



BIMONTHLY MARKET OUTLOOK

28/09/2021 – V27

KEY POINTS

UPDATED

- 🌐 **Global GDP is projected to grow by 5.7% in 2021 and 4.5% in 2022.** A strong rebound in Europe, the likelihood of additional fiscal support in the United States next year, and lower household saving will boost growth prospects in the advanced economies.
- ✈️ **As of 27th September 2021, 21 599 881 commercial flights were flown, 21% more than 2020 and 31% less than 2019.**
- ✈️ **In week 37 (13 – 19 Sept.), worldwide volume increased by +1% compared with the previous week. Worldwide capacity also increased by +1% week-over-week.**
- 🚢 **43 cancelled sailings have been announced between weeks 39 and 42 on major trades - Transpacific, Transatlantic and Asia-North Europe & Med, out of a total of 524 scheduled sailings, representing a 8% cancellation rate.**
- 🚢 **Drewry's composite World Container index remained stable in the week of 23rd September but remains 299% higher than a year ago.**
- 🚢 **Carriers' schedule reliability dropped to 33.6% in August 2021, a new all-time low during the 10 years Sea-Intelligence has tracked global schedule reliability.**
- 🚢 **Data from the September edition of the Alphaliner Monthly Monitor shows that 21% of the total liner fleet is currently deployed on services between Asia and North America, up from 17% in September 2018.**



ECONOMY – REAL GDP GROWTH PROJECTIONS

NEW

Real GDP growth projections

% change, year-on-year

- Economic growth has picked up this year, helped by strong policy support, the deployment of effective vaccines and the resumption of many economic activities.
- Global GDP is projected to grow by 5.7% in 2021 and 4.5% in 2022. A strong rebound in Europe, the likelihood of additional fiscal support in the United States next year, and lower household saving will boost growth prospects in the advanced economies.
- Global GDP has now surpassed its pre-pandemic level, but output and employment gaps remain in many countries, particularly in emerging-market and developing economies where vaccination rates are low.

| | 2020 | 2021 | 2022 | | 2020 | 2021 | 2022 |
|-----------------------|-------|------|------|---------------------|------|------|------|
| World | -3.4 | 5.7 | 4.5 | G20 | -3.1 | 6.1 | 4.8 |
| Australia | -2.5 | 4.0 | 3.3 | Argentina | -9.9 | 7.6 | 1.9 |
| Canada | -5.3 | 5.4 | 4.1 | Brazil | -4.4 | 5.2 | 2.3 |
| Euro area | -6.5 | 5.3 | 4.6 | China | 2.3 | 8.5 | 5.8 |
| Germany | -4.9 | 2.9 | 4.6 | India* | -7.3 | 9.7 | 7.9 |
| France | -8.0 | 6.3 | 4.0 | Indonesia | -2.1 | 3.7 | 4.9 |
| Italy | -8.9 | 5.9 | 4.1 | Mexico | -8.3 | 6.3 | 3.4 |
| Spain | -10.8 | 6.8 | 6.6 | Russia | -2.5 | 2.7 | 3.4 |
| Japan | -4.6 | 2.5 | 2.1 | Saudi Arabia | -4.1 | 2.3 | 4.8 |
| Korea | -0.9 | 4.0 | 2.9 | South Africa | -7.0 | 4.6 | 2.5 |
| United Kingdom | -9.8 | 6.7 | 5.2 | Turkey | 1.8 | 8.4 | 3.1 |
| United States | -3.4 | 6.0 | 3.9 | | | | |

Note: *India projections are based on fiscal years, starting in April. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right. Spain is a permanent invitee to the G20. World and G20 aggregates use moving nominal GDP weights at purchasing power parities. Source: OECD Economic Outlook database



AIR FREIGHT – MARKET TRENDS (13/09– 19/09)

UPDATED

In week 37 (13 – 19 Sept.), worldwide volume increased by +1% compared with the previous week. Worldwide capacity also increased by +1% week-over-week.

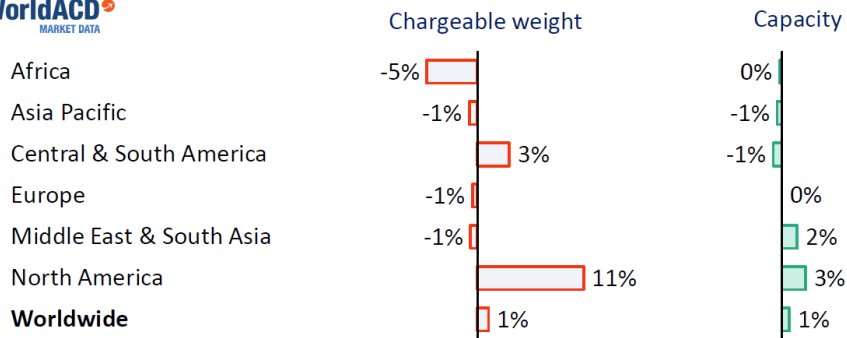
On a regional level, volumes from North America did best with a volume increase of +11% week-over-week, while Africa experienced the largest decrease (-5%).

The average worldwide yield/rate in week 37 increased compared with week 36.

Week-on-Week Change per Origin Region: Chargeable Weight & Capacity

Week 37 compared with Week 36 (WoW)

WorldACD
MARKET DATA

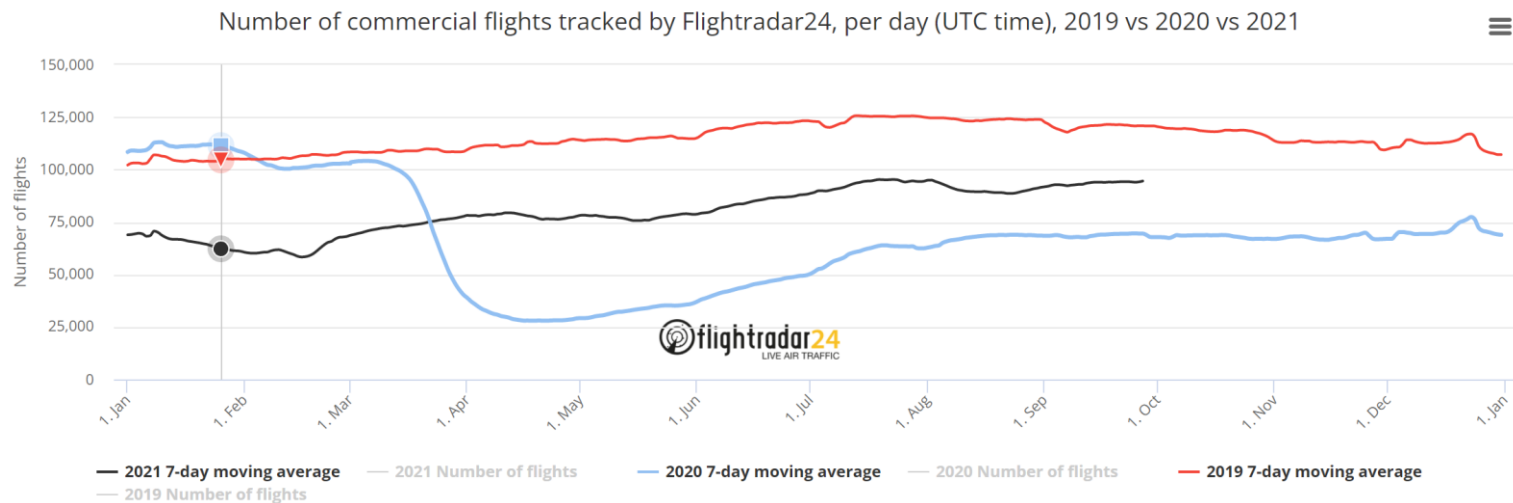


Trends based on appr 250 000 transactions per week WorldACD publishes weekly data for hundreds of markets the largest market based on data for 170 forwarders, the smallest on data for 20 forwarders.



AIR FREIGHT – COMMERCIAL FLIGHTS TRACKER

UPDATED



On year-to-date 27 September 2021, **21,599,881** commercial flights were flown, compared to **17,893,145** and **31,135,518** in 2020 and 2019, respectively.

Commercial flights = Commercial passenger flights + cargo flights + charter flights + some business jet flights.



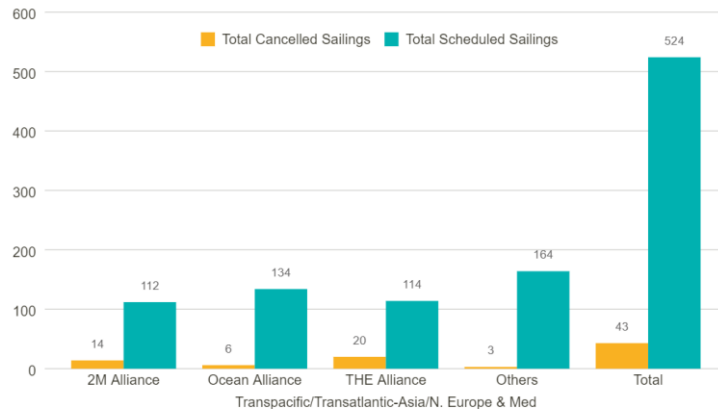
SEA FREIGHT – CANCELLED SAILINGS – 24/09

UPDATED

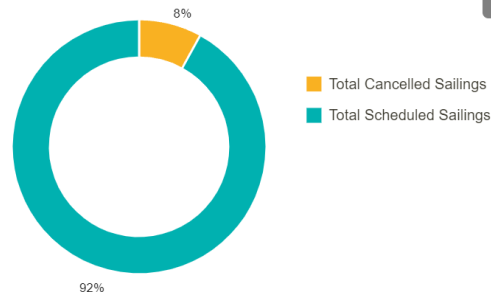
Across the major trades: Transpacific, Transatlantic and Asia-North Europe & Med, 43 cancelled sailings have been announced between weeks 39 and 42, out of a total of 524 scheduled sailings, representing 8% cancellation rate.

Over the next 4 weeks, The Alliance has announced 20 cancellations, followed by 2M and Ocean Alliance with 14 and 6 cancellations, respectively. Around 80% of these blank sailings are occurring on Asia-North America and Asia-North Europe-Med trades during the first 2 weeks of October as factories close in China during Golden Week. This fall in services and volumes may help to relieve port congestion, particularly in the WCNA.

Drewry cancelled vs scheduled sailings (Week 39-42, 2021)



Drewry cancelled vs scheduled sailings (Week 39-42, 2021)





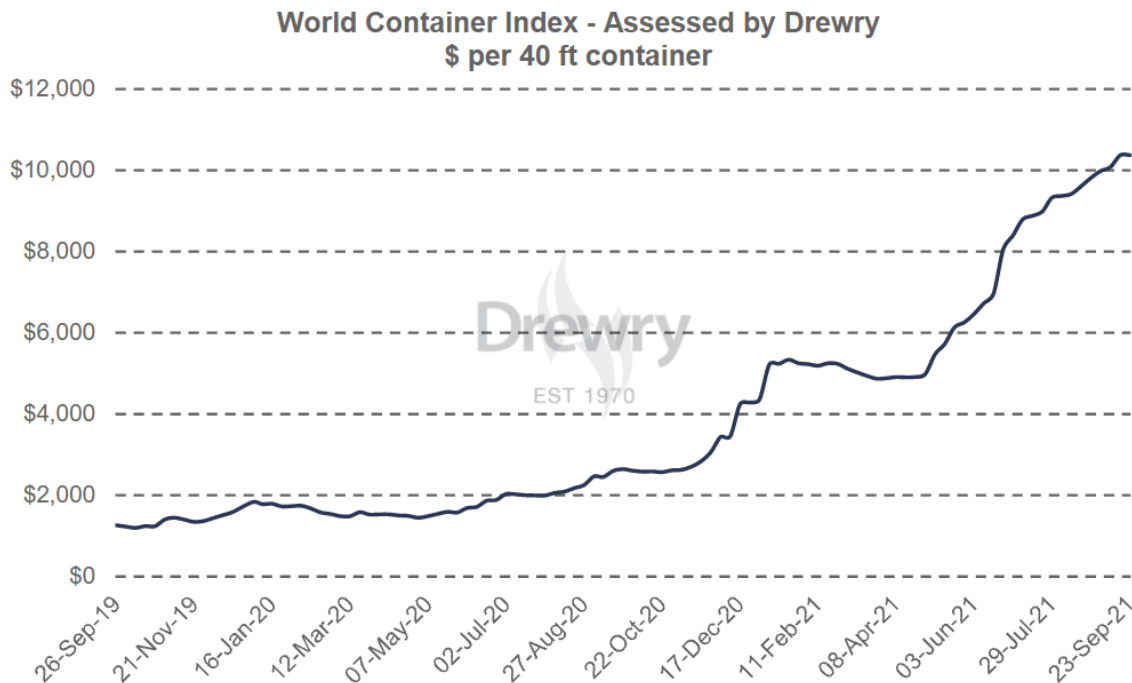
SEA FREIGHT – WORLD CONTAINER INDEX (WCI) – 23/09

UPDATED

Drewry's composite index remained stable this week at \$10,377.19 but remains 299% higher than a year ago.

The average composite index of the WCI, assessed by Drewry for year-to-date, is \$6,888 per 40ft container, which is \$4,492 higher than the five-year average of \$2,396 per 40ft container.

Freight rates on Shanghai to Genoa gained 1% per 40ft box. Drewry expects rates to remain steady in the coming week.

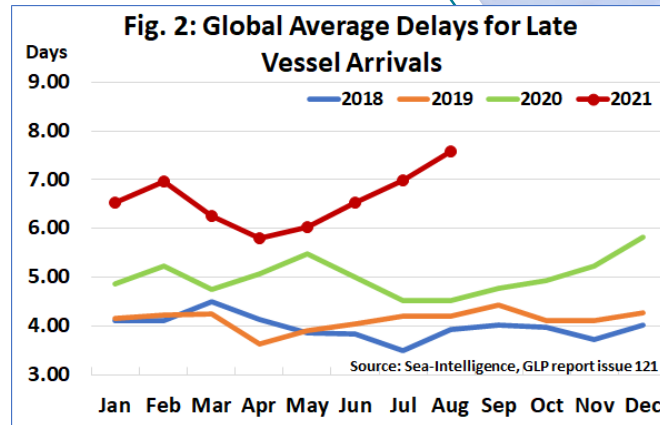
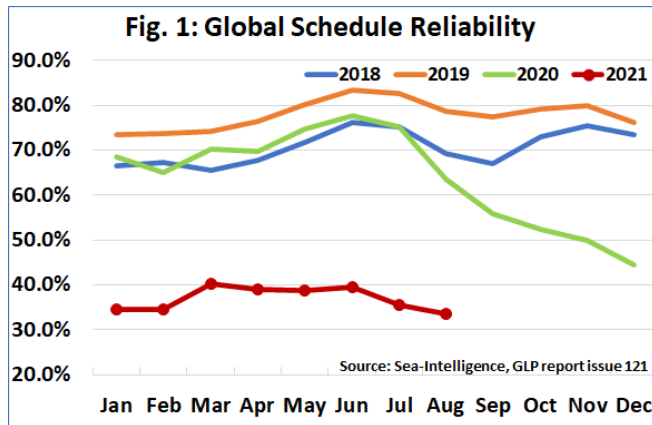


The World Container Index is a composite of container freight rates on 8 major routes to/from the US, Europe and Asia, assessed by Drewry.



SEA FREIGHT - GLOBAL SCHEDULE RELIABILITY

UPDATED



Although schedule reliability has hovered between 35%-40% for most of the year, in August 2021 it dropped to 33.6%, a new all-time low during the 10 years Sea-Intelligence has tracked global schedule reliability.

On a Y/Y level, reliability in August 2021 was -30.1 percentage points lower than August 2020, continuing the trend of Y/Y declines of over -30.0 percentage points in each month in 2021 so far.

The average delay for LATE vessel arrivals continued to deteriorate, increasing by 0.58 days M/M to 7.57 days in August.



SEA FREIGHT – CARRIERS' CAPACITY OPERATED BY TRADE

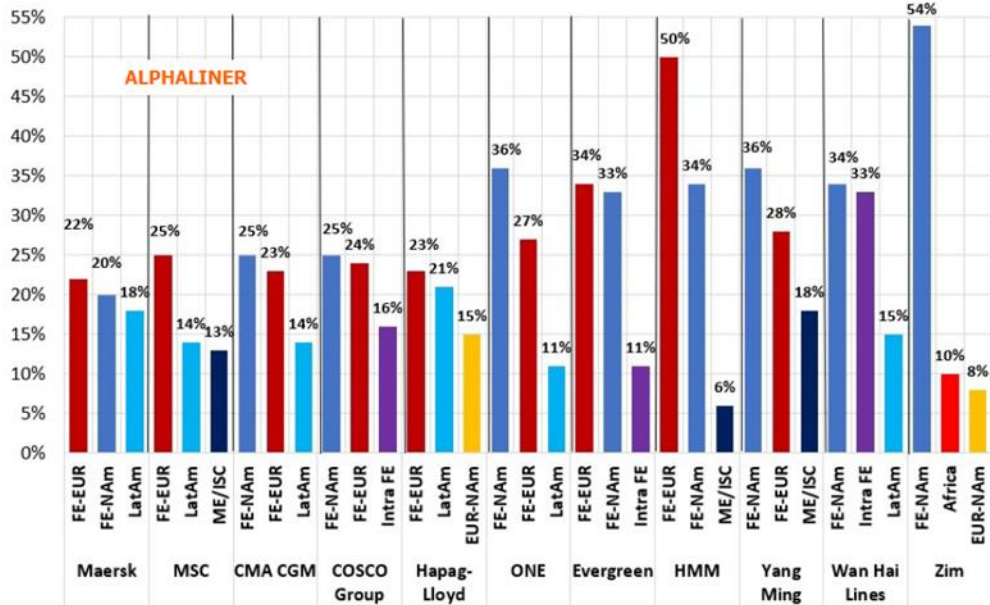
NEW

Chart of the week

Top 11 carriers: percentage of capacity operated by trade

21% of the total liner fleet is currently deployed on Asia-North America services, up from 17% in September 2018.

- Wan Hai Lines is the only carrier which saw its geographical focus heavily redirected to the TP
- HMM and Zim are the only two carriers which deploy half of their total fleet capacity on one single trade
- Latin America remains an important trade for the European carriers



ME/ISC - Middle East-India sub continent

Source : Alphaliner Monthly Monitor September 2021



SEA FREIGHT - CAPACITY OUTLOOK (WEEK 37 – WEEK 48)

UPDATED

Highlights

Upcoming 12
weeks (Y/Y)

Asia - North Europe

In the Asia North Europe trade lane, the weekly capacity increases significantly in week 37 and 39 and decreases drastically in week 41 and 47. On the backhaul, the weekly capacity decreases drastically in week 37 46 and 47 and increases significantly in week 40 and 43.

22.0%

Asia - Mediterranean

In the Asia Mediterranean trade lane, the weekly capacity decreases drastically in week 37 and 41 and increases significantly in week 38, 43 and 45. On the backhaul, the weekly capacity decreases drastically in week 42 and increases significantly in week 45.

10.9%

Asia - North America East Coast

In the Asia NAEC trade lane, the weekly capacity increases drastically in week 37 and decreases significantly in week 42.

25.7%

Asia - North America West Coast

In the Asia NAWC trade lane, the weekly capacity decreases significantly in week 40 and increases drastically in week 44. On the backhaul, the weekly capacity decreases drastically in week 37 and increases significantly in week 42.

27.6%

Asia - East Coast South America

In the Asia ECSA trade lane, the weekly capacity increases drastically in week 38 and decreases significantly in week 40. On the backhaul, the weekly capacity increases drastically in week 44 and decreases significantly in week 45.

11.5%



SEA FREIGHT - CAPACITY OUTLOOK (WEEK 37 – WEEK 48)

UPDATED

Highlights

Upcoming 12
weeks (Y/Y)

| | | |
|--|--|--------------|
| North America East Coast - East Coast South America | In the NAEC ECSA trade lane, the weekly capacity increases drastically in week 38 and decreases significantly in week 45. In the ECSA NAEC trade lane, the weekly capacity decreases significantly in week 42 and increases drastically in week 43. | 1.6% |
| North Europe - East Coast South America | In the North Europe ECSA trade lane, the weekly capacity increases drastically in week 38 and 41 and decreases significantly in week 39, 40, 42, 46, 47 and 48. In the ECSA North Europe trade lane, the weekly capacity decreases drastically in week 38 and 44 and increases significantly in week 41. | 2.8% |
| North Europe - North America East Coast | In the North Europe NAEC trade lane, the weekly capacity decreases significantly in week 37 and 43 and increases drastically in week 39. In the NAEC North Europe trade lane, the weekly capacity increases significantly in week 37 and decreases drastically in week 46. | 6.4% |
| Mediterranean - North America East Coast | In the MED NAEC trade lane, the weekly capacity decreases drastically in week 37 and 41 and increases significantly in week 39, 42 and 48. In the NAEC MED trade lane, the weekly capacity increases significantly in week 39 and 44 and decreases drastically in week 40 and 43. | -0.5% |
| Europe- North America West Coast | In the Europe NAWC trade lane, the weekly capacity decreases significantly in week 40 and increases drastically in week 45. In the NAWC Europe trade lane, the weekly capacity increases drastically in week 39 and 40 and decreases significantly in week 46. | 19.4% |