

April International Trade Newsletter

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Container Shortage Looming

Expect container shortages this Fall. This shortages will be especially severe for import containers. Congestion throughout the U. S. and Canadian rail networks has already begun and a shortage of steel in China is slowing production of new containers.

The Union Pacific Railroad is struggling with a crew and power shortage. The CSX is currently beset by operational problems. Canada currently has a 10,000 TEU backlog from the Canadian National Railway.

Imports from Asia continue to increase at a rapid rate. Vessels from China have been departing full. This is not normally seen until late Summer.

We are recommending that you plan your inventory levels based on longer transit times during the peak season due to delays in obtaining containers.

Import – Canadian 24 Hour Rule

Canada has instituted an advance manifest requirement for inbound ocean shipments that are destined to or transiting Canada that is similar to the 24 hour rule promulgated by US Customs, which is called the Advance Commercial Information (ACI) Initiative. ACI will be implemented on a phased schedule

beginning with maritime reporting on April 19, 2004; the schedule for other modes will be announced.

China Space Congestion and GRI's

Air Import space and costs from China are increasing. We are seeing costs rising between .30 and .50/kg from main Chinese airports.

Ocean FCL carriers from China will be implementing a Westbound GRI on April 1st of \$300.00 for 20' and 600 for 40' cntrs. Eastbound GRI's will be running at 225.00 for 20' cntrs and \$450.00 for 40' cntrs.

Peak Season Surcharges (PSS) on Eastbound shipments is scheduled to begin on May 1st and will range between \$200.00 and \$300.00 per cntr.

Space for Air and Ocean Westbound shipments are becoming increasingly tight as we enter Spring.

Canadian National Railway Strike is Over

The 5,000 striking workers at [Canadian National Railway Co.](#) have ratified the company's latest contract offer and agreed to end a four-week strike, their union said on Friday.

The strike, which began Feb. 20, would end immediately, the union said. Employees will return to work Saturday. Union members, on strike since Feb. 20, rejected an earlier proposal by the railroad that called for identical pay hikes.

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We invite you to contact our offices with any questions you may have.

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