

# SCI Australia Pty Ltd

Newsletter Date:  
MARCH 2015

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## Welcome Message

Welcome to the March newsletter for the clients and friends of SCI Australia. This newsletter is designed to be an informative source about the company and the general industry and includes news, forthcoming events and the lighter side of the people who work for SCI .

We hope that you find this newsletter beneficial and the information provided of great value and interest. We appreciate your suggestions and input for future issues.



## Guangzhou (Huangpu) Customs Issues

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### *Customs*

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Please note that Chinese Customs in the Guangzhou (Huangpu) province have been experiencing problems whilst customs clearing our containers to Australia. Our agent has advised that Customs are struggling to keep up with processing all of the shipments on time (they have indicated 80%-90% of all shipments are being affected). We would suggest to bypass Guangzhou CFS area all together and export from Shenzhen CFS instead where possible, however please note shipper must have valid license to export from Shenzhen port.

## Terminal Closure

Please be advised that the M.U.A. will be holding an authorised stop work meeting for their annual general meeting on Wednesday 4th March 2015. The Terminal will be closed for all yard operations between 11:00 – 15:00 on this day.

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### *Stop Work*

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## Fumigation

Due to discovery of the presence of the Brown Marmorated Stink Bug (*Halyomorpha halys*) upon cargo arrivals in Australia, the Australian Department of Agriculture has implemented a **pre-shipment** fumigation requirement on all break bulk and **containerized** vehicles (including boats), machinery, automotive parts, and tires moving from the United States to Australia.

This requirement covers all cargo departing from the U.S. East Coast ports and arriving in Australia from February 23, 2015, onwards. This requirement will be extended to all U.S. ports for cargo arriving in Australia from March 9, 2015, onwards.

All break bulk cargo including machinery, vehicles, vessels, and automotive parts and **containerized vehicles, machinery, automotive parts, and tires are required to be:**

- Treated **prior** to shipping
- Accompanied by a certificate of efficacy outlining the treatment completed
- Subject to on-arrival inspection as determined by the department

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### *Marmorated Stink Bug*

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Mandatory treatments must be applied to:

- All break bulk vehicles (including boats), machinery, automotive parts within 72 hours prior to loading
- **Containerized shipments of vehicles (including boats), machinery, automotive parts, and tires within 21 days prior to shipment providing containers are immediately sealed and arrive in Australia “seals intact”**

Please note that fumigation is the sole responsibility of the shipper or their designated agent ... for both CY and Door shipments. The requirement extends to cargo loaded in consolidated shipments as well as for full container loads. It is anticipated that this emergency measure will be in place until at least the end of April 2015.

## ILWU, PMA reach contract agreement

U.S. Labor Secretary Thomas Perez announced Friday night the International Longshore and Warehouse Union and Pacific Maritime Association have reached an agreement on a new five-year contract.

Perez said container ports up and down the West Coast will resume working "full bore" on Saturday.

The agreement comes after 10 months of negotiations, slowdowns and congestion at West Coast ports that have resulted in dozens of ships sitting at anchor or circling off shore.

Details of the agreement have not been released, but Perez said it will include a new arbitration system. Robert McEllrath, ILWU president and chairman of the union's negotiating committee, said there will be a panel of arbitrators.

The PMA said earlier this week that its last, best and final offer included a yearly \$1 dollar per hour salary increase for the next five years. ILWU spokesman Craig Merrilees said there have been some changes since that offer was made, but did not reveal details.

McEllrath said the ILWU negotiating committee unanimously approved the deal, which is a good sign, but emphasized the rank-and-file will have to approve the contract in coming weeks.

Perez said the West Coast labor turmoil had created "a significant headwind to the economy," which hurt many businesses, including farmers who were already struggling with the drought in California. He also noted the dispute had harmed West Coast ports and that there is "work ahead and fences to be mended."

He said he was directed by President Obama to come to the West Coast to either resolve the issue there or order the two parties to the White House next week. He praised both McEllrath and PMA President James McKenna, and called Federal Mediator Scot Beckenbaugh an "unsung hero," who moved the negotiations over the past six weeks from the 20 yard line to the eighth yard line by resolving issues having to do with wages and chassis jurisdiction.

When Perez arrived on Tuesday the primary issue dividing the two sides was arbitration. The two sides have since agreed on a "better system" that he said should improve efficiency.

Perez said he did not know how long it will take to clear the backlog at the ports, but remained confident that the ILWU and the employers will remedy the situation.

Asked if labor laws governing ports should be changed to something similar to those that govern airlines and railroads, he said the current system for ports is effective but sometimes takes time.

Industry groups praised the PMA and ILWU for reaching a contract agreement, but many warn that much work lays ahead to remedy the resulting port congestion. "It is now time for the parties to quickly ratify the deal and immediately focus on clearing out the crisis-level congestion and backlog at the ports," National Retail Federation President and Chief Executive Officer Matthew Shay said in a statement.

"The congestion, slowdowns and suspensions over the last few months have had a significant economic impact on the entire supply chain and those who rely on the West Coast ports to move their goods and products around the world and throughout the country. The agricultural, manufacturing, retailing and transportation industries have all suffered due to the nine-month long contract negotiations," Shay added.

"We know that the marine terminal operators, longshore workers, truckers, railroads and others will be extremely busy as they work to clear out the massive backlog of cargo at all of the West Coast ports, including Long Beach," said Jon Slingerup, Port of Long Beach CEO.

"All of us will be working together to make this happen as soon as possible, but once again, we are extremely pleased with today's news."

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*ILWU, PMA Reach  
Contract Agreement*

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## An eventful year for containerships in a volatile market

The Baltic and International Maritime Council (BIMCO) has released a report revealing 2014 was a year of decline in the demolition market, with less DWT and fewer TEUs scrapped compared to previous years.

BIMCO's chief shipping analyst Peter Sand said the container segment saw very high scrapping activity in the year's first half and a dwindling low one in the second. The 1.1 million TEU scrapped the last three years alone covers half of the total sum since 1996.

The first peak in container scrapping came in 2009 as the financial crisis started to take effect. 378,000TEU was scrapped that year, more than the previous 10 years put together. The two following years marked by the high activity in 2009 resulted in a substantial lower scrapping of container vessels. In 2013, the wheels had turned and container scrapping reached new heights when almost 200 containerships totaling 444,000TEU were scrapped.

Mr Sand said the initial estimates for 2014 sat relatively low at 250,000TEU. However, the year started at great speed and after only six months, the full year estimate was already met. The raised estimate aimed for a substantially higher ground, but as prices dropped, scrapping halted in the second half of the year. In perspective, almost 75 per cent of the total 387,000 TEU scrapped in 2014 was done in the first six months of the year.

Dry bulk carriers remain on the top of the list of tramp ships being scrapped when looking at total DWT.

## [DNV GL welcomes world's largest boxship](#)



Ship and offshore classification society DNV GL has welcomed the world's largest containership into class, the 'MSC Oscar'. Delivered by Daewoo Shipbuilding and Marine Engineering (DSME) in Geoje, South Korea, the 19,224TEU vessel is already plying its trade on the new East-West service.

Owned by the Mediterranean Shipping Company (MSC), its engine has been optimised so that fuel consumption can be automatically controlled to take into account both speed and weather conditions.

'MSC Oscar' is 395.4-metres long and 59-metres wide with a draft of 16-metres. Initially specified at 18,000TEU, the vessel was expanded during the building phase to add an extra tier above decks. The containership is unique in its wide beam design and use of torsion box and hatch coaming plates with steel plate thickness up to 100mm. The vessel is able to carry dangerous goods in holds, and approximately 1,800 reefer containers.

The vessel's cargo capacity has also been enhanced by implementing the RSCS class notation (Route Specific Container Stowage). The RSCS notation was developed by DNV GL to provide efficient usage of cargo capacity with more flexibility for laden containers on board for specific routes while not compromising on safety.

The vessel's construction took eleven months to be completed from steel cutting to delivery, which included extensive commissioning and sea trials. 'MSC Oscar' is the first of the series of six ultra large containerships (ULCS) of Olympic Series. The remaining sister vessels of the series are expected to be completed by November 2015.

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*Vessel Update*

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## SCI Staff Birthdays

Emma Hrehoresin 8<sup>th</sup> March 2015  
 Luke Smith 18<sup>th</sup> March 2015

## Staff Years of Service at SCI Australia

A huge congratulations to Emma Hrehoresin for 5 years of service. Emma started with SCI on 22<sup>nd</sup> February 2010. Well done Emma, and we look forward to many more years.

## How is your Trivia Knowledge?

1. Imported into Europe for the first time by Dutch traders around 1610, what beverage was sold commercially for the first time in Britain around 1660?
2. What is the hardest nut to crack?
3. What is the largest bone in the human body?
4. Which country has the longest coastline?
5. Which country has the most volcanoes?

### FEBRUARY 2015

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

### MARCH 2015

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

### APRIL 2015

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## Staff News

### Staff Pet:

We would like to introduce you to Shelly.

Below is Grachelle's bestfriend Shelly. She loves vanilla ice cream and spaghetti Bolognese. She may be tiny but she is definitely a heavy weight !!!



### FEEDBACK

Should you wish to discuss any of the issues contained in this newsletter please contact your CSO or any of the people listed below;

Mile' Jurcic, Jeremy Nash, Emma Hrehoresin (Melbourne)  
Mark Hingston (Brisbane)

Thank you for your continued support.  
SCI Australia Pty Ltd

#### \* Disclaimer

As this information originates from external sources, SCI Australia cannot be held liable for the accuracy of this information.

#### Answers for Bonus Feature:

1. Tea
2. Macadamia
3. Femur
4. Canada
5. Indonesia