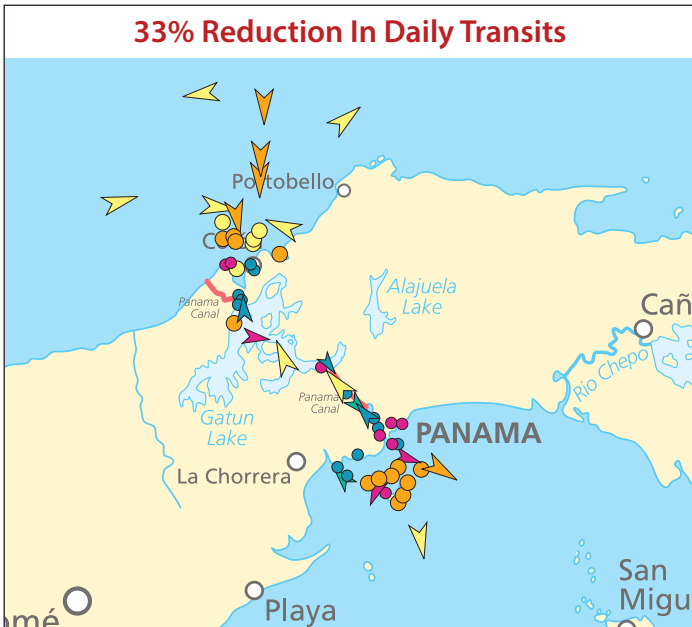


2024 Global Shipping Challenges

War and drought have created shipping bottlenecks around the world, adding delays and increasing costs of maintaining supply chains. As container volume increases and labor concerns persist, healthcare distributors remain vigilant for impacts on the medical supply chain.

Panama Canal

33% Reduction In Daily Transits

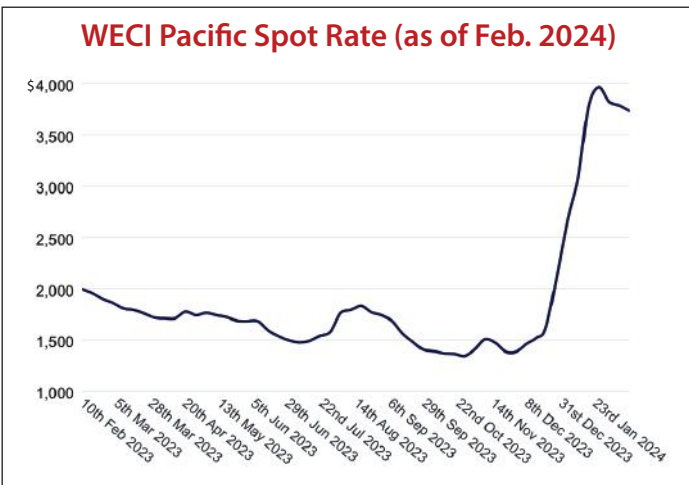


Red Sea

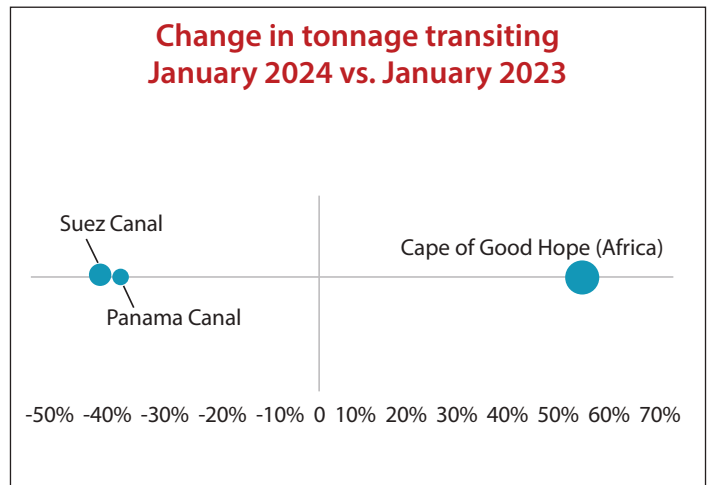
Sailing Around Africa Adds 20–30 Days



WECI Pacific Spot Rate (as of Feb. 2024)



Change in tonnage transiting January 2024 vs. January 2023



Developing

West Coast Trends:

Volume Spikes: In January 2024, West Coast ports saw a 17.7% year-over-year increase in container volume. The Port of Long Beach experienced a 23.5% surge.

East Coast Trends:

Labor Uncertainty: Contracts between 36 East Coast ports and 70,000 union dockworkers expire in September 2024.

SOURCE: McKinsey & Company, "How could Panama Canal restrictions affect supply chains?" January 19, 2024. marinevesseltraffic.com/PANAMA-CANAL/ship-traffic-tracker; 60 Minutes, "U.S. Navy response to Houthi Red Sea attacks," February 18, 2024. Drewry World Container Index (WCI). Federal Reserve Bank of New York, IMF Portwatch, Swiss Re Institute. FreightWaves, "West Coast leads latest surge in US container imports," February 22, 2024. FreightWaves, "Threat of strike looms large over East, Gulf Coast ports," February 26, 2024.