



DISPATCH

For customers and employees of Western Overseas Corporation

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This edition of the Western Overseas Newsletter breaks down some key records set last year and checks in with 2011 so far. Thumb through for news on everything from sugar to containers everywhere from Australia to our Wisconsin office. As always, we're glad to know you, and honored to work with and for you in this industry.

Shipping Volume Breaks Records in 2010, Faces Obstacles in 2011

GLOBAL CONTAINER TRAFFIC reached an all time high in 2010, driven mostly by surging volume at Chinese ports, 9 of which now rank among the world's largest 20. South American ports were the second-fastest growing, with an increase 17.6 percent in box traffic. Capacity also experienced record growth.

The steamship industry posted a profit of \$14 billion, making 2010 the most profitable year in its history. But this comes on the heels of \$15 billion in losses suffered in 2009, and signs indicate that 2011 may not be smooth sailing either.

The Asia-Europe trade has not performed strongly in the first quarter of 2011, hinting that the economic turnaround will be short-lived. Record deliveries of new container ships will likely reverse the spike in container freight rates that helped drive profits last year as carriers revert to chasing market share, even going so far as taking losses.

And that robust container capacity of 2010? Nothing like an act of God to thin that out: the earthquake

and tsunami that devastated Japan in March destroyed or contaminated with radiation an estimated 1 million containers. The disaster also means an increase in cost of cargo containers with slowed production at Japanese steel mills. The average price of a 20-foot equivalent unit may rise to \$3,000 for June and July deliveries as compared to \$2,700 for the same period last year.


A shortage of boxes may spill into 2012 as lines add larger vessels to their fleets. This is one area that the steamship lines will point to in their attempt to keep container freight rates from returning to unsustainable levels visited during this recession. 



Image: Destruction at the Port of Sendai following the March disaster. Courtesy Miyagi Prefecture.



Baltimore Bounces Back: Port Has Record Year

The Western Overseas office in Hanover, Maryland, is busy—The Port of Baltimore’s public marine terminals reached an all time high of 632,482 Twenty-Foot Equivalent Units (TEUs) handled from April 2010 through March 2011, surpassing the previous record of 629,604 TEUs, set in the 12-month period ending in January 2007—just before the beginning of the national economic downturn. “This is another positive sign of an economy that is getting back on track,” said Maryland Governor Martin O’Malley. “In the last few years, the Port of Baltimore has been successful in securing major international container shipping companies to long-term contracts. The port has also initiated a new direct container service to the Far East.”

Growth at the port has been a goal of O’Malley’s: he signed multiyear, long-term contract extensions with container-shipping lines Evergreen Marine and Mediterranean Shipping Company. Both extensions guarantee the transport of containers through the port for the next several years. Baltimore currently leads US ports in importing farm and construction equipment, forest products, gypsum, sugar and iron ore. It ranks second for exporting cars.

Along with the new contract, Mediterranean rolled out direct, weekly container service from Baltimore to the Far East. Please contact our Baltimore office to help you take advantage of this new opportunity. 📍

Western Overseas Wisconsin Office Gets Awards, Degrees

Our clients on the Atlantic and Pacific coasts might not realize that Western Overseas Corporation is quite active between the seas as well. It’s been a particularly exciting year for our Wisconsin office so far.

Dustin Konruff, of the WOC Milwaukee office, took his associates degree in international business from Waukesha County Technical College on May 14. He finished with a 3.8 grade average, so wish him felicidades—that’s Spanish for “congrats” because he took a bit of that too.

Congratulations are also in order for Del Brahm, who was honored with an award for those who “epitomize the highest possible standards

in global trade.” Wisconsin Governor Scott Walker presented Del with the Lenk Global Trade and Service Excellence Award at the Stateline World Trade Association’s (SLWTA) World Trade Awards banquet on April 28.

Don’t know the SLWTA? It’s one of many regional associations that help us do what we do. “The SLWTA is committed to providing the knowledge and resources for companies to grow and prosper in global trade,” says Brad Collins, its president. 📍

Image: Del Brahm and Wisconsin Governor Scott Walker. Courtesy SLWTA.



Image: Locke (right) views radiotherapy equipment at Pantech. Courtesy US Commerce Dept.

If you're interested in encouraging the ratification of the US-South Korean FTA, the members of the congressional delegation traveling with Locke might be a good place to start: Reps. Charles Rangel, D-NY; Jim McDermott, D-Wash.; Joseph Crowley, D-NY; and David Reichert, R-Wash.

Commerce Secretary Leads Delegation to Korea for Trade Agreement Talks

US COMMERCE SECRETARY GARY LOCKE is helping to bring the pending US-South Korea Trade Agreement closer to fruition. The agreement, which would be the United States' largest trade deal since NAFTA in 1993, was revised last year, but has yet to be approved by the legislative body of either nation.

While leading a bipartisan congressional delegation to South Korea last April, Locke addressed a luncheon at the American Chamber of Commerce. "For the United States, implementation of the agreement will help create a level playing field for US businesses and workers, and help increase exports," he said. "For South Korea, this is an opportunity to secure preferential access to the US market, lock in this access, and provide its companies with an edge over global competitors."

Locke and the congressional delegation also visited Pantech, one of South Korea's largest mobile phone

makers, to see firsthand how the US-South Korea Trade Agreement would help American and South Korean businesses and workers in today's global manufacturing and supply chain.

Pantech imports about \$500 million of US products each year. With the implementation of the US-

South Korea agreement, Pantech is expected to quadruple its purchase of American products by 2015. Corning Inc., a New York company that exports glass used in mobile phones, is investing \$180 million

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to meet the growing demands of its customers in Asia, including Pantech.

Locke also met with his South Korean counterpart, Minister of Knowledge Economy Choi Joong-Kyung, to discuss the US-South Korea Trade Agreement and the cooperative relationship between the Commerce Department and its Korean equivalent. According to US International Trade Commission estimates, the reduction of South Korean tariffs and tariff-rate quotas under the agreement on goods alone would add \$10 billion to \$11 billion to annual US gross domestic product. 🏢

Image: The Vincent Thomas Bridge over the Port of Los Angeles

New Direct Sea Link Between US and Australia

STARTING JUNE 21, 2011, US exporters will be able to ship directly to Australia/New Zealand from Long Beach via Pacific International Lines, a steamship line with whom Western Overseas Corporation has a contract.

PIL's China Transpacific Service will now have a 63-day turnaround with the following rotation: Qingdao, Ningbo, Shanghai, Long Beach, Sydney, Melbourne, Tauranga, Brisbane, Keelung and Qingdao. The weekly service will deploy 9 ships of about 1,550 TEU nominal capacity each and offer direct container services dedicated to the US-Australasia market.

The Pacific Islands will also be covered via PIL subsidiary, Pacific

Direct Line. PIL is one of the 20 largest containership operators in the world, with a 135-vessel fleet and total capacity of more than a quarter million TEUs. 🏢



Container Volume Up as LA Exports Outperform Imports

EXPORTS IN THE PORT OF Los Angeles, the nation's largest container port and home of Western Overseas HQ, increased 19.2 percent in March 2011 as compared with March 2010, while imports at the port grew just 10.2 percent over the same period. The Chinese New Year, which, due to factory holidays, tends to slow the Trans-Pacific trade in February and March, may partially account for these numbers.

The weak US dollar plays a roll as well. American goods are currently more competitive overseas, creating strong growth in US exports. Add to that growing consumer demand in Asia, and increased agricultural exports as American farm products fill the void in overseas markets

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experiencing weak harvests, and we may have a trend that's here to stay.

In order to accommodate the increased demand, container volume, including empties, grew 5.6 percent between February of 2010 and that of 2011. Container volume at nearby Long Beach swelled 10.9 percent along with a 12.4 percent increase in imports. And while exports at Long Beach decreased by a percent, exports still outperformed imports overall in Southern California. 



Sugar Tariff-Rate Quota Raised

SHIPPING JUST GOT sweeter: The Department of Agriculture raised the raw sugar tariff-rate quota by 325,000 short tons to accommodate demand in the US market. This raises the overall fiscal year 2011 raw sugar TRQ to 1,556,497 short tons. Through September 30, raw cane sugar accompanied by a certificate for quota eligibility can be entered under this TRQ. 

If You Need Our Assistance...

Please don't hesitate to reach out to your Western Overseas representative for any assistance or questions regarding your next shipment.

To request a quote from our Ocean Export Team please email: usoutboundoceanquote@westernoverseas.com

To request a quote from our Air Team please email: wocairquote@westernoverseas.com

Birthday Wishes!

Please join us in celebrating the birthdays our hard working team members from around the country.

Nita Gale Kroth	May 8
Francisco Gonzalez	May 9
Jane Alim	May 16
Mauricio Martell	May 18
Jerry Andrade	May 20
Michelle Norodom	May 21
Sisibel Godoy-Campos	May 22
Laura Howard	May 26
Giovanna Di Cesare	June 3
Genoveva Salinas	June 6
Ross Porro	June 8
John Carella	June 12
Jeanne Marie VanOrnum	June 12
Su-Eun Yin	June 14
Maria V Castellanos	June 15
Deborah Davidson	June 21
Marcia Pirnie	June 21
Geraldine Letterese	June 26
Cesar De La Guardia	June 29