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**Sent:** Wednesday, 9 May 2007 9:23 PM  
**Subject:** bulletin : May Newsletter



**Newsletter — May 2007**

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*PEAK SEASON SURCHARGE REMOVAL EX CHINA/NORTH ASIA*

Shipping Lines have removed the Peak Season Surcharge from Korea, North China, Taiwan and Hong Kong as of the end of February 2007.

*SPECIFIC LCL CONSOLIDATIONS EX CHINA/TAIWAN/HONG KONG  
– FASTEST IN THE INDUSTRY!*

Whether it be single or multi-supplier orders, Specific Freight's LCL Consolidations are the fastest door-to-door service in the industry for delivery in both Sydney & Melbourne.

Specific Freight are consolidating weekly containers ex Hong Kong and Taiwan and twice-weekly ex Shanghai, with a KPI of having cargo unpacked and delivered within 3 working days after the vessel's arrival.

With competitive pricing and outstanding service, if you aren't already taking advantage of this service, then we suggest you speak to your local Sales Manager - NOW!

NORTH CHINA/HONG  
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NOTE - We are also currently expanding our Import LCL Consolidation service to include Ningbo and Xiamen in the near future, which will allow us to then provide the most comprehensive LCL Consolidation service available.

### *PACKING DECLARATIONS*

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Quite a number of importers and their supplier are still not clear on the need for 'Packing Declarations'. These are separate from 'Packing Lists' as they are declarations made by the company who physically packed the items and/or container and are relevant to whether the packaging contains any wood or wood packaging.

A Packing Declaration is required for ALL sea freight consignments into Australia and is also soon to be required for all airfreight consignments. If we do not receive a clear Packing Declaration with a numerical link (EG: Invoice, Container or Bill of Lading Number) then we are unable to Customs/Quarantine Clear your goods and this will obviously delay delivery and incur possible storage.

### *APPRECIATING YUAN HURTS CHINESE EXPORTERS AND AIRFREIGHT RATES*

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On July 21 2005 the Chinese Government announced it was to abandon its practice of pegging the Yuan to the US Dollar. Since that time the currency has appreciated by over 6% against the USD. Recently the currency outstripped the Hong Kong Dollar and is showing no signs of slowing down. Whilst the Yuan's trajectory is delighting American politicians, conversely Chinese exporters, who traditionally invoice in US Dollars, are complaining that a more expensive Yuan is eating into their profits.

Airfreight agents in China fall within this category. Airlines invoice agents in the local currency however, the market quotes and bills airfreight in US Dollars. Accordingly pressure will continue to mount for exchange related freight rate increases as the Yuan continues to appreciate.

Economists are predicting a further revaluation of the Yuan during 2007 of approximately 3%. We advise that importers ought to reasonably expect and budget for a commensurate increase in the cost of goods and airfreight from China.

### *NORTH CHINA/HONG KONG/TAIWAN SCHEDULE CHANGES*

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As Shipping Lines are re-structuring their vessel schedules and routing, currently many of the 'old' fixed day schedules ex China/Hong Kong are currently not being adhered to and consequently delivery times in Australia are not meeting previous expectations. This is magnified by recent port congestion in Australian Ports delaying some vessels into port even further.

We do not expect this to be a permanent situation, but ask in the interim that all customers make us aware of any time sensitive shipments in advance of shipping, so we can find the most suitable option to meet your needs.

### *SECURITY CONCERNS AT PORTS/AIRPORTS*

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There has been a recent flood of serious cargo thefts from international freight terminals in both Melbourne and Sydney. In some cases thieves have managed to dray full container load shipments, and escape without a trace.

Cargo security is another good reason for astute international traders to look beyond rates and marketing contrivances when contracting the services of freight agents.

Specific Freight is a direct cargo handler in both Melbourne and Sydney, whereby your cargo handling is not outsourced to a third party. Cargo security is therefore taken very seriously. Both cargo terminals are customs bonded but secure to standards beyond those required by the Australian Customs Service. Continuous CCTV cameras monitor all areas of the warehouse and hard stand area. Additionally both facilities are fitted with back to base alarms, monitored by security guards and protected by armour grade security gates and warehouse doors.

We hope that this information might give you and your insurance provider some peace of mind.

*PRESSURE ON WAGES & INCREASING COSTS AFFECTING FREIGHT INDUSTRY*

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Pressure on wages and increasing costs affecting freight industry

As with most industries over the past 12-18 months, the Freight Forwarding/Customs Brokerage industry has seen increased pressure on staff wages.

Specific Freight's policy is to employ the best staff who will provide our customers with the most personable and effective customer service available. In an industry of high staff turnover, we have an outstanding record of maintaining key staff with over 25 of our current staff having been with the company for more than 5 years and over half of them being with us for more than 10 years. This has enabled us to provide our customers with a sustained level of quality service and the opportunity to build great business relationships.

A number of our Communications and Transport providers also increased their prices during 2006, which has not been passed on to our customers.

Please note that whilst we are currently not endeavouring to increase our prices, we trust you understand that if these pressures continue during 2007, we will have no option but to consider adjusting our pricing accordingly in order to maintain our current level of customer service

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