



MADE FOR TRADE
**Designed for global supply
chains**

A PRESENTATION FOR:





Homero Vecchi

Country Director Brazil

More than 30 years experience in forwarding operations

Since 2023 at BDP South America – Country Director

Former experience: Cia. Antarctica Paulista, Grupo Zogbi, DHL Global Forwarding

Located in São Caetano do Sul – São Paulo (BDP Brazil Head office)

MADE FOR TRADE

PSA BDP is built like no other



QUICK FACTS

- Supply chain and cargo solutions enterprise backed by leading port group PSA International
- BDP International, founded in 1966, and PSA Cargo Solutions rebranded to PSA BDP in April 2023
- Annual sales of \$5.1 billion USD
- 6,900 employees globally
- 139 offices in 41 countries
- Serving 5,500 customers

MADE FOR SUCCESS

Products & solutions to move your world

PRODUCT SUITE

Supply Chain Orchestration

- Lead Logistics Provider (LLP)
- 4th Party Logistics (4PL) via BridgeNet Solutions

Transportation Solutions

- Ocean
- Air
- Road
- Rail
- Barge

Trade Management & Customs

- Regulatory Consulting
- Product Classification
- Preferential Origin
- Compliance Services
- Customs House Brokerage

Port+ & Connectivity

- Forward Hubbing
- Multimodal Logistics
- Terminal Value-Added Services
- Flow Centers

Contract Logistics

- Warehousing
- Value-Added Services
- Distribution

Underpinned by Smart Suite Digital Products

SMART + NAVIGATOR

SMART + CLASSIFY

SMART + TERRA

SMART + VU

SMART + TOWER



February 2024

Global Air Market Update





Cristiane Padilha Palomin

Regional Trade Lane Air & Key Account Manager - LATAM

More than 25 years experience in forwarding operations

Since 2016 at BDP South America – Transportation Manager Brazil

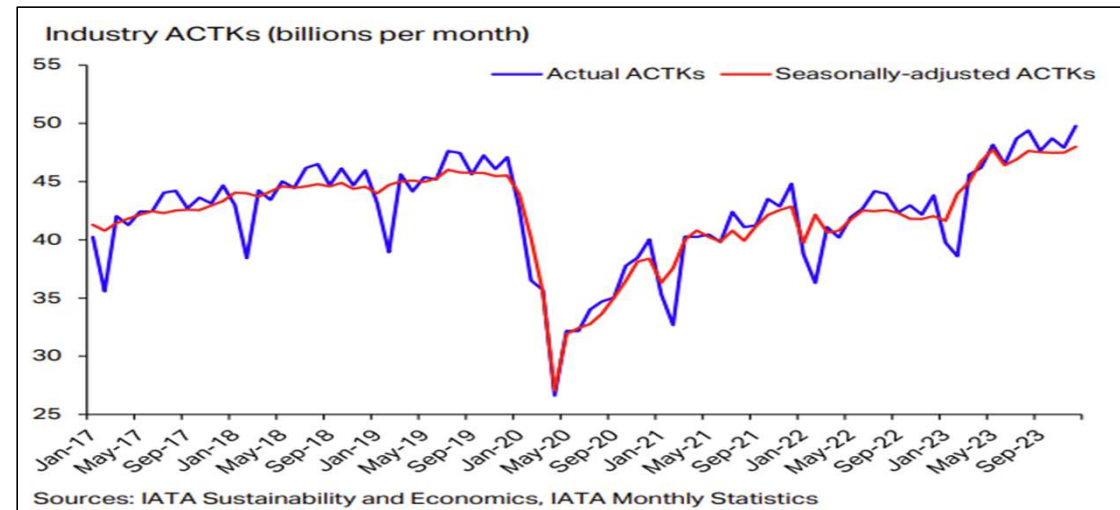
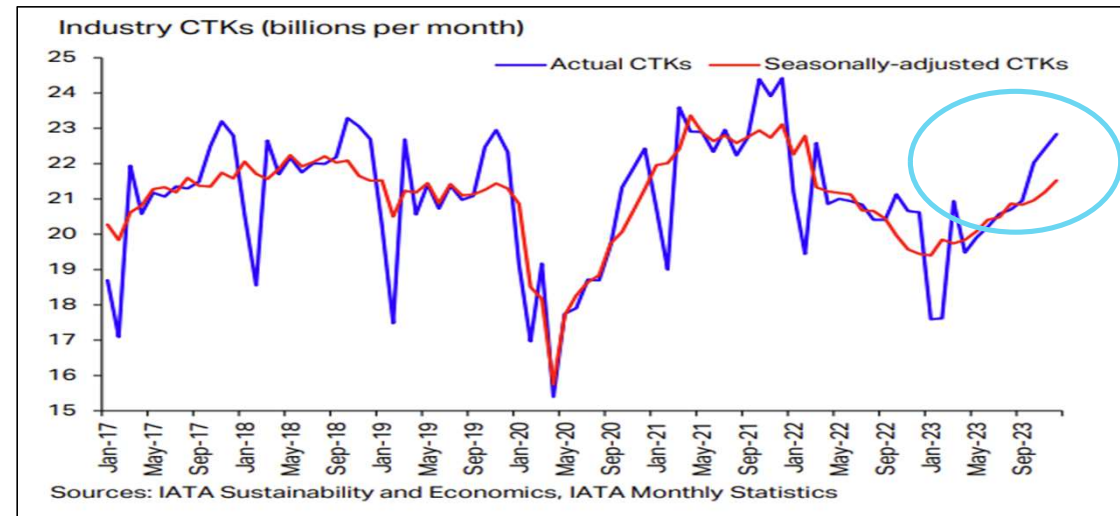
Former experience: Circle (Ceva), World Cargo Brazil, Space Cargo Spain (CH Robinson), Streck Transport GMBH

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GLOBAL AIRFREIGHT TRENDS

2024 – World

- Global kilos in December show up 10.8% YoY, the highest YoY month in 2 years
 - December 2023 2.5% higher than pre-pandemic levels
- Capacity increased 13.6% YoY in December, driven by belly-capacity increases in Asia, LATAM, and ME
- Global trade stabilized, with inflation easing and jet fuel stabilizing to “normal” fluctuations
- Airlines continue to experience labor shortages, including pilots, crew, warehouse, and security





Source: The STAT Trade Times

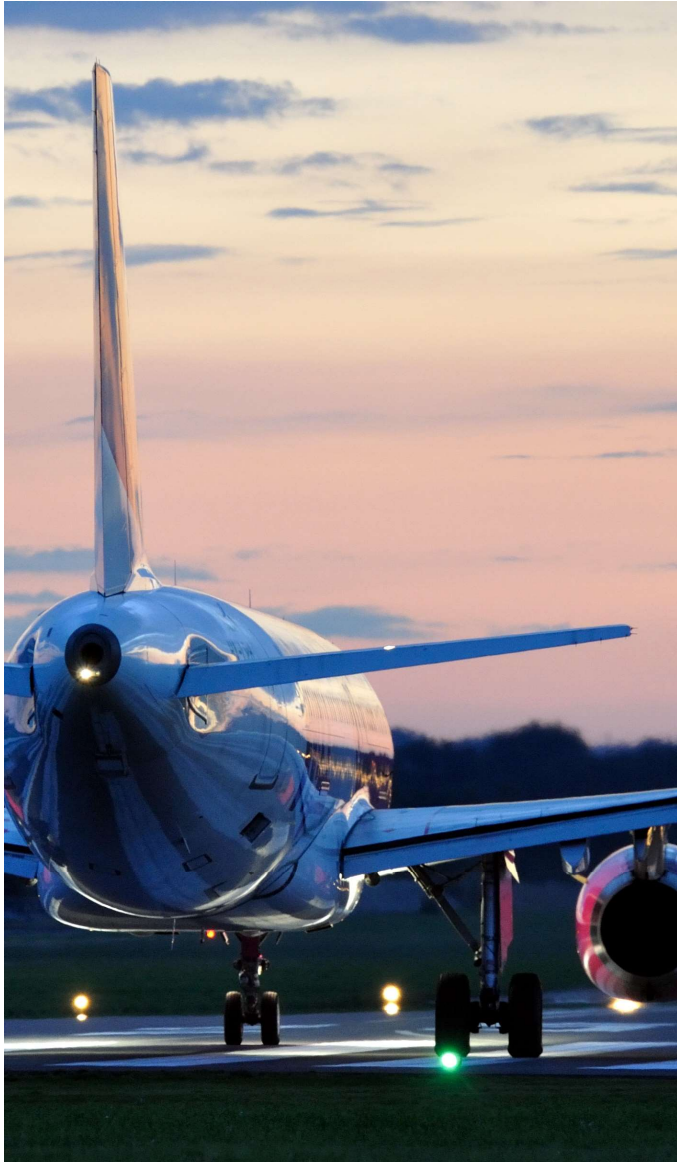
GLOBAL AIRFREIGHT TRENDS

What the Industry is Saying

Air cargo enters 2024 with cautious optimism: Xeneta

- 2024 could signal the beginning of a new growth cycle for air freight, considering 2023 ended better than beginning of 2023.
- Demand has seen slow but steady increases, and certain geopolitical disruptions in ocean markets could see airfreight as the “more predictable” option.
- Further ocean disruptions could provide more of a boost to air freight demand.

[Continue reading](#)



GLOBAL AIRFREIGHT TRENDS

What the Industry is Saying

Strong, slow January pushes air cargo volumes up 10%

- Global Air cargo volumes rose 10% in January, with Red Sea concerns and Lunar New Year boom added to surprising volumes.
- Longer term air freight pressures still exist, including elevated interest rates, and economic slowdowns in Germany and China.
- The industry booking platforms report rates increase by an average of 10-50% on lanes affected by the Red Sea Crisis
- Planning is critical in today's environment, as a quick shift from ocean to air is not always feasible.

Source: The STAT Trade Times

GLOBAL AIRFREIGHT TRENDS

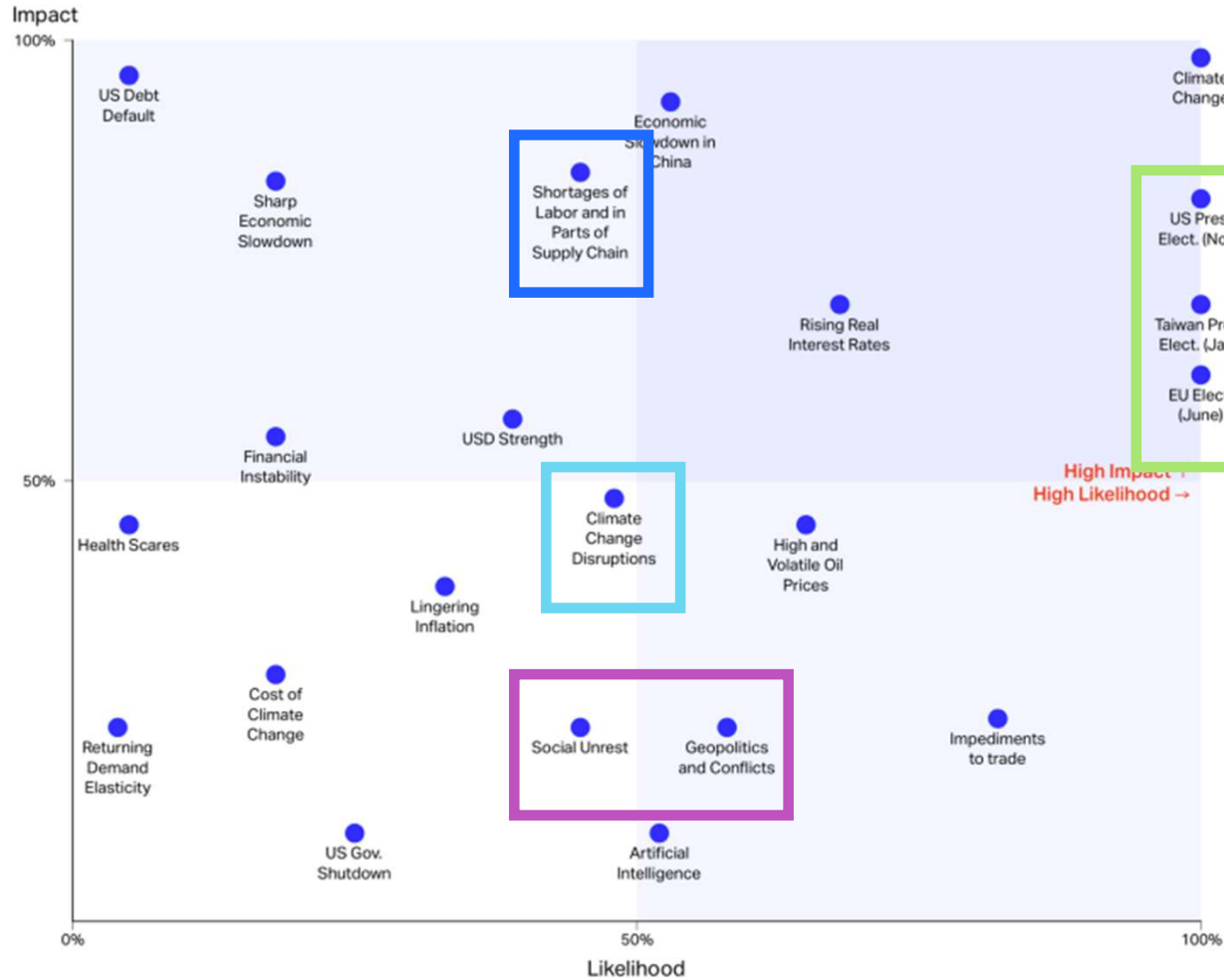
2024 Outlook and Risk Matrix

Labor Shortages:

- Air supply chains still see labor shortages in pilots, crew, trucking, and warehouse.
- Constant push for lower prices hurts the quality of service, as overall costs have increased

Climate Change Disruptions:

- Panama Canal drought, daily vessel traffic reduced from 35 to 20.
- 5% of global trade is transported through Panama Canal.



Elections and global politics:

- 70 national elections in 2024, home to 4.2 billion people
- EU, Taiwan, USA among those that can have the most impact

Social Unrest and conflicts:

- Suez Canal situation has caused ocean carriers to reroute.
- Increased transit time, increased container prices, reduced or cancelled services

Source: IATA

Source: IATA Sustainability and Economics



February 2024

Global Ocean Market Update





Manoel Versolato

Regional Ocean Freight Team Leader - LATAM

More than 18 years experience in forwarding operations

Since 2021 at BDP South America – Ocean Transportation Specialist

Former experience: NYK Brasil (currently ONE), NYK de Mexico (currently ONE), JAS.

Located in São Caetano do Sul – São Paulo (BDP Brazil Head office)

The Current Ocean Market

February 2024

Industry Trends



Capacity and demand will continue to be a focal points in 2024. Blank sailings will continue to affect rate movement for the foreseeable future.

Global long-term ocean freight rates have dropped by an average of 3% over the past 3 months.

Carrier blank sailings continue at an average of 5.13% of total capacity over the previous 12-weeks.

Key Indicators



56.8%

Global Schedule Reliability Average

Monthly, Year-over-Year



-2.8%

Global Demand vs Global Supply

Demand Growth Less Supply Growth



+88%

Rates vs. the same week in the previous year

Container shipping rates continue to fall



+\$13.0

Average daily rate change over the last 2 weeks

Global 20 Ports Average Bunker Price

Carrier News



Carrier GRI strategies now revolve around issues in the Middle East and water levels in the Panama Canal.

Rerouting options will be a hot topic over the next months as carriers hope to recoup losses caused by overcapacity and decreased demand in 2023.

Green Initiatives



LNG dual-fueled box ships comprise 30% of the orderbook (5% increase YoY) and Methanol-fueled units have risen to 12% of the orderbook (a remarkable jump from just 1% a year ago).

The E.U. Emissions Trading System (ETS) remains on track to begin in 2024 for carriers and shippers to pay for their carbon emissions entering and leaving the E.U.

The IMO 2023 regulation will make the ocean freight industry more sustainable, but it may also make costs rise for shippers as carriers modify their vessels.

Market Outlook

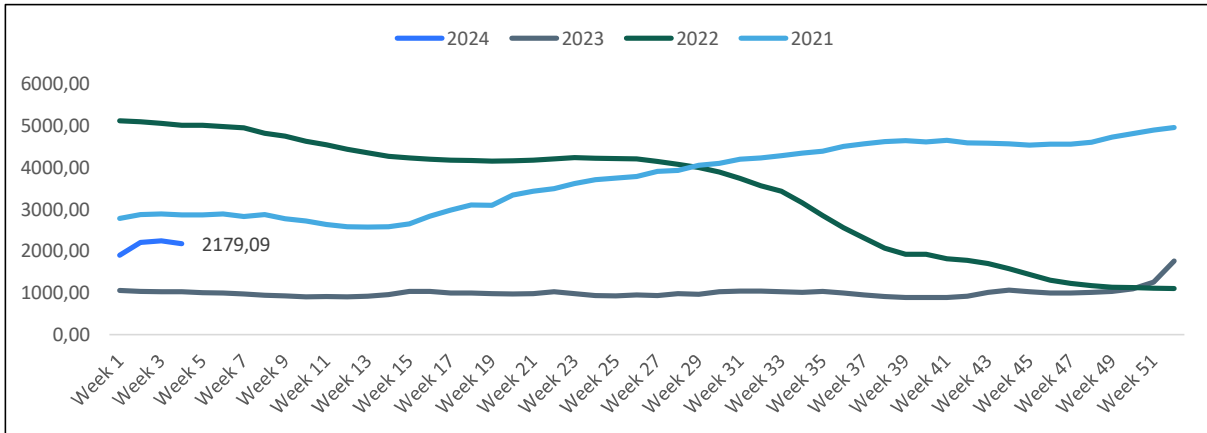


Carriers seek to balance capacity and adjust schedules during Chinese New Year period for a new normal with the Red Sea challenges.

BCOs and carriers convene in Long Beach for TPM conference at the beginning of March as both parties look to set price levels for Transpacific. Anticipation remains rates higher than those agreements made in 2023.

Supply and Demand

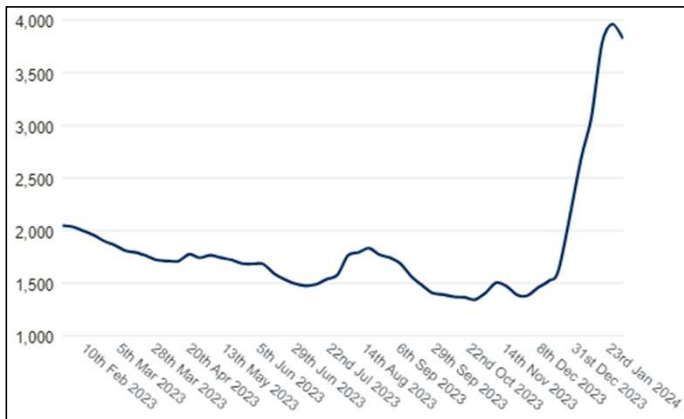
Shanghai Containerized Freight Index (SCFI)



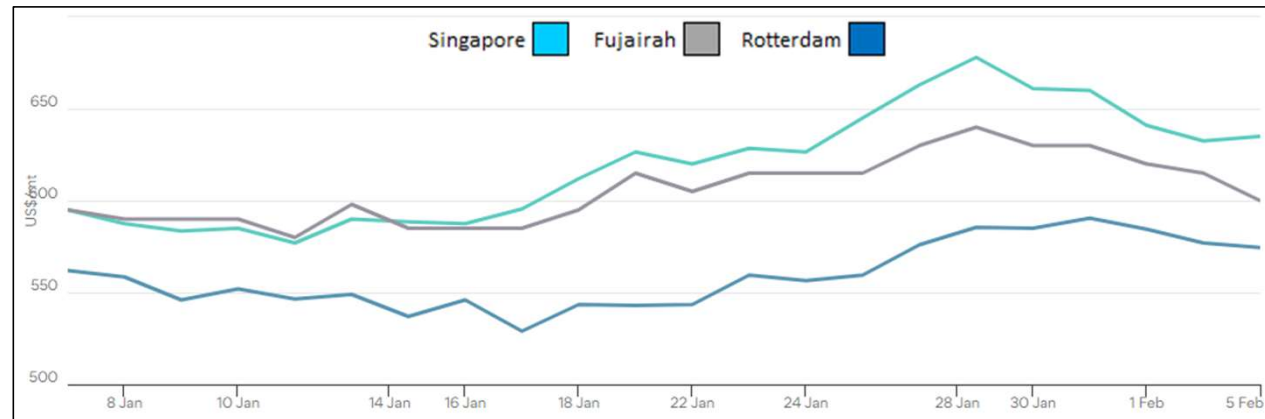
Bunker Price Index



World Container Index (WCI)



Port Trend Comparison



Sources: Drewry, SCFI, Ship & Bunker, Bunker Index



Source: Xeneta

Hot Topics

Red Sea Impact is now also felt on the backhaul out of Europe into Asia

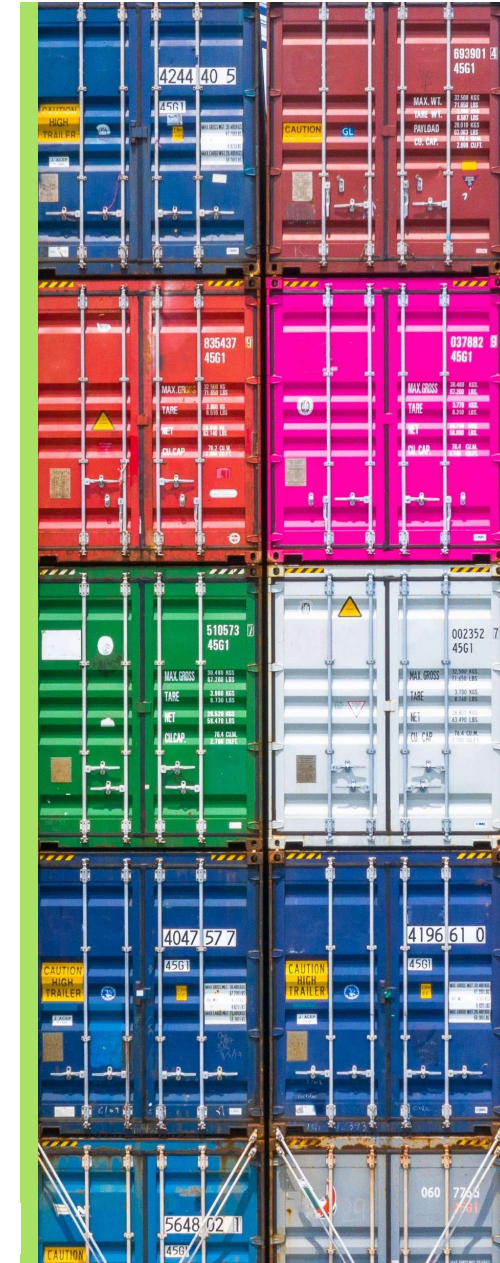
- Since the escalation in the Red Sea crisis in mid-December last year, focus has been on the main fronthaul trades out of Asia into the Mediterranean, North Europe and US East Coast, but as is always the case with ocean freight shipping, there is more to consider.
- Backhaul rates may react a little slower than their fronthaul counterparts due to the huge volumes of goods shipped on these trades.
- Spot rates out of North Europe have jumped from USD 422 per FEU on 12/31/23 to USD 709 on 1/4/24 (+68%). Since then, they have increased a further 9% to stand at USD 770.
- From the Mediterranean to the Far East, spot rates increased from USD 706 per FEU on 12/31/23 to 1,022 on 1/4/24 (+45%), before jumping a further 12% to today's level of USD 1146.
- Looking at Mediterranean to Far East, this early data suggests spot rates will increase between 10-20% in February, adding around USD 170/FEU.
- From North Europe rates will increase by 25-35% in February, adding around USD 250/FEU.
- Carriers are now reportedly no longer offering expensive premium services to guarantee containers will be shipped during severe capacity shortages (hinting that capacity was there all along), meaning the rate spikes during this crisis are a consequence of widespread uncertainty in the market.
- The increase in rates expected in February could mark the peak in this crisis, with rates potentially beginning to fall back again towards the end of the month.

Hot Topics

Container shortages start to bite in Asia, adding pressure on freight costs

- Predicted container shortages are beginning amid the chaos in the Red Sea with a flurry of re-routings, delays and cancellations.
- It is getting increasingly difficult to get 40ft high-cube boxes, and 20ft general purpose boxes across the main ports in China; There are also issues with export boxes at North China feeder ports. The operators are “empty-repositioning” as fast as possible, and have taken on the very last batches of new-lease containers, but still are very quickly out of stock.
- The Red Sea crisis has compounded the structural inefficiencies surrounding the repositioning of empties. “The outbound leg from Asia to Europe is just the beginning of what could be more turbulent times ahead in 2024.”
- Besides China, Indian exporters are also facing a similar equipment availability issues.
- A shortage of empty containers is building at major container ports. Equipment pressure is more pronounced at the ports of Nhava Sheva and Mundra, which together handle the lion’s share of India’s containerized ocean trade. According to one Indian forwarder, 40ft hi-cube boxes are acutely scarce. They have had to turn down bookings from some of their regular customers due to the equipment crunch. The box shortage is hindering the ability of exporters to ship goods against orders in hand and jeopardizing new volume prospects.
- Forwarders have also said carriers are not honoring Named Account or contract rates, claiming “they are accepting bookings only on the spot basis.”
- With all these container shortages, it is inevitable that “someone must pay” for the higher costs that will begin to “land on everybody’s doorstep”.

Source: Loadstar





MADE FOR TRADE

BACK UP SLIDES



TRANSPORTATION SERVICES

Air



AIR

Key Services

- Door-to-door
- Direct and airport-to-airport
- Consolidated, full, and part charter services
- Full scope of Incoterms
- Non-hazardous and dangerous goods handling
- Inspections and surveys
- Re-packing/labeling for IATA compliance
- Customer training
- Temperature controlled transport
- e-Freight technology
- Unit Load Device
- Wheels up advanced clearance
- Specialized hand carry solutions
- Global gateway solutions
- Dedicated trucks
- Cargo screening
- 24-hour warehouse security, full storage
- Door-to-door tracking systems (RFID)
- Purchase order management
- Charter solutions for all industries
- Smart Suite digital technology & visibility tools

AIR TRANSPORTATION

Partnering with major carriers

AIRFRANCE 

American Airlines 

BRITISH AIRWAYS 


CATHAY PACIFIC

 **cargolux**

 **CHINA AIRLINES**

 **DELTA**


Emirates

EVA AIR 
— Just Relax, Your Home in the Air —


KLM

 **KOREAN AIR**

 **LATAM**

 **Lufthansa**

 **POLAR AIR CARGO**

QATAR 
AIRWAYS القطرية

TURKISH AIRLINES 

UNITED 



TRANSPORTATION SERVICES

Ocean



OCEAN

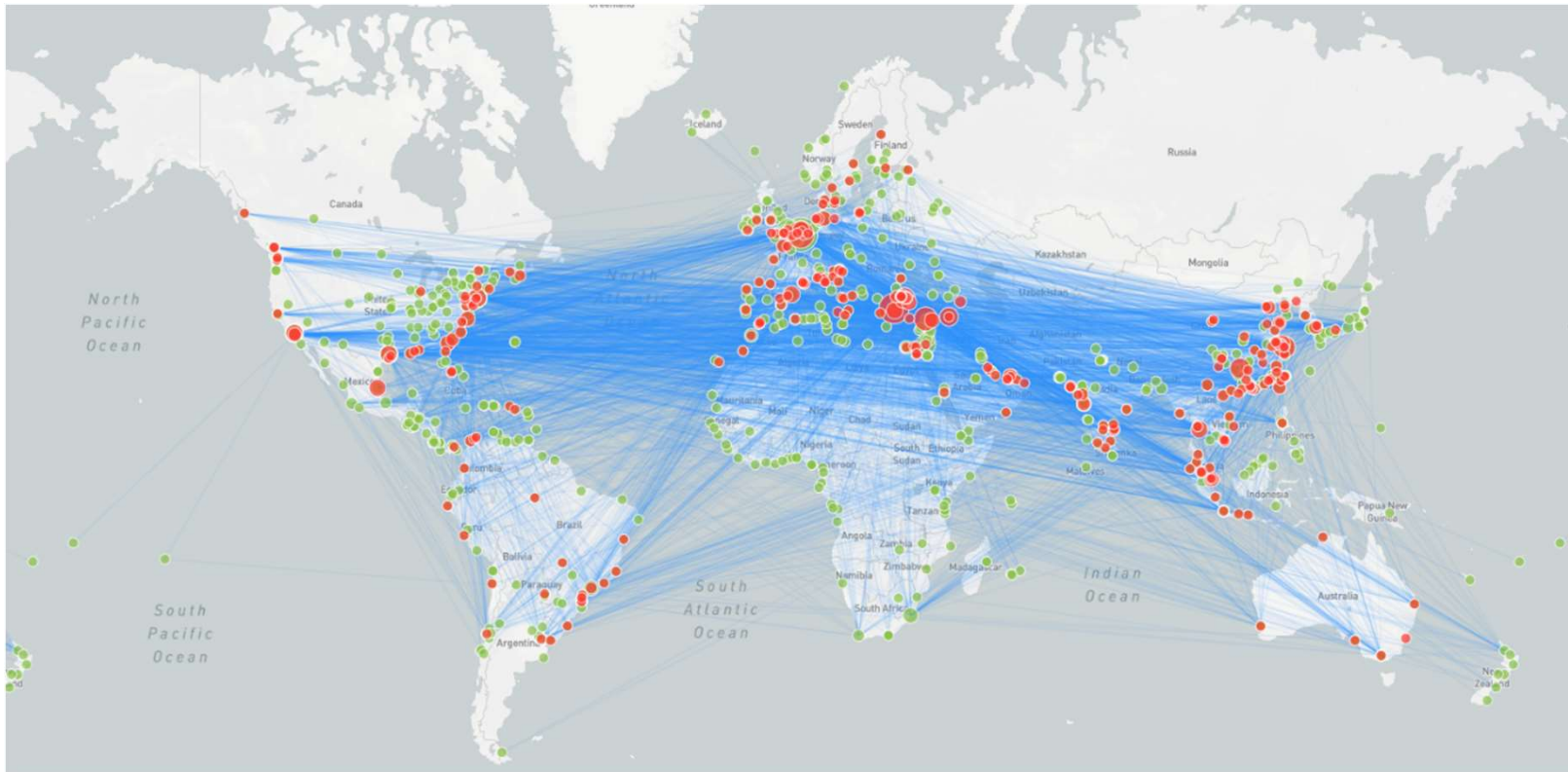
Key services

- Global LCL and FCL service
- Multimodal door-to-door capability
- Dangerous Goods transport
- Multi-vendor consolidation
- Warehousing facilities from containerized, refrigerated, and dangerous goods materials
- Supply chain optimization: invoicing and payment, tariff, general cost reductions
- Benchmarking and performance management
- AMS-bonded customs carrier (US imports only)
- Shipment consultation
- Smart Suite digital technology & visibility tools

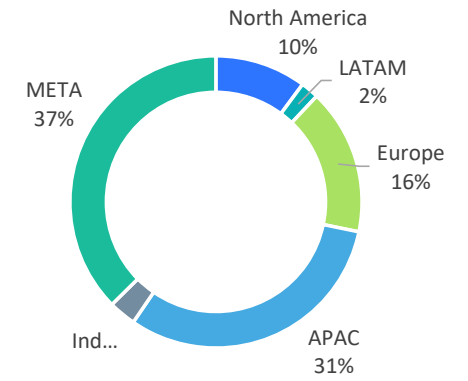
OCEAN TRANSPORTATION

Ocean freight port pairings

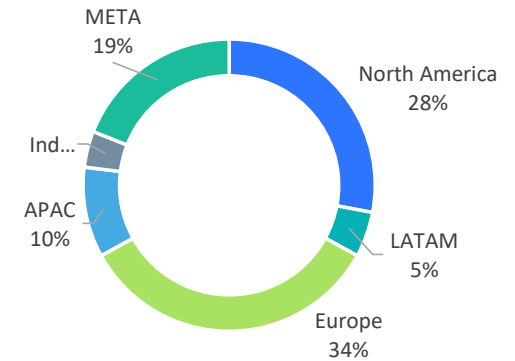
We manage over 1400 trade lanes



Exports



Imports



*Transport figures from 2022

OCEAN TRANSPORTATION

We partner with major carriers



Matson



VANGUARD

CaroTrans

ONE
OCEAN NETWORK EXPRESS



Y YANG MING



Hapag-Lloyd

SEABOARD
MARINE



HMM

m
sc

SeaLand

NATIONAL
SHIPPING OF AMERICA



CROWLEY
People Who Know®

ICL

ECU
WORLDWIDE
Geography Simplified



TRANSPORTATION SERVICES

Ocean FCL

Industry challenges

- Limited carrier selection due to long term contracts
- Lack of agility during sudden market shifts
- Opaque pricing mechanisms resulting in higher shipping costs
- Insufficient routing options

What it is

- PSA BDP offers better tracking, visibility, and planning with its proprietary Smart Suite technologies as well as access to an expansive global network of carriers to make ocean freight seamless, swift, and simple.

Key services

- Global FCL service
- ISO solutions
- Multimodal door-to-door capability
- Dangerous goods transport

Value-Added Services

- Smart Suite
- Multi-vendor consolidation
- Warehousing facilities for containerized, refrigerated, and dangerous goods materials
- Supply chain optimization: invoicing / payment, tariff, general cost reductions
- Benchmarking and performance management
- AMS-bonded customs carrier
- Marine Cargo Insurance

Values delivered

- Multiple carrier options per trade sector
- Customized ocean products with multiple carriers
- Competitive rates through leveraged volume agreements, payment simplification and transparency
- End-to-end shipment visibility with BDP Smart Suite applications
- Global team of experts who are well-versed in evolving regulations
- More flexibility than carrier direct contracts



TRANSPORTATION SERVICES

Ocean LCL

Industry challenges

- Difficulty spot shipping low volume of product
- High cost associated with unexpected shipping of smaller volumes
- Determination if LCL or FCL is preferable for given volume
- Carrier/vendor reliability with high-care cargo

What it is

- For shippers looking for smaller volume flexibility and utilizing consolidation partners, PSA BDP offers LCL options for ease and agility in the market.

Key services

- Global LCL services
- Dangerous goods transport

Value-Added Services

- Temperature controlled / high-care shipments (certain lanes)
- Customs clearance
- Marine cargo insurance
- Pre-carriage and on-carriage trucking

Values delivered

- Access to multiple LCL carrier options to meet varied TT requirements and price points
- Improved cargo visibility with Smart Suite
- Competitive rates through leveraged bulk volume agreements
- Global team of experts who are well-versed in evolving regulations
- 24/7 access to e-documents for review
- Proven, trusted partner to move dangerous and specialty goods





MADE FOR MOVEMENT

Port+ & Connectivity



Port+ & Connectivity products for faster time-to-market, resilience and sustainability



Forward Hubbing

Strategic locations and excellent connectivity to get goods to more markets with a shorter lead time

Singapore ATM / AIM



Multimodal Logistics

Enhanced connectivity through reliable, sustainable and cost-efficient transport in key lanes

ILSTC Singapore ↔ China
Genoa ↔ Basel / Stuttgart
India / Saudi Arabia
China ↔ Europe



Barge Services

Eco-friendly, cost-efficient and reliable alternative to trucking that avoids congestion and overhandling of dangerous goods

Jurong Island Barging
Antwerp Barging



Terminal Value-Added Services

Priority and express delivery services to keep cargo flowing through the port and beyond

PSA Terminals



Flow Centers

Leveraging PSA's network of on-dock / off-dock terminal facilities such as ICDs, CFS and warehouses to smoothen cargo flow

Selected PSA Terminals