



23rd May 2018

Dear customer,

The increase in bunker price in 2018 has been significantly higher than what had been expected and has now reached a level of 440 USD/ton in Europe, the highest since 2014. The increase is more than 20% compared to the beginning of 2018 and this unexpected development means that it is no longer possible for us to recover bunker costs through the standard bunker adjustment factors.

Due to the unsustainable nature of the situation, Safmarine has decided to introduce an **Emergency Bunker Surcharge (EBS)** as a necessary action to ensure a continued sustainable service to our customers.

EBS will be applicable to **all cargo** globally, **effective 1<sup>st</sup> June 2018** for **non-FMC corridors** and **1<sup>st</sup> July 2018** for **FMC corridors**. <sup>1,2</sup>

**The surcharge tariffs are as follows:**

Currency	DRY			REEF		
	20'	40'	45'	20'	40'	45'
USD	60	120	120	90	180	180
EUR	50	100	100	75	150	150
GBP	45	90	90	65	130	130

**Tariff adjustment mechanism:**

The EBS tariff communicated above is based on a bunker price of USD 440 (IFO380 in Rotterdam). EBS tariff is subject to change as per below trigger events:

- Should the bunker price (IFO380 in Rotterdam) increase to a level of USD 530, EBS tariffs will be multiplied by a factor of 2.0.
- Should the bunker price (IFO380 in Rotterdam) decrease to a level of USD 370, EBS tariffs will be zero.

For your reference, we have also included the levels and the rate structure for some sample corridors to/from Europe valid from today until further notice. These charges may be changed in the future and we will notify you accordingly.

Origin	Destination	OF								OHC							
		20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs	20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs
Rotterdam	Shanghai	680 USD	850 USD	850 USD	1350 USD	1860 USD	2400 USD	680 USD	850 USD	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive
Shanghai	Algeiras	1100 USD	2100 USD	2100 USD	2600 USD	1170 USD	1450 USD	1100 USD	2100 USD	625 CNY	980 CNY	980 CNY	1380 CNY	785 CNY	1185 CNY	785 CNY	1185 CNY
Origin	Destination	DHC								SBF							
		20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs	20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs
Rotterdam	Shanghai	625 CNY	980 CNY	980 CNY	1380 CNY	785 CNY	1185 CNY	785 CNY	1185 CNY	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive
Shanghai	Algeiras	212 EUR	212 EUR	212 EUR	212 EUR	310 EUR	310 EUR	212 EUR	212 EUR	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive
Origin	Destination	ERS								LSS							
		20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs	20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs
Rotterdam	Shanghai	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	20 USD	40 USD	40 USD	40 USD	20 USD	40 USD	20 USD	40 USD
Shanghai	Algeiras	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	Inclusive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Origin	Destination	PSS															
		20 DRY	40 DRY	40 HC	45 HC	20 REEF	40 HREEF	20 Specs	40 Specs								
Rotterdam	Shanghai	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD								
Shanghai	Algeiras	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD	0 USD								

- The above rates are also subject to other applicable surcharges, including local charges and contingency charges.
- The above surcharge acronyms mean: OF (Ocean Freight), OHC (Origin Terminal Handling Charge), DHC (Destination Terminal Handling Charge), ERS (Emergency Risk Surcharge), SBF (Standard Bunker Adjustment Factor), LSS (Low Sulphur Surcharge) and PSS (Peak Season Surcharge).
- These rates are unaffected by, and do not affect, any tariff notified, published or filed in accordance with local regulatory requirements.
- For trades subject to the US Shipping Act or the China Maritime Regulations, quotations or surcharges that vary from the Safmarine tariff shall not be binding on Safmarine unless included in a service contract or service contract amendment that has been filed with the Federal Maritime Commission (FMC) or the Shanghai Shipping Exchange, as applicable.

We thank you for your partnership. We truly appreciate the trust you give us in moving your cargo from one doorstep to the next, and we are excited to continue working closely with you.

If you have any questions, please feel free to reach out to your local Safmarine agent. Our contact details are available on safmarine.com.

If you would like to make a booking, please visit my.safmarine.com.

Together we go places.

Sincerely,  
**Safmarine**

1. FMC regulated corridors include imports/exports from: US, Puerto Rico, American Samoa, Colombia and Taiwan.
2. Effective date for China is tentatively 1 June.

**Together we go places**

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