

Dear Valued Customer,

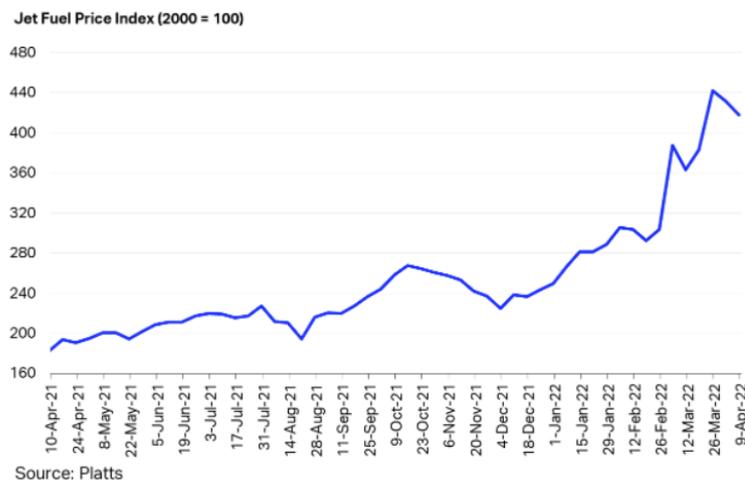
Hope you, your family, and your staff are in good health.

The ongoing Russia-Ukraine war's impact on Air and Ocean freight business with the latest updates from our global office is available on [Ukraine Crisis Update | DB Schenker in Europe](#). The relevant updates from various products are as follows: -

- Air Freight

General:

- ✓ Deficit between demand and available capacity worsened in Q2 due to the Russia – Ukraine war, Omicron impact in Asia and jet fuel prices.
- ✓ Resumption of PAX flights has cut down on P2C operations, which has inversely affected available cargo/belly capacity as now space is divided between PAX baggage & cargo.
- ✓ Market demand continues to be strong in Apr'22 and strong demand from core sectors.
- ✓ Successive FSC revisions continued by carriers pushing up market rates and queuing up for space.
- ✓ Lockdowns in China disrupting the supply chain with limitations of first & last mile, ground handling operations and huge cargo backlogs primarily in PVG
- ✓ Air cargo capacity to BOM, BLR and MAA remains critical, specifically from the EU and the US.
- ✓ Structural challenges across major US gateways continue as the industry struggles with a severe shortage of truck drivers, ground handling staff and operators.



China Update

- ✓ COVID cases in Hong Kong S.A.R dropped significantly with some lessened restrictions within Hong Kong.
- ✓ Some areas in Guangzhou and Foshan are in lockdown, with no impact on DB Schenker so far, operations as normal
- ✓ Cross-border truck to Hong Kong is under tremendous pressure, and the total quota for the whole Shenzhen area to Hong Kong is only 210 trucks per day.
- ✓ The Ministry of Industry and Information Technology China announced on 15th April 2022 that, they would work with 666 companies making semiconductors, automobiles, and the medical sector to get back to work. "Closed-loop

management” is mandatory to impose when companies resume production. So far, there have been no significant improvements in the transportation sector.

- ✓ Lockdown in Shanghai continues, with the municipal government reviewing the measures daily in lieu of the current COVID-19 situation.
- ✓ Citywide lockdown in Kunshan and Taicang (cities located in Jiangsu Province) continues.
- ✓ Truck resources are constrained in Shanghai and its surrounding cities including Ningbo, Jiaxing, Yiwu and Wuxi. Market capacity remains 5% to 10% in those cities.
- ✓ Some cities, including Changchun, Jilin city and Shenyang are under lockdown. The plants with no COVID cases reported can arrange the production due to which most factories are closed or working with limited productivity.
- ✓ Pick-up and delivery are constrained in some locations around Qingdao within Beijing, Hebei, Shenyang and Shandong areas. COVID tests with a 48-hour validity are mandatory for drivers who pick up cargo in those areas. Trucks and drivers are in shortage.

- **Ocean Freight**

India to Europe

- ✓ Rates starts to look down due to the open space on the Europe vessels. MSC has reduced its FAK rates for the second half of Apr'22.
- ✓ Schedule unreliability on the Europe services (IOS/IO3/IEX) has increased due to various port omissions in Apr'22 & May'22

India to Transpacific

- ✓ Space is open on the FAK with almost all carriers for US EC.
- ✓ MSC/CMA withdrew the GRI/PSS which was announced in Apr'22

India to MEA

- ✓ NVOCC's are currently controlling the MEA trade. Rates are increasing every fortnight.
- ✓ GRI from COSCO effective 15th April 2022 is USD 150/TEU
- ✓ Carriers prioritize the Equipment for the Long-Haul trade like Europe / Transpacific.

India to Far East

- ✓ Freight levels are stable as of now.
- ✓ Due to the congestion in Singapore / Colombo, vessel blanking is regular.

China to Far East

- ✓ Due to the Shanghai Lockdown, demand is low and rates are dropping.
- ✓ Market expected to be slow in the coming weeks as well

- **Contract Logistics**

Operations at our sites in the country are running smoothly, ensuring all COVID Safety protocols, sanitization, and hygiene of areas are regular.

- **Land Transportation**

Operations are running smoothly for PAN India.

- **Bangladesh Overview**

- ✓ Bangladesh received 2nd highest remittance from the US in March
- ✓ South Korea to create employment for girls in Bangladesh

- ✓ Cumilla Economic Zone gets final BEZA license (a centralised economic zones authority of Bangladesh)

COVID SITUATION:

- ✓ Bangladesh logged two COVID-19 deaths and 36 new infections in 24.
- ✓ The current positivity rate is 0.67 %, while the total positivity rate stands at 14.01%.
- ✓ The total number of COVID-19 deaths in the country now stands at 29,126 and the mortality rate stands at 1.49 %.
- ✓ The mask mandate and other health rules will continue.

Air Freight (Bangladesh):

- ✓ Overall cargo movement is stable, but the rate will increase from May 2022 onwards due to high demand.
- ✓ Transit time from HUB to US, Canada & EU become longer than previous.
- ✓ FSC increased by \$0.10-\$0.15/KG due to Russia War
- ✓ Expected transit time to US destination 6-7 days & EU 4-5 Days.

Sea Freight (Bangladesh):

- ✓ Chittagong Port Authority inaugurated e-D/O workshop (Electronic Delivery Order) yesterday, targeting 100% implementation by all lines.
- ✓ Patenga Container Terminal is ready to go into operation from June 2022 with a handling capacity of 145 million TEUs in a year
- ✓ Terminal informed NOT to load more than 80 units of Dhaka ICD bound import and 100 units of REEFERS in a single vessel/voyage to avoid CY/Vessel congestions` and long waiting time for Rail Loads. Because vessels suffer slow discharge operation, thereby have a short time for export load and stay at berth for a longer period as no space in CYs dedicated for Dhaka ICD rail moves. Terminal ordered to enrich its equipment fleet by purchasing 104 new container handling equipment including 2 new QGCs and the first lot to arrive in Q1 of 2022.
- ✓ Average berthing delays: 02-04 days

Land Transportation (Bangladesh):

- ✓ Standard lead for imports from India to Bangladesh has increased up to 45 days due to Ramadan.
- ✓ Overall, it takes +/- 25 days to Importing goods from India to Bangladesh
- ✓ Approx. 5000 vehicles are in the Petrapole queue. The average daily movement of vehicles from India to Bangladesh is +/- 100 .

- **Global update:**

Please refer to the [global COVID updates on the corporate website.](#)

Feel free to contact us at marketing.india@dbschenker.com for any support. Let us maintain social distancing, but we can remain digitally close.

Wishing you a safe & healthy period.

Relevant Contact for the news:

Suresh Kumar Kannappan

Chief Commercial Officer

Email: suresh-kumar.kannappan@dbschenker.com