



Bunker Surcharge (BUC) Increase – Asia to Europe

Dear Valued Customers

We, HMM, would like to express our gratitude for your continued supports on HMM’s services around the world. We are thriving to do our best to transport your goods safe and sound to wherever you have required.

As you may be very well aware, HMM is confronted with a drastic hike in bunker price. The rapid increase in bunker price in 2018 has finally exceeded the limit that HMM can afford.

After a thorough internal review, we came to a conclusion that the existing BAF mechanism is not appropriate to fully reflect the current shipping market environment. In order to continue providing our reliable, high-quality service as part of your good company’s supply chain – HMM has decided to create new Bunker Surcharge (BUC) mechanism and the formula is as follows.

Kind	Trade	Type	Tariff (USD/TEU)	Validity
BUC	EUR	DC/Special	\$54	- All Others : 15 th , June - China/Taiwan : 1 st , July
		RF	\$81	

* Fuel Price: IFO 380 CST, Rotterdam (Reference Term: 16th of previous month ~ 15th of this month)

* Trigger Point: USD 365/TON / Applicable BUC tariffs are as below;

IFO 380 CST in Rotterdam (USD/TON)	BUC Tariff (USD/TEU)
\$365 ~ \$465	\$54
\$466 ~ \$515	\$91
\$516 ~ \$565	\$127
over \$565	to be announced later

* Tariff Updates: Monthly

E.g.) BUC for July: the average fuel prices of IFO 380 CST in Rotterdam from 16th of May to 15th of June

The BUC amount will be reevaluated on a monthly basis, and HMM will notify you accordingly. Should you have any questions or concerns, please contact our local HMM office.

▣ **Link to FAK Rates and Surcharges (www.hmm21.com/surcharges)**

Sincerely,
Hyundai Merchant Marine Co., Ltd