Orbit
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NEWS & VIEWS FROM THE WORLD OF STELLAR
stellar INTERNATIONAL

## Phasing out import tarrifs

Import tariffs will remain at their current levels until 2015 at the earliest, comments trade minister Tim Groser. The current 5 and 10 per cent tariffs are subject to any reductions that may arise out of the World Trade Organisation (WTO) Doha Round. NZ Govt focus however will be on increasing market access through free trade agreements.

Significant protection is still afforded to carpet, clothing, textile and footwear as well as plastics and whitewear.

The eventual phase out of tariffs on items such as clothing in the context of the free trade agreement with China and the likelihood that tariff reductions will feature in other such trade agreements mean that it does not make sense for NZ to undertake unilateral tariff reductions. (comments Mr Groser)

It is noted that New Zealands current tariff levies were already among the lowest in the world.

Through Free Trade Agreements (FTA) NZ has eliminated tariffs for imports from Australia and Singapore and is reducing and eventually eliminating tariffs on imports from Brunei Darussalam, Chile, China and Thailand.

New Zealands tariff environment after 2015 will be re-assessed in 2013.

## Market update

**SOUTH EAST ASIA**

There has been a new "alliance" formed with ALL ship lines whom ply this trade lane to New Zealand with only one ship line NOT included – MSC. At the time of writing it is planed by the new alliance the introduction of a US$300 increase per TEU (20' FCL) effective 1st May. There has been talk that the ship lines are wanting 3 such increases throughout 2010.

**NORTH ASIA**

The demand for this trade lane is not as significant as South Asia. Any increase is not envisaged to be in affect until 1st July. Although these comments are hugely speculative it is not thought they will be as high as the proposed USD$300 mentioned above.

**TRANS TASMAN EXPORTS**

With the insulation contract on hold in Australia currently space is not such as issue. Only Brisbane is relatively difficult with space quite tight. Rates remain stable with no reports of increases or decreases to my ear.

**USA IMPORTS**

Space to Australia & NZ has recently become free – although there was a "note" to ensure bookings were made 3 weeks out! This is better than other destinations whom are very busy & are requested to make bookings 8 weeks out.

## Seafreight rates ex North Europe, Uk, Scaninavia

All LCL rates will increase by EUR6.00 per W/M from April 1st. This to cover the General Rate Increase being applied by the ship lines.

Shipping Lines will increase container rates from above areas effective April 1st. The increases vary between USD150.00 – USD250.00 per 20' FCL (TEU)

2010 is shaping up to be another difficult year in shipping. In comparison (besides the odd volcanic eruption) the airfreight industry generally seems to be in a "business as usual" kind of space.

Which leads me nicely into what I think will be become (ditto 2009) the continuing major issue with international seafreight – space – or rather the lack of it. At this time of the year shipping is historically quiet, with volumes being at their lowest. I don't for a minute believe this not to be the case right now, however with the reduced tonnage (ships) now available space is artificially (from a historical perspective) scarce. Most trade lanes if not all are what I would term as "busy" – I understand vessels are somewhere 80 to 100% full.

The shipping industry can be a competitive market. Typically at this time of year with low volumes ocean freight rates tend to plummet as the ship lines scrap among themselves for much needed cargo In 2010 however this has not been the case. In fact we have seen hardly any softening of rates at all. This of course being the master plan currently being played beautifully by the ship lines. It simply is not in their interest to increase tonnage.

Thus for 2010 I see space being a major concern – steadily worsening as the year progresses. As a consequence I see rates continuing to increase. I hope I'm wrong.

**MURRAY LEA** – MANAGING DIRECTOR

# Seafreight rates ex Mediterranean

All LCL rates from Mediterranean ports will increase by USD5.00 per W/M form April 1st. Ship Lines will increase container rates from all ports within this area from April 1st. The increases vary between USD150 – USD250 or equivalent EUR.

# Service enhancement – Trans Tasman

Further to our improved Sydney service (announced in last month's Orbit – twice weekly sailings ex Sydney to Auckland) we are now able to confirm twice weekly sailings ex Melbourne & Brisbane to Auckland as well.

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| Melbourne closes off every Wednesday & Friday |
| Sydney every Tuesday and Thursday |
| Brisbane – at time of writing is yet to be confirmed |

# Import seafreight – China / Hong Kong to NZ

We are happy to confirm that the LCL rate levels from China & Hong Kong to Auckland, Wellington & Lyttleton will REDUCE effective on sailings on/after March 22nd.

# Fun facts **BOEING 747**

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| A Boeing 747 has 6 million parts – half of which are fasteners |
| A Boeing 747 has 274kms of wiring & 8kms of tubing |
| A 747 – 400 consists of 66,150kgs of aluminium |
| Each wing weighs 43,090kgs |
| A 747-400 typically takes off at 290kmh, cruises at 910kmh and lands at 260kmh |
| A 747-400ER can carry more than 240,370 litres of fuel |
| A 747-400 carrying 57 tonnes of cargo will consume an average 456 litres of fuel per minute |

# BAF LCL changes 01st April

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| Europe / UK new BAF will be EUR 22.00 w/m |
| Sth East Asia new BAF will be USD 22.00 w/m |


# Largest container ship

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| Vessel | Emma Maersk |
| Cost | 145,000,000.00 |
| Length | 397 metres |
| Cruise speed | 25.5 knots |
| Serves | Europe – Asia – return |
| FCL Capacity | 15,000 TEU<br>(20' FCL's average weight 14 tonnes each) |
| 1 x Engine | 40,000HP |
| Crew | 13 |

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