



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 2020

Port Congestion update...

Reports indicate Brisbane and Fremantle Terminals are proceeding quite well with the recovery plans however there are still significant delays being experienced in Sydney and Melbourne.

The next month is critical for goods arriving into domestic supply chains.

Retailers are now dealing with pre-Christmas sales much earlier due to the very popular one-off sales events – both on-line and in-store.

- Click Frenzy 10 Nov
- Black Friday 27 Nov
- Cyber Monday 30 Nov

The demand on retailers will be exacerbated by the MEL lockdown, as more purchases are made on-line and home delivery pressures mount. CNI Sales Director, Dan Duignan stated “if orders are not here by late November, they will have missed Christmas sales and this could spell disaster for many....”

More Pressures on the Supply Side ex China and Asia.

There is an estimated 30% excess of cargo unable to be booked on vessels ex China and Asia.

Bookings are now backlogged into the 3rd week of November.

Rates are climbing and shipping lines have commenced rate restoration increases from 1 November.

Ex China, Premium Plus bookings where there is an additional USD500 per TEU (approx.) to ensure priority loading are oversubscribed.

Then there is the PCS of up to USD 350 per TEU when the container gets to Sydney. More costs to importers doing business.....

Should you require any further information please do not hesitate to contact our office.



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Cargo Network International

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

Container Equipment Shortages

It may surprise many of you that 40%-45% of all exported containers are actually empty containers being returned to overseas hubs.

With the current issues not enough empty containers are being exported and thus we are starting to experience container shortages and this is one of the reasons for pricing increases.

Despite increased exchanges of empty containers evacuated onto vessels, the volumes are not keeping pace with the arrival of more containers. As a consequence, ECPs are full to overflowing. Transport companies and importers are holding containers longer.

The upcoming closure of Sydney's largest empty container park (24% of Sydney's empty container capacity) to make way for construction of the Sydney Gateway road will put further strain on the situation.

Shipping lines and the inability to access Port Botany, the skyrocketing costs of freight and port congestion surcharges which has been imposed on importers/exporters, and how this will end up being passed on to the consumer.

The situation is being exacerbated by some shipping lines intransigence in providing container detention extension or relief.

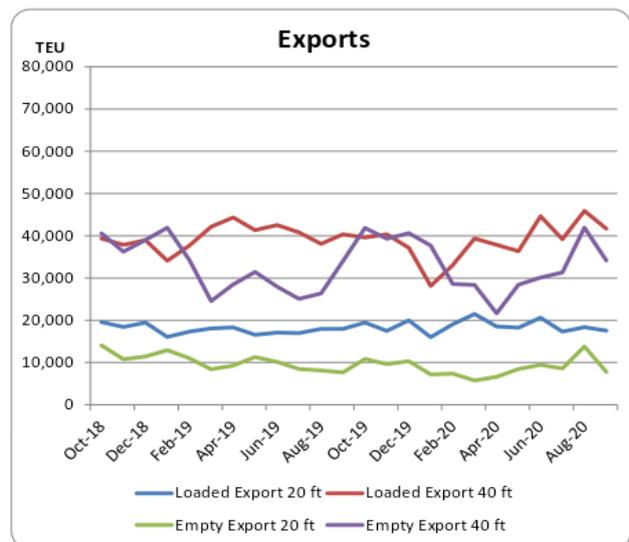
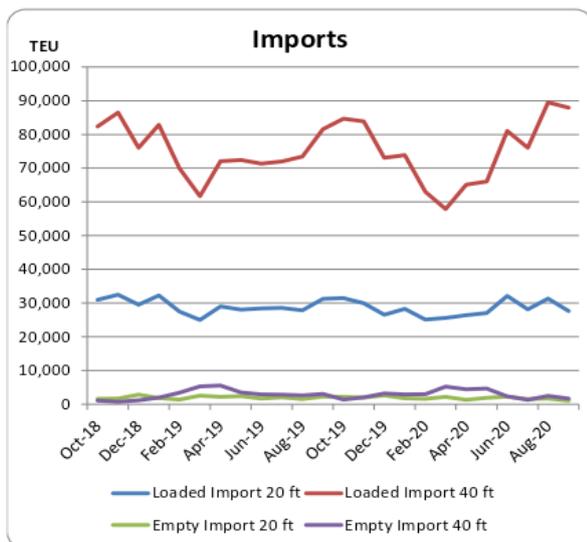
A snapshot taken from the Port of Melbourne Monthly Container Trade Report (Sept.) clearly highlights the volume of containers to and from the Asian trade lanes.

Currently the demand far outweighs the supply and service levels.

**Total Overseas Trade by Month by Sector - October 2018 to September 2020
IMPORT & EXPORT CONTAINERS**



01/10/18 to 30/09/20



Trainee Opportunities and Financial

The Federal Budget on Tue 6 November 2020 announced a \$1.2B plan to help organisations throughout Australia employ up to 100,000 new trainees/apprentices during the next 12 months, through a wage subsidy scheme.

Trainees who are employed from October 2020 will have 50% of their award wages (to a maximum of \$7,000 per quarter) paid by the Federal Government for the initial 12 months. Normally a traineeship would take between 18-24 months.

Trainees can be employed within the International Freight, Transport and Logistics industry, throughout Australia.

The announcement is designed to provide reassurance in particular to school leavers and the disengaged youth — whose education and employment opportunities have been significantly disrupted by the COVID pandemic.

The wage subsidy would be paid direct to the employer when they hire a new trainee and the money will be transferred quarterly, in arrears.



International Air Cargo update...

We have reported and commented in previous newsletters and also had specific briefings with Clients when requested regarding international air cargo. Questions arising such as how is the current climate volumes through to what are our expectations for 2021 and beyond. This results in much red wine being consumed and being able to function on minimum sleep patterns to come up with this extensively researched and informed advice being, we don't know.

In all seriousness, we believe the first half of 2021 will certainly be no better than it is now, with high pricing and very limited services. We need a little more data over the next couple of months to provide more accurate projections.

To highlight what we are experiencing in this side of international transport.

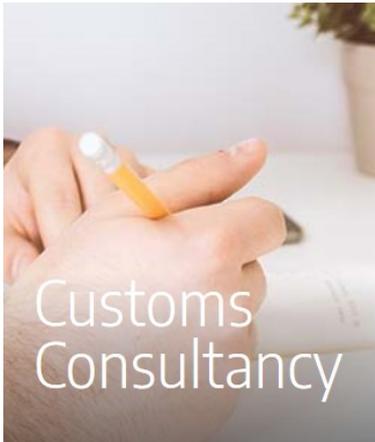
BA's passenger traffic dropped 95% from a year earlier in the second quarter, leading to a first-half operating loss of 4.04 billion euros (\$4.77 billion). The shakeup comes just a month after Luis Gallego became CEO of IAG, promising to shore up the group's finances and adapt to the "new normal" of air travel during the pandemic.

Airlines around the world have seen passenger numbers plummet amid government-imposed travel restrictions and concerns about the safety of air travel during the pandemic.

British airlines have been particularly hard hit because travelers from most countries are required to quarantine themselves for 14 days after arrival, killing off most business and holiday travel.

The U.K. House of Commons committee was recently told that BA was fighting for its survival".





CNI Customer Updates

On the 30th September we held our first industry forum pertaining to the current Port congestions.

Stay tuned as we are preparing further forums in November to include:

- air cargo now and beyond 2020!
- opportunities—are there any?

If you would like to suggest any specific topics for our Forums, please don't hesitate to contact us.

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