utilising a large portion of move counts at Australian terminals.
- Terminals applying move count restrictions to coastal shipping volumes to enable vessels to be worked efficiently throughout Australian ports.
- Industry focus on supplying Asia with empty equipment to service Asia to Australia, the United States (US) and Europe of which provide greater revenue gains for carriers.
- Global disruption and the impact of shipping rotations being out of order.
- Container demurrage concerns, with additional resource cost to manage process.
- Reduced overall coastal shipping capacity with OOCL / Cosco / PIL consortium ceasing services from November 2020.

All customers shipping via the Australian coastal shipping service will continue to experience industry challenges for the foreseeable future.

Our teams will continue to monitor the situation, provide updates, and manage through the associated challenges to the best of our ability, minimising the impact to your supply chain.

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely,
C.H. Robinson