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MARKET UPDATE
UK & International
APRIL 2024

SNAPSHOT

OCEAN:

- A planned rate increase is in the offing as we head into Q2 with carriers looking to offer some stability in the market with an increase expected to hold off the current decline.
- Ex ISC carriers continue to avoid Red Sea and Suez Canal but space availability is not a major issue when bookings made in advance. [read more]

AIR:

- The expected post Chinese New Year dip across the Air Freight market is not hitting as was expected with general key indicators showing a continued increase in demand as we head into Q2 right across the Far East.
- Ex ISC the current Air Freight market is still witnessing rate increases on an almost daily basis and rates remain volatile. [read more]

WAREHOUSING & TRANSPORT:

- Uniserve Northampton Achieves MHRA Certification Extension.
- Women in Logistics Event. [read more]

EUROPEAN TRANSPORT:

- EU-Moldova Road Transport Agreement Extended to Foster Trade Until 2025.
- The Climate Committee Urges Swift Action on Net Zero Goals by 2050. [read more]

ENVIRONMENTAL COMPLIANCE:

- Where is your business on its ESG journey? [read more]

ONE WORLD:

- Meeting the Global Infrastructure Challenge: Adjusting to New Realities. [read more]

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OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

A planned rate increase is in the offing as we head into Q2 with carriers looking to offer some stability in the market with an increase expected to hold off the current decline.

Rates have gradually continued to fall in recent weeks with the lack of demand in the market on the Far East to EU trade lane, despite the ongoing Red Sea crisis and diversion of vessels around the Cape of Good Hope. It remains to be seen how the rate increase will hold up with Asia to Europe spot rates having lost half their Red Sea crisis rate gains in the past month with carrier hoping to stem the flow with new FAK rate markers. In comparison, spot rates on the Transpacific trade lane remain considerably higher, with the disruption on both the Suez and Panama canals as well as robust demand providing the stability required in the market.

Fewer but larger transhipment hubs appear part of the vision for carriers in 2025 with Hong Kong set to be dropped as a direct call by two of the main alliance networks.

Hong Kong is being dropped as a mainline port call on the East - West trades by major container shipping alliances. From being the world's busiest container port in late 1990s Hong Kong dropped to 10th in 2023 handling 14.4 million TEU and the decline looks set to continue with mainline carriers dropping the deep seaport. Firstly, the Gemini Cooperation between Maersk and Hapag-Lloyd that starts in February 2025 contains no direct Deepsea calls at Hong Kong Port. The new alliance is putting a focus on key hubs where the two lines have an operating interest in terminals, leaving Hong Kong in the dark. Following that THE Alliance members HMM, YML and ONE announced recently it's planned transpacific network for 2025, with Hong Kong being a noticeable absentee from its Asia-US west coast services and retained on just one Asia-US east coast service. Singapore, Tanjung Pelepas and Shanghai are the expected primary beneficiaries to the new revised network consolidation.

The north-eastern US port of Baltimore is now isolated from sea traffic after a powerless Maersk operated 2M Alliance container vessel crashed into the Francis Scott Key Bridge.

A large section of the bridge collapsed into the Patapsco River, resulting in the fatalities of six construction workers. There were no casualties aboard the ship, but a section of the collapsed bridge is draped across its bow. The collapse of the Baltimore bridge will lead to the largest single insurance claim in the shipping industry records. It is reported that the insurers could face claims

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OCEAN FREIGHT GLOBAL MARKET OVERVIEW

GLOBAL MARKET OVERVIEW

of as much as $2B to $4B, depending on the length of the blockage and the nature of the interruption. Operations at the Port of Baltimore are severely impacted, with expectations of a prolonged recovery period stretching over several months.

If you are experiencing challenges to your supply chain as a result of the Baltimore Port disruption, Ellerman City Liners' USA Express service offers fast and reliable transit times with a weekly service. The service port rotation is: Klaipedia - Gdynia - Gothenburg - Bremerhaven - Antwerp - Felixstowe - Le Havre - New York - Philadelphia - Norfolk - Jacksonville. For more information and to get in touch with the team, click here.

ONE2023, ONE's new two-pronged growth strategy aims at greater market share.

Named ONE2030 the new business strategy looks set to include a plan to invest $25bn in its container shipping business and target a fleet expansion from the current 1.8m TEU to 3m TEU over the six-year period. The investment will see an increase in ONE's standing capacity by more than 66% by 2030. This also follows the announcement of a new Asia-US west coast service with Taiwanese operator Wan Hai. Marketed by ONE as the Asia Pacific 1, it involves revamping Wan Hai's AA3 service, which calls at Cai Mep, Shekou, Xiamen, Taipei, Shanghai, Ningbo, Long Beach, Oakland, Shekou and Cai Mep, to include calls at Hai Phong and Los Angeles. Wan Hai will contribute five 13,000 TEU ships, while ONE will assign two similar-sized vessels. It could be the first step to Wan Hai replacing Hapag Lloyd in The Alliance from 2025.

INDIAN SUBCONTINENT

- Ex ISC carriers continue to avoid Red Sea and Suez canal but space availability is not a major issue when bookings made in advance.
- Major carriers like CMA / Hapag / MSC / ONE are stating that the market is relatively stable when it comes to demand and supply for April,2024.
- Carriers like COSCO / OOCL are facing inventory issues for 20'.
- MSC is releasing bookings based on 2-3 rollovers on mother vessels at Transhipment ports.
- Carriers Hapag, CMA-CGM, One, MSC, YML facing mother vessel space issues.
- Blank sailings:
  - o Hapag/One/YML/COSCO
  - o IEX Service - Blank Sailing in Week 15
  - o FE4 Service - Blank Sailing in Week 16

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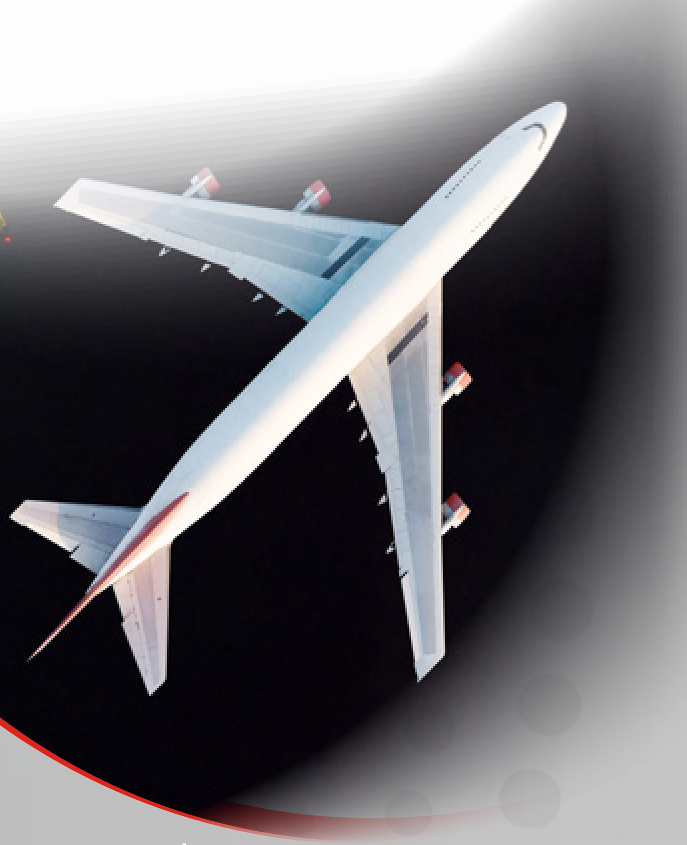
AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY



As we move into April and the start of Q2, air freight demand from the Far East, Southeast Asia and the India Subcontinent remains high.

Rates from China and Hong Kong have crept up since the returns from Chinese New Year, with financial year end for many companies and the coming short holiday for the Qingming Festival all having an influence on volume moving.

Southeast Asia is seeing a similar upturn with Thailand specially seeing strong air freight demand. Thai Airways placed a short-term embargo on bookings to EU and ISC due to backlogs, and other countries in the region are seeing similar demand.

Rates from the ISC continue to rise, having done so weekly since late January. The rate of increase has slowed a little, but there is not expected to be any let us until well in to April, even then it is not clear if the seasonal demand for Spring / Summer retail products will totally fall off, or if the Red Sea effect on shipping transits will continue to force shippers to air freight to maintain inventory levels and meet shipment deadlines. Backlogs of ocean volumes at Chennai port may continue to push product to air from the South of India.

So, the air freight market is expected to remain buoyant for much of April and we will continue to monitor this through the month to understand how the balance of Q2 will unfold.

Expected post Chinese New Year dip across the Air Freight market is not hitting as was expected with general key indicators showing a continued increase in demand as we head into Q2 across the Far East.

After the typical pre–Chinese New Year rush which saw demand spike, alongside the ongoing Red Sea crisis it was expected that demand would drop as head into Q2 however all key market indicators are showing a strong and consistent demand Ex the Far East. Rates are showing a stable and, in some cases, steady increases as a result of continuing demand with Middle Eastern carrier suffering from Hub Congestion. Thailand in particular has seen a significant increase in demand and rates as shippers prepare for the upcoming Thai New Year “Songkran” which starts in the second week of April.

INDIAN SUBCONTINENT

- Ex ISC the current Air Freight market is still witnessing rate increases on an almost daily basis and rates remain volatile.
- Due to heavy backlog on European sectors, we are expecting a huge demand on space & bookings.
- There was a heavy rush for year-end shipments at the moment and pharma companies pushing their shipments out to record sales before 31st March 2024.
- Mango season will start in April and therefore contribute further to increased space demand for airline space.

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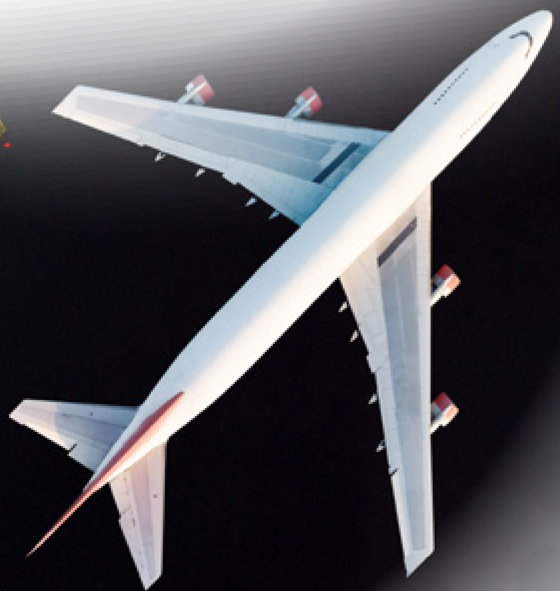
AIR FREIGHT MARKET OVERVIEW & REGIONAL REVIEW

AIR FREIGHT SUMMARY



- Vistara will be suspending their flight from BOM to LHR effective 30th March due to some traffic rights issue.
- Virgin Atlantic starting operation with effect from 01st April, will have daily flights from BLR to LHR operating with B787-9 cargo capacity expected to be 15 tons per Flight.
- Effective 1st April, Lufthansa is cancelling their 2 flights weekly with 30 tons capacity, hence foreseeing rate increase because of the same. From operating daily flights, they will now operate only 5 times a week
- Ex Dhaka the availability of space is extremely limited across all sectors due to a volume that significantly exceeds capacity. Some carriers are overbooked for the next two weeks and can only offer space on an ad-hoc basis, resulting in longer transit times. There is congestion at the export terminal in Dhaka airport, and ground handlers have reported high volumes inside the Cargo Village.

Uniserve attends the 40th Feta Freight Systems International Worldwide conference in Bangkok.

The network conference which Uniserve have been a part of for over 15 years was attended by three members of the senior management team alongside 40+ separate member partner and over 80+ delegates. The conference which took place over three days allowed Uniserve representatives to reconnect with some partners who Uniserve have been in partnership with for a number of years as well as forge new relationship with some new network members. Coming out of the Covid Pandemic it is clear there is a real appetitive for global partners to reconnect again and shows the value of long-term partnership within the industry.

Airbus delivered about 145 planes in first quarter of 2024.

Airbus SE delivered about 145 aircraft in the first three months of the year as the plane maker works to ramp up output and meet its annual handover goal of 800 jets. The European plane maker delivered about 65 jets to airlines in March, an increase from the 49 shipped in February and more than double those handed over in January.

Emirates has begun the process to activate its sustainable aviation fuel (SAF) agreement with Neste at Amsterdam Schiphol Airport.

Emirates' partnership with Finnish sustainable fuels producer Neste, announced late last year, represents one of the largest volumes of SAF that the airline has purchased to date. Over 2m gallons of blended SAF will be supplied into the fuelling system at Schiphol Airport over the course of 2024. The airline is also working with Neste to supply SAF into the fuelling systems at Singapore Changi Airport in the next few months.

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WAREHOUSING & TRANSPORT UPDATE

WAREHOUSING

Uniserve Northampton Achieves MHRA Certification Extension: A Testament to Quality Assurance

Uniserve Northampton has recently been granted an extension to its MHRA (Medicines and Healthcare products Regulatory Agency) certification. This certification extension not only reaffirms Uniserve's commitment to maintaining the highest standards in pharmaceutical logistics but also underscores its dedication to regulatory compliance and quality assurance.

The MHRA certification is a crucial benchmark for companies involved in the storage and distribution of medicinal products within the UK. It ensures that these organisations adhere to strict regulatory requirements, safeguarding the integrity and safety of pharmaceutical products throughout the supply chain.

Uniserve Northampton's achievement of the MHRA certification extension is a testament to its continuous efforts to meet and exceed regulatory standards. This accomplishment reflects the company's robust quality management systems, stringent processes, and focus on compliance.

By adhering to MHRA guidelines, Uniserve provides assurance to our clients that their products are handled, stored, and distributed with the utmost care and in full compliance with regulatory requirements and is a reflection of its team's dedication and expertise.

TRANSPORT

Uniserve Attending Women in Logistics Event

Uniserve is set to showcase its commitment to gender diversity and inclusivity by participating in the prestigious Women in Logistics event scheduled for April 8th. This event, renowned for its advocacy of women's empowerment and leadership in the logistics industry, provides a platform for networking, knowledge sharing, and inspiration.

With a dedication to promoting diversity within its workforce, Uniserve recognises the invaluable contributions of women in driving innovation and excellence in logistics. By actively engaging in events like Women in Logistics, the company reaffirms its support for gender equality and aims to encourage more women to pursue rewarding careers in the logistics field.

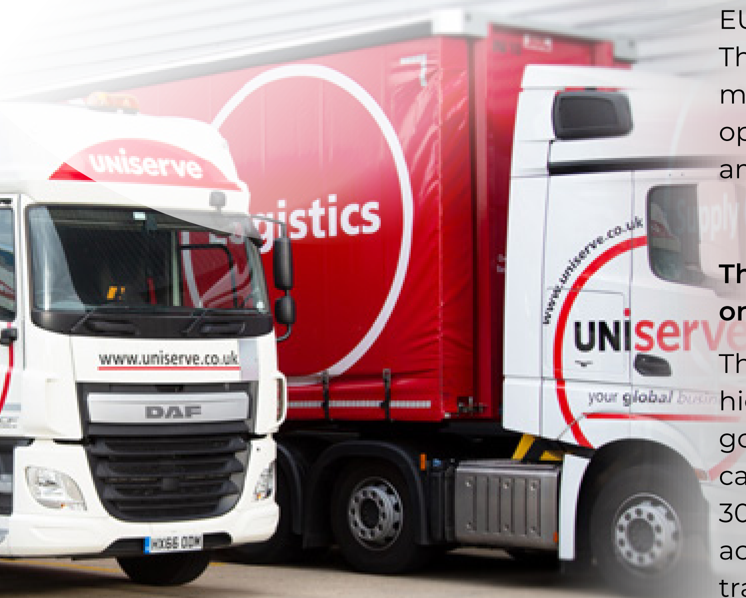
The Women in Logistics event focuses on supporting women working in logistics, ranging from career advancement opportunities to overcoming challenges in a traditionally male-dominated industry. Uniserve's participation underscores its alignment with the event's mission of empowering women professionals and fostering a culture of inclusivity and respect.

In addition to networking opportunities, the Women in Logistics event offers enriching panel discussions, speeches and workshops tailored to address the evolving needs and challenges faced by women in the logistics industry. Uniserve aims to contribute to the advancement of women professionals and foster a supportive environment where talent and merit are recognised regardless of gender.

Uniserve has a strong commitment to championing diversity, equity, and inclusion within the logistics sector and sets an example for the industry to highlight the importance of creating a more inclusive and equitable workplace for all.

UNIEUROPE OVERVIEW

EUROPEAN TRANSPORT



EU-Moldova Road Transport Agreement Extended to Foster Trade Until 2025.

The EU and Moldova have extended their road transport Agreement until December 2025, initially put in place due to disruptions caused by the Russian-Ukrainian conflict. This extension aims to bolster Moldova's access to global markets and strengthen ties with the EU. The Agreement has significantly boosted road exports from Moldova to the EU and facilitated EU exports to Moldova. The decision, made at a Joint Committee meeting, provides continuity for economic operators in both regions, offering stability amidst challenges faced by Moldova.

The Climate Committee Urges Swift Action on Net Zero Goals by 2050.

The Climate Change Committee (CCC) highlighted a "lack of urgency" in government policies to achieve net zero carbon emissions by 2050. Despite over 300 recommendations from the CCC to accelerate progress, particularly in surface transport, there has been slow movement. While the government announced funding for zero emission HGV projects, there are concerns about the viability of large-scale adoption of electric or hydrogen-powered trucks. Infrastructure challenges, including grid connections and costs, remain significant barriers. The debate over the role of hydrogen in decarbonizing road freight continues, with differing views on its efficiency and suitability compared to battery electric options.

Insights into Smart Tachographs: Perspectives from the Netherlands - IRU

The European digital tachograph market is set for a significant boost with the implementation of the Smart Tachograph Version 2 regulation by the European Commission, effective from August 2023. This regulation aims to enhance driver working conditions, improve road safety, and ensure compliance with local road transport laws. The journey of tachograph regulations began in the 1950s and has evolved through analog and digital versions to the introduction of smart tachographs in 2016. The Smart Tachograph Version 2 brings new functionalities such as enhanced anti-tampering resistance and the ability to record border crossings. While regulatory updates are crucial for compliance, they also pose challenges for small and medium-sized enterprises due to high setup costs. However, there is strong support for regulatory compliance among drivers and fleets, with a trend towards integrating advanced tachographs with telematics systems to enhance fleet management solutions and productivity. Tier I companies

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are increasingly targeting the tachograph market through mergers and acquisitions, signaling opportunities for innovation and value-added services in the evolving market landscape.

EU Parliament Advances Greener Truck Proposal.

The EU Parliament is advancing plans to promote greener trucks, allowing extra weight for electric and hydrogen models but also for diesel trucks, sparking concerns about pollution. The proposed law aims to drastically reduce CO_2 emissions from newly sold trucks by 2040, pushing for zero-emission vehicles. Additionally, MEPs are considering increasing the size and weight limits for zero-emission trucks and buses to incentivize their adoption, while also proposing measures for better enforcement of EU rules on weights and dimensions.

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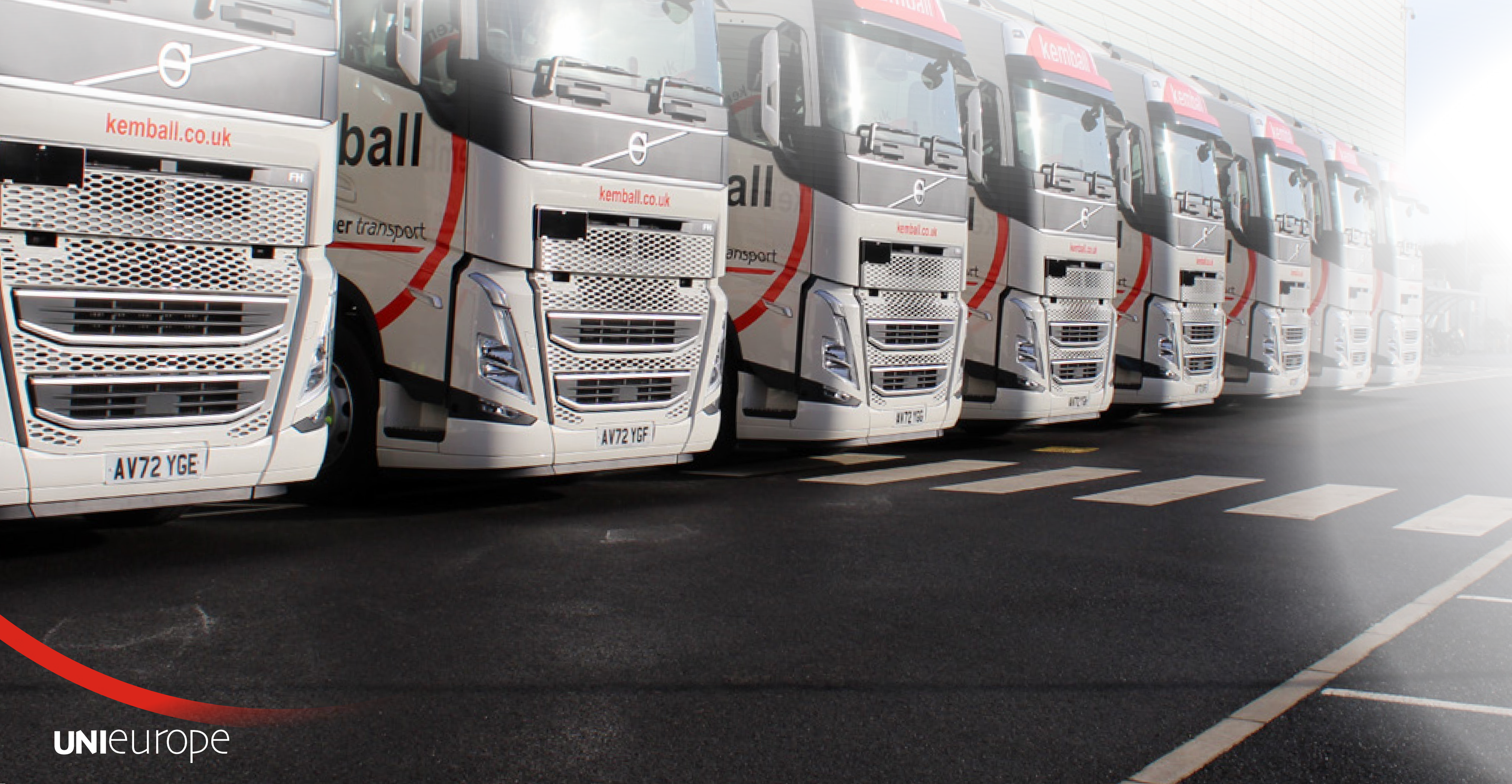
UK TRANSPORT

The month of March lived up to the promise with volumes arriving in the UK increasing significantly compared to early months of the year.

Forecasts for April are suggesting that we will again see a drop off in volume as the impact of the Chinese New Year closure filters through to the UK.

Capacity in all sectors of the Transport industry was finally stretched over the Easter period with 5-day volumes being covered over the 4-day weeks. However, as we get back to normal working weeks the volumes are already settling back down.

James Kemball continues to invest in new fuel-efficient trucks and remains active in the marketplace and continues to strive for new business.



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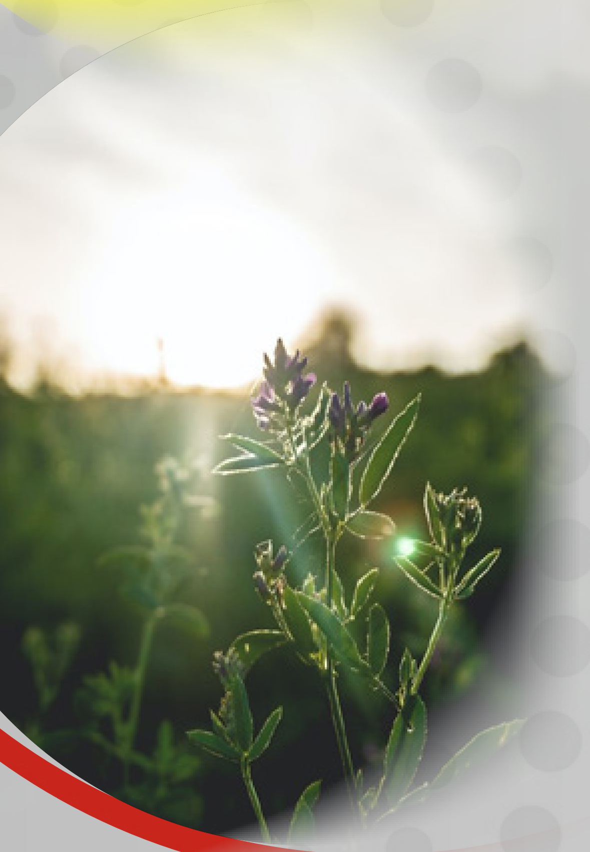
ENVIRONMENTAL COMPLIANCE AND CONSULTANCY

BEYONDLY



Sustainability is becoming a license to operate, therefore attention to ESG has become a non-negotiable for most businesses. However, while there is no hesitation for businesses to be increasingly vocal about their ambitious ESG journey, few are actually implementing policies to improve their environmental or social impact as they have communicated.

Research conducted in 2022, suggest that 91% of organisations across Europe have maintained emphasis on their ESG credentials. However, in 2023, company investors had only a 45% confidence that their businesses would achieve carbon neutrality by 2040.

In addition to this, sadly, over 50% of organisations, across a variety of industries are promoting better ESG credentials than their actions justify according to investors, perhaps demonstrating a worrying trend of businesses failing to implement the changes suggested by their lofty ESG claims.

The time will come where organisations must be able to provide proof of action, and to risk a reputation over false claims would be a foolish decision to make. People invest their time (employees) and money (consumers) into companies they believe in, and it is no longer the case of cost versus value. ‘When it comes to mitigating climate change or promoting social causes, companies’ credentials have become important considerations for consumers, particularly those from generations Y and Z’. (Banerjee, Raconteur Sustainability Report 2023).

So, what is the barrier between businesses implementing what they communicate?

Research shows that businesses across Europe intend to increase their investment into ESG over the next 25 years, however currently investors believe only 25% of companies will be spending enough to achieve their ESG targets! Despite this increasing to 69% by 2050, the time is now to get a head of your competitors and start being the business you want to be and, in some cases, already say you are.

The best approach to achieving big results is to take small, regular steps, communicating as you implement.

Step 1: What do your stakeholders want to see from you? If you haven’t already, consider conducting a Materiality Assessment. Materiality Assessments are designed to help businesses identify and understand the relative importance of specific ESG and sustainability topics to their stakeholders. This will be the key to where you focus your efforts, and how you can get the best return.

Step 2: Based on the results of your Materiality Assessment, cherry pick 3-4 focus areas for the current financial year and find your perfect ESG partner that can drive these forwards. A pick and mix approach

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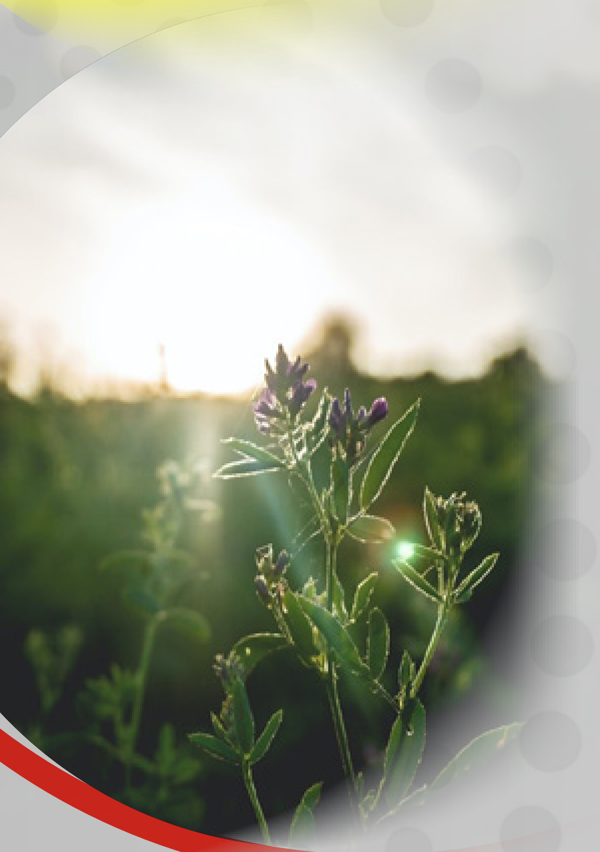

would allow you to align your ESG journey with your environmental strategy as well as spread the cost over a period of time to suit your needs.

Step 3: Share an annual ESG report, each one building on the last. The perfect place to document all your achievements with measurable and clear data.

Research: Page 4 of Raconteur Sustainability Report

Start meeting the expectations of your stakeholders and enable your business to make a real impact on humanity and on the planet whilst seeing a positive financial return. It is a win win!

It is time to start implementing! Make your business better with Beyondly, book some time with our solutions team to discuss next steps. Click here.

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ONE WORLD UPDATES

Meeting the Global Infrastructure Challenge: Adjusting to New Realities

Transport infrastructure serves as the lifeblood of any nation's economic vitality, seamlessly connecting people, goods, and services across vast geographical expanses. The significance of robust and efficient transport networks cannot be overstated. They facilitate trade, bolster economic growth, and foster societal development. As the world undergoes rapid transformations driven by demographic shifts, technological advancements, and environmental concerns, foresight in transport infrastructure planning becomes indispensable. A long-term perspective is paramount, as it enables nations and supply chains to navigate the ever-evolving challenges and opportunities that lie ahead.

The world's population continues its relentless ascent, poised to grow by a staggering 1.4 billion by the year 2030. Such an expansion in population forecasts a parallel increase in the demand for goods and services. PwC have estimated that global trade in goods and services will soar to a staggering US$27 trillion by the same year, more than tripling its current figures. As globalisation continues and populations grow, significant stresses will be placed on the backbone of global supply chains.

As nations grapple with the interplay of population growth, environmental concerns, and economic ambitions, the need for extensive infrastructure enhancements becomes glaringly evident. Among the countries poised for substantial transformation, India stands out as a prime example, where comprehensive infrastructure development is poised to reshape the nation's economic landscape. The United Kingdom, Saudi Arabia and Turkey are also expected to have to grapple with a sharp increase in population density. Changing priorities, rooted in population growth and sustainability, are set to leave an indelible mark on the trajectory of global transport infrastructure. One World enables complex scenario planning which will be key to analyse and forecast future infrastructure facilities, not only for logistics service providers, but also governments, retailers, manufacturers and other economic operators.

As sustainability becomes a greater focus for businesses, consumers and governments One World provides measurement of all supply chain activity to allow for effective decision making and ensures compliance adherence. Participants in One World can actively measure impact, such as carbon emissions, optimise routes, and make eco-conscious choices, aligning their operations with global sustainability and financial objectives. Collaborating across transport modes could help companies realise reduced waiting times, resulting in significant cost reductions, as well as environmental and social benefits.

With the anticipated increase in global trade volumes, government regulations and taxation policies are expected to increase. One World's vast measurement capabilities and rich data will allow organisations to future-proof their business by preparing for these evolving requirements and thereby safeguard against potential disruptions.

Nations and businesses need to adapt to avoid being left behind in world where the only certainty is uncertainty. One World's Supply Chain Management technology can provide businesses with the data and tools to prepare for this unprecedented future. Its collaborative prowess, scalability, regulatory adaptability, and sustainability focus render it an indispensable tool for those striving to excel in an ever-evolving global landscape.

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