

DSV

Market update

October 12th 2021



Global COVID-19 Global Status Overview

Covid outbreak at Hong Kong airport closed 25% of capacity

EUROPE

Europe Some European countries have reintroduced travel bans, quarantine requirements and other restrictions on unvaccinated travellers from the United States, following a European Union decision to remove the U.S. and other nations from its “safe list.” Romania is the country most affected at the moment in terms of hospitalizations and deaths.

UK: The daily trend is going down but one of the countries in Europe with more cases

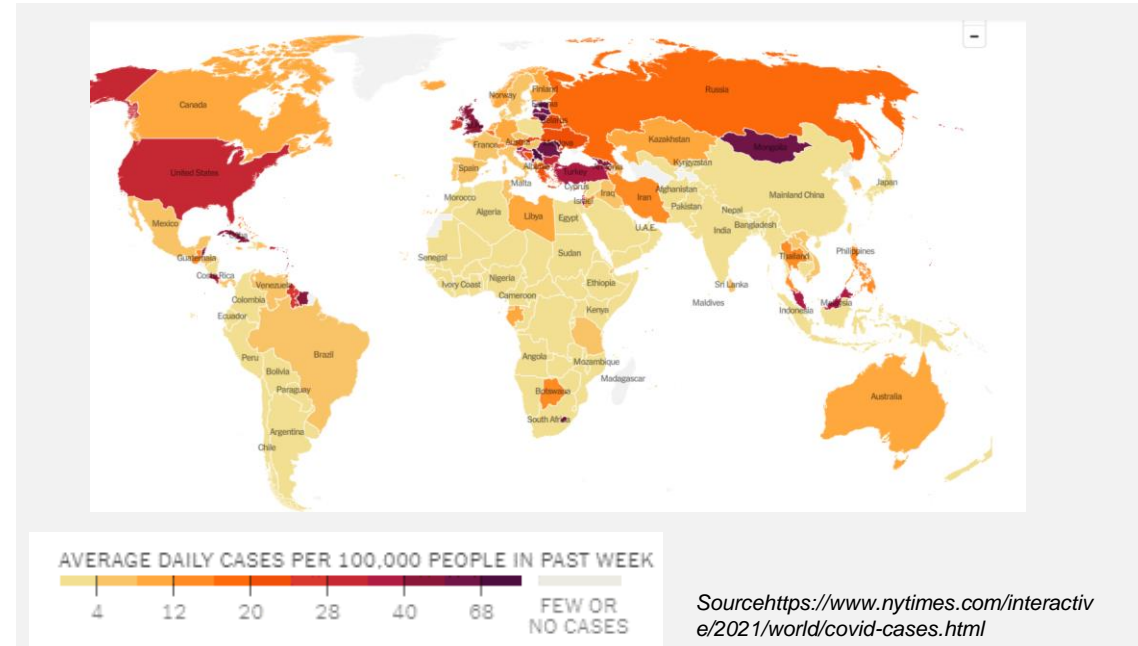
NORTH AMERICA

The “booster” dosis of the vaccine is currently being discussed as there are concerns on “long term covid-19”

LATIN AMERICA

All flights from UK India and South Africa are suspended to Argentina, Brazil, Chile, this is still on hold and 14 days quarantine is mandatory

COVID-19 Travel Regulations Map as per NYTimes



AFRICA and MIDDLE EAST

South Africa All passengers must present a negative corona virus test and they are only allowed to travel to 3 airports, Cape Town, Durban and Johannesburg.

Saudi Arabia Restrictions to travellers coming from Argentina ,Brazil, India South Africa and United Kingdom

ASIA PACIFIC

China: Operations are resuming PVG and ocean terminals were reopen again.

Myanmar: Until October 30st all flights to Myanmar are suspended

Hong Kong There have been confirmed covid cases in HKG cargo terminal found on OCT 8th. As an immediate consequence, there is 25% of the workforces decreased because of quarantine from those related staffs. Together with the incoming of the typhoon “Kompasu” and “Lionrock”, there are a number of flights cancellations and rescheduling taking place in the coming days

Australia: borders are currently closed and entry to Australia remains strictly controlled..

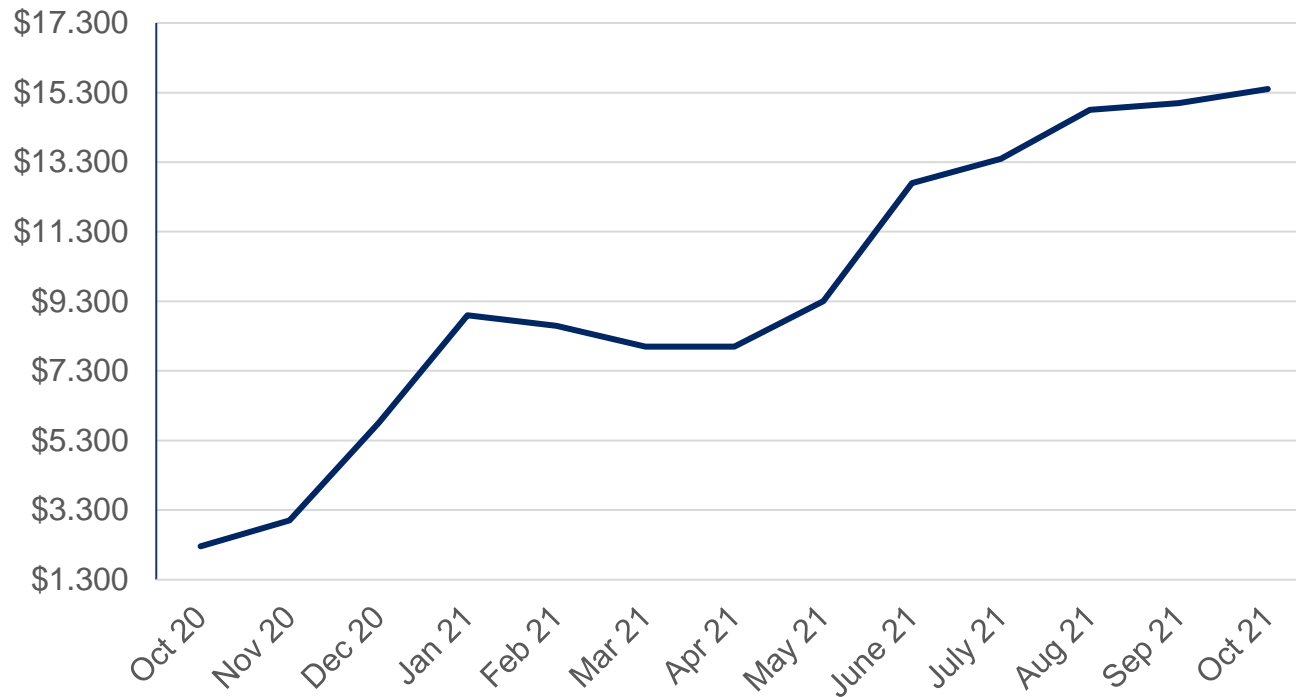
INDIAN SUB-CONTINENT.

India: Until October 30th passenger planes are banned to enter the country. Cargo planes are allowed to enter the country.

Ocean Freight Asia - Europe

Stabilization of rates, space and equipment still under pressure

SCFI – North Europe WB Rate Index (US\$/40ft)



Source: SCFI Week 40

Alert: To guarantee space and equipment carriers are applying additional surcharges that are not part of the index rate aggregation and they can be a large amount. Carriers have partially stopped accepting bookings for the time being in some origins

Rates have reached to stabilize on the high side







SCFI Levels Week 40-2021:

- Shanghai – North Europe: USD 15,428/ FEU
- Shanghai – Mediterranean: USD 14,896/ FEU

Ongoing service disruptions with severe delays lead to some port omissions

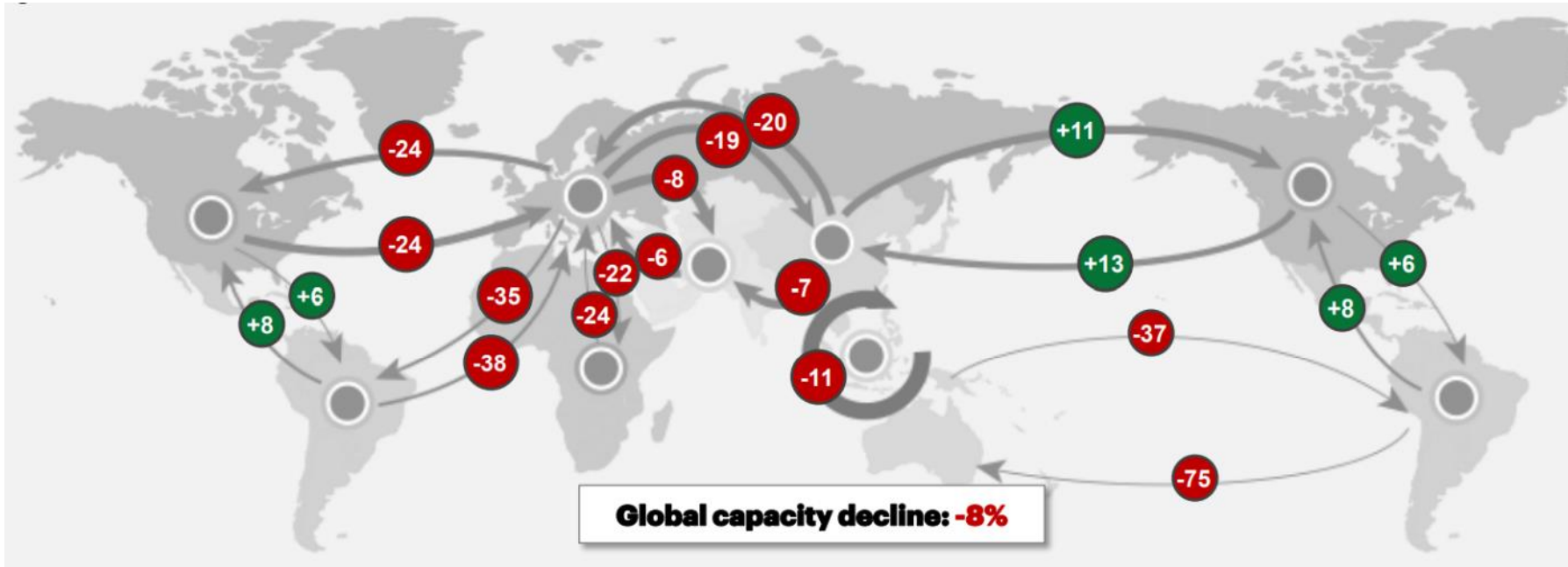
- Long term market rates are not offered anymore for new businesses. Carriers aim to ship as much cargo as possible under spot rates.
- Various blank sailings announced and in progress due to Golden week

Ocean freight market overview – Reaching all time high rates

TRADE LANE	COMMENTS	RATES AND SPACE	
ASIA to Europe	<ul style="list-style-type: none"> Lack of Empty Equipment mainly in Vietnam and Cambodia, 40HC for most of China Spot Market rates are on a highest ever level. Demand is growing 	↑	
ASIA to NAM	<ul style="list-style-type: none"> Rates stable on high level after golden weej, Equipment shortage, getting critical in south Asia and south China More ships will anchor in Los Angeles and Oakland 	↑	
Europe to NAM	<ul style="list-style-type: none"> The need of equipment is affecting all trades globally Vessel are full and less capacity available Congestion (Port facility) surcharge for the port of New York applied by Ocean Carriers. This is applicable for all cargo to and from Europe 	↑	
Exports from India	<ul style="list-style-type: none"> Critical to the USWC and Canada. USWC particularly LA/LB is in the most demand and getting to Canada from ISC requires lengthy transshipments in the Medeteranian Space is only confirmed 15 days before departure 	↑	
ASIA to LATAM	<ul style="list-style-type: none"> Booking needs to be placed one month in advance ASIA to LATAM due to longer transit times needs to offset with higher rates Rates are increasing again due to higher demand 	↑	
INTRA ASIA	<ul style="list-style-type: none"> Port congestion at most of Asian ports, prepare shipment 30 days in advance Oceania trade is also high Average Intra asia rate level have increased due to lack of equipment 	↑	

Air cargo capacity was down -8% between 20 Sep - 3 Oct, compared to the same weeks in 2019

Total air cargo capacity growth, 20 Sep – 3 Oct 2021 vs same weeks 2019
% growth vs 2019








Global recovery to single-digit decline mostly caused by lower capacity in 2019 during these weeks

Note: 5 Sep-10 Sep 2021 compared to 12-25 Aug 2019; Direct flights only; all flows indicate region-to-region capacity; regions indicated by color coding; dates measured in UTC; 1) Total cargo capacity includes int'l widebody passenger and all freighter flights; Source: Seabury Cargo Capacity Tracking database, Seabury Cargo analysis (September 2021)

Air freight market overview

Rates out of China are near to the highest ever levels and we see more pressure with the holiday week disruption

TRADE LANE	COMMENTS	RATES AND SPACE	
Exports from China / Hong Kong	<ul style="list-style-type: none"> There have been confirmed covid cases in HKG cargo terminal found on OCT 8th. As an immediate consequence, there is 25% of the workforces decreased Rates have increased to US and Europe 	↑	
Exports from JP, KR and South Asia	<ul style="list-style-type: none"> The market demand remains strong through Q3 and extended transit times are expected. More ocean to air conversions are also contributing to higher rates. Some carriers have increased rates to EUROPE going into Q4. The market is tight and will continue through China's National Day Holiday in October 	↑	
Exports from India/Bangladesh	<ul style="list-style-type: none"> Due to covid restrictions situation is critical on space, still more challenge for OCEAN than AIR. All airlines facing issues to get onward for US/Canada specially LAX is very difficult, average transit time 7-9 days 	↑	
Export from Europe	<ul style="list-style-type: none"> European carriers still offer services from Asia to the US East Coast via European hubs (AMS/FRA/CDG), substituting for the heavy demand on the Transpacific. Far East eastbound cargo back to full operational capacity 	→	
Exports from NAM	<ul style="list-style-type: none"> Export demand from the US remains steady and stable, additional capacity on November on trans Atlantic. Large shipments from all major outbound gateways in the US can take 2 to 4 days from booking to uplift into key European and Asian destinations. 	→	

Green Logistics

Your sustainable way forward

Green Logistics: **A set of solutions** that reduce the carbon footprint of your supply chain.

Track and trace your impact

CO₂ Reporting offers you the insights and analysis to drive reductions of your supply chain emissions.

Rethink your logistics

Green Supply Chain Design & Optimisation helps you improve both your logistics and carbon footprint.

Fuel your green transition

Sustainable Fuel Offerings let you reduce emissions without changing your operations.

Compensate your carbon footprint

Carbon Offsetting allows you to invest in environmental projects to compensate for your CO₂ emissions.

Measure your footprint

Optimise and Reduce

Collaborate on sustainable fuels

Offset for carbon neutrality



Track and trace your impact

CO₂ Reporting – DSV & EcoTransIT World



EcoTransIT World: Our CO₂ calculation tool

EcoTransIT World is the most widely used software worldwide to automate the calculation and analysis of energy consumption and freight emissions.



Strong scientific foundation

EcoTransIT World's calculation methodology has been developed and is maintained and validated by independent scientific institutes (Ifeu, INFRAS and Fraunhofer IML).



Compliant with accreditation

EcoTransIT World is the first industry CO₂ calculation tool to receive Global Logistics Emissions Council (GLEC) framework accreditation. It meets the requirements of EN16258 and the GHG protocol.

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