

# COVID-19 CARRIER RESPONSE MEASURES.

EU Trade

Q2 2020

CREATING CHAINS OF TRUST.

 Röhlig  
LOGISTICS



# SEA FREIGHT CAPACITY CHANGES





# CURRENT MARKET SITUATION.

## SEA FREIGHT MARKET CAPACITY - EUROPE TRADES.

The sea freight market is expected to see space and equipment challenges, for shipments going from Europe to the Eastern hemisphere (eg Far East and the Indian Subcontinent) in Q2 2020. Here are the top 5 reasons why:

- A significant reduction in capacity during April and May. We are looking at a reduction of circa 30% compared to January. Peaks are expected in April and May, where some weeks are showing +50% less capacity
- Anticipated (and continued) shortages on available equipment, due to not enough import traffic to reposition equipment
- Standard and special equipment (such as reefers) are the main type of affected equipments
- Carriers have introduced countermeasures such as evacuating containers from surplus to deficit areas and short term leases. Hapag Lloyd leased 100,000 TEU worldwide in response to shortages
- Carriers have proposed Equipment Imbalance Surcharges in an aim to recover costs



# CURRENT MARKET SITUATION.

## SEA FREIGHT MARKET CAPACITY - EUROPE TRADES | Slide 1 of 3

Trade Lane	Week 14	Week 15	Week 16	Week 17	Week 18	Week 19	Week 20
NORTH EAST ASIA - NORTH EUROPE	21	11	12	12	15	20	17
NORTH EUROPE - NORTH EAST ASIA	15	17	9	4	9	13	8
NORTH EAST ASIA - SOUTH EUROPE	4		4	1	4	13	8
NORTH EUROPE - NORTH AMERICA	2	8	5	1		4	3
NORTH AMERICA - SOUTH EUROPE	1		1	4	5	1	3
NORTH AMERICA - NORTH EUROPE	6			1	3	3	3
SOUTH EUROPE - NORTH EAST ASIA	13	6	3	4	2	4	3
SOUTH EAST ASIA - NORTH EUROPE		2	2	3	2	2	2
NORTH EUROPE - SOUTH EAST ASIA	3	4		3		4	2
SOUTH EUROPE - NORTH AMERICA					1	1	1
NORTH EAST ASIA - EAST EUROPE				1			1
NORTH EUROPE - INDIAN SUBCONTINENT		1			1		1

As per CW 13

- Carriers responded to a drop in demand on several trades, showing their ability to adapt in short periods and unsettled market conditions
- In total 340 blanked options have been announced for the next 6 weeks, ca 70% of blanked options is for the Asia-Europe trade (v.v)
- We anticipate the situation to peak during weeks commencing 14, 15 and 19
- In comparison to blank sailings in Q1 2020, we expect carriers to withdraw from western hemisphere trades, such as the Transatlantic Westbound route (Europe to the US)
- We expect more blank sailings are to be announced

# CURRENT MARKET SITUATION.

SEA FREIGHT MARKET CAPACITY - EUROPE TRADES | Slide 2 of 3

BS	WB			MAR					APR					MAY					JUN	
ALN	Service	Capacity ('000 TEU)	Ships	WK9	WK10	WK11	WK12	WK13	WK14	WK15	WK16	WK17	WK18	WK19	WK20	WK21	WK22	WK23	WK24	WK25
				02.23	03.01	03.08	03.15	03.22	03.29	04.05	04.12	04.19	04.26	05.03	05.10	05.17	05.24	05.31	06.07	06.14
THEA	FP1	9	15 X 8,000/10,000																	
	FE2	20	12 X 19,000/20,000	BS		BS				BS		BS								
	FE3	14	10 X 14,000		BS			BS					BS							
	FE4	15	11 X 15,000		BS		BS					BS		BS						
	FE5	14	10 X 10,000/14,000				BS				BS	BS								
	MD1	14	11 X 13,000	BS						BS		BS		BS						
	MD2	14	11 X 13,400/14,000								BS		BS	BS						
	MD3	14	10 X 13,000/14,000								BS			BS						
OA	FAL5/AEU1/NE1/LL1/FX5	20	11 X 18,000/21,000									BS								
	FAL2/AEU3/NE3/LL2/FX2	20	11 X 19,000/21,000																	
	FAL7/AEU7/NE7/LL3/FX7	14	11 X 14,000/20,400		BS				BS	BS			BS							
	FAL1/AEU2/FAL1/LL4/FX1	18	12 X 13,800/21,000			BS														
	FAL3/AEU6/FAL3/LL5/FX3	15	11 X 14,000/17,000					BS			BS									
	FAL6/AEU5/CEM/LL6/FX6	20	11 X 14,000/20,000									BS	BS							
	FAL8/AEU9/CES/LL7/FX8	14	10 X 13,800/14,000	BS					BS	BS		BS	BS							
	MEX2/AEM1/MD2/WM1/MX2	14	10 x 13,000/14,000								BS									
	MEX1/AEM2/MEX1/WM2/MX1	13	11 X 10,000/13,200									BS								
	BEX/AEM3/EM1/FBSS FE	10	10 X 8,500/10,500	BS							BS									
	AEM5/FEM/EM2	7	9 X 5,300/8,500	SUSPENDED																
	AEM6/MED5/ADX	7	10 X 6,300/7,000	BS					BS											
2M	AE1/SHOGUN	14	16 x 13,000/14,000						BS											
	AE2/SWAN	19	12 x 17,800/20,500	SUSPENDED										SUSPENDED						
	AE5/ALBATROSS	20	13 x 18,000/20,500																	
	AE6/LION	14	17 x 13,000									BS		BS						
	AE7/CONDOR	18	12 X 16,500/19,500								BS		BS		BS					
	AE10/SILK	21	13 x 18,000/20,500																	
	AE11/JADE	20	11X18,300/19,400																	
	AE12/PHOENIX	15	11 X 14,000/15,300																	
	AE15/TIGER	15	10 X 13,000/15,300																	
	AE20/DRAGON	14	12 X 14,000								SUSPENDED									

As per CW 13

We expect the situation to peak around Easter in April

# CURRENT MARKET SITUATION.

SEA FREIGHT MARKET CAPACITY - EUROPE TRADES | Slide 3 of 3

BS	E/B VMS			MAR					APR					MAY					JUN	
ALN	Service	Capacity ('000 TEU)	Ships	WK9 02.23	WK10 03.01	WK11 03.08	WK12 03.15	WK13 03.22	WK14 03.29	WK15 04.05	WK16 04.12	WK17 04.19	WK18 04.26	WK19 05.03	WK20 05.10	WK21 05.17	WK22 05.24	WK23 05.31	WK24 06.07	WK25 06.14
THEA	FP1	9	15 X 8,000/10,000																	
	FE2	20	12 X 19,000/20,000		BS		BS		BS		BS				BS		BS			
	FE3	14	10 X 14,000			BS		BS		BS			BS					BS		
	FE4	15	11 X 15,000			BS		BS		BS			BS					BS	BS	
	FE5	14	10 X 10,000/14,000		BS		BS					BS				BS	BS			
	MD1	14	11 X 13,000		BS				BS						BS		BS		BS	
	MD2	14	11 X 13,400/14,000			BS		BS							BS			BS	BS	
OA	MD3	14	10 X 13,000/14,000	BS			BS								BS			BS		
	FAL5/AEU1/NE1/LL1/FX5	20	11 X 18,000/21,000			BS												BS		
	FAL2/AEU3/NE3/LL2/FX2	20	11 X 19,000/21,000																	
	FAL7/AEU7/NE7/LL3/FX7	14	11 X 14,000/20,400				BS	BS		BS				BS		BS		BS		
	FAL1/AEU2/FAL1/LL4/FX1	18	12 X 13,800/21,000		BS			BS		BS		BS							BS	
	FAL3/AEU6/FAL3/LL5/FX3	15	11 X 14,000/17,000			BS		BS		BS		BS						BS		
	FAL6/AEU5/CEM/LL6/FX6	20	11 X 14,000/20,000		BS		BS		BS							BS			BS	
	FAL8/AEU9/CES/LL7/FX8	14	10 X 13,800/14,000			BS	BS		BS		BS			BS		BS		BS		
	MEX2/AEM1/MD2/WM1/MX2	14	10 x 13,000/14,000		BS															
	MEX1/AEM2/MEX1/WM2/MX1	13	11 X 10,000/13,200		BS															
	BEX/AEM3/EM1/FBSS FE	10	10 X 8,500/10,500			BS														
	AEM5/FEM/EM2	7	9 X 5,300/8,500	BS		SUSPENDED														
	AEM6/MED5/ADX	7	10 X 6,300/7,000	BS					BS											
2M	AE1/SHOGUN	14	16 x 13,000/14,000											BS						
	AE2/SWAN	19	12 x 17,800/20,500													SUSPENDED				
	AE5/ALBATROSS	20	13 x 18,000/20,500																	
	AE6/LION	14	17 x 13,000	BS	BS	BS											BS		BS	
	AE7/CONDOR	18	12 X 16,500/19,500	BS	BS		BS									BS		BS		BS
	AE10/SILK	21	13 x 18,000/20,500					BS												
	AE11/JADE	20	11X18,300/19,400																	
	AE12/PHOENIX	15	11 X 14,000/15,300																	
	AE15/TIGER	15	10 X 13,000/15,300																	
	AE20/Dragon	14	12 X 14,000		BS		BS									SUSPENDED				

As per CW 13

The background of the slide is a complex, three-dimensional pattern of interlocking white rings, similar to a molecular structure or a honeycomb lattice. The rings are arranged in a way that creates a sense of depth and movement. The lighting is soft, highlighting the curves and edges of the rings.

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