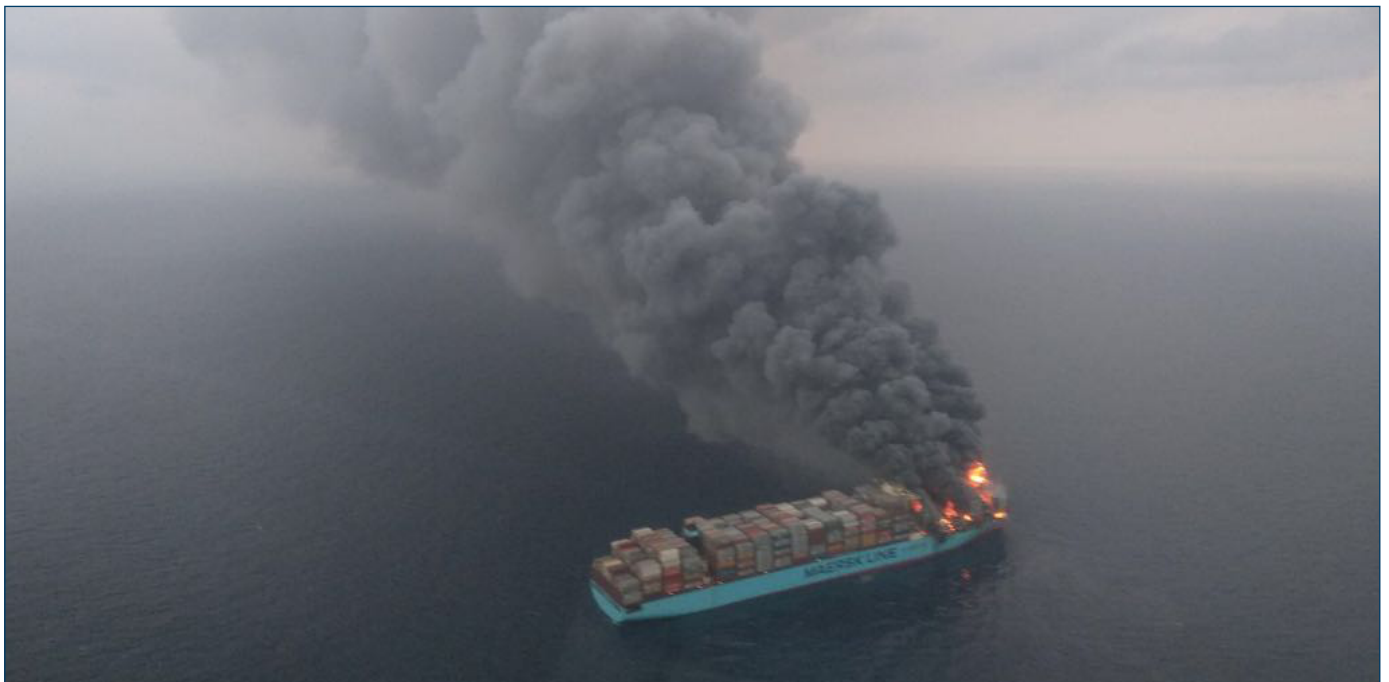


Newsletter

24 May 2018

Extra charge for shippers onboard fire-stricken Maersk Honam



The fire-stricken Maersk Honam, was scheduled to dock at Dubai on the 22nd May, with discharging of the vessel anticipated to take up to a week. Shippers with cargo aboard must pay to have their cargo released under general average arrangement, and customers have until the close of business on the 24th May to relay their decision to the carrier regarding payment of the general average charges.

What is General Average?

To summarise the maritime law of general average, shipping lines/vessel owners, and those with cargo interest (importers/exporters) will proportionally share in the cost to fully reimburse any sustained loss and damage of a vessel, crew, and its cargo.



Call us on 1800 300 904 to discuss how we can add value to your business model for the full complement of logistical services inclusive of international ocean and air freight services, customs brokerage, transport, Customs and Quarantine, 3PL, warehousing & distribution.

Recommendations

We recommend that our clients discuss with their insurance provider what coverage they have, and whether it is sufficient when considering general average. They may wish to further minimise their

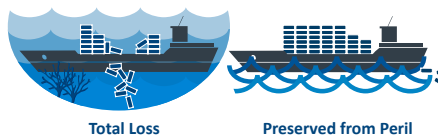
exposure to costly situations such as general average. Until the carrier has released the charges or average bond, delays in delivery will occur in addition to extra costs associated in a general average scenario.

GENERAL AVERAGE

What is it and how does it affect importing?

"There is a General Average Act **WHEN** and **ONLY WHEN**, any **EXTRAORDINARY SACRIFICE** or **EXPENDITURE** is **INTENTIONALLY** and **REASONABLY** made or incurred for **THE COMMON SAFETY** or the purpose of **PRESERVING FROM PERIL** the property involved in a **COMMON MARITIME ADVENTURE**."

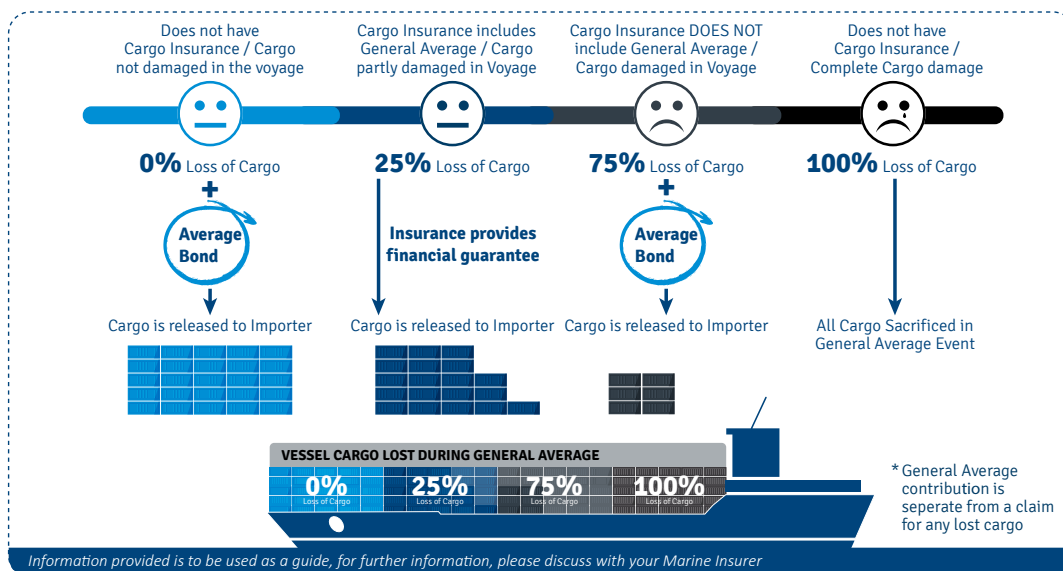
For General Average to be declared, the voyage has to be preserved from peril.



Effect of General Average on Importers

All parties involved in the venture, including all cargo owners, are responsible for making a proportional contribution to cover the costs incurred during the General Average event, including the loss of cargo sacrificed during the event.

General Average cases can take up to 5 years to finalize



Average Bond

This is a promise to pay general average contributions in the form of a cash bond. In most cases, the carrier requires this before agreeing to unload the ship and has the right to take part of the cargo as payment of the cargo owners' contribution if the bond is not received.

*If the cargo owner has Cargo Insurance that includes coverage for General Average, the insurance provider will pay their contribution and a cash bond will not be required.

Examples of General Average Events

An event that results in a declaration of General Average can be any type of incident where the master of the vessel has to take action to make an extraordinary sacrifice for the common safety of the vessel, and all that is within here.

Common examples include, but are not limited to, the following:



Fire on Board Ship



Running Aground



Mechanical Failure



Caught in Storm

Maersk sets course for cost-cutting programme

Maersk Line to review unprofitable services, cut capacity and set course for cost cutting programme after unveiling first quarter losses.

Capacity reductions are set to take place over the next two quarters and your Freight Mart team will

monitor closely whilst the carrier reduces feeder, network changes and container repositioning.

Please do not hesitate to contact your Freight Mart International representative if you have any questions regarding the above mentioned.

Market Feedback

Further to our recent notice in April regarding market updates, space management and rate levels, industry reports such as the DCN (as pictured) continue to shed light on the reduction of shipping lines and the potential impact on customers and the market.

Our focus is to continue to keep you informed regarding industry and carrier services changes which will impact on your business moving forward. We will strive to provide you with viable shipping options which enable you to meet your requirements,

whilst also taking into consideration reliability of services, and space availability with reshuffled alliances and the independent carriers, both in off peak and peak season.



**Daily Cargo
News (DCN)
(17 May 2018)**
- "Contracting
liner shipping
market risks
effective
competition"



Call us on 1800 300 904 for more information about International Freight Forwarding, and Domestic Freight Forwarding across Australia

Freight Mart International | The Smart Solution

Founded in Australia in 2008, Freight Mart International Pty Ltd a leading international freight and logistics service provider, specialise in providing you with a complete range of end-to-end services, and focusing on delivering exceptional customer service. We pride ourselves on being able to offer our customers the full complement of logistical services in-house, inclusive of international ocean and air freight services, customs brokerage, transport, Customs and Quarantine, 3PL, warehousing & distribution.

To consistently exceed your expectations by providing innovative end to end logistic solutions tailored to our customers specific needs, add value to your business model, and to uphold our mission to be the market leader in terms of customer service.

Our comprehensive agency network, forged over many years building partnerships with forwarders who share our core values, enables us to provide you with access to all options for your order management. Teamed with our vast knowledge of carrier capabilities across all industry sectors including manufacturing, retail, industrial, medical, mining, automotive, dangerous goods, publishing and e-commerce, you will be provided with options for an efficiently managed supply chain solution tailored to your specific requirements.