



Maersk Asia Pacific Market Update – June 2021

We remain committed to ensuring your supply chain needs are met in this period of uncertainty and intensified congestion all around the globe. In this "Asia Pacific Market Update", Maersk provides you with the most relevant and up-to-date information as we navigate this period of heightened volatility together to keep your supply chain moving.

This month, we look at the disruption affecting Yantian in South China due to the Covid-19 flare-up and the knock-on effect it is having globally. We also spotlight Maersk's efforts to tackle container shortages. We look at the launch of TradeLens – a digital platform that will benefit us all with its efficient paperless shipping process – in China. Our regular service update highlights strong ocean and airfreight demand, landside challenges in key Asian markets, and the outlook for ports.

Trending Themes

- **China's Yantian port situation is having a negative effect on scheduling and equipment availability.** Yantian International Container Terminal (YICT) continues to face berthing delays of two weeks or more, leading to late arrival in subsequent port calls. Many sailings are omitting Yantian or making calls at other ports including Shekou, Nansha, and Hong Kong. The diversion of services has led to increased waiting times, congestion and restricted gate-in times at these ports

However, the disruption is having a wider effect, impacting voyages to most global destinations. Yantian's west terminal closed on 21 May for disinfection and quarantine measures and re-opened on 10 June. This will ease landside congestion however disruption to sailing schedules and equipment availability is expected to last several weeks. East terminal is currently working around 50% normal capacity

Customers could consider switching export containers to other ports in the next few weeks and use 20-foot containers to overcome the shortage of 40-foot containers. Maersk can advise on these alternatives, including drayage to nearby ports, airfreight and rail options. To stay updated on the Yantian port situation and our contingency plans, please click [here](#).

- **Maersk is tripling the number of dry freight containers in our fleet in 2021 than what would be in-fleeted under normal circumstances.** Strong demand, production bottlenecks and lockdowns have led to congestion across the supply chain infrastructure. This in turn has led to containers spending longer at ports and onboard ships, reducing the effective number of containers in active circulation. Maersk has taken measures to alleviate this, and our latest investment will add 40-foot-high cube containers to our fleet through the summer to support our customers' export requirements.
- **Digitalisation is fast tracking the move to a fully integrated global container shipping industry powered by real-time and consistent logistics.** We are pleased to announce that TradeLens is now available in China, through a collaboration with China Unicom Digital Tech. TradeLens is an open, neutral and secure digital platform that aims to replace manual and paper-based documents with secure blockchain-enabled digital solutions. TradeLens is supported by Maersk together with other major shipping industry players across the globe. Click [here](#) to read more about the TradeLens platform and click [here](#) for more on the launch of TradeLens in China.

Ocean Update



- **We expect strong export demand from Asia to continue in Q3 and ocean space is projected to be tight.** Our focus remains on securing coverage, equipment and reliable capacity solutions. For time-sensitive goods that need to be moved quickly, our air freight service is another transport alternative that may be able to assist you.
- **Australia and New Zealand vessel space remains tight.** Schedule reliability remains below 30% due to port congestion, suspension of berthing windows in New Zealand and industrial action in Australia. In addition to our Sirius Star and Triple Star services, we have also added an additional vessel to our Southern Star service (we have 7 vessels in total) to improve reliability. We have improved air freight connections in the Intra Oceania trade area.
- **Equipment shortages remain an industry-wide challenge in Asia Pacific.** The supply of 20-foot dry containers is sufficient, but 40-foot and 45-foot- dry containers are in short supply. This chart shows the current equipment status traffic for main loading ports in Asia:

Country	20DRY	40DRY	40HDRY	45HC	40HCRF	20REEF
China	●	●	●	●	●	●
Japan	●	●	●	NA	●	●
Korea	●	●	●	●	●	●
Vietnam	●	●	●	●	●	●
Myanmar	●	●	●	●	●	●
Cambodia	●	●	●	●	●	●
Thailand	●	●	●	●	●	●
Malaysia	●	●	●	●	●	●
Singapore	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●
Philippines	●	●	●	●	●	●
Australia	●	●	●	NA	●	●
New Zealand	●	●	●	NA	●	●

**Green colour indicates the equipment availability is enough to cover demand forecast; Yellow colour indicates it's tight to cover demand forecast; Red colour indicates it's insufficient to cover demand forecast.*

Maersk Trade Lane Market Overview

TRADE LANE AND COMMENTS	DEMAND TREND
<p>Asia to Europe</p> <ul style="list-style-type: none"> The Port of Hamburg is facing severe congestion. To protect schedule reliability, the AE7 service will omit Hamburg for the next four weeks and will instead discharge cargo at Bremerhaven. For customers who originally planned to discharge cargo at Hamburg, we recommend you approach our sales representative for intermodal solutions. 	
<p>Asia to North America</p> <ul style="list-style-type: none"> We are taking the following steps to respond to continued strong demand: <ol style="list-style-type: none"> 1) We will adjust TP Alaska service by adding vessels and rationalising the port coverage to provide a more stable service with an improved schedule reliability. Click here for the latest update. 2) We have deployed the larger Elly Maersk vessel to clear the container backlog. 3) We have launched the TP23 service to the US East Coast with calls at Tanjung Pelepas, Vung Tau, Yantian, Savannah, Charleston and Newark. 	
<p>Asia to Latin America</p> <ul style="list-style-type: none"> Booking acceptance to the Port of Buenaventura in Colombia will be resumed as the Colombia national strike situation is getting eased after three weeks of service closure due to road blockades. New bookings from Asia Pacific Region to Buenaventura will be accepted from June.21st. Expect port consignment after reopening, customer can still use Cartagena in North Colombia as the alternative solution. 	
<p>Asia to West Central Asia</p> <ul style="list-style-type: none"> We offer a weekly Chennai Express service to South-East India and fortnightly service to North-West India (FI3). Road transportation has seen some constraints due to driver shortages and lockdown restrictions, so we suggest that customers switch to rail solutions. 	
<p>Asia to Africa</p> <ul style="list-style-type: none"> It's fruit season and our South Africa service continues to supply non-operating reefers into Durban to support operations. For cargo from Yiwu, we recommend our Maersk Sea-Rail service to save transport costs and improve reliability. 	
<p>Asia to Oceania</p> <ul style="list-style-type: none"> Space remains tight on all export services from Asia to Oceania, especially for Cobra and Komodo services. Vessel sliding and port omissions may impact customers' cargo planning. We recommend that customers place booking in advance and shift Yantian demand to alternative ports. 	
<p>Asia Imports</p> <ul style="list-style-type: none"> Reefer containers are in short supply in Europe, South America, South Africa and the Middle East. There is also a shortage of dry containers in Europe and certain inland points in North America. Early booking is highly recommended to secure space and equipment. 	

Air Freight Update



Strong demand in North America and Europe continues to drive Asia airfreight exports. There is also high airfreight demand for Asia imports. We expect reduced air cargo capacity throughout Q3 as aircraft will be grounded for annual maintenance checks. Airfreight capacity could be affected by disruption to manufacturing and supply chains as the Covid-19 virus resurges in Asia. As air freight capacity constraints grow, we continue to offer alternative transport solutions, including air charters, sea-air and intermodal rail freight for shipments from Asia.

- **Greater China:** Due to Asia-wide Covid-19 flare-ups, we've seen a return of manufacturing to China for products normally produced elsewhere, to take advantage of China's relatively stable manufacturing base. With solid operational capability and sustainable capacity across global networks, Maersk can help our customers adapt to the Covid-19-related challenges and disruptions.
- **Thailand, Malaysia and Singapore:** We see strong demand into Q3, especially for automotive products, and frozen food to the UK. Maersk offers cold chain solutions for urgent temperature-sensitive cargoes.
- **Vietnam, Cambodia, Myanmar:** Exports of fast-moving consumer goods, retail and lifestyle products are increasing significantly but technology exports are restricted after production was hit by the Covid-19 flare-up. Imports are facing space constraints due to a reduction of passenger flights. We suggest our customers plan bookings in advance to secure space.
- **Australia and New Zealand:** Air cargo capacity constraints for imports are causing longer transit times. Flights have been cancelled from Melbourne to New Zealand due to recent Covid-19 infections in Australia. Extra capacity is deployed across core and strategic carriers to avoid disruption to customers.

- **Japan and Korea:** Airfreight export and import demand has significantly increased year-on-year, mainly to and from the US and China. Cargo capacity therefore remains tight.
- **Indonesia and Philippines:** Indonesian factories resumed production at the end of May after the Eid Mubarak festival, and we expect output to return to normal in June. Air capacity remains tight and we suggest that customers make bookings at least 10 days before the planned departure date, especially for US and EU lanes.

Landside Transportation Update



Landside services across Asia are facing a range of challenges, including trucker shortages and congestion that are ultimately impacting availability, scheduling and capacity. Maersk continues to introduce extra services and solutions that provide customers with a variety of choices to reduce delays.

- **Mainland China, Hong Kong and Taiwan:** Landside capacity in North and East China is sufficient to meet demand. We've recently launched sea-rail products in North China to help customers in Hohhot (Inner Mongolia) and Shijiazhuang (Hebei) fast track their cargo by rail into Xingang port (Tianjin).




In South China, ground transportation is being affected by Yantian port congestion, with strict controls on gate-in at Yantian (Shenzhen) and Shekou (Shenzhen). Road congestion around Nansha port (Guangzhou) is also increasing as carriers divert calls to this port. Trucking services into Yantian port need to be pre-booked, and export laden containers gate-in are subject to confirmation issued by Yantian port. For customers who require cross pick at Shekou port, Maersk can provide inland drayage as an alternative solution.

China Intercontinental Rail continues to experience space constraints. With the upcoming summer peak and the ripple effect from Yantian port disruption, we expect space restrictions to continue in Q3. In June, Maersk launched new block trains from Shandong, China to Poland and Germany.

- **Japan and Korea:** Inland demand remains limited due to the Covid-19 impact. The upcoming Tokyo Olympics and Paralympics (July/August/September) might impact deliveries and turnaround times at the Tokyo container yard. Our Maersk AE19 ocean-rail service from Asia to northern Europe has seen an increase in customer demand and space constraints, particularly on the ocean leg to Vostochny in Russia. We see this persisting through Q3. We are working with ports and rail partners to provide more weekly train services to meet demand.
- **Vietnam, Myanmar, Cambodia:** Vietnam trucking capacity is tight due to Covid-19 related labour shortages. A new inland hub has been created at Tan Cang Cai Cui in the Mekong Delta, offering increased flexibility to move cargo with the added convenience to pick up and return containers closer to production hubs. Myanmar trucking capacity is still constrained due to the on-going political crisis. For Cambodia, we have introduced new land-sea solutions at both Laem Chabang port in Thailand and Ho Chi Minh in Vietnam port to support its peak season.
- **Australia and New Zealand:** We continue to offer the Maersk Connect service for deliveries to Sydney via rail from Melbourne to help avoid delays due to industrial action in Sydney.
- **Indonesia and Philippines:** Trucking capacity is sufficient for export, import and domestic inland delivery. For customers who have limited facilities, we offer new inland sub-products: utility yards for temporary container storage and loading/unloading activities.

Major Ports Update

Vessel Waiting Time Indicator

	 Less than 1 day	 1-3 days	 More than 3 days
Asia-Pacific Ports	Busan, Qingdao	Hong Kong, Shanghai, Ningbo, Nansha, Chiwan, Tanjung Pelepas, Singapore, Sydney	Yantian, Napier, Auckland
Rest of World	Savannah, Mobile	Colombo, Mundra, Cape Town, Durban, Houston	Apapa, Onne, Dar Es Salaam, Sudan, Buenaventura, Los Angeles, Long Beach, Oakland, Vancouver, Haifa, Hamburg

*The colours refer to indicators of vessel waiting time

*Vessel waiting time: green (<1 day); yellow (1 day < waiting time < 3 days); red (>3 days)

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Please do reach out to us if you have any further questions about your supply chain. We are here to navigate you through the current situation.

FILL IN SURVEY

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