

# **Australian International Movers Association (AIMA) Advice 20<sup>th</sup> June 2022**

## **International Shipping Crisis and Cost Volatility**

The international shipping lines servicing Australia are currently reporting elevated levels of port congestion at key overseas transshipment ports, a global shipping container shortage and unprecedented demand for containerised cargo across the globe and rising fuel costs as the key factors behind cancelled or delayed vessel sailings, sudden substantial spikes in ocean freight costs, associated port storage and container detention charges that they are applying consequently.

In Australia, AIMA is applying pressure upon the Shipping lines to honour bookings and minimise any additional fees, delays etc., nevertheless the unregulated global shipping industry is enjoying unprecedented profits with demand exceeding supply. The entire shipping industry in Australia is being impacted. Unfortunately, when these additional costs incur, usually with little to no notice, these charges ultimately need to be passed on to the consumer.

As an industry, all our members continue to mitigate against these issues, summarily we cannot be held liable for issues or additional fees arising from shipping line disruptions including but not limited to rescheduling or cancellation of services, delays, extended transit times, storage or double handling of goods whilst awaiting shipping and routing options. These are all simply beyond our industry's control.

AIMA continues to monitor the situation closely and members will consult directly with customers should either shipping line transit times or additional charges adversely impact upon your service. Compared to the rest of the world, AIMA members have experienced lesser general freight rate increases, being well below the quadrupled encountered in the Northern Hemisphere.

FIDI - Fédération Internationale des Déménageurs Internationaux (International Federation of International Movers), a global governing body for our industry, have provided an overview of these issues impacting our industry globally. Please see attached to read FIDI's overview and further understand the worldwide affect occurring within the removals industry.

We trust customers understand these extraordinary, unparalleled circumstances facing the Moving Industry here in Australia and Globally. AIMA continues to lobby and challenge the shipping companies and port authorities in relation to the unsubstantiated cost increases we are encountering. Our members are working in unprecedented circumstances-they are required to quickly adapt to the latest "normal" to ensure the best outcome for its member's clients



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Brussels, 13 September 2021

Dear FIDI Affiliate,

I am writing to you with an important international shipping update for you and your customers.

Due to the COVID-19 pandemic, the global shipping industry is experiencing severe issues, including irregular, delayed or cancelled services, last-minute schedule changes, and steep increases in prices.

As the international moving industry is a key user of these services, it is being seriously affected.

FIDI-Affiliated movers around the world are working hard to mitigate these pressures, but there has been an unavoidable and ongoing impact on the delivery of many services to their customers.

### **Unexpected demand**

The main cause is the unexpected uplift in international demand for goods and services, following the easing of pandemic restrictions, arising from pent up demand and continued strong economic recovery in many markets across the world. Therefore, demand for container shipping is high, while capacity has lowered (see below); a recent BAR update estimated that for every container place currently available, there are two containers waiting.

### **Container reductions**

A reduction in the availability of vessels, either through port or ship lockdowns and COVID-related staff shortages, have added to this problem. There is also a global imbalance in the availability of empty containers for new shipments, which was triggered by lockdowns occurring and being lifted at different times in different regions. Surplus empty containers are stuck in certain ports while shipping slots remain scarce.

With availability low and many ports operating at (sometimes reduced) capacity, long-term storage for containers in and around ports has become severely limited, too.

### **Driver shortages**

Driver shortages have been compounded by the pandemic – these are affecting deliveries to retailers and causing shortages of goods in many markets. They have impacted significantly on the availability of slots for delivering and collecting containers from/to customers' premises and from/to ports.

## The impact on moving companies

### 1. Longer booking times

With availability at an all-time low, it is reportedly taking up to two months, or longer, to book a slot on board a vessel. Before the pandemic, overseas moves could take place at short notice; however, a significant amount of forward planning is now essential.

### 2. Price increase

As shortages of storage, containers and vessel spaces are tight, the potential knock-on impact of missed slots is extremely high. Shipping lines are adding congestion or service surcharges to cover such issues, often with very little notice.

### 3. All-round unpredictability

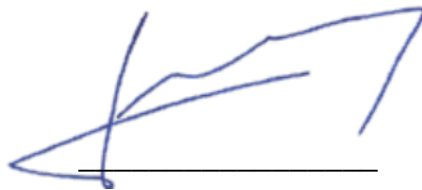
Shipping and its related logistics sectors are now precariously balanced, with only a small amount of disruption needed to cause significant delays to shipments or increases to prices. Ongoing COVID outbreaks are adding to the instability and are a widespread possible cause of sudden staff shortages and immediate delays to movers' shipments.

Moving businesses around the world rely on the smooth running of international shipping to enable them to deliver similarly trouble-free services. The issues described above have made this extremely problematic, introducing volatility and price rises that will inevitably affect customers.

The moving industry will do as much as it possibly can to alleviate the overall impact and, in those areas over which we do have control, to continue to make the moving experience as efficient and stress-free as possible.

Please share this update widely to keep the supply chain and your customers informed.

We are continuing to monitor the difficult international situation and will continue to keep our members updated as it develops.



**Jesse van Sas**  
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