

RAIL FREIGHT MARKET UPDATE

DHL GLOBAL FORWARDING

02 November 2022



Agenda

1. Welcome & Introduction
2. Rail Market situation : Staying on track... green, fast and reliable
3. Outlook : Sharpen the focus to serve sustainable solutions
4. Q&A & Wrap up



Introducing our speakers...



Thomas Kowitzki
Global Head of Chinarail,
DHL Global Forwarding



Luca Chio
Regional Head of Business Customers
and Sales Operation,
DHL Global Forwarding

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Rail connections running stable between Asia and Europe

Overview of the current market

- Geopolitical challenges
- Sudden local lockdowns
- Increasing energy costs
- Port congestions
- Inflation
- Need for sustainability
- Economic growth slow down
- Freight cost recovery

Remaining volatility and complexity in logistics

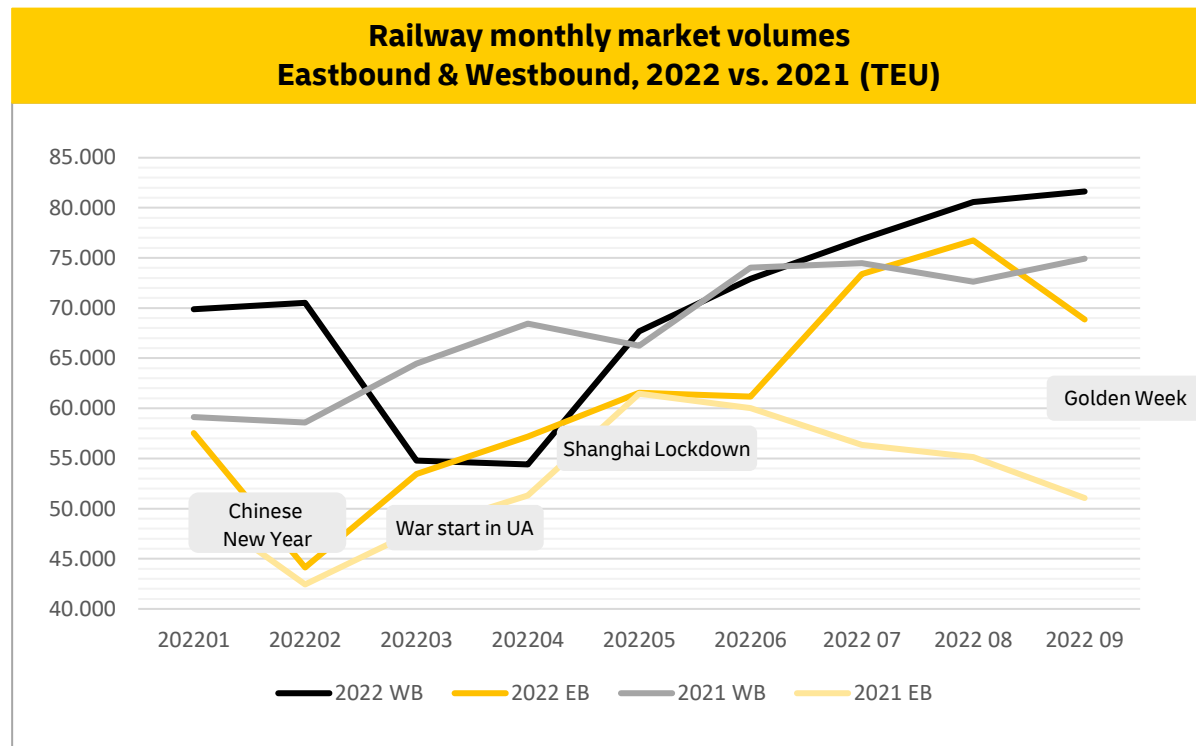
Rail market

	Eastbound	Westbound
Capacity	●	●
Equipment	●	●
Rates	→	→
Transit Time	●	●

- ✓ Capacity and speed back on track
- ✓ Continuously attractive alternative

China Rail is sustainable, fast and secure

China Rail volumes overall YTD 2022 on 2021 levels with improvement in transit time performance on Northern/Western corridor



Overall International rail freight market growth despite conflict:

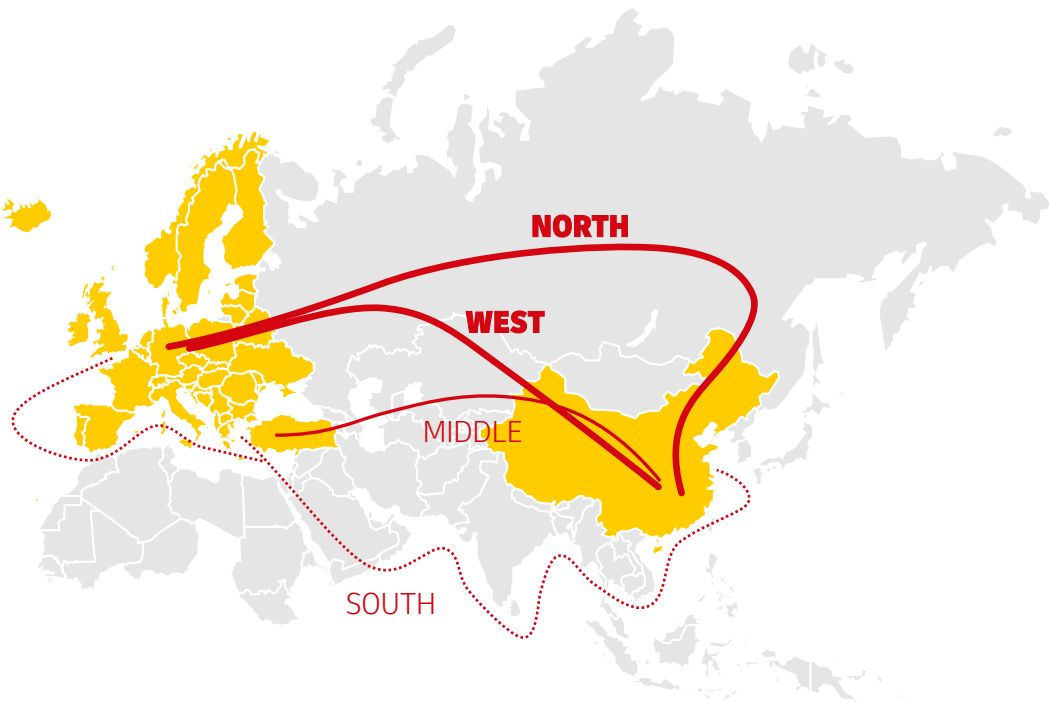
- Westbound **growth by 3%**
- Eastbound **growth by 16%**
- Middle (aka Trans-Caspian or 2 seas) Corridor to bypass conflict in development

Terminal to Terminal Transit:

Via Russia CN-PL = **14 days**
CN-DE = **18 days**

Via Middle CN-EU = **45-55 days**

China Rail is the fastest service for Intercontinental FCL & LCL shipments



Demand for resilient networks



Steady search for new transport solutions



**Proven, incl.
Express Trains**

North Corridor

*Other names: Trans-Siberian
Main route: CN-RU-BY-PL*

West Corridor

*Other names: Trans-Kazakh
Main route: CN-KZ-RU-BY-PL*

Driven by capacity needs (until September) and bypass Russia



In development

Middle Corridor

*Other names: South/ Trans-Caspian/ TMTM Corridor
Main route: CN-KZ-Caspian Sea-AZ-GE-Black Sea-Europe*



**Customized
solutions**

South Corridor

*Other names: Sea/Rail
Main routes: CN-South European Ports*

The “middle corridor” alternative rail routes to bypass conflict zones takes time

Potentials, open topics:

- Increasing governmental interest (EU, GE / AZ / KZ ,CN)
- More attractive rates
- Operational challenges fix for better transit time
- Route potential enables better connectivity with new markets
- Eastbound needed to setup stability



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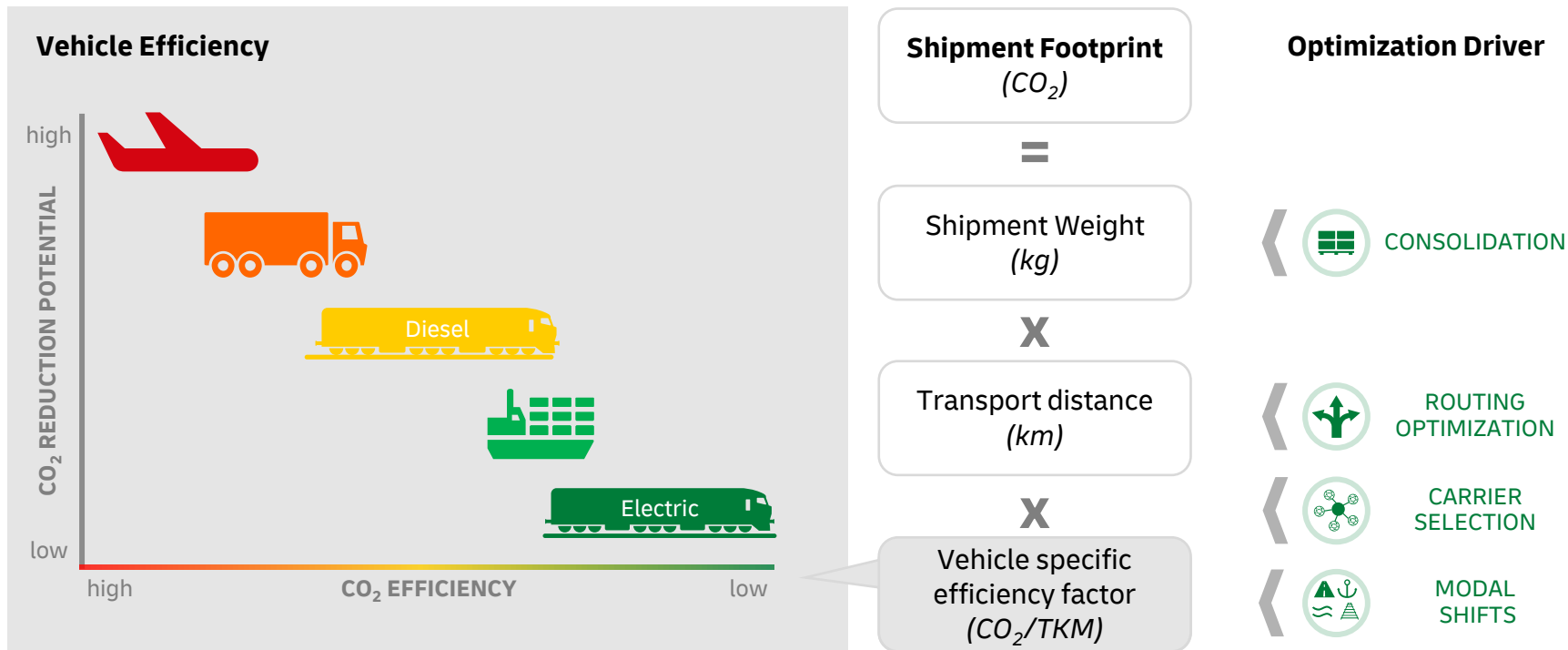
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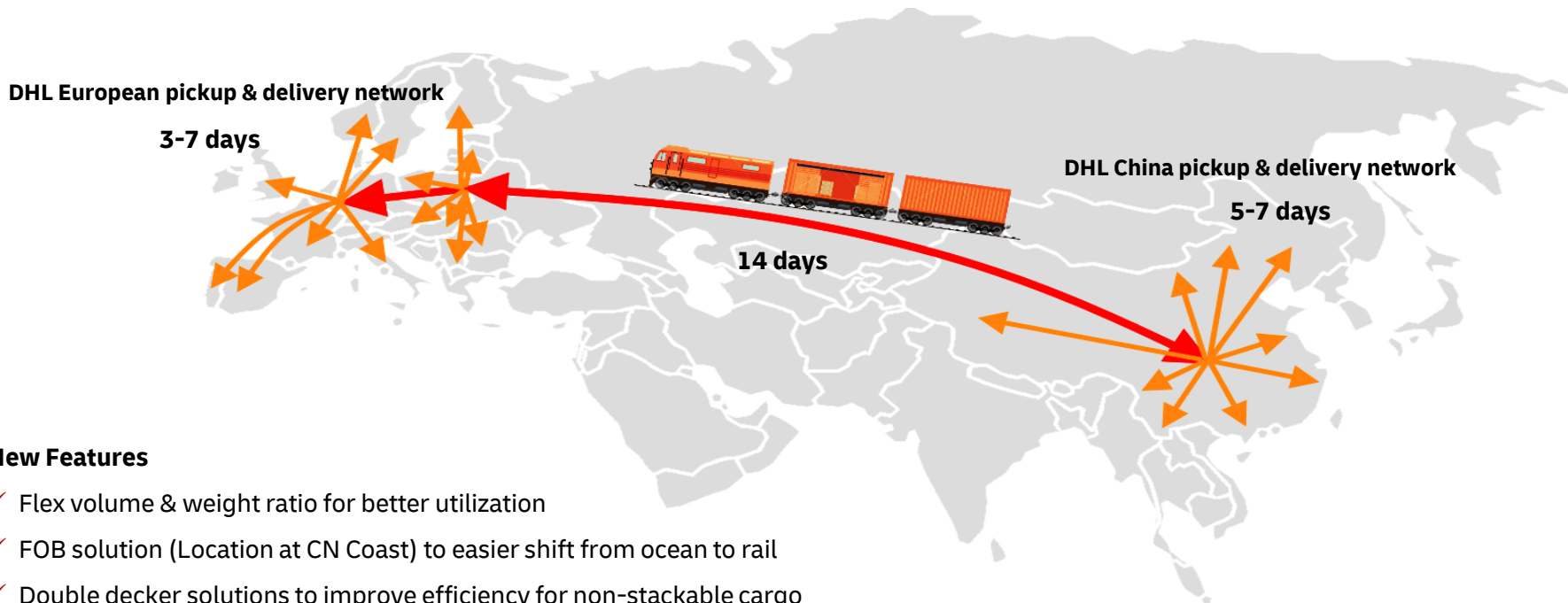
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On the way towards sustainable transportation: Rail plays an important role



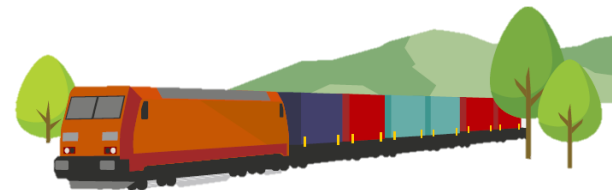
We connect 2 strong regional DHL networks by rail: The fastest LCL delivery times from anywhere in China to anywhere in Europe



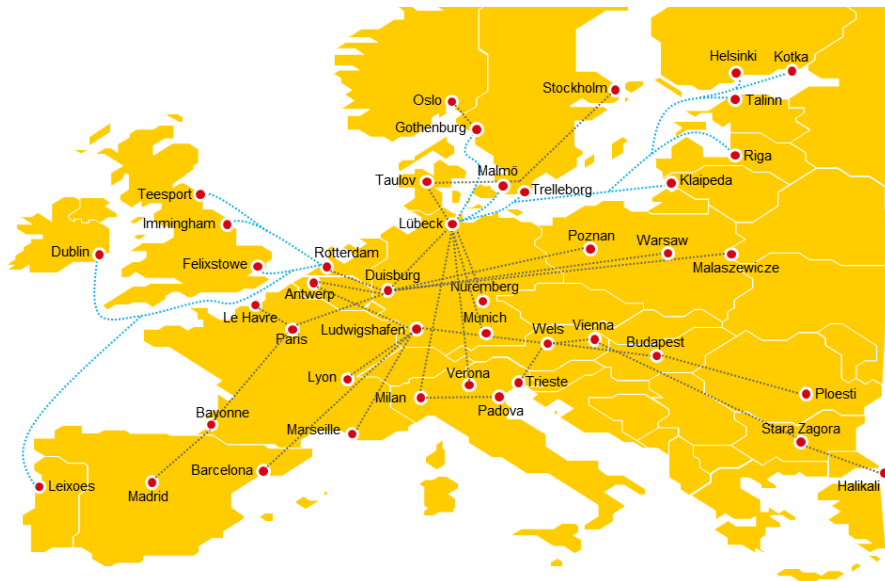
New Features

- ✓ Flex volume & weight ratio for better utilization
- ✓ FOB solution (Location at CN Coast) to easier shift from ocean to rail
- ✓ Double decker solutions to improve efficiency for non-stackable cargo

Central Asia & Intra-european intermodal networks: Green intercontinental end-to-end container logistics



Europe Intermodal capabilities



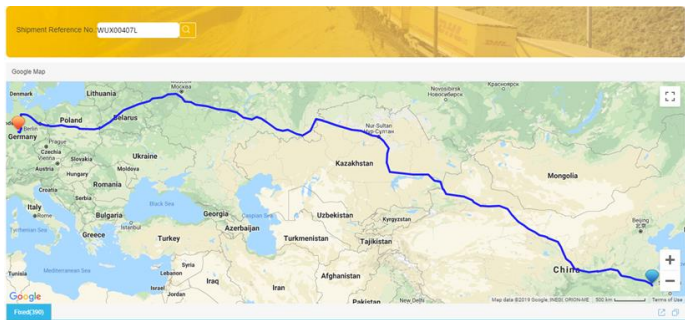
China Intermodal capabilities



Rail – iSee!

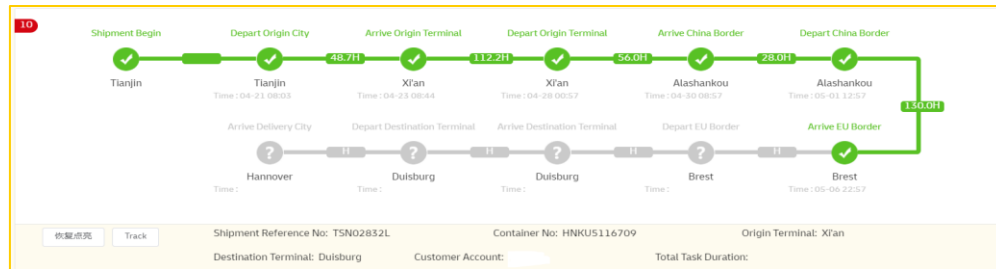
Real time visibility available to follow the rail shipment

Public Track & Trace



iSee Customer account

Full shipment list displayed, with direct link to tracing
Order timeline to display shipment progress



Key take aways from today

- 
- 1 Green Rail service between China and Europe is growing further**
 - 2 Rail is fastest option to move Container loads between CN-EU**
 - 3 Stability in transit times underpins reliability & speed value**
 - 4 Pre/on-carriages shortages need planning in advance – robust forecasts required and utilizing intermodal networks**
 - 5 Seamless Rail LCL solutions to support shippers with smaller shipments**

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Q&A SESSION

If you have any further questions, contact your usual Account Manager or Customer Service Representative or our Rail Freight Experts



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if you are based in Europe



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