



SCHENKER

Rail Market Updates For week 29 2022

June 2022 | MMS CN

150 Years
Elevating Lives



01 *Rail Volume*

02 *Equipment*

03 *Covid Impact*

04 *Border situation*

05 *Lead-time*





Extreme tight space in July

There has been stable increase on monthly basis in terms of volume between China and Europe.

Railway transportation via China-Russia, Mongolia, and Kazakhstan borders

Railway transport via Belarus-Poland border, Russia-Poland border, and Kaliningrad port

The services do not go across Ukraine

- Departure situation : 3-7 days delay in departure in general for WB
- Booking closed : WB for week 31 | EB for week 29

***Capacity supply between China and Europe had been decreased a lot, and with surge of WB volume as of June space is getting tight, delay in departure took place from almost all the train stations.

The space capacity is extreme tight in July. In order to relieve the border pressure at south corridor, the “departure limitation” for those Non-Eurasia trains is extended till July-20th.

Equipment



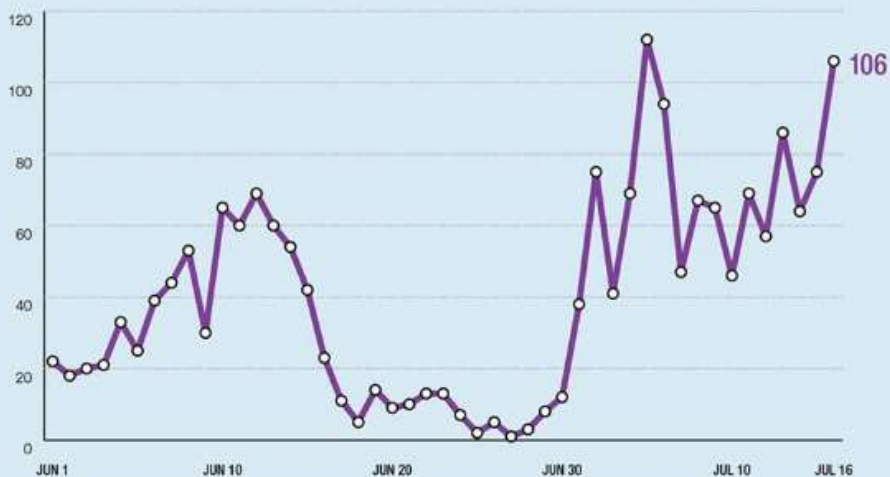
Safe stock and supplement

Current equipment situation by region:

- East China region : Low shortage risk ●
- North China region : Low shortage risk ●
- South China region : Low shortage risk ●

Terminal/depot situation in Europe, such as Duisburg and Hamburg under risk of container shortage recently.

New local COVID-19 cases on Chinese mainland July 16



Omicron variant spreads in several provinces of China

401 High risk area(last week 294) and 673 Medium risk area(last week 397) 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:

<http://bmfw.www.gov.cn/yafsdjcx/risk.html>

***By impacted of epidemics, some provinces like Jiangsu, Zhejiang are now under “**NEW NORMAL**”. With local policies to control the spread of virus.

Border Situation



Borders are getting congested

The borders especially at Mala (PL), Brest (BY), Alashankou (CN) and Khorgos (CN), are still heavily congested.

Two borders Alashankou (CN) and Khorgos (CN) are impacted by “departure limitation” from Jul-2 to Jul-20 to clean the backlog. Eurasia trains are not in the impact list, but departure delay at original stations could happen.

The border crossing lead-time is estimated 3-7 days longer than normal. The extreme delay is possible to happen in this case.

- CN / KZ Border : Alashankou / Khorgos border 3-5 days;
- CN / MN Border : Erlian border 5+ days
- CN / RU Border : Manzhouli border 5+ days
- BY / PL Border : Mala / Brest border 3-5 days
- RU / DE Border : Kaliningrad / Rostock border 2-3 days

CN / KZ border: >500 containers waiting at Alashankou >500 containers waiting at Khorgos	BY / PL border: >500 containers waiting at Brest	RU / DE border: >300 containers waiting at Kaliningrad
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Lead-time



Lead time is getting longer in Q3

GPS trackers installed in containers reported nothing abnormal so far (from Feb 24th to Jul 18th). Eurasia trains are moving regularly crossing Russia, Belarus and Poland.

Current T/T lead-time for Westbound is getting longer due to border congestion and seasonal infrastructure maintenance. To Mala is 18-20 days, to Rostock is 20-22 days, to Duisburg/Hamburg +3-7 days upon border release and terminal capacity. Extreme delay might still happen to some trains because of the dwell time.

The lead-time for Eastbound is regularly 20-30 days.