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Further strong container volumes in February

February 2021 was another strong month for total container throughput (full and empty) with a total 265,843 TEU, 25.0% above the previous year. Volumes remain strong as we see the continued import trend of increased demand for household and miscellaneous items (such as domestic appliances, non-electrical machinery, and toys and sporting goods) and strong agricultural exports off the back of an optimal growing season (including wheat, fresh fruit and powdered milk). This month's growth also reflects a relatively low volume month in February last year.

Overall February 2021 container trade results compared with February 2020 were as follows:

- total container volumes (full and empty) up by 25.0%, with year to date volumes up by 10.9%;
- full overseas container imports 28.0% above February 2020 with COVID-19 related spending on homeware related commodities continuing. Also the timing of the 2021 Chinese New Year (12/2/21) relative to last year (25/1/20), combined with extended factory closures due to COVID in February 2020, contributed to higher year on year comparables;
- full overseas container exports up 16% on February 2020 with increased grain and stockfeed volumes resulting from the recent strong winter crop harvest;
- full container trade between Melbourne and Tasmania excluding transhipments increased 7.4% on February 2020 to total 17,127 TEU and was up 6.4% for the year to date;
- empty container movements 33.5% above February 2020 as full overseas imports increased at a greater rate than full overseas exports, generating additional surplus containers as empties for export;
- full transhipment volumes were 3,000 TEU higher;
- break bulk has seen a 92.8% increase year-on-year (revenue tonnes), primarily driven by imports of non-electrical machinery, iron, steel and pulp. The increase also reflects industry sentiment that an imbalance in empty containers in Europe is driving increased commodities that would usually move in containers to move via RoRo;
- dry bulk exports 109.6% above February 2020 with shipments of grain totalling 169,070 tonnes compared to 80,653 tonnes in February last year; and
- liquid bulk imports were down 27.9% with crude oil and petroleum product imports down 20.6% (-83,059 tonnes) and 49.1% (-45,982 tonnes) respectively.





Trade outlook

Container trade for early March 2021 continues to be well above the comparative month in 2020 due to strong trade and the COVID impact on prior year volumes.

Supply chain

Ongoing congestion and delays are a global concern with schedules continually being revised. Export bookings from Melbourne have been reported to be difficult in favour of repatriating empty containers faster to help relieve equipment shortages, particularly in Asia.

Due to operational improvements in Port Botany and with vessel schedules expected to stabilise, the majority of shipping lines have removed the Sydney congestion surcharge as of the middle of March.

In early March, VICT introduced an option for transport companies to do stack runs of full containers (moving multiple containers at one time) in and out at its terminal. This allows tighter planning and reduced fees for appropriate carriers.

Industrial relations

During February the only activity recorded was a planned stoppage at the VICT terminal on 16 February. VICT and the MUA have agreed to suspend all Protected Industrial Action activities until 26 April 2021 in order for both parties to continue negotiations.

Port developments

CEO Brendan Bourke was a speaker and panellist at a recent **Ministerial Roundtable**, hosted by Freight Victoria. Alongside the Hon Melissa Horne MP, Minister for Freight and Ports and Mark Curry, author of the independent review on the Victorian Ports Systems, Brendan gave an update on the port's key projects and how the port and supply chain were impacted by COVID-19. He also announced the awarding of two key contracts associated with the Port Rail Transformation Project.

Despite the many challenges facing the industry in recent times, Port of Melbourne is progressing its **Port Rail Transformation Project**. WSP and Seymour Whyte Constructions have been engaged to develop new rail infrastructure at the port, including a new rail terminal interfacing with the container terminal at Swanson Dock East. WSP will provide the design consultancy services, and Seymour Whyte Constructions the early contractor involvement.

The Port Rail Transformation Project is an investment by the Port of Melbourne of more than \$125m for the total project, and provides a new operating environment and infrastructure to help move more freight off trucks and onto rail and to make our regional rail supply chains more efficient. More information can be found on [Port of Melbourne's website](#).

Port of Melbourne welcomes the addition of the Webb Dock Freight Link to [Infrastructure Australia's Infrastructure Priority List](#). Listed as a key project in our 2050 Port Development Strategy, we see this project as essential to supporting the port's growth objectives. This project will help ensure that the port





can efficiently deliver the goods Victoria and wider Australia need now and into the future. More information on our plans for Webb Dock can be found in our [Port Development Strategy 2050](#)

Like many organisations in Melbourne, we are returning to our office in Collins Street in line with the Victorian Government protocols. It has certainly been a welcome development to be able to work with colleagues face to face.

Please call your Port of Melbourne contact or email us at information@portofmelbourne.com if you have any queries.

Brendan Bourke
Chief Executive Officer