
CMA CGM launching early container return incentive program to increase supply chain fluidity

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The CMA CGM Group announced that it will implement the shipping industry's first Early Container Return Incentive Program at the FMS terminal in Los Angeles and all CMA CGM return locations in Chicago, IL; Dallas, TX; Kansas City, KS; and Memphis, TN.

The program will begin on May 16, 2022, and continue until July 15, 2022, with the goal of accelerating the return of empty containers and ensuring U.S. exporters have even greater access to equipment.

A Group committed to assisting in the overall effort to improve supply chain conditions

The shipping industry has experienced an unprecedented spike in demand, leading to severe congestion throughout North America's supply chain. Exporters have been impacted particularly hard by the challenges, with the lack of equipment making it more difficult to get their goods to market in a timely manner.

Throughout the crisis, CMA CGM has leveraged its extensive capabilities that include sea, land, air and logistics services to provide an array of flexible transport and logistics solutions to assist customers. The company has also significantly invested in industrial assets (vessels, containers, chassis, aircraft, terminals and warehouses) and implemented several industry-leading programs designed to decrease congestion and help both partners and customers navigate the complex environment.

Not only was CMA CGM the first to freeze spot rates, the company also implemented a program to encourage the early pickup of containers, which resulted in a 73% decrease in dwell of CMA CGM containers over 9 days in Southern California. And in March, the Group dedicated vessel capacity to small and medium enterprises in both Europe and North America at rates typically only provided to high-volume shippers.

The Group is also collaborating with industry associations like the International Dairy Foods Association (IDFA) to develop customized, market-based solutions to ensure

greater reliability and predictability for U.S. exporters.

A groundbreaking incentive to assist U.S. exporters and expedite the flow of goods

CMA CGM's new 60-day incentive program is projected to result in approximately 43,000 dry containers being put back into circulation within 4 days of pickup on or after Monday, May 16, 2022. Details include:

- A 300 USD credit per dry container returned to eligible locations during calendar days 1-4.
- Calculation of incentive credits on a weekly basis with a credit memo issued every 14 days to each applicable importer of record (consignee listed on the Bill of Lading).
- Utilization of EDI transaction data to assess credit, thus no additional documentation required from customers.
- This new initiative is the second incentive program implemented by CMA CGM in the USA, following the Early Container Pickup Incentive Program the Group initiated at the ports of Los Angeles and Long Beach at the end of 2021.

Ed Aldridge, President of CMA CGM and APL North America, said: "CMA CGM is committed to doing everything we can to increase the fluidity and velocity of America's supply chain. Our new program will result in an incentive credit for our importers, improve equipment availability for our exporters and expedite the flow of goods into and out of America's heartland. It's truly a win-win for everyone."

Gene Seroka, Executive Director of the Port of Los Angeles, said: "With this incentive program, the CMA CGM Group is facilitating a more robust flow of goods through the Port of Los Angeles and helping U.S. exporters get their product to destinations around the globe more quickly. CMA CGM has been a reliable partner to the Port of Los Angeles and a driving force for change throughout the spike in demand."

(CMA CGM)