

DIRECTIONS

News Update

August 2009

THE CURRENT MARKET

Demand for Seafreight space and the ongoing increase in freight rates are still high on our agenda, with the HK/China Carriers' proposed second General Rate Increase (GRI/RR) for 2009 firming up at USD300 per TEU, to be implemented on 1 September 2009.

Hong Kong's peak shipping body Asia Australia Discussion Agreement (AADA) predicts loadings to be overbooked by between 5-10% for September and up to 8% in October.

Airfreight out of Shanghai also continues to be tight, with Qantas announcing a freight rate increase for 1 Sept and again in October. We will keep you posted on the actual amounts.

BUNKER ADJUSTMENT FACTOR (BAF)

In addition to the increase in the base seafreight rates, the bunker surcharge ex HK/China is also due to increase by USD25 per TEU in mid September, so please note this.

AUSTRALIAN DUTY DROP FOR 01/01/10

Many of you are aware that Australia's general Duty rate for Apparel will drop by 7.5% to 10%, effective 1 January 2010, and Footwear will drop by 5% down to 5%.

To take advantage of this, Australian Customs Declarations will need to be lodged on or after 1 January.

Cargo can arrive on flights and vessels prior to 1 Jan, however if goods arrive too early you could be up for storage or bond charges and this will need to be weighed up against the potential Duty saving.

PEAK PERIOD PRICING FOR SYDNEY WHARFS

The Sydney Ports Corporation (SPC) recently announced that its proposed Peak Period Pricing (PPP) is expected to be introduced during the first quarter of 2010.

The PPP is expected to be levied on a per truck basis and will be introduced on top of the existing Vehicle Booking System charges that are already administered by Sydney Stevedores.

The proposed PPP time frames and charges are:

- \$160 per truck in 'peak' periods - 0500 to 1300 Monday to Friday;
- \$80 per truck in 'shoulder' periods - 1300 to 2100 Monday to Friday;
- \$0 per truck in 'off-peak' periods - 2100 to 0500 Monday to Friday; and
- \$20 REBATE per truck on weekends.

NEW ADDITION TO OUR TEAM

I am pleased to announce that Owen Woodward has recently joined our Dean Team as Manager, Business Development in our Sydney office.

Owen has many years' experience in International Forwarding and will add further depth and experience to our Sydney Operations.

DIRECT TO NZ

With clients continuing to look at ways of working smarter and more cost effectively in the current world climate, we have been contacted numerous times recently about exporting cargo directly from point of manufacturer, directly to client/retail door.

This approach is most common with cargo moving from India and HK/China directly to New Zealand.

Usually, consignments are sorted and prepared offshore, ready for individual carton deliveries once received at each destination, however there are still many clients who like to defer store allocation decisions until the goods have arrived.

This is where our NZ partner, DSL Logistics is best suited to help. Core services offered include:

- Container unpack and receipt of all incoming stock
- Reporting any discrepancies of actual stock against suppliers' invoices/packing lists
- Basic quality control
- Storage of product by way of pre-specified locations
- Pick and pack of product by bar-code as per picking instructions received
- Organise delivery to retailers
- Stock management and reporting
- Returns/credits
- Ticketing
- Stock takes
- Production of invoices on clients' behalf
- Full Internet tracking facilities
- Live KPI's on the Internet

And all services are customised to your exact requirements.

As always, please let me or any of our staff know if you'd like any further information.

With regards,

Bruce

