



The American Companies

"News Flash"

April 21, 2010

Transpacific Ocean Rates And Current Market Conditions

As reported in our March 24th News Flash, the Transpacific market is continuing to experience issues with space and a shortage of vessel capacity as we soon approach the traditional, annual negotiating period. May 1st is the cited date for increases to be implemented by the majority of carriers, even while ongoing negotiations could continue to take place. It appears from the vast majority of carrier notifications that the General Rate Increase will hold as earlier announced by both TSA and participating Independent carriers in their continued efforts to seek cost recovery and return to proper operating levels and profitability. The following rate levels are to be expected, eastbound from Asia to the USA:

To the US West Coast Ports and most shipments to Washington State, Oregon State and California State & Canada (British Columbia)

20' \$640 per container

40' \$800 per container

40'HC \$900 per container

To IPI (MLB) via the West Coast and US East Coast Points & Candada (except British Columbia province)

20' \$800 per container

40' \$1000 per container

40'HC \$1125 per container

In the meantime and as suggested before, The American Companies suggests you continue the following during such volatile times:

- Book your shipments (both inbound and outbound) as soon as possible, perhaps increasing your lead time. American International Cargo maintains multiple service contracts which will also provide for some flexibility and choices at anytime that space availability, equipment, service and pricing becomes an obstacle in the course of handling your shipments.
- The concept of "Slow Steaming" is still being implemented by several carriers in an effort to save on (bunker) fuel, and slow down the speed of the vessel which in turn will increase transit times as a result. This again will require reaction to accommodate for longer transits and increase lead times.

We at The American Companies would like assure you that we are taking all efforts possible and maintaining our strong relationships with the carriers in efforts to protect your best interest and keep your shipments flowing smoothly within the logistics pipeline. This, together with the rate negotiations and focus on many compliance initiatives that have also been implemented over the past year within the industry, put us in a position of working closely with our clients in efforts to guide them through these times and enforcing our responsibility of handling your business with "reasonable care."

We will keep you advised on all further developments as they arise. In the meantime, if you have any questions, please feel free to contact your sales representative or local handling office for assistance.

Sincerely,

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