



Date January 5, 2024

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

Dear Customer,

We want to share a short 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?

All major container shipping lines still divert ships from the Red Sea route to avoid risks for their crews and your cargo. The alternative route around the Cape of Good Hope increases the sea voyage duration and costs due to higher bunker consumption, additional port and terminal fees, and higher labor costs. Shipping lines have started implementing surcharges, including for cargo already at sea.

The Red Sea and Suez Canal account for 20% of global container trade, according to The Economist. As such, the longer sailing duration is impacting capacity and equipment availability as well as rates on other trade lanes. In addition to the Asia-Europe trade, we see particular impacts on the Trans-Atlantic West Bound (TAWB) route with increased operational costs in the Europe to USA, Canada and Mexico trades.

What is the impact for you?

As announced in our previous customer advisory, we have introduced an Emergency Cost Recovery Surcharge (ECRS) for all directly affected shipments and trades effective January 1, 2024. We are doing our best to mitigate any additional costs for shipments already at sea.

In addition, due to the operational challenges on TAWB, we will be introducing an ECRS for that route effective from January 22, 2024. This surcharge will apply on all shipments gate in on or after January 22, 2024.

ECRS will be invoiced to the freight-paying party in addition to the agreed ocean freight rate.

Access the latest ECRS on our website.

As the situation is dynamic, we update the surcharge level regularly and publish it [on our website](#). We have just updated the ECRS levels all directly affected trades for January 16-31, 2024 and published the ECRS for TAWB.

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 FCL & LCL cargo.

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.

DHL Global Forwarding



Kind regards

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