



**BOOK SYSTEMS INTERNATIONAL PTY LTD**  
**GLOBAL LOGISTICS PROVIDER TO**  
**THE PUBLISHING INDUSTRY**

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## **FREIGHT RATES CHINA - EXPORT**

Unfortunately, there is still a great deal of uncertainty as to the final level of rates which may be applied even before the end of May.

While RR (Rate Restoration) was initiated, many carriers abandoned it shortly after and there is currently no guidance on June rates.

We have been fortunate in finding support from several carriers when offering rates at the upper end of the range and this may well be the way forward for many shippers to achieve certainty and have slots readily available in the short term.

Three major factors are still unclear and combined they contribute to the overall scenario –

- Capacity – while sailings have been blanked and tonnage is laid up (25% capacity reduction), there is new capacity coming on stream from several large shipyards and the new vessels are more fuel-efficient and will therefore likely be employed.
- While Chinese manufacturing output is growing there is anecdotal evidence that shippers/consignees have changed sourcing patterns and more orders are placed with other manufacturing neighbour countries, which contributes to lesser demand for Chinese products.
- Geopolitical conflicts which range from Ukraine to Sudan affect the cost of international transport and will continue to have a bearing on the capacity issues currently discussed.

We understand that this uncertainty may cause frustration and disappointment among all of us if the RR is not eventually applied after 20<sup>th</sup> of May.

We aim to update you with new rates as they are released from the carriers.

BSI is offering additional information, and we hope you remain safe and well.

**BOOK SYSTEMS INTERNATIONAL PTY LIMITED**

Melbourne, 10 May 2023