OCEAN FREIGHT MARKET UPDATE

OCTOBER 2023 –
PUBLICATION DATE SEPTEMBER 30TH, 2023

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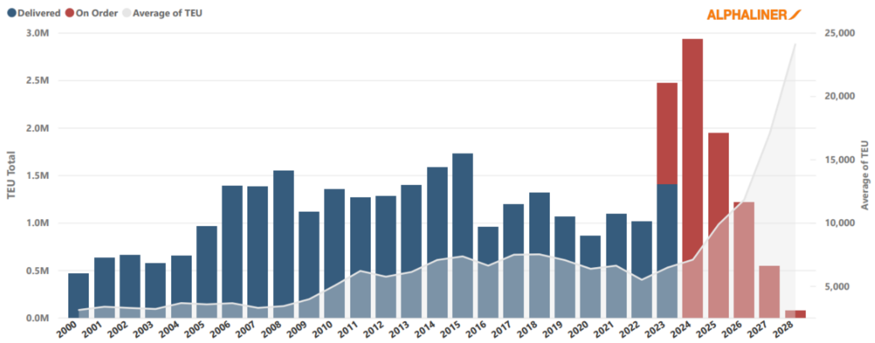
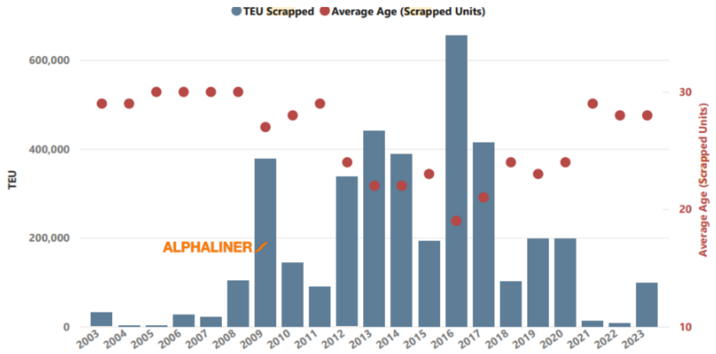
Contents
Ocean Freight Market update – October 2023

Topic of the month
Newbuilding Deliveries

Container Vessel Deliveries in TEU



Container Vessel Scrapping in TEU



- Alphaliner’s orderbook projections show that 2024 will be a record year for deliveries as carriers ordered great amounts of new vessels in the boom years of 2021 and 2022. At the same time scrapping activity has been very low in the past two years.
- Over the course of this year and the next, newbuilding deliveries are expected to remain high.
- A weakening economy with a slow cargo market could however see vessel handovers deferred and vessel scrapping rising sharply.

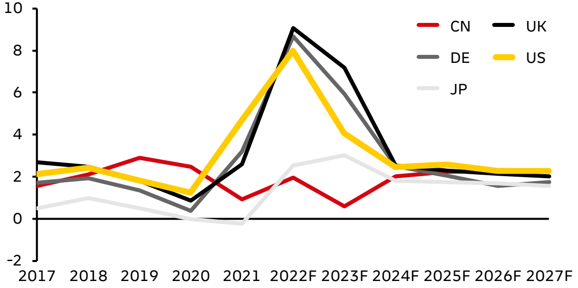
Source: Alphaliner

High level market development

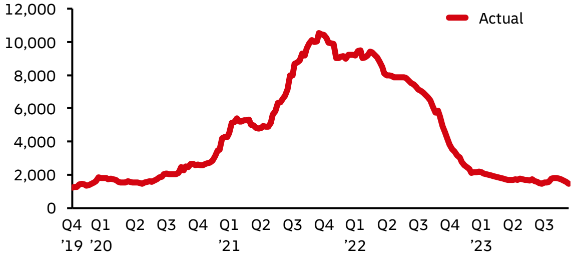
ECONOMIC OUTLOOK GDP GROWTH BY REGION[1)]

	2023F	2024F	2025F	2026F	2027F	CAGR (2024-27)
AMER	2.1%	1.5%	1.6%	1.9%	2.0%	1.8%
ASPA	4.2%	4.1%	4.3%	4.3%	4.2%	4.2%
EURO	0.8%	1.0%	1.7%	1.8%	1.7%	1.8%
MEA	2.4%	3.4%	3.8%	3.3%	3.3%	3.5%
DGF World	**2.5%**	**2.4%**	**2.7%**	**2.8%**	**2.8%**	**2.8%**

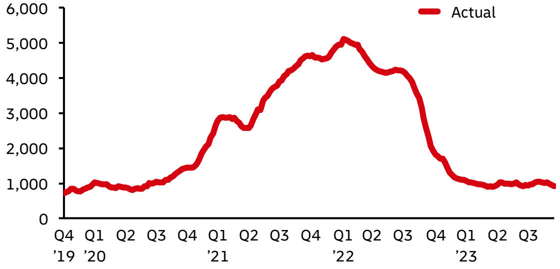
INFLATION, YOY in %[2)]



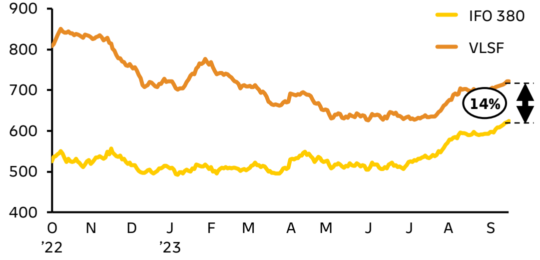
WORLD CONTAINER INDEX (WCI)[3)]



SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)[4)]

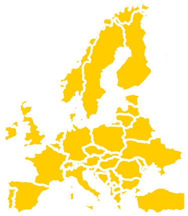


BUNKER PRICES [5)]



1) Real GDP, Copyright © IHS Markit, now part of S&P Global, Q3 2023 Update Sep '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 October 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 October 2023
Ocean Freight rates – Asia-Pacific exports

ASPA-EURO	Prior to the Chinese Golden Week holidays, the demand is moderate, and the spot market is fluctuating heavily. Carriers show discipline in the capacity deployment.
ASPA-AMNO	Limited pre-golden week rush and with the lower demand, there are multiple blank sailings announced post China holidays.
ASPA-AMLA	Limited pre-golden week rush and with the lower demand, there are multiple blank sailings announced post China holidays.
ASPA-MENAT	China Golden Week will see a slew of blankings especially to East MED and Middle East to react to a lower market demand and to possibly sustain rates. We will see capacity reduction of 30-40% per week to MED and around 30% to Middle
ASPA-ASPA	With multiple blank sailings announced ahead and post Golden Week, demand for both IA and IPBC remained stagnant, but space reported tight in some location and roll pool is accumulating at transshipment port. Several GRRs announced in phases since end Aug with some successes, primarily focusing from China and TH exports to other destinations. Origins are advised to secure bookings 3-4 weeks in advance to enhance the likelihood of securing space and equipment, Lastly, owing to the disruptions from recent typhoons, delays should be anticipated.

Source: DHL

Market outlook October 2023
Ocean Freight rates – Other major trades

EURO-AMNO

Ocean freight rates are stabilizing. Carriers are aiming to modify their deployed fleets, by adjusting the vessels' size/capacity to the demand. The trade remains fluent, and beside seasonal weather influences (hurricane season), ports and inland terminals are operating without major issues. Inland transport capacity is sufficiently available, both in Europe and North America. West Coast services can be impacted by Panama canal draft restrictions, which are foreseen to remain in place for the upcoming months, due to low water. Liner operators reserve their transits however ahead of time and have priority to pass other providers, i.e. bulkers and tankers, waiting in the anchorages at both sides of the canal.

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, more impact in November after Golden Week in Asia.
AU/NZ: no space issues on both services.
MEA: currently no space issues reported. Carrier open for additional bookings. Rate levels remain under pressure due to low demand.

AMNO-EURO

Rates are stable and remain at pre-Covid level. No change to capacity in October.

AMNO-ASPA

Market stable – increased supply on the trade

AMLA Exports

AMLA – AMNO & INTRA: Several GRI's announced for BR exports for October and more expected for Q4.
AMLA – ASPA: In October, there will be a notable surge in volume from SAEC, mainly attributed to the cotton season. To ensure smooth operations, please make bookings at least two weeks in advance. Additionally, there are equipment availability concerns for 20' DRY food-grade containers across all ports, but carriers are maintaining their regular schedules. Please be aware that a new Low Water Surcharge has been implemented at Manaus due to the current water level of the Amazon River. SAWC – Rates are currently holding steady with no anticipated increases. There is limited equipment availability at the ports in Southern Chile
AMLA – EURO, MENAT & SSA: New ONE/Cosco/OOCL VSA for SAEC – EURO disrupted an already struggling market. Aggressive pricing already on display, though some hope for Q4 commodities boost ex-SAEC. Market for rates from MX to N. Euro, Med and Mideast is still competitive.

Source: DHL

Economic outlook & demand evolution – This year’s global growth forecast has edged up, but the outlook is patchy.

A recession in western Europe is now S&P Global Market Intelligence’s base case. They projects a mild “technical” recession in the eurozone during the second half of this year, having been forecasting below-consensus growth outcomes since early in the year. Weakness in the most industry-sensitive economies, including the largest, Germany, remains a key part of the story. Momentum is also fading in the services-sensitive southern member states. Against this backdrop, the European Central Bank is done hiking, although a restrictive policy stance is set to last well into 2024. While the UK’s large real GDP contraction in July was exaggerated by special factors, we retain our long-standing recession call.

US annual growth is revised up but with a marked slowdown still expected. September’s forecasts of US real GDP growth in 2023 and 2024 are marginally higher than in August, at 2.3% and 1.5%, respectively. This primarily reflects unexpectedly strong consumer spending through July which also boosts next year’s annual growth rate due to “carry over” effects. Still, measured on a 4^{th} quarter over 4^{th} quarter basis, US growth is expected to end 2024 well below-trend. The Federal Reserve (Fed) is expected to hold pat on rates later this month, but S&P Global Market Intelligence continue to predict another hike in November and no reversal until spring 2024.

Mixed outlook for Asia-Pacific. The economic expansion in mainland China will continue to be hindered by multiple headwinds and recent monetary stimulus is not going to make a material difference to growth prospects. With recent “hard” activity data exhibiting broad-based weakness, real GDP growth forecasts for this year and next have again been lowered, to 5.0% and 4.6%, respectively. In contrast, much stronger than expected GDP prints in Japan and India have prompted upward revisions to this year’s growth forecasts for both. Persistently strong PMI data in India suggest recent robust growth will persist.

Near-term real GDP growth rates in the six Central European member states of the eurozone — Croatia, Estonia, Latvia, Lithuania, Slovakia, and Slovenia — are forecast to outperform those of the larger Western economies. Despite headwinds from the rest of the eurozone, the expansion of exports of goods and services is forecast to drive overall GDP gains in all the Central European member states except Slovenia. Strong export growth is critical for these economies as exports of goods and services account for 75% of GDP or more in five of the countries in 2023. Outside of the eurozone, the smaller economies of Central Europe and the Balkans are forecast to be the most dynamic of the region.

The JPMorgan Global Composite Purchasing Managers’ Index™ (PMI™) compiled by S&P Global fell for the 3^{rd} successive month in August and, at 50.6, was barely in expansion territory. The global manufacturing output index was sub-50 for the 3^{rd} month straight, with the services equivalent down by over four points from its May peak. Forward-looking sub-components generally signal further weakness ahead.

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

Capacity 1/2

MSC has in early September implemented significant changes to the rotation of its standalone Asia – North Europe – Baltic 'Swan' service. Starting from the 7 September sailing of the 4,931 TEU panamax MSC MIRELLA V ex Ningbo, the 'Swan' service will turn in ten weeks, calling only seven ports: Ningbo, Yantian, Felixstowe, Gdansk, Gdynia, Bremerhaven, King Abullah Port, Ningo. The 'Swan' service was launched on 10 June but weak cargo demand in July and August had forced MSC to deploy smaller vessels and to skip sailings. Now in October five sailings will be skipped again, and the service will return in November. A clear signal that MSC will push for greater market share on that trade.

MSC's Far East-USEC 'Santana' drops Southeast Asian calls. Yantian has become the new starting point for MSC's standalone Far East – US East Coast 'Santana' service in early September. The previously announced addition of new calls at Laem Chabang and Cai Mep at the expense of Haiphong will finally not materialize and the service will no longer call at any Southeast Asian port. The other previously announced changes for the US rotation with New York and Norfolk replacing Port Everglades and Baltimore remain however in place.

MSC and ZIM back in VSA for North Europe-East Med trade. After having split ways in March 2022, MSC and ZIM have concluded a new Vessel Sharing Agreement for the North Europe to/from East Med trade. The new joint service will replace MSC's existing standalone 'Israel Express' and the North Europe – East Med leg of ZIM's 'ZIM Mediterranean ISC' service ('ZMI'). The joint service includes calls at London-Gateway, Rotterdam, Hamburg, Antwerp, Le Havre, Ashdod, Haifa, Damietta, Valencia, London-Gateway. Changes for MSC include the addition of Hamburg (at the request of ZIM) and the removal of a call at Iskenderun. The formation of this new VSA follows shortly after both carriers reached a similar agreement in the Asia – Oceania trade. These developments are part of ZIM's network rationalization to minimize losses after the carrier generated a net deficit of USD 213 M in the second quarter.

Blank sailings on East-West routes. The 2M-partners MSC and Maersk blank at the end of September and in October a huge number of sailings on the two biggest East - West trades. Also, Hapag-Lloyd blanks 12 sailings on the Asia-Europe trade in the weeks 39 to 43. Most of these sailings concern voyages of THE Alliance, but Hapag-Lloyd also confirmed a voided sailing in week 39 from Qingdao on its 'FE9' loop. Hapag-Lloyd offers this connection through a slot charter on the OCEAN Alliance's fifth Asia – North Europe loop, operated by CMA CGM as 'FAL3'. The carriers want to balance their network in light of forecasted reductions in cargo demand, and a reduced available workforce to handle operations during and after the Golden Week holiday in China.

Source: Alphaliner, Dynaliners, Carriers

Capacity 2/2

Maersk and MSC reduce North Europe-USEC capacity. The two partners have started downsizing their joint North Europe – US East Coast 'TA2 / NEUATL2' service, one of their three weekly VSA loops on this trade. All six 6,800 – 9,200 TEU vessels currently deployed by MSC (five) and Maersk (one) will as from 22 September be replaced by six Maersk-operated 4,130 – 5,100 TEU ships. Average weekly capacity per direction will go down from 8,300 to 4,750 TEU (-43%). There will be no consequences for the sailing schedule.

ZIM adds Latin American ports to the Asia - USEC loop. Starting with the 7 October sailing from Port Kelang ZIM will add calls at Lazaro Cardenas in Mexico and at Cartagena in Colombia to the rotation of its Asia – US East Coast 'ZIM Ecommerce Xpress Baltimore' service ('ZXB'). Current calls at the Caribbean hub of Kingston, Jamaica, will be dropped. In Asia, Shanghai will be added as the last loading port, which comes at the expense of the loop's Laem Chabang calls. The rotation changes enable ZIM to start accepting Asian exports to the Mexican West Coast and to the North Coast of South America, which are new connections in the network of the Israeli carrier.

Evergreen, CMA CGM, OOCL and X-Press Feeders offer direct North China – East Africa link. This new connection will be provided by revamping the current Central / South China - Straits - Sri Lanka - Kenya - service, which they respectively market as 'AEF', 'Asea Kenya' ('ASEA2'), 'EAX3' and 'MFX'. This Far East - East Africa loop will be extended to North China with the addition of Qingdao, which comes at the expense of Tanjung Pelepas, Colombo, and an eastbound call at Port Kelang. As from the 10 October sailing from Qingdao the updated rotation will cover Qingdao, Shanghai, Ningbo, Nansha, Singapore, Port Kelang, Mombasa, Singapore, Qingdao.

THE Alliance suspends Transpacific loop. The grouping (Hapag-Lloyd, ONE, Yang Ming) will suspend its PN3 loop until further notice, although the existing PN2 will be expanded, as from early October, with calls to Yangshan, Busan, Kaohsiung and Hong Kong. The revised rotation will therefore reflect: Singapore, Laem Chabang, Ho Chi Minh (Cai Mep), Haiphong, Yantian, Yangshan, Busan, Vancouver, Tacoma, Tokyo, Kobe, Kaohsiung, Hong Kong and back to Singapore.

Container manufacturer see massive falls in revenue and profit. The 1H23 figures of the two main listed container manufacturers, CIMC and Singamas', show that, combined, container manufacturing revenue fall by 46% to less than USD 2.1 billion. The net result was even worse, taking a 77% hit to USD 117.5 million. Underpinning this, the half-yearly sales of dry containers were down by 62% to 312,000 TEU. Singamas also advised that its average selling price per 20' dry container was down by 38% to USD 2,078.

Source: Alphaliner, Dynaliners, Carriers

Carriers

Hapag-Lloyd barred from bidding for HMM takeover. This narrows the field of candidates down to Korea's LX Group, Harim Holdings and Dongwon Holdings. The state-owned Korean entities, the Korean Development Bank (KDB) and the Korean Ocean Business Corporation (KOBC), are looking to sell their combined 40% shareholding in HMM. Hapag-Lloyd's bid triggered a strong lobbying push in Korea to ensure that HMM would remain under Korean control. As a peninsular nation, that is cut off from the mainland, Korea relies on maritime trade to keep its economy going and a large domestically-controlled shipping line is regarded as a strategic asset.

CMA CGM and Maersk team up in decarbonization effort. Both carriers have set a net-zero target for their shipping business. Together they will now identify scalable solutions that can create an impact. Maersk already has several methanol dual-fuel ships in its order book. It also has named its first methanol dual-fuel container vessel, the 2'100 TEU LAURA MAERSK, in an inauguration ceremony at Copenhagen this month. CMA CGM on the other hand has several LNG-propelled vessels already in service and is now diversifying its approach with orders for methanol dual-fuel ships.

HMM conducts another trial use of sustainable marine biofuel. The 6'350 TEU vessel HYUNDAI TACOMA, which is operated in HMM's standalone FIL service, was refueled with a biofuel blend, supplied by GS Caltex, during its call at Busan New Port. The blend consisted of 30% biodiesel derived from used cooking oi and 70% high-sulfur fuel oil (HSFO). According to HMM , the blend reduces greenhouse gas emission by 24% compared to conventional fuel.

Hapag-Lloyd creates port sub-unit. The new Hapag-Lloyd Terminal Holding (HLTH) will be based in Rotterdam (NL), and it will be headed by Hapag-Lloyd's current Senior Managing Director for the Region Middle East, Dheeraj Bhatia. Historically weak in port infrastructure side, the carrier has been catching up recently. Next to a 25% stake in the CTA terminal at it home port Hamburg, Hapag-Lloyd has entered into joint ventures with Eurogate Group at Tanger Med (MA), Damietta (EG) and at Wilhelmshaven (DE). It also acquired 100% of the Chile-based port group SAAM in 2022, and therewith bought stakes in ten marine terminals in six countries in the Americas. In January of this year, Hapag-Lloyd then bought a 49% stake in Spinelli Group of Italy, followed by the acquisition of a 40% interest in J M Baxi Ports & Logistics Limited of India.

Source: Alphaliner, Dynaliners, Carriers

Rules & Regulations

Panama Canal extends transit restrictions. The Panama Canal Authority has advised its clients that restrictions in the number of daily vessel transits and maximum draft might remain in place for another ten more months as water levels in the Gatun lake remain low due to a prolonged period of drought. While the first measure is not having any major impact on container services using the Panama Canal, the draft restrictions prevent the carriers to fully use the capacity of their ships. Currently, there are no disruptions. And even in the case of future disruptions carriers and shippers still have many alternatives. There are currently enough vessels available to re-route Asia-USEC traffic through the Suez Canal, while American importers have the option to discharge their cargo at US West Coast ports and have it railed to the East Coast.

New EU Customs Requirements for shipments into Europe. The European Union has introduced a series of customs reforms, including the upcoming NCTS 5.0 (New Computerized Transit System). The changes, imposed by the customs authorities require more detailed data: The full list of HS (Harmonized System Code) (6 digit) for all goods contained in a shipment, and the specific descriptions per HS code of all goods in that shipment. Among the first countries to implement the new requirements is Germany, with immediate effect (end of transition period is October 29th, 2023). The changes related to NCTS 5.0 will become mandatory during an extended transition period in all other European Countries. German Sea ports are often the entry point in Europe for shipments moving to several different destinations. Without the necessary information, customs authorities may not release the Transit, and shipments will not be allowed to cross intra-European borders, leading to delays caused by customs formalities on each border and additional costs.

India: GST Tax Change effective 1 October 2023. The changes are as follows: Export out of India: for road freight in India tax changed from 18 percent to 0 percent. Import into India: for Ocean freight tax changed from 5 percent to 0 percent and for road freight in India tax changed from 18 percent to 0 percent. Apart from this, the existin tax structure remains the same, and will be applied accordingly.

Source: Alphaliner, Dynaliners, Carriers

Ports

Port throughput drops sharply in Europe and the US. The six European and American ports, that are among the global Top 30 container ports , all saw declines in container throughput in the first half of the year. Declining -5% YoY Rotterdam was overtaken by Dubai which grew by 1%. China's port performed strongly with a 4.8% increase YoY. Mundra consolidated its as the number one container port in India.

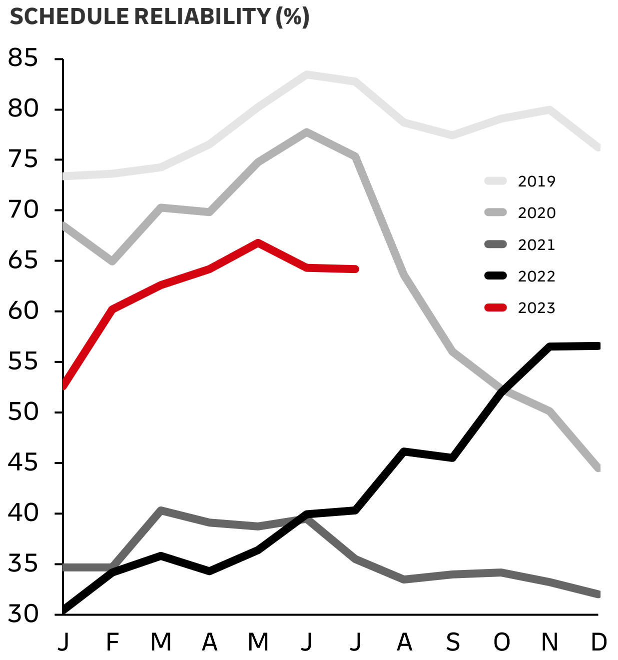
MSC to buy 49% stake in Hamburg's HHLA, MoU signed. MSC, via the wholly-owned Italian-registered investment vehicle of MSC Group and the Aponte family, and the Free and Hanseatic City of Hamburg have agreed on the sale of the publicly-listed Hamburger Hafen und Logistik group (HHLA). The city state of Hamburg owns 69% with the balance held by institutional (21%) and retail investors. The MSC company is offering EUR 16.75 per share, which closed at EUR 11.18 the day before the agreement was announced. Once the sale is complete, the City will transfer its holding to the acquisition company by way of capital increase. In return, it will receive 50.1% of that entity with MSC holding 49.9%, thereby keeping HHLA in the City's control. The 'new' HHLA would become a public-private partnership and be de-listed from the stock exchange. The deal is subject to a variety of approvals, as HHLA brings interests in terminals located in Tallinn (1), Cuxhaven (1), Hamburg (5), Trieste (1) and Odessa (1) with a gross capacity of at least 13.55 million TEU. HHLA also operates blocktrain services between Hamburg and central and eastern Europe. It is worth noting that MSC's Geneva based terminal operations branch TIL (Terminal Investment Limited) is not involved in the MoU between MSC Group and the city state of Hamburg. TIL is a joint venture of MSC-Aponte (60%) and two investment funds (Global Infrastructure Partners (GIP) and the Government of Singapore Investment Corporation (GIC).

Source: Alphaliner, Dynaliners, Carriers

Ocean Schedule Reliability

Reliability remains unchanged

- At **64.3% global schedule reliability** remained unchanged month-on-month and at slightly lower level than in May, the peak this year so far. Compared to the level a year ago reliability is still 23.8 percentage points higher.
- The **South America to the Mediterranean** trade was the best performing trade in July with a reliability of 90.2%. On the other end of the list ranked the **Asia to North America East Coast** trade with a 38.8% reliability, directly followed by **Asia to North America West Coast** with 41.9%.
- **Asia to North Europe** and **to the Mediterranean** remained flat at 69.8% and 55.0% respectively.
- On the **Transatlantic Eastbound** reliability increased by 4.3 percentage points to 76.2% and by 2.5 percentage points to 71.7% on the **Westbound** trade.



Source: Sea Intelligence, DHL

Did you know
Average size of container vessels per trade

Almost all megamax vessels are deployed in the Asia-Europe trade

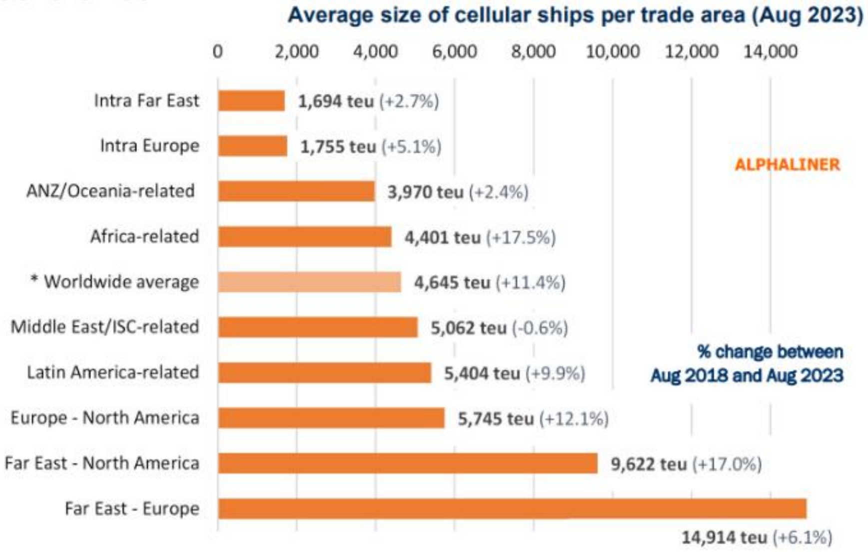
With the exception of two MSC megamax ships currently deployed on the 2M China-California 'TP2 / Jaguar' service and four COSCO SHIPPING megamaxes trading between the Far and the Middle East, all other megamax ships (164) are currently active between Asia and Europe.

Two years ago, the average vessel size on Asia-Europe stood at nearly 16'100 TEU. This figure has dropped considerably since the Russian invasion in Ukraine which led to the closure of liner services to/from Russian ports by almost all major carriers, except MSC.

The strongest growth in vessel size in the past five years happened on the Africa related trades where size grew by 17.5%.

On the Far East - North America trade growth was similar at +17.0% to reach 9'622TEU average vessel size.

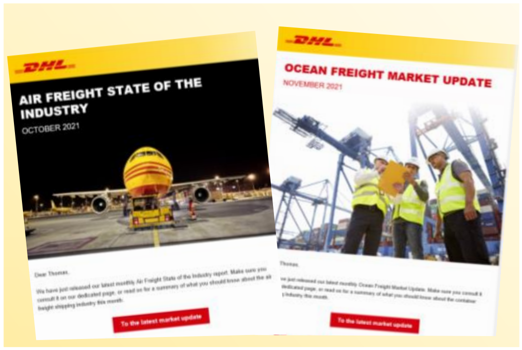
The decision to allocate a certain vessel size to a particular tradelane is primarily a function of the container volumes on that trade, i.e. the demand, and port infrastructure, i.e. operational feasibility.



Source: Alphaliner

STAY IN TOUCH WITH THE EXPERTS

ARE YOU READY TO MOVE FORWARD?



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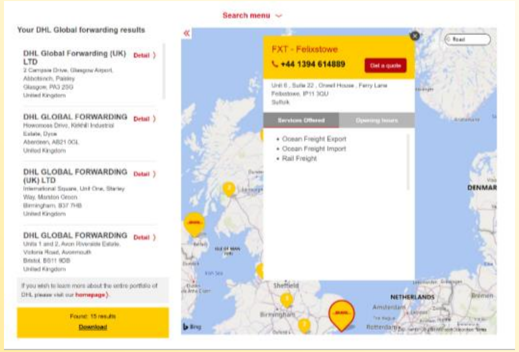

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BACK-UP

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

EURO-AMLA	No space restrictions to highlight. New carrier into the East Coast market introduced. The stabilization expected is not there yet.
EURO-MENAT	Space is OK. No issues with equipment. Capacities into East Med available.
EURO-SSA	**South Africa:** Schedule reliability is partly still affected by various coincidents. **West Africa:** space constrains softening and carriers can 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	MSC opening a port call in Dubai, SA. Egypt and Turkey routed opening up. Carriers are adding unique ports, like Iskenderun TR and Derince TR.
AMNO-SSA	Market remains down due to several geopolitical disruptions across the region.
AMNO-AMLA	Space is open. Low Water fee implemented for Manaus destination. ONE FLX service begins initial loop ex USA in October.

Source: DHL

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

EURO MED-AMNO	Weak demand.
EURO MED-AMLA	ECSA and WCSA trade are both stable.
EURO MED-ASPA and MENAT	
EURO MED-SSA	
ASPA-SPAC	Carriers are implementing multiple blank sailings for Chinese Golden Week Holidays and creating roll pool to prepare for lower market demand post 2 weeks of Golden Week Holidays. For Oct'23 vessels sailing full because of reduction of capacity in the market.
MENAT Exports	**Intra Gulf & ISC:** No challenge in allocation but KSA ports facing equipment shortage. **Asia:** Open allocations. **Oceania:** Space for Australia & New Zeland has opened up **Europe & MED :** Open allocation and no change expected . Mersin & Iskenderun port are facing congestion and charges implemented. **Africa (West & South):** South Africa port continues to face berthing delays. Space open for all carriers on the trade however transit delays to be anticipated. Some carriers implemented congestion fee at Dakar & Cotonou. **Africa (East):** Carriers are applying rate increase owing to increased demand for space. **AMNO:** Space on USEC and USWC are open. IN2 service call at JED offers faster transit and ample capacity . **AMLA:** ex Gulf : Space opened for most carriers .

Source: DHL

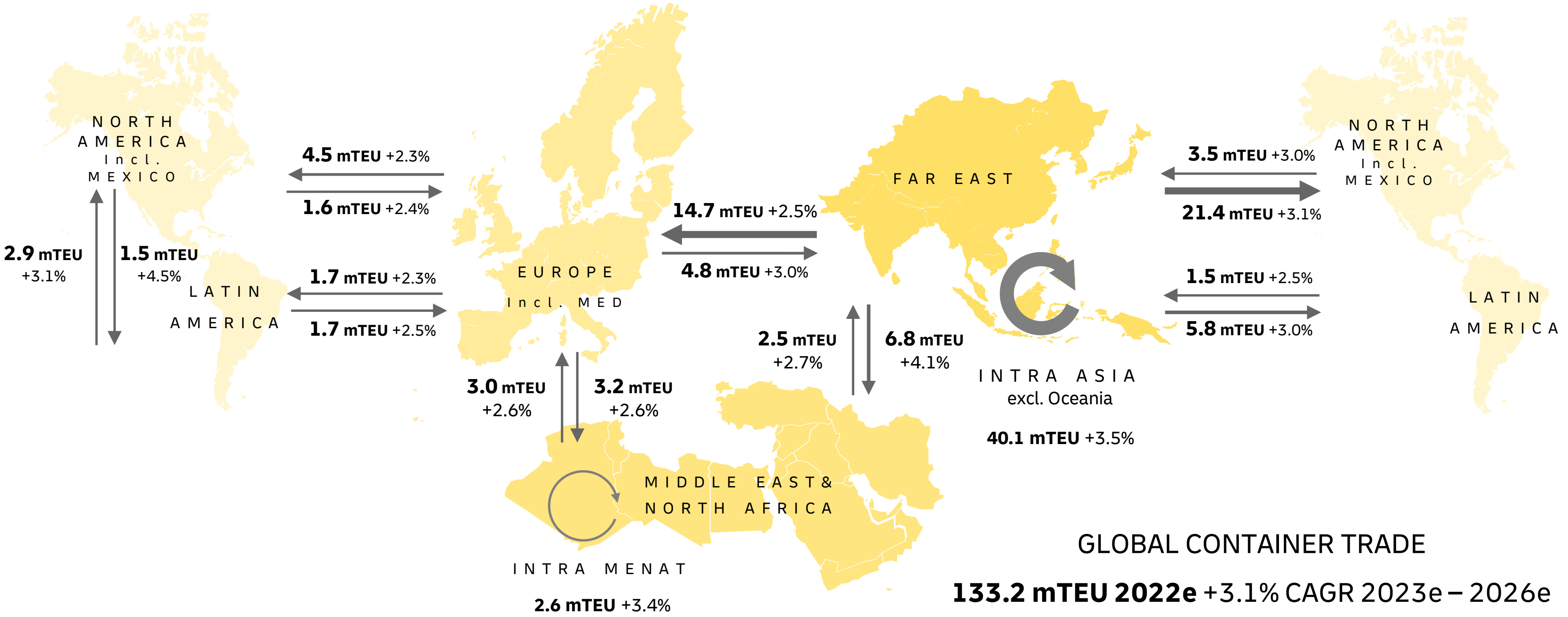
Carrier Financial Results 6 Months 2022–2023 (US$ million)

Shipping profits fall by 82%

	Revenue			Operating Profit			Operating Profit Margin		Net Profit		
Carrier	**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)	30’559	11’700	-62%	14’205	2’982	-79%	46.5%	25.5%	n.a.	n.a.	n.m.
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)			**-52%**			**-80%**	**54.6%**	**23.2%**			**-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; 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

Market volume 2023 – 2027



GLOBAL CONTAINER TRADE

133.2 mTEU 2022e +3.1% CAGR 2023e – 2026e

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
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)
ECRS - Emergency Cost Recovery Surcharge
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)
MEA - Middle East and Africa
MENAT – Middle East and North Africa
ML – Maersk Line
mn – Millions
MoM – Month-on-Month
NOO – Non-operating (vessel) owners
NOR - Non-operating reefer
OCRS – Operational Cost Recovery surcharge
OOCL – Orient Overseas Container Line
OWS – Overweight Surcharge
PH – Philippines
PMA - Pacific Maritime Association
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
SOC - Shipper Owned Container
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
TA - Trans Atlantic
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