

To All Customers

Datum 16. Jan. 2024
Date

Information Letter on Possible Delays due to the Red Sea Crisis

Dear valued customers,

First of all, we wish you, your employees and their families a happy and successful 2024. This year has not really started yet and we are already facing our first challenges.

As you will certainly have heard from the press and media, due to the current attack on Israel by the Palestinian Islamic organization Hamas and Israel's retaliation against it, Yemen's pro-Iranian Houthi group accelerates attacks on ships in the Red Sea. For this reason, shipping companies have decided to reroute container ships bound for Europe and the east coast of the United States. The routes are now around the Cape of Good Hope instead of the Suez Canal.

The expected impacts of the route change are in particular as follows:

- Extension of lead time: Each shipping company currently expects lead time to be extended by 10 to 14 days compared to normal times. In the future, longer delays are also possible.
- Increase in fares/fuel costs due to extended mileage and lack of space supply
- Schedule delays, blank sailings, suspensions and port withdrawals

These measures are expected to remain in place until safety around the Red Sea and Suez Canal is ensured. For further information, please refer to the enclosed note of our logistics partner Yusen Logistics.

At the present time, we have no information which ship or container will be rerouted as well as we have no information, which cargo are involved. In addition to that, future schedules and Blank Sailing have not been finalized yet. Please be assured that we will do anything in our power to identify the cargo that is affected and to minimize delays.



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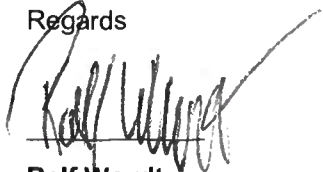
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IBAN: (EUR) DE95 6005 0101 7401 5088 50
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Naturally, we will continue to collect further information and provide updates to you.

We ask for your understanding for the situation and are sure that we can successfully manage this challenge together with you.

Regards



Ralf Weydt
Managing Director
NMB-Minebea-GmbH

Encl.

Dear valued customers,

We would like to bring to your attention the escalating security concerns in the Red Sea region. Recent incidents involving Houthi militants targeting merchant ships off the coast of Yemen have resulted in significant disruptions to maritime trade. In light of these events, major vessel owners are currently assessing the safety of sending crews through this area.

The following impacts on the supply chain are expected:

- ***Suspended Transits:*** Many carriers have announced the suspension of all transits via the Red Sea, redirecting vessels to the Cape of Good Hope. Consequently, extended transit times of at least 10 - 14 days are expected.
- ***Blank sailings and space issues:*** Several carriers have reported delays in vessel schedules, leading to additional blank sailings and increased space constraints. Some carriers are not accepting new bookings without an allocation plan. New allocation registrations are on hold until further notice.
- ***Israel Bookings:*** Many carriers are currently not accepting bookings to and from Israel.
- ***Chinese New Year Impact:*** With the expected longer transit times, disruptions in CNY shipments are foreseen, leading to increased demand for space on earlier vessels. We would recommend to place your booking asap and consider China rail as an alternative solution.
- ***Force Majeure Invocations:*** Carriers such as CMA CGM and Hapag Lloyd are invoking force majeure clauses, allowing the discharge or 'overland' transport of cargo at a port not specified in the bill of lading without assuming responsibility for on-carriage or container relay.
- ***War Risk Surcharges:*** Some carriers have introduced war risk surcharges and we expect more to come.
- ***Insurer Adjustments:*** According to NBC, insurers are adjusting their stance, potentially leading to higher costs passed on to shippers and consumers.
- ***Peak Season Surcharge (PSS):*** Starting January 1st, 2024, a PSS ranging from \$500 to \$1000 per TEU will be imposed by the majority of carriers in the AEWB trade, applicable to all cargo types and port pairs. It is still unknown whether the PSS will be applicable to NAC deals or not.
- ***General Rate Increase (GRI):*** A GRI of \$3000 -4000, scheduled for early January, has been announced. Current circumstances may contribute to pushing rates higher.

We will keep you informed about further development of the situation. Please reach out to your Yusen contact window for your questions and support.

Yours Sincerely,
Ocean Freight Forwarding Group
Yusen Logistics Europe, BV.