

April 16, 2020



Customer Advisory: Novel Coronavirus – Update #10

Dear Valued Customer,

As societies around the world continue to struggle with the impact of COVID-19 pandemic, we see a development towards some level of “new business normal” with companies across sectors having adjusted their business models and finding new and flexible ways of coping with especially lockdown restrictions. Similarly, there is a strong dedication to keeping the wheels turning throughout the transportation and logistics sector and new products, routings and solutions emerge as a result of this.

Lockdown remains in effect across the globe

The general situation is largely unchanged; however, we see first indications of a number of countries easing up on restrictions installed especially in Northern Europe. Countries such as Norway, Finland, Denmark, Germany and Austria have all announced that a sequenced re-opening of the society will take place in the coming weeks, providing the first optimistic signs we are turning a sharp corner in the development of COVID-19 pandemic.

With this said a number of countries maintain a strict lockdown resulting in limitations to transport movement as well as delays are still to be expected across transport modes.

Here are some of examples of continued lockdown announced during the last week:

- Japan has declared state of emergency until further notice
- India has extended lockdown until May 3
- Malaysia has pro-longed the border movement control until April 28.
- The Philippines has extended lockdown until April 30.
- Bangladesh has extended lockdown until April 25.
- Myanmar is most likely extending the lockdown until April 30.
- Cambodia has been in lockdown since last week

All travel between cities and provinces are banned, however we are in these countries still able to find ways of keeping cargo moving

- Spain, Italy and France remain in 100 % lockdown with only critical and essential cargo being allowed to move.
- US has stopped the movement of people, not goods. In all regions freight forwarding is still possible but with very limited connections.

Ocean freight impacted by continued blanking of sailings

Withdrawal of capacity on Asia-Europe and Transpacific has reached a staggering 3 mio. TEU as carriers continue to try and balance supply and demand. Up to 384 sailings have been cancelled, and alone within the last week another 83 cancellations were made giving testament to the critical situation. Some analysts project a total decline in demand of up to 6.4 TEU globally as a result of the society lockdown and restrictions imposed, leading to a dramatic drop in consumer spending.

Main concern continues to be the looming container congestion with containers starting to pile up at many ports, and this coming on top of the already existing issues with equipment imbalance.

Rate development remains somewhat stable during the last weeks, with export rates from Europe maintained at a high level sustaining the increases seen in February and March, while rates from Far East remains stable with a slight downward trend compared to same period last year.

Airfreight remains ever changing

Within airfreight we similarly continue to see extreme fluctuations on the rate side with the commercial airlines being more or less out of operation, while the freighter market is booming - however capacity remains scarce. Sea/air solutions continue to develop at a rapid pace as shippers and consignees look towards alternative solutions.

With no signs of commercial airlines commencing normal operations we expect this situation to continue in the weeks to come, but we wish to firmly stress that we are finding solutions for all requests so far.

The wheels keep rolling on the roads

In Europe, minor disruptions occur, but overall the movement of goods is proceeding as planned. Some disruptions and slowdowns are experienced due to increased border control, sanitary measures and special arrangements when unloading cargo.

The European Commission has proposed the designation of Green Lanes at the borders for the transport of goods and we await the answer. Read the letter proposal [here](#).

The alternative green route

Rail freight never sleeps and continues to be a reliable and competitive alternative to ocean freight and airfreight. We experience no hindrances in cargo move and trains are crossing borders from continent to continent as well as country to country without issues.

All information in this advisory is offered to the best of our knowledge and is prone to change.

Yours sincerely,

Scan Global Logistics

General overview Asia, Pacific and Sub-continent

	CURRENT STATUS AT SGL OFFICES AND SUPPLY CHAIN ACTIVITIES IN RESPECTIVE CITIES/COUNTRIES	Dalian	Tianjin	Beijing	Qingdao	Wuxi	Shanghai	Ningbo	Xiamen	Guangzhou	Shenzhen	Hong Kong	Taiwan
SGL office hours, staffing and open for business compared to normal circumstances	Green - business as usual Yellow - certain limitations Red - major challenges	●	●	●	●	●	●	●	●	●	●	●	●
SGL business continuity plan (BCP) in place and adherence to local authorities, global recommendations and SGL HQ advices	Green - very well prepared Yellow - well prepared Red - somewhat prepared	●	●	●	●	●	●	●	●	●	●	●	●
Customer disruptions to activities e.g. manufacturing and supply chain operations	Green - minimal impact Yellow - manageable Red - severely impacted	●	●	●	●	●	●	●	●	●	●	●	●
Customs authorities	Green - 100% work as normal Yellow - process delay occasionally Red - serious delays	●	●	●	●	●	●	●	●	●	●	●	●
Trucking , operations, drivers and equipment	Green - normal Yellow - restricted due to roadblocks, permits and shortage of drivers etc. Red - service severely impacted	●	●	●	●	●	●	●	●	●	●	●	●
Air-, Ocean and Rail carrier offices , open for business, response time etc.	Green - business as usual Yellow - certain limitations Red - major challenges	●	●	●	●	●	●	●	●	●	●	●	●
Airfreight capacities on major tradelanes	Green - plus 70% supply Yellow - around 50% supply Red - less than 30% supply	●	●	●	●	●	●	●	●	●	●	●	●
Airfreight terminals	Green - running as normal schedule Yellow - process delays occasionally Red - serious delays	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight capacities on major tradelanes	Green - no space issue & blank sailings Yellow - space issue & blank sailings occasionally Red - serious space issues and blank sailings	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight feeder capacities and operations	Green - operating as normal Yellow - medium disruptions Red - serious disruptions	●	●	n/a	●	n/a	●	●	●	●	●	●	●
Oceanfreight terminals	Green - running as normal schedule Yellow - process delays occasionally Red - serious delays	●	●	n/a	●	n/a	●	●	●	●	●	●	●
Oceanfreight equipment availabilities	Green - no problem Yellow - medium problem Red - major problem	●	●	n/a	●	n/a	●	●	●	●	●	●	●
CFS and warehouse	Green - normal operations Yellow - additional time required for cargo gate in and gate out due resources Red - service not available	●	●	n/a	●	●	●	●	●	●	●	●	●
Rail service	Green - schedules as normal Yellow - partial schedules cancelled Red - service not available	●	●	●	●	●	●	●	●	●	●	n/a	n/a

General overview Asia, Pacific and Sub-continent

	CURRENT STATUS AT SGL OFFICES AND SUPPLY CHAIN ACTIVITIES IN RESPECTIVE CITIES/COUNTRIES																					
		Hanoi	Ho Chi Minh City	Manila	Phnom Penh	Bangkok	Yangon	Penang	Kuala Lumpur	Singapore	Jakarta	Surabaya	Dhaka	Chittagong	Mumbai	New Dehli	Tokyo	Osaka	Sydney	Melbourne	Perth	Auckland
SGL office hours, staffing and open for business compared to normal circumstances	Green - business as usual Yellow - certain limitations Red - major challenges	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
SGL business continuity plan (BCP) in place and adherence to local authorities global recommendations and SGL HQ advices	Green - very well prepared Yellow - well prepared Red - somewhat prepared	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Customer disruptions to activities e.g. manufacturing and supply chain operations	Green - minimal impact Yellow - manageable Red - severely impacted	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Customs authorities	Green - 100% work as normal Yellow - process delay occasionally Red - serious delays	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Trucking , operations, drivers and equipment	Green - normal Yellow - restricted due to roadblocks, permits and shortage of drivers etc. Red - service severely impacted	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Air-, Ocean and Rail carrier offices , open for business, response time etc.	Green - business as usual Yellow - certain limitations Red - major challenges	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Airfreight capacities on major tradelanes	Green - plus 70% supply Yellow - around 50% supply Red - less than 30% supply	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Airfreight terminals	Green - running as normal schedule Yellow - process delays occasionally Red - serious delays	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight capacities on major tradelanes	Green - no space issue & blank sailings Yellow - space issue & blank sailings occasionally Red - serious space issues and blank sailings	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight feeder capacities and operations	Green - operating as normal Yellow - medium disruptions Red - serious disruptions	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight terminals	Green - running as normal schedule Yellow - process delays occasionally Red - serious delays	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Oceanfreight equipment availabilities	Green - no problem Yellow - medium problem Red - major problem	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
CFS and warehouse	Green - normal operations Yellow - additional time required for cargo gate in and gate out due resources Red - service not available	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Rail service	Green - schedules as normal Yellow - partial schedules cancelled Red - service not available	●	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

General update US

	Condition as of today	Los Angeles	Seattle	Oakland	Chicago	Cleveland	Atlanta	New York	Charleston	Houston
Customs	Green - work as normal									
	Yellow - process delay occasionally	●	●	●	●	●	●	●	●	●
	Red - serious delay									
Ocean Freight Terminals	Green - running as normal schedule									
	Yellow - terminal congestion	●	●	●	●	●	●	●	●	●
	Red - high to full yard density for empties & terminal congestion									
Ocean Carrier situation, Inbound	Green - no space issue & blank sailings									
	Yellow - space issue, equipment imbalance & blank sailings occasionally	●	●	●	●	●	●	●	●	●
	Red - space issue, equipment imbalance & blank sailings seriously									
Ocean Carrier situation, Outbound	Green - no space issue & blank sailings									
	Yellow - space issue, equipment imbalance & blank sailings occasionally	●	●	●	●	●	●	●	●	●
	Red - space issue, equipment imbalance & blank sailings seriously									
CFS and Warehouse	Green - running as normal schedule									
	Yellow - congestion and delays	●	●	●	●	●	●	●	●	●
	Red - service not available									
Trucking/Rail – pickup and delivery for ocean cargo	Green - work as normal									
	Yellow - delays	●	●	●	●	●	●	●	●	●
	Red - service not available									
Airlines - Capacity, Inbound	Green - 70% ~ 100% of normal capacity									
	Yellow - 30% ~ 69% of normal capacity	●	●	●	●	●	●	●	●	●
	Red - less than 30% of normal capacity									
Airlines - Capacity, Outbound	Green - 70% ~ 100% Supply									
	Yellow - 30% ~ 69% Supply	●	●	●	●	●	●	●	●	●
	Red - less than 30% supply									
Airline Terminal	Green - running as normal schedule									
	Yellow - process delay occasionally	●	●	●	●	●	●	●	●	●
	Red - process delay seriously									
Airfreight Warehouses	Green - operation hours as normal									
	Yellow - additional time required for cargo gate in and gate out due to full scale of operation not being in place	●	●	●	●	●	●	●	●	●
	Red - service not available									
Truck – pickup and delivery for Airfreight cargo	Green - work as normal									
	Yellow - delays	●	●	●	●	●	●	●	●	●
	Red - service not available									
Rail Service	Green - schedule as normal									
	Yellow - partial schedule cancelled	●	●	●	●	●	●	●	●	●
	Red - service not available									

General overview Airfreight Europe

Condition as of today		DK	SE	NO	FI	DE	NL	BE	ES	FR	IT	CZ
Customs	Green - 100% work as normal	●	●	●	●	●	●	●	●	●	●	●
	Yellow - process delay occasionally											
	Red - serious delay											
Airlines - Capacity Eastbound	Green - 70% ~ 100% of normal capacity	●	●	●	●	●	●	●	●	●	●	●
	Yellow - 30% ~ 69% of normal capacity											
	Red - less than 30% of normal capacity											
Airlines - Capacity Westbound	Green - 70% ~ 100% Supply	●	●	●	●	●	●	●	●	●	●	●
	Yellow - 30% ~ 69% Supply											
	Red - less than 30% supply											
Airline Terminal	Green - running as normal schedule	●	●	●	●	●	●	●	●	●	●	●
	Yellow - process delay occasionally											
	Red - process delay seriously											
airfreight Warehouses	Green - operation hours as normal	●	●	●	●	●	●	●	●	●	●	●
	Yellow - additional time required for cargo gate in and gate out due to full scale of operation not being in place											
	Red - service not available											
Trucking	Green - Normal	●	●	●	●	●	●	●	●	●	●	●
	Yellow - apply permit & road block inspection											
	Red - service not available											

General overview Ocean freight Europe

Condition as of today		DENMARK	FINLAND	NORWAY	SWEDEN	BELGIUM	GERMANY	THE NETHERLANDS	SPAIN
Customs	Green - work as normal								
	Yellow - process delay occasionally	●	●	●	●	●	●	●	●
	Red - serious delay								
Ocean Freight Terminals	Green - running as normal schedule								
	Yellow - terminal congestion	●	●	●	●	●	●	●	●
	Red - high to full yard density for empties & terminal congestion								
Ocean Carrier situation, Inbound	Green - no space issue & blank sailings								
	Yellow - space issue, equipment imbalance & blank sailings occasionally	●	●	●	●	●	●	●	●
	Red - severe space issue, equipment imbalance & blank sailings seriously								
Ocean Carrier situation, Outbound	Green - work as normal								
	Yellow - space issue, equipment imbalance & blank sailings occasionally	●	●	●	●	●	●	●	●
	Red - severe space issue, equipment imbalance & blank sailings seriously								
CFS and Warehouse	Green - operation hours as normal								
	Yellow - CFS/Warehouse delays	●	●	●	●	●	●	●	●
	Red - service not available								
Trucking/Rail – pickup and delivery for ocean cargo	Green - Normal								
	Yellow - delays	●	●	●	●	●	●	●	●
	Red - service not available								

General overview Road Europe

General status	Green - 100% work as normal	●	Trucks are running and we can run business as usual with a delays at border in Denmark-Germany, Germany-Poland and Sweden-Norway.
	Yellow - Minor impacts		Our Italian traffic will be severely limited in the coming weeks, and we are able to offer service on ad hoc basis only - see more below under government regulation.
	Red - Serious impact		In Spain many consignees are closed and we often need to store cargo in terminals, waiting for consignees to re-open. However there is also a pressure on warehouse in Spain, and it is currently a challenge to find warehouse space.
Ferry situation	Green - running as normal schedule	●	Fjord Line cancelled line Hirtshals-Stavanger-Bergen
	Yellow - slight delays		Stena Line closed the route Oslo-Frederikshavn.
	Red - No service / serious delay		Stena Line closed the route Trelleborg-Sassnitz. DFDS closed Copenhagen-Oslo. Color Line Kiel-Oslo has closed down. Zeebrugge - Gothenburg ferries are sailing on day to day schedule where departure times are updated on a daily basis.
Capacity	Green - 70% ~ 100% of normal capacity	●	We have the trucks we need to operate and have no capacity constraints.
	Yellow - 30% ~ 69% of normal capacity		Particularly in Sweden the Incoming flow of trucks has been reduced. As such it may be difficult to find one way trucks with short notice.
	Red - less than 30% of normal capacity		We see worrying signs that truckdrivers might be restricted in where they are allowed to go.
Leadtimes	Green - 100% work as normal	●	Time definite deliveries may not be possible. Please be aware that longer leadtimes may be expected as there are queues on all european borders.
	Yellow - Minor delay occasionally		
	Red - Serious delay		
Cost-effects	Green - Normal	●	Due to closed ferry routes, it is to be expected that cost will increase in certain routes.
	Yellow - Risk of increased cost on ad hoc basis		We aim to deliver normal service all over, but warn that extra cost may occur with short or no notice. The SEK & NOK is falling against EUR and we are monitoring the impact of this. Other factors may also have an impact on the prices we are able to offer.
	Red - Force majeure - all quotes are invalid. We only work on ad hoc pricing		All customers are encouraged to make sure that the consignee of their cargo is open and can receive cargo. If we arrive at a closed office or factory, SGL will need to unload the truck and store the cargo for later delivery - at the expense of the customer. Export and import from Italy are clearing up, but we will not be able to operate at the normal prices quoted, but will offer ad hoc pricing per booking In Spain, cargo that cannot be received will be placed in interim storage for account of the cargo. Pls. check that cargo can be received before booking.
Government regulation	Green - Normal	●	All borders in Europe remain open for cargo passage. In France we have been informed that certain regions have banned distribution of everything but foodstuff. We are following the situation and will inform when we have more detailed news. Turkey only allows native Turkish drivers into the country. Certain countries have quarantine restrictions when passing borders.
	Yellow - Minor disruption - can still deliver		
	Red - Full block of one or more geographic areas - no delivery possible		