



Port of Melbourne's Response to COVID-19 – Update 8

Continuing to operate during Stage 4 restrictions

The Victorian Government has introduced Stage 4 restrictions and Port of Melbourne (PoM) will be operating as usual.

We welcome the Government's continued recognition of the ports and freight supply chain as a vital element of the economy.

In March when restrictions were first announced, PoM in conjunction with other key stakeholders, developed a supply chain initiative to locate near and on-port land available for storage of excess containers if required, and this work is ongoing. PoM is working with the freight and logistics sector to anticipate and prepare for any disruptions which may arise with some Stage 4 restrictions.

We live in a global economy and PoM will continue to connect Victorian businesses to global markets by supporting in-bound and out-bound trade, which is vital to our economy and our way of life.

Trade update

Bad weather affected a number of vessels in late May and delayed their arrivals into Melbourne. This resulted in an estimated 10,000-15,000TEU of overseas containers arriving in June instead of May.


Trade results for the month of June 2020 compared with the month of June 2019 included:

- Total container volumes (full and empty) were up 7.2 per cent;
- Full overseas container imports were up 12.8 per cent;
- Full overseas container exports were up 7.2 per cent;
- Empty container throughput was down 1.4 per cent;
- Motor vehicles by units were down 55.4 per cent;
- Dry bulk shipments were boosted by an increase in cement, fly ash and manufactured fertiliser resulting in a 26.6 per cent increase despite no June grain shipments;
- Liquid bulk was lower, down 6.5 per cent, mainly due to refined petroleum imports but offset to some extent by higher crude oil volumes.

Full year results for FY June 2020 compared to FY June 2019:

- Total container volumes (full and empty) down by 4.6 per cent;
- Full overseas container imports down 3.3 per cent;
- Full overseas container exports down 2.2 per cent;
- Empty container throughput was down 6.5 per cent;
- Tasmanian container volumes are similar to the previous year;
- Motor vehicles (by units) down by 19.2 per cent;



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- The dry-bulk category was down 1.8 per cent; and
 - Liquid bulk was 6.8 per cent lower.

Ship cancellations (vessel blankings) for FY20 Jan-June totalled 43, significantly up [72 per cent] on the Jan-June FY19 period. Of these, 29 related to shipping lines managing the COVID-19 volume impacts and 14 to seasonal capacity management programs, such as the annual Lunar New Year period, as well as other vessel delays. The FY21 outlook for blankings is expected to reflect the peak season (Sept to Feb) increase in demand and the return of shipping capacity. In recent weeks, we have seen port omissions as a result of schedule recovery efforts by shipping lines, necessitated by weather delays along the east coast; to date, only one vessel is planned to omit Melbourne with a planned September call now cancelled.

July trade data suggests that July trade volumes will be similar to those of 2019.

Outlook

The trade outlook is difficult to assess. At this stage it seems likely that trade will become increasingly dependent on the demand side response to the slowing economy.

Let me assure you that the PoM team is committed to continuing to move the goods essential to Victorian people and businesses, from medical equipment and supplies to the items on our supermarket shelves.

Please call your Port of Melbourne contact or email us at covid19@portofmelbourne.com if you have any queries.

Brendan Bourke
Chief Executive Officer

