

# Ivent Solutions Market Trend Update

## October 2021



### Chinese Manufacturers Facing Electricity Rationing

Ivent has been advised by some manufacturers of further leadtime increases due to the rationing of electricity via the Chinese national grid. Ongoing power shortages in its industrial northeast due to coal shortages have triggered a wave of factory closures, with traffic lights, residential elevators, and mobile phone coverage also affected in some cities. Power rationing is already in place in more than 10 provinces including the northeastern province of Jilin, amid soaring coal prices.

Jilin provincial governor Han Jun called for more channels to secure coal supplies from Russia, Mongolia, and Indonesia, while dispatching teams to secure supplies from China's northern region of Inner Mongolia. According to an estimate by Goldman Sachs, as much as **44 percent** of China's industrial activity has been hit by power shortages, leading analysts to cut their 2021 GDP growth forecast for China to 7.8 percent from an earlier estimate of 8.2 percent.



Some shops and hotels in the northeast were lit by candlelight, while homes went without power and malls shut early, amid growing concern that power shortages could also affect water supplies.

Video posted to the social media platform Weibo on September 27 showed traffic queuing in darkness in one city, with captions that quoted Chinese leader Xi Jinping as calling for greater efforts to protect power supplies to ordinary people and keep the generators turning. The worst-affected areas are mostly concentrated in smaller cities and rural areas, according to media reports. "The reason for the power outage is that coal is more expensive this year, and in previous years it was imported into China from abroad," Jilin resident Wang Fengxia said. "But they cannot afford it this year."...

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### Sydney and Melbourne Port Strikes – More Logistics Pain

The already struggling shipping lines are facing months of delays as ports strike across Australia, triggered by a worsening dispute over union demands for more pay and control of hiring workers. The Maritime Union of Australia has escalated already damaging industrial action at Patrick Terminals and notified that hundreds of wharfies will strike for 48 hours in Sydney's Port Botany this weekend and for 12 hours every Monday, Wednesday and Friday in Melbourne for the whole of October.

The strike will disrupt Melbourne and Sydney ports already experiencing unpredictable shutdowns caused by COVID-19, with Victoria International Container Terminals (VICT) forced to close for more than three days last week due to four cases among its workforce. Patrick's Fremantle wharfies downed tools for 48 hours on the weekend while Melbourne wharfies stopped work for 24 hours over the same period (it must be said in time for the AFL grand final!). Every terminal including Brisbane also has to deal with various work bans, including on overtime and shift upgrades.

Freight companies say the strikes are causing huge stress for retail businesses already hurting from months of lockdowns and international supply chain interruptions. Patrick Terminals said the port disruption follows some 12 months of industrial action, totaling almost 200 notifications, that have cost it more than \$15 million in revenue and decreased its market share from 48 per cent to 43 per cent.

The industrial action has forced container ships to wait up to 18 days to berth in Sydney, nine days in Melbourne, eight days in Brisbane and three in Fremantle. Each day a container ship cannot dock costs an estimated \$140,000. Patrick says it has also experienced record absenteeism on top of the industrial action, with employees failing to come to work more than 7500 times...! The wharfies, who in Sydney are paid an average **\$172,000 on a 35-hour roster** (yes you read that correctly) and work less than 200 days a year, are understood to be striking for increased union control over manning levels and hiring.

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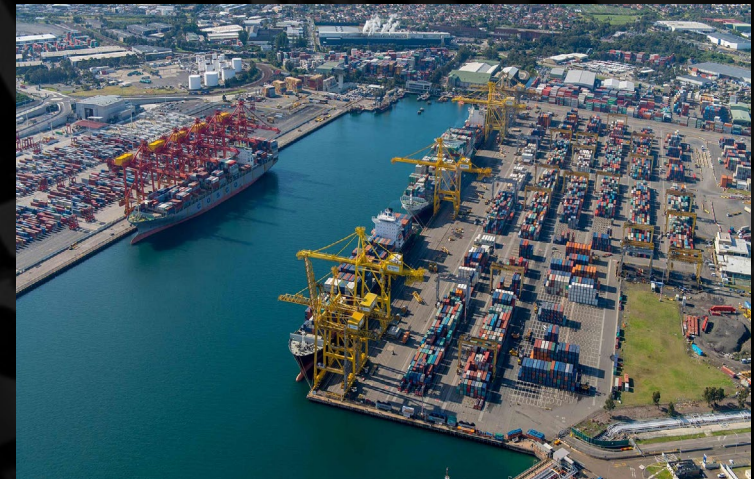
The escalation comes almost a year to the day after the union agreed to suspend all its industrial action at Patrick's Port Botany terminal ahead of potential stop orders from the workplace tribunal due to the alleged threat to the economy. At the time, industry figures said the congestion at the port was the worst they had seen in decades. Subsequent bargaining, which has now been going on for 19 months, has failed to reach a resolution and Patrick told the union in August that it had reached an impasse.

The stevedore has made a "final" offer of 2.5 per cent a year pay rises for four years, no forced redundancies from automation and caps on casual labour. It wants changes to Port Botany's agreement to recruit a certain number of supplementary workers and "efficiently deploy labour as and when required to meet our customer needs".

Patrick says it has been forced to subcontract about 46,000 container lifts and 22 vessels during the 12 months since the start of industrial action. More than 60 vessels have been forced to bypass ports as a result. The stevedore said it was currently negotiating contracts with major customers but the protracted union negotiations were undermining the talks.

The strikes come as VICT was forced to shut its automated Webb Dock terminal for deep cleaning last Monday night due to a positive case of coronavirus and then again from Wednesday night to Sunday morning. It has reopened on restricted operations.

The previous week DP World was forced to isolate more than 100 staff at its Port Botany terminal, including 36 employees for two weeks, due to a positive coronavirus case.



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### Possible Australian Port Disruption Schedule

#### Sydney

- Delays are forecast to extend to up to 2 days with work stoppages of 24 hours across the first weekend in October
- A ban on the working of overtime and shift extensions from Friday 1 October to Tuesday 5 October 2021
- A ban on the performance of upgrades and/or work in higher levels from Friday 1 October 2021 to Tuesday 5 October 2021

#### Brisbane

- The terminal is currently experiencing low-level impact from industrial action
- A ban on the working of overtime and shift extensions from Tuesday 28 September to Friday 1 October 2021

#### Fremantle

- The terminal continues to be impacted by industrial action resulting in some extended port stays for vessels
- A ban on attending for work on days an employee is rostered as "off/avail" Sunday 26 September to Thursday 28 October 2021

#### Melbourne

- The terminal will be severely impacted by the industrial action with significant delays and strikes scheduled for every Monday, Wednesday and Friday in October. The terminal is already facing restrictions due to shutdowns caused by confirmed cases of COVID-19
- Work stoppage is also scheduled for Saturday 2 October 2021
- A ban on the performance of upgrades and/or work in higher levels from Sunday 26 September 2021 to Saturday 2 October 2021
- A ban on the working of overtime and shift extensions for every Monday to Saturday in October 2021
- A ban on attending for work on days an employee is rostered as "off/avail" for every Tuesday, Wednesday and Thursday in October 2021

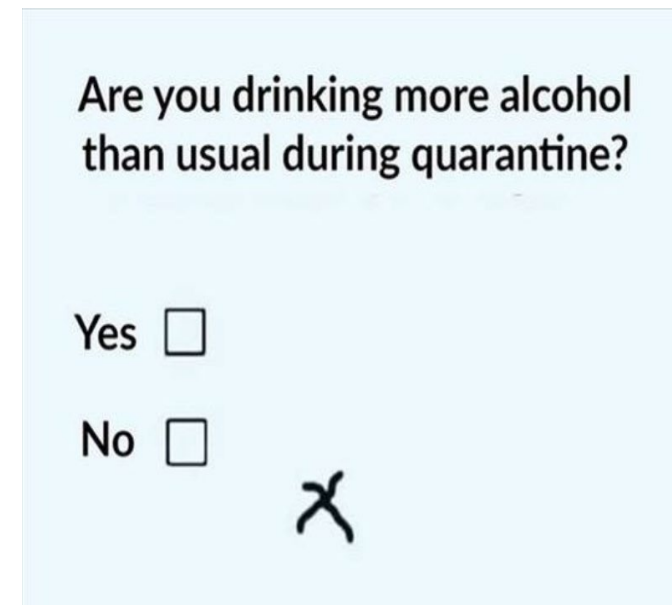
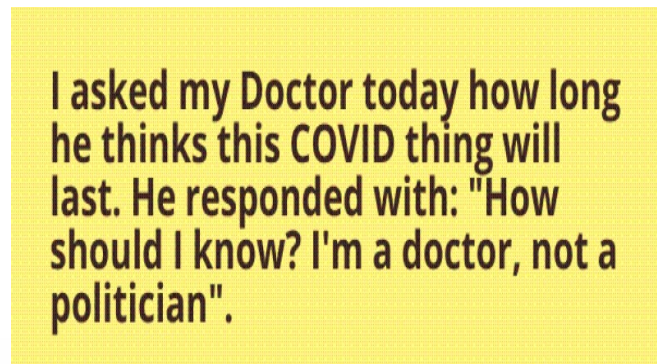
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Week 6 of quarantine:



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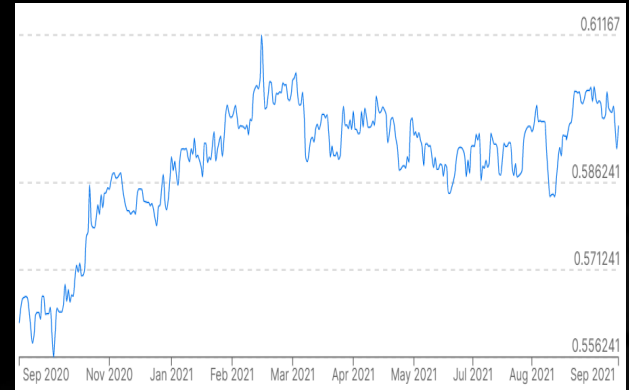
**NZD versus AUD - AU\$0.950 vs NZ\$1.00**



**NZD versus USD - US\$0.690 vs NZ\$1.00**



**NZD versus EUR - EU\$0.595 vs. NZ\$1.00**



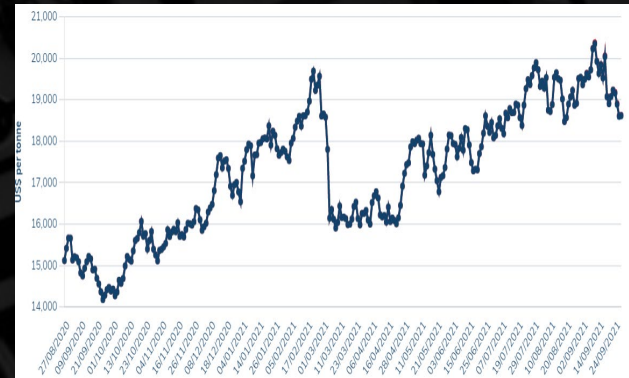
**Copper - USD9150 / tonne**



**Lead - USD2200 / tonne**



**Nickel - USD18700 / tonne**



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# This Month in Tech History...



October 13, 1860 – James Wallace Black takes the first successful aerial photographs in the United States. He photographed Boston from a hot-air balloon at 1,200 feet.

October 6, 1942 – Chester Carlson receives a patent for electrophotography which he invented four years earlier. Searching for a buyer for his invention between 1939 and 1944, Carlson was turned down by more than 20 companies, including IBM, GE, Eastman Kodak and RCA. In 1946, Haloid, a small photo-paper maker in Rochester, New York, agreed to license electrophotography. Haloid changed the name of the technology to xerography in 1948 and, in 1961, changed the name of the company to Xerox. In 1960, when the company shipped the first cheap and convenient office copier (the 914), there were predictions that it may sell 5,000 units in 3 years, but by the end of 1962, 10,000 units have been sold.

October 18, 1954 – Texas Instruments announces the first transistor radio, the Regency TR-1, which sold for \$49.95 (about \$440 in today's dollars).

October 4, 1955 – The first field trial of a rural telephone system making use of transistors and the Bell Solar Battery is held in Americus, Georgia. Almost one quarter of the world's population today lives without electricity, and solar-powered mobile phones dominate their long-distance communications.

October 29, 1969 – Leonard Kleinrock and Charley Kline send the first message ever sent over the ARPANET, the predecessor of the Internet, from their network node at UCLA to Bill Duvall at SRI. They attempted to transmit the word "login," as in logging into the SRI computer from their computer at UCLA. They succeeded in transmitting the "l" and the "o" and then the system crashed! Hence, says Kleinrock, the first message on the Internet was "lo", as in "lo and behold!" They were able to do the full login about an hour later.

October 19, 1979 – Dan Bricklin and Bob Frankston release Visicalc, the first electronic spreadsheet and the first killer app for personal computers.

October 13, 1983 – The wireless industry is born when the head of Ameritech Mobile Communications placed the first commercial cellphone call from Chicago (home of the first city-wide cellular network) to Alexander Graham Bell's grandson in Germany.

October 23, 2001 – Apple Computer introduces the iPod portable music player with the slogan "1,000 songs in your pocket." It features a 5GB capacity 1.8" hard drive, FireWire connectivity, and a mechanical scroll wheel. Apple also releases version 2.0 of iTunes, with Steve Jobs announcing that "iTunes 2 seamlessly integrates with iPod to revolutionize the portable MP3 music experience."

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## PRC HOLIDAYS

Events	Dates Observed
New Year's Day	January 1-3
Chinese New Year	February 11-17
Tomb Sweeping Day	April 3-5
Labour Day/May Day	May 1-5
Dragon Boat Festival	June 12-14
Mid-Autumn Day	September 19-21
National Day	October 1-7

- Minimal production impact.
- High production impact and requires planning accordingly.
- Note that factories typically take two weeks for Chinese New Year but may vary.

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