Our highest priority is to protect the health and safety of our employees, customers, and suppliers. UPS® is confident it can do so while maintaining global operations, except where constrained by government restrictions or other circumstances beyond its control. The Novel Coronavirus pandemic has created unprecedented complexities, which have required us to constantly reassess our operations and take mitigating actions to minimize disruption to our customers.

Stay Informed

- Register to receive important communications from UPS
- Find the latest information on Air Freight Capacity Surcharges
- Track shipment status through UPS Flex Global View®
- International Air Transport Association (IATA) – iata.org
- World Health Organization (WHO) – who.int

Consider cost-effective multi-modal alternatives to traditional air freight

- Asia to North America
- Asia to Mexico
- Europe to North America
- North America to Europe
- ISMEA to North America
Europe Update for August 5th

Socioeconomic Updates
• Germany, Austria and Norway move to the green list which permits travelers to return without quarantining
• France improves from amber plus to amber
• New daily record for migrant crossings of the English Channel
• England: Fully jabbed travelers returning from France are being asked to quarantine, to stop the spread of cases of the Beta variant

Air Freight Updates
• Severe staff shortages at European airports, especially in Germany and Brussels, are resulting in longer hours on the ground for freighters, or in some cases flying without being fully loaded
• Lufthansa Cargo modernizes high-rack storage system at Frankfurt hub
• UPS commits to ship 13.8 million COVID-19 vaccines to Indonesia
• Turkish Cargo maintains its winning streak in Europe; ranks 1st in Hungary

Ocean Freight Updates
• EU Proposes tax on all shipping emissions and to limit polluting fuels - IAPH
• Modal shift to air to continue as ocean shipping faces ongoing crunch – AirCargo News
• Container wagon designed to offer seven day China – Europe transit time – Railway Gazette

Inland Transportation
• Frustration with ocean market is causing some logistics companies to launch road services between Asia and Europe
• Arrival of hydrogen-powered trucks is raising the stakes for Europe
• UPS foresees delay for the departures for its Consol containers but the impact expected to be minimal.
APAC Update for August 5th

Socioeconomic Updates

• China: The Delta variant has become the dominant strain of virus transmitted.
• Hong Kong: As of August 1, 11,987 confirmed cases with 212 deaths.
• Japan: The state of emergency has been extended in Tokyo until Aug 31.
• South Korea: As of 26 July, 32.9% of the population have received first dose
• Taiwan: Taiwan will ease the Covid-19 restrictions to Level 2.
• Australia: Sydney’s lockdown has been further extended to Aug 28.
• Malaysia: 17,150 new covid cases were reported Aug 1 (new record).
• Myanmar: Extended at home order until Aug 6.
• Vietnam: The city has deployed patrol taskforce to make sure the social distancing order is strictly followed.
• Thailand: tighter containment measures in the capital and high-risk provinces until the end of August.
• Singapore: Measures have been tightened again due to a spike in cases (until August 18).
• Indonesia: The country has granted the emergency use authorization to the Pfizer-BioNTech vaccine.
• Philippines: Metro Manila and Clark will be placed under the tightest quarantine curbs from Aug 6 to Aug 20.

Air Freight Updates

• Korea: Korean Air operated 10,000 cargo-only passenger flights by August 1. The airline launched its first cargo-only passenger flight on the Incheon-Ho Chi Minh route in March 2020 and has operated these flights on 65 routes to North America, Europe, Southeast Asia, China and Japan.

Cathay Pacific Cargo has restarted operations to Pittsburgh International Airport (PIT) with twice-weekly pax-cargo flights.

Ocean Freight Updates

• Port congestion in the whole region.
• China: Booming demand out of China causing container shortages.
### United States Update for August 5th

#### Socioeconomic Updates
- Senate in favor of a infrastructure bill that would provide funds for investments in rail infrastructure, ports, and airport projects.
- US hits 70% first dose of COVID 19 vaccination goal, one month later than Biden’s goal of July 4th
- US government extended closure of land border with Canada and Mexico for non-essential travel through Aug 21

#### Ocean Freight Updates
- US ports, especially in the West Coast, are expected to be slammed the month of August; 80 containers currently at anchor
- Federal Maritime Commission (FMC) plans to audit nine container carriers to assess if they are abusing market power
- FMC chairman says capacity demand won’t recede until late 2022
- Port officials in Savannah, Jacksonville, and Wilmington agree to chassis upgrade of up to 50,000 new high-tech chassis

#### Air Freight Updates
- An audit of US air cargo screening is recommending some of the process and technology be improved to increase security
- Forest fires out west are causing jet fuel shortages; cargo and passenger flights could face delays in places like RNO, BZN, and FAT
  - FAA will allow passenger airlines to carry cargo in main cabin for 6 more months instead of requested 1 year extension

#### Inland Transportation
- Hours-of-service violation in US and Canada rose as a percentage of all violation in 2020 and 2021
- UP resumes eastbound container service to Chicago
- Wildfires in Western US resulting in low visibility from smoke;
- Strong produce season may cause additional capacity constraints

This update contains information we have gathered from various public sources and share with you to the best of our knowledge, but we cannot guarantee it is complete or in all cases accurate. Moreover, the market is changing rapidly currently; statements in this document may quickly be superseded, despite our best efforts. Nothing in this document can be taken as a contractual undertaking.”
Canada Update for August 5th

Socioeconomic Updates
• The Border Services Offers has voted in favor of a strike; if an agreement is not reached, a “job action” will be initiated Aug 6
• Canada plans to open its land border to fully vaccinated US citizens on August 9th, extend to other countries Sep 7th
• Increased tourism from border opening is expected to drive freight demand

Ocean Freight Updates
• Port disruption possible if border services strikes; Port of Vancouver already dealing with delays from COVID and wildfires and Port of Montreal is experiencing low water weights causing the need for reduced vessel weights in some cases
• Port of Toronto moved over 2 million metric tonnes of cargo for fourth consecutive year

Air Freight Updates
• Air Canada plans to reactivate Mexico flights Sep 7th
• Air Canada plans up to 220 flights daily between Canada and US with August 9th border restriction loosening
  • US officials seeking $25M fine from Air Canada for failing to provide timely refunds to >5K passengers

Inland Transportation
• Canadian Pacific and CN shattered records for transporting Canadian grain and grain products
• Trains in British Colombia moving cargo in and out of the Port of Vancouver are operating at reduced capacity
**LATAM Update for August 5\textsuperscript{th}**

**Socioeconomic Updates**
- Brazil lifts COVID restrictions as cases and deaths ease
- COVID cases are down in Brazil, Colombia, and Argentina but up in Mexico and Cuba
- Protesting in Colombia restarts; demonstrators demand an end to police repression and more policies to alleviate economic hardship from COVID-19

**Ocean Freight Updates**
- Hamburg Sud will add more routes between Central America and US West Coast
- Argentina declares six month state of emergency for Parana River due to low water levels which will cause delays
- CMA CGM to re-route DRY cargo via Houston instead of Los Angeles due to congestion

**Air Freight Updates**
- Capacity outlook for August is tight but current flights in and out of Latin America are expected to stay constant
- Many countries (Canada, Finland, France, etc.) are reopening borders to Brazil; carriers are subsequently adding flights
  - Azul and LATAM airlines breakoff partnership over merger proposals

**Inland Transportation**
- There is an increasing shortage of truck drivers in Mexico due in part to an aging population and COVID-19 cases
- Truckers in Brazil consider a nationwide strike starting July 25\textsuperscript{th}
- Demand for cargo truck access to the port of Manzanillo, causing traffic and making road travel dangerous
Sources

• Official sources (WHO, Governments, etc.),
  ** UPS Internal Sources
  Seabury

• Carriers
  Sky cargo
  Emirates
  Lufthansa

• News Media
  Brussels times
  New York Times
  BBC News
  Times of India