



ACC NEWS



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YOUR WEEKLY UPDATES

Week 35 of 2021



Healthcare



Ports



Shipping



Rail



Supply Chain



Global pandemic-related hunger leading to increased social unrest?



Beverages



Retail



C-Stores



Road



Handling

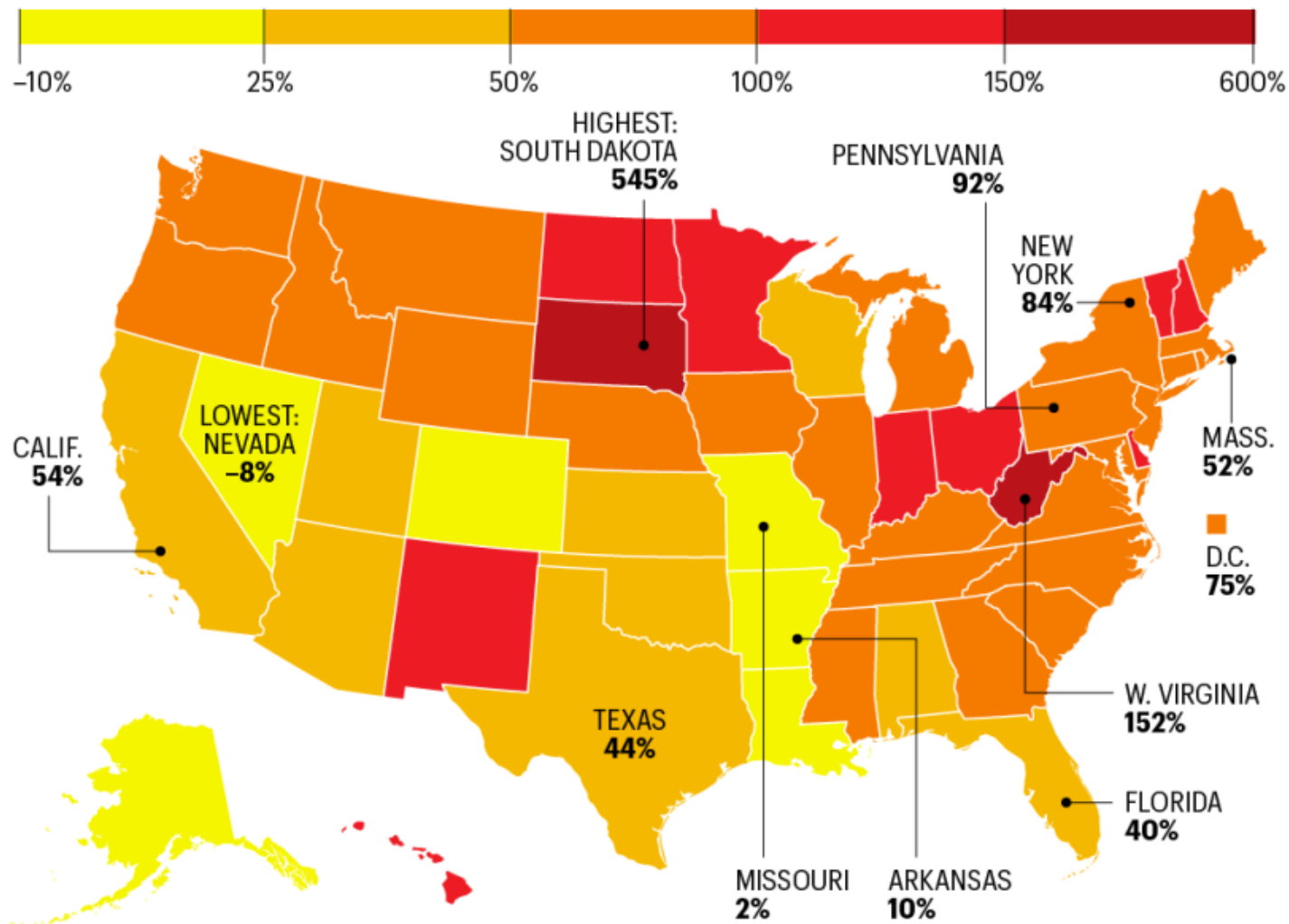


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- The hotel and travel industry has been hit hard by the pandemic and now faces labor shortages. Those in the industry are looking for ways to experiment with new options to recover losses and win back business.
- Travel looks different in 2021 with changes at hotels like charges for amenities and services.
- Some hotels have stripped-down room rates to the bare minimum, tacking on extras like access to the gym or pool for a fee. MCR Hotels, one of the largest hotel owners in the country with 110 properties in 33 states, said it will experiment with this new feature at New York's High Line Hotel and the retro hit TWA Hotel located at JFK airport.
- The hotel will charge \$25 to use the pool on weekends or a day pass at the gym. For guests who want an early check in, that will come with a \$20 fee and breakfast will run an additional \$10 to \$25.
- Tyler Morse, CEO of MCR hotels told "Good Morning America" that this new model tailors the appropriate cost of a stay to fit various guests and their needs.
- "There's business travelers, leisure travelers. Some people want to go to the pool. Some people want to go to the gym. Some people don't want to do either," he said. "But by having all of the products together for one price, it forces some people to pay for products that they don't want or never going to consume."
- These new changes could also save some travelers money if they aren't planning to use any amenities.
- "By going to our cart model, it unbundles the product, it allows us to charge a lower rate for those who just want a sleeping room," Morse explained. "You can buy the products that you want."
- The hotel and travel industry has been hit hard by the pandemic and now faces labor shortages. Those in the industry are looking for ways to experiment with new options to recover losses and win back business.
- "There is going to be quite a long period before we're back to pre-pandemic levels," Melanie Lieberman, senior editor of The Points Guy told "GMA." She added: "it's not surprising to see this type of model roll out right now as hotels are looking for ways to ways to save money and generate new revenue."
- Other hotel giants like Marriott and Hilton have yet to jump on the a la carte fee model.
- "I think the hotel industry is going to take a cautious approach to doing this -- but certainly the more brands, the more major players and the hotel space that start to participate in this type of pricing model, the faster it's going to take off," Lieberman said.





SOURCE: NEW YORK TIMES DATA, CALCULATED ON A 7-DAY MOVING AVERAGE

DATA THROUGH 8/17/2021

FORTUNE

When you have nothing to say, say nothing - Charles Caleb Cotton



- Freight markets have entered their second year of extreme dislocation, brought on by record consumer spending and a transportation network that doesn't have the labor or equipment to fill the need.
- A lack of openings on ocean sailing schedules, ships waiting longer to berth at the ports and delays unloading the freight once it has landed are some of the front-end issues facing the transportation industry. Once freight is routed inland, a chicken-and-egg scenario is playing out between container/chassis scarcity and slow rail service, with each causing further detriment to the other.
- Add in labor headwinds throughout all phases of the supply chain, notably difficulties finding truck drivers and warehouse workers, and the storm for freight delivery is near perfect.
- The NRF said inbound TEUs will again break a recently established monthly record and is calling for August TEUs to increase 12.6% year-over-year at the nation's largest retail container ports to 2.37 million, which would surpass the record just set in May.
- "August is the beginning of the 'peak season,' when retailers stock up on holiday merchandise each year," the report stated. "Many retailers are moving up their shipments this year as part of their risk-mitigation strategies to ensure that sufficient inventory will be available during the holidays."
- The NRF expects full-year 2021 TEUs of 25.9 million, 17.5% higher year-over-year and a new record. Monthly volumes are expected to remain above the 2m level for the rest of the year, continuously stepping lower from the August prediction to 2.02 million by December.
- Both anchorage and dwell times are trending in the wrong direction, LA Port said. "75% of ships stopped at anchor in July [instead of heading to berth], up from 50% in June. Early data for August shows that 90% of arriving vessels are headed straight to the parking lot."
- As recently as mid-August, 125 ships were either at berth or anchor (including 37 container ships) at the Los Angeles and Long Beach ports, which was an all-time high.
- On the surface transportation side, many of the supply chain's woes have been laid at the feet of the railroads.
- Congestion is still bad, still hard attracting and retaining drivers, JB Hunt said. Pricing is going to get better, but costs are also going to get more challenging.





Retailers eye more air cargo as COVID lockdowns intensify in Vietnam American Shipper

- Big apparel and footwear merchants are increasingly trying to switch from ocean to air transport to make up for huge production slowdowns in Vietnam due to COVID and ensure seasonal imports arrive on time for holiday shoppers. Airfreight rates from the country are rapidly escalating because of the spike in demand for all-cargo charter capacity, according to logistics companies that manage freight movements.
- The shift to cargo aircraft is underway as Vietnamese authorities, in response to rising numbers of COVID-19 cases in the south, extend by a month stringent controls on movement that have crippled factory production and sharply reduced freight activity at ports and airports. Many factories remain closed.
- The situation is very fluid, with the Ho Chi Minh City government announcing that residents will be required to shelter in place, starting Aug. 23, to better contain the COVID spread, according to a local media account.
- “I can tell you there are a number of major U.S. retail brands that have pulled the trigger to say, ‘This style or this particular [product line] is no longer going to be on the ocean, it’s only going to go in the air,’” EFL Global, told American Shipper.

What's old is new: Brands craving connection with consumers turn to livestreaming Remarkety a NAMO-GOO company

- On its first shoppable livestream on TikTok last December, Walmart tapped DevanOnDeck, who has over 3.2 million followers on the short-form video-sharing app, and other top creators to showcase different apparel products.
- The event received seven times as many views as the company expected, and Walmart's TikTok following rose by 25%. It was so successful Walmart did a 2nd livestream event in early 2021, this time focusing on beauty products.
- At a time when shoppers were wary of being in physical shopping centers due to the pandemic, retailers, brands and social media apps jumped on the shoppable live content playing field in some way. During the height of the pandemic, Nordstrom announced over 50 interactive livestream events, Facebook partnered with Anne Klein to debut its live in-app shopping feature and Petco hosted a live shoppable pet fashion show through Facebook Shops.
- China's appetite for livestream shopping foreshadows what the U.S. market could be. In China, where influencers would spend hours (sometimes all day) livestreaming, KPMG and research firm AliResearch expect the industry to reach \$305 billion in 2021.





How dollar stores scammed America to become worth more than Coca-Cola

- “For every \$1 in sales, Dollar General and Dollar Tree earn an average gross profit of ~\$0.30,” reads Crockett’s report. “That’s more than rivals like Target (\$0.28) and Walmart (\$0.24).” These stores also buy bulk surplus and discontinued items, further increasing their overall profit margins. “That \$1 Old Spice deodorant might seem like a good deal. But at 0.8 oz., it’s less than one-third the size of the standard 3 oz. stick—and on a per-unit basis, it’s significantly more expensive than the larger-sized offerings at other retailers.”
- Okay, so you’re technically paying more for the convenience, right? That’s not terrible, given that these outlets are essentially, well, “convenience stores.” But here’s where it gets particularly gross: dollar stores are targeting demographics who either aren’t educated enough to spot the scam or who don’t make enough to have much choice in where and when they buy their household necessities.
- “The core demographic of dollar stores—lower-income families who earn less than \$40K per year—are often living paycheck to paycheck and can’t afford to buy in larger quantities, even if it means getting a better deal.”
- Desperation breeds profit for these dollar stores, and it’s a business model that has, perhaps unsurprisingly, proven extremely successful—there are more of these stores than all the Walmarts, CVS, Walgreens, and Targets combined.
- It doesn’t take a trained economist to understand how these so-called “bargain” outlets have spread across the U.S. landscape—it’s psychologically comforting to know the apparently cheap price of everything in a given store without needing to give it much thought. Throw in a crumbling American Dream, and you got yourself a recipe for business success.

Amazon considers opening ‘department store’ locations

- Amazon reportedly plans to open several large department store-like retail locations in the U.S. that will sell household items, clothing and electronics, among other items.
- The Wall Street Journal is reporting that some of the first Amazon department stores will be in Ohio and California. The new stores will be around 30,000 square feet, which is smaller than most department stores that are normally around 100,000 square feet, according to the WSJ, which spoke with people familiar with the plans.





Survey: Shoppers still headed to stores — but taking precautions ~~CSA~~

- The Delta variant of COVID-19 concerns consumers, but not enough to keep them home.
- That's according to a new survey from shopping rewards app Shopkick which found that that six in 10 (61%) respondents are taking extra precautions when shopping in-store due to the rise of Delta. Of those cautious respondents, most are once again masking up while shopping (82%), using disinfectants on hands and carts (79%), shopping at less busy times (66%), using debit/credit cards to avoid exchanging cash (63%), and utilizing self-checkout (59%).
- A vast majority (85%) of respondents who are worried about shopping in-store are concerned that other shoppers are not taking the proper safety precautions. To feel safer, 70% of worried respondents expect retailers to enforce safety precautions. However, 59% of worried shoppers fear retailers will fall short of this expectation.
- Respondents hope to see retailers take proactive steps against the Delta variant such as disinfecting carts (83%), enforcing social distancing (65%), mandating masks (65%), limiting store capacity (42%), and putting a cap on the number of essential products each shopper can purchase (38%).
- Despite fears, shoppers are still headed in-store. Two-thirds of respondents (67%) report taking the number of same trips to the store per week as they did the prior month, and 10% have found themselves going more often.
- However, 55% of respondents report that the pandemic has changed the way they will shop forever. Post-pandemic, more than half of respondents expect to continue to stock up on essentials (57%), shop online more (56%), and make fewer, but bigger, shopping trips (53%). After the pandemic, fewer shoppers plan to prioritize availability over brand preference (37%) or utilize convenience options like BOPIS (14%).
- These results align with findings of a survey Shopkick released in July about changing consumer expectations for the in-store shopping experience as a result of COVID-19. Although two-thirds (67%) of respondents were vaccinated, a majority wanted in-store safety precautions to continue through the rest of the year, expecting retailers to offer disinfecting spray (83%), keep plexiglass barriers at checkout (66%), enforce social distancing measures (54%), and require employees (54%) to wear face coverings. To make the experience less stressful in the future, respondents wanted retailers to prioritize keeping products stocked (68%) and continue enforcing safety precautions (60%).





Retail Update

9

The Top 100 Convenience Store Chains of 2021

- Marathon Petroleum and 7-Eleven Inc. officially sealed their deal, paving the way for Irving, Texas-based 7-Eleven to cement its place among the top chains in the U.S. convenience store industry.
- The acquisition diversifies 7-Eleven's presence to 47 of the 50 most populated metro areas in the United States and expands its company-operated store footprint as well. So, it comes as no surprise that 7-Eleven keeps its crown as the No. 1 chain on the 2021 Convenience Store News Top 100 ranking. According to data provided to CSNews by Nielsen TDlinx, the retailer boasted a total U.S. store count of 12,973 locations as of June 2021 — broken out to 5,282 company-operated stores and 7,691 franchise stores.
- That figure far outnumbers No. 2 chain Laval, Quebec-based Alimentation Couche-Tard.
- Aside from the top three chains, EG America, GPM, Wawa Inc., QuikTrip Corp., Kwik Trip Inc., Pilot Co. and Sheetz Inc. round out the top 10 on this year's Top 100 ranking. The top 10 retailers account for a combined 28,041 industry stores (or 19 percent) — and of those, the top three retailers account for a combined 21,171 stores (or 15 percent).

2021 Rank	Company, City, State	Annual ACV* (\$'000)	Total U.S. Store Count	Company-Operated Stores	Franchise/Licensee Stores	Primary Store Names
1	7-Eleven Inc. Irving, Texas*	\$48,311,952	12,973	5,282	7,691	7-Eleven, Speedway, Stripes, Tadeschi Food Shop, White Han Pantry
2	Alimentation Couche-Tard Inc. Laval, Quebec, Canada*	\$23,685,220	5,833	5,833	0	Couche-Tard, Circle K, Holiday
3	Casey's General Stores Inc. Ankeny, Iowa*	\$9,907,300	2,365	2,365	0	Casey's General Store, Buckey's Convenience Store
4	EG America Westborough, Mass.	\$12,254,996	1,698	1,634	64	Cumberland Farms, Fresh Eats MKT, Kroger Express, Kroger Fuel Center, Kwik Shop, Leaf 'N Jug, Quik Stop, Tom Thumb, Turkey Hill Mini Market, EG America
5	GPM Investments LLC Richmond, Va.	\$3,644,940	1,305	1,296	9	Admiral Petroleum, Apple Market, BreadBox, ExpressStop, E-Z Mart, Fas Mart, Jatz, Jiff Stop, Jiffy Stop Food Marts, Lili Crickat, Mart Door Food Store, 1-Stop Food Stores, RStore, Roadrunner Markets, Scotchman, Shore Stop, Town Star, Village Pantry, Young's
6	Wawa Inc. Media, Pa.	\$10,568,480	922	922	0	Wawa
7	QuikTrip Corp. Tulsa, Okla.	\$10,709,920	882	882	0	QuikTrip
8	Kwik Trip Inc. La Crosse, Wis.	\$3,735,940	747	747	0	Kwik Star, Kwik Trip, Tobacco Outlet Plus Grocer
9	Pilot Co. Knoxville, Tenn.	\$2,893,800	700	699	1	Flying J, Mr. Fuel, Pilot Express, Pilot Food Mart, Pilot Travel Center
10	Sheetz Inc. Altoona, Pa.	\$7,532,720	616	616	0	Sheetz
11	Love's Country Stores Inc. Oklahoma City	\$1,630,980	556	556	0	Love's Country Store, Love's Travel Stop
12	RaceTrac Petroleum Inc. Atlanta	\$5,484,700	552	552	0	RaceTrac, RaceWay
13	Military Arlington, Va.	\$3,301,272	542	542	0	AAFES Exchange Store, Coast Guard Mini Mart, Marine Corps Shoppette, NEXCOM Mini Mart, Shoppette, Troop Store
14	Murphy USA Inc. El Dorado, Ark.	\$1,801,280	534	534	0	Murphy Express, Murphy USA, QuickChik
15	Kum & Go LC Des Moines, Iowa	\$2,543,320	413	413	0	Kum & Go
16	BW Gas & Convenience LLC Beverly, Mass.	\$462,488	400	400	0	Allsup's, Yasway
17	Maverik Inc. Salt Lake City	\$744,900	361	361	0	Maverik
18	United Pacific Long Beach, Calif.	\$2,416,960	356	308	48	My Goods Market, United Oil, We Got It! Food Mart
19	Stewart's Shops Corp. Ballston Spa, N.Y.	\$1,578,720	349	349	0	Stewart's Shops
20	COPEC Inc. Franklin, Tenn.	\$1,614,340	335	335	0	Delta Express, Discount Food Mart, Favorite Market, MAPCO, MAPCO Express, MAPCO Mart
21	Global Partners LP/ Alliance Energy Corp. Waltham, Mass.	\$656,500	298	261	37	Alltown, Alltown Fresh, Convenience Plus, Fast Freddie's, Honey Farms, Jiffy Mart, Mr. Millie's, P&H Truck Stop, T-Bird, Xtra Mart
22	ExtraMile Convenience Stores LLC Pleasanton, Calif.	\$4,098,640	295	0	295	Chevron ExtraMile
23	Jacksons Food Stores Inc. Meridian, Idaho	\$660,400	261	187	74	Chevron ExtraMile, Jacksons Food Store
24	Dolek US Holdings Inc. Brentwood, Tenn.	\$576,940	256	58	198	Alon, DK, 7-Eleven
25	Two Farms Inc. Baltimore	\$529,880	245	245	0	Royal Farms

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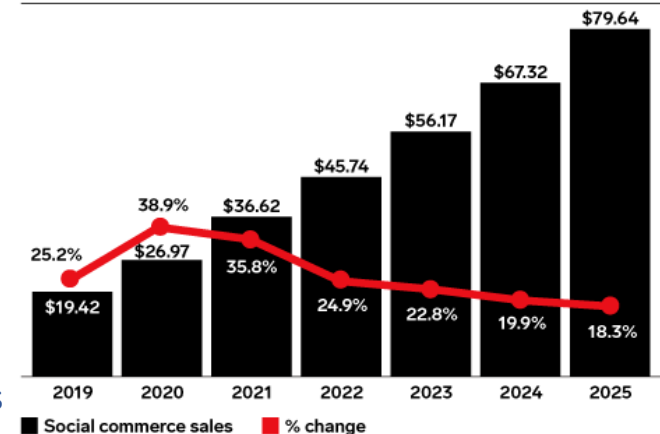




US retail social commerce will reach nearly \$80 billion by 2025 INSIDER INTELLIGENCE

- The forecast: Retail social commerce is already a multibillion-dollar industry in the US, having earned \$26.97 billion in sales in 2020. That figure will more than double by 2023, when we predict retail social commerce earnings will hit \$56.17 billion.
- Social commerce is most popular among adult members of Gen Z: More than half of US social media users ages 18 to 24 have made purchases via a social channel.
- While social buying is a growing trend in the US, it's more popular in China and Russia, where 51.5% and 49.5% of social network users have purchased via a social channel.
- In the US, millennials are the most likely to use social media networks as important information sources for shopping decisions.

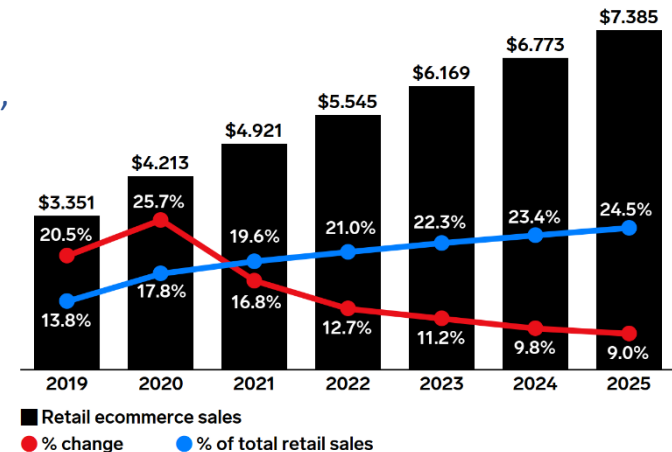
US Retail Social Commerce Sales, 2019-2025
billions and % change



Worldwide ecommerce double-digit growth following pandemic push

- The forecast: Following a major shift to online retail in 2020, retail ecommerce sales will continue to grow by double digits through 2023 and make up an increasing share of total retail sales worldwide. By 2023, we project worldwide retail ecommerce sales will total \$6.169 trillion and make up a 22.3% share of total retail sales, up from \$3.351 trillion and 13.8% in 2019.
- China has by far the largest retail ecommerce market, accounting for a 52.1% share of total worldwide sales. The US has the second-largest market but makes up a far smaller share than China, at 19.0%. The rest of the world's ecommerce markets each make up less than a 5% sales share.  eMarketer.

Retail Ecommerce Sales Worldwide, 2019-2025
trillions, % change, and % of total retail sales





Within a month, Mexico will be the only game in town

- As growing regions wind down for their avocado seasons, the focus will turn to sizing and pricing of avocados.
- Domestically, California is slowly wrapping up its avocado production. “They’re about 95-96 percent done with the estimate,” says Keith Slattery of Stonehill Produce Inc. in Capistrano Beach, CA. “We’ve got about three to four weeks left.” He notes that this week, projections are for 6-7 million lbs. of fruit to move and then next week, 5 million and continuous weekly tapering down from there.
- Offshore, Peru is in the same position. “There are about three to four weeks left there as well. So, within a month, Mexico will be the only game in town,” says Slattery.

Walmart moves into Instacart turf with delivery service

- Walmart is taking on the likes of Instacart and DoorDash with the launch of new line of business called Walmart GoLocal, which delivers goods to customers of other businesses. The discount giant is building the new service on the existing infrastructure supporting the Express Delivery same-day delivery service it rolled out in 2020. This includes drones, autonomous vehicles and market fulfillment centers.
- This white-label delivery-as-a-service offering includes nationwide delivery capabilities on a range of assortment, including those with size and complex requirements, as well as the flexibility to meet varying timelines. Walmart says it will rapidly expand GoLocal to offer additional services.

Urban Outfitters will enter resale market

- Specialty retailer Urban Outfitters Inc. is introducing Nuuly Thrift, a resale marketplace launching in fall 2021 for consumers to buy or sell women's, men's and kids' apparel and accessories. Nuuly Thrift will be a sister platform to Nuuly Rent, the subscription rental service for women's apparel opened by Urban Outfitters in 2019.
- Nuuly Thrift will not only serve as a resale marketplace for Urban Outfitters brands, as customers will have the opportunity to resell products from any brand. When customers sell an item on Nuuly Thrift, they will have two options: transfer their earnings directly into their bank account, or redeem them for Nuuly Cash, which is worth 10% more at Nuuly Thrift and other Urban Outfitters brands.





US ECONOMY: Coronavirus Predictive Indicators for Economic Impact

prevedere

All Categories: Look at these indicators to understand how they are placing upward or downward pressure on the economy.

Last Refresh: 08-23-2021

Category	Indicator	Relationship	Next Update	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021
Business Investment	Average Weekly Hours - Retail	Procyclic	09-07-2021	-0.33%	0.22%	0.22%	-0.21%	
	Small Business Sentiment	Procyclic	09-12-2021	0.69%	5.64%	5.60%	2.72%	
	Weekly Economic Index	Procyclic	08-27-2021	11.28%	11.32%	10.04%	9.07%	8.04%
	Weekly Jobless Claims	Countercyclic	08-27-2021	-86.92%	-81.08%	-74.26%	-72.41%	-62.28%
Transportation and Tourism	Google Search "Travel Cancellation"	Countercyclic	09-10-2021	-80.85%	-78.29%	-21.43%	-5.41%	
	ISM Services Index	Procyclic	09-06-2021	19.85%	36.29%	29.45%	17.19%	
	Restaurant and Bar Sales	Procyclic	09-18-2021	30.14%	70.68%	71.41%	49.40%	
	Sentiment: Vacation Travel Next 6 Months	Procyclic	09-16-2021	-14.64%	7.77%	25.41%	31.70%	36.18%
Consumer Big Ticket Purchases	Auto Sales	Procyclic	09-07-2021	25.93%	59.70%	55.30%	21.59%	
	Consumer Sentiment - Discretionary Spend	Procyclic	09-15-2021	8.04%	23.59%	35.45%	27.61%	25.54%
	Global Luxury Index	Procyclic	09-09-2021	82.77%	91.98%	83.08%	74.62%	61.68%
	Home Building Permits Issued	Procyclic	09-18-2021	31.87%	38.93%	37.79%	20.27%	
Logistics and Manufacturing	Economic Policy Uncertainty	Countercyclic	08-24-2021	-77.14%	-73.51%	-67.33%	-61.99%	-57.71%
	Industrial Production	Procyclic	09-18-2021	4.14%	11.51%	14.60%	10.81%	
	Overtime for Hourly Mfg Workers	Procyclic	09-07-2021	15.89%	26.53%	33.70%	22.77%	
	Purchasing Managers Index - Mfg	Procyclic	09-02-2021	32.34%	39.57%	33.02%	20.95%	
Financial	Financial Stress Index	Countercyclic	08-27-2021	-142.79%	-304.47%	-2605.63%	485.98%	155.15%
	S&P 500	Procyclic	08-24-2021	50.73%	42.86%	36.08%	37.02%	31.99%
	US High Yield Index Option - Adjusted Spread	Countercyclic	08-24-2021	-60.18%	-55.24%	-47.05%	-46.59%	-34.61%
	VIX Volatility Index	Countercyclic	08-24-2021	-60.13%	-37.81%	-44.91%	-37.84%	-26.65%

NOTES

Values represent the percentage change from the previous year.

In August, 9 out of 10 indicators are signaling economic improvement from the previous year.

In July, 18 out of 20 indicators are signaling economic improvement from the previous year.

Look to subsequent pages for monthly trend analysis.

Upward pressure on economy

Downward pressure on economy





DPDHL buys Hillebrand amid acquisition boom

- The wave of acquisitions continues in the freight forwarding sector, with Deutsche Post DHL (DPDHL) buying the mid-sized German freight forwarder, J.F. Hillebrand Group. DPDHL is paying the equivalent of €1.5bn in debt assumption and equity, with the size of the sum making it a little more than the simple ‘bolt-on acquisition’ described by DPDHL’s CEO, Frank Appel.
- Hillebrand focuses on specialist trades, particularly wine and other alcoholic beverages. The company says that it handled 600,000 TEUs in 2020 with sales of €1.4bn. DPDHL stated the intention to retain the Hillebrand brand, although presumably the Hillebrand Group’s operations will be absorbed into the DHL Global Forwarding system.
- Explaining the rationale for the purchase, Frank Appel said that “with the growing maturity of our freight forwarding business, this bolt-on acquisition of Hillebrand is highly complementary to our existing portfolio. In line with our Group Strategy, we strengthen our core logistics business and deliver profitable long-term growth”. This perspective was further explained by Tim Scharwath, CEO DHL Global Forwarding, Freight who observed that “after concentrating on improving the business operationally, we are now able to direct our core business towards sustainably higher margins by broadening our reach and service offering in specialized segments”.
- However, there is a further dynamic behind this and the number of other acquisitions in the logistics sector, namely cheap money. Frank Appel hinted at this in his comments, saying that DPDHL was using its “financial strength” to “pursue quality investments while reinforcing our unchanged commitment to deliver on investor return expectations”. In other words, DPDHL can borrow very cheaply in capital markets enabling it to buy assets that will deliver higher returns on equity over the medium-term.
- The effects of cheap money are driving the acquisition boom, something which is likely to continue as the wave of money printing over the past year continues to drive the economy generally and asset prices in particular. Although DSV Panalpina has perfected the art of growth by acquisition, such a company is unlikely to find this situation resistible, making the rumored purchase of DB Schenker even more likely.

ACC Comment – DHL Acquired Georgio Gori, the world’s largest liquor forwarder in 1989 and the Hillebrand acquisition surely converts this to a controlling global position, as together they move the overwhelming majority of global liquor.



Companies shifting production away from China are facing major challenges in Vietnam **TECHSPOT**

Reshoring is hard, but moving away from China is even harder

- For several years, tech companies have been on a quest to reduce their reliance on China to manufacture products. Suppliers of Apple, Google, Amazon, Dell, and Microsoft, have made some progress in expanding to neighboring Asian countries. Still, new Covid-19 outbreaks and a lack of local engineering talent are slowing down this transition.
- In 2019, during the trade war between China and the US, there were numerous reports that tech giants were exploring options to move away from the heat and best protect their financial interests. Their main goal was (and still is) to shift as much of their manufacturing as possible away from China and into countries like India, Vietnam, and Mexico, where labor is less expensive, and the resulting products aren't subject to inflated import taxes.
- This line of thinking is also endorsed by manufacturers like Foxconn, which believes China can no longer be "the world's factory." However, the process has been far from a smooth one, with companies like Amazon and Apple quickly running into issues like unfair pay and child labor, on top of a series of political barriers and supply chain bottlenecks that aren't easy to overcome.
- Then the pandemic hit, making the perils of the tech industry's heavy reliance on China all the more obvious. More than a year later, new Covid-19 outbreaks are still affecting the ability of tech companies and their key suppliers to shift production to places like Vietnam and India.
- According to Nikkei, Apple will now start making AirPods in China instead of Vietnam. At the same time, Google and Amazon will do the same with the mass production of the Pixel 6 smartphone and various smart home devices, despite the higher cost of Chinese labor.

ACC Comment – onshoring, closeshoring and intermittent shoring will prove extremely difficult – Vietnam has limited supply chain ability as do other alternate manufacturing countries, shown by COVID-19. They cannot substitute China. So long as relocating out of China costs importers more money, they will not relocate. The global investment market is based on return on capital, not benevolence, philanthropy or kindness. It is all and only about investment return, and any publicly-traded company CEO opting to onshore with any cost increase will not last. The only two exceptions being a government mandate or wholesale automation of U.S. manufacturing output. Both extremely limited as options.



Walmart Merchants Charter Ships to Get Inventory to US Stores The Maritime Executive

- Walmart told investors during its quarterly update that they are taking proactive steps to manage inventory, including transporting merchandise on chartered vessels in order to manage the current challenges in the supply chain. The largest brick-and-mortar retailer - with more than 4,700 stores in the U.S. alone - described to investors steps taken to manage inventory.
- Like most major retailers Walmart reports that it has been challenged by the disruptions in the supply chain, but believes it is well-positioned with merchandise through these efforts going into Q3 and Q4, which are typically busy for retailers.
- Walmart is not the first big-box retailer to take matters into its own hands to address the shortage of capacity for container shipping. In June, Home Depot President and Chief Operating Officer Ted Decker described to CNBC the unusual steps the company was taking to maintain its merchandise inventories and get products on the shelves during the disruptions to the global supply chain. He said Home Depot had chartered a ship that was sailing between China and U.S. dedicated to the home improvement retailer. This was on top of having used air freight and buying products in the open market.
- Smaller retailers and manufacturers, however, have not been able to take advantage of these options. They continue to complain to the Federal Maritime Commission about the problems and the need to better manage the carriers.

ACC Comment – ship deck space is only one element of present ocean freight challenges. Locating empty containers to stuff with ordered goods, avoiding onshore congestion in manufacturing countries, Asian port closures disrupting stowage plans, hundreds of vessels at anchor off Asian ports and congestion in U.S. ports are all added problems facing Walmart and other private charterers. These are not nearly the sum total of hurdles confronting these privateers. Once chartered vessels find berth space in a U.S. landing port, they need to remove containers from ports – with congested port loops, intermodal and rail services delaying movement, single tier road bridges limiting rail train profiles, and certainly not the smallest issue, finding a local rail ramp that caters to ocean containers, all making matters difficult. Then there remains the huge issue of returning the empty containers to outbound ports. ACC cannot see ports giving Walmart, Home Depot and other private charterers preferential treatment ahead of the rest of U.S. importers.

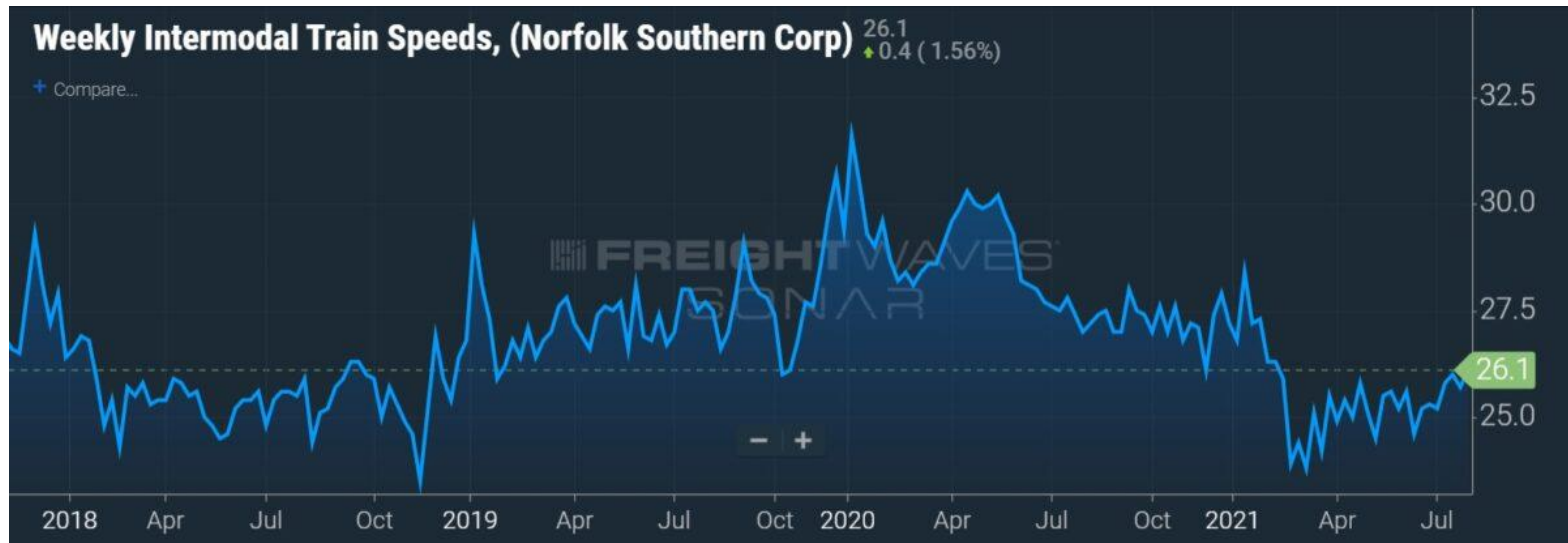


Shanghai airport facility in COVID lockdown, cargo backlog expected

- Multiple logistics companies are reporting that authorities have suspended operations in a major warehouse at Shanghai Pudong International Airport because of a COVID outbreak, putting a halt to most freighter activity at China's largest cargo airport.
- The timing of the closure throws another wrench in supply chains already stretched thin by ocean and airfreight capacity shortages and extensive shipping delays as the peak export season kicks into high gear for the holidays. All-cargo carriers in Shanghai have faced delays and canceled flights for more than a week because of airport staffing shortages that occurred when authorities imposed strict COVID protocols to prevent the virus from spreading.

Intermodal train speeds slowing down

At his monthly press conference, Seroka said UP had 25 miles of trains and BNSF had 22 miles of trains sitting outside of facilities near Chicago at the time of the service pauses. He also noted that rail dwell time at the Port of Los Angeles has worsened to more than 13 days, which is a record.



European Driver Shortages Ti

- Covid-19 and Brexit have further exacerbated the already alarming issue of driver shortages. Even before the pandemic was a serious cause for concern in the industry, the lack of drivers in the road transport industry was at an all-time high with many of its underlying issues being long-term challenges.
- Factors such as an aging workforce and insufficient numbers of new recruits, due to working conditions and image issues of the profession, have been plaguing the industry for many years. Brexit and Covid-19 have put further pressure on road freight operators and freight rates.
- Truck drivers are lost in a sort of Bermuda triangle of Brexit, pandemic and tax reforms/peak seasons, leading to a pressing driver shortage in the UK. Brexit effectively ended recruitment from the EU, making it legally impossible to recruit foreign HGV drivers. The COVID-19 pandemic created a backlog of tests and saw around 15,000 Eastern European driver returning home. Finally, newly introduced tax reforms exacerbated the exodus of EU drivers from the UK which will only get worse over the coming summer.
- **Strategies to mitigate driver shortage**
 - The use of apprenticeships and training schemes
 - Seasonal Hiring
 - Recruiting Ex-Army Personnel
 - The use of technology
 - Institutions and governmental input
 - Reducing the minimum age
 - Attracting female truck drivers
 - Attracting foreign drivers
 - The use of financial incentives
- The driver shortage in Europe is set to get worse, despite the many strategies.
- There clearly is no silver bullet to the issue of driver shortages, and all strategies will help alleviate the issue to some degree.

Truck Driver Shortage Across Europe (latest available data as of July 2021)

Driver Shortages in European Logistics		
Country	Scale of shortage	Last reported data
Poland	123,842	2020
United Kingdom	60,000 - 76,000	2020
Germany	45,000 - 60,000	2020
France	43,000	2019
Spain	15,340	2020
Italy	15,000	2019
Sweden	5,000	2017
Belarus	4,500	2019
Norway	3,000	2017
Denmark	2,500	2017
Ukraine	12,000 - 120,000	2019

Source: Ti/Various



Source: Ti/Various

When you have nothing to say, say nothing - Charles Caleb Cotton





Target to open four regional 'sortation' centers for online orders

- Target is attempting to shave time off its online delivery process by speeding up the fulfillment of e-commerce orders from stores.
- In April 2021, Target publicized a pilot of a new sortation center in its home city of Minneapolis that streamlines the process of fulfilling digital orders from stores, which fulfill more than 95% of the discount giant's online orders.
- The pilot uses store associates to pick and pack digital orders. A Target-controlled truck then collects the packages and brings them to the center, where they are automatically sorted with proprietary technology for individual routes and immediate delivery at the neighborhood level.
- Based on the successful results of the pilot, Target is expanding its sortation center concept. Starting in fall 2021, the retailer will open four new sortation centers in major markets across the country — including sites in Houston, Dallas, the Philadelphia area, and Lawrenceville, Georgia. All four facilities were built after the initial Minneapolis sortation center, which opened in 2020.
- Under the sortation center model, when a customer places an order on Target.com, store teams pick and pack shipments, then sort them for delivery partners like Shipt to deliver to customer homes. Sortation centers are designed to make this process faster by retrieving packages as soon as store teams are finished packing and sorting, batching and routing them for delivery to local neighborhoods.

Amazon makes a bet on department stores eMarketer.

- The news: Amazon is reportedly planning to open department-store-like retail locations, per The Wall Street Journal. The plans are not finalized yet but signal the ecommerce giant's intentions to further disrupt retail.
- The competitive set: In terms of number of stores, other mass merchants and big-box retailers have a serious advantage.
 - Walmart has 4,740 US stores, and its warehouse chain Sam's Club has 499.
 - Also in the US, Target stores number to 1,914, and Kohl's has more than 1,100.
- What's interesting: The square footage of Amazon's stores will be only a third the size of average department stores—30,000 square feet, as opposed to the traditional 100,000 square feet.





Where in the world is my container?

- The global produce industry is a fascinating and entirely unique business model, with one of the most delicate operational chains that spans global markets and meticulously juggles countless daily moving pieces. The industry is also no stranger to incident response, troubleshooting, and navigating large scale challenges whether weather related, hiring or labor challenge, government policy adjustments, or other such challenges. All this to say this is an incredibly efficient and nimble industry that is arguably very capable of pivoting quickly when faced with new challenges.
- The industry is currently facing one of the biggest global challenges we have experienced to date. It has everyone in the supply chain from growers to customers asking, “where in the world is my container?”
- Covid-19 has disrupted the entire global logistics chain, effecting every industry and every business around the world. Demand went through the roof and the supply chain was caught off guard and playing catch up.
- Demand for products out of the Greater Asia regions has been so strong that freight rates can be upwards of \$20,000 for a container on the spot market. Rising demand for shipping containers was so strong that in many cases steamship lines would load empty containers on vessels just to get them back to Asia as fast as possible to be reloaded.
- In the US, we are seeing first-hand the supply chain infrastructure completely break down. In the last week of July there were 3,000 full containers sitting on rail lines just outside Chicago that caused train traffic to completely halt.
- The containers were unable to be unpacked because storage facilities are so full there is no available warehouse space. Now these containers that should be on their way via train or truck are serving as expensive floating or stuck-in-place temporary storage solutions.
- Now we are also seeing a shortage of container chassis. Containers normally come off ships, but their return is so delayed that they cannot take the containers off the boat, and when they do, there is no guarantee a chassis will be available to move it. Industry truckers are hamstrung by long wait times at ports and the shortage of equipment. You need a chassis to pull a container to the point of loading.
- The result is that the once clinically dialed supply on demand process that defined the industry is seeing major disorganization, delays, and price surges, ultimately resulting in customers asking, “where in the world is my container?”

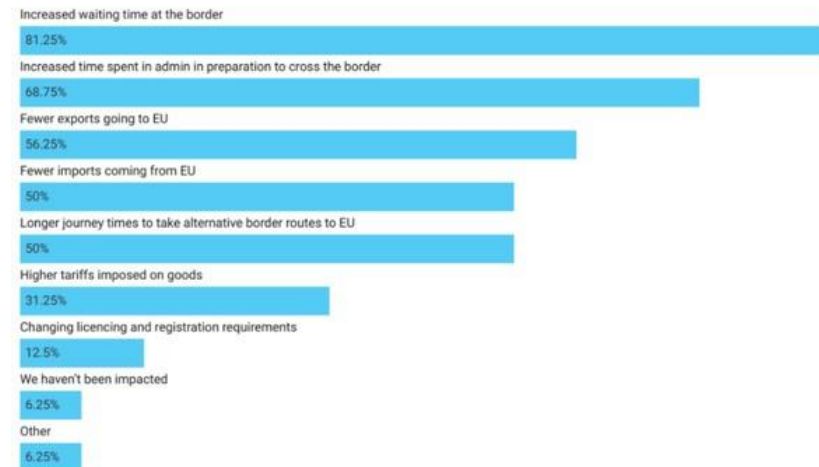


Increased border waiting times and admin have had biggest impact on UK haulage companies

- According to new report published by Haulage Exchange in the three months from March to May 2021, the uplift in demand for haulage was more than twice what it was for the same period in 2019.
- Key findings of the report:
 - 120% higher demand in April 2021 vs. April 2019
 - Two-fold increase in haulage demand for March-May 2021 when compared to 2019
 - When asked about challenges, 81% experience increased border waiting times
 - 69% spend more time doing admin before crossing the border
 - 69% expect to be negatively affected by full border checks on incoming goods on 1 January 2022
 - 19% no longer do business with EU companies
- According to the report 75% of those surveyed said that they believed too much red tape poses the greatest risk to the UK haulage companies in 2021, and 62.5% said it was increased costs of operating, while only 12.5% said a skilled driver shortage was the greatest risk.



What changes have most impacted your company operations since 1 January 2021?



Source: Haulage Exchange • Created with Datawrapper

Demand growth in the UK haulage industry

Percentage increase in demand from 2019 to 2021



Source: Haulage Exchange • Created with Datawrapper

When you have nothing to say, say nothing - Charles Caleb Cotton





COSCO Solidifies Hold on the Port of Piraeus The Maritime Executive

- China's Belt and Road Initiative got a major boost last week when the Court of Audit in Greece approved the sale of another 16 percent stake in Piraeus Port to COSCO Shipping Line. The agreement includes a five-year extension for the company to complete the investments it intends to undertake.
- This effectively raises COSCO Shipping's stake in OLP from its current 51 percent to 67 percent.
- "COSCO demanded that the provision in the privatization agreement allowing it to acquire the extra stake be activated despite not having completed the \$350 million investment program it had undertaken to implement within five years of its purchase of a 51 percent stake in OLP from the state," reported Greek newspaper Kathimerini.

China bulker pileup dwarfs California container-ship gridlock American Shipper

COVID restrictions in China push dry bulk congestion to all-time high

- Container ships stuck off Los Angeles/Long Beach are grabbing the headlines — with a record-tying 40 at anchor on Friday. But there's another massive shipping traffic jam out there, one that's holding up even more cargo.
- This other, less-publicized tale of seaborne gridlock is set in China and it's not about container ships, it's about dry bulk carriers.
- Bulker congestion has now risen to historic highs as China enforces stricter COVID rules for arriving vessels. And what happens in China will be felt in America. Every bulker stuck at anchor in China is one less ship that's available to load U.S. soybeans, corn, wheat and coal — pushing spot freight rates for U.S. bulk exports higher.
- "It is staggering how much congestion there is [in China]," said Martyn Wade, CEO of Grindrod Shipping (NASDAQ: GRIN), on a conference call with analysts on Thursday.
- According to Braemar ACM Shipbroking, there were 1,692 bulkers worldwide with aggregate capacity of 142 million deadweight tons (DWT) waiting in queues in mid-August, equating to 15.9% of global capacity.

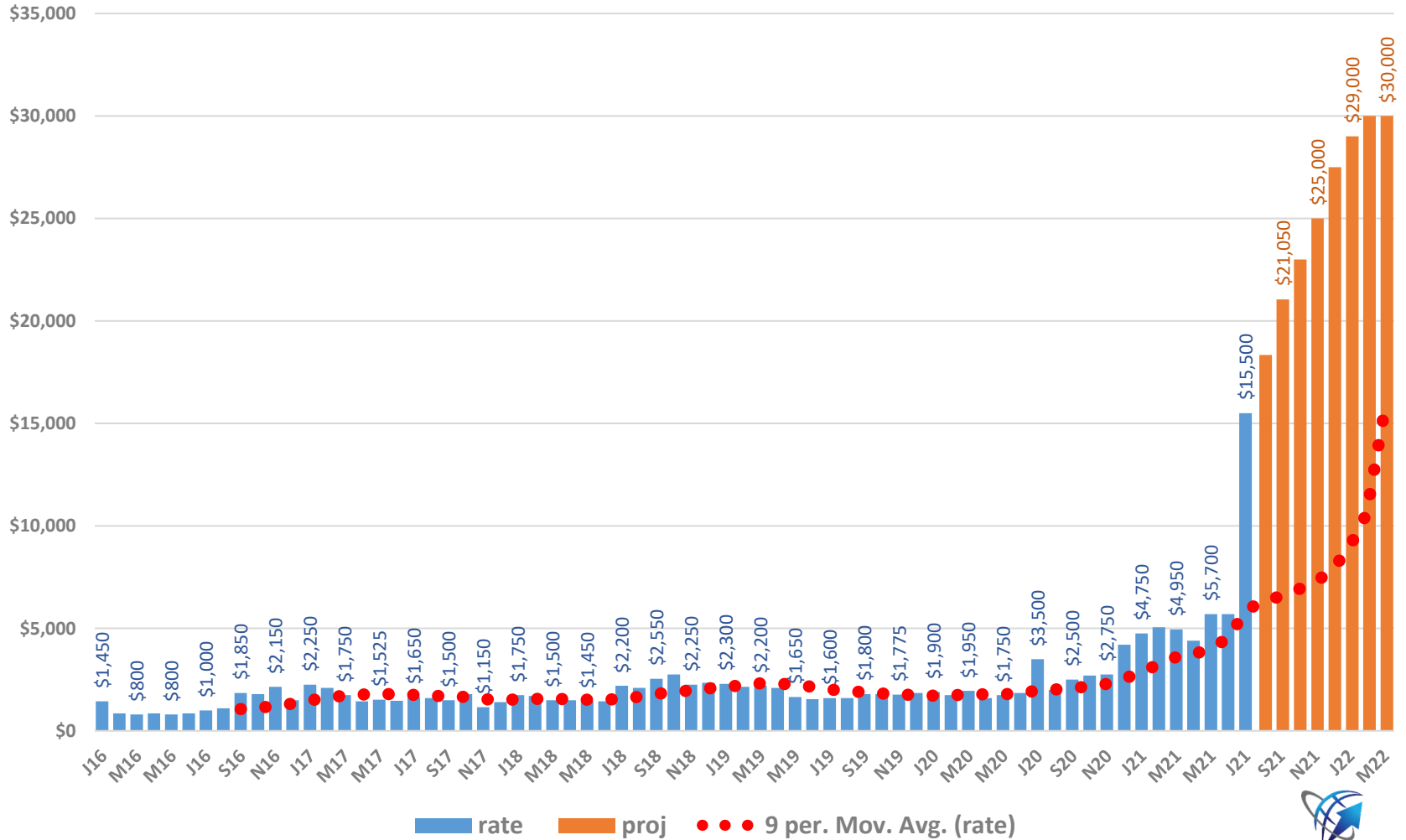




Shipping Update

22

Ocean Freight Rates - US\$



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Japan's MOL Explores Use of Robotics to Solve Shipping's Challenges The Maritime Executive

- Japan's Mitsui O.S.K. Lines is exploring a novel solution for the growing lack of seafarers as well as the need to improve safety and efficiency in its ocean-going shipping operations. MOL announced that it will undertake a study with Japan's MELTIN to explore the adoption of MELTIN's remote-control robotic technology in MOL's ocean shipping-related operations.
- MOL and MELTIN reported that they have been studying the possibility of addressing a wide variety of issues in the ocean shipping industry by introducing MELTIN's technology. Founded in 2013, MELTIN MMI is pioneering in the cyborg business using bio-signal and robot technology. The companies plan to continue their previous discussions.

How the Crisis in Container Shipping Could Affect Christmas THE CONVERSATION

- Ningbo-Zhoushan may not exactly be a household name but find something in your house made in China and it's quite likely it was delivered from there. Ningbo-Zhoushan, which overlooks the East China Sea some 200km south of Shanghai, is China's second-busiest port, handling the equivalent of some 29 million 20-foot containers every year.
- At the time of writing, it has more than 50 ships waiting to dock. This is because the Ningbo-Meishan terminal, which handles about one fifth of the port's total volumes, has been closed for a week because of COVID. Many more ships have diverted to alternative ports.
- Unfortunately, this is the tip of the iceberg in shipping. China has eight of the top ten busiest ports in world, and they are running at well below normal capacity because of COVID restrictions. From Shanghai to Hong Kong to Xiamen, ships are in long queues to unload – and the diversions from Ningbo will be making this worse. The US west coast is also seeing bad congestion, with many ships anchored in California's San Pedro Bay, awaiting access to the ports of Los Angeles and Long Beach.
- What matters is future COVID outbreaks and to what extent China and other major port nations impose tough regulations to protect their populations. Perhaps we will be lucky, and the situation will steadily improve from here, or perhaps this mismatch between supply and demand will endure for several years. In the meantime, we can expect inflation to rise as importers pass on the costs of shipping to customers. Given that governments and central bankers were already worried about rising inflation for various other reasons, they could do without this extra dimension.





At Port of Los Angeles, More Boxes Leave Empty Than Loaded Captain

- Exports from the top ten US container ports slumped by 8.3% in July, compared with the same month of 2020, to 763,619 teu, while imports gained 14.3% to 2,096,076 teu, according to data from Blue Alpha Capital.
- The New York-based consultant said the divergence between import and outbound volumes at US ports had widened last month to a new record ratio of 2.75x, compared with a 2.19x average in 2020 and 1.85x for 2019.
- And with import records on course to be broken again this month, the trade gap is set to widen further.
- According to Blue Alpha Capital, the impact of tariffs on exports has combined with equipment shortages and action by carriers to hobble the nation's export market.
- "While the impact of tariffs looks to have dissipated for container imports, volume data strongly indicates they are having a more adverse effect on exports," he said.
- Exports from west coast hub ports of LA/LB plummeted by 27.6% and 20.7%, to 91,439 teu and 109,951 teu respectively, in July, while imports grew by 2.9% at LA, to 469,361 teu and by 1.6% at LB, to 382,940 teu.
- However, if the backlog of cargo on ships at anchor in San Pedro Bay awaiting berths were to be factored in, the import numbers would be considerably higher.
- According to Gene Seroka, executive director of Port of Los Angeles, July's exports were the lowest since February 2005. And he said exports had declined in 29 of the past 33 months at LA, and that empty container exports were now running at more than three to one to loaded boxes.
- "Our largest export commodity continues to be air as we reposition empty containers back to Asia," said Seroka.
- And there seems to be no let-up in sight in US consumer demand for Asian imports, evidenced by the port's Signal forecaster of cargo destined for LA terminals, which predicts a year-on-year surge of 59% in volumes this week and 29% for the first week of September.
- Containers discharged on the east coast last month were recorded as 1,023,398 teu, against the 1,072,678 teu off ships that managed to berth on the Pacific coast.
- This suggests the east coast container ports, with their capacity for growth, relatively uncongested berths and more reliable rail intermodal services, will eventually dominate – as long as demand remains elevated.





Market forces driving record profitability: OOCL JOC.com

Disruption across major ocean trade lanes has tightened capacity at a time of soaring demand, pushing container rates to historically high levels and generating extreme profits for carriers.

Port of Long Beach completes ultra-modern container terminal

- The Port of Long Beach has opened its Long Beach Container Terminal (LBCT) at Middle Harbor.
- One of the most technologically advanced cargo facilities in the world, LBCT holds an annual capacity of 3.3 million TEU, which would rank as America's sixth-busiest seaport.
- Construction of the \$1.49 billion project started in May 2011. The first part of the terminal opened five years later with the completion of Phase 1, allowing the terminal to begin operations across an initial 151 acres. Phase 2 wrapped up in October 2017, expanding the facility to 191 acres.
- The third and final phase concluded in July 2021, growing the terminal to 300 acres with a completed container yard, an administration building, and an on-dock rail yard designed to handle 1.1 million TEU annually to minimize truck traffic on local roads and freeways.

Port Houston strikes ship channel widening agreement

- The Houston Ship Channel will be expanded following a new agreement between the US Army Corps of Engineers and the Port of Houston Authority.
- Following the signing of the Project Partnership Agreement, the billion-dollar widening and deepening program, Project 11, will award its first dredge contract as early as October 2021.
- Once widened and deepened, the waterway will continue to help support and benefit more than 200 private and public facilities alongside it.
- The 52-mile-long Houston Ship Channel is seen as an economic engine for the Houston region, the state of Texas, and the US.
- In 2020 the USACE ranked the port as the largest port in the nation for total and foreign waterborne tonnage. The channel handles as much vessel traffic as the three largest US. ports combined.

When you have nothing to say, say nothing - Charles Caleb Cotton

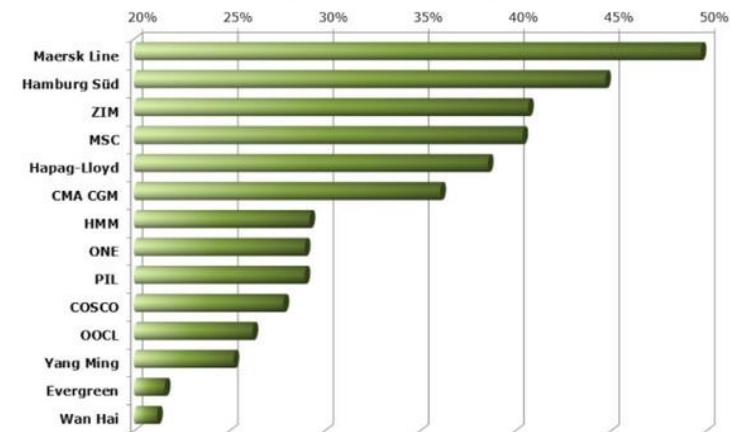




Asia Pacific market update Sea-Intelligence

- Container shipping demand remains strong heading into the fourth quarter. Ongoing COVID-19 flare-ups however continue to present challenges across Asia Pacific, with Vietnam extending the lockdown in its manufacturing heartland around Ho Chi Minh City until mid-September, New Zealand imposing national lockdown and China suspending aircraft operations in Shanghai International Airport. The unprecedented disruption caused by the pandemic coupled with surging demand is affecting schedule reliability at a much lower level than we expect.
- Container demand growth continued to run ahead of supply growth in Q2 2021. The combination of strong US goods consumption, higher throughput capacity and re-opening in Europe are expected to drive average year-on-year container demand growth at around 2%-4% for the second half of 2021.
- The global composite purchasing managers' index hit 56.6 in June 2021 driven by expansion in both the manufacturing and services sectors. The manufacturing orders to inventories index hit the highest level since 2010 indicating continued restocking, while the export orders index also climbed to 53.2 in June, the highest since 2010.
- These gains were reflected in an 18.7% increase in global container trade in the second quarter which continued to outpace capacity and leading to elevated freight rates. Many regions including inbound North America, intra-Asia, west Central Asia, Latin America and Europe saw double-digit growth in container trade growth after a very weak second quarter 2020.
- Global schedule reliability has been largely consistent in the past few months, albeit at a much lower level than expected. Schedule reliability has fallen dramatically in 2021 driven by various factors, particularly by stronger-than-expected demand, operational disruptions and continued port congestions.
- Surges in demand for cargo space keeps fleets active and global idling container ship fleets remain low. But uncertainties over the easing of capacity constraints, equipment shortages and port congestion make it challenging to predict when the disruptions and imbalance in demand and supply will normalize.

Global Top 14 carrier ranking - Jun 2021



Source: Sea-Intelligence - GLP report report - Jul 2021





Shortages and other challenges across liquor supply chain throw a wrench in summer rebound RESTAURANT DIVE

- A once straightforward process of driving down the street to pick up a liquor order has ballooned into trekking all across U.S. counties to secure liquor purchases.
- On its 2021 Q1 earnings call, Constellation Brands said "robust consumer demand" is a leading factor causing current inventory strain as supply can't keep up.
- February winter weather in Texas and Northern Mexico triggered delays seeing tight inventory during the summer.
- Global supply chain logistics issues, including shipping delays and transport interruptions, have also created out-of-stocks for products imported from New Zealand and Italy respectively.
- Brown-Forman, the maker of Jack Daniel's, Woodford Reserve and Fords Gin, said its inventories are down compared to before the pandemic. CFO Jane Morreau said that the decrease is due to a confluence of transportation and logistics disruptions that include faltering service from rail and ocean carriers and lack of capacity in trucking markets and shipping containers, which are impacting inventory levels in the U.S. and abroad.
- "We're at the mercy of the supply chain somewhat in this as things work out," Morreau said on a June earnings call. "We're working with our teams the best we can."
- Diageo reports raw materials, such as glass and packaging, have seen industry shortages in the U.S. earlier this year.
- Brown-Forman has experienced some shortages with the steel it uses to create hoops around its barrels. But the biggest woe has been with the company's lacking glass supply.
- Eda Rhyne Distillery — a small-batch spirits distillery — transitioned from importing glass bottles from Italy to securing its product from a domestic supplier when the price precipitously jumped to \$67,000 for a shipment that before cost a fraction of the price.
- As states opened up bars and restaurants, the sudden demand strained liquor supply chains that had pivoted during the pandemic to prioritize private sales. And while shortages abound throughout the industry, in some states the issue is more pronounced than in others.
- There is at least one commonality across the board: There is no company, big or small, that seems to know when disruptions will stop and where.





In Major Scientific Feat, Pfizer Is First To Win FDA Approval Of Covid Vaccine **KHN**

KAISER HEALTH NEWS

- Since it was first authorized for emergency use in December, Pfizer and BioNTech's shot has been administered to hundreds of millions of people around the globe. Its full approval by the FDA comes with the hope that it will encourage vaccine-hesitant Americans to finally get the jab.
- The Food and Drug Administration on Monday granted full approval to the Covid-19 vaccine developed by Pfizer and its partner BioNTech, a long-awaited development that public health officials hope will persuade some people who remain hesitant about the vaccine to get the shot. The vaccine is the first of the pandemic vaccines used in the United States to transition from emergency use status to full licensure, a major victory for a partnership that decided to forgo funding through the government's Operation Warp Speed program on the belief that the development project could move faster without being part of the government fast-tracking program.

Utah Parents Sue State For Banning School Districts From Enacting Mask Mandates **The Salt Lake Tribune**

A group of Utah parents is suing the state for its ban on school districts enacting their own mask mandates — which they say leaves kids “unnecessarily unprotected and at-risk” from COVID-19 in the classroom. In the lawsuit filed Monday, the parents call on a judge to immediately strike down the ban.

Six U.S. States Do Not Join \$26B Opioid Settlements With Distributors, J&J **REUTERS**

- At least six U.S. states, including Georgia, did not fully sign on to a proposed \$26 billion settlement with three drug distributors and Johnson & Johnson, which have been accused of fueling the nation's opioid epidemic, according to the states' attorneys general. States had until Saturday to decide whether to support the \$21 billion proposed settlement with McKesson Corp, AmerisourceBergen Corp and Cardinal Health Inc and a separate \$5 billion agreement with J&J.
- A lawyer for Purdue Pharma said Monday that a judge needs to accept the OxyContin maker's plan to settle thousands of lawsuits over the opioid epidemic or face “years or decades of Hobbesian hell” with complicated litigation that would not result in fair payouts to abate the epidemic or pay individual victims.





10 states with highest COVID-19 case increases in last 2 weeks BECKER'S **HOSPITAL REVIEW**

- New daily COVID-19 cases in the U.S. have risen 29 percent over the last two weeks, with 47 states and the District of Columbia seeing cases trend upward, according to data tracked by The New York Times.
- Case averages were decreasing only in Louisiana, Missouri and Arkansas.
- Below are 10 states with the highest 14-day case increase. Data is taken from state and local health agencies and was last updated Aug 24.
 1. **South Dakota** - 14-day change: 352% increase / Cases per 100,000 people: 27
 2. **West Virginia** - 14-day change: 160% increase / Cases per 100,000 people: 52
 3. **North Dakota** - 14-day change: 128% increase / Cases per 100,000 people: 28
 4. **Vermont** - 14-day change: 105% increase / Cases per 100,000 people: 25
 5. **Rhode Island** - 14-day change: 98% increase / Cases per 100,000 people: 28
 6. **Tennessee** - 14-day change: 86% increase / Cases per 100,000 people: 87
 7. **Indiana** - 14-day change: 82% increase / Cases per 100,000 people: 47
 8. **Oregon** - 14-day change: 78% increase / Cases per 100,000 people: 50
 9. **Delaware** - 14-day change: 77% increase / Cases per 100,000 people: 33
 10. **Ohio** - 14-day change: 77 % increase / Cases per 100,000 people: 27

EU Cross-Border Healthcare



- EU citizens have the right to access healthcare in any EU country and to be reimbursed for care abroad by their home country.
- Directive 2011/24/EU on patients' rights in cross-border healthcare sets out the conditions under which a patient may travel to another EU country to receive medical care and reimbursement. It covers healthcare costs, as well as the prescription and delivery of medications and medical devices.





Australia airborne COVID spread in hospitals

- Melbourne's second wave of COVID-19 last year, which led to a lockdown lasting more than 100 days, provided many lessons about controlling transmission. Some of these are pertinent as NSW endures its ongoing lockdown.
- One feature of Melbourne's second wave was a disproportionate impact on health-care workers, patients in hospital, and residents in aged-care homes. In response to this, a team of Melbourne-based infectious clinicians, engineers and aerosol scientists came together to discuss and learn from each other about how to mitigate the airborne COVID-19 transmission in health care and make recommendations.
- A predominant finding from the discussions was that heating, ventilation and air conditioning systems in hospitals, like most public indoor spaces, are built for comfort and energy efficiency, not for infection control (aside from purpose-built isolation areas).
- Clearly, countries cannot rebuild all hospital ventilation systems to cope with the current outbreak. However, there are tangible things that can be done now and in future.
- The team recommend hospitals prioritize the use of negative pressure rooms for COVID-19 infected patients where available. Negative pressure rooms are built specifically for patients with highly infectious diseases. We already use them when caring for hospitalized people with tuberculosis, measles and chickenpox.

South African activists slam J&J for exporting vaccines

- Health activists in Africa have slammed Johnson & Johnson for exporting vaccines produced in South Africa to countries in Europe, which have already immunized a large proportion of their populations and often have a surplus of vaccines
- The one-dose J&J vaccines were exported from South Africa, where they had been assembled, despite the pressing need for vaccines across Africa, where less than 3% of the continent's 1.3 billion people have been fully vaccinated.
- "We believe that the conduct of Johnson & Johnson has been scandalous, immoral and unconstitutional," Fatima Hassan of the Health Justice Initiative, an advocacy group in South Africa, said Tuesday.
- In addition to the J&J vaccines, South Africa is using the Pfizer-BioNTech vaccine. About 7% of South Africans are fully vaccinated and an additional 9% have received one dose.





4 Priorities

Shaping the Future of Workplace Communications

How digital transformation leaders are planning for what's next

2020 changed everything. Many companies made quick decisions to enable remote work at scale, deliver virtual care, and maintain business continuity. IT teams heroically rolled out collaboration tools overnight while users grabbed the first collaboration tools they could, but today, many organizations are left with 3 challenges

- Multiple siloed meeting solutions
- Lack of control over the security and privacy of meeting solutions
- Modern meeting solutions that don't work with legacy video infrastructure

It's time to adapt to the future of work, or risk being left behind.



Four key areas to consider when evaluating meeting solutions for the long-term.

1

Earn digital trust

Trust is paramount in today's digital economy. Show customers and partners you take data privacy seriously with a meeting solution built with security in mind.

2

Improve customer experience

Video can help you engage customers and prospects through more natural human interaction, improving customer satisfaction and building brand loyalty.

3

Empower your hybrid workforce

Ease the transition back to the office with seamless, end-to-end meeting experiences.

4

Stay agile

Embrace agility with flexible tools that adapt to your changing needs over time.





eHang flexes its fully operational eVTOL production facility **NEW ATLAS**

- In the eVTOL air taxi world, eHang is an outlier. Where most operations are painstakingly doing thousands of unmanned flight tests, eHang is merrily flying people around, including its own CEO and even members of the public – and in autonomous mode, no less – a stark contrast to nearly every other major company, which will start out as piloted services. Where others are dotting every i and crossing every t to ensure they can attain commercial certification in multiple markets, eHang is going into production before anyone's got certification anywhere.
- China appears to be deploying an interesting and unexpected trump card in the eVTOL race: it seems to be letting eHang get going on things much earlier than the rest of the world. Regular manned flights, full-scale production and autonomous flight seem years away for the West's eVTOL leaders, but China can set its own agenda with domestic aviation laws, and eHang is taking full advantage of the leeway it's been given as it works toward full Chinese certification.
- Hence, if there are going to be eVTOL air taxis whizzing around above our cities, America wants them to be American ones, using American technology, that can't be weaponized in some dystopian cyber warfare scenario. That's the thinking behind Agility Prime, the US Air Force program that's providing early funding and testing opportunities to American eVTOL companies.
- We see components being milled, carbon shells being laid, things going into giant pressure chambers, buttons being pushed, bodywork being painted, propulsion systems being assembled and tested.
- Will this accelerated timeframe give China the edge in the emerging UAV market? Well, it'll certainly give it a wealth of data to work with, but eHang won't be flying air taxis in Europe or America until they're fully FAA/EASA certified, just like anyone else. So, it's an interesting little situation to keep an eye on.





New eVTOL Concept Is Like a Flying Sports Car That Parks in Your Garage Robb Report

- The great eVTOL debate often boils down to whether the aircraft is more like a helicopter or a plane. The first provides easier lift and hover, while the second offers greater speed and efficiency in forward flight. Multiple designs have tried to find some perfect balance between the two. Then there's the Leo Coupe.
- A new concept from Urban eVTOL, the Leo isn't concerned about copter v. jet—it wants to be like a car. It measures 20 feet by 10 feet, meaning it will fit in most two-car garages. And it has an automotive-style interior, with an easy-to-learn semi-autonomous fly-by-wire control system.
- The car-like qualities are far from the only innovations. Propulsion comes via a unique electric jetpack design built by co-founder Pete Bitar's Electric Jet Aircraft. The system uses five clusters of electrically powered jet turbines. Four of the clusters provide lift and the fifth pushes the Leo forward.
- Each cluster works in unison to emulate a single rotor, but the multiple jets per cluster provide safety through redundancy. The turbines' rotors are housed within the craft's body, which provides additional safety. Plus, it looks pretty cool. The system has performed well in tethered test flight and Urban Evtol projects a top speed of 250 mph with one hour of flight time.
- The interior holds three people, but the most interesting number may be the price tag: \$300,000.
- "Our pricing target is comparably low in the eVTOL space," adds Salaff. "This will bring down ridesharing costs and make this form of travel more accessible."
- Sounds good, but don't start sending Venmo payments yet. Salaff says the plan calls for experimental certification in 2023 and full arrival on the market in 2026.



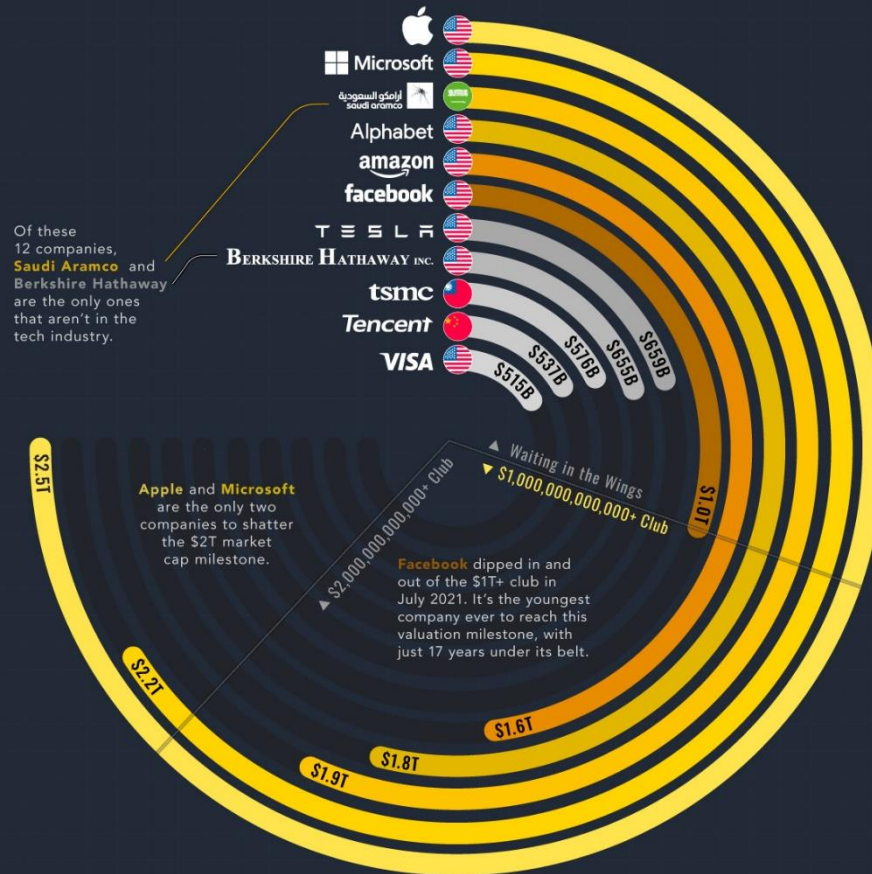


Which Companies Belong to the Trillion-Dollar Club?

34

Which companies have broken the 13-digit barrier,
and who else is waiting in the wings?

Just a handful of publicly-traded companies have managed
to achieve \$1 trillion or more in market capitalization—
only six, to be precise.



All data as of Aug 17, 2021
Source: Companies Market Cap

When you have nothing to say, say nothing - Charles Caleb Cotton





Infrastructure Megatrends

35

According to the American Society of Civil Engineers (ASCE), \$13T in infrastructure spending will be required through 2039 to support economic growth.

Such large investments have become too great a burden for the government alone.

AMERICA'S INFRASTRUCTURE GAP

2020-2039

SOURCE: AMERICAN SOCIETY
OF CIVIL ENGINEERS (2021)



When spending falls behind target, an "infrastructure gap" emerges. In the U.S., this gap is expected to reach almost \$6 trillion by 2039.

WHAT'S AT STAKE IF THIS GAP IS NOT FILLED?



**\$23 TRILLION IN LOST
BUSINESS PRODUCTIVITY**

Poor quality roads and airports can increase travel times and decrease worker productivity.



\$10 TRILLION LOSS IN GDP

Unreliable utilities can increase the costs for businesses to produce and distribute goods.



**\$2.4 TRILLION IN
LOST EXPORTS**

Higher business costs will reduce the international competitiveness of U.S. exports.

For the average American household, these impacts could lead to a \$3,300 decrease in annual disposable income.


A scarcity of government capital has created an attractive opportunity for publicly listed infrastructure companies. As owners of real assets that provide essential services, these businesses are poised for stable, long-term income growth.



When you have nothing to say, say nothing - Charles Caleb Cotton





- In the eyes of Roman law, women were not equal to men. Women were not considered full-fledged citizens of the Roman Empire but were citizens only in connection to other men. For example, a daughter or a wife could be a Roman citizen through the citizenship of her father or husband. This legal inequality also had practical implications.
- It was essential to be recognized as a full citizen of the Roman Empire because, through this status, one could benefit directly from the laws aimed to protect Roman citizens. Because women were citizens through their male relations, they were able to access the legal benefits of citizenship only with the help of a man; thus, making Roman women dependent on the men from their immediate and extended family for all legal matters.
- For some women, these rules did not apply to them at all. However, this situation was valid for most women and especially true for those who did not come from or marry into an influential family.
- As in most ancient cultures of the time, the differences between the life of a poor Roman woman versus a rich one were significant. However, both rich and poor Roman women were primarily raised indoors. For rich women, this indoor lifestyle usually continued into adult years. For poor women, this was not the case as they would need to work sometimes as hard and as much as men to help support the family.
- As a woman's life would revolve mainly around the house, her general education wasn't a point of interest. Usually, it included skills needed for running a household and raising the children. Under Emperor Augustus, a new law was introduced formalizing an existing prejudice: women who were not married by the age of 20 would be subject to marginalization and some legal penalties. Laws like these demonstrate how Roman women were valued in society. According to society and the state, they were expected to marry and have their lives revolve around the household, husband, and children. Let us take a closer look at their education and how it differed from that offered to boys.
- For middle to high-class girls of the Roman Empire, education comprised the basic skills of reading, writing, and some mathematics. These skills were taught so that the girls would be able to manage a household and its expenses, be good wives, and be entertaining companions to their husbands. Because these were the aims of a girl's education, Romans believed that anything going beyond the fundamentals could become unpleasant and even dangerous. It was thought that the more educated a woman, the more pretentious she will become.  **THE • COLLECTOR**

Comment - Roman-Dutch Law may be a cornerstone of present codes, but thankfully these elements do not continue.

