

Logistics and Supply Chain Update

June 1, 2020

Supply Chain

China: Some easing of lead times detected as the recovery to full capacity continues.

Thailand: Starting next week curfew hours will be shortened and restrictions will be eased on more businesses in response to its low numbers of locally transmitted cases of the coronavirus.

India: India's two-month lockdown is set to end on Sunday. Prime Minister Narendra Modi's government is expected to issue new guidelines this weekend, possibly extending the lockdown in worst-hit areas as it promotes economic activity.

Japan: Lifted the state of emergency in most prefectures on May 14, while restrictions remain in effect for Tokyo and Osaka through at least May 31. Logistics operations are ongoing.

Philippines: President Duterte on Thursday night placed Metro Manila under a general community quarantine (GCQ) effective June 1, easing restrictions in a region that accounts for a hefty share of the national income, now slashed by the Covid-19 pandemic.

Malaysia: Operations for non-essential business are coming back online. Factories continue to bring back workers to increase capacity. Suppliers continue to allocate priority to essential businesses.

Europe: No change.

Americas: No major update

Mexico: Factories that were shut down due to outbreaks near the California/Texas border are returning to operations with limited capacity.

Logistics Update

There are few changes from last week. Air and Ocean modes of transportation continue to have longer lead-times. Upwards pressure on US cost of transportation, as some carriers, such as UPS, announced surcharges that will start in June.

China: Airport congestion continues to slow traffic outbound and limits growth of additional plans. Among those airports most affected by congestion are Shanghai PVG and CKG. Wuhan: Airport is open for international flights, however still only for charter services and limited carriers are allowed to land (landing right purpose). Majority of cargo will still be via main airports like PVG, PEK of North China.

India: India's domestic passenger flight services resumed May 25, in a "calibrated manner", according to the civil aviation ministry. Commercial flights are still suspended.



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Hong Kong: Hong Kong International Airport will allow passenger transit starting from June

1. Volumes and flow of product will depend on different situations at origins & destinations, whether the airlines will increase transport frequencies.

Thailand: The government extended the Emergency Decree until Jun 30. The CAAT extended the flight ban for international passenger flights until Jun 30, still severe air freight capacity.

Japan: Has lifted its state of emergency in prefectures on May 21, restrictions in effect for Tokyo area and Hokkaido continue through at least May 31.

Germany: Is planning to ease restrictions imposed from Jun 6. All restrictions are subject to amendment at short notice in response to government reviews. Cargo movement remains operative.

Spain: Continued with further ease measurements. Cargo movements continue to ease

LATAM: Still very limited space and high rates.

Mexico & Canada Borders: US Authorities announced the extension of the closure of US land borders with Canada and Mexico to nonessential travel through at least June 22. Cargo remains movement with minimal delays/disruptions