



Coronavirus (COVID-19) Impact Report



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Coronavirus (COVID-19) Impact

Update 8 | May 20, 2020

This is the eighth deugro group COVID-19 update in which we continue to focus on the changing impacts the coronavirus is having in terms of global logistics and supply chain activities. Since the last report, issued on May 7, the total number of recorded infections has increased even further. According to Johns Hopkins University, on May 6 there were 3.6 million cases recorded globally, having now increased to over 4.8 million cases by May 19. The USA continues to have the highest number of confirmed cases, with over 1.5 million recorded. Followed by Russia with close to 300,000 and Brazil with over 257,000 confirmed cases. New coronavirus cases have been spiking in India, South Africa and Mexico, which appears to be an indication that this pandemic is far from over. Coronavirus-related lockdowns have started to be cautiously loosened in the USA, the UK, Germany, Italy, Spain and Vietnam among others, seeing plans in place for students to return to school and businesses gradually starting to reopen.

Air charter & freighter operations remain at record highs, with demand for freight services continuously at a high level during the pandemic. This is expected to continue, providing vital supply chain to meet the demand of PPE required for post-pandemic peak times, to keep the spread of the virus at the lowest level possible.

The ocean freight market remains volatile. There appears to be an increased trend in container freight rates compared to the earlier weeks, due to major cancellations of sailings of the remaining container carriers, as their strategy to address the large volume drop. The breakbulk carriers continue to struggle to fill vessels due to decreased demand. We continue to closely monitor the global situation.

As workers in Europe and the Americas start returning to their jobs “past the first peak,” governments are trying to jump-start their economies while also keeping the rate of infection at a manageable level. As container carriers and cargo airlines make the most of restrained supply, a sustained high unpredictable cost of logistics will contribute to a period of teetering economic growth as supply chains adjust to a new normal.

Global stock markets and mineral prices have been rising slowly over the last two weeks. West Texas Intermediate, the US crude benchmark, rose 8.5 percent to 31.95 US dollars a barrel, climbing above 30 US dollars for the first time in two months, as oil demand showed signs of picking up and supply cuts led by OPEC began to take effect. While these cuts have not been enough to offset the drop in demand, they have created a positive price growth trend.

International energy producers have also put the brakes on new investment with the aim of preserving their cash. Demand for oil and gas will remain suppressed for the foreseeable future and further production cuts may be necessary before prices would start to underpin investment in new projects the sector. This, in turn, is forcing the sector to achieve OPEX and CAPEX spending reductions as previously stated. There is also a risk of insolvencies or mergers and consolidations in the near future.

The project logistics market tends to follow a delayed economic curve, since projects already commissioned continue to be executed. But the inhibiting effect of COVID-19 has now impacted projects both pre and post final investment decision, both delaying and postponing major projects as a consequence.

The deugro group is combining the strength of all its companies to navigate through this challenging time. Our core values and global strength enable us to have continued good standing and capability to support our clients and partners across regions and industries.

Our number one aim remains the safety and health of our employees, clients and partners. While we see positive steps with several countries relaxing the lockdown rules and encouraging people to return to work, we remain cautious and encourage our partners to adhere closely to their governments' guidance. We are glad to share that a growing number of our offices has seen an increase in business activity with our clients.

Should you have any questions, please continue to engage with your local deugro office. We will always strive to support your enquiry to the best of our ability.



Ocean freight overview

The COVID-19 pandemic continues to have an unprecedented effect on the global economy. The disruption on supply chains continues worldwide. With the easing of the lockdowns in many countries, we start seeing a slight increase in demand for goods in Europe and the USA. Despite the slow reopening of the economies in many countries, consumers are still reluctant to spend due to rising unemployment levels and without widespread testing or a vaccine for the coronavirus.

In the second half of May, we notice an increase in the freight levels for containers shipments. The container indices have increased compared to the previous weeks. This is still mainly due to the significant amount of blank sailings by the carriers announced on all major routes.

The breakbulk carriers continue to be struggling to fill their vessels and observe their earnings plummet. The freight levels continue to be going down due to a significantly reduced demand for bookings. The Baltic Dry Index has fallen to its lowest since 2016.

Commercial overview – Containers

Container freight rates continue to strengthen in the second part of May. The main reason for the increase of the container rates is not only the slight rise in demand, but also the large-scale reduction of frequency of sailings and services. The blank sailings have done well in preserving the bottom line of most of the global carriers.

In the last couple of weeks, there was an increase in rates from Shanghai to Rotterdam as well as to Genoa compared to the beginning of May. Some carriers announced a 300-US-dollar increase in FAK rates from Asia to North Europe and the Mediterranean per 40 foot starting on June 1. The backhaul rate from Rotterdam to Shanghai increased slightly again and is showing a sustained elevation of European backhaul rates caused by the virus. However, this backhaul effect is not seen on the other main back haul trade in the Transpacific from Los Angeles to Shanghai.

Most carriers are announcing further hikes in the freight rates as space on the trade gets tighter, following aggressive blanking programmes by all three alliances. Most container ships are running full and there have been reports of rollover bookings.

Due to the reduction in fuel costs, more container carriers are also extending their round voyages to absorb capacity.

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.

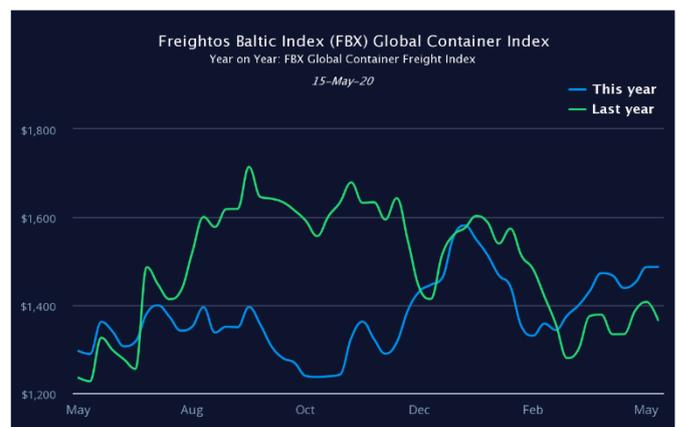


Figure 1: Year-on-year FBX Global Container Freight Index

The below figure also shows the significantly reduced container demand trends against the forecast for 2020.

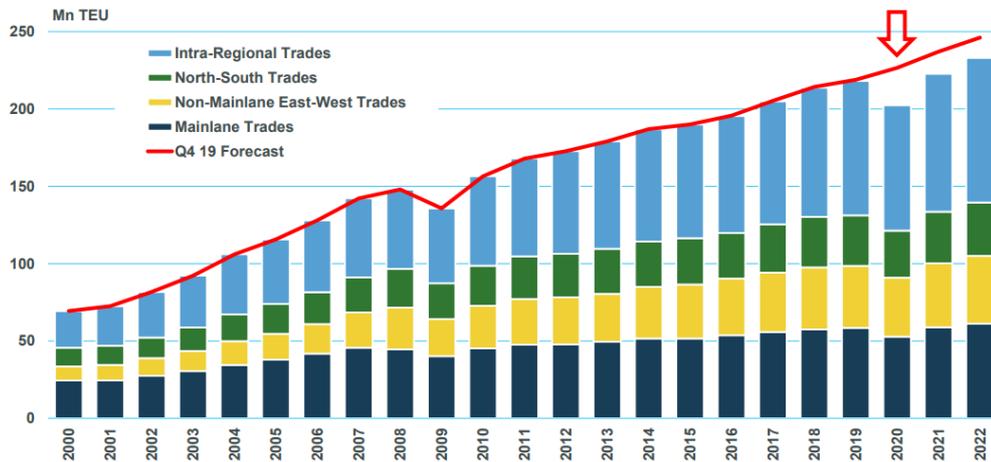


Figure 2: Global Seaborne Trade in Containers (source: Maritime Strategies International)

The volatility in the container market continues and the timing of the recovery cannot be predicted. The market and operational disruptions for shippers and forwarders also continue in May. These factors emphasize the importance of advance planning and allowing longer booking times to ensure space and equipment availability and ability to adjust plans at short notice.

Idle containership capacity and blank sailings

The major container carriers continue introducing blank sailings in order to address the huge volume drop across major trades globally without the need to reduce freight rates.

According to Drewry's newly introduced Cancelled Sailings Tracker, 15 sailings have been withdrawn on the Transpacific, Transatlantic and Asia – North Europe/Mediterranean trades in week 24 (June 8–14), bringing the total blank sailings for the first two weeks of June to 31 as opposed to 230 scheduled sailings for the same period (13%).

The trend seen in May continues during the first two weeks of June 2020, where the Transpacific trade remains the most affected by the reduction of scheduled sailings (61%), followed by the Asia – North Europe/Mediterranean trades (32%) and the Transatlantic (7%).

We have noticed that the number of cancellations has decreased when comparing average May 2020 to average two first weeks of June 2020 (26%).

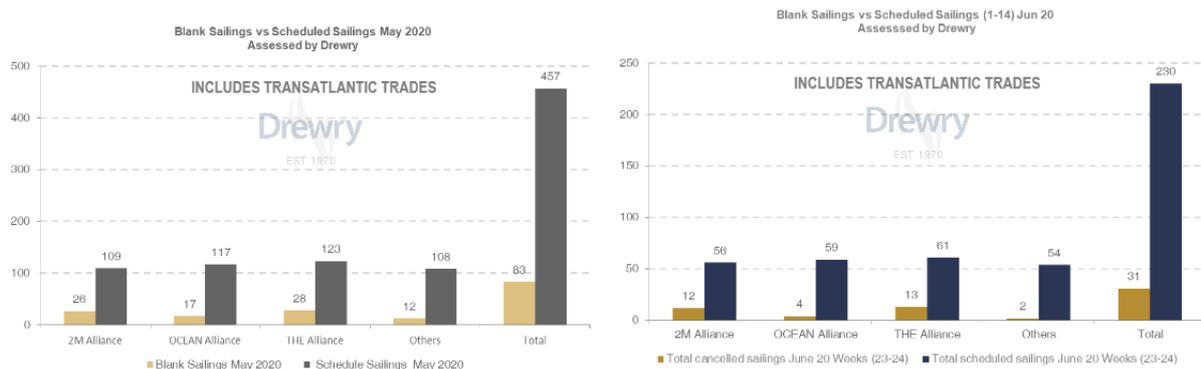


Figure 1: Blank Sailings Tracker by Major Carriers (source: Drewry Cancelled Sailings Tracker)

It appears unlikely that demand will revert back to normal from July 1. Therefore, we expect the carriers may have to continue introducing blank sailings in the summer of 2020.

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 concerns over carrier's the liquidity of the major container carriers continue in May 2020. As seen in Drewry's Cancelled Sailings Tracker, the container carriers continue to withdraw scheduled sailings in order to maintain the high level of freight rates.

The publication of the Altman Z scores of the 14 major container carriers based on their 2019 figures indicate a high probability of insolvency. Only two to three carriers are outside the "distress" zone, as can be seen in the graph below published by Drewry.

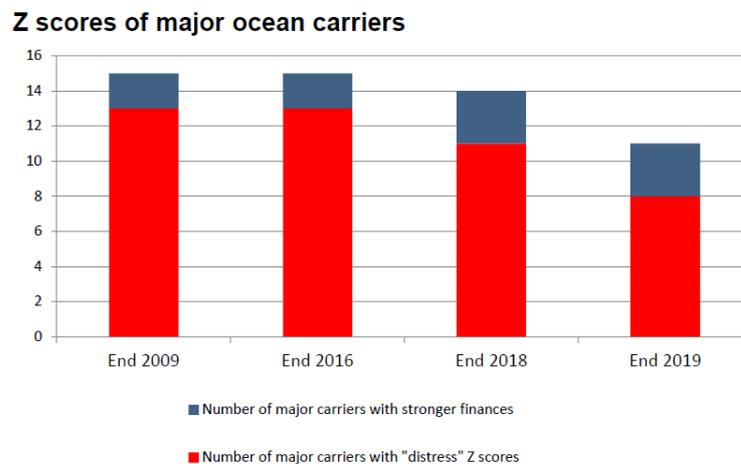


Figure 4: Z scores of major ocean carriers (source: Drewry)

As a global organization with a strong market position, deugro is monitoring closely the commercial impact on carriers in order to safeguard the interests of our clients. 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 COVID-19 outbreak continues to disrupt the demand and supply side of the dry bulk market this year. As the pandemic is leading to shipping restrictions and decreased demand for dry bulk cargo, the vessels carrying dry bulk commodities continue to be struggling to make any profit. The breakbulk market has been significantly hit by the lower seasonal demand for cargo and the global pandemic.

After a short rebound in the end of April, The Baltic Dry Index, which tracks rates for capesize, panamax and supramax vessels that ferry dry bulk commodities around the world, plunged last week to its lowest since 2016.

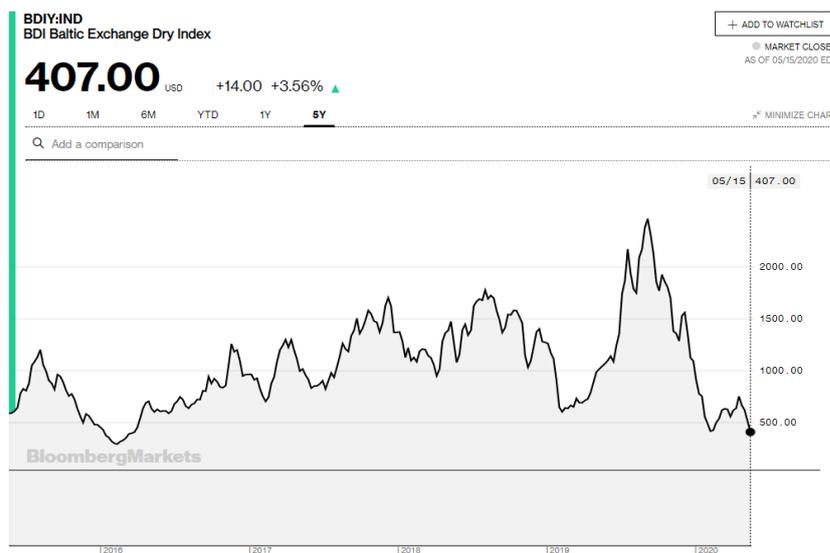


Figure 5: Baltic Dry Index (source: Bloomberg)

Looking at the operational side, all the carriers with whom deugro had bookings over the past weeks have denied access on board their vessels to third-party surveyors. Reasons being company policies as well as captains' decrees, due to COVID-19 matters. Often, it can also be challenging to get a gate pass from the various terminals in order to go alongside ship, depending on the country, county, or other local rules and regulations. Due to this, it is only possible to receive survey reports which are mainly based on the land-side part of the operation.

Cargo availability from northern Europe and the Mediterranean in direction to the Far East and en route seems to be quite small. The spot cargo is mainly limited to what the liner services are not taking due to not being there on the right dates. However, most parcels seem to be in no rush to be shipped and would rather await the next regular service carrier than paying a lumpsum inducement charge to tramp carriers.

Bunker prices remain low; however, this is not doing much good for the breakbulk carriers across the board given how difficult it seems to be to parcel a voyage together.

Industry experts expect a gradual improvement in the rates in the second half of the year after a wave of government stimulus packages and as economic and industrial activity in China recovers. The shipping industry is, by nature, one that can turnaround very quickly. It remains to be seen how long this recovery will take place.

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/>

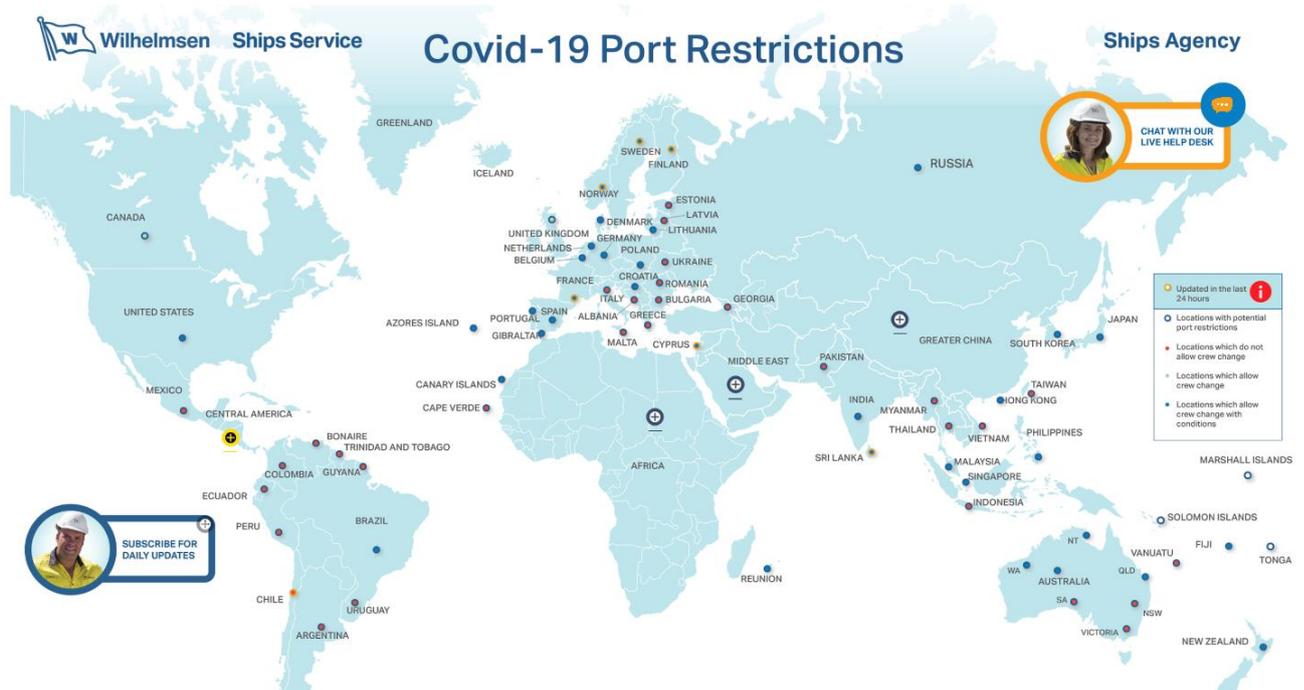


Figure 6: COVID-19 Port Restrictions Map by Wilhelmsen Ships Services

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 worldwide.

Although we noticed a gradual improvement in the container imbalance in the beginning of May, this week we notice once again an increased container imbalance with the majority of equipment surplus seen in Asia.

The graph below shows an overview of the current container availability worldwide for calendar week 21. The data is based on CAX (Container Availability Index). The main change from week 19 is the lack of availability of 20-foot DVs in Shanghai and Qingdao, lack of 40-foot DVs/HCs in Singapore and resumed lack of availability of containers in Germany, Italy and India.

Despite the slight improvement in the container imbalance noticed in the beginning of May, we now see that the container imbalances have returned. Once again, we observe a lack of containers in Europe, Africa, North America, India and certain ports in China.

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 7: Calendar week 21 | 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

For the third consecutive month, the global air freight industry is enduring restrictions caused by the impacts of the coronavirus pandemic. 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.

The majority of international airports are operational but remain focused on freight cargo handling activities following the broad suspension of international passenger travel, with more than 90% of fleets grounded and services largely overbooked, also impacting the handling activities at the airports. For example, Shanghai Airport has been heavily congested and is experiencing backlogs over the last weeks, struggling to cope with the amount of scheduled cargo being processed in time for export flights—although the situation does appear to be easing in Shanghai—and carriers continue to ramp up PAX-freighter flights and even reintroduce some passenger flights.



Figure 8: Air Canada has taken the seats out of its 777.

Freight space capacity remains limited on most routes, prompting further airlines to utilize cabin space as temporary cargo holds in order to meet ongoing demand for PPE equipment across the globe. It is uncertain how long carriers, who have temporarily entered the cargo freight market, can sustain their services. Loadstar reports that operating passenger aircraft as freighters only makes sense at a certain price point and, with rates likely to come down from the absurd highs seen this month and last, that capacity will decline to some extent—leaving the majority of the cargo market to real freighters.

Nevertheless, some carriers seem to have agreed on long-term, non-PPE contracts as a basis for passenger cargo aircraft arrangements, which will lead to new competition for pure freighters in the coming months, driven by a need to generate cash flow. At this point, about 110 airlines have performed cargo flights with passenger equipment, fielding about 1,100 planes, reports Loadstar.

Nevertheless, some carriers seem to have agreed on long-term, non-PPE contracts as a basis for passenger cargo aircraft arrangements, which will

Airline freighter capacity is now 28% higher than last year, according to Seabury. This is the time for freighters, and for airlines, to finally notice how critical cargo is to their bottom lines. Air cargo is typically about 12% of airline revenues on average; it has now come to represent almost the entirety of some carriers' turnover.

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.

However, it remains unclear at this point 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.

deugro's Air Charter team has experienced quick changes in the landscape of pricing and aircraft availability and were working day and night to keep their finger on the pulse of the rapidly changing situation. Especially for project cargo, we have seen ups and downs. A certain reduction in demand was caused by general economic slowdown, lockdowns affecting production plans and even many projects being put on hold, delayed or canceled. At the same time, we have seen increased interest for urgent air freight as a solution to minimize the damage of disruption caused COVID-19 to production schedules and traditional supply chains. This was something that kept up quite busy.

While we have always been known as a leading service provider for heavy industries such as oil and gas, energy, power generation, mining and infrastructure projects, during the COVID-19 crisis our strong competence in air chartering has also attracted a lot of clients seeking solutions to move their medical and relief supplies to help fight the spread of COVID-19.

Capacity trends

The market reports that after consistent growth at the start of the outbreak, freighter capacity now remains almost stable when compared to the previous two to three weeks. While the shortage of belly capacity from China is recovering, driven by passenger freighter flights, and an increase of freighter capacity is compensating for lost belly cargo capacity, globally capacity is still 25% down on a year ago.

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 their own demand yet; hence, large-volume transportation of PPE is making air freight trade indispensable.

Even with additional capacity being brought to the market, availability for the remaining weeks of May is quite limited. The month of June still seems open in terms of the number of available aircraft and shall bring more stability to the market eventually.

As a result of the outbreak and uncertainty of return to "normal" market conditions, many 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.

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, the expected stabilization of rates has yet to happen. Urgent PPE and food shipments are dominating the air freight rate development and continue to keep air cargo rates high but have leveled this week, according to Freightos data.

As coronavirus lockdown measures began to be eased last week, it was noted that air freight rate increases between Asia Pacific and Europe started to slow down. This could be first indicators of rate stabilization on this trade, mirroring general market conditions, with less-urgent demand for PPE shipments and extra cargo capacity coming into the market as economies reopen. Meanwhile, prices for the China to North America trade lane continue to rise, as urgent demand for medical equipment remains high and Chinese airport backlogs impact the price levels.

The majority of airlines continue to follow stringent cost-saving measures with reduced and/or suspended flight operations. Most cargo bookings are only possible to place as per an ad hoc booking process, alongside ad hoc pricing. While the majority of cargo is subject to premium rates, the introduction of COVID-19 surcharges by handling agents and haulage companies has been increasing, adding additional costs to the supply chain.

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, you can easily monitor the expected times that trucks are currently spending for crossing intra-EU borders.

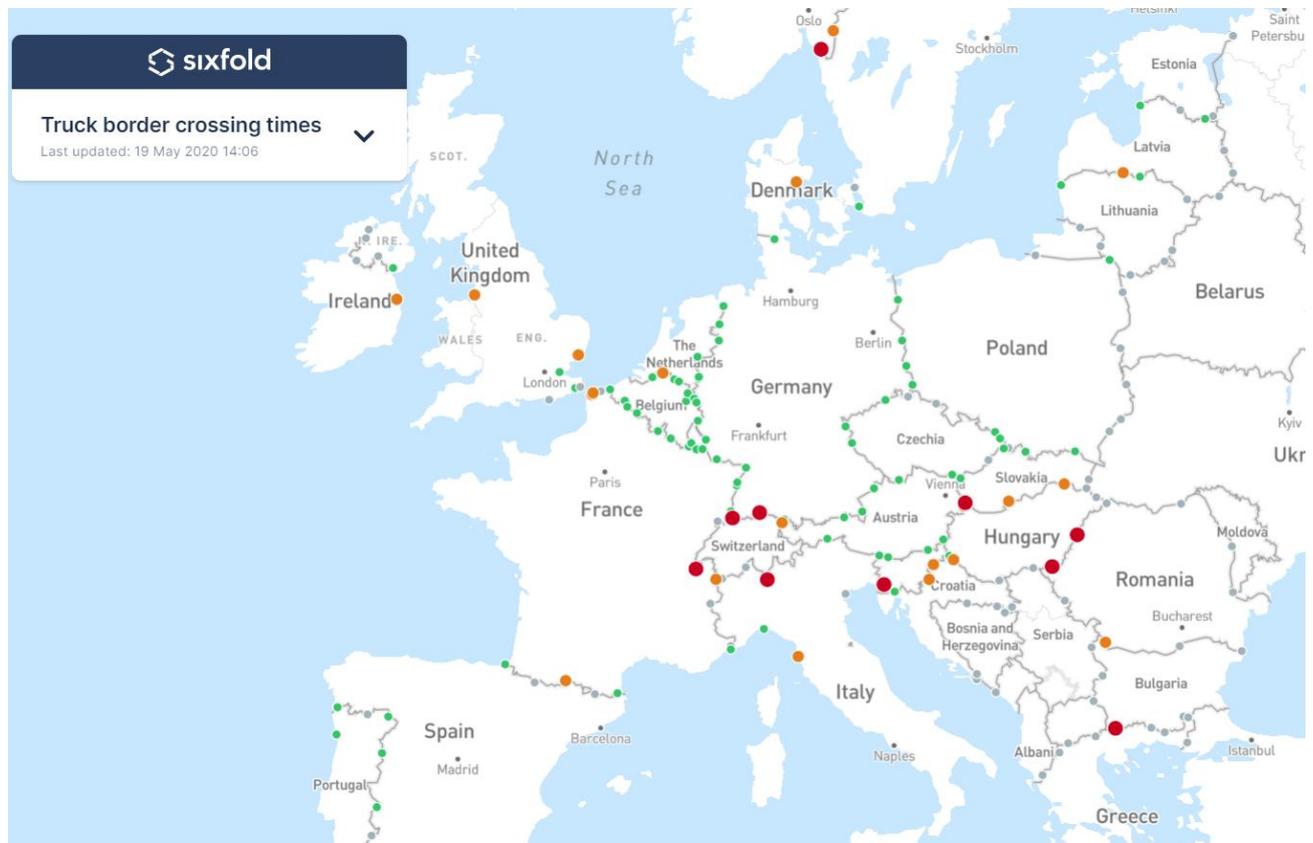


Figure 9: Sixfold website map with border crossing time (dated May 19, 2020)

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

Several EU travel restrictions remain in place, in the national governments' attempt to contain the spread of the coronavirus across Europe.

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

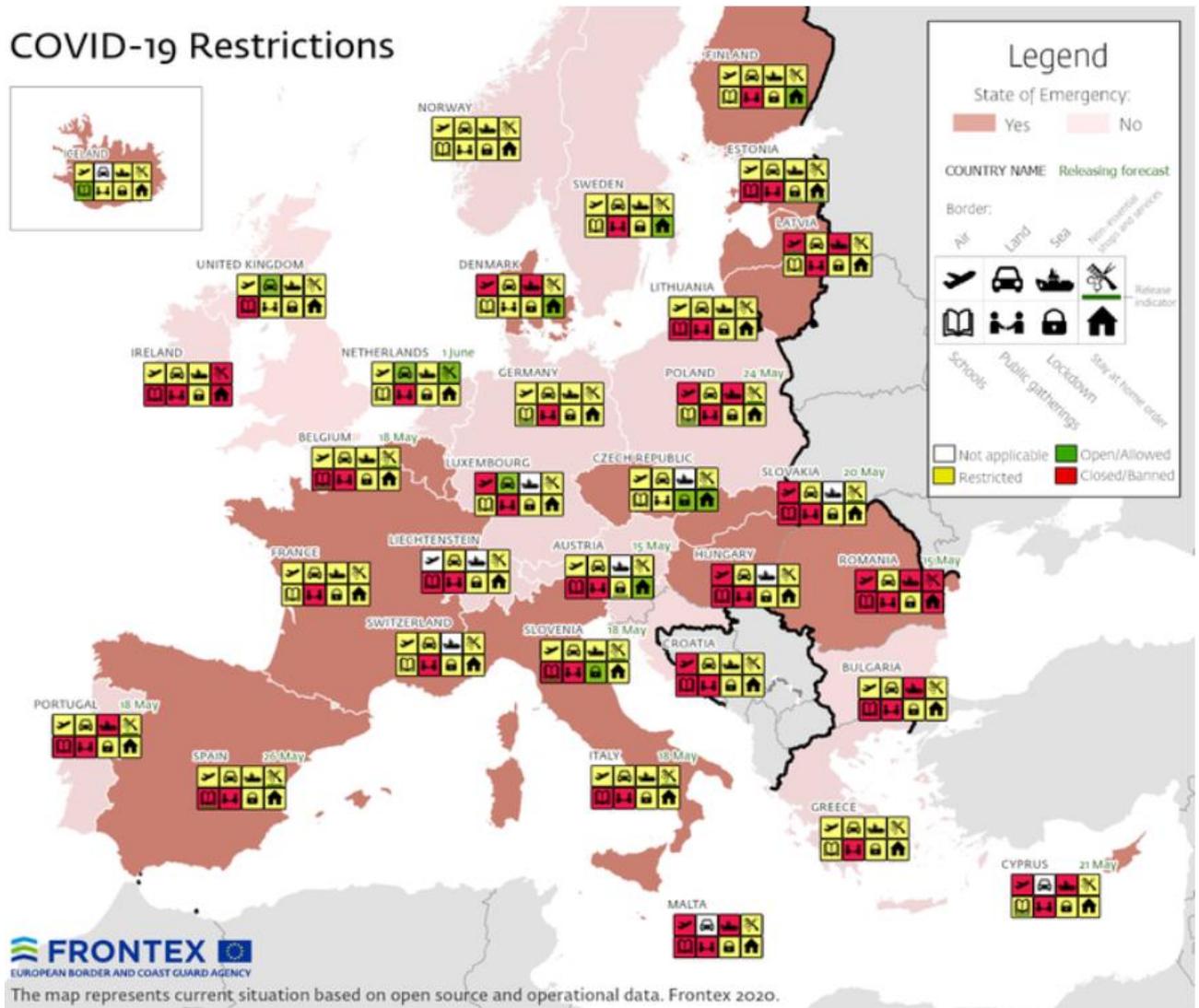


Figure 10: Restricted movement of people across the EU (dated May 14)



Current operational status of our branches

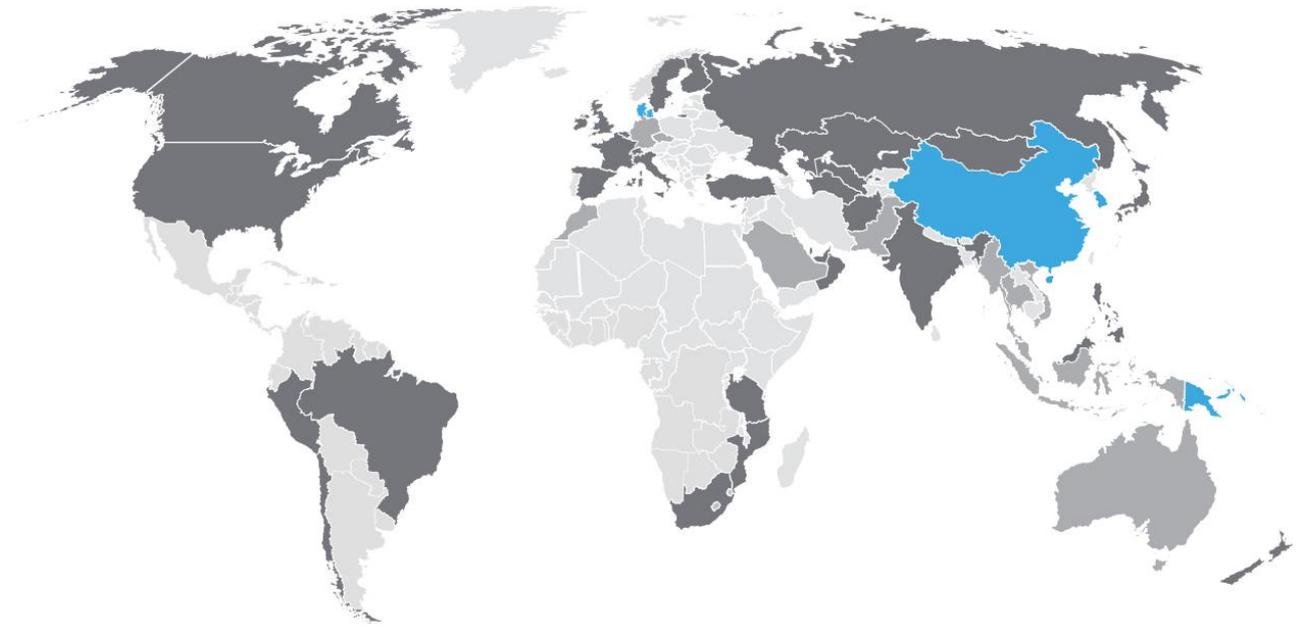


Figure 11: Current operational status of deugro branches (May 20, 2020)

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 of goods and essential items is priority. Certain measures taken in order to minimize the interruption and delay in supply chains 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, vessel space and equipment availability and reduced manpower. The implementation of peak season surcharges due to lack of sailings seems to be more common as vessel are fully booked.



Most passenger airlines continue to keep aircraft grounded and services suspended as long as air travel is able to provide safety measures for passengers. 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	16
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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 lock-down period
Denmark	<p>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.</p> <p>Increasing imbalance in markets are impacting the price and frequency for transport as well.</p>	<p>All ports are operationally, and deliveries are being made of containers related to ocean freight transport. Delays at customs 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.</p>	<p>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.</p> <p>All trade lanes currently operate on an ad-hoc basis only.</p>	<p>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. Talks about opening the borders to Germany and northern neighbors at the beginning of June.</p>
France	<p>No restriction but requiring additional booking notice</p>	<p>Terminals working almost normally.</p> <p>Vessels fully booked and new bookings require additional notice.</p>	<p>Airports are operating with limited capacity.</p>	<p>General lockdown lifted on May 11, now with partial lockdown until further notice.</p>
Germany	<p>The German borders are closed, but transport of cargo is still possible both nationally and internationally.</p>	<p>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.</p>	<p>Airports are fully operational, with cargo flights dominating the activities.</p>	<p>The German government is slowly lifting specific limitations, with shops opening and people returning to work. The travel warning for traveling outside of Germany is in place until June 14.</p>
Italy	<p>Domestic transportation is operational; manufacturing slowly returning.</p>	<p>Ports are fully operational. Increasing lack of equipment and rolling of bookings due to blank sailings.</p>	<p>Milan LIN is fully closed, and Milan MXP T1 is closed.</p> <p>Cargo air freight and limited passenger traffic is being transported from T2 Malpensa only.</p>	<p>From May 18, restrictions have started to be lifted and the stay home order eased, and many people are resuming work.</p>

<p>Belgium & The Netherlands</p>	<p>No restrictions to freight transportation, neither domestically nor cross-border.</p>	<p>Ports are fully operational, and some minor delays are to be expected due to COVID-19 measures taken at all terminals, special equipment needs two to three weeks pre-advise, and still containers carriers are fully booked due to the blank sailing policy of the past and current weeks.</p>	<p>Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.</p>	<p>Measures for the lockdown to be changed and milder starting on June 1, and working from home remains recommended by the authorities.</p>
<p>Russia</p>	<p>Currently, there are no restrictions on road freight.</p>	<p>Currently, there are no restrictions on ocean freight and port operations.</p>	<p>International air freight is temporarily shut down, for an indefinite period of time.</p>	<p>Government is slowly easing lockdown restrictions.</p>
<p>Scandinavia (Finland, Sweden, Norway)</p>	<p>No major disruptions in domestic or international road freight. Closed EU borders have resulted in longer transit times and are limiting ferry connections.</p>	<p>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.</p>	<p>Main airports remain operational with most passenger flights suspended, affecting the cargo freight sector. Because a main part of the cargo moves on passenger flights out of the region have been canceled by up to 90%, transit times are longer than normal. Finnair is converting wide-body passenger aircraft to partially full freighters and adding capacity, especially to China routes.</p>	<p>Finland and Sweden: Only social distancing in place. Norway: Lockdown is starting to be eased. Border crossings related to work are allowed.</p>
<p>Spain</p>	<p>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.</p>	<p>Ports are fully operational. Customs is working with reduced manpower.</p>	<p>Airports are operating with limited capacity. As part of the de-escalation plan to reopen the country, several airports are open for passengers to enter the country. Nevertheless, most passenger flights remain suspended; cargo flights remain operational. Customs is working with reduced manpower.</p>	<p>State of Alarm is declared and expected to be extended on May 20 for the rest of the month.</p>
<p>UK</p>	<p>Domestic and cross-border transportation are operational, albeit at a premium cost for collections and airport transfers.</p>	<p>Ports are fully operational but facing congestion and bottlenecks at loading facilities. Warehouse space is scarce.</p>	<p>Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.</p>	<p>The government announced step-by-step ease of lockdown rules. Review of status on June 1.</p>

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
Brazil	No restrictions inside the country for commercial traffic. Restrictions at boarders due to customs authorities. Customs authorities are giving preference to essential items like pharmaceutical or 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 amount of passenger flights had been suspended. Cargo flights remain operational in VCP – Viracopos airport as well as Galeao.	São Paulo and Rio de Janeiro are under lockdown until June 1.
Canada	No restrictions on road freight. Borders to USA remain open to commercial traffic only. Non-essential travel not permitted. Can be challenging to find drivers willing to haul freight to/from USA.	Ports are fully operational. Canada customs is working and no capacity issues have been reported.	Airports operating with limited capacity. Passenger flights mainly suspended. Cargo flights are limited, and schedules/services are changing regularly.	Lockdown continues country-wide. Various provinces have different plans to start reopening. Any non-essential services to work from home.
Chile	Close of land borders for transit of people, but open for general cargo to/from Peru, Argentina or Bolivia. Implementation of sanitary customs from Coquimbo to the north (Arica, Antofagasta, Iquique, etc.) and in Aysen and Magallanes regions (south). Local transport of cargo is allowed but with the usual sanitary measures (controls, use of masks, shift systems, etc.)	Close of ocean borders for transit of people, but open for general cargo. No impact on income charges. No impact on shipping companies; there exists shift systems.	Airports available for cargo transfer. Closure of airports for local passenger transport. Commercial cargo flights are not operational. Freighter flights are operational.	Curfew decreed from 10 p.m. to 5 a.m., with possibility to obtain special permission for cargo transport, to guarantee the production and supply chain. The city of Santiago remains under full quarantine until May 22.
Peru	Road freight (only for cargo for import/export) is being provided with some restrictions and to be scheduled from 4 a.m. to 8 p.m. Cargo must get customs form to support their origin; drivers must show their trucking company work certificate.	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 24 (at the earliest), with curfew in place from 6 p.m. to 5 a.m.
USA	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

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

Country				Latest lock-down period
China	<p>No restrictions on road freight. Borders to Mongolia, Russia and CIS remain open to commercial traffic. But delays are to be expected, especially for China–Russia border.</p> <p>Cross-border rail freight remains operational.</p>	<p>FCL: Ports are fully operational, and business can be described as normal. Except for still frequent blank sailings and occasional lack of equipment, which is to be checked case by case. We recommend two weeks' pre-notice for space and equipment bookings.</p> <p>Breakbulk: Ports are fully operational, and until now we do not see any negative impact on vessel and space availability. Except westbound sailings, which have seen a small decrease in frequency.</p>	<p>International air travel to and from China remains heavily reduced, which still has a severe impact on air freight capacities. However, over the past weeks we have seen a gradual increase in air freight capacity. Nonetheless, we recommend at least two weeks' pre-notice and recommend managing customers expectation in regard to service reliability and rate levels.</p>	<p>China is back to "normal" for almost one month. We see occasionally COVID-19 outbreaks, but those are usually contained within city district lockdowns, e.g. as currently in Shenyang.</p>
India	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>A total lockdown and curfew have been imposed until May 31.</p>
Indonesia	<p>While a "Mudik" travel ban is in place in Indonesia until June 1, this impacts private transport only. Cargo transports and logistics are not impacted as of yet. However, delayed transit times must be expected if transport has to pass roadblocks.</p>	<p>Ports remain fully operational. While a health check for crew is conducted for each arriving vessel prior berth, this has not caused delays in berthing so far. Customs activities are ongoing, with reduced physical activity. So far, carriers are open for bookings.</p>	<p>The travel ban has further reduced air schedules, also impacting schedule availability for cargo. Major airports are operating at 20% capacity only.</p>	<p>Lockdown is in place throughout Indonesia until June 1. The government is planning to extend it, as necessary.</p>

<p>Japan</p>	<p>No restrictions on local transportation have been issued yet. Many goods manufacturers have suspended their production lines or reduced them due to staff shortages.</p>	<p>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.</p>	<p>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.</p>	<p>Japan was lifted its state of emergency for about 80% of the prefectures ahead of schedule. The Japanese government will consider lifting the declaration for the rest of the country, including Tokyo, Osaka, and Kobe, by May 21.</p>
<p>Malaysia</p>	<p>No restriction for road freight within the country. Cross-border traffic between Malaysia – Singapore is open for commercial traffic.</p>	<p>Ports are fully operational. Increasing lack of equipment and rolling of bookings due to blank sailings.</p>	<p>Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights operational.</p>	<p>Malaysia's movement control order (MCO) has been extended for a further month until June 9.</p>
<p>Myanmar</p>	<p>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.</p>	<p>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.</p>	<p>International airport closure extended until May 31. Relief and emergency cargo flights will be allowed for landing. Domestic flights to major cities will be operated depending on passenger demand.</p>	<p>Lifted lockdown restrictions at low-risk townships. The other townships regulations and restrictions will be extended to May 31.</p>
<p>Singapore</p>	<p>No restrictions for cargo delivery or collection. Manpower and number of trucks limited to operate by each company until June 1.</p>	<p>Container depots are fully functional with no disruption. Container terminals are in operation, with minor disruptions in some of them due to shift work. There has been no major delay in operation. Blank sailings from Asia to USA, North Europe, India and Middle East. Vessels in intra-Asia trade are stable.</p>	<p>Airport are operating with limited capacity. Out of four terminals, two are closed. As most countries' borders are closed or opening up slowly, flight movement is limited. Increase in flight operations is expected from June onwards, since the Singapore government is talking to some countries to allow essential travels. Rates offered by airlines are spot/express rates.</p>	<p>Still under lockdown until June 1.</p>
<p>South Korea</p>	<p>There are no specific restrictions for inland trucking within South Korea.</p>	<p>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.</p>	<p>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.</p>	<p>No lockdown in place; South Koreans are slowly returning to work.</p>

<p>Thailand</p>	<p>No restrictions 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.</p>	<p>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.</p>	<p>All passenger flights have been canceled until end of June, when the government will announce further instructions. Only cargo planes are allowed entrance. Shortage of cargo space during this time. Increase in prices and fees experienced. RPE is required for these areas.</p>	<p>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.</p>
<p>Vietnam</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>Lockdown restrictions have been slightly lifted, and businesses are resuming work. The government has advised all citizens to return to normal routine for economy recover. But need to execute the precautionary measures, i.e. wear masks in public areas.</p>

Middle East

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

Country				Latest lock-down period
Saudi Arabia	Currently, road freight is executed without facing major restrictions, but with heavy delays as drivers need to undergo COVID-19 testing at entry point before entering the country.	Ports are operating normally, but labor shortage of stevedores and customs officials are causing delays.	Airports are operating with limited capacity. Passenger flights completely suspended; cargo flights operational.	As per government directive, the curfew has been relaxed and people are allowed to move between 9 a.m. and 5 p.m., but certain areas are under 24-hour curfew and this will continue until May 22. From May 23 to 27, a 24-hour curfew across the country is in place, after which all offices in the public and private sectors shall, as per current indications from the government, be back to full strength starting on May 31.
UAE	Road for cargo movements is open for Oman only. Rest borders are remaining closed for road movement the cargo until further notice.	Jebel Ali port remains operational with reduced timelines only for commercial and administrative staff due to Ramadan, gate and vessel operations running for 24 hours. Abu Dhabi seaports are operational with limited staff. Equipment availability in UAE is normal; shortages have not been noticed from carriers. Rates from Asia to Middle East are rising again after short decline in the previous week. Carriers are pushing GRI on the back of reduced capacity.	No major changes so far. Rates offered by the airlines are still on a higher level, both for passenger flights converted to freighters and for the main freighters. Space allocation is a major challenge due to the fewer flight services operating. Abu Dhabi airport is operational with limited staff.	From May 2020 onwards, sanitation measures in the UAE will be back from 8 p.m. to 6 a.m. and will remain in place until further notice. Eid al-Fitr (Festival of Breaking the Fast) is expected to be from May 22 to 26, which dates are just an estimation. The exact dates are subject to the official government announcement. Businesses allowed to have 30% staff working in the offices as before.
Oman	No restrictions on road freight as of yet. Borders to UAE remain open to commercial traffic, but we have seen slower clearance process, which has further reduced	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	Airports are operating with limited capacity. Passenger flights suspended, cargo flights operational.	Currently only lockdown in Muscat in place until May 29 along with several police checkpoints across the country

	since Ramadan started last week.	reduced manpower. Ramadan started leading to further slowdown in operations. Electronic Delivery Orders introduced recently by carriers.		limiting travel between cities to commercial activities.
Qatar	International road freight is not permitted due to the blockade and resultant restrictions. Trucking within Qatar so far normal, though shortage of trucks due to drivers laid down with corona is an issue, thus requiring advanced planning as far as possible.	Ports are operational, with no impact as of now. Liners have seen major disruptions on their sailing schedules. At least 25% of scheduled calls have been missed so far in the month of May.	Airports operational only for cargo. However, with the limited options available for Qatar (on QR and TK), air freight requires advance bookings, and rates are volatile, 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. However, part of the industrial areas are still closed. deugro Doha will be closed for Eid on May 24–26. Government holiday: (12 days) (dates are subject to change by the government) from May 19 to 30, and the first working day will be May 31.

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
South Africa	<p>All borders are open across Sub-Sahara Africa, allowing cross-border movement on an import/export basis. We have noticed that clearances maybe delayed due to customs checking all the documentation being correct at time of the movement in line with each country's requirement.</p>	<p>South African ports are operating 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 ports from congestion. During the past weeks, we have seen more and more items on the import side being added to the essential items lists, which is allowing more deliveries to take place from the nominated shipping line depots to our clients. Unfortunately, the concession that was in place in April with regards to the shipping line storage charges is no longer in place in May and our clients are feeling the effect of this.</p> <p>On exports, the list of essential cargo that maybe exported has increased allowing us with the correct documentation to start exporting more cargo.</p>	<p>Airports are operating with limited capacity. Passenger flights mainly suspended; cargo flights limited and dependent on cargo volumes.</p> <p>Air freight imports: Due to the extremely high per kg rate, we are seeing a drop in volume.</p> <p>Air freight exports: We are finding that the airlines are working either on market rates, temporary rates or quoting shipment by shipment only dependent on the airline. Per kilogram rates have increased dramatically, with South Africa to USA being the worst affected with rates over 10 US dollars per kilogram.</p> <p>We are receiving daily updates from airlines on which destinations they are flying to and their current flight schedules on hand.</p>	<p>South Africa moved to Level 4 on the May 1, which has opened up more of the economy and allows our clients to operate with limits being still in place, with essential and non-essential lists being in place. deugro is operating under the strict guidelines with 30% of our workforce being allowed on site and the rest working from home.</p>

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

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
- www.tradewindsnews.com
- www.xeneta.com/blog
- www.theloadstar.com
- www.worldmaritimenews.com
- www.hellenicshippingnews.com
- www.lloydslist.maritimeintelligence.info

Ocean freight – Global port restrictions map

- www.wilhelmsen.com/ships-agency/campaigns/coronavirus/coronavirus-map/

Ocean freight – Equipment availability

- www.container-xchange.com

Road transportation – General updates

- www.iru.org/

Air freight – General updates

- www.aircargonews.net
- aircargoworld.com
- www.aircargoweek.com
- www.aerotime.aero
- www.tacindex.com/

Oil and fuel prices

- www.shipandbunker.com
- 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 18-20, 2020

– End –