

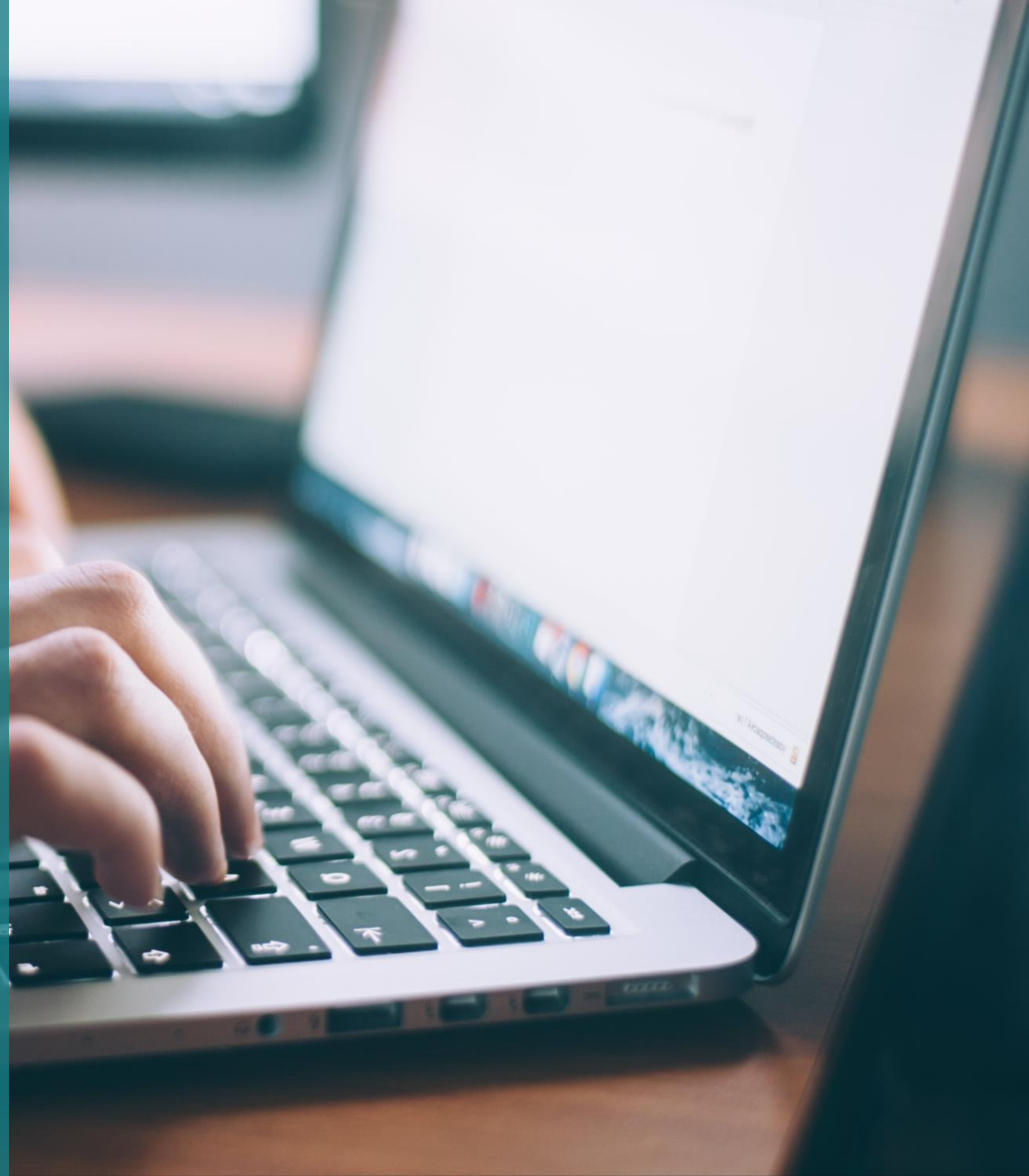


Market Update

Region MEA



October 2024





Developments in the Middle East and Africa

- GCC and EU will hold the first summit to discuss a partnership that would cover trade and investments, renewable energy, regional security and citizen topics (e.g. visas)
- Saudi Arabia and Egypt agreed to deepen trade and investment cooperation, as well as economic integration in the energy, transport, and tourism sector
- South Africa's economic growth picked up in the second quarter, supported by higher consumer spending and power availability, but output declines in agriculture, mining and transport meant growth was slightly weaker than expected. GDP expanded 0.4% quarter-on-quarter
- Kenya's economy expanded by 4.6% year-on-year in the second quarter of 2024, down from 5.6% in the corresponding quarter of the previous year

[Get in touch with your account manager for more information](#)

Air Freight

- The weekly price average at the end of CW 40 is at \$88.45 per barrel, which represents an increase of 2.6% from the prior week, an increase of 2.8% from the prior month, and a decrease of -21.2% from the prior year
- Forecasts an average of \$128bn in annual capital expenditure will be needed for the airline industry to reach net-zero emissions by 2050
- Emirates: adds fourth daily flight to Johannesburg
- Etihad Cargo and SF Airlines: enter joint venture to strengthen UAE-China trade
- Egypt Airshow: EgyptAir Group signed deals with Airbus

Ocean Freight

- In August 2024, global schedule reliability improved by 0.7 percentage points M/M to 52.8%. Schedule reliability in 2024 has stabilized within the 50%-55% range. While it is disappointingly low, the minimal volatility so far this year does give shippers a relatively good idea of what to expect month to month. On a Y/Y level, schedule reliability in August 2024 was -10.2 percentage points lower. The average delay for LATE vessel arrivals deteriorated, albeit marginally, increasing by 0.03 days M/M to 5.28 days. This figure was only surpassed by the pandemic highs of 2021-2022. On a Y/Y level, the August 2024 figure was 0.62 days higher
- Schedule reliability on the Middle East-Asia trade lane decreased by -1.6 percentage points M/M in July/August 2024 and reached 32.5%. Schedule reliability on the Africa-Asia trade lane increased by 2.6 percentage points M/M and reached 40.8% in July/August 2024. In July/August 2024, schedule reliability on the Middle East-Europe trade lane increased by 1.4 percentage points M/M to 50.8%. Schedule reliability on the Africa-Europe trade lane increased by 1.5 percentage points M/M in July/August 2024, reaching 61.5%
- The last vessel attack in the Bab el Mandeb Strait was on 1 Oct 2024, with vessels routed around COGH still. Only a few niche carriers sail through Bab el Mandeb Strait
- US Port strikes which usually cause major disruption called off quickly in less than a week, this reduces the exponential impact of this strike considerably. 1 week of the strike results in a one-and-a-half-month backlog

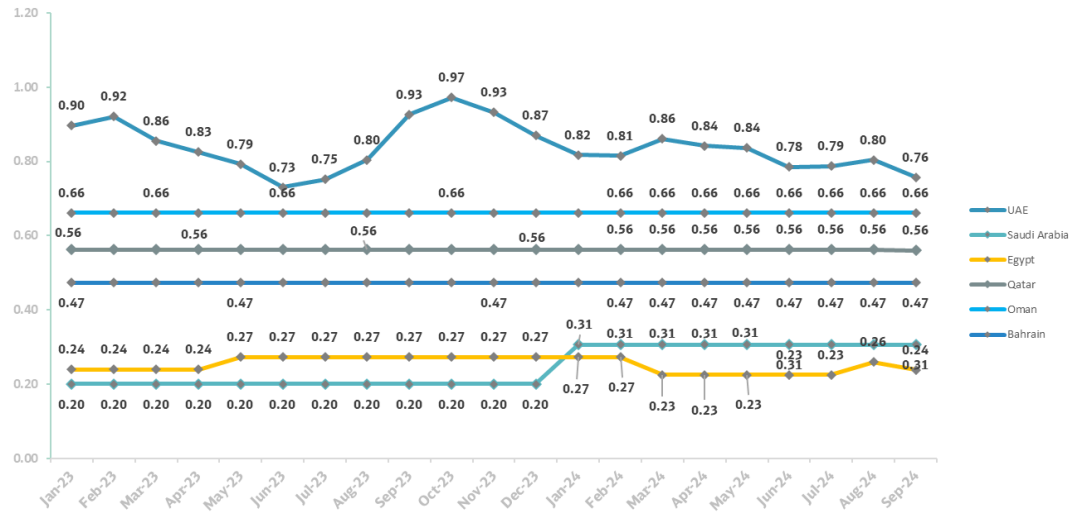


| | General | Demand | Capacity |
|--------------|--|--|---|
| MEA | <ul style="list-style-type: none"> - The market is stable as the increase in both demand and capacity indicates that the MEA air cargo market showed solid growth in August 2024 compared to the same period last year, with the market benefiting from rising trade activities and improved air cargo infrastructure | <ul style="list-style-type: none"> - Increased by 1.4% compared to the same period in 2023 in Aug 2024 | <ul style="list-style-type: none"> - Increased by 15.7% compared to the same period in 2023 in Aug 2024 |
| UAE | <ul style="list-style-type: none"> - The UAE economy is set for more growth in Q4 this year, the expected performance in 2024, with positive growth rates across macroeconomic indicators. GDP growing by 3.6 percent despite current financial and political instability in the region | <p>Demand is:</p> <ul style="list-style-type: none"> - low from AE to APAC and MEA - high from AE to Americas - high from AE to Europe - high from APAC to AE - moderate from Europe and US to AE | <p>Capacity is:</p> <ul style="list-style-type: none"> - stable from AE to APAC and MEA - low from AE to Americas and Europe - high from APAC to AE - moderate from Americas and Europe to AE - available from MEA to AE |
| South Africa | <ul style="list-style-type: none"> - The market is stable but showing some strain - Inflation eased to 4.4% in August | <ul style="list-style-type: none"> - Demand for air freight is increasing for perishable with the start of the main export season but low for general cargo | <p>Capacity is:</p> <ul style="list-style-type: none"> - moderate capacity to most regions - low capacity to USA and South America |



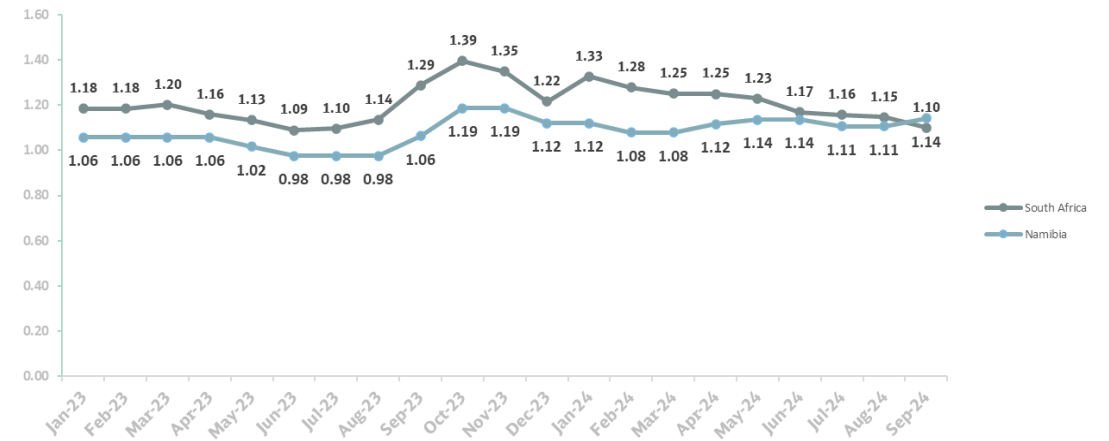


Middle East & North Africa – Diesel Price (in USD)



- The disruption in the Red Sea has driven up the demand for multimodal transportation, leading to increased prices between Dammam and Jeddah. Additionally, backlogs are occurring on the ferry routes between Egypt and Saudi Arabia, as well as between Jordan and Egypt
- In Bahrain, Qatar, and Oman, no change since 2022, going flat
- Egypt's fuel prices spiked in May due to the global inflation surge, also the USD currency fluctuation
- The oil-rich country Saudi Arabia has increased its price in Jan 2024. After a year the price increased by about 53%
- UAE per litre price is almost on the downward trend. The price of increase (or) decrease will conclude month on month by the Fuel Price Committee

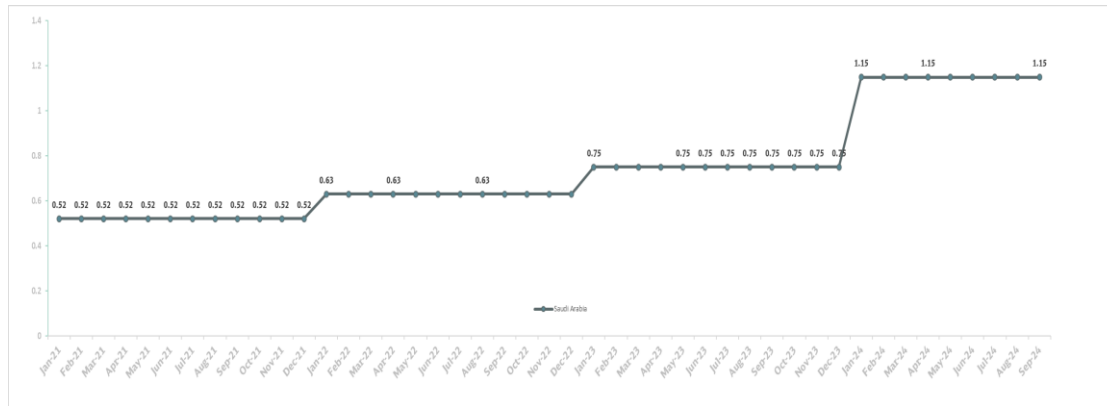
Sub-Saharan – Diesel Price (in USD)



- The fuel price (Diesel 50ppm) moving down for South Africa in Sep'24.
- Fuel index price for Namibia is slightly up due to the USD currency fluctuation



Saudi Arabia – Diesel Price Trend (in Local Cur)



- Vendors pushing for price increases of up to 25%
- The oil-rich country Saudi Arabia increased its price in Jan 2024
- After a year the price increased by about 53%
- The trucking rate has surged by 100-125% year-on-year, driven by several factors: border congestion from the Faseh appointment system, port congestion in Saudi Arabia due to challenges in the Red Sea, new truck age regulations, rising fuel prices, and a shortage of drivers



General update

- The last vessel attack in the Bab el Mandeb Strait was on 1 Oct 2024, vessels mostly routed around COGH
- A few niche carriers are moving through the Bab el Mandeb Strait servicing East Med / North Africa / Arab Gulf (Transmar, Morning Star, Emirates Shipping Line & Wan Hai)
- War risk surcharge announced for Lebanon, Emergency risk surcharges remain in place for Israel

Equipment/Space

- 20' equipment shortage in ZA
- Space is available for all MEA POL's as long as bookings are made 7-10 days before ETD.
- Carriers are showing more interest in volumes now than at any other time in the previous two months
- Tight and occasional equipment shortages across Asia/ISC

Schedule

- Overall unstable schedules and Significant TT delays for COGH routing continue
- ZA ports still facing major delays, Durban 4-17 days, Weather still impacts DUR/PLZ causing additional schedule delays
- Schedule reliability Exports:
 - ME-APAC - 32.5%, 5.72 d delay
 - AFR-APAC - 40.8%, 4.27 d delay
 - ME-EUR - 50.58%, 5.09 d delay
 - AFR-EUR - 61.5%, 7.34 d delay
- Schedule reliability Imports:
 - APAC-ME - 34.1%, 6.26 d delay
 - APAC-AFR - 39.2%, 5.21 d delay
 - EUR-ME - 63.4%, 4.39 d delay
 - EUR-AFR - 54.8%, 5.91 d delay

Congestion

- Increased signs of congestion visible around the world, with partly high yard density
- East Africa still affected by Dar Es Salam congestion
- West and North Africa facing high congestion in transshipment ports (Algeria / Cameroon / Gabon / Ghana)
- Sines / Las Palmas / Algeciras congestion affecting TT
- Arab Gulf ports - Jebel Ali, Abu Dhabi and Dammam are impacted as they were used as hubs with COGH routing
- Recent storms in Europe have led to some disruptions
- Singapore and Columbo congestion delays have reduced slightly, although still impact TT

Rates

- Surcharges/adders are still effective on most export routes, even where we see no Red Sea routings
- Rates to the US have increased drastically over the last month to 6 weeks. Strike-related surcharges have been retracted yet rates remain high
- Rates from ME to EUR have started to decrease slightly, hoping to keep pushing these down for Q4
- Intra-MEA rates remain high
- Despite space constraints ex APAC rates dropped again, although AFR rates remain far from Feb / Mar levels. Don't expect this to come back down before Q1 2025
- Europe rates to ME & AFR seen slight reduction for Q4

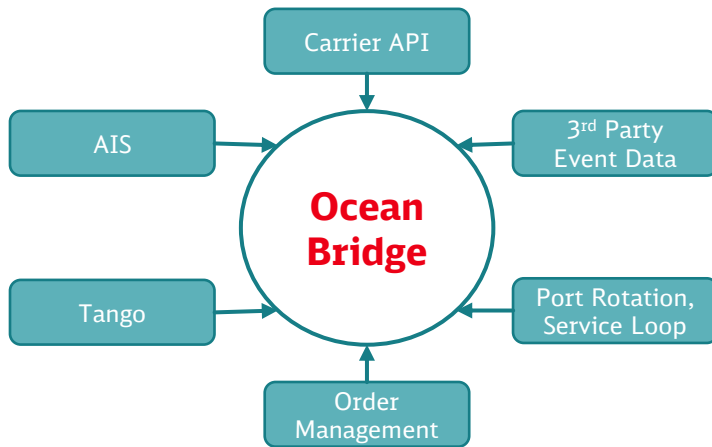
Ocean Freight



The Ocean Bridge serves as one of the extended visibility modules of the Ocean Data Cloud (ODC), an AI-enabled, cloud-based system designed for the management and analysis of Ocean data



Ocean Bridge visualizes the collected and enhanced data by ODC on a map and allows for a quick and versatile overview of all DB Schenker shipments. From detailed AIS positions to augmented Port Rotation details - enhanced by ODC schedule predictions, Ocean Bridge supports strategic decisions for DB Schenker Ocean staff as well as for our customers.



Vessel overview

Selected Vessel Info
Shows information about the last number of vessel and shipments on the screen (if no filters are used) or how many DB Schenker shipments are loaded on a specific vessel.

View Filters
Various filter options to filter for certain trades, containers, shipments or even vessels.

Quick Access Menu
Once a vessel is selected on the map, the quick access menu allows for switching to the cargo view, public tracking or the Port Rotation view.

Detailed Vessel Information
Once a vessel is selected on the map, the most important information such as next Port of Call, ETA and current status is shown here.

Vessel Status Legend/Filter
Colored legend explaining individual vessel statuses. Can also be used as a filter.

Loaded Shipments

| Shipment # | Container # | Principal Name | Universal Partner | SLAC | POD | POD ETA | POD | PODI ETA | PODI ETA Predicted | PODI ETA Predicted | HL | HL |
|-----------------|-------------|-------------------------------|-------------------------------|------|-------|------------|-------|------------|--------------------|--------------------|------------------|---------------|
| 2700040404225 | MSCU3526887 | Glenfithe Genesbach GmbH | PH Glenfithe | MSCU | DEBRV | 2024/01/09 | AKZLQ | 2024/02/13 | 2024/01/29 05:02 | 2024/02/08 11:27 | DEHE10000000236 | MEDE01348798 |
| 2700040404400 | MSCU4818895 | Glenfithe Genesbach GmbH | PH Glenfithe | MSCU | DEBRV | 2024/01/20 | AKZLQ | 2024/02/13 | 2024/01/28 05:02 | 2024/02/08 11:27 | DEHE10000000138 | MEDE01348798 |
| 2700040404440 | MSCU4888753 | Corfin Compagnie GmbH | Corfin Compagnie | MSCU | DEBRV | 2024/01/20 | AKZLQ | 2024/02/17 | 2024/01/28 05:06 | 2024/02/08 11:41 | DEDM10000000196 | MEDE01207968 |
| 3500000799961 | FCU3793935 | Conting Svc | Conting Svc | MSCU | PHVGA | 2023/12/26 | AKZLQ | 2024/01/30 | 2024/01/28 05:02 | 2024/02/08 11:27 | SHAW000000007395 | MEDE04231225 |
| 38000012776133 | MSCU1088937 | Lishan West Distribution Inc. | Lishan West Distribution Inc. | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/28 | 2024/01/28 05:06 | 2024/02/08 11:41 | MEDE00858152 | MEDE00858152 |
| 38000012778848 | MSCU4728399 | Cartesa San Gueorgue SRL | Cartesa San Gueorgue SRL | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/28 | 2024/01/28 29:36 | 2024/01/28 29:39 | ITR600000004496 | MEDE00858152 |
| 380000127788125 | MEU4961609 | Cartesa San Gueorgue SRL | Cartesa San Gueorgue SRL | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/28 | 2024/01/28 29:36 | 2024/01/28 29:39 | ITR600000004496 | MEDE00858152 |
| 380000127788125 | MEU4747424 | Cartesa San Gueorgue SRL | Cartesa San Gueorgue SRL | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/28 | 2024/01/28 29:36 | 2024/01/28 29:39 | ITR600000004496 | MEDE00858152 |
| 380000127790580 | TEMU1741480 | Ethem Silivert Italia S.p.A. | Ethem Silivert Italia S.p.A. | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/21 | 2024/01/21 22:31 | 2024/02/12 20:21 | MEDE008581461 | MEDE008581461 |
| 38000012801903 | PFHU4027147 | Cartesa San Gueorgue SRL | Cartesa San Gueorgue SRL | MSCU | ITSPR | 2024/01/21 | AKZLQ | 2024/02/28 | 2024/01/28 29:36 | 2024/01/28 29:39 | ITR600000001076 | MEDE008277100 |

TANGO ETA
Standard ETA provided by TANGO, not enhanced and mostly outdated.

ODC Predicted ETA
Predicted and enhanced ETA, supported by artificial intelligence. Generative algorithms enable a dynamic adaptation of true status & precise locations as well as accurate dates.

Port Rotation

Next Port ETA
Next port ETA calculation based on actual AIS data, carrier schedules and ODC predictions. Even if the port is NOT part of the official and/or outdated carrier sailing schedule.

Augmented Port Rotation
And prediction enhanced details for a vessel and list port rotation. This view shows:
ETA (port): predicted arrival at the port geo-location. Depending on the port size and location, a vessel might still need additional time to reach its actual berthing location.
ETA (berth): predicted arrival at the dedicated berthing/mooring spot for that vessel. Depending on the port congestion and size it may take some time for the vessel to arrive at that location.
Time To Next Port: predicted ETA at the next port scheduled after the current selected port. This information is usually not provided by the carrier.

Port Rotation Map Points
Every port that will be called by the vessel is plotted on the map - clicking a port provides detailed ETA information.

Port congestion map

Port congestion is indicated based on the average vessel waiting time to unload (berth):

- Less than 1 day (short delay)
- Between 1 and 2 days (medium delay)
- More than 2 days (long delay)

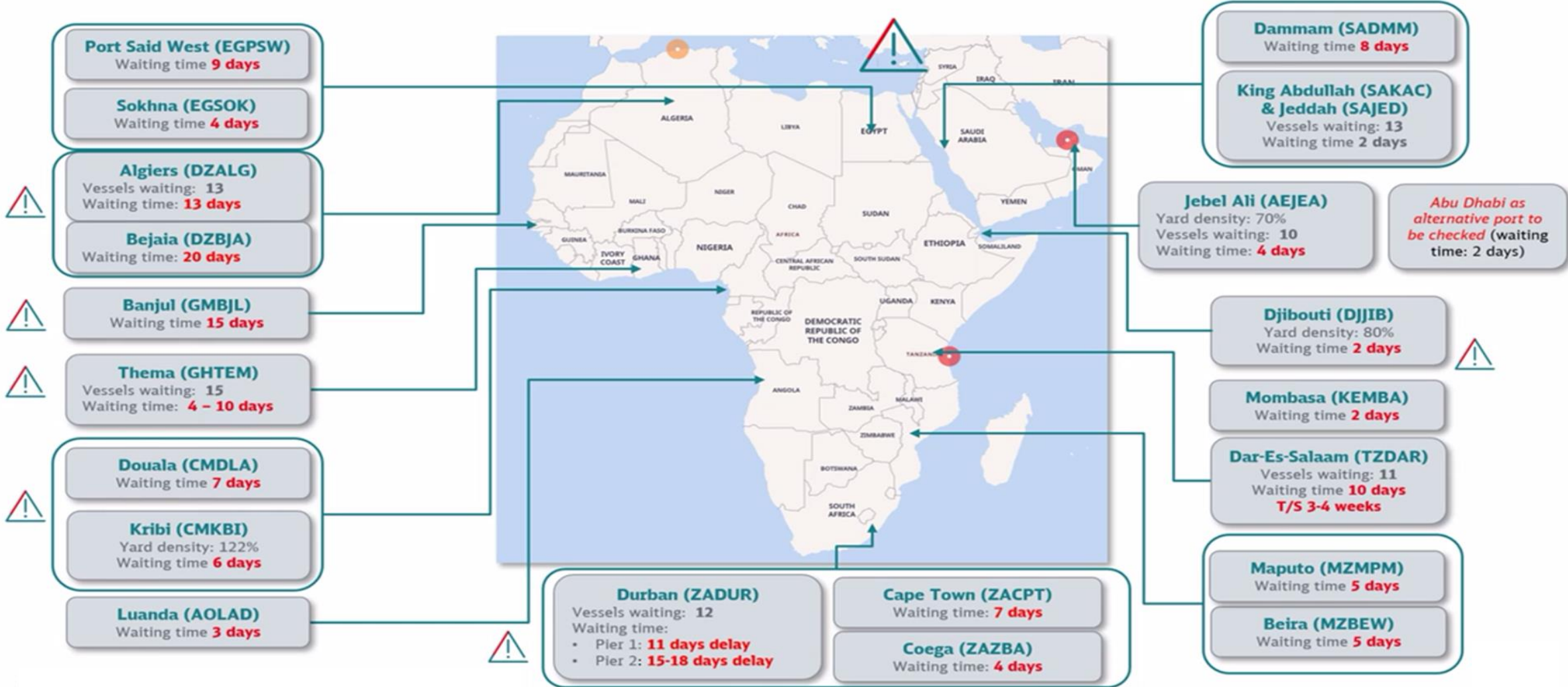
To get back to the the regular vessel overview screen use the "Show Sailing Monitoring" button:

Show Sailing Monitoring





Port Congestion in MEA

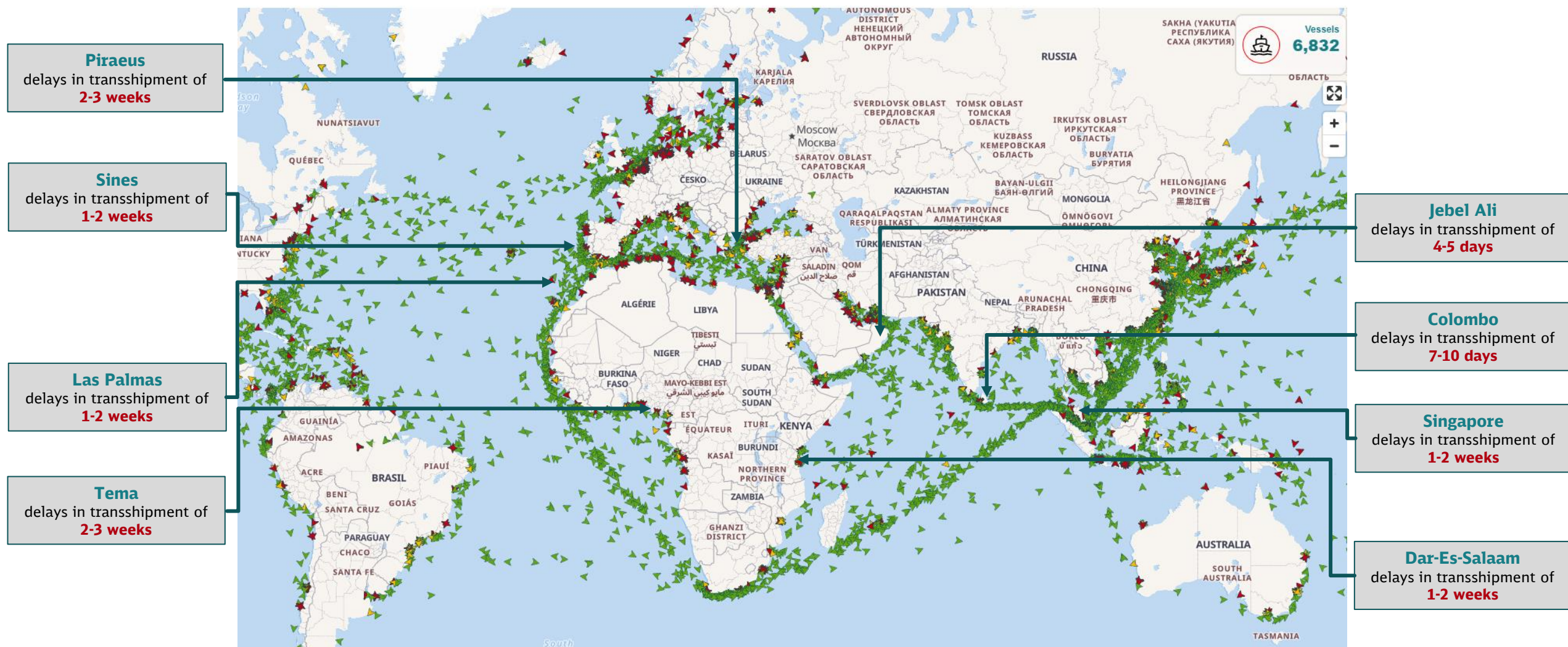


Ocean Freight

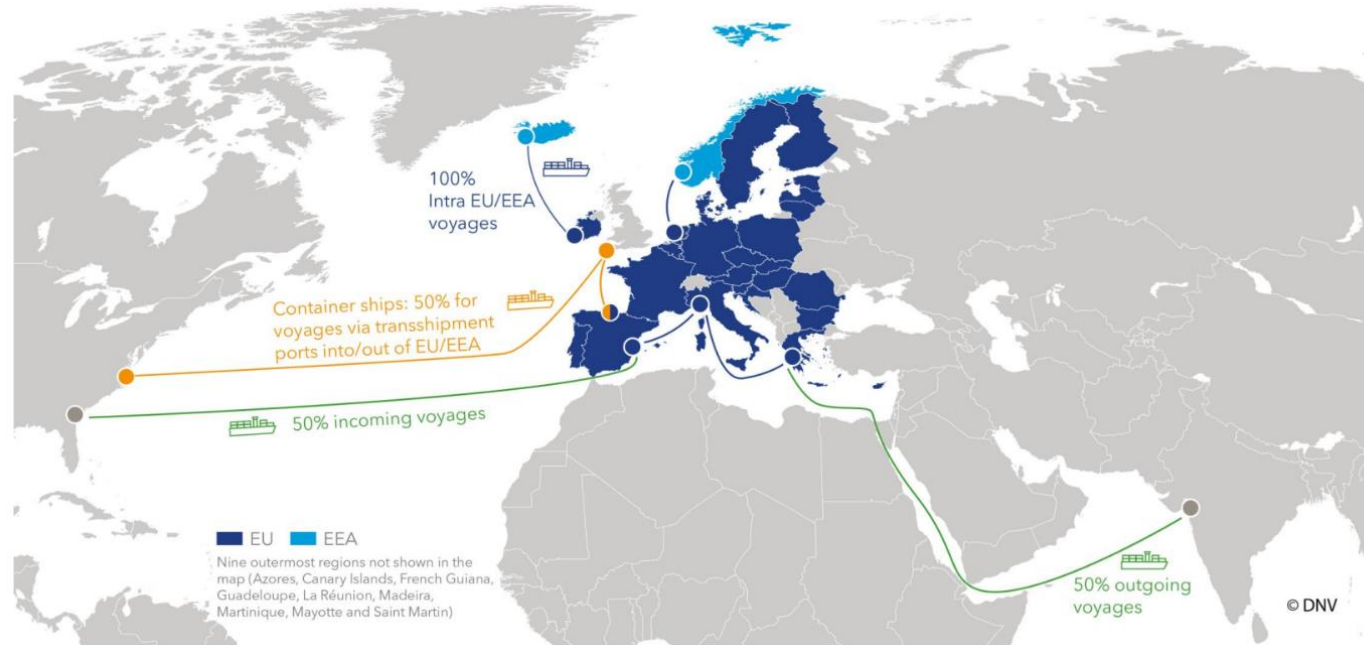


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Transshipment Delays



Shipping becomes part of the EU Emission Trading System



- Committed to fighting global warming, the European Union has adopted a legislative action plan aiming to reach carbon neutrality by 2050 (Green Deal), with the intermediary objective of cutting 55% of greenhouse gas emissions by 2030 (Fit for 55). The **EU Emission Trading System** is one of the regulations included in that plan. Initially applied to energy-intensive sectors only, the **EU ETS** was extended to shipping from January 1st, 2024, as an incentive to reduce the sector's environmental impact and accelerate the use of low-carbon fuels. This surcharge became applicable to most trades effective January 1st, 2024 (all cargo into Europe, or transshipping Europe)
- Vessels of 5000+ gross tonnage entering/leaving EU ports regardless of the flag
- The system covers 100% of emissions that occur between two EU ports as well as 50% of emissions from voyages starting or ending outside of the EU. This also applies to ports located less than 300 nautical miles outside the EU
- Phase-in period: starting with 40% for verified emissions from 2024, 70% of emissions in 2025 and 100% for 2026



| TRADELANE | SPACE | EQUIPMENT | RATE DEVELOPMENT | BEST CARRIER CHOICE [SPACE&EQUIPMENT] |
|-------------|-------|-----------|------------------|---------------------------------------|
| MEA - EUR | ● | ● | ↗ | MSC / Hapag / CMA CGM / ONE / ZIM |
| MEA - APAC | ● | ● | → | |
| MEA - NAM | ● | ● | ↗ | MSC / Hapag / CMA CGM |
| MEA - MEA | ● | ● | ↗ | CMA CGM / MSC / OOCL |
| MEA - LATAM | ● | ● | → | |

Carrier Announcements

- OOCL – expecting a new service UIG2 from Abu Dhabi/Jebel Ali to Mundra and Nhava Sheva

Equipment

- Reefer Equipment continues not to be an issue for MEA, considering the structural surplus in the region
- Middle East cluster driven by import volume
- Only 20'Reefer remains a challenge due to limited fleet availability

Vessel Utilization

- Jebel Ali, UAE have seen increased dwell times for larger ships due to the combined effects of rerouting and operational disruptions caused by regional holidays and recent weather events

Rate Development

- Freight rates originating from the Middle East have been trending upwards

Port Congestion

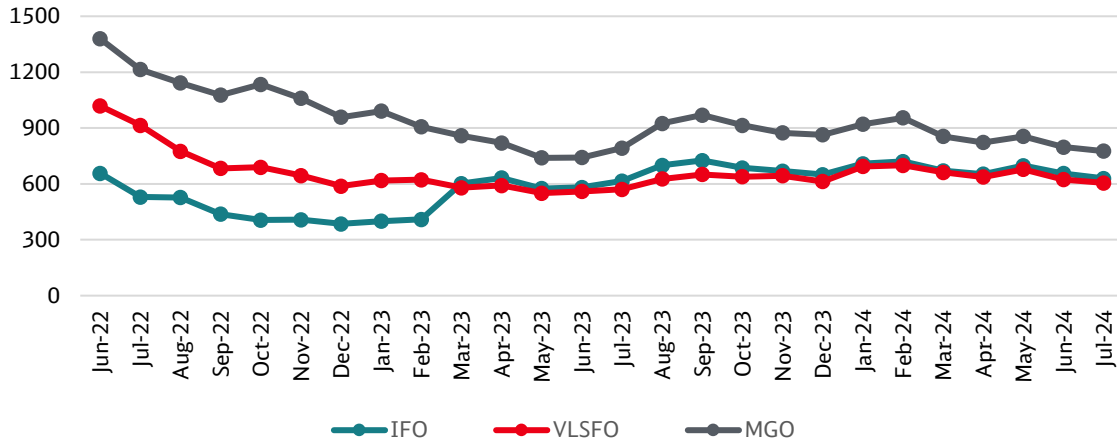
- Saudi Arabia is dealing with significant port congestion, primarily at key ports like Jeddah, Dammam, and Jubail
- Port congestion situation in Egypt, particularly at the Port of Damietta, remains problematic



Ocean Freight

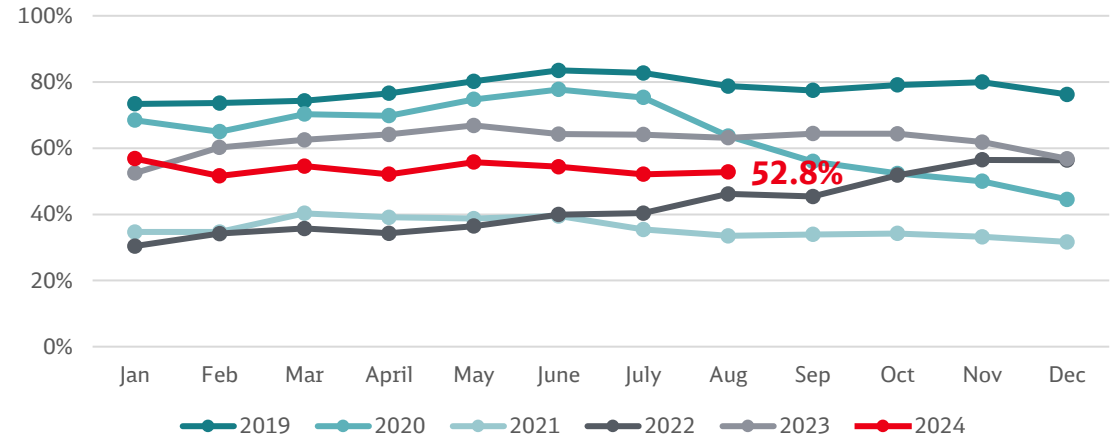


Bunker Development



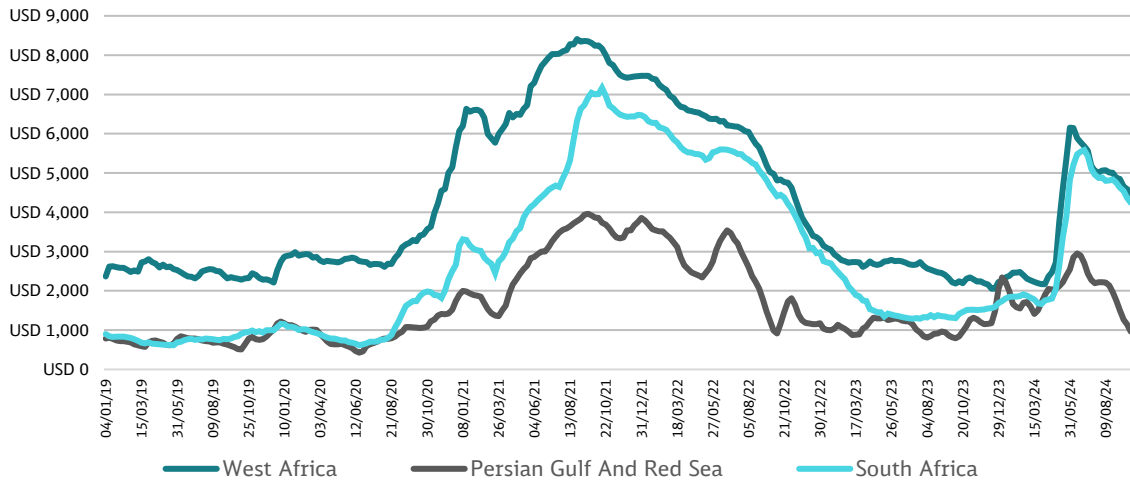
Source: Bunker based on 4 ports for IFO380, VLSFO and MGO. Based on Rotterdam for ULSFO

Global Schedule Reliability



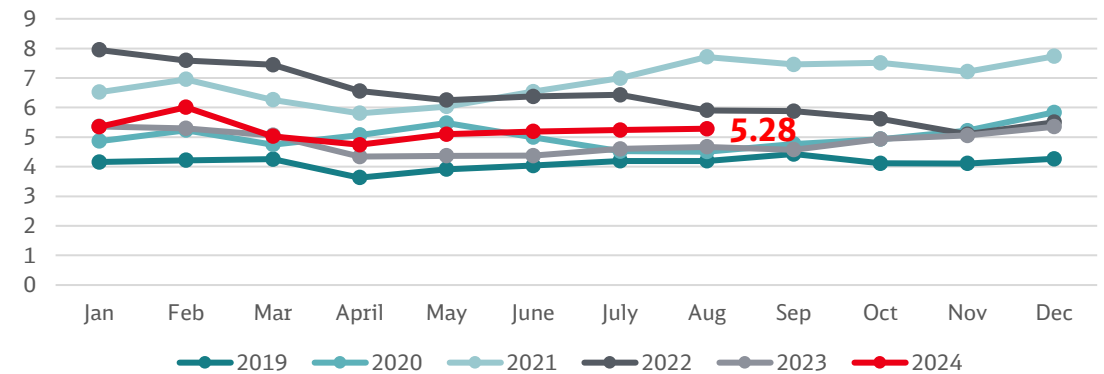
Source: Global Liner Perf

Shanghai Containerized Freight Index (20'DC)



Source: Monthly Shanghai Containerized Freight Index, 2024

Global Late Vessel Arrival



Source: Global Liner Perf

Highlights



DB SCHENKER: Premier Partner at the Global Logistics Forum 2024



DB SCHENKER | Ocean Bridge: A game changer in ocean freight visibility



DB SCHENKER and Avolta Set Sail for Sustainability with Marine Biofuel Initiative



DB SCHENKER and Microsoft Cloud Logistics: Redefining Logistics for a Sustainable Future



Abbreviations



| | |
|--------|----------------------------------|
| ACTK | Available Cargo-tonne Kilometers |
| CTK | Cargo-tonne Kilometers |
| ME | Middle East |
| MEA | Middle East And Africa |
| M-O-M | Month-on-month |
| NOR | Non-Operating Reefers |
| PMI | Purchasing Manager's Index |
| PSS | Peak Season Surcharge |
| RPK | Revenue Passenger Per Kilometer |
| SCFI | Shanghai Freight Index |
| SEA | Southeast Asia |
| USWC | U.S. West Coast |
| VLSFO | Very Low-Sulphur Fuel Oil |
| CAM | Central America |
| NAM | North America |
| LATAM | Latin America |
| SAM | South America |
| SMB | Small and Mid-size business |
| HC | High cube |
| ZACPT | Port of Cape Town |
| ZADUR | Port of Durban |
| ZAPLZ | Port of Port Elizabeth |
| ZA ZBA | Port of COEGA |

