

## Client Information Ukraine War – Airfreight

March 1st, 2022

Dear Valued Customers,

We would like to update you about the current situation in Ukraine and the likely implications on our airfreight operations.

The Ukraine war and the entry of Russian troops on the night of February 24<sup>th</sup> has led to significant uncertainty in the market as well as disruptions to the global supply chains.

The Ukrainian airspace is closed since February 24<sup>th</sup>, all airlines have stopped services to Ukraine until further notice.

Last weekend the EU & Canada imposed sanctions against Russia, which imply airspace closure in the dedicated areas for Russian airlines. This has led to a significant decrease of global air capacity. Large component of this is AirBridgeCargo with a fleet of 24x 747F & 1x777F, which is a crucial carrier in the airfreight market.

Furthermore, several EU based carriers have announced their avoidance of Russian airspace going forward. We foresee a negative impact on available services to/from Russia, but also on the EU – Asia trade. Carriers have also advised that due to re-routings many impacted flights will incur 2hrs extra flight time, additional fuel burn as well as less payload. Flight cancellations are to be expected.

Due to the higher operational costs for the carriers as well as further capacity constraints on the EU–Asia tradelane and Transatlantic tradelane, a significant increase of airfreight rates on top of the already rising cost for jet fuel is projected.

To minimize the risk of transport shortfalls or delays, we recommend securing capacity through fixed space allocations at an early stage.

Should further sanctions be imposed that have a direct impact on the handling of current or future shipments, we will inform you on short notice and work together closely to find alternatives in order to keep your supply chains on-going.

Your familiar contacts at Hellmann are of course happy to support you with any further information required.

Patrick Oestreich	Jan Kleine-Lasthues
Chief Commercial Officer	Chief Operating Officer Airfreight