

## PRESS RELEASE

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## Volatility Surrounds Shipping out of China

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In recent months the shipping market has seen much volatility surrounding outgoing shipments from Chinese ports. Getting space on a vessel seems to be a challenge even for importers as large as Wal-Mart and Home Depot. It could be that the changes in shipping habits due to a down economy are also at play in the shortage of space for shippers on ocean carriers out of China. However, there is speculation that ocean carriers reduced rates in 2008 and 2009 in order to secure as much volume as possible and now are enforcing aggressive increases regardless of contracts and agreements.



Stated by Sara L. Mayes, President of Gemini Shippers Group, based on a recent visit to two main ports in Asia, "Local carrier representatives confirm "confidentially" that cargo is loaded according to revenue – the highest bidder seems to get the space."

Furthermore, this statement comes from Peter Tirschwell of TPM, "The trans-Pacific is in a state of turmoil the likes of which have not been seen in a long time. Capacity has been cut back yet pre-Chinese New Year volumes are surging, creating a squeeze on capacity and widespread cargo delays. This is coming at a time when carriers are implementing emergency rate increases, heightening tensions in this market in advance of what is certain to be tough period of contract negotiations."

This situation leaves circumstances uncertain as to when a company may actually receive their shipments, and at what cost.

Throughout these unsure times, World Factory remains committed to seeking out and securing space for our customers on the earliest possible vessels at the lowest possible rates.