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August 2020

China - Anti-Dumping - is there more to come?

China is Australia's largest trading partner and accounts for a third of all of Australia's exports. The relationship between the two countries has been marred by multiple disputes over the coronavirus, Beijing's crackdown on Hong Kong, territorial disputes in the South China Sea and the rejection of China's flagship 5G provider Huawei from western mobile networks.

Perhaps the timing is just co-incidental, but we soon saw China launching trade strikes on Australian beef; Australian barley; and China urged Students and tourists to reconsider travelling to Australia.

Now China has initiated an anti-dumping investigation into Australian wine in the latest trade strike by Beijing against a lucrative export industry amid a deteriorating relationship.

The investigation will examine whether Australian winemakers dumped bottles containing less than two litres in China at reduced prices over a five year period, crowding out local producers and causing industrial damage. China is Australia's largest market for the \$3 billion wine export industry.



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Cargo Network International

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

Brown Stink Bug Season Has Begun

The **Brown** Marmorated Stink Bug (BMSB) measures for the upcoming 2020/21 season have now commenced.

Key points for the coming seasons measures are:

- **Effective for Goods shipped by sea from 1st September 2020 and arriving in Australia by 31st May 2021**
- Designated Target High Risk Goods have mandatory treatment requirements. Where and when treatment can be undertaken depends on mode of transport.
- All other goods will not require treatment unless packed in containers with goods that require treatment under the measures
- LCL goods are highly recommended to be treated prior to departure. LCL consignments may be treated on arrival in Australia, however the treatment will be performed at container level prior to unpack. Deconsolidation of containers will not be permitted prior to treatment at any level.
- FCL's may be treated prior to departure or upon arrival.
- ISO Tanks are exempt measures.
- Break Bulk shipments containing Target High Risk Goods require mandatory treatment prior to arrival in Australia.
- If mandatory treatment is not undertaken goods will not be permitted to discharge and will be directed for immediate export.

Portugal, Ukraine and Moldova have been added as target risk countries.

The following countries have been identified as emerging risk countries for the 2020-21 BMSB risk season and may be selected for a random onshore inspection:

Belarus, Denmark, Ireland, Poland, Sweden, United Kingdom, Kazakhstan and Chile.

DAWE are also monitoring other countries through a lower rate of random inspections.

These include all remaining **European countries, Japan, China, Korea, Taiwan, Argentina, South Africa and Uruguay.**

The Sinking Fortunes Of The Shipping Box

(from Business Books August edition by Mike Jansen)

In 2006, Marc Levinson, a former *Economist* journalist, scored a surprise hit with *The Box*, a history of the shipping container. He wrote the book in secret, because his early confidants couldn't understand why he was writing about something as dull as a metal container. Yet Levinson knew that the subject of *The Box* was actually a launch point for a larger story: how containers standardized shipping, drove companies to change how and where they manufactured their goods, and, ultimately, accelerated globalization.

When it was published, the craze for bigger ships and deeper ports was at its zenith; there seemed to be no limit to consumer demand for stuff. But in 2009, in the wake of the financial crisis, the world economy shrank for the first time since 1944, and all the assumptions about supersized container ships sank like a stone.

Years on, Levinson, an occasional contributor to *strategy+business*, is back with a companion volume. Ostensibly a history of international trade through three distinct "globalizations," *Outside the Box* is most useful as a chronicle of how the pre-2008 model of complex, globe-spanning, just-in-time manufacturing has been exposed as fragile, inefficient, and opaque. Two contrasting approaches to making cars are instructive.

In the 1920s, the vertically integrated Ford Motor Company controlled its supply chain tightly. It directly bought up everything needed to manufacture its vehicles. It owned forests, mines, rubber plantations, steel plants, and textile mills to ensure the smooth running of its celebrated production line. A century later, Levinson reports, a single button in the steering system of a BMW travels through nine different manufacturing processes in as many different locations....

Click on the link to continue the story.

<https://www.strategy-business.com/article/The-sinking-fortunes-of-the-shipping-box?gko=88d26>

COVID-19 and impact on trade costs

The WTO Secretariat has published a new information note warning of possible increases to trade costs due to COVID-19 disruptions. The note examines the pandemic's impact on key components of trade costs, particularly those relating to travel and transport, trade policy, uncertainty, and identifies areas where higher costs may persist even after the pandemic is contained

Travel restrictions and border closures have been an important part of the initial policy response to the COVID-19 pandemic, and these measures have directly affected trade in goods and services. They have disrupted freight transport, business travel and the supply of services that rely on the presence of individuals abroad. Transport and travel costs constitute an important part of trade costs, and depending on the sector, are estimated to account for 15 to 31 per cent. Travel restrictions are therefore likely to account for a substantial increase in trade costs for as long as they remain in place.

Freight transport service performance is crucial to trade costs in manufacturing. Since the beginning of the COVID-19 crisis, maritime and land transport have remained largely functional, although they have registered sometimes considerable delays, but air freight transport has been severely disrupted, with global air cargo capacity shrinking by 24.6 per cent in March 2020. Many governments are trying to do as much as possible to keep trade flowing, but in some regions, travel restrictions have the potential to disrupt regional trade and livelihoods severely.

Tradable services that rely on physical proximity between suppliers and consumers, such as tourism, passenger transport or maintenance and repair services, have been severely impacted by travel restrictions and social distancing and have seen a prohibitive increase in trade costs. The disruption in business travel, which plays important roles in establishing and maintaining trading relationships as well as in managing global value chains, is also likely to affect both business and professional services and manufacturing production, although this will depend on how possible it is to substitute e-interactions for face-to-face communication. The quality of information and communications technology (ICT) infrastructure and digital preparedness will thus be important factors in how well economies cope with the pandemic shock.



CNI Customer Updates And Achievements

Customs Consultancy

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Australian Manufacturer, DIGGA, launches the biggest innovation in pendulum drilling in the past two decades.

HALO is an alignment system built into the hood of the drive unit. A band of green LED lights indicate when the unit is in a plumb position, while a sequence of red and green lights guides the operator back to plumb when the unit goes out of alignment.

There are several advantages of incorporating an alignment system into the hood. It costs significantly less than traditional systems by eliminating the need for a costly in-cab display screen. This in turn means the operator never has to look away from the job in hole.

From all the team at CNI, congratulations on the innovation and being able to bring this product to market.

