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TSA renews call for rate hikes (from our friends at American Shipper)

Member carriers in the Transpacific Stabilization Agreement said March 22 they will continue to pressure shippers for \$800 per 40-foot container rate hikes to the U.S. West Coast during ongoing service contract negotiations. The TSA held chief executive officer-level meetings in Taipei last week and “reiterated their support for the recommended TSA guideline rate increases.” This includes a hike of \$1,000 per 40-foot container for cargo moving to U.S. East and Gulf coasts, as well as U.S. interior points, via all-water or intermodal services. They remind shippers that this is still below 2008 levels, and that container lines world-wide lost \$15-20 billion in 2009. For those of you with service contracts that are renewing, we urge you to “sharpen your pencil” - some lanes are still well under capacity.

Volcanic ash shut down air carriers to/from/within Northern Europe

(From our friends at Flying Typers)

You are no doubt aware of the disastrous effect to air travel from the volcanic ash that covers most of Northern Europe, as covered by the media. It also shut down air cargo to the extent that many receiving stations around the world stopped accepting cargo bound to/from Northern Europe due to the accumulated backlog. They further state that the backlog will continue for at least several weeks even now that flights have resumed. For capacity that is available, the carriers have already increased rates. The volcano is still spewing ash, though at a reduced rate, and many restrictions have been lifted. We nonetheless expect air freight rates to/from Northern Europe to increase and remain high at least until they work through the backlogs. We are not sure at this time how long this situation will last.

Ocean cargo levels increase

First quarter ocean cargo levels rose 14-25 percent around the world. Unfortunately, capacity has not increased, and we are beginning to hear of cargo being shut out. We are also hearing that containers are in short supply. We suggest you plan for extra transit time for shipments in the next few months.

Please contact us with any questions.

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