



UPS GLOBAL FREIGHT FORWARDING  
AIR | OCEAN | RAIL | GROUND | CUSTOMS



# Global Novel Coronavirus Update

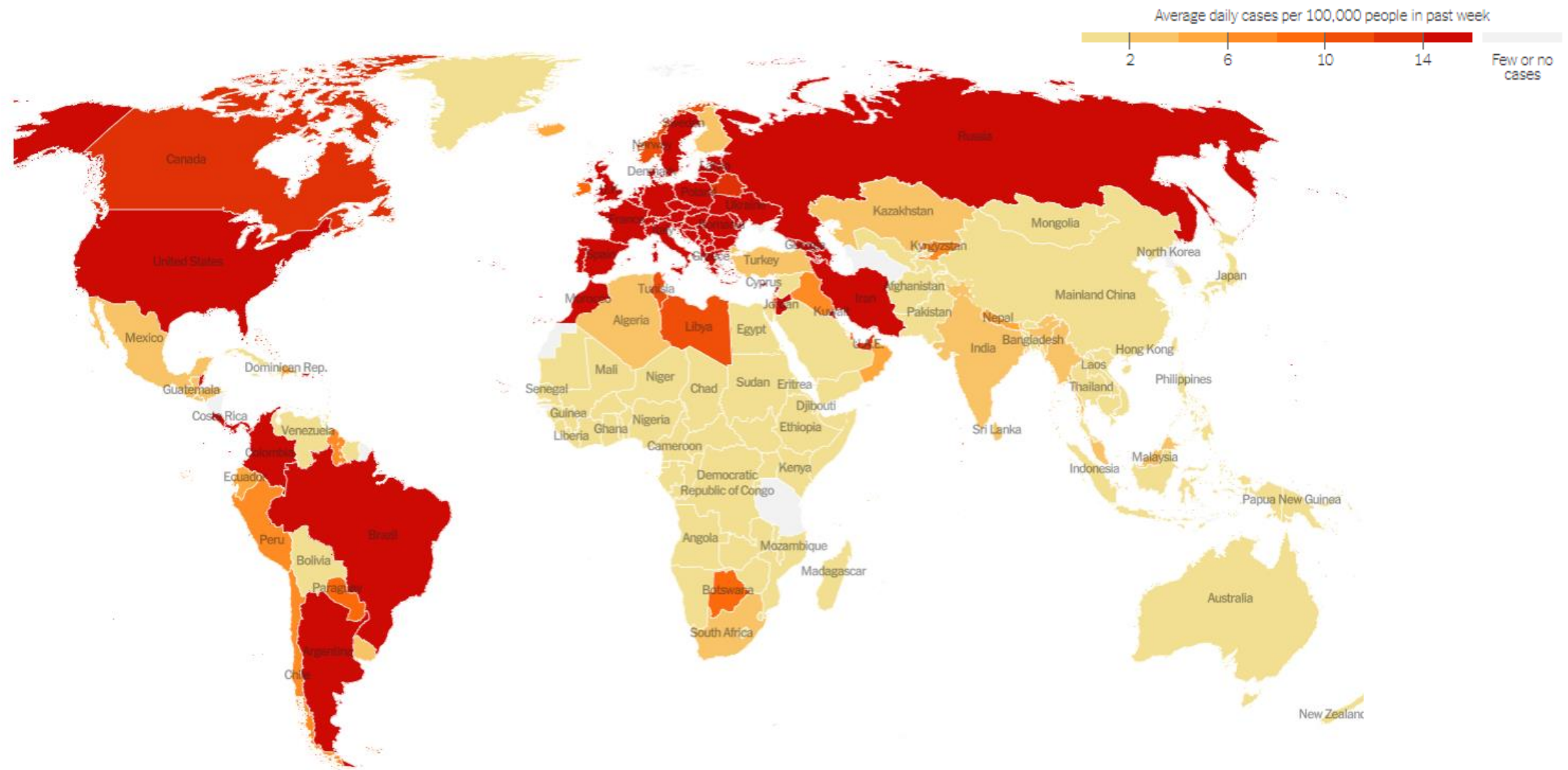
## November 19, 2020

"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 Moreover, the market is changing rapidly currently; statements in this document may quickly be superseded, despite our best efforts.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."



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# Number of confirmed COVID-19 cases reported as of Wednesday, 18<sup>th</sup> November. The virus has been detected in nearly every country of the world.



\*The New York Times

# UPS Global Freight Forwarding

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](#)
- [LATAM to North America](#)
- [North America to Asia](#)
- [China to Europe rail](#)
- [Sea-Air Asia to LATAM](#)
- [Sea-Air Asia to Europe](#)

## Book a Shipment Online

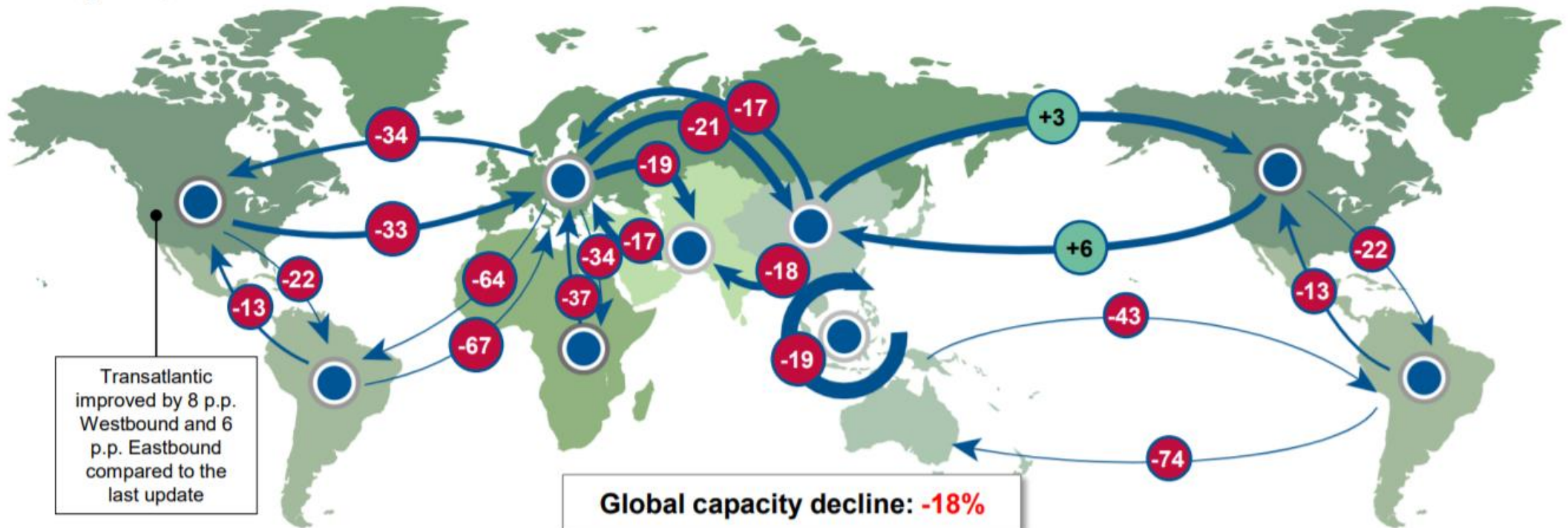
Book now at [ups.com/supplychain](https://www.ups.com/supplychain)



# Global Air Cargo capacity declined 18% in the last two weeks compared to last year.

Air cargo capacity recovering; the Transatlantic (-34%) and LATAM capacity (-64%) capacity shows no recovery. Transpacific shows strong air cargo capacity increase in last two weeks.

Total air cargo capacity growth<sup>1</sup>, 26 Oct – 8 Nov 2020 vs. same two weeks last year<sup>2</sup>  
YoY growth, %



## Europe Update for November 19<sup>th</sup>

### Socioeconomic Updates

- Total number of Covid-19 positive cases in Europe as of 17th Nov. is **195,450**; **-11%** from 16th Nov.
- The latest numbers suggest that new lockdowns and tough social restrictions measures are working
- **European Commission** to sign 5th coronavirus vaccine contract with **German company CureVac** for the future supply of vaccine
- [France is still 'far from deconfinement', government warns](#)
- [Pfizer's coronavirus vaccine is now 95% effective](#)



### Air Freight Updates

- **The Dutch government** has withdrawn proposals for a tax on freighter aircraft. The tax would result in cargo aircraft relocating to nearby airports
- [CargoAir switches to AEI for B737 conversion](#)
  - **Leipzig/Halle Airport (LEJ)** has set a new cargo growth record in October. Airfreight volumes increased 10.9% YOY & demand increased by 8.4%



### Ocean Freight Updates

- High congestion at **LAX/LGB** port
- Severe container shortages & robust demand both on the **Asia-Europe and Transpacific** trade lanes.
- **Felixstowe port congestion update:**
- Ships diverted from the heavily congested hub ports of **Felixstowe, Southampton and London Gateway** have mostly discharged their UK imports at the Benelux ports, but carriers are struggling with their relay options.
- **Antwerp and Rotterdam ports** are highly congested



### Inland Transportation

- **October 2020:** Trucks are driving -4% less than September
- 22% more trucks are idling compared to the period before corona crisis.
- Border crossing times have been almost stable since the extreme congestions during Spring lockdowns. On average crossings continue to take just 5% more time than before the crisis.
- **Rail:** Delays expected due to delay in departure
- The delays are relevant for all the forwarders



## ISMEA Update for November 19<sup>th</sup>

### Socioeconomic Updates

- **India:** Surge in Covid-19 cases in the capital New Delhi
- **Iran :**
  - Iran imposed stricter restrictions.
  - The toughest measures "red" or level 3 - imposed in the capital Tehran about 100 other towns and cities
  - Non-essential businesses and services will be shut and cars
- **Bangladesh** is extending its closure of all schools and other educational institutions until Dec.19 amid fears of a second wave ..



### Air Freight Updates

- **Etihad Cargo Approves CSafe RAP Container:** The high-performing temperature-controlled containers provide additional payload protection for large pharmaceutical shipments
- **AirFrance Cargo:** Wide-body belly flights scheduled for BEY/BOM/BLR/CAI/DEL/DXB/ DMM /MCT/KWI



### Ocean Freight Updates

- CMA CGM launches Brazil – Caribbean – North America service
- **India:** Acute container & equipment shortage
- Major ports' cargo traffic falls for 6th straight month in Sep



### Inland Transportation

- **India:** All UPS facility are working with no service disruptions
- **Oman:** Deliveries impacted in Oman
- **Morocco:** Urgent deliveries can be executed during the curfew hours, but delays to be expected



# APAC Update for November 19<sup>th</sup>

## Socioeconomic Updates

- **South Korea:** begun issuing fines to individuals who fail to wear masks in public. Government considering to raise the social distance scheme
- **Australia:** Government's advise continues WFH where possible and defines freight/logistics as essential services. New Zealand to Sydney and Melbourne flights resumed on Nov 9 with no quarantine required. Restrictions remain for other international passenger flights
- **Singapore:** Singapore, Hong Kong air travel bubble to start on Nov 22, with 1 flight a day into each city with 200 passengers each way. This will increase to 2 flights a day into each city from 7 Dec
- **Malaysia:** The CMCO was first announced on Nov 13 for Selangor, Kuala Lumpur, Putrajaya and Sabah. It's been extended from Nov 9 to Dec 6, and now encompasses all peninsular states except Perlis, Pahang and Kelantan.



## Inland Transportation

- **Australia:** Road transport freight remains open in all states



## Ocean Freight Updates

- **Malaysia:** Out of 3 terminals at KUL (KLIA), shipment backlog situation at MAB Cargo terminal will continue until 14th Nov or longer due to COVID-19 cases detected



# United States Update for November 19<sup>th</sup>

## Socioeconomic Updates

- Shipping stocks surge on COVID breakthrough and presidential election.
- Pandemic continues to fuel freighter demand
- Transportation capacity near 2-year low; pricing surges
- Container rate records are shattered as US imports surge
- Several regions experience air cargo lull ahead of peak season
- U.S. importers turn to Chinese sellers in the wake of COVID
- Air cargo market braces for big rate hikes



## Air Freight Updates

- Lack of passenger flights holds down airfreight
- United Airlines cargo planes to share space again with passengers
- UPS expanding at Kansas City airport as e-commerce surges
- New air cargo security standards could gum up e-commerce exports
  - American Airlines doubles down on cargo-only flights
  - ORD and LAX experiencing Ground Handling delays of 1-3 days.



## Ocean Freight Updates

- Port of NY/NJ strives to keep cargo flowing
- New ship orders sink as fear of future economic crisis grows
- Port of Savannah holds strong amid massive market fluctuations
- Port of LA gives The Signal to cargo stakeholders
- Ship-to-shore operations suspended at Louisiana ports and Port of Key West
- Port of LA records 11 straight months of declines



## Inland Transportation

- Fuel price volatility could return amid peak season surge
- Trucking jobs rise by 10,000 in August
- Trucking industry expected to remain on upswing through 2021
- Colorado chain law in effect as September begins





## Canada Update for November 19<sup>th</sup>

### Socioeconomic Updates

- Canada clears 4 firms to bid on COVID-19 vaccine distribution contract [api-esp.piano.io]
- Canada COVID-19 vaccine distribution plans attract big firms
- Pfizer plans ‘just-in-time’ COVID-19 vaccine distribution in Canada
- Truckers charged in record \$336M US-Canada tobacco-smuggling case
- Coronavirus: Quebec and Ontario premiers meet to discuss economic recovery



### Air Freight Updates

- Air Canada eyes converted freighters to capitalize on cargo boom
- Air Canada to include free COVID-19, quarantine insurance on some vacation packages
  - Air Canada is resuming many of its international flights, heading to the U.S., the Caribbean, South America, Europe and the Pacific.
- The airline will be offering flights to 97 destinations – down from its usual 220 spots.



### Ocean Freight Updates

- Ports are operational. Cargo transportation is still allowed
- Slow in/out processing and delays in customs clearance



### Inland Transportation

- Daily pickups and deliveries except where restrained by government



## LATAM Update for November 19<sup>th</sup>

### Socioeconomic Updates

- COVID-19 deaths down in Peru
- Mexico Bucks Latin America Trend as Inflation Doubles Amid Virus
- Russian vaccine to be delivered to Venezuela
- Mexico once again No. 1 US trade partner
- Brazil's economy shrinks by most on record in 2Q, GDP falls 9.7%
- Colombia expands reopening as coronavirus cases stabilize



### Air Freight Updates

- Dubai airline launches new freighter service to Mexico
- LATAM Common Carriage flights were reduced or forbidden to/from US, Europe & Asia (19 countries: AR, BO, BR, CL, CO, CR, DO, EC, GT, HN, NI, PA, PE, PR, PY, SR, SV, UY, VE)



### Ocean Freight Updates

- Ocean Port Restrictions (3 countries: DO, HN, PR)
- DO: Operations had been restricted up to 6pm
- HN: Limited service to Puerto Cortez Port
- PR: No passenger vessel allowed



### Inland Transportation

- Mexican rail blockade continues to affect freight flows
- US-Mexico truck crossings decline 22% at Port Laredo
- Customs operation impacted (9 Countries: AR, CR, DO, EC, GT, PA, PE, SR, VE)





Thank You



# 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](#)