

## Impact of Novel CoronaVirus on International Shipping

Spring holidays at China got extended as the severity of Novel Coronavirus spread. This is one of the longest forced break the “Factory Of World” China has to take and this has severely impacted businesses across all industries. As a lot of people have not been able to return post Spring Festival to their work locations, businesses in China are either closed or operating with skeletal staff. A lot of factories have announced extended holidays and as such manufacturing is severely impacted in mainland China.

The Chinese government is making all efforts to contain the spread of the virus and at the same time putting efforts to bring normalcy, which shall take some more time. Businesses across all industries are severely impacted and this has resulted in a considerable reduction in production capacity.

Certain trade restrictions put by other countries to safeguard the spread of this virus has also impacted the business. Various countries have also announced restrictions on vessels coming from China. We have tried to assess the impact this has on capacity being pulled out of the market as well as summarize the restrictions put on by countries on vessels which are sailing from China, as this might impact transit times.

There could be some change in vessel rotations and transit delays which respective destination should check depending on the import procedures related to vessels who are coming from China with shipping lines.

Regarding communication and operation with carriers, warehouse, truckers and port, they are all facing similar challenges and hence would request everyone’s patience and support during this time of crisis at China and Hong Kong. All our teams are ready and eager to get out and start the work again normally but till the time they are doing their best doing shifts at offices and working from home to manage and handle any business query.

We are in constant touch with carriers to ensure that delays because of this extra ordinary situation for loading, unloading etc. do not impact us financially. Below is the list of special arrangements with carriers.

- Maersk - Amendment fee waiver from spot bookings, late payment fee exemption, and free time extension for China import shipment.
- Hapag-Lloyd announced to extend the import combined free time (excluding port storage) up to Februar9, 2020 for mainland China only.
- CMA CGM - Additional Free Time for Detention and Demurrage (D&D) in Chinese ports as follows:
  1. For containers already over their standard free time conditions, additional free time will be granted from 31 January to 9 February inclusive.
  2. For containers with free time ending before 9 February, and extension of free time is granted until 9 February inclusive
- APL - Detention and Demurrage (D&D) free-time extension as follows:
  1. D&D extension is for both DRY and REEFER carrier D&D tariff only.
  2. D&D FT extension is only waive D&D charge when incurred during 31 January to 9 February.
- ONE - Waived container detention charges (excluding port storage) from 24 January to 9 February 2020 period (inclusive of both dates) only for imports into mainland China

The summary table of the capacity reduction outline the impact as below:

**Capacity reduction summary (all trade in February month)**

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Region	Month	Capacity (Teu) reduction under Novel Coronavirus	Monthly market Total Capacity (Teu)	Reduce %	Remark
Far East to North America	Capacity Reduced in Feb	639,422	1,800,000	36%	Count 4 weeks in Feb
	Capacity Reduced in Mar	161,541	2,025,000	8%	Count 4.5 weeks in Mar
	Capacity Reduced in April	43,921	2,025,000	2%	Count 4.5 weeks in Apr
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to North America</b>	<b>450,000</b>			
Far East to Europe	Capacity Reduced in Feb	300,000	1,192,000	25%	Count 4 weeks in Feb
	Capacity Reduced in Mar	200,000	1,192,000	17%	Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to Europe</b>	<b>298,000</b>			
Far East to Mediterranean	Capacity Reduced in Feb	174,500	608,000	29%	Count 4 weeks in Feb
	Capacity Reduced in Mar	41,500	608,000	7%	Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to Mediterranean</b>	<b>152,000</b>			
Far East to West Coast South America	Capacity Reduced in Feb	159,967	381,212	42%	Count 4 weeks in Feb
	Capacity Reduced in Mar	34,852	476,515	7%	Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to West Coast South America</b>	<b>95,303</b>			
Far East to East Coast South America	Capacity Reduced in Feb	41,848	129,008	32%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	NA		Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to East Coast South America</b>	<b>32,252</b>			
Far East to East Africa	Capacity Reduced in Feb	3,426	55,652	6%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	NA		Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to East Africa</b>	<b>13,913</b>			
Far East to West Africa	Capacity Reduced in Feb	22,277	123,240	18%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	NA		Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to West Africa</b>	<b>30,810</b>			
Far East to South Africa	Capacity Reduced in Feb	17,266	90,436	19%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	NA		Count 4.5 weeks in Mar
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to South Africa</b>	<b>22,609</b>			
Far East to Indian Sub Continent	Capacity Reduced in Feb	57,044	548,108	10%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	616,622		Count 4.5 weeks in Mar
	Capacity reduced in Apr	NA	616,622		Count 4.5 weeks in Apr
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to Indian Sub Continent</b>	<b>137,027</b>			
Far East to Middle East	Capacity Reduced in Feb	37,271	313,232	12%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	352,386		Count 4.5 weeks in Mar
	Capacity reduced in Apr	NA	352,386		Count 4.5 weeks in Apr
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to Middle East</b>	<b>78,308</b>			
Far East to Red Sea	Capacity Reduced in Feb	56,098	92,792	60%	Count 4 weeks in Feb
	Capacity Reduced in Mar	NA	104,391		Count 4.5 weeks in Mar
	Capacity reduced in Apr	NA	104,391		Count 4.5 weeks in Apr
	<b>Total Weekly Normal Capacity for Feb 2020 ex Far East to Red Sea</b>	<b>23,198</b>			

Note 1: Carriers no plan for March blank sailing at this moment

Note 2: no announcement yet

## Global Port Restrictions

Region	Country	Restriction
Pacific	Australia	Vessels will not be allowed to Australian pilotage area before 14 days since last port of call in mainland China
Asia	Philippines	Any vessel which has arrived any port on Philippines within 14 days after calling any port in China will be anchored at quarantine facility. All operators must submit port rotation list to port authorities and no direct berthing facility will be extended.
	Vietnam	Any vessel coming from China within 14 days of departure from any port, will isolated at anchorage and crew will be subjected to medical check-up.
	Singapore	Crew and passengers of any vessel which has called any port in mainland China in last 14 days must submit health form to port of Singapore. Transit of crew of passengers post alighting the ships is subject to healthy check-ups.
	Malaysia	All incoming vessels with crew and passengers that have called at ports in China are required to submit the prescribed health form.
	Thailand	
	Bangladesh	
	Indonesia	Indonesia port authorities will inspect all incoming vessels at outer anchorage for confirmed cases. Only after clearance will the crew and ship be allowed to berth.
	Taiwan	No temporary stay permits or entry permits to any Chinese crew member. None of the Chinese crew will be allowed to embark or disembark in any port of Taiwan.
Japan	All vessels coming from any foreign port are required to complete health questionnaire form and submit the same to quarantine office before ship's arrival.	
Korea	All vessels from Chinese port for the past 14 days will be subject to on-board quarantine inspection.	
Middle East	United Arab Emirates	All vessels which have transited through or from China will have to report if any crew member has any symptoms related to the Coronavirus
	Saudi Arabia	All vessels coming from China within 14 days of departure, are required to report to port and health authorities. Any symptoms of virus must be reported.
	Qatar	All vessels transiting from China or directly coming from China must report any suspicious case to health authorities before entering Qatari waters.
	Oman	All vessels must submit IMO declaration of Health Report along with Coronavirus questionnaire 48 hours prior to arrival.
Europe	Germany	Currently no restrictions.
	Netherlands	
	Belgium	
	France	

Region	Country	Restriction
	UK	All vessels with a previous port of call in China must submit crew list, crew change information and a Maritime Declaration of Health in advance of arrival.
	Italy	All vessels calling at Italian ports must ask for Sanitary Free pratique. The said request for Sanitary Free pratique , submit; passenger list and crew list; list of the port of calls during the previous 14 days.
	Spain	Maritime health declaration to be submitted
	Suez	No restriction; however crew change is not allowed without the authority's approval and confirmation.
America	US	Normal operations for all vessels, which have been to mainland China or have taken Crew who had been to mainland China in last 14 days with no sign of sickness. There could be minor restrictions for crew movement.
	Panama	Panama maritime has requested all vessel operators who are coming from ports with confirmed cases of virus to advise maritime authorities 30 days prior to vessel arrival.

*\*the above are subject to change and will be revised in accordance with the instructions received from the respective authorities.*

Best Regards

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