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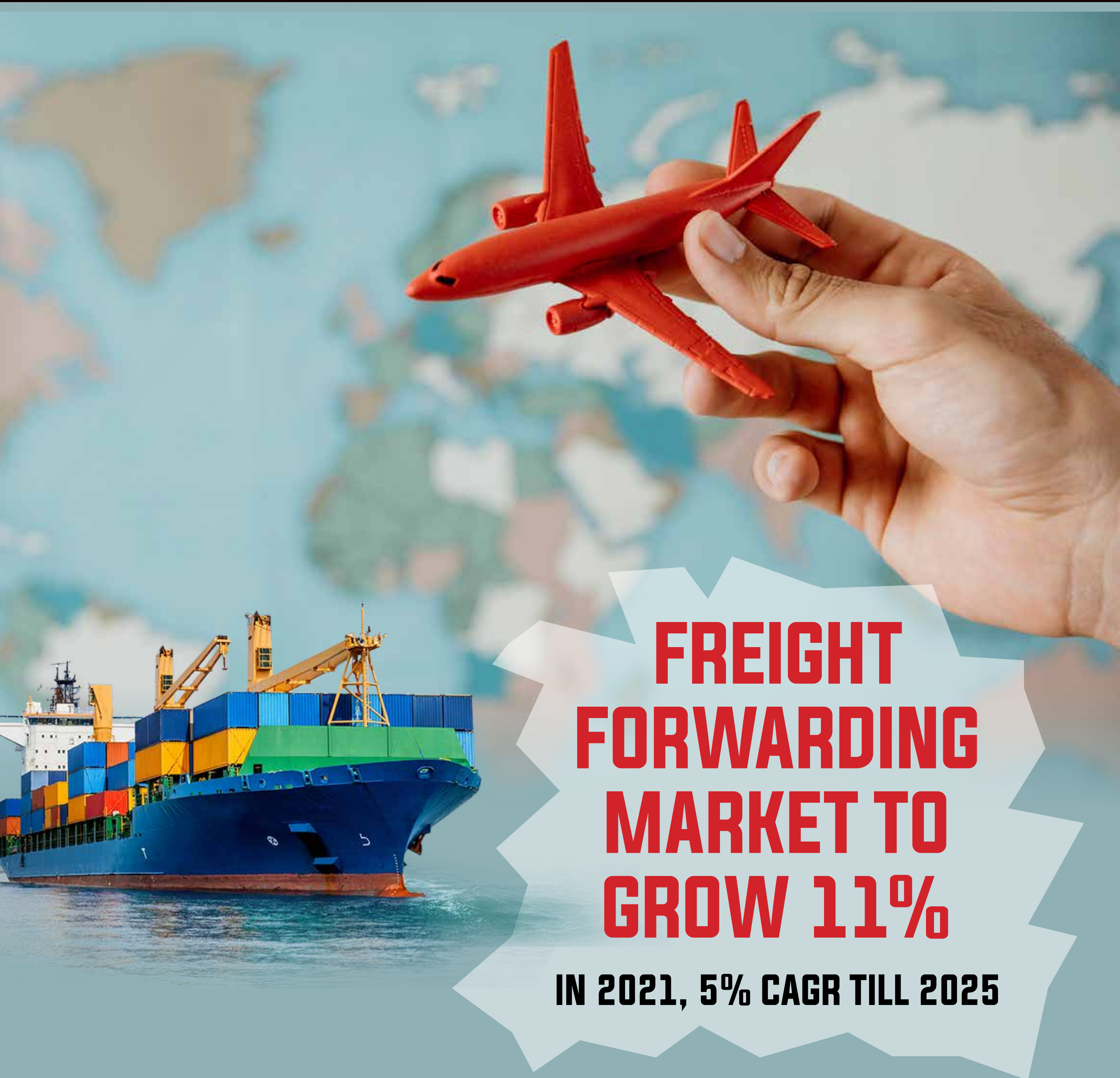


FREIGHT FORWARDING MARKET TO GROW 11%

IN 2021, 5% CAGR TILL 2025

INSIDE

FREIGHT MARKET UPDATE
Ex INDIA

SEA UPDATE

- The market remains strong and the tight space situation persist in September.
- Vessels delays continue to lead to port congestions and tight equipment situation ,carriers are announcing port congestion surcharges.
- Space and equipment are expected to be tight going into August too. Hence, rates will also be going up with carriers implementing GRI/ PSS.
- Rates reaching historic highest levels
- Delays are expected as schedule reliability at all-time low. Accurate forecast and 3-4 weeks advance booking remain a necessity in the current market.
- Free time demurrage at POD cut to historic short time levels
- Rates continue to increase. Space is only available at premium rate levels. . Carriers releasing bookings against “Sea Priority/ Shipping Guarantee” on most lanes.
- Carriers preferring light weight cargo and releasing space for light weight cargo more likely.
- Vessels are full, carriers are selecting high paying cargos. EIS is being implemented by all major carriers. Carriers are increasing rates to balance supply and demand.

- Buffer your freight budget and transit time for changes. Costs due to unforeseen delays or limited capacity can arise, so be prepared.
- Explore warehousing options to mitigate the effects of lowered demand .
- Pay attention to the profitability of your goods and consider if a pivot could be worthwhile. Additionally, remember to factor in freight costs when assessing profitability.
- Understand that delays and extra charges may arise. Right Logistics trying their best to move goods on schedule without additional fees, but in this unstable period, delays and additional charges can occur out of forwarders' control.

AIR UPDATE

- The airfreight market is hotter than ever.
- Airfreight demand remains strong as shippers seek alternatives to ocean ahead of the peak season. Tighter capacity is forcing shippers to book space earlier or take long-term charters.
- The IATA reports that airfreight is now much more competitive, stating that air cargo is down from being 12-times more expensive than ocean pre-COVID to now being just 6-times more costly.
- Strong consumer demand has lifted global air freight volumes back to pre-COVID levels. The recovering economy and the rise of e-commerce are remarkable growth factors. In addition, over-priced and unsustainable ocean freight forces customers to shift urgently needed shipments from sea to air freight.
- The air freight capacity will remain restricted due to missing belly space and it is expected to take years to recover the passenger flight capabilities. This global imbalance of demand and supply is expected to continue and rates will be on the upper level for the next upcoming months.

FREIGHT FORWARDING MARKET TO GROW 11%

IN 2021, 5% CAGR TILL 2025

Transport Intelligence's (Ti), latest report, Global Freight Forwarding 2021, shows the post-Covid-19 global forwarding market is settling into its recovery phase after dramatic contractions in 2020.

However, market dynamics remain skewed with limited capacity available and sky-high freight rates presenting a challenging market for shippers and opportunities for forwarders to secure high margins.

"The freight forwarding market is expected to bounce back strongly with growth of 11.6 percent in 2021 and a CAGR of 5 percent from 2020-2025 as volumes recover," reads the release.

Air and sea freight rates remain at record levels and are highly volatile following the disruption of the pandemic resulting in a capacity crunch and swings in volumes

Digital forwarders are becoming increasingly competitive with established players as they invest in assets and customer service teams alongside their tech to enable more end-to-end and value-added services.

The Global Freight Forwarding market contracted by 8.7 percent in 2020, recording its worst year since the financial crisis as a result of the pandemic. The sea freight forwarding market contracted by 3.8 percent in 2020, but air freight forwarding suffered worse with a decline of 12.3 percent.

The sea freight forwarding market is set to grow at 7.6 percent in 2021 and at a CAGR of 4.5 percent from 2020-2025. Growth in 2021 will be largely be driven by the bounce back in volumes from 2020, particularly in Q2 2021 vs Q2 2020. Sea freight forwarding growth out to 2025 will be driven by the ongoing recovery in volumes, modal switches from air to sea and new trade agreements generating more trade.

Airfreight forwarding is set to grow at 14.9 percent in 2021 and at a CAGR of 5.4 percent from 2020-2025. Growth in 2021 is largely driven by a recovery of volumes from 2020 and very high freight rates. Longer term growth out to 2025 will be driven by a recovery in global trade and strong growth in air freight intensive sectors like high tech, pharmaceuticals and cross-border e-commerce.

The new report also shows that amid all the disruption to the air freight market the top 20 freight forwarders have significantly increased their share of overall volumes, from 65.05 percent in 2019 to 74.89 percent in 2020. The top 20 actually increased the air freight volumes they handled in 2020, despite market volumes declining by 12.50 percent. Coupled with the high air freight rates that persisted through 2020, this led to a very good year for large forwarders. The sea freight market also saw volumes decline from 2019, with 9.95 percent fewer containers handled in 2020.

Nevertheless, capacity constraints and high freight rates enabled the top 20 forwarders to broadly maintain their revenues, even though they carried 7.49 percent fewer containers than in 2019.

The new report provides a view of the future of both the air and sea freight forwarding markets and an outlook for volume, price and capacity development for the rest of 2020. It also examines the performance of freight forwarders in detail and how many of the larger players managed to achieve record margins, with the average freight forwarding margin for 2020 increasing to 7.5 percent.

The report also examines the developing digital freight forwarding landscape. There is a new market map for the digital landscape and profiles of the major players to show how their capabilities are developing. The latest analysis highlights how they are increasingly competing with established forwarders with a full suite of end-to-end value-added services and acquiring key assets to enable this, all underpinned by their technological base.

Global Freight Forwarding 2021 also drills down into technology further, taking a closer look at the software that underpins freight forwarding services, assessing the strategies pursued by different forwarders to develop their capabilities and providing profiles of the solutions available on the market.

The latest news from the market of consolidation among the top players corroborates Ti's view that we are likely to see further M&A activity among freight forwarders through 2021. But the report also explains that it is likely we will also see considerable M&A activity involving the digital players and software entrants which are competing to capture the growth of digitalization in the market.

BLR Airport Cargo records highest monthly throughput

Cargo volumes at the Kempegowda International Airport, Bengaluru (BLR Airport) continued to see growth and announce the achievement of its highest monthly throughput since commencement of operations.

Under challenging circumstances due to the pandemic, BLR Airport has processed 37,319 Metric Tonnes (MT) of cargo in August —the highest ever since the Airport commenced operations in 2008. International cargo (both imports and exports) continued to be growth drivers, accounting for 24,304 MT, also the highest ever. Of the total international cargo, exports also achieved a significant record, an all-time high throughput of 15,224 MT.

BLR Airport, the third busiest airport in India has resulted in a 41 percent market share (industry estimates) in South India, making BLR Airport the preferred gateway for air cargo for shippers from the southern states of India. Key factors that have led to this transformation include, a conducive geographic location with easy access to manufacturing hubs in South India, adequate airline capacities to service key sectors across the globe and world-class cargo infrastructure, operated by Air India SATS and Menzies Aviation Bobba, Bangalore.

In addition to round the clock support from Indian Customs, Government of Karnataka helped in creating a robust business environment amid the pandemic. Agricultural and Processed Food Products Export Development Authority (APEDA) and Government of India also played a key role in helping BLR Airport achieve this milestone.

There are currently 14 dedicated freighters operating to and from BLR Airport, and there is also additional belly capacity in passenger aircraft. On an average, we have about 30-33 daily freighter movements at BLR Airport.

The current cargo capacity of BLR Airport is 715,000 MT annually and is expandable up-to 850,000 MT. Our aim is to expand the cargo infrastructure to provide a capacity of 1 million MT in the next few years.

BLR Airport is also the leading airport for export of perishable goods from India.

Domestic air cargo terminal opened at Tirupati Airport

The newly set up Domestic Air Cargo Terminal was formally inaugurated at Tirupati Airport by R Madhavan, Regional Executive Director, AAI, Southern Region, Chennai. Speaking on the occasion, Madhavan said, with the commencement of cargo operations, the economic activity in and around the region will improve and facilitate economic growth. With this, the outbound and inbound mail, cargo and air traffic at Tirupati Airport is going to increase.

Cargo services launched at Dibrugarh Airport

In a bid to boost the economy of the region, the cargo services were launched at Dibrugarh (Assam) Airport.

Airport Director Ramjee Awasthi said that a "full-fledged cargo terminal at Dibrugarh Airport is also under development and is at various stages of permission.

Eastern Airlines enters air cargo market

Eastern Airlines, a small, relatively unknown passenger carrier, is making a significant play to join the air cargo big league with an unusual business model centered on stripping out seats from used aircraft rather than converting them to a traditional freighter that can carry heavy shipments on the main deck.

The Wayne, Pennsylvania-based company announced it has purchased 35 Boeing 777 widebody aircraft and plans to launch service targeted at the e-commerce and express delivery market in the first quarter of 2022.

CELEBI Delhi Cargo Terminal achieves IATA CEIV Pharma Certification

Celebi Delhi Cargo Terminal Management, the joint venture between DIAL and Celebi Ground Handling announced that it has been accredited with IATA CEIV Pharma certification for its cargo and warehouse operations. The companies are making use of technological advancements to bring in higher efficiency.

Given the current scenario, the air cargo industry is calling for higher standards when transporting temperature sensitive pharmaceuticals. To cope with the growing expectation for standardization, the certification ensures international and national compliance to safeguard product integrity to its destination.

From the onset of the COVID-19 pandemic, Celebi has been working dedicatedly on preparing proficient handling scenarios for the import and export of various types of vaccines, pharma, medical aid, and oxygen containers in a safe and efficient way. Vaccines, in general, must be handled in line with international regulatory requirements at a controlled temperature and without delay to ensure the quality of the product.

Commenting on this, Kamesh Peri, CEO, Celebi Delhi Cargo Terminal Management said, "This is a prestigious certification to have, especially in present times with the highest standards expected in handling temperature-sensitive pharmaceuticals. We have achieved it after a thorough audit process performed by IATA who assessed and found our quality systems, infrastructure, procedures, and policies to be in absolute compliance. This was made possible by our committed team and I am very proud of their tireless and brilliant efforts."

Celebi is working closely with its customers to understand their specific requirements and is more than ready to meet expectations with a state-of-the art Pharmaceutical Logistics Centre spread over 1200 sqm area. The Centre has a pre-cool facility and four chambers within the range of +15?c and -20?c, with a capacity of 72,000 MT annually. Recently, Celebi also achieved GDP (Good Distribution Practice) certification for its Exports Pharma Logistics Centre and Pharma Processing Facility in Import for Celebi Delhi Cargo Terminal.

IATA survey reports global air cargo demand to increase next year

Airline chief financial officers and cargo chiefs were positive on cargo demand for the rest of the current financial year and the next year, according to an International Air Transport Association (IATA) survey done last month.

As many as 73 percent of respondents reported that cargo volumes were higher than last year in Q2 as the rising number of passenger flights eased the pressure on belly cargo capacity.

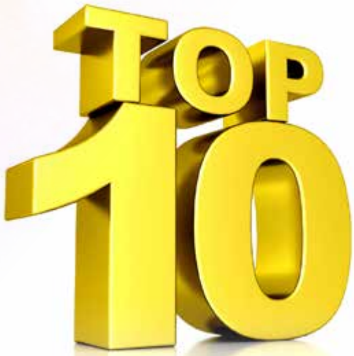
Some respondents also mentioned that they continued to offset the lack of capacity by using preighters (aircrafts originally intended to carry passengers but which is operated temporarily as cargo only passenger flight allowed to load freight in the passenger cabin).

"The remainder of the respondents reported no change or deterioration in cargo demand compared with the trough of the crisis last year," according to the Airline Business Confidence Index report released on July 30.

Based on the expected growing business, in India, SpiceJet announced plans to hive off its cargo division to Spice Express for fundraising as well as expansion.

For the coming 12 months, 72 percent IATA survey respondents expect cargo demand to increase – an improvement compared with the previous survey (56 percent).

THE LARGEST SHIPPING LINES IN THE WORLD



It comes as no surprise, that the shipping companies are the most crucial part of the global supply chain. The container shipping lines, with a current active fleet of over 6,200 vessels and a capacity of more than 24.9 million TEU, are transferring a major amount of any kind of goods and products across the world.

Below, there is a list of the 10 largest container shipping companies in the world in terms of TEU capacity, according to the Alphaliner figures (26 August 2021).

1 MAERSK 4,222,017 TEU (733 ships)

Moving almost 20% of the world's food, materials and goods in 130 countries, A.P. Moller - Maersk is the largest container shipping company for the last 25 years.

The Copenhagen-based logistics leader owns more than 900 subsidiaries, including APM Terminals, Hamburg Süd, Damco, Svitzer and Seago Line.

Maersk was not involved in the container sector until 1975, when its first container ship Adrian Maersk departed Newark, US, carrying 385 boxes. Nowadays, the carrier's largest vessel, Madrid Maersk, has a capacity of 20,568TEU.

Maersk's largest vessel: Madrid Maersk - 20,568TEU

2 MEDITERRANEAN SHIPPING 4,101,961 TEU (615 ships)

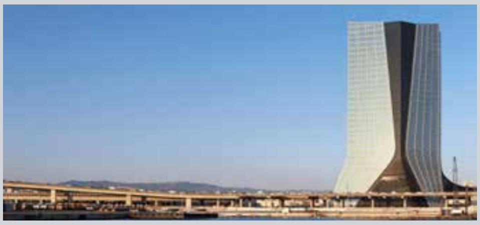
MSC has evolved from a one-vessel operator into the second-largest container carrier with a fleet of 615 vessels calling at 500 ports on 215 trade routes and carrying approximately 21.5 million TEU annually.

MSC and Maersk form the largest container alliance in the world, named 2M Alliance.

The Swiss company has 51 ships with an overall capacity of 917,200TEU on its order book list, which means that it is expected to surpass its alliance partner, as the largest container line in the world, dethroning Maersk after more than two decades.

MSC's largest vessel: MSC Gulsun - 23,756TEU

3 CMA CGM — 3,007,131 TEU (542 ships)



CMA CGM constitutes the third-largest container carrier in the world.

The French shipping group has built a global presence in the maritime industry, owning 538 ships that conduct 285 services to 420 ports, while transporting almost 21 million TEU annually.

These nine vessels are the largest ones of the company with CMA CGM Jacques Saade being the first one delivered from the series and the carrier's flagship vessel.

CMA CGM's largest vessel:
CMA CGM Jacques Saade - 23,000TEU

4 COSCO — 2,970,150 TEU (489 ships)

COSCO is now the fourth-largest shipping company in the world operating 54 domestic and 264 international services in 329 ports of 105 countries across the world.

The Chinese state-owned transportation company became part of Ocean Alliance in 2017 and constitutes one of the traditional powerhouses in the shipping sector.

COSCO's largest vessel: COSCO Universe - 21,237TEU

5 HAPAG-LLOYD — 1,780,304 TEU (259 ships)

Hapag-Lloyd was founded in 1970 after the integration of the German shipping companies Hamburg-Amerikanische Packetfahrt-Actien-Gesellschaft (Hapag) and Norddeutscher Lloyd. Today, Hapag Lloyd ranks first among the largest German lines and fifth globally and has recently expanded its operations through the acquisitions of the carriers Compañía Sudamericana de Vapores (CSAV) in 2014, United Arab Shipping Company (UASC) in 2016, as well as NileDutch Transport & Shipping earlier this year.

The Hamburg-based liner operator carries annually 11.8 million TEU with 260 vessels conducting 121 services and calling on more than 600 ports in all continents.

Hapag-Lloyd's largest vessel: Al Dahna - 19,870TEU

6 ONE (OCEAN NETWORK EXPRESS) 1,592,173 TEU (218 ships)

ONE was established in 2017 after the integration of the three Japanese shipping companies, K Line, MOL and NYK and got in the spotlight of the global logistics sector as it became the sixth-largest container carrier worldwide in less than three years.

Since then, the Singapore-based liner operator has already a service network covering over 120 countries as well as offices in 42 countries across the world aiming to further expand its global presence.

ONE's largest vessel: MOL Treasure - 20,182TEU

7 EVERGREEN 1,397,365 TEU (203 ships)

The Taiwanese vessel owner was founded in 1968 with a single vessel in its fleet, called Central Trust, and in 2007 Evergreen Marine Corporation, Hatsu and Italia Marittima were merged into the single "Evergreen Line".

Today, Evergreen serves over 315 locations across a broad array of trade lanes around the world. The 2018-built Ever Golden is the largest container ship of the company with a carrying capacity of 20,000TEU.

Evergreen's largest vessel: Ever Golden - 20,000TEU

8 HMM 825,060 TEU (78 ships)

HMM, formerly known as Hyundai Merchant Marine, is the eighth largest shipping company, operating services in 110 countries and owning 24 subsidiaries as well as three container terminals around the world.

The Seoul-based carrier has currently owned the world's twelve largest and most technologically advanced container ships of 24,000TEU maximum capacity each.

HMM's largest vessel: HMM Algeciras - 23,964TEU

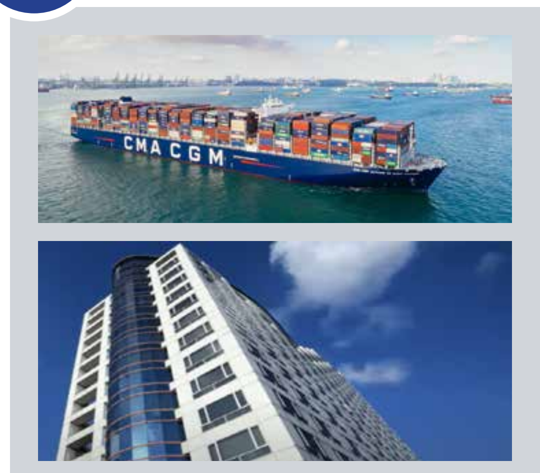
9 YANG MING 625,332 TEU (87 ships)

Yang Ming Marine Transport Corporation which ranks ninth place of the largest carriers belongs to THE Alliance, along with Hapag Lloyd, ONE and HMM, and operates services at over 70 nations and 170 ports.

Although the Taiwanese line is mostly involved in intra-Asia transportation, it is permanently expanding its network with the establishment of its new subsidiary in France this year, showing Yang Ming's interest in enhancing its European presence.

Yang Ming's largest vessel: YM Wellbeing - 14,220TEU

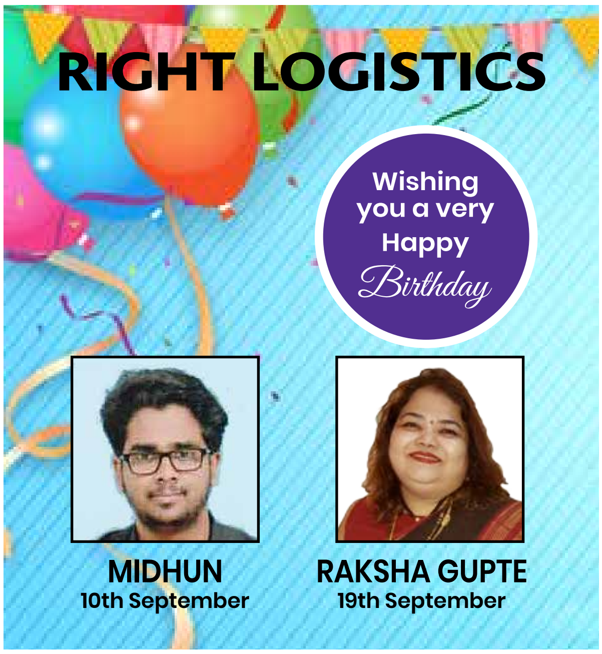
10 WAN HAI 425,221 TEU (149 ships)



Wan Hai Lines was established in 1965 primarily as a log transportation company between Taiwan, Japan, and Southeast Asia, but in 1976 it became a full-container shipping company in order to fulfill the demand in containerised international trade.

Today, the Taipei-based carrier ranks among the ten largest container lines worldwide while it has expanded its services in Canada, the United States, South America, Africa and the Middle East.

Wan Hai's largest vessel: Paranagua Express - 11,923TEU



Shippers struggle as container carriers' earnings skyrocket

Importers and exporters are facing a rapidly disintegrating container shipping market as deployed capacity fails to keep pace with returning consumer and business demand and shipping rates escalate beyond reach for many small to medium enterprises (SMEs), according to the latest Container Shipping Market Review compiled by MDS Transmodal and the Global Shippers Forum (GSF).

The findings review show a slight increase in the numbers of ships deployed, which allowed higher numbers of containers to be moved in the second quarter following a lull in the first quarter of the year.

"Global levels of container traffic grew again in Q2 2021 to reach record levels but have still not yet quite recovered to the level that trends implied 3 years ago, when lines reduced their level of new buildings," said Mike Garratt, Chairman of MDS Transmodal and went on to point out that "capacity shares based on vessel sharing agreements (or consortia) in some key markets now exceed 40%."

Garatt explained that this high level of consolidation has the benefit of enabling lines to adjust capacity allocation in line with changing demand but, combined with the resulting very high levels of utilisation, have allowed freight rates to remain at historically unprecedented levels and imply that some potential freight maybe being suppressed.

"Performance indicators, including skipped ports, continue to compare poorly with pre-pandemic levels," he noted.

Furthermore, James Hookham, Director of the Global Shippers Forum commented that "Importers and exporters are facing a meltdown of the container shipping market, with rates in the stratosphere, slots up for auction and service performance in the trash. The prospects for the coming peak season look grim."

This was the quarter that the impacts of the Ever Given's closure of the Suez Canal was felt on schedules and port calls in Europe, North Africa and North America, but the effects are barely discernible in a globally consistent picture of rising rates, declining service and ships sailing at close to their maximum capacity, according to the container shipping market review.

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MSC implements fresh charges in Europe

The Swiss shipping company MSC will apply fresh surcharges to several European ports "due to the strong demand of containers and consequent difficulties to supply needed equipment", taking effect in September and October.

Particularly, the Geneva-based liner operator will impose a Peak Season Surcharge (PSS) from Northwestern (NWC) Europe, ScanBaltic, West Mediterranean, Adriatic and Canary Islands to all coasts of the United States (US) and the Caribbean.

The charge will be US$500 per TEU and US$1,000 per FEU, forming the new prices to US$2,200 and US$2,700 respectively, for all types of cargo, and will begin on 1 October.

On the same date, MSC will set a PSS from the same European places to Canada and Mexico, which will be US$500 per TEU and US$1,000 per FEU.

The new rates will therefore be US$1,500 and US$2,000 accordingly, for all types of containers.

Furthermore, the major shipping line will implement the following Freight All Kinds (FAK) rate increases for all 20', 40' standard and high cube boxes from Australia and New Zealand to the European ports Antwerp and Valencia.

Port of Loading	Port of Discharge	Commodity	Rate 20 DV	Rate 40 DV	Rate 40 HC	BRC 20 DV	BRC 40 DV	BRC 40 HC
Melbourne	Antwerp	FAK	3935	4465	4465	310	620	620
Melbourne	Valencia	FAK	3935	4465	4465	310	620	620
Auckland	Antwerp	FAK	4285	4765	4765	310	620	620
Auckland	Valencia	FAK	4285	4765	4765	310	620	620

All prices are in US$. • This increase will be applicable from 20 September but not beyond 30 September.

Hapag Lloyd announces heavy lift charges worldwide

The German carrier Hapag Lloyd has introduced several heavy lift charges (HLC) in shipments worldwide for containers exceeding a specific amount of tones.

Firstly, the shipping company will set an HLC of US$178 per 20' dry, general purpose and special container graduated an upper value of 14 tons, effective from 1 October.

On the same date, another HLC will be implemented by the Hamburg-based liner operator in the Middle East trade, for 20' dry cargoes with a GWT over 20 tons.

From	To	Container Type	Amount (USD)	Comments
Black Sea	Middle East	20' dry	150	GWT between 20-26 tons
	Middle East	20' dry	250	GWT over 26 tons
	Indian Subcontinent	20' dry	150	GWT between 20-26 tons
	Indian Subcontinent	20' dry	250	GWT over 26 tons
Levant	Middle East	20' dry	150	GWT between 20-26 tons
	Middle East	20' dry	250	GWT over 26 tons
	Indian Subcontinent	20' dry	150	GWT between 20-26 tons
	Indian Subcontinent	20' dry	250	GWT over 26 tons
North Africa	Middle East	20' dry	150	GWT between 20-26 tons
	Middle East	20' dry	250	GWT over 26 tons
	Indian Subcontinent	20' dry	150	GWT between 20-26 tons
	Indian Subcontinent	20' dry	250	GWT over 26 tons
Adriatic (excl. Italy)	Middle East	20' dry	150	GWT between 20-26 tons
	Middle East	20' dry	250	GWT over 26 tons
	Indian Subcontinent	20' dry	150	GWT between 20-26 tons
	Indian Subcontinent	20' dry	250	GWT over 26 tons

Furthermore, Hapag Lloyd will impose an HLC from the Arabian Gulf, Pakistan and the ports of Nhava Sheva, Mundra and Hazira in India to North Europe.

The surcharge, which will also take effect on 1 October, will be US$600 per 20' dry unit over 22 tons and below 28 tons gross weight, as well as US$1,000 per 20' dry box equal to or above 28 tons gross weight.

Last but not least, the German carrier has already applied an HLC from Taiwan to the ports of Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates from 1 September. The surcharge is US$178 per 20' standard container exceeding 15 tons gross weight.

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“What none of the industry metrics show are the huge numbers of shipments that are not being moved – the boxes left on the quay, stacked in the terminal or stockpiled in export warehouses awaiting a slot. Getting these goods to market will be the difference between economic recovery and empty shelves and consumer price inflation,” highlighted Hookham.

“Also at stake is the solvency of thousands of SMEs banking on the coming peak season to help get them through the Covid Crisis. Governments need to look closer and harder at a shipping market that is out of control,” he added.

Carrier profitability in the meantime is soaring and the review shows the continued growth of the average earnings per container carried compared to the unit costs of carrying that container, which have barely changed over the course of the past 18 months. Globally, carriers are earning more than twice per container than at the start of the pandemic.

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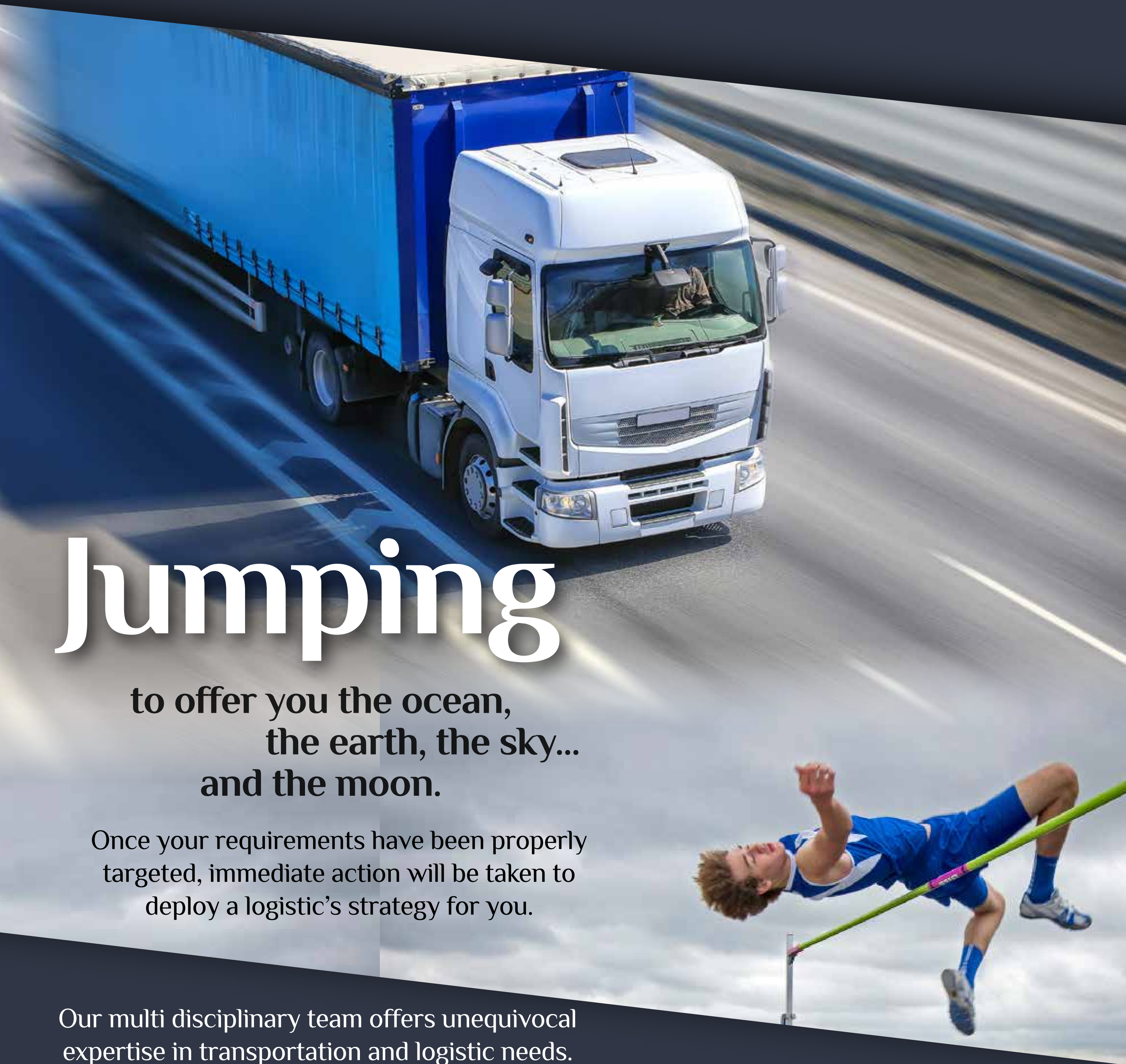

Our multi disciplinary team offers unequivocal expertise in transportation and logistic needs.