



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

# June 2020

## Indonesia-Australia Comprehensive Economic Partnership Agreement

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will enter into force on 5 July 2020.

IA-CEPA creates a framework for Australia and Indonesia to unlock the vast potential of the bilateral economic partnership, fostering economic cooperation between businesses, communities and individuals.

Indonesia has been a growing market for Australian goods and services exporters. In 2018-19, total two-way trade in goods and services with Indonesia was worth A\$17.8 billion, making Indonesia our 13th largest trading partner. IA-CEPA will provide Australian and Indonesian businesses an opportunity to expand and diversify this economic partnership.

### INDONESIA MARKET SNAPSHOT (DFAT WEBSITE)

- GDP: US\$1.02 trillion (2018)
- GDP per capita: US\$3,870.6 (2018)
- GDP growth: 5.2 per cent (2018)
- Population: 264.2 million (2018)
- Trade with Australia: \$17.6 billion (2018)



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### Cargo Network International

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

## AMAZON expand into Queensland

Amazon has started construction on a new fulfilment facility in Brisbane, representing a first in Queensland for the US multinational.

The Queensland State government has been working with Amazon for a number of years to get them to Queensland .

Australia is still behind other countries - it's only around one in 10 households buying online, however, we have seen a dramatic shift during COVID-19 with more people choosing to buy local produce online .

Last year Australians spent around \$27 billion in online goods, so the expansion of Amazon into Queensland sends a very clear message to all businesses to get their own products online as quickly as possible.

The new fulfilment center, which is the size of two rugby fields, will open before Christmas and the fulfilment center will house more than half a million products.

## Brisbane's new runway is still set to open on 12 July 2020

It has been estimated by 2035 the new runway will lead to the creation of 7,800 new jobs and contribute an additional \$5 billion in annual economic benefit to the region.

For our community of travellers this project will also lead to a greater choice in airlines, destinations and flight times.

This new runway is a key piece of infrastructure that will enable the continued growth of Brisbane, our region and the nation. Furthermore the new runway will enable Brisbane Airport to better meet the demands of the community it serves, now and for future generations.

## Trade around the World...

Malaysia now issuing Electronic AANZFTA Certificate of Origin .

Malaysia's Ministry of International Trade and Industry have implemented electronic endorsement of the Preferential Certificate of Origin by affixing electronic signature and official seal through their ePCO system. The Australian Border Force will accept electronic Certificates of Origin.

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Australia-Gulf Cooperation Council Free Trade Agreement negotiations.

Negotiations are currently on hold while the GCC conduct a review of its FTA policies.

No recommencement of negotiations will occur on the FTA with the GCC while the intra-Gulf tensions, remain unresolved.

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Australia and Britain have formally launched talks for a free-trade agreement, after a two-month delay.

But British fears of low-cost Australian agricultural imports will remain as a very large stumbling block.

Both sides of British politics used a parliamentary debate on post-Brexit agriculture to demand legally binding trade protections for domestic farmers.

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Australia is also currently negotiating an FTA with the EU?

An FTA with the EU has the potential to open up a market for Australian goods and services of half a billion people and a GDP of US\$18.7 trillion.

*It may be a race to see whether the EU or the UK FTA is finalised first.*

The Australian economy shrank 0.3% on quarter in the first three months of 2020, after a 0.5% growth in the prior period and in line with market consensus.

Household consumption fell for the 1st time since Q4 2008 (-1.1% vs 0.5% in Q4 2019) and gross fixed capital formation continued to shrink (-0.8% vs -1.2%).

Inventories fell AUD 909 million driven by manufacturing, retail and wholesale inventories.

In contrast, government spending grew 1.8%, faster than a 0.9% expansion, in response to the bushfires and the covid-19. Exports declined 3.5% (vs -0.2% in Q4), while imports fell at a faster 6.2% (vs 0.1% in Q4).

On the production side, most sectors contracted except manufacturing, wholesale and retail trade, information & telecommunications and financial & insurance.

Through the year to Q1, the economy grew 1.4%, after a 2.2% expansion in Q4.

Let's see what Q2 and Q3 bring us...

## Australia Post update

The challenges associated with COVID-19 and the international trading community flows on through to our domestic transport and logistic services. Many forget that Australia Post operations are right in the middle of these challenges.

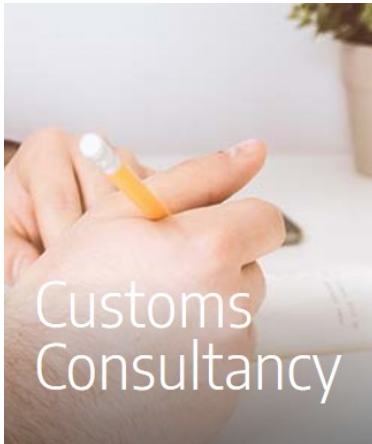
Whilst most Postal Offices remain open to the public, the challenges presented by the pandemic means delays will be experienced as Australia Post (like all businesses) adapts and adopts additional safety measures to protect both staff and customers. With dramatic reductions in both international air services and domestic air services compounded by the surge in online purchasing has stretched Australia Post to the limit.

### What you may not know are the following facts:

- *Australia Post has chartered and additional eight (8) freight aircraft flights in an attempt to speed up delivery;*
- *Sorting facilities are open 24/7 to process and expedite deliveries;*
- *Fifteen (15) re-purposed and new facilities were acquired to further increase the processing and delivery capabilities;*
- *600 staff were added to the team to expand the workforce with the goal of increasing the processing and delivery capacity;*
- *Considering reducing the delivery days for letters so current posties can be re-deployed to start delivering packages in vans;*

Australia Post process and deliver up to two (2) million parcels a day.





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## Australian Border Force and Biosecurity information

### HYDROXYCHLOROQUINE SEIZED AT THE BORDER

Australians are being warned not to import and self-prescribe the anti-malarial drug hydroxychloroquine as a possible treatment for COVID-19, following a surge in detections by Australian Border Force (ABF) officers screening medical supplies crossing the border.

Dozens of consignments, totalling more than 6,000 tablets, have been intercepted at the border since January. All have been referred to the Therapeutic Goods Administration (TGA) for assessment.



### Air conditioning company fined for HCFC importation and storage offences

A Victorian based company that imports, manufactures and supplies air conditioning equipment has been fined \$12,600 by the Department of Agriculture, Water and the Environment for importing bulk hydrochlorofluorocarbon (HCFC) without a controlled substances licence.

Importing HCFC without a licence is an offence under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* (the Act), which is in place to protect the environment by reducing emissions of ozone depleting substances and synthetic greenhouse gases.