



# MPW Supply Chain Consultancy

Oceanfreight   Airfreight   Local Transport   Courier   Warehousing/3PL

Ph: +61 4 0850 6709; Email: [mitch.williams@mpwsupplychain.com](mailto:mitch.williams@mpwsupplychain.com); Web: [www.mpwsupplychain.com](http://www.mpwsupplychain.com)

## MPW SUPPLY CHAIN NEWSLETTER – MARCH 2019

### ONE IN EVERY FIVE DOLLARS OF AUSTRALIA'S TRADED GOODS TRAVELS VIA AIR!

Research just released by Infrastructure Partnerships Australia and BIS Oxford Economics' reports goods travelling in international aircraft arriving and leaving Australia are worth \$109bn annually – a fact that, until today, has been entirely hidden.

The 2019 International Airfreight Indicator reports one in every five dollars of Australia's traded goods travels via air. "Every day more than 550 international flights arrive and depart Australia, yet until now, we have been remarkably blind to the value, the type of commodity, and the economic contribution of goods that travel in the belly of these aircraft," said Infrastructure Partnerships Australia chief executive Adrian Dwyer.

"In a national first, the 2019 International Airfreight Indicator shines a light on a multi-billion industry that has historically gone unnoticed in our broader trade debate.

"The Indicator shows that airports are crucial to our trade story, and the cargo transported beneath passengers is vitally important to airlines, airports and the Australian economy."

Mr Dwyer said last year \$109bn of international trade passed through Australia's airports, with airfreight set to top \$114bn this financial year. "While airfreight only represents 1% of Australia's trade volume, it punches well above its weight in value. One in every \$5 of Australia's imports and exports travels via our airports – making the airfreight sector one of the largest value contributors to Australia's trade position."

Mr Dwyer said in a period of heightened trade tensions and structural economic change, data was critical in improving planning, regulation and investment in freight.

"Without useful data to examine and measure our freight sector we will be flying blind on our international trade," he said. "That is why Infrastructure Partnerships Australia has called on Government to establish a dedicated freight body to independently measure and publish detailed analysis of the overall performance of our logistic and supply chain networks."

Next time you have a shipment you want to send either domestically or overseas, give MPW Supply Chain Consultancy a call to get a competitive Airfreight Quote. Or send us an email at [sales@mpwsupplychain.com](mailto:sales@mpwsupplychain.com)

### WHAT IS IMO 2020 AND HOW COULD YOU BE AFFECTED?

At present, all modern commercial ships run on fossil fuels which have a high content of sulphur. This sulphur is, like ALL fossil fuels, harmful for the environment.

In April 2018, more than 100 member states met at the United Nations IMO in London and adopted an initial strategy on the reduction of greenhouse gas emissions from ships by at least 50% by 2050 compared to 2008 levels. The current global limit for the sulphur content of ships fuel oil is 3.50% m/m (mass by mass).

Essentially the "global sulphur limit will be reduced from it's current 3.50% to 0.50%, effective 1 January 2020 meaning shipping lines will have to invest heavily in different technologies to meet these new standards.

For example, Maersk line "expects its extra fuel and compliance costs to exceed USD 2 billion based on expected differences in price between the current 3.5% bunker fuel and the compliant 0.5%"

As carriers will need to start preparing in 2019, you can expect to see an increase in 'Low Sulphur Surcharges' from now on, so brace yourself!

### SMART CONTAINERS – YES, THEY'RE A THING NOW!

You would think with all the innovation with Technology over the last 100 years, the humble shipping container would have changed... well it hasn't.. much.

Until recently you had to rely on a container number trackable from a carriers website, updated only once it was loaded on board and officially manifested.. but now we have "Smart Containers".

Smart containers are essentially "containers equipped with sensors designed to provide real-time tracking of it's location and movements". FINALLY, you get to see your container as it travels from Origin to Destination.. and even when it misses it's transshipment vessel and is still sitting at the port.

Not only will this technology improve visibility for customers, but it will greatly enhance the way carriers manage their equipment and potentially a reduction in costs!

As you can imagine shipping lines have thousands of containers, so it may take some time to upgrade them all.. But we're almost there!