



30 August 2021

To:
Dr John Hamill
CEO, Essential Services Commission
Level 8, 570 Bourke Street, Melbourne Victoria 3000
[REDACTED]

Cc:
transport@esc.vic.gov.au
[REDACTED]

RE: ANL Container Line support for the development of additional quayline capacity in the Port of Melbourne

Dear Dr Hamill,

I write to express the support of ANL Container Line Pty Ltd (ANL) on behalf of the CMA CGM Group to the proposed development of additional quayline capacity in the Port of Melbourne (PoM), primarily the removal of the 'Knuckle' in the Webb Dock East precinct to enable two large vessels (>300m long) to berth at the same time.

As a longstanding high-volume customer of the PoM, moving more than 590,000 TEU on average across FY18 to FY20 (20%+ of all PoM container trade) and operating 100's of PoM vessel calls per annum, our future growth, and that of the thousands of Victorian importers, exporters, manufacturers and farmers, and the Victorian economy itself, is inextricably linked to ongoing investment in the PoM to deliver additional capacity and capability.

To date, we have operated some of the largest container vessels to call at PoM by size and TEU carrying capacity and have been responsible for record exchanges of container volume. In September 2020, the ANL-operated CMA CGM Ural delivered 7,996 TEU (3,479 TEU of Imports and loaded 4,517 of Exports), at a time when the Victorian supply chain was under immense pressure. We are planning for growth in our trade volumes and vessel capacity; our fleet in the next 5 years will include vessels up to ~366m in length.

It is important that the PoM keep pace with the other East Coast ports, recognising that the recent trend to larger vessels is here to stay and that the increasing vessel sizes drive economies of scale across the industry, resulting in lower overall costs and enhanced competition which will deliver long term benefits to Victorian industry.

Our plan for continued growth is limited by the current inability of the PoM to accommodate multiple large vessels (>300m length) alongside at the same time. This creates operational inefficiencies that add time and cost to the supply chain as vessels will increasingly need to wait for a suitable berth. These waiting costs, upwards of US\$50,000 a day in some cases today and expected to rise significantly, will be ultimately passed on to Victorian importers and exporters.

Although we acknowledge that significant progress and investment has been made to date in Swanson Dock, enabling larger vessel to call up-river, this investment must continue across Webb and Swanson Docks to ensure competitiveness across all three stevedores.

CMA CGM
GROUP

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We would welcome an opportunity to further discuss this subject with the ESC including any material covered in the attached presentation, and look forward to continued engagement with the ESC, the Port of Melbourne and State and Federal Government as we jointly look to improve the efficiency of Australian maritime freight and the broader supply chain.

Best Regards,

A handwritten signature in blue ink that reads "Shane Walden".

Shane Walden
Managing Director
ANL Container Line Pty Ltd

[Redacted contact information]