



NIPPON EXPRESS

Airgate Business Park
291 Coward Street
Mascot N.S.W 2020
Tel: (02) 9313 3500
Fax: (02) 9667 5223

Unit 1
112-116 Lambeck Drive
Tullamarine Victoria 3043
Tel: (03) 9330 3033
Fax: (03) 9338 4215

NEWSLETTER 2013/4

AUGUST 2013

CUSTOMS ENFORCES RULES FOR REPORTING MULTIPLE SUPPLIER SHIPMENTS

The Australian Customs and Border Protection Service (ACBPS) has recently been more active in enforcing its policy on the initial reporting of cargo where single shipments comprise orders from multiple suppliers, sometimes referred to as assembly order shipments. Cargo reports must be lodged with ACBPS prior to the arrival of the ship or aircraft on which goods are carried. ACBPS requires an individual report for each consignor/consignee combination that is shipped. For sea freight carried in FCX arrangements involving multiple suppliers a separate cargo report will be required in respect of each supplier and the customs clearance can be completed on a single import declaration. However, for air freight and LCL sea freight shipments involving multiple suppliers a separate cargo report will be needed for each supplier and a separate import declaration will also be needed in relation to each cargo report. Cargo reporting is the responsibility of the freight forwarder in Australia who is handling the shipment on behalf of the importer or an overseas principal. ACBPS has indicated that it will no longer observe the moratorium on issuing penalty infringement notices for breaches of cargo reporting requirements.

HASTINGS AHEAD OF SCHEDULE BUT A 'FINANCIAL DISASTER' SAYS FORMER TOLL BOSS

A Mornington Peninsula container terminal could be

ready to handle containers well ahead of its 10-15-year schedule, Port of Hastings Development Authority (PoHDA) chief executive Mike Lean says: 'The Victorian government objective is to have initial capacity developed at Hastings within the next 10-15 years. (Continued on Page 2)

THE AUSTRALIAN ANTI-DUMPING COMMISSION STARTS WORK

The Minister for Home Affairs and Minister for Justice Jason Clare has officially launched the new Australian Anti-Dumping Commission in Melbourne. He also announced the appointment of Mr Dale Seymour as the new Anti-Dumping Commissioner. The new Commission was the primary recommendation of the review into Australia's anti-dumping system led by the Hon John Brumby, the former Premier of Victoria. 'Today we have a new Commission, a new Commissioner and \$24.4 million in new resources to conduct anti-dumping investigations. This is good news for Australian manufacturers and workers,' Mr Clare said. The Commission has already started work, and recruitment for Melbourne-based positions is currently under way. Around 25 new staff will be hired to work at the Commission in the coming months. I am very happy to be implementing John Brumby's recommendation to establish the Commission and boost its resources within eight months of receiving his report.' The Commission has started work on its first new matters, initiating investigations into peaches imported from South Africa and tomatoes imported from Italy.

I **NSIDE**

- HASTINGS AHEAD OF SCHEDULE BUT A 'FINANCIAL DISASTER' SAYS FORMER TOLL BOSS
- AUSTRALIA SETS UP \$36M CENTRE TO SUPPORT BUSINESS IN THE ASIAN CENTURY
- EXPORTERS TO RECEIVE MAXIMUM BENEFIT FROM EDMG
- SYDNEY AIRPORT MASTER PLAN'S FREIGHT FOCUS A 'GOOD THING'

(Continued from Page 1) But realistically, we believe that it will be earlier than that and we are certainly working to a plan that will deliver it earlier than that.' However, industry heavyweight Paul Little says a 'Bay West' container terminal between Point Wilson and Little River would be more affordable, effective and efficient as an alternative to Hastings. Mr Little is a former head of Toll Group and retains a board position with that company, as well as being a major shareholder. Mr Little argues for a port to be built on the western side of Port Phillip Bay in the medium term. He said a Hastings terminal would quickly exacerbate traffic issues in the eastern suburbs of Melbourne, while causing massive problems for logistics companies by forcing them to relocate from their existing bases in the western suburbs. In the longer term, he argued Hastings could be developed to handle very large container ships with the port of Melbourne being sold, creating a dual-port scenario.

AUSTRALIA SETS UP \$36M CENTRE TO SUPPORT BUSINESS IN THE ASIAN CENTURY

Australia's unique position as a platform to access the dynamic high-growth Asian region has been strengthened with the establishment of a new \$36 million centre to support business in the Asian Century. The establishment of the National Centre for Asia Capability in Melbourne and Sydney is to be delivered through the University of Melbourne's Asialink and was announced jointly by Trade Minister Richard Marles and Innovation Minister Senator Kim Carr. The centre 'will tap into the expertise of business and community organisations, peak bodies, training providers and business councils to help business leaders develop a deeper knowledge and expertise of Asian countries and cultures,' Mr Marles said. 'The centre will also forge new partnerships to help businesses develop the Asia-relevant capabilities they need to better access growing markets in our region,' he said in a statement. More than a third of the country's foreign-born population is from Asia and more than 2.1 million Australians, or nearly 10 per cent of the population, speak an Asian language at home.

AUTHORITIES TO CLAMP DOWN ON CARGO-CRIME AND CORRUPTION

A series of moves to harden international trade, and the border, against cargo-related crime, corruption and infiltration have been announced. An expansion of the counter cargo-crime taskforce into Brisbane was announced by Justice Minister, Jason Clare. Taskforce Jericho, modelled on Polaris and Trident, is a multi-agency law enforcement initiative to target organised cargo-related crime in Brisbane. Officers

and staff from the Australian Federal Police, Customs, the Australian Crime Commission, the Australian Tax Office and Austrac will be deployed. Approximately \$5.6m has been spent by the federal government to expand the Taskforce Polaris model, set up in July 2010, to Melbourne and Brisbane. Since July 2010 there have been 44 arrests, resulting in 196 charges as part of Taskforce Polaris as well as the seizure of 199 tonnes or \$77 million worth of illegal tobacco and the seizure of \$1million in cash and 11 firearms. Taskforce Trident was established in Melbourne in July 2012 which has led to 16 arrests and the seizure of 71 tonnes or \$61 million worth of illegal tobacco. Minister Clare has also announced a 'blueprint' for hardening Customs against criminal infiltration and corruption. This includes, among other things, setting up a special adviser to manage the investigation of serious cases of misconduct; begin fixed tenure periods for staff; tighten up policy around secondary employment by, for instance, requiring approval; improve staff checking processes; ban all use of mobile phones in all sensitive operational areas; introduce anti-corruption impact assessments; re-structure the Customs agency internally by introducing new career streams around functional areas and by setting up a 'strategic border command'; patrol more on the waterfront, at the airport and in remote areas and build a partnership with the Australian Federal Police. A variety of other measures were also announced including working with industry to provide trusted and compliant traders with expedited border clearance.

SYDNEY PORTS REPORTS FIGURES OF 27.2M MASS TONNES

Figures released by Sydney Ports Corporation show that its ports handled 27.2m mass tonnes of throughput, a decrease of 1.9%, in its final year before Port Botany was leased to a private operator. 'Mass tonnes' includes both containerised and non-containerised trade along with empty boxes. NSW Ports, a private sector company owned largely by superannuation funds, took over Port Botany and Port Kembla on May 31 this year. Non-containerised trade at SPC was almost 12.6m mass tonnes (representing 46.3% of total trade in mass tonnes), while containerised trade was almost 13.5m mass tonnes (49.5% of total trade in mass tonnes). Total empties in mass tonnes YTD May 2012/13 was 1,144,015 mass tonnes which represents 4.2% of the total trade in mass tonnes. Box throughput in the year to May 2013 stood at 1,953,600 teu, up by 3.8% compared to the previous year, driven both by empty box exports and full import containers. Full import box volumes stood at 977,674 teu, led by north-east Asia (46.2%), Europe (16.2%) and south-east Asia (15.3%) which

combined account for 77.7% of total full container imports. Full box exports for the year to May 2013 reached almost 403,340 teu, which was down by 3.3% on the same period last year. Empty box exports for the year to May 2013 increased by 9.4% to a figure over 563,600 teu.

AUSTRALIAN PMI®: MANUFACTURING NUGDES GROWTH IN JUNE

The manufacturing sector nudged growth in June, according to the latest Australian Industry Group Australian Performance of Manufacturing Index (Australian PMI®) which recorded 49.6 - up 5.8 points from the previous month (readings below 50 indicate a contraction in activity). The improvement in the overall reading was largely due to an expansion in production (50.2) from the previous month, and improvements in the new orders index (49.9) and supplier deliveries (49.6). However, despite falls in the Australian dollar, manufacturing exports continued to struggle. Ai Group Chief Executive, Innes Willox, said: 'The unexpected lift in the Australian PMI® is a welcome, though tentative, sign that manufacturers' efforts to fight back against the severe pressures facing the industry are beginning to pay off. The Reserve Bank's reductions in the cash rate appear to be supporting a weak pick-up in local demand and the drop in the exchange rate may be assisting domestic producers in the local market. Export conditions, however, remain extremely challenging. 'Notwithstanding the very welcome fall in the Australian dollar over the past two months and the relatively low level of official interest rates, Australia remains a high-cost location for production and we need to generate a significant lift in productivity to restore competitiveness. This is critical if the manufacturing sector is to contribute to the economic resilience and diversification required as the mining investment boom fades,' Mr. Willox said.

EXPORTERS TO RECEIVE MAXIMUM BENEFIT FROM EMDG

A total of 3,045 small and medium-sized businesses will receive their full entitlements for the second year running under the Export Market Development Grants Scheme (EMDG), run by Austrade to help exporters with their marketing expenses. Parliamentary Secretary for Trade Kelvin Thomson said applicants eligible for grants of more than \$60,000 would be paid the balance of their eligible claims in full. Businesses with approved grants of up to \$60,000 received the full amount of their eligible EMDG claims earlier this financial year. The EMDG, now in its 39th year, helps small and medium-sized exporters by partially reimbursing eligible promotion expenses. Recently announced changes to the scheme

will allow businesses to claim more grants if they export to the emerging and frontier markets of Asia. 'Rapid growth in China and other Asian economies is creating a wealth of export opportunities for Australian businesses in areas such as high-end food and professional services,' Mr Thomson said. These latest changes to the scheme will only further help Australian exporters to take advantage of this expanding array of business opportunities. The 100 per cent payout of grants this financial year means exporters are getting the best possible result from the EMDG,' Mr Thomson said.

BOX LINES FACE 'MAKE OR BREAK' PEAK SEASON, SAYS DREWRY

Container lines are under 'severe strain', according to Drewry's latest analysis of the sector's financial health, which shows that total industry debt has doubled in the past five years to US\$100bn. Drewry Maritime Equity Research senior analyst, Rahul Kapoor, says the 2013 peak season is 'a make or break for profitability' in which carriers have a 'narrow window of opportunity to get their act together or risk severe losses'. Mr Kapoor said: 'Even as the market awaits the fate of July Asia-Europe general rate increases, the sheer collapse in Asia-Europe freight rates in the past two months shows how fickle the industry's demand supply balance remains. In the short term, industry profitability has become highly volatile, driven not only by underlying supply-demand dynamics but increasingly by carriers' actions with respect to short-term capacity management.'

ANTI-DUMPING REFORMS PASS THE PARLIAMENT

The Senate has passed the final two bills to implement the Government's reforms to Australia's anti-dumping system. 'This has been the biggest legislative overhaul of our anti-dumping system in over a decade. These reforms have made the anti-dumping system more responsive and more effective,' Justice Minister Jason Clare said. 'These reforms have been made in consultation with Australian industry and help to address the concerns of business, workers and unions.' The six tranches of legislation, all passed without amendment, implement a number of changes to Australia's anti-dumping system:

The reforms include:

- Establishing the Australian Anti-Dumping Commission;
- Imposing a time limit on ministerial decision making in anti-dumping and countervailing cases;
- Establishing a new appeals process for anti-dumping matters;

- Establishing the International Trade Remedies Forum in legislation;
- Removing a limitation to the inclusion of profit when constructing a 'normal value' of a good;
- Removing the need for a separate review of anti-dumping measures and continuation inquiries to be run in close proximity to each other;
- Allowing different forms of interim dumping duty to be applied from those currently used;
- Removing the current limitation to the inclusion of profit when calculating the 'normal value' of a good in its country of origin, in certain circumstances;
- Strengthening the provisions that deal with non-cooperation in sampling exercises in investigations, continuation inquiries and reviews;
- Allowing Australian industries, or the Minister, to bring about an anti-circumvention inquiry;
- Removing, in certain circumstances, the need for the Minister to consider the lesser duty rule;
- Clarifying the application of existing retrospective duties provisions; and
- Introducing a new type of anti-circumvention inquiry to address 'sales at a loss' cases.

BEGINNING OF THE END FOR NZ AIRLINE CARTEL BLITZ

After Air New Zealand called for 'common sense to prevail' in the long-running air cargo cartel allegations case pursued vigorously by the NZ Commerce Commission, the two parties have come to an agreement for settling the proceedings. Air NZ has now withdrawn its challenge to a settlement agreement and will pay costs relating to this. The next step will be a penalty hearing. Timing of this is likely to be expedited, as neither side wants the matter to drag on. Given the complexity of the case, an agreement on the penalty might not be a simple matter but both the carrier and regulator have been showing signs of battle fatigue after several years of investigation and litigation. This is the beginning of the end for an anti-cartel blitz which initially involved several carriers and subsequently extended to individual airline executives, although the latter were later dropped from the commission's battle plan. There has also been completely separate anti-trust action involving freight forwarders. Recent moves have included a late-April High Court order which followed penalty agreements with Cathay Pacific, Thai Airways and MASKargo System. This brought in NZ\$9.6 million, plus court costs, taking the total fines from the blitz to more than \$35 million.

SYDNEY AIRPORT MASTER PLAN'S FREIGHT FOCUS A 'GOOD THING'

The draft Sydney Airport Master Plan contains a

number of proposals that have the potential to improve freight efficiency in and around the airport, according to the Australian Logistics Council (ALC). 'ALC welcomes Sydney Airport's renewed focus on freight in its Master Plan and commends it for taking a proactive approach to meet rising demand over the coming decades,' said Michael Kilgariff, managing director ALC. 'According to the NSW government, freight at Australia's busiest airport is expected to increase from approximately 650,000 tonnes today to around 1.5 million tonnes by 2035. These figures underscore the need for a long term planning framework that has at its core a recognition that freight is a core part of business at Sydney Airport. The Master Plan takes a number of important steps towards elevating the needs of freight, including its proposal to provide for improved positions for freight services and facilities in the airport precinct. And with 80 per cent of Australian international air freight carried in passenger aircraft, the plan to integrate the domestic and international terminal precincts to improve efficiency is certainly worthy of further consideration. The freight logistics industry looks forward to working with Sydney Airport to ensure its plans for freight on and off the airport are implemented in such a way that improves efficiency and productivity,' he said. Kilgariff said with nearby Port Botany soon to get a third container terminal, there is a growing need for an integrated long term planning framework to deal with rising freight demand in Sydney, particularly in its east.

NIPPON EXPRESS SPECIALISED SERVICES

- * Total Customs Clearance and consultancy
- * Airfreight forwarding - import and export
- * Seafreight forwarding - import and export
- * Door to Door forwarding - import and export
- * Warehousing and Distribution
- * Seafreight container packing and unpacking
- * Charter handling
- * Plus all facets of shipping