



Direction

DEAN WORLD CARGO

NEWS UPDATE

CUSTOMS AUDITS

The Australian Customs Service regularly carries out audits on Importers from time to time, to check the integrity of the information supplied through Customs Entries.

Following a number of recent Customs audits, some Importers have been caught up in valuation issues such as missing 'Assists'. Assists are goods or services that have been supplied directly or indirectly by the purchaser, in connection with the production of the imported goods, with the value of such not being included in the final price declared by the manufacturer or supplier.

In these cases, Customs have ordered Importers to back-pay additional duties and taxes.

Unfortunately, unless these costs are included on the commercial invoice or have been volunteered to the broker prior to the goods being entered with Customs, Importers are effectively under declaring the value of the goods for customs purposes. In addition to being requested to back-pay any short fall of duty and GST, Importers also run the risk of the Audit Team applying a penalty of up to 200% of the underpaid amount.

We strongly advise all clients to review all import transactions and advise if any Assists are not being declared.

MELBOURNE'S CHANNEL DEEPENING ALREADY INCREASING COSTS

Following the commencement of Melbourne's channel deepening project, the Port of Melbourne Corporation has announced that an increase in the Port Service Charge (Wharf Handling) will soon be implemented, probably around the beginning of April 2008.

We have already received an official notice from one of the shipping lines, quoting a 100% increase (roughly A\$150 per 20' instead of A\$70). We are talking with other shipping lines and agencies now, and will provide you with an overview of the increases as soon as they are all confirmed.

GENERAL RATE INCREASE AND PEAK SEASON SURCHARGE

With global demand ex China recently continuing above capacity right through the Chinese Luna New Year, we are now only just starting to see a hint of the usual freight rate reductions that occur this time of year.

Member lines of the Asian Australia Discussion Agreement (AADA) have deferred their intentions to introduce further rate increases effective 19 January 2008 and we can now announce the withdrawal of the current Peak Season Surcharge, effective 11 February.

We have however been notified that General Rate Increases (GRI's) out of HK/China are possible on 1 July and 15 September 2008, possibly at US\$350/TEU and US\$700/FEU, with a re-introduction of the Peak Season Surcharge again in August.

SHANGHAI SPREADS ITS WINGS

With supply ex China rocketing along, last year Shanghai's Pudong International Airport posted a double-digit growth in traffic handled, with more than 46 million passengers and 2.5 million tonnes of freight.

A second terminal and a third runway are due to open at Pudong later this year to boost it's annual capacity to 4.2 million tonnes of freight and some 60 million passengers.

Further, a third passenger terminal has been slated along with another runway for completion before 2015.

Shanghai handles nearly 65% of China's international air cargo.

THE CHINESE YUAN

Many of our clients who bring in airfreight ex China will know that the rates applicable to their international airfreight costs are now quoted in Chinese currency instead of US dollars.

The Chinese currency is known both as the Yuan (CNY) or the Renminbi (RMB).

An AUD1 is currently equal to about RMB6.40. Check for the latest rates here:

<http://www.boc.cn/en/common/service.jsp?category=1099376994100>

THE DEAN TEAM

We welcome another two new team members to the Dean Team this week.

Stephen Carew has joined us as a senior Customs Broker at our Port Melbourne office. Stephen joins us with some 30 years of experience in our industry, and brings a wealth of knowledge that will be of benefit to us all.

Also David Monteleone is taking over from Kristian Rost as our compiler/classifier. Kristian has recently been accepted in to a Law course and we wish him well.

With best regards,
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