

OCEAN FREIGHT MARKET UPDATE

OCTOBER 2021 –
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Ocean Freight Market update – October 2021

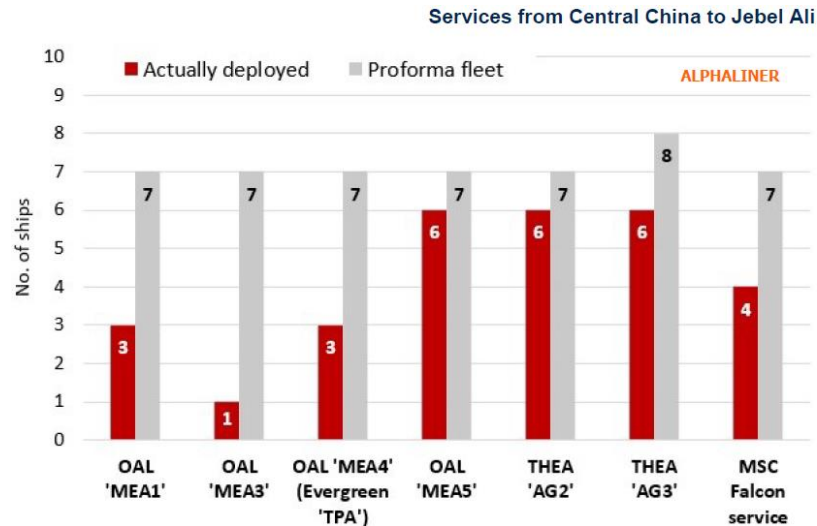
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Top 20 global ports by throughput in H1 2021



Topic of the month – Far East – Middle East trade badly hit by lack of capacity

Dedicated Far East m Middle East services appear worst hit by the capacity shift to the big East – West trades

- None of the dedicated Central China – Middle East services operated by the big carriers currently offers weekly sailings. On Sep 14th 29 ships were deployed on these services, while 50 would be required according to pro forma schedules.
- As a result, almost half of all sailings on this route have to be blanked, as the services not only lack some 40% of the pro forma capacity but also require additional ships as vessels can no longer complete a round trip in seven weeks due to port congestion and long waiting times at anchorage.
- The shortage of capacity in the Far East – Middle East trade is not only a result of port congestion; many ships have been redeployed to the main East – West routes, where cargo demand is very strong and spot freight rates are at historical highs.
- The share of the global cellular fleet deployed in the Asia – Europe and Asia – North America trades increased from 34.6% on 1 July 2020 to 41.4% on 1 July 2021. Transpacific capacity has risen 30.6% year-on-year and the Far East – Middle East trade is one of the worst affected by the capacity shift to Asia – US West Coast services.



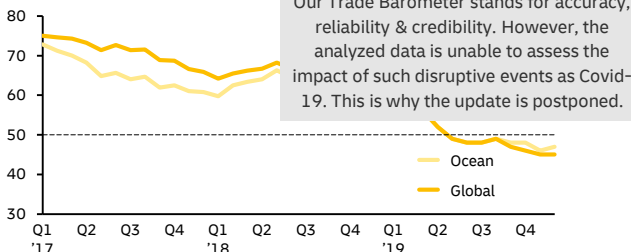
Source: DHL, Carriers, Alphaliner

High level market development

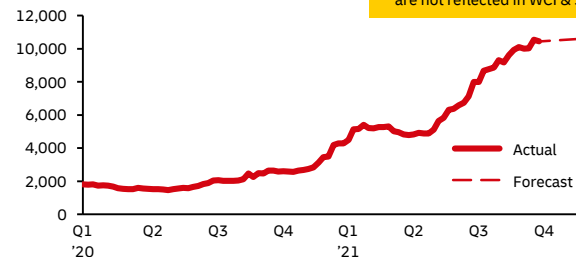
ECONOMIC OUTLOOK GDP GROWTH BY REGION¹⁾

	2021F	2022F	2023F	2024F	2025F	CAGR (2022-25)
AMER	6.0%	4.2%	2.3%	2.4%	2.4%	2.4%
ASPA	6.1%	4.9%	4.4%	4.3%	4.3%	4.3%
EURO	5.1%	4.2%	2.2%	1.8%	1.7%	1.9%
MEA	3.6%	4.4%	4.3%	3.8%	3.5%	3.8%
DGF World	5.7%	4.5%	3.2%	3.0%	3.0%	3.1%

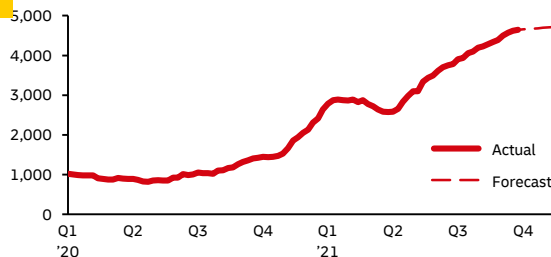
DHL TRADE BAROMETER²⁾



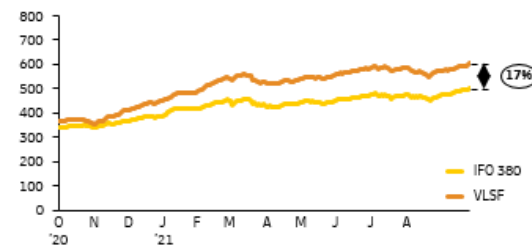
WORLD CONTAINER INDEX (WCI)³⁾



SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)⁴⁾







BUNKER PRICES⁵⁾



1) Real GDP, Copyright © IHS Markit, Q2 2021 Update 1 Jun '21, Venezuela is excluded from aggregates due to hyperinflation. All rights reserved; 2) DHL Global Trade Barometer Dec19, index value represents weighted average of current growth and upcoming two months of trade, a value at 50 is considered neutral, expanding above 50, and shrinking below 50; 3) Drewry, in USD/40ft container, including BAF & THC both ends, 42 individual routes, excluding intra-Asia routes; 4) Shanghai Shipping Exchange, in USD/20ft ctnr & USD/40ft ctnr for US routes, including BAF, EBAF, CAF, PSS, WRS, PCS & SCS/SCF/PTF/PCC, excl. THC, 15 routes from Shanghai; 5) Source: DHL

Major trades – Market outlook October 2021 month-on-month development

	EUROPE				NORTH AMERICA							
	Import region	Capacity	Rate		Import region	Capacity	Rate					
	AMNO	=	+		EURO	=	+					
	AMLA & MX	=	=/+		AMLA	-	++					
	ASPA	=	=		ASPA	-	++					
	MENAT	-	+		MENAT	-	+					
SSA	=	+	SSA	=	+							
	ASIA PACIFIC				SOUTH AMERICA							
	Import region	Capacity	Rate		Import region	Capacity	Rates					
	EURO	--	++		EURO	=	++					
	AMNO	-	=		AMNO	-	++					
	AMLA	=	++		ASPA	=	++					
	ASPA	--	++		MENAT	=	+					
MENAT	--	+	SSA	=	+							
OCEANIA	--	+										
KEY			Strong Increase	++	Moderate Increase	+	No Change	=	Moderate Decline	-	Strong Decline	--
Source: DHL												

Source: DHL

Market outlook October 2021

Ocean Freight rates – Asia-Pacific exports

- ASPA-EURO** The market continues to remain strong, with tight equipment situation. The port congestion lead to further vessel delays and blank sailings.
- ASPA-AMNO** The port congestion continues with around 60 ships lining up into LAX/ LGB. There are also congestion at all major rail facilities in Chicago, Columbus, and Los Angeles UP and BNSF rail ramps. The market remains strong and equipment tight out from Asia.
- ASPA-AMLA** Equipment remains a burning issue in a trade that is competing for same cntrs as higher paying trades like TPEB and FEWB. NOR constantly a good solution. Supply with no proforma upgrade, and demand shall remain high post golden week as peak season to Christmas starts. Despite weak Latam currencies, economies rebounding after a very good progress of vaccination campaigns.
- ASPA-MENAT** Far East/Gulf space is severely lacking and face more than 40% of blank sailings in Sep. MED space is tight with blank sailings taking place during Golden Week. Africa market is still very strong and shows no let-up in Oct. Equipment from Asia is still tight and placing of bookings is recommended at least 4 weeks in advance.
- ASPA-ASPA** Space and equipment at Asia ports remains tight for October. Delays are expected as schedule reliability is all-time low. Accurate forecast and 3-4 weeks advance booking remain a necessity. For IPBC, with multiple blank sailings in September, shipments remain stuck at origin and transshipment port. Waiting time for shipments at transshipment port is about 6-8 weeks. Reduction of capacity in October is expected as carriers are announcing blank sailings due to upcoming Golden Week. Advanced booking of at least 4 weeks remains as a guideline for FAK bookings to secure space early.

Source: DHL



Find additional
trade
information in
the backup!

Market outlook October 2021

Ocean Freight rates – Other major trades

EURO-AMNO	Some carriers will further increase the rates into USA and Canada. Unreliable services and volume peak still results in capacity shortage. Blank sailings and port omissions (especially, but not limited to the West Coast) still ongoing due to schedule recovery process. Port/Rail/Intermodal issues further increasing. Also congestion in the US is escalating. St. Lawrence water levels is expected to be above critical level soon, but the Low Water Additional still in place.
EURO- ASPA+MEA	All ie ME/IPBC/ASPA/SPAC: Equipment situation improved slightly, but still tense in inland depots. Asia: space situation is further improving. Rates are being extended or slightly reduced. AU/NZ: still very tense situation due to congestions in all transshipment ports in Asia. Direct service are heavily overbooked. Especially to NZ worsening situation because several carriers are not offering services to NZ. Rates are further increasing. MEA: The EQ-situation is similar to asia. Space will remain very tight, also due to the fact that FE3 is still omitting Jebel Ali through November at least. Rates have been mostly extended or slightly increased.
AMNO-EURO	Rates are increasing in Q4 with larger increases ex USWC where vessels are full. No change in capacity. Overall schedule reliability challenges due to terminal congestion both in US and North Europe . Port omissions are ongoing with all carriers
AMNO-ASPA	Decline in capacity, as carriers are still limiting the space back to Asia. Strong increase in rates due to GRI every 15 days.
AMLA Exports	AMLA – AMNO & INTRA: WCSA continues facing challenges in terms of bad weather as well as Asia inbound delays which add to the already deteriorated service reliability & lack of equipment. ECSA service strings also oversubscribed with some carriers booked till end of October already. Carriers exercising carefully monitoring of allocation / capacity by string as well as implementing increases monthly. Situation expected to continue for the remainder of Q4. AMLA – ASPA: ECSA practically closed for capacity; 6 weeks ahead tentative bookings to be placed. MX/WCSA generally still workable in terms of space. Further erosion on Latam currencies putting extra incentive for exports. Evergrande bankruptcy risk may soften commodity imports to China, we shall closely follow up in the coming weeks.
Source: DHL	AMLA – EURO, MENAT & SSA: Structural service changes, port omissions, equipment shortages (particularly BR, AR, EC, CO and CL) have continued to plague the region. Rates continue to climb month over month, particularly from SAEC. Mexico is a bright spot where export levels remain stable, despite declining service via several port omissions.



Find additional
trade
information in
the backup!

Economic outlook & Demand evolution – An uneven global economic expansion amid consumer caution and supply constraints



EUROPE

Western Europe's consumer-led expansion gains traction. The easing of COVID-19 containment measures, resilient labor markets, and household savings accumulated during the pandemic are reviving consumer spending. Eurozone real GDP increased 2.2% q/q (9.2% annualized) in the second quarter and is on track to post a similar gain in the third quarter. Under the European Central Bank's new policy framework, monetary policy will stay highly accommodative for several years. Yet, growth will slow as the boost from reopening diminishes and fiscal policies tighten significantly.



AMERICAS

COVID-19 concerns and supply issues shift US growth from 2021 to 2022. The forecast of real GDP growth has been lowered 0.4 percentage point, to 5.7%, in 2021, owing to more cautious consumer spending on services, fewer light vehicle assemblies, and less inventory investment. The 2021 losses will be recouped as the pandemic subsides and supply conditions improve. Passage of the Infrastructure Investment and Jobs Act is now likely enough that it has been included in the September forecast. Its peak effect is to raise the level of real GDP by 0.5% and employment by 750,000 in 2025–26. With sustained growth in consumer spending on services, business investment, and exports, real GDP is projected to increase 4.5% in 2022 and 2.7% in 2023. The US unemployment rate will drop from 5.2% in August to a low of 3.3% in 2024–25.



ASIA PACIFIC

Mainland China's economy has decelerated broadly. In August, industrial output growth slowed to 5.3% year on year (y/y), restrained by semiconductor shortages and production curbs designed to achieve the government's decarbonization targets. Although the scale of the COVID-19 outbreaks is relatively small, the Chinese government's zero-tolerance policy will lead to subpar economic growth through the end of 2021.

Asia Pacific's manufacturing hubs will rebound strongly. IHS Markit economists estimate that real GDP contracted q/q during the third quarter in AU, ID, MY, PH, TH, & VN. With vaccination campaigns accelerating and new COVID-19 cases declining from recent peaks, Asia Pacific is poised for a strong rebound in late 2021 and early 2022. Virus containment efforts have been most successful in IN, TW, ID, & JP. The recovery of manufacturing production will help to gradually resolve global supply chain disruptions.



EMERGING & DEVELOPING COUNTRIES

Central banks in Brazil, Mexico, Chile, and Peru have increased their policy rates, prompted by high inflation. While monetary authorities consider the escalation in consumer price inflation a temporary phenomenon, they are hiking their policy rates in an effort to rein in inflation expectations. Higher food and energy prices are the major drivers of consumer price inflation worldwide and in many Latin American countries.



DEMAND DEVELOPMENT

The IHS Markit Purchasing Managers' Index™ (PMITM) surveys through August indicate record-high delivery times for manufacturing inputs. These supply delays are driving up prices and curbing output in many sectors—especially autos, construction, industrial equipment, and technology. Semiconductor shortages continue to depress global auto production, resulting in depleted dealer inventories and reduced sales.

Source: IHS Markit, IHS Purchasing Manager Index Manufacturing, a PMI at 50 is considered neutral, expanding above 50, and business shrinking below 50

US Chassis, Rail, Trucking Situation

- ▶ **Chassis and Equipment Shortages**– Due to the massive influx of Ocean import cargo, particularly from Asia Pacific there are significant issues with available warehouse space across the country. This results in containers remaining on chassis for much longer periods of time. Both LCL & FCL products impacted. **Dwell times increased drastically, as well as drayage between port and customer warehouses**

Rail – We continue to see problems with the US intermodal rail network. **Rail delays are occurring across country** (Midwest and

- ▶ Chicago areas), **are facing average of 6-8 weeks dwell time**

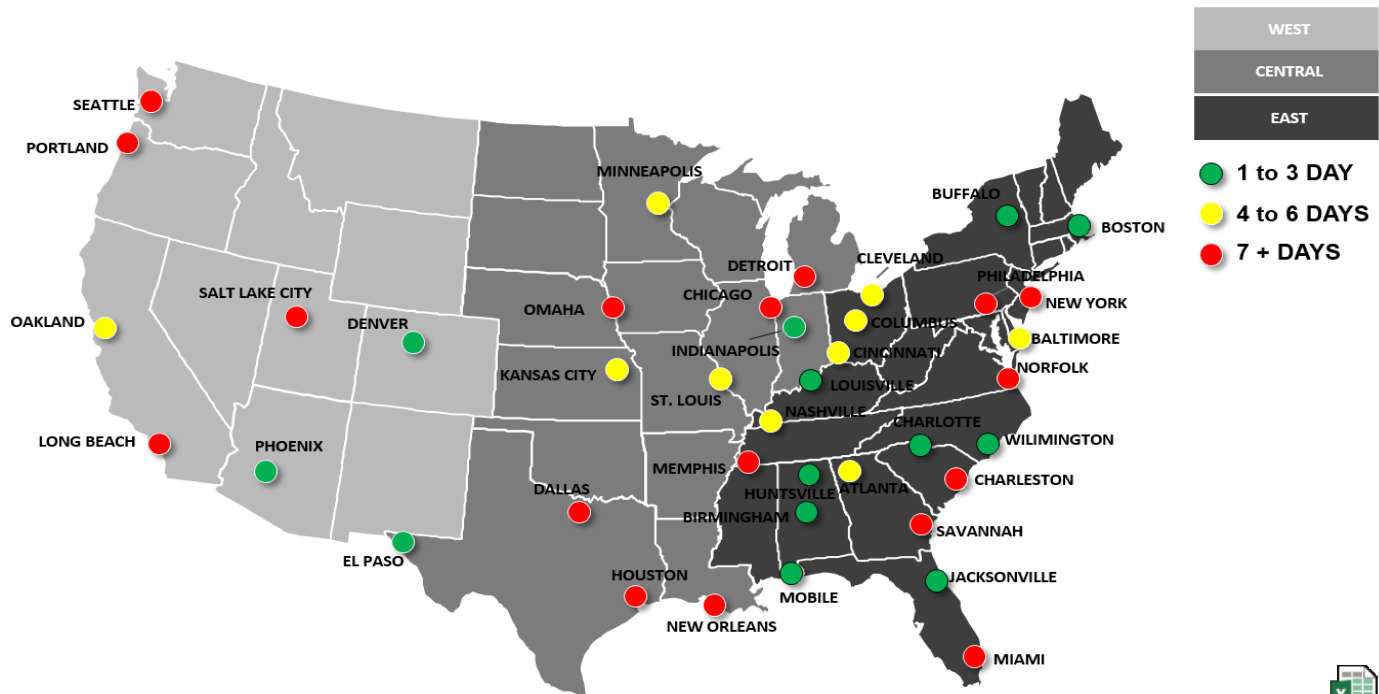
These issues combined **causes a significant congestion at ocean terminals, rail terminals and Container Freight Stations (CFS)** and often results in delays that can sometimes last several weeks

- ▶ **Chassis Situation: Severe**
USWC, NYC, CHI, LUI, DET,IND, KCS shortages continue

Motor Carrier Capacity/Availability

- **NYC/ORF** = 14+ days appt. lead time
 - **SAV/CHS /HOU**= 14+ days appt. lead time
 - **Chicago/Detroit** = 14+ days appt. lead time
 - **LAX/SEA** = 10 + days appt. lead time
 - **Memphis/ PHL** = 7+ days appt. lead time
- Trucking capacity remains to be a big challenge in the US across the country. Bookings need to be placed well in advance.

CONTAINER TRUCKING AVAILABILITY



Capacity 1/2

Hapag-Lloyd has announced that the **eastbound calls at Jebel Ali** of the N Europe – Middle East – Far East 'FE3' loop at THE Alliance will be **temporarily skipped**. The last direct call at the UAE port was made on 1 September with the 16,010 TEU HMM RAON, and no direct 'FE3' calls are scheduled there before the 2nd half of December. Rolf Habben Jansen, CEO of Hapag-Lloyd, stated in an online market briefing that the need for container capacity is currently the most urgent in the Asia – Europe and the Transpacific trades. This has prompted the German carrier to shift capacity from some areas including the Middle East to both East West trades.

The ongoing **port congestion in North Europe** has further forced the **2M** partners Maersk and MSC to extend a number of **temporary rotation changes** for three of its six Far East – North Europe service. The adjustments concern the 'AE-7 / Condor' service (omission of Hamburg), the 'AE-6 L Lion' service (omission of Le Havre) and the 'AE -55 / Griffin' service (omission of Antwerp). Apart from extending the above mentioned **port omissions**, Maersk and MSC have also changed the voyage numbers for nine Far East - Europe sailings in Q4. Seven vessels will leave Asia one week later than foreseen and the 18,340 teu MARGRETHE MAERSK ('AE-5 / Albatross' service) and the 14,036 teu MSC PALOMA ('AE-55 / Griffin) are even delayed by two weeks.

Ongoing **port congestion** and **operational constraints** in **North Europe** and **North America** have compelled **Maersk and MSC** to adjust the schedule of their joint 2M North Europe – US East Coast 'TA2 / NEUATL2' service. The addition in early October of the 7,154 TEU SANTA ROSA as extra vessel to the 'TA2 / NEUATL2' fleet will allow the service to turn in six weeks and add Charleston to the rotation. Both carriers have also announced the re-instatement of the UK call at Felixtowe in Q1 2022.

MSC is to launch **two additional weekly China – Long Beach shuttle services** in response to the continuous **strong Transpacific market**. Two maxi panama 5,000 TEU ships are currently positioning from North America via Suez to Asia to offer the first sailings in October. The new 'Puma' shuttle will focus on South China (Shenzhen), with calls at Dachan Bay, Shekou, Long Beach, Dachan Bay. The new 'Mustang' shuttle will only call at Shanghai and Long Beach. MSC stated that the new services will continue operating until further notice. Both are expected to be stand alone loops as MSC's 2M partner Maersk has not issued a similar press release.

Taiwanese liner shipping company **T.S. Lines** will start offering **a direct liner service** between **China and New Zealand** at the end of September, by extending its China - Australia 'CA 2' service to include a call at Tauranga. The New Zealand port will initially be served fortnightly until the end of October, then weekly from November. The first rotation including the New Zealand call kicked off from Qingdao on 27 September.

Source: Alphaliner, THE LOADSTAR, Dynaliners, Carriers

Capacity 2/2

Evergreen confirmed on 8 September that its subsidiary Evergreen Marine (Asia) Pte. Ltd will **order** a total of **24 small and mid-sized vessels** from China's CSSC Group. Evergreen will pay a total price of USD 1,098 bn for the ships, This newbuilding program, the largest ever placed for vessels of this size by a liner shipping company, will include eleven ships of 3,000 TEU, eleven units of 2,300 TEU and two vessels of 1,800 TEU. These orders will add to the already massive orderbook of Evergreen and extend the Taiwanese carrier's pipeline from 673,400 TEU to 735,000 TEU. Globally, Evergreen's newbuilding program ranks 2nd only after MSCs, which stands at 893,400 TEU.

Orient Overseas (International) Limited (OOIL), the parent of OOCL now part of of China COSCO Group since 2018, announced on the Hong Kong Stock Exchange that it had ordered **ten container vessels of 16,000 TEU**, for a total amount of just over USD 1,57 bn. The ships will be delivered between Q4 2024 and Q4 2025. They are expected to be conventionally propelled, and fitted with SOx scrubbers. This order adds to the twelve 23,000 TEU 'megamax' container vessels ordered by OOIL in 2020, propelling the OOCL order book to a substantial 436,000 TEU.

Atlas Corporation, the NYSE-registered parent company of the non-operating owner Seaspan Corporation, on 1 September announced order for an additional **five LNG-powered container ships of 7,000 TEU**. Scheduled for delivery in Q4 of 2024, the ships are earmarked for twelve-year charter deals with the **Israeli ocean carrier ZIM**. Seaspan has already ordered **ten such vessels** in July this year, all designated for long-term charters with ZIM. The Israeli ocean carrier currently does not have any LNG-powered ship in service, but with this 15 ships ZIM now counts with an impressive newbuilding pipeline of gas-powered ships.

Carriers

AP Moller-Maersk is to sell its refrigerated container manufacturing unit, Maersk Container Industry (MCI), to China International Marine Containers (CIMC) for USD 987.3 M on a cash on debt free basis. CIMC, one of the world's largest maker of containers, will take over MCI's entire organisation and assets including its reefer factory in Qingdao and R&D and test engineering facilities in Tinglev, Denmark. The deal is subject to regulatory approval and is expected to close in or before 2022. Maersk will continue to cooperate with MCI in future.

Liner shipping giant MSC has made an unsolicited offer to take over the Brazilian liner shipping company Log-In Logistica Intermodal SA, according to statements released by Log-In Logistica on the Sao Paulo Stock Exchange. Log-In Logistica specializes in cabotage container services along the Brazilian coastline. The offer, made via a fully-owned subsidiary of MSC, Sas Shipping Agencies Services, would see the Geneva based carrier obtaining a majority stake of up to 67% into the Brazilian shipping company, in a bid valuing Log-In at just over USD 500M. Log-In said it would analyse the offer, its legal and economic aspects, and keep the market informed accordingly. Any deal would be subject to approval of the Brazilian Competition Authority.

MSC has ordered 30 air lubrication systems from Silverstream Technologies. Silverstream stated that the deal was the largest order of air lubrication technology from a single operator to date. According to the British designers, the systems will be installed on 30 newbuilt container ships of MSC, scheduled for delivery between 2022 and 2024. Silverstream claims that its air lubrication technology has been independently proven to save 5-10% of bunker and emissions by generating a carpet of air bubbles that reduce friction between the hull and the water. According to the company, the system is effective in all sea conditions and is also suitable for both newbuild applications and retrofit installations. Air bubble lubrication systems are not entirely new and a number of systems have already made their debut on cruise ships and ultralarge bulk carriers. The maritime industry's increased focus on reducing carbon emissions however has brought these systems into the spotlight more recently.

Source: Alphaliner, Dynaliners, Carriers

Regulations

New Regulation for Ocean Freight Import Cargo to Egypt – Advance Cargo ID (ACID) Number Required

With reference to the decision of the Minister of Finance of Egypt, No. 38 of 2021 issued in the official facts No. 25 continued C on 01 Feb 2021, the pre-registration of shipments "ACID" will come into effect on 01 October 2021 Departure Date. Any Consignee in Egypt must register his import shipment under the 'Advance Cargo Information System ' and will be assigned an Advance Cargo ID (ACID) Number. Consignee MUST notify the shipper with the above mentioned ACID number.

Source: DHL, Alphaliner

Did you know?

Top 20 global ports by throughput in H1 2021

- As post-COVID19 demand for goods in North America soars US ports move up the ranks. Figures for the first half of the year show that Los Angeles/Long Beach and New York/Newark recorded year-on-year throughput growth of 41% and 31% respectively. Although year-on-year increases are distorted by the drop in port throughput last year. Nevertheless, volume wise Los Angeles/Long Beach has now overtaken Hong Kong and New York/Newark is now one rank before Hamburg.
- Dubai has also seen a drop in ranks as the port has suffered from local competition.
- Overall, the top 20 container ports handled 13% more containers compared to previous year. Although there was a slight decline of around 1% compared to the last 6 months of 2020 – another possible sign that the current boom is driven by disruption rather than volumes.

Rank H1 '21	Rank FY '20	Port	Country	mTEU H1 '21	mTEU H1 '20	Growth %
1	1	Shanghai	China	22.9	20.1	14%
2	2	Singapore	Singapore	18.7	17.8	5%
3	3	Ningbo-Zhoushan	China	16.1	13.3	21%
4	4	Shenzhen	China	13.7	11.1	24%
5	5	Guangzhou	China	11.8	10.8	9%
6	7	Qingdao	China	11.7	10.3	13%
7	6	Busan	South Korea	11.4	10.8	6%
8	9	Tianjin	China	10.3	8.6	20%
9	10	Los Angeles/Long Beach	USA	10.2	7.2	41%
10	9	Hong Kong	China	8.8	8.6	2%
11	11	Rotterdam	Netherlands	7.6	7.0	9%
12	13	Port Kelang	Malaysia	7.0	6.0	17%
13	12	Dubai	UAE	6.9	6.7	3%
14	14	Antwerp	Belgium	6.2	5.9	5%
15	15	Xiamen	China	5.9	5.3	11%
16	18	Tanjung Pelepas	Malaysia	5.6	4.6	20%
17	16	Kaohsiung	Taiwan	4.9	4.9	2%
18	19	New York/Newark	USA	4.4	3.4	31%
19	18	Hamburg	Germany	4.3	4.1	6%
20	20	Leam Chabang	Thailand	4.2	3.8	12%

Source: Alphaliner

BACK-UP



Market outlook October 2021 – Ocean Freight rates additional trades (1/3)

EURO-AMLA + MX	<p>AMLA: Slight rate increases for Q4. Space situation continues stable in its severity (especially to WCSA)</p> <p>MX: Most carriers have increased FAK rates. Space situation unchanged.</p>
EURO-MENAT	The equipment situation is similar to Asia. Space will remain very tight, also due to the fact that FE3 is still omitting Jebel Ali in throughout October at least. Rates have been mostly extended
EURO-SSA	<p>South Africa: Space is tight. Q4 rates are increasing. Vessel schedules are still disrupted causing further port omission on short notice.</p> <p>West Africa: ongoing space issue across all carriers. Rates are further increasing for Q4. Carriers currently avoid to offer for long term rates. Even mid term pricing is on the high side. Pre-bookings need to be send minimum 4 in advance of planned shipping.</p> <p>East Africa: very high vessel utilization, space is very tight, rates are increasing further in Q4. Partial booking stops for the coming weeks due to congestions and rolling pools in Middle East transshipment ports.</p>
AMNO-MENAT	<p>Few carriers are leaving the USWC market to Mideast, as well as de-selecting certain outport locations in Mideast. More GRIs from USWC and US Gulf to Mideast are announced due to the market adjustments. USEC to Mideast will likely see a slight opening in capacity, stabilization of service performance due to certain carriers de-selecting some routes. Rates are expected to soften.</p> <p>East Med/North Africa are also seeing GRIs announced for the first time in several months, mainly from USWC, due to some service changes in the market.</p>
AMNO-SSA	USWC challenges lead to high GRIs on services to this portion of Africa as well. Continued congestion at N. Europe and Med transshipment hubs, as well as increasing congestion at West and North African PODs play a part in GRIs.
AMNO-AMLA	USGULF affected by recent storms within past few weeks with domino effect on port omissions as well as cut & runs. Area remains with backlog / heavy congestion. Services to Chile & Peru affected w/ booking stoppage by some carriers due to congestion at transshipment port as well as restrictions on limited moves at destination port. GRI's for October vary by carrier and route but all expected to impact market 100%.

Market outlook October 2021 – Ocean Freight rates additional trades (2/3)

EURO MED-AMNO	Space constraints, equipment shortage and congestion at origin/destination ports continue. Rates drastically increased as of October 1 st . WC Ports ports strongly congested, Vancouver and Seattle omitted by all direct services.
EURO MED-AMLA	Volumes growth drive rate increase on SAEC and SAWC rates.
EURO MED-ASPA and MENAT	Slight softening of rates depending on the service and alliance.
EURO MED-SSA	Unchanged/stable.
ASPA-SPAC	Space and equipment issues expected to continue for October. Due to recent Shanghai Typhoon situation, vessels are expected to further delay, resulting in vessel slide due to delay. Carriers are also announcing blank sailings due to CN Golden Week. Rates expected to further increase with GRI USD500/TEU announced by main carriers for AU/NZ destinations. Early booking forecast required and bookings to be made at least 1 month before vessel eta. Singapore transshipment waiting time now average about 1 - 2months for majority carriers and carriers are prioritizing premium cargoes first as priority.

Source: DHL

Market outlook October 2021 – Ocean Freight rates additional trades (3/3)

MENAT Exports

Intra Gulf & ISC: Shortage of 20' equipment to Red Sea ports. Rates increased compared to September.

Asia: Rates on higher side along with equipment shortage for Asia bound cargo. As carriers prefer to reposition empty boxes instead of laden boxes to reduce the turnaround time. Destination free time reduced.

Europe & MED: Rates continue to increase. Space is tight and is available at premium rate levels. Carriers preferring light weight cargo.

Africa (West & South): Rates, GRI and Premium surcharges continue to increase. Space only available for bookings made at least 3-4 weeks in advance. Carriers releasing bookings against "Sea Priority/Shipping Guarantee" on most lanes. Carriers' allocation for outbound ex GCC still limited.

Africa (East): Space situation is tight. Space only available for bookings made at least 3-4 weeks in advance. Carriers releasing bookings against "Sea Priority/Shipping Guarantee" on most lanes.

AMNO: Rates continue to increase. PSS/GRI applied by all carriers. Space situation is tight. Bookings need to be placed 3-4 weeks in advance. Carriers not releasing USA East Coast bookings due to transshipment port congestion.

AMLA: Most of the carriers are not accepting bookings due to limited allocation. Situation expected to persist in October.

North Africa + Turkey Exports

Europe: Vessels are full and especially from Egypt carriers implement PSS, ex Morocco space is available.

Asia: Vessels are full with heavy 20' containers, carriers are looking for 40 containers to stabilize the utilization.

Middle East: Vessels have capacity and carriers are open for new volume. Severe shortage of 20' containers ex North Africa.

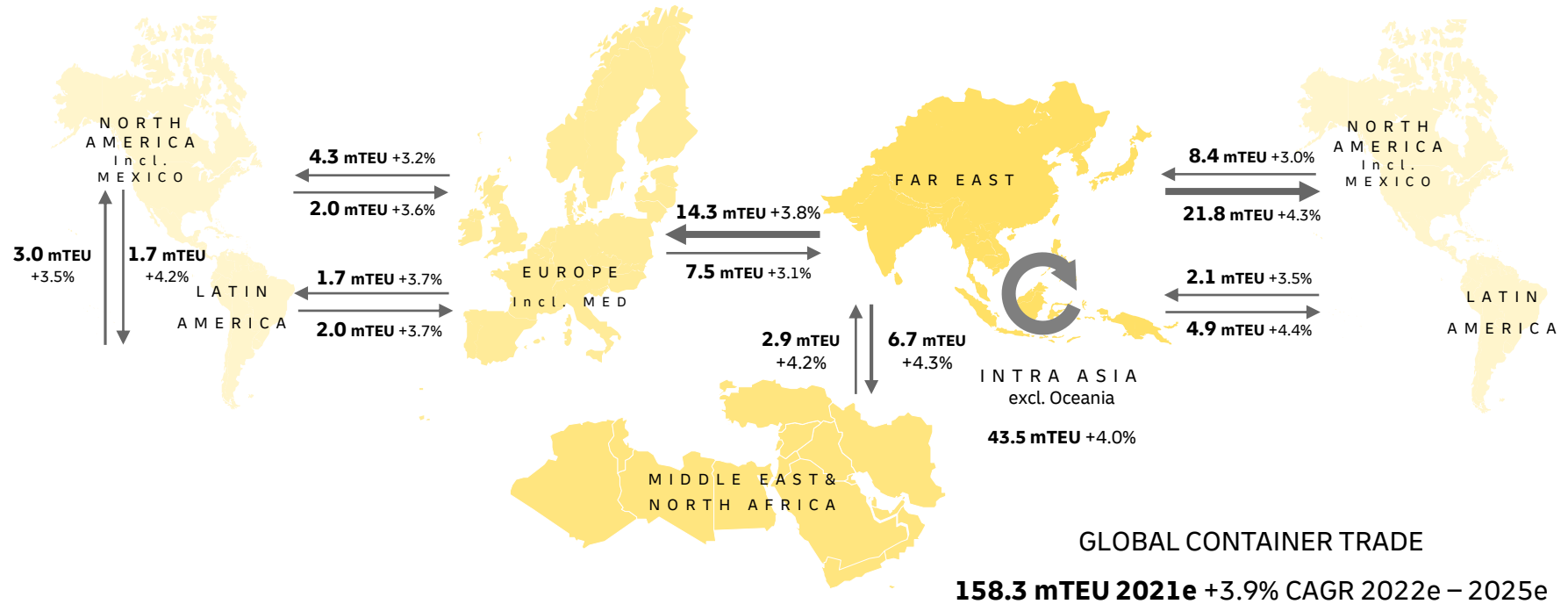
AMLA: Vessels are full, vessels collecting cargo for all MED countries, there is an on-going export increase from MED, October vessels already closed.

Africa: Local and global carriers are cleaning the backlog, they increase rates to limit new bookings. Arkas, CMA have limited allocation, ONE still not accepting any volume. Bookings must be placed well in advance.

AMNO: All vessels are fully booked, carriers are not willing to send equipment to US due to lack of chassis. US West Coast almost closed, with some carriers not accepting bookings. Canada and US West Coast sailings closed till mid of October.

East Med: Local carriers are looking for new volume, vessels have capacity especially for Beirut and Alexandria.

Market volume 2021 – 2025



Source: Seabury Jun21 update

State of the industry – Ocean Carrier alliances



THE ALLIANCE

HAPAG-LLOYD
ONE
YANG MING
HMM



OCEAN ALLIANCE

OOCL
CMA CGM
CHINA COSCO SHIPPING
EVERGREEN



2M

MAERSK LINE
MSC

Source: Carriers

Acronyms and Explanations – Ocean Freight glossary

AMLA	– Latin America	OWS	– Overweight Surcharge
AMNO	– North America	PH	– Philippines
AR	– Argentina	PNW	– Pacific North West
ASPA	– AsiaPacific	Ppt.	– Percentage points
BR	– Brazil	PSW	– Pacific South West
CAGR	– Compound Annual Growth Rate	QoQ	– Quarter on quarter
CENAC	– Central America and Caribbean	SAEC	– South America East Coast
CNC	– CNC Line (Cheng Lie Navigation Co. Ltd.)	SAWC	– South America West Coast
DG	– Dangerous Goods	SOLAS	– Safety of Life at Sea
DWT	– Dead Weight Tonnage	SPRC	– South People's Republic of China – South China
EB	– Eastbound	SSA	– Sub-Saharan Africa
ECSA	– East Coast South America (synonym for SAEC)	SSL	– Steam Ship Line
EGLV	– Evergreen Marine Corp	T	– Thousands
EURO	– Europe	TEU	– Twenty foot equivalent unit (20' container)
GRI	– General Rate Increase	TSA	– Trans Pacific Stabilization Agreement
HMM	– Hyundai	USGC	– US Gulf Coast
HL	– Hapag-Lloyd	US FMC	– US Federal Maritime Commission
HSFO	– High-Sulphur Fuel Oil (< 3.5% Sulphur)	USEC	– US East Coast
HSUD	– Hamburg Süd	USWC	– US West Coast
HWS	– Heavy Weight Surcharge	VGM	– Verified Gross Mass
IA	– Intra Asia	VLCS	– Very Large Container Ship
IPBC	– India Pakistan Bangladesh Ceylon (= Sri Lanka)	VLSFO	– Very Low-Sulphur Fuel Oil
IPI	– Inland Point Intermodal	VSA	– Vessel Sharing Agreement
ISC	– Indian Sub Continent (synonym for IPBC)	WB	– Westbound
MENAT	– Middle East and North Africa	WCSA	– West Coast South America (synonym for SAWC)
ML	– Maersk Line	WHL	– Wan Hai
mn	– Millions	WRS	– War Risk Surcharge
MoM	– Month-on-Month	YML	– Yang Ming Line
NOO	– Non-operating (vessel) owners	YoY	– Year-on-Year
NOR	– Non-operating reefer	YTD	– Year-to-Date
OCRS	– Operational Cost Recovery surcharge	THEA	– The Alliance
OOCL	– Orient Overseas Container Line		

Source: DHL