



The GLOBAL container

NPSA Set For Another Year of Exciting Events

As we rapidly move into 2008, the NPSA has a full spectrum of events for our membership to take advantage networking and educational opportunities. Beginning with our Spring Seminar, this informative event will include broad discussions on how to promote and advertise your business within the community, as well as an extensive tour of Midway Trailer to include modification demonstrations, paint/coatings discussion, locking devices, and



2008 NPSA



Spring Seminar

Winston-Salem April 3 - 4

several trailer manufacturers will be there to operate their products. Look for registration and agenda information in this publication as well as on the NPSA website at www.npsa.org. This hard hitting seminar enables the majority of attendees to spend just one night out of town, making it very cost efficient. We look

forward to seeing you on April 3 and 4 in Winston-Salem, North Carolina!

Just a couple of short months after the Spring Seminar, NPSA will be hosting its first European Conference at the Dolce Hotel in Sitges, Spain (just south of Barcelona). The Dolce overlooks the Mediterranean and the historical resort town of Sitges. Patterned after the Resale Expo, this Euro Expo will enable us to promote the NPSA network within Europe and allow European retailers the opportunity to meet and discuss issues affecting their business. The Spanish Coast is one of the most beautiful locations in Europe, and Spain, is considered one of the most cost effective countries in which to conduct a meeting. Held from June 8-10, this is a setting and a conference that you will not want to miss!



Growing Strong! Welcome to 40 New Members



- A.W. Graham Lumber LLC, Flemingsburg, KY
- Aaron Supreme Container Leasing, New Haven, CT
- Alverstoke Capital Group LLC, New York, NY
- Bondo Corporation, Atlanta, GA
- Buffers USA Inc. Jacksonville, FL
- BuyerZone.com, Waltham, MA
- Castino Corporation, Belleville, MI
- Central Storage Depot, Sylvania, OH
- Cratex Container Sales, Delta, Canada
- Depositos y Contenedores S.A., Santiago, Chile
- Economy Storage, Titusville, FL
- Equipment Investors Group, Miami Lakes, FL
- Finn Container Cargo Services, Inc., Houston, TX
- First Coast Electronics, Titusville, FL
- Front Range Containers, LLC, Loveland, CO
- Gollott Containers LLC, Biloxi, MS
- Graham Storage Services, Cohasset, MA
- Great Lakes Commercial Space LLC, Greenville, MI
- Greenway Logistics, Inc., Springfield, NJ
- H & P Leasing, Jackson, MS
- Jenco Sales, Inc., Newnan, GA
- Kelly Container, Suffield, CT
- Kohrdt Consulting, French Camp, CA
- Magnate Steel, Calgary, Canada
- McGrath Rent Corp., Livermore, CA
- Mid-American Vehicle Rental, Hoxie, AR
- Midway Trailer and Equipment, Madisonville, TX
- Mini Warehousing, Mansfield, MA
- Mobile Attic, Dothan, AL
- National Insurance Specialists, Toledo, OH
- Portable Storage of Montana, Bozeman, MT
- Powerfleet, Inc., Centerville, VA
- Rail Road Runner Container Services, Inc., Calgary, Canada
- Secure-Rite Mobile Storage, Inc., Kelowna, Canada
- Secur-T-Box, Kirkland, Canada
- Shipper Owned Container, LLC, Spring, TX
- Storage At Your Door, Wichita Falls, TX
- Trailpods, LLC, Miami, FL
- Transport Specialties, Inc., Long Beach, CA
- U-Haul Int., Phoenix, AZ



Anders Norlin

The Greenback has Tanked and it is NOT the Same Old Story



If you turn on the TV or pick up a newspaper, you can't escape the news: the greenback has tanked. Faced with the strength of the Euro and the growing power of China, which is the leader of an up-and-coming group of populous countries that are becoming important world financial powers, the Dollar has weakened.

The obvious question this raises is how will the uncertainty of the current economic climate affect the container industry? The quick answer is that in the short term, the supply of containers will decrease as U.S. imports decline and exports increase. The strength of our currency is an indicator for the international trade and container imbalance. But eventually the pendulum is likely to swing in the other direction; as the Dollar stabilizes and regains strength, the supply of containers will increase.

What this means for owners of portable storage companies is simple: don't panic. Remember that the portable storage industry is healthy, with revenues growing by double digits every year. Take a look at the big picture, and don't make drastic changes in your business strategy in the coming months simply for the sake of making changes. As the supply of containers to purchase from maritime leasing companies and shipping lines dries up, portable storage companies will be forced to hold back on fleet expansion plans. The good news is the squeeze is likely to lead to higher rental rates over the next two quarters. The latter should improve the return on investment for the owners at the expense of not being able to service local demand.

We've been through cycles like this before. Back in 1995, for instance, the U.S. Dollar tanked against the German Mark and other leading European currencies, causing great concerns as foreign investors flocked to buy U.S. blue chip companies, such as Chrysler and Citicorp, at bargain prices. Furthermore, import and export patterns shifted, and the container surplus in the United States shrank. But within a few years, the situation stabilized and even reversed, with containers fetching exceptionally low prices amid a worldwide recession in 2001-2002.

The current circumstances differ from 1995, however, in several significant ways. A decade or so ago, we faced a challenge from several strong trading partners with influence over our country. Now, however, the introduction of a single, strong currency for the continent of Europe has complicated our overseas financial relationships. The Euro is challenging the Dollar to become the currency of choice for international trade. What is there to stop the markets of international commodities from trading in Euros instead of in Dollars? It may not be as simple as changing a setting in the computer. But it is certainly a lot easier to change now than it would have been ten years ago when Europe had more than fifteen different currencies.

Another factor in the current equation is what is happening in Brazil, Russia, India and China (BRIC). China is the leader in an emerging group of these populous countries that are projected to be part of the leading economic nations in the future. The People's Bank of China is buying Dollar nominated bonds to maintain our currency at a level that benefits the Chinese exports to the United States. As a result, we are buying labor cheaper in China than anywhere else, and the quality of products is comparable to what is

made in Germany, Japan or the United States. Therefore the laws of economics take over, and production moves to China. Traditionally, we should expect the production of goods to move to the market with the devalued currency, which in this case is the United States, with foreign investments following. In theory, we may see Mercedes made in South Carolina rolling on the autobahn in Germany and the Airbus being assembled in Wichita, Kansas. In reality, recently we saw large foreign investment in Citicorp, and the German national airline, Lufthansa, bought almost 20 percent of Jet Blue Airways.

But instead of being an instant replay of the 1995 story, this cycle is a little different. Like 1995, the United States is again a cheap place to invest. But it is not cheap enough to lure the main exporter to the United States — China — to move production here. Instead, the Chinese Central Bank maintains our currency so that we can continue to import products from them. In other words, this time around it is cheap in China, as well.

It's important not to overreact to the devaluation of the Dollar. The World Economic Forum recently produced a publication called The Global Competitiveness Report 2007-2008, in which 11,000 executives of leading companies worldwide were interviewed. They ranked the United States No. 1, the most competitive country in the world. China wasn't among the Top Ten. Although 2.6 percent of those interviewed cited foreign currency issues as a challenge, a far greater percentage — 15 — said taxation was the biggest challenge they expect to face in 2008.

Taking all these factors into consideration, I don't believe the weak Dollar poses a threat to the health of the portable storage industry. The secret is to adjust your business to the new climate and move on, armed with the knowledge that one day the greenback will be strong again.

In the meantime, adjust to the fact that there will be a limited supply of containers for awhile. If you are in a strong diversified market, try to take advantage of the slow season and buy container equipment during the months from January through March of 2008. However, if your local economy feels like it is slowing down, buy containers only when you can rent them out at good rates and for longer periods. You need to be cautious because the economic slowdown has a ripple effect. Your customers may feel a slowdown from their customers, limiting their ability to pay you in a timely fashion. In the larger perspective, interest rates are coming down, but capital is getting tighter because there are gray clouds in the economic sky. Take the same approach and take an extra look at questionable credits. Although it is unrealistic to expect that the portable storage industry will remain completely untouched by what is happening in the real estate and construction industries and on Wall Street, the portable storage industry's outlook looks strong in both the short- and long-term. So far, I don't hear many complaints from the portable storage companies I talk to.

With luck, the situation will stay that way if the operators stick to business basics. First, avoid losing money. Second, deal with people who you are comfortable with and third, talk to other businesses in your area. An economic outlook, good or bad, is nothing other than a large number of people who believe the same thing.

Anders Norlin is the President and owner of Box Credit LLC, a company that provides financial solutions and advisor services to the portable storage industry. www.boxcredit.com (415) 381-8542