

From: Wally Futschik
Sent: Thursday, 4 June 2009 3:32 AM
Subject: bulletin : IMPORT OCEANFREIGHT : ASIA GRI JUNE 2009

As you are well aware, the impacts of the ongoing Global Financial Crisis have been damaging for all players in the Global Economy. The freight industry has particularly been exposed. The lack of any clear indicators regarding the duration and severity of this severe economic downturn continues to create a climate of uncertainty amongst shipping lines. This has been reflected in the pattern recently emerging regarding their published rates and ongoing contract conditions.

The problem that we face is that the shipping lines have been framing their rates on the basis of best case scenario expectations regarding future tonnage. When projected volumes do not materialise, they face reality and adjust their rates downward to maintain market share in the face of falling demand for their services. Current rates are approaching a level which would appear to be unsustainable in the short to medium term. The possible consequence in their eyes, is that major lines will have to drop rates to such a low level that long routes to Australia utilising large vessels will not be viable.

Possibly to provide insulation against such losses, Bunker Adjustment Factors and port service charges have been rising.

Most major shipping lines ex-Asia (both north and south) have again published their intention to increase rates on all vessels departing these origins from 1st June 2009. Whether this published increase will be maintained, given the recent patterns explained above, is at this time indeterminate.

We are confident that any such increase will be short term. Further, the strengthening of our already strong relationship with major carriers, through our ongoing support of them through these troubled financial times has stood us in good stead. This has placed us in a position where we have confidence that the major lines will allow our bookings from larger volume areas of Asia to continue in the short term, with no immediate rate increase applicable.

We will be endeavouring to book your cargo with such lines to facilitate keeping your existing rates in place for as long as possible. Notwithstanding our best efforts for you, we all however continue to be at the mercy of the machinations of the apparatus of the still depressed global economic cycle.

Our customer service team will continue to strive at all times to deliver the best priced shipping in the current market, while continuing to meet your cargo delivery expectations. We remain at your service to assist with rate enquiries at the time of cargo approval for movement. We further encourage you to discuss this with us on a shipment by shipment basis.

In the event that you are shipping from a region where lines are implementing a published rate increase we will unfortunately have no option but to pass this on to you.

Should you wish to discuss the above subject matter further please contact our office direct.

Attached : Oceanfreight Surcharges Guide.



30th May 2009.doc

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