

Shipping Challenges Causing PPE Delivery Delays, Cost Increases

In the fall of 2020, imports of containerized freight were 15% higher than the same period in 2019 due to general restocking, anticipated holiday orders, and pre-orders of PPE prior to the Lunar New Year holiday in Asia.¹
The increased volume of goods is creating strains on shipping capacity by sea, air, and land.

Sea Container Imbalance Adding Weeks To Shipping Times

U.S. imports are growing faster than exports, creating an imbalance of shipping containers in Asia.

2-3 week backlog in Chinese ports due to container shortage²



The U.S. is currently receiving twice as many containers as it is sending back to Asia.²



4-5 day unloading delay in U.S. ports working with 1/3 fewer workers due to social distancing³

Air Air Freight Capacity Booked Through February, 2021

The drastic decline in commercial air travel has created a shortage of "belly space" for air freight.

Freight capacity on passenger flights **down 67%**⁴



Total global air freight capacity **down 25%**⁵



Cargo flights already booked to capacity **through February, 2021**⁶



Land Driver Shortage Limiting Delivery Capacity

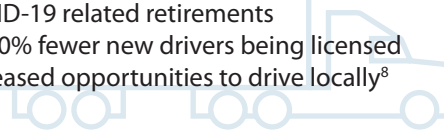
A dramatic increase in e-commerce is exacerbating the shortage of commercial drivers.

30% increase in e-commerce⁷



Tens of thousands fewer truck drivers due to:

- COVID-19 related retirements
- 30-40% fewer new drivers being licensed
- Increased opportunities to drive locally⁸



Commercial carriers 5% over capacity during holiday season anticipating **7 million late deliveries per day**⁹



1. Supply Chain Dive. Equipment Prices Quadruple As Transpacific Volume Surge Creates Asia Container Shortage. October 15, 2020
2. Container News. Only Slowing Demand Will Sort Asian Container Backlog. November 3, 2020
3. Pacific Merchant Shipping Association. Container Dwell Time in September Among the Highest Ever Reported. October 23, 2020
4. Supply Chain Dive. Capacity Constraints Limit Air Cargo's Ability To Bounce Back. September 30, 2020
5. Supply Chain Dive. Airfreight Rates Climb As Peak Nears. November 9, 2020

6. Wall Street Journal. Covid-19 Vaccine Delivery Will Present Tough Challenge to Cargo Airlines. October 5, 2020
7. Supply Chain Dive. Delays, Surcharges And Returns: Holiday Shipping Headaches Have Just Begun. November 9, 2020
8. Transport Topics. Trucker Pay Increasing As Driver Shortage Grows, Industry Capacity Tightening. October 7, 2020
9. NBC News. FedEx, UPS Face 'Shipageddon' With Potential Shortfall Of 7 Million Packages A Day Over Holiday Season. October 20, 2020