



The Power to Deliver

[Home](#) | [Company Profile](#) | [Services](#) | [Tracking](#) | [Schedules](#) | [News](#) | [Useful Links](#) | [Tipping](#) | [Resources](#) | [Contact Us](#)

## NEWS

**FEBRUARY 2011 NEWSLETTER****LEAD: REFORMING AUSTRALIA'S INTERNATIONAL TRADE 'GATEWAYS'****BOX: PORT BOTANY IMPROVEMENT STRATEGY AND MANDATORY STANDARDS COME INTO EFFECT****INSIDE:**

- **SHANGHAI BECOMES WORLD'S LARGEST CONTAINER PORT**
- **AUSTRALIAN RETAILERS OF ALL SIZES DEMAND A FAIR GO**
- **CARGO TRAFFIC BACK TO PRE-RECESSION LEVELS**
- **MAERSK EXPECTS BALANCED CAPACITY IN 2011**

**CALL FOR ACCC TO GET INVOLVED IN ECP DISPUTE**

Shipping Australia Limited chief executive Llew Russell said SAL intended to refer Victorian Transport Association deputy-chief executive Neil Chambers to the Australian Competition and Consumer Commission for previous "anti-competitive" statements and would also ask the ACCC to intervene. Mr Russell said the VTA has misrepresented shipping lines in a press statement on January 6 that suggested other shipping lines had shown little interest in being part of an extended operating hours trial. "This is a misrepresentation because those lines would have to pay additional costs which need to be reasonable and need to be transparent," he said. However Mr Chambers said SAL's position "is laughable. We stand by the fact that SAL statements have been unhelpful and have in fact got in the way of negotiations between empty container park operators and shipping lines," he said. "Port of Melbourne is the biggest container port in Australia but has the shortest operating hours at container parks of any port in the land. Shipping lines at the Port of Fremantle and other ports pay revenue to the parks to operate longer hours so what is the difference compared with the Port of Melbourne? That is why we find the SAL attitude so belligerent," Mr Chambers said.

**SHANGHAI BECOMES WORLD'S LARGEST CONTAINER PORT**

Shanghai overtook Singapore as the world's busiest container port in 2010, helped by continuing growth in Chinese trade and the business generated by the World Expo it hosted last year. Shanghai's port handled 29.05 million 20-foot equivalent units of containers in 2010, an increase of 16.2 percent over the volume of 25 million TEUs it handled in 2009. Shanghai's 2010 container throughput was about 650,000 TEUs greater than the 28.4 million TEUs handled by the Port of Singapore in 2010, which was up 9.9 percent from 2009, according to the Maritime and Port Authority of Singapore. Shanghai's cargo throughput rose to around 650 million metric tons in 2010, maintaining its top global spot, according to the statement. Singapore became the world's busiest container port in 2005 after predecessor Hong Kong lost out to cheaper harbors in southern China. As recently as 2001, Shanghai had moved fewer than half the

**ONLINE TRACKING**

Power Customs now offers a freight communication system that enables all parties to have simple, one-window access to all the information regarding each shipment.

> [Click here to login to Track & Trace](#)

> [Click here to login to Pangaea](#)

**NEWS**

Click on the below links to see newsletters.

> [Previous Newsletters](#)

containers handled by Singapore. China's State Council, or cabinet, has set an aim of making Shanghai a leading shipping center by 2020 -- the same year by which the government hopes the city will become a global financial center.

## AUSTRALIAN RETAILERS OF ALL SIZES DEMAND A FAIR GO

The National Retailers Association has confirmed its support for the campaign to level the retail playing field and close the GST and duty loophole that is currently disadvantaging

Australian business and penalising consumers. Australian retailers are required by the Government to levy taxes such as GST and duty on all sales. Australian retailers do not benefit in any way from these taxes – they are collected by retailers on behalf of the Government. The NRA is at a loss as to why the Australian Government would choose to stand by the current arrangements that explicitly favour overseas retailers and disadvantage Australian retailers. The NRA emphasises the most recent quarterly employment data reveals the pressure the retail sector has been experiencing over recent times. While total employment for all industries since November 2007 has risen by 6.7 percent, retail employment has declined by 1.14 percent. Significantly, full-time retail employment has declined by 9.6 percent over this period. In response, Assistant Treasurer Bill Shorten said claims the low value threshold on imported goods is responsible for the tough Christmas experienced by big Australian retailers are exaggerated. "Online retail sales account for about three per cent of all retail sales in Australia, and it is estimated that between 20 per cent to half of these sales relate to overseas purchases," Mr Shorten said. "There is no denying that retailers are doing it tough, but other factors like the high Aussie dollar, the ongoing aftershocks of the GFC and the fact that Australians are simply spending less this Christmas are having a much greater impact than the absence of a 10% GST on a small number of overseas imports." Mr Shorten said "the Government's crackdown on GST rorters, and the sensible approach we have taken by calling for a Productivity Commission inquiry into the future of Australian retail, is supported by the vast majority of retailers, including the Australian National Retailers Association."

## CARGO TRAFFIC BACK TO PRE-RECESSION LEVELS

IATA said freight traffic increased 5.4 percent in November 2010 compared to the same month in 2009 with volumes equal to pre-recession levels of early 2008.

Giovanni Bisignani, IATA's Director General and CEO, commented: "The industry is shifting gears in the recovery cycle. Growth is slowing toward normal historical levels in the 5 to 6 percent range. Relative weakness in developed markets is being offset by the momentum of economic expansion in developing markets. We see a strong end to 2010 that boosted the year's profit forecast to \$15.1 billion. In 2010, the Icelandic volcano and the year-end adverse weather made the value of air transport crystal clear. Modern life and the global economy depend on aviation. While memories of the travel chaos are still fresh, it's time to evaluate a long list of government-imposed industry handicaps, including excessive taxation, out-dated ownership restrictions, over-regulation where market forces could do better, under-investment in infrastructure and generally poor regulation of monopoly suppliers. We must not let governments forget all of this while waiting for a change of seasons," he noted.

## REFORMING AUSTRALIA'S INTERNATIONAL TRADE 'GATEWAYS'

Australia's first ever National Ports Strategy, recently announced by the Federal Government, will provide a new foundation for higher productivity and faster economic growth across Australia by improving the design, planning and performance of our ports. The volume of trade moving through our biggest ports is expected to triple over the next 20 years. It is time for the way we plan and oversee our ports to change. The National Ports Strategy aims to bring about that change by focusing on four key outcomes:

1. **Better long term planning on the waterfront:** In addition to short and medium term planning, operators will be required to publish 15 to 30 year master plans detailing the expected growth in trade activity at their ports as well as the facilities that will be required to handle that growth.

## 2. A better balance between local communities and the needs of industry:

To give operators the certainty to enact their master plans and expand their port's capacity when required, state and local planning authorities will be asked to implement "buffer" strategies to prevent urban encroachment not only on the ports within their jurisdictions but also the road and rail corridors into and out of them.

3. **A streamlined environmental approval process:** So as to prevent unnecessary delay in the delivery on new port facilities, the Commonwealth will ensure that its environmental assessment process is carried out concurrently with those of the states.

4. **A greater focus on performance:** For the first time in our history there will be a national data collection system, with the performance of our ports regularly measured and compared to their international counterparts. Until now, there has been no national or coordinated approach to the development of the nation's ports. Significantly, no other major advanced economy has been able to implement a national approach to the development of their port infrastructure. The absence of a national coordinated approach has prevented some ports from expanding because not enough land was set aside for growth. Also, too little thought has gone into planning the road and rail links needed to support their activities.

The Federal Government commissioned Infrastructure Australia and the National Transport Commission to develop the strategy. The strategy, which will require Governments to plan for the long term and gives industry the certainty to invest in ports, will now be submitted to the Council of Australian Governments (COAG) for endorsement. For more information on the strategy visit [www.infrastructureaustralia.gov.au](http://www.infrastructureaustralia.gov.au).

## MSC TO TRIAL LONGER ECP OPERATING HOURS

CC Containers and Mediterranean Shipping Company have agreed to increase operating hours at CC's Yarraville ECP following requests from the Empty Container Park Working Group. Currently operating from 7am to 5pm, operating hours will be extended to 6.30am to 6pm Monday to Friday, with a Saturday morning trial from 7am to 11am. The changes came into effect from January 17. CC Containers Managing Director David Muir welcomed MSC's support for the trial and hoped other shipping line customers would also be accepted in time. "Wharf transport operators and their import and export customers should be aware that at this point in time only MSC have agreed to participate in the trial at our depot, and only MSC containers will be handled during this extension of opening hours," Mr Muir said. The trial will run until June 30 before being re-assessed. The CC Containers and MSC announcement follows the decision by Maersk Line to extend hours at an ECP. The Victorian Transport Association welcomed the decision but took a swipe at other shipping lines. "It is noted the extended hours at CC Containers will only relate to the pick up and delivery of MSC containers," VTA deputy chief executive Neil Chambers said. "There are numerous other shipping lines that use CC Containers to handle their empty container stocks. Clearly these other lines are disinterested in being a part of the extended hours trial."

## MAERSK EXPECTS BALANCED CAPACITY IN 2011

Maersk Line is forecasting an even balance between container vessel capacity and shipping demand this year even as the supply of new vessel capacity is expected to grow 9 percent. The head of Maersk's route network, Jorgen Harling, told Reuters the Danish carrier expects the global container market to grow about 8 percent in 2011. "Even though there is uncertainty regarding the level of growth in the market, the difference between supply and demand does not look worrying," Harling said. He added that the market always corrects and adapts to the environment. "This is also our expectation regarding the tonnage which will come into the market in 2011," he said. Maersk Line, the [world's biggest container shipper](#), did not have any new container vessels

delivered in 2010, but from March this year and up until 2013 it will take delivery of 38 vessels to operate in emerging markets such as India, China and Africa. In announcing its third quarter results in November, A.P. Moller-Maersk Chief Executive Nils Smedegaard Andersen said it was the group's ambition to grow faster than the container market, which he said he expected would grow 6 percent this year. Earlier, shipping consultancy Alphaliner said Maersk Line's market share had shrunk to 14.5 percent from 18 percent in 2005. Meanwhile, the president of NYK Line warned the supply of container ship capacity will outstrip the growth in demand for vessel space this year and next as more new container ships are delivered in the two-year period. In his annual New Year's message Yasumi Kudo said the tight capacity situation that helped carrier profits rebound last year "will not likely recur again for the foreseeable future." NYK's research group forecasts a 7 to 8 percent growth rate in global cargo movement in 2011 and 2012 and a 10 percent annual increase in container capacity for the same two years as a result of the completion of numerous outstanding orders for new container ships. "This leaves a widening gap between demand and supply, for which we have to be prepared for some years to come. Carriers had learned to remove capacity from the market when it exceeds demand, which was the best solution to achieve stable profits" Kudo said.

### **AIRLINES FLOAT INTO NEW YEAR ON BIG PILE OF CASH**

The world's air carriers will post a 2010 profit of US\$15.1 billion, despite slowing demand in the last quarter, predicts the International Air Transport Association (IATA). November saw traffic growth slow from the 10 percent increase recorded in the passenger business and the 14.5 percent growth in freight in October. The slowdown in 2010 is partially skewed because of the exceptionally rapid rise in traffic volumes recorded during the fourth quarter of 2009. However, when viewed in absolute terms, air travel fell by 0.8 percent and airfreight fell by 1.1 percent between October and November 2010. But the slower growth did not necessarily signal a negative trend, IATA said in a statement. Even with the decline in November, freight traffic was still expanding at annualised rates of between 5-6 percent, in line with the industry's historical growth trend. "The industry is shifting gears in the recovery cycle," said Giovanni Bisignani, IATA's Director General and CEO. "Growth is slowing towards normal historical levels in the 5-6 percent range. Relative weakness in developed markets is being offset by the momentum of economic expansion in developing markets.

### **SOFT END TO YEAR FOR MANUFACTURING SECTOR**

There was continued softness in the manufacturing sector in December with few signs of any pick up according to the latest seasonally adjusted Australian Industry Group – PwC Australian Performance of Manufacturing Index (Australian PMI®) which fell 1.3 points to 46.3 to remain below the 50 point level separating expansion from contraction. Manufacturers cited weakening domestic demand together with the strong Australian dollar and higher interest rates as negatively impacting on growth in the month. Nine out of the twelve sub-sectors recorded declines in activity including clothing & footwear, textiles and wood products & furniture. Australian Industry Group Chief Executive, Heather Ridout, said: "The Australian PMI® in December points to the manufacturing sector losing ground and showing few signs of upturn as it finished the year on an ordinary note. The continuation of flat conditions in the sector reflects accumulating structural pressures mounting on the industry along with other trade-exposed sectors in the wake of the mining boom. "These pressures look set to continue due to the strength of commodity prices and the levels of investment we are seeing in the mining sector. These forces are pushing up the level of the dollar and expectations about the directions of interest rates and inflation. These structural pressures need to be at the centre of policy attention as we, as a nation, grapple with the risks of becoming an unbalanced and insufficiently diversified economy into the future," Mrs Ridout said. PwC Global Head of Industrial Manufacturing, Graeme Billings, said: "While the manufacturing sector started 2010 with conditions improving strongly, since around March the sector saw first a slowing pace of growth and, over the closing four months of the year, falls in levels of activity".

### **PORT BOTANY IMPROVEMENT STRATEGY AND MANDATORY STANDARDS COME INTO EFFECT**

The new Port Botany Landside Improvement Strategy (PBLIS) mandatory standards to improve efficiency and reduce congestion at Port Botany started rolling out on Monday 6 December 2010, NSW Treasurer and Ports Minister Eric Roozendaal said. "These regulations will help keep freight on rail and off Sydney's roads," Mr Roozendaal said. "The aim of these regulations and standards is to drive improved efficiency and consistency between stevedores and truck carriers. This means if a truck driver is forced to wait, the stevedores must pay them for the time they wait. The first steps will be to obtain landside performance information from the stevedores at Port Botany and set new regulated charges for rail servicing at the port," he explained. The regulations will then be rolled out in stages, to allow truck carriers and stevedores time to adapt to the new system before penalties come into effect. In February 2011, Sydney Ports will lead stevedores and truck carriers through a trial of the new system before actual penalties are enforced. Mr Roozendaal said the new regulations and mandatory standards also include charges for rail servicing at the stevedores.

### **DP WORLD SELLS 75 PERCENT OF AUSTRALIAN PORTS BUSINESS**

Dubai ports operator DP World has agreed to sell a majority stake in its Australian ports business as part of a move to reduce debt. DP World, which has debt of close to \$6bn, sold 75% in DP World Australia for \$1.5bn to private equity outfit Citi Infrastructure Investors. The deal will see Citi Infrastructure Investors assume control of the container terminals in Brisbane, Sydney, Melbourne, Adelaide and Fremantle. The four terminals have the capacity to handle more than 3.5m teu a year, which is about 50% of the Australian container market.

The deal is subject to regulatory approval which is expected to be granted towards the end of March 2011. DP World entered the Australian market four years ago by purchasing P&O's global operations.

### **PORT BOTANY CONGESTION SURCHARGE A "MONEY GRAB"**

A port congestion surcharge to be introduced by CMA CGM and ANL on its ships using DP World's Port Botany terminal has been described as a "money grab". An export and import surcharge of US\$82 per teu from Sydney was due to commence on January 15, 2011, according to a CMA CGM notice to clients. "Due to the ongoing congestion at DP World Port Botany and the subsequent negative impact on schedule integrity, CMA CGM have no choice but to implement an Emergency Port Congestion Surcharge in the port of Sydney," CMA CGM said. However, freight and business operations manager of the Custom Brokers and Forwarders Council of Australia, Paul Zalai, says the CGA CGM decision has "no rationale." "This has the appearance of being nothing more than another money grab against the international trade sector rather than addressing remedial action/compensation via contractual arrangements between CMA CGM and DP World," Mr Zalai said.

### **PRODUCT STEWARDSHIP REQUIREMENTS FOR COMPUTERS AND TELEVISIONS**

A recent Australian Customs Notice informed importers and Customs brokers about the development of Commonwealth legislation that will require commercial importers of televisions and computers to organise and fund the collection and recycling of television and computer waste. The National Waste Policy: Less waste, more resources, sets the agenda for national action on waste and resource recovery. A key element is industry taking responsibility for the collection and recycling of television and computer waste (at the end of the product's useful life), through product stewardship Schemes. These Schemes are expected to commence in late 2011. Under the proposed arrangements, the Australian Customs and Border Protection Service will provide data to the Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC), to support the operation of the Schemes. The product stewardship legislation is being developed by DSEWPaC. A consultation paper on the design of the television and computer Schemes will be released for public consultation in early 2011. Information on design of the legislation and Schemes is available at: [www.environment.gov.au/settlements/waste/product-stewardship/consulation/index.html](http://www.environment.gov.au/settlements/waste/product-stewardship/consulation/index.html)

**[BACK TO TOP](#)**

Copyright Power Customs 2006. [Homepage](#) | [Company Profile](#) | [Services](#) | [Tracking](#) | [Schedules](#) | [News](#) | [Useful Links](#) | [Tipping](#) | [Resources](#) | [Contact Us](#)