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WITH

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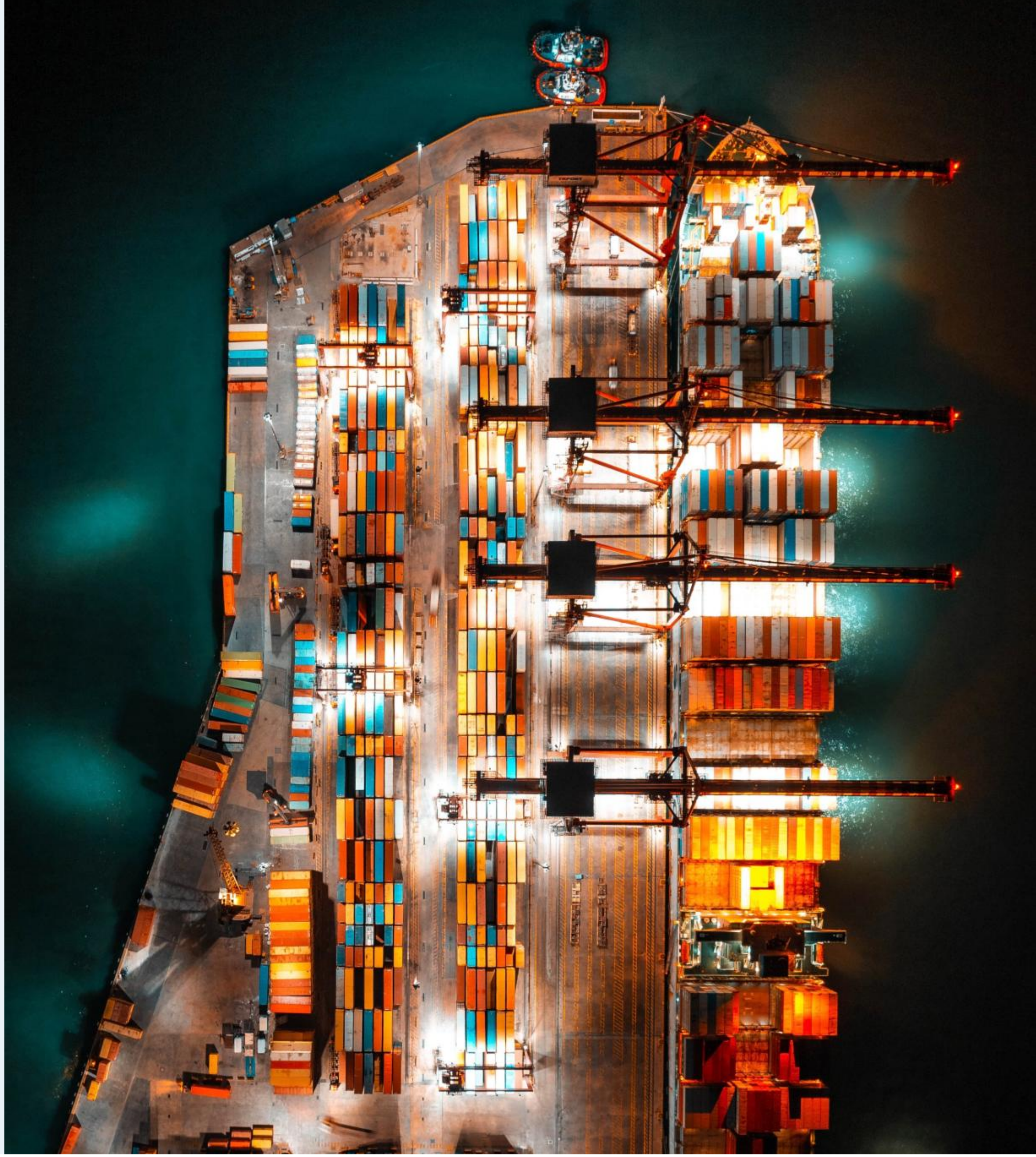
AGENDA

- Tariff & USTR Update
- Red Sea Crisis Update
- Spot Rate Update
- Supply & Demand Outlook
- Global Reliability Update
- Global Congestion Snapshot



Tariff Update

- EU -US:
  - In May, a threat of 50% tariffs on EU imports was made in May but delayed to July 9th, 2025, and ultimately resolved with a 15% deal. Which now includes autos, auto parts, pharmaceuticals, wine and spirits and semiconductors from September 1st .
    - Includes the 'Most Favored Nation' (MFN) tariff plus a reciprocal tariff but will not stack on existing duties – for EU goods with an MFN tariff rate of 15% or higher, no additional reciprocal tariff applies.
- CN – US:
  - The U.S. and China extended a 90-day tariff truce on August 11, 2025, suspending heightened tariffs until November 10, 2025.
    - The U.S. maintains a 10% reciprocal tariff on Chinese imports, alongside a 20% fentanyl tariff and 25% Section 301 tariffs, totaling 55%.
    - China retains a 10% tariff on U.S. exports. Both sides are negotiating a broader framework, with talks ongoing to avoid a return to triple-digit tariffs (145% U.S., 125% China).
  - US has also announced trade deals with UK (10% baseline), Vietnam (20% + 40% transshipped), Indonesia (19%), Japan (15% including autos) and Philippines (19%). Most deals have minor details pending finalization.

Source: USTR.gov

Tariff Update

- More concealed threats to consider:
  - The U.S. announced countries voting for the CO_2 and marine fuel tax at the IMO's Marine Environment Protection Committee (MEPC) meetings would face additional tariffs. The U.S. publicly declared it would retaliate against countries supporting the IMO's Net Zero Framework—by using measures such as tariffs or trade reprisals. This announcement was made ahead of the critical vote at the IMO's MEPC meeting in October 2025.
  - President Donald Trump announced on August 22, 2025, via a post on his Truth Social platform that his administration would conduct a tariff investigation on imported furniture, which would be completed "within the next 50 days." Following this investigation, tariffs would be imposed on furniture imports at a rate yet to be determined.
    - This investigation aims to bring back furniture manufacturing jobs to states like North Carolina, South Carolina, and Michigan. This may create a potential Import influx for furniture should tariffs and deadlines (with lead times) be set - furniture in general represents around 7-8% of all US Import volumes.

Source: US.gov. truth social platform

USTR Update

Ocean Carrier	Fleet Impact	Cost Estimates	Operational Changes	Additional Concerns
MSC	24% of fleet and 92% of order book Chinese-built	$20B industry-wide; $600–$800 per container; up to $1.8M per voyage (15,000-container ship)	Reduce U.S. port calls, especially smaller ports; reroute via Canada/Mexico	Congestion risks, equipment misallocation; costs passed to consumers
Hapag-Lloyd	21% of fleet and 89% of order book Chinese-built	$120–$250 per container; could double transatlantic rates (e.g., NY–Rotterdam)	Adjust fleet to prioritize non Chinese built ships	Reduced port competitiveness; job losses in port labor, trucking, warehousing
Maersk	20% of fleet and 79% of order book Chinese-built	~$1.5M per port call (original proposal); costs passed to shippers	Reroute via foreign ports; reduce U.S. calls	Harm to U.S. agricultural/energy exports; loss of markets to competitors (e.g., Brazil, Qatar)
CMA CGM	41% of fleet and 54% of order book Chinese-built	$2.75M per port call for some voyages	Expand U.S.-flagged fleet (10 to 30 vessels); Ocean Alliance adjustments	Increased costs for retailers like Walmart; affecting consumer goods costs
COSCO	Largely Chinese-built fleet; full operator fees	$50/net ton (operator) + $18–$33/net ton (Chinese-built)	May exit U.S. routes; Ocean Alliance partners take over	Uneconomical U.S. port calls; strained U.S.-China trade relations

Source: various media sources

Red Sea Update

- Looking back just eight weeks ago:
  - Houthis attacked and sunk 2 merchant vessels in early July.
    - 4 crew members were killed in the process.
- Houthis have stated they will attack any vessels where the owners deal with Israeli ports.
  - Even if the vessel itself has previously not been to (or is going to) Israel.

This drastically reduces the likelihood of a normalization in 2025.

- Sea Legend's NSR service is set to launch in mid-September 2025, offering a faster 18-day transit from China to Northern Europe, calling at Felixstowe, Rotterdam, Hamburg, and Gdańsk.
  - The service targets premium cargo, with strong demand indicated by a fully booked inaugural voyage, justifying a premium charge due to speed and supply chain efficiencies.
  - However, winter operations along the NSR are not feasible with current technology and infrastructure, limiting the service to the summer navigation window.

Source: Vespucci Maritime, JAS Business intelligence

Spot Rates

- Asia – 'Europe' rates still seep, even with blank sailings to NEUR being announced through September.
    - SCFI: Comparing rates for same week 2024, NEUR and MED rates in week 35 this year decreased by 62% and 47%, respectively.

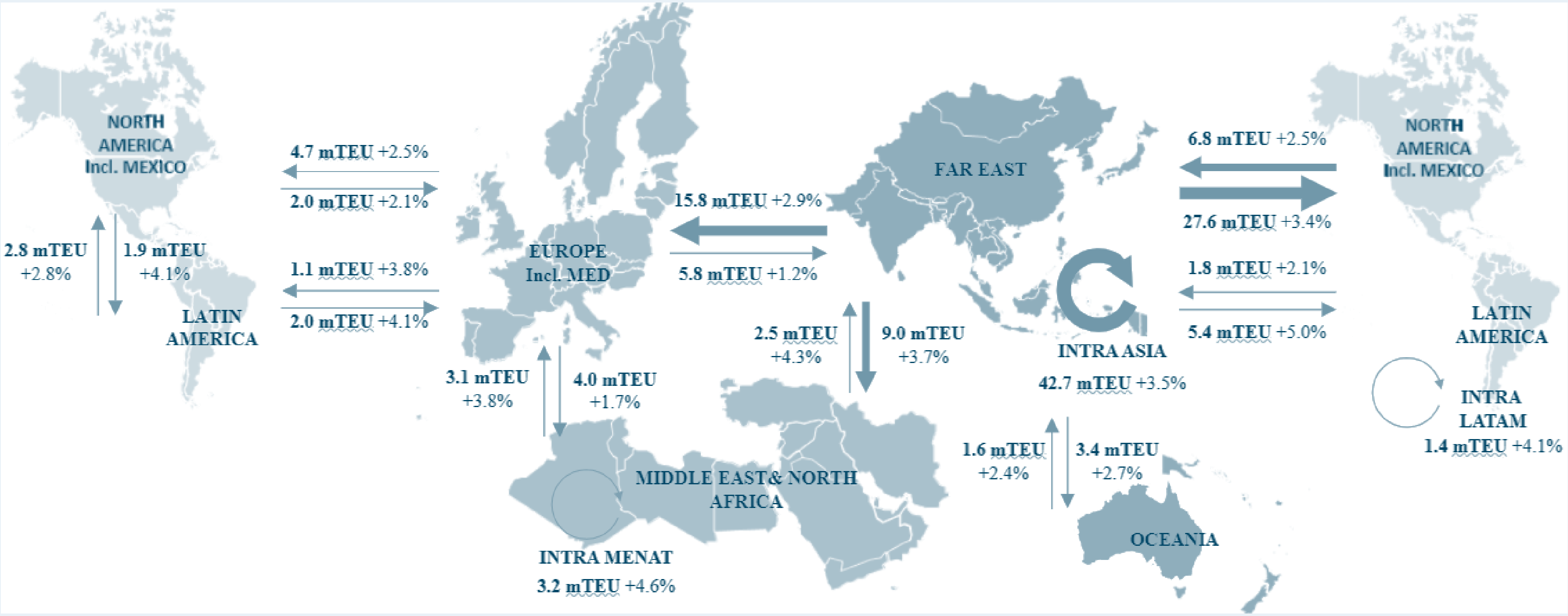
- Asia – North America rates are more troublesome. Constant GRI attempts are not catching.
    - The 'trouble' is multifold:
        - Spot rates become unsustainable for carrier – service adjustments are inevitable.
        - With the deadlines approaching to ensure cargo is 'on shelves' for the holiday season in North America, the usual timeline to ship before Golden Week (1st week of October) does not seem to worry Importers. With an erosion of rates and capacity being more than adequate there seems not to be any hurry in the market to push cargo.

- Europe – North America rates stay aggressive, and carrier have kept capacity in place with hopes to continue and fuel the US economy. Given tariff discussions and USTR it remains unseen if the export powerhouse export countries of Europe will fuel the need for space and USTR port fees may drive changes to carrier networks into North America.

- Global east / west backhaul trades are all week in volume development, if any positively, and even then, rates are respectively still declining.

Source: WCI by Drewwry, SCFI, NYFI, Xeneta

Supply & Demand Outlook

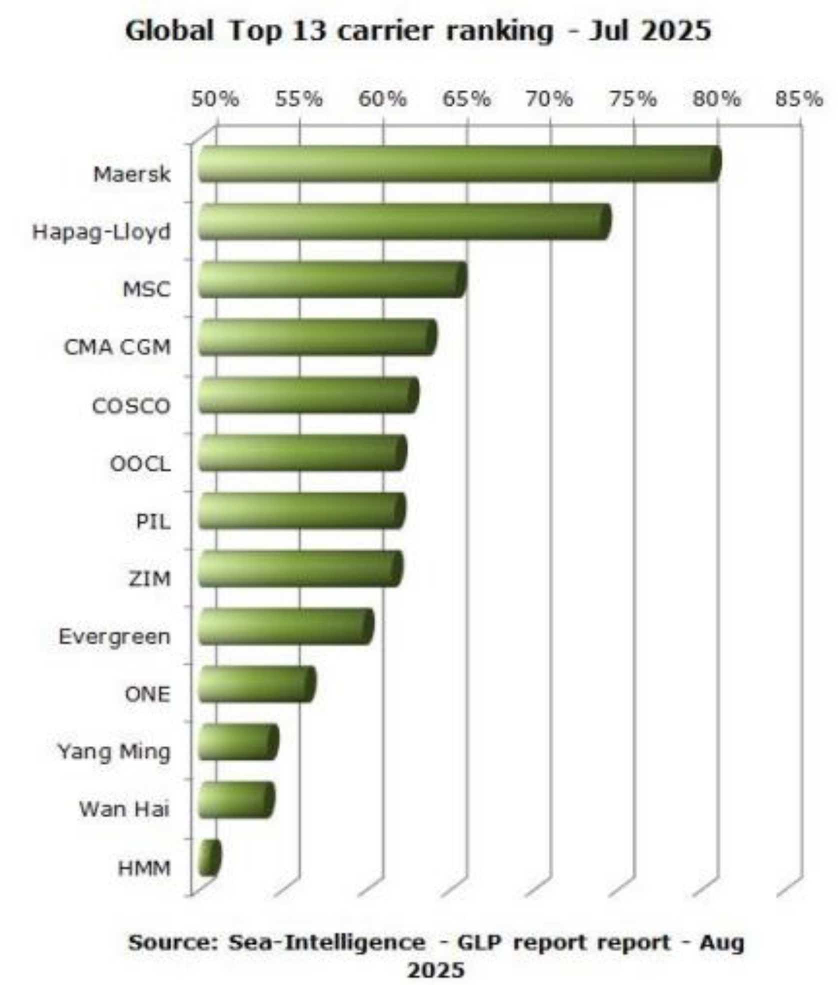


Demand Development 2025-2028

Global Container Trade:
159.8 TEU 2025e
+3.3% CAGR 2026e-2028e

Source: Accenture (previously Seabury)

Global Reliability as of July 2025



Source: SeaIntel, JAS Business Intelligence

- The latest reports put global reliability at 65.2%, M/M a drop of 2.2%.
  - Y/Y reliability is up 13%.
  - Pre-pandemic levels were at 70-80%.
  - Does not include feeder services, just direct port to port routings.
  - Average delay increased to 4.68 days.
- Alliance views: Gemini at 92% reliability, MSC at 76.5%.
- Port congestion in Europe is still occurring, but it seems to have had minimal effect on the global reliability.
- In the coming 2-3 weeks, carries will begin moving Chinese built ships out of the North American trades to avoid the new USTR fees, which will have a negative impact on reliability.

Global Congestion as of August 29th, 2025

- A quick global picture…

Port Name	Ships at Anchorage	Ships at Port	↓ TEU at Anchora…	TEU at Port	Queue to Berth Ratio	TEU at Anchorage/Port
Shanghai/Ningbo	144	77	844,730	474,518	1.88	
Hamburg/Bremerhaven	16	27	155,043	169,795	0.58	
Qingdao	28	26	144,225	163,426	1.08	
Singapore	21	61	142,865	371,100	0.35	
Port Klang	22	37	110,742	139,932	0.59	
Rotterdam	10	33	70,325	176,647	0.31	
Santos	9	10	65,699	67,277	0.85	
Savannah	8	9	64,523	80,693	0.94	
Colombo	15	17	61,998	75,231	0.88	
Valencia	18	12	60,048	98,055	1.46	
Busan	15	47	57,198	228,287	0.31	
Gibraltar (Algeciras/Tangier)	13	10	48,810	15,527	1.32	

Source: Linerlytica

THANK YOU!