CLIENT ADVISORY

April 14, 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.
- U.S. ports continue to remain operational. As mentioned earlier, ocean carriers have started to
 implement blank sailings on the Trans-Pacific to stay aligned with the current demand. This will likely
 remove about 25-30% of capacity from the market. Additionally, a few ports are implementing
 procedures to take driver's temperatures as an added security protocol.
- The Federal Emergency Management Agency (FEMA) released <u>U.S. export restrictions</u> for Personal Protective Equipment (PPE) related to COVID-19. Click <u>here</u> for an information FAQ and how the restrictions may impact your U.S. exports.
- U.S. Customs and Border Protection (CBP) recently announced due to the high volume of inquiries
 received to their Relief Imports email, their COVID-19 Relief Imports Web Portal will replace the email
 address for all cargo inquiries related to the importation of medical supplies to fight the spread of the
 COVID-19 virus
- 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.
- Some U.S. states have implemented regulatory changes for trucking, including weight limit changes. Click here to review the latest updates.

Latin America (LATAM)

- Apart from Uruguay, multiple governments across LATAM have extended their stay-at-home recommendations. Logistics and transportation continue to operate throughout LATAM with some delays.
- In Argentina and Brazil, local governments are overseeing the shipments of COVID-19 test equipment and protective masks.

Asia

- Ocean carriers have announced new blank sailings/capacity cuts from Asia to Europe, India and North America due to the lock downs in those regions.
- Continue to see a high demand for air freight capacity for Personal Protective Equipment (PPE).
 Current demand is surpassing available capacity in the market. We are working closely with our customers to plan for the capacity needed to export essential goods.
- Surface transportation in China continues to recover, currently FTL is moving at 94.4% efficiency and LTL at 79.1%.

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.



- As mentioned in our previous advisory, on April 1, 2020 China put in place new measures for PPE supplies needing to meet a quality standard to clear customs. Read more <u>here</u>.
- All ports and airports remain operational.

South Asia

- All airports and ports remain operational but with limited staff to manage operations.
- Transportation of both essential and non-essential commodities is permitted; however availability of vehicles and drivers is limited.
- Ocean carriers have implemented blank sailings due to the current situation. Additionally, with decreased activity of inland delivery, ports and inland container depots are getting congested. Most of the carriers have waived the import detention until April 14, 2020.
- All domestic and international flights are still suspended. As a reminder, this does not apply to cargo flights. Some airlines have created capacity by converting passenger flights to freighters.
- Currently only Emirates, Turkish, Etihad and Qatar airlines are operating out of India carrying freight.
- Customs staff is working with limited employees, focusing on clearing essential goods.

Europe

- Europe truckload continues to experience delays in cross-border shipments. View the latest crossing times here.
- 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.

Oceania

- As of April 9, 2020, the Fijian Authorities, re-opened the Port of Lautoka. Lautoka and Suva remain in lockdown, but essential services such as transportation of freight, ports and depots remain operational.
- 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.

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 is a direct link to recent updates:

• 4/8/2020 – UPDATE: Coronavirus Pandemic

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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