



CARGO NETWORK INTERNATIONAL PTY LTD
International Transport and Customs Brokers

Your Specialist in:

- Import Freight
- Export Freight
- Customs & Quarantine
- Warehouse Storage
- Documentation
- Track and Trace

October 2019

The Stink Bug: Back in Business...

From September 1st, 2019 to June 1st, 2020 the Australian Government Department of Agriculture has implemented seasonal measures to avoid the introduction of the Brown Marmorated Stink Bug (BSMB) to Australia. Although small, the stink bug is considered an enormous pest to the agricultural industry as it eats and destroys crops, inhibiting the yield of food and production materials.

The security measures implemented by the Australian Department of Agriculture state that "target, high risk" cargo originating from the North America, and most of Europe (and many other countries) requires fumigation by Methyl Bromide or Sulfuryl Fluoride at origin or upon arrival at the port of discharge.

As a result, there are a limited number of fumigators in these countries that have been approved by the Australian Department of Agriculture to perform the fumigation process. Fumigation prices have tremendous geographical variation which is partially determined by the number of suppliers in the area. In many countries, fumigation becomes even trickier in the winter. The standards defined by the Australian Department of Agriculture state that fumigation must be performed in a climate with a minimum temperature of 10 degrees C or 50 degrees F.

Some fumigators offer in-door facilities where this temperature can be maintained throughout the fumigation process while others do not, therefore limiting treatment providers and increasing congestion during the winter months.

AND of course, the same issues arise when fumigation is undertaken within Australia.

Take note though, Flat Racks and Open Top Containers are considered as break-bulk cargo whereby mandatory fumigation is required at origin, prior to export.



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Cargo Network International

- Australian Owned & Operated
- Established 1995
- Recognised Australian Trusted Trader



Trucking in the United States: What Changed?

Trucking in the United States has taken a major hit due to recent law changes. The ELD (Electronic Logging Device) mandate requires professional truckers and commercial carriers to track a driver's on-duty hours and driving time electronically. An electronic device connects to the truck's engine monitoring accuracy and recording drive time.

This was a manual process until this law came into effect in December of 2017. The D.O.T (Department of Transportation) has always required truckers to keep track of this information and has simplified it with this process by taking away the manual work; so why is this bad?

Along with the tracking of on working hours,

limitations were set for truckers that state how long a driver can be driving, on duty and off duty per day. Truck drivers are allowed to remain on-duty for 14 hours and a maximum of 11 hours of driving in that period; followed by 10 off-duty hours before they can return to work. Drivers are forced to stop and rest for 10 hours, no matter how far along their trip they are or how urgent their shipments may be. In turn, this has drastically delayed transit time between states.

Since the number of loads on the board have not dwindled, the need for drivers has increased and prices for LTL and long-haul trips have sky-rocketed.

Global Air Cargo—looking into the future...

ESCALATING trade tensions and a slowing global economy have led World Trade Organisation (WTO) economists to sharply downgrade their forecasts for trade growth for 2019 and 2020. The news is a major blow to air cargo bosses hoping for an upturn in shipments next year. Global trade volumes are now expected to rise by around 1.2 per cent in 2019, substantially lower than the 2.6 per cent growth forecast in April this year.

The projected increase in 2020 is now 2.7 per cent, down from 3.0 per cent previously. WTO economists caution that downside risks remain high and that the 2020 projection depends on a return to more normal trade relations.

Roberto Azevêdo, director-general of the World Trade Organisation, fears that "job creation may also be hampered as firms employ fewer workers to produce goods and services for export.

"The darkening outlook for trade is discouraging but not unexpected. Beyond their direct effects, trade conflicts heighten uncertainty, which is leading some businesses to delay the productivity-enhancing investments that are essential to raising living standards," Azevêdo observes.

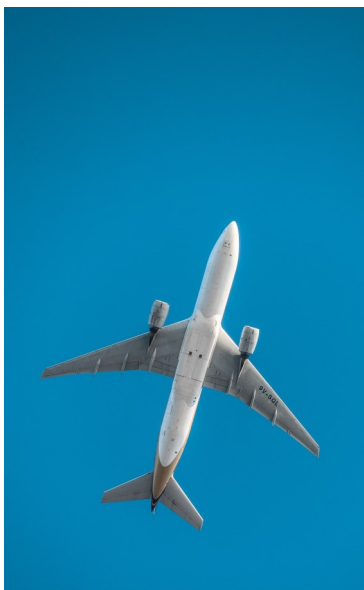
"Resolving trade disagreements would allow WTO members to avoid such costs," he asserts.

"The multilateral trading system remains the most important global forum for settling differences and providing solutions for the challenges of the 21st century global economy.

More tariffs and resulting retaliation could produce a "destructive cycle of recrimination," the international body also warns.

"A sharper slowing of the global economy could produce an even bigger downturn in trade.

Finally, a disorderly Brexit [in the UK] could have a significant regional impact, mostly confined to Europe," adds the statement.





African swine fever & foot-and-mouth disease

Australian Transport Infrastructure— overview...

The state of the freight transport sector Australia's freight transport task is diverse and growing. Global demand for Australia's exports, particularly from Asia, has resulted in unprecedented growth. This is coupled with increasing demand for imports and a growing expectation that consumer items are delivered to our homes or offices.

Our geography and varied climate also mean that Australia continues to produce a broad range of agricultural products, each with a unique supply chain. The performance of our freight networks varies across the country.

Australia is home to some world-leading mineral supply chains, particularly in the Pilbara, Central Queensland and Hunter Valley. However, our urban and agricultural supply chains in particular are experiencing challenges. Our cities are key centres of demand, supply and the processing of high-value and containerised freight. However, too often they act as bottlenecks on our national supply chains, limiting access to key markets for exporters/importers and increasing costs for consumers.

Congestion on key routes, and land-use planning that does not consider freight and regulatory constraints on our gateways, are common challenges. Agricultural supply chains also suffer from constraints. Local infrastructure is often poorly maintained and lacks capacity. Infrastructure constraints are coupled with inefficient regulation in our regions, where freight operators often cross jurisdictional boundaries and have to deal with a myriad of access permits.

Australia is well positioned to take advantage of Asia's economic development. But to do so, we need to ensure our freight and supply chains operate efficiently and minimise costs for business and consumers.

BUT here's the real issue. Australia's freight task is expected to continue growing at a faster rate than population growth, as our exports/imports grow and consumers demand not only more goods, but increasingly expect goods to be delivered quickly and to their door. The freight task is forecast to grow by another 26% between 2016 and 2026.

The freight task in Australia is diverse and the needs of individual supply chains can vary substantially. Freight transport therefore requires nuanced policy, regulation and strategic infrastructure investment to ensure different supply chains can operate effectively.

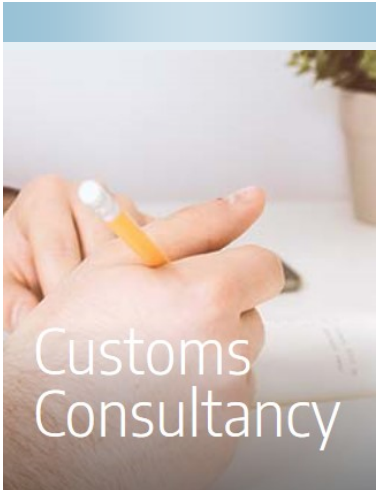
Keeping African swine fever & foot-and-mouth disease out of Australia:

In light of the changing distribution of African swine fever (ASF) in Asia and parts of Europe, the department has undertaken additional activities to ensure that its biosecurity measures continue to protect Australia from exotic diseases. This includes increased screening measures and testing a sample of pork products seized at international airports and mail processing centres for ASF and foot and mouth disease (FMD).

ASF is a highly contagious viral disease of domestic and wild pigs. An outbreak of ASF in Australia would have significant impacts on pig production and health. It has most recently been reported in Belgium, Slovakia, Serbia, China, Mongolia,

Vietnam, Laos, Cambodia, Myanmar, North Korea, South Korea, the Philippines and Timor Leste. The department is responding actively to this situation.

If we place this in the context, ASF is widely spread throughout China and China produces around 50% of World pork. Whilst this sounds like a great opportunity for Australian producers, these same producers are gripped in drought provisions and will probably not be able to balance the difference with any real significance.



Australian Transport Infrastructure—continued

Below Diagram depicts some of the issues:

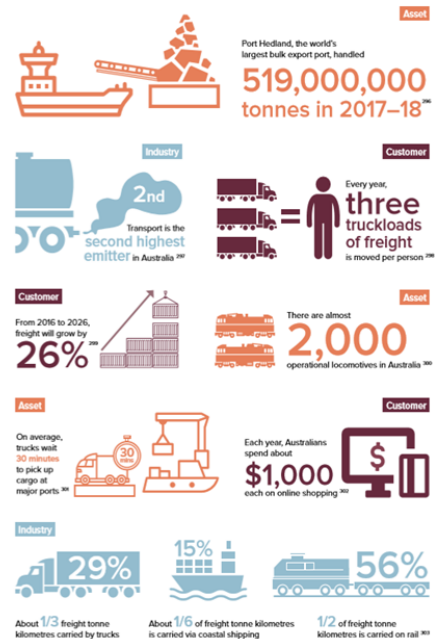
Australian Infrastructure Audit 2019

5. Transport Freight - Introduction

Performance of the sector



Scale of the sector



Cargo Network International Pty Ltd was established in 1995 and is a fully Australian owned company. The company directors identified a need within industry to provide a fully integrated international logistics service to Australian importers and exporters.



When was the last time you had a check-up?

Cargo Network has qualified staff that will provide a comprehensive Customs (ABF) and Quarantine (DAWR) Audit/Review.

This can be in the form of a complete Audit/Review process or a simply to review a specific product and/or procedure. Take advantage of a complimentary “free” visit to discuss the nature of the issue and CNI

Consulting Division will provide a brief report with projected costing—And time lines.

On a “No Obligation to Proceed” basis.

What’s it cost you?

Nothing in the first instance, but what could it cost you, not to consider the possibilities.



“Success is 99 percent failure.” – Soichiro Honda

NYK Completes World’s First Maritime Autonomous Surface Ships Trial

Japanese shipping company NYK has conducted the world’s first maritime autonomous surface ships (MASS) trial, making a big step toward realizing its target of manned autonomous ships for safer operations and reducing crew workload.

As informed, Iris Leader, an NYK-operated pure car truck carrier (PCTC), was navigated day and night using the Sherpa System for Real ship (SSR) navigation system.

The first part of the trial was conducted during the ship’s voyage from Xinsha, China, to the port of Nagoya, Japan, from September 14 to 17, 2019, and the second from the port of Nagoya to the port of Yokohama, Japan, from September 19 to 20. The vessel’s crew performed typical duties during the navigations, which included Japan’s coastal area but excluded bays.

During the trial which was carried out in line with the IMO guidelines for MASS trials, the SSR’s performance in actual sea conditions was

monitored as the system collected information on environmental conditions around the ship from existing navigational devices, calculated collision risk, determined optimal routes and speeds, and then automatically navigated the ship.

NYK now plans to analyse the data and continue to develop the SSR into a more advanced navigation-support system by making adjustments to the difference between the optimal course derived by the program and that determined by professional human judgment.

The SSR verified by this trial would also be applied to future coastal ships, which currently face serious crew shortages, according to the company.

