



# TRADE WINDS

THE LATEST IN INTERNATIONAL TRADE NEWS

JULY 2012

L.C. LOYNES & ASSOCIATES



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## SPECIAL POINTS OF INTEREST:

- Empty container park booking system adds another fee to importing and exporting businesses
- Why returning containers on time and in a clean and undamaged state can save you hundreds

## WELCOME

Happy New Financial Year!

It's that time of year again when businesses review their costs and charges and this month's newsletter has a number of notifications of increased fees and charges.

There are also some significant changes happening in the area of 'container management' and we have put together a few articles

covering different issues and discuss some of the new fees associated with container management.

We have also provided a practical example to highlight what this may mean to you and the best ways to minimise your exposure to fees that are avoidable.

## EMPTY CONTAINER PARKS INTRODUCE NEW FEES

Many of the empty container parks at Australian ports have moved to a web based booking system for container pick-ups and returns. The new system requires container transporters to pre-book a time slot to either pick up or return containers, with the goal of reducing congestion and delays by regulating vehicle movement. An 'Empty Container Booking Fee' will be charged by the parks to cover the costs of the new system.

Container transport operators will pass on the

fee imposed by the empty container parks. To that fee they will also add administration charges and possible storage costs (where they have been unable to get a time slot to return the container).

In Brisbane the new system becomes effective from the 6<sup>th</sup> of August at Qube Logistics.

It is envisaged that all empty container parks across Australia will be operating a time slot booking system by the end of 2012.

## FREE TIME ON CONTAINER DETENTION REDUCED TO 7 DAYS

Free time on container detention with some shipping lines has been reduced from 10 to 7 days and export and import detention charges (per day on hire over 7 days) will be increased.

Effective from 1<sup>st</sup> August 2012, import and export detention free time will be reduced from 10 to 7 calendar days from the first day of availability.

This will no doubt have a big impact on all parties who will want to do all they can to avoid

the considerable detention charges.

Indicatively, AU\$100 is a minimum fee per day (depending on container type and size) and will apply to containers not returned within the free 7 day period with applicable lines.

There are a number of factors that can affect the delivery and return times of a container and therefore the fees and charges that could be applied.

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A major factor is the mismatch in operating hours between stevedores (operating 24/7), the opening hours of empty container parks (most only open 10 hours/day during normal working days) and that many importers and exporters limit their operations to receive or deliver containers to 'normal' business hours.

The following is a practical example:

An import container arrives at port and Friday becomes the first day of availability. The best case scenario is that the container is picked up and delivered on Friday.

However if there is no time slot available for pick up from the wharf on that day, the container will be into the fourth day of availability on Monday. If the container is picked up on Monday it will receive a one day Storage Fee.

Alternatively arrangements are made with a transporter to pick the container up on the weekend with an associated surcharge and additional cartage, container lifts and yard storage fees imposed by the container transport operator.

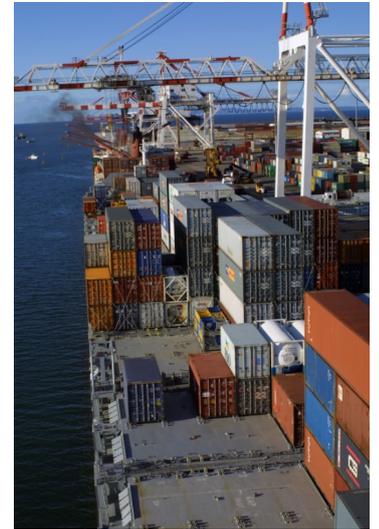
The container is then delivered to the importer on Monday (Day 4). The importer must unpack and clean the container by Tuesday (Day 5) as transporters require 48 hours notice to pick up the empty container to deliver back to the empty container park, which finalises the detention (hire) of the container.

If the container is not received at the empty container park by Thursday (Day 7), detention fees will commence.

In addition, if there is any remedial action undertaken by Quarantine or Customs before the container leaves the wharf this will also use up detention free time.

For importers there are three critical points to manage to avoid the charges.

- Providing us, as your Customs Broker and freight forwarder, with a full set of documents at your earliest convenience and at a minimum seven working days prior to the arrival of a vessel to allow customs clearance and other statutory requirements well before vessel arrival and to ensure you receive your container at its earliest availability;
- Take delivery and unpack your container as quickly as possible;
- Notify us or your transport company that the container is empty and ready for collection two full working days prior to expiry of the detention free time;
- Timely payment of detention invoices, including administration fees, is important to avoid further costs.



**Clean containers save you money**

It's easy to avoid additional fees imposed by container owners by sending empty containers back clean.

**CLEAN CONTAINER CAMPAIGN AND CONTAINER DAMAGE**

Importers are reminded of the importance of not only returning containers within the fee free period but also to ensure that containers are in a clean and sound condition to avoid additional charges.

Returning containers need to be swept clean of packaging, labels and other foreign material, including the removal of any external labels.

Any damage to containers is the responsibility of the consignee on the Bill of Lading, with

shipping lines charging for the cost of repairs.

We advise all clients and their respective transport operators to inspect containers before acceptance for visible damage and ensure it is noted immediately. For any concealed damage noticed during unpack, photos should be taken (while freight is still being unloaded) along with a record of the container number and reported to us immediately.

Early action and reporting can assist in claims for damages being overturned.



## NEW EMISSION REDUCTION SURCHARGES FOR INTERNATIONAL SHIPPING

On the request of the United States and Canada, and supported by France (to cover French waters in the region), the International Maritime Organisation has officially designated the waters off North America (both East and West coasts) as an Emission Control Area (ECA).

According to the US Environmental Protection Agency the new international emission standards that will apply to ships using North American ports will dramatically reduce air pollution from ships and significantly improve air quality and public health.

To comply with the new standards, ships will need to reduce their emissions in nitrogen oxides, sulphur oxides and fine particulate matter, primarily through a change in fuel type

and engine emission reduction/treatment technology.

According to one shipping company in order to comply they will use the more expensive low sulphur fuel when sailing in the ECA and switch to other cheaper fuel when not. They will charge customers a surcharge for the use of the low sulphur fuel.

The ECA will come into force in August 2012 and surcharge announcements have been made by shipping companies on these trade routes.

Note: See Shipping Charges and Announcements section.



## SHIPPING CHARGES AND ANNOUNCEMENTS

### *Asia to Australia*

- A General Rate Increase of US \$300/20' container and US \$600/40' container effective from August 1, 2012, will apply to all shipments from South East Asia, South Asia, India sub-continent, China, Hong Kong, Taiwan and Korea to Australia.

### *All Asian Ports to Australia*

- A Peak Season Surcharge will apply to all vessels ex Asian Ports to Australia, of US\$300/20' container and US\$600/40' container, effective August 15, 2012.

### *United States and Canada to Australia*

- A General Rate Increase of US\$75 per TEU will be applied to cargo moving from the United States and Canada to Australia and New Zealand, effective August 15, 2012.

### *Low Sulphur Surcharge ex USA and Canada*

- Low Sulphur Surcharge for all cargo ex USA and Canada, or which transits via USA ports. Applicable from August 1, 2012 the Low Sulphur Surcharge will be US\$10 per TEU ex the East Coast and US\$12 per TEU ex the West Coast.

'Green'  
surcharges a  
thing of the  
future



**CHARDY COOKED IT****CHORIZO, SPINACH AND RICOTTA FRITTATA**

**CAROLYN CHARD**  
**COOK EXTRAORDINAIRE**  
**AND OPERATIONS AT**  
**LOYNES**

2 chorizo, sliced  
 1 tablespoon sage leaves  
 80g baby spinach leaves  
 4 eggs, lightly beaten  
 1 cup (250ml) single (pouring)  
 cream  
 sea salt and cracked black pepper  
 150g ricotta  
 buttered toast, to serve

Serves 2

1. Heat a 22cm non-stick frying pan over medium-high heat.
2. Add the chorizo and sage and cook for 4-5 minutes or until chorizo is golden and crisp.
3. Add the spinach and toss until wilted.
4. Whisk together the eggs, cream, salt and pepper and pour into the pan, reduce heat to low and cook for 3 minutes.
5. Place the frittata under a preheated hot grill and cook for 2 minutes or until the frittata is just set and golden.
6. Serve with thick slices of hot buttered toast.

Note. This recipe came Donna Hay, *fast, fresh, simple*.

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