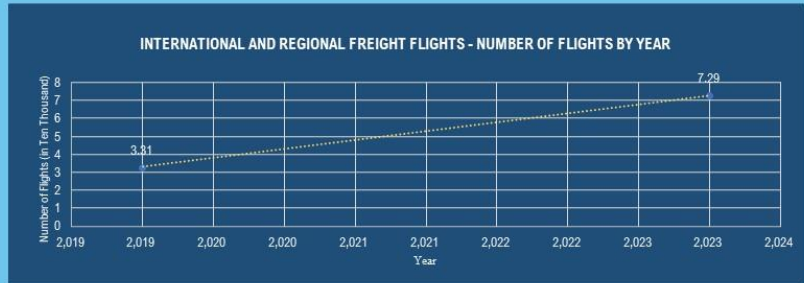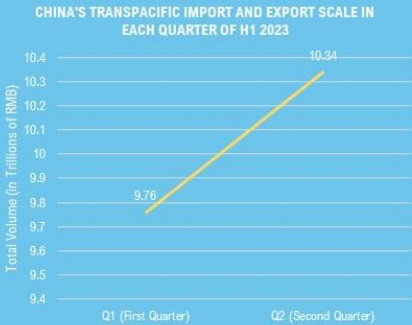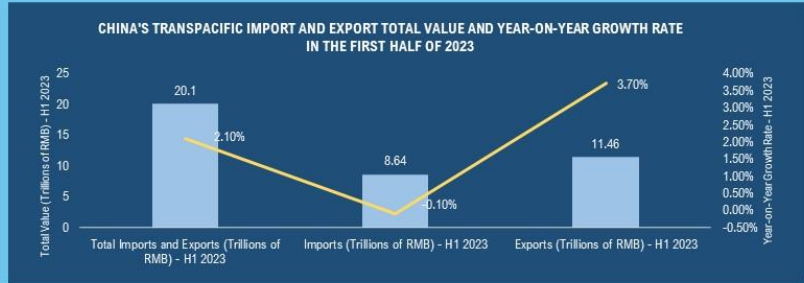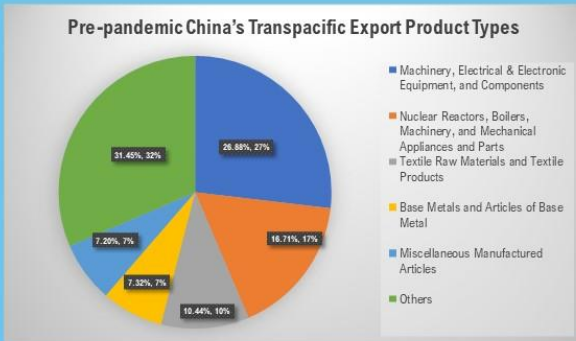# TRANSPACIFIC TRADE AFTER COVID-19

We are pleased to inform you that the domestic COVID-19 situation has been resolved, and China market has fully reopened. Business conditions have returned to pre-pandemic levels, providing a favorable environment for investors. We look forward to exploring new opportunities together.
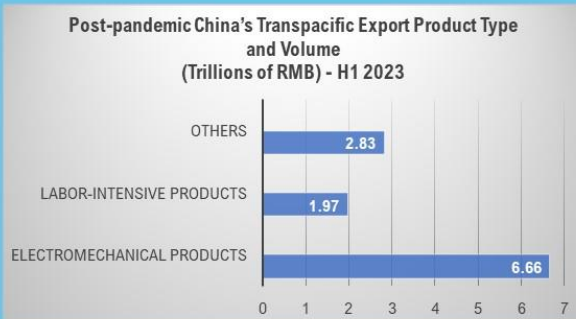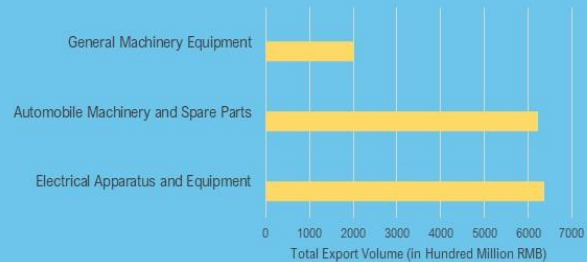
In the first half of this year, China's total exports across the Pacific reached 11.46 trillion yuan, and the scale of foreign trade imports and exports surpassed 20 trillion yuan for the first time in history during the same period. Additionally, domestic flight volume in the first half of the year has already exceeded pre-pandemic levels.
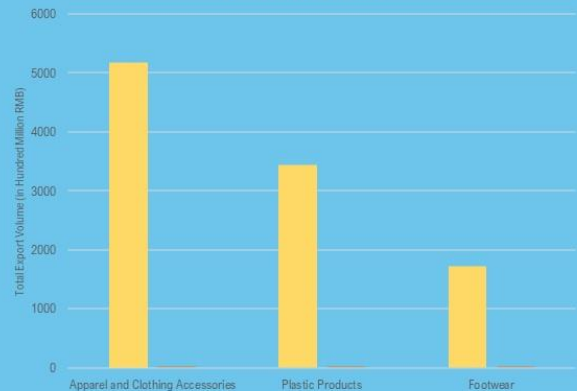
CHINA'S TRANSPACIFIC IMPORT AND EXPORT TOTAL VALUE AND YEAR-ON-YEAR GROWTH RATE IN THE FIRST HALF OF 2023

- Total Imports and Exports (Trillions of RMB) - H1 2023: 20.1 (2.10%)
- Imports (Trillions of RMB) - H1 2023: 8.64 (0.10%)
- Exports (Trillions of RMB) - H1 2023: 11.46 (3.70%)

CHINA'S TRANSPACIFIC IMPORT AND EXPORT SCALE IN EACH QUARTER OF H1 2023

- Q1 (First Quarter): 9.76
- Q2 (Second Quarter): 10.34

INTERNATIONAL AND REGIONAL FREIGHT FLIGHTS - NUMBER OF FLIGHTS BY YEAR

- 2019: 3.31
- 2023: 7.29

IN THE THREE YEARS OF THE PANDEMIC, CHINA'S EXPORT STRUCTURE HAS UNDERGONE CERTAIN CHANGES.

Pre-pandemic China's Transpacific Export Product Types

- Machinery, Electrical & Electronic Equipment, and Components: 26.88%, 27%
- Nuclear Reactors, Boilers, Machinery, and Mechanical Appliances and Parts: 16.71%, 17%
- Textile Raw Materials and Textile Products: 10.44%, 10%
- Base Metals and Articles of Base Metal: 7.32%, 7%
- Miscellaneous Manufactured Articles: 7.20%, 7%
- Others: 31.45%, 32%

Post-pandemic China's Transpacific Export Product Type and Volume (Trillions of RMB) - H1 2023

- OTHERS: 2.83
- LABOR-INTENSIVE PRODUCTS: 1.97
- ELECTROMECHANICAL PRODUCTS: 6.66

Post-pandemic Major Transpacific Export Types in Electromechanical Products

- General Machinery Equipment
- Automobile Machinery and Spare Parts
- Electrical Apparatus and Equipment

Total Export Volume (in Hundred Million RMB)

Post-pandemic Major Transpacific Export Types in Labor-intensive Products

- Apparel and Clothing Accessories
- Plastic Products
- Footwear

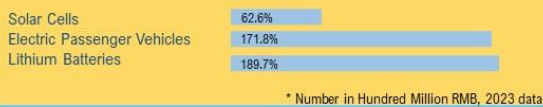Total Export Volume (in Hundred Million RMB)

SHANGHAI

In H1 2023, Shanghai's export volume reached 846.32 billion yuan, with a 15.2% YoY growth. The city's import increased by an average of 2.6% over the past two years. Private enterprises played a significant role, contributing 51.1% to the overall foreign trade growth. Trade with the EU grew by 16.2%, outpacing the overall rate. Electromechanical products dominated exports, accounting for 69.7% of the total, with significant growth in "new three items" like electric vehicles and lithium batteries.

DISTRIBUTION OF TOTAL EXPORT VOLUME TO MAJOR EXPORTING COUNTRIES - H1 2023

Total Volume (in Hundred Million RMB)

Country	Volume
EU Trade Volume – H1 2023	4304.6
ASEAN Trade Volume – H1 2023	2647.7
US Trade Volume – H1 2023	2395.9
Japan Trade Volume – H1 2023	1936.9
Australia Trade Volume – H1 2023	1161.9

DISTRIBUTION OF EXPORT GROWTH RATE FOR 'NEW THREE ITEMS' - H1 2023

Item	Rate
Solar Cells	62.6%
Electric Passenger Vehicles	171.8%
Lithium Batteries	189.7%

*Number in Hundred Million RMB, 2023 data

SHENZHEN

In the first half of 2023, Shenzhen's out-material processing trade exhibited robust performance, with export value in June showing a remarkable year-on-year growth of 2830.9%. The total export value from January to June reached 420 million yuan, which is seven times higher than the entire export value of the previous year.
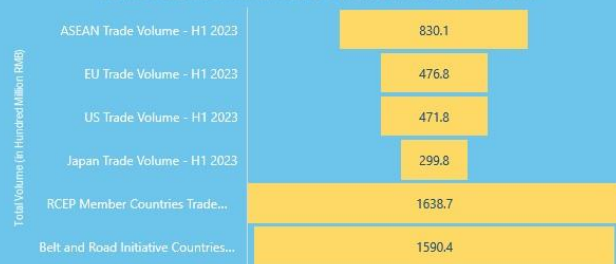
MONTHLY EXPORT VALUE OF IN-MATERIAL PROCESSING TRADE IN SHENZHEN - H1 2023

Total Volume (in Hundred Million RMB)

Month	Value
JANUARY	0.1
FEBRUARY	0.2
MARCH	1
APRIL	0.9
MAY	1
JUNE	1

QINGDAO

In H1 2023, Qingdao's foreign trade export value was 232.42 billion yuan, with a 3.5% YoY growth. In June, the import and export value surged to 80.8 billion yuan, with exports growing by 18.3%. ASEAN was the main trading partner, with a trade value of 83.01 billion yuan, up 29.3%, accounting for 19.3% of the total.

TRADE VOLUME WITH QINGDAO'S TRADE PARTNERS - H1 2023

Total Volume (in Hundred Million RMB)

Partner	Volume
ASEAN Trade Volume – H1 2023	830.1
EU Trade Volume – H1 2023	476.8
US Trade Volume – H1 2023	471.8
Japan Trade Volume – H1 2023	299.8
RCEP Member Countries Trade…	1638.7
Belt and Road Initiative Countries…	1590.4

AEL-Berkman collaborates with major carriers such as SML, COSCO, ONE, ZIM, WHL, EMC, and HMM, providing comprehensive solutions for all customer needs along the Transpacific routes. With broad service coverage and an extensive destination network, we ensure efficient and timely deliveries, and our competitive freight rates give us an edge in the market.

The Transpacific route involves intricate processes, particularly with destination port customs clearance and final deliveries, our expertise can provide you with special assistance in this area, and our professional knowledge stands out. The vast geography of the United States demands seamless coordination between different modes of transportation, including railways and roads, to meet stringent timelines, minimize additional costs, and ensure real-time cargo tracking. Our company excels in handling Transpacific routes, implementing streamlined processes to meet these high requirements.

On the origin port front, we take pride in our professional customer service team. They offer prompt, concise, and effective solutions for all Transpacific lane-related business, ensuring seamless communication and addressing customer needs promptly. Operating round-the-clock, we bridge the time zone gap between China and the US, showcasing our commitment to professionalism. We prioritize understanding our shipper's requirements and are willing to go the extra mile to guarantee customer satisfaction.

AEL BERKMAN

Transpacific Trade Expert by your side

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ALL ABOUT TECH

Eric Cheung joined AEL-Berkman Forwarding in 2015 as an IT Manager, with over 30 years of experience delivering IT solutions to drive the performance and efficiency of the organization.

- Specialize in IT infrastructure, network security and management.
- Solid experience in system design and development, cloud computing.
- Expert in variety of programming languages such as C#, Java, JavaScript, Python.

Eric Cheung
IT Manager

"You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future."

- Steve Jobs, co-founder of Apple Inc.

Eric designed a lean IT structure and built a competent IT team, supporting all staff across different geographical locations in China.

In 2016, Eric developed in-house data warehouse to improve business processes and decision-making with actionable insights.

To be more flexible and scalable in IT services as well as better data security, compliance, and disaster recovery, Eric implemented Microsoft Azure cloud services to migrate critical applications and reduce infrastructure costs.

To streamline IT processes and workflows, a cyber help desk was built to improve average technical response time through efficient troubleshooting and resolution techniques.

2016 was a busy year for ransomware. Some samples targeted critical infrastructure, while others went after rivalling crypto-malware families. Some adopted new techniques to prey upon users, whereas others went offline entirely. Ransomware took in about $1 billion in 2016, based on money coming into ransomware-related Bitcoin wallets. Hackers were indiscriminate in choosing their victims, targeting large cooperations, SMEs as well as individuals. Eric delivered a cybersecurity solution to protect company networks and data from the ransomware DMA Locker attack.

In 2017, to streamline logistics processes and reduce time-consuming manual work, CargoWise One (CW1) project was initiated and implemented successfully. CW1 is a centralized logistics operations on a single global database with strong real-time data visibility, workflow automation, flexible and comprehensive integrations. It strengthens business continuity via its global disaster recovery capability, data management, upgrades and maintenance, backup, and continuity planning.

To enhance collaborative communication, streamline work and save time, a cloud-based business communication platform was built with integrated messaging, calls, and video communications to connect workflow with communication and avoid any disconnect.

In 2020, the COVID-19 pandemic accelerated existing trends in remote work. The remote workforce solution was deployed, enabling staff to do their jobs from home or elsewhere from secured IT environment. To maintain a high level of productivity and business continuity during the lockdowns in Chinese cities.

As always, driving IT excellence to a high standard, keep moving forward and be ready for change....

AEL BERKMAN