



# Direction

DEAN WORLD CARGO

NEWS UPDATE

## **HAPPY NEW YEAR!**

OK, OK, I know it's way too early but with Xmas functions already being rolled out and people already wishing each other Season's Greetings, I thought I'd get a jump start!

And, with such a record year for many of our clients, I thought I'd use the 'year' as a theme for this newsletter...

## **DOMESTIC SALES IN CHINA**

For those Australian Retailers (or Designers/Wholesalers) looking to expand offshore, you may be interested to hear that China's domestic retail sales rose 15.9 percent (year on year) to 6.38 trillion RMB (868 billion US) in the first nine months of trade, despite the ongoing soar of China's CPI. That's a lot of shopping!

## **RMB ON THE RISE**

As their local economy soars, the Chinese Yuan (or RMB) has continued to appreciate against the USD over the past year as well. The currency has appreciated another 4% in the three months just passed!!

The RMB was initially floated at around 8.30 against the USD two years ago. It is now trading at 7.35.

## **CHINA'S TOTAL TRADE VOLUME**

China's Ministry of Commerce has declared that China's total volume of foreign trade is expected to exceed 2.1 trillion US dollars for this year, up 20 percent over last year.

With exports reaching 1.2 trillion and imports expected to total 950 billion, China's end of year surplus is expected to be 250 billion.

## **RECORD EXPORTS FROM CHINA TO AUSTRALIA**

Importantly for us, China's exports to Australia reached 1,688,326,000 US dollars in August 2007, and the exports in the period from January to August reached 10,791,309,000 US dollars, up 33.1 percent year on year.

## **THE ONGOING PEAK SEASON**

With our demand up some 33 percent, our Australian-bound air and sea carriers continue to be carrying at full capacity, with an ongoing backlog occurring in all major ports of origin.

This has been exacerbated even further recently with sea carriers moving European-destined FCL's from Singapore up to Hong Kong for further trans-shipment, to alleviate even larger backlogs in Singapore.

All of this is resulting in some of the highest freight costs we have experienced in some time, and no suggestion of any surcharge reductions or waivers until at least the Chinese New Year.

## **AIR FUEL SURCHARGES**

Further to strong freight costs, the Airlines have also been hiking up their freight rates by way of the Airline Fuel Surcharge. Many of you will be aware of regular increases in this surcharge over the past few months, with another increase due this week.

## **BAF INCREASES**

And the seafreight equivalent...the Bunker Adjustment Factor (BAF) has increased as well, in fact twice in the last few weeks.

## **BEIJING OLYMPICS 2008**

A total of 7 million tickets for the August 8-24 Olympic Games have now been made available to the general public in China, with 1.6 million tickets allocated by lottery earlier this year. The Chinese government is expecting a strong demand from locals with three quarters of tickets reserved for domestic sales.

Let us know if you plan to be in Beijing during the event.

## **TOUCHDOWN**

Singapore Airlines made history on the 25<sup>th</sup> October by completing the first commercial flight of the new Airbus A380.

After a seven hour flight from Singapore, the fully laden aircraft touched down in Sydney to much fanfare and much anticipation of increased capacity for Sydney...time will tell.

## **NEW TALENT**

The Dean Team has grown locally over the past year with a number of fresh faces joining us. They include:

- Carey Papanicolaou, Jason D'Orazio and Zina Yousif as part of our airfreight team;
- Roy Jianrong He and Ruza Petkovska looking after seafreight;
- Kristian Rost joining our Customs Division and Craig Brown looking after Cartage coordination;
- Ivan Stepic helping us grow our business in Sales; and
- Karly Mayer joining us this week in accounts and on reception.

## **GOING PAPERLESS**

Did you know that shipping and distribution services account for up to three-fourths of a company's 'carbon footprint'?

Fewer industries are as 'ripe for the greening' as ours.

We've been working hard over the past year to automate many of our processes, with the greatest gain coming from the electronic transfer of shipping documents and shipment data directly from overseas, and to you.

This has been helped enormously by Dean and Wako both utilising the same Operational-system software (CargoWise's EdiEnterprise), reducing our 'paper trail' and facilitating our push to a paper-free office.

Many of you are now receiving full documents from us electronically.

As a client of Dean, you can also access your full shipment details, including full shipping documents and scanned supplier documentation, electronically real time, 24/7 via our website.

You can retrieve copies of each of your Customs Entries and our invoices from our archive, and produce a Statement of Account at anytime, too.

Contact Andrew Hope via [andrewh@deancargo.com.au](mailto:andrewh@deancargo.com.au) if you would like to be issued with a secure log-in.

And please make contact with me or any of our team if you want to discuss any of this further.

All the best, and enjoy the season ahead.

Bruce and the Dean Team

Bruce Haines  
Managing Director  
Dean World Cargo Pty Ltd  
477A Williamstown Road  
Port Melbourne 3207 Australia  
Tel 613 9279 4400 Mobile 0418 595 875  
Email [bruceh@deancargo.com.au](mailto:bruceh@deancargo.com.au)

