

Matson Announces Fourth Freight Fuel Surcharge Hike in 2008

Matson announced it will raise its fuel charge from 38.25 to 42.25 percent, a 10 percent increase, on shipments between Hawaii and the mainland starting August 31, the *Honolulu Star-Bulletin* reports.

It is the company's fourth fuel surcharge increase this year.

Matson, which also services Guam and the islands of the Micronesian region, said the increase is due to "fuel-related costs continuing to climb to historic highs."

It also is raising the levy for its Guam/Commonwealth of the Northern Mariana Islands and Micronesia service by four percentage points, or 10 percent, to 43.75 percent from 39.75 percent the same day. Matson's fuel surcharge was 24 percent in August 2007.

"While record-high fuel prices are adversely impacting virtually all businesses, as well as consumers, transportation companies are particularly hard hit," said Dave Hoppes, senior vice president of ocean services. "Fuel costs comprise a substantial component of Matson's operating costs and are an unavoidable expense for transporting goods."

Matson's increase is still lower than the latest hike by rival Horizon Lines Inc., which will boost its surcharge by 4.5 percentage points - an 11.8 percent gain - to a record 42.75 percent on Aug. 17.

Matson said its fuel costs have risen 48 percent since April, despite efforts to operate a fuel-efficient fleet and reduce fuel consumption. The ocean carrier said that while there have been signs of stabilization in the world oil market in recent weeks, bunker fuel has not yet been impacted.

Source: Honolulu Star Bulletin, Saturday: August 02, 2008