

Thursday, February 27, 2020

## Coronavirus Information - 7

Dear Customer,

In addition to our customer advisories dated January 29, 31, February 03, 10, 14 and 20, 2020, you will find further information below:

### Greater China:

- All Greater China Leschaco offices are open and staffed with employees.
- Overall, we have seen a further improvement in the situation in Greater China since the beginning of this week - unfortunately slower than expected. But more and more companies are resuming operations. The country seems to be returning to normal everyday life - albeit in small steps - and that the measures introduced by the local government are beginning to bear fruit.
- Another indication of this is that the drivers of container trucks return to Ningbo, home to the third busiest box port in the world. According to an announcement by the Ningbo government, the number of drivers back in position has increased to over 7,300 by February 22, compared to about 1,700 a week ago.
- Furthermore, several large Chinese container ports are letting shippers go to ships at berth to directly load or pick up cargo, as storage areas are overcrowded due to the coronavirus outbreak. It is expected that the method will help to reduce congestion in storage yards, as many ports in the country are still having difficulty getting truck drivers back to their positions. A pilot run will start on March 01 in the port of Shanghai, the world's busiest port of its kind. In other parts of the country, ports have announced similar plans (Guangzhou and Tianjin).
- In general, all ports and airports (except Wuhan) are in operation in Greater China. There are congestions now, when returning empty equipment.

### South Korea:

- Meanwhile, the number of registered coronavirus cases worldwide rose to more than 80,000, with new clusters of the disease appearing in South Korea, Japan and Italy.
- On February 24, the South Korean Government has raised the COVID-19 alert level in Daegu and Cheongdo County and yesterday for the entire country to RED, the highest in a four-stage system. Schools and other Institutions have closed down for the time being.

Business activities may be affected by this situation. If 1 person in the building/factory turns out to be a confirmed case, all persons in the building/factory should be evacuated and the building closed for 2-4 days for disinfection.

As of today, the supply chains in South Korea are little affected. Ports and airports are in operation. Several flights are cancelled to risk countries, especially Greater China. Customs clearance, inland haulage and trucking are in operation, but trucks are not allowed to enter the high infected areas.

- The protection and health of our employees has top priority. For this reason, we extended our global business travel advice accordingly and have already implemented a number of measures and guidelines in our offices in South Korea and Japan. Only staff needed for office or warehouse work will enter the offices or warehouses in shifts. All other employees will work remotely. Emergency teams has been formed and are in close contact and exchange with the crisis team at our HQ.

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- Further developments and effects remain to be seen. The city of Qingdao already announced entry restrictions for arriving passengers from South Korea on Tuesday and Singapore by yesterday. Furthermore, yesterday 94 passengers on an arriving flight from South Korea were quarantined after 3 of the passengers in Nanjing showed fever symptoms. Other Chinese cities or provinces may follow. As Greater China has reached the peak of the pandemic and new infections are decreasing, the overall restrictions for incoming passengers are being increased.

### Ocean freight Asia-Europe tradelane

- As of the end of last week, 21 transpacific sailings had been cancelled, which came on top of the 66 cancellations during the lunar new year. On the Asia-Europe tradelane, 10 more cancelled sailings have been announced, on top of 51 new year-related void voyages. It can be assumed that these cut-backs in ship capacities will lead to price peaks and a lack of space in the coming weeks. Furthermore, reports indicate that the cancelled Asia-Europe sailings, combined with the recent winter storms in Europe have thrown mainline vessels way off sailing schedules.

To best protect the health and safety of our employees, we have taken significant preventive and proactive measures globally. We are constantly monitoring developments and preparing to handle our customers' shipments with the least possible impact in view of possible delays in access to ports/airports, lack of drivers, additional documentation requirements, customs clearance and similar problems.

We will monitor the situation closely and keep you informed.

If you have any questions regarding your shipments, please get in touch with your known contact person in the Leschaco Group.

### **Kind regards**

#### **Leschaco (Lexzau, Scharbau GmbH & Co. KG)**

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#### **Disclaimer**

Please note that all information reported in the Customer Advisory is to the best of our knowledge at the time of writing, but we cannot guarantee its correctness or accuracy.