


REGIONAL LOGISTICS UPDATES – South America

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Chile




In Chile there are 5 scenarios or gradual steps, The Step-by-Step Plan, ranging from quarantine to Advanced Opening, with specific restrictions and obligations. Progress or retrogression from one particular step to another is subject to epidemiological indicators, health care network and traceability.

In the country the massive vaccination process has already started, unfortunately active cases increase every day, for this reason the number of people inside the office in the day-to-day is still small, Bertling Chile team remains fully operational with access to emails and our systems and available for our clients. We are committed to support our customers and suppliers in the best possible way throughout this difficult situation. Most of our clients are working from home, this measure will be closely monitored and regularly evaluated.


The health department keeps urging for the importance of social distancing and leaving home only for important/urgent matters, but February is a month of vacation and this implies that people have mobilized between cities and locations.

AIR FREIGHT




Operating normally, slow but it is normal due to the actual contingency.

SEA FREIGHT




Imports from China are still with some delays in the routes of the ships and the limitation on bookings remains, We had some changes in bookings, rolled cargo and some transshipment delays, but no more than a week. Payments to shipping companies are made via online transfer, operations are usually carried out by email. Trucks are being sanitized at the time of entry ports. We have faced some blank services which are informed by shipping lines and route service.

ROAD FREIGHT



In the area of operations, we have only coordinated local road transport request, without problems. Customers have limited working hours. No mayor problems affecting the inland transport. For local pickups Bertling has a special permit which enables us to do the pickups with our own truck without any inconvenience. Despite some restrictive working hours from the supplier's side we have had no problems with the inland transports.

PORTS



All Chilean ports are operating without major impacts or restrictions include to project cargoes, all At the entrance of the ports, temperature controls are being made at the entrance and a series of sanitary safeguards measures have been taken inside the terminal.



Peru

Peru is under lock down until February 15th (maybe more) but some economic sectors are still open (mining, construction, energy and other). Logistics operators are one of the sectors that continue to flow. Our country received first lot of 300,000 vaccines this Sunday 7th (out of 1MM bought to Sinopharm). Our population is 30MM so it is easy to conclude that we have long way to reach normality.

In one hand our country has poor performance in pandemic control entering the "second wave", our hospitals and emergency system are totally collapsed. We are facing for first time in recent decades an economic recession and a significant increase in poverty, mainly caused because 70% of our economy is underground. But on the other hand, surprisingly our country in the region is the only that has not received a downgrade in its sovereign rating, also our commodities such as gold and copper have reached historical post-crisis levels. Formal companies were supported by government loan program called Reactiva Peru that has helped in some ways part of the population (a small part because the majority of population works as informal). Industrial sector such as Mining, energy, infrastructure remains solid, but with some project delays caused by uncertainty (also because we are close to presidential elections).

Since last January 31, new lockdown measures began in the city of Lima. Many Phase 3 and Phase 4 economic activities approved by the World Health Organization returned to Phase 2. Domestic trade and services activities were closed again. Agricultural and industrial activities in general continued.

However, these new measures of social distancing decreased the movement of passenger transport between the different cities with the city of Lima.

The increase in positive cases forced many companies to suggest to their employees that they return to home office.

The impact of these measures has caused concern again, but under strict security measures companies in Lima and in major cities have continued to work.

The new lockdown measures will last until February 14, 2021. Everything suggests that it will continue for a few more weeks until the levels of contagion decrease



AIR FREIGHT

Rates and space if not stable anymore as it used to be in the past. Clients keep asking about stable rates but this is not possible to offer.

For air imports, there have been delays in flights from China, India and European countries. The little space in the aircraft holds has been a constant over the past five weeks. The increase in air freight is causing customers to delay their import shipments.



SEA FREIGHT

We are facing some space limitations with regards to bookings and containers availability. Ocean freight is rising for imports from Asia and tight space for exports. Imports from China continue for the second consecutive month with delays in the routes of the ships and the problem of getting a booking note for the limitations of getting containers in the Chinese ports. It is known that sea freight from China has been increased by 60%, 70% and 100% for certain types of containers.

For traffic from Northern Europe to the west coast of South America, break bulk ships for heavy and extra heavy cargo have full holds and are with over booking. Getting underground spaces isn't easy. BBC is the leader on the west coast of South America and does not take all quotation orders. Cabotage operations between Peruvian ports are increasing.

ROAD FREIGHT



Road freight is sometimes affected with new restrictions to enter different client's sites. There is not standard covid procedures and they are settled by each company. We don't have major problems with regards to road freights. Local road transport is working normally despite restrictions by the COVID. Specialized transport has improved its services in times, because it has improved the procedures for obtaining special cargo transport permits. There has been no decrease in the offer of this sector

OTHERS



We are facing some port and depot congestions currently because of space capacity reduced due to Covid.

Peruvian customs have been implementing administrative simplification for a few months. This is helping to improve import and export procedures.

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