

THE AMERICAN COMPANIES



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"News Flash"

Transpacific Market Update

As reported over the course of the past few months, the carriers on the Transpacific trade lane are continuing with their cost recovery programs. In the process, vessel capacity has been significantly reduced, the practice of slow steaming has increased, and rates continue to rise with more increases and surcharges on the horizon. At the same time, volumes have started to increase and an imbalance is becoming more relevant in certain areas.

Some carriers will impose their quarterly or monthly BAF increases on June 1st. Levels will vary by carrier.

Effective June 15th, carriers will implement a Peak Season Surcharge. Again, levels will vary by carrier, but the average increase is as follows as advised by the TSA (Transpacific Stabilization ACT) and its membership:

20' \$320

40' \$400

40'HC \$450

Please also note that the ports of Shanghai and Ningbo are suffering serious space issues, predominantly to the U.S. West Coast ports and U.S. inland points. Overbooking has started to create rejection of bookings by some carriers and/or rolling of cargo. It is anticipated that this will continue for weeks to come. We advise that if you continue to use ocean freight as the preferred method of transportation, to please book as far in advance as possible and to expect longer than anticipated delays. Together with our China offices, we are working closely with our many contracted carriers to protect space and keep our clients freight moving as quickly as possible.

If you have further questions or concerns regarding the above, please feel free to contact your sales representative or local handling office. Otherwise, we will keep you advised as to the market conditions and will be updating rates accordingly.

Sincerely,

The American Companies

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