Ocean Freight Rate Disparity

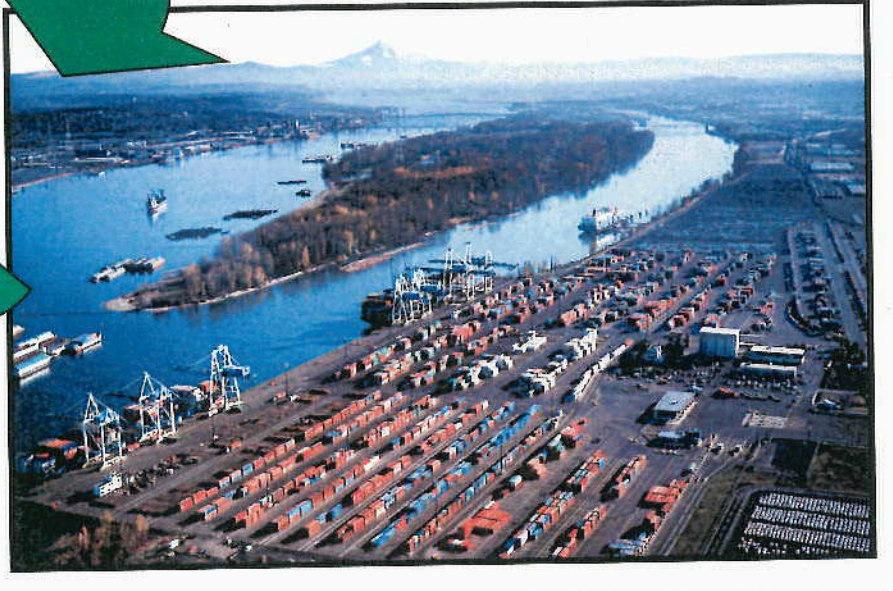
The rate disparity between eastbound (imports) and westbound (exports) leads transpacific carriers to emphasize import cargo.

Port of Hong Kong

A container **imported** to USWC from Asia produces about **$2,700** in ocean carrier revenue on average

$$$

$

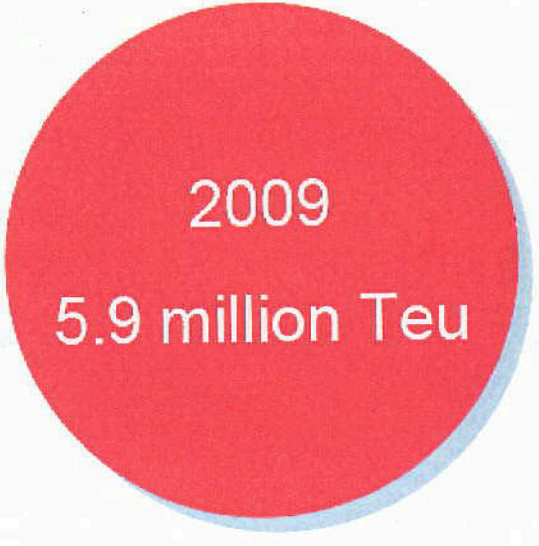


A container **exported** from USWC to Asia produces about **$1700** in ocean carrier revenue on average

Trade Mismatch / Imbalance

TP Eastbound

TP Westbound



TSA Average[1] REV/F

$2,706

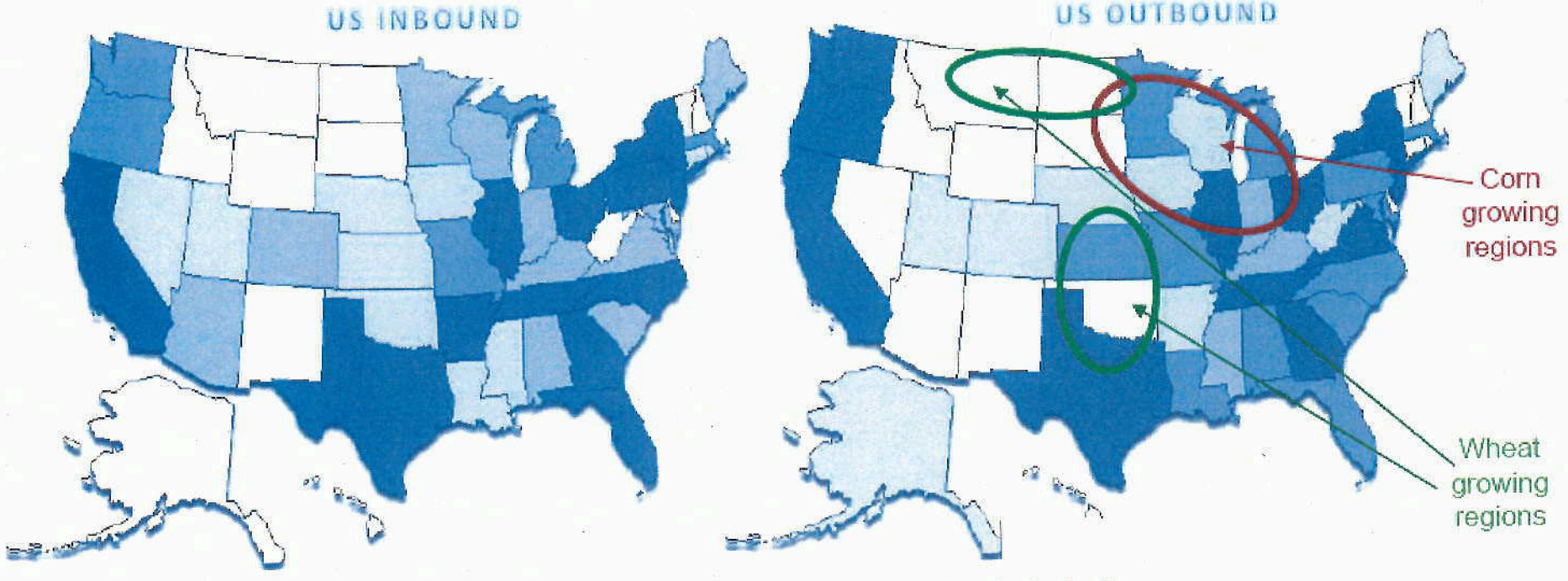
WTSA Average[1] REV/F

$1,707

1. Average of Q4, 2009

Export – Import Mismatch within U.S.

- There is a significant mismatch between import & export flows...equipment ends up in different locations than where growing export demand is.



Portland Cargo Region Transpacific Trade Imbalance

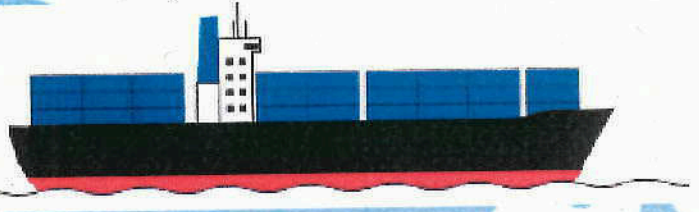
2009 Calendar Year (in number of loaded containers)

	China	Japan	S. Korea	Taiwan	Vietnam	Thailand	Malaysia	India	Others	Total
Exports	22,390	43,513	24,261	9,264	3,414	1,834	1,941	1,637	7,356	115,610
Imports	32,932	3,479	3,227	2,178	1,962	1,340	1,066	1,341	1,896	49,421
Difference	10,542	(40,034)	(21,034)	(7,086)	(1,452)	(494)	(875)	(296)	(5,460)	(66,189)

Weight Constraints with Exports

- Heavier export cargo constrains the number of boxes that can go on a ship before it reaches deadweight limits

Transpacific Eastbound

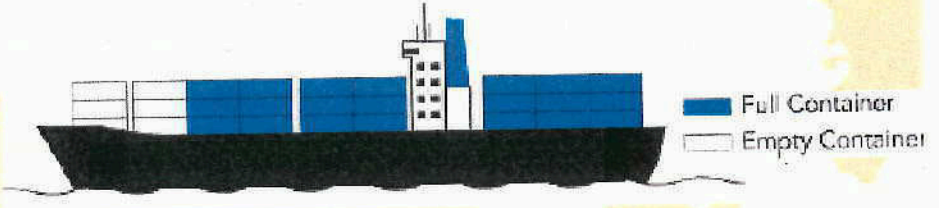


Average Cargo Weight = 10.3 MT

Eastbound cargo is generally lighter than westbound—thus eastbound vessels can carry a full complement of loaded containers, while staying within vessel capacity weight limits.

Vs.

Transpacific Westbound



Average Cargo Weight = 21.3 MT

Westbound cargo is heavier than eastbound—fewer loaded containers can be carried without exceeding vessel capacity weight limits. Westbound vessels will reach their deadweight capacity before reaching their container carrying capacity. Vessel space is optimized by carrying empty containers back to Asia.