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CASE STUDY TWO; SHANGHAI TO SYDNEY CIF 14 cbm

Customer approached Stockwell's for a CIF quote request (ship had already sailed) and asked us to provide our quote for brokerage accordingly; this particular customer seemed to have a very good grasp on the concept of CIF and what it involved.

As is standard we supplied the quote, less the unknown port charges and the quote was accepted. We were forwarded all paperwork and we noticed the commodity was lamps. For classification purposes we asked what the lamps were made of and were informed by the supplier, they were made from wood.

We then asked for the treatment certificate as ALL WOOD requires treatment if it is going to be imported into Australia. Supplier informed us that the goods were treated "specially" in China and did not require fumigation. We further queried the supplier as to ascertain what was included in the "special treatment" only to be informed that they were only painted and lacquered and they were never actually treated.

Difficulty with this is that when you leave the arrangements to the supplier you have no control over what happens in the country of origin (obviously), if this were FOB, this may have been picked up at local level and rectified accordingly. Unfortunately these lamps arrived, were rejected by DAFF and had to be moved to a treatment facility. The treatment for painted and lacquered goods is one of the most expensive because it needs to be strong enough to permeate the paint/lacquer. At the end of the day this shipment cost the client an additional AUD 3500 in transport moves and treatment.

Also take into consideration that this was 14 cbms, it should have been sent in a container, this also cost the client an additional AUD 932.