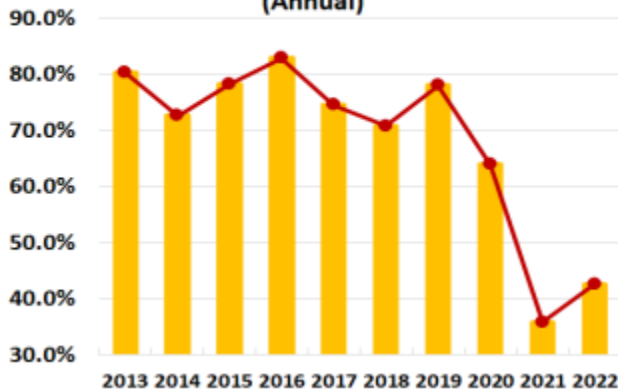


GLOBAL FREIGHTS

- Economic projection shows that the economic slowdown will reach its lowest levels in 2023 due to wars in Ukraine and inflation. Projections for 2024 look more favorable. While not exactly comparable to container shipping, these projections give a good indicator of the direction of global trade.
- MSC has committed to achieve 100% electronic bill of lading adoption by 2030.
- Shanghai Containerized Freight Index has fallen below 1,000 points for the first time since June 2020.
- Maersk has decided to unify all its companies, such as Hamburg Süd and SeaLand, plus its logistics and airfreight activities under a single brand name. The re-branding will happen over the course of the year and at different times for the various brands. It's still unclear how this will affect costs in the long run. It could potentially lead to higher prices as Maersk becomes more dominant in the market. On the other hand, it could increase competition – especially in Latin America – and improve costs as Maersk competes with other companies, such as MSC, for market share.
- The [International Maritime Organisation](#) (IMO) 2020 regulations mandates the maximum sulfur content allowed in ship fuels. The most commonly used fuel, IFO380, doesn't meet these requirements. As more and more vessels comply with these rules, the costs can be high. If all ships switched to the compliant Very Low Sulphur Fuel Oil (VLSFO), this would have caused a total fuel cost increase in 2022 of 14.6 billion USD. We will keep an eye on how this will affect shipping rates moving forward.
- ONE is the second major carrier to commit to equipping dry containers with sensors in the past year, following the footsteps of Hapag-Lloyd
- We have seen a bounce back of schedule reliability as we return to more normal times:

Fig. B1: Global Schedule Reliability (Annual)



NORTH AMERICA

Ports situation

- NY/NJ flow of imports have remained steady through the start of the year and partners have been successful in pulling equipment within free time.
- Toronto CN/CP congestion issues has improved. However, warehouses are still operating at almost full capacity.
- Oakland is experiencing labor shortages. Equipment is falling into inaccessible areas causing delays in pick up appointments with added dwell times averaging 7 days.
- Seattle is experiencing similar labor issues as Oakland. We're seeing longer dwell times to pick up equipment from port.
- Houston port operations have improved. The import long dwell fees have helped on equipment turnover. Warehouses are still having capacity constraints.
- Montreal & Vancouver are congested but it is mostly impacting warehouse operations as partners are dealing with capacity issues.

Inland transportation

- US spot trucking rates continue to remain stable into Q1 2023.
- LTL carrier reliability continues to be difficult at meeting warehouse pick up appointments and this is causing delays on outbound orders.

EUROPE

Ports situation and inland transportation

- EU ports are operating normally without any issues reported.
- Port strike in Finland has ended as collective agreement has been reached.
- Truck availability across Europe is good.
- Le Havre port has been affected by French strikes

LATIN AMERICA

BRAZIL

Container availability and vessel space

- Container availability is much better than before.
- There has been a slight improvement in vessel spaces, but anticipation is still necessary to request bookings.
- With dry port customs, clearances are being done but inspections are taking longer than usual.
- As per NPPO Brazil's latest instructions on the Phytosanitary certification, we kindly remind independent companies to change their certification so that it does not mention NPPO Brazil's certificate title.
- Seen some vessel delays and roll overs due to external factors (ex: rough weather conditions, carnival).

COLOMBIA

- Container availability is good.
- From Cartagena, there are no issues with space availability.
- From Buenaventura, most shipping lines are working properly apart from a selective few who only have spaces in April.

OTHER

- For Peru, there is availability of containers and spaces on vessels. The political and social situation is better, which has allowed for a better flow of shipments.
- Mexico, Guatemala, Honduras and Nicaragua are starting to see some influx of coffee as the harvest has ended. More shipments are in the pipeline.
- Since the ports of CAM are small, every year as soon as the harvest starts there is a lack of bookings and container availability. Just like in previous seasons, we are starting to see some difficulties in container availability and an increase in spot freight from these origins.



AFRICA

UGANDA, RWANDA, AND KENYA

Container availability and vessel space

- Vessel schedules are stable, and most shipping lines have, on average, 3 vessels per month.
- Containers are available in Kampala and Kigali for our current demand.

Trucks and border

- Trucks are available and border operations are running smoothly.
- Mombasa port is operating normally.

TANZANIA & BURUNDI

Container availability, vessel space and port situation

- We are experiencing vessel changes with most shipping lines, as well as booking rejections for nearby bookings due to capacity restrictions (e.g. Maersk).
- We are facing a shortage of 20ft containers with most shipping lines.
- Dar es Salaam port's berthing delays have increased to 8+ days. This is probably due to new management, who are still setting their operational strategies.

ETHIOPIA

- Containers are available for our current requirements.
- Transit to Djibouti is normal and the port is operating normally.

ASIA PACIFIC

- All ports are operating normally.
- No issue with vessel space and container availability.
- PNG is still an exception due to the limited sailing schedule out of Lae with roughly 2 vessels per month only.

OTHERS

- CNC, part of CMA CGM Group, announced the launch of the new NTX1 service that will connect ports in South Korea, Vietnam and Thailand.
- Thailand is investing around US\$15 million into its transport infrastructure in order to boost economy growth, including US\$3 million upgrading Laem Chabang into a smart port.
- Australia customs is still slow in releasing imported cargoes, partly due to delays in AQIS physical inspection upon arrival.