

REGIONAL LOGISTICS UPDATES – UK & EUROPE

Last update: 5 November 2020 at 22:00 GMT+1

GENERAL

Updates on the impact of COVID-19 in Europe

- General Europe: The number of coronavirus cases in Europe is rising. Current measures like (partial lockdowns) aim to slow the spread of the virus. The fewer people become infected at the same time, the better seriously ill patients can be treated.
- General Europe: Covid-19 response per country in EU (relating to transportation) can be found here https://ec.europa.eu/transport/coronavirus-response_en
- England: As a result to the continuously rising numbers of new infections, England goes back into lockdown as of 5 November 2020 for a couple of weeks. More info <https://www.gov.uk/guidance/new-national-restrictions-from-5-november>
- Scotland: a 5 level regional system, with different levels applying in different regions as circumstances require. More info <https://www.gov.scot/coronavirus-covid-19/>
- Northern Ireland: NI introduced restriction and the lockdown as of 16th of October for 4 weeks. More info <https://www.nidirect.gov.uk/articles/coronavirus-covid-19-regulations-guidance-what-restrictions-mean-you>
- Wales: series of restrictive measures are in place from 6pm Friday 23 October until 12:01am Monday 9 November 2020. More info <https://gov.wales/coronavirus-firebreak-frequently-asked-questions#section-53247>
- General UK – 14 day quarantine for anyone arriving from outside UK with some countries being exempted for this rule (Lorry drivers, medical officials and farm workers are among those exempt from the new requirement for international travelers).
- England - All non-essential international is banned to/from England as of 5th of November. If you live in England to travel within the UK.
- Bertling London office - based on recent government announcements, England will be going into a lockdown the measures will be introduced at 00:01 GMT on Thursday 5 November and remain in place until Wednesday 2 December. All staff should work from home. The London office will remain open for essential personnel and urgent work issues only, this is for those who cannot effectively work from home, or those who need to come in for specific activities with prior arrangements and approval of the management



EUROPE/UK CUSTOMS

- Any goods being imported for 'disaster relief' (e.g. PPE, medical equipment, sanitizer and so on) can be cleared under a special CPC (Customs Procedure Code) which allows a zero rate for VAT/Duty.
- Europe - Additional information can we found https://ec.europa.eu/taxation_customs/covid-19-taxud-response_en
- Europe - Guidance on Customs issues related to the COVID-19 emergency, info available at https://ec.europa.eu/taxation_customs/covid-19-taxud-response/guidance-customs-issues-related-covid-19-emergency_en
- UK - Additional information can we found <https://www.gov.uk/government/organisations/hm-revenue-customs/services-information>



AIR FREIGHT

- Space availability is in demand due to new restrictions in the UK and throughout Europe with several airlines converting passenger aircrafts into cargo ives to meet global market demand on cargo shipment by air.
- As a result, airfreight rates continue to rise from Asia to the US, Europe and globally. The catalyst is relatively stable commercial demand coupled with reduced capacity driven by freighter maintenance cycles and higher fuel costs that are reducing the number of flights by passenger freighters
- Several pharmaceutical companies have stated they are in the latter stages of testing a vaccine for Covid-19, suggesting it is time to start planning the supply chain. It is anticipated that air cargo will be one of the main forms of transportation.
- Airfreight market continues to stay volatile with capacity shortages across all regions. Global demand fell by 13.5% in the middle of 2020, because of the loss of passenger flights and widebody belly capacity. Rates have reduced, but they're higher than pre Covid-19 period.
- Global air cargo capacity declined 20% in the last two weeks compared to last year – 15-25 Oct 2020 vs the same time last year
- An increase of freighter capacity of roughly 30% drives Transpacific capacity growth
- COVID-19 - Air Cargo Operations Status page by IATA can be found here <https://tact.iata.org/covid-19/carrier>



SEA FREIGHT

- Major container ports in Europe are having to contend with a higher number of moves per ship than ever before, as a result of the wave of blank sailings. The recent pick-up in demand has meant ships that have sailed have very high levels of utilisation, creating

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- sudden peaks of activity at import ports. These issues are further compounded by rising levels of congestion on port access roads.
- Due to the current health, safety and preventive measures implemented by the Belgian Government, most of our agents and contractors are closed. All their employees are requested to work from home. They have activated their internal protocols for safety and business continuity plan.
- Some shipping lines indicate that although second-quarter volumes were down year-over-year, total revenues increased
- The “blank sailings” are in place on all major trades, making available space scares and rates are high on all trades to/from Europe
- Rotterdam, Hamburg and some other European ports indicate lack of special equipment availability during busiest time of the year and upcoming holiday season
- Several shipping lines are fully booked 2-3 in advance for exports from Europe to China and the Americas
- We are happy to report that vessels are operating as usual and that our service portfolio remains unaffected.
- Terminal Operations (applies only to main port mentioned below)
- Some terminals have been slightly affected by labor reductions, but operations are being carried out as efficiently as possible.
 - Italy: Terminals are operating regularly
 - Iberia: Terminals are operating regularly
 - Damietta/Alexandria/Port Said/Sokhna: All ports and terminals are operating regularly.
 - Turkey and Piraeus: All ports and terminals are operating regularly.
 - Black Sea: (Bulgaria, Georgia, Romania, Russia, Ukraine); East Mediterrean (Syria, Israel); North Africa (Morocco, Tunisia, Algeria, Lybia) and Adriatic Sea (Slovenia, Croatia, Bosnia, Albania, Serbia): All ports and terminals are operating regularly.
 - Germany: Operational situation in Germany - All our services are operational. Terminals and depots are fully functional. In line with the directives from the Government, some of our German staff members are now working remotely.

Railway Operations, as provided by the shipping lines:

All rail services are running without disruptions.

Truck availability as provided by the shipping lines:

- Given the circumstances, trucking is running rather smoothly. The situation is being observed closely and all measures are taken to ensure the health and safety of our staff members and partners, while ensuring business continuity despite the current disruptions. These are the exceptions:

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- Hungary: Limited freight border crossings affecting deliveries via terminals
DUNAJASKA
STREDA and CUNOVO REJKA
- MILHOSŤ – TORNYOSNÉMETI (Miglecnemeti – Tornyosnemeti)
- Austria: Delays anticipated when entering/leaving the country due to additional health checks.
- France: CH Situation is back to normal from/to French ports, Cross border traffics from/to
Switzerland can be arranged on a sport basis. Port of Le Havre area truckers are fully booked and can only arrange terminal transfers.
- Italy: Operations running normally.
- Iberia: Operations running normally
- Turkey/Piraeus : without interruptions
- Black Sea (Bulgaria, Georgia, Romania, Russia, Ukraine); East Mediterrean (Syria, Lebanon, Israel); North Africa (Morocco, Tunisia, Algeria, Lybia) and Adriatic Sea (Slovenia, Croatia, Bosnia, Albania, Serbia): All trucking is regular.

Barge Availability

No impact to report

Depots:

All Depots operating without major disruptions

- A lack of Special Equipment in some ports (because it's not coming in the way).
- Some quays are working with short crews due to illness, social distancing and so on.
- Rate validities are short too.
- Some countries are putting restrictions on certain types of freight e.g. Philippines on FR shipments from Korea.
- Some shipping lines have informed that there will be surcharges (e.g. stabilization surcharges) on each shipment they handle, so that they can maintain their services.

ROAD FREIGHT

- Europe region is the quickest to return to normal operations, with the opening of borders and alleviating of restrictions on shipments largely lifted across all countries. Information on delays at border crossings can be found here - <https://covid-19.sixfold.com/>
- Like European overland markets, our network is facing less restrictions compared to the spring period this year. The market still rather volatile and impacted by existing Covid19 limitations in certain areas and second waves of national lockdowns throughout Europe. This can lead to some partial re-routings and small delays in specific lanes.
- We strongly recommend for our clients to confirm and agree with loading and the delivery points on staff availability for cargo release and delivery for any country in Europe before handing shipments over to us. This will avoid additional charges for re-delivery or wasted haulage for all parties involved.

- In a global context of an improvement in the health crisis but still with continuing restrictions for passengers such as the quarantine measures, Eurotunnel continues to provide a priority service between the United Kingdom and France via its Shuttle Services.
- European road freight market is more challenging, with a lot of hauliers reluctant to send drivers abroad when they don't know what the situation will be in a few days' time. There have also been border queues both within and outside of the EU.

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