

**PORTS UPDATE REPORT**

**ISSUE No.8**

**PART I: REPORT ON CONTAINER MOVEMENTS AT FOUR KEY  
AUSTRALIAN PORTS**

**PART II: REPORT ON COAL EXPORTS FROM NEWCASTLE PORT  
AND DALRYMPLE BAY COAL TERMINAL**

**30 August 2010**

## PORTS UPDATE REPORT No 8

### Report on Container Throughput Trends at Four Australian Ports & on Coal Exports from Newcastle Port and Dalrymple Bay Coal Terminals

30 August 2010

#### Introduction

The recovery in world trade since the GFC has happened at a faster pace than had been expected. A few indicators illustrate what has occurred and is projected:

- World trade by sea, land and air is expected grow by 8.1 percent in 2010 after declining by 7.2 percent in 2009.
- Containerized trade worldwide is expected to increase almost 10 percent in 2010, with the main east-west ocean trades growing even faster at 10.6 percent.
- The Asia-Europe trade has increased 23% over 2009.
- The number of container vessels in lay-up has fallen to 298,045 TEU, just over 2.18% of world fleet, which is a reduction of 75% over the past eight months.
- The strong growth in the east-west trade lanes is attributed to restocking of inventories in North America and Europe.

[Source: IHS Global Insight - Second Quarter Trends in World Economy and Trade]

- Eastbound transpacific vessel utilisation increased from 82% in the first quarter 2010 to 87% in the second, but expects to fall back to 81.4% in the third quarter once full peak-season service is underway [Source: Drewry Shipping Consultants].

Container trade in the 4 major Australian container ports continued to show a strong rebound in the 4<sup>th</sup> quarter of financial year 2009-10 i.e. to 30 June 2010.

The 8<sup>th</sup> Ports Update Report continues to present and analyse container throughput in 4 major container ports in Australia. This report covers port performance in 4 ports over the 4<sup>th</sup> quarter of the financial year 2009-10. The four ports reported on are Port Botany, Port of Melbourne, Port of Brisbane and Port of Fremantle. The data utilised in this report has been collected from the relevant port authorities.

The Report also contains data on coal export performance in the Port of Newcastle and the Dalrymple Bay Coal Terminal. The purpose is to monitor the prolonged issue of coal port congestion.

**Part I of the Report** contains a graphical representation of container throughput in each of the 4 container ports. The first chart for each port shows trends over financial year 2008-09 with a comparison of the same period one year previously (2007-08), while the second chart for each port shows the trend over the 2009-10 financial year compared to the same period one year ago, followed by a short interpretation of the data.

The Report then summarises the container trends aggregated across the four ports, also with a comparison of the same period one year previously.

At **Attachment A** are the detailed container throughput statistics for reference.

**Part II of the report** includes data and tables showing coal export performance from the Port of Newcastle and the Dalrymple Bay Coal Terminal. The four indicators of performance reported are:

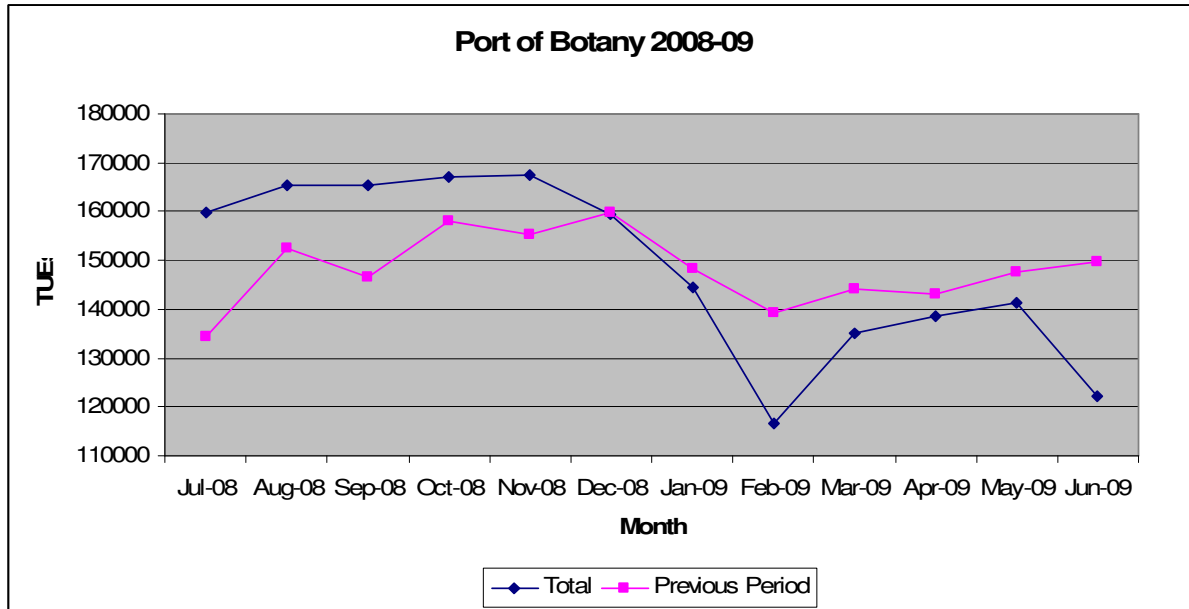
- The average monthly vessel waiting time;
- The average daily total vessels in queue;
- The number of vessels sailed; and
- The average monthly coal export tonnage.

## Part I: Container throughput in four container ports

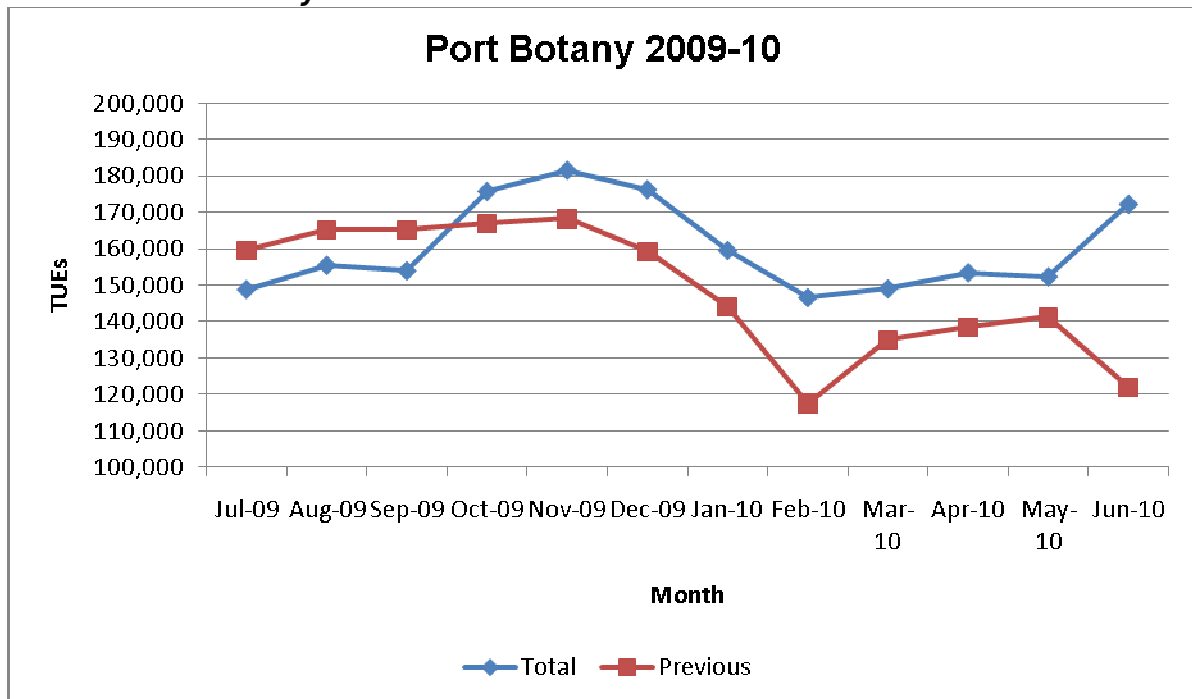
In the following figures, 'total' indicates the combined import and export TEUs in a particular month. 'Previous' means the data from the same month in the previous financial year.

### Port Botany

**Chart 1: Port Botany 2008-09**



**Chart 2: Port Botany 2009-10**



[Source: Sydney Ports Corporation <http://www.sydneyports.com.au/>]

## Interpretation

Throughput at Port Botany has been relatively stable over the period since February though there was a significant surge during June 2010.

Overall, container trade at Port Botany jumped to 1.93m teu over 2009-10 from 1.78m teu in 2008-09, representing an 8% growth in total container trade, worth about \$50 billion.

Chemicals (47,506 teu) were the single biggest full container export commodity for Port Botany and machinery.

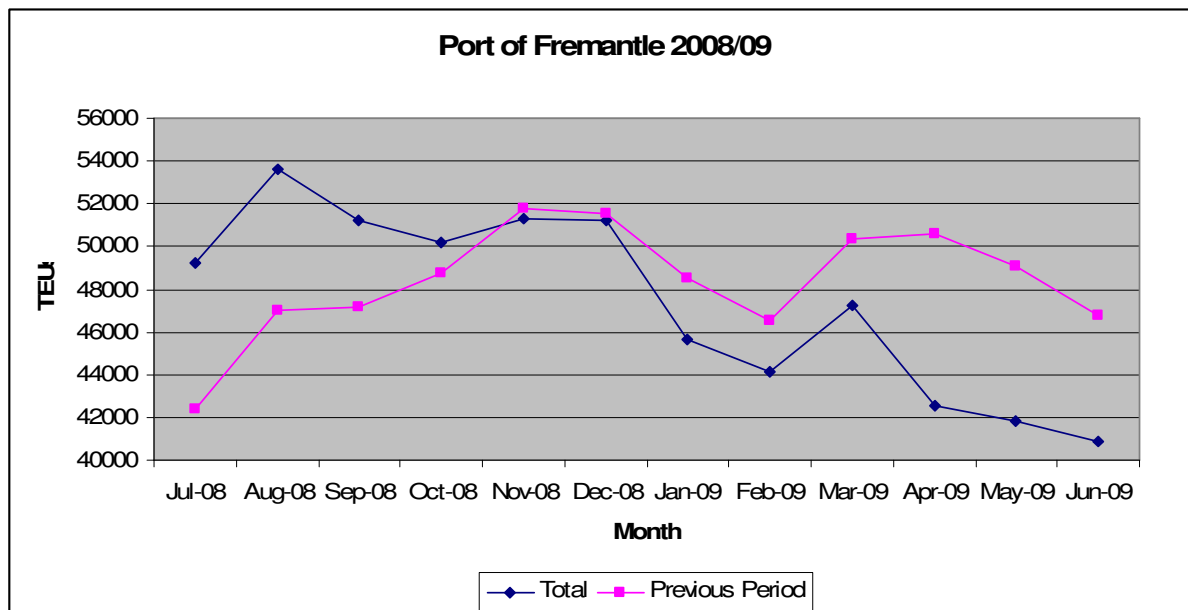
About 37% of Port Botany's container exports went to East Asia, while the whole of Asia represented 62% of all container trade.

Goods shipped between Australia and China in the year to 31 May 2010 lifted total throughput at Port Botany by 5% from the same period last year. China represented more than 60% of all volume into and out of the port.

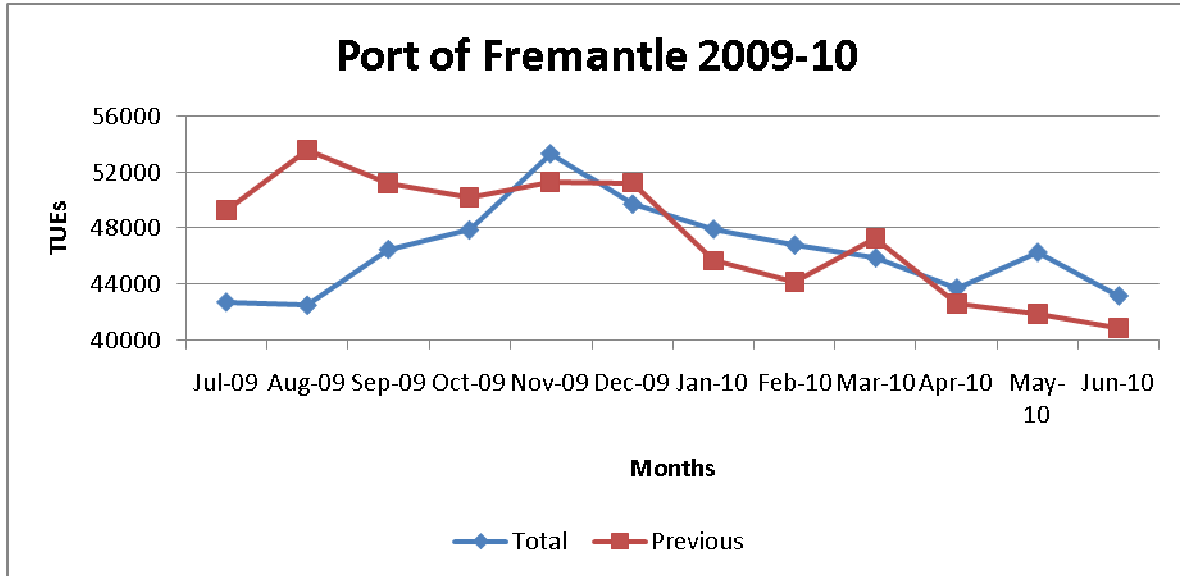
[Source: Sydney Ports Corporation Trade Statistics Bulletin]

## Port of Fremantle

**Chart 3: Port of Fremantle 2008-09**



**Charter 4 Port of Fremantle 2009-10**



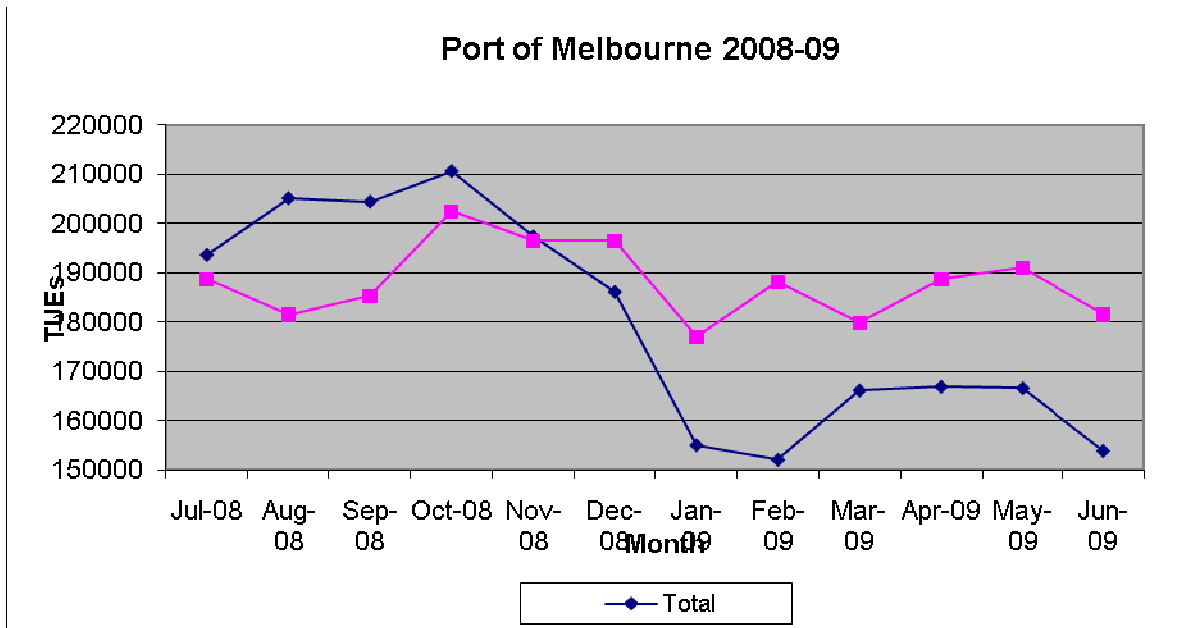
[Source: Fremantle Port Authority <http://www.fremantleports.com.au/>]

**Interpretation**

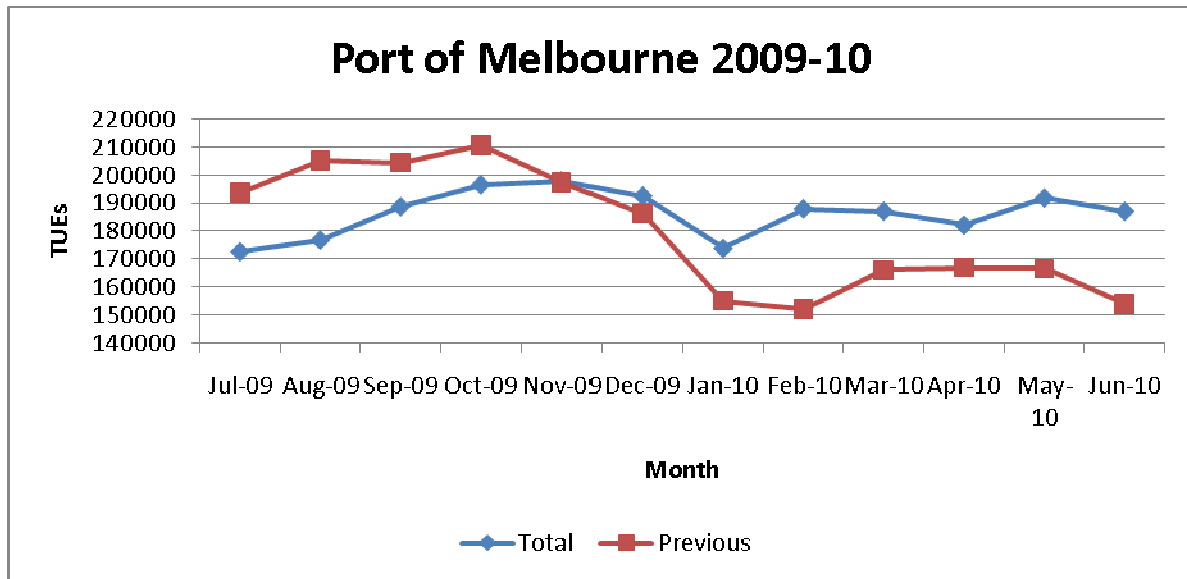
Container throughput in the Port of Fremantle has been falling since November 2009, with a rapid rise during May 2010 then sliding back during June to the same levels as 1 year ago. The quarter shows better performance year over year.

**Port of Melbourne**

**Chart 5: Port of Melbourne 2008-09**



**Chart 6: Port of Melbourne 2009-10**



[Source: Port of Melbourne Corporation <http://www.portofmelbourne.com/>]

### Interpretation

Container throughput in the Port of Melbourne has continued an upward trend since January 2010. The growth represents an average monthly growth rate of 15.8% on last year's volumes for the second part of the 2009/10 financial year.

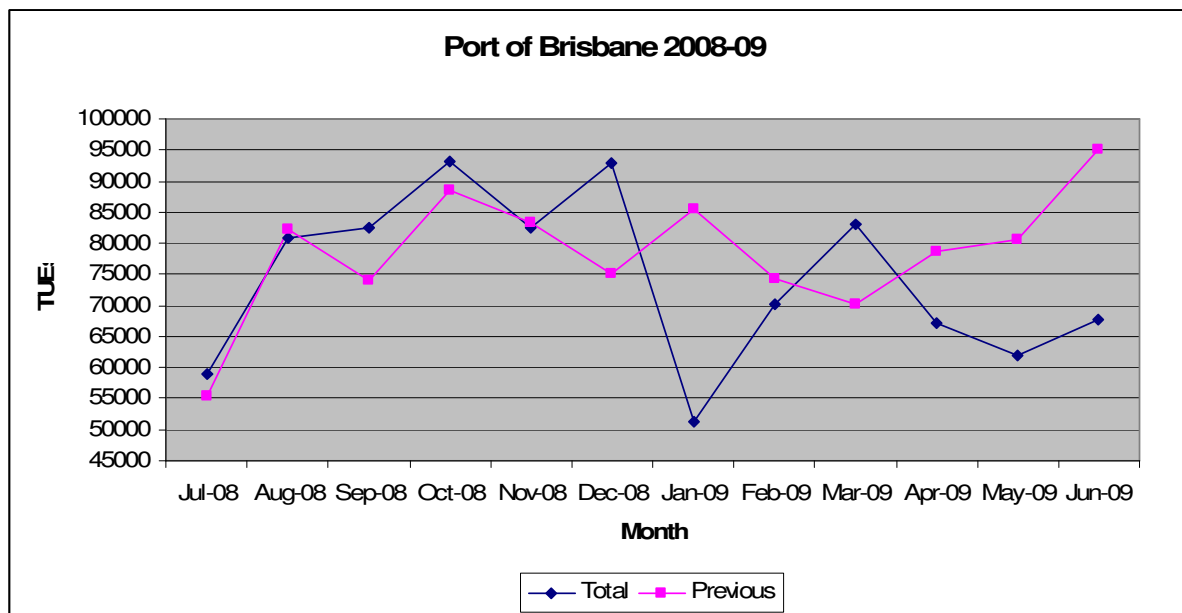
So far, container throughput has bounced back to pre financial crisis levels with a rise 3.7% to 2.2m teu in the 2009/10 financial year

- Total trade has risen by 5.5% to 75.4 million revenue tonnes;
- The total number of loaded containers shipped to and from the port increased 6.4% to a record of 1.8 million teu.
- Empty container movements declined 6.3% down to 435,000 teu.
- Loaded export containers rose at a greater rate than loaded import containers growing by 8.6% and 7.2% respectively during the past year.

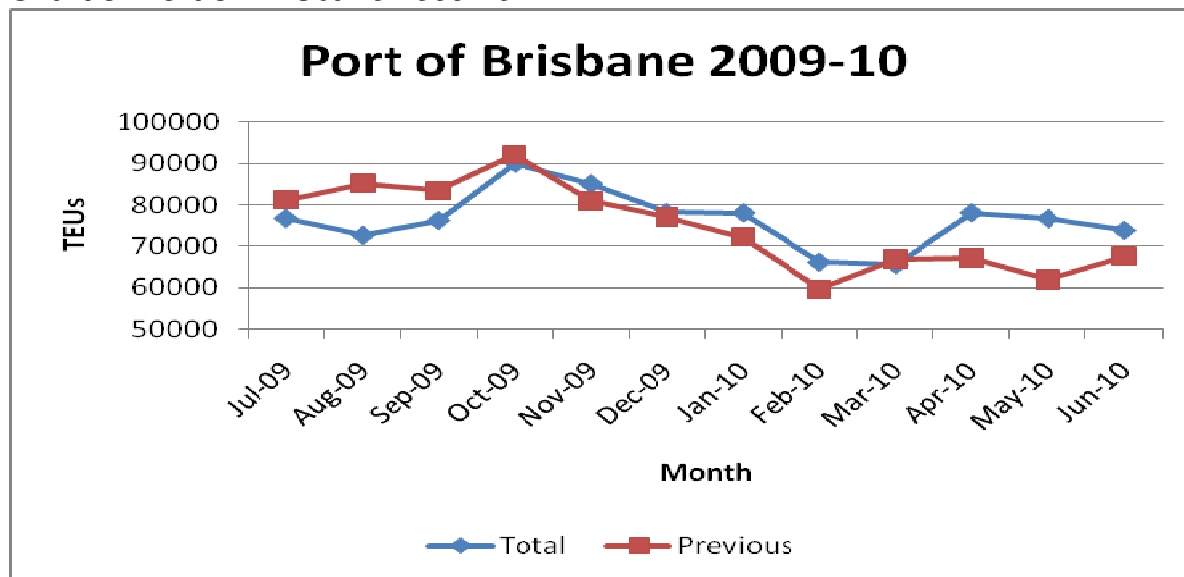
[Source: Port of Melbourne Corporation]

## Port of Brisbane

**Chart 7: Port of Brisbane 2008-09**



**Chart 8: Port of Brisbane 2009-10**



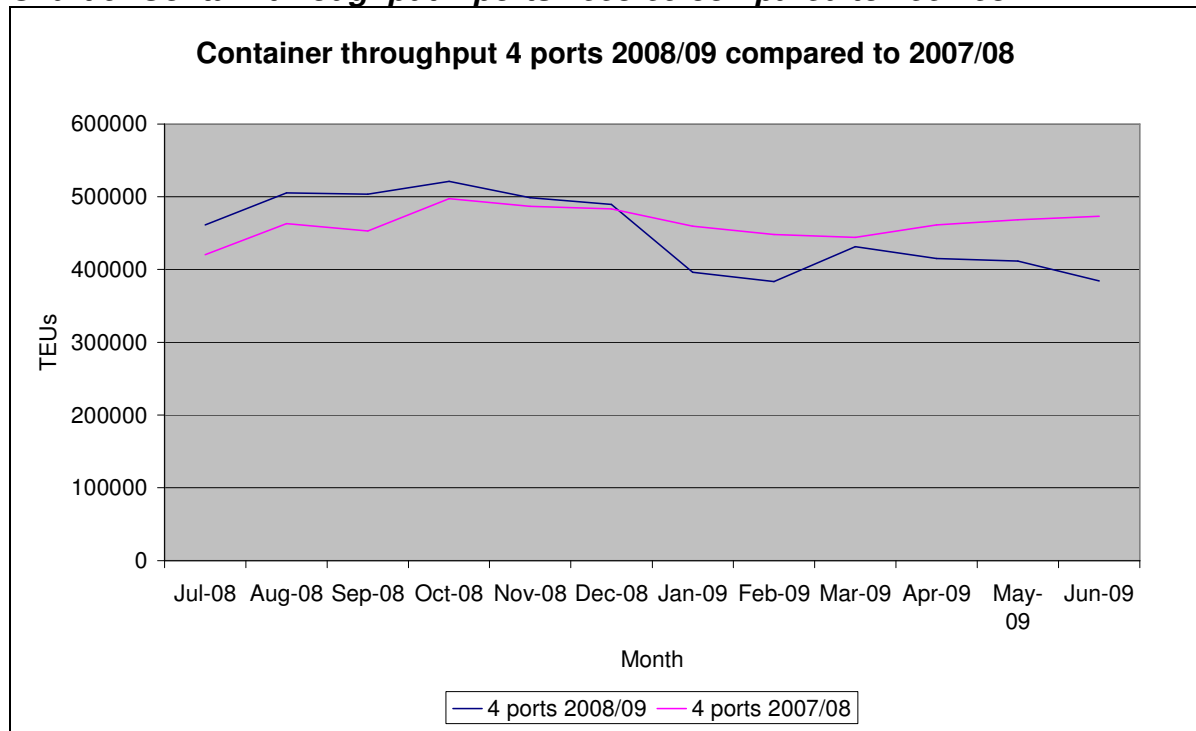
### Interpretation

Container throughput in the Port of Brisbane has showed generally positive growth since March 2010. In general, container volumes have risen by 2.5% on the previous year to reach 918,999 teus. Some key details are:

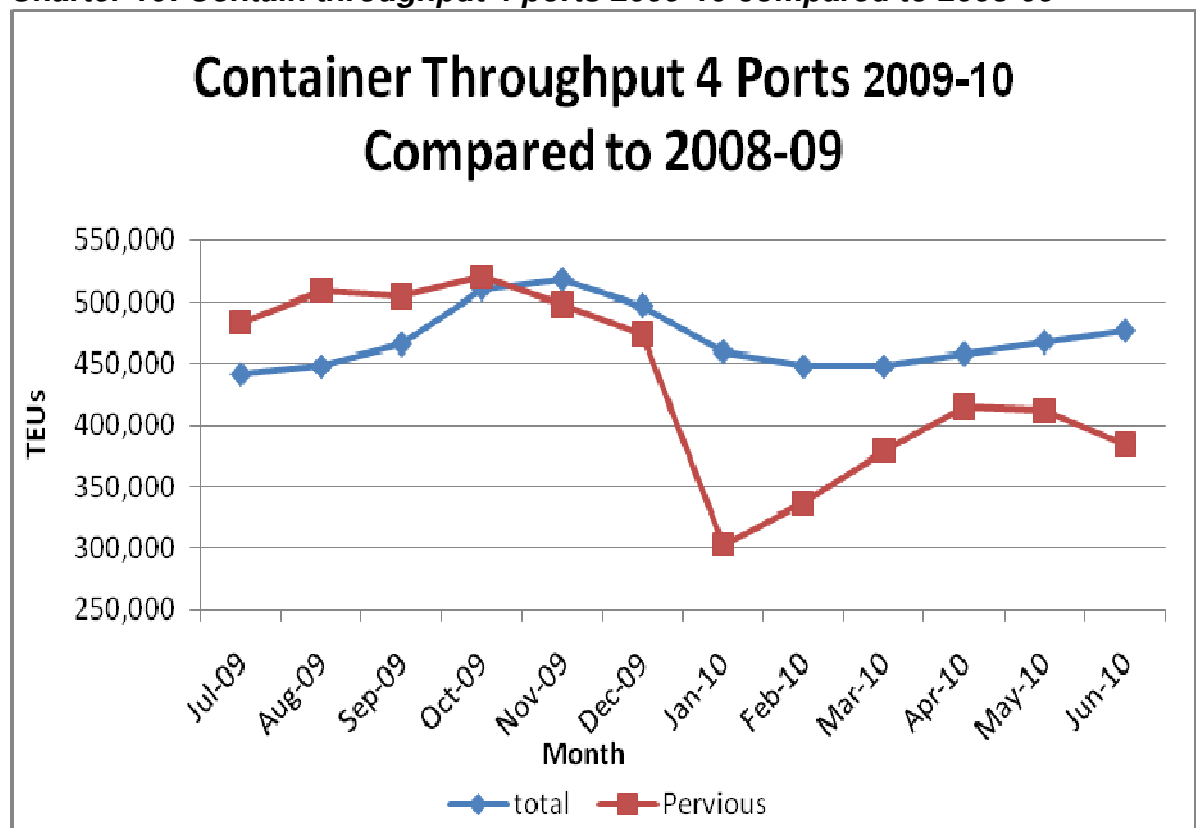
- Full container imports increased by 7.9%, largely driven by strong increases in household items, up 7.7%, and building products, up 31.3%.
- Containerised exports rose 4.0% overall, partly driven by a 16.6% increase in empty container exports, and strong growth in cotton (up 22.8%) and fruit and vegetables (up 15.3%).

**Aggregated four port data**

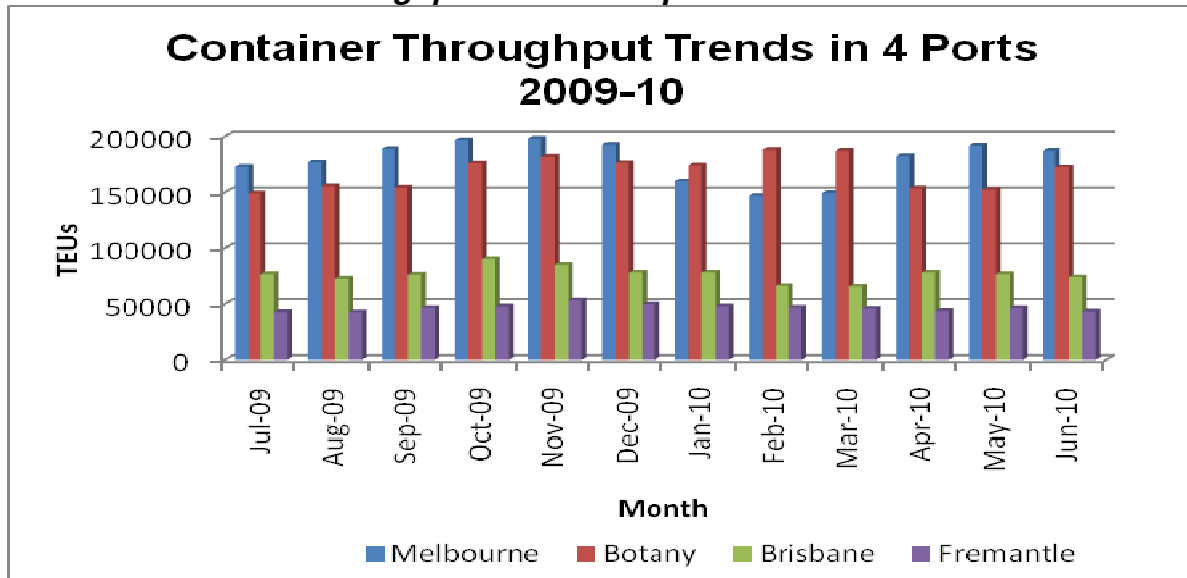
**Chart 9: Contain throughput 4 ports 2008-09 compared to 2007-08**



**Charter 10: Contain throughput 4 ports 2009-10 compared to 2008-09**



**Chart 11: Container throughput trends in 4 ports 2009-10**



[Source: MUA, aggregation of individual port data]

## Part II: Report on Coal Exports from Port of Newcastle and Dalrymple Bay Coal Terminal

### The Background

Since the Issue 6 of Port Update Report, we have started to report on coal export performance in the Port of Newcastle. The purposes are - firstly we attempt to expand port performance reporting to cover commodity exports. Second, we seek to examine the impact, if any, of the Capacity Framework Agreement (CFA), which was authorised by the ACCC, enabling the parties involved in the Hunter Valley Coal Supply Chain to collaborate on a range of supply chain performance improvements. The CFA took effect on 1 January 2010. It is claimed to be a long term solution to help resolve capacity constraints at the Port of Newcastle coal loading facilities, and as a by-product, reduce ship queues at the Port of Newcastle.

The baseline data we have used to begin assessing is data in December 2009 from Hunter Valley Coal Chain Logistic Team. We then track monthly data for each quarter beginning January 2010 to assess trends.

In addition to the Port of Newcastle, the Issue 7 of the Port Update Report adds records on coal export performance in the Dalrymple Bay Coal Terminal. The purpose is to examine the effectiveness of measurements that the governments have adopted in addressing congestion in the coal terminal.

This Issue continues to report on congestion and status of ship queues in the Port of Newcastle and Dalrymple Bay Coal Terminal. Four indicators of port performance are utilised:

- The average monthly vessel waiting time;
- The average monthly number of vessels in the queue;
- The number of vessels sailed; and
- The average monthly coal export tonnage.

### Section A: Port of Newcastle

**Table 1: Average Monthly Vessel Waiting Time (Days)**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-2009</b>	10	Jan -10	16	Apr-10	<b>16</b>
		Feb-10	18	May-10	<b>11</b>
		<b>Mar-10</b>	<b>17</b>	<b>Jun-10</b>	<b>14</b>

**Table 2: Average Monthly Number of Vessels in Queue**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-2009</b>	33	Jan-10	54	Apr-10	<b>36</b>
		Feb-10	45	May-10	<b>35</b>
		<b>Mar-10</b>	<b>47</b>	<b>Jun-10</b>	<b>47</b>

**Table 3: Number of Vessels Sailed**

Baseline data		Quarter 3 2009-10		Quarter 4 2009-10	
<b>Dec-09</b>	89	Jan-10	98	Apr-10	<b>97</b>
		Feb-10	87	May-10	<b>95</b>
		<b>Mar-10</b>	<b>76</b>	<b>Jun-10</b>	<b>87</b>

**Table 4: Average Monthly Coal Export Tonnage (M Tonnes)**

Baseline data		Quarter 3 2009-10		Quarter 4 2009-10	
<b>Dec-09</b>	93	Jan-10	95	Apr-10	<b>103</b>
		Feb-10	99	May-10	<b>99</b>
		<b>Mar-10</b>	<b>93</b>	<b>Jun-10</b>	<b>97</b>

[Source: <http://www.hvccc.com.au>]

### Interpretation

For the six months since the Capacity Framework Agreement came into operation, i.e., from 1 January to 30 July 2010, the data from the Port of Newcastle shows the following:

- Average monthly vessel waiting days increased from 10 days of baseline to an average 15.34 days. A 66% deterioration in waiting times.
- Average monthly number of vessels in the queue increased from 33 vessels of baseline to an average 44 vessels. A 75% increase in the number of queued vessels.
- Number of vessels sailed has slightly increased from 89 vessels of baseline to an average 90 vessels. A 1% improvement.
- Average monthly coal export tonnage has a modest increase from 93 M Tonnes baseline to an average 97.6 M Tonnes. A 9.6% improvement.

In summary, the 4 indicators show that the Capacity Framework Agreement hasn't had a noticeable impact on easing the congestion in the Port of Newcastle coal terminal. Although 2 of the indicators improved, the degree of improvement is marginal. However, it might be too early to judge whether the CPA is effective, given it has been in operation for only 6 months. We'll keep an open-mind as it may have a long term positive impact on the effectiveness of the coal supply chain overall once it becomes bedded down.

## Section B: Dalrymple Bay Coal Terminal

**Table 1: Average Monthly Vessel Waiting Time (Days)**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-09</b>	35	Jan -10	31	Apr-10	<b>33</b>
		Feb-10	30	May-10	<b>33</b>
		<b>Mar-10</b>	<b>37</b>	<b>Jun-10</b>	<b>29</b>

**Table 2: Average Daily Total Vessels in Queue (Vessels)**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-09</b>	60	Jan-10	50	Apr-10	<b>61</b>
		Feb-10	50	May-10	<b>62</b>
		<b>Mar-10</b>	<b>61</b>	<b>Jun-10</b>	<b>48</b>

**Table 3: Number of Vessels Sailed (Vessels)**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-09</b>	61	Jan-10	57	Apr-10	<b>67</b>
		Feb-10	42	May-10	<b>64</b>
		<b>Mar-10</b>	<b>46</b>	<b>Jun-10</b>	<b>66</b>

**Table 4: Average Monthly Coal Export Tonnage (M Tonne)**

Baseline data	Quarter 3 2009-10		Quarter 4 2009-10		
<b>Dec-09</b>	5.5	Jan-10	4.94	Apr-10	<b>6.07</b>
		Feb-10	4.11	May-10	<b>5.59</b>
		<b>Mar-10</b>	<b>4.44</b>	<b>Jun-10</b>	<b>6.20</b>

[Source: [www.primeinfrastructure.com](http://www.primeinfrastructure.com)]

Table 1

## Port of Melbourne 2010 (TEUs)

Month	Export	Import	Total	Previous	%
Jan-10	85649	88300	173949	154976	1.13
Feb-10	95821	92181	188002	152000	1.24
Mar-10	94303	92824	187127	166079	1.13
Apr-10			182178	166838	1.10
May-10			191845	166541	1.16
Jun-10			187110	153806	1.22

Table 2

## Port of Fremantle 2010 (TEUs)

Month	Export	Import	Total	Previous	%
Jan-10	24600	23358	47958	45663	1.05
Feb-10	22698	24135	46833	44144	1.06
Mar-10	22387	23523	45910	47250	0.98
Apr-10			43752	42573	1.03
May-10			46303	41834	1.11
Jun-10			43200	40834	1.06

Table 3

## Port Botany 2010 (TEUs)

Month	Export	Import	Total	Previous	%
Jan-10	78855	80830	159685	144261	1.11
Feb-10	72935	73846	146781	117557	1.25
Mar-10	79223	69884	149170	135083	1.11
Apr-10			153593	138601	1.11
May-10			152484	141314	1.08
Jun-10			172339	121972	1.42

**Table 4****Port of Brisbane 2010 (TEUs)**

<b>Month</b>	<b>Export</b>	<b>Import</b>	<b>Total (including transhipped)</b>	<b>Previous</b>	<b>%</b>
Jan-10	38033	36853	78098	72261	1.08
Feb-10	32501	32031	66150	59631	1.11
Mar-10	33640	30334	65551	66885	0.98
Apr-10			78111	67146	1.17
May-10			76722	61953	1.24
Jun-10			73857	67605	1.10