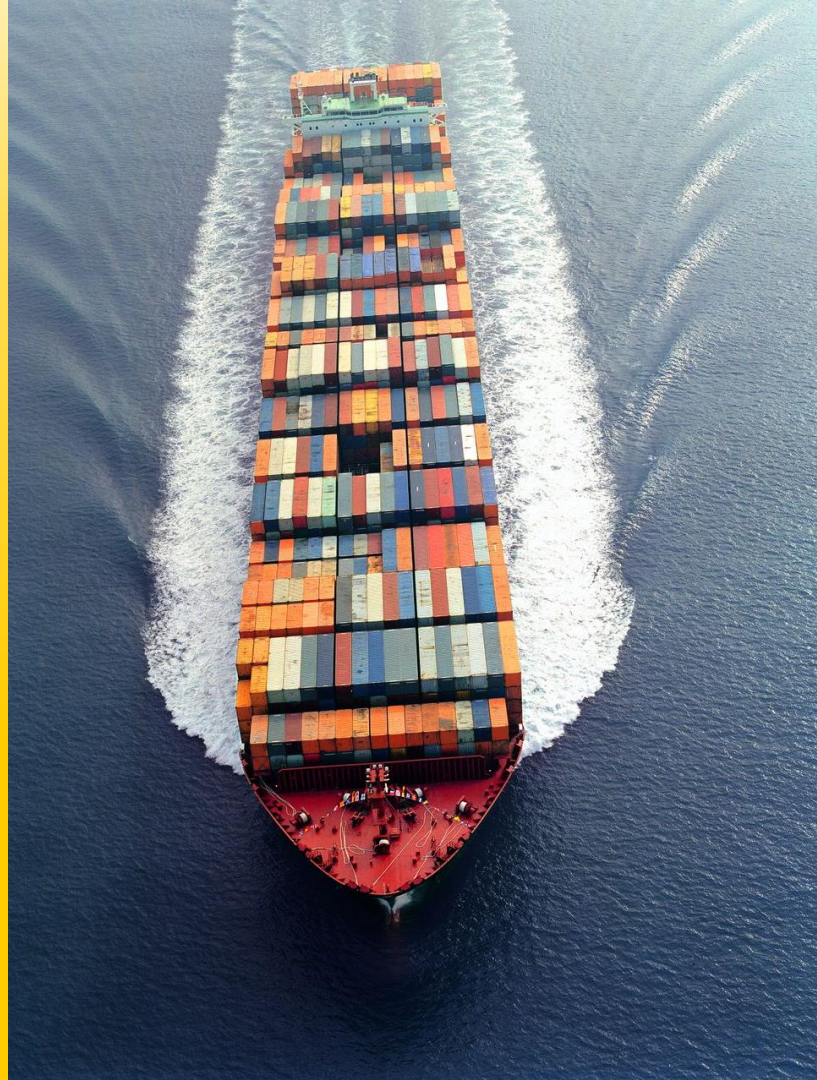


OCEAN FREIGHT MARKET UPDATE

DHL GLOBAL FORWARDING

October 27, 2022



Introducing our speakers...



Markus Panhauser
SVP Oceanfreight
Europe
DHL Global Forwarding



Vanya Dimitrova
Head of Sales Strategy
and Marketing,
DHL Global Forwarding

2023 Market Outlook



Economic Parameters

- Inflationary pressures are evident in markets
- Rising energy costs are clearly influencing the buying behavior
- Revised forecasts of economic outlook for all regions
- Inventory stocks in Europe are high
- Automotive + High-Tech are in the catch-up phase



Demand not uniformly strong

- Retail is on the brakes due to slow buying behavior
- Transatlantic, Middle East, Africa volumes and utilization is high
- Short haul trades are still going strong
- Restocking expected for in Dec 2022 + Jan 2023



Carrier Outlook

- Blank sailings up to 35-45% in certain trades
- Order books at 28% of total container ship fleet
- IMO2023 impact approx. 10% of total capacity
- Dry docking program and IMO2023 fitting to take place in Feb. 2023
- Equipment shortage in Europe to be expected



Freight Rates Fluctuations

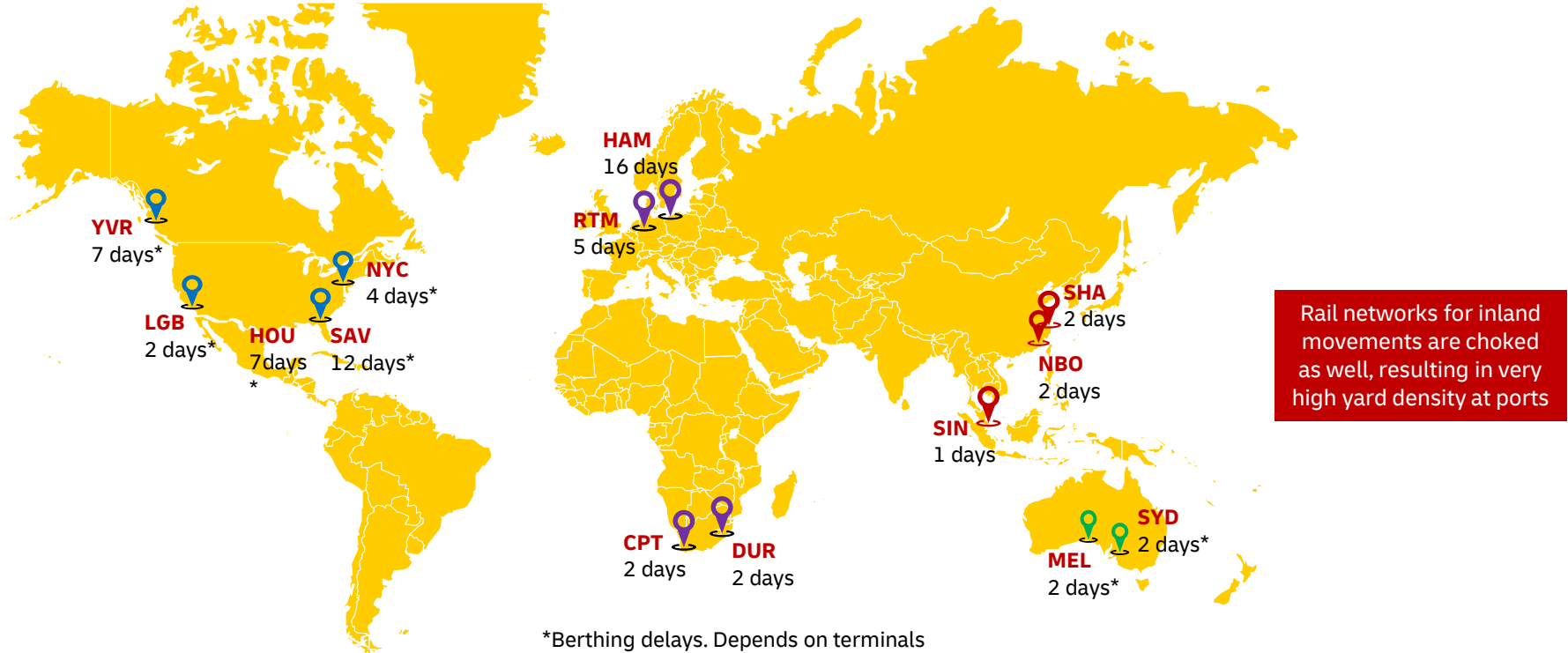
- Long-term rates remain at higher levels
- Spot rates are below long-term rates
- Demand expected to get stronger in Dec 2022



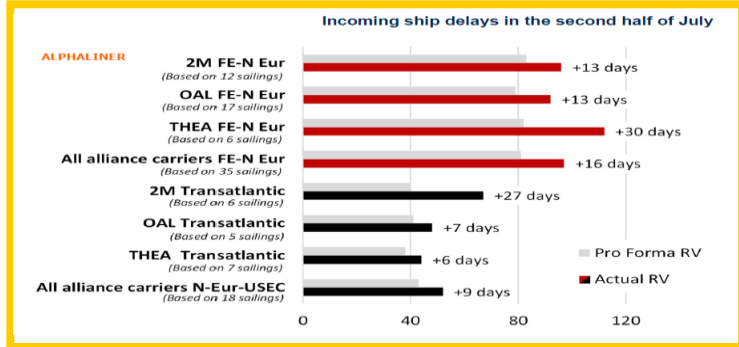
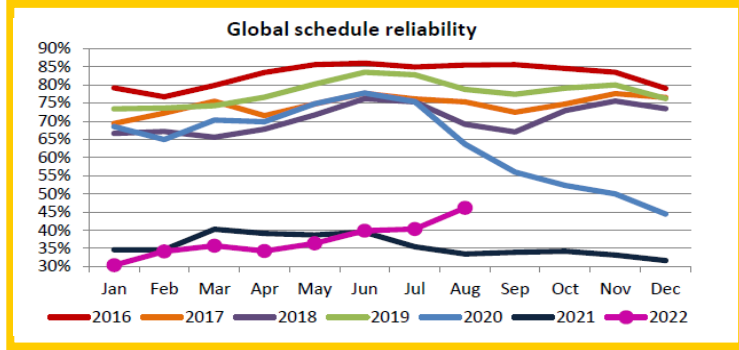
Supply Chain Disruptions

- China lockdowns
- UK port strikes
- More strikes to come
- War impact on Black Sea Trade

Port Congestion is improving



Schedule Reliability Improving



Ocean Freight Outlook



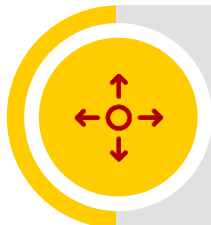
Short Term

- Carriers imposing a massive blanking program
- Drop of spot rates is slowing down. Rate validities remain very short
- Port congestion in Europe is going to stay until December



Mid Term

- Inflation will stay for longer
- Increasing costs on all levels and in all segments will have an impact on raw material costs and add more burden on the economy
- Carriers will do their outmost to manage capacity to handle lower demand



Long Term

- IMO 2023 is expected to have a 10% impact on the available capacity
- Major new deliveries are scheduled for 2023 + 2024
- Vessel demolition will increase sharply to eliminate inefficient tonnage
- Long-term freight rates will be contracted for 1 – 3 years, whereas spot rates will fluctuate heavily and will not guarantee uplift



How to Prepare for CNY and the IMO 2023 impact



- Focus on honoring the volume commitments to the carriers



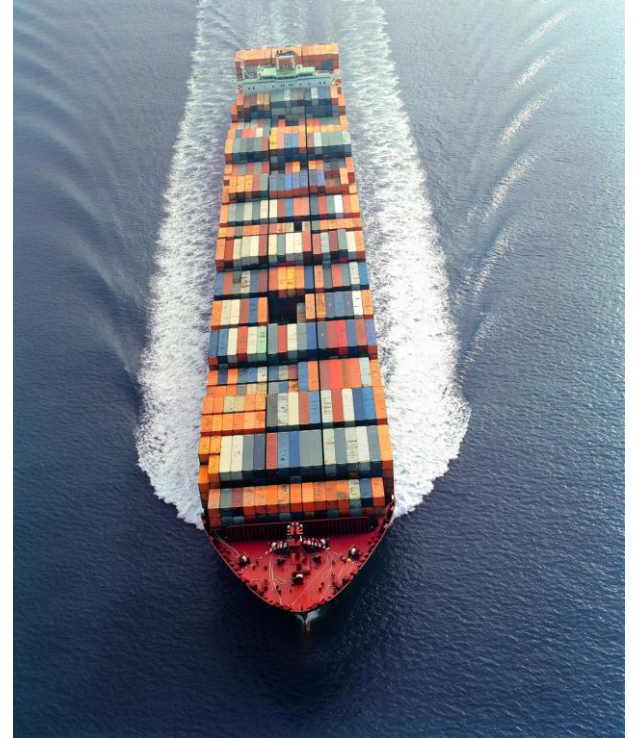
- Agree on long term contracts with talking clause or indexed pricing



- Still consider congestions and hence longer lead time in planning process



- Share reliable and consistent forecast on weekly requirements



Q&A SESSION

If you have any further questions, contact your usual Account Manager or Customer Service Representative or visit us at [dhl.com](https://www.dhl.com)



Ocean Freight
Market Update



Ocean Freight
Market Outlook
2022 - 2024

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