

RHENUS AIR & OCEAN UKRAINE CRISIS UPDATE

7th of March 2022

Dear Valued Customer,

In view of the current crisis in Ukraine and its possible impact on transport and logistics, we would like to provide the following updates:

Air & Ocean Freight:

We inform you that due to the current situation in Ukraine, all carriers stopped all operations with this country until further notice also terminals and airports in Ukraine have suspended operations. Due to the unpredictable scenario, any new export or import bookings to Russia and to any other adjacent countries may be rejected at any time.

Ocean freight

No ocean freight bookings from/to Ukraine are accepted anymore as of 24th of February 2022.

All major ocean carriers have suspended bookings to Russia (except foodstuffs, medical and humanitarian supplies) and many have suspended operations to the Western Russian ports entirely. Not affected by some carriers are the Eastern Russian ports, however, there are rigorous screening measures in place before acceptance of any booking to comply with the sanction rules and regulations.

Only a few carriers have suspended bookings to/from Belarus so far, however, shippers are asked to take utmost care in adhering to sanctions at all times.

All major Western European ports, inland container depots, and terminals have stopped accepting any cargo to/from Russia, including trans-shipments.

At the same time, pre-carriage truckers, rail, and barge operators have followed suit.

Airfreight

Air cargo to Ukraine destinations is **suspended until further notice**, no more commercial carriers are currently flying to or from Ukraine).

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Last week the Russian airspace was closed to carriers from 36 nations, including European countries, Canada, and the United States as a response to the closure of their respective airspace to all Russian aircrafts and carriers.

We expect a severe impact on the capacity of the trade lane Europe-Asia (specifically Northeast Asia) and vice versa as certain carriers do not operate on the trade lane anymore and the flights of carriers who continue to fly between the continents will need to be re-routed. Airlines continue to announce cancellations.

Middle East carriers currently report no severe operational impact for the Route Europe-Northeast Asia, however, the carriers release embargos on certain commodities to and from Russia.

Due to cancelations and short-term rerouting, we expect **tight capacity, longer lead times, and higher rates**. The higher rates are furthermore driven by rising oil and fuel prices as well as higher fuel consumption due to longer routes.

Landbridge:

We confirm that the current **operational process of international traffic on the Eurasian corridor continues to be stable**. It has not been affected by sanctions for the time being.

Please be advised that as the situation is prone to change frequently over the next days and weeks, there is an increased risk to goods destined for Ukraine, with transport links into the region being severely impacted.

Rhenus Air & Ocean is working according to the sanctions imposed by the European Union and has established a task force that continues to monitor the situation. Please be aware that the conflict also has the potential to affect consignments to and from other Eastern European countries. So far, all other consignments are running as usual. The developments are currently too dynamic to fully anticipate them. We are working on contingency plans for different scenarios and will keep you informed of any major changes.

If you have further questions regarding your shipments, please get in touch with your respective local Rhenus contact.

Kind regards,
Rhenus Air & Ocean