

UPS Supply Chain Solutions  
12380 Morris Road  
Alpharetta, GA 30005



April 3, 2020

**Re: Updated International Air Freight Capacity Surcharge (CS)**

Dear Valued Customer,

Thank you for choosing UPS as your trusted logistics provider. Your business is very important to us, and we remain focused on offering the highest quality solutions to help you achieve your business objectives.

The growing impact of the Novel Coronavirus pandemic and restrictions imposed by authorities to contain the spread of the virus continue to result in extremely limited capacity around the world. According to the latest report from Seabury, global air freight capacity is 35% lower than last year. In fact, all trade lanes across the world are seeing double-digit air cargo capacity declines compared to last year; most key trade lanes have lost more than 30%, and some have lost even more than 60%.

Therefore, it has become necessary to update the air freight capacity surcharges for specific lanes effective Monday, April 6, 2020, according to the schedule below.

As a reminder, for bookings made outside of those lanes with explicit surcharge amounts, the global air cargo conditions remain in flux, capacity continues coming offline, and governments around the globe are imposing local restrictions. While UPS remains open to provide service, we'd like to remind you that advance shipment-specific planning will assist us in our efforts to meet your specific service requests. Your local Operations and Sales professionals are here to support the movement of these shipments, and we are making all reasonable efforts to avoid delays. However, shipments are subject to delays/service disruptions due to conditions attributable to the Novel Coronavirus and related containment efforts that are beyond our control.

We appreciate your business and will continue to work closely with our air carriers in an effort to mitigate the surcharges to our customers. If you have any questions, please contact your UPS Account Manager. For the latest updates on the novel coronavirus, please visit the [UPS Supply Chain Solutions landing page](#), and be sure to [register here](#) to receive important notifications about service disruptions, rate changes and regulations.

Sincerely,

UPS Global Freight Forwarding

## Capacity Surcharge Schedule: Effective **April 6, 2020** for all IAF Services

Capacity Surcharge Schedule: Effective April 6, 2020 for all IFL Services								
Origins	Surcharge amount (USD per kilo)†						Effective Date	
	Destinations							
	US	Americas	Canada	ISMEA	Europe	APAC		
North China*	\$5.50	\$5.50	\$5.50		\$6.00		April 6, 2020	
East China**	\$6.00	\$6.00	\$6.00		\$8.00		April 6, 2020	
South China***	\$5.00	\$5.00	\$5.00		\$4.00		April 6, 2020	
Hong Kong	\$5.00	\$5.00	\$5.00		\$4.00		April 6, 2020	
Korea	\$3.00	\$3.00	\$3.00		\$3.00		April 6, 2020	
Taiwan	\$5.50	\$5.50	\$5.50		\$5.50		April 6, 2020	
Singapore	\$7.00	\$7.00	\$7.00		\$5.00		April 6, 2020	
Thailand	\$7.50	\$7.50	\$7.50		\$4.00		April 6, 2020	
Malaysia	\$7.00	\$7.00	\$7.00		\$5.50		April 6, 2020	
Vietnam - Ho Chi Minh	\$6.00	\$6.00	\$6.00		\$6.00		April 6, 2020	
Vietnam - Hanoi	\$6.00	\$6.00	\$6.00		\$6.00		April 6, 2020	
Philippines	\$5.00	\$5.00	\$5.00		\$2.50		April 6, 2020	
Australia	\$6.50	\$6.50	\$6.50		\$6.50		April 6, 2020	
United States					\$1.00		April 6, 2020	
Canada					\$2.50		April 6, 2020	
Americas Region					\$1.00		April 6, 2020	
Germany, Netherlands (UPS Air Freight Consolidated Service)	\$3.00	\$6.00****	\$4.00	\$4.00‡‡		\$4.75*‡	April 6, 2020	
Rest of Europe‡ (UPS Air Freight Consolidated Service)	\$3.45	\$6.00****	\$4.40	\$4.40‡‡		\$4.75*‡	April 6, 2020	
Germany, Netherlands (UPS Air Freight Direct & Premium Direct Service)	\$3.50	\$6.00****	\$4.00	\$4.00‡‡		\$4.75*‡	April 6, 2020	
Rest of Europe‡ (UPS Air Freight Direct & Premium Direct Service)	\$3.95	\$6.00****	\$4.40	\$4.40‡‡		\$4.75*‡	April 6, 2020	

\* North China: BJS, DLC, TAO, SHE, CGO, TSN, XIA

\*\* East China: CTU, CKG, HGH, KUB, NKG, NGB, SHA, SZV, WUX

\*\*\* South China/Hong Kong: XMN, FOC, CAN, SZX, All Hong Kong locations

\*\*\*\* Excludes Mexico (No surcharge)

‡‡ Excludes Dubai (No surcharge)

\*‡ Excludes China and Hong Kong

### Example Shipment – Nanchang CN to Minneapolis MN US

- Routed from Nanchang CN to Shanghai CN to Minneapolis
- Shanghai is in “E China” (origin) and Minneapolis is in “US” (destination)
- **Surcharge** amount would be \$6.00 per kg

Because industry conditions are dynamic, the surcharge is subject to decrease, increase, termination or expansion to additional lanes. To view the current capacity surcharge structure, please visit our [Surcharges homepage](#).

The above surcharges will be assessed on UPS® Air Freight Premium Direct, UPS Air Freight Direct®, UPS Air Freight Consolidated®, UPS Trade Direct Air®, and UPS Temperature True® shipments and will be reflected on your invoice.

† Surcharge reflected above is in USD per kilogram of chargeable weight and reflects amount of surcharge and not the entire rate. Other currencies will fluctuate pursuant to prevailing currency exchange rates and are subject to fees. For details see [UPS Air Freight Terms and Conditions of Contract](#).



‡ Countries in Europe

COUNTRY_CODE	COUNTRY_NAME
AL	ALBANIA
AM	ARMENIA
AT	AUSTRIA
BA	BOSNIA AND HERZEGOVINA
BE	BELGIUM
BG	BULGARIA
BY	BELARUS
CH	SWITZERLAND
CY	CYPRUS
CZ	CZECH REPUBLIC
DE	GERMANY
DK	DENMARK
EE	ESTONIA
ES	SPAIN
FI	FINLAND
FR	FRANCE
GB	UNITED KINGDOM
GE	GEORGIA
GI	GIBRALTAR
GR	GREECE
HR	CROATIA
HU	HUNGARY
IE	IRELAND
IL	ISRAEL

COUNTRY_CODE	COUNTRY_NAME
IS	ICELAND
IT	ITALY
KV	KOSOVO
LT	LITHUANIA
LU	LUXEMBOURG
LV	LATVIA
MC	MONACO
MD	MOLDOVA
ME	MONTENEGRO
MK	MACEDONIA
MT	MALTA
NL	NETHERLANDS
NO	NORWAY
PL	POLAND
PT	PORTUGAL
RO	ROMANIA
RS	SERBIA
RU	RUSSIA
SE	SWEDEN
SI	SLOVENIA
SK	SLOVAKIA
TR	TURKEY
UA	UKRAINE



## UPS Preferred® multimodal freight services



### Lower cost than air, faster than ocean

The pressure to reduce transportation costs without losing critical time is a constant challenge for today's shippers. When air freight doesn't fit your budget, yet ocean freight doesn't fit your timing, UPS Preferred multimodal freight services may offer just the balance you need.

The portfolio of UPS Preferred multimodal freight services enables you to select a combination of cost and speed to meet both your transit time expectations and cost-reduction objectives for your intercontinental shipments.

#### UPS Preferred LCL To and From North America

UPS Preferred LCL ocean service from Asia and Europe origins uses our truck networks in the U.S., Canada and Mexico to accelerate your shipments to their final destination enabling savings of up to 55% versus air freight costs while providing transit times that can be up to 45% faster than standard ocean LCL movements\*.

#### UPS Preferred FCL & LCL - Rail

This cross-continental solution servicing the Europe - China markets delivers savings of up to 65% versus air freight costs while providing transit times up to 40% faster than standard ocean movements\*.

#### UPS Preferred - Sea/Air

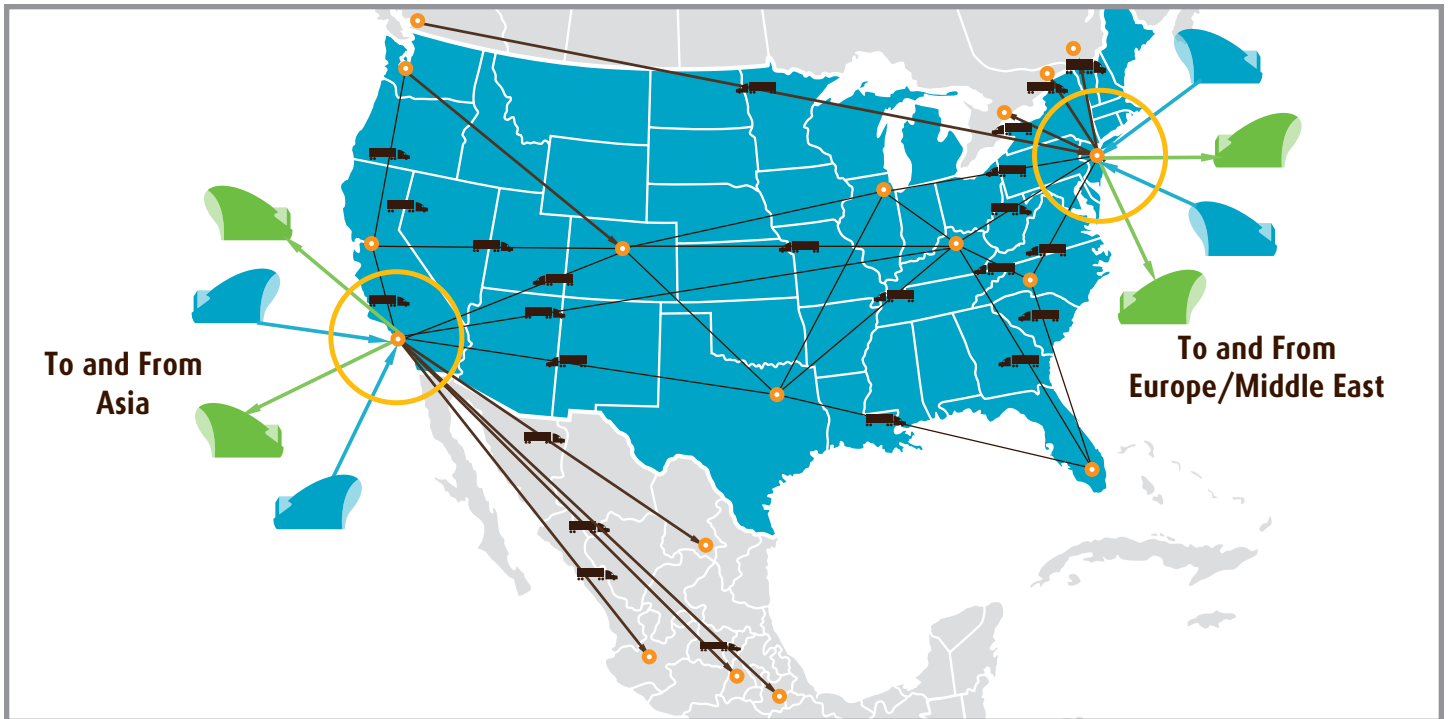
By combining ocean and air freight over some of the world's longest trade routes, UPS Preferred - Sea/Air delivers savings of up to 35% versus air freight while providing transit times up to 55% faster than standard ocean service to destinations in Europe, the U.S. and Latin America\*.

\* Savings and transit times vary by individual customer, origin/destination pairing and shipment characteristics.

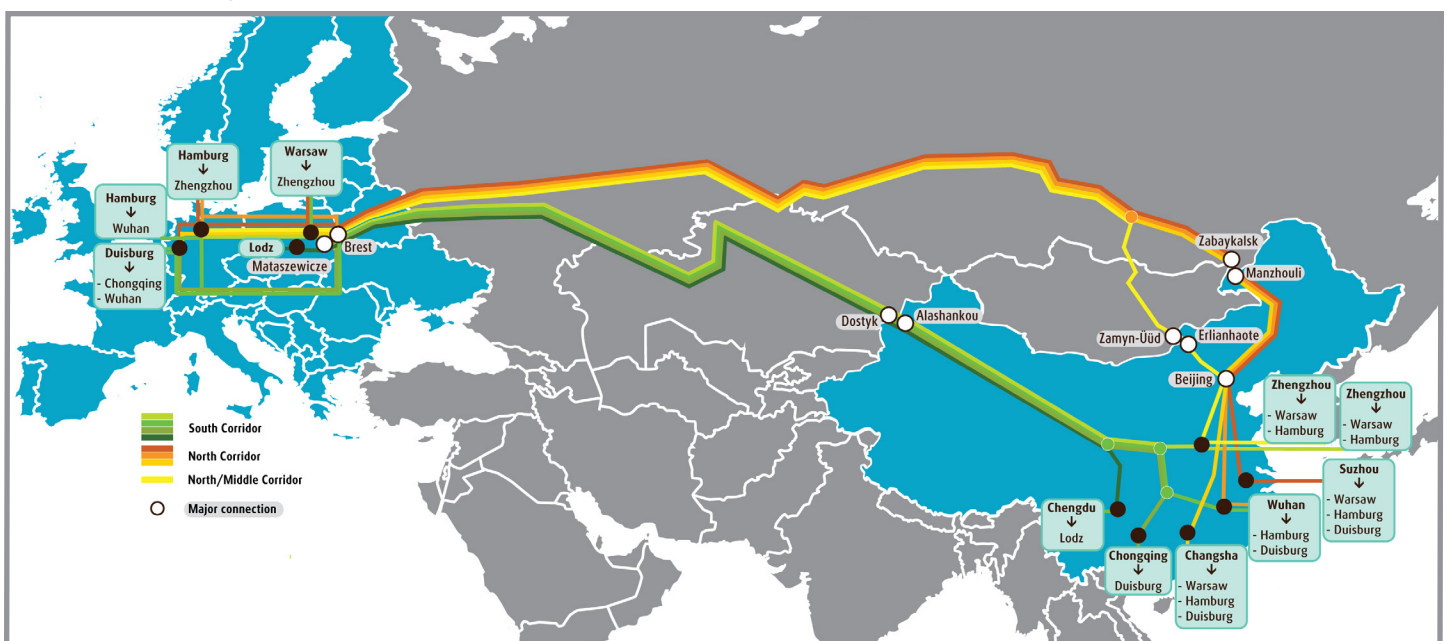
**From figuring it out to getting it done, we're here to help.**

## UPS Preferred® multimodal freight services

**UPS Preferred LCL To and From North America** uses our truck networks in the U.S., Canada and Mexico to accelerate shipments from port to door.



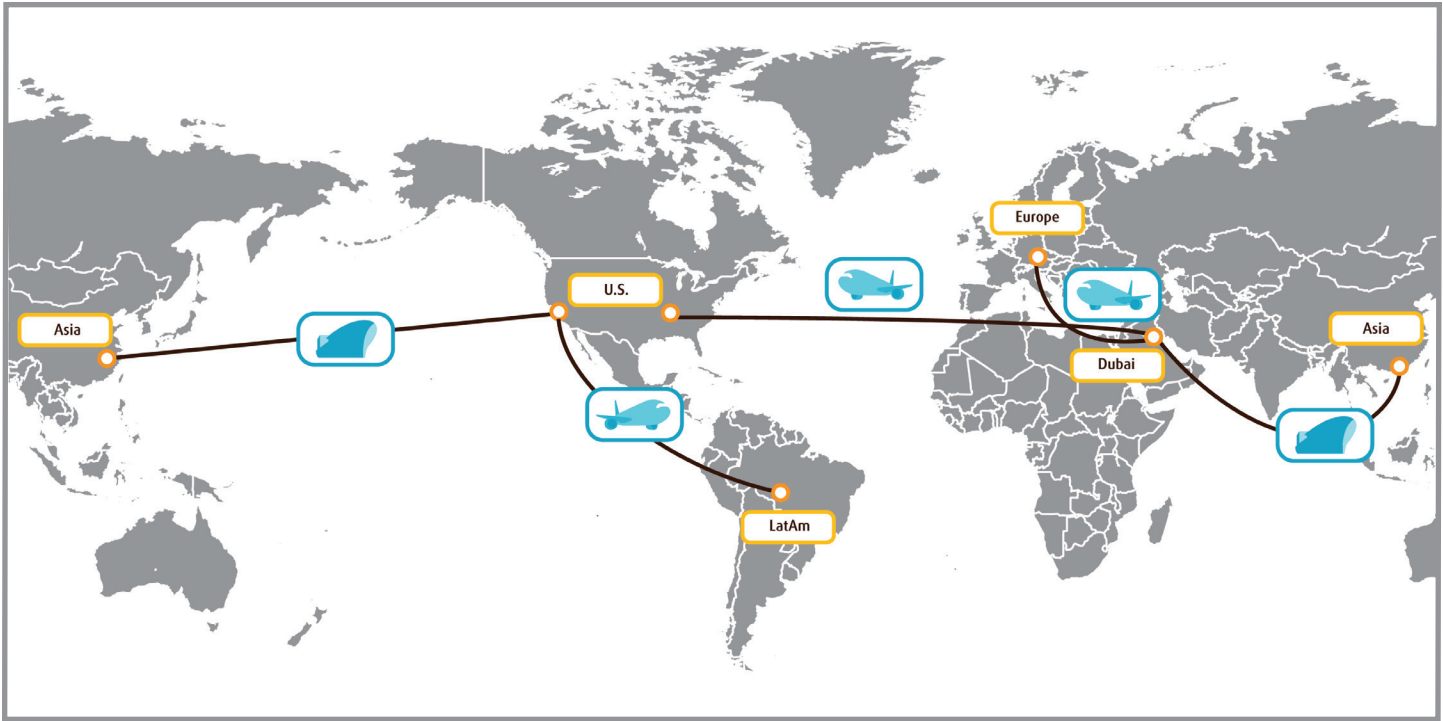
**UPS Preferred FCL & LCL - Rail** utilizes networks in both China and Europe to provide an innovative alternative to air and ocean freight services.



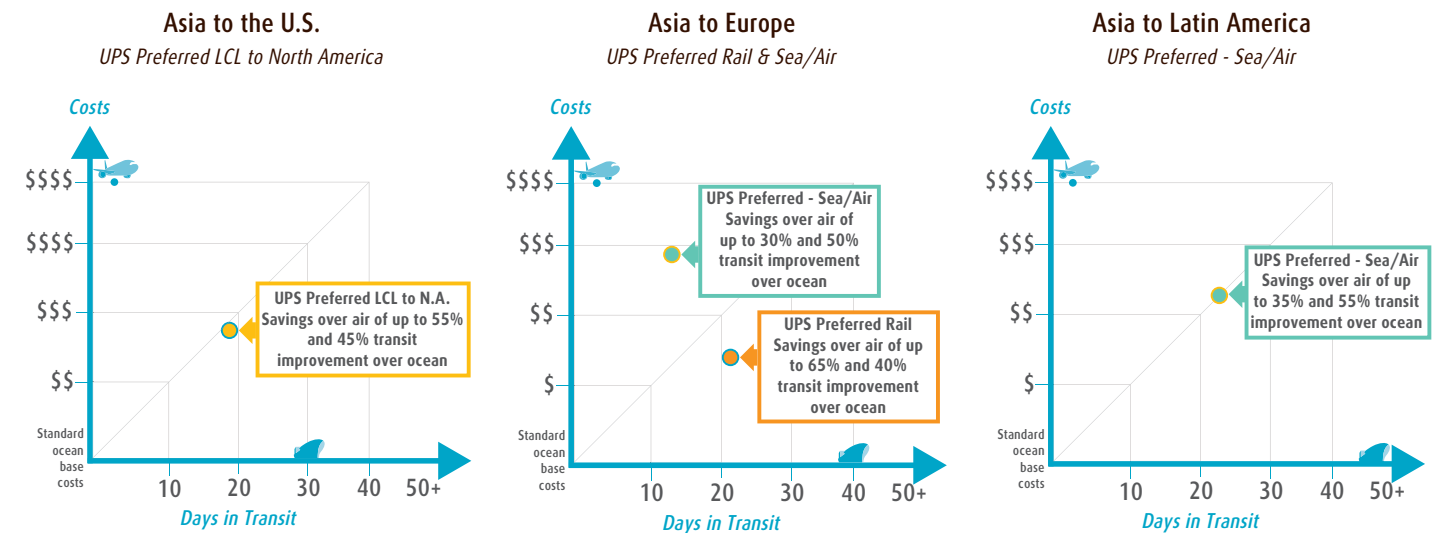


By capitalizing on the dependability and speed of the UPS global networks, you can access our extensive portfolio of end-to-end services with multiple options to meet your business needs.

**UPS Preferred - Sea/Air** combines ocean freight with air freight to deliver a cost-effective transit solution over some of the world's longest trade routes.



**UPS Preferred multimodal freight services can help you bridge the speed/economy gap.**  
The charts below illustrate the possible time and cost savings\* over traditional air and ocean freight services.



\* Savings and transit times vary by individual customer, origin/destination pairing and shipment characteristics.

# UPS Preferred® multimodal freight services

## Bring better visibility to your supply chain.



You'll get total visibility across multiple modes of transportation with a suite of tools that equip your business with key information to truly set you apart from the competition:

- Flex Global View gives you the ability to view and respond to shipment information and critical milestones as they occur
- Quantum View® Manage provides up-to-date information about shipments you send or those you're expecting from one Web-based format that is easily customizable

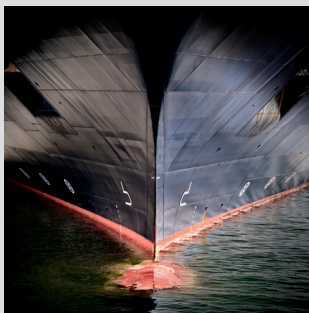
## Customs clearance in a complex environment.



Combine our brokerage and transportation services to ensure accurate customs compliance and timely delivery of your goods. Whether you're shipping air, ocean, or ground, we'll help you reduce the risk of delays or penalties.

Our systems are electronically linked to customs authorities around the world, reducing the risk of errors and speeding up the clearance processes.

## Get the savings you need, at a speed that works.



We can help you manage the critical touch points of your supply chain and create a competitive advantage. With the right mix of modes and speed, you can significantly improve inventory management, which enables increased operating profit. Whether you are an air freight shipper looking to lower costs or an ocean shipper looking for faster transit options, with UPS Preferred multimodal freight services, you'll get the job done.



**For more information, contact your UPS account representative or visit [ups.com/freight](https://ups.com/freight)**