

OCEAN FREIGHT MARKET UPDATE

SEPTEMBER 2023 –
PUBLICATION DATE AUGUST 31ST, 2023

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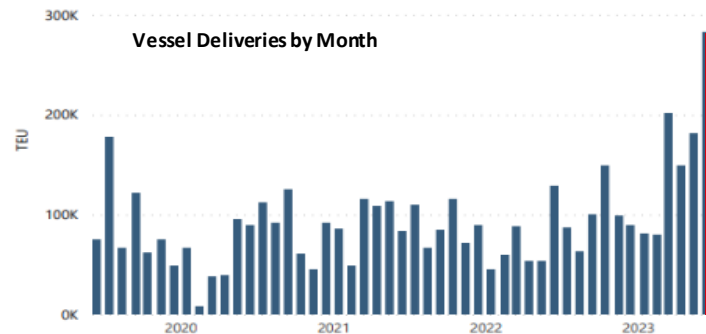
Topic of the month

Record deliveries

Vessel deliveries reached almost 300'000 TEU in June

- MSC alone accounted for 39% of the deliveries, broadening the gap to second-ranked Maersk Line. Alphaliner's orderbook projections however show that MSC will further expand its lead over the next weeks and months. MSC's rapid growth was mainly fueled by newbuilding deliveries and second-hand buying.
- Thus, Maersk Line's market share has dropped to 15%. In addition, the carrier had the smallest order-book in proportion to its fleet of all top carriers.
- From an actual volume shipped perspective however, Maersk still ranks before MSC, and right after leader COSCO.
- Deliveries will remain high over the next months. While the new CII and EEXI regulations have created some 'artificial' tonnage demand though mandated slow-steaming, cargo volumes will most certainly not grow enough to absorb all new deliveries. Alphaliner therefore believes that large chunks of today's vessel new-building pipeline will be for fleet renewal, rather than fleet growth.

Source: Alphaliner, Dynaliners



Carriers by Actual Volume Shipped

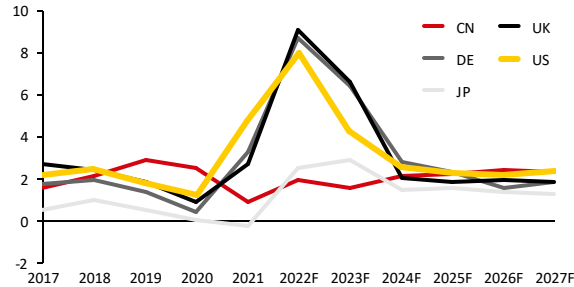
Rank		kTEU			Growth	
2022	Carrier	2020	2021	2022	20/21	21/22
1	COSCO	26'344	26'344	24'412	0.0%	-7.3%
2	Maersk	25'268	26'178	23'848	3.6%	-8.9%
3	MSC	23'700	23'300	23'000	-1.7%	-1.3%
4	CMA CGM	20'980	22'040	21'740	5.1%	-1.4%
6	ONE	11'964	12'061	11'081	0.8%	-8.1%
5	Hapag-Lloyd	11'839	11'872	11'843	0.3%	-0.2%
7	Evergreen	7'050	7'430	7'730	5.4%	4.0%
9	Wan Hai	4'500	4'800	4'300	6.7%	-10.4%
8	Yang Ming	5'071	4'410	4'610	-13.0%	4.5%
10	PIL	3'900	4'100	4'000	5.1%	-2.4%
11	HMM	3'894	3'817	3'682	-2.0%	-3.5%
12	ZIM	2'841	3'481	3'380	22.5%	-2.9%
Total Top 12		147'351	149'833	143'626	1.7%	-4.1%
Estimated world total		173'100	183'300	176'000	5.9%	-4.0%

High level market development

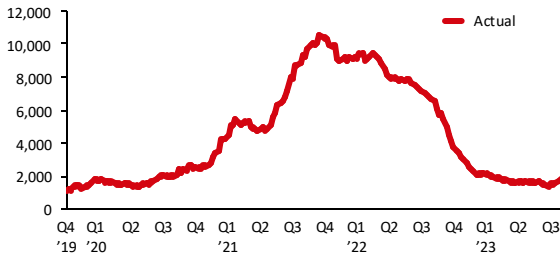
ECONOMIC OUTLOOK GDP GROWTH BY REGION¹⁾

	2023F	2024F	2025F	2026F	2027F	CAGR (2024-27)
AMER	1.3%	1.2%	1.8%	2.1%	2.0%	2.0%
ASPA	4.3%	4.5%	4.3%	4.3%	4.2%	4.3%
EURO	0.7%	1.4%	1.9%	1.8%	1.7%	1.8%
MEA	2.8%	3.3%	3.6%	3.1%	3.2%	3.3%
DGF World	2.3%	2.6%	2.9%	2.9%	2.8%	2.9%

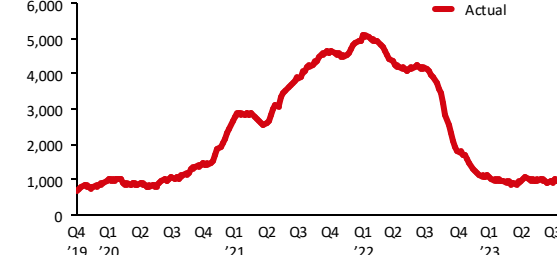
INFLATION, YOY in %²⁾



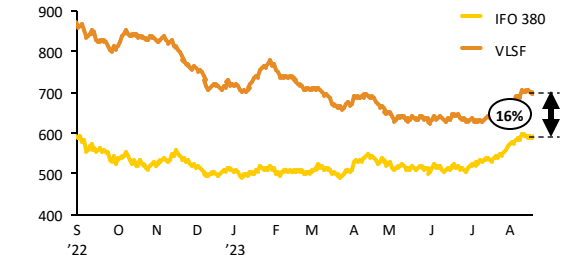
WORLD CONTAINER INDEX (WCI)³⁾



SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)⁴⁾



BUNKER PRICES⁵⁾




1) Real GDP, Copyright © IHS Markit, now part of S&P Global, Q2 2023 Update 1 June '23. All rights reserved; 2) IHS Markit, now part of S&P Global, Q2 2023 Update 1 June '23. All rights reserved; 3 & 4) Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCFI; 3) Drewry, in USD/40ft container, including BAF & THC both ends, 8 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, in US\$

Major trades –


Market outlook September 2023 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	+ EC / = WC	+ EC / + WC
ASPA	-/=	+/=
MENAT	-	+
OCEANIA	=	+

LATIN AMERICA*



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

Source: DHL

*incl Mexico and Central America/Cenac

KEY

Strong Increase

++

Moderate Increase

+

No Change

=

Moderate Decline

-

Strong Decline

--

Market outlook September 2023

Ocean Freight rates – Asia-Pacific exports

ASPA-EURO	Carriers announcing additional blank sailings for September and October to balance out the market. Space expected to be tight Pre-Golden Week.
ASPA-AMNO	Going into the last month before the China Golden Week, carriers are applying GRI and PSS effective September 1st. Space is expected to remain tight; origins should place booking 3-4 weeks in advance.
ASPA-AMLA	Market remains strong with an increase in volumes in the peak season. Vessel utilization reported at 95%+. We see some carriers rolling cargo. There was an influx of additional capacity during August on the Asia to ECSA trade. Several carriers are offering alternative services from Asia to the East Coast in transshipment through their European services. Rates to WCSA and Mexico have experienced steep increases in the last 5 weeks. We expect that the month of September will continue to be strong prior to softening after the Golden Week in the 1st week of October on both rates and utilizations.
ASPA-MENAT	Pre-Golden Week rush is expected to take place and carriers have started to push for GRIs as early as mid Aug. Africa's demand is very strong especially to East Africa. South Africa's volumes are also gradually picking up steam. GRIs to East MED are losing momentum and rates are declining. But upcoming blank sailing plans can help to prop up rates if not stabilize them. Recent typhoon impact in CN is now having cascading impact to downstream ports and we can expect more delays in proforma schedules. Equipment is largely available from Asia ports.
ASPA-ASPA	Demand and rates remain relatively stable for Intra Asia market. In contrast, IPBC demands remains soft thus carriers have increased the frequency of blank sailings for August in attempt to stabilize rates or to increase them. Some carriers have announced GRI in the market but the success of it remains uncertain. The blank sailings are projected to endure into September. Pre-Golden week rush is expected on both markets, hence tight space conditions are foreseeable. Origins are advised to secure bookings 3-4 weeks in advance in order to secure space and equipment. Disruptions from recent typhoons are leading to some delays.

Market outlook September 2023

Ocean Freight rates – Other major trades

EURO-AMNO	Volumes dropped during summer vacation. For time being we see no plans for capacity reduction plans, except for some blank sailings in August and September. Overall, the trade remains generally fluid. Inland transport capacities are usually sufficiently available, both in Europe and North America. Some equipment concerns have been raised in Europe due to low incoming volumes, but so far needs can be covered.
EURO- ASPA+MEA	Asia: space situation is still relaxed. No issues with capacity, only vessel delays. Blank sailings/suspension of services are still in place. Rates are still dropping slightly AU/NZ: no space issues on both services. Rates on both services are slightly decreasing. MEA: currently no space issues reported. Carrier open for additional bookings. Rate levels remain under pressure due to low demand.
AMNO-EURO	Capacity remains stable with space available on all services. Slight rate decrease in Q3 mainly from USEC & Gulf. USWC rates remain on high level.
AMNO-ASPA	FAK rates are stable with no further expected decrease through the end of Q3. No change to capacity. All services are open.
AMLA Exports	AMLA – AMNO & INTRA: Space is available for all destinations. The Market is expected to remain relatively flat for remainder of the year. ONE launching a new service ex South Atlantic ports to WCSA. AMLA – ASPA: with the commencement of the new Cotton Season volumes, certain vessels are operating at full capacity, while supplementary loaders being introduced to enhance the service. Equipment situation has improved mainly for 40', with some ongoing challenges for 20' and reefer equipment. AMLA – EURO, MENAT & SSA: New ONE/Cosco/OOCL VSA for SAEC – EURO expected to disrupt an already weak market. Market for rates from MX to North EURO, Med and Mideast are still competitive, with containerized vessel space demand increasing slightly due to recent RORO capacity decrease.



Economic outlook & demand evolution – Divergence becoming more apparent .



EUROPE

The eurozone is heading for a double dip. The HCOB Eurozone composite PMI™ output index fell to 48.6 in July, the lowest since Nov '22. The manufacturing output index was below 50 for the eighth straight month, dropping to just 42.7, its lowest level in over three years. Its services sibling, meanwhile, fell for the third straight month to 50.9, a six-month low. The ECB raised its policy rates by a further 25 basis points in July, lifting the deposit facility rate to 3.75%, matching its record high. Its communications left options open for upcoming policy meetings. However, given the deteriorating economic outlook and improvements in some of the alternative inflation metrics that S&P Global Market Intelligence tracks, they continue to forecast that the July hike will prove to be the last of the cycle.



AMERICAS

The US economy reports unexpected strength in the middle quarters of the year. The Bureau of Economic Analysis reported that GDP rose by 2.4% quarter over quarter annualized in the second quarter — 0.9 percentage point above last month's forecast. Hence, given lags from GDP to employment, there is now unlikely to be an easing of labor markets before 2024. In July, the unemployment rate declined for the second consecutive month to 3.5%, just one-tenth above the cycle low. S&P Global Market Intelligence expect the Fed to raise its policy rate to a peak of 5.50%-5.75% in November. However, they consider the upcoming September meeting to be “live,” with the outcome dependent on inflation reports to be published before then. They continue to forecast that a reversal of Fed policy tightening will begin from late spring 2024.



ASIA PACIFIC

Mainland China's faltering recovery is set to prompt additional stimulus. Broad-based weakness is increasingly apparent. Further deterioration is likely in the absence of effective policy action. The central bank unexpectedly cut the medium-term facility rate by 15 basis points in mid-August, the largest reduction since 2020. S&P Global Market Intelligence expects additional near-term expansion of stimulus, including support for the property sector and further loosening of monetary conditions. More downward revisions to growth forecasts will follow should the scale and effectiveness of stimulus fall short.



EMERGING & DEVELOPING COUNTRIES

Resumption of activity and inbound tourism in Japan, supported by the weak yen. However, the upward momentum will ease gradually. A persistent decline in purchasing power will continue to make consumers selective and suppress household expenditure. Although auto manufacturers maintain upbeat production plans, persistent sluggish external orders imply subdued production and exports in the second half of 2023.



DEMAND DEVELOPMENT

Monetary easing has started in Brazil and Chile, and Mexico and Peru will probably follow in fourth quarter 2023. Low inflation and, in part, weak demand have created the needed space for central banks in Brazil and Chile to start cutting their policy rates and move to a less restrictive monetary stance. The Peruvian economy has entered recession, and this may prompt the central bank to start easing monetary policy in the very near term as inflation has come down.

The JPMorgan Global Composite Purchasing Managers' Index™ (PMI™) compiled by S&P Global fell markedly again in July, to just 51.7, the weakest level since January. Slipping to 49.0, the global manufacturing output index was below the expansion level of 50 for the second straight month. The global business activity index for services fell to 51.7, almost three points below its May peak.

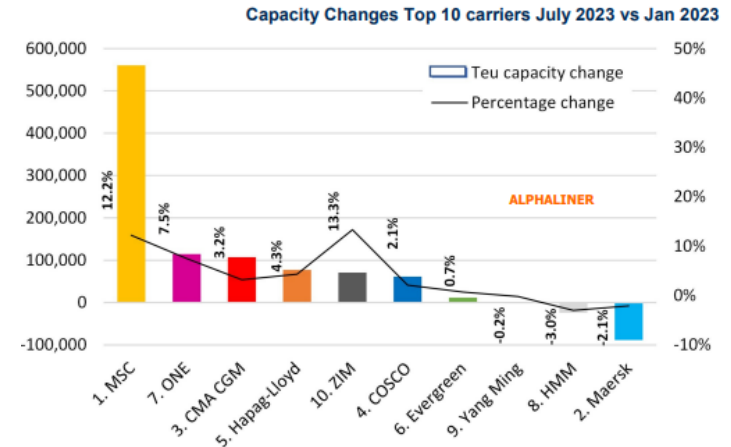
Source: S&P Global, a PMI at 50 is considered neutral, expanding above 50, and business shrinking below 50

Capacity 1/2

MSC and ZIM are again the fastest growing carriers

- **MSC and ZIM**, the two top-10 carriers that showed the most growth in 2022, have again this year added the most extra slots to their fleets. In the first half this year, **MSC** has once **again outperformed** all other top-10 carriers by increasing its nominal fleet capacity by another 560,200 TEU (+12.2%). **Percentagewise**, only **ZIM** grew faster (+13.3%), in an increasing challenging and difficult market for the liner operators.
- By comparison, the **total cellular fleet** has witnessed **growth of just 3.5%** in the first six months of this year.
- The latest top 10 chart still shows the same rankings as at the beginning of the year, but the **fleet evolution** of the **individual carriers** is clearly **very different**.
- After reducing fleet capacity in 2022 by 1.4%, **Maersk** continued to sell ships of end charters in the first half of 2023, **reducing its capacity again by 2.1%**.
- **CMA CGM**, currently the global number three with a fleet of 625 vessels and 3.49 mTEU, appears to be on track to overtake Maersk and **ascend to the number two position** in the not-too-distance future. In recent years, the Marseille-based shipping line has been very aggressive when it comes to placing newbuilding orders and it has amassed a vessel pipe-line of at least 122 ships and 1.24 mTEU. Capacity-wise CMA CGM's orderbook is now the second largest after that of MSC. As per mid July, the French Line's orderbook stands at 35.5% of the carrier's existing fleet capacity.

Source: Alphaliner, Dynaliners, Carriers

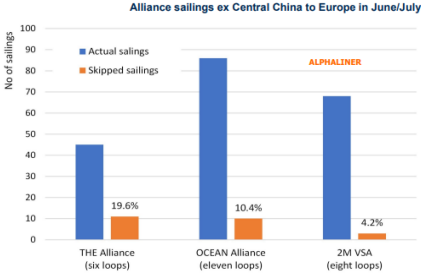


Alphaliner Top 10 carriers July 2023 vs Jan 2023

Rank	Carrier	Capacity 16/7/2023	Capacity 1/1/2023	Gain/loss	% change	Jan 23
1	MSC	5,161,064	4,600,851	560,213	12.2%	(1)
2	Maersk	4,139,697	4,228,174	-88,477	-2.1%	(2)
3	CMA CGM	3,500,572	3,393,190	107,382	3.2%	(3)
4	COSCO Group	2,933,122	2,871,859	61,263	2.1%	(4)
5	Hapag-Lloyd	1,859,736	1,782,791	76,945	4.3%	(5)
6	Evergreen	1,673,600	1,661,865	11,735	0.7%	(6)
7	ONE	1,643,283	1,528,921	114,362	7.5%	(7)
8	HMM	792,074	816,365	-24,291	-3.0%	(8)
9	Yang Ming	705,614	707,354	-1,740	-0.2%	(9)
10	ZIM	604,666	533,823	70,843	13.3%	(10)

Capacity 2/2

In June and July **10.8% of all regular sailings** out of the 25 **Central China – Europe loops** offered by the three big alliances were **voided**. The three main alliances have blanked 24 sailings in June and July on 25 Central China to Europe loops. 16 voyages to North Europe and 8 to the Med. THE Alliance has skipped the highest percentage of scheduled sailings. Slowing cargo demand is preventing MSC from launching a weekly standalone Asia–Baltic ‘Swan’ loop. Limiting capacity is expected to remove some pressure on spot freight rates.



COSCO SHIPPING Lines, its sister company OOCL, and ONE will launch a new weekly liner service connecting Europe with the East Coast of South America. The first sailing will be offered on 16 September from Montevideo with the COSCO-operated 4,051 TEU “XIN TAN TONG”. The service is expected to turn in eight weeks with a fleet of 4,000 – 5,000 TEU panamax ships. COSCO will brand the new loop “ESE2”, while OOCL and ONE will market the connection as the ‘EEX’ and ‘LUX’.

Carriers

Majority investors of **HMM** finally launched a formal sale **process for the privatization** of the Korean shipping. Investors had until 21 August to submit their bids to buy a near-41% stake. Potential bidders included Hyundai Motor Group, LX Group, Samsung SDS, CJ Group, POSCO and Harim Group, as well as SM Group, owners of container carrier SM Line. Also Hapag-Lloyd, is reported to have made a bid for a controlling stake in South Korea carrier HMM as part of the company's privatization process, according to local media reports. However, local commentators have cast doubt on whether a foreign bid could be accepted, given the subsidies advanced to HMM in the past and its strategic role as a carrier for smaller Korean Exporters. HMM is South Korea's only remaining global container line.

Source: Alphaliner, Dynaliners, Carriers

Carrier Financial Results 6 Months 2022–2023 (US\$ million)

Pending results
COSCO Shipping

Shipping profits fall by 82%

Carrier	Revenue			Operating Profit			Operating Profit Margin		Net Profit		
	2022	2023	%	2022	2023	%	2022	2023	2022	2023	%
Maersk Group ⁷⁾	32'982	18'576	-44%	15'597	3'174	-80%	47.3%	17.1%	15'429	3'810	-75%
CMA CGM ^{2), 8)}	30'866	17'222	-44%	17'658	5'235	-70%	57.2%	30.4%	14'801	3'342	-77%
COSCO SHIPPING Holdings ⁵⁾	16'343	6'640	-59%	6'242	1'432	-77%	38.2%	21.6%	4'346	1'036	-76%
ONE ³⁾	9'019	4'642	-49%	5'859	770	-87%	65.0%	16.6%	5'499	513	-91%
Hapag-Lloyd ⁸⁾	17'733	10'924	-38%	10'454	3'802	-64%	59.0%	34.8%	9'043	3'154	-65%
Evergreen Marine Corp. ^{1), 6)}	11'623	4'307	-63%	7'822	683	-91%	67.3%	15.9%	7'114	411	-94%
HMM	7'704	3'253	-58%	4'710	360	-92%	61.1%	11.1%	4'704	471	-90%
Zim	7'145	2'684	-62%	4'247	627	-85%	59.4%	23.4%	3'047	-271	n.m.
Yang Ming ¹⁾	7'265	2'310	-68%	4'815	98	-98%	66.3%	4.2%	3'910	111	-97%
Wan Hai ¹⁾	5'231	1'605	-69%	2'963	-158	n.m.	56.6%	-9.8%	2'380	-143	n.m.
Average ⁴⁾			-49%			-80%	56.6%	22.7%			-82%

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 and Airfreight activities, Net Profit for Group; 3) result is Q1 Japanese financial year, i.e. Apr-Jun not calendar year; 4) Average excluding ONE, COSCO; 5) COSCO Shipping Lines and OOCL, excl. terminals; 6) not consolidated for Evergreen Group; 7) Ocean segment only; Net Profit for Group; 8) Operating Profit is EBITDA

Ports

Container throughput at **Rotterdam**, Europe’s largest container port, **fell significantly** in the **first half of 2023**, adding to declines already reported for 2022, and returning the port’s volumes back to levels last seen six years ago. Container volumes in the six-month period reached 6.7 mTEU, a **8.1% decline** on the same period a year earlier, driven by lower imports from Asia and the ongoing discontinuation of volumes to and from Russia. Number two ranked port **Antwerp-Bruges** also reported a **5.2% year-on-year decline** in volumes for the first half of the year, logging throughput of 6.4 mTEU. Year-on-year percentage declines are slightly distorted by the April 2022 merger of the ports of Antwerp and Zeebrugge into the new entity of Antwerp-Burges and without this, relative declines may have appeared even larger. **Hamburg**, Europe’s third ranked port by container throughput, reported a **volume drop of 13%**, mainly due to lower Far East imports, which were not offset by more North American Freight. Feeder traffic also fell, representing 18% of volumes in H1 versus, versus nearly 21% a year earlier. All three ports had already experienced a difficult 2022. Similar to Rotterdam, throughput volumes at Antwerp-Burges and Hamburg fell by 5.5% and 5.4% respectively in 2022.



Source: Alphaliner, Dynaliners, Carriers

Rules & Regulations

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships will come into force on 26 June 2025. There are now 22 signatories, with Liberia the latest. As Liberia is the second largest flag state in the world by tonnage, the combined fleet of those who have ratified the convention is now equivalent to nearly 46% of the global fleet (by gross tonnage). This comfortably passes the 40% threshold that was required to trigger the coming into force process.

Report on “Ever Given” released. Not adequately assessing the risk of adverse weather conditions, including high winds and reduced visibility, are the reason for the grounding of the “Ever Given” in the Suez Canal in March 2021, according to an investigation of the vessel’s flag state Panama. Failure to use extra tugs in the canal was cited as a contributing factor. The report is questioning the navigational decisions made by the two pilots of the Suez Canal Authority, who gave improper instruction to the helmsman and did not communicate effectively with bridge officers due to language difficulties. Furthermore, at a maximum of 12-13 knots, the vessel was exceeding the permitted speed of 8.64 knots in the waterway. Regardless, the report stresses that the captain has ultimate command of the ship, while the pilots play only an advisory role and do not give orders unless authorized by the captain.

Restriction on Import of Laptops, Tablets, All-in-one Personal Computers, and Ultra small form factor computers, servers classified under HS code 8471 deferred until 31 October 2023. The Director General of Foreign Trade (DGFT) has issued new notification no. 26/2023 dt. 04 August 2023 which is an amendment to Notification No. 23/2023 dt. 03 August 2023 which restricted import of Laptops, Tablets, All-in-one Personal Computers, and Ultra small form factor computers, Servers classified under HSN 8471 without import license. With this new notification DGFT has deferred the requirement of Import License until 31 October 2023 as a transitional arrangement. Import shipment of Laptops, Tablets, All-in-one Personal Computers, and Ultra small form factor computers, Servers classified under HSN 8471 can now be custom cleared without any license until 31 October 2023. Valid Import license will be required only from 01 November 2023 onwards. There is no restriction for import of above-mentioned products into India until 31 October 2023.

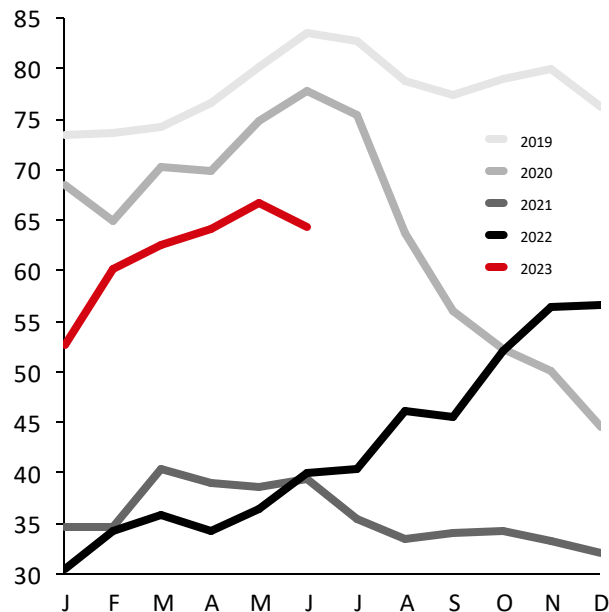
Source: Alphaliner, Dynaliner, Carriers, DHL, etc.

Ocean Schedule Reliability

First drop in reliability this year

- In June **global schedule reliability** has decreased by -2.5 ptp to **64.3%**. This is the first decrease this year and the first decrease in the last 8 months.
- The **South America-North Europe** trade was the best performing trade in June with a reliability of 91%. On the other end of the list ranked the **Asia-North America East Coast** trade with a 41.4% reliability, directly followed by **Asia-North America West Coast** with 46.4%.
- Asia to North Europe** registered a further improvement of 2.6 ptp MoM to 70.4% and **Asia to the Mediterranean** a small improvement of 0.7 ptp to 55.1% reliability.
- On the **Transatlantic Eastbound** reliability increased to 71.9% and to 69.2% on the **Westbound** trade.

SCHEDULE RELIABILITY (%)



Source: Sea Intelligence, DHL

Did you know

Shipping Decarbonisation

IMO adopts stricter greenhouse reductions strategy

The International Maritime Organization (IMO) adopted a stricter strategy to reduce greenhouse gas (GHG) emissions by international shipping but fell short of adopting the higher limits demanded by some campaigners. The Organisation's Marine Environment Protection Committee (MEPC 80) committed to reduce CO2 emissions per transport work by at least 40% by 2030, compared to 2008. It also resolved to cut total emissions from shipping by 20-30% by 2030 and 70-80% by 2040. IMO said shipping would reach a net zero 'close to' 2050. Critics had called for a 50% cut in CO2 emissions by 2030 and a firm pledge to be net zero by 2050 at the latest. The World Shipping Council (WSC) said importantly the updated GHG strategy set a clear timeline for the development of the lifecycle-based global standard and economic instrument, to be agreed by 2025 and ready for implementation in 2027. However, the non-profit International Council on Clean Transportation (ICCT) stated it believed shipping would still exceed its 1.5C carbon budget by approximately 2032 under the agreement.

Biofuels need massive growth to meet shipping needs

A white paper recently issued by classification society DNV estimated that biofuels, in the form of methane, methanol or biofuel oils, accounted for just 0.1% of marine fuel consumption in 2022. The study suggests that 250 million-tonne equivalents (mtoe) of biofuel would be needed by shipping each year come 2050, if this were to be the primary decarbonization method. This is an increase of 250,000%. However, global production of biofuels is currently only 11 mtoe, for which shipping must compete against other industries. Shipping traditionally accounts for around 3% of global energy demand.

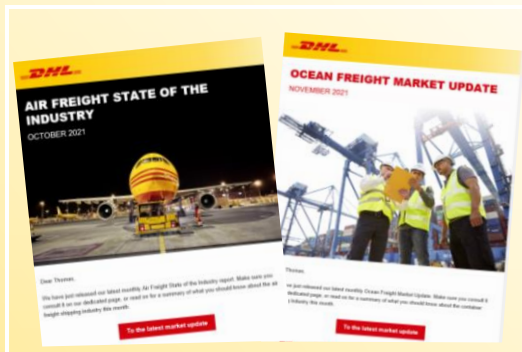
In the meantime, biofuel oils are proving popular, especially with shippers. As an example, Hapag-Lloyd and DHL Forwarding signed an agreement in 2022, which in the initial stages, will see the German carrier use advanced biofuels to ship 18,000 TEU of cargoes for DHL Forwarding.

Another considered possible alternative fuel is Ammonia. Despite there is no working marine engine running on it, there are a number of vessels being ordered as "ammonia ready". Whilst acknowledging the technical and engineering challenges facing ammonia. The Maritime and Port Authority of Singapore is hopeful that it could undertake its first ammonia bunkering operations as soon as 2026. Year Clean Ammonia and Bunker Holding have signed an agreement that will see them work together to develop and supply clean ammonia as bunker fuel.

In contrast oil major Shell stated it will not progress further on the ammonia pathway over concerns regarding toxicity and will concentrate on other alternatives as LNG and methanol there are also actions being taken to pursue this alternative further.

Source: Alphaliner, DynaLiners

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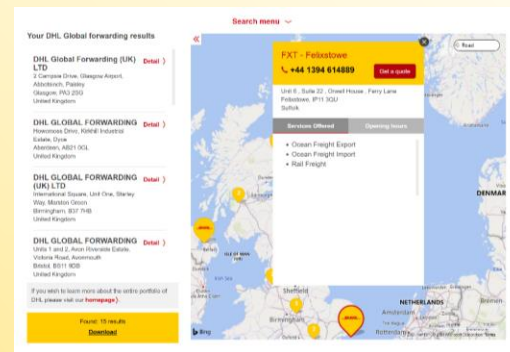
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BACK-UP



Market outlook September 2023 – Ocean Freight rates additional trades (1/2)

EURO-AMLA	No space restrictions nor operational issues to highlight. Continued rate reductions, although these are less significant as from July, with stabilization expected by end Q3.
EURO-MENAT	Space is OK. Rates are decreasing slightly. No issues with equipment. Capacities into East Med available and rates continue to soften for short and long term contracts.
EURO-SSA	South Africa: Schedule reliability is partly still affected by various coincidents. Short and long-term market is softening rate-wise. West Africa: space constrains softening and carriers are able to offer allocation on shorter terms. Still a pre-booking period of a couple of weeks in advance needs to be considered for bigger batches. Congestion situation in major transshipment hubs remains stable. East Africa: space situation remains soft. Congestion in the major transshipment hubs is easing up.
AMNO-MENAT	Space is available. Rates are decreasing slightly. No issues with equipment. Capacities into East Med available and rates continue to soften.
AMNO-SSA	Market remains down due to several geopolitical disruptions across the region.
AMNO-AMLA	Space available for all destinations. The Market is expected to remain relatively flat for remainder of the year. ONE launching a new service ex South Atlantic ports to WCSA.

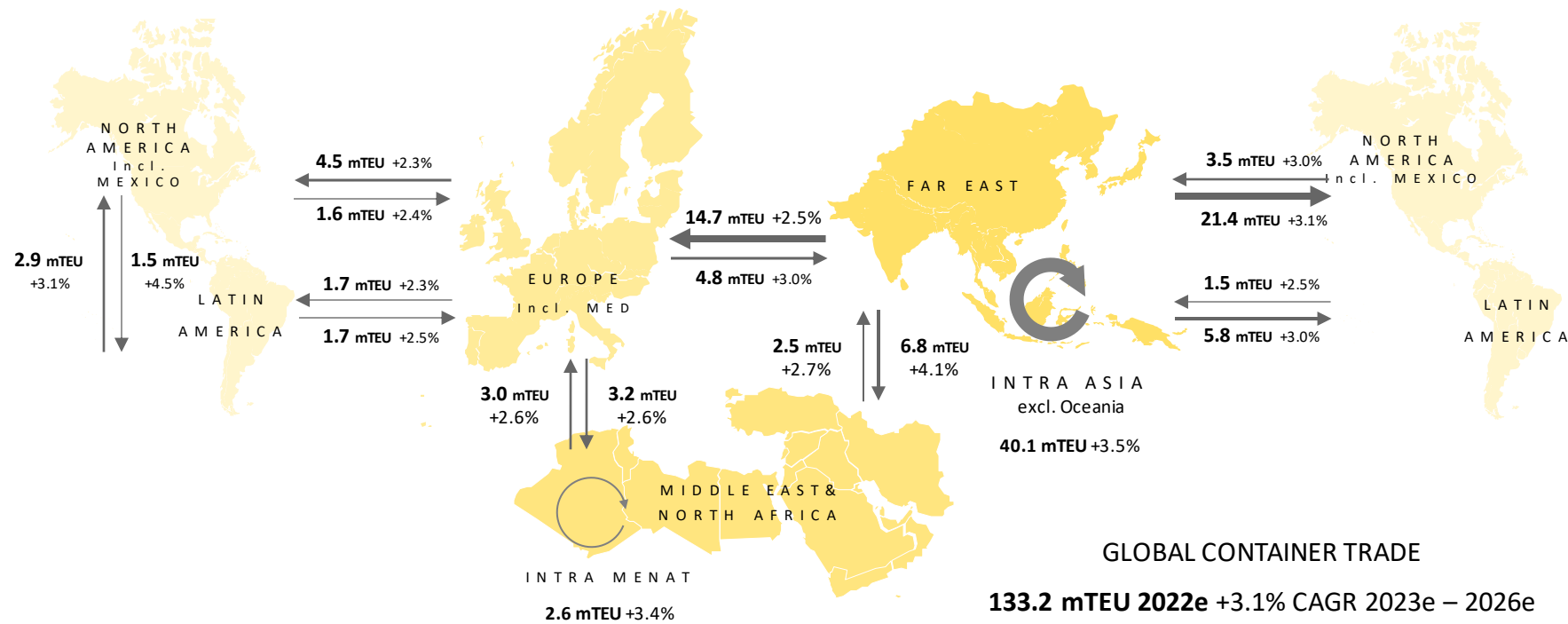
Source: DHL

Market outlook September 2023 – Ocean Freight rates additional trades (2/2)

EURO MED-AMNO	Weak demand continues. Rates further reduced now at pre covid levels.
EURO MED-AMLA	ECSA and WCSA trade are both stable.
EURO MED-ASPA and MENAT	rates reductions depending on the service and alliance.
EURO MED-SSA	rate reductions depending on the service and alliance.
ASPA-SPAC	Carriers are announcing GRI for NEA-AU of USD150/TEU effective Sep 1st, 2023. Space remains tight. Origins are advised to book space 2-3 weeks in advance. Due to the upcoming pre-golden week rush, a tight space situation is expected and carriers will most likely announce a GRI in the 2nd half of September. SEA-AU market is not picking up although carriers are all pushing for more SEA volumes. Volumes expected to be low for Q3'23 as we are moving into Oceania seasonal Slack season.
MENAT Exports	<p>Intra Gulf & ISC: Space open and carriers are eager to support new business.</p> <p>Asia: Open allocation offered by carriers. Rates on this trade continue to drop.</p> <p>Oceania: Space for Australia & New Zealand has opened up for all carriers with freight rates reaching pre covid levels</p> <p>Europe & MED : Space is available. However Mersin & Iskenderun port are facing congestion with charges being implemented.</p> <p>Africa (West & South): South African ports continue to face berthing delays. Space open for all carriers on the trade however transit delays to be anticipated.</p> <p>Africa (East): New capacity added on this trade leading to rate reductions.</p> <p>AMNO: Space on USEC and USWC is open. IN2 call at JED offers faster transit and ample capacity.</p> <p>AMLA: ex Gulf : Space opened by most carriers.</p>

Source: DHL

Market volume 2023 – 2027



Source: Seabury Jun23 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	PMA	– Pacific Maritime Association
ASPA	– AsiaPacific	PNW	– Pacific North West
BR	– Brazil	Ppt.	– Percentage points
CAGR	– Compound Annual Growth Rate	PSW	– Pacific South West
CENAC	– Central America and Caribbean	QoQ	– Quarter on quarter
CNC	– CNC Line (Cheng Lie Navigation Co. Ltd.)	SAEC	– South America East Coast
DG	– Dangerous Goods	SAWC	– South America West Coast
DWT	– Dead Weight Tonnage	SOC	– Shipper Owned Container
EB	– Eastbound	SOLAS	– Safety of Life at Sea
ECSA	– East Coast South America (synonym for SAEC)	SPRC	– South People's Republic of China – South China
ECRS	– Emergency Cost Recovery Surcharge	SSA	– Sub-Saharan Africa
EGLV	– Evergreen Marine Corp	SSL	– Steam Ship Line
EURO	– Europe	T	– Thousands
GRI	– General Rate Increase	TA	– Trans Atlantic
HMM	– Hyundai	TEU	– Twenty foot equivalent unit (20' container)
HL	– Hapag-Lloyd	TSA	– Trans Pacific Stabilization Agreement
HSFO	– High-Sulphur Fuel Oil (< 3.5% Sulphur)	USGC	– US Gulf Coast
HSUD	– Hamburg Süd	US FMC	– US Federal Maritime Commission
HWS	– Heavy Weight Surcharge	USEC	– US East Coast
IA	– Intra Asia	USWC	– US West Coast
IPBC	– India Pakistan Bangladesh Ceylon (= Sri Lanka)	VGM	– Verified Gross Mass
IPI	– Inland Point Intermodal	VLCS	– Very Large Container Ship
ISC	– Indian Sub Continent (synonym for IPBC)	VLSFO	– Very Low-Sulphur Fuel Oil
MEA	– Middle East and Africa	VSA	– Vessel Sharing Agreement
MENAT	– Middle East and North Africa	WB	– Westbound
ML	– Maersk Line	WCSA	– West Coast South America (synonym for SAWC)
mn	– Millions	WHL	– Wan Hai
MoM	– Month-on-Month	WRS	– War Risk Surcharge
NOO	– Non-operating (vessel) owners	YML	– Yang Ming Line
NOR	– Non-operating reefer	YoY	– Year-on-Year
OCRS	– Operational Cost Recovery surcharge	YTD	– Year-to-Date
OOCL	– Orient Overseas Container Line	THEA	– The Alliance

Source: DHL