

PANDEMIC SHOCK

COVID-19 impact on the supply chain

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Kuehne+Nagel

27th January 2021

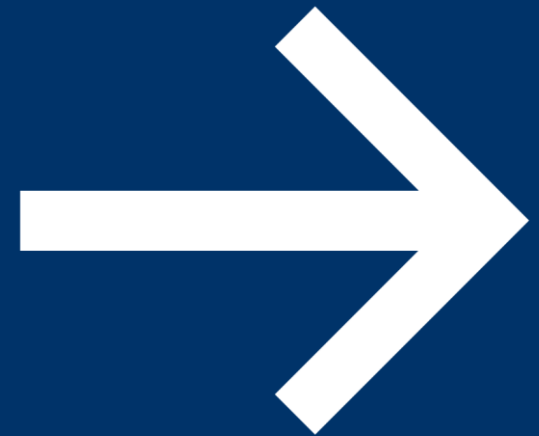
Agenda

- Kuehne+Nagel overview
- Logistics market under COVID-19



01

KUEHNE+NAGEL OVERVIEW



Kuehne+Nagel Cluster Russia + CIS

CLUSTER HQ (3 legal entities)

Moscow, Russia 1992

LEGAL ENTITY

Minsk, Belarus 02.2009

LEGAL ENTITY

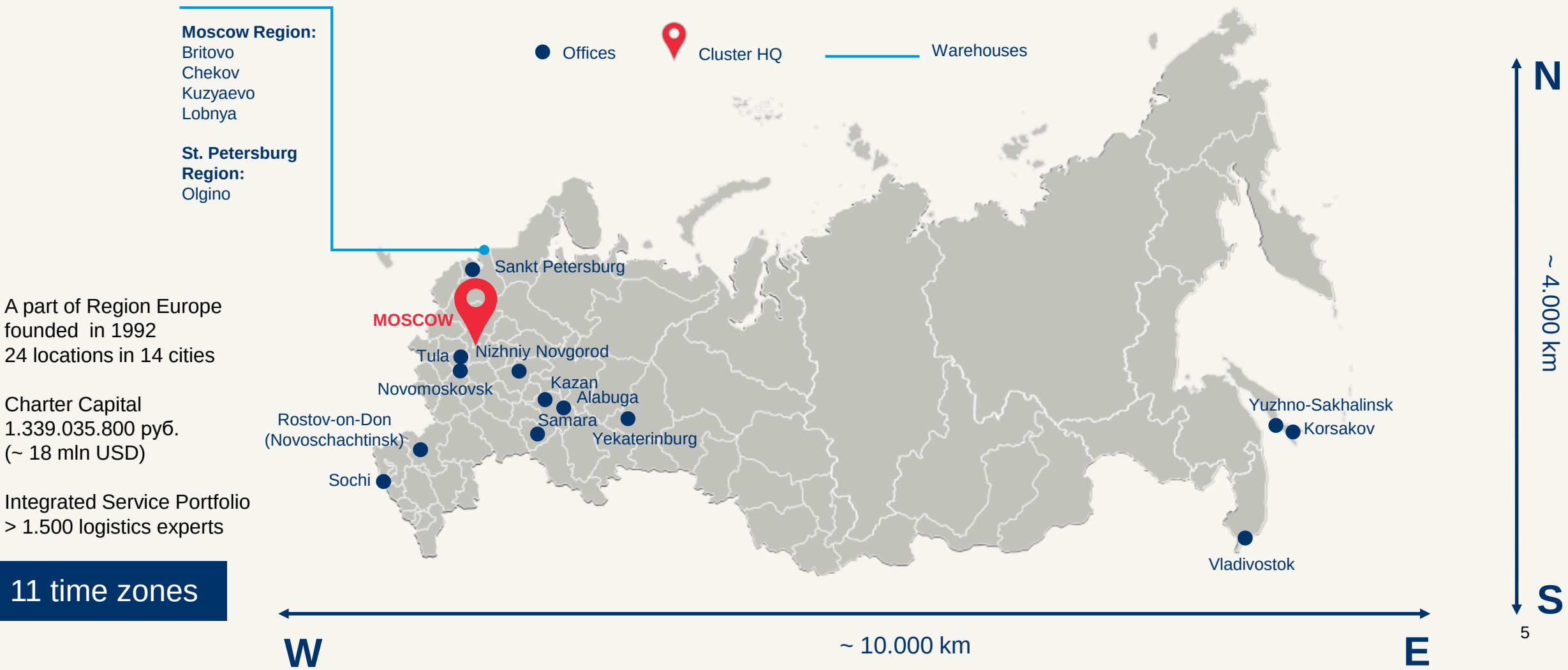
Baku, Azerbaijan 02.2018

LEGAL ENTITY

Almaty, Kazakhstan 06.2018



Russian Network



A part of Region Europe
founded in 1992
24 locations in 14 cities

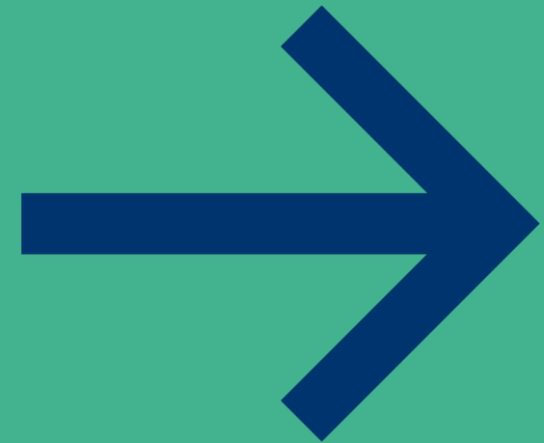
Charter Capital
1.339.035.800 py6.
(~ 18 mln USD)

Integrated Service Portfolio
> 1.500 logistics experts

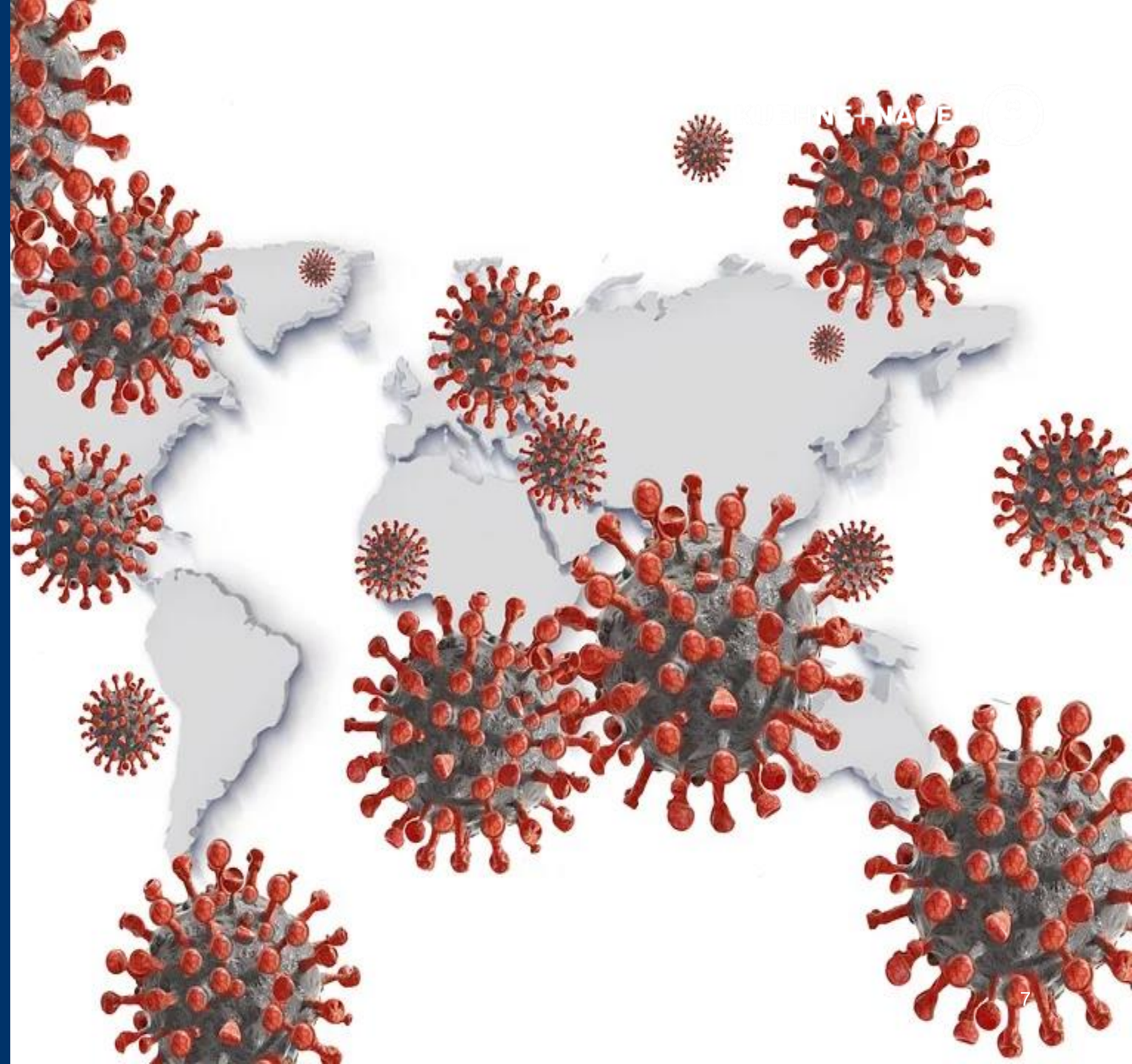
11 time zones

02

LOGISTICS MARKET UNDER COVID-19



COVID-19 has hit the transport & logistics market also in Russia. However, companies that managed to adopt quickly to the new norm, are strengthening their positions and looking for new growth drivers.



Key trends fueled by COVID

The Corona crisis has shed light on the weak points in global supply chains. As a result, supply chain management is now being rethought. And of course there are several adjusting screws that can be turned.

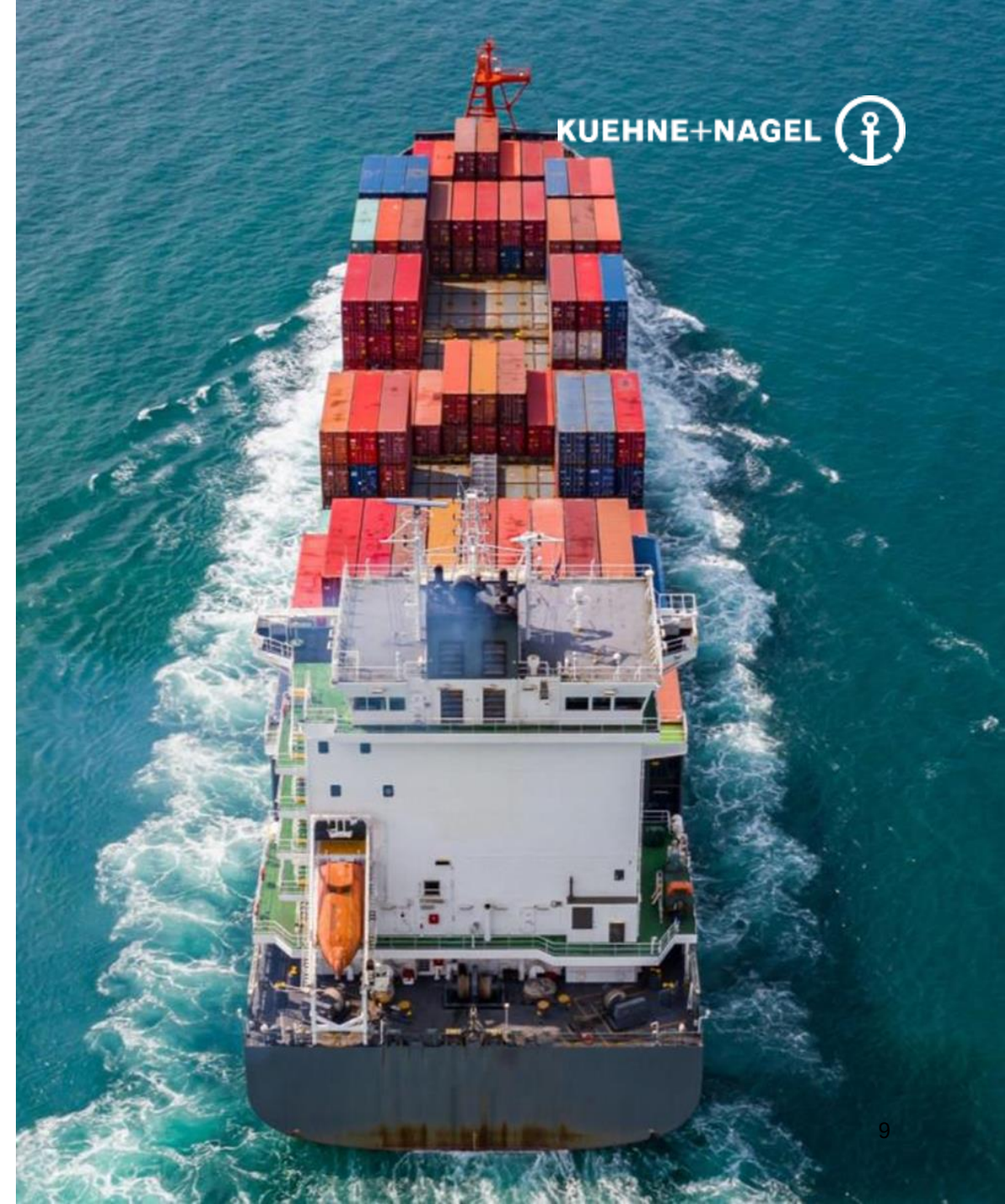


Sea Logistics

Current FCL Situation

- COVID-19 Volume Impact.
- Rate development.
- Equipment challenges.
- Carrier Update.

<https://home.kuehne-nagel.com/-/knowledge/market-insights/container-shortage>



Air Logistics

- Travel restrictions will continue to threaten demand, and therefore deployed capacity, in the first half of 2021.
- With more and more vaccination delivered, some recovery is predicted in H2 2021.
- COVID-19 outbreaks have further limited capacity – especially from Europe, even though more belly capacity is being used by passenger planes.
- Airlines are using smaller aircrafts due to low passenger volume and as a result smaller capacities available.



Road Logistics

- Shift in demand from FTL to LTL.
- Decrease in the size (volume) of single shipments.
- Increase of eCom deliveries (“last mile”)
- Certain decrease in international roadfreight (about 15%) .
- Increase in domestic transportation.
- Trucking from China is a way to support the lack of capacity east-west.
- This can become not only a China-Russia topic but also China-Europe depending on how long seafreight situation with lack of capacities will last.



Digitalization in Russian logistics

ELECTRONIC DOCUMENTATION

- Introduction of electronic waybill in Russia in roadfreight business.
- Customers implement IT platforms for bidding and working with subcontractors.
- Electronic documents exchange.



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