

Market Update

Country: Spain

Date: 12.09.2021



Country Profile

Latest Economic data 2020

Population: 47.1 Million
GDP/Growth: 12.81 Bn USD / -8.06%
GDP per Capita: 26830 USD (Rank:33)

OceanX Local Members

- Bold Logistics S.L.,
Xavi Pons <x.pons@boldlog.com>
www.boldlog.com
- Zazu Logistics,
Jamie Blasco
<j.blasco@zazulogistics.com>
www.zazulogistics.com

Market Size in TEU 2020

- Key Port/TEU:
 - Valencia (5.42 Mio TEU)
 - Algeciras (5.11 Mio TEU)
 - Barcelona (2.96 Mio TEU)
 - Bilbao (0.5 Mio TEU)

Both Valencia and especially Barcelona saw strong volume growth in the first half of the year, while Algeciras saw a slight decline, especially on transshipment volumes (Detail port stats at end of the report). Most local logistic companies reported a very strong August and are facing a similar boom as other regions in Europe. Far East import market beginning of September hovers around 14,000-15,000 USD per 40', while carriers focus clearly on BCOs and larger International Freight Forwarders, making it hard for local forwarders, that have to resort increasingly to buying in the prepaid market.

Forwarding in Spain remains historically dominated by several larger logistics conglomerates, most of which being family businesses that operate since decades, some even centuries, many having developed out of road transportation or shipping agency business, often operating multiple brands in a multitude of different activities in the field. The market has been traditionally difficult for foreign companies entering from overseas, whilst it does not lack in attempts.

Like most areas in Europe these days, every shipment takes additional effort and the strain on staff during the pandemic is no doubt there, with the holiday period adding to stress levels. A bit of a competition is going on for talent, however less aggressively than in other European countries.

The Barcelona region seems having become a safe harbour for people fleeing from Hong Kong and Singapore, escaping isolation for some freedom and several industry friends have recently relocated to the area. The city is pretty much alive, having come through a tough COVID and some of its old vibe is already returning, while tourist masses are not back yet.

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Some notes from some of the many side meetings:

- ZAZU Logistics: Congrats to our friend Jamie Blasco, he has just become father again and is taking a break in Mallorca this month, thus we have not been able to catch up. The group however is doing well and is further expanding its specialist West Africa services.
- BOLD Logistics: The neutral consolidator has continued growing, albeit following CTL's own market entrance, as few new partnerships had to be established. And motivated team with highly experienced members is working on further expansion.
- Logisber Forwarding: Sister company of our member Bold keeps expanding nicely in Brazil and we are looking to include them as a member for this market shortly.
- Alcott Global: Great catch up with our strategic partner Alcott Global, who focuses on headhunting for supply chain in Asia, but has conducted several exciting digital events for the industry this year, which OceanX has supported and we will continue our partnership on this. Further we held initial discussions on cooperating in the executive education sector, where both groups intend to expand their offering.
- Met an impressive lady with an interesting experience in the digital freight field and a fast mind, but who seems to be working in the wrong shop, lets see whether we find her a better home.
- A lot of friendly catchup with old partners and making some new friends: TCT/ Transcoma, Transglory/Romeu Group, Noatum Logistics and Eugene Renzikov.

Market Rumors:

- Charterlink has entered the Spanish market earlier this year, in a partnership with Grupo Alonso, which should provide some good base volumes and local support for the entity, however also will be an issue to attract any cargo from other logistics groups in Spain, that consider them as a competitor.
- The MSL acquisition of IFS, seems having run very smooth, as existing customers stay mainly with them and the previous team continues to run the shop in a motivated manner.
- Transcoma group seems having found some structure, after the two families in the ownership have sorted out their difficulties, however the rumour mill continues to indicate difficulties on the business side.
- Several Central European Players in forwarding seem to be looking to enter Spain and are approaching local market players.

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Economic Outlook (Source: European Commission Summer 2021 forecast)

Real GDP in Spain declined by 0.4% in the first quarter of this year under the impact of virus containment measures and meteorological disruptions (storm “Filomena”). Following the improvement in the health situation, the fast progress in the vaccination campaign and the gradual lifting of containment measures, real GDP is expected to bounce back by 2.0% in the second quarter and 3.1% in the third quarter. On an annual basis, real GDP is expected to expand by 6.2% in 2021 and 6.3% in 2022.

Indicators	2019	2020	2021	2022
GDP growth (% , yoy)	2,0	-10,8	6,2	6,3
Inflation (% , yoy)	0,8	-0,3	2,1	1,4

More upbeat recent data mean that GDP growth in the second and third quarters is now expected to be faster than forecast in the spring. In the labour market, the pace of job creation and the exit of workers from short-time work schemes in hard-hit service sectors has accelerated significantly since the end of the state of emergency on 9 May. Other indicators continue to improve steadily, including business and consumer sentiment. This suggests a solidification of the recovery in the second quarter that is expected to continue afterwards. Private consumption and investment are expected to rebound strongly in 2021 and 2022 after declining sharply in 2020. Private consumption is projected to benefit from positive developments in the labour market and the gradual normalisation of household saving behaviour. Meanwhile, the implementation of the Recovery and Resilience Plan is expected to strengthen private and public investment and provide a further impulse to the economic recovery, particularly in 2022.

Headline inflation is forecast to average over 2% year-on year until the beginning of 2022, due to rising energy prices, the prevalence of strong base effects and the uptick in services prices on the back of pent-up demand. However, the remaining slack in the labour market should prevent the persistence of temporary price pressures, on both the supply and demand side. After rising to 2.1% in 2021, annual inflation (HICP) is expected to decline to 1.4% in 2022.

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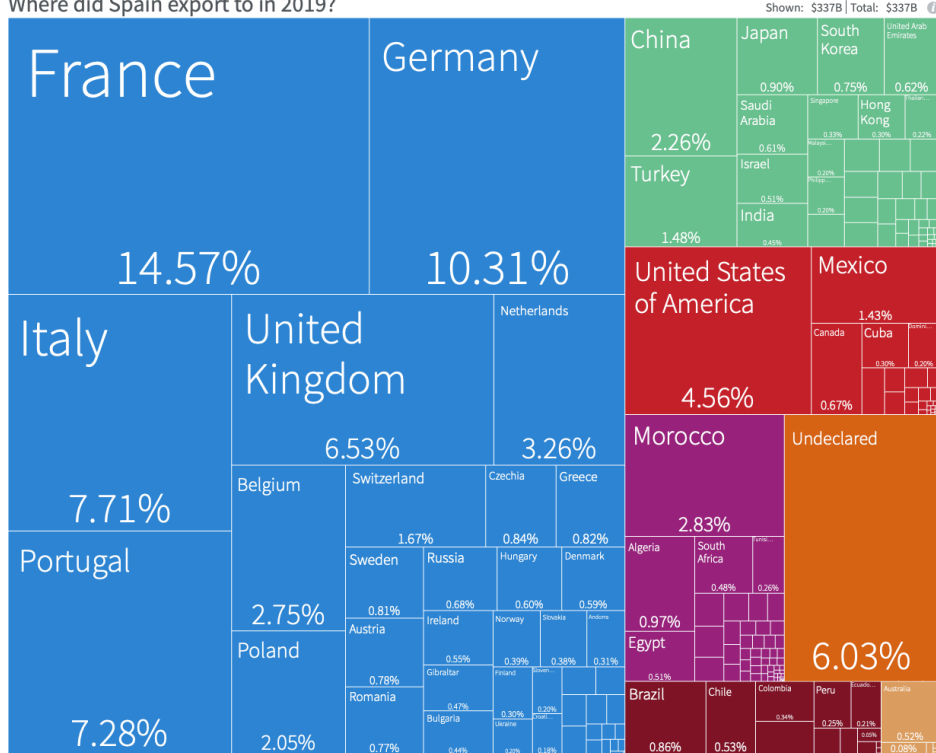
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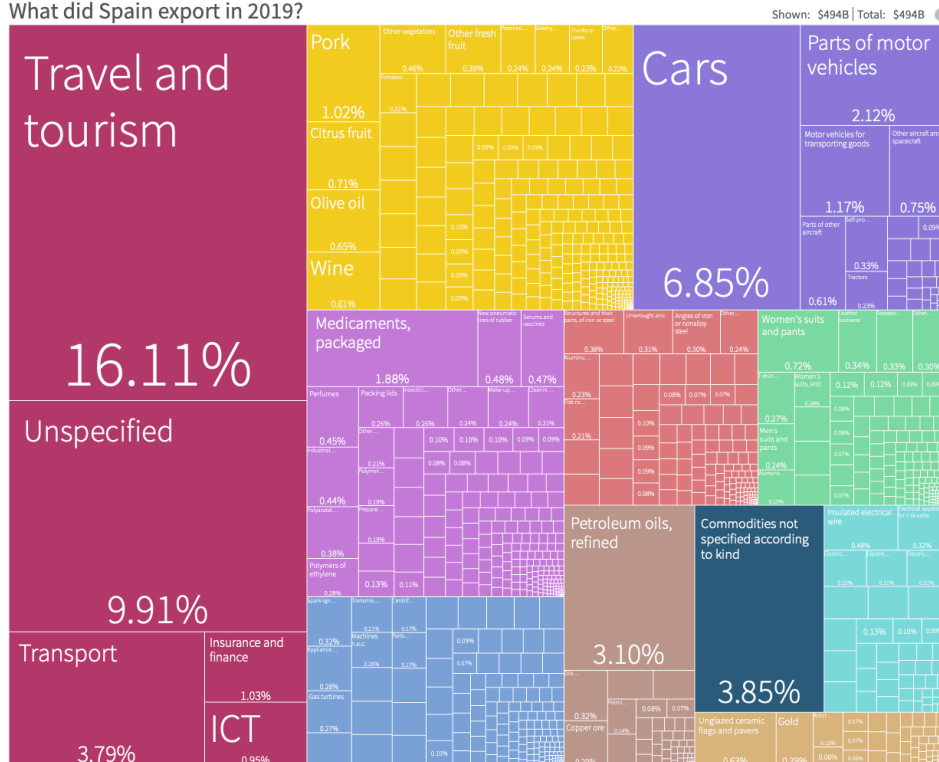


Trade Pattern 2019 – Exports by commodity & country (Source: <https://atlas.cid.harvard.edu>)

Where did Spain export to in 2019?



What did Spain export in 2019?



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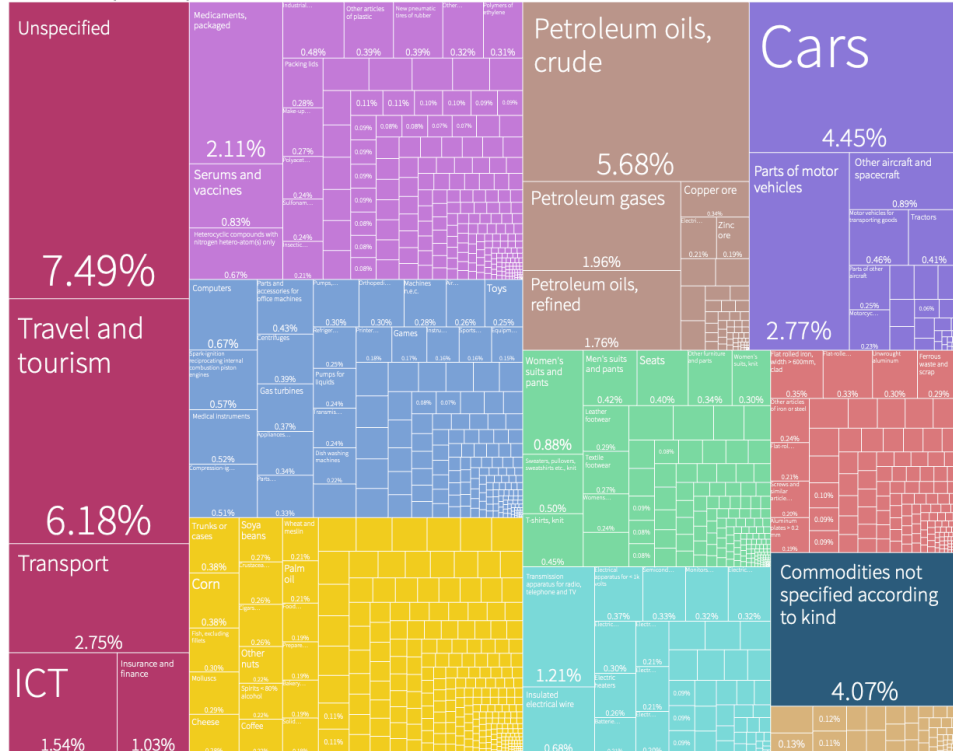
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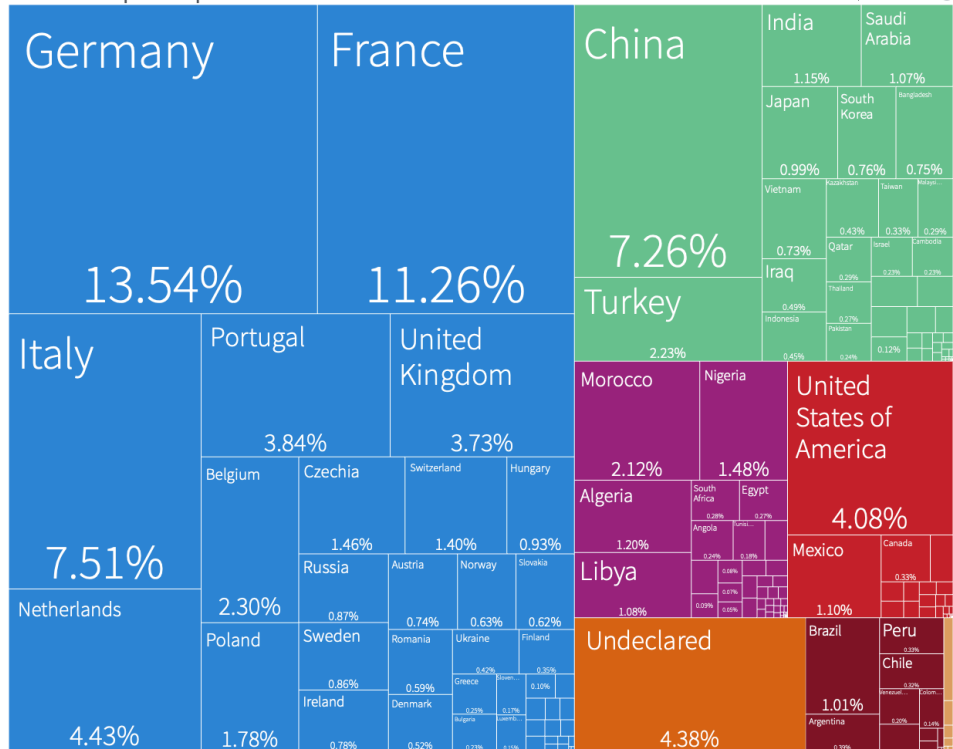


Trade Pattern 2019 – Imports by commodity & country (Source: https://atlas.cid.harvard.edu)

What did Spain import in 2019?



Where did Spain import from in 2019?



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In April 2021 Spain exported €26.2B and imported €27.3B, resulting in a negative trade balance of €1.17B. Between April 2020 and April 2021 the exports of Spain have increased by €10.5B (67.1%) from €15.7B to €26.2B, while imports increased by €10.3B (60.3%) from €17.1B to €27.3B.

In April 2021, the increase in Spain's year-by-year exports was explained primarily by an increase in exports to France (€1.79B or 74.4%), Germany (€1.14B or 73.1%), and Italy (€984M or 91.1%), and product exports increase in Cars (€2.23B or 1.2k%), Vehicle Parts (€521M or 298%), and Delivery Trucks (€422M or 3.32k%). In April 2021, the increase in Spain's year-by-year imports was explained primarily by an increase in imports from Germany (€1.38B or 77.1%), France (€1.23B or 85.7%), and Italy (€908M or 100%), and product imports increase in Vehicle Parts (€1.05B or 513%), Cars (€909M or 369%), and Crude Petroleum (€860M or 102%).

During the last 20 years Spain's economy has become relatively less complex, moving from the 18th to the 36th position in the ECI rank.

The highest complexity exports of Spain according to the product complexity index (PCI) are Machine-tools for non-mechanical removal of material (1.81), Interchangeable tools and dies for hand or power tools (1.79), Bar or rod of stainless steel, hot rolled, coiled (1.78), Sharpening, honing, lapping, grinding machine tools (1.77), and Self-propelled rail/tramway vehicles (not locomotives) (1.69). PCI measures the knowledge intensity of a product by considering the knowledge intensity of its exporters.

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Port Volumes – Top 3 Ports – 1H2021

1.) Valencia

– Details: <https://www.valenciaport.com/en/port-authority-valencia/traffic-statistics/statistics/>

3. PORT AUTHORITY OF VALENCIA

3.1 Main Figures

	2020	2021	Δ21/20 Jun. accum	Δ21/20 May accum	Annual trend
Total traffic (t)	37.715.972	42.638.374	13,05%	11,61%	9,95%
Liquid Bulk	1.192.779	1.510.662	26,65%	21,24%	-11,42%
Solid Bulk	912.825	1.139.619	24,85%	9,67%	3,20%
Convencional General Cargo	6.205.091	7.231.481	16,54%	16,13%	3,01%
Containerised General Cargo	29.253.414	32.546.350	11,26%	10,16%	12,90%
Fishing	1.035	598	-42,17%	-46,03%	-26,46%
Supplies	150.828	209.664	39,01%	49,94%	23,40%
Traffic structure (t)	37.564.109	42.428.112	12,95%	11,47%	9,89%
Loaded/Unloaded	19.413.170	23.506.143	21,08%	19,36%	8,37%
Loaded	10.821.926	13.529.925	25,02%	24,85%	14,22%
Unloaded	8.591.244	9.976.218	16,12%	12,63%	1,26%
Transshipment	18.150.939	18.921.969	4,25%	3,10%	11,67%
Vessels Number	3.340	3.437	2,90%	1,54%	-4,98%
GT	119.193.074	115.627.677	-2,99%	-3,67%	-6,81%
Containers (TEU)	2.535.423	2.830.826	11,65%	9,51%	9,78%
Full	1.959.328	2.228.929	13,76%	11,89%	13,01%
Loaded	430.494	546.983	27,06%	25,45%	16,69%
Unloaded	341.562	396.199	16,00%	13,58%	6,16%
Transshipment	1.187.272	1.285.747	8,29%	6,54%	13,69%
Empty	576.095	601.897	4,48%	1,41%	-0,62%
Passengers (units)	190.762	166.113	-12,92%	-24,63%	-52,70%
Regular Lines	164.476	165.256	0,47%	-9,81%	-29,28%
Cruise	26.286	857	-96,74%		-99,69%
Vehicles (units)	246.768	275.409	11,61%	16,24%	-2,50%

2.) Algeciras

– Details: <https://www.apba.es/en/stats#>

PORT THROUGHPUT SUMMARY	YEAR 2020	YEAR 2021	FLUCTUATION
CONTAINER TRAFFIC			
Number of containers	1.574.036,00	1.430.391,00	-9,13%
Equivalent 20 feet containers (TEUS)	2.528.343,00	2.333.827,00	-7,69%
International Transit	1.922.517,00	1.741.035,00	-9,44%
Full	1.735.085,00	1.617.985,00	-6,75%
Empty	187.432,00	123.050,00	-34,35%
National Transit	263.144,00	259.687,00	-1,31%
Full	254.602,00	244.405,00	-4,01%
Empty	8.542,00	15.282,00	78,90%
Unloaded (import)	158.904,00	154.929,00	-2,50%
Full	80.083,00	91.669,00	14,49%
Empty	78.821,00	63.240,00	-19,77%
Loaded (export)	183.778,00	178.176,00	-3,05%
Full	96.113,00	112.160,00	16,70%
Empty	87.665,00	66.016,00	-24,70%

3.) Barcelona

– Details: <http://www.portdebarcelona.cat/en/web/autoritat-portuaria/estadisticas>

Main indicators	Monthly accumulated			
	2020	2021	Diff. 21-20	%
Containers (TEU)	1.366.274	1.789.936	423.662	31,0%
TEU O/D	850.013	1.004.167	154.154	18,1%
TEU transit	516.261	785.769	269.508	52,2%
Containerized tonnes	14.497.995	18.984.669	4.486.674	30,9%
Level of containerization	75,99%	78,31%		

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