



**DHL Global Forwarding**

# OCEAN FREIGHT MARKET UPDATE

**June 2021**

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# OCEAN FREIGHT MARKET UPDATE – JUNE 2021

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Freight rates reach an all time high

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### DID YOU KNOW?

TEU-to-GDP Multiplier continues to decline



# Freight rates reach an all time high

## TOPIC OF THE MONTH

### Europe – Far East and Transpacific Trade

The Shanghai Containerized Freight Index (SCFI) breached the 3,000 point mark for the first time ever in May, following **several consecutive weeks of rate increases**. The index, which shows the evolution of average spot rates for Chinese exports, now stands at a record high of 3,343 points. Average spot rates from Shanghai to North Europe increased by 16% in May. This already hefty increase excludes premiums of several thousands of dollars that shippers usually have to pay to secure an empty container and booking guarantee. Spot rates on the Asia – Europe trade started rising again the week after the Suez Canal incident which blocked all traffic for a week. This delayed ships on the Asia – Europe services by one or two weeks, leading to port congestion in some major ports and slowing down the repositioning of empty boxes. The Suez blockade has also impacted the Asia – US East Coast trade where spot freight rates increased by 12.9%, another record level.

### Transatlantic Trade

Average freight rates in the North Europe to US East Coast trade have increased by more than one third in May. Increased US imports, port congestion and a lack of container and available ships have created a situation where **cargo demand far exceeds available capacity**. Contrary to the Europe – Far East and Transpacific trades which have profited from booming Chinese exports, the Europe – North America trade has remained in the doldrums for a long period. Carriers have transferred as much capacity as possible to the two biggest East-West trades, which means that no ships are left now to deal with a surge in European exports to North America. Average weekly capacity in the Asia to North America trade shows a massive increase of 47.6% compared to May 2020. The current offering on Far East – Europe is up 24.6% on a year-on-year basis.

Several carriers have reacted to the volume surge on the North Europe to North America trade by deploying extra loaders and upgrading services with larger vessels. Transatlantic rates are expected to continue their rise. Higher Peak Season and Equipment Imbalance Surcharges are announced to be implemented in June.



# HIGH LEVEL MARKET DEVELOPMENT

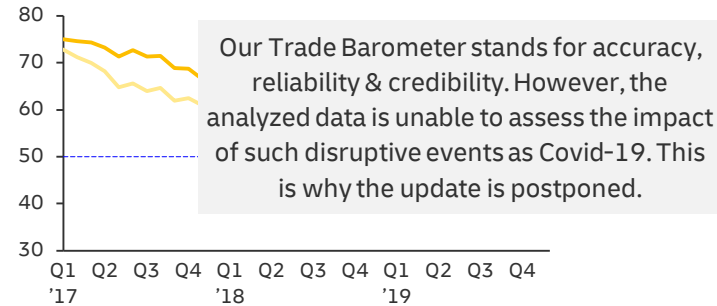
## ECONOMIC OUTLOOK

GDP GROWTH BY REGION<sup>1)</sup>

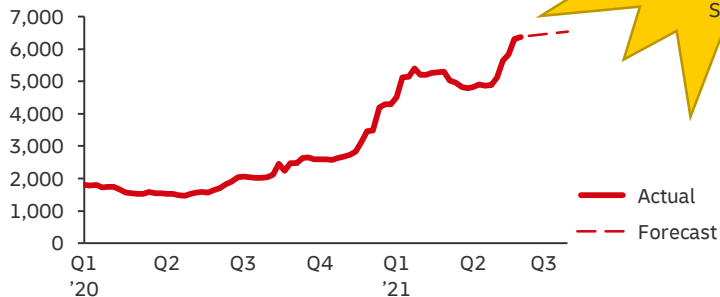
	2021F	2022F	2023F	2024F	2025F	CAGR (2022-25)
AMER	5.3%	3.9%	2.3%	2.6%	2.6%	2.5%
ASPA	5.9%	4.6%	4.3%	4.4%	4.3%	4.4%
EURO	3.7%	4.0%	2.1%	1.9%	1.7%	1.9%
MEA	3.7%	4.2%	3.8%	3.6%	3.2%	3.6%
<b>DGF World</b>	<b>5.0%</b>	<b>4.2%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.1%</b>

## DHL TRADE

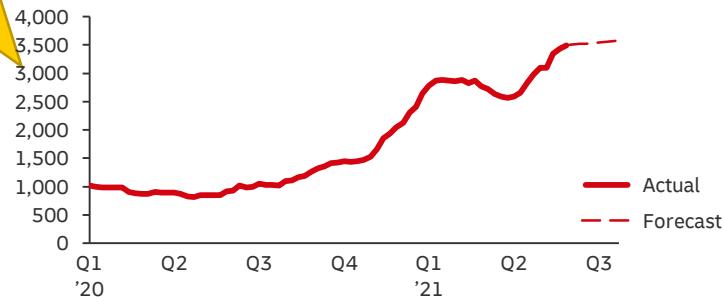
BAROMETER<sup>2)</sup>



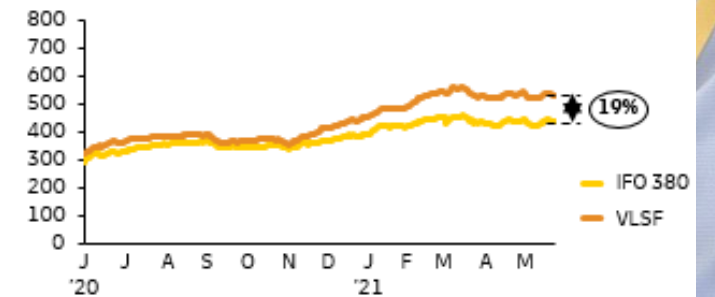
## WORLD CONTAINER INDEX (WCI)<sup>3)</sup>



## SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)<sup>4)</sup>



## BUNKER PRICES<sup>5)</sup>



1) real GDP, Copyright © IHS Markit, Q1 2021 Update 2 Mar '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.

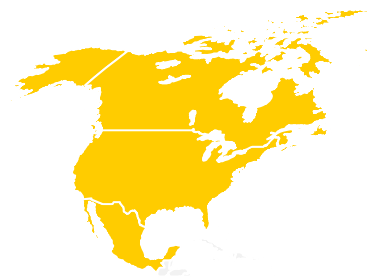
# MARKET OUTLOOK JUNE 2021 month-on-month development

## MAJOR TRADES



### EUROPE

Import region	Capacity	Rates
AMNO	=/-	++
AMLA & MX	=	+
ASPA	--	=/+
MENAT	--	=
SSA	=/-	=/+



### NORTH AMERICA

Import region	Capacity	Rates
EURO	+	+
AMLA	=	++
ASPA	-	+
MENAT	=	+
SSA	=	=



### ASIA PACIFIC

Import region	Capacity	Rates
EURO	-	++
AMNO	-	+
AMLA	=	+
ASPA	=	+
MENAT	=	+
OCEANIA	=	+



### SOUTH AMERICA

Import region	Capacity	Rates
EURO	=	=
AMNO	-	++
ASPA	=	++
MENAT	=	=
SSA	=	=

#### KEY

Strong increase	++	Moderate increase	+	No change	=	Moderate decline	-	Strong decline	--
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Source: DHL

# MARKET OUTLOOK JUNE 2021

## OCEAN FREIGHT RATES – ASIA-PACIFIC EXPORTS

- **ASPA-EURO** No change to the May update, the Market remains strong and the space situation remains tight in June with further blank sailings and vessel delays due to port congestion. Equipment situation remains tight.
- **ASPA-AMNO** The congestion at US continues to cause schedule delays leading to vessels sliding/ blanking. Space and equipment remains tight and carriers are implementing PSS on top of GRI in June.
- **ASPA-AMLA** Demand is expected to remain high and carriers expecting full utilization for June. Rates are expected to stagnate or increase further in June. 40'HC equipment remains short in Asia Origins. Shippers have to be flexible in accepting alternate equipment types like 40'Box or 40'NOR.
- **ASPA-MENAT** All MEA markets expected to remain tight until at least end June 2021. Despite Ramadan holidays on-going this week with majority of Gulf countries reduced activities, The Middle East /East Med market is still under pressure with a tight space environment expected to persist in June. West/East Africa market rates stable while South Africa rates continues to hit records levels with persistent tight space.
- **ASPA-ASPA** Space and equipment shortage at Asia ports remains for the month of June. Delays are expected as schedule reliability is at all-time low. Accurate forecast and 3-4 weeks advance booking remain a necessity in the current market. Situation expected to last at least till end of June. For IPBC, operational delays in Chittagong due to Ramadan and Eid Holidays have led to a backlog of cargo in Singapore. Delays expected at transshipment port Singapore.

Source: DHL

# MARKET OUTLOOK JUNE 2021

## OCEAN FREIGHT RATES – OTHER MAJOR TRADES

- **EURO-AMNO** Carrier FAK-rates still quoted monthly max upto the end of June. First indication for July show further significant increases. Reliable space only on Premium rate levels. The trade is heavily impacted by blank sailings and port-omissions implemented by carriers to get back to schedule integrity. Congestion in North America is softening but definitively not over. High demand on all services. St. Lawrence water levels are at very low level and forcing the carriers to reduce the overall loading capacity, which has another negative impact on the available allocations into Canada and US-Midwest. Also Rates for longterm-business increase constantly.
- **EURO-ASPA +MEA** **EURO – ASPA** : Equipment is still very tight throughout entire north Europe. Space remains tight with additional blank sailings, especially by The Alliance in June.  
**EURO – MEA** : The space-, rate- and equipment-situation is similar to ASPA.
- **AMNO-EURO** Rates will remain flat through the end of Q2 , however carriers are planning to increase their rates in Q3. Capacity will increase due to the AL3 service bringing three larger vessels in June. While the AL1 service, initially slated for suspension, will remain operational until end of July.
- **AMNO-ASPA** Strong 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** : Services rolling with space constraints through mid-June for some corridors. Port congestion / omissions vary per carrier. Market is surging with GRI announcements of up to \$1,000/container. Carrier services are oversubscribed / rolling, with loading priority to higher paying freight.  
**AMLA – ASPA** : Carriers continue to reposition voids from other regions to meet the demands of reefers, which remains heated. Low stock in all ports, dry and reefer. No available 20'GP equipment in all ports – new bookings are suspended. Commodity exports remain very strong.  
**AMLA – EURO, MENAT & SSA** : Equipment shortages continue in BR, west coast MX and northern Chile. Service instability remains at an all time low, particularly for services coming in from Asia via USWC. Protests in Columbia add more strain in a market already suffering from congestion and operational issues. Backlog in Transship hubs, like Callao, Cartagena and Panama terminals increasing daily.

Source: DHL



# Resilient consumers will drive the global economic expansion

## ECONOMIC OUTLOOK & DEMAND EVOLUTION



### EUROPE

After extensions and, in some areas, intensification of containment measures, rates of increase in COVID-19 cases have slowed markedly across western Europe, albeit with some national variations. After a relatively slow start, vaccination rates have accelerated markedly also, although again with divergence at the country level. Sentiment has surged across all sectors recently, not just in industry, in anticipation of a widespread relaxation of COVID-19 restrictions. Near-term growth prospects have turned more positive and the baseline growth forecasts were upgraded accordingly.



### AMERICAS

In the US strong final demand combined with low and rapidly falling inventories in early 2021 will lead to 9.0% annualized real GDP growth in the second quarter, when the economy will surpass its previous peak. Factors driving this strong growth are: federal support for personal and business incomes, an accelerated COVID-19 vaccination campaign, and the quickening pace at which states are reopening their economies. Consumer spending on services other than housing, utilities, and healthcare is projected to grow at a 26% annual rate over the middle two quarters of 2021.



### ASIA PACIFIC

The threat of the COVID-19 pandemic continues to constrain consumer demand in CN, despite the government's effective pandemic containment. Economic activities that require closer social interaction remain handcuffed. Restaurant sales in April were up only 2.9% from the same month in 2019. Prior to the pandemic, monthly restaurant sales consistently grew around 10% y/y. Precautionary saving remains higher than normal. The household saving rate in the first quarter of 2021 exceeded the first-quarter 2019 saving rate by 3.8 percentage points. However, this excess saving rate has inched down from the first quarter of 2020, which reflects consumer demand's gradual recovery.



### LATIN AMERICA

The near-term outlooks for Chile, Mexico, and Brazil looks favorable, although their industrial sectors are suffering from the global shortages of semiconductors. In Colombia, street protests, roadblocks, and riots are constraining economic activity; these were triggered by a government proposal to raise taxes and although President Duque quickly withdrew the tax bill, protests have escalated. In Peru, risks of policy mismanagement have increased after the first round of elections; a leftist candidate is ahead in the polls for the runoff elections scheduled on 6 June. Mr. Pedro Castillo, a relatively unknown union leader, proposes drafting a new constitution; expropriations, and nationalizations of private and foreign firms are on the agenda. Argentina was in an economic crisis before the pandemic and, naturally, this has not improved. High inflation, an unmanageable debt profile and large fiscal deficits, coupled with the government's excess controls and intervention in the economy, put the country in a complex situation where another debt default becomes more likely.

### DEMAND

### DEVELOPMENT

Global economic growth strengthened broadly in April. The JPMorgan Global Composite Output Index™ advanced 1.5 points to an 11-year high of 56.3. Globally, both manufacturers and service providers reported further accelerations in output, new orders, backlogs, and employment in April. With cost pressures mounting, output prices increased at the fastest pace since data collection began in October 2009.

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



# CAPACITY 1/2

The **general shortage of available container vessels**, caused by strong demand, massive port delays and aftereffect of the Suez Canal closure in late March **impacts carrier's schedules**. Hapag-Lloyd, HMM, ONE and Yang Ming are forced to **blank several sailings** from **Asia to North Europe** (and thus also the later return trips) at the end of May and the beginning of June. The members of the OCEAN Alliance and the 2M Vessel Sharing Agreements have not yet announced blank sailings, but their schedules are equally disrupted by delays. The number of days between two consecutive sailings of some 'weekly' Asia – Europe loops now varies between 4 and 11 days.

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Following the grounding of a containership and the subsequent week-long shutdown in March, the **Suez Canal** is to undergo a **two-year ad hoc expansion project**. Egyptian President Abdel Fattah Ai-Sisi recently approved plans to widen and deepen the canal's southern single-lane section and to extend the current two-lane system by an additional 10 km. The extension will not directly create extra capacity, but it will **generally improve the safety of navigation**, particularly for ultra-large deep-draft vessels.

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**Evergreen** recently confirmed **23,992 TEU** as the nominal intake of its new **EVER ACE**. Upon delivery, the carrier's Samsung-built 'A-class' of megamax container ships will thus become the **world's largest container vessels** by a narrow margin of 28 TEU, beating the former records holders, the DSME-built 23,964 TEU megamaxs of HMM. Evergreen will deploy the new EVER ACE on its Asia – North Europe service 'CEM' as of 30 July. The EVER ACE will be a welcome addition to the 'CEM' fleet as the 20,388 TEU EVER GIVEN, also deployed on this loop, remains under arrest in the Great Bitter Lake since its grounding in the Suez Canal on 23 March.

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**Hapag-Lloyd** has **added Saint John** (New Brunswick) to the rotation of its weekly **Med – Canada 'MCA' service**. One of the reasons for the German carrier to start calling directly at this Canadian port is **Saint John's rail connectivity** with the **US Mid-West**. Compared to the bigger and more established North Atlantic gateway of Halifax, call at Saint John **saves about 300 km of rail distance** for containers destined to the central USA. At the same time however, it adds up to 500 km of steaming distance around the south western tip of Nova Scotia.

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# CAPACITY 2/2

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**COSCO Shipping** plans to operate its recently announced **US Gulf – Central America ‘GCX’ service** jointly with **CMA CGM** as part of a **Vessel Sharing Agreement (VSA)**, according to a filing placed by both companies with the US Federal Maritime Commission (FMC). CMA CGM will get in excess of 66% slot allocation on the new line, while COSCO will get just over 33%. The first departure of this joint service is expected from Puerto Cortes on 8 June. This new service will allow CMA CGM to offer a direct link between Houston, Honduras and Guatemala, in lieu of the current transshipment alternative via Kingston. It will also enhance connectivity of Honduras and Guatemala to the carrier’s long-haul network in Houston, especially to Asia and Europe.

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**Wan Hai Lines** has **launched** mid-May an **independent Asia-WCSA weekly service** dubbed ‘AS1’, which will call at Kaohsiung, Shekou, Ningbo, Qingdao, Ensenada, Manzanillo (Mex), Buenaventura, Callao, San Antonio, Kaohsiung. The ‘AS1’ service formalizes the extra loader service that Wan Hai provided recent months. The Taiwanese carrier has sent several vessels to the WCSA on one-off basis.

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**China United Lines (CULines)** will **launch** in early June a fortnightly **Far East – North Europe ‘Asia Europe Express’ service (‘AEX’)**. The Chinese carrier has already offered four ad hoc sailings on this trade route and will charter two more panamax ships for its new liner service between the Far East and Europe. The first sailing from Shanghai is planned on 6 June with the 4,395 TEU REN JIAN 17. The Chinese carrier has also announced the set-up of an office in Europe: CULINES Europe GmbH in Hamburg will be a joint venture with the local shipping agent Menzell & Dohle, which is part of the Peter Dohle Group.

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Source: Alphaliner, THE LOADSTAR, Dynaliners, carriers

# CARRIERS

**CMA CGM Group**, which recently overtook COSCO-OOCL and **regained** the **global number three rank** in terms of **overall fleet size**, on 30 April announced that it had signed contracts to have **22 new container ships** built in China. The French carrier turned to CSSC heavy industry group to order six ships of 15,000 TEU, six ships of 13,000 TEU and ten ships of 5,500 TEU. In line CMA CGM's sustainability targets, the carrier chose **LNG propulsion** for the **twelve large ships**, while the ten 5,500 TEU units will come on stream with conventional power. CMA CGM said that it committed to the orders to accommodate expected market growth. All 22 ships are to be delivered in 2023 and 2024.

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**Maersk** is **targetting** a minimum **EBIT margin of 6% per year** for its Ocean Division from 2021 onwards, nearly double the figure recorded for 2016-2020, as it looks to reestablish itself as a profitable growth company. At its annual Capital Markets Day, Maersk said it expected the 6% margin to become the floor for shipping operations after the pandemic had passed. It compares to an average EBIT margin of 3.1% for the Ocean division in the previous five years. The group is pushing for higher but less volatile earnings as it focuses on longer-term contracts and invests not in vessels but in a 'differentiated' offering. Growth both in terms of revenue and earnings will be focused on Maersk's logistics division. The group is targeting organic growth of 10% in the logistics division. Maersk intends further to invest USD 3Bn in its Ocean division in the next two years to renew its container park, replace ageing vessels, expand hub terminals and take more initiatives to reduce emissions. Annual volume growth for the Ocean division is targeted at a moderate 1-2% and total fleet size is to remain between 4.0 and 4.3 MTEU (currently 4.1 MTEU).

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**MSC** and the Singaporean non-operating owners Eastern Pacific Shipping (EPS) have **concluded charters** for **eleven yet-to-be built LNG-powered maxi-neo-panamax** (M-NPX) ships. Following CMA CGM, Hapag-Lloyd and Zim, the deal sees MSC become the next carrier to **commit to LNG** as a viable propulsion option for large mainline container ships. The eleven-ship charter deal with EPS has taken MSC's confirmed order book (including owned, chartered and leased ships) to about 799,000 TEU – the largest in the industry.

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Source: Alphaliner, Dynaliners, carriers



Massif spot rate hikes led to even greater profits in the 1<sup>st</sup> quarter this year

# CARRIER FINANCIAL RESULTS 2020-2021

Carrier	Revenue			Operating Profit			Operating Profit Margin		Net Profit		
	2020	2021	%	2020	2021	%	2020	2021	2020	2021	%
Maersk Group <sup>5), 8)</sup>	7'230	9'478	31%	348	2'700	676%	4.8%	28.5%	n.a.	n.a.	n.m.
CMA CGM <sup>2), 5), 8)</sup>	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.	n.a.	n.a.	n.a.	n.a.	n.m.
COSCO SHIPPING Holdings <sup>6), 9)</sup>	4'613	9'255	101%	n.a.	n.a.	n.m.	n.a.	n.a.	41	2'356	5646%
Hapag-Lloyd <sup>5)</sup>	3'684	4'903	33%	176	1'539	774%	4.8%	31.4%	27	1'451	5274%
ONE <sup>3)</sup>	11'865	14'397	21%	n.a.	n.a.	n.m.	n.a.	n.a.	105	3'484	3218%
Evergreen Marine Corp. <sup>1), 7)</sup>	n.a.	n.a.	n.m.	n.a.	n.a.	n.m.	n.a.	n.a.	n.a.	n.a.	n.m.
HMM	1'113	2'179	96%	-2	915	45850%	-0.2%	42.0%	-56	138	346%
Yang Ming <sup>1), 9)</sup>	1'145	2'186	91%	8	1'021	12663%	0.7%	46.7%	-25	863	3552%
Zim	823	1'744	112%	97	817	742%	11.8%	46.8%	-12	590	5017%
Wan Hai <sup>1)</sup>	595	1'355	128%	20	618	2990%	3.4%	45.6%	3	519	17200%
<b>Average <sup>4)</sup></b>			<b>62%</b>			<b>1076%</b>	<b>3.4%</b>	<b>24.5%</b>			<b>26995%</b>

Source: Alphaliner, DynaLiners; n.a. = not available, n.m. = not meaningful; 1) local currency numbers were converted into US\$ using the average exchange rate for relevant financial period; 2) container shipping segment only, excl. CEVA Logistics; 3) result is Q1-4 of Japanese financial year, i.e. Apr-Mar not calendar year; 4) Average excluding ONE, CMA CGM, Evergreen; 5) operating profit is EBIT; 6) COSCO Shipping Lines and OOCL, excl. terminals; 7) not consolidated for Evergreen Group; 8) Ocean segment only; 9) container segment only, excl. terminals. Net Profit for Group

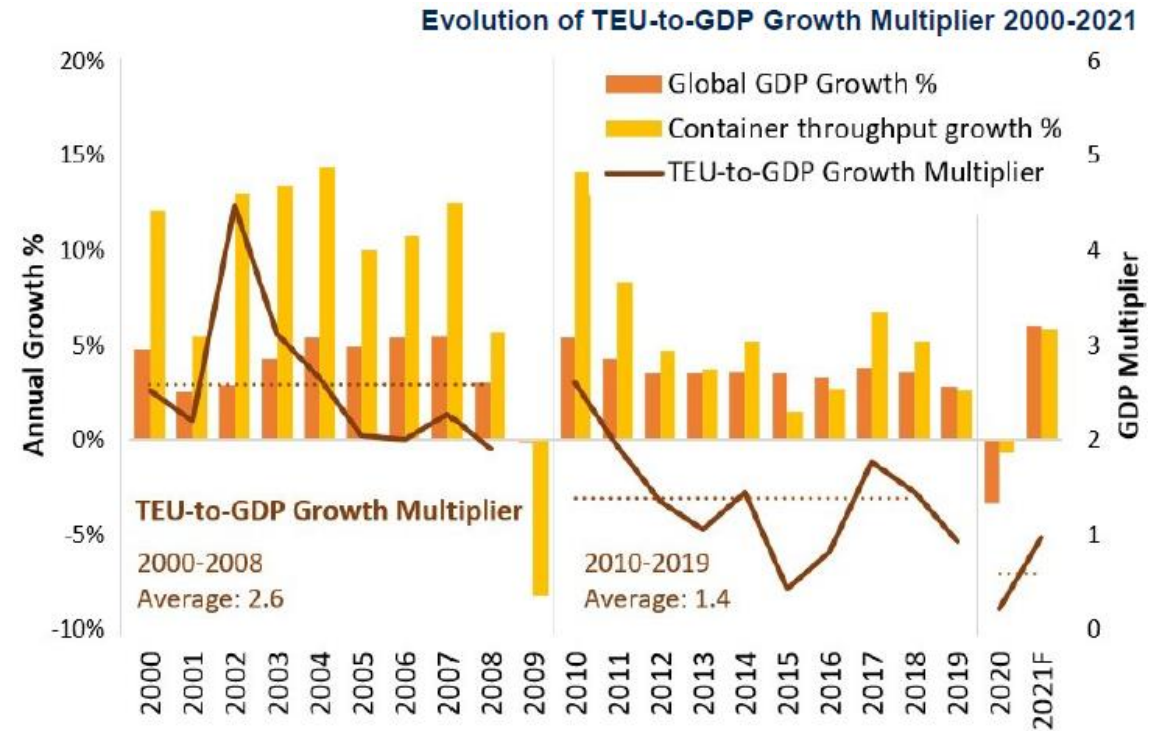
# Did you Know?

## TEU-to-GDP Multiplier continues to decline

Alphaliner forecasts a potential +5.8% increase in worldwide container port throughput this year, while the IMF expects global GDP to rise +6% in 2021. With this the TEU-to-GDP multiplier will come in at around 1, similar as in the four individual years before.

The TEU-to-GDP Multiplier links container traffic to economic growth. A multiplier close to 1 means that GDP and container traffic are growing at similar rates. In the years 2000-2007, the period of the most substantial rise in Chinese container exports, global container trade volumes were growing triple the rate of global GDP and the multiplier marked an average of 2.6. After the financial crisis the multiplier declined to 1.4 and further down to 1 in the last four years, underlining the fact that at this point, GDP growth has much less multiplying effects on container traffic growth.

Also this year the slowdown in the multiplier seems to be driven by the dematerialization in demand towards service-led consumption. In countries where the pandemic is subsiding the IHS Markit PMI shows that service sectors are quickly gaining momentum as economies reopen, travel picks up and social activities resume.



Source: Alphaliner, IHS Markit, DHL

A photograph of three men in a port or construction setting. They are wearing white hard hats and high-visibility yellow safety vests over grey shirts. The man on the left is smiling and looking towards the other two. The man in the middle is holding a clipboard and looking at the man on the right. The man on the right is looking away. In the background, there are blue and green shipping containers and a large blue structure.

**BACK-UP**



# MARKET OUTLOOK JUNE 2021

## OCEAN FREIGHT RATES ADDITIONAL TRADES (1/3)

- **EURO-AMLA+MX** Stable rate situation with only minor increases (approx. EUR 100/ctr). MX is more complicated, with an average market increase of USD 500/Container. Various carriers are refraining from quoting bigger volume opportunities to MX, due to lack of space and continued rollings. Space –wise, carriers are confirming sailings for end June/July. Only MSC is still offering sailings in June, but at higher costs. Expect the space/equipment situation to start improving and rates to begin decreasing mid Q3.
- **EURO-MENAT** The space- and equipment-situation is similar to Asia. Several carriers have PSS and EIS in place. Rates are slightly increased.
- **EURO-SSA** South Africa: Capacity is okay. Rates might remain stable for the rest of Q2. Equipment availability is still an issue.  
West Africa: capacity is an issue across all carriers with ongoing delays and congestions or even partial booking stops.  
East Africa: very high vessel utilization, space is very tight, rates are increasing or premium is needed to get space.
- **AMNO-MENAT** June finally sees a slowdown for GRIs in the Mideast market. This is mainly driven by holidays in the region and returning to a resemblance of traditional slowdown season during the holidays.
- **AMNO-SSA** Market is slowly recovering for West and North Africa areas, but South Africa still remains down. Carriers are competing for rates again into all markets in Africa.
- **AMNO-AMLA** Existing market challenges (space/equipment/rail delays/port congestions) to continue well into Q3. Capacity to remain stagnant for south bound trade. Some carriers repositioning equipment to ECSA given strong export demand ex Brazil. Temporary service suspensions to WCSA vary by carrier. Monthly rate increases impacting market levels & long term named account negotiations.

Source: DHL

# MARKET OUTLOOK JUNE 2021

## OCEAN FREIGHT RATES ADDITIONAL TRADES (2/3)

- **EURO MED-AMNO** Space constraints, equipment shortage and congestion at origin / destination ports continue. Rates will further increase in June.
- **EURO MED-AMLA** In accordance with equipment shortage surcharges are imposed (PSS / EBS).
- **EURO MED-ASPA and MENAT** Stable situation with high rate levels.
- **EURO MED-SSA** Unchanged / stable.
- **ASPA-SPAC** Space and equipment situation remains tight for the month of June. Another round of GRI is expected in June'21 NEA/SEA – AU/NZ : USD300/TEU. Schedule reliability remains an ongoing issues as vessels are still being delayed and blank sailings are implemented to recover schedule. 40HC shortage is still ongoing and shippers need to consider alternatives like NORs. Carriers have stopped offering for new business and no long terms rates provided due to space are “fully subscribed”.

Source: DHL

# MARKET OUTLOOK JUNE 2021

## OCEAN FREIGHT RATES ADDITIONAL TRADES (3/3)

- MENAT Exports

**Intra Gulf & ISC:** Rates and equipment availability stable. Expect to continue the same in June as well.

**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 stable. Carriers preferring light weight cargo.

**Africa (West & South):** West Africa certain lanes rates reduced, rest sectors rates continue to increase. Space available for bookings made at least 3-4 weeks in advance. Carriers releasing bookings against “Sea Priority/Shipping Guarantee” as well for some lanes.

**Africa (East):** Rates reduced from last month. Space situation is stable.

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

**AMLA:** No carriers accepting bookings as the sector due to limited allocation. Situation expected to remain same in June as well.

- North Africa + Turkey Exports

**Europe:** Vessels are full, carriers are selecting high paying cargos, EIS is being implemented by all major carriers. Carriers are increasing rates to balance supply and demand.

**Asia:** Vessels are full, carriers are preferring to load empty containers to feed China demand.

**Middle East:** Vessels are full, carriers are increasing rates to limit new bookings.

**AMLA:** Vessels are full. Vessels collecting cargo for all Med countries. There is an export increase from MED. June 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 new bookings.

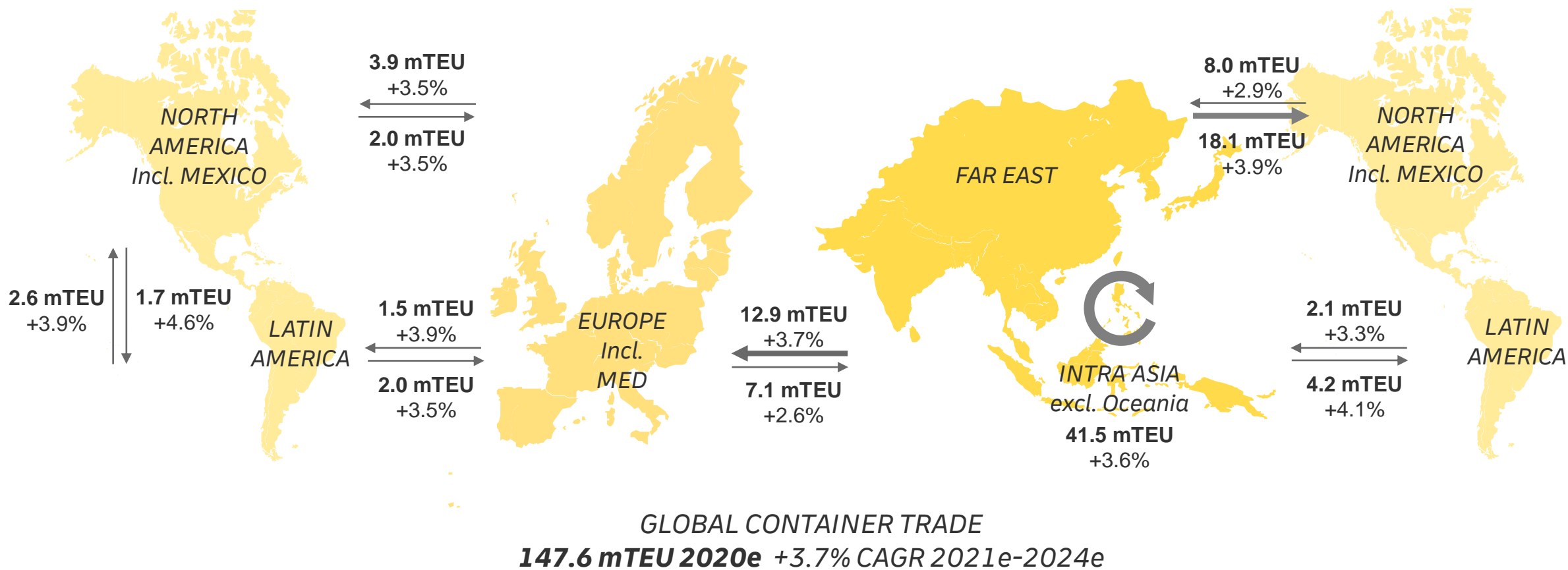
**AMNO:** All vessels are fully booked. Carriers are not willing to send equipment to US due to lack of chassis. US West Coast almost closed, MSC is not accepting bookings. Canada and US West Coast closed till end of June.

**East Med:** Global and local carriers are full, rates are increasing

Source: DHL



# MARKET VOLUME 2020 - 2024



Source: Seabury Dec20 update

# STATE OF THE INDUSTRY

## OCEAN CARRIER ALLIANCES



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HAPAG-LLOYD  
ONE  
YANG MING  
HMM

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OOCL  
CMA CGM  
CHINA COSCO SHIPPING  
EVERGREEN

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MAERSK LINE  
MSC

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Source: Carriers

# ACRONYMS AND EXPLANATIONS

## OCEAN FREIGHT GLOSSARY

AMLA - Latin America  
AMNO - North America  
AR - Argentina  
ASPA - AsiaPacific  
BR - Brazil  
CAGR - Compound Annual Growth Rate  
CENAC - Central America and Caribbean  
CNC - CNC Line (Cheng Lie Navigation Co. Ltd.)  
DG - Dangerous Goods  
DWT - Dead Weight Tonnage  
EB - Eastbound  
ECSA - East Coast South America (synonym for SAEC)  
ECSR - Emergency Container Recovery Surcharge  
EGLV - Evergreen Marine Corp  
EURO - Europe  
GRI - General Rate Increase  
HMM - Hyundai  
HL - Hapag-Lloyd  
HSUD - Hamburg Süd  
HWS - Heavy Weight Surcharge  
IA - Intra Asia  
IPBC - India Pakistan Bangladesh Ceylon (= Sri Lanka)  
IPI - Inland Point Intermodal  
ISC - Indian Sub Continent (synonym for IPBC)  
MENAT - Middle East and North Africa  
ML - Maersk Line  
mn - Millions  
MoM - Month-on-Month  
NOO - Non-operating (vessel) owners  
NOR - Non-operating Reefer container  
OCSR - Operational Cost Recovery surcharge  
OOCL - Orient Overseas Container Line

OWS - Overweight Surcharge  
PH - Philippines  
PNW - Pacific North West  
Ppt. - Percentage points  
PSW - Pacific South West  
QoQ - Quarter on quarter  
SAEC - South America East Coast  
SAWC - South America West Coast  
SOLAS - Safety of Life at Sea  
SPRC - South People's Republic of China – South China  
SSA - Sub-Saharan Africa  
SSL - Steam Ship Line  
T - Thousands  
TEU - Twenty foot equivalent unit (20' container)  
TSA - Trans Pacific Stabilization Agreement  
USGC - US Gulf Coast  
US FMC - US Federal Maritime Commission  
USEC - US East Coast  
USWC - US West Coast  
VGM - Verified Gross Mass  
VLCS - Very Large Container Ship  
VSA - Vessel Sharing Agreement  
WB - Westbound  
WCSA - West Coast South America (synonym for SAWC)  
WHL - Wan Hai  
WRS - War Risk Surcharge  
YML - Yang Ming Line  
YoY - Year-on-Year  
YTD - Year-to-Date  
THEA - THE Alliance

Source: DHL