



"KEEPING AUSTRALIA'S INTERNATIONAL TRADE MOVING"

WEDNESDAY 18 MARCH 2020



Australian Peak Shippers
Association Inc. (APSA)

The message from Freight & Trade Alliance (FTA) from the beginning of the coronavirus outbreak has been to **Plan NOT Panic**. The geographical, economical, health and operational environment is changing daily, and FTA are in regular contact with government agencies, shipping lines, airlines, terminals and overseas contacts to provide that latest information that is available as it may impact on your operations.

In his response to our correspondence **Mr. Michael Outram, Commissioner – Australian Border Force (ABF)**, noted (full reply is [HERE](#))

"I have established a dedicated operation to manage the ABF's response to COVID-19. My overriding focus is to support the health and wellbeing of our staff while maintaining the critical functions of the ABF. Australian traders, freight forwarders and service providers should be assured that continuation of critical functions in trade clearance is a core consideration of this planning".

FTA have also reached out to our business associates to put together some commentary, guidance and links that members may find of assistance in these

challenging and ever-changing times. Should members have any information / updates they wish to share please feel free to contact me.

China - landslide updates

Our sources from China have provided us with the following updates

- Situation in China, New local cases have dropped to less than ten per day.
- 16/03/2020 China Ports & Harbours Association confirmed, the ports in China are in normal operation now. The storage issue is much better now. The ports are aiming for 80% stacked containers shipped out in next 4-8 weeks. Hapag-Lloyd also confirmed this information.
- 15/03/2020 CCTV news stated as at last week, Major ports are back to normal operation level. However, reefer storage capability still full in some of the key ports such as Ningbo, Tianjin and Shanghai. Nanjing port is full for the dangerous goods. These should be reduced significantly around beginning of April.
- Vessel sailing schedules are back to normal - Some of the shipping lines yes, such as CMA CGM confirmed since middle of March. Others such as OOCL and COSCO will expect to be back to normal from 20/03/2020, however, there is no official announcement as yet.
- Truck operation is stable, especially local truck transport in South China and East China (Guangdong, Zhejiang, Jiangsu Province etc). However, the interstate trucks still not back to normal as there still some travel restrictions, most of the shipping lines and forwarders are using trains to avoid this issue. There is no indication when the restriction will be totally removed at this stage.
- China's manufacturing sector is recovering, and is reported to have reached levels of up to 80% of pre-Chinese New Year capacity

To sum up, China is getting back to normal step by step as expected, unfortunately COVID-19 is now a global issue.

Europe Update

- As the virus continues to spread across Europe, we are starting to see first impacts on certain logistics flows. Even though many European sites and offices continue to operate delays are being experienced due to increased health safety measures at different borders, in particular at the borders between Italy and its neighbouring countries and at the borders to Croatia. In light of the US imposed travel ban to 26 European countries, that became effective on 13/03/2020, and the situation in several European countries' forwarders are reviewing the respective consequences and taking action where required.
- The travel restriction between 26 countries in Europe and the US, that became effective on 13/03/2020, has, for the time being, no significant impact on transatlantic cargo movements as it does not apply to cargo. However, since the trade lane between Europe and North America is largely dominated by passenger aircraft, we might see a severe drop in the available capacity for air cargo. **NB: this may also start to impact Australia if global airlines, as have Qantas, wind back their International capacity and as such the belly space available for cargo on these services. Whilst cargo charter flights will be available these are also likely to incur substantially more costs than the normal air freight tariffs.** Ocean Freight is currently not affected
- **FRANCE** - We are advised some shipping lines now have their staff working from home in line with French Government directives.
- **ITALY** – In regard to the recent DECREE 'DPCM 9 MARZO 2020' issued by the Italian Government, please note it does NOT imply any transport restrictions on goods or containers in any Italian Region via Sea, Air or Road. Therefore, if your Italian suppliers are still open & regularly manufacturing shipments should be unaffected.

Business Continuity Plans (BCP)

As per our commentary last week we reached out to government agencies and terminal operators to provide formal commentary on how they would address

full shutdowns of part or all of their facilities. To date we have received responses from the below and they can be [found HERE](#)

- **Australian Border Force**
- **Department of Agriculture, Water and the Environment**
- **Patrick Terminals**
- **Hutchison Ports**

We will continue to liaise with these organisations and provide updates as they are received, as well we suggest you monitor their respective websites

John Park - Head of Business Operations, FTA / APSA
