

“KEEPING AUSTRALIA’S INTERNATIONAL TRADE MOVING”



**FTA**  
FREIGHT & TRADE ALLIANCE



Australian Peak Shippers  
Association Inc. (APSA)

[FTA / APSA MEMBERSHIP COST & BENEFIT 2020 / 2021](#)

[INDUSTRY'S MOST COST EFFECTIVE CPD / CBC PACKAGES](#)

[FTA / APSA ADVOCACY PLAN 2020 / 2021](#)

**Who does this notice affect?**

Exporters, importers, freight forwarders and customs brokers

## **PORT BOTANY DELIVERING A “THIRD WORLD” SERVICE IN THE 21ST CENTURY**

### **MSC REJECT INDUSTRY'S CONCERNS**

In response to yesterday’s Freight & Trade Alliance (FTA) and Australian Peak Shippers Association (APSA) [submission](#), the following two-sentence response was received from the Mediterranean Shipping Company (MSC) displaying a total disregard for customers' needs:

*“MSC has announced to customers that it is introducing a temporary charge to compensate for costs related to the widely-reported congestion and productivity situation at the port of Sydney. We thank our customers for their understanding and patience in relation to this and we hope that the port situation will soon return to normal.”*

### **ANL CMA CGM FOLLOW THE LEADER**

Overnight, ANL CMA CGM released advice that they too have followed MSC’s lead and are also introducing their own ‘Emergency Port Congestion Surcharge (PCS)’ of USD 285

TEU effective 17 September 2020 for cargo from / to Sydney - applicable until further notice. (US trade lanes to commence from 10 October 2020 - delay due to the US Federal Maritime Commission regulation that prescribes a minimum 30 day notice period for variation in surcharges).

### **ADDITIONAL OPERATIONAL PAIN AND COSTS**

Add into the mix the disastrous situation of full empty container parks, re-directions, staging and transport costs. Incredibly, shipping lines continue to refuse to implement blanket extension container detention periods despite being at a loss themselves on what to do with the surplus containers that they have failed to evacuate.

**Solution** – hit our exporters and importers with another massive unregulated surcharge – why not, no one in government seems to care ... *perhaps we can gain their attention again later today once they sort out what they are going to do with koalas !*

### **FTA / APSA RESPONSE**

The following are our initial steps in what will be an escalated campaign:

- FTA / APSA have made initial contact with ANL CMA CGM this morning expressing disappointment in following the MSC lead (formal correspondence to follow) - like MSC, the introduction of the surcharge has been made without any industry engagement and with totally inadequate lead times;
- FTA / APSA have escalated the situation to the Australian Competition and Consumer Commission (ACCC) to investigate any breach of competition law;
- FTA / APSA will seek a 'fast-tracking' of the *Proposed Class Exemption for Ocean Liner Shipping* - as outlined in the FTA / APSA [submission](#), a need exists for the ACCC to oversee shipping competition reform recognising its track record of strong compliance enforcement (particularly noting last year's criminal cartel prosecution against a major shipping line for price fixing in relation to an unregistered agreement, resulting in an order by the Federal Court to pay a fine of \$34.5 million).

- FTA / APSA last night released an initial media statement titled 'PORT BOTANY DELIVERING A "THIRD WORLD" SERVICE IN THE 21ST CENTURY'

**MEDIA RELEASE AVAILABLE [HERE](#)**

### **CRISIS MEETING**

Finally, as members of the Ministerial led 'NSW Freight & Logistics Advisory Council (FLAC)', FTA / APSA have called for the next meeting (scheduled for Tuesday 29 September 2020) to be brought forward and to act as essential crisis meeting - preliminary advice from the council's chair is that this request will be met with a likely meeting early next week.

### **HOW YOU CAN HELP**

We encourage members (and clients of service providers) to come forward who are willing to go public on the impacts of the port operating environment on their businesses. FTA / APSA are engaging next week with external media advisers to escalate our campaign - please contact me direct at [pzalai@FTAlliance.com.au](mailto:pzalai@FTAlliance.com.au) or 02 9975 1878.

**Paul Zalai - Director and Co-Founder, FTA / Secretariat, APSA**