

June 4, 2020



Customer Advisory: Novel Coronavirus – Update #16

Dear Valued Customer,

With this advisory we wish to provide you with the latest COVID-19 traffic light update, enabling you to have a clear understanding of how the world looks like within the transportation and logistics sector.

Generally speaking, lockdown restrictions are easing up around the world and subsequently the movement of cargo is slowly, but surely also is getting easier for all parties involved.

Ocean freight remains impacted by the high number of blanked sailings, and it is expected that this will continue for a few more weeks until carriers have reinstated normal schedules. Accordingly, some level of volatility is still to be expected both in terms of price development as well as overall schedule reliability.

Airfreight capacity/demand situation is slowly improving as the surge of PPE volumes (Personal Protective Equipment) seems to have reached its peak, and in addition first signs of commercial capacity returning to the market are visible. Subsequently price development is on a downward trend, however from a historical perspective still at a very high level with this expected to continue for some time still.

Rail freight to and from Asia is still “on track” offering a robust and stable alternative to ocean and airfreight with sufficient capacity available still.

Road freight in comparison with ocean and airfreight continues to operate in a very reliable manner, and overall we assess the situation to be close to normal. We experience only minor local impact stemming from border restrictions and cancellations of normal ferry departures.

All information in this advisory is offered to the best of our knowledge and is prone to change. If you have any specific questions, please reach out to us.

Yours sincerely,

Scan Global Logistics

www.scangl.com

Member of the Nordic Association of Freight Forwarders.

All services rendered are subject to the General Conditions of the Nordic Association of Freight Forwarders (NSAB 2015). As contracting party cf. § 3 B the conditions limits the freight forwarder's liability for loss of, deterioration of, or damage to goods to SDR 8.33 per kilo and for delay to the amount of the freight, and for all other loss to SDR 100,000 in respect of each assignment (§ 21). As intermediary cf. § 3 C the freight forwarder's liability is limited to SDR 50,000 in respect of each assignment and totally in the event of any one occurrence to SDR 500,000 (§ 24). For storage, the total liability is limited to SDR 500,000 for damage occurring in the same occasion (§ 25). Special attention is directed to the network clause (§ 2); claims against the freight forwarder are statute-barred after one year (§ 28); and the lien on goods (§ 14) applies to both current and previous claims.

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
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	New Dehli	Mumbai	Tokyo	Osaka	Sydney	Melbourne	Perth	Auckland	
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	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	PL	CZ
Factories / business	Green - 100% resumption of work												
	Yellow - 30% ~ 80% resumption of work												
	Red - Less than 30% resumption of work												
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												
Air Freight 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

	Condition as of today	AUSTRIA	BELGIUM	CROATIA	DENMARK	FINLAND	FRANCE	ITALY	GERMANY	NORWAY	The NETHERLANDS	SWEDEN	SPAIN	TURKEY
General status	Green - business as usual													
	Yellow - running with minor delays/disruptions	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - major challenges													
Borders	Green - all borders are open for goods													
	Yellow - borders open but with restriction or delays	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - Borders closed and delivery not possible													
Ferry situation	Green - business as usual													
	Yellow - several cancellations	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - major cancellations													
Capacity	Green - 70-100 % normal capacity													
	Yellow - 30-69 % capacity	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - Less than 30 % capacity													
Lead times	Green - business as usual													
	Yellow - Minor delays can occur	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - severe delays													
Cost-effects	Green - Normal													
	Yellow - Risk of increased cost on ad hoc basis	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - Ad hoc pricing													
Government regulation	Green - Normal for cargo transport and driver													
	Yellow - Minor restrictions and disruptions for drivers	●	●	●	●	●	●	●	●	●	●	●	●	●
	Red - Full block of one or more geographic areas – no delivery possible													