



SCHENKER

Rail Market Updates For week 33 2022

Aug 2022 | MMS CN

150 Years
Elevating Lives



An aerial photograph of a Schenker freight train traveling through a lush green rural landscape. The train consists of a red locomotive pulling several white flatcars, each with the Schenker logo. The train is positioned in the lower third of the frame, moving from left to right. The background features rolling green hills, a line of trees, and a small village with houses and a church. The sky is a clear, bright blue with a few wispy clouds. The overall scene is peaceful and scenic.

01 *Rail Volume*

02 *Equipment*

03 *Covid Impact*

04 *Border situation*

05 *Lead-time*

06 *Eurasia Rail WB Freight Index*



Capacity situation is getting better

With efforts from both DBCE and DBS, we realized major Chinese train operators started to balance the allocation for Europe/Russia.

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 : 2-5 days delay in departure in general for WB
- Booking closed : WB for week 35 | EB for week 33

Capacity is still challenging but getting better.

Equipment



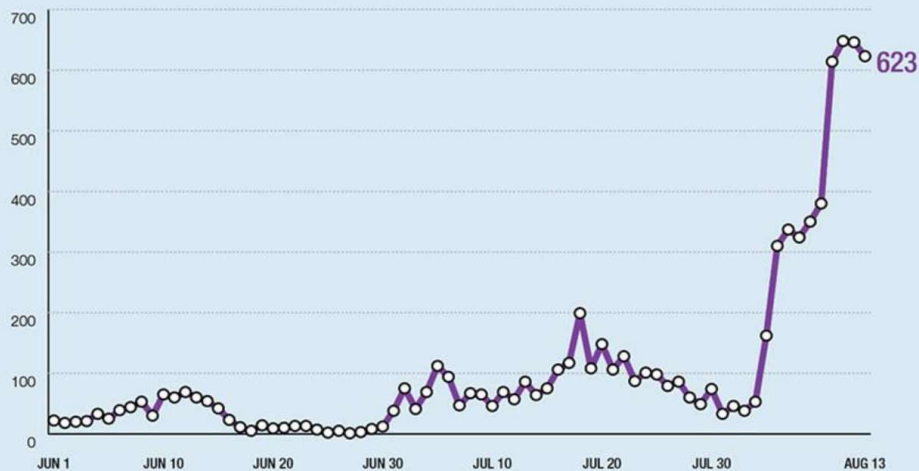
Safe stock and supplement

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 under risk of container shortage recently.

New local COVID-19 cases on Chinese mainland August 13



Omicron variant spreads in several provinces of China

692 High risk area (last week 467) and 607 Medium risk area (last week 885) 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

There is no NEW CR limitation after Jul-20. we did not see huge congestion happened at borders. The overall situation is better than last year.

The current border crossing lead-time is as below:

- CN / KZ Border : Alashankou / Khorgos border 1-3 days;
- CN / MN Border : Erlian border 5+ days
- CN / RU Border : Manzhouli border 5+ days
- BY / PL Border : Mala / Brest border 1-5 days
- RU / DE Border : Kaliningrad / Rostock border 2-3 days

CN / KZ border:
>400 containers waiting at Alashankou
>400 containers waiting at Khorgos

BY / PL border:
>400 containers waiting at Brest

RU / DE border:
>300 containers waiting at Kaliningrad

Lead-time



Lead time is expected to get longer in August, but still better than same period in 2021.

GPS trackers installed in containers reported nothing abnormal so far (from Feb 24th to Aug 15th). Eurasia trains are moving regularly crossing Russia, Belarus and Poland.

The WB trains keep good lead time performance. Current lead-time to Mala is 16-18 days, to Rostock is 20-22 days, to Duisburg/Hamburg +3-6 days upon border released and terminal capacity. Extreme delay might still happen to individual train because of the dwell time.

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