



**Rail Market
Updates**

For Week 3 2022

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Rail Volume



Volume forecast in 2022

Chinese New Year from Jan-31 to Feb-6, a few platforms like Xi'an and Yiwu will still have departure plan during the holiday period (operational cut off before holiday). The rail volume for Westbound might get short-term decreased till Feb-15 after the manual factory back to work.

The space and truck resource is getting tight day by day, For urgent request, please check with Schenker OP case by case.

- Departure limitation : No new announce in week 3
- Train number trend : Decreased from Q4 2021
- Booking trend : Increased before CNY and short-term relief from Jan-31 to Feb-15.

Equipment



Equipment shortage became a problem again

Several Covid-19 cases reported at Ningbo, Tianjin and Shenzhen in previous weeks. All those 3 cities own the biggest seaport in the world. Under current strict epidemic prevention and control measures, the ocean freight and empty release might be more or less impacted.

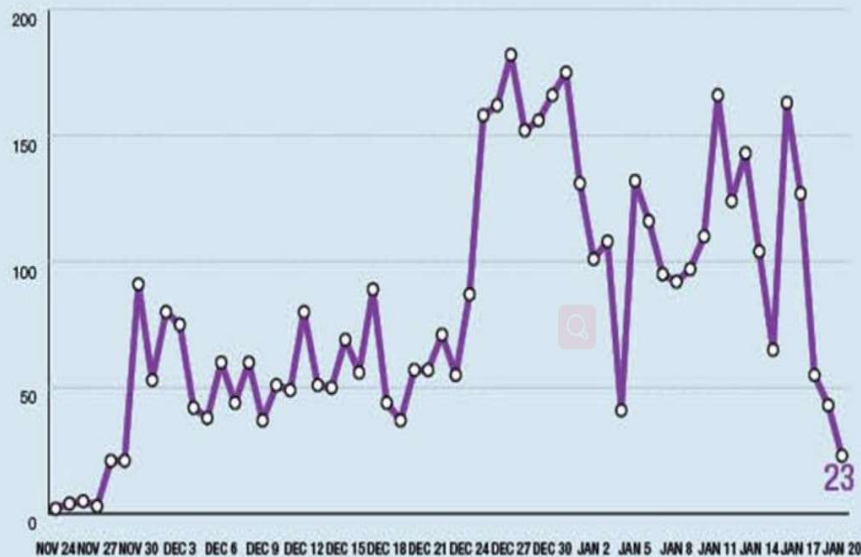
The container shortage is still a problem in week 3 not improved yet.

Current resource situation by region:

- East China region : **Medium shortage risk**
(Schenker has save stock for 2 weeks)
- North China region : **High shortage risk**
- South China region : **High shortage risk**

In Europe, a number of container depots are full, such as some depots in Hamburg have suspended the collection of containers.

New local COVID-19 cases on Chinese mainland January 20



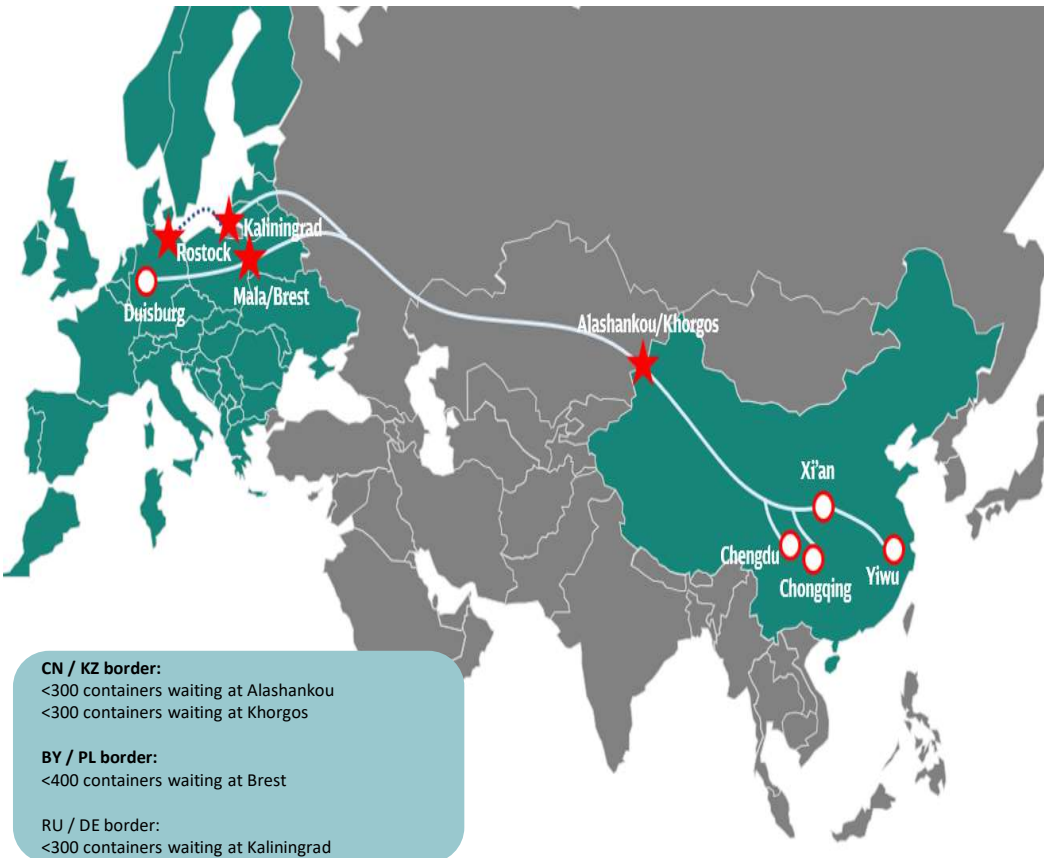
Pandemic reported somewhere but under control

18 High risk area(last week 20) and 79 Medium risk area(last week 67) in China . Current local measures by several provinces are taken to control the virus spread. Mandatory 48 Hours Covid test is widely mandatory for driver per pup/delivery government or site request which cause overall limit to the capacity. Site pick up/delivery need to be checked case by case.

High risk Area:

- Xian, Shanxi (1 x area)
- Xuchang and Anyang, Henan (5 x area)
- Tianjin, Tianjin (12 x area)

Border Situation



Overall border releasing lead-time is improved

Alashankou /Khorgos runs well without abnormal delay. Congestion in Kaliningrad has been improved and almost return to new normal. While Malaszewicze is getting congested to compare with previous weeks.

Border delay:

- CN / KZ Border : Alashankou / Khorgos border 0-4 days
- BY / PL Border : Mala / Brest border 3-7 days
- RU / DE Border : Kaliningrad / Rostock border 2-5 days

It's also worth pointing out that, in 2021 Khorgos border was increased the capacity by the infrastructure expansion. The Alashankou border will finish its upgrade in first half of 2022. That would bring benefits the border crossing efficiency.

Lead-time



Lead time via Rostock is getting improved

By result of rail volume decreased and proper measures taken to clean the backlogs, the terminal-terminal lead-time is getting shorter as to some lanes from Nov 2021.

Current T/T lead-time for Westbound to Mala is 16-25 days (congestion warning here!), to Rostock is 22-28 days, to Duisburg +5-7 days upon border released. Extremely delay might happen to some trains. More and more carriers started to distribute the trains via different borders or destinations.

The lead-time for Eastbound is regularly 25-35 days.

Others-Impact of Xi'an epidemic on Eurasian Train -5th update



Xi'an reports no newly added case from 19th Jan, the city lockdown is still executing but to be gradually lifted. since Jan-17, the nominated highway gate is re-opening, the trucks come from low or medium risk area are now allowed to enter the city for logistics activities.

Scheduled train running are guaranteed

- All trains ex Xi'an for week 52, 53, 1, 2 and 3 were on time departed.
- The containers for week 4 departure are being collected in orderly, by below action taken:
 - a)Green Channel for trucking in/out of Xi'an(No LCL/LTL available because of the Cross-Docking W/H)
 - b)Domestic train from Shanghai/other to Xi'an directly (Suspended on Wk3, continue on wk4)

As to EB, the delivery might take for days due to truck limitation and domestic train solution is implemented in parrel.

Others- *Rapid development of China-Laos Block Train*



First block train from Suzhou(CN)-Vientiane(Laos) departure 11st Jan, within 8 days transport of terminal – terminal lead time.

The train was meant to further increase international logistics efficiency and introduce more Chinese products to RCEP member countries. It will travel between China and Laos once a week.

The China-Laos railway project has opened a new logistics mode, which is an important part of the pan-Asian railway network with rapid development in the future.