



Date February 02, 2024

Subject **Customer Advisory: Red Sea Situation & Impact on Global Shipping, ECRS Updates**

Dear Customer,

We want to share a latest update on recent developments in the Red Sea and the global shipping industry and the potential impacts on your supply chain.

What is the latest status?

The situation in the Red Sea remains volatile and so far, there has not been major improvements around navigation safety. We see ocean carriers continue to redirect ships to the longer Cape of Good Hope route and the military intervention in Yemen has increased the frequency of attacks on vessels, now also expanding the risk area to include the Gulf of Aden.

70 additional vessels (or 1m TEU) are needed for the weekly services around the Cape. Because of this disruption we see 25% of sailings blanked and equipment shortages starting to show in many locations.

The capacity shortage drove the SCFI to a 16-month high. We expect rates to retain a big portion of their gains post Chinese New Year due to ongoing capacity and container equipment shortage. However, where we see easing, we have also adjusted our ECRS from mid-February downwards now.

Shippers should anticipate round Africa services becoming the norm for several months.

What is the impact for you?

Shipping costs are rising in major trade lanes in the short to mid term. We have opted to implement an Emergency Cost Recovery Surcharge (ECRS) with immediate effect due to the speed of the rate increases.

Access the latest news and the ECRS on our website!

Stay always up to date by checking our news page [Red Sea Situation & Impact on Global Shipping](#), where we provide you with the latest updates as soon as they become available.

As the situation is dynamic, we update the surcharge level regularly and publish it separately [here](#).

We have now released the ECRS levels for all affected trades valid from February 16, 2024 onwards. You can also find the ECRS valid for the current time period on the same [page](#).

What can you expect going forward?

Overall, rates will remain high and are still increasing. Ripple effects to other trades are happening due to capacity movements. Equipment issues starting to be seen, and potential port congestions and hinterland bottle necks could arise until new schedules have been updated.

What you should do now!

Book your shipments early enough, and stick to forecasts. Allow for sufficient lead times and continued disruptions and consider alternative shipping options.

What is DHL doing to help you?

We closely monitor market developments, track your shipments, and supply the most accurate data via mydhli.com. Further, we continue to try to secure space, empty containers, and uplift for you via our multi-carrier program.

We also offer some alternative transport solutions between Asia and Europe: [DHL Multimodal Ocean Express](#), [DHL China Rail](#), and [China Road](#) are fast and reliable alternatives for your urgent

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FCL & LCL cargo. And we can offer you alternative **Air Freight solutions** or [SeAir](#) via our Ahlan Dubai Hub with solutions to Europe or any other destinations as needed.

For specific inquiries or concerns related to your shipments, please reach out to your dedicated DHL Global Forwarding representative. We appreciate your continued partnership and trust in DHL as your logistics provider.

Kind regards
DHL Global Forwarding