CLIENT ADVISORY

April 8, 2020

UPDATE: Coronavirus Pandemic

Dear Valued Customer,

We continue to monitor Coronavirus Disease 2019 (COVID-19) globally. We remain fully operational, continuing to service all global and domestic transportation while adhering to government and health regulations. All our locations have business continuity plans and strategies in place to allow our employees to work remotely as the need arises and ensure our customers and carriers receive uninterrupted service. We continue to work closely with our customers on production planning and forecasting as the situation remains fluid.

Here are the most recent updates by region:

Newest updates are at the top of each section; older updates that are still relevant are slightly grayed out

North America

- For more detailed updates regarding sourcing and North America surface transportation including truckload, intermodal and less-than-truckload click here.
- Due to the temporary closure of many non-essential businesses, purchase orders are being canceled after the imported freight arrives in North America. Warehouses continue to be low on available space and some freight is being sent back to origin.
- The <u>Presidential Memorandum</u> issued on April 3 has caused some questions regarding the status of U.S. exports for Personal Protective Equipment (PPE). We are working closely with U.S. Customs and Border Protection (CBP) to find out more information on what this means for our customers.
- Canada Border Services Agency (CBSA) announced the 14-day mandatory quarantine does not apply
 to individuals in the trade and transportation industry while they are working including truck drivers
 and crews on marine vessels, planes or trains.
- U.S. ports continue to remain operational. Ocean carriers are likely to introduce blank sailings on the Trans-Pacific in April and May to stay aligned with the current demand. This will likely remove about 25-30% of capacity from the market.
- Some U.S. states have implemented regulatory changes for trucking, including weight limit changes. Click here to review the latest updates.
- CBP announced in <u>CSMS# 42231420</u> the launch of CBP's Covid-19 Updates and Announcements. This site will streamline communication related to trade and COVID-19. It's important to note, CBP created an email specific for inquiries related to importing medical suppliers and personal protective equipment <u>COVID19_RELIEF_IMPORTS@cbp.dhs.gov</u>. More information can be found here.

Latin America (LATAM)

 Multiple countries have issued official quarantines to help stop the spread of COVID-19. Logistics and transportation are considered an essential service; therefore, ports, airports and truckload services continue to operate with some delays.

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.



Asia

- Demand for Personal Protective Equipment (PPE) remains high, surpassing available capacity in the market. We continue to offer expedited FCL and LCL programs from Asia to accommodate the increased demand for exports.
- Ocean carriers have started to introduce blank sailings near the end of April to align capacity with the general lack of perceived demand in U.S.
- As mentioned in our previous advisory, on April 1, China put in place new measures for PPE supplies needing to meet a quality standard to clear customs. Read more here.
- All ports and airports remain operational.

South Asia

 Although the lockdown remains in effect, we continue to support our customers by moving goods while complying with local government and health regulations. Airports and marine ports continue to operate. Blank sailings are expected from ocean carriers due to lack of demand consistent with trend in North Asia.

Europe

- Overall, export and import volumes remain soft. Current demand is aligned with the available capacity in the market.
- Passenger aircrafts converted into cargo planes continue to operate on the Trans-Atlantic.
- Europe truckload continues to experience delays in cross-border shipments. View the latest crossing times <u>here</u>.

Oceania

- Implementation of border restrictions in Australia, see increased screening and security measures that may cause delays for goods entering Western Australia, South Australia, Queensland and Tasmania. Border restrictions in Australia vary state-by-state.
 - As of April 6, 2020, Western Australia has issued border closures for all access points including roads, rail, air and sea for interstate travel. Regional borders have been closed meaning travel is restricted between the nine regions (Perth and Peel have been combined). Freight of essential goods via air, rail and sea freight as well as trucking are exempt from both regional and state border closure restrictions.
- New Zealand borders remain closed on a Level-4 alert restricting all international travel. However, air and
 maritime continue to be exempt from the travel restrictions so essential service deliveries can proceed as
 normal.
 - The New Zealand Ministry of Transport (MOT) advised late last week
 - FCL containers of essential and non-essential cargoes can be delivered to customer sites if the customer can accept delivery so essential cargo(s) can be devanned and distributed.
 - FCL containers of non-essential cargoes are to be held at the customer site for devanning once the Alert Level-4 period has finished.
- The Port of Lautoka, in Fiji, has ceased acceptance of all container vessels. The Port of Suva will remain open to enable continued access of shipping services to Fiji.

Links to additional resources:

- WHO updates and CDC updates
- CBS News update and BBC News update
- COVID-19:Implications for business (McKinsey & Company)
- Global Cases (Johns Hopkins CSSE)

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We will continue to monitor the situation and provide updates as needed through our <u>client advisories</u> and <u>blog</u> <u>posts</u>. Below are direct links to recent updates:

- 4/2/2020 <u>UPDATE: Coronavirus Pandemic</u>
- 4/2/2020 Three Supply Chain Lessons for Businesses Coping with COVID-19

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely, C.H. Robinson

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