

“New Year—a new chapter; new verse; or just the same old story? Ultimately, we write it  
The choice is ours,”

Alex Morritt

CARGO NETWORK INTERNATIONAL PTY LTD

## Maersk to acquire Hambug Sud

Maersk Line and the Oetker Group have reached an agreement for Maersk Line to acquire Hamburg Süd, the German container shipping line. The acquisition is subject to final agreement and regulatory approvals

Hamburg Süd is the world’s seventh largest container shipping line and a leader in the North–South trades. The company operates 130 container vessels with a container capacity of 625,000 TEU (twenty-foot equivalent). It has 5,960 employees in more than 250 offices across the world and market its services through the Hamburg Süd, CCNI (based in Chile) and Aliança (based in Brazil) brands. In 2015, Hamburg Süd had a turnover of USD 6,726 million of which USD 6,261 million stems from its container line activities

On 22 September 2016, Maersk Line announced that it would grow market share organically and through acquisitions.

“The acquisition of Hamburg Süd is in line with our growth strategy and will increase the volumes of both Maersk Line and APM Terminals,” says Søren Skou.

Hamburg Süd and Aliança will continue as separate brands and continue to serve customers through their local offices.

“Hamburg Süd and Aliança have competitive and attractive customer value propositions, which we want to preserve and protect. We wish to maintain the personal touch and engagement they offer their customers. In short, Hamburg Süd and Aliança customers will also be Hamburg Süd and Aliança customers in the future,” says Søren Skou.

In the combined network, Hamburg Süd and Maersk Line’s customers will have access to the dedicated end-to-end services provided by Hamburg Süd in the North–South trades as well as the flexibility and reach provided in Maersk Line’s global network. Furthermore, the combined network will enable Maersk Line to develop new products with more direct port calls and shorter transit times

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## Australian Border Force (update...)

1 January 2017 sees changes to Harmonised System (Commodity) Coding. Every product has a numeric code that identifies the goods.

The new version of the HS includes 234 sets of amendments. Environmental and social issues are a major feature of these amendments, due to the importance of the HS as a global tool for collecting trade statistics and monitoring trade. This is borne out by the fact that the HS Convention currently has 150 Contracting Parties, making it the WCO's most successful international instrument to date.

The majority of the recommended amendments were broached by the Food and Agriculture Organization of the United Nations (FAO):

- Amendments relating to fish and fishery products are aimed at further enhancing the coverage of species and product forms which need to be monitored for food security purposes, and the better management of resources.
- Amendments relating to crustaceans, molluscs and other invertebrates are motivated by the importance of the trade in and consumption of these species in their various product forms.
- Amendments relating to cuttlefish and squid enlarge the coverage of the present HS codes for these species, in order to have all these species grouped together.

The classification of forestry products has also been modified, in order to enhance the coverage of wood species and get a better picture of trade patterns. The modification will enable trade data on tropical wood to be identified, resulting in better statistics on the trade in tropical wood and better data on the use of non-tropical hardwoods. In addition, the amendments include new subheadings for the monitoring and control of certain bamboo and rattan products.

Furthermore, HS 2017 amendments aim to provide detailed information on several categories of products that are used as antimalarial commodities. This will facilitate classification work, and the trade in these life-saving products.

The amendments also introduce specific subheadings to facilitate the collection and comparison of data on the international movement of certain substances controlled under the Chemical Weapons Convention. New subheadings have also been created for a number of hazardous chemicals controlled under the Rotterdam Convention and for certain persistent organic pollutants (POPs) controlled under the Stockholm Convention. In some cases, there is a confluence of control regimes for chemicals by both the Rotterdam and Stockholm Conventions.

In addition, new subheadings have been created for the monitoring and control of pharmaceutical preparations containing ephedrine, pseudoephedrine or norephedrine, and for *alpha*-phenylacetonitrile (APAAN), a pre-precursor for drugs.

Advances in technology are also reflected in the amendments, *inter alia*, the size criteria for newsprint, light-emitting diode (LED) lamps, multi-component integrated circuits (MCOs), and hybrid, plug-in hybrid and all-electric vehicles



## China-Australia Free Trade Agreement (ChAFTA)

ChAFTA moves into year 3 which sees further reductions on China origin goods.

Footwear is now Duty Free.

All clothing is now below the general rate of duty of 5%. Clothing that is not duty free reduces down to 4% with further phasing down through to 2019.

Importers must possess a ChAFTA Declaration in order to claim preferential duty rate

## Korean Free Trade Agreement (KAFTA) and Japan Free Trade (JEPA)

Both Korean and Japan Free Trade Agreements move into year 4. Goods not duty free now phase down to either 1% or 4% subject to the specific goods in question., and will continue to phase down through to 2018.

Free Trade Declarations can be completed by the supplier/manufacturer/exporter OR the importer. If the declaration is completed by the Importer, the Importer must be able to substantiate the claim for preferential duty rates.

## Trans-Pacific Partnership Agreement (TPP)

Now that the USA elections are done and dusted we all wait with interest as to what now happens to the TPP.

It's a case of "watch this space..."



*For advice on Free Trade Agreements, please contact our Customs section*



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## How about this for an interesting flight.

Passengers on a recent Aeromexico from Torreon to Mexico City were startled by a green snake dropping out of one of the luggage compartments.

The airline stated it did not know how the snake got on board the flight but it did allow for a priority landing.

