PUBLIC

OCEAN FREIGHT MARKET UPDATE

AUGUST 2021 –
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Contents
Ocean Freight Market update – August 2021

Topic of the month – Top 12 carriers' capacity growth 1 H 2021

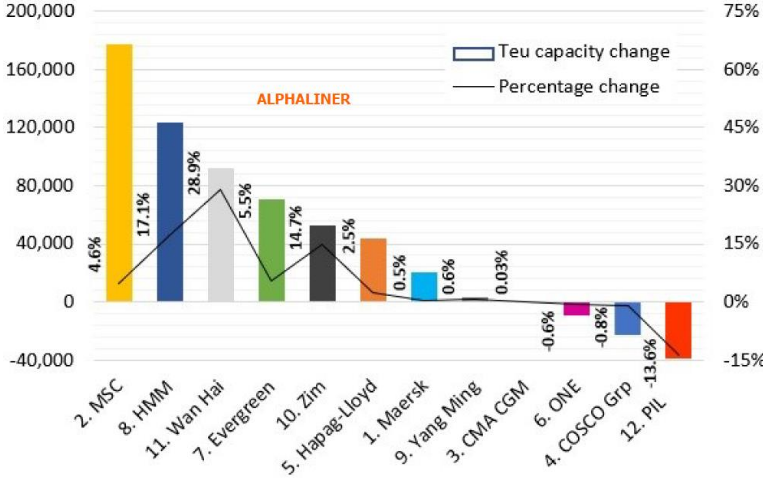
- **MSC** has been the **fastest growing operator** this year in terms of **actual slots** (+177,691 TEU) as the carrier took delivery of two more 23,656 TEU ships, although the main explanation for the boost is its buying spree on the second hand market. The overall capacity of the MSC fleet past the 4 MTEU mark for the first time in the carrier's history. MSC is **well on course** to become the **world's largest carrier** as it currently has the largest orderbook of all container lines.

- **Wan Hai** is **percentage wise** the **fastest growing carrier** so far this year. It's fleet increase exceeds 75% on a year-on-year basis. In addition the carrier's order book for more new ships already represents 62.5% of its current enlarged fleet.

- **HMM** and **Evergreen** had a lot of newbuildings deliveries planned for the firs half of this year.

- Ocean carriers, non-operating owners, investment banks and lessors have signed well over 300 vessel orders at Chinese, Korean and Japanese yards in the first of half of this year. These new ships will have a **combined slot capacity of 2.88 MTEU**, or **11.7%** of today's overall container fleet capacity of 24.47 MTEU. The overall orderbook to fleet ratio has more than doubled from 9.4% a year ago to 19.9% at the end of H1.

Capacity gains of top 12 carriers on 28 June vs 1 Jan 2021



Top 12 carriers on 28 June 2021 vs 1 Jan 2021

Rank	Carrier	Capacity 1/1/2021	Capacity 29/6/2021	Gain/loss	% change	Rank 1/1/2021
1.	Maersk	4,136,900	4,157,653	20,753	0.50%	1.
2.	MSC	3,855,928	4,033,619	177,691	4.60%	2.
3.	CMA CGM	3,006,955	3,007,862	907	0.03%	4.
4.	COSCO Grp	3,030,284	3,007,202	-23,082	-0.80%	3.
5.	Hapag-Lloyd	1,728,878	1,772,611	43,733	2.50%	5.
6.	ONE	1,596,364	1,587,358	-9,006	-0.60%	6.
7.	Evergreen Mine	1,278,390	1,348,750	70,360	5.50%	7.
8.	HMM	718,967	842,192	123,225	17.10%	8.
9.	Yang Ming	615,839	619,447	3,608	0.60%	9.
10.	Zim	360,159	413,275	53,116	14.70%	10.
11.	Wan Hai	319,853	412,424	92,571	28.90%	11.
12.	PIL	287,402	248,381	-39,039	-13.60%	12.

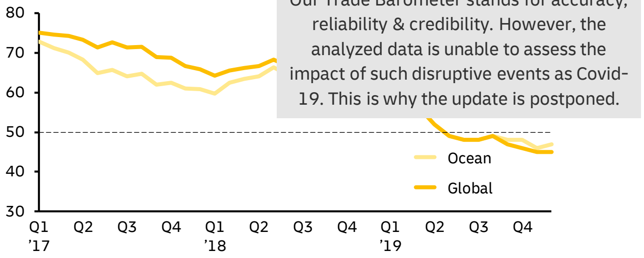
Source: DHL, Carriers, Alphaliner

High level market development

ECONOMIC OUTLOOK GDP GROWTH BY REGION[1]

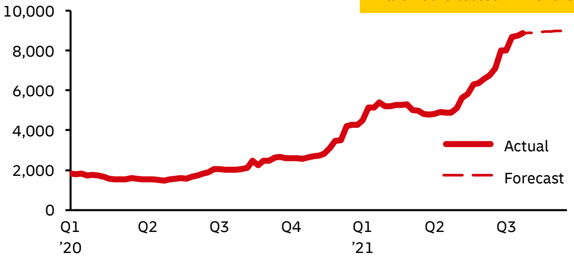
	2021F	2022F	2023F	2024F	2025F	CAGR (2022–25)
AMER	6.3%	4.5%	2.0%	2.3%	2.3%	2.2%
ASPA	6.2%	4.8%	4.4%	4.3%	4.3%	4.3%
EURO	4.4%	4.2%	2.2%	1.8%	1.7%	1.9%
MEA	4.0%	4.4%	4.2%	3.8%	3.4%	3.8%
DGF World	**5.6%**	**4.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**

DHL TRADE BAROMETER[2]

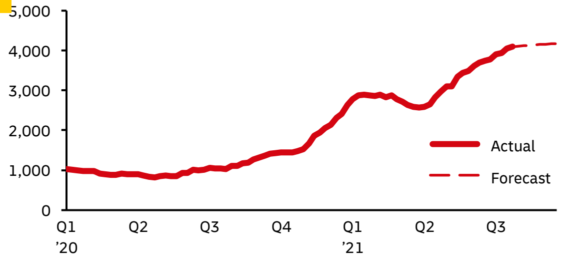


Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCFI

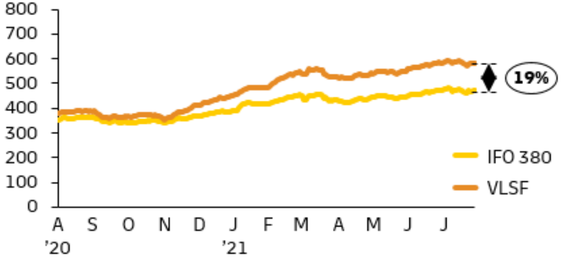
WORLD CONTAINER INDEX (WCI)[3]



SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)[4]



BUNKER PRICES[5]



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

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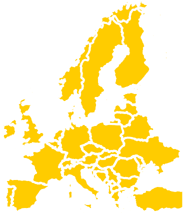
Major trades –
Market outlook August 2021 month-on-month development

EUROPE



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

NORTH AMERICA

Import region	Capacity	Rate
EURO	=	=
AMLA	=	++
ASPA	=	+
MENAT	=	+
SSA	=	=

ASIA PACIFIC

Import region	Capacity	Rate
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
++	+	=	-	--

Source: DHL

Market outlook August 2021
Ocean Freight rates – Asia-Pacific exports

ASPA-EURO	The market remains strong and the space situation persist to be tight in August. Vessels delays continue to lead to port congestions and tight equipment situation.
ASPA-AMNO	The ports congestion continues and carriers are announcing port congestion surcharges. Space and equipment are expected to be tight going into August too. Hence, rates will also be going up with carriers implementing GRI/ PSS.
ASPA-AMLA	Supply in TEUs unchanged to both EC/WC. Demand still hot despite high dollar against AMLA currencies. Operational disruptions in CO and CL affected further WC scenario. Rates reaching historic highest levels but giving signs that it is getting to a mature limiting point, stabilizing at 5 digits boundaries. Some VSAs new rotations and port omissions attempting to bring vessels back to proforma. Equipment imbalance still a major issue.
ASPA-MENAT	Rates generally continue to trend upwards as demand remains strong. Absence of fresh capacity release from schedule and congestion delays creates persistent tension on space.
ASPA-ASPA	Space and equipment shortage at Asia ports remains for the month of August. Delays are expected as schedule reliability at all-time low. Accurate forecast and 3-4 weeks advance booking remain a necessity in the current market. For IPBC, reduction of capacity in August expected due to increased blank sailings in July. Advance booking 3-4 weeks remains a necessity for FAK bookings.

Source: DHL

Market outlook August 2021
Ocean Freight rates – Other major trades

EURO-AMNO	Most carriers still quoting FAK rates on monthly base only and applying increases. Blank sailings and port omissions (especially, but not limited to the West Coast) still ongoing due to schedule recovery process. Port/Rail/Intermodal issues increasing again, now leading to congestion surcharges in the US. St. Lawrence water levels only improving slowly. Vessels still cannot load at full capacity.
EURO-ASPA+MEA	Equipment is still very tight throughout entire North Europe. Space remains tight throughout August with additional blank sailings, especially by The Alliance in July, August, September & October. On the Asian trade rates are mostly extended with even some reductions. Rate increase to Australia.
AMNO-EURO	Market rates will remain flat to the end of Q3. No change in capacity in August. Only two blank sailings reported for August.
AMNO-ASPA	No change 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:** Chile, Colombia and Brazil space crunch continues through August. GRI's continue to be released in the market by all carriers on monthly basis. Carriers are focused on spot / short term pricing. Long term offers are extremely conservative. FAK free time reductions for Q3 being implemented. **AMLA – ASPA:** Trade remains bullish with exchange rate effect (high dollar against LATAM currencies) favoring exports. Commodities record high prices to Asia putting extra pressure on trade. Container fleet management is a major issue as in some cases carriers prefer to ship empties for fast use of predominant leg ASPA-AMLA. Strikes in CO, CL also impacted disruption further. **AMLA – EURO, MENAT & SSA:** Tight space, equipment situation and structural service changes leading to increases in Q3, particularly from SAEC to EURO. Challenges: Protests in Columbia waned towards the end of July, but the effects on an already strained market will continue to be felt. The port strike / closure in Durban, disrupts an already fragile schedule integrity.

Source: DHL

Economic outlook & Demand evolution – Global economic growth depends increasingly on COVID-19 vaccination progress

A vigorous rebound in consumer spending lifts western Europe's business outlook. Leading indicators signal a brisk pick-up in economic activity across western Europe as consumer-facing services benefit from a major easing of COVID-19 restrictions. Consumer spending was hit hard by lockdowns but will now be the driving force in the recovery. Improving labor markets and household savings accumulated during the pandemic will support pent-up demand for services and nonessential goods. Surging eurozone business confidence also signals a revival in equipment investment, while construction investment continues to outperform.

The US forecast calls for less robust growth and higher inflation in 2021. In the June forecast, US real GDP growth for 2021 is revised down from 7.4% to 6.6%. The revision is largely accounted for by weaker consumer and business spending in May and a shift in some government spending to later quarters. The recovery remains on solid footing owing to a nearly complete recession of pandemic containment measures, expansionary fiscal and monetary policies, and restocking of depleted inventories. Amid record job openings, the unemployment rate is expected to drop from 5.9% in June to 3.5% in mid-2023 as the economy converges to its pre-pandemic path.

Asia-Pacific economies are struggling with new COVID-19 waves. The spread of the highly transmissible Delta variant of the virus has resulted in renewed lockdowns in many countries, including ID, VN, AU, SG, MY, TH, KH, & MM. The situation is aggravated by the relatively slow progress of vaccination campaigns. The IHS Markit PMI™ data for June show particularly sharp declines in manufacturing output in MY, VN, & MM, along with setbacks in IN & PH. With output and new orders falling, firms across the region have scaled back employment. The situation in Asia is disrupting global manufacturing supply chains, with shortages and lengthening delivery times adding to inflation pressures. In addition to semiconductors and integrated circuits, the list of affected products includes LCDs, phones, copper products, rice, and palm oil.

Emerging and developing countries face multiple challenges during and after the pandemic. The Delta variant of the COVID-19 virus is taking a toll on emerging and developing countries where vaccine supplies are in short supply. Our World in Data estimates that just over 1.0 billion people (~3% of global population) are fully vaccinated. Progress toward herd immunity in developing countries will extend well into 2022. Sub- Saharan Africa is experiencing a third wave of COVID-19 cases, resulting in new restrictions in ZA, NA, BW, ZW, MZ, & ZM. After the arrest of former president Jacob Zuma in early July, ZA has experienced a period of violent social unrest.

After reaching a 15-year high in May, the JPMorgan Global Composite Output Index™ (compiled by IHS Markit) retreated 1.9 points to 56.6 in June, signaling a cooling of global economic growth. The US and Europe remained bright spots, while Asian economies struggled in comparison. For a third consecutive month, global services outperformed manufacturing.

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)

Maersk has confirmed its intention to launch **two additional Far East – North America** services in August in order to manage the upcoming peak season. The new weekly Transpacific West Coast 'TPX' service will include direct calls in Yantian, Ningbo and Los Angeles. The new weekly Transpacific East Coast 'TP20' service will include direct calls in Vietnam (Cai Mep), Ningbo, Shanghai as well as in Norfolk and Baltimore. Both services are expected to be a Maersk standalone operation outside the scope of the carrier's 2M Vessel Sharing Agreement with MSC. The launch of the 'TPX' and 'TP20' service will not only allow Maersk to **increase capacity** on the Transpacific corridor, but should also **improve schedule reliability** as port activities are still impacted by the exceptionally strong cargo demand.
Maersk has further announced a **revamp** of its **Europe-Middle East & Indian Subcontinent** network which is expected to take place in late July and early August. The carrier aims at improving schedule reliability and offering a more flexible coverage. With **two new services**, a direct North Europe – Middle East – India 'ME7' service and a North Europe – Middle East 'ME4' service, Maersk is expanding its direct coverage between the Indian Subcontintent and Middle East with Europe.

In early August, the partner of **THE Alliance** will finally **close** their **'AL1' Transatlantic service**. The closure of this North Europe – ECNA loop was initially scheduled for April, but the service's final trip will now be made on 4 August with a last eastbound sailing from Halifax of the 4,520 TEU BILBAO BRIDGE. The 'AL1' closure is related to the parallel capacity upgrade of the US-flagged THEA Transatlantic loop 'AL3', where ships in the size range from 3,200 – 4,250 TEU are replaced by 7,300 TEU tonnage. This **upgrade** of this Hapag-Lloyd operated service **largely compensates** for the 'AL1' **closure**.

Hapag Lloyd has launched a fortnightly service to connect **Western India and Pakistan with the East Coast of North America**. The carrier provides additional tonnage on this route corridor to cope with a generally strong demand, particularly now at the onset of the **east-west peak season**. The new service 'Indamex 2' is offered solely by Hapag-Lloyd, outside of the carrier's cooperation with other partners. The service turns in nine weeks and currently offers twice monthly sailings between Indi and the East Coast of the United States, using vessels of about 4,300 to 7,300 TEU.

China United Lines (CULines), a regional Chinese carrier rapidly expanding into main East West trades, has confirmed the launch of a **new standalone service 'Transpacific Express' TPX** connecting **China an the West Coast of North America**. The 'TPX' will shuttle back and forth between Shanghai and Los Angeles. The introduction of 'TPX' is the latest in a string of CULines moves into the East West trade corridors.

Source: Alphaliner, THE LOADSTAR, Dynaliners, Carriers

Capacity (2/2)

After **107 days in the Suez Canal** the 20,388 TEU container vessel **EVER GIVEN** has finally resumed its front haul voyage from Asia to Europe. Operated by Evergreen, the megamax ship had become stuck in the Suez Canal on 23 March, blocking the waterway for about one week. Almost one week after grounding and several attempts to get the EVER GIVEN unstuck, a combination of dredging, digging and pulling the ship with tugs finally freed the massive vessel on 29 March. Since then the EVER GIVEN was anchored at the Great Bitter Lake, half-way in the canal. In the following months, the ship owners Shoei Kisen, the charterer and operator Evergreen Line, and other parties involved, tried to negotiate a **settlement claimed by the Suez Canal Authority**. Initially, the SCA demanded a payment of USD 900M for its salvage efforts, damages to the canal, lost revenue and 'reputation damage'. This sum was rejected by the ship owners and the UK P&I Club which insures Shoei Kisten for third-party liabilities. After extended negotiations, the parties eventually settled for an undisclosed amount. After a final safety examination the EVER GIVEN was **finally allowed** to resume its **voyage to North Europe** mid July.

Source: Alphaliner, THE LOADSTAR, Dynaliners, Carriers

Carriers

Hapag-Lloyd announced on 8 July that it **successfully closed** the **acquisition** of the Netherlands-based container shipping company **Nile Dutch Investments B.V.** (NileDutch). After signing a sales and purchase agreement in March, Hapag-Lloyd has now formally acquired all shares of the company after all responsible antitrust authorities had approved the transaction. The German carrier said that, depending on market conditions, it would aim to integrate major parts of the two carriers' business already in the later part of 2021. Hapag-Lloyd believes that a swift integration of the two separate fleets and networks will offer clients the greatest benefits as far as schedules and transport options are concerned. It aims to achieve a '**full integration**' by the **end of the year**. The takeover will add some 35,000 TEU of transport capacity to the Hapag-Lloyd vessel fleet, as well as a container fleet of around 80,000 TEU.

Maersk has gone through with its plans to have the **first methanol-powered container ship** in service by **2023**. The Danish carrier confirmed at the start of July that it had placed an order for one 2,100 TEU 'feeder' container ship at South Korea's Hyundai Mipo Dockyard (HMD). Scheduled for delivery in mid-2023, the vessel is intended to join Maersk Group's regional services in North Europe, mainly to feeder containers between Maersk's Northrange hubs of Rotterdam or Bremerhaven, and ports in the Baltic Sea Region. As parts of its efforts to decarbonize, Maersk intends to run the ship on **'green' methanol** that has been produced sustainably to achieve **net-zero carbon emissions** for the ship's operation. Earlier this year, CMA CGM and its Hamburg-based affiliate Containerships had already launched an initiative to offer clients around the Baltic Sea a ''low carbon' feedering option. CMA CGM has supported the production of 12,000 tonnes of bio-methane, equivalent to a year's fuel consumption by two of its gas-powered 1,380 TEU ships. The green gas is produced in part by the methanation of Eurpean-sourced organic and plant waste. As with all alternative fuels, LNG, methanol or ammonia, the size of the vessels' carbon footprint hinges on the **sustainable production** of such **fuels**. Making the maritime industry notably 'greener' will require the large-scale production of synthetic fuels, or the sourcing of fuels produced from sustainably-sourced organic matter.

The **Taiwanese government has reduced its ownership share** in **Yang Ming**, the country's second largest container carrier. This brings its stake below a previous threshold of 34% designated for strategic enterprises. The government previously increased their share to as much as 45.1% through a series of recapitalisations in 2017 and again up to 47.6% by November 2020 in response to COVID-19.

Source: Alphaliner, Dynaliners, Carriers

Regulations

The US Federal Maritime Commission (FMC) has established a special audit programme to ensure the nine largest container carriers are complying with recent rules over detention and demurrage pricing. The so-called “Vessel-Operating Common Carrier Audit Program” will assess whether Maersk, MSC, CMA CGM, COSCO, Hapag-Lloyd, ONE, Evergreen, HMM, Yang Ming are complying with the FMC rule interpreting 46 USC 41102(c) as it applies to detention and demurrage practices in the US. The nine lines are each members of one of the three main alliances. Earlier, the Biden Administration had issued a presidential order aimed at cracking down on ‘unjust and unreasonable’ fees in the container industry.

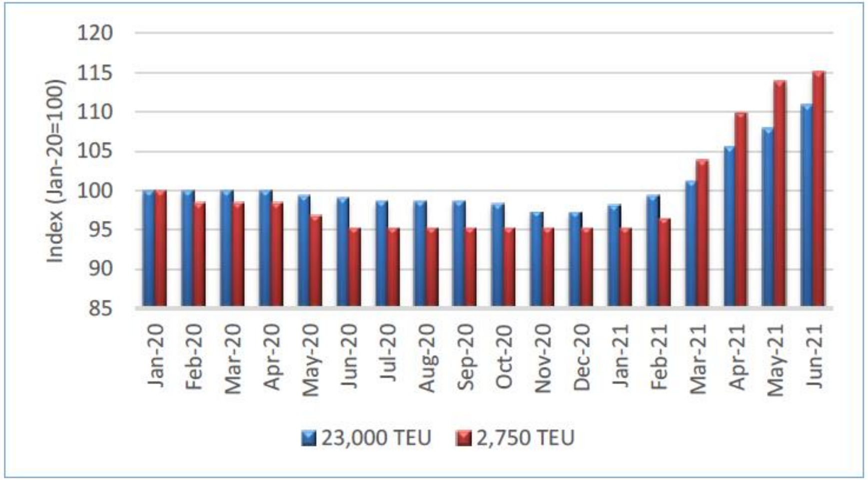
The OECD has confirmed that shipping will be excluded from the proposal to levy a minimum 15% rate on companies with a turnover of over EUR 750 million. Details are however still under discussion as some parties are insisting that the exemption must only cover vessel related port-to-port services. Figures published last year by the ITF/OECD suggested that shipping companies with vertically integrated terminal operations were benefiting from lower taxes by taking advantage of special tax arrangements for shipping companies

Source: DHL, Alphaliner, Dynaliners, Carriers

Did you know?
Container vessel newbuilding prices soar

- Strong demand in combination with soaring steel prices has pushed newbuilding prices up by about 15% over the past six months.
- In the megamax sector the price increases translate to increases of over USD 20m per vessel.
- The price hike did not deter carriers from ordering as they are flush with cash at the moment.
- Ironically, the price hike has fueled additional vessel ordering since many 6-months options were signed at the end of 2020 with prices fixed at 2020 levels,

Newbuilding Prices Index



Dynaliners analysis based upon data sourced from Clarksons

Source: Alphaliner, Dynaliners/Clarksons

BACK-UP

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

EURO-AMLA + MX	Rate increases continue from July to August, but in smaller increments. Space –wise, carriers are confirming sailings for end August (with the exception of MSC still having space in July, albeit at higher costs). We do not expect an improvement in the space/equipment situation until at least Q4.
EURO-MENAT	The equipment situation is similar to Asia. Space will remain very tight, also due to the fact that FE3 is omitting Jebel Ali in August and September. Rates have been extended or slightly increased.
EURO-SSA	South Africa: Space is very tight. Rates are increasing for new long term pricings. Situation in ZA due to civil unrests is worsening the schedule reliability and delays on hinterland transports from Durban. West Africa: space issue across all carriers with ongoing delays and congestions. Rates are further increasing. Carriers are cautious or even do not price for long term deals. No fixed allocations are offered anymore. Pre-bookings need to be send minimum 4 - 6 weeks in advance of planned shipping. East Africa: very high vessel utilization, space is very tight, rates will increasing further for short and long term pricing. Pre-bookings are as well requested minimum 4-6 weeks in advance.
AMNO-MENAT	Targeted, moderate increases occurred during July and will continue into August for Mideast. Carriers still competing for rates into East Med and North Africa markets.
AMNO-SSA	Mid-July was faced with a port strike and closure in Durban, disrupting an already fragile schedule integrity. Carriers' competitive interest into West and East Africa have calmed down as the markets have been recovering.
AMNO-AMLA	Services full ex USA, but some flexibility available for USEC to ECSA. No relief in backlog at transshipment points foreseen for Q3. Short term pricing remains key product in the market.

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

EURO MED-AMNO	Space constraints, equipment shortage and congestion at origin/destination ports continue till mid of August. Rates extended till end of August.
EURO MED-AMLA	Space situation still difficult till mid of August. Rates extended till end of August.
EURO MED-ASPA and MENAT	Stable situation with high rate levels.
EURO MED-SSA	Unchanged/stable.
ASPA-SPAC	Shortage of equipment remains an issue. Vessels are being delayed due to congestions and blank sailings are announced from carriers resulting in lower capacity in the market for the month of July which foresee will affect capacity in August due to rollover cargoes from July. Rates expected to further increase in August with carriers announcing GRI of USD300-500/TEU for the month of August for AU/NZ destination. Advance booking required for NZ to be at least 3-4 weeks in advance before vessel eta. For AU advance booking required at least 2-3 weeks in advance before vessel eta.

Source: DHL

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

MENAT Exports	**Intra Gulf & ISC:** Equipment availability stable, still rates increases. **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 only available at premium rate levels. Carriers preferring light weight cargo and releasing space for light weight cargo more likely. **Africa (West & South):** Rates, GRI and Premium surcharges continue to increase. August fully booked on major carriers. 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 has been reduced. **Africa (East):** Space situation is stable, still few carriers implemented a GRI. **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:** Majority of carriers are not accepting bookings due to limited allocation. Situation expected to remain same in mid-term.
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 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. **AMLA:** Vessels are full, vessels collecting cargo for all MED countries, there is an on-going export increase from MED, August 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. **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 August. **East Med:** Local carriers are looking for new volume.

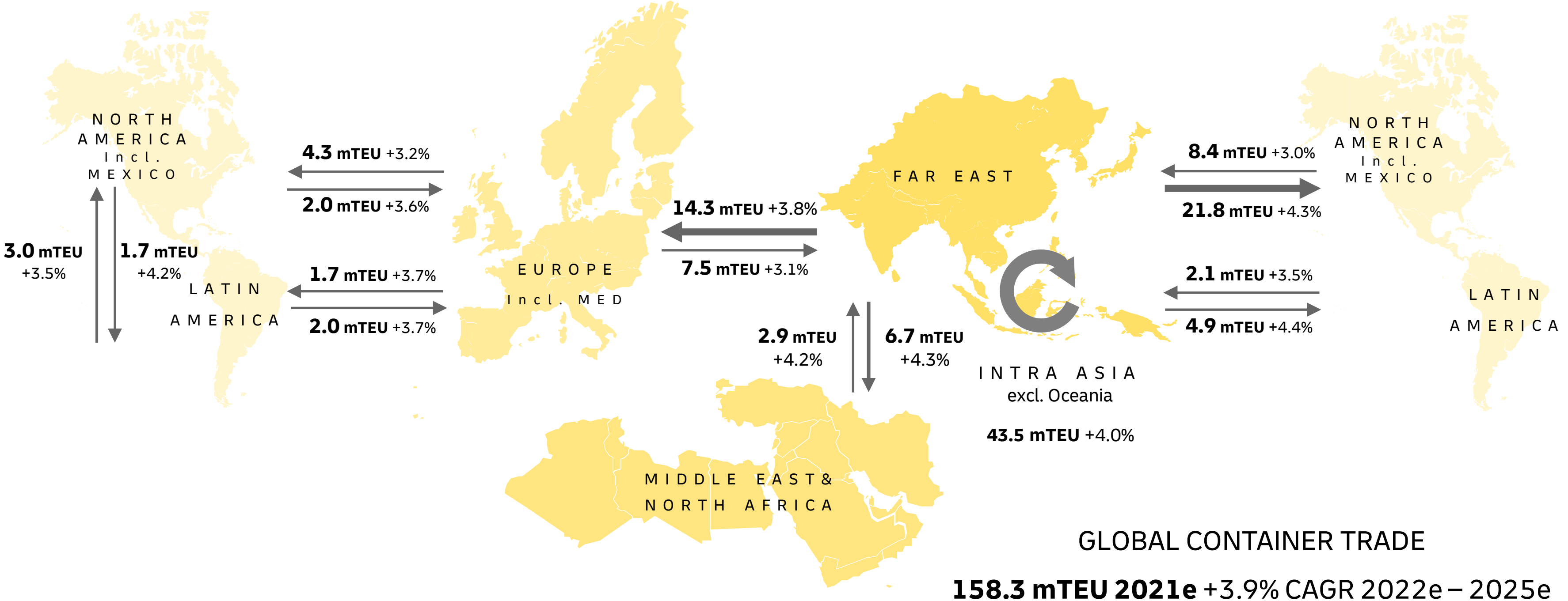
Source: DHL

Carrier Financial results 2020 – 2021
Massif spot rate hikes led to even greater profits in the 1st quarter this year

	Revenue			Operating Profit			Operating Profit Margin		Net Profit		
Carrier	**2020**	**2021**	**%**	**2020**	**2021**	**%**	**2020**	**2021**	**2020**	**2021**	**%**
Maersk Group[5),8)]	7,230	9,478	31%	348	2,700	676%	4.8%	28.5%	n.a.	n.a.	n.m.
CMA CGM[2),5),8)]	5,456	8,586	1%	797	2,975	3%	0	0	56	2,090	36%
COSCO SHIPPING Holdings[6),9)]	4,613	9,255	101%	n.a.	n.a.	n.m.	n.a.	n.a.	41	2,356	5,646%
Hapag-Lloyd[5)]	3,684	4,903	33%	176	1,539	774%	4.8%	31.4%	27	1,451	5,274%
ONE[3)]	11,865	14,397	21%	n.a.	n.a.	n.m.	n.a.	n.a.	105	3,484	3,218%
Evergreen Marine Corp.[1),7)]	1,442	3,214	1%	12	1,609	134	0	1	-15	1,289	89%
HMM	1,113	2,179	96%	-2	915	45,850%	-0.2%	42.0%	-56	138	346%
Yang Ming[1),9)]	1,145	2,186	91%	8	1,021	12,663%	0.7%	46.7%	-25	863	3,552%
Zim	823	1,744	112%	97	817	742%	11.8%	46.8%	-12	590	5,017%
Wan Hai[1)]	595	1,355	128%	20	618	2,990%	3.4%	45.6%	3	519	17,200%
Average[4)]	**20,645**	**34,314**	**66%**	**659**	**9,219**	**1,299%**	**3.2%**	**26.9%**	**-37**	**7,206**	**19,754%**

Source: Alphaliner, DynaLiners; n.a. = not available, n.m. = not meaningful; 1) Local currency numbers were converted into USD using the average exchange rate for relevant financial period; 2) Container shipping segment only, excl. CEVA Logistics, Net Profit for Group; 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

Market volume 2021 – 2025



GLOBAL CONTAINER TRADE

158.3 mTEU 2021e +3.9% CAGR 2022e – 2025e

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
AMNO – North America
AR – Argentina
ASPA – AsiaPacific
BR – Brazil
CAGR – Compound Annual Growth Rate
CENAC – Central Amercia 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)
EGLV – Evergreen Marine Corp
EURO – Europe
GRI – General Rate Increase
HMM – Hyundai
HL – Hapag-Lloyd
HSFO – High-Sulphur Fuel Oil (< 3.5% Sulphur)
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
OCRS – 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
VLSFO – Very Low-Sulphur Fuel Oil
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