



## CONTAINERS remain in SHORT SUPPLY

The **situation at FEWB Trade** is currently very difficult and, according to our information, will become even worse.

This is mainly due to the acute shortage of empty equipment in Asia. There, the availability of 40ft HC equipment is partly no longer given. In some parts of the country 20ft & 40ft box containers are in short supply. This **can be seen** in the **main ports in East + South China (Shanghai, Ningbo, Yantian & Shenzhen Ports)**. Due to the tense situation and the high freight volume, shipping companies are charging an **Equipment Imbalance Surcharge** for 40ft High Cube Equipment, which is **valid "on board date" as of November 15<sup>th</sup>, 2020**.

### Why does this occur?

One of the explanations is the rate level from Asia to Europe, which is very low. You know your current ocean freight rates. In comparison, customers from Asia to the USA pay about USD 5,000 per 40' container and customers to Latin America even pay about USD 7,000 per 40' container. Ship owners take the existing equipment and prefer to use it in these directions. In addition, blank sails, reduced services from/to Europe, the CMA-CGM cyber attack and the not yet fully developed export to these regions complicate the whole situation.

### Vessel space

There is no relaxation here either. Usually November with the weeks after Chinese New Year is the weakest season of the whole year. This year this is also different and ships are fully booked. If you compare the SCFI with 2019, it has doubled. In November 2020 it is at its highest level in 6 years. But, we have the space for you under control - the big issue is the equipment.

### Lagermax solutions – Timely shipment of goods to Europe!

- We need your OK that we get the greatest possible flexibility in the equipment area. Which means that instead of a 40' e.g. 2 x 20' or instead of a 40HC a 40' box and overflow into a 20' or per LCL.
- We kindly ask you to instruct your suppliers to place bookings with our Far East partners as early as possible and to collect empty containers as soon as possible after receiving the necessary documents. The **lead time of the provisioning** has been **shortened by the ship owners from 14 days to 5 – 7 days due to the prevailing equipment shortage**.
- Please currently also plan with longer running times due to suspended sailings, which results in longer running times.

We have to increase or introduce the PSS from 01 November 2020.

We expect that this situation will not improve until Chinese New Year. There are new challenges every day at the moment and we are concerned that it will get worse until CNY.

All Lagermax employees are doing their best to make the situation as bearable as possible for you.

If you have any questions, please contact us:

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