

Market Intelligence Report

Q4 2019

Fracht Group News



SWITZERLAND: We are delighted to announce that FRACHT has opened yet another office on the 1st of November in the canton of Argovia. Please note the details: FRACHT AG, Kunzareal, Dorfstrasse 69, Office HS, CH-5210 Windisch, Tel. +41 56 560 50 33. Contact: Mr. Klaus Fehr k.fehr@frachttag-bs.ch

UGANDA: UGANDA: We are pleased to announce that the recently opened Fracht office in Uganda is fully operational with head office in Kampala and additional locations at all country entry points of Malaba, Entebbe, Mutukula and South Sudan Uganda points. The very experienced Fracht Uganda team under the leadership of Mr. Philip Van Tilburg has been deeply engaged with major projects in the country for the last 20 years. Contact: FRACHT UGANDA, Plot 13, Norfolk Road - Kyambogo, Kampala - ph +256 784 234051 - E-Mail: philip.vantilburg@ug.fracht.com

BRAZIL: We are delighted to announce another expansion of the Fracht Group in Brazil. Nuno Ferreira Cargas Internacionais Ltda, a company owned by Fracht, has acquired SICEX / BIELOG in Porto Alegre. SICEX was founded 20 years ago and is a perfect match for the Fracht Group in Brazil.

BELGIUM: POLYTRA Belgium has recently acquired ZOO AIR BVBA. In addition to a comprehensive range of general airfreight and warehousing services, Zoo Air is a preferred supplier to several international zoos and specialised in the transportation of animals. The company will be renamed to FRACHT BELGIUM AIR. Contact: Mr. Sven Naesen - E-Mail: sven@zooair.eu

Around The World Logistics News

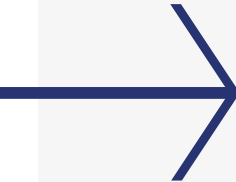


FRANCE: The extensive strikes which started in early December have caused major logistics problems, flight cancellations, port closures and holiday chaos. Nobody seems to know when this unfortunate situation will end....

CHINA: Beijing's new Daxing International Airport (PKX) is on track to become China's new gateway. The USD 11.3 billion starfish-shaped structure is designed to eventually handle more than 100 million passengers per year. It is estimated that within two decades annual passenger traffic in China will exceed 1.6 billion. China plans to almost double the number of airports to reach 450 by 2035. The huge new airport will increase Beijing's passenger capacity by approx 60% and will help to ease congestion in the city's second international airport which was only opened in 2008.

QATAR: The second phase of the massive expansion of Doha International Airport has been unveiled and it comprises a new three level cargo terminal with a total floor space of 323,000 square metres. This will increase the airport's cargo capacity to approx. 3.2 million tonnes per year.

Around The World Logistics News



BROWN MARMORATED STINK BUG (BMSB) – SAFEGUARDING NOW OPEN: The BMSB issues are a major problem for many importers because they frequently experience delays, extra costs and more inconvenient administration work. The Department of Agriculture is aware of these problems and has advised that the SAFEGUARDING PROGRAM is now open for applications from interested parties with a minimum import volume of 50 containers during the BMSB season. Safeguarding arrangements may be applied to import supply chains that can demonstrate appropriate biosecurity controls from the point of manufacturing to the point of embarkation. Approved supply chains may be eligible to bypass BMSB treatment requirements if they can demonstrate appropriate controls to identify and address pest risks at the country of origin. If you are interested please review the Department of Agriculture web page to find out details of the associated criteria and requirements.

ARGENTINA: Following a sharp drop in the value of the peso, Argentina imposed currency controls in a bid to stabilise the markets as the country faces a deepening financial crisis. The Government will restrict foreign currency purchases. Firms will have to seek central bank permission to buy foreign currency. Individuals can continue to buy a maximum of USD 10,000.00 per month. Larger amounts also require permission from the central bank.

Seafreight news



MSC INTRODUCED A PEAK SEASON SURCHARGE OF USD 200.00 PER TEU (twenty foot equivalent unit) from Europe to Australia and New Zealand effective 21 October. Many other carriers are attempting to enforce another GRI (general rate increase) of USD 200.00 – 300.00 per TEU between Asia and Australia.

MSC ENHANCES ITS OCEANIA TO USA, CANADA AND TAHITI NETWORK. The Oceania “Loop 1” offers two rotations: Sydney – Melbourne – Adelaide – Tauranga – Oakland – Seattle – Vancouver – Long Beach and Sydney – Melbourne – Tauranga – Papeete – Oakland – Long Beach. The rotation of the “Oceania Loop 2” is Sydney – Melbourne – Port Chalmers – Napier – Auckland – Tauranga – Cristobal – Philadelphia – Charleston – Balboa – Tauranga.

HAPAG LLOYD ANNOUNCED ADDITIONAL CALLS AT LONG BEACH and the transit time from Australia to Long Beach will improve significantly. The carrier also offers more services from India to Europe as well as from the Middle East to India and Africa.

Seafreight news



THE GLOBAL CONTAINER FLEET CAPACITY HAS REACHED MORE THAN 23 MILLION TEUs (twenty foot equivalent units) with the last million slots added only in the last 14 months. A recent wave of ULCV (ultra large container vessel) deliveries was one of the main reasons for this rapid growth. However, this substantial additional capacity arrives at a time of softening demand growth across many major trade lanes of the world which is already forcing shipping lines to increase the numbers of blank sailings.

A WINTER SURCHARGE FOR THE PORT OF ST.PETERSBURG will be applied by most shipping lines from December to April to cover the higher vessel operating costs for ice-breaker vessels and extended voyage duration. The surcharge ranges from USD 75.00 to USD 100.00 per TEU (twenty foot equivalent unit).

HOEGH AUTOLINERS HAS INCREASED THE FREQUENCY OF ITS EUROPE – AUSTRALIA SERVICE from four to five sailings per month. Hoegh currently deploys its “New Horizon” class vessels with a capacity of 8,500 cars on this route. More importantly for importers or exporters of heavy and large equipment is the fact that these vessels provide up to 6.5 metres of deck height and a 12 metre wide ramp with a capacity of 375 metric tonnes.

Heavy Lift News



BIMCO's DOCUMENTARY COMMITTEE has agreed to revise and simplify its Dispute Resolution Clause.

It hopes to shorten and simplify what has become BIMCO's longest standard clause, partly by removing the mediation provision that was added to the clause in 2002.

BIMCO said that a free-standing mediation clause will be published for parties that wish to invoke mediation for all, or part of a dispute, once arbitration proceedings have commenced.

The association added that, following the addition of Hong Kong as a fourth named arbitration venue, the BIMCO clause will be consolidated into a single provision that operates with any of the named arbitration venues. At present, each of the named venues has their own section in the Dispute Resolution Clause.

In the proposed new clause, users will select the applicable law, place of arbitration, number of arbitrators and the procedural rules to give effect to the clause.

The new clause will be submitted to the BIMCO Documentary Committee for approval in May 2020.

Heavy Lift News



BBC Chartering of Leer/Germany is the undisputed number one by *aggregate* heavy-lift capability of its fleet, followed by Zeamarine of Hamburg, Amsterdam-based Spliethoff (3), Cosco Shipping Specialised Carriers of Guangzhou/South China (4) and China/Polish Chipolbrok (5).

However, by *average* heavy-lift capability (irrespective of deadweight), it is HMM with just four vessels, heading this ranking with an average of 640 tons. Here, Chipolbrok comes second with 570 tons and Singapore's AAL third with 470 tons. Numbers four and five are Zeamarine (395 tons) and BBC Chartering (380 tons).

Airfreight News



THE LIST OF THE WORLD'S TOP CARGO AIRPORTS FOR 2018 has been released by ACI (Airports Council International). The top 10 are: Hong Kong, Memphis, Shanghai Pudong, Incheon, Anchorage, Dubai, Louisville, Taipei, Tokyo Narita and Los Angeles.

ACCORDING TO THE LATEST IATA STATISTICS AIRFREIGHT AROUND THE WORLD CONTINUED TO DECLINE. The total market fell by 3.9% year-on-year in August. Year to date for the first eight months of the year international airfreight dropped by 4% and the Asia Pacific Region declined by 7.1%.

CHINA AIRLINES PLANS TO LAUNCH A NEW FULL FREIGHTER SERVICE TO MUMBAI starting 16 November. The twice weekly B747-400F service will operate from Amsterdam via Mumbai to Taipei.

VIETNAM AIRLINES WELCOMES ITS 100TH AIRCRAFT to its fleet. This is the third of eight B787-10 to be delivered between August 2019 and March 2021. The airline now owns the second largest wide body fleet in Southeast Asia.

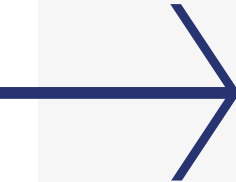
AIR NEW ZEALAND ANNOUNCED THE LAUNCHING OF A NON-STOP route from Auckland to New York in October 2020. At the same time the carrier will discontinue its Los Angeles - London service.

Trade News



IMO 2020: As the International Maritime Organization (IMO) announced the revised MARPOL regulations will limit sulphur content in fuel oil to less than 0,5 %, compared to the current limit of 3,5 % and it will come into effect from January 01, 2020. In order for Carriers to be compliant with the revised regulations by January 01, 2020, Carriers will have to start purchasing/bunker low sulphur oil well ahead (latest at the beginning of round voyage reaching into 2020). Fuel prices play a significant role in the calculation of freight rates, as the costs of fuel are a substantial part of ship`s operating costs. As a result the increased costs of the VLSFO (Very Low Sulphur Fuel Oil) will be reflected either by higher freight rates or an increase in bunker surcharge (BAF). For the time being Carriers are evaluating the situation and acting quite differently in this subject. This means, currently no clear unified picture existing as from when and to which extend Carriers will raise freight rates or bunker surcharges (some already started in September 2019).

Trade News



THE TRADE WAR might expand from Asia to Europe. The US plans to impose tariffs on \$7.5 billion worth of European exports by the middle of October. The World Trade Organization gave the US the OK to target goods from the European Union nations because the bloc failed to comply with an earlier ruling regarding government subsidies for Airbus.

The USTR released the following list of tariff codes that will be subject to an additional tariff pursuant to Section 301 of the Trade Act of 1974 when covering merchandise originating from certain countries in the European Union:

https://ustr.gov/sites/default/files/enforcement/301Investigations/EU_Large_Civil_Aircraft_Final_Product_List.pdf

The tariff ranges from 10 to 25 percent ad valorem and, in most cases, applies only to particular countries within the European Union. The effective date will be October 18, 2019; however, the notice does not indicate whether this refers to the entry date, export date, arrival date, etc.