

# 5 things

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LOGISTICS

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A Word from the NVD Leadership....

Dear NVD friends around the world,

Ho Ho Ho, season greetings from NVD Asia. The festive season is approaching, the world cup is in full swing but somehow the mood around the globe seems to be in a bad shape. So, here's a reminder of the good things we experienced this year and the good things ahead of us. NVD Asia is growing and leaving a mark in the region and that is all thanks to you partners around the world. Not only have we been well established, but we also opened new offices in new markets and grew the teams in the existing offices. The first quarter will bring exciting news with new offices in Singapore, Malaysia and many more countries. New colleagues will arise, new business opportunities will cross our path and new projects will be handled. All this makes us excited about the new year, but we also very much look forward to a few days with the family. With our best season greetings and a blessed pre-Christmas period from all of us at NVD Asia.

With my best wishes,  
Denis Kronenbitter, CEO

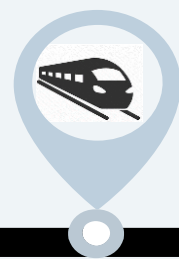
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RAIL

1

## OCEAN FREIGHT: RATES IN THE MARKET

**Asia to Europe** Ex China to Europe, the market rates level is much more stabilized during the past two weeks. Cargoes are slightly picking up for Pre-Chinese New Year rush. However, spot rates are still available for different services with selected port pairs only. Some carriers are offering weekly rate for European trade leg. Compared to November, the FAK rate is slightly higher in December. For South-East Asia to Europe, the situation is like China to Europe. Factory production has been slowing down due to the upcoming Chinese New Year holiday and the full warehouses in Europe. The rate remains constant. Asia to Mediterranean rate has increased because of the blank sailing programs. Carriers had merged two sailings into one to maximize the utilization of the vessels. As usual, they prefer to support light cargoes and the spot offer of heavy stuff had been retrieved. Port congestion in Europe continues to be a major concern and it still takes longer for the vessel to return to Asia. The unexpected blank sailing action and potential port omission will be continued throughout November and December.

**Asia to North America and Latin America [United States West Coast Rates]** For United State West Coast, the rate continue reducing but the pace is much slower compared with last two weeks. For United State East Coast, the rate is dropping much faster than United State West Coast. All alliance partners are merging vessels and service together to create rolling pools in different POLs without any prior notice. Carriers are still desperate for cargoes for all POLs. For South America, carriers are implementing General Rate Increase from 1<sup>st</sup> of December for both West Coast South America and East Coast South America. West Coast South America is working for another General Rate Increase on 7<sup>th</sup> of December as well. West Coast South America volume is more than East Coast South America presently. Therefore, the space is going to be a bit tight right now. With majority of the ships not sailing at full capacity, the East Coast South America trade is on a downward trend. The rate gap between East Coast South America and West Coast South America has decreased. Rates to the Caribbean continues to be stable as usual.

**Asia to Australia** Rates continue to drop for Asia to Australia. Carriers have started trimming their overall services to Australia with a couple of carriers merging their services to Australia East Coast and one carrier has withdrawn their direct China to Australia West Coast service and to cover the shortage of volumes from China to Australia. There is an expectation of nearly 30% of capacity that will reduce in December and January.

**Asia to Middle East, Indian Subcontinent and Red Sea** Middle East rate has increase successfully and therefore, there are lots of extra loaders to evacuate the laden out from China. Occasional spot rates was found for bigger size extra loaders in different POLs. Indian Subcontinent rates have stabilized, and the volumes have slightly increased. For Red Sea, carriers are a bit full, and the rate level is increasing too.

**Intra-Asia** Rate has also stabilized. Ad hoc / special filing / Spot rates are available for most of the sailings.

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### **OCEAN FREIGHT: EQUIPMENT AND SPACE SITUATION**

**Asia to Europe** For Europe Trade, the space utilization is picking up from all carriers. Some carriers are required to roll the cargoes to other sailings as well. In general, carriers started to merge the vessel or service together to minimize the unused space for each sailing. Overall performance of all carriers is not full for upcoming few weeks as the ETA Europe time will be around Christmas and New Year Holidays.

**Asia to North America and Latin America** Space is tight due to services and vessels merging. Blank sailing actions in December is still on.

**LATAM** Space is tight for West Coast South America while the demand of the space is not strong for East Coast South America and Caribbean trade.

**Asia to Australia** ZIM combined their CAX and C3A service into one service , which means they will withdraw 1 service. TSL withdrew their CA3 [the FMT/ADL direct service] service. COSCO considering play 2 blank sailings on two of their A3 services.

**Middle East and Red Sea** Space is tight and India Sub-continent space is comparative opened.

**Intra-Asia** Space is generally available for all trade legs.

### 3

#### OCEAN FREIGHT: PORTS SITUATION CHINA

**Shenzhen and Guangzhou** Warehouses are back to normal but needs the driver's 48 hours negative COVID test, green code, and has not been in medium or high-risk areas. Trucking are also back to normal and now accepts inland truck and drivers must have 24 hours COVID test negative report.

Yantian and Shekou terminals required drivers to have 24 hours COVID test negative report. Pearl River Delta back to normal operations, but needs the driver's 24 hours negative COVID test, green code, and has not been in medium or high-risk areas. All cross-border trucking services to Hong Kong is back to normal but supply is limited and so, many Hong Kong cross border trucking company prefers feeder services.

**Shanghai** The market for export container transport has recently experienced a downturn and low demand. Space and equipment are enough. Vessels are on scheduled. An increasing number of infections of Covid-19 are being detected in Shanghai, but the warehouse, CFS station, sea and air terminal still operate as usual.

**Ningbo** Plenty of equipment supply, ships are delayed 1-2 days on average because of lower Europe rate. Space is a bit tight compared to last several weeks, Another factor is that shipping line have their vessels skip Ningbo. The port and depot in Ningbo are working normally with no interference from Covid.

**Qingdao** Space is enough, mostly booked via NVD Freight All Kind or agent's contracts, seldom via Carriers online solution deal. Equipment is enough. Ocean alliance has no blank sailing presently. THE blank sailing is on December 8<sup>th</sup> for Mediterranean trade. Delay situation are on an average of 1 to 2 days and seldom vessel will delay more.

**Xiamen** Equipment and space supply are enough for bookings. Vessel schedule are stable just with a little delay. Currently the Covid situation and cases are increasing, but still do not impact the Import and the Export business.

**Tianjin/Dalian** Equipment supply and space are enough by all shipping lines ex Xingang/Dalian. Feeder and Vessel are back to normal and no more delay. Rates to Europe is increasing a little from December 1<sup>st</sup> until December 14<sup>th</sup>. Booking orders from suppliers are getting worse. Some factories in Hebei province, Tianjin, Beijing are locked down due to Covid-19 outbreak once again until December 4<sup>th</sup> which caused the delay of cargo export. Lack of workers for cargo stuffing was caused by Xingang container warehouse employees that were tested positive for Covid and are being quarantined at home. All truck drivers who oversee transportation of cargo to ports are required to submit a 24-hour Covid test negative report. All operation is slowing down.

4

AIRFREIGHT: CAPACITY, DEMAND AND RATES

Throughout the whole market, a lot of airlines still suspend the flights due to not having much cargoes on hand. Airfreight charges are the same as last week in North and South China. Airfreight charges has increased to CNY3-5/kg in East China. Airfreight charges has increased to CNY2-3/kg in Central China. Last year of November-December, the average airfreight charges was about CNY70/kg from China to Europe in the market, but it is only about CNY26-33/kg in the current market. It is a really big difference, and the market is not doing well at this moment.

5

RAIL: SPACE, RATES AND DEPARTURES

Schedule will maintain weekly departures. Transit times are between 12 to 15 days to Poland, 18 to 20 days to Germany. However, space are open for booking. Considering COVID-19 break out again in several mainland cities, domestic trucking will be difficult, such as longer Transit time than normal, extra trucking cost, etc. By more strictly local policy, trucking cost will be increasing in December by 10-15%. To avoid any delay risk, clear trucking information will be highly appreciated for each new order and inquiry. Christmas holiday that will fall on 24<sup>th</sup> December to 26<sup>th</sup> December in Germany .

**and finally.....**

We are happy to share some pictures and impressions from the team outing of our Rail freight department. After conducting a nice walk of 6 kilometers around Dongqian Lake, they had a relaxing picnic to which the families (and dogs as part of the Family) were invited too. Besides playing poker, a lot of personal stories were shared, and everyone agreed: It is great to have nice colleagues but to work with friends is even greater!

Dennis Kleine Arndt, EVP and COO



At NVD Asia, we love to show off the awesome people who work hard to give you peace of mind...

**Jacqueline Lo**  
**NVD Asia Hong Kong,**  
**Procurement Assistant Manager**



My name is Jacqueline Lo and currently work in Procurement teams. I am pleased to share my graduation experience with you guys.

I took the Bachelor of Aviation Management in Swinburne University of Technology in Melbourne. After the course, I understood how crucial it is to have an open mind, as I can quickly comprehend and accept new information.

This course not only tests my ability to face new problems but also increases my passion of learning more about aviation.

Throughout my studies during the flying experience, now I have a clearer vision about my concepts of airplane operation as I couldn't fully understand it clearly during my lectures. When I learned VFR [Visual Flight Rule] and had proper guidance from my instructor, I can finally control the airplane without worrying about anything.

In conclusion, this course provided many opportunities for us to explore the aviation industry around the world by visiting the Avalon Airport in Australia, learning and gathering with professional and passionate lecturers at Swinburne University.

