

February 4, 2020

Coronavirus Outbreak in China

Dear Valued Customer,

We have been closely monitoring the coronavirus outbreak in China and the restricted travel to Hubei Province. Residents in Wuhan are not scheduled to return to work until February 17, 2020. There is a high possibility that may be extended. Additionally, the municipalities below extended Chinese New Year (CNY) holidays through February 9, 2020:

- Shanghai Municipality
- Chongqing Municipality
- Jiangsu Province
- Zhejiang Province
- Guangdong Province
- Fujian Province

According to the National Bureau of Statistics of China, in 2018 China had 288 million migrant workers which represents more than a third of the workforce. Migrant workers are currently hindered on returning to work due to the restrictions on travel, companies and factories may experience additional delays in production due to these labor shortages.

TRANSPORTATION UPDATE BY MODE

OCEAN: *(new updates since February 3 advisory)*

- Wuhan port remains closed; all other ports are currently operational.
- Australia's Prime Minister announced any ship departing from China on or after February 1, 2020 will not be allowed to enter port until 14 days have elapsed.
- Short haul shipments exporting to other countries from mainland China ports may be put into a 14 day quarantine period as well. This only affects short hauls since the majority of freight on Trans-pacific eastbound or European lanes are in transit more than 14 days.
 - For example, if a vessel that has been in China (excluding Hong Kong & Macau) that has **NO** crew member with flu like symptoms, the vessel will be allowed to operate normally at the port. The crew will only be allowed to come ashore but will be limited to the terminal to manage on a need-to basis.
 - Another example, if a vessel that has been in China (excluding Hong Kong & Macau) that **HAS** a crew member with flu like symptoms, the vessel will be allowed to operate normally at the port. However the crew will not be granted to come off the vessel. The Center for Disease Control and Prevention (CDC) and designated authorities will formulate plans for crew members requiring medical attention.
- Blank sailings are still expected due to less demand.

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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.



AIR:

- U.S., Australian and British airlines have canceled all passenger flights in and out of mainland China.
- Hong Kong continues to operate passenger flights, but are canceling some flights due to low demand.
- Minimum impact to air freight in other Asian countries; most resumed work this week after CNY.

CUSTOMS:

- U.S. Customs & Border Protection (CBP) is following the CDC's lead (<https://www.cdc.gov/>) on crew and passenger screening. There are no indications of additional screening for cargo other than obvious potential threat products such as biologicals, infected animals, etc., which ordinarily require special care and clearance.

TRUCKING: *(new updates since February 3 advisory)*

- Effective February 4, 2020, Hong Kong will close 10 border crossings, leaving only three open – including Hong Kong International airport, Hong Kong Zhuhai Macau bridge and Shenzhen Bay port.
- Terminals in Hong Kong, Shenzhen and Guangdong remain open, but the laden in/out empty pick and return are at an all-time low.
- Shanghai remains closed as well as all facilities in the Hubei province.

C.H. Robinson remains operational in Asia and is working closely with customers with impacted freight. We will continue to monitor this situation closely and advise of any further updates as needed.

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

Sincerely,
C.H. Robinson

Sources:

<https://www.health.gov.au/news/coronavirus-update-at-a-glance>
https://www.dco.uscg.mil/Portals/9/DCO%20Documents/5p/MSIB/2020/MSIB-02-20_Novel_Coronavirus_2Feb2020.pdf?ver=2020-02-02-182614-690

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