

What influence will this have on our supply chain?

WAVE 1


Supply Constraints

Chinese infection and Lunar New Year affected supply into Australia. As a result of reduced import volumes we saw:

- Low import volumes
- Reduced shipping capacity
- Reduced empty container repatriation
- Steady export volumes
- Constrained equipment availability

February through March import volumes were less than the same time last year.

Blank sailings were higher.



WAVE 2

Returned Supply

As Chinese manufactures have come back on line shipping services resumed. As a result import volumes increased. Exports during this period remained solid with contributions from grains, hay and fresh produce offset by sawn timber.




Towards the end of March import volumes picked up to be comparable with March last year.

In early April import volumes are lower than last year and blank sailings are being scheduled.

WAVE 3

Suppressed Demand


As the situation unfolds, industry is predicting reduced demand as a result of the suppressed economic conditions. This is likely to see volumes slow down.



WAVE 4

Recovery

Eventually, we expect to see volumes stabilize as the economy recovers – potentially at a slower pace.



Import FULL containers	Reduced volumes	Strong volume	Reduced volume	Stable volumes
Bonded Storage	Stable	Strong demand for bonded storage if containers can not be unpacked	Continued utilisation of bonded storage until supply works it's way through the supply chain	Re-stabilisation back to steady state
Shipping Capacity	Blank sailings to reduce capacity in response to reduced supply	Increased capacity to respond to increased supply	Potential negative impact on exports if it continues to be strong	Returning to steady state
Equipment Availability	Low	Low – dwell time in the supply chain increased	Potential lack of 20ft containers	Returning to steady state
Transport Carriers	Stable	High demand, temporary storage requests	Stable	Stable
Warehousing & DCs	Stable	Increasing constraints on capacity Additional short term capacity could be required	Ongoing storage requirements until demand recovers or stock levels stabilise	Stable
Empty Container Storage	Increasing utilisation of existing capacity	Reduced repatriation of empty containers is resulting in utilisation of existing empty park capacity	Dependent on international demand for equipment but expect container storage capacity to stabilise	Stable