

## COST OF DOING BUSINESS

### TRANSPORTATION COSTS

<b>OCEAN FREIGHT RATES</b>	
Freight Rates of Ocean going Vessels	
<b>Route</b>	<b>Freight (US\$)</b>
Manila - Kaoshiong	300.00
Manila - Hongkong	250.00
Manila - Singapore	350.00
Singapore - Manila	350.00
Manila - Bangkok	600.00
Manila - Jakarta	650.00
Jakarta - Manila	650.00
Manila - Nagoya/Yokohama	450.00
Manila - Osaka	450.00
Manila - Tokyo	450.00
Cebu - Osaka	650.00
Cebu - Tokyo	650.00
Manila - Middle East	1,750.00
Manila - US West Coast	3,500.00
Manila - US East Coast	4,700.00
Manila - Northern Europe	2,450.00
Manila - Central & Southern Europe	2,300.00

Last Updated: May 13, 2010

Above are the current ocean freight rates from DTI-PSB accredited sea freight forwarders for general merchandise and cargoes. These rates are determined based on recent activity and current freight rates in the international market.

Source: *Philippine Shippers' Bureau*

<b>FREIGHT RATES OF DOMESTIC VESSELS FOR EXPORT CARGOES</b>						
Breakdown of Total Charges						
<b>Route Charges 1 Transport Freight/n.m.</b>	<b>Distance nautical miles (n.m.)</b>	<b>Total Charges (US \$)</b>	<b>Auxiliary Charges</b>	<b>Charges from Repositiong 2</b>	<b>Sea Transport Freight</b>	<b>Sea Transport Freight/n.m. (US \$)</b>
Manila - Cebu	392	553.94	30.12	144.23	311	0.79
Manila - Cagayan de Oro	504	680.34	30.91	166.61	369	0.73
Manila - Zamboanga	512	689.37	30.91	166.61	384	0.75
Manila - Gen. Santos	723	927.50	30.91	166.61	453	0.63
Manila - Davao	829	1,047.14	30.91	166.61	507	0.61

Source: *Domestic Shipowners Association*

1 Includes local arrastre at ports of origin and destination, wharfage & doc. stamps.

2 Freight of empty containers

<b>FREIGHT RATES FOR CONTAINERIZED CARGOES OF LOCAL ORIGIN/DESTINATION</b>				
<b>Route 1 US \$ 2</b>	<b>Distance(n.m.) \$ Rate/ n.m.</b>	<b>Freight – P</b>	<b>Rate 1 US S2</b>	<b>\$ Rate/ nautical miles (n.m.)</b>
Manila - Cebu	392	17,634	354.88	0.79
Manila - Cagayan de Oro	504	21,658	435.86	0.76
Manila - Zamboanga	512	21,946	441.65	0.76
Manila - Gen. Santos	723	29,319.92	590	0.80
Manila - Davao	892	33,335	670.86	0.75

Source: *Domestic Shipowners Association*

1 Excluding 10% VAT

2 Exchange Rate : 1 US\$ = P41.85

<b>FREIGHT RATES FOR CONTAINERIZED CARGOES FOR SELECTED ROUTES:</b>			
Another category of cargo transport involves non-containerized breakbulk cargoes. Tabulated below are the attendant freight rates for selected routes:			
<b>Route</b>	<b>Distance (n.m.) Rate/ n.m.</b>	<b>Freight (per cbm or ton)</b>	<b>Rate/n.m.</b>
Manila – Hongkong	633	US\$ 5	US \$ 0.0079
Manila - Keelung, Taiwan	732	US\$ 15	US \$ 0.02
Manila – Singapore	1,308	US\$ 12	US \$ 0.009
Manila - Cagayan de Oro	504	P 503.23 - 773.52 US\$ 10.12- 15.56	US \$ 0.02-0.03
Manila - Gen. Santos	723	P 586.07 - 1,054.54* US\$11.79 - 21.22	US \$ 0.016 -0.029
Manila - Davao	829	P 774.57 - 1,190.56 US\$15.59- 23.96	US \$ .018 - 0.029

Source: *Philippine Shippers' Bureau for the oceangoing rates and Maritime Industry Authority for the domestic rates.*

\*Covers the range of freight rates for Class C to Class A commodities which are now deregulated

### **Mailing Rates**

<b>International</b>	
Airmail Letters (20 g. - 2000 g)	P 20 – 2,314.00
Aerogram and Postcards	P13.00/pc. to all countries via airmail
Printed Matter (20 g -1,000 g.) (add'l. 500g or less)	P17.00 - 1,109.00 P284.00 - 555.00
<b>Domestic</b>	
Ordinary Mail (first 20 grams to 2k)	P7.00 - 113.00 (Intra) P9.00 - 135.00 (Inter/Airmail)
Priority Mail (first 20 grams to 2k)	P13.00 - P 124.00 (Intra) P18.00 - P 146.00 (Inter)
Express (first 20 grams to 2k)	P25.00 - 136.00(Intra) P35.00 - 169.00 (Inter)
Registered (first 20 grams to 2k)	P17.00 - 123.00 (Intra) P21.00 - 145.00 (Inter/Airmail)
3rd Class & C.O.D. (first 20 grams and 2k)	P5.00 - 90.00 (Intra) P6.00 - 101.00 (Inter)

Source: Philippine Postal Corporation

<http://www.philpost.gov.ph/>

**INTERNATIONAL SHIPPING****FedEx International**

For International Priority Shipments (Rates exclude special fee and dynamic fuel charge)

<b>Major Destinations</b> (From Manila)	China (South), Hongkong, Taiwan	China (excluding South), Japan, Thailand	Canada, Mexico	France, Germany, United Kingdom	Russia, South Africa, United Arab Emirates	US West Coast	Puerto Rico, US (Rest of the country)
0.5 kg	US\$10.50	US\$14.00	US\$23.50	US\$36.00	US\$41.60	US\$23.50	US\$23.50
1.0 kg	US\$13.10	US\$16.80	US\$28.40	US\$44.70	US\$52.00	US\$28.40	US\$28.40
1.5 kg	US\$15.70	US\$19.60	US\$33.30	US\$53.40	US\$62.20	US\$33.30	US\$33.30
2.0 kg	US\$18.20	US\$22.40	US\$38.10	US\$62.10	US\$72.60	US\$38.10	US\$38.10
2.5 kg	US\$20.80	US\$25.30	US\$43.00	US\$70.80	US\$82.80	4 US\$3.00	US\$43.00

Current fuel charge for export shipment as of May 2, 2010 is 10.50%.

Source: <http://fedex.com/ph/>**DHL International**

<b>Major Destinations</b> (From Manila)	<b>Rates</b> (Document Package, 1 kg)*
Hongkong, Singapore	US\$17.75
China, Indonesia, Thailand, Japan	US\$22.97
United Arab Emirates	US\$32.83
Italy	US\$30.16
Spain, Finland, Denmark	US\$32.83
United States	Not served by DHL in PH

\*Inclusive of fuel charge (Last Updated: May 14, 2010)

Source: <http://www.dhl.com.ph/>