

TSA

Transpacific Stabilization Agreement

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FOR IMMEDIATE RELEASE

POST-HOLIDAY CARGO VOLUMES FROM ASIA STILL STRONG, SHIPPING LINES REPORT

Early Lunar New Year holidays may boost first quarter numbers.

Oakland, California / January 4, 2006 – Asia-U.S. freight bookings eased slightly in December as the peak shipping season came to a close, but most ships continued to run at around 85% utilization, according to major container lines operating in the trade. Forward bookings also suggest that the earlier Lunar New Year holidays in Asia this year – when factories close for a week – will cause spring shipments to ramp up sooner, for a stronger first quarter.

“Home prices rose, gas prices fell, the job numbers were positive and U.S. consumers posted a strong showing in December,” said Transpacific Stabilization Agreement (TSA) executive director Albert A. Pierce. “We’re continuing to see post-holiday sale and fulfillment cargo moving, taking us into a slight Lunar New Year dip and then the first spring shipments; overall we see a very healthy market in the year ahead.”

Final figures are not in yet, but it is believed that Asia-U.S. container cargo – largely retail import merchandise and business purchases of industrial inputs, computers and other equipment – grew by around 11% for full year 2005, the fourth straight year of record volumes and mostly double-digit growth.

Infrastructure constraints on new, larger ships entering the Asia-U.S. market, from port channel depths to terminal yard operations to inland rail delays, have kept capacity in line with demand, Pierce said. At the same time, operating cost pressures have held freight rates steady, particularly for established carriers in the trade. “It’s a stable situation right now,” Pierce explained. “Cargo is moving, rates are already at favorable levels for shippers, and most of the focus is on beginning contract discussions for the coming year.”

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TSA is a voluntary discussion and research forum of 11 major container shipping lines serving the trade from Asia to ports and inland points in the U.S. More information on TSA can be found at www.tsacarriers.org.

TSA members include:

American President Lines, Ltd.
COSCO Container Lines, Ltd.
Evergreen Marine Corp. (Taiwan), Ltd.
Hanjin Shipping Co., Ltd.
Hapag Lloyd Container Linie
Hyundai Merchant Marine Co., Ltd.

Kawasaki Kisen Kaisha, Ltd. (K Line)
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