

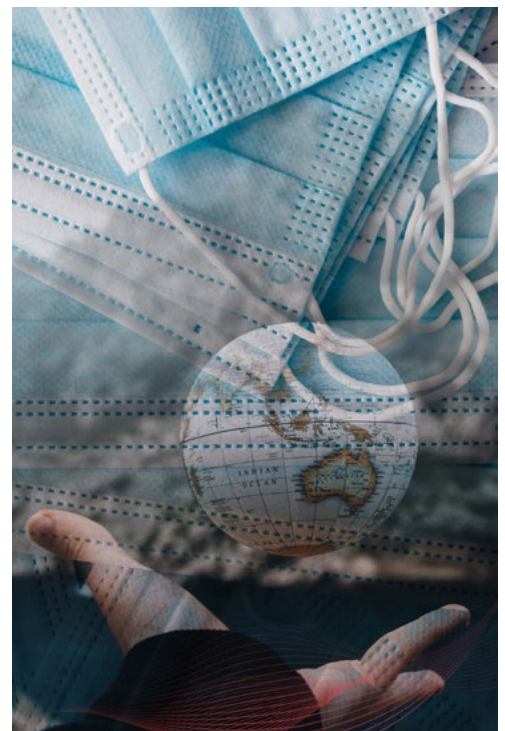


# ADKOM™

## ADKOMunity II, October 2020

This year we started our ADKOMunity I with the words: May your goals, both professional and private, come true in 2020 - then this year's new reality caught up with us at ADKOM. So far, we have been very fortunate to be present for our customers at all times and hope that nothing will change in the months coming.

In this issue, owing to the situation, we have dedicated the first topic to the freight situation and cost development in the Asian trading area. In Part 2 of ADKOMunity, we present our contribution to the electronica compass, the trend guide from Markt&Technik Verlag, on the subject of "Trends and obstacles for the display industry".



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## The current situation in the freight market for imports from China and Hong Kong

As is known, the 1st lockdown is behind us, but the import situation has not yet returned to normal. If we ignore the entry and exit restrictions of the countries of origin for a moment, the situation will remain tense. One of the main reasons for this is that passenger flights are not returning to the same frequency as they were before the pandemic began.

With passenger aircraft, however, a large part of the cargo is taken worldwide; and thus, also from Asia to the relevant destination countries. This results in restricted departure frequencies and, in some cases, very limited cargo transportation capacities.

Most trade routes around the globe are still showing strong double-digit capacity declines. According to current figures from the logistics industry, global air freight capacity fell by over 20% at the beginning of the fourth quarter compared to the previous year. The available capacities of passenger airlines are now showing slight improvements again – but are still almost two thirds below the previous year's figure. The transatlantic capacity from Asia to Europe and also in the opposite direction has fallen by over 50%, the inner-Asian air freight capacity by a fifth year-on-year-rate. On the other hand, there are comparably high, and in some cases even higher, import volumes required.

At ADKOM, we have been in close contact with our carriers on a daily basis since the institution of the pandemic restrictions. We constantly strive to keep the effects on your ordered goods at the lowest possible level. Even so, air freight rates remain at a higher level than before COVID-19. As a result, air freight surcharges unfortunately still have to be accepted. The transit times to Germany also increased by several days, which is due to the acute border controls in Europe, but also between China and Hong Kong.

For the fourth quarter of 2020 we expect a traditionally higher freight volume and tightening or further advancing air freight rates. A peak season surcharge is also being discussed.

Due to the problem described and also due to the weaker world market, production capacities of the well-known display manufacturers are increasingly being allocated to the Chinese domestic market. This can lead to further problems for European customers. We will keep track of the developing situation for you and provide information in the next ADKOMunity.

## ADKOM's contribution to the 2020 electronica compass published by Markt&Technik

In September of this year we received a request from the Markt&Technik editorial team for an input for trend Guide 2020 on the subject of "Trends and obstacles in the display industry", which we were happy to comply with. The editorial questions turned into an article worth reading under the heading "There is no alternative to LCDs in the industrial sector".



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The elaboration describes which developments can be expected on the display market and how the entire industry is being influenced by the COVID pandemic. Together with statements from other well-known companies, this resulted in an accurate description of the current situation and expectations.

On the part of ADKOM, some meaningful passages have been incorporated. We have posted the article in its publication format for you, as well as the complete interview with Mr. Frey.

These publications only have been released in German language and, unfortunately, there is no English translation available.

For the trend Guide report click [here](#).

You can find the complete interview text with Mr. Frey [here](#).

If you have got any questions, please [contact](#) us. We gladly support you.