DHL Global Forwarding

OCEAN FREIGHT MARKET UPDATE

July 2021

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OCEAN FREIGHT MARKET UPDATE – JULY 2021

CONTENTS

Enormous Traffic Jam

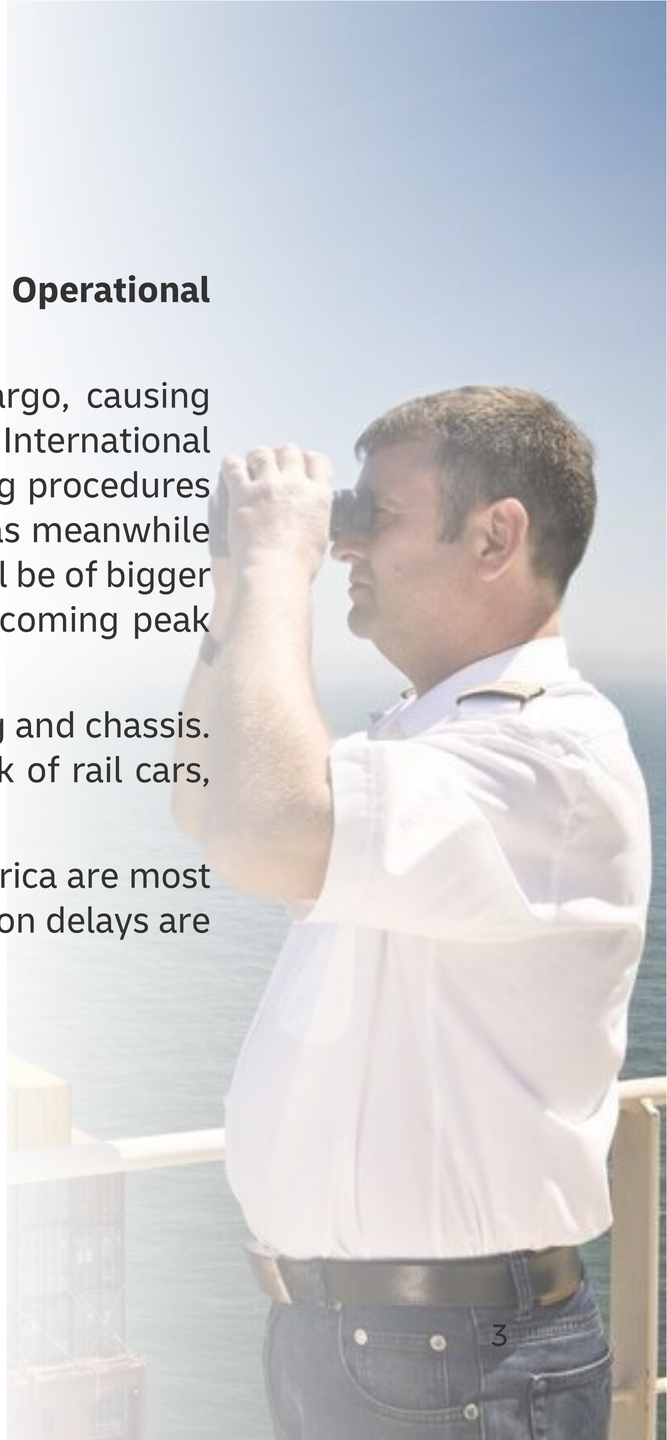
TOPIC OF THE MONTH

Unprecedented levels of congestion are resulting in vessel delays that are absorbing needed capacity. Operational instability increases.

New COVID-19 outbreaks in Shenzhen (Yantian) in late May had led to temporary restrictions on export cargo, causing container yard and hinterland congestions and up to 84 vessels waiting outside the port to berth. Yantian International Container Terminals (YICT) was operating at only 30% capacity of its shoreside capacity after preventive working procedures had been implemented to avoid further circulation of the Delta variant of the COVID-19 virus. Full operations has meanwhile restarted again but it will take several weeks to clear the impact on supply chains. It is expected that the effect will be of bigger magnitude than the disruption caused by the “Ever Given” blocking the Suez Canal and this just before the upcoming peak season.

Meanwhile on the other side of the pacific the USA is experiencing extreme capacity issues affecting rail, trucking and chassis. The record number of inbound volume from various regions into the country are resulting in delays due to lack of rail cars, delays in delivering cargo as truckers are booked two to three weeks out and chassis are at a deficit.

While the transportation delays emanate mainly from suppliers in Asia, manufacturers in Europe and North America are most affected by delivery delays. With consumer demand expected to grow at a rapid pace through 2021, transportation delays are likely to continue into 2022.



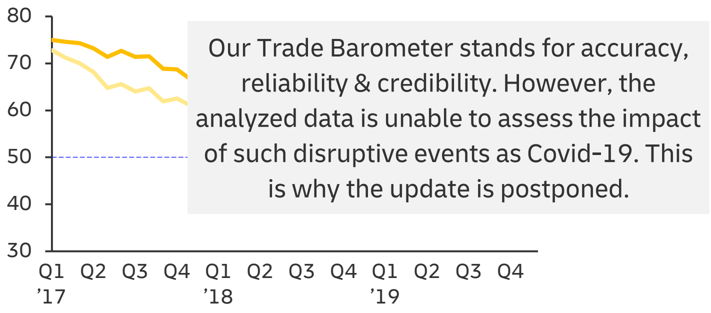
Source: DHL, carriers, Alphaliner

HIGH LEVEL MARKET DEVELOPMENT

ECONOMIC OUTLOOK
GDP GROWTH BY REGION[1)]

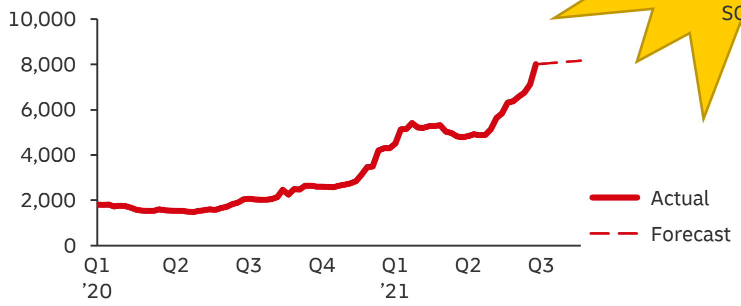
	2021F	2022F	2023F	2024F	2025F	CAGR (2022-25)
AMER	6.3%	4.5%	2.0%	2.3%	2.3%	2.2%
ASPA	6.2%	4.8%	4.4%	4.3%	4.3%	4.3%
EURO	4.4%	4.2%	2.2%	1.8%	1.7%	1.9%
MEA	4.0%	4.4%	4.2%	3.8%	3.4%	3.8%
DGF World	**5.6%**	**4.5%**	**3.0%**	**3.0%**	**3.0%**	**3.0%**

DHL TRADE BAROMETER[2)]

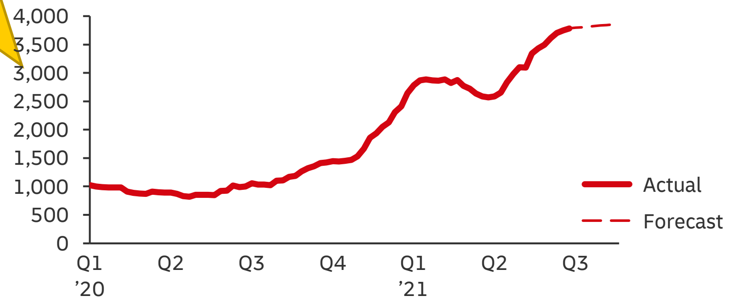


surcharges related to e. g. equipment & space availability are not reflected in WCI & SCFI

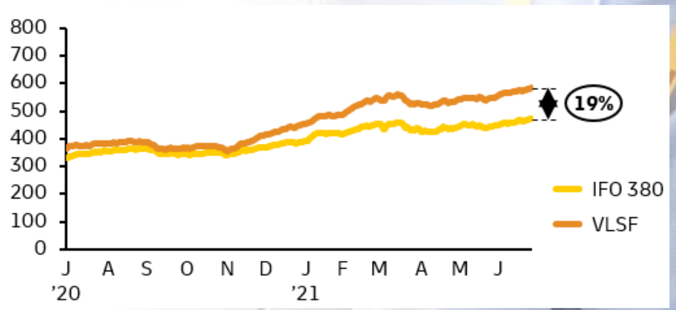
WORLD CONTAINER INDEX (WCI)[3)]



SHANGHAI CONTAINERIZED FREIGHT INDEX (SCFI)[4)]



BUNKER PRICES[5)]



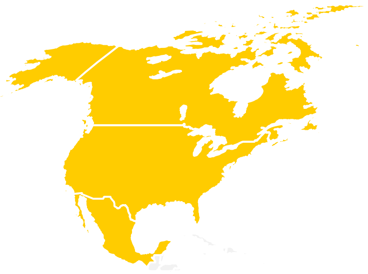
1) real GDP, Copyright © IHS Markit, Q2 2021 Update 1 Jun '21, Venezuela is excluded from aggregates due to hyperinflation . All rights reserved. 2) DHL Global Trade Barometer Dec19, index value represents weighted average of current growth and upcoming two months of trade, a value at 50 is considered 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.

MARKET OUTLOOK JULY 2021 month-on-month development

MAJOR TRADES

EUROPE

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



NORTH AMERICA

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

ASIA PACIFIC

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

SOUTH AMERICA

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

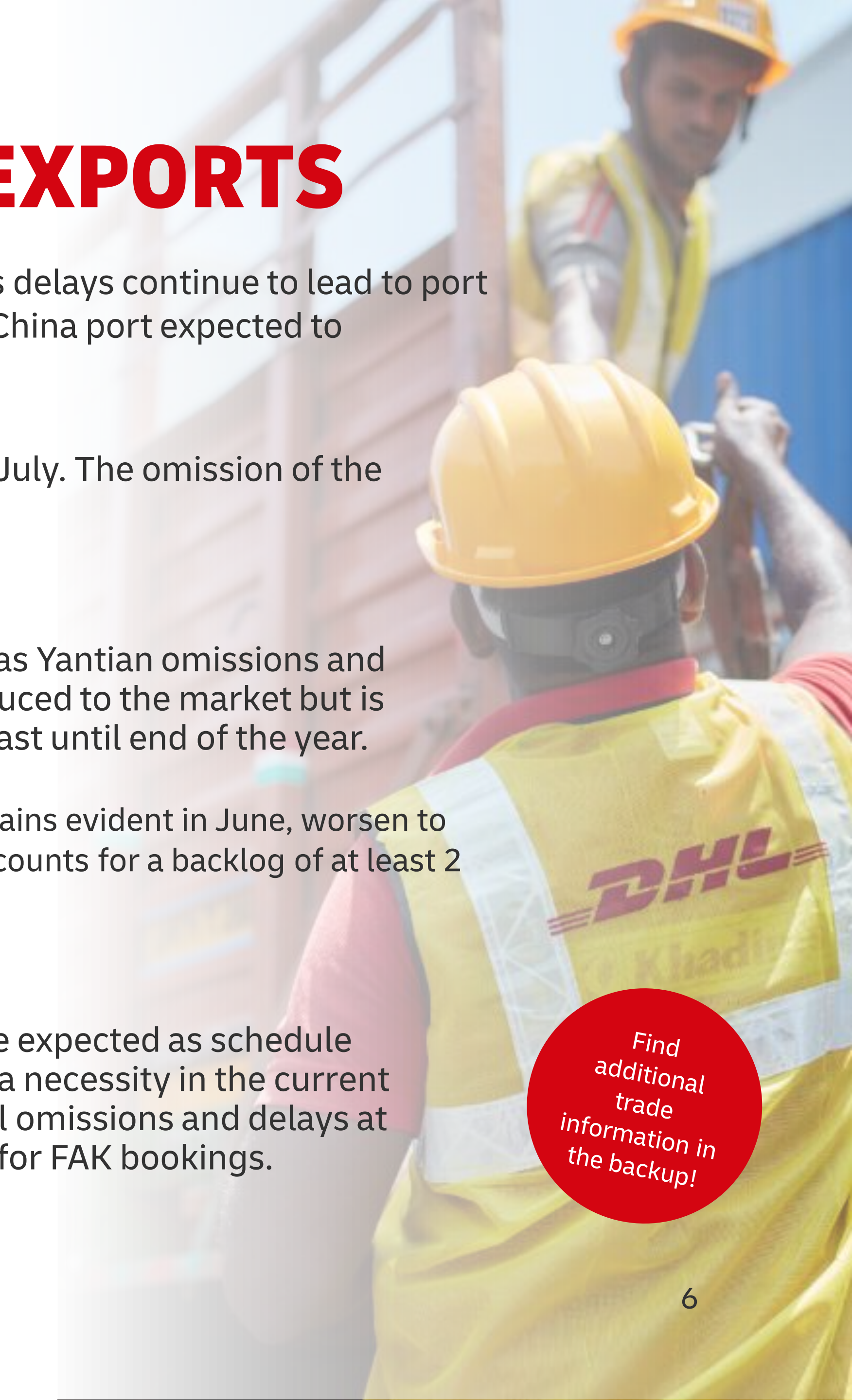
KEY

Strong increase ++	Moderate increase +	No change =	Moderate decline -	Strong decline - -

Source: DHL

MARKET OUTLOOK JULY 2021

OCEAN FREIGHT RATES – ASIA-PACIFIC EXPORTS



- **ASPA-EURO** — The market remains strong and the space situation persist to be tight in July. Vessels delays continue to lead to port congestions and tight equipment situation. In addition, delays at Yantian and South China port expected to continue.

- **ASPA-AMNO** — The space and equipment situation remains tight and rates will continue to go up in July. The omission of the Yantian port will have a further negative impact as carriers try to clear the backlog.

- **ASPA-AMLA** — Demand remains strong and pushes the rates to historical new high. Incidents such as Yantian omissions and Colombia strike are not helping the situation to cool down. A new service was introduced to the market but is enough to accommodate the strong demand. Current market situation expected to last until end of the year.

- **ASPA-MENAT** — Rates continue to spike into record levels across all MEA regions. Demand/supply gap remains evident in June, worsen to some extend by South China port congestions and trucking difficulties, which currently accounts for a backlog of at least 2 weeks across all exporters. Further GRIs are expected in July.

- **ASPA-ASPA** — Space and equipment shortage at Asian ports remains for the month July. 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. Situation expected to remain at least till mid of July. Expect continued vessel omissions and delays at Yantian port till mid July. For IPBC, advance booking 3-4 weeks remains a necessity for FAK bookings.

Find additional trade information in the backup!

Source: DHL

MARKET OUTLOOK JULY 2021

OCEAN FREIGHT RATES – OTHER MAJOR TRADES

- **EURO-AMNO**: Some carriers quoting FAK rates on monthly base only (up to end of July). Carriers hesitating to sign long-term deals on certain lanes. We see limited blank sailings but still a lot of port-omissions. Schedule reliability still bad and heavily impacting the trade. Port/Rail/Intermodal challenges continue, slowing down the overall supply chains. St. Lawrence water levels remain extraordinary low, impacting the possible loading capacity of the vessels. West Coast congestion continues, forcing carriers to change their service portfolio (eg Hamburg Sued cancelling Vancouver and Seattle Calls) other restructurings are likely to follow.

- **EURO-ASPA +MEA**: Equipment is still very tight in entire north Europe. Space remained tight throughout June with additional blank sailings, especially by The Alliance in July. Announced rate increases for Q3 for IPBC & ME. In addition to that we have received for Q3 in July for IPBC&ME increased rates where as Asia rates remain stable.

- **AMNO-EURO**: FAK rates will increase in Q3 from USEC , Gulf & USWC. Some Rail inland rates are being adjusted upwards. Although The Alliance is introducing larger ships on the AL3, the capacity will level off with the suspension of the AL1 service.

- **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 : Upcoming blank sailings will put further strain in market during next few weeks. Space is at premium (some markets already overbooked for July) while GRI's continue to be implemented. Port congestions / omissions & equipment deficit still continues through the region

  AMLA – ASPA : Supply in tonnage/trades allocation remains unchanged with tight supply/demand situation, aggravated even more by the equipment imbalance. As a result rates are expected to increase further.

  AMLA – EURO, MENAT & SSA : Equipment shortages already present in BR, west coast MX and northern Chile are likely to be more strained due to the situation in Yantian emerging on the heels of the Suez Canal. Structural changes to several services announced in response to the all-time low service reliability. Protests in Columbia add more strain in a market already suffering from congestion and operational issues. Transship hubs, like Callao, Cartagena and Panama terminals, become more backlogged daily.

Find additional trade information in the backup!

Source: DHL

The global economy transitions from recovery to expansion

ECONOMIC OUTLOOK & DEMAND EVOLUTION

EUROPE

Leading indicators remain indicative of a spurt in western European growth rates starting late in the second quarter, with the improvement becoming more broadly based across sectors. While the latest "hard" activity data have been mixed, primarily because of data volatility and variations in COVID-19 restrictions. The forecasts for 2021 real GDP growth have been revised upward in June's update. While first-quarter GDP outcomes were also mixed, economies generally adapted well to the reimposition of containment measures. These are now being unwound as COVID-19 vaccinations accelerate. Private consumption, of services in particular, will rebound strongly.

AMERICAS

The US forecast of 2021 real GDP growth for 2021 has been revised up from 6.7% to 7.4%, and for 2022 from 4.7% to 4.8%. These increases were suggested by an upward revision in wages and salaries from the Q4 '20, strong recent high-frequency data on aggregate demand, the need to rebuild depleted inventories in H1 '21, progress of the vaccination campaign, and a quickening relaxation by states of pandemic-related activity restrictions. IHS Markit analysts estimate that real GDP surpassed its previous peak in May and employment will surpass its previous peak in mid-2022. An accelerated vaccination rollout has Canada leading high-population economies in first-dose vaccination rate per 100 population. As third-wave virus counts subside, regional reopening plans are on target or accelerating. This combined with a solid US economic outlook, has lifted the forecast of Canada's real GDP forecast to 6.5% in 2021, 4.5% in 2022, and 2.1% in 2023.

ASIA PACIFIC

While a solid increase in external demand in JP is expected to drive growth for 2021, domestic demand in the Q1 was weaker than expected and the extension of state of emergency will mean a delayed recovery. A decline in new confirmed COVID-19 cases combined with a faster pace of vaccine rollouts will probably rule out the risk of the cancellation of the Tokyo Olympic Games.

The recent COVID-19 outbreaks in China's Guangdong province have been effectively contained thus far and should not derail mainland China's economic expansion. Proliferating COVID-19 vaccinations will accelerate domestic demand recovery, which has been lagging supply growth. Demand in May has moderately narrowed this recovery gap. Industrial production in May was up 13.6% from the same month in 2019, down from April's 14.1% increase from 2019. Signs of accelerating domestic demand recovery have also surfaced in the recent imports data.

LATIN AMERICA

Inflation continues to accelerate across the region, driven by steep increases in prices of food and energy. In Mexico and Brazil, current inflation rates exceed central bank targets. In countries where inflation is still relatively low—such as Peru, Chile, and Colombia—prices are rapidly accelerating. Besides relatively higher oil prices, Brazil is suffering from a severe drought and, as a result, water in hydroelectric power reservoirs is reaching low levels. This drought had prompted authorities to increase electricity tariffs as the plants require greater use of more expensive thermoelectric power. Local analysts call this the perfect storm for high inflation.

DEMAND DEVELOPMENT

In May, the JPMorgan Global Composite Output Index™ increased 1.7 points to 58.4, signaling a further acceleration in the global economy. Output and new orders rose at their fastest rates since April 2006. Robust recoveries in the United States and Europe were partially offset by pandemic-related setbacks in India and Japan. For a second consecutive month, global services outperformed manufacturing, reflecting strength in business and financial services.

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

CAPACITY 1/3

After having to deal with **severe port congestion** at the **US West Coast** and more recently in **Yantian**, two alliances now have to temporarily adjust the European rotations of two big Far East – North Europe loops. **THE Alliance** will **drop** for a period of seven weeks the **eastbound calls** at **Rotterdam** of its 'FE4' service due to ongoing congestion at the ECT Delta Terminal. The first vessel affected is the 23,792 TEU HMM ROTTERDAM which will sail on 15 July directly from Antwerp to Singapore. The **2M partners** decided on their side to **divert eight Hamburg calls** of their joint 'AE-7 / Condor' service in June and July to North Sea Terminal Bermerhaven (NTB). The congestion at the Eurogate terminal in Hamburg is due to a combination of high volumes and labour related issues. The same 'AE7 / Condor' service is also one of the many loops which in Asia omitted Yantian troughout June. The 'AE-55 / Griffin' service is in fact the only of the six 2M Far East – North Europe loops which currently maintains all Yantian calls. Productivity at Yantian International Container Terminal (YICT) has gradually increased over the past weeks as more berths were reopened. Vessel delays have been reduced to 'upwards 4 days' according to Maersk. **Schedule reliability** however remains **heavily compromised** and the Danish carrier will need to **continue omitting Yantian** calls and diverting ships to Nansha with 19 of its deep sea services impacted.

Maersk will as from 1 July **remove** the **calls** at Algeciras (southbound) and Itapoa from the rotation of its **North Europe – East Coast of South America** 'Samba' service. Calls at Le Havre will be suspended for a period of eight weeks as from the same date. The structural changes are needed to maintain the weekly sailing frequency as Maersk has to address challenges presented by severe bottlenecks across all North European ports. The rotation changes also affect the carriers slotting on the 'Samba'. These include CMA CGM and COSCO Shipping Line. MSC and Hapag Lloyd also have a small allocation as part of a slot exchange agreement on this trade. Maersk will transship southbound cargo to Itapoa in Santos and use Tanger Med as hub for Itapoa exports to North Europe. Cargo to/from Le Havre will be transshipped in Tanger Med. Maersk and CMA CGM will continue to call at Itapoa with their joint Med – ECSA 'Bossa Nova / Sirius' service which calls at both Algeciras and Tanger Med.

Source: Alphaliner, THE LOADSTAR, Dynaliners, carriers

CAPACITY 2/3

COSCO Shipping Lines and **OOCL** have started a **new China – Vietnam – US East Coast 'AWE6 / Vietnam China East Coas (VCE)' service** which also calls at **Piraeus** both ways in June. The 'AWE6 / VCE' is expected to turn in eleven weeks using 8,500 – 14,500 TEU ships. The Greek call allows the Chinese carriers to use the new loop for the carriage of **Asia – Med and Med – USEC cargo** as well. In total three new services have been launched on the China – Vietnam – USEC trade in June. The other new loops are the 'TP-23 / ZSE' service operated jointly by Maersk and ZIM (with MSC taking slots) and the standalone 'AA7' service operated by Wan Hai Lines.

MSC will **extend** its standalone **Europe – Red Sea – Indian Subcontinent 'IPAK' service** to Gdynia and Klaipeda in the Baltic. The 'IPAK' will take over most of the port combinations currently served by the feeder services 'Baltic Loop 1' and 'Baltic Loop 4' which both will be closed. The Baltic revamp also brings rotation changes for two other feeder loops and it triggers the re-launch of MSC's 'Germany Express' in the first week of July. The 15,000 TEU MSC Virgo will be the first 'IPAK' vessel to call at Gdynia (13 July) and Klaipeda (16 July). The ship is unusually big for this service as all other ships in the 'IPAK' fleet are vessels of 6,700 – 9,200 TEU.

Matson has announced the launch of a new seasonal **China – USWC 'China – California Express' service** (CCX) at the end of June. The service will offer three sailings per cycle of five weeks and Matson intends to operate the loop until Chinese New Year 2022. Matson's new 'CCX' will turn in five weeks with three 2,000 – 2,750 TEU ships calling at Ningbo, Shanghai, Oakland, Long Beach, Ningbo. While the Californian ports of Oakland and Long Beach currently struggle with congestion problems, Matson will nevertheless offer its customer the possibility of **next day cargo availability**. The carrier is in the position to offer this as the CCX ships will be handled at **exclusive-use terminals** in both ports. This third Transpacific Matson service adds to the weekly 'China-Long Beach Express' (CLX) and 'CLX/AAX' loops.

After having offered two ad hoc sailings from China to Northern Europe and one from China to Los Angeles, the privately-owned Chinese carrier **BAL Container Line (BAL)** launched a weekly **China – Los Angeles service**, advertised as the 'CPX' end of June. The new service is scheduled to turn in four weeks calling at Ningbo – Los Angeles – Ningbo only for the smaller vessels 1,043 – 1,732 TEU deployed on this service. The bigger ships 4,506 TEU X-PRESS MANASLU and 5,060 TEU S SANTIAGO will make an additional call at Qingdao.

Source: Alphaliner, THE LOADSTAR, Dynaliners, carriers

CAPACITY 3/3

Maersk is to offer a new weekly direct connection between Shanghai, Yantian and **Tacoma**. This new link is created by extending Maersk's existing Far East – Dutch Harbor 'TP Alaska' service with new calls in both Central China and in the Northwest USA. The 'TP Alaska' is extended as from the 30 June departure from Shanghai of the 2,758 TEU CAPE MOSS. The new **Tacoma call** is specifically aimed at customers who want to ship their cargo via the State of Washington as an **alternative** to the **heavily congested Californian ports** of Los Angeles, Long Beach or Oakland.

Despite being persistently low over the last months, the **global inactive container ship fleet** has continued its **downward movement** even further in mid-June. The onset of the summer peak season, strong cargo demand, congestion at ports, and a general lack of tonnage combined to push vessel inactivity to a minimum. The inactive fleet stood at 163 ships for 601,300 TEU as per Alphaliner's latest survey on 21 June. It accounted for 2.5% of the global cellular fleet capacity, which aggregated some 24.35 MTEU at the time of the survey. 108 vessels for 414,201 TEU of the inactive fleet are ships undergoing maintenance, repairs and retrofits.

Source: Alphaliner, THE LOADSTAR, Dynaliners, carriers

CARRIERS

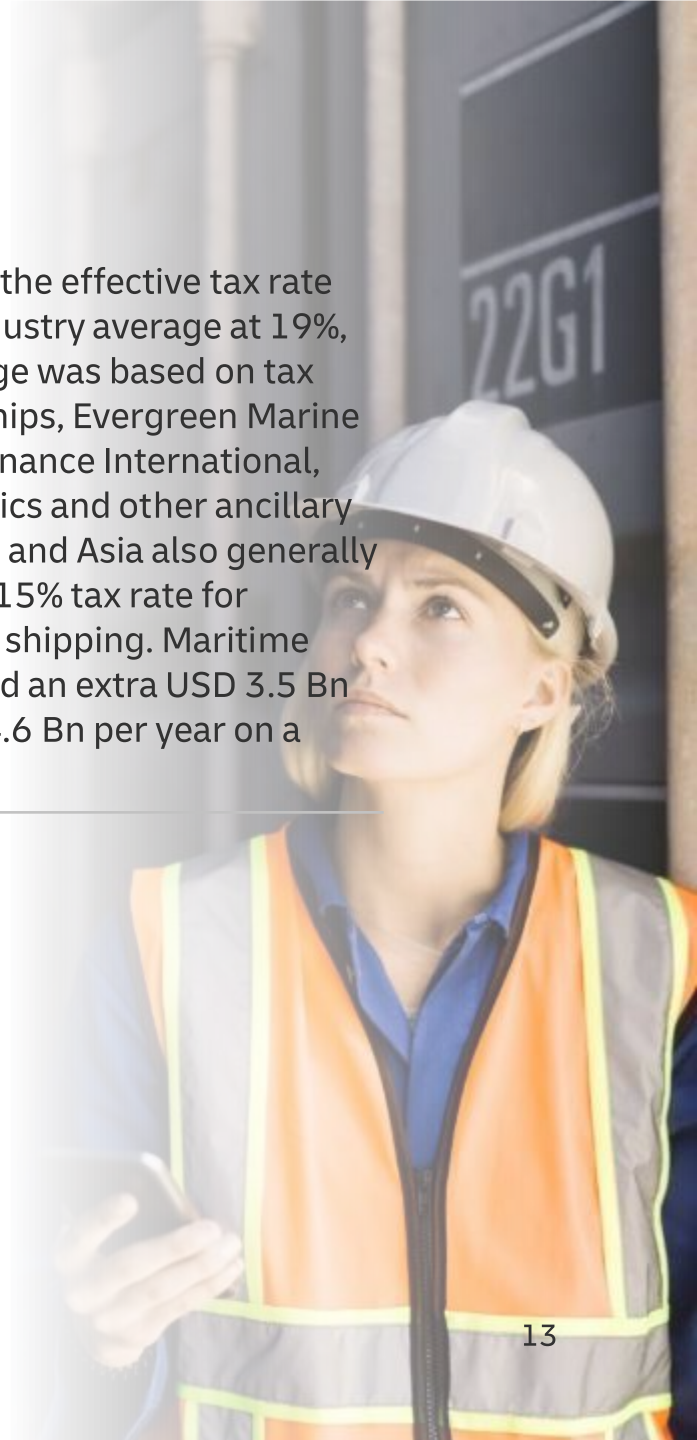
HMM's largest investor, the Korea Development Bank (KDB), has confirmed recent rumours that it is looking to sell its stake in the carrier. The transaction is expected to start with the conversion of KDB's outstanding bonds in HMM into shares. KDB currently holds KRW 300 Bn in convertible bonds that are slated to mature on June 30th. Converting the bonds into stock at HMM's current share price could translate o holding worth over KRW 2 Tn (USD 1.7 Bn). The sale fits in with moves to **privatize** some of **South Korean's large companies** to improve competitiveness and also reaps the benefits of the current container market.

North Atlantic container operator **Eimskip** will pay a **fine of USD 12 M** in a settlement with the **Icelandic Competition Authority** (ICA) after it admitted colluding with fellow operator **Samskip** in the years between 2008 and 2013. Eimskip, which approached the Authority with the offer of a settlements, has acknowledged a series of legal violations involving its services out of Iceland including: price fixing, information sharing, capacity manipulation, customer allocation, and further collusion involving both land and sea transport, and services from Iceland to Europe and North America. The company has since changes management and majority ownership. The investigation into Samskip continues.

Source: Alphaliner, Dynaliners, carriers

REGULATIONS

A new global corporate tax rate agreed by the G7 would penalise the container shipping industry. The OECD put the effective tax rate paid by the shipping industry at 7% during 2005-2019 , but estimated rates for container shipping above the industry average at 19%, although its poor financial results in 2009, 2011 and 2016 might have positively distorted the figure. The average was based on tax surveys of companies including China COSCO Shipping, CMA CGM, Costamare, CSAV, Danaos, Diana Containerships, Evergreen Marine Corp, Global Ship Lease, Hapag-Lloyd, Maersk Line, Matson, Navios Maritime Containers, OOIL, Seaspan, Ship Finance International, SITC, Wan Hai Lines and Yang Ming. The higher rate for the container sector partly reflects the inclusion of logistics and other ancillary services which do not benefit from the same tax breaks as pure shipping activities. Firms incorporated in Europe and Asia also generally faced higher taxation than those in North or South America. The proposal agreed now by the G7 for a minimum 15% tax rate for multinational entities would challenge the advantageous flags of convenience and tonnage tax systems used by shipping. Maritime bodies are expected to push for an exemption. Overall, the OECD estimates shipping (all sectors) would have paid an extra USD 3.5 Bn per year in the 15-year period if it had been subject to a 20% tax (the same as port terminals) and an extra USD 4.6 Bn per year on a 23.7% tax rate (the average corporate tax rate in OECD countries).



Source: Alphaliner

Did you Know?
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GOGREEN PLUS

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CO_2 Reduction Via Sustainable Fuel Switch

- By using **certified, sustainable marine biofuel** with DHL
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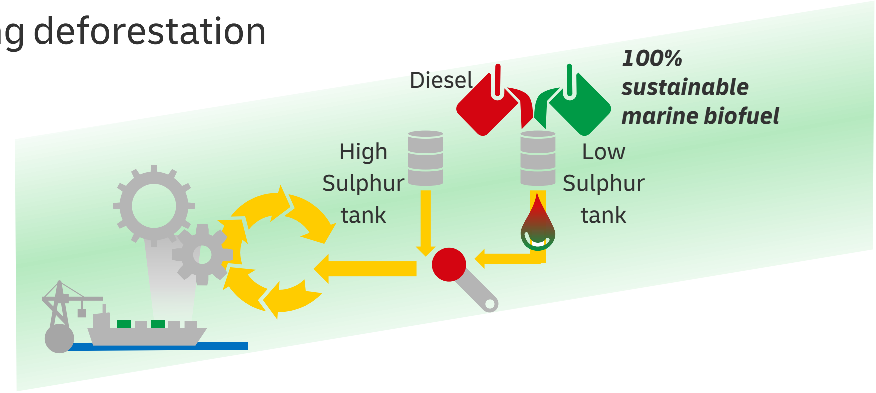
- **Sustainable production** without competing with food production or stimulating deforestation

How does it work?

- On behalf of DHL, **fossil fuel will be replaced 1:1 with sustainable biofuel**
- We neutralize the CO_2 emissions by funding the corresponding amount of biofuel to be used on container vessel(s



How does it benefit you?

- **Reduce your ocean freight carbon footprint** with DHL
- **Sustainable fuel switch for your LCL** shipments **at no extra cost** (FCL at a premium)
- **Truly sustainable marine biofuel** meeting the criteria of sustainable production
- You **support the transition to clean and sustainable ocean freight** transportation

For more information please contact your local **Sales Representative**

BACK-UP

MARKET OUTLOOK JULY 2021

OCEAN FREIGHT RATES ADDITIONAL TRADES (1/3)

• EURO-AMLA+MX	Space and Equipment situation for Mexico is not improving and expected to last until at least Q4. Various carriers are refraining from quoting bigger opportunities to MX, due to lack of space and inability to take on additional volumes. Rates for AMLA continue to increase for both coasts, more significant on WCSA. Space–wise, carriers are confirming sailings for end August/September only (with the exception of MSC still having space in July, albeit at higher costs).
• EURO-MENAT	The space- and equipment-situation is similar to Asia. Several carriers have PSS and EIS in place. Rates are slightly increased.
• EURO-SSA	South Africa: Capacity is getting tighter. Rates are increasing for Q3 as well as for new long term pricings. West Africa: capacity is still an issue across all carriers with ongoing delays and congestions (Apapa, NG approx. 40-50 days). Rates are further increasing. Carriers are cautious or even do not price for long term deals. Bookings need to be send 4 - 6 weeks in advance of planned shipping. East Africa: very high vessel utilization, space is very tight, rates are increasing further for Q3 same as for new long term pricing.
• AMNO-MENAT	Market stays flat from June to July as the traditional slowdown after the holidays continues. Carriers are competing for rates into East Med and North Africa markets.
• AMNO-SSA	Market is slowly recovering for West and North Africa areas, but South Africa still remains down. Carriers are competing for rates again into all markets in Africa.
• AMNO-AMLA	Rate increases announced / impacting market on monthly basis. Booking acceptance to COBUN is beginning to open up in the market. Carriers promoting ECSA (dry and NOR's) short term pricing in efforts to reposition equipment. .

Source: DHL

MARKET OUTLOOK JULY 2021

OCEAN FREIGHT RATES ADDITIONAL TRADES (2/3)

• EURO MED-AMNO	Space constraints, equipment shortage and congestion at origin / destination ports continue. Rates will increase further in July.
• EURO MED-AMLA	GRI increased rates on all trades due to equipment shortage and space constraints.
• EURO MED-ASPA and MENAT	Stable situation with high rate levels.
• EURO MED-SSA	Unchanged / stable.
• ASPA-SPAC	Equipment shortage situation remains for the month of July. Carriers are all pushing for GRI USD500/TEU for July. Space is expected to be even tighter compared to previous month. Space on FAK now without space allocation is not guaranteed and urgent cargoes expected to move on premium rate level. Severe Auckland Port Congestion situation unchanged.

Source: DHL

MARKET OUTLOOK JULY 2021

OCEAN FREIGHT RATES ADDITIONAL TRADES (3/3)

- MENAT Exports

Intra Gulf & ISC: Equipment availability stable but rates increased compared to June.
Asia: Rates on higher side along with equipment shortage for Asia bound cargo. As carriers prefer to reposition empty boxes instead of laden boxes to reduce the turnaround time. Destination free time reduced.
Europe & MED: Rates continue to increase. Space is tight and is available at premium rate levels. Carriers preferring light weight cargo and releasing space for light weight cargo more likely.
Africa (West & South): Rates continue to increase. July 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.
Africa (East): Rate and space situation is stable.
AMNO: Rates continue to increase. PSS/GRI applied by all carriers. Space situation is tight. Bookings needs to be place 3-4 weeks in advance. Carriers not releasing USA East Coast bookings due to transshipment port congestion.
AMLA: Majority of carriers are not accepting bookings due to limited allocation. Situation expected to remain same 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, July vessels already closed.
Africa: Local and global carriers are cleaning the backlog, they increase rates to limit new bookings. Arkas, CMA have limited allocation, ONE still not accepting new bookings.
AMNO: All vessels are fully booked, carriers are not willing to send equipment to US due to lack of chassis. US West Coast almost closed, with some carriers not accepting bookings. Canada and US West Coast sailings closed till end of July.
East Med: Global and local carriers are full, rates are increasing

Source: DHL

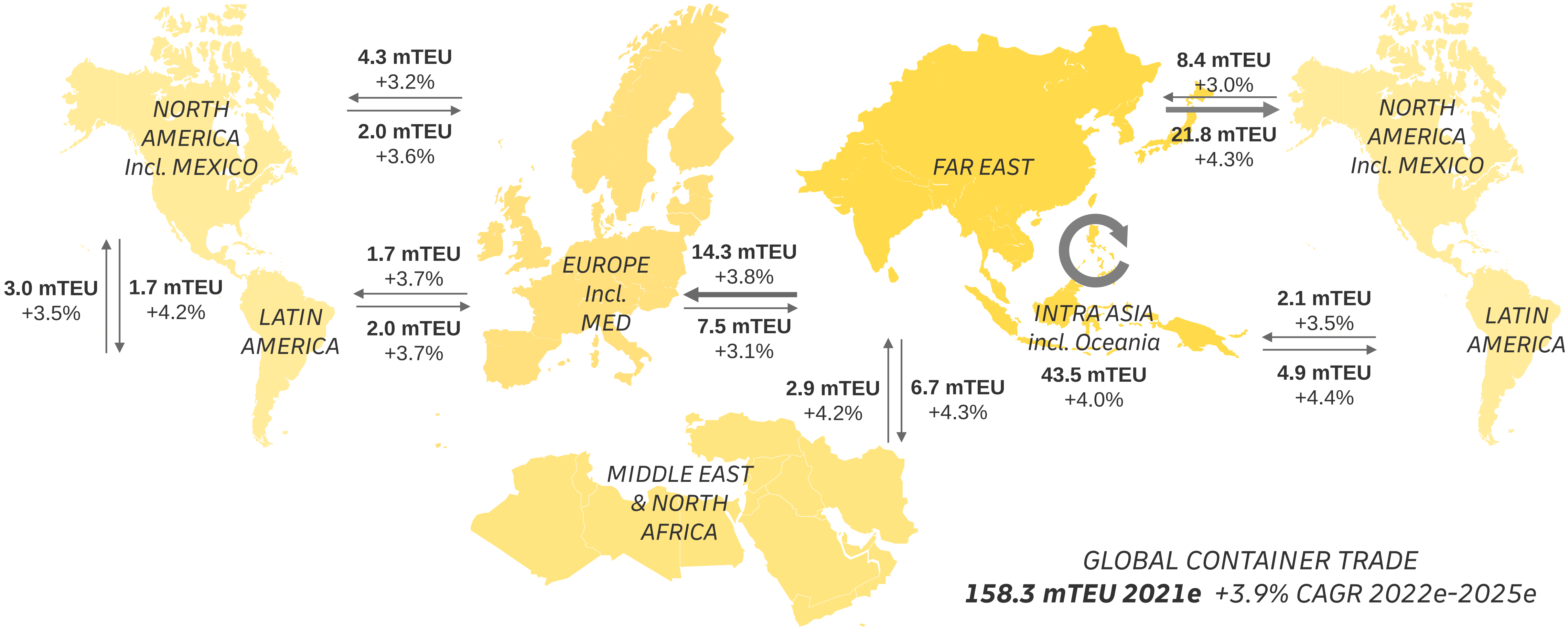
Massif spot rate hikes led to even greater profits in the 1st quarter this year

CARRIER FINANCIAL RESULTS 2020-2021

Carrier	Revenue 2020	Revenue 2021	Revenue %	Operating Profit 2020	Operating Profit 2021	Operating Profit %	Operating Profit Margin 2020	Operating Profit Margin 2021	Net Profit 2020	Net Profit 2021	Net Profit %
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	5646%
Hapag-Lloyd [5)]	3’684	4’903	33%	176	1’539	774%	4.8%	31.4%	27	1’451	5274%
ONE [3)]	11’865	14’397	21%	n.a.	n.a.	n.m.	n.a.	n.a.	105	3’484	3218%
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	45850%	-0.2%	42.0%	-56	138	346%
Yang Ming [1), 9)]	1’145	2’186	91%	8	1’021	12663%	0.7%	46.7%	-25	863	3552%
Zim	823	1’744	112%	97	817	742%	11.8%	46.8%	-12	590	5017%
Wan Hai [1)]	595	1’355	128%	20	618	2990%	3.4%	45.6%	3	519	17200%
Average [4)]			**66%**			**1299%**	**3.2%**	**26.9%**			**19754%**

Source: Alphaliner, DynaLiners; n.a. = not available, n.m. = not meaningful; 1) local currency numbers were converted into US$ using the average exchange rate for relevant financial period; 2) container shipping segment only, excl. CEVA Logistics, 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 20210 - 2025



GLOBAL CONTAINER TRADE

***158.3 mTEU 2021e** +3.9% CAGR 2022e-2025e*

Source: Seabury Jun21 update

STATE OF THE INDUSTRY

OCEAN CARRIER ALLIANCES

HAPAG-LLOYD
ONE
YANG MING
HMM

OOCL
CMA CGM
CHINA COSCO SHIPPING
EVERGREEN

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 Container Recovery Surcharge
EGLV	-	Evergreen Marine Corp
EURO	-	Europe
GRI	-	General Rate Increase
HMM	-	Hyundai
HL	-	Hapag-Lloyd
HSUD	-	Hamburg Süd
HWS	-	Heavy Weight Surcharge
IA	-	Intra Asia
IPBC	-	India Pakistan Bangladesh Ceylon (= Sri Lanka)
IPI	-	Inland Point Intermodal
ISC	-	Indian Sub Continent (synonym for IPBC)
MENAT	-	Middle East and North Africa
ML	-	Maersk Line
mn	-	Millions
MoM	-	Month-on-Month
NOO	-	Non-operating (vessel) owners
NOR	-	Non-operating Reefer container
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
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