



Coronavirus (COVID-19) Impact Report



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Coronavirus (COVID-19) Impact

Update 10 | June 17, 2020

This is the tenth deugro group COVID-19 update, focused on the changing impacts the virus is having in terms of global logistics and supply chain activities. This will be the last report issued in this format. Updates will be available to subscribers through our website.

Since the last report, issued on June 4, the total number of recorded infections has continuously increased further. According to Johns Hopkins University, on June 4 there were 6.3 million cases recorded globally; today, that number has risen to over 8 million. The USA continues to have the highest number of confirmed cases, with over 2.1 million recorded. This is followed by Brazil (+923,000), Russia (+552,000) and India with a steep incline in cases over the past weeks, amounting to nearly 355,000 confirmed cases. A new outbreak of infections in Beijing over the past days compelled China to close down large parts of society again in fear of a second wave of infections. However, despite the continued rise in infections, considered the "first wave," an increasing number of countries are easing their COVID-19-related lockdowns and are gradually reopening their economies, schools and businesses.

The container and breakbulk sectors are two of the most affected by the impact of COVID-19. There are echoes of the 2008/2009 financial crisis that sent global trade volumes down more than 10%, ushering in a period of severe competition between major shipping lines, which quickly adjusted capacity to demand by canceling and reinstating voyages. Although breakbulk carriers continue to struggle to fill their vessels, we are noticing a steady improvement in breakbulk freight rates in June. The Baltic Dry Index has continued strengthening this month amidst rising optimism and increasing demand.

Air freight rates and capacity both slightly declined last week as demand for the transportation of personal protective equipment continues to slow. This has allowed rate levels to stabilize during the ongoing pandemic. Despite some countries reopening their borders, future passenger demand, quarantine rules and new measures for flights and airports are crucial factors that will influence the development of the global air freight industry in the coming weeks.

A resurgence in infections in China and rising numbers in the south of the USA have prompted new concerns in the global stock markets, with oil prices down more than 10% in less than a week, posing renewed threats to the global economy.

Steady project investments are being made in the renewable and infrastructure sector, with the former gaining traction for investment globally. In the last two weeks, we have witnessed national and international oil companies slashing capital expenditure and postponing or canceling investment in capital projects on all continents. We have also seen some of these companies accelerate their transition toward inclusion of the renewables sector into their future strategies.

Sadly, the pandemic has resulted in significant job losses across all industries worldwide. Consequently, project evaluations and awards have slowed in pace. The overall impact on the shipping and logistics industry cannot be underestimated. We must adapt to our clients' changing needs and strategies while selectively investing in people and tools to meet or exceed fluid expectations.

Our number one aim remains the safety and health of our employees, clients and partners. While we see positive steps with several countries relaxing their lockdown rules and encouraging people to return to work, we remain cautious and continue to implement a risk-assessed program for returning to the office.

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

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 container and breakbulk sectors are two of the most affected by the impact of the COVID-19 pandemic on the global economy. Evidence of the disruption to world trade is stark: Sailors are stranded on ships due to COVID-19 travel restrictions, while containers loaded with consumer goods are arriving in western ports from Asia just as consumer demand in Europe and the USA is evaporating. There are echoes of the 2008/2009 financial crisis that sent global trade volumes down more than 10%, ushering in a period of severe competition between major lines. However, the shipping industry seems to be navigating well through this storm.

The carriers have been agile in terms of adjusting capacity to demand. Shipping lines have cancelled voyages, known as “blank sailings,” on a record scale in an attempt to keep freight rates high. Now, with the easing of lockdowns in many countries, there has been a slight increase in demand for goods in Europe and the USA. In some instances, carriers are even canceling the blank sailings originally announced in order to meet the rising demand.

Although breakbulk carriers continue to struggle to fill their vessels, we are noticing a steady improvement in the breakbulk freight rates in June. The Baltic Dry Index has continued strengthening this month amidst rising optimism and increasing demand.

Commercial overview – Containers

In the middle of June 2020, there appears to be a positive development in economies gradually coming out of lockdown. With the continuing increase in demand for goods, container carriers are reviewing their blank sailing schedules, freight rates and capacity.

The global container trade is still heavily impacted by the disruption to the world economy, by consumer activity and demand for goods. Although we see some improvement in demand for goods this month, the long-term recovery may still be some way off.

Container freight rates continue to strengthen in June. The gradually increasing demand for container freight and the blank sailings introduced by most carriers are keeping freight rates high. The increased demand has already led to high utilization figures and, in some instances, cargo is even being rolled.

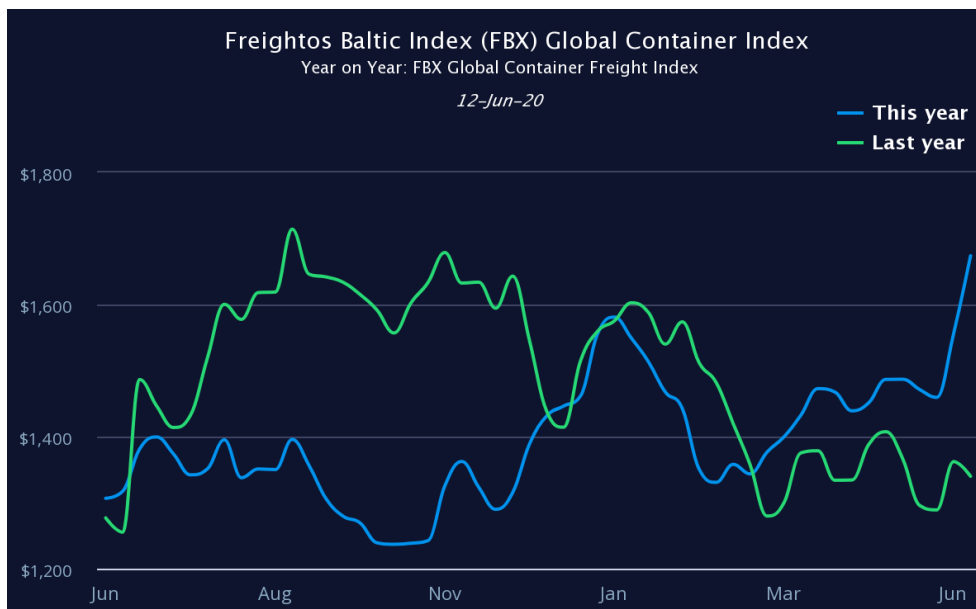


Figure 1: Year-on-year FBX Global Container Freight Index

The Freightos Baltic Global Container Index™ (FBX), as shown in Figure 1, has fallen in 2020 but remains higher than a year ago. The FBX is a set of indices that reflect ocean container transport spot freight rates across 12 global trade lanes.

According to analysts, the new-found price discipline among container lines is the product of consolidation and greater collaboration over the past five years. Today, a smaller number of larger lines operate under three main alliances: 2M, Ocean Alliance and THE Alliance, allowing companies to share space on vessels and more easily reduce services.

But six months on from the outbreak of the virus in China, and with global unemployment spiraling upward, shipping industry analysts are raising the question as to whether the industry can resist repeating a vicious price war that eventually followed the financial crash and peaked in 2015/2016.

According to a recent publication in the *Financial Times*, the global container trade is forecast for its biggest contraction on record.

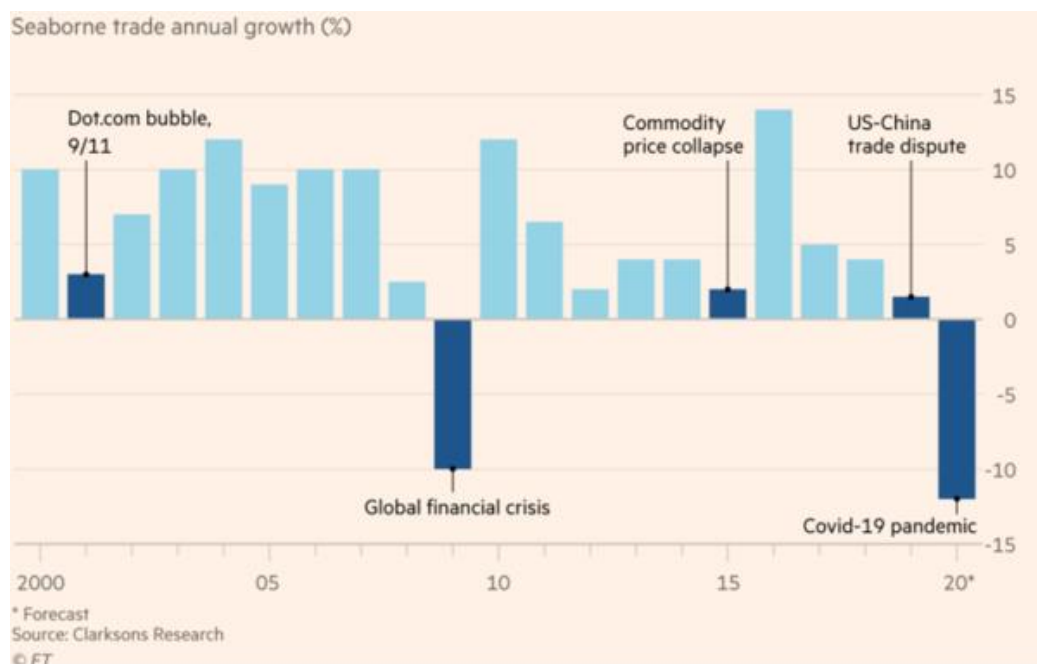


Figure 2: Global container trade contraction forecast

Idle container ship capacity and blank sailings

In recent weeks, we have observed that demand in some regions is picking up again as the worst of the pandemic mitigation measures begin to ease. In Europe and the USA, container import volumes are starting to show signs of revival.

Many carriers took record levels of capacity out of service at the beginning of the COVID-19 pandemic in order to address the huge drop in volume across major trades globally without the need to reduce freight rates. Idle ship numbers are currently higher than ever. New figures show that container lines are expecting volumes to remain low at least through the third quarter of 2020 and are continuing to adjust their sailing schedules accordingly.

According to Drewry's Cancelled Sailings Tracker, 14 sailings have been withdrawn on the Transpacific, Transatlantic and Asia – North Europe / Mediterranean trades in week 28 (July 6 to July 12), double that which was announced for week 27. This brings the total cancellations for the first half of July to 21, against 232 scheduled sailings (8%).

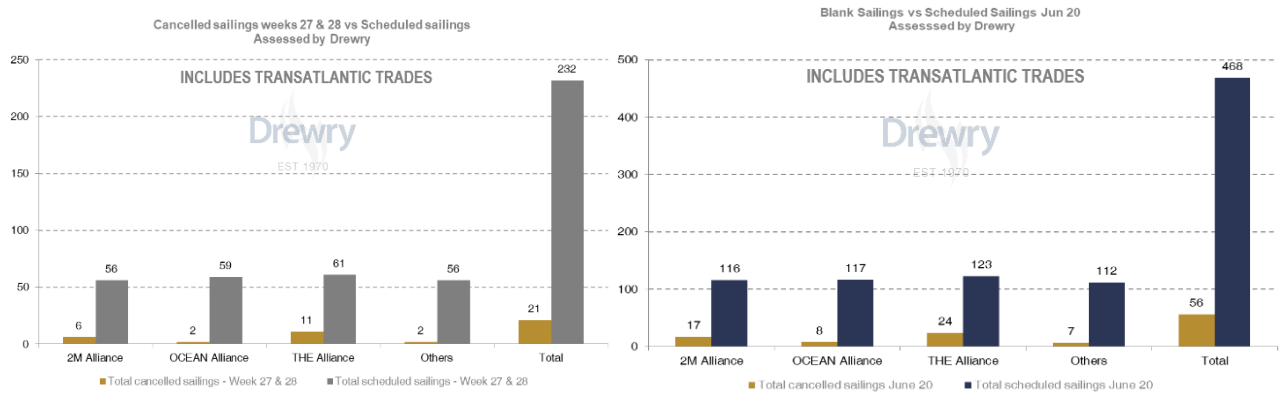


Figure 3: Blank sailings vs. Scheduled sailings by major carriers (source: Drewry Cancelled Sailings Tracker)

Blank sailing numbers are likely to increase moderately after showing some sign of recovery in June. The major cancellations remain on the Transpacific and Asia – North Europe / Mediterranean trade.

Carriers are being prudent and do not expect a summer peak season. They have opted to adjust and align capacity to demand, rather than resuming blank sailings and running with overcapacity.

deugro group 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 that projects' required on-site dates are met.

Breakbulk and chartering

The COVID-19 outbreak continues to disrupt the demand and supply side of the dry bulk market this year. In the middle of June 2020, despite the uncertain outlook and tonnage imbalance in this sector, we are starting to see optimism return to the market.

The Baltic Exchange Dry Index (BDI), which tracks rates for Capesize, Panamax and Supramax vessels that ferry dry bulk commodities around the world, continues its upward momentum in June, strengthening above 950 for the first time since January 2 amid rising demand for vessels as economies continue to gradually relax lockdown restrictions. The Baltic Capesize Index rose to its highest since December 24, after China's crude steel output hit a new record high in May. The BDI slumped to below 400 points for the first time in more than four years in the week ending on May 15 as the coronavirus-led global lockdowns hit demand and movement of freight.

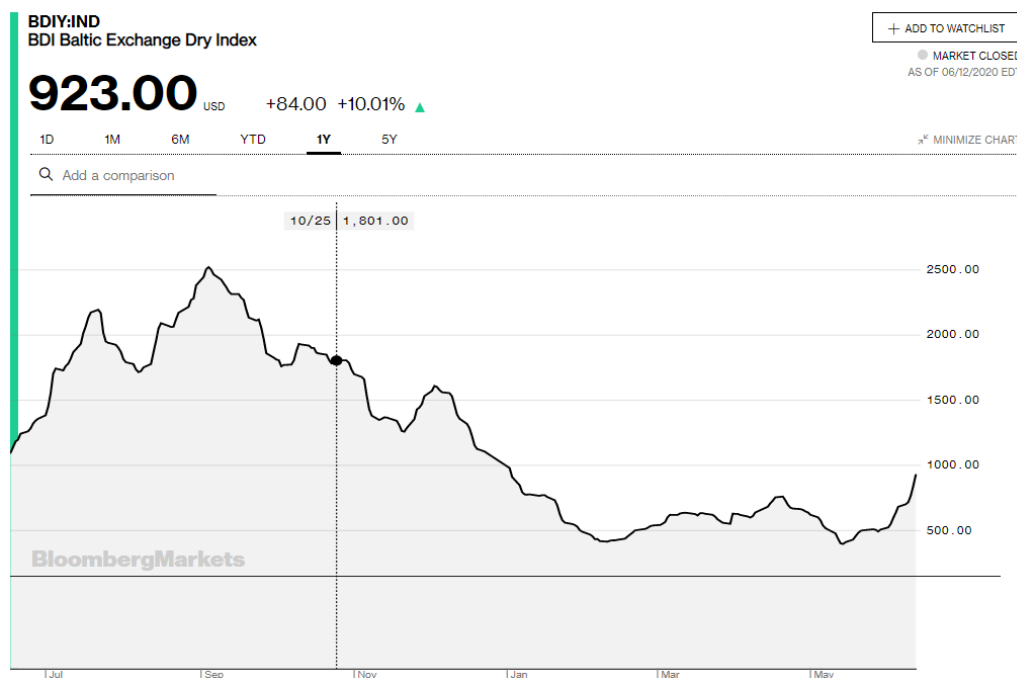


Figure 4: Baltic Exchange Dry Index (source: Bloomberg)

The BDI has risen on the back of stronger Capesize earnings, which have more than doubled so far in June. Panamax earnings have also improved significantly since late May.

What we are observing on the operational side is that the traveling of seafarers and supercargo is still very limited. Even if supercargo and surveyors make it to the ports, access to the vessels is very limited.

Countries across the world have imposed lockdowns, shut borders and suspended international flights to curb the spread of the new coronavirus. The move was deemed essential to prevent rampaging contagion, but merchant ship crews have become unintended collateral damage.

Two UN bodies last week repeated urgent calls to quickly resolve the humanitarian crisis unfolding on ships across the world, stressing the need for governments to promptly allow crew changes. In a joint statement, the United Nations Conference on Trade and Development (UNCTAD) and the International Maritime Organization (IMO) warned that for humanitarian reasons, crew changes cannot be postponed indefinitely. Access to medical care for sick and injured crew and to medical prescriptions must also be provided.

The joint statement highlighted that in the longer term, some of the measures to confront the coronavirus crisis may offer other important benefits, such as encouraging further investment in digitalization and advancing efforts to improve ships' energy efficiency and to reduce greenhouse emissions from shipping.

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 ships' 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 5: 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, has caused container equipment imbalance in ports worldwide.

This week, we are starting to notice a gradual improvement in container availability in some ports in Europe and the USA.

The figure 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 23 is the resumed lack of availability of 20' GP and 40' HC containers in Shanghai, and lack of availability of all types of containers in Singapore and India. The availability of containers is gradually returning to Europe, with 40' GPs/HCs becoming available in most ports. We are also noticing resumed availability of 20' and 40' GPs in 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 6: Calendar week 25 | 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)

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



Air freight overview

For the third consecutive month, the global air freight industry is enduring restrictions caused by the impacts of the coronavirus pandemic. With more than 90% of international passenger flights slashed, the market has seen severe lack of capacity resulting in a sharp pricing increase, which was also caused by the massive demand for urgent transportation for personal protective equipment (PPE) and medical supplies.

Capacity

The air freight sector has attempted to adapt to the COVID-19 crisis by converting passenger aircraft to freighters; in some cases, this involves the removal of seats for extra capacity. A high workload was prevalent up to June 2020 due to the high demand for PPE transportation and high market volatility. According to Accenture's Seabury Consulting, some air carriers have started to reduce their number of all-cargo passenger flights as a result of lower demand for PPE shipments and a growing demand for consumer goods, as several countries ease lockdown measures.

However, it is expected that the air freight market will take longer to return to normal, since significant adjustments need to filter through after the drop in operational passenger aircraft service. Overall air freight capacity is now at its lowest level since the start of May. Air cargo capacity is 27% lower than this time last year.

Most international airports are operational, but remain focused on cargo handling activities following the broad suspension of international passenger travel, with more two thirds of fleets grounded and services largely overbooked, also impacting handling activities at the airports.

Rates

Over the past months, rate increases of up to 200 to 300%, compared to the pre-COVID level, have been witnessed; however, now rates are gradually declining as the demand for PPE slows down. As a result, it is expected that carriers will start to reduce their number of all-cargo passenger flights.

Despite the decline in air freight rates, it is important to note that on many lanes, especially from Asia Pacific to Europe and North America, the rates are still high compared to their levels at the same time last year.

Because markets will need time to recover, for most airlines air cargo is expected to become a more important aspect to their business in 2020, especially since revenues are forecast to hit near-record levels, according to the latest IATA market outlook.

The airline association said that cargo volumes will decline by 16.8% this year to 51 million metric tons, but a severe shortage in cargo capacity due to the unavailability of belly cargo on (grounded) passenger aircraft is expected to push rates up by some 30% for the year, compared to the previous year's rate levels.

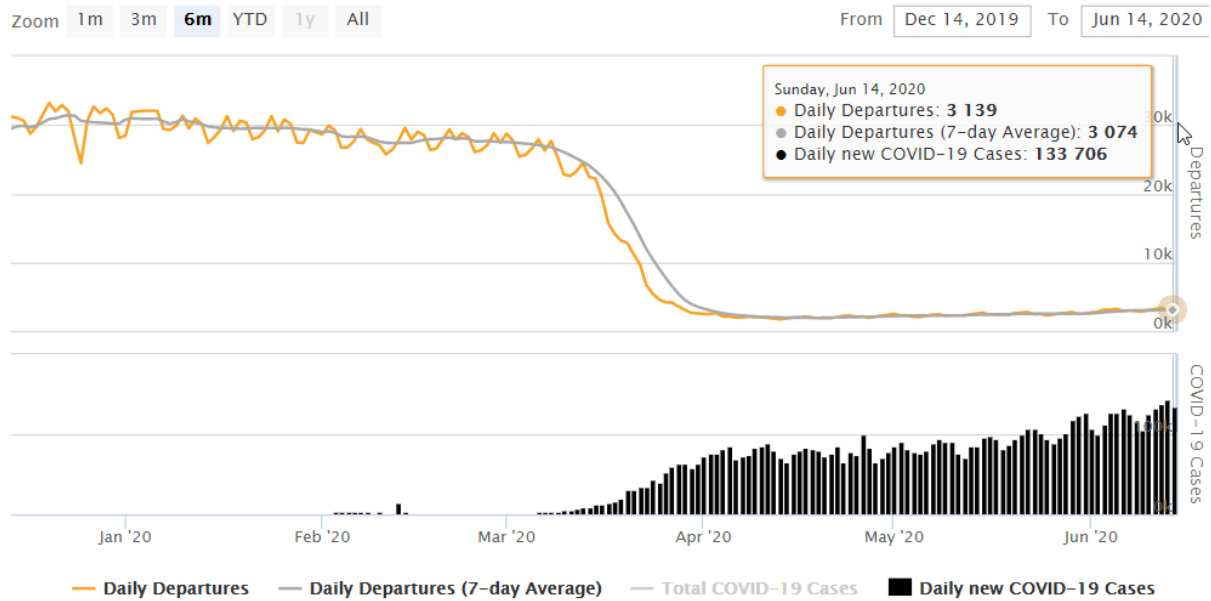
As a result, IATA predicts that cargo revenues will reach a near-record 110.8 billion US dollars in 2020, up from 102.4 billion US dollars in 2019. As a portion of industry revenues, cargo will contribute approximately 26%, up from 12% in 2019.

In order to return to safe flight operations, many airports are implementing measures such as requiring front-line employees to wear PPE, placing additional hand sanitizer stations throughout airport facilities, enhanced cleaning and sanitation, and implementing airport-wide physical distancing for the protection of passengers. Some airports have also adopted temperature checks as a health screening measure.

The UN agency International Civil Aviation Organization (ICAO) has reported a slow increase in departures since the global grounding of the majority of aircraft fleets, despite the pandemic not having reached its peak of new infections in several countries.

World

Daily number of Departures and COVID-19 Cases



Source: IACO.int – Global COVID-19 Airport Status – 6 months of flight traffic (all kinds of traffic). The COVID-19 cases per day are integrated for information only and are sourced from the European Centre for Disease Prevention and Control (ECDC).



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 have been closed over the last couple of months to all but essential travel. With decreasing COVID-19 cases in Europe, the restrictions are starting to be lifted between some EU countries.

Cross-border trucking of cargo remains possible to allow keeping supply chains open.

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

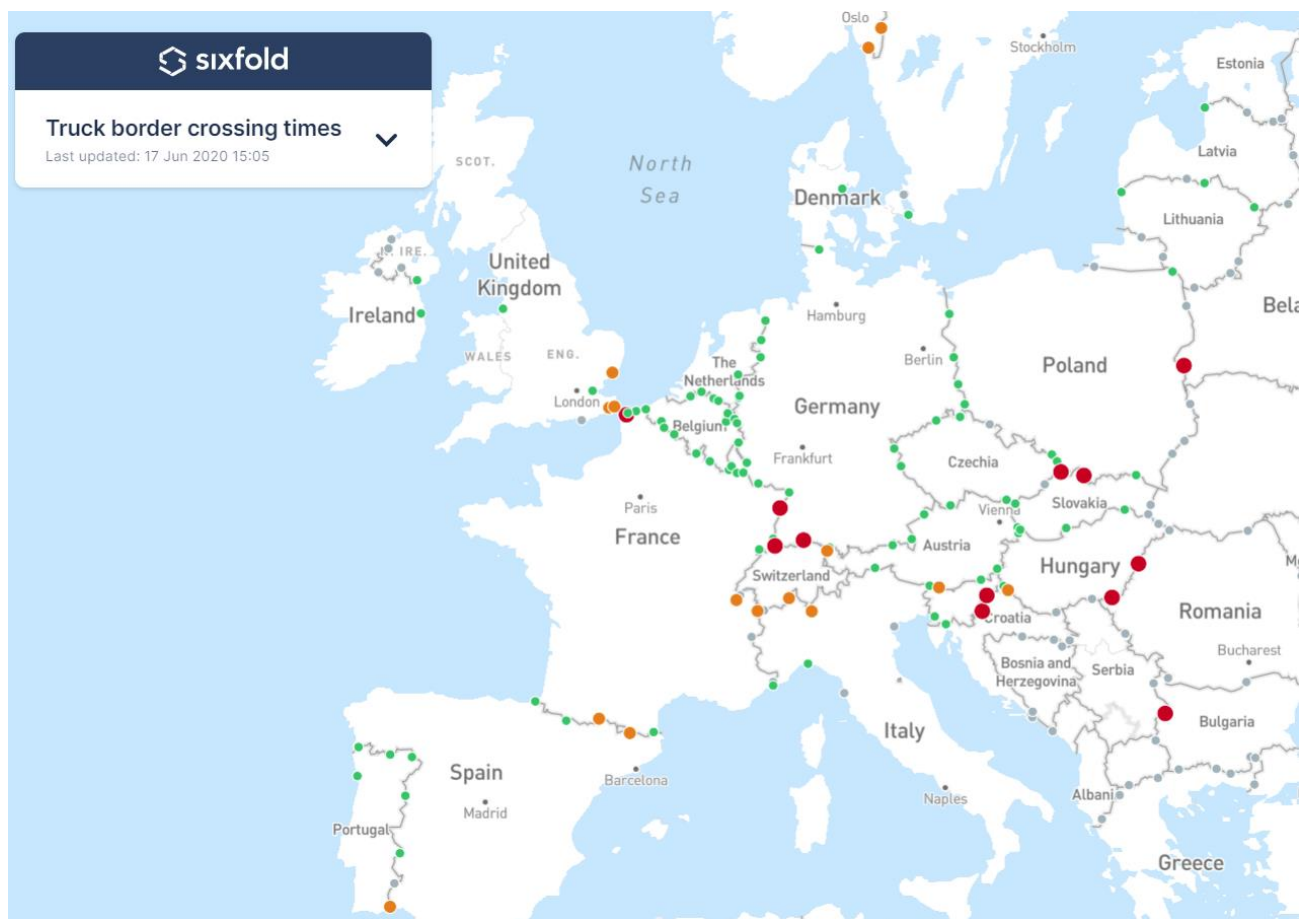


Figure 7: Sixfold website map with border crossing time (dated June 17, 2020)



Current operational status of our branches

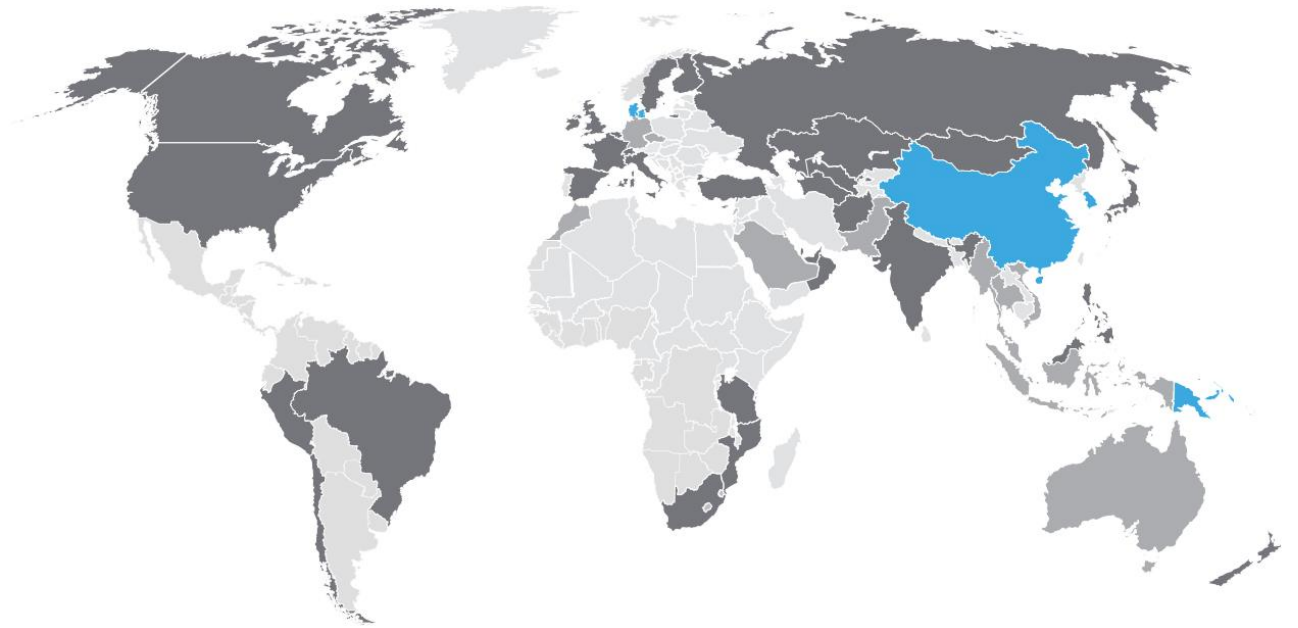


Figure 8: Current operational status of deugro branches (dated June 16, 2020)

Dark Gray – Branch operational, personnel working remotely from home

Medium Gray – Branch operational, staff on rotation

Blue – Branch operational, with required measures in place

The overall number of COVID-19 cases continues to rise in many of the countries where we have operations and personnel, but we have seen a significant drop in active cases per million in some of our branch locations.

The USA continues to lead the trend with over 2 million confirmed cases, followed by Brazil, Russia, India and the United Kingdom.

Although deugro has 12 offices back at full capacity, all our branches remain diligent in watching COVID-19 cases and following local or federal regulations and government guidance.



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:



The flow of goods and essential items remains the priority in the majority of countries. Increased border controls are impacting supply chains and having 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 as well as reduced manpower in ports and customs offices.



Most passenger airlines continue to keep aircraft grounded and services suspended as long as air travel is able to provide safety measures for passengers. Cargo shipments remain the main source of income for most carriers.

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




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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	The Danish borders are now open to Germany, and transportation of cargo is still possible both nationally and internationally. In general, there could still be delays at the borders and additional time for transports should be expected. An increasing imbalance in markets is impacting the price and frequency of transport as well. Especially for imports from southern Europe do prices seem to be increasing.	All ports are operational, and deliveries are being made of containers related to ocean freight transportation. Delays at customers for loading/unloading should be expected. An increase in rates in general due to a 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 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 at work, but all are using preventative measures for minimizing risk exposure as their physical surroundings allow them. Borders to Germany, Norway and Iceland will open to the general public on June 13. The rest of the EU will remain closed throughout the summer period.
France	No restrictions in place, but requiring additional booking notice.	Terminals working nearly to normal. Vessels are fully booked, and new bookings require additional notice.	Air traffic is resuming partially, but is still unstable with limited capacity and short rate validity. This is requiring longer notice to get space and quick decision-making to secure booking confirmation.	A partial lockdown is being lifted on June 15. The d.PAR RTO plan is being progressively implemented.
Germany	No general loading bans in Germany.	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). Rates remain at a high level.	Airports are fully operational, with cargo flights dominating the activities.	The German government has lockdown and travel restrictions to European countries. Businesses are slowly returning to office-based work.
Italy	Domestic transportation is operational; manufacturing slowly returning.	Ports are fully operational. Carriers continue the rolling of bookings due to blank sailings and fully booked services at this point.	Milan Linate and Milan Malpensa Airports have re-opened, with passenger flights resuming operations.	Stay at home order has been lifted and many people are resuming work. deugro Italy (MIL and ROM) is returning to the office on a rotation basis.

<p>Belgium and The Netherlands</p>	<p>No restrictions to freight transportation domestically and 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 requires two to three weeks' prenotice and container carriers are still fully booked due to the blank sailing policy of the past and current weeks.</p>	<p>Airports slowly increasing their activities, with commercial flights gradually returning; therefore, an increase in capacity can be expected.</p>	<p>Measures for the lockdown have been eased and borders to neighboring countries are now open. Working from home remains recommended by the authorities.</p>
<p>Russia</p>	<p>Currently, there are no restrictions to road freight except for the inland border with China, which is almost completely shut down for trucking. Chinese authorities are trying to limit the virus spreading from Russia and Central Asia back to China. Crossing the border is extremely difficult or not possible, subject to the actual crossing point.</p>	<p>Currently, there are no restrictions on ocean freight and port operations.</p>	<p>International air freight is temporarily shut down.</p>	<p>Government is slowly easing lockdown restrictions.</p>
<p>Scandinavia (Finland, Sweden, Norway)</p>	<p>Domestic and international road freight is moving normally in all Scandinavian countries. There might be some delays at border crossings due to additional checks, and longer transit time in international trucking is also expected due to limited ferry connections available (latter concerning mainly Finland).</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. Equipment imbalance is affecting transit times. No general GRI/PSS announcements specific for Scandinavia, but the announcements given by carriers from main ports also affect Scandinavia. Rate levels remain unstable.</p>	<p>The main airports remain operational with most passenger flights suspended, affecting the cargo freight sector. Because most cargo is transported on passenger flights out of the region, and up to 90% of these are canceled, transit times are longer than under normal conditions. Finnair is converting widebody passenger aircraft to partially full freighters and adding capacity, especially to China routes.</p>	<p>Finland: Readiness law will be ceased as of June 16. No lockdown in place, border crossing possible. Sweden: Basically, no limitations. Norway: The lockdown is starting to be eased.</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. Aena will progressively re-open Spain's airports as the state of alarm comes to an end on June 21 and travel restrictions are lifted. Customs is working with reduced manpower.</p>	<p>A state of alarm remains in place until June 21, then Spain will re.open to EU and Schengen-area countries. An exception is Portugal, which is expected to open borders on July 1.</p>
<p>UK</p>	<p>Domestic and cross-border transportation are operational, albeit experiencing capacity issues due to staff shortage in many companies. Continuous premium cost for collections and airport transfers.</p>	<p>Ports are fully operational. London Gateway port CFS has closed, restricting container loading operations.</p>	<p>Airports are operating with limited capacity. The majority of flights are cargo aircraft only, meaning significantly fewer options for freight and higher rates.</p>	<p>The lockdown in the UK is being slowly eased as businesses resume work. Working from home remains recommended by the government.</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 borders due to customs authorities giving preference to essential items such as pharmaceutical and 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. A large number of passenger flights has been suspended. Cargo flights remain operational in VCP – Viracopos airport as well as Galeao.	Current quarantine is slowly migrating to soft opening of the economy. São Paulo until June 28; Rio de Janeiro until June 15.
Canada	No restrictions on road freight. The Canada–USA border remains closed to non-essential traffic until June 22. Only essential traffic, including trade/commercial traffic, is allowed. In-country non-essential travel is not permitted, so travel to other provinces in Canada is not possible without permission and quarantine. It continues to be challenging to find drivers willing to haul freight to/from the USA.	Ports are fully operational. The existing backlog of containers has had no great impact so far. Canada’s customs is working and no capacity issues are reported.	Airports are operating with limited capacity. Passenger flights are mainly suspended or very limited. Cargo flights are limited, while schedules and services are changing regularly.	Lockdown continues country-wide. Various provinces have different plans for re-opening. City of Toronto has asked all business to work from home if possible until at least September 2020.
Chile	Land borders are closed to people, but open to general cargo entering or exiting from/to Peru, Argentina or Bolivia. Implementation of sanitary customs from Coquimbo to the north (Arica, Antofagasta, Iquique, etc.) and in the Aysen and Magallanes regions (south). Local transportation of cargo is allowed but with the usual sanitary measures (controls, use of masks, shift systems, etc.)	Ocean borders are closed to people, but open to general cargo entering and exiting. No impact on income charges. No impact on shipping companies due to shift systems.	Airports available for cargo transfer. Closure of airports for local passenger transportation. 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 production and supply chain. The city of Santiago remains under full quarantine until further notice.
Peru	Road freight (only for cargo for import or export) is provided with some. Cargo must get customs form to support their origin, and drivers must show their trucking company work certificate.	The majority of ports are fully functional.	All passenger air traffic is suspended; only cargo aircraft is allowed to land. Miami and Viracopos are used as hub airports for supplies and all foreign shipments.	Quarantine will continue up to June 30 with a curfew in place from 9 p.m. to 4 a.m.
USA	No restrictions on road freight in most states. The 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. The number of blank sailings is decreasing.	Airports are operating with limited capacity, but which slowly seems to be increasing and, as a result, gradually bringing rate stabilization to the market.	Several states have issued stay at home orders; some are gradually announcing the lifting of same.

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
China	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. Cross-border rail freight remains operational as well. Movement to/from Beijing metropolitan area may be impacted by the recent small outbreak. The actual impact on logistics will be evaluated in the coming days/weeks.	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' prenotice for space and equipment bookings. Breakbulk: Ports are fully operational, and until now we have not seen any negative impact on vessel and space availability. Except westbound sailings, which have seen a small decrease in frequency.	International air travel to/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' prenotice and recommend managing clients' expectation in regard to service reliability and rate levels.	Due to the recent small outbreak of new Corona cases at a Beijing seafood market, parts of the city have been placed under lockdown. Whether this remains an isolated event and will impact logistics relating to the Beijing geographical area remains to be seen.
India	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 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 are affecting cargo handling operations.	The Maharashtra government has announced some relaxation containment zones and reopening is scheduled phase-wise. Private offices are allowed to re-open with a minimum of 10% of staff, following the guidelines.
Indonesia	Restrictions for traffic in and out of Jakarta are in place until the end of June. Cargo transportation is not impacted. However, delayed transit times must be expected if transport has to pass checkpoints.	Ports remain fully operational. While a health check for the crew is conducted for each arriving vessel prior to berthing, this has not caused any delays in berthing so far. Customs activities are ongoing, with reduced physical activity. So far, carriers are open for bookings.	While few domestic flights are taken up again, international flights are still limited or not available. The major airports are operating at limited capacity only.	Social-distancing measures are in place until the end of June, with the government slowly opening and reducing lockdown measures.
Japan	No restrictions to local transportation.	All major ports are still fully operational; however, most trade lanes are impacted in terms of their schedule, space and rates.	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.	Japan lifted the state of emergency completely, but 50% will be working at home until the end of June.
Malaysia	No restrictions to road freight within the country. Cross-border traffic between Malaysia and	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	Malaysia's movement control order (MCO) has been

	Singapore is open to commercial traffic.		mainly suspended; cargo flights operational.	extended for a further month until August 31.
Myanmar	Domestic and international road freight is possible, but delays in clearance are seen at border checkpoints. Transit times are affected by a night curfew from 10 p.m. to 4 a.m.	Ports are fully operational. Vessel space is available but requires longer lead time for bookings. 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 June 30. Relief and emergency cargo flights will be allowed for landing. Domestic flights to major cities will be operating depending on passenger demand.	Lifted lockdown restrictions in low-risk townships.
Singapore	No restrictions to cargo delivery or collection. The amount of manpower and the number of trucks is limited for operations by each company until the end of June.	Container depots are fully functional with no disruption. Container terminals are in operation, with minor disruptions at some due to shift work. There has been no major delay in operations. The Alliance, which features Hapag-Lloyd, HMM, ONE and Yang Ming, is now reinserting two Transpacific sailings that had previously been canceled. They have also reinserted four previously canceled sailings on Asia – Mediterranean trade. Vessels to intra-Asia are stable.	Some airlines are slowly resuming certain services. Cargo aircraft is still in operation. Passenger aircraft services are slowly increasing. Terminals are operating with reduced manpower and shorter working hours.	Implementation of a three-phase approach to resuming activities safely. Phase 2 due to start on June 19: controlled re-opening of economic activities that do not pose a high risk of transmission.
South Korea	There are no specific restrictions to 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; South Koreans are slowly returning to work.
Thailand	No restriction on freight cargo but drivers may need to pass through a health checkpoint. If they do not pass, drivers may be required to be quarantined. On June 1, Phuket Island re-opened borders. Only small number of border stations are open to commercial vehicles: smaller stations may be shut down. Vehicles may now be able to travel at night without special permits due to lift of curfew.	Ports are fully operational and require a constant check of the booking status due to constant changes. Carriers have been canceling, blank sailing or delaying at other ports in neighboring countries. On June 1, ports in Phuket Island re-opened. Depending on terminal policies, extra specific forms may be required to fill out prior to entering. RPE is required for these areas.	Commercial flights are expected to re-open at the end of June for interprovincial flights only. Flights between Japan and Thailand will resume at the end of June. Only cargo airplanes are allowed entrance. Shortage of cargo space during this time, with higher prices and fees. RPE is required for these areas.	Nationwide curfew was removed on June 15, allowing all passenger vehicles to operate. Foreigners are still prohibited from entering the country.
Vietnam	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 are available. Domestic air traffic is reduced to two flights per day.	Lockdown restrictions have been slightly lifted, and most businesses are resuming work. The government has advised all citizens to return to normal routines for economic recovery, but need to execute precautionary measures, i.e. wear masks in public areas.

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
Saudi Arabia	Currently, road freight is unaffected, but heavy delays are experienced because drivers need to undergo coronavirus testing at checkpoint before entering the country. At the UAE–Saudi border, UAE number plate trucks are not being allowed to enter the country and being transloaded into KSA number plate trucks.	Ports are operating normally, but labor shortage of stevedores and customs officials is causing delays.	Airports are operating with limited capacity. Passenger flights are completely suspended; cargo flights operational.	The government's intention is to have eased lockdown fully by June 21. Until then, the following curfew period is in place: May 31 – June 20, 8 p.m. to 6 a.m.
UAE	Road for cargo movements is open to Oman only. For other GCC countries, roads are still closed for road movement of cargo until further notice.	Equipment availability is slowly recovering. Rates from the Far East to China are lower compared to April and May rate levels. Rates from Europe and the MED sector are still holding due to blank sailings from carriers on the Asia – North Europe route.	Not many changes in the air cargo flight operations. Service to GCC countries is still under restrictions for some of the major airlines. Load capacity has been restricted for high volume single load shipments. Rates are still on a higher side. National airlines, EK/EY, have commenced a few more mini-freighters (passenger converted cargo flights), with limited load capacity and with high rates, due to the huge demand in the main cargo freighters.	Sterilization measures in the country are still in place from 11 p.m. to 6 a.m. in Dubai; in other Emirates from 10 p.m. to 6 a.m. until further notice. 50% staff capacity is permitted by the authorities. Movements within Emirates restricted to/from Abu Dhabi Emirates. Vital sector movement are permitted thru movement pass. Ruwais City remains, closed and only freight/cargo movements are permitted with prior approval.
Oman	No restrictions to road freight. Borders to UAE remain open to commercial traffic, but the clearance process experiences delays.	Ports are fully operational. Vessels are fully booked, and new bookings require longer lead times. Customs is working with reduced manpower. Electronic Delivery Orders introduced recently by carriers.	Airports are operating with limited capacity. Passenger flights are suspended; cargo flights operational.	Lockdowns into effect for Duqm and Salalah region until July 3. Commercial trucks are still allowed to enter the country
Qatar	International road freight is not permitted due the blockade and resultant restrictions. Trucking within Qatar is so far normal, though a shortage of trucks due to drivers being laid down with the coronavirus is an issue. Thus, advance planning is required as much 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 June.	Airports are operational only for cargo. However, with the limited options available for Qatar (on QR and TK), air freight requires advance bookings. Rates are volatile, as always subject to space pressures.	No lockdown in place; offices allowed to function with reduced opening hours and with a restriction of only up to 20% of total staff allowed in the office. However, part of the industrial areas is still closed.

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
<p>South Africa</p>	<p>All borders are now open across Sub-Sahara Africa, allowing cross-border movement on an import/export basis.</p>	<p>South African ports are operating under the guidance of Level 3 advised essential cargo. Imports and exports are now operating normally, but processing of backlogged cargo is causing delays in depots. The knock-on effect is currently felt for vessels calling at both Cape Town and Durban.</p>	<p>Airports are operating with limited capacity. Passenger flights are mainly suspended; cargo flights limited and dependent on cargo volumes. Due to the extremely high per kg rate, we are seeing a drop in volume on air freight imports. Airlines are quoting on a spot basis only, and rate levels have increased dramatically due to a lack of capacity.</p>	<p>South Africa moved into Level 3 starting on June 1, allowing most people to return to work. deugro is operating under strict guidelines, with 50% of our workforce being allowed on site and the rest working from home.</p>

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 source of this document and for information purposes only.

Number of confirmed cases worldwide

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

Ocean freight – General updates

- www.seatrade-maritime.com
- www.tradewindnews.com
- www.xeneta.com/blog
- www.theloadstar.com
- www.worldmaritimenews.com
- www.hellenicshippingnews.com
- www.lloydslist.maritimeintelligence.informa.com

Ocean freight – Global port restrictions map

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

Ocean freight – Equipment availability

- www.container-xchange.com

Air freight – General updates

Road transportation – General updates

- www.iru.org/

- www.aircargonews.net
- aircargoworld.com
- www.aircargoweek.com
- www.aerotime.aero
- www.tacindex.com/
- <https://www.icao.int/safety/Pages/COVID-19-Airport-Status.aspx>

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 June 15–17, 2020

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