BOLLORÉ LOGISTICS



BIMONTHLY MARKET OUTLOOK

02/03/2022 – V4

UPDATED

KEY POINTS

- **Russia's invasion of Ukraine has led to the closure of Odessa port**, **CMA CGM and Maersk have already announced the suspension of their services to Ukraine**. We expect to see operational disruptions for shipping to/from neighbouring Black Sea countries, Russia, Romania, Georgia, Bulgaria and part of Turkey. **More dramatic impact on the global economy is expected from surging energy prices and inflationary pressures.**

- As of the 21st of February 2022, **94 405** commercial flights were flown per day in the last seven days, compared to **68 679** and **102 957** in 2021 and 2020, respectively.

- **Global international air cargo capacity decreased -7% in the last two weeks** compared to the two weeks before that. Lower demand over Chinese New Year resulted in this week's air cargo capacity dip, particularly amongst freighters.

- **45 cancelled sailings have been announced between weeks 09 and 12,** out of a total of 558 scheduled sailings**, representing 8% cancellation rate.**

- **Schedule reliability dropped from 78.0% in 2019** to 63.9% in 2020, and then to 35.8% in 2021, which is not only the lowest recorded FY schedule reliability but is also quite **a staggering drop from the pre-2020 levels.**

- According to the latest data on the Alphaliner Weekly Newsletter, China to California transit times are still increasing despite a reduction of ships in waiting queues.

Source: Seabury, Flightradar24, Drewry, Sea Intelligence

UKRAINE CRISIS – SITUATION REPORT 28/02

NEW

Numerous countries have imposed sanctions on the Russian and Belarussian banking market and key state-owned / private companies.
Since midnight on Feb 28., the European Union airspace is forbidden to Russian airlines (these restrictions do not concern humanitarian flights) and the **Russian airspace is banned for 36 countries. Airspace closures and airline specific measures lead to major delays for re-routed flights.**
Shipping lines are assessing the situation and will communicate their final positions in the coming hours. Road transport is avoiding Ukraine and adjacent territories. **Rail freight transportation on the Asia -Europe route is suspended until further notice.**

Following measures have been taken by Bolloré Logistics:

UKRAINE

All shipments in route to Ukraine will be terminated in the last port/airport before border; shippers will be contacted.
New shipments to Ukraine (air, sea, route, rail) will be rejected.

RUSSIA and BELARUS

All shipments to/from Russia & Belarus are suspended.
Rail shipments ex/to Asia to/ex Europe are suspended.
Road shipments ex/to Asia to/ex Europe are suspended.

Thorough follow up of the sanctions /measures will be conducted whenever necessary since the situation is quickly evolving. You will be kept informed of further updates.

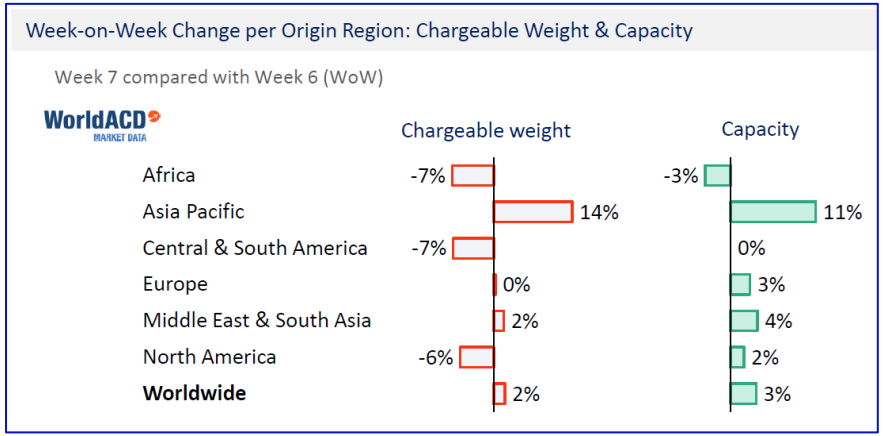
We thank you for your trust and encourage you to get in touch with your usual contacts to benefit from their support and advice.

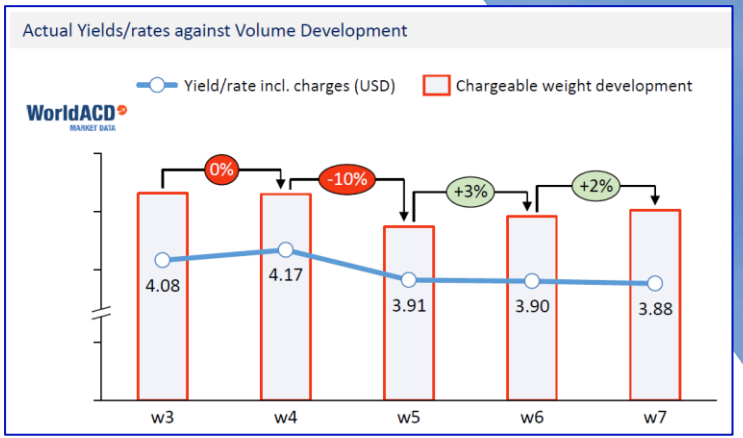


Source: The Economist, The Guardian Last updated: 02/03

AIR FREIGHT – MARKET TRENDS (07/02– 13/02)

- In week 7, worldwide volume increased by +2% compared with previous week. Worldwide capacity increased by +3% week-over-week.
- On a regional level, volumes from Asia Pacific did best with a volume increase of +14%, while Africa and Central & South America showed both a decrease of -7%.
- The average worldwide yield/rate in week 7 decreased compared with previous week.



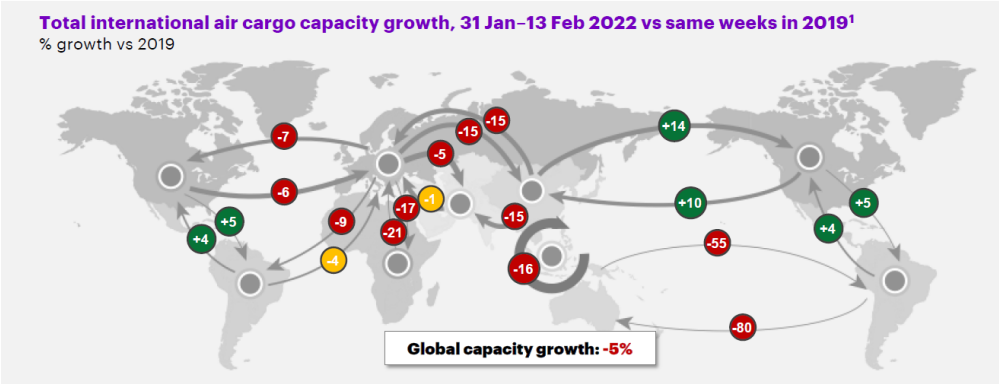


Trends based on appr 250 000 transactions per week WorldACD publishes weekly data for hundreds of markets the largest market based on data for 170 forwarders, the smallest on data for 20 forwarders.

AIR FREIGHT – MARKET TRENDS (31/01 – 13/02)

- Global international air cargo capacity decreased -7% in the last two weeks compared to the two weeks before that. Lower demand over Chinese New Year resulted in this week's air cargo capacity dip, particularly amongst (airline) freighters.
- Air cargo capacity out of China/Hong Kong during the Spring Festival was in line with that in 2019. Air cargo capacity out of China and Hong Kong in the coming weeks could be impacted by continuing COVID-restrictions.
- Despite global air cargo capacity shortages, Latin American outbound capacity (for Valentine's flower exports) showed +23% growth (vs. 2019). In contrast to strong Latin American air cargo capacity, capacity out of Kenya (Nairobi) decreased -5% vs. 2019.

Global international air cargo capacity was down -5% (versus 2019 levels) between Jan 31-Feb 13, 2022

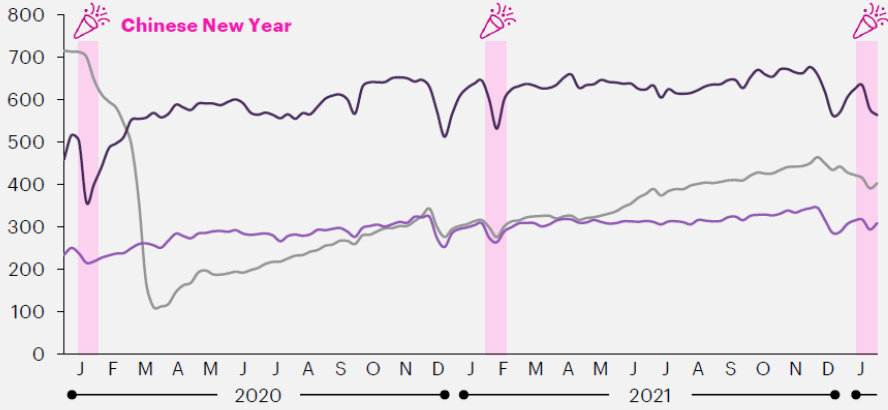


Chinese New Year skews Asia Pacific comparisons vs. 2019, whilst Latin American capacity growth suggests strong Valentine's demand

AIR FREIGHT – AIR CARGO CAPACITY

Global international air cargo capacity decreased -7% in the last two weeks compared to the two weeks before that

International air cargo capacity, Jan 2020 – Jan 2022
Thousand tonnes per week

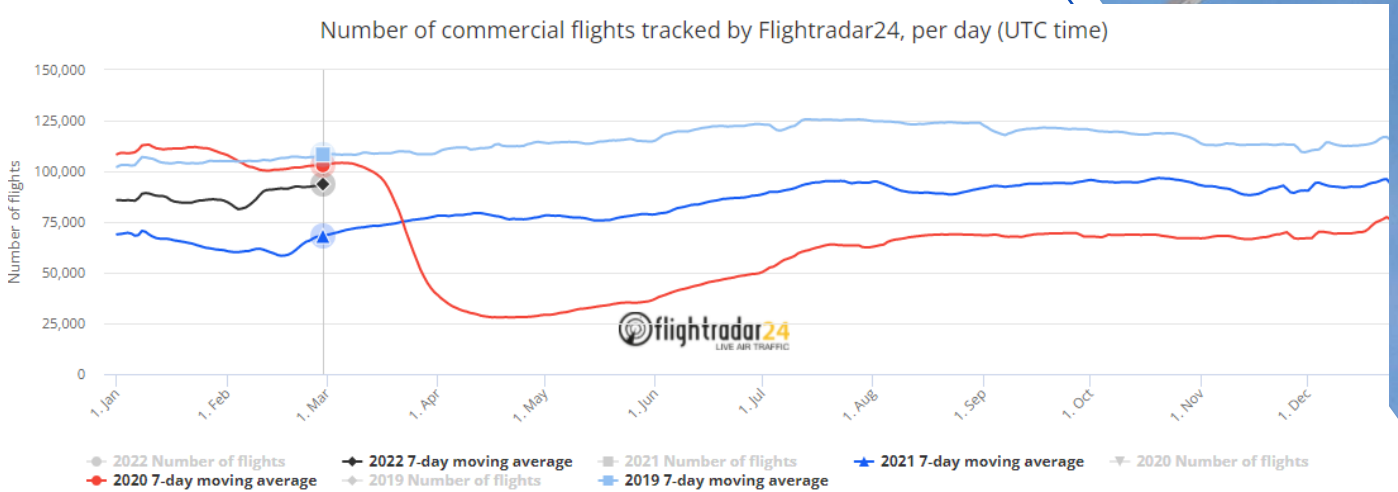


	vs. 2019[1]	vs. previous two weeks[2]
Total capacity	-5%	-7%
Freighters Airline operations	+32%	-9%
Passenger belly Widebody aircraft only	-42%	-5%
Freighters Integrator operations	+36%	-5%

Lower demand over Chinese New Year resulted in this week's air cargo capacity dip, particularly amongst (airline) freighters

AIR FREIGHT – COMMERCIAL FLIGHTS TRACKER

UPDATED



As of the 21st of February 2022, **94 405** commercial flights were flown per day in the last seven days, compared to **68 679** and **102 957** in 2021 and 2020, respectively.

On a year-to-date basis, **5 277 236** commercial flights have been flown this year, **38%** more than 2021 and **17%** less than 2020.

Commercial flights = Commercial passenger flights + cargo flights + charter flights + some business jet flights.

Flightradar24

Last updated: 02/03

SEA FREIGHT – CANCELLED SAILINGS – 02/03

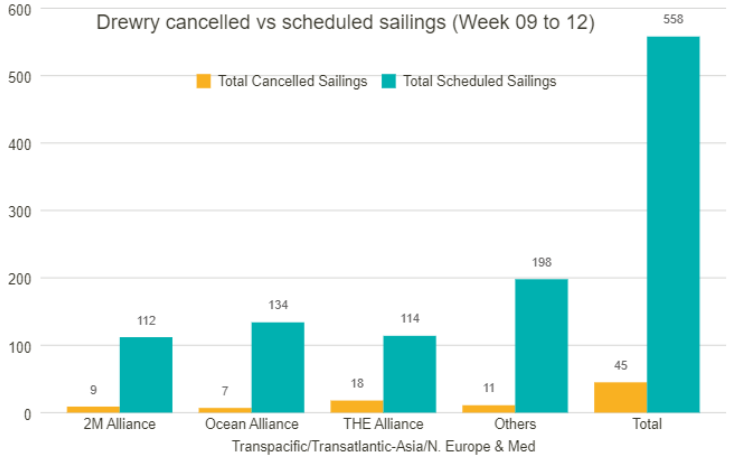
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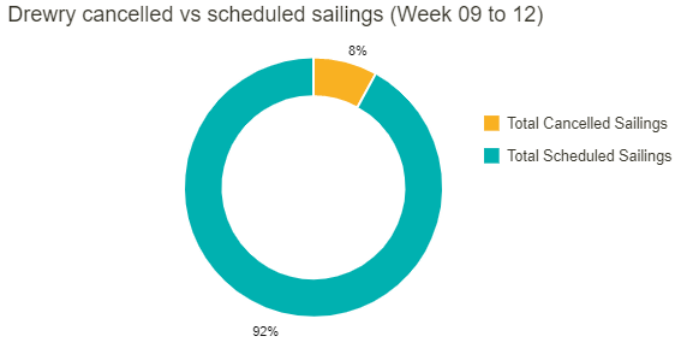
Across the major trades: Transpacific, Transatlantic and Asia-North Europe & Med, **45 cancelled sailings have been announced between weeks 09 and 12, out of a total of 558 scheduled sailings, representing 8% cancellation rate**. During this period, 64% of the blank sailings will be occurring in the Transpacific Eastbound trade, and mostly to the West Coast.

Over the next 4 weeks, **The Alliance has announced 18 cancellations, followed by 2M and Ocean Alliance with 9 and 7 cancellations, respectively.**

Our port congestion tracker shows an **increased the congestion at New York port**. Some carriers, such as Hapag Lloyd have already modified their rotations in the USEC, skipping New York to help overcome the continuing congestion in the USEC and try to improve their schedule reliability. On another hand, **congestion in USWC main ports has been easing since the beginning of this year.**

Russia's invasion of Ukraine has led to the closure of Odessa port, CMA CGM and Maersk have already announced the suspension of their services to Ukraine. We expect to see operational disruptions for shipping to/from neighbouring Black Sea countries, Russia, Romania, Georgia, Bulgaria and part of Turkey**. More dramatic impact on the global economy is expected from surging energy prices and inflationary pressures.**





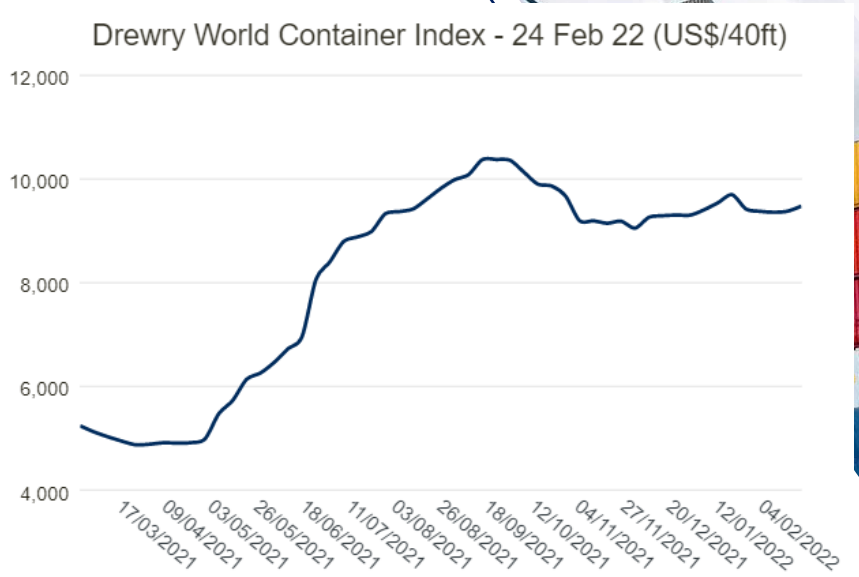
SEA FREIGHT – WORLD CONTAINER INDEX (WCI)

UPDATED

The composite index increased by 1.1% this week, and, remains 81% higher than a year ago.

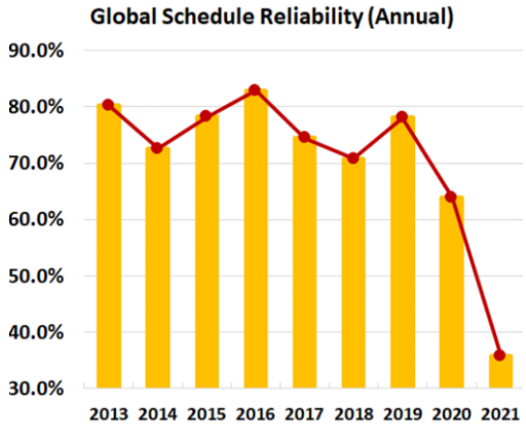
The average composite index of the WCI, assessed by Drewry for year-to-date, is $9,458 per 40ft container, which is $6,416 higher than the five-year average of $3,041 per 40ft container.

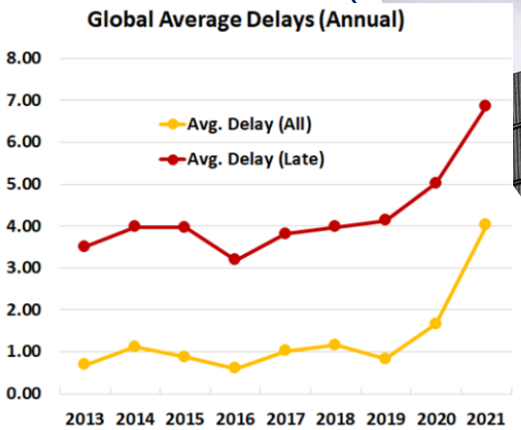
Drewry's World Container Index composite index increased by 1.1% to $9,477.46 per 40ft container and is 81% higher than the same week in 2021. Freight rates on Shanghai – Los Angeles grew 3%. Rates on Rotterdam – Shanghai surged 3. Similarly, spot rates on Shanghai – New York gained 1%. However, rates on New York – Rotterdam fell 1%. Rates on Shanghai – Rotterdam, Shanghai – Genoa, Los Angeles – Shanghai, and Rotterdam – New York hovered around previous weeks' level. Drewry expects rates to remain stable in the coming week.



The World Container Index is a composite of container freight rates on 8 major routes to/from the US, Europe and Asia, assessed by Drewry.

SEA FREIGHT - GLOBAL SCHEDULE RELIABILITY



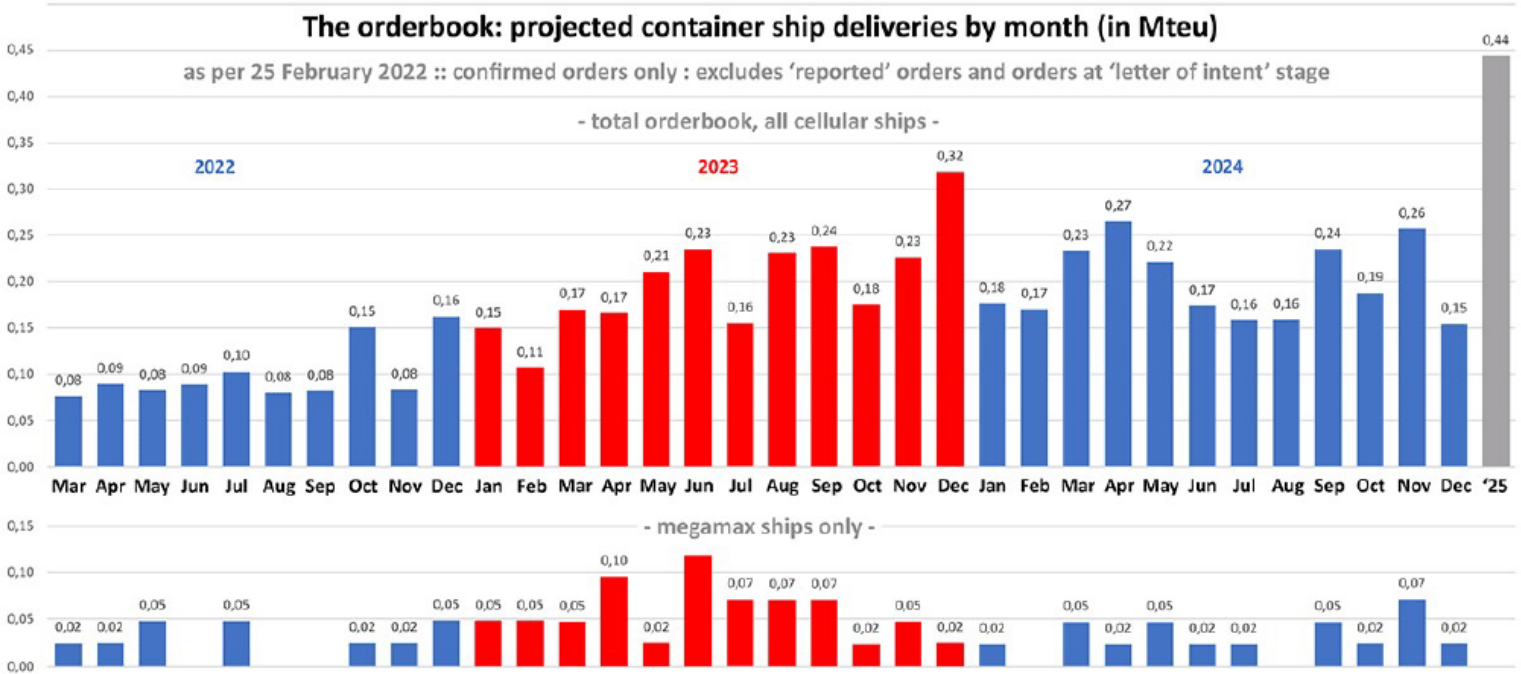


Schedule reliability dropped from 78.0% in 2019 to 63.9% in 2020, and then to 35.8% in 2021, which is not only the lowest recorded FY schedule reliability but is also quite a staggering drop from the pre-2020 levels. The average delay for LATE vessel arrivals has been on an upwards trend since the lowest recorded delay of 3.19 days in 2016.

In 2021, the figure nearly touched the 7-day mark, reaching 6.86 days. The average delay for ALL vessel arrivals recorded a sharp increase in 2020, and an even sharper increase in 2021, with the 2021 figure crossing the 4-day mark for the first time.

SEA FREIGHT – FLEET CAPACITY

NEW



Alphaliner

Last updated: 02/03

BOLLORÉ LOGISTICS

SEA FREIGHT - CAPACITY OUTLOOK (WEEK 8 - 19)

UPDATED

	Highlights	Upcoming 12 weeks (Y/Y)
Asia - North Europe	In the Asia-North Europe trade lane, the weekly capacity decreases drastically in week 10 and increases significantly in week 11. On the backhaul, the weekly capacity increases significantly in week 11 and decreases drastically in weeks 16 and 17.	25.6%
Asia - Mediterranean	In the Asia-Mediterranean trade lane, the weekly capacity decreases drastically in weeks 8 and 12 and increases significantly in week 15. On the backhaul, the weekly capacity decreases significantly in week 11 and increases drastically in week 12.	11.9%
Asia - North America East Coast	In the Asia-NAEC trade lane, the weekly capacity decreases significantly in week 13 and increases drastically in week 15.	36.3%
Asia - North America West Coast	In the Asia-NAWC trade lane, the weekly capacity decreases significantly in week 12 and increases drastically in weeks 14 and 18. On the backhaul, the weekly capacity decreases drastically in week 9 and increases significantly in week 12.	19.5%
Asia - East Coast South America	In the Asia-ECSA trade lane, the weekly capacity decreases significantly in weeks 8 and 15 and increases drastically in week 9. On the backhaul, the weekly capacity increases drastically in week 9 and decreases significantly in week 11.	5.7%

SEA FREIGHT - CAPACITY OUTLOOK (WEEK 8 - 19)

UPDATED

	Highlights	Upcoming 12 weeks (Y/Y)
North America East Coast - East Coast South America	In the NAEC-ECSA trade lane, the weekly capacity increases significantly in weeks 8 and 12 and decreases drastically in weeks 11 and 15. In the ECSA-NAEC trade lane, the weekly capacity decreases drastically in week 11 and increases significantly in week 13.	-6.1%
North Europe - East Coast South America	In the North Europe-ECSA trade lane, the weekly capacity decreases drastically in weeks 8 and 12 and increases significantly in weeks 10 and 14. In the ECSA-North Europe trade lane, the weekly capacity decreases drastically in weeks 9 and 12 and increases significantly in weeks 10, 13, and 15.	4.6%
North Europe - North America East Coast	In the North Europe-NAEC trade lane, the weekly capacity decreases drastically in week 8 and increases significantly in week 10. In the NAEC-North Europe trade lane, the weekly capacity decreases significantly in weeks 9 and 11 and increases drastically in week 12	0.4%
Mediterranean - North America East Coast	In the MED-NAEC trade lane, the weekly capacity decreases significantly in week 10 and increases drastically in weeks 11, 14, and 16. In the NAEC-MED trade lane, the weekly capacity increases significantly in weeks 9 and 11 and decreases drastically in weeks 12 and 17.	1.4%
Europe- North America West Coast	In the Europe-NAWC trade lane, the weekly capacity decreases significantly in week 10 and increases drastically in week 16. In the NAWC-Europe trade lane, the weekly capacity increases significantly in week 12 and decreases drastically in week 17.	25.9%

THANK YOU

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