



XTRA

X2 LOGISTICS NETWORKS QUARTERLY NEWSLETTER | Q1 | 2022

**NAVIGATING THE
CURRENT DISRUPTION
IN CONTAINERIZED
LOGISTICS**



**KEEPING UP
WITH RISING
CONSUMER DEMANDS
AND PREPARING FOR
THE FUTURE OF
THE MOVEMENT
OF GOODS**



**NETWORK
MOVES & NEWS**

**X2 LOGISTICS NETWORKS
ANNOUNCED
THIRD VIRTUAL CONFERENCE**



Q1

SPRING
2022

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the Movement of Goods

Richard Overton

CEO of X2 Logistics Networks



A MESSAGE FROM RICHARD

Dear X2 Colleagues,

Hello to all X2 members and welcome to our first quarter report of 2022.

In the first quarter of the year of the Tiger we hoped it would welcome in a fresh new start in our lives and business, but we have not succeeded in seeing an end to Covid, and the industry has seen little relief from the vessel or airline owners. Despite this continuing setback, our membership has again found ways round, over, or under the obstacles in its path and has risen to the occasion, continuing to convert business opportunities into good profit. The community spirit has continued to show its determination to succeed regardless of the negative cards fortune has dealt us and I am pleased to see the collective temperament and character of the membership prevail, as envisaged by me when starting up the Networks 10 years ago.

We have seen an attack on our business by former employees who have disregarded contractual restrictions on them. The attack created inconvenience to many of our members as we were obliged to suspend part of our service on our web platform while our technicians investigated the situation to determine the route cause and to add protective measures. We have now returned to service as normal and I'd like to apologize for the disruption and thank you for your patience.

On an international front, the situation in Ukraine is giving rise to serious concern and we hope that common sense will find a way to end this unnecessary bloodshed. Our thoughts go out to our members in Ukraine who are constantly in imminent danger. It is indeed a tragic and unnecessary situation and we hope our members there can come through this unharmed.

Somewhat reluctantly, I bowed to pressure from some of the membership and went ahead with our second virtual conference in March. Many thanks to all who registered and participated, but I have to express disappointment at the number of members who registered, but did not show. I did

receive some positive feedback from members who did join, but given the numbers registered, the overall outcome was disheartening, and therefore I have decided that we will re-consider additional virtual events as we now look forward to our physical conference after three and half years we will be reunited once again!

With the disappointment of the virtual conference behind us we can now look forward to the physical conference planned for September in Thailand at our popular location in Hua Hin. We already have a total number of 425 attendees who have confirmed their participation. I am looking forward to seeing you in September as we see restrictions on travel, and testing procedures easing substantially here.

I'd like to thank all of you who have contributed to this issue with your news, projects, updates, opinions and interesting news of your individual business developments. I would also like to take this opportunity to extend a friendly and warm welcome to all new members and I wish you success as you join us as valued members.

This year, we have decided on a program of growth, and have already taken on additional personnel to increase the Networks' size and ensure we continue to provide you with best in-class service.

Our aim as always is to deliver global reciprocal business between our members with leads turning into real deals based upon professionalism, community and financial security, backed by a team that provides the highest level of personal service compared to any other network in the world. Take care, remain safe and don't forget, we are a community and you are a highly regarded and essential part of it.

Thanks to you all and see you all at the conference in September!

Regards,

Richard

Stay in touch with the **X2**Team,



Richard Overton

Founder & CEO
X2 Group

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X2 Logistics Networks

The world's most professional freight forwarding network who believe quality of members creates differences.

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X2022

7th Annual Conference
23-28 SEPT HUA HIN THAILAND

Are you ready for the X2 Conference?

23-28 September



Get ready for X2 Beach House

Register Now!

Members News



X2 Logistics Networks announces third Virtual Conference

The third X2 Virtual Conference was held from 28th Feb - 9th March 2022. We got to see our members and had a great discussion on current market situations and what the future holds.

Thank you all for attending and participating in the discussion.



Members News



X2022
Virtual CONFERENCE
28 FEB - 9 MAR

Thank You Attendees!

Justo Marmol - Transloga...	Phil - Arian Maritime Gr...	Elaine - Cargo Overseas Ltd	Martin Degis	X2 Logisticsnetworks	Aek X2 Group	Borut Korosec X2 Group
Charun1 X2 Group	Tanya X2 Group	Shruti - X2 Group	X2 Group IT	Patty X2 Group	Mario GIANESINI - GIAN...	Jennifer Llanes - X2 Gro...
Raul Bravo - Partner Peru	Chai Manalo - Internatio...	Stefan v d Sluys BGL Thail...	David Mills	Damir - 2HM Logistics	Charisse Pacres - What...	Colin McKinlay - RA Log...
ANASTASIOS - ARIAN M...	Balaji Nagarajan - Affrei...	sasipatr. - Best Global L...	Jovial Le - CIMC ADS	Roy - Logix South Africa	Carina - Hacklin Logistics	Andrea Raiola
Miroslav - Unimaster Lo...	PAUL TRIANGLE WORL...	Aaron Cueva Lozen	Shawn Stephen	Juan Miguel Villanueva - ...	Arif Nadeem - Teknik M...	Nawel - Cargojet Spain
Mennatalla - JIT interna...	José Luis Encina - Loze...	Nicolo Guasto - CAVA	Chandrakanth - TRANS...	Yvonne International Co...	Hema AGX logistcs	PFC Bartosz Samulak

Members News





Critical Logistics Receives ISO Certification

Congratulations to Critical Logistics on completing the requirements for your ISO certification! Their team can provide national and international customers and partners the ideal proof of competence and performance in terms of the organization of transport of time-critical shipments. This confirms the high standard of the services they perform. X2 is thrilled about your earned success! Keep it up!



Demanko HCL Logistics Delivers Import Containers to 48 States

When it comes to predictable delivery solutions for your import cargo - Demand's Team is the right expert! X2 Group is excited to share the arrangement of the safe drayage, trainload, and delivery of import containers done by our X2 Projects member. The route delivery took from the busy Port Newark Container Terminal (PNCT) to multiple locations throughout the lower 48 US states. The Project Cargo Team specializes in providing final mile services for Freight Forwarders, Non-Vessel Operating Common Carriers (NVOCC's), and Steam Lines. Over 30 years in the transportation industry combined with a consistent safety-first approach make them a strong player in the market. Congratulations on this brilliant execution! Keep maintaining your high-quality service and best of luck!



Demanko HLC Logistics Delivers to Upstate New York

Safety is the name of the game when handling and transporting large and heavy machinery. Our X2 Projects member, Demanko Logistics was involved in a shipment of skidded units which were safely trans-loaded from a 40' DV ocean container and delivered to upstate New York from Maher terminal in Elizabeth, NJ. Safety, advanced planning, and know-how all play a role in this seamless final mile

solution. Demanko Team frequently assists Freight Forwarders, Customs House Brokers, OTI's, SS Lines, and NVOCC's with their import drayage, trans loads, and deliveries throughout North America. Congratulations on this brilliant execution! Contact the Demanko Team of freight professionals today to learn how becoming part of the Demanko "Freight Family" can benefit your organization.



AEO Freight Sdn Wins SME100 Awards 2021

Congratulations to our X2 Elite member, AEO Freight on winning "SME100 Awards 2021" – Fast-Moving Companies. Out of 800 hundred nominee companies in Malaysia, only 100 companies were selected to be winners and AEO Freight is one of them. The SME 100 Award identifies and recognizes SMEs based on a basket of quantitative and qualitative criteria with a focus on growth. Amazing achievement to start off 2022! Keep going strong!



ACE Global Logistics Shipping McLaren P1 Hybrid

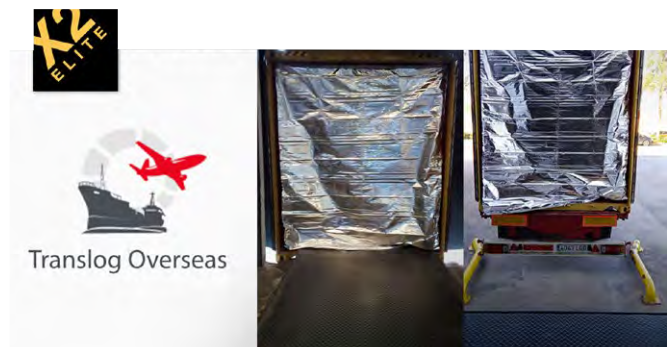
X2 Group is excited to share a shipment done by our X2 Elite member. ACE Global successfully delivered McLaren P1 Hybrid. Another exceptional execution! Congratulations!



AFS Transport Receives ISO Certification Blankets

Congratulations to our X2 Projects Member, AFS Transport Logistics on becoming ISO9001:2015 certified. This is the international standard for quality management systems and confirms the high standard of the services they perform.

X2 is thrilled about your earned success! Keep it up!



Translog Overseas Spain Ships Self-Produced Thermal

We are happy to share the news of our X2 Elite Members, Translog which shipped their own produced Thermal Blanket for the Wine field. They have produced a raw material that is double thicker than the materials used in other thermal blankets/ Embatuff. This blanket helps isolate the interior between 6 to 9 degrees from the outside temperature. Amazing work.



Cargo Regency Project Completion of 160 Pallets

Congratulations to our X2 Elite member on starting New Year with a smooth and successful project handling of 160 pallets. Special thanks go to their National Carrier KLM Royal Dutch Airlines. If you're looking for a storage solution, Cargo Regency Team also has a brand new warehouse of 1300 m2 for bonded and non-bonded goods! Wonderful work and keep going strong this year!



Mavie Logistic Cargo Charters from Vietnam to Peru

Our X2 Elite member, Mavie Logistic Cargo has recently managed a General Cargo shipment of 44,000 MT of cement from Vietnam to the port of Callao, Peru. The procedure included the following:

1. Customs agency.
2. Patching and Tracking, within the Ship, at the Dock, and at the customer's warehouse.
3. 120 land transport units.
4. Personal cargo supervision on deck, dock, transit, and warehouse.
5. Forklift machinery in the customer's warehouse for the reception and storage of the bags.
6. Reception staff in the warehouse.
7. Own merchandise and transport control system to unify in real-time the location and state of the operation.

All was done in time with no delays. Congratulations to the team and this is brilliant work!



Kontena Nasional Berhad Wins Best Top Performance

Congratulations to Kontena Nasional Berhad on winning the award for Best Top Performance for Time Slot Booking from BASF Petronas Chemicals! Your example provided great inspiration to everyone in the logistics industry! Well done to the team and to more victories!

Members News



Great Place to Work Certificate Goes to Globelink Ünimar!

The global independent research institution Great Place to Work, which has been evaluating the corporate culture and employee experience of companies since 1992, announced to the companies that were entitled to receive certificates. Globelink Ünimar, one of the global players of the logistics industry, was awarded the Great Place to Work certificate with its cultural transformation. The certificate, which will be valid throughout 2022, was obtained as a result of the evaluations of the employees in the first year of participation of Globelink Ünimar. Great Place to Work, one of the world's most important human resources research institutes shared the certificate results of companies operating in Turkey. At the end of the the program, in which companies from different sectors went through an intensive research process, Globelink Ünimar, which offers integrated logistics solutions on a global scale, received the Great Place to Work certificate. Globelink Ünimar, which was established in 1994 and offers end-to-end integrated logistics activities was awarded the Great Place to Work certificate as a result of employee evaluations. Globelink Ünimar, one of the most important players in the logistics sector with more than 250 employees, has created a new corporate culture by integrating Great Place to Work experiences with the human resources strategies it has developed. Great Place to Work, which covers a detailed program, outstanding especially with corporate culture and employee experience, is known as a global brand value in this sense. The certificate obtained with the new strategies developed by Globelink Ünimar Human the resources department will remain valid throughout 2022. Globelink Ünimar, whose compliance rate will be followed by Great Place to Work, aims to continue its success by increasing it in the next years.

Within the scope of the Great Place to Work certificate, Globelink Ünimar Executive Board Member in charge of Human Resources, Levent Terzi, said, "As Globelink Ünimar, we are pleased to receive this certificate with our Human Resources strategies and strategic transformation moves in the last five years. It is crucial that the Great Place to Work Institute is both an independent and a global institution. The fact that we have achieved a significant harmony in such a detailed program in the first year we participated shows that the projects we have developed have yielded positive results. With our belief in increasing the corporate culture and improving the employee experience, we will work much harder in 2022, focusing on maintaining our certification and taking part indifferent compliance categories in upcoming years. We would like to thank our Executive Board for their support, our Human Resources department for their devoted work, all Globelink Ünimar departments and all our valuable colleagues who supported us in obtaining this certificate." Sharing his views on the certificate program, Globelink Ünimar Executive Board Member Responsible for Sales and Marketing Koray Çıtak said, "As the logistics sector, we are a very dynamic sector that needs to keep up with changes quickly. As Globelink Ünimar, we focused on improving the dynamism in our business processes in the context of Human Resources strategies in 2022. We quickly implemented our new projects, which started under the leadership of our Human Resources department. As a result of each complete project, we examined the transformations and evaluated their effects on the corporate culture. With all these efforts, we have won a certificate that we will proudly carry in 2022. The global meaning of the Great Place to Work certificate gives a much greater value to a global partner brand like Globelink Ünimar. We hope that this certificate we have received will add value to the Globelink Ünimar family and the entire logistics industry."



Jag UFS Assisting with Multiple Time-Sensitive Shipments of COVID-19 Test Kits via full charters

Our X2 Member JAG UFS from the United Kingdom is assisting with multiple time-sensitive shipments of COVID-19 test kits via full charters.

As we all know COVID-19 Tests are critically important in reducing the spread of the SARS-CoV-2 Virus! They are one of many risk-reduction measures, along with vaccination, masking, and physical distancing that protect you and others.

Ensuring the Timely Logistics of these kits is essential. Jag UFS has kits arriving massively to their warehouses for daily sorting and delivery to clients across the country!

Throughout the pandemic, the industry and staff have been classified by the government as a Key Industry under Transport – allowing to keep air and freight transport modes operating. JAG UFS helped support the national effort to repurpose the Innovation Centre into the new NHS

Nightingale Hospital of the North East and the O2 for Coronavirus patients, transporting the hospital beds. JAG UFS also helped to deliver over 180 million face masks & PPE for NHS Wales and NHS Scotland and also organized designated weekly freighters for hand sanitizers. As the UK national fight continues, JAG UFS is proud to keep being part of the solution as we are all at X2 for their amazing work, in finding solutions to keep the United Kingdom safe. Well done guys.



Urgent COVID Relief by JAG UFS

X2 Group is excited to share this amazing news from our X2 Elite member. JAG UFS chartered Antonov 225 aircraft for a special client with urgent COVID relief to Billund Airport for the Danish Government. Outstanding accomplishments coming from your team! X2 is extremely proud and wishes continued success! Congratulations!



CIMC Anda Shun International Logistics Receives 2 Awards

Sincere congratulations to our Elite member CIMC Anda Shun on your hard-earned success and getting into Top 20 2020 China International Freight Forwarding Logistics Airport Business Total Income and 2020 China's private international freight forwarding logistics business. Keep moving and your company will be surprised with a lot of success in this business world! To more achievements and incredible years of work!



Viking Projects Logistics Delivers Centrifugal Chiller to Diliskelesi port

Only the beginning of 2022 and the Viking Team is in full active mode! After receiving 6 pieces of centrifugal chiller from the Shanghai factory of the Chinese manufacturer by inland transportation and shipping it to Shanghai Port, Viking Team has performed the tarpaulin, lashing, and inspection of the goods upon the request. Afterward, the process of loading took place and a total of 6 pieces, 252.36 m3 and 83,689 kgs of material as breakbulk part cargo is expected to be delivered to Diliskelesi port. The expected delivery is at the end of January or the beginning of February. Amazing start of the New Year! Your effort and dedication are admired! X2 wishes you all the best!

Out-Of-Gauge Cargo by Viking Project Logistics

Viking has recently completed the delivery of a new OOG shipment. The item of transportation was 2 cranes RTE530E amounted to 25,900 kg per crane. The cranes were sent to Gemlik Port from Genoa and we completed its customs clearance and delivered it to the job site in Erdemir, Zonguldak.

Cranes dimensions included the following:

Length: 12,5 mtr.

Width: 2,63 mtr.

Height: 3,44 mtr.

Amazing job Viking Team! X2 is always proud of your achievements in the industry and nothing goes unnoticed! Great effort!



Viking Project Logistics OOG Shipment from Ankara to Dilovasi

Our Viking member is going strong every year! Their team has recently completed OOG shipment from Ankara, Turkey to Dilovasi, Turkey.

The shipment dimensions were 15 MT x 4.6 MT x 4.7 MT - 27 tons / pcs, 7 x pcs.

Congratulations on the fabulous execution! Amazing work folks!



Herfurth Logistics, Turkey Transports from Turkey to Italy

Congratulations on the successful execution of Herfurth Logistics! 4 units of steel frames were delivered as empty from Ankara, Turkey to Perugia, Italy for the stuffing purpose of raw materials. The dimensions were specified as 21,550 x 2,270 x 1,590 mm (LWH). As soon as the stuffing was done at the supplier's facility, the Herfurth team brought loaded frames back to Ankara, Turkey. Perfect work! Many wishes for future projects!



New Warehouse

Braanker Logistics Expansion 10,000m2

Braanker Logistics is starting the year with a significant expansion into a new warehouse! The new place is over 10,000 m2 of floor space at 2 Hoogendijk in Alblaserdam. From this location, Braanker Team will meet the high demand from its customers for more storage space and will continue to build on its goal: To be the best logistics service provider in the Netherlands. Heartiest felicitations for growing and keep delivering top services solutions to your client's need with a more noteworthy level of proficiency!



CHS Air & Sea for Beijing Winter Olympic Games 2022

X2 is proud to announce CHS Air & Sea involvement in the transportation of the Finnish Olympic Committee, Suomen Olympiakomitea. The shipment of containers is now happening and heading to the competition villages of Beijing Winter Olympic Games 2022. One container in this Olympic Cargo circles through the Four Games,

such as Tokyo 2021 Olympics and Paralympics and 2022 Winter Olympics and Paralympics in Beijing. CHS Air & Sea has done an amazing job in carefully planning the entire project. A unique environmentally sustainable solution was required to minimize the emissions. Thanks to CHS's special logistics unit and collaboration with the Finnish Olympic Committee, the whole logistical chain was executed successfully. At the end of the Beijing Olympic and Paralympic Games, CHS work will continue and containers will be returned to Finland to wait for the next 2024 Paris Olympic Games. Best of luck future and keep making us proud team CHS! Congratulations!

Members News



FS Mackenzie Employee Laura Hobby Wins Young Freight Forwarder of The Year

Last week, FS Mackenzie employee Laura Hobby has won Young Freight Forwarder of the year at the annual BIFA (British international freight association) awards in the UK.

The Young Freight Forwarder Award was established to recognize an individual with the drive and ambition to flourish in the international freight industry. Entrants must be under the age of 32, employed by a BIFA Member, and have a minimum of two years' experience across relevant disciplines. The winner of the prestigious Young Freight Forwarder Award will be nominated by BIFA to represent the UK in the FIATA / TT Club Young International Freight Forwarder of the Year competition next year.

X2 Group would like to congratulate Laura on her achievement. This award stands alone proudly witnessing your hard work and dedication. Keep going in your life and achieve your dreams!



Time-Critical Air Cargo Charter by Golden Well International Logistics

Taiwan is a place well-known for its textile industry. From importing raw materials for processing and exporting the finished goods overseas. Then later, switching the sector to use materials combined with petrochemicals and technology fabric. This time, Golden Well-arranged time-critical air charter cargo request. The transportation of 34.7 tons of fabric was done from Taiwan to Sri Lanka by A321. This project was led by a group of the dynamic and enthusiastic crew. Incredible results Golden Well Team! This shipment was also a part of the exhibition project by KK Live Taiwan which now presents Monet & Friends Alive – Life, Light & Color. Congratulations on your success!



ICAL International Customs and Logistics

Way to go! X2 is impressed with the news of ICAL's recent award from 2021 Hume City Council!

ICAL was recognized as the Professional Services

category of the Hume City Council Business Awards. The Hume Business Awards celebrate the achievements of Hume businesses and the contributions made to the Hume economy and the wider community and are a reflection of the reputation and standing in the community. ICAL was also recognized as a finalist in the categories of Customer Service, and Learning and Development.

Impressive accomplishments! Your company's future looks bright! Congratulations!



Import Route from Poland to Argentina by Framex

This month, Framex has performed an import shipment of a fire truck from Poland to Argentina. This was done in collaboration with Independent Logistics. Here at X2 Group, we're huge fans of our members and Framex team is a great example! Congratulations on this amazing execution! Keep up the good work!



Framex Group Imports a Round Baler Machine

X2 Logistics Networks is excited to announce the transfer of a round baler machine done by Framex Group from the Italian company Maschio Gaspardo Group. The shipment has arrived in Argentina for one of their clients. Another example, Framex Team keeps always moving without limits or borders! Keep this spirit up! Congratulations on the great execution!



RORO Import by Framex from China to Argentina

Our X2 Asia Global member, Framex has shown strong performance in RORO import from Shanghai, China to the province of San Juan, Argentina. The latest shipment included 2 retro excavators, each with a weight of 22 & 40 tons. The volume was summed up to 61 & 134 cubic meters each. The operational side was performed with high standards and professionalism! Kudos Framex Team! Great effort!



Framex Group Exports Trucks to Peru

X2 is excited to share a collaboration of our Asia Global member Framex with Econovo on a recent project. The team was in charge of the export of three trucks from Argentina to Peru. In a record time, Framex's operational team arranged the units and trucks arrived at their destination in less than 6 days. Congrats for Completing the Project and doing it so professionally! Amazing results from your team! Keep up the great work!



Cava International SRL from Myanmar to Italy

Congratulations to Cava International Team for their first achievement of the year 2022. The charter vessel has recently departed from Yangon port, Myanmar to Ravenna port, Italy with 4750 tons of rice in big bags. Amazing results from your team! Keep this spirit going further. Best of luck with your next projects!



Cava International Completes Charter Vessel to Italy

Our X2 Elite member, Cava International has successfully completed another charter vessel loaded with 4000 tons of rice in big bags from Thailand and Vietnam to Italy.

Extremely proud of Cava Team for doing the job so well and effectively! Keep up the great work!



Expedite OBC Acquires 100% Shares of Express Messenger

Impressive news from our X2 Critical member - Expedite OBC acquires Express Messenger, a French company specializing in On-Board services. With a significant client portfolio in the Fashion and Aviation Industry, Express Messenger will strengthen its presence in Europe. X2 Group is overjoyed with your success! Best wishes on your important acquisition and good luck on the road ahead of you!



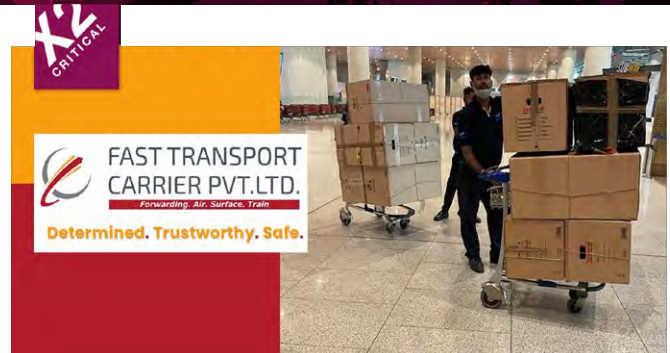
PK Interfreight Kongsak Chakornviroj Receives "Young Self-Made Millionaire Awards"

Congratulations on your outstanding achievement for winning "Young Self-made Millionaire Awards", with Index Creative Village PLC for "The Best Trusted Brand Award" granted to PK Interfreight as "a trustworthy and reliable logistics company" in Thailand. You have demonstrated best-in-class standards of exceptional professional knowledge and outstanding client service in the logistics industry. Heartiest congratulations from X2 to Kongsak Chakornviroj and PK Interfreight Team! Beautiful award!



Oxen Cargo ISO9001 Certified!

Warmest congratulations to Oxen Cargo on receiving the certification of ISO9001 for the 3rd consecutive year! They continue to strive to offer clients a transport, honest and high-quality service and do so with professionalism. Oxen Cargo is driven by quality and innovation. Congratulations and keep accomplishing great things!



Fast Transport Carrier Collects from Germany Delivers to India

X2 Group is proud to share another delivery managed by Fast Transport Carriers from Germany to India. Urgently needed automotive spare parts reached the destination safely and on time. This order was particularly explosive due to extremely high time pressure under which the automotive company had to be supplied. Incredible accomplishment! Amazingly executed! Congratulations!



Atrax Logistics on a Mission Handling Scary Oversized Cargo

When it comes to handling oversized and heavy-weight cargo, Atrax Team will shine as it is one of their favorite specialties. They moved a complete 5-tin furnace in loose pieces. Later, the cargo was picked up with abnormal trucks in JNB and moved down to DNB. Lashing followed onto Mafi trailers for exporting to Mombasa Kenya which will then be used to manufacture batteries. Awesome project! Congratulations on your professional execution!



Omni Logistics from Dubai to Singapore

X2 Group is proud to share a recent shipment completed by Omni Logistics. A King of the Sky for a Tuer 1 was safely moved to DXB to SIN. Amazing coordination and execution! Very well performed!

Members News



AGX India Recent Shipping Routes

X2 Group would like to proudly share a couple of shipments managed by our X2 Elite member - AGX India. Recently, they have performed transportation of a radome nose from the USA to India. Other shipments were made from India to Malaysia and the Philippines. All transformers, landing gear, and ground power units came safely on time with no delays! Great achievements from your team! Perfect results! Keep doing awesome!



Petrasco Energy Logistics from Mexico to Middle East

Last week, Petrasco Houston Projects Team performed a loading of big and heavy Mumps in Roswell, New Mexico. Later, it was delivered to the Middle East region. No delays and top-notch service! Perfect execution! Amazingly done!



AGXIndia Logistics Break-Bulk Shipment

A couple of weeks ago, our X2 Elite member - AGXIndia Logistics has performed a Break-Bulk shipment. The port handling and customs clearance was done smoothly and professionally due to specific delivery solutions. Amazing performance on the project! Congratulations!



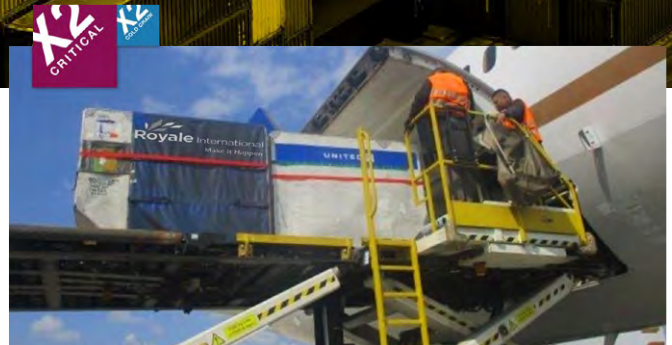
Quanterm Logistics Completes Delivery of New Hino 300 reefer trucks

Quanterm Logistics Sdn Bhd has recently completed a delivery of new Hino 300 Series range of light-duty and 500 Series range of medium-duty reefer trucks to our warehouse at Seksyen 33, Shah Alam. Quanterm has taken one step further invested in the reefer trucks to deliver the best support to their customers to cater to the market demand in cold chain logistics. Their reefer trucks range from 5T, 10T, and 40FT equipped with a dual-compartment and a built-in tail lift. Quanterm Team also are hala-certified in Transportation & Warehousing from Malaysian Standard (MS 2400:2019). Congratulations on this project!



Cargo Service's 34th Anniversary!

Congratulations to Cargo Services Team on their anniversary! A big round of applause for all the fantastic employees who made this company incredible. Wishing you many more years of unparalleled success and unrivaled corporate services! Lots of Love from X2 Group!



Next Flight Out Solution by Royale International

Great news from our Royale International Team for booking the entire lower deck of a Boeing 787. This Next Flight Out Solution of 15 AKE Containers was delivered straight to the US! Outstanding execution and top-notch service! The sky is not the limit for your professional team!



Fleet Line Shipping (FLS) & AGX duo handles another AOG

This time the task was to move a Trent 700 Rolls Royce from DXB to KUL by air. FLS picked up the engine from the customer's premises on an air-ride trailer to DWC airport. The customer entrusted our experienced engineers to change the mode from land to air prior to loading onto the freighter, which was then successfully loaded and safely landed at KUL and delivered to airside by the AGX team lead by Prabhu Raken.

Another classic example of teamwork and expertise at its best when it comes to the handling of high-value cargo. Great work AGX and Fleet Line Shipping.



Penavico Shenzhen Logistics Ships to Nigeria

X2 Group is glad to announce a recent project done by Shenzhen, China to Apapa Port, Nigeria. 3 containers with the following dimensions 12192x3495x360M / 19725kg each were delivered on time and safely! As there was no Break Bulk service from South China, the cargo was moved to Lianyungang and loaded at Lianyungang port. Another accomplishment from your team doesn't go unnoticed! Very well done! Kudos Team Penavico!



Turk Heavy Transport Delivered 48 Units Pressure Vessel

Turk Heavy Transport has successfully delivered a total of 48 Pressure Vessel. Internal shifting within the client premises, road transportation from the client site to the nearest jetty, and Roll into Barge were all part of the scope.

Each Pressure Vessel weighed 91 MT with dimension each L 22.00 x W 5.50 x H 6.64 meter

Turk project team made detailed and thorough planning to organize the movement, allowing for smooth execution of the delivery.

Amazing Team Turk!!



Turk Heavy Transport Performs Multimodal Transportation of 14 Units Steam Turbine Generator & Generator Step-up Transformer for Water & Power Plant in Bahrain

As part of this project, Turk Heavy Transport successfully delivered several Steam Turbine Generator & Generator Step-up Transformers, weight ranging from 207 MT to 343 MT per piece. During the arrival of the shipment in Bahrain, the Turk team received the shipment from the ship hook and placed them on the stools support to complete the customs formalities, on a later date it was rolled directly from the port to the barge and the same method was performed during discharge at the private jetty. From the Private Jetty to the project site cargo was transported by road. A Self-Propelled Modular Transporter was used.

With the critical overweight in mind, this movement was meticulously planned. Their technical & project operations team communicated with the client in advance about the civil works required at their premises to ensure a smooth operation.

A detailed route survey was conducted, during which the technical team considered various metrics, including turning radius, several calculations to ensure safe transportation, and local permits were also obtained in advance to ensure timely delivery of the cargo.

Civil works were also carried out en route from the Private Jetty to the project site. There were two barging operations to complete the deliveries. Well done on your execution! Congratulations!



Fleet Line Shipping wins 5th time in a row!

Fleet Line Shipping (FLS) wins Hapag-Lloyd AG's top customer award for the 5th consecutive year for the highest volume in the Middle East for OOG and Breakbulk cargo.

FLS has always been working for the satisfaction of their clients to find creative and innovative solutions to move their cargo in the fastest and most cost-effective way. Amazing, a great achievement. Congratulations Team FLS!!



TLC World Logistics Organises Delivery to Great Ormond Street Hospital London

A while ago, our X2 Asia Global member TLC Team completed a delivery from the US to Great Ormond Street Hospital London. The crates had two-way loading and with no forklift on site, TLC Team has handled the assistance with GOSH Head of Operational Commissioning. The solution was a HIAB 18 tonne vehicle as no bigger vehicle can gain access. Despite a very busy situation at the hospital, the team at GOSH cleared one of their loading bays to allow the shipment to be made. Delivery was arranged safely and the TLC team was on-site to ensure all offloaded ok. The four crates were successfully hoisted over some parked cars into position and delivered to Great Ormond Street Hospital. The Vesibular chair was installed in the newly opened Sight and Sound Centre in late 2021 to support the needs of children with sensory loss. TLC is privileged and proud to have assisted in its own small way to Great Ormond Street Hospital. What a great accomplishment! Congratulations on your project! You guys rock!



Morarte Internacional Animal Deliveries Worldwide

X2 is proud to share the latest animal shipments by our X2 Critical member - Morarte Internacional! They're delivering newborn chickens from Madrid to Tenerife twice per month. The freight of goats is also shipped one time per month from Madrid to Iraq. And another delivery of piggies from Madrid to Guayana was managed smoothly and with no delays! Excellent job team! Best of luck with your future business accomplishments!



Morarte Internacional Recent Sea-Freight Shipments

Morarte Team is not only experts in airfreight when you need to transport your cargo by sea, but you can also rely on them too! Recently, Morarte has managed the transfer of ornamental olive trees from Sevilla to Qatar. They have sent 3x40'Flack Rack and transferred by road from Sevilla to Algeciras port. One more freight of granite and stone slabs went from Madrid to the USA. Also, they constantly deliver solar panels components and accessories from Spain/ China to Chile, USA & Mexico. Brilliant work and outstanding results! Keep doing great!

Members News



Comark in Cooperation with Port of Koper

Comark's reason for coming to Koper is due to the circulation of mobile power plants, which are intended for the end customer in Duqm, Oman. The TM2500 Aeroderivative Gas Turbine is one of the most modular, reliable, and experienced mobile gas turbines in the world. It is a type of gas turbine based on aircraft jet engines, mostly turbofan. The TM2500 is a solution for providing uninterrupted power to devices or for creating backup energy due to natural disasters, plant shutdowns, network instability, or isolated locations. This time, Comark - Project Logistics and Transport, the Port of Koper successfully loaded the cargo on the RORO ship for the first time, thus setting a second milestone. The ship m / v Jolly Vanadio is the famous Italian shipowner Messina with its headquarters and its terminal in Genoa. This ship has never been so high in the Adriatic. The rotations of their ships are usually Europe - the Middle East - Africa.

Ship specifications are the following:

Vessel: m / v Jolly Vanadio

DWT: 45,200

Container capacity: TEU 3,000

Ro / Ro capacity: 1m 6,350

Load area: sq.m 18,630

Stern Ramp Capacity: 350 tons

Stern Ramp Dimensions: 50m (L) x 12.5m (W)
x 7m (H)

Garage deck height: 6m

COMARK

Exceptional characteristics of the ship, such as the size and load-bearing capacity of the ramp, the height of the deck allow the loading and acceptance of heavy and large industrial machinery and equipment. Considering that the ship left the port of Koper in less than 20 hours, it shows the professionalism of Comark's Team and equipment to handle this type of cargo without any problems. It exceeds all standards in terms of dimension, weight, and value. Attention to every detail and strong expertise played a key role in the successful implementation of the project.

Warmest congratulations! Outstanding work!



Congratulations on New Warehouse at Sino Logistics Corporation

Sino Logistics Corporation is expanding further this year! A week ago, it celebrated the extension of its storage facilities in Laem Chabang, Thailand. The increased space will allow them to further optimize logistics processes and in turn, offer their customers a better service. Congratulations and X2 Group is looking into the future of your company with great optimism!



Seashell Logistics Handles Voluminous Project of 24000 Cbm

Seashell Logistics Pvt Ltd, would like to announce one of the Landmarks and milestones in Project shipment for the End of March 2022. Their team has successfully completed handling and coordination of shipment Ex Mundra for Transport, Customs Clearance, and Port Handling. Without a doubt, this was a tedious job with challenges that gave them exposure to handling such a voluminous Project of 24000 cbm and modules were 300 Mt X 2 + 250 Mt X 4 + other Heavy lift cargo. Exceptional job! Congratulations!



Seashell Logistics Moves Beer Tanks from India to Kenya

Seashell Team was recently on a mission moving 3 beer tanks on Break-Bulk mode from Nhava Sheva, India to Mombasa, Kenya. Their expertise in handling projects for many years and continuous innovation make them a strong player in the industry. Shine bright Seashell Team! Congratulations on this project!



Seashell Logistics Transports MV BBC Greenland

X2 Logistics Networks is proud to share another project execution done by Seashell Logistics. LOT 5 of around 11200 cbm was moved from ECI to Indonesia. This shipment included 176 MT x 12 units combined with accessories. Incredible job as always from your team! Keep setting new heights and achieving them!



Seashell Logistics Heavy Lift to Persian Gulf

Another successful execution is done by our Project member - Seashell Logistics! X2 is glad to announce one more piece lifted of 35 Mtr length and 141 Mt unit. The shipping route was done from the West Coast of India to the Persian Gulf. Seashell Team would like to mention special thanks to the client for their cooperation in the last-minute loading assistance at the factory. As well as, Carriers Hanssy Shipping, Transporter, Vessel Agent and Deendayal port for their active involvement in taking the heavy-lift loaded smoothly. Brilliant work and congratulations!



Sobel Network Shipping Co., Inc. Announces the Launch of OrcaTrax

We are glad to inform you that our X2 Member Sobel Network Shipping Co., Inc. has announced the release of OrcaTrax, a state-of-the-art software tracking system. A Fully Automated Tracking System That Takes Transparency to the Next Level.

With the current state of supply chain problems plaguing the global community, Sobel has taken an initiative-taking approach by launching OrcaTrax. The innovative software lets suppliers and customers connect in real-time to effectively leverage creative solutions. Sobel's goal remains to revolutionize the shipping industry by optimizing global operations to meet the needs of the ever-changing logistics industry. They state, "We are excited to launch this feature to make the Sobel experience seamless. It is our

hope that the system will revolutionize the experience of our customers through complete transparency."

OrcaTrax enhances the shipping experience with real-time tracking. Shipments are effectively tracked from departure to arrival. Customers can check the Sobel website using the PO# and container numbers to view the continued status of each shipment. In addition, the information provided is fully downloadable to Excel for additional recordkeeping.

The fully automated and integrated OrcaTrax tracking system is instigated across the ocean, air, rail, and more. Customers can view and track the vessel (even on water) using map technology for real-time information all the way up to the moment of arrival.

Sobel hopes to revolutionize the industry with OrcaTrax. They are offering a free demo on their website: www.sobelnet.com

Be Visible! Send us Your News

memberships@x2logisticsnetworks.com



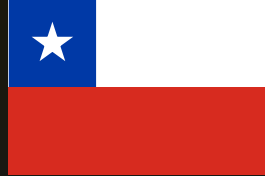


New Members

Integral Chile S.A

📍 Chile, Santiago

www.integralchile.com



Cairo Freight (Amgad Hassanien)

📍 Egypt, Cairo

www.cairofreight.com



AGXIndia Logistics Pvt Ltd

📍 India, Mumbai

www.agxindia.com



Zipaworld Innovation Pvt Ltd

📍 India, Mumbai

<https://zipaworld.com>



PT. Sunggong Logistics

📍 Indonesia, Jakarta

www.sunggonglogistics.id





New Members

Central Cargo

📍 Italy, Prato

www.centralcargo.it



SANYO Logistics Inc

📍 Japan, Tokyo

www.sanyologistics.net



Shippio, Inc.

📍 Japan, Tokyo

www.shippio.io



MMA Group

📍 Lebanon, Beirut

www.mmashipping.com



Afnet Air (Pty) Ltd

📍 South Africa, Durban

www.afnet.co.za/





New Members

Next Couriers & Logistics Ltd

📍 Tanzania, Dar es Salaam
www.nextcouriers.net



ARCLOG

📍 Turkey, Bursa
www.arclog.com.tr



T&T Global Agency Co., Ltd

📍 Vietnam, Ho Chi Minh City
<https://tntglobal.com.vn>



New Members

SMX International Ltda

📍 Brazil, Itajai
www.smxlogistics.com



Penavico Shenzhen Logistics Ltd

📍 China, Ningbo
📍 China, Tianjin
www.penavicocargo.com



New Members

NYS International Freight Sdn Bhd

📍 Malaysia, Klang
www.nys.com.my



MS Special Projects & Transports SRL

📍 Romania, Bucharest
www.msprojects.ro



DT Global Freight (Singapore) Pte Ltd

📍 Singapore, Singapore
<https://dt-asia-group.com>



PNS Networks Co.,Ltd.

📍 South Korea, Seoul
www.pnsnetworks.com



AIF Global Logistics Co., Ltd

📍 Taiwan, Taipei
www.aif.com.tw





New Members

Siamar

Italy, Genova
www.siamar.it



Ocean World Lines International LLC (OWL)

United Arab Emirates, Dubai
www.owldubai.com



OCEAN WORLD LINES INT'L LLC

Delmon Shipping Services & Customs Clearance

Yemen, Sana'a
www.delmonshipping.com



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New Members

Wings on Board B.V.

Netherlands, Amsterdam
<https://wings-onboard.com>



PT Transport Logistics Co., Ltd

Vietnam, Ho Chi Minh City
<http://www.pt-logistics.com>



TRANSPORT LOGISTICS

New Members

EC Logística Internacional

📍 Brazil, Sao Paulo
<https://eclog.com.br>



Maxwell Global Logistics Co., Limited

📍 China, Hefei
<http://maxwell.red>



Penavico Shenzhen Logistics Ltd

📍 China, Ningbo
📍 China, Shanghai
📍 China, Shenzhen
www.penavicocargo.com



Gulf Agency Company (Egypt) Limited

📍 Egypt, Cairo
www.gac.com/egypt



Ramidos Global Logistics Co, Ltd

📍 Egypt, Cairo
www.ramidosgroup.com



New Members

FTL Services

📍 France, Paris

www.ftlexpress-group.com



Given Logistics Private Limited

📍 India, Chennai

www.given.com



ICL Japan Co., Ltd.

📍 Japan, Tokyo

<https://icljapan.co.jp>



MMA Freight Services Sdn Bhd

📍 Malaysia, Puchong

<https://mmafirt.com.my>



Diasa Logistics

📍 Mexico, Apodaca

www.diasalogistica.com



New Members

RRAS Sp. z o.o.

📍 Poland, Gdansk
<http://rras.pl>



Afnet Air (Pty) Ltd

📍 South Africa, Durban
📍 South Africa, Johannesburg
<https://www.afnet.co.za/>



Centre Point Logistics (CPL)

📍 United Arab Emirates, Dubai
<http://cpluae.com>



Aegon Shipping LLC

📍 United Arab Emirates, Dubai
www.aegonshipping.com



Transmodal Corporation

📍 United States of America, New Jersey
<https://transmodal.net>





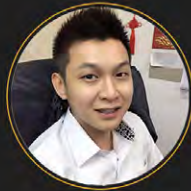
How to be Financially Protected by X2 Network!

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Now your shipment is financially protected!



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2.

For any assistance on invoices that have been paid and still reflect as unpaid, please contact memberships@x2logisticsnetworks.com
If you would like to edit an invoice please click on the invoice number, update and then save changes.

0 Paid Invoices 0 Outstanding Invoices 0 Overdue Invoices Paid Invoice Delete Invoice

3.

Invoice No.

Invoice Issued to

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Due Date * 2020-01-31

Currency Amount Due

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What are the limitations?

Even when some policies use the term “all-risks” it does not mean that it will provide complete protection.

Certain types of cargo can be excluded, as well as some destinations (or restricted), or coverage is relegated to a specific service (for example, transport must be carried out with special temperature recordings).

It's also very important that the shipper precisely document the cargo value in case of incident (loss or damage). For these reasons it's important to examine the details when taking out an insurance policy for a shipment.

+ All Risk Coverage

Such coverage provides extensive protection against damage or loss due to external factors. At the difference of a more limited coverage, it will for example, protect the shipper against:



Pilferage



Heavy weather



Leakage



Breakage

Although the above perils are covered under some “All Risks” policies, there are exclusions under all risk coverage which may apply, in particular:



Improper packing



Rejection of goods by customs



Inherent vice



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Navigating the current disruption in containerized logistics

Container freight rates will remain elevated throughout most of 2022 while the containerized logistics disruption persists. This article presents future scenarios that could help shippers in planning and offers levers to navigate through the disruption to emerge stronger.

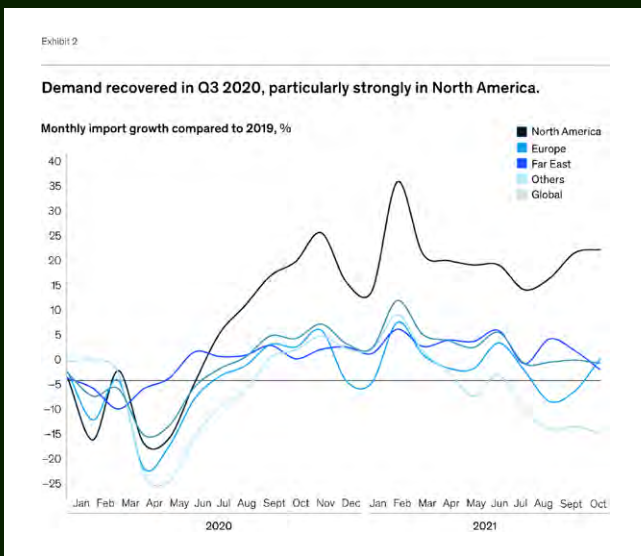
Global supply chains have seen unprecedented disruption, and container freight rates are at record highs. COVID-19 led to a boom in US containerized consumer goods demand, causing congestion, and reducing effective container logistics capacity. Global container shipping rates have, on average, increased to four to five times their 2019 levels while some spot markets have seen even higher rates.[1] Shippers have struggled to locate capacity, with acute shortages of vessel space, container boxes, chassis, warehouse space, intermodal capacity, and labor. Shippers that managed to find access to the constrained capacity have experienced record low reliability both at sea and on land. Average container schedule delays have doubled globally, and increased by six times on the Far East and North America trade from two days in the first quarter 2020 to 12 days in the last quarter of 2021 (Exhibit 1).



Global demand growth is moderate; the challenges are caused by a North American import demand boom

COVID-19 caused substantial fluctuations in containerized goods demand that upset the global containerized logistics supply. Restrictions and shutdowns imposed by most countries early in the pandemic decreased container trade and demand. Demand recovered in Q3 2020 across the globe, particularly in North America that saw import volumes

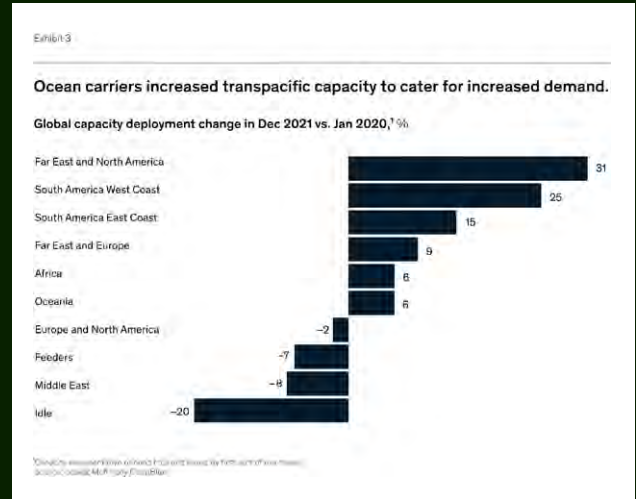
jump an average of approximately 20 percent throughout 2021 when compared to 2019. By comparison, global import volumes have grown around 3 percent when compared to 2019 (Exhibit 2).



The spike in rates is driven by a sharp reduction in effective supply, caused by congestion

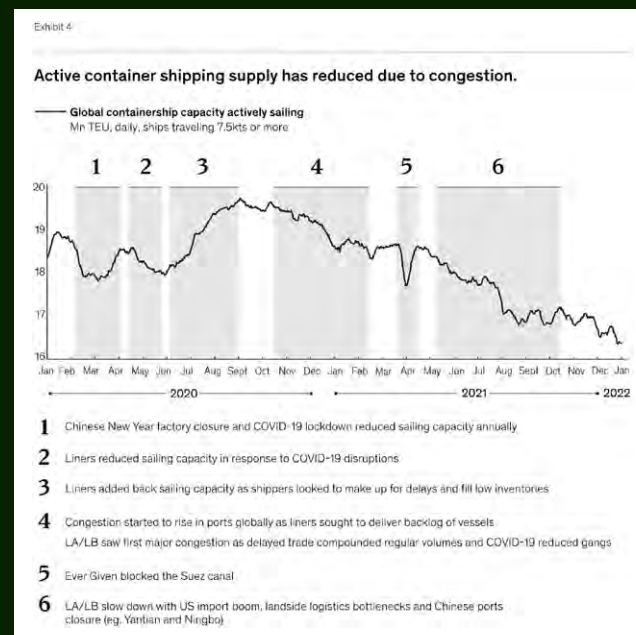
When China went into lockdown at the beginning of 2020, export volume slumped. Retailers feared a global recession and cut back orders. Ocean carriers responded by cancelling sailings and idling vessels to match the logistics supply with demand. This measure allowed ocean carriers to protect rates from crashing, but it failed to reposition empty containers back to Asia effectively.

Once China’s factories restarted, demand for containerized goods recovered by Q3 2020. Container box shortages at export locations increased rates as shippers scrambled to secure access to the limited boxes. Lockdowns in North America saw a strong rebound in consumer demand and ocean carriers captured this surge in demand by shifting vessels and container equipment to the Transpacific and Transatlantic trade lanes. Allocated container vessel capacity on the Transpacific trade lane—Far East and North America—increased by 31 percent between January 2020 and December 2021, which is more than three times the growth of the next largest East-West trade lane by capacity, Far East and Europe (Exhibit 3). Idle capacity, and smaller North-South trade lanes, contributed to vessel and equipment capacity being diverted to North American import-related trade.



As imports from Asia poured into North American ports, cargo operations started to slow down at container terminals. By September 2020, the hinterland intermodal subsystems, particularly in the US West Coast, became overwhelmed and failed to keep cargo moving out of the congested terminals. Slowdowns in Los Angeles and Long Beach began to radiate across the industry and other short-term shocks such as the Suez Canal blockage in March 2021, and closure of Yantian in May 2021 and Ningbo in August 2021 due to COVID-19 outbreaks, exacerbated the situation.

By December 2021, congestion had removed around 16 percent of global container ship sailing capacity when compared to September 2020 (Exhibit 4). Ocean freight rates climbed higher in all major trade lanes as shippers continued to show willingness to pay premium rates to secure capacity, especially for containers carrying high-value goods.



Framing the outlook

It is almost impossible to predict exactly when supply chains will normalize. Efforts are being put in place to remedy the situation, however, massive uncertainty remains. To help shippers navigate the path towards normalization, we have developed four possible scenarios of rate outcomes. The scenarios were developed by considering drivers of container demand and containerized logistics capacity that form the basis of the current industry and market dynamics.

Container demand drivers

Container demand is driven by end consumer spending on goods, shippers' desire to continue stocking inventory, and an economic re-opening that may shift spend back to services.

The container demand surge seen in North America is tied to consumers' spend on goods. COVID19 lockdowns shifted the share of US personal expenditure on goods from 31 percent to 35 percent. Between September 2019 and September 2021, goods spending increased and remains 14 percent higher than the prepandemic trend.[2]

In the wake of the pandemic, governments provided stimulus payments to mitigate the impact of the economic shutdown, allowing consumers' spending power to remain in place while almost all service-industry associated activities were heavily restricted. [3] Overall spending has increased, with US consumer spend on services only 2 percent below the prepandemic trend (Exhibit 5). Full economic reopening may spur spend towards services leading to prepandemic levels of spend and demand for goods.

Containerized logistics capacity drivers

Containerized logistics capacity can be defined as the volume capable of being processed and transported by the system at any time. This capacity is dependent on hinterland logistics and equipment availability, ocean capacity and equipment availability, and labor availability. The lack of effective capacity—caused by congestion across the supply chain—is the biggest driver of the current spike in rates.

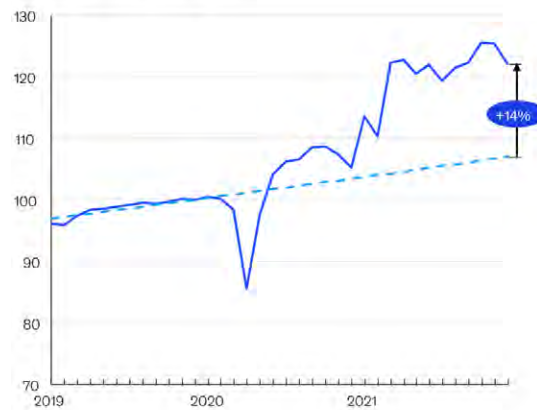
The recovery of port and hinterland logistics capacity from current congestion will depend on landside operators working together. The unexpected surge of US container imports after Q3 2020 overwhelmed the system. While part of the congestion came from lower labor availability, our analysis suggests that slower trucking equipment turnover—including tractors and chassis—is the main factor driving the current

Exhibit 5

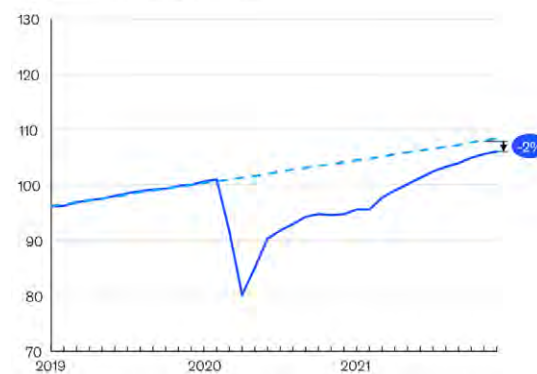
Spend on goods remains 14% higher than the pre-pandemic trendline while services spend is yet to recover to the pre-pandemic trend.

--- 2010-2019 trend

US consumer spending, goods
Index, monthly through Dec. 2021



US consumer spending, services
Index, monthly through Dec. 2021



congestion. Trucking plays an important role in container hand-offs. Fixing trucking and improving equipment turnover requires a respite from the continuing volume surge and a relaxation of the pinch-points that delay trucking. This cannot be achieved if warehouses continue to be at full capacity, empty storage at terminals is congested, and shippers are not receiving and releasing equipment as quickly as possible.

Several interventions could mitigate current congestion and improve containerized logistics capacity. Regulators are extending ports' working hours and number of shifts, adjusting stacking height regulations, and prompting shippers to commit to moving containers out of terminals at a faster pace. Railroads are improving dwell times at ports, and incentivizing shippers to use weekend in-gates.[4] These

interventions will help stakeholders re-establish the coordination needed to get the value chain moving again.

Supply will also increase as ocean carriers invest their record profits to order new vessels, with around 5.5 million TEUs of new capacity expected by the end of 2024. Availability of container boxes has already increased, and an additional 4 to 5 million new containers are expected in the coming year.[5]

The pandemic has amplified labor shortage across all economic sectors, leading to lower capacity across containerized logistics. Logistics employers are

responding with increased wages which could attract workers back to the sector. This, combined with the acceleration of automation projects at warehouses and ports, should help the industry become more resilient in times of labor shortage.

Four possible scenarios for containerized logistics recovery

Trends in container demand and logistics capacity inform four scenarios—each with different implications as to how long the supply/demand imbalance will last (Table 1). A brief look into two selected scenarios, is as follows.

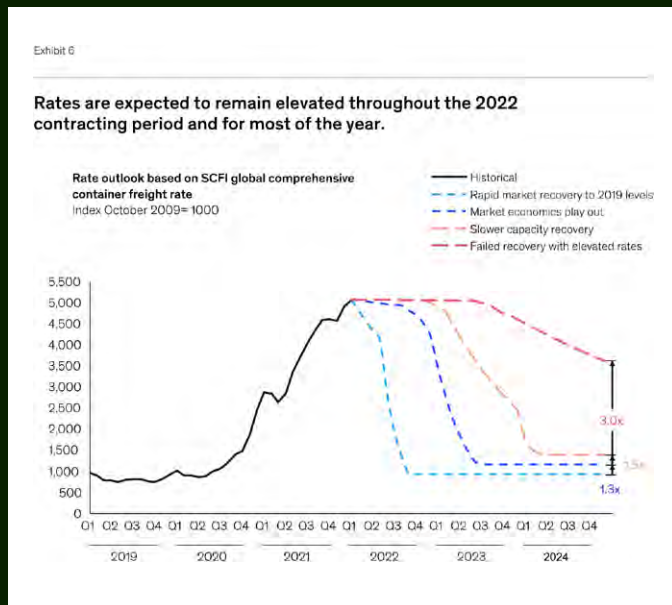
Rapid market recovery to 2019 levels	Market economics play out	Slower capacity recover	Failed recovery with elevated rates
Full normalization of capacity and rates return to 2019 levels by Q3 2022	Full normalization of capacity by Q3 2023 with rates remaining ~25 percent above 2019 levels	Full normalization of capacity by Q1 2024 with rates remaining ~50 percent above 2019 levels	Full capacity recovery does not return, and rates remain elevated through 2024
Successful interventions from regulators, improved labor availability, and coordination between stakeholders along the logistics value chain come together to unlock ocean and landside logistics capacity	Interventions from regulators, ports and railroads create some improvement and release additional ocean capacity back into the system. This is supplemented by new vessel deliveries entering the industry in 2023	Interventions from regulators, ports and railroads create marginal congestion relief. New vessel deliveries have little effect on improving the effective capacity in the system	Interventions intended to improve logistics fluidity are ineffective. Ports are unable to improve yard capacity and hinterland logistics systems continue to face setbacks, restricting vessel and equipment turnover (box and chassis)
Demand returns to prepandemic trends	Demand continues to show modest, stable growth	Demand for Asian imports to North America and Europe from Asia continues to demonstrate modest growth, with some materialization of pent up demand (notably auto parts)	Demand for Asian imports to North America and Europe from Asia continues to demonstrate modest growth, with materialization of pent up demand from several currently underperforming sectors
There are no significant external shocks or interruptions that disrupt operations	Congestion at terminals and inland facilities is gradually resolved with only minor, short-term disruptions to port and railroad operations from possible weather events and labor challenges	Congestion at terminals and inland facilities is gradually resolved with only minor, short-term disruptions to port and railroad operations from possible weather events and labor challenges	Chronic congestion becomes the norm as carriers optimize for lower terminal productivity and emission regulations by scrapping or slowing steaming vessels. External shocks from weather or labor challenges continue to interrupt operations

Rapid market recovery to 2019 levels

In this scenario, logistics capacity recovery begins in Q1 2022 with full quick recovery possible by Q3 2022. Three things must occur for this early recovery: 1) demand slows down and pent-up or unexpected demand shocks must not materialize to overwhelm

supply chains; 2) logistics operators utilize the drop in demand to execute coordinated efforts to clear container inventories; 3) no further external disruptions interrupt operations (such as COVID-19-related terminal shutdowns, weather impacts, or labor

challenges). Rates are expected to remain elevated throughout the 2022 contracting season and decline rapidly after Q3 2022 when competition between the ocean liners picks back up. Ocean tender and spot rates could come down close to prepandemic levels by Q3 2022 (Exhibit 6).



Slower capacity recovery

In this scenario, containerized logistics capacity recovery is expected by Q1 2024. Three things would occur for this scenario to materialize: 1) interventions from regulators and operators have only marginal success; 2) container trade volumes continue to demonstrate modest growth and some pent-up demand from underperforming commodity sectors materializes (notably auto parts); 3) containerized logistics operations are interrupted by minor, short-term disruptions from weather and/or labor challenges.

Freight rates on both the ocean and hinterland side are expected to remain elevated until normalization is robust. Ocean shipping rates will remain elevated through the contracting season of 2022 and 2023. Similarly, railroads will maintain current rate levels to keep operating ratios low while trucking and drayage rates may witness a slight decline. While ocean rates will come down, ocean carriers will better match capacity with demand, and shipping spot rates could stabilize at around 50 percent higher than prepandemic levels after Q1 2024.

Building shipper resilience and responsiveness

All four scenarios assume disruption to last at least another five to six months. Regardless of which scenario occurs, shippers can take steps to improve supply-chain resilience right now.

Shippers are operating in a world where disruptions have become regular occurrences. Averaging across industries, businesses can expect supply-chain disruptions lasting a month or longer to occur every 3.7 years, and the most severe events can take a major financial toll.[6]

In the short term, shippers can look for creative alternatives and adjust contracting to continue moving goods

There is space available on container ships, but at high spot prices asked for by forwarders and ocean carriers. Some shippers could decide that it is better to defer or cancel shipments, especially when moving lower-value goods. This may lead to lost business in some sectors. But there are opportunities to be creative with supply routes. For instance, some shippers have found Canadian ports (e.g., Prince Rupert) to be less congested than those in Southern California and still provide rail services into the US Mid-West. Other shippers are using all-water services to East Coast ports, where congestion is less severe. As another alternative, some shippers have shifted away from inland point intermodal container movements, towards transloads in the immediate port vicinity.

Some larger shippers have made the move to chartering their own vessels. These efforts have primarily focused on general cargo ships as there are no cellular container ships available for charter beyond those already in use by the ocean carriers. Shippers looking to charter their own vessels need to find other ship types which, while not designed specifically for container carriage, can carry between 500 and 1,000 containers. Multi-purpose ships or open-hatch bulk carriers, previously used for breakbulk, can be used. But this does not remove the fundamental challenge of finding available ports. Even with a chartered vessel, shippers need to find a US port that can unload it. A ship chartered by a large US retailer recently waited for 25 days outside Los Angeles, before giving up and unloading in Portland. Some shippers have managed to use smaller second-tier ports that are not on the major container trade routes. For example, the port of Everett outside Seattle is usually used for moving parts for Boeing. It has now received several special container charters. Dedicated charters can offer emergency help, but this is unlikely to be a long-term solution.

Contracting for 2022 is complex

The other challenge facing shippers now is how to contract for volumes in 2022 and 2023. Ocean

carriers are offering contracts, but at considerably higher rates than in previous years, and often proposing these higher rates for several years on a take-or-pay basis. The future rate environment is uncertain. In some scenarios, rates could normalize by end of Q3 2022. In other scenarios, rates could remain high until 2023 or even beyond that. One potential solution is a mixed approach, hedging the risk. Shippers could contract some volumes now and potentially for the next two years, while leaving some to contract in the usual April-May 2022 rate season. They could also leave some volumes to secure on the spot market. The right mix of contracted and spot will be different for each shipper. To find the right balance, shippers should consider the value of goods in the container, substitute products, and the business trade-offs between high rates and supply-chain interruptions. Shippers may also want to sign firmer contracts with forwarders or ocean carriers.

Historically, agreements in container shipping have been called “contracts”, but they were not enforceable. They are rate agreements, not firm contracts. These rate agreements indicated minimum quantities shippers commit to move, but typically were not enforced by the ocean carriers with no punishment for not meeting commitments. In many cases, over 10 percent of cargo booked on a ship was not honored, with no penalties for the shippers who had booked space and failed to use it. This flexibility suited shippers well in the last ten years, but it came at a cost, and that cost is that ocean carriers typically do not guarantee space. Consequently, bookings with ocean carriers are subject to space being available, or container equipment being available, and the rates exclude surcharges. Ocean carriers have been honoring only the minimum level of these rate agreement volumes. There has been a shift toward enforceable contracts, in which shippers make firm take-or-pay commitments of volumes, and in return ocean carriers and forwarders give commitments that

capacity will be available. These contracts could help stabilize the industry over the longer term and reduce the uncertainty in the industry which has not been positive for either ocean carriers or shippers.

In the medium term, shippers could shift their supply chains or rethink product design

In the short term, manufacturers may have little option when it comes to changing their current suppliers and existing manufacturing footprint, but in the medium term they could cultivate alternative suppliers. Some successful strategies could evaluate near-shoring options, or use suppliers in India and South America that reduce exposure to the main Transpacific trade lane. Manufacturers can also rethink product design, particularly to limit highly customizable components that are complex to source. Assessing products and redesigning packaging is often a quick win and can help to improve efficiency in container space utilization. Shippers can also re-evaluate their overall supply-chain design and strategy. The last 12 months have reminded shippers that relying on just-in-time supply from container shipping can be risky. Companies may need to increase inventories and safety buffers, both at departure and at arrival ports. This adds costs to the supply chain, which may lead to broader redesigns in product sourcing and manufacturing.

While the outlook for containerized logistics and global supply chains remains uncertain, there are actions that shippers could consider to bolster supply-chain resilience and aid recovery. The future may be uncertain, but shippers’ ability to react is controllable and known.

Source: McKinsey





How do transportation and logistics providers keep up with rising consumer demands and prepare for the future of the movement of goods

Three pillars for an emerging movement-of-goods ecosystem

Meeting consumer demands has become more of a challenge over the last few years. Even simply maintaining today's delivery speeds amid rising global parcel volume points to an enormous throughput challenge. How to prepare for the future of the movement of goods?

An ecosystem issue

With the global population swelling, urbanizing, gaining purchasing power, and shifting to e-commerce, the amount of daily parcel deliveries is increasing rapidly. In China alone, the volume has almost tripled since 2015. To make matters more complicated, roads, ports and airports are already overstretched. Over the past two decades, container ships have nearly doubled in capacity, but many ports have not kept up. This is not a problem for ports only - it's an ecosystem issue.

First-mile delays also affect intermodal rail and drayage operations, regional warehouses, and retailers.

Solving the limitations of the physical infrastructure

A global shipment can involve up to 30 different organizations and more than 200 different interactions. Without horizontal connectivity to each other, it is difficult to tap into unused capacity. The result: higher costs and dissatisfied customers. The limitations of the physical infrastructure could be solved by a new digital infrastructure and processes to increase throughput, reduce friction, and improve transparency and coordination. We have identified three pillars for an emerging movement-of-goods ecosystem: connected community, holistic decision-making, and intelligent automation.





Connected community for end-to-end transparency

The first strong examples of connected community already exist, for instance in horizontal partnerships forming around ports. Integrated data platforms powered by the cloud – e.g. in Hamburg and Rotterdam – exchange critical port information (like ship arrival and departure times) to participating ports, shipping lines, and marine terminals coordinating drayage. This collaboration has already reduced dwell times for ships by 20%.



Intelligent automation for continuous movement and supply

The foundations of a global, touchless supply chain are actively forming. Some ports already offer an entirely robotic ship offloading process, some warehouses use robotics that lift, move and sort, autonomous cargo ships are being developed, and there are pilots for last-mile automation (from drones to droids). Eventually, this will create a fluid system of continuous movement and supply.



Holistic, data-driven decision-making for agility

Many of today's global movers are already data-driven. The next step is: limiting the time between data collection and meaningful action. This will enhance agility. One of the biggest players in shipping already commands a fleet of 270,000 IoT-enabled cold containers that are transmitting data on temperature, location, and refrigeration power supply to the cloud to help automate oversight, exception alerts and quality control processes at ports. Eventually, data-driven decision-making will become more sophisticated, with smart city sensors, predictive traffic flow models, and other data sources.



Where to begin

For global movers, building a solid foundation around these pillars is pivotal. Leaders should be looking to build businesses toward a movement-of-goods network that is adaptable to change. It is difficult to predict exactly what will work best in the long run, but we have compiled a list of strategic questions for leaders as they continue their journey to the future. Even incremental digitization of logistics operations can deliver plenty of benefits.

Source: Deloitte

**Only the one who will change
Will be the one who survives**




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