



## Coronavirus (COVID-19) Impact

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# Coronavirus (COVID-19) Impact

## Update 7 | May 7, 2020

Since the last report, issued on April 23, the coronavirus pandemic has now been confirmed in over 212 countries and the total number of recorded infections has increased by more than one million. According to Johns Hopkins University, on April 21 there were 2.5 million cases recorded globally, which has now increased to over 3.6 million cases by May 6. The USA continues to have the highest number of cases, with over 1.2 million recorded and a continued upward trend. During the past week, the UK became the worst-affected European country in terms of number of deaths; however, the consistency in the calculation of the statistics has been questioned. Within Europe, there is a continued downward trend of active cases in Germany, Denmark, Switzerland, Finland and the Czech Republic as these countries take small steps towards relaxing lockdown restrictions. China is seeing some schools and universities opening for the first time since 2019.

The oil prices have improved following the record lows seen toward the end of April. This week, WTI Crude has been consistently priced at over 20 US dollars per barrel, with a high of 26 US dollars mid-week. There is some confidence that the agreed OPEC+ cuts for May, combined with recovery in the global demand for oil, will have a positive effect on the oil price. Goldman Sachs indicate that oil demand has increased by more than 2.5 barrels per day in May from the low experienced in mid-April. The price of Brent Crude is also trading higher at over 30 US dollars per barrel this week, up by around 10 US dollars from the previous week. Due to the oil demand destruction and drop in refining margins, a number of major global refineries have planned to suspend their operations. The independent energy research company Rystad Energy recently advised that the impact of COVID-19 will cut revenues of global oil and gas companies by more than 1 trillion US dollars in 2020, with a projection that total annual revenues could fall from 2.47 trillion US dollars in 2019 to 1.47 trillion US dollars in 2020, based on a forecasted base case oil price of 34 US dollars per barrel. Global electricity demand has also dropped significantly due to the pandemic, which is the largest drop for decades coupled with the use of low-carbon energy being used as base load, with gas and coal generation being used for load peaking at high demand periods.

The global project industry continues to be impacted by China's manufacturing slowdown since the beginning of 2020. Delays in manufacturing have meant that cargo has not been ready to ship as originally planned when scheduling logistics and construction years in advance. This, in turn, is challenging the global shipping industry, as the market attempts to recalibrate to this "new normal." The knock-on effects of COVID-19 on the project logistics market will not be seen immediately, since it sometimes takes more than 18 months for the impact to be fully felt. Unlike in the manufacturing and retail contract logistics industry, which was impacted almost immediately and is now attempting to rebalance through investments to add cargo capacity by modifying existing passenger aircraft to meet new demand. Air charter and freighter operations are at a record high, with demand for freight services continuously at a high level during the ongoing pandemic.

With regards to ocean freight, major cancellations of sailings remain the ocean carriers' strategy to address the large volume drop. The impact on container sailings is an approximately 30% reduction in capacity. There also continues to be uncertainty with regards to the liquidity of container carriers if the pandemic continues until end of the year and the impact this will have on international trade due to the lack of demand for goods. We continue to closely monitor the global situation, and in this seventh deugro group COVID-19 update, focus again on the changing impacts the virus is having in terms of global logistics and supply chain activities.

Our number one aim remains the safety and health of our employees, clients and partners. While we see positive steps, with countries relaxing the rules for mobility and returning to work, we continue to adhere to governments' and health experts' recommendations for personal, workplace and community health. Working together with our employees more than ever to support them wherever possible.

We are pleased to confirm that all deugro group global offices remain operational and capable of supporting clients' requirements. Should you have any questions, please continue to engage with your local deugro contact, who will strive to provide full support.



## Ocean freight overview

The ongoing COVID-19 pandemic continues to cause major disruptions in supply chains worldwide. The container and breakbulk ocean freight rates continue to be affected by the unprecedented imbalances between supply and demand among the ocean freight providers and shippers. However, we are beginning to see improving levels of optimism regarding the outlook for world trade.

At the beginning of May 2020, we continue to witness shipping lines announcing blank sailings, as well as amended schedules and increased transit times in an effort to preserve liquidity and hold the line on freight rates. The high number of canceled sailings, closed businesses and full warehouses continues to cause congestion at certain ports.

April saw the sharpest fall in factory output as production plummeted across Europe and Asia. At the beginning of May, economies gradually started to reopen in some countries.

Several US states and a growing number of countries in Asia and Europe—including Italy, Spain, Portugal, Austria, Switzerland, India and Thailand—have moved to ease draconian lockdowns imposed in the wake of the COVID-19 outbreak.

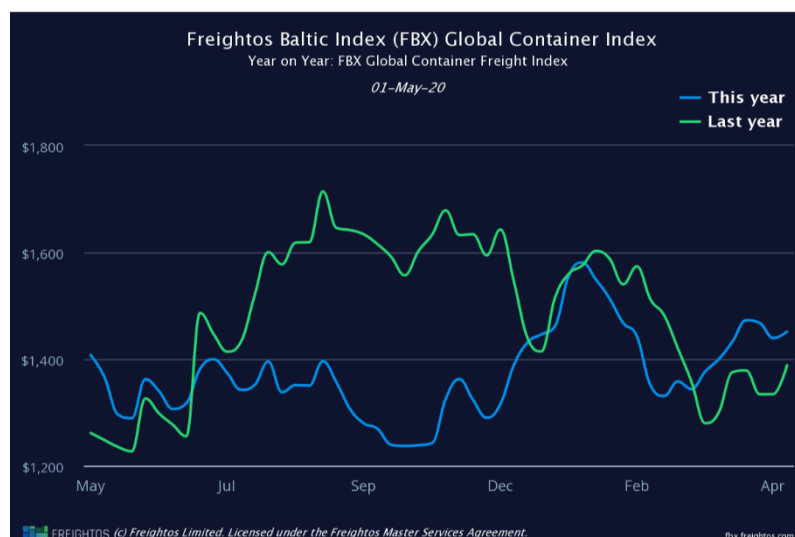
### Commercial overview – Containers

Shippers and freight forwarders continue to face global shipping challenges in the face of COVID-19. Over 30% of container capacity has been removed from the market due to blank sailings.

The shipping lines continue to announce blank sailings, and service suspensions are being implemented globally. This is leading to fully booked vessels and increased difficulty in securing space and equipment at short notice.

Due to the continuing reduction in fuel costs, more container carriers are also extending their round voyages to absorb capacity. These factors are having an operational impact, emphasizing the importance of advance planning and allowing longer booking times to ensure space and service availability.

In order to tackle the issue of long transit times, we are starting to see the introduction of premium ocean services that can reduce transit times to about 10 to 12 days and provide guarantees for delivery dates. It is expected that there will be increased demand for premium ocean services in the future. Some shippers may opt for booking premium ocean freight instead of air freight.



The sustained and increased freight levels can be seen in the year-on-year comparison of the Freightos Baltic Global Container Index™ (FBX) as shown in Figure 1. The FBX is a set of indices that reflect ocean container transport spot freight rates across 12 global trade lanes.

Figure 1: Year-on-year FBX Global Container Freight Index

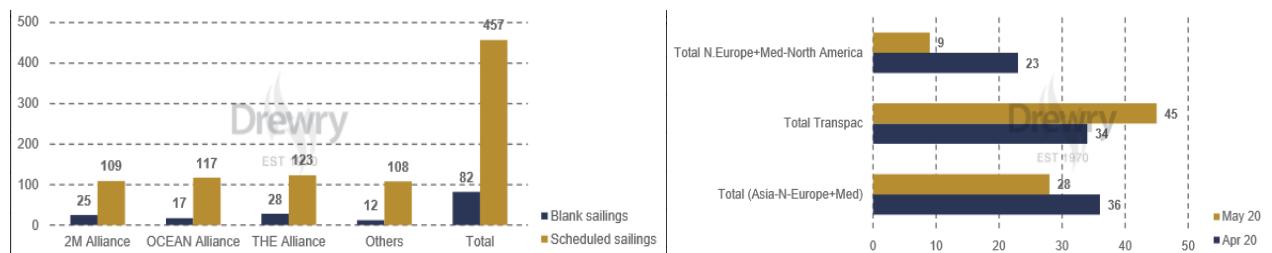
## Idle containership capacity and blank sailings

Since the outbreak of COVID-19, major container carriers have introduced blank sailings in order to address the huge volume drop across major trades globally without the need to reduce freight rates.

The uncertainty of the sailing schedules and the continuous decrease in capacity deployed on the major container shipping routes is causing major operational challenges for shippers worldwide.

According to Drewry's newly introduced Cancelled Sailings Tracker, the total sailings withdrawn on the transpacific, transatlantic and Asia – North Europe / Mediterranean trades in May 2020 is 82 out of 457 scheduled sailings for this period (18%).

Forty-five blank sailings have been announced for the transpacific trade, which represents 55% of the total blank sailings in May, followed by Asia – North Europe and Mediterranean trade (34%), and Europe and Mediterranean – North America trade (11%).



**Figure 2: Blank sailing tracker by major carriers and by trade lane (source: Drewry Cancelled Sailings Tracker)**

deugro is working closely with its clients and vendors to ensure that bookings are made on time, to anticipate delays and longer lead times and to select the best sailing schedules in order to ensure that critical cargo is delivered on time and projects' required on-site dates are met.

## Carriers' liquidity

The industry continues to follow with great concern the financial performance of 14 major container carriers after the publication of their Altman Z scores, based on their 2019 figures, indicating a high probability of insolvency. As seen in Drewry's Cancelled Sailings Tracker, the shipping lines have withdrawn an unprecedented number of sailings on several deep-sea trade lanes. The industry expects a full-year slide in demand of 7 million TEU.

Carriers with a poor track record on negative earnings and those with current liabilities exceeding current assets are considered to be at risk.

The collapse in oil prices may be one silver lining for the carriers. It will allow for a much-needed cash injection because of the natural time lag of any bunker oil price pass-through mechanism. It also presents a unique opportunity to opt for routes sailing south of Africa to avoid the Suez Canal toll.

As a global organization, deugro is monitoring closely the commercial impact on carriers. We believe that the market may be impacted heavily down the supply chain. It remains to be seen whether there will be any bankruptcies among the container carriers in the near future.

## Breakbulk and chartering

The macroeconomic concerns continue to weigh heavily on the dry cargo freight market in the beginning of May 2020 as many countries around the world continue to be under lockdown.

The Baltic Dry Index, which measures the cost of shipping goods around the world, strengthened for a short while above 700 points in April 2020, a level not seen since January. However, in the beginning of May we observe that it has fallen to 598 points. For the first quarter of 2020, the index slipped 43% as the rapid spread of the coronavirus around the world led to shipping restrictions and sapped demand for dry bulk vessels, which continues to date.

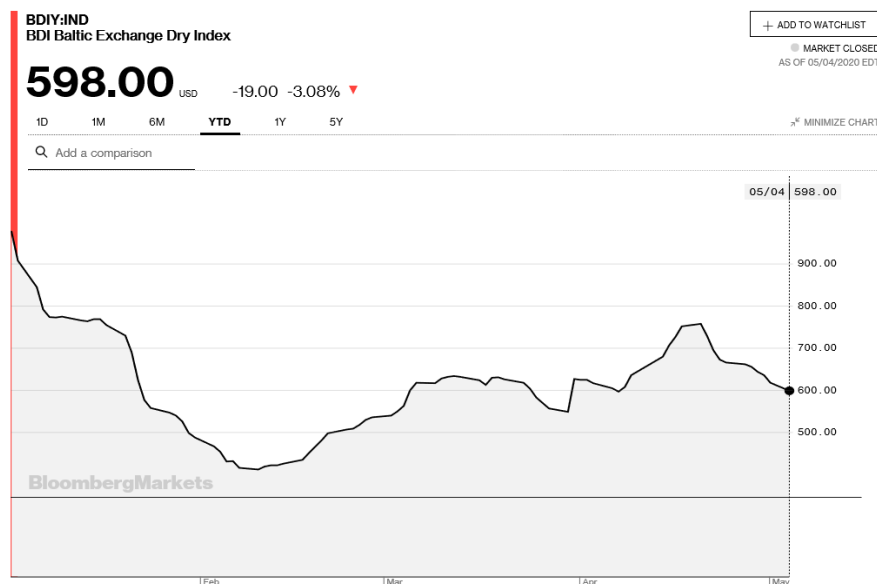


Figure 3: Baltic Dry Index (source: Bloomberg)

The Asian markets are seeing better demand due to the rising economic activity being observed in China. Shipments from the EU are still slow, with no reliable forecasts. Port operations seem to be running as usual, although a bit slower due to COVID-19 measures. There are fewer stevedores and longer gaps when changing shifts. The coming and leaving stevedores do not arrive and depart at the same time. As a result, effective working hours have been reduced.

An oversupply of tonnage is expected at the end of May, with vessels coming mainly out of China. We presume that an unbalanced supply and demand situation will be observed in the next months. At the end of May or beginning of June, we may witness an oversupply of MPP in Europe, which may be followed by undersupply. The same is to be expected in the Far East approximately two months later. We expect this situation to be ongoing until Q3/2020.

The issue of crew changes continues to be a major concern and should not be underestimated. Many ports are not allowing crew members to disembark, and home flights are available on a limited basis only. This results in longer turns of the crew on board the vessels, which could potentially lead to exhaustion among the crew due to lack of rest and recuperation.

It remains to be seen if the current situation will have an impact on M&A activities in the MPP segment. No deugro booking is currently subject to quarantine on board a vessel.

In order to manage the operational and commercial risk from freight rates, limited vessel space and equipment availability and services, cargo owners, shippers and deugro offices need to work closely together by communicating early and allowing longer planning cycles.

**Get in touch with your local deugro office and we will work with our internal global charter team on these matters. Together.**

## COVID-19 port restrictions

The general picture is that most ports are fully operational for cargo business and have closed or restricted operations for passenger vessels, especially cruise ships. The vast majority of ports are endeavoring to have all cargo-related services operational 24/7 while ensuring a safe working environment for shore and office personnel.

Even if cargo operations continue to function normally, in many cases governments and/or port authorities will have introduced safety regulations and restrictions inter alia related to the movement of ship's crews, truck drivers and other people needing access to port facilities.

To help make this easier, we would like to share the "COVID-19 Port Restrictions Map," produced by Wilhelmsen Ships Service. It provides status updates twice per day of restrictions at a click on countries and ports. Locations with updated information from within the last 24 hours are highlighted. The map can be viewed at: <https://www.wilhelmsen.com/ships-agency/campaigns/coronavirus/coronavirus-map/>



Figure 4: COVID-19 Port Restrictions Map by Wilhelmsen Ships Services

## Equipment imbalance

The global lockdown and subsequent downturn in economic activity, along with the fall in consumer demand, means that containers continue to be stuck in ports and freight stations.

Although we are noticing a gradual improvement in the container imbalance this week, in general it remains with the majority of equipment surplus seen in Asia. Even though production in Asia is steadily increasing, the reduction in demand in Europe and the USA is leading to further blank sailings. Ports around the world are already looking to secure more space or free up temporary space for container storage.

The graph below shows an overview of the current container availability worldwide for calendar week 19. The data is based on CAX (Container Availability Index).

This week, we are seeing a gradual improvement and resumed availability of containers in northern Europe, Africa, the USA and India. The main change from week 17 is the lack of availability of 40' DVs in Shanghai

and Qingdao and the resumed availability of 40' DV in Port Kelang. We are also noticing resumed availability of all types of containers in northern Europe, Durban and Los Angeles.

Region	Port	20'DV	40'DV	40'HC
Asia	Shanghai	●	●	●
	Qingdao	●	●	●
	Singapore	●	●	●
	Port Kelang	●	●	●
Europe	Genoa	●	●	●
	Rotterdam	●	●	●
	Antwerp	●	●	●
	Hamburg	●	●	●
Africa	Durban	●	●	●
North America	Chicago	●	●	●
	Los Angeles	●	●	●
India	Nhava Sheva	●	●	●

Figure 5: Calendar week 19 | Container availability worldwide (source: xChange)

**Red** – Deficit of containers (incl. full and empty units, SOC and COC)

**Green** – Surplus of containers (incl. full and empty units, SOC and COC)





## Air freight overview

The air freight industry is enduring the heaviest impact and restrictions caused by the rapid spread of the coronavirus pandemic.

The majority of international airports remain operational but have shifted their focus from passenger transportation to freight cargo handling activities following the broad suspension of international passenger travel, with more than 90% of fleets grounded and services largely overbooked.

Fortunately, the transportation of goods and repatriation services remain to be intact to keep supply chains from collapsing. Airports and airlines are working at their limits to keep operations running, unknown of consequences for the industry in the future ahead.

The fight against COVID-19 has led to a significant change in demand and supply, away from the usual consumer goods to urgently needed medical supplies and essential goods.

As some countries seem to have overcome the peak of new infections, their governments have started to develop plans to reopen their economies in the coming weeks. But it remains unclear as to how the aviation industry will manage to adhere to required social distancing and safety measures, since social distancing requirements, quarantine orders and closed borders are limiting factors.

### Capacity trends

The impact of COVID-19 air freight demand and the nature of freight in the foreseeable future are leading to an increased number of commercial passenger aircraft being converted into freighter machines and airlines establishing new regular cargo service networks. Most orders for freighter conversions have been placed by airlines and asset owners.

Freighter conversion specialist companies see the ad-hoc modified passenger cabins for small and lighter packages to be a short-term solution only to the freight market. Full aircraft conversions are more likely to be the long-term solution, and order books for modifications are filling up.

Loading and offloading of large volumes of general cargo are putting ground handling teams under pressure and causing delays in aircraft turnaround times at many airports.

Even with additional capacity that is being brought to the market, aircraft availability in May is quite limited. The month of June at the moment is looking much better in terms of the number of available aircraft and shall bring more stability to the market eventually.

A Seabury study reports that the global cargo capacity decline of 29% remains the same as the previous week.

## Total air cargo capacity growth<sup>1</sup>, 22 - 28 Apr 2020 vs. same week last year<sup>2</sup> YoY growth, %



Figure 6: Comparing April 22–28, 2020 to April 24–30, 2019 (source: Seabury Capacity Tracking Database)

The total increase in belly capacity amounts to 27,000 metric tons compared to last week, mainly driven by “passenger freighter” flights. Belly capacity at large cargo hubs is recovering due to passenger freighters.

## Daily international cargo capacity<sup>1</sup>, Feb – Apr 2020

Thousand tonnes

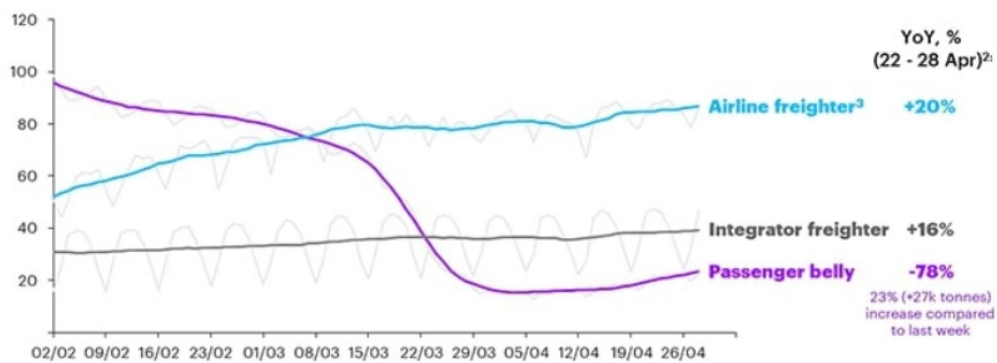
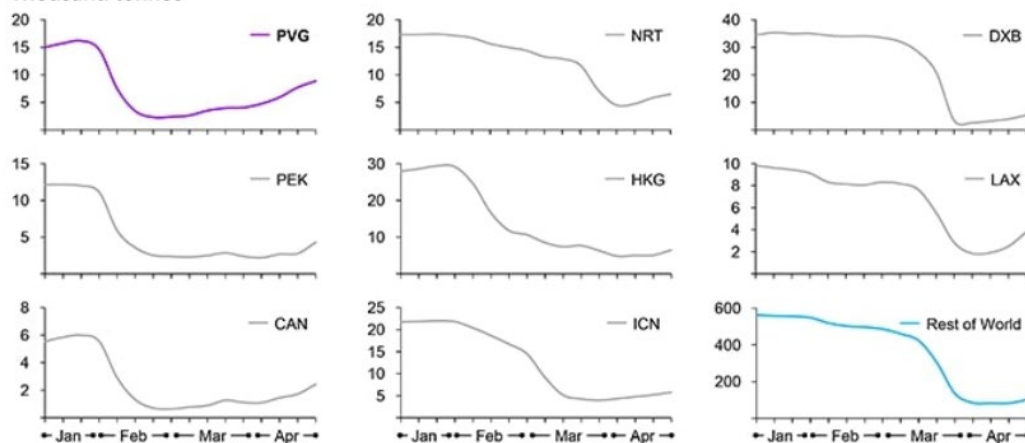


Figure 7: Global air freight capacity from February to April 2020 (source: Seabury Capacity Tracking Database)

Airports saw an increase in wide-body belly capacity when the need for PPE shipments rose. Especially from PVG (Shanghai), an influx of outbound flights was noticed in March, whereas other airports only experienced an increase toward the beginning of April.

**Outbound belly capacity<sup>1</sup> for top 8 airports with largest belly capacity recovery<sup>2</sup>, 2020 by week**  
Thousand tonnes



**Figure 8: International wide-body belly flights only, weeks 2 to 17. The selection of the Top 8 airports is based on the largest cumulative increase since belly capacity stopped decreasing for that airport (source: Seabury Consulting Capacity Tracking Database)**

Personal protective equipment (PPE) is manufactured in the required large quantities and with quick availability, mostly in China at this point. Countries' local manufacturing is not meeting most countries' own demand yet; hence, large-volume transportation of PPE is making air freight trade indispensable.

The continuous global demand for PPE and the ongoing lack of available capacity remain the bottlenecks in the air freight sector, paired with challenges to identify countries that allow crews to disembark to rest prior to the next shift.

Antonov Airlines told the heavy lift and project forwarding media that "due to the pandemic and quarantines imposed by countries around the world, many industrial projects have been put on standby. The situation is reflected in the proportion of our flights that are project shipments – approximately 15%. The majority of flights are currently urgent supplies such as medicines, masks, protective equipment."

As a result of the outbreak, many major airlines are struggling to stay afloat and have announced significant losses, job cuts and a reduction in operations. Many airlines are turning to their governments for financial support, which, if this is not granted, could lead to several airlines vanishing from the market and with them the passenger aircraft cargo capacity utilized for the global transport of goods, such as post, e-commerce and urgent items.

Announcements of airlines about releasing staff and parking aircraft are also increasing week by week, putting pressure on capacity through the remainder of the year. The media widely reports that it can be expected for international airline routes to take much longer to bounce back versus domestic routes. Some countries will close their borders to tourists due to social distancing and the fear of a second wave of infections from foreign visitors. The question is for how long; most say until a vaccine is found and in common use, which could take years.

The most dramatic lack of available aircraft options is seen on the Asia – USA lane. Availability of heavy ramp aircraft like AN-124 is currently very limited. So, in the event there are projects that might require this aircraft type in June or later, it is imperative to start booking aircraft now.

## Rate trends

With soaring demand and lack of capacity, air freight rates have naturally increased, and despite the deployment of fresh capacity recently, the expected stabilization of rates has yet to happen and the urgent need for PPE dominates traffic. The majority of airlines continue to follow stringent cost-saving measures with reduced and/or suspended flight operations.

Airlines are quoting rates while space is available. Once the allocation has been sold, a new rate is applied. This is reducing the given rate validity in some cases to a matter of hours.

While the majority of cargo is subject to premium rates, the introduction of COVID-19 surcharges by handling agents and haulage companies has been noted in some countries, adding additional costs to the supply chain.

In week 18, Freightos reported record highs for rates out of China, with charter rates well above the 1 million US dollar level. Those charter costs are mainly for Asia – Europe or Asia – USA traffic, which leaves intra-Asia rates soaring due to missing capacity.

Across the project market, we see cargo shipments impacted by the above-mentioned reduced airline services, lockdowns at origins and destinations, as well as seasonal holidays impacting freight flows.



**deugro's dedicated air charter team is in constant communication with its strategic airline partners to ensure access to the capacity required for our clients.**



## Intra-EU, cross-border cargo transfers

In the attempt to slow the spread of the coronavirus, the borders of most EU countries and Russia remain officially closed to all but essential travel. Cross-border trucking of cargo is possible to allow keeping supply chains open.

Many loading and unloading points are currently experiencing long waiting times due to extensive security checks, reduced staff and shortened opening hours, despite so-called Green Lanes being implemented for cargo trucks to ease cross-border traffic.

The transit time in pre- and on-carriage may be elongated slightly due to reduced freight capacity, truck availability, and extended processing times at border controls as well as strict sanitary measures in place.



On the website [covid-19.sixfold.com](https://covid-19.sixfold.com), you can easily monitor the expected times that trucks are currently spending for crossing intra-EU borders.

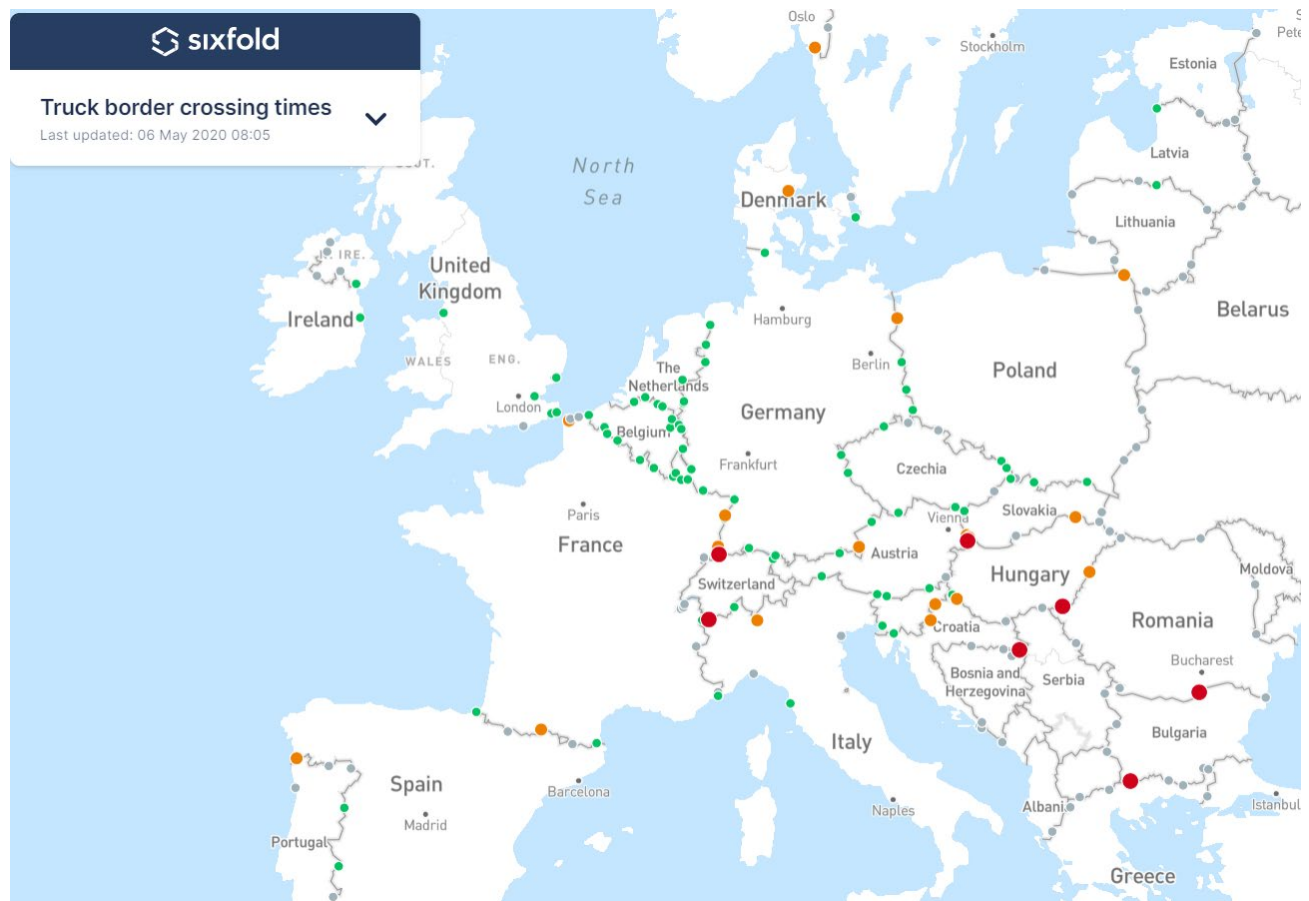


Figure 9: Sixfold website map with border crossing time (dated May 06, 2020)

The border crossing time is the average time that trucks spend in the border crossing corridor. These corridors are approximately 10 kilometers long; their centers are displayed on the map.



## EU travel advice and border measures

The EU travel restrictions remain in place, in the national governments' attempt to contain the spread of the coronavirus across Europe. All EU member states, except Ireland, and all Schengen-associated countries (Iceland, Liechtenstein, Norway, Switzerland) have applied the restriction of non-essential travel from third countries into the EU.

Below is a map showing various restrictions implemented by countries across Europe:

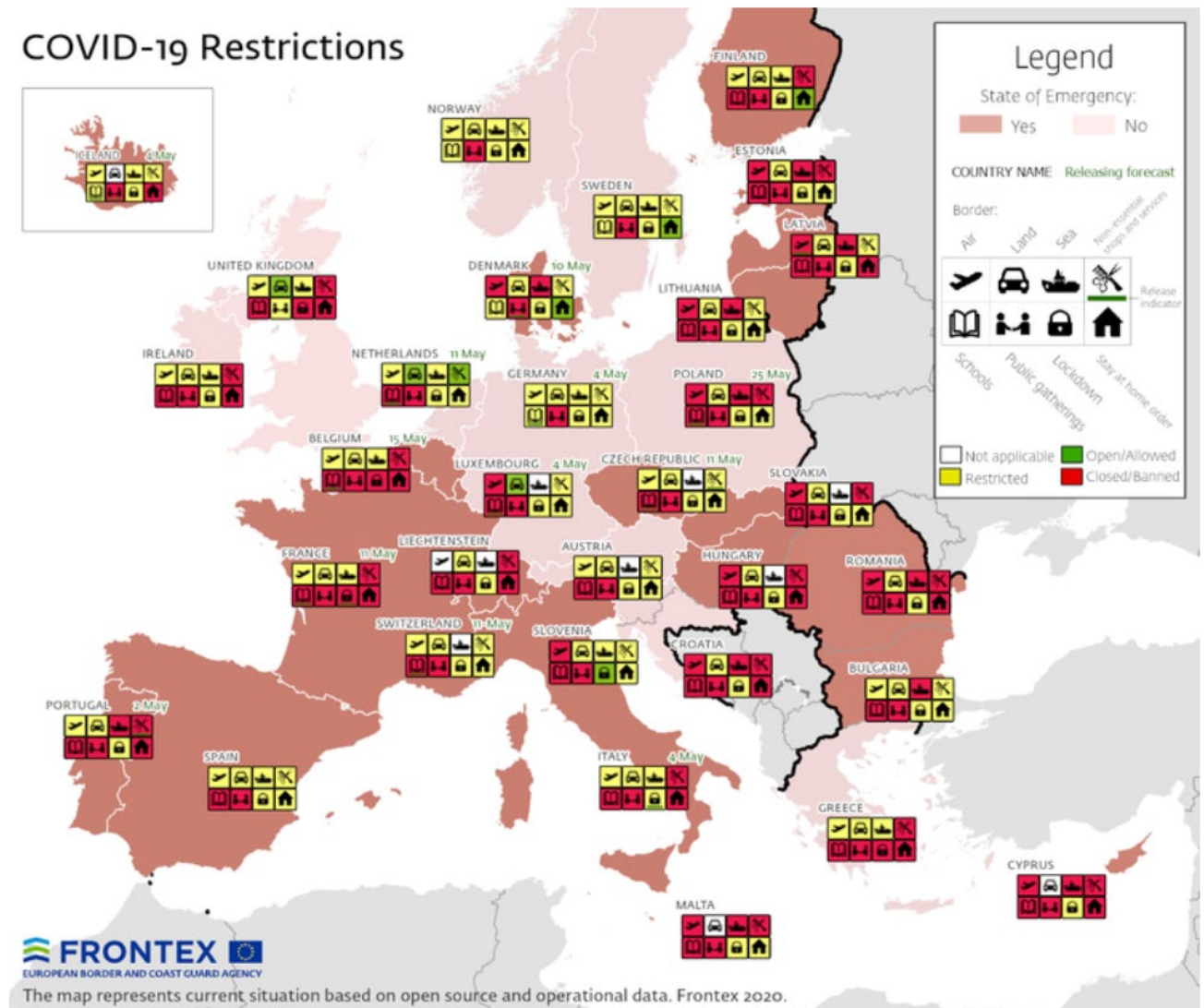


Figure 10: Restricted movement of people across the EU, except Ireland (dated April 27)



## Current operational status of our branches



Figure 11: Current operational status of deugro branches (May 7, 2020)

**Dark Gray** – Branch operational, personnel working remotely from home

**Medium Gray** – Branch operational, staff on rotation

**Blue** – Branch operational, with required measures in place



## Country updates

Because some markets/countries are more in the spotlight due to the intensity of the virus spreading or due to their importance in logistics, we want to provide a brief update for some of those markets on the following pages.

On a global level, the following can be noted:



Cargo flow for goods and essential items is prioritized, but this is not in affect for road transportation and countries are doing all they can to not delay or interrupt supply chains. However, certain measures taken have a direct impact on freight and equipment capacity, transportation costs, operation processing times and delivery schedules.



Most ports, ocean carriers and warehouses are fully operational, despite challenges with schedules, space and equipment availability and reduced manpower, as well as inland equipment shortages potentially being limited.

The implementation of peak season surcharges due to lack of sailings seems to be more common as vessel are fully booked into the first weeks of May. Equipment will start becoming scarce, especially for inland pick-ups.



Most passenger airlines are keeping aircraft grounded and services suspended until further notice, despite some countries easing their lockdown measures. The demand for PPE remains high across the globe, heavily impacting rate levels and aircraft capacity, as well as the implementation of COVID-19-related peak surcharges.

Please find below an overview of the various regions and short country updates outlining their current status:

Europe	17
Americas	19
Asia	20
Middle East	22
Africa	23






## Europe

In order to fight the spread of COVID-19 across Europe, border crossings within the Schengen area and between the EU and neighboring countries remain partially or completely closed.

All branches are operational, with personnel currently working remotely from home or partly in the office on rotation.

Please refer to the table below for the latest country status updates:




Country				Latest lockdown period
<b>Belgium</b>	Domestic transportation is operational.	Ports are fully operational. The Port of Antwerp continues to restrict external people from entering their premises.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	Lockdown restrictions were lifted on May 4. Social distancing measures remain in place.
<b>Denmark</b>	The Danish borders are closed, but transport of cargo is still possible both nationally and internationally. However, due to the general closure of businesses, shippers and receivers are being more careful to minimize contact, and, in general, delays at the border mean additional time for transports should be expected.	All ports are operationally, and deliveries are being made of containers related to the ocean freight transport. Delays at customers for loading/unloading should be expected. Canceled sailings from/to the Middle East, Far East, USA to/from USA should be expected. Increase in rates in general due to general imbalance, lack of equipment and lack of sailings is already in effect.	As with the rest of Europe, passenger flights are no longer operational or at least in limited numbers, meaning that mainly only cargo flights are operating. This is increasing the rates significantly at the moment. All trade lanes currently operate on an ad-hoc basis only.	No lockdown in place. People are in general back to work, but all are using preventative measures for minimizing risk exposure as long as the physical surroundings allows them.
<b>France</b>	The French borders are closed, but transport of cargo is still possible both nationally and internationally.	Ports are fully operational. Increasing lack of equipment, manpower and rolling of bookings due to blank sailings are impacting port activities.	Orly Airport is fully closed, whereas Paris-Charles De Gaulle Airport is operational with a focus on freight cargo flights.	Until May 11 (at the earliest)
<b>Germany</b>	The German borders are closed, but transport of cargo is still possible both nationally and internationally.	Ports are fully operational, but space shortage due to import containers not being collected remains tense. Availability of standard equipment in hinterland depots remains critical; availability in ports is slowly improving. Space on vessels is limited and requires extended prenotice times due to numerous blank sailings on all trade lanes (EB/WB/SB). Rate levels remain on a high level.	Airports are fully operational, with cargo flights dominating the activities.	The German government is slowly lifting specific limitations, such as allowing certain sectors to reopen their shops. The travel warning for traveling outside of Germany is in place until June 14.
<b>Italy</b>	Domestic transportation is operational; manufacturing slowly returning.	Ports are fully operational. Increasing lack of equipment and rolling of bookings due to blank sailings.	Milan LIN is fully closed, and Milan MXP T1 is closed. Cargo air freight and limited passenger traffic is being transported from T2 Malpensa only.	Entering phase two of lifting the restrictions, which includes some industries to resume work.
<b>Netherlands</b>	Domestic transportation is operational; Green Lane for freight transports is open to Belgium.	Ports are fully operational. Increasing lack of equipment and rolling of bookings due to blank sailings	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	No national restrictions have been implemented.

<b>Russia</b>	Currently there are no restrictions on road freight.	Currently there are no restrictions on ocean freight and port operations.	International air freight is temporarily shut down, for an indefinite period of time.	Until May 11 (at the earliest)
<b>Scandinavia (Finland, Sweden, Norway)</b>	No major disruptions in domestic or international road freight. Closed EU borders result in longer transit times and are limiting ferry connections.	Ports are fully operational, but transit times are affected due to the blank sailings of shipping lines on main voyages. Feeder connections are not experiencing blank sailings.	Airports remain operational with most passenger flights suspended, affecting the cargo freight sector.	Finland and Sweden: Only social distancing; Norway: Lockdown is starting to be eased.
<b>Spain</b>	Domestic transportation is under normal operation. For transportation by road to neighboring countries, drivers will need to be heat checked and quarantined 14 days upon their return to Spain.	Ports are fully operational. Customs is working with reduced manpower.	Airports are operating with limited capacity. Most passenger flights remain suspended; cargo flights remain operational. Rates have increased and peak season surcharges introduced by some carriers.	State of Emergency declared ordering restricted movement until May 7 (at least). An extension is expected.
<b>UK</b>	Domestic and cross-border transportation are operational, albeit at a premium cost for collections and airport transfers.	Ports are fully operational but facing congestion and bottlenecks at loading facilities. Warehouse space is becoming scarce.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	May 7 (at least). An extension is expected.

## Americas

All branches are operational, with personnel currently working remotely from home or partly in the office on rotation.




Please refer to the table below for the latest country status updates:

Country				Latest lock-down period
<b>Brazil</b>	No restrictions inside the country for commercial traffic; boarder restrictions due to customs authorities. Customs authorities are giving preference to essential items such as pharmaceutical, perishable cargo.	Ports are fully operational, and new bookings require longer lead times due to increasing numbers of blank sailings. Customs is working with reduced manpower.	Airports are operating as usual. Large number of passenger flights have been suspended. Cargo flights remain operational in VCP (Viracopos Airport).	Currently, lockdown in São Paulo until May 10 and in Rio until May 11
<b>Canada</b>	Canada–USA border closure has been extended for another month, until May 20, for non-essential travelers; access remains open for commercial cargo. The Canada Border Services Agency (CBSA) has temporarily reduced service hours.	The ports of Montreal, Halifax and Vancouver are running at full capacity. Due to a decline in customer demand in some regions in Canada, CN Railways recently suspended service between Williams Lake and Squamish.	Airports remain open, but domestic services, as well as cargo services, are extremely limited.	Country not on full lockdown, but has issued stay at home orders.
<b>Chile</b>	Borders to neighboring countries are closed for transit of people but remain open for the transfer of cargo with Peru, Argentina and Bolivia.	All ports are closed for entry/transit of people, but currently remain open for import/export of cargo. Customs is working normally.	Freighter flights are operational, but limited space and availability have caused rates to increase. Airports closed for all passenger traffic.	Only some districts are under lockdown order with a curfew between 10 p.m. and 5 a.m.
<b>Peru</b>	All borders to neighboring countries remain closed; exceptions only made for goods movements. Domestic transportation is limited.	The majority of ports are fully functional.	All passenger air traffic is suspended; only cargo aircraft allowed to land. Miami and Viracopos used as hub airports for supplies and all foreign shipments.	Until May 10 (at the earliest), with curfew in place from 6 p.m. to 5 a.m.
<b>USA</b>	No restrictions on road freight as of yet. Borders to Canada and Mexico remain open to commercial traffic for essential goods.	Ports are fully operational. Vessels are fully booked, and new bookings require longer lead times due to increasing numbers of blank sailings to/from the USA.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	Several states have issued stay at home orders for the time being, some are gradually announcing the lifting of lockdown orders.

## Asia

All branches are operational, with personnel currently working remotely from home or partly in the office on rotation.

Please refer to the table below for latest country status updates:




Country				Latest lock-down period
<b>China</b>	The restrictions for transports to/from Hubei Province are being gradually lifted. Border crossing to Mongolia has been opened. Borders to CIS and Russia are partly open. Russia being in lockdown is leading to severe delays at borders.	Ports are fully operational, but blank sailings and rotation changes are delaying vessel departures and causing equipment shortages. Up to four weeks prenotice for space and equipment allocation on certain trades is required.	Airports are fully operational. Passenger flights remain mainly suspended, but cargo flights for PPE and essential items are soaring. Several airlines are increasing freight services to/from China. A minimum one to two weeks prenotice is required for air freight arrangements.	Borders are closed for foreign nationals and a mandatory two-week quarantine applies for all inbound travelers.
<b>India</b>	Due to the lockdown, all states have closed their borders and restricted movement. Even though goods can be transported as per the recent circular issued by the government on April 13, restrictions on people movement are in place. Thus, drivers' availability is still a question. Prior to this, all road transport movements were restricted, other than essential products like food, medicine, etc.	Vessels coming from restricted countries will have to go into quarantine first (14 days of wait) and then only after proper checks will be allowed to berth. Port operations have not been officially suspended, but owing to restrictions on people movement, it is becoming difficult to find manpower like stevedores, etc. for port operations.	Domestic/international passenger flights have been closed to any airport in India. International cargo flights are permitted, but then restrictions on people movement is affecting cargo handling operations.	A total lockdown and curfew have been imposed until May 17.
<b>Indonesia</b>	While a "Mudik" travel ban was announced in Indonesia, this impacts private transport only. Cargo transport/logistics is not impacted as of yet. However, delayed transit times must be expected if transport has to pass roadblocks.	Ports remain fully operational. While a health check for crew is conducted for each arriving vessel prior to berthing, this has not caused delays so far. Customs activities are ongoing, with reduced physical activity. So far carriers are open for bookings.	The travel ban has further reduced air schedules, also impacting schedule availability for cargo. Major airports are operating at 20% capacity only.	Lockdown is in place throughout Indonesia until June 1. The government is planning to extend it, as necessary.
<b>Japan</b>	No restrictions on local transportation have been issued yet. Many goods manufacturers have suspended their production lines or reduced them due to staff shortages.	All major ports are still fully operational; however, all trade lanes are impacted in terms of their schedule, space and rates. Port congestion in the entire Southeast Asia region is increasing.	Cargo terminals are fully operational, but impacted due to lack of space availability, reduced schedules and an increase in air freight rates on all trades.	State of emergency declared until May 6 (at the earliest)
<b>Malaysia</b>	Domestic transportation is still allowed but under strict measures based on a classification system. All goods need a permission letter from the respective ministry (MITI). Checks under the Movement of Control Order (MCO) are common. Cross-border trucking of essential goods only.	Ports are fully operational. Increasing lack of equipment and rolling of bookings due to blank sailings.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	Until May 12 (at the earliest)

<b>Myanmar</b>	Domestic and international road freight is possible, but delays of clearance are seen at border check points. Transit times are affected by night curfew from 10 p.m. to 4 a.m.	Ports are fully operational. Vessel space is available but requires longer lead time for the booking. Port authorities are reducing demurrage and storage charges. Port authorities sent notification letter to shipping lines to proceed DO without original BL. Customs process is slow.	International airport closure extended until May 15. Relief and emergency cargo flights will be allowed for landing. Domestic flights to major cities will be operated depending on passenger demand.	The regulations and restrictions will be extended to May 15.
<b>Singapore</b>	There are no bans on cargo trucking within Singapore. However, due to less cargo in the market, subcontractors have placed some of their staff on unpaid leave to save costs.	Despite port operations still running, carriers are increasing blank sailings and crews are not allowed to disembark.	Terminals are operating as usual 24/7. However, passenger flights have been reduced drastically and a significant portion of cargo space now occupies passenger planes' belly holds.	Until June 1 (at the earliest)
<b>South Korea</b>	There are no specific restrictions for inland trucking within South Korea.	All international ports and terminals remain operational. Port congestion is a factor leading to delays in the berthing of container vessels as well as in container releases from the terminal. Changes in vessel rotation are leading to further delays.	The space situation is very tight since many airlines have canceled passenger flights. South Korea's national airline is deploying their passenger planes on cargo-only routes.	No lockdown in place anymore
<b>Thailand</b>	No restriction on freight cargo, but drivers may need to pass through a health checkpoint. If they do not pass, they may be required to be quarantined. Only signal or tail vehicles are recommended because personal cars will not be permitted to cross borders. Phuket Island is still closed except to transport, construction, logistics, medical and government vehicles. Only small number of border stations is open for commercial vehicles; smaller stations may be shut down. Drivers need to provide license information, and many companies require a medical form to be filled out prior to entering their facilities. If non-compliance, trucks may not be allowed to enter these facilities. RPE is required for many companies.	Ports are fully operational and require constant booking status since changes are more inconstant during this period. Carriers have been canceling, empty sailing or delaying at other ports in neighboring countries. Ports require permits from police for vessels to enter during this time. Each permit per port differs and will need to be (re)applied for accordingly to the respective police precinct. Dependent on terminal policies, may require extra specific forms to filled out prior to entering. RPE is required for these areas.	All passenger flights have been canceled until mid-May, when the government will announce further instructions. Only cargo planes are allowed entrance. Shortage of cargo space during this time. Higher prices and fees also in place. RPE is required for these areas.	Lockdown of the country will continue throughout May 2020, when further instructions will be announced. Curfew from 10 p.m. to 4 a.m is in effect nationwide for personal vehicles. Roadblocks are in place in areas throughout the nation.
<b>Vietnam</b>	Domestic transportation is under normal operation; for transportation by road to neighboring countries, drivers will need to be health checked and quarantined 14 days when they return.	Ports are fully operational. Vessels are fully booked, and new bookings require longer lead times due to increasing numbers of blank sailings. Customs is working with reduced manpower.	Rates have increased significantly due to less demand. All domestic airlines have canceled international passenger flights; only cargo flights available. International passenger flights have been temporarily canceled. Domestic air traffic is reduced to two flights per day.	Lockdown restrictions have been slightly lifted, and businesses are resuming work. Level 3 of social distancing will be applied depending on the situation in each city/ province.

## Middle East

All branches are operational, with personnel currently working remotely from home or partly in the office on rotation.




Please refer to the table below for the latest country status updates:

Country				Latest lock-down period
<b>Saudi Arabia</b>	Currently, road freight is possible but with heavy delays since drivers need to undergo COVID-19 testing at entry points before entry into the country.	Ports are operating normally, but there is a shortage of labor, such as stevedores and customs officials, resulting in delays. Temporarily, port free time has been increased to 10 days from existing five days due to reduced labor.	Airports are operating with limited capacity. Passenger flights are completely suspended; cargo flights operational.	In some areas, curfew has been limited to 5 p.m. to 9 a.m., but certain areas are under 24-hour curfew. This measure is in place until May 13.
<b>UAE</b>	Road movement from the UAE to Oman is going well. For the remaining GCC destinations, borders are not open yet.	Ports are operational. There are blank sailings, and the feeder network within the region is stressed due to road closures. Commercial activities are slowly reopening in the UAE. In discussion with container carriers, they have mentioned improvement in volume and enquiries for inbound trade into the region.	Most passenger flights carry cargo only. Validity of the rates is not provided by the airlines since this might and can change without notice. UAE National Airlines (EK/EY) have begun to take bookings for certain sectors operated by their passenger and cargo flights. Cargo freighters are still in demand and have high potential rate fluctuation.	The strict stay at home orders have been partially lifted, allowing businesses to have 30% staff working in the offices, but adhering to Ramadan working hours (Sun–Thurs, 9 a.m.–3 p.m.)
<b>Oman</b>	No restrictions on road freight as of yet. Borders to the UAE remain open to commercial traffic, but we have seen slower clearance processes, which has slowed further since Ramadan started last week.	Ports are fully operational. Vessels are fully booked, and new bookings require longer lead times due to increasing numbers of blank sailings to/from the Middle East. Customs is working with reduced manpower. Ramadan started leading to further slowdown in operations. Electronic delivery orders were introduced recently by carriers.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.	Currently only lockdown in Muscat in place until May 8, 2020, along with several police checkpoints across the country limiting travel between cities to commercial activities.
<b>Qatar</b>	International road freight is not permitted due to the blockade and resulting restrictions. Trucking within Qatar is so far normal, though shortage of trucks due to drivers laid down with COVID-19 is an issue. Thus, advance planning is required as far as possible.	Port are operational, with no impact as of now. Missed sailings (ranging between two and three) were seen in March and April, and these are expected to continue into May as well.	Airports operational only for cargo. However, with the limited options available for Qatar (on QR and TK), air freight requires advance bookings. Rates are volatile and as always subject to space pressures.	No lockdown as of now; offices allowed to function between 9 a.m. and 3 p.m., but with a restriction of only up to 20% of total staff allowed in the office.

## Africa

All branches are operational, with personnel currently working remotely from home or partly in the office on rotation.

Please refer to the table below for the latest country status updates:

Country				Latest lock-down period
<b>South Africa</b>	Borders have started opening across Sub-Saharan Africa, with Level 4 being announced in South Africa coming into effect on May 1, 2020. We have noticed that clearances may be delayed due to customs checking all the documentation being correct at time of the movement in line with each country's requirement. We are starting to move cargo to Zambia and DRC.	South African ports are operating both in imports and exports under the guidance of Level 4-advised essential cargo. All cargo classified as non-essential on imports are being moved to shipping lines' depots to alleviate the congestion at the ports. On exports, the list of essential cargo that maybe exported has increased, allowing us with the correct documentation to start exporting more cargo.	Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights limited and dependent on cargo volumes.	South Africa moved to Level 4 on May 1, 2020 which has opened up more of the economy and allows our clients to operate, with limits still in place for essential and non-essential items.

Note: We can confirm that South Africa's neighboring countries have lifted their lockdowns, such as Botswana, Namibia, Lesotho, Mozambique, Zambia and DRC, with precautions being taken in terms of cargo movement in light of health and safety. However, Sierra Leone is expected to finish lockdown on May 6.

Health precautions are key with correct documentation as required by each countries such as CIPC certificates showing essential service provider for Shipper, deugro, our subcontractors and Consignee, permits if required and full shipping documentation that is verified and checked against the essential vs non-essential lists to ensure that the cargo can move.

For any inquiries, bookings and more information, please get in touch with your deugro contact or local deugro group office. They are available and ready to help.

<https://deugro-group.com/contact/>

## Useful links

*The links below are for information purposes only.*

### Number of confirmed cases worldwide

- <https://coronavirus.jhu.edu/map.html>

### Ocean freight – General updates

- [www.seatrade-maritime.com](http://www.seatrade-maritime.com)
- [www.tradewindnews.com](http://www.tradewindnews.com)
- [www.xeneta.com/blog](http://www.xeneta.com/blog)
- [www.theloadstar.com](http://www.theloadstar.com)
- [www.worldmaritimenews.com](http://www.worldmaritimenews.com)
- [www.hellenicshippingnews.com](http://www.hellenicshippingnews.com)
- [www.lloydslist.maritimeintelligence.info](http://www.lloydslist.maritimeintelligence.info)

### Ocean freight – Global port restrictions map

- [www.wilhelmsen.com/ships-agency/campaigns/coronavirus/coronavirus-map/](http://www.wilhelmsen.com/ships-agency/campaigns/coronavirus/coronavirus-map/)

### Ocean freight – Equipment availability

- [www.container-xchange.com](http://www.container-xchange.com)

### Road transportation – General updates

- [www.iru.org/](http://www.iru.org/)

### Air freight – General updates

- [www.aircargonews.net](http://www.aircargonews.net)
- [aircargoworld.com](http://aircargoworld.com)
- [www.aircargoweek.com](http://www.aircargoweek.com)
- [www.aerotime.aero](http://www.aerotime.aero)
- [www.tacindex.com/](http://www.tacindex.com/)

### Oil and fuel prices

- [www.shipandbunker.com](http://www.shipandbunker.com)
- [www.oilprice.com](http://www.oilprice.com)

### Policy tracker of government responses

- <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

*Note: Data as of May 4–6, 2020*

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