



# ACC NEWS



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## YOUR WEEKLY UPDATES

Week 41 of 2021



Healthcare



Ports



Shipping



Rail



Supply Chain



Beverages



Retail



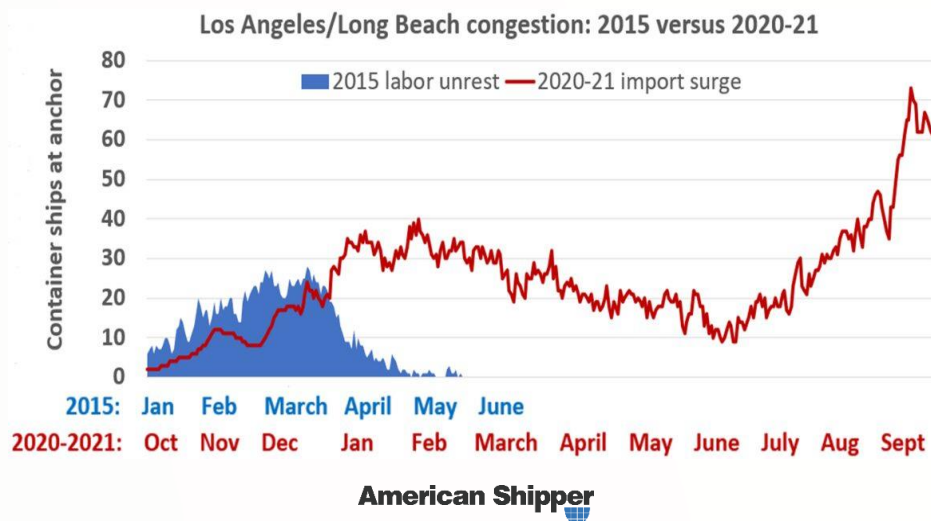
C-Stores



Road



Handling



- Slide 3 – Current Supply Chain Logistics No Longer Work
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- Logistics isn't just an issue in the US. Ask anybody trying to fill an automobile with gas in the UK that they **Forbes** can't get, and you will see why the Army is now stepping in to drive gas containers. It feels like the 1970s in the UK again. Fifty years later, this is a problem that the modern supply chain should have solved. Traditional supply chain ideas have got us into this mess. When businesses run lean on inventory, focus on core components, and stretch turn rates to be as fast as possible, issues like this are bound to appear. Interconnect lots of waypoints into the supply chain like cogs in a wheel, going faster and faster.
- Over sixty container ships are queueing outside the Los Angeles docks at the writing of this story, mainly because there aren't the skilled people to bring them in and unload them or even drive the contents away. We have significant inflation on base materials, people costs, and even industrial space rents as most of us still are working from home. In an amazing turn, warehouse rental space prices are exploding just when we can't fill them for the shortages we have. This problem won't be going away quickly, so the problem is going away quickly.
- The challenge is the same as opening the back of an analog watch and putting something in between one or two cogs. The whole system literally stops. The moment is on us to change this completely. Imagine an intelligent watch where each cog could adjust itself if something got in its way or if something caused another cog to get jammed.
- Leaders need to seek out different opportunities to adjust and flex processes and operations in their supply chains. In fact, radically different because of all the things that will drive competitive advantage for companies. The idea of an intelligent supply chain where every part is connected might be the most powerful thing you can do for your company. Look at Tesla's likely results in the next quarter. They are selling and delivering more cars than this time last year. They are cracking supply chain issues; others are struggling.
- As we live more and more on "the edge" and as products are increasingly made and shipped by autonomous devices as AI and machine learning come into play, one of the very first places it needs to go is in the supply chain industry. We need to stop doing things incrementally better; we must turn this into an organic living process where every cog is connected, adjustable, and working at near latency-free time. That's the supply chain we need to aim for, not one that leaves shelves bare in low-income areas or sixty-five container ships waiting outside Los Angeles. Imagine being able to bring all that intelligence together in one connected ecosystem? Somebody needs to do it.



- New car sales plunged over the last 3 months in the U.S. despite strong demand, as the shortage of computer chips and other supply chain issues caused shutdowns at auto factories and choked off the supply of vehicles.
- General Motors reported sales fell a third from a year-ago last quarter, and they were off 40% from the same quarter of 2019 before the pandemic roiled the car market. Sales at Stellantis, the company formed by the merger of Fiat Chrysler and France's PSA Group, fell 19% from a year ago, and 27% from the pre-pandemic period.
- At Toyota and Lexus, Q3 sales edged up 1.4% compared to a year ago. But that three-month total includes a 22% plunge in September sales. While Toyota has reported fewer supply chain disruptions than other major automakers it, too, has had to cut back production at some factories more recently.
- Ford sold 400,843 vehicles in Q3, down 27%. But retail sales rose 34% in September vs. August, as inventories improved. The key F-Series trucks F-Series sales marked their best month since the semiconductor shortage began, Ford said, selling 63,164 units. That was down 18% year over year but up 13% from August.
- All automakers pointed to semiconductor supply chain disruptions and historically low inventories as the problem.
- The shortage of vehicles has also led to record-high prices for both new and used cars for much of this year, which has also been a drag on sales, as some buyers have been priced out of the new car market.
- The computer chip shortage started when auto sales plunged in the early weeks of the pandemic, due to record job losses and the temporary closure of many factories and dealerships. Most automakers, expecting a prolonged downturn in sales, trimmed orders for computer chips and other parts. When sales rebounded much faster than anyone expected, the supply of chips had already gone to other customers.
- While automakers expected to increase their supply of chips by the middle of this year, they were hit by outbreaks of Covid cases in other regions, such as Southeast Asia, where many of the chip plants were shut. And other supply chain issues, including an imbalance of shipping containers and congestion at the nation's ports, a shortage of truck drivers and general labor shortages, started limiting supplies of other needed parts and raw materials.
- Supply disruptions continue to challenge global automakers, weighing on vehicle inventories and pushing many car buyers out of the market. Analysts now expect the market won't recover until 2022 or even 2023. J.D. Power cut its 2021 global sales forecast by 3 million units to 80.6 million units.

INVESTOR'S BUSINESS DAILY®



## 'A perfect storm': Supply chain crisis can blow economies off course

- From Liverpool to LA, shortages of energy, labour and transport are threatening recovery from Covid.
- It was all going so well. Successful vaccination programs were driving the post-pandemic recovery of the global economy, stock markets back at record highs, and prices rising enough to make deflation fears a thing of the past.
- But a supply crunch that initially put a question mark over the availability of luxury cars or whether there would be enough PlayStations under our Christmas trees is instead morphing into a full-blown crisis featuring a shortage of energy, labour and transport from Liverpool to Los Angeles, and from Qingdao to Queensland.
- All the problems are tangled up in the surge of post-pandemic consumer demand but taken together they threaten what one leading economist calls a “stagflationary wind” that could blow the global economy off course.
- Mohamed El-Erian, adviser to insurance giant Allianz and president of Queens’ College, Cambridge, says this week’s surprise fall in factory output in China was a clear warning that the world economy could slump while prices were still rising quickly, a doomsday double whammy that almost sank the UK in the 1970s.
- Energy shortages are providing the starkest illustration of the problem, with increasing numbers of petrol stations in the UK running out of fuel, and cities in northern China having to ration power and force factories in the world’s number one manufacturing nation to shutter just when pre-Christmas demand is reaching a peak in the west.
- Along with ongoing Covid-related restrictions in some large manufacturing countries such as Vietnam, and a well-documented shortage of components such as computer chips, factories are simply not producing enough.
- But even if they could get their hands on more sources of energy and materials, and factories could make more goods, it would still cost more to ship things. Drewry’s shipping index, which measures the cost of containers, is up 291% compared with a year ago. On some busy routes, such as from China to Europe’s biggest port Rotterdam, the cost of shipping a container has risen sixfold in the past year.
- The problems don’t end when the goods arrive at a port, with labour shortages presenting problems in the increasingly tortuous journey of products to their final destination. A lack of truck drivers in many parts of Europe, partly because of disputes over conditions and partly because of ongoing Covid restrictions, is causing delays.
- The Bank of England has flagged that rates could go up next year, and the US Federal Reserve has at last signaled the end of its massive pandemic stimulus plan that could push up the cost of borrowing in 2022.

theguardian





## Chinese power cuts may disturb US\$120 billion of trade flows

- The current Chinese power shortages that have gripped the country could see US\$120 billion of trade flows delayed, according to the risk modelling company, Russell Group.
- Some of China's key ports, including Ningbo, Guangzhou, Yantian and Shekou, are located within the affected provinces, while Shanghai and Ningbo also process many of the container exports from the Jiangsu province.
- ICB's (Integrated Circuit Boards) were the most impacted commodity at US\$1.5 billion which will affect suppliers and consumers as the world continues to reel from a global circuit chip shortage.
- In addition, the power shortage has already affected the provinces of Jiangsu, Guangdong and Zhejiang which has seen factories producing steel products, plastics, home appliances, chemicals and textiles shut down or move to a three-day week. Many of the factories in these provinces produce steel products, plastics, home appliances, chemicals and textiles.
- Telephone equipment (US\$1.3 billion) and clothing (US\$635 million) are other key commodities that will be impacted if the disruption continues for more than a month, which will therefore affect many companies rushing to ensure they are stocked up with key products for the holiday season.
- "At the moment, it seems that nearly every week or so, there is a major trade disruption at one of the world's largest ports whether that is China, or the United States" commented Suki Basi, Managing Director of Russell Group.
- Given the current figures, Basi pointed out the need for corporates and their insurers to "start taking preventative action to ensure that their supply chains are resilient to disruption, as trade disruption will be a continuing issue in the near future."

## Casey's: Agreement to acquire 40 convenience stores in Tennessee and Kentucky

Casey's General Stores, a leading convenience store chain in the United States, announced an agreement to acquire 40 Pilot convenience stores from Pilot Corporation in an all-cash transaction for \$220mln. The 40 Pilot stores will extend Casey's presence in Tennessee and Kentucky with well-established locations primarily in the attractive Knoxville, Tennessee, market.







## The top 15 US companies in retail ecommerce sales growth eMarketer.

Fifteen companies will account for 72.3% of US ecommerce sales this year, up 10.5 percentage points from 2019, largely due to the rapid expansion of several retailers. Etsy will craft its way to No. 1 in ecommerce sales growth, with a nearly 27% increase, while Walmart will be close behind. Even though Amazon won't break the top three, it will still see ecommerce sales rise by almost 25%.

## Morrisons takeover battle moves to auction showdown

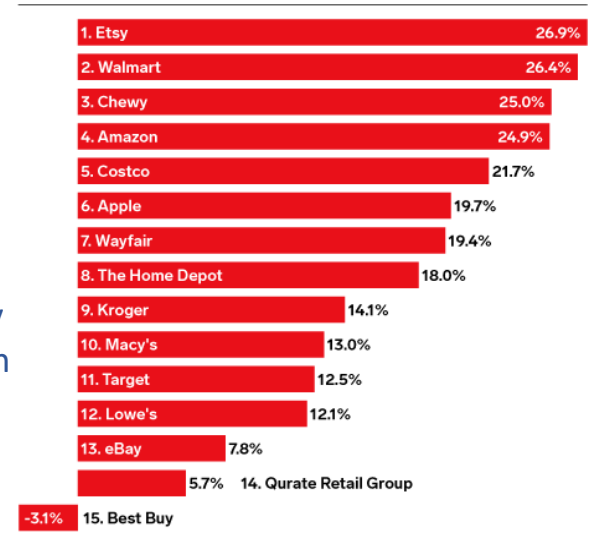
The battle to take over Morrisons will be decided in a one-day auction has announced, as 2 US private equity firms compete for the UK's 4th biggest grocery chain. Fortress and Clayton, Dubilier & Rice (CD&R) must submit formal bids, with the auction process on Saturday running for a maximum of 5 rounds.

## Gulfport detects harmful insect in Costa Rican pineapple shipment

- Specialists from the U.S. Customs and Border Protection Agriculture have discovered a butterfly larvae pest, informally known as the Saunders 1850, in a container of pineapples from Costa Rica. The larvae was discovered while conducting inspections at the Port of Gulfport at the start of September. Due to the potential impact on US Agriculture, the shipment of pineapples, worth \$15,000, was destroyed.
- Animal and Plant Health Inspection Service officially identified the larvae as *Ancyluris jurgensenii jurgensenii* (Saunders, 1850) (Riodinidae) a first in the nation find.
- Anthony Acrey, Area Port Director of Mobile: "These butterflies, while they may be attractive to the eye, have no place in the Gulf Coast or United States and their introduction could lead to unpredictable results in our ecosystem. This interception illustrates one of the many hats CBP wears and highlights the diligent work CBP agriculture specialists do on a daily basis to fulfill CBP's agriculture mission, which is vital in preventing foreign pests from establishing in the United States. Pests that are not known to occur in the U.S. may be detrimental to the nation's agriculture industry."

## Top 15 Companies in the US, Ranked by Retail Ecommerce Sales Growth, 2021

% change



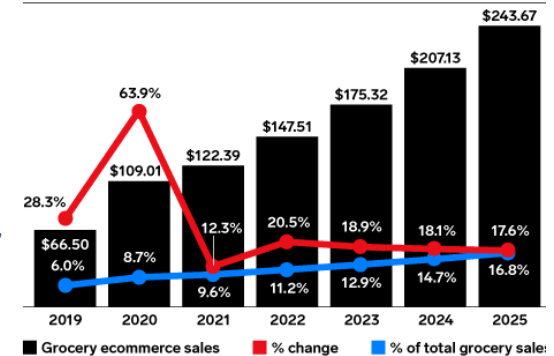


## US Digital Grocery Forecast 2021 eMarketer.

The pandemic caused digital grocery sales to skyrocket. As the market matures, key players are vying for dominance, which is driving trends like click and collect and partnerships with third-party delivery services.

- US digital grocery sales grew 63.9% year over year (YoY) in 2020 and will grow another 12.3% this year, reaching \$122.39 billion. Sales will nearly double by 2025, reaching \$243.67 billion.
- This year, 142.9 million consumers will make at least one digital grocery purchase, amounting to 51.5% of the US population. However, after digital grocery buyers grew 42.6% YoY in 2020, annual growth will be tempered going forward (8.6% in 2021, 4.1% in 2022, and 2.8% in 2023).
- Walmart Inc. commands the leading share of digital grocery sales in the US with 28.9% market share this year, followed by Amazon (23.8%), The Kroger Co. (12.3%), Target (4.9%), and Albertsons Cos. (4.9%).
- Delivery through third-party intermediaries will make up 28.8% of digital grocery sales in 2021. Instacart is the dominant player with 73.8% of third-party intermediary grocery sales and will generate \$26.07 billion in sales this year.
- Click and collect will make up 34.9% of US digital grocery sales this year, but the majority of digital sales are fulfilled via delivery. Click-and-collect sales will amount to more than 40% of digital grocery sales by 2025.

**US Grocery Ecommerce Sales, 2019-2025**  
billions, % change, and % of total grocery sales



## Inflation Scares in an Uncharted Recovery **IMF**

- The economic recovery has fueled a rapid acceleration in inflation this year for advanced and emerging market economies, driven by firming demand, supply shortages, and rapidly rising commodity prices.
- We forecast in our latest World Economic Outlook that higher inflation will likely continue in coming months before returning to pre-pandemic levels by mid-2022, though risks of an acceleration do remain.
- Advanced economies are likely to face moderate near-term inflation pressure, softening over time. Estimates of the relationship between slack, resources in an economy that aren't being used, and inflation for emerging markets instead seem to be more sensitive to the inclusion of the pandemic period in the estimation sample.







## Will high freight rates cause hyperinflation? FREIGHTWAVES

- Transportation costs are up approximately 20% since 2019, so it's only natural to ask when these costs will start to drive inflation.
- The short answer is "no time soon." The reality is that for most products, transportation remains a relatively small cost of the entire item. Outside of raw materials, most consumer goods have so much cost coming from marketing and retail markups that the impact of higher transportation costs to the consumer will be quite small.
- Domestic logistics represented about 8% of GDP in 2019. This is down from 11% in 1980. This includes all logistics costs, including trucking, shipping, rail, ocean, warehousing and distribution.
- Over the past 40 years logistics costs have come down compared to the growth of the economy, while supply chains have become far more efficient. Remember the days of having to wait six to eight weeks for products to arrive? Now the same products can be delivered in a few hours or at most two days.
- Even if we saw total transportation costs double, consumers would see less of this at retail. Why? Again, it is because most branded retail items have so much marketing and retailer markup that there is room for these costs to be absorbed.
- Think of how many bottles of water can fit on a trailer that can hold 45,000 pounds of freight or how many Nike shoes can fit in a 53-foot trailer. In the end, with these consumer items, when shipped on a truck or in a container, the transportation cost is distributed throughout the entire shipment.
- More concerning on the inflation front is not having goods in the store. Scarcity drives higher prices, as we saw last year when toilet paper or masks were hot commodities. The biggest issue driving inflation is the lack of supply, and not the transportation costs of moving products from manufacturers to consumers.
- So, if you are worried about inflation, ignore the freight rates and focus on the shelves. If you start to find products in short supply, then you can bet the market will respond with much higher prices.

**Comment:** this article does not address shipments of low unit value. Should transport costs for an import container that used to cost \$4,000 from Asia to Chicago with a cargo value of \$40,000 now cost \$28,500, the cost of sales has just risen from \$44,000 to \$68,500 – a 56% increase, excluding delays and downstream ramp and local transport cost increases.





## 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: 10-04-2021

Category	Indicator	Relationship	Next Update	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021
Business Investment	Average Weekly Hours - Retail	Procyclic	10-05-2021	0.22%	-0.21%	-0.21%		
	Small Business Sentiment	Procyclic	10-17-2021	5.60%	2.72%	0.90%		
	Weekly Economic Index	Procyclic	10-09-2021	10.04%	9.07%	8.26%	8.07%	
	Weekly Jobless Claims	Countercyclic	10-09-2021	-74.26%	-72.41%	-63.49%	-60.95%	
Transportation and Tourism	Google Search "Travel Cancellation"	Countercyclic	10-05-2021	-25.00%	0.00%	51.72%		
	ISM Services Index	Procyclic	10-08-2021	29.45%	17.19%	8.02%		
	Restaurant and Bar Sales	Procyclic	10-18-2021	71.48%	49.18%	37.32%		
	Sentiment: Vacation Travel Next 6 Months	Procyclic	10-12-2021	25.41%	31.70%	36.18%	33.18%	
Consumer Big Ticket Purchases	Auto Sales	Procyclic	10-08-2021	55.70%	21.44%	2.17%		
	Consumer Sentiment - Discretionary Spend	Procyclic	10-12-2021	35.45%	27.61%	25.54%	25.01%	
	Global Luxury Index	Procyclic	11-04-2021	83.08%	74.62%	59.30%	47.80%	41.49%
	Home Building Permits Issued	Procyclic	10-26-2021	37.79%	20.15%	13.42%		
Logistics and Manufacturing	Economic Policy Uncertainty	Countercyclic	10-05-2021	-67.33%	-62.07%	-60.71%	-54.50%	
	Industrial Production	Procyclic	10-17-2021	14.63%	10.84%	7.51%		
	Overtime for Hourly Mfg Workers	Procyclic	10-05-2021	33.70%	21.78%	13.89%		
	Purchasing Managers Index - Mfg	Procyclic	11-01-2021	33.02%	20.95%	10.57%	9.00%	
Financial	Financial Stress Index	Countercyclic	10-08-2021	-2325.35%	-500.50%	-150.58%	-405.44%	
	S&P 500	Procyclic	10-05-2021	36.08%	37.02%	32.41%	32.55%	27.96%
	US High Yield Index Option - Adjusted Spread	Countercyclic	10-05-2021	-47.05%	-46.59%	-35.14%	-40.06%	
	VIX Volatility Index	Countercyclic	10-05-2021	-44.91%	-37.84%	-23.90%	-31.78%	

### NOTES

Values represent the percentage change from the previous year.

In October, 2 out of 2 indicators are signaling economic improvement from the previous year.

In September, 11 out of 11 indicators are signaling economic improvement from the previous year.

Look to subsequent pages for monthly trend analysis.

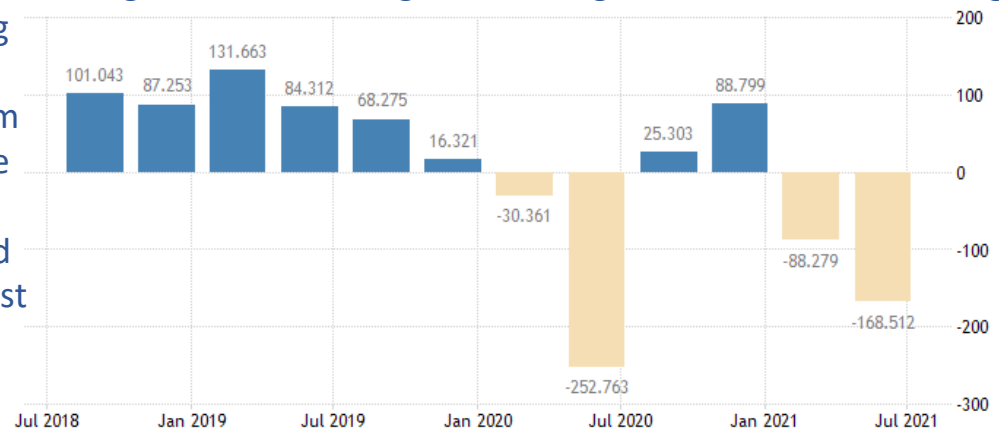
■ Upward pressure on economy  
■ Downward pressure on economy





## The stocks of goods held by firms in the United States decreased by 168.51 USD Billion in the second quarter of 2021

- In the United States, changes in inventories are a leading indicator for the overall performance of the economy.
- In the current scenario inventory levels are a good indicator of what is driving the shipping crisis with U.S. manufacturers, retailers and traders replenishing depleted inventories as Americans continue to buy.
- The chart below shows the abnormally low U.S. inventory levels as measured by the U.S. Bureau of Economic Analysis.
- When COVID-19 first struck, many international manufacturers and importers assumed that consumption would decrease, and commensurately reduced orders and inventory to protect their financial well-being.
- Consumers however, now ensconced in their homes, increased purchases, and in new categories such as electronics and home exercise equipment. This was exacerbated by U.S. federal stimulation packages, and consumers used these windfalls to buy, further stimulating the economy, and driving huge demand on supply and logistics.
- This caught global supply and manufacturing chains by surprise, leading to a headlong rush to re-start and ship to consumers. The net result thereof was and is that supporting global supply chain infrastructures have been tested and shown that they are overwhelmed, cannot cope, and are stretched past their limits.
- There is now a rush to add ocean vessels, sea containers, extra warehouse space and landside transportation capacity.
- But missing is the fundamental issue of fixing an inefficient global network of goods flowing around the world. Adding resources is not going to address an inept and aging handling and physical shipping environ. By its very nature, any fix is prohibitively costly and a long-term program, assuming of course that global leaders are willing to go there.
- A balance between existing and short-term demand will continue to see supply chain congestion for most of 2022 and early 2023, however.
- The inventory situation is not an easy fix, and ACC will continue to monitor this important indicator.



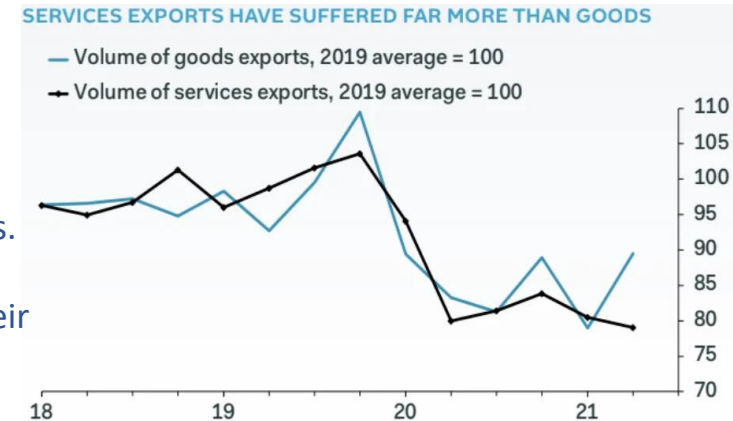
SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS





## UK exporters miss out on global trade upswing as Brexit bites

- New data has shown that the UK could be missing out on a global upswing in trade due to post-Brexit export issues.
- Pantheon Economics' UK monitor showed that despite a promising picture painted by second quarter GDP data, UK exporters were suffering compared to the rest of the world in the run-up to Christmas.
- Data from CPB Netherlands show that UK goods export volumes were 16% below pre-COVID level in July, whereas they were 1.4% above their pre-COVID level across all advanced economies, and a huge 14.6% above in China.
- Part of the slower UK trade recovery could be down to the fact that the UK does not make many of the products that are in high demand right now, such as household goods and semiconductors. However, survey evidence suggests that the UK is lagging behind the Eurozone, which shares similar characteristics.



## Will retailers win now and lose later with long-term shipping contracts?

- Long-term shipping contract prices have more than doubled since this time last year, according to an article on Quartz. Even so, the long-term contracts tend to be cheaper than one-off “spot rate” fees retailers have been incurring to get product shipped at the last minute. Experts are concerned, though, that the long-term contracts will lock in retailers to pay more after overseas shipping costs have normalized.
- Given the direction current trends are pointing its not convincing shipping rates reduce but being locked into a shipping arrangement will limit retailers’ ability to respond to looming changes in the type of goods consumers will want to buy in coming years. The demand for second-hand goods, sustainably made goods, locally sourced goods is poised for major growth over the next five years, meaning retailers could be in the position of needing to revise their supply chain long before contracts have expired.
- Long-term contracts are always a form of gambling. Retailers need to feed many variables into a meat grinder that eventually comes up with a worthwhile recommendation. There are no certainties in this space.



## Pick your bottleneck: Ports, chassis, containers, labor FREIGHTWAVES

Stretched chassis pools just part of supply chain headwinds, Direct ChassisLink says

- The most recent metrics from the Port of Los Angeles show supply chain constraints are still hovering near record levels, a trend that is expected to carry into 2022.
- During a monthly update, Gene Seroka, the port's executive director, said dwell times for containers remain at or near all-time highs, with "significant volume headed our way throughout this year and into 2022."
- As of mid-September, dwell time for containers at terminals was six days, the highest since the volume surge began more than a year ago. On-dock rail wait time was 11.7 days, compared to the recent peak of 13.4 days, as four times the average number of containers were waiting to be loaded on railcars.
- The port's Pool of Pools chassis, which are jointly managed by Direct ChassisLink and two other intermodal equipment providers, were waiting 8.5 days (8.8 days was the recent peak) on the street for space to open at the warehouses as "disruptions continue at every node in the supply chain," Seroka said.

## Dutch hauliers might turn around UK supply crisis trans.INFO

- A letter signed by 31 Dutch haulier companies, addressed to Prime Minister Johnson, has called on the UK government to save its supply chain crisis by relaxing rules on cabotage. Maciej Wroński, President of Transport and Logistics Poland, has stated that the UK is not self-sufficient when it comes to goods transport, and that allowing more cabotage is the only way to solve the problem.
- In the letter, Ewals Cargo, as well as 30 other road transport firms from the Netherlands, argue that cabotage rules should be changed to allow more hauliers to support the UK transport market and increase the productivity per truck.
- Given the Brexit border friction and the likelihood of having to come back with an empty load, many European haulage firms feel they would need to do more cabotage order to make trips to the UK worthwhile.



## How supply chain chaos and sky-high costs could last until 2023 **American Shipper**

- Supply chain woes and port congestion are now getting attention at the central-bank level, given their effects on inflation. Federal Reserve Chairman Jerome Powell recently lamented, “It is frustrating to see the bottlenecks and supply chain problems not getting better. In fact ... [they are] apparently getting worse.”
- Powell foresees supply chain woes “continuing into next year, probably, and holding up inflation longer than we thought.”
- But could shipping logjams last even longer, into 2023, propping up inflation even longer than central bankers expect?
- Industry experts speaking to American Shipper, as well as other market players and analysts, are increasingly talking about a scenario in which high ocean shipping costs and congestion could persist throughout next year, if not into the following year.
- The Golden Week holiday is now underway in China. At this time in 2020, some market watchers expected spot ocean freight rates to peak just after Golden Week, then fall back. Asia-West Coast spot rates, as measured by Drewry, are triple what they were when those predictions were made, despite a recent dip.
- Nerijus Poskus, vice president of global ocean at digital freight forwarder Flexport, told American Shipper, “We have been in a never-ending peak season. In my opinion, peak season is when there is less supply than demand and there is a backlog building somewhere. And I think we have been in it ever since COVID hit. Shippers that don’t have enough inventory at this time are going to sell out prior to Christmas because of all of the delays”. “I think this chaos will last well into 2022. [Shippers] should expect that the whole of 2022 may be another peak season,” he said, adding, “Importers should expect the spot market to remain high for 2022.”
- PoLA’s Gene Seroka said, “We see a very strong market through the end of this year into Lunar New Year, which is early next year, in the first week of February. Then, the major retailers are telling me that after Lunar New Year, we’re going to see a very strong focus on replenishment of inventory. Our inventory-to-sales ratio is the lowest it’s been since the pre-recessionary days. The replenishment concept may take us through the second quarter into the summertime. And if it goes a bit longer than that, we may pivot again into peak season next year.”





## Petrol queues, food shortages and Brexit: How Britain's supply chains broke <sup>i</sup> *(continued on next slide)*

- The story of a multifaceted upheaval to the supply chain – an ecosystem of transactions and relationships upon which modern, globalized life relies and yet goes unseen until it starts to go wrong. And then when it does go wrong, everyone from Home Counties football fans to Scottish farmers quickly know about it.
- The present problems have their roots in a bewilderingly complex logistical logjam with diverse ingredients – ranging from the rocketing price of bringing a 40ft cargo container from China to Felixstowe, to the lack of predominantly Eastern European crop pickers who have been relied upon for decades to get the produce from fields to shop shelves.
- The result, as Britons have experienced in recent weeks, is a devil's brew of disruptions, with causes that encompass the geopolitical ripples of the pandemic and Brexit to long-standing weaknesses and idiosyncrasies in both the global and the domestic economy.
- Crucially, it is a pattern of periodic economic dyspepsia – from the McDonald's countrywide milkshake shortage in August to the carbon dioxide crisis in the middle of last month and then the petrol queues – that is not going away any time soon. As consulting firm Gartner tells i: "It is undoubtedly a perfect storm. Consumers would be wise to anticipate reduced choice and higher prices, certainly in the immediate term."
  - **Fuel on the fire** - BP issued a largely bland statement acknowledging the temporary closure of petrol station forecourts after they ran out of unleaded and diesel fuel. Psychologists have long warned of the dangers of asking people not to panic as the public tends to conclude that there is indeed something to panic about. But the fuel shortages are even more potent proof of a key truth behind this year's supply chain crisis: in many cases there is no absolute absence of a commodity, be it diesel or courgettes, but there is a failure in getting that commodity to where it needs to be. Dr Justas Dainauskas, a fellow in the department of economics at the LSE, tells i: "It is not a crisis borne out of scarcity, but it is a crisis of the distribution network."
  - **Food for thought** - Scottish growers blame a shortage of hauliers to deliver their crops and, laborers to take the vegetables from the ground and prepare them for sale in pack houses. They are far from alone in their concerns among the UK's £120bn agriculture sector. In West Sussex, grower Barfoots was forced to pick 600t of courgettes and then leave them to rot earlier this summer, due to a lack of workers to package the crop.





*Continued from previous slide.....*

- **British truckers and Chinese containers** - The 'pinch point' is the entire chain. An overarching factor in the events that have prompted advice to buy Christmas toys sooner rather than later, and major retailers such as Ikea to charter their own container ships to get goods onto shelves, is the paroxysms inflicted by the pandemic on global demand. When the enormity of Covid-19 became apparent, millions of businesses responded by slashing production in expectation of a consumer slump, as humanity hunkered down to weather the viral storm. Instead, demand for goods – in particular cars, electronics and certain pandemic winners such as exercise equipment – rocketed as consumers flocked to a burgeoning world of online retail. Once stimulus packages were added to the mix, such as the \$1.9T (£1.4T) injected by the Biden administration into the world's biggest consumer market, the complex task of shipping the vast number of goods on order to those with open wallets was suddenly out of kilter. To take but one example, a vast number of cargo containers – around 8 million – are currently aboard ships or waiting at ports, forcing China to massively increase production of the steel boxes to simply maintain trade.
- **Energy, retail... and resilience** - If proof were needed of the perilously interconnected nature of the modern economy, then look no further than the events on 15 September at the two fertilizer plants in Teesside and Cheshire, owned by American company CF Industries. When the firm decided to respond to rocketing natural gas prices – the key ingredient for its production of ammonia to make fertilizer – by shutting down the two sites, its actions wiped out, at one fell swoop, 60 per cent of the UK's supply of purified carbon dioxide, with profound repercussions. The gas is a vital commodity for industries from food and drink – where it is used in facilitating animal slaughter, fizzy drinks and packaging – to cooling nuclear power stations and allowing certain medical operations to take place. So, in the same week that the Government announced it was providing £200m to incentivize UK businesses to invest in technology to reduce their CO2 emissions, it sealed a deal with CF Industries worth "tens of millions" to subsidize the urgent reopening of its Teesside plant to produce the very same chemical.
- As one footballing wit put it: "It's a changing world, isn't it? 'Sorry I didn't score but I ran out of petrol' is a new one on me."





## DHL announces a major U.S.-based investment. **Logistics**

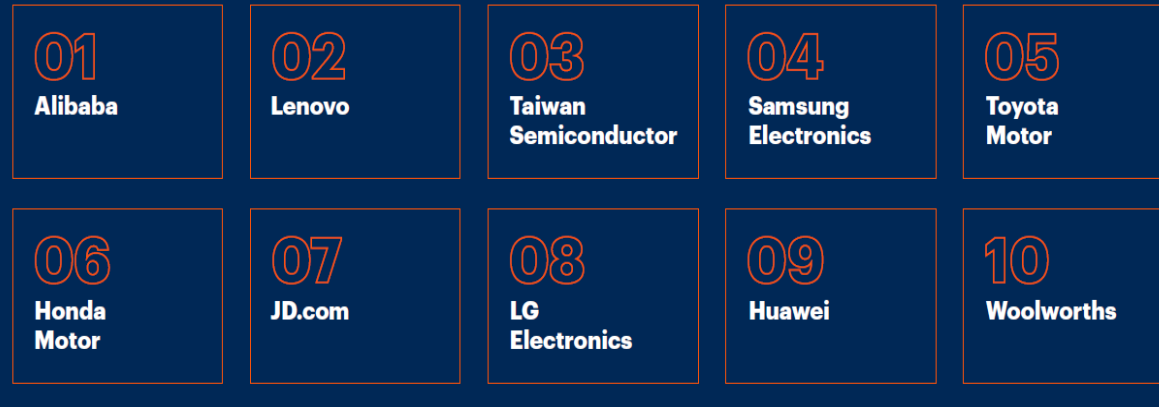
DHL eCommerce Solutions, a subsidiary of global logistics services provider Deutsche Post DHL Group, said that it's investing more than \$300 million into its U.S.-based operations over the next five years. Company officials said that this investment will up the square footage of the DHL eCommerce Solutions network by 70%, to more than 3 million square feet. What's more, they said that this investment will also include more automation-based services in its U.S. distribution center facilities, as well as make enhancements to its IT operating system platform. "These investments will provide more tracking events for better visibility of shipment progress and estimated day of delivery, in addition to higher levels of reliability and certainty for on-time delivery," said Lee Spratt, CEO of DHL eCommerce Solutions, Americas. "Also, it will allow DHL eCommerce Solutions to lower costs, due to higher levels of automation, especially later in the equipment's lifecycle, as the cost of labor will inevitably increase. The investment also provides customers with simpler integration with DHL to begin shipping."

## Agreements 'being ripped up' by lines as shippers are left in the dark on rates

- Customer service has effectively been shelved by the shipping lines, as shippers grumble that it is increasingly difficult to book cargo with them, let alone know what rate they will be charged.
- Many complain that carriers are refusing to answer booking desk phones and are "ignoring" e-mails.
- "It's demoralizing for our staff – to whom we preach the gospel of customer service daily – that they cannot give a sensible answer to clients," he said.
- And despite what the carriers say publicly, they are "not interested" in talking about signing new contracts until after the Chinese New Year holiday in February, when they believe they might start to need to ask shippers for cargo.
- Many shippers have complained to The Loadstar that existing contracts have been "ripped up" by the carriers, with only reefer cargo now covered by agreements with current bookings forced onto highly elevated spot rates.
- "The lines are moving the goal posts every day, it seems," complained another frustrated UK-based forwarder. "We have to book a nominated vessel on Maersk Spot before we can get a rate, but if the vessel changes there is an automatic \$100 fine. One shipper claimed his carrier had 'ignored the bill of lading date' in preference to the sailing date of the vessel in order to take advantage of an interim rate hike."



## Gartner Supply Chain Top 25 for 2021: Asia/Pacific Top 10



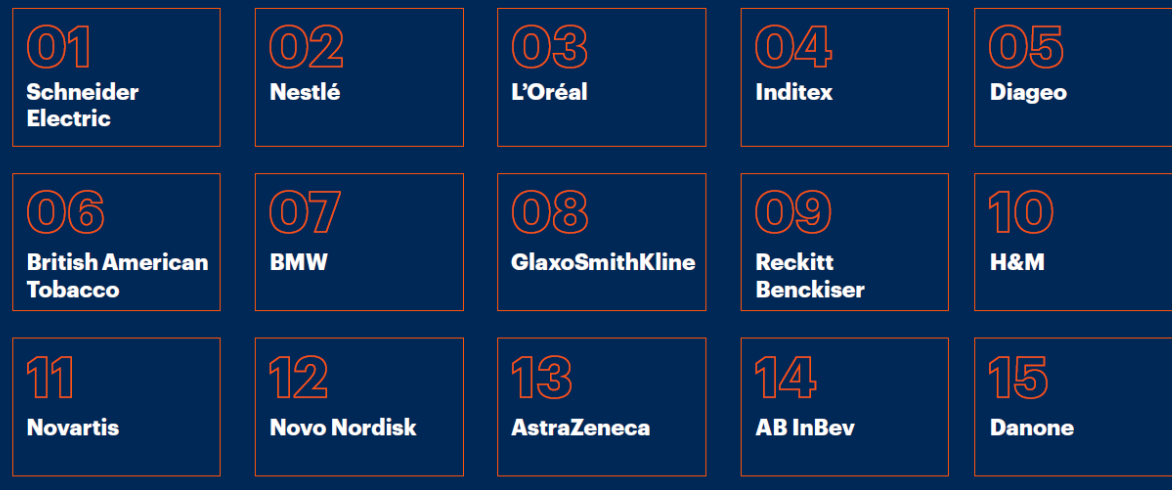
## Gartner Supply Chain Top 25: Leaders in Asia/Pacific

Asia/Pacific Supply Chain Top 10 for 2021

▲ Moved up in APAC ranking  
 — APAC ranking stayed the same  
 ▼ Moved down in APAC ranking  
 \* New to the APAC ranking

2021	2020	2019	2018	2017
— 1. Alibaba	— 1. Alibaba	1. Alibaba*	▲ 1. Samsung Electronics	▲ 1. Lenovo
— 2. Lenovo	▲ 2. Lenovo	▼ 2. Samsung Electronics	▼ 2. Lenovo	▼ 2. Samsung Electronics
3. Taiwan Semiconductor*	▼ 3. Samsung Electronics	▲ 3. Toyota Motor	— 3. Huawei	▲ 3. Huawei
▼ 4. Samsung Electronics	▼ 4. Toyota Motor	▼ 4. Lenovo	— 4. Toyota Motor	▼ 4. Toyota Motor
▼ 5. Toyota Motor	5. Sony	▼ 5. Huawei	▲ 5. Haier	5. Bridgestone*
▲ 6. Honda Motor	▼ 6. Huawei	▼ 6. Haier	▲ 6. Bridgestone	▲ 6. Haier
▲ 7. JD.com	— 7. Honda Motor	— 7. Honda Motor	7. Honda Motor	7. Wesfarmers*
8. LG Electronics	▼ 8. Haier	▲ 8. Woolworths	▼ 8. Wesfarmers	▼ 8. Woolworths
▼ 9. Huawei	— 9. JD.com	9. JD.com*	▼ 9. Woolworths	▲ 9. Sony
10. Woolworths	10. Nissan Motor		▼ 10. Sony	

## Gartner Supply Chain Top 25 for 2021: Europe Top 15



## Gartner Supply Chain Top 25 for 2021: Europe Top 15

Europe Supply Chain Top 15 fr

▲ Moved up in Europe ranking — Europe ranking stayed the same ▼ Moved down in Europe ranking \* New to the Europe ranking

2021	2020	2019	2018	2017
— 1. Schneider Electric	▲ 1. Schneider Electric	▲ 1. Inditex	— 1. Unilever	— 1. Unilever
— 2. Nestlé	— 2. Nestlé	▲ 2. Nestlé	— 2. Inditex	▲ 2. Inditex
▲ 3. L'Oréal	▼ 3. Inditex	▲ 3. Schneider Electric	▲ 3. Nestlé	▼ 3. H&M
▼ 4. Inditex	▲ 4. L'Oréal	▲ 4. Diageo	▼ 4. H&M	— 4. Nestlé
— 5. Diageo	▼ 5. Diageo	▲ 5. L'Oréal	▲ 5. Schneider Electric	▲ 5. Nokia
▲ 6. British American Tobacco	▲ 6. BMW	▼ 6. H&M	6. Novo Nordisk*	▲ 6. BASF
▼ 7. BMW	▼ 7. H&M	▼ 7. Novo Nordisk	▲ 7. L'Oréal	▼ 7. Schneider Electric
8. GlaxoSmithKline	▲ 8. British American Tobacco	▲ 8. BASF	▲ 8. Diageo	▼ 8. L'Oréal
— 9. Reckitt Benckiser	9. Reckitt Benckiser	▲ 9. Adidas	▼ 9. BASF	▼ 9. BMW
▼ 10. H&M	▲ 10. Danone	10. AkzoNobel*	▲ 10. Adidas	10. Diageo*
▲ 11. Novartis	▼ 11. Novo Nordisk	— 11. BMW	▼ 11. BMW	— 11. Reckitt Benckiser
▲ 12. Novo Nordisk	▼ 12. Adidas	▲ 12. British American Tobacco	▼ 12. Reckitt Benckiser	▼ 12. GlaxoSmithKline
13. AstraZeneca	— 13. Nokia	— 13. Nokia	▼ 13. Nokia	13. Adidas*
14. AB InBev	▼ 14. BASF	14. Roche	14. British American Tobacco*	14. Roche*
▼ 15. Danone	15. Novartis	— 15. Danone	15. Danone*	15. Siemens*



## Maersk completes B2C Europe takeover

- After the announcement of its intention to acquire B2C Europe in August, Maersk will now complete the acquisition of the Dutch logistics company, which focuses on business-to-consumer (B2C) parcel delivery services in Europe.
- The definitive transaction agreements were signed on 5 August and the takeover which is subject to regulatory approvals is expected to close in the fourth quarter of the year.
- Until the closing of the deal, Maersk and B2C Europe remain two separate companies.
- With the acquisition of the 20-year-old company which specialises in cross-border deliveries, Maersk strengthens its position in the e-commerce logistics industry as it will have the capability to offer last-mile rates to customers in Europe, North America and China through one simplified interface with visibility on all parcel deliveries, both for retailers and brands.

## September manufacturing output stays on a growth track, says ISM

- In its monthly Manufacturing Report on Business, ISM said that the report's key metric, the PMI, came in at 61.1 (a reading of 50 or higher indicates growth), increasing 1.2% from August's 59.9 reading. This represented the 16th consecutive month of growth, at a faster rate, coupled with September also representing the 16th consecutive month of growth for the overall economy. The September PMI is 0.7% above the PMI's 12-month average, at 60.4, with March's 64.7 being the high point and November 2020's 57.7 being the low point.
- ISM reported that 17 of the 18 manufacturing sectors saw gains in September, including: Furniture & Related Products; Petroleum & Coal Products; Machinery; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Chemical Products; Apparel, Leather & Allied Products; Textile Mills; Paper Products; Printing & Related Support Activities; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Fabricated Metal Products; Transportation Equipment; Primary Metals; Nonmetallic Mineral Products; and Plastics & Rubber Products. The only industry reporting a decrease in September compared to August is Wood Products.
- Supplier deliveries—at 73.4 (a reading above 50 indicates contraction)—slowed, at a faster rate, for the 67th consecutive month, following August's 69.5, with the delivery performance of suppliers to manufacturing organizations again slower in September.





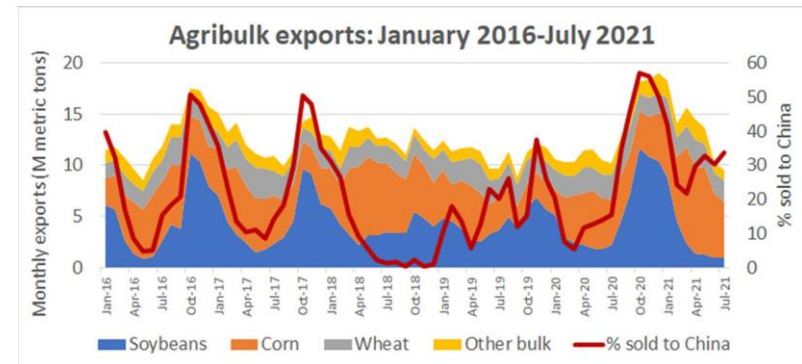
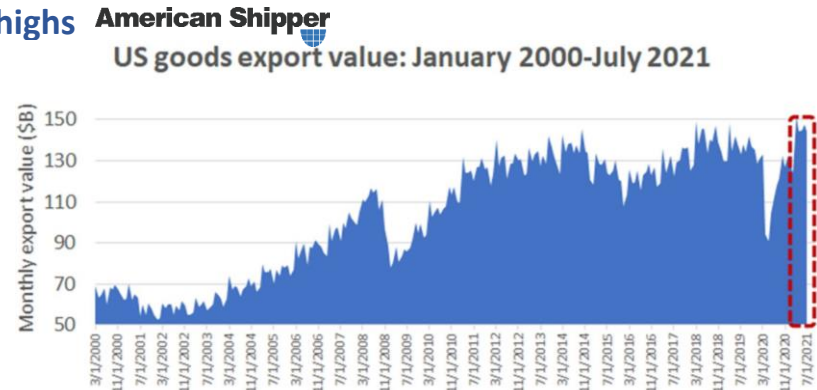


## Giant electric crane starts operations at Port of Oakland

- A new ship-to-shore crane has started operations at the Port of Oakland on the Ben E. Nutter Terminal, run by Everport Terminal Services which invested in port infrastructure enhancement.
- The new crane with a lift height from the dock of 52 meters arrived in June in the Californian port, where it had to be reassembled, tested, and commissioned before started operations.
- According to the announcement, reassembling such a giant crane on the wharf is a complex process, requiring multiple trade, labour and professional workers, such as longshore workers, electrical, mechanical and structural engineers, iron workers, and construction crane operators.

## Despite exodus of empty containers, US exports are hitting new highs

- “Our largest export commodity continues to be air” is a frequent saying of Gene Seroka, executive director of the Port of Los Angeles. That’s certainly true at his port, where exports are containerized. Far more empty boxes leave than full ones, so they can be reloaded quickly in Asia.
- But look at the big picture and U.S. exports are actually rising — and on track for a record year. It’s just that more exports are being loaded aboard tankers and dry cargo vessels as opposed to container ships.
- The value of U.S. goods exports in the first seven months of the year topped those in any previous January-July period, according to Census Bureau statistics, reaching \$990 billion.
- Outbound cargoes of soybeans, corn, coal, liquefied natural gas (LNG) and liquefied petroleum gas (LPG) are all up, while sales of crude and refined products are still healthy despite COVID fallout.





## China's power crisis throws another curveball at container shipping

- The Chinese government has reduced electricity supply to factories in at least 10 provinces, causing them to reduce production or shut until at least today (30 September), as Beijing rushes to slash carbon emissions.
- As of 24 September, at least 10 publicly-listed companies informed the Shanghai and Shenzhen stock exchanges that they could expect lower income in 2021 after their factory output was hit by the electricity rationing.
- The move came after China's economic planning agency, the National Development and Reform Commission, released a plan to limit energy-intensive activities and energy consumption.
- The plan required provincial governments to ration electricity to control emissions, to meet President Xi Jinping's target for China's carbon emissions to level off by 2030 and achieve carbon neutrality by 2060.
- Jiangsu, Guangdong and Zhejiang, which are among the most industrialized provinces in China, are among those hit by the power cuts, having been marked out for missing electricity consumption targets. Factories there churn out items such as steel products, plastics, home appliances, chemicals and textiles.
- Guangdong and Zhejiang are also home to China's busiest ports, such as Ningbo, Guangzhou, Nansha, Yantian and Shekou. Jiangsu lies along the Yangtze River Delta and its container exports are usually processed by Shanghai or Ningbo.

## Hapag Lloyd's last rates increases before cessation decision

- German container carrier Hapag Lloyd has announced new freight prices, before the company's decision to pause any rates increases until 1 February, in Asia, Arabic Gulf and America, effective from 1 October.
- Firstly, the Hamburg-based liner operator will apply a Peak Season Surcharge (PSS) from Pakistan to the ports in UAE, Oman, Kuwait, Iraq, Bahrain, Qatar, Dammam and Jubail in Saudi Arabia.
- The surcharge that will be implemented to 20', 40' standard and high cube (HC) containers will be US\$50 and US\$100 per TEU, respectively.
- In addition, Hapag Lloyd will impose a General Rate Increase (GRI) for boxes transferred from ports of US East Coast, West Coast, US Gulf and Canada, to Chile, Peru, Ecuador and Colombia Pacific.
- This rate increase of US\$150 per TEU and US\$300 per FEU will be effective to all dry and reefer cargoes.





## China's CIMC buys Maersk Container Industry for US\$987.3 million

- Maersk has signed an agreement on 27 September to sell its reefer manufacturer, Maersk Container Industry (MCI), to China International Marine Containers Ltd. (CIMC) for US\$987.3 million.
- Shenzhen-headquartered CIMC will take over MCI's entire organization and assets, including the reefer factory in Qingdao, China, as well as its research and development (R&D) and test engineering facilities in Tinglev, Denmark.

## Canadian fund buys 100% of Ports America

Canada Pension Plan Investment Board entered into a definitive agreement to become the full owner of Ports America through the acquisition of an interest managed by Oaktree Capital Management. Among its expansion projects, the MTO is building out the Seagirt terminal in southeast Baltimore in anticipation of higher volumes and greater throughput.

## Port Operator DP World Sees Lasting Supply Chain Disruptions: 'Maybe in 2023' *Captain*

- Dubai's DP World, one of the biggest global port operators, expects supply chain bottlenecks that have rattled global trade flows to continue at least for another two years.
- "The global supply chain was in crisis in the beginning of the pandemic," Chairman and CEO Sultan Ahmed Bin Sulayem told Bloomberg TV in an interview at Dubai Expo 2020 on Friday. "Maybe in 2023 we'll see an easing."
- The effects of shortages and the accumulated delays is reflected in the skyrocketing costs of shipping goods, he said. "Freight rates will continue to increase, and the shipping lines are having an amazing time."
- Global supply chains are struggling to keep pace with demand and overcome labor disruptions caused by Covid outbreaks. The world's largest shipping line, A.P. Moller-Maersk, has also warned bottlenecks may last longer than expected, and some companies have pledged to cap spot rates.
- DP World is one of the world's largest operators of marine ports and inland cargo terminals, stretching from gateways in London and Antwerp to hubs in Africa, Russia, India and the Americas. It recently announced a string of deals as it attempts to become a more diversified, integrated logistics company.





## California ports aren't the only ones facing record backlogs of cargo ships - 3 other US ports have hit historic highs

- Ports in New Jersey and New York, as well as in Texas and Georgia, have seen record pileups.
- Turnaround time for container ships has increased across the country.
- Southern California ports face the greatest delays as they handle nearly half of all US imports.
- Shipping delays are piling up across the country as multiple US ports hit record backlogs.
- As the largest source of imports in the US - responsible for nearly half of all incoming goods - Southern California ports have received widespread attention. The ports have over 60 hulking cargo ships line up along the shore waiting to dock and unload. But several smaller ports are also feeling the pinch.
- In the Port of Savannah - the fourth largest US port - over 20 container ships are waiting to dock. The port has hit multiple records this year for the number of container ships that have passed through the location. In July, Associated Press reported that the port moved 5.3 million 20-foot containers in a fiscal year - the most the location has ever encountered in a single year.
- Georgia Ports Authority did not respond to a request for comment from Insider, but Executive Director of the Georgia Ports Authority Griff Lynch told The Wall Street Journal that the boom in e-commerce has contributed to the backlog of cargo ships.
- "Because of all this extra freight being imported, it's creating a backlog from the ship side to the dock side to warehouses and across the whole supply chain," Lynch told The Journal.
- In August, Port Houston set a new record for the number of shipping containers that went through the port over the course of the month as over 320,000 20-foot containers passed through the location - a number 29% higher than the same time the year before, when shipping levels were already spiking. A Port Houston spokesperson did not respond to a request for comment, but the group addressed the new record in a press release earlier this month.
- The Port of New Jersey and New York, which handles the majority of imports to the East Coast, hit a record number of cargo for its 13th consecutive month in August. Over 780,000 shipping containers passed through the port that month, according to a press release. Earlier this week, the Port of New York and New Jersey had 9 cargo ships at anchor, but a port spokesperson told Insider all of the ships were expected to dock within 48 hours.

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## Officials Looking Into Whether A Ship's Anchor May Have Caused Pipeline Leak Off Southern California

- The owner of a pipeline at the heart of California's worst oil spill in almost 30 years is investigating the disaster site with a remotely controlled device and local authorities warned the cleanup may take weeks.
- Amplify Energy Corp. is getting close to "a source and a cause" of the incident, which may have been caused by a ship's anchor, CEO Willsher said at a press conference. The spill that began on Saturday dumped about 3,000 barrels (126,000 gallons) of crude into the Pacific Ocean near the seaside community of Huntington Beach.
- That's the Golden State's largest such disaster since a 1994 earthquake split open a pipeline and poured about 4,500 barrels into the sea, according to a database compiled by the non-profit Public Media Group of Southern California. Amplify tumbled as much as 53% on Monday. Shares pared some of the losses after the press conference, triggering a temporary trading halt.



## Viewpoint: LA empty containers tell a compelling story

- New analysis into the empty container exports out of the Port of Los Angeles shows just how desperately the flow of trade is trying to right itself.
- According to customs data, the share of empty exports to total exports leaving the Port of Los Angeles is up over 10% and leaving at a faster rate compared to pre-pandemic levels. The rate of empty containers leaving the Port of Long Beach and Port of New York/New Jersey is slightly higher. Exports originating from these ports are currently under review by the Federal Maritime Commission after a noted imbalance of 2020 U.S. exports versus empty containers.
- Equally important — 30% of all truck appointments are still not being filled each day. We must improve on this figure immediately." When comparing the share of empty exports to total twenty-foot equivalent units leaving the Port of Los Angeles, it is slightly higher than pre-pandemic levels. The ports of Long Beach and New York/New Jersey have seen approximately one-third of TEUs returning as empties.







## Viewpoint: LA empty containers tell a compelling story

- Analysis into the empty container exports out of the PoLA shows how desperately trade flow is trying to right itself.
- According to customs data, the share of empty exports to total exports leaving the PoLA is up over 10% and leaving at a faster rate compared to pre-pandemic levels. The rate of empty containers leaving the PoLB and Port of NY/NJ is slightly higher. Exports originating from these ports are currently under review by the FMC after a noted imbalance of 2020 U.S. exports versus empty containers. Equally important — 30% of all truck appointments are still not being filled each day. We must improve on this figure immediately.” When comparing the share of empty exports to total twenty-foot equivalent units leaving the Port of Los Angeles, it is slightly higher than pre-pandemic levels. The ports of Long Beach and New York/New Jersey have seen approximately one-third of TEUs returning as empties.

Port Heat Map – Days of Difference in Ship Time of Turnaround (ToT\*) at Each Port 2021 vs 2019, per Week

Port	Jan				Feb				Mar				Apr				May				Jun				Jul				Aug				Sep	
Al Jubail	-0.87	-1.41	1.86	2.68	1.19	0.34	0.06	1.03	5.22	-0.01	-1.07	-1.43	-4.11	4.28	-3.65	2.03	-0.05	1.50	-0.07	3.17	5.55	1.37	-0.98	-1.85	0.49	2.65	1.68	-0.51	1.64	-0.92	-3.09	-1.59	-2.84	
Antwerp	0.63	0.21	-0.23	-0.25	-0.11	1.55	0.58	-0.09	0.21	0.05	0.43	0.69	0.74	-0.28	0.45	0.23	-0.33	-0.25	0.33	1.31	-0.74	-0.09	-0.25	1.07	0.78	-0.09	0.94	0.62	0.56	0.46	0.88	1.10	0.61	
Busan	0.89	-0.09	-1.10	-1.02	-0.99	1.64	-0.40	-0.67	-0.54	-0.15	0.23	0.28	-0.68	-0.18	-0.53	0.29	-1.25	-0.82	-1.66	0.28	0.69	1.66	-0.48	0.35	0.26	-0.83	-0.49	0.62	-0.52	-2.19	0.85	0.47	-0.34	
Dalian	2.06	1.19	1.39	0.53	2.00	1.87	0.58	0.36	-0.27	0.09	-0.46	-0.39	-0.35	-0.47	-0.08	-0.13	-0.08	-0.43	-0.51	-0.18	1.22	-0.52	0.20	0.84	0.08	0.60	0.62	0.28	-0.59	-1.03	1.21	0.56	-0.14	
Guangzhou	-0.61	-0.51	0.42	0.08	-0.15	1.27	1.29	0.81	0.91	-1.54	-1.57	-0.78	-0.37	0.40	-0.79	-0.31	-0.95	-0.81	-0.76	-0.24	0.57	-0.54	-1.11	-0.29	-0.17	1.46	2.66	0.82	0.85	-0.83	1.40	0.36	1.15	
Hamburg	-0.18	0.94	0.49	0.79	1.22	0.26	-0.21	1.09	0.70	0.58	0.91	0.12	0.29	0.35	0.19	0.10	0.37	0.65	0.99	1.00	1.29	1.22	0.18	-0.78	0.61	0.57	0.20	0.95	-0.39	0.54	0.06	0.92	0.52	
Hong Kong	-1.57	0.18	-0.34	-2.23	-0.06	-1.08	-0.77	-0.79	-0.79	-0.20	-1.57	0.34	-0.09	-1.28	-0.12	-1.89	-1.11	0.50	-1.30	-1.11	-2.42	-2.65	-2.86	-1.81	-2.39	-1.67	-1.96	-0.75	-1.16	-2.13	-2.73	-2.11	-1.13	
Houston	-0.34	0.09	-0.67	0.26	0.37	-1.62	2.19	-0.25	-0.54	-0.88	0.23	-0.55	0.03	1.74	0.60	-0.56	-0.91	-0.11	-0.05	-1.02	0.84	-0.31	1.10	-0.74	1.24	0.59	0.27	0.92	0.81	0.99	0.18	1.06	0.47	
Kaohsiung	0.88	0.20	-0.39	0.52	1.08	0.29	0.27	-0.21	-0.03	-0.30	0.40	-0.04	-0.55	-0.14	-0.42	0.16	0.16	-0.11	-0.03	-0.16	0.51	0.12	0.24	1.01	0.53	0.51	0.32	0.55	-0.25	-0.47	0.76	0.70	0.59	
Laem Chabang	0.34	0.12	0.42	0.28	-0.45	-0.48	0.39	0.29	0.09	-0.05	0.00	-0.05	-0.35	0.10	0.29	0.42	0.00	0.42	0.32	0.28	0.25	0.28	0.12	0.54	0.01	0.23	0.26	0.39	0.38	-0.07	0.31	0.01	0.11	
Los Angeles & Long Beach	1.19	2.75	2.06	2.13	2.60	2.91	3.11	2.84	2.50	2.37	2.55	3.36	2.81	2.94	3.52	2.85	2.74	2.42	2.36	2.75	2.89	1.96	2.04	1.62	2.83	2.31	3.35	2.66	3.40	3.47	3.10	3.87	3.28	
New York & New Jersey	-0.99	-0.33	0.04	-0.20	0.81	0.29	0.22	0.20	-0.63	0.21	0.21	0.90	-0.21	0.44	-0.28	-0.10	-0.13	0.03	0.20	-0.59	-0.21	-0.40	0.06	-0.51	-0.12	-0.13	0.11	-0.23	0.17	0.22	0.08	0.07	0.72	
Ningbo	-1.00	-0.89	-0.85	-0.94	-1.25	0.46	-1.94	1.24	-1.09	-0.05	0.07	0.54	-2.42	1.74	1.77	0.41	1.86	0.74	0.21	-0.08	-0.44	-0.34	0.26	-1.24	-2.20	-0.36	-0.79	0.68	-0.03	-1.75	-0.87	-1.56	0.09	1.90
Port Kelang	0.54	0.63	0.55	0.61	-0.27	0.24	0.29	0.07	0.41	0.02	0.22	-0.07	0.34	0.42	0.34	0.08	0.52	0.51	-0.01	0.27	0.15	0.23	0.22	0.01	0.20	0.33	0.03	0.26	0.43	0.64	0.44	0.51	0.47	
Qingdao	0.52	0.21	0.02	-0.35	0.46	0.21	0.04	-0.31	-0.21	0.47	0.48	-0.11	0.34	0.30	0.36	0.06	0.55	0.10	0.80	0.17	-0.06	1.47	0.29	-0.04	0.35	0.26	0.24	0.82	0.97	0.23	0.35	0.74	0.42	
Rotterdam	0.79	-1.16	-0.10	0.26	0.60	-0.34	-0.42	-0.31	-0.32	1.33	-0.07	0.16	-0.56	0.66	-0.18	1.30	0.14	0.48	-0.16	1.25	0.44	0.21	0.57	0.09	0.19	0.54	1.27	1.08	0.53	0.40	-0.09	0.02	0.76	
Shanghai	0.31	-0.11	-0.09	-0.38	-0.45	0.18	-0.01	-0.25	0.23	0.20	0.20	-0.10	0.14	-0.23	-0.63	0.41	-0.22	-0.78	-1.03	0.45	-0.58	-0.06	0.04	0.03	-0.77	-0.56	-0.69	0.14	-1.20	-1.54	-0.37	-0.64	-0.67	
Shenzhen	-0.61	-0.27	0.52	0.65	-0.65	-1.55	-2.27	0.95	-0.61	1.11	-0.07	-0.63	-1.36	0.08	-1.05	-2.45	-0.87	-1.93	0.00	-0.54	-0.83	0.69	-0.16	-3.16	-1.84	-1.93	-1.65	-3.99	-0.18	-2.03	0.02	-0.90	-1.63	-2.48
Singapore	-0.10	-0.73	-0.75	-0.56	-2.11	-0.97	-0.27	-0.53	-1.20	-0.18	0.03	-0.82	-0.26	-0.51	-0.59	-0.76	-0.51	-0.08	-0.51	0.01	-1.07	0.04	0.25	-0.67	-0.03	-0.08	-0.10	-0.24	0.09	0.14	-0.69	-0.91	-0.01	
Tanjung Pelepas	0.58	0.28	0.52	0.71	0.10	0.33	0.02	0.31	0.23	0.51	0.41	0.10	0.36	0.86	0.68	0.26	0.35	0.63	0.43	-0.13	0.67	0.94	-0.47	0.30	-0.41	-0.52	0.12	0.54	0.81	0.27	0.30	0.65	0.67	
Tianjin	1.91	1.04	1.46	1.18	0.46	0.74	0.61	0.50	0.79	1.03	0.41	0.67	0.52	0.33	0.77	0.45	0.98	1.15	0.88	0.69	1.26	1.40	0.45	1.03	1.54	1.64	1.66	1.80	1.61	1.25	0.72	1.14	0.82	
Xiamen	0.27	-0.46	0.15	0.61	0.25	0.98	0.14	0.56	0.20	0.88	0.05	-0.28	0.16	-0.44	1.03	1.10	0.25	0.42	1.89	-0.16	-1.02	0.97	1.04	0.85	0.22	0.80	0.94	-0.43	0.14	0.02	0.21	1.55	1.82	

Source: RBC Capital Markets, Orbital Insight

\*Time of Turnaround (ToT) is defined as the number of days a ship remains in or near the selected port, which includes both waiting time and actively loading or unloading

“When you believe in a thing, believe in it all the way, implicitly and unquestionably.” Walt Disney







## U.S. convenience store sales in 2021 could top pre-pandemic levels **CSA**

- Convenience store retailers are bullish about their sales for 2021 but concerns persist.
- 74% of convenience store retailers expect 2021 year-end in-store sales to be better than 2020 and 67% expect sales will top sales in 2019, according to a NACS retailer member survey conducted in September 2021. Only 11% of retailers expect their 2021 sales to fall below year-end 2020 sales and only 13% said sales will be lower than 2019.
- While retailers are seeing strong sales that have returned to pre-pandemic levels, concerns remain. Seventy-five percent of retailers said they are concerned about the labor shortage and finding qualified candidates and 60% are concerned about supply chain shortages.
- **Fuel Sales** - Retailers are also optimistic about fuel sales. Sixty-seven percent said fuel sales will be higher in 2021 than in 2020, while 16% estimate that they will drop, compared to 2020 sales. Opinions are more divided around 2021 fuels sales compared to those in 2019: 36% said that sales will surpass totals from 2019 while 39% say they will decrease. The optimism related to 2021 sales is led by the return of the morning customer. 53% said morning sales rose compared to 2019 and 47% said lunch sales increased.
- **EV Charging** - Convenience stores, which sell an estimated 80% of the fuels purchased in the country, also are looking at the viability of EV charging at their locations. One in four (25%) retailers said they currently have an EV charger in at least one location and 36% said they are likely to install chargers within the next two years. 40% of retailers said there are not enough customers in their market to make EV charging viable. 25% said that installing charging ports is too expensive.
- The NACS Retailer Survey was conducted in September 2021 by NACS Research. Overall, 61 retailer members, representing a cumulative 1,525 stores, participated in the survey.





## 18% of healthcare workers have quit jobs during pandemic BECKER'S **HOSPITAL REVIEW**

- Since February 2020, nearly 1 in 5 healthcare workers, or 18 percent, have quit their jobs, according to new poll results from Morning Consult, a global privately held data intelligence company.
- The poll, conducted in September among 1,000 U.S. healthcare workers, also found that 12 percent of workers have been laid off or lost a job, while 19 percent of those who kept them have considered leaving their job and the healthcare industry during the pandemic. Twelve percent of those who kept their jobs have considered leaving their job for another healthcare role, according to the poll.
- The poll showed the exodus is primarily driven by the pandemic, insufficient pay or opportunities, and burnout, according to Morning Consult.

## FDA Authorizes New Rapid COVID-19 Test, Says Capacity Will Double THE HILL

The Food and Drug Administration (FDA) on Monday authorized a new rapid, at-home COVID-19 test, in a move it said is expected to double the availability of such tests in the coming weeks. The FDA said it has authorized a coronavirus test from the company ACON Laboratories. It is not the first authorization of such a test, which can deliver results in as little as 15 minutes, but, amid supply shortages, the move could be key in boosting their availability.

## AstraZeneca Seeks U.S. Emergency Approval For Covid Antibody **Bloomberg**

AstraZeneca Plc submitted its antibody cocktail for U.S. emergency approval to prevent Covid-19 infection as therapeutic options for the pandemic broaden beyond vaccination. It's the first regulatory filing for the medicine, which was 77% effective in preventing symptomatic Covid in a clinical trial that included patients with high-risk factors for severe infection. The cocktail can supplement vaccines for people who haven't mounted a strong response to the shots -- or to protect those who couldn't be immunized. The news comes just days after Merck & Co. fueled optimism that it will soon have the first Covid pill. Both treatments could offer a simple way to treat many patients before they ever reach the hospital.





## **1,400 unvaccinated workers leave Northwell Health** BECKER'S **HOSPITAL REVIEW**

- A total of 1,400 employees of New Hyde Park, N.Y.-based Northwell Health either resigned or were terminated for refusing to get vaccinated against COVID-19, a spokesperson confirmed to Becker's Oct. 4.
- The departures — announced one week after New York state's mandate took effect requiring healthcare workers get at least one shot by Sept. 27 — included about two dozen leaders at the management level, or above, and represent under 2 percent of Northwell's employees. With the departures, Northwell is reporting a 100 percent vaccinated workforce.

## **Major Insurers Running Billions of Dollars Behind on Payments to Hospitals and Doctors** KHN KAISER HEALTH NEWS

- Anthem Blue Cross, the country's second-biggest health insurance company, is behind on billions of dollars in payments owed to hospitals and doctors because of onerous new reimbursement rules, computer problems and mishandled claims, say hospital officials in multiple states.
- Anthem, like other big insurers, is using the covid-19 crisis as cover to institute “egregious” policies that harm patients and pinch hospital finances, said Molly Smith, group vice president at the American Hospital Association. “There’s this sense of ‘Everyone’s distracted. We can get this through,’” she said.
- Hospitals are also dealing with a spike in retroactive claims denials by UnitedHealthcare, the biggest health insurer, for emergency department care, AHA says.
- Disputes between insurers and hospitals are nothing new. But this fight sticks more patients in the middle, worried they’ll have to pay unresolved claims. Hospitals say it is hurting their finances as many cope with covid surges — even after the industry has received tens of billions of dollars in emergency assistance from the federal government.
- When insurers fail to promptly pay medical bills, patients are left in the lurch. They might first get a notice saying payment is pending or denied. A hospital might bill them for treatment they thought would be covered. Hospitals and doctors often sue patients whose insurance didn’t pay up.
- During the pandemic, hospitals have benefited from two extraordinary cash infusions. They and other medical providers have received more than \$100 billion through the CARES Act of 2020 and the American Rescue Plan of 2021. Last year United, Anthem and other insurers accelerated billions in hospital reimbursements.





## 'Mega-Mergers' Dominated In 2021, Analysis Finds Modern Healthcare

Fewer hospital mergers and acquisitions so far in 2021 is offset by a high percentage of "mega-merger" transactions, according to a new analysis. Seven transactions involving 20 hospitals took place during the third quarter of 2021, with transacted revenue totaling \$5.2 billion, according to a quarterly report released Wednesday by consulting firm, Kaufman Hall. This year's transactions have involved large health systems that have merged or were acquired by other large systems. The average revenue of selling organizations was \$659 million in 2021, more than double the average of \$329 million between 2015 and 2020.

## How digital is transforming the delivery of preventative care HEALTH EUROPA

- COVID-19 has sped up the adoption of digital in many aspects of our lives. In health, social care, and housing, remote technologies have been critical to ensuring that people could continue to access the care and support they rely on day-to-day, whilst reducing the risk of transmission.
- The preventative power of digital has also come into focus. Health, housing, and social care providers are becoming more aware of the data flowing from TEC systems and devices and the potential this connectivity has to predict when someone's health might deteriorate. By using digital intelligence to identify people at risk of an increasing social care or health need, care professionals can put pre-emptive measures in place.
- Early interventions give more control to individuals, helping people of all ages to choose the care they want and empowering them to maintain their independence, wellbeing, and dignity at home for longer. A proactive approach also reduces pressure on councils, NHS services, and housing associations, by offering greater flexibility around service delivery and, ultimately, helping to create a more sustainable future for health and care.
- According to Legrand Assisted Living and Healthcare in Europe, it is surprising that many service providers are still not realizing digital benefits or unleashing their own digital premium. There is less than four years to go until the UK replaces its traditional public switched telephone network (PSTN) with a purely internet-based network. The analogue PSTN switch-off is an ongoing process, and the transition from analogue to digital services has already begun. Every housing, social care, and health provider using technology enabled care is on the journey from analogue to digital.





## Ransomware attack shuts down Indiana health system's network BECKER'S **HEALTH IT**

- Franklin, Ind.-based Johnson Memorial Health was struck Oct. 2 by a ransomware attack that disabled its computer network.
- The health system is working with the FBI and cybersecurity experts to restore its computer operations, according to a news release. The health system said ransomware attacks take time to resolve, so it may be several days before its computer systems are fully operational.
- No appointments or surgeries have been canceled, the health system said. Patients are expected to receive services as scheduled, but its recommended patients arrive earlier than normal, as registration processes are expected to be slower.

## How do ransomware attacks work? TechTarget

- Ransomware kits on the deep web have enabled cybercriminals to purchase and use software tools to create ransomware with specific capabilities. They can then generate this malware for their own distribution, with ransoms paid to their bitcoin accounts. As with much of the rest of the information technology world, it is now possible for those with little or no technical background to order inexpensive ransomware as a service (RaaS) and launch attacks with minimal effort.
- One of the more common methods of delivering ransomware attacks is through a phishing email. An attachment the victim thinks they can trust is added to an email as a link. Once the victim clicks on that link, the malware in the file begins to download.

## Scareware. TechTarget

This malware poses as security software or tech support. Ransomware victims may receive pop-up notifications saying malware has been discovered on their system. Security software that the user does not own would not have access to this information. Not responding to this will not do anything except lead to more pop-ups.

**Mobile ransomware.** This ransomware affects mobile devices. An attacker can use mobile ransomware to steal data from a phone or lock it and require a ransom to return the data or unlock the device.







## Ford unveils plans for EV mega campus in Tennessee

- Ford announced plans for a massive electric vehicle manufacturing campus in Tennessee, as well as two additional battery facilities in Kentucky, in what the company called the largest investment in the U.S. electric vehicle market at one time by an automaker.
- The tree new BlueOvalSK battery plants will enable 129 gigawatt hours a year of U.S. production capacity for Ford
- A \$5.6 billion mega campus in Stanton, Tennessee -- dubbed Blue Oval City -- will build next-generation electric F-Series pickups and advanced batteries through a partnership with SK Innovation. The campus is designed to be carbon neutral with zero waste to landfill once fully operational.
- The BlueOvalSK Battery Park in Central Kentucky will feature two battery plants, representing an investment of \$5.8 billion. The site will supply Ford's North American assembly plants with batteries for next-generation Ford and Lincoln vehicles.
- Blue Oval City and the twin BlueOvalSK battery facilities are expected to begin commercial production in 2025, creating approximately 11,000 jobs.
- Ford expects electric vehicles to represent 40-50% of its global vehicle volume by 2030.
- These investments build on Ford's recent announcements that it will work with Redwood Materials on closed-loop domestic battery recycling and make a new investment increase production of the F-150 Lightning pickup in Dearborn, Michigan, starting next year
- Ford is investing \$90 million in Texas – \$525 million total in the U.S. to train skilled technicians to service connected, electric zero-emission vehicles
- This news comes amid strong demand for the all-new Ford F-150 Lightning truck, E-Transit and Mustang Mach-E electric vehicles.



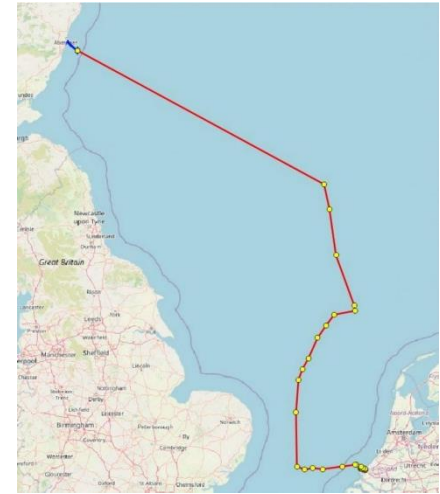




## World's largest floating offshore wind farm begins operation



- Statkraft, a renewable energy generator owned by the Norwegian state, will buy the entire electrical output of the 48 MW Kincardine Offshore Wind Farm through a power purchase agreement that extends until 2029.
- The Kincardine Offshore Wind Farm is expected to generate up to 218 GWh of clean electricity each year, enough to power 55,000 households. The project is comprised of a 2MW turbine in addition to five 9.5 MW Vestas turbines.

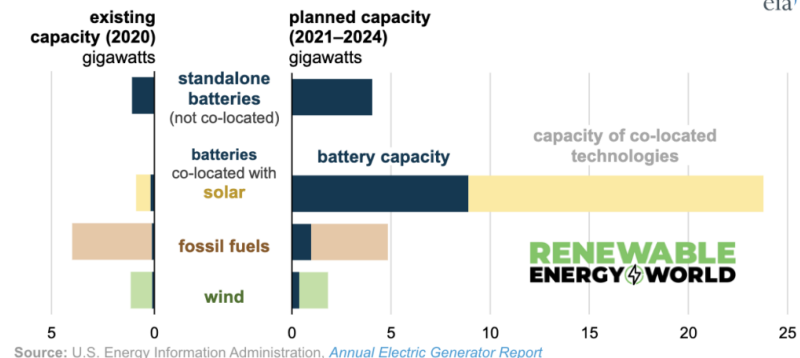


## Solar + storage to add most new battery storage capacity in the U.S. over next three years

- More than half of the battery storage capacity added in the U.S. in the next three years will be paired with a solar photovoltaic (PV) power plant, bucking the historical trend of majority standalone sites.
- Data from the Energy Information Administration estimates that 9.4 of 14.5 GW, or 63%, of battery storage capacity planned to come online through 2024 will be co-located with solar PV. The remaining capacity additions will be paired with wind or fossil fuel generators (1.3 GW) or will be placed on standalone sites (4 GW).
- Historically, most U.S. battery systems have been located at standalone sites said the EIA. "Of the 1.5 GW of operating battery storage capacity in the US at the end of 2020, 71% was standalone, and 29% was located onsite with other power generators."



U.S. utility-scale battery storage and co-located generator power capacity



Source: U.S. Energy Information Administration, *Annual Electric Generator Report*





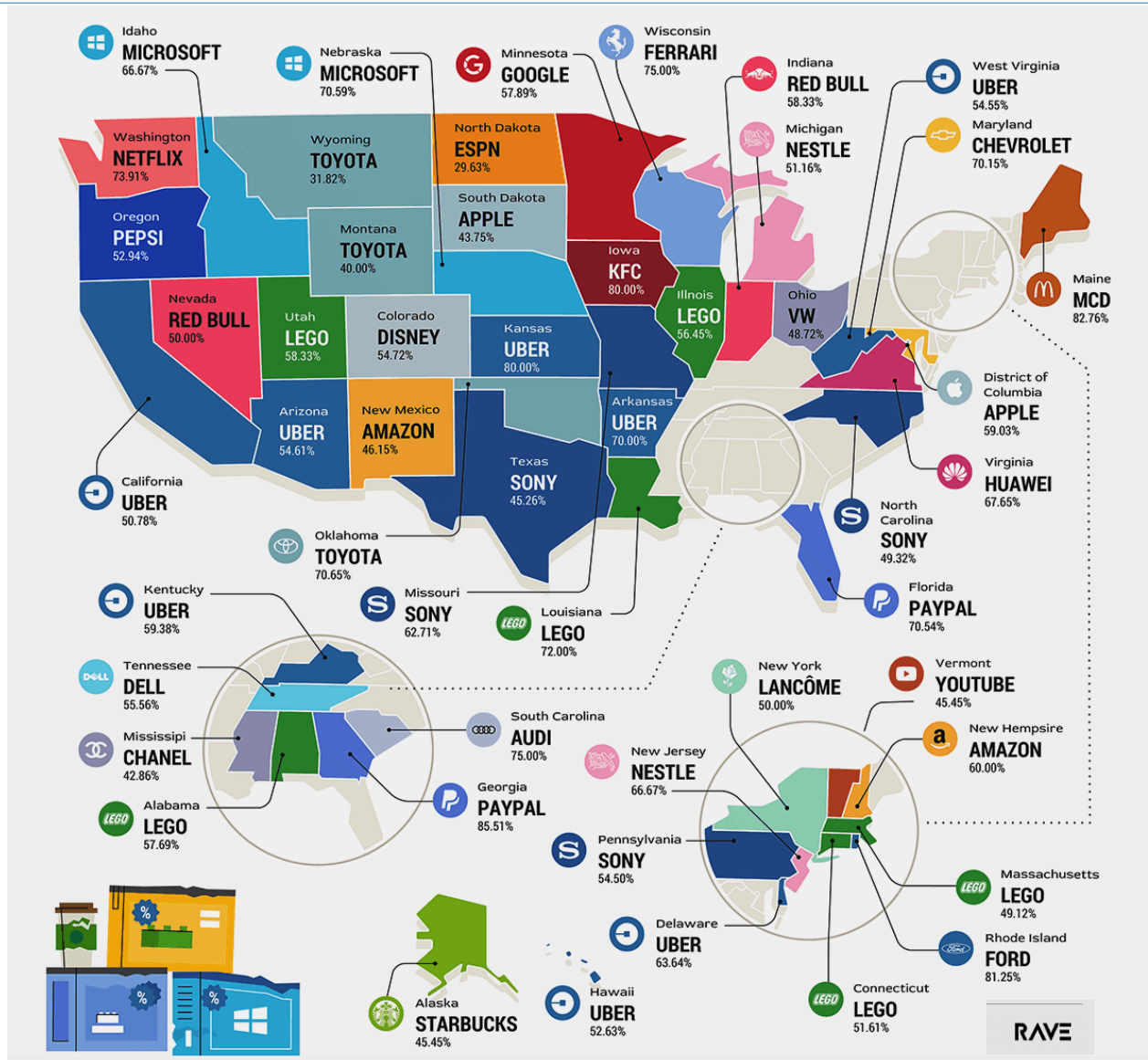
- Although the supply chain markets of the western world appear to be recovering, new threats in the Asia Pacific have some industry analysts concerned about a crisis that could cripple supply chains in the region. These threats include the stubborn pandemic variants and a resurgence of piracy.
- According to Transport Intelligence (Ti), the latest problems are emerging in SE Asia, with both Malaysia and Vietnam experiencing intense disruptions due to anti-Covid measures.
- Malaysia is suffering a substantial outbreak of disease and although ports and airports are operating moderately well, much of the rest of the economy is being affected.
- Press reports have drawn attention to the semiconductor industry which is experiencing disruptions in production due to quarantining workers. Vietnam is also seeing an accelerating crisis with intense outbreaks leading to much of the country to enter extremes of quarantine behavior with severe problems around port and airport operations.
- The impact on freight transport and supply chains is likely to be substantial, as the wave of goods imported from Vietnam since the middle of 2020 has been an important component in U.S. congestion, especially on the west coast ports, with American consumers buying Vietnamese manufactured products, such as furniture, in quantities.
- If this flow of goods is now to experience further disruption, then it would be logical to assume that congestion and dysfunction in areas such as container movements will get worse.
- The danger is that COVID-19 will spread across the whole region and possibly spread to economies in North Asia such as Japan and South Korea, says Ti. This represents a further leg in the crisis with the consequence that dysfunction in international logistics markets may increase.
- Add to these worries that the age-old threat of piracy, and Pacific Rim shippers may have cause to panic. Indeed, The International Maritime Bureau's Piracy Reporting Center (IMB PRC) reports that the increased crime in Southeast Asian seas was "inevitable."
- 2020 saw a year-on-year increase in global piracy, with a record 130 crew kidnapped in the Gulf of Guinea, a continuing rising trend of armed robberies against vessels in the Singapore Strait.
- The incidents recorded by the IMB PRC in 2020 were fairly evenly split between vessels at anchor and vessels underway.





# The Most Hated Brand in Every State

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*“When you believe in a thing, believe in it all the way, implicitly and unquestionably.” Walt Disney*





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