



For Immediate Release:

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Fireworks Shortage Will Get Worse Before Better

China Transportation & Export Delays Will Impact U.S. Fireworks Industry Beyond July 4th Holiday

Bethesda, Maryland, June 30, 2008 – The U.S. fireworks industry is facing very troubling and challenging times. “This year, for the first time ever, we are experiencing a shortage of fireworks and pyrotechnic devices”, said Julie L. Heckman, Executive Director of the American Pyrotechnics Association (APA). While the product shortage is not as severe as the trade organization initially feared several months ago when imports were behind by almost 40%; it is, nonetheless very real as the industry approaches the Independence Day holiday with 10% - 15% of the fireworks expected from China not reaching the U.S. ports in time for the celebrations. Moreover, industry leaders fear that the transportation difficulties which created this year’s shortages will continue and could be a precursor of even greater challenges for the industry.

According to Heckman, the current shortage resulted from a significant port closure in China following a series of warehouse explosions. While fireworks were destroyed in those explosions, the fireworks shortage is related to the subsequent closure of the nearby Port of Sanshui, Foshan City, which had facilitated exports of approximately 70% of the fireworks imported in the U.S. from China. The port closure created a significant backlog in fireworks containers leaving China which required extensive re-routing.

Since March the fireworks industry has had to rely on just two China ports for fireworks export (Shanghai and Beihai) when the industry had previously used four (4) ports to handle the volume of exports to the U.S., especially during peak transportation season (end of February through May) to accommodate the U.S. demand for Independence Day celebrations.

Shanghai has now become the primary port for the export of backyard consumer fireworks sold to the general public at thousands of road side stands and tents and fireworks stores throughout the country. The Beihai port is the only China port accepting professional display fireworks (fireworks used in community displays) for export. Exporting from Beihai has created additional delays in shipments because logistics there require fireworks containers to load on to small feeder barges and make a two-day journey to Hong Kong before being loaded onto the mother vessel for their voyage to the U.S.

APA President, Michael Collar, stated that “the transportation infrastructure within China is in need of serious attention if China wishes to remain the leading worldwide supplier of fireworks”. Collar further added that, “in order to ensure that fireworks exports can be processed in a timely fashion, China must open additional ports to keep up with the supply demand and the APA has committed a significant amount of time and energy

addressing the export problem during the past several months with the assistance of our U.S. governmental agencies”.

Specifically, the APA has coordinated a multifaceted effort to address the array of transportation issues that have plagued fireworks exports from China. The trade organization enlisted the help of the U.S. Department of Transportation (DOT), the Commerce Department and State Department. In Mid-May, DOT officials met with China officials in Beijing regarding the fireworks transportation challenges. As a result of that meeting, Chinese government officials directed three ports in China to open to fireworks exports. This directive is encouraging news to the U.S. fireworks industry as a first step in helping to resolve the serious transportation challenges facing the industry. However, according to APA’s Executive Director, Ms. Heckman, no real action or progress will be made in the short-term regarding the opening of these ports. “At best, we can hope that these ports may begin to accept fireworks for export in October or November”, Heckman said.

The 2008 Summer Olympics in Beijing will contribute to further delays in fireworks shipments to the U.S. and worldwide. Recently the port of Shanghai announced that it will not accept fireworks shipments effective July 1 – August 31 and that shutdown may extend until mid-October. Thus, the fireworks industry will rely on the problematic port of Beihai as it’s only China export port. “We are very concerned about the impact of the Shanghai restrictions on our winter fireworks season –Christmas and New Year’s -- and the continued backlog in exporting this will create on fireworks for 2009”, said Heckman.

The fireworks industry is very nervous about the China export situation. The fireworks industry was able to cope with this season’s delays and shortages by tapping into existing inventories to make July 4th happen this year. “It took a lot of networking amongst industry members to help out companies in need”, said Heckman. However, moving forward following July 4, “it will be much more difficult and unless we can successfully open more ports in China to handle the volume of exports and the backlog which will be created due to the Olympics transport restrictions, 2009 could become very problematic, Heckman added.

So, this Fourth of July, as you look to the skies in excitement at the annual fireworks show, or you light the fuses on your backyard fireworks, give pause to reflect on this cherished family tradition and hope that Americans will be able to continue the patriotic tradition of celebrating Independence Day with fireworks for decades to come!

About the American Pyrotechnics Association

The APA is the leading trade association of the fireworks industry. The APA supports and promotes safety standards for all aspects of fireworks. The APA has a diverse membership including regulated and licensed manufacturers, distributors, wholesalers, retailers, importers and suppliers of fireworks and professional public display firms. Additional information about the fireworks industry, facts & figures, history of fireworks, state laws, and safety tips can be found on APA’s website at www.americanpyro.com.

Additional notes: 98% of the backyard consumer fireworks used in the U.S. are manufactured in China.

80% of the professional display fireworks used in the U.S. are manufactured in China. The U.S. has approximately 10% domestic manufacture of display fireworks. The remaining 10% imports are from Italy, France, Germany, Spain, and Japan.