

IAPH-WPSP Port Economic Impact Barometer

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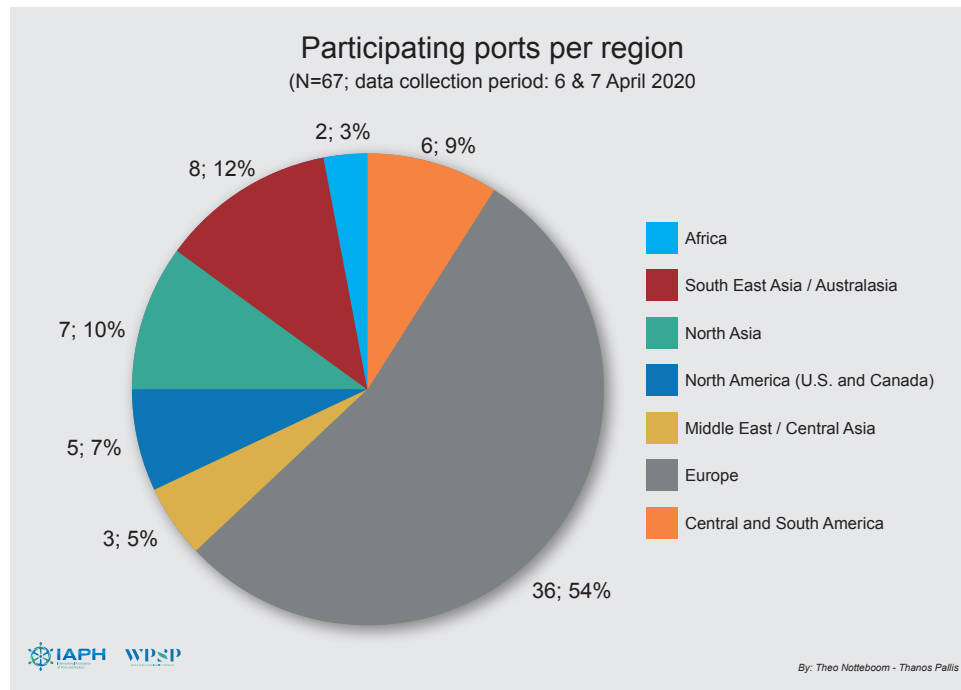
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Survey set-up

The IAPH-WPSP survey on the impact of COVID-19 is conducted on a weekly basis with the aim of monitoring the current situation in world ports and trends compared to previous weeks. The first survey results were collected in week 15 of 2020, with the contribution of 67 ports from all over the globe.

The survey was sent to 273 ports from Africa, North America, Central and South America, Middle East/Central Asia, North Asia, South East Asia/Australasia and Europe, with a response rate of 24.5%. Some 54% of the answers come from European ports. North Asia and South East Asia/Australasia are also well represented with 10% and 12% respectively. African ports are the least represented in the survey results, with currently only two ports responding.



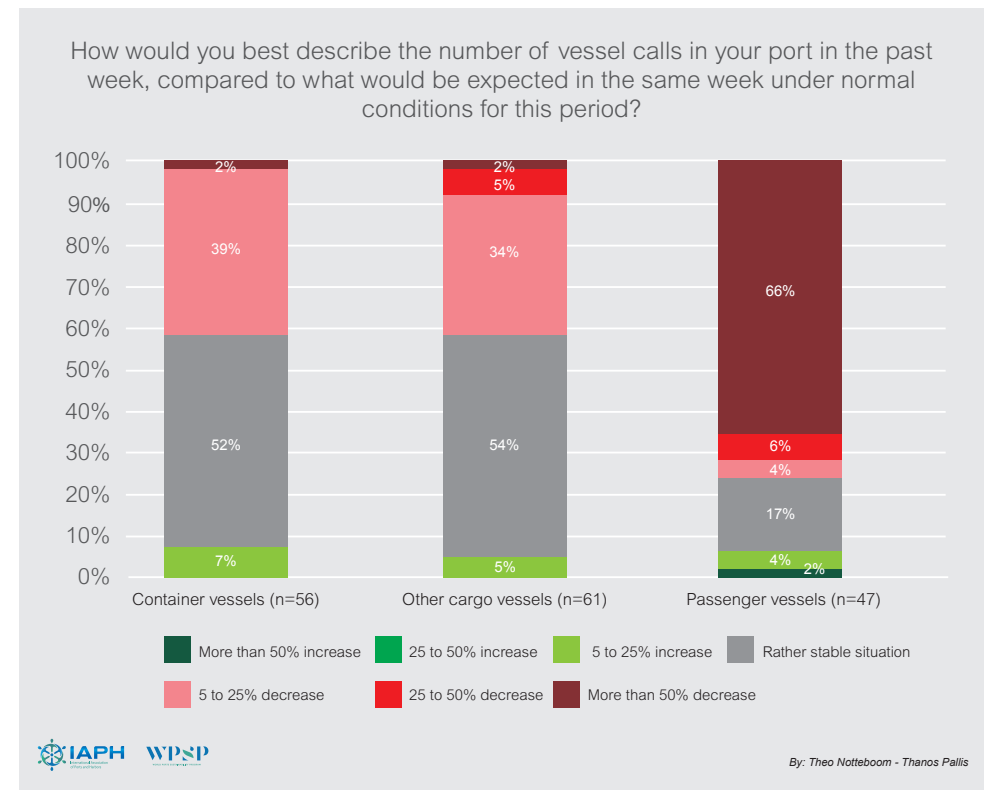
1. Impact of crisis on vessel calls

The situation for container vessel and other cargo vessel calls is fairly similar. On the one hand, over 40% of the ports experience moderate (minus 5% to 25%) and in some ports even significant decreases (in excess of a 25% drop) in the number of calls. On the other hand, more than half of the respondents report no changes compared to normal conditions. Ports reported a slight reduction in arrivals due to blank sailings; one port reported additional calls for container vessels loading empty containers, while some indicated the presence of cancellations due to port congestion in other ports. A major effect

has been noted in the Danube river ports where the number of cargo vessel calls have in some cases decreased by 25 to 50%. The slight decrease extends to oil tankers as well.

Some countries, i.e. in South East Asia, have imposed restriction in trade, which means that although ports operate normally only essential cargoes are permitted for delivery. Only certain window periods are allowed for delivery of non-essentials to and from the port. Container vessels calling these ports carrying import cargo for local consumption face delays, and most cargoes are still stored in port storage areas. In the same cases, tanker and ro-ro calls have fallen significantly due to restrictions on direct delivery. For bulk cargo vessels that carry essential goods the condition is reported as stable.

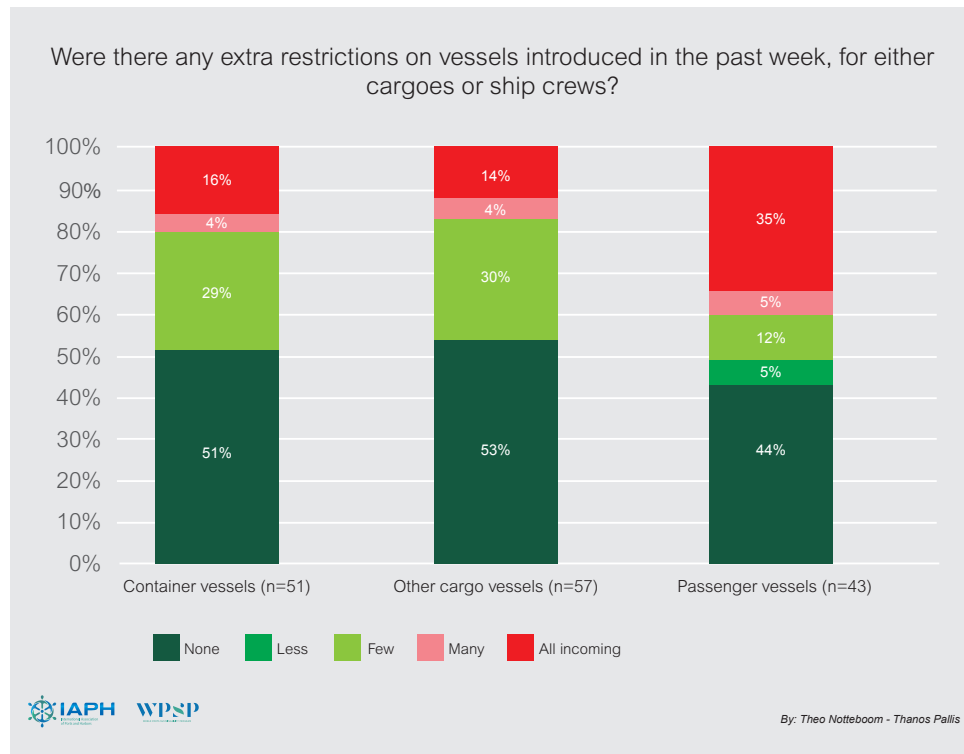
As expected, the cruise/passenger market has been most affected by COVID-19 contagion. Two thirds of the respondents indicate that passenger vessel calls are down more than 50%, in some cases even down more than 90%. These figures show the combined effect of partial or full lockdown measures in a lot of countries around the world with a nearly full cessation of cruise activities. Cruise lines have also decided to cease operations, and as of today only seven ships or approximately 2.5% of the global cruise fleet remains at sea on their way to port. Cruise vessels are berthing for lay-up (no passengers, only crew), with some ports limiting the number of crew remaining on board.



2. Extra restrictions on vessels

The COVID-19 outbreak can lead to extra restrictions on vessels. The picture for passenger vessels is very mixed: 44% of the responding ports have not imposed additional restrictions, while 35% of the ports report extra measures on all incoming passenger vessels. The situation for container and other cargo vessels has remained unchanged in more than half of all ports, while approximately 30% of the ports have imposed additional restrictions on a few incoming cargo vessels.

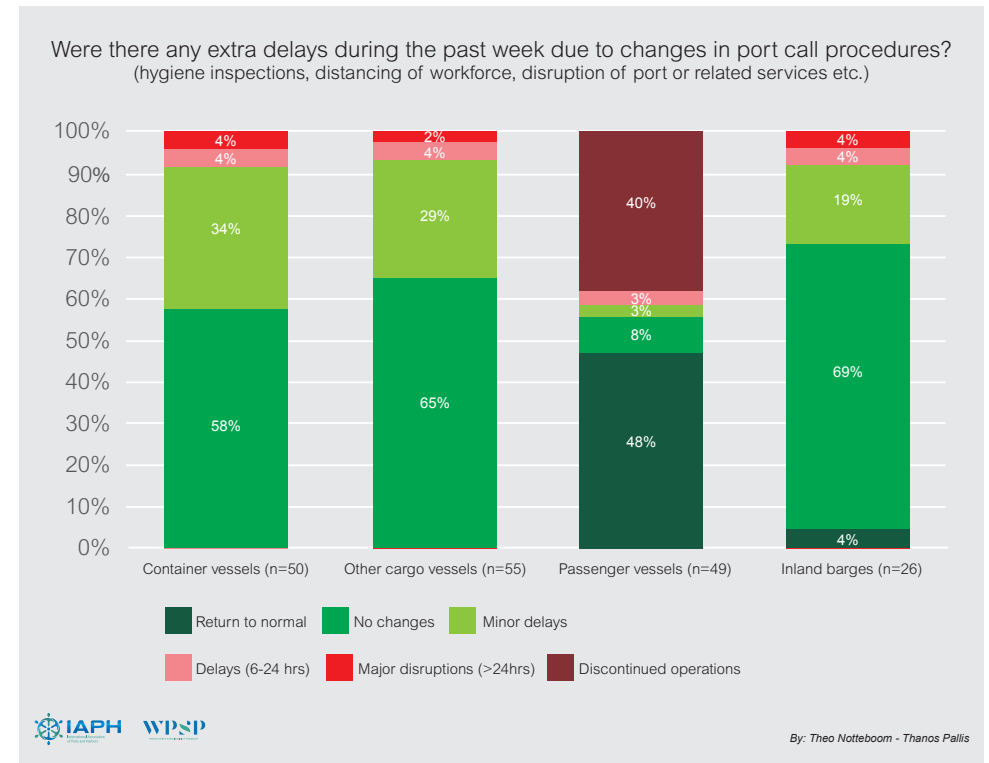
Measures currently applied include suspected vessels remaining in quarantine for 14 days with tests at the end. Other measures on the increase this week include foreign crew not permitted ashore unless due to a medical emergency, and requests for crew medical certificates with sanitary elementary checks by VTS operators before permitting entry. Beyond the overall ban on foreigners in many ports, neither passengers nor crew of cruise vessels are allowed to go on land. Several restrictions on crews had been brought into effect earlier and this is reflected in this week's barometer.



3. Extra delays due changes in port call procedures

Nearly 7 out of 10 ports with inland barge operations indicate that there are no extra delays during the past week due to changes in call procedures (e.g. hygiene inspections, distancing of workforce, disruption of port or related services), while some 2 out of 10 ports report minor delays (> 6 hours). For container vessels and other cargo vessels, more than 90% of the ports point to no or only minor delays. Also here, the worst situation is found in the passenger segment: 40% of the ports have discontinued this type of operations, while nearly half of the ports report no additional delays.

Minor delays emerged due to longer shift changeover times, which is a result of social distancing and cleaning equipment between users. Some limits were also observed in operational capacity of container terminals. This was especially the case with the maximum limit of at-the-gate delivered containers (gate in and gate out procedures) per hour, as human resources at the terminal need to work while maintaining social distances and operational vehicles (STS cranes, vans, side and front loaders) requiring sanitization every shift. A third type of operational delay was observed in the slowdown of ro-ro traffic, especially in the case of car carriers. This is due to reduced safe staff numbers on shuttle buses used to carry drivers from parking areas to the quays after having unloaded the cars (no more than 3 drivers).



4. Impact of crisis on hinterland transport

Border checks, a lower availability of truck drivers and disruptions in terminal operations can negatively affect trucking operations in/out of the port area and to the hinterland. About 22% of the ports report delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation. One port even indicates cross-border trucking has been discontinued. Overall, 43% of respondents face delays in cross-border trucking activities. For trucks arriving or leaving the port, this figure amounts to 39%, rather evenly split between minor delays (less than 6 hours) and more severe disruptions. In certain cases, trucks (in/out port) have been also affected due to restrictions by the government to only allow delivery within districts. In Europe, ports in certain highly affected countries recorded serious problems at the previously free transit border zones at some neighboring European countries and minor service disruption for all the others. Quite curiously, ports reported that this situation is actually leading to a renewed interest in rail services. Rail traffic was reduced because freeways became totally free during the epidemic. Ports changed in the last week in some of their cargo procedures. For example, due to lockdown enforcement, only essential items were previously allowed transit to and from ports. Now these same ports have made a move to avoid congestion by allowing non-essentials to move during specific windows.

Barge services are also affected with 41% of ports with this mode available reporting delays (in most cases less than 6 hours). Rail transport seems to be the least affected by the COVID-19 outbreak. Inland waterway transport was able to pick up partially-affected truckloads (traffic jams etc.), while for some, more inland waiting berth capacity is expected due to expected decrease of cargo volumes, especially from inland tanker vessels. Notably, a high level of 7 out of 10 ports see no disruptions in rail operations, with one port returning to a normal status for rail. Nonetheless, 18% report delays of more than 6 hours in rail transport.

Liquid bulk seems to be heading towards a different balance, as some ports recorded more utilization in storage tanks because of pricing policies while others observed under-utilization as demand for fuel has dropped.

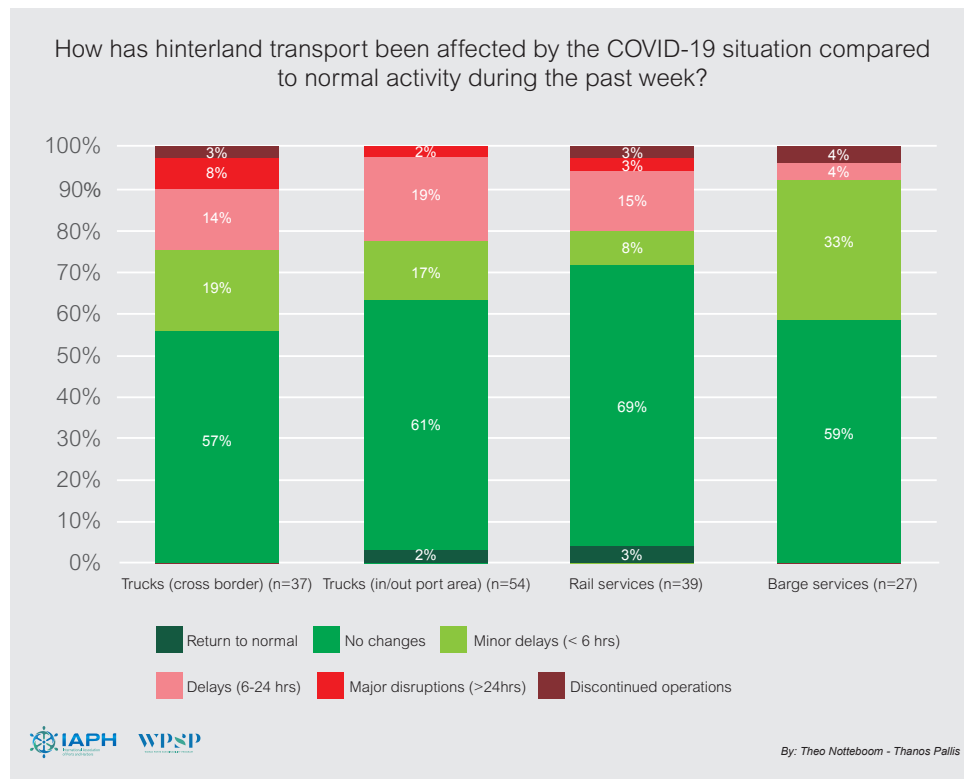
The reporting of specific trends was comparatively less as in some cases information was not readily available (i.e. terminal operating companies have the best view on the utilization of storage and terminal space, and ports are not always aware of the content of containers), but ports offered to provide information on this question for the next barometer; stay tuned.

5. Impact on capacity utilisation including warehousing and distribution activities

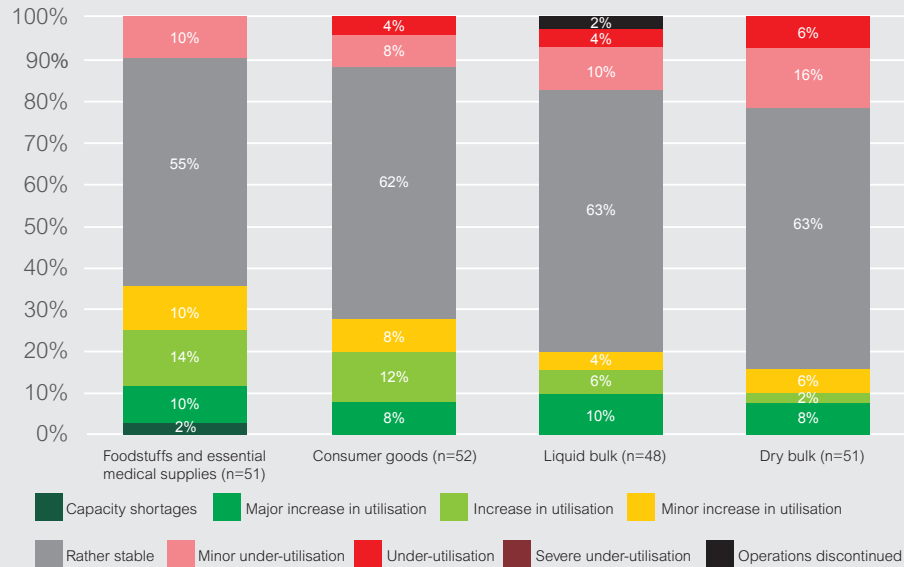
Warehousing and distribution activities in ports may see changes due to the fall in demand for consumer products in countries with partial or full lockdown measures. Hoarding behaviour can disrupt the foodstuff supply chains. Tank storage parks for liquid bulk, and oil products in particular, might see changes in their utilization degree caused by the sharp decline in the oil price and in the use of kerosene, diesel and gasoline.

The survey results show the COVID19 crisis has resulted in 36% of ports reporting an increase in utilisation of warehousing and distribution facilities for foodstuffs and medical supplies, with some ports reporting capacity shortages. Only 1 out of 10 ports reports a minor under-utilisation. In the case of consumer goods, 28% of the ports witness increased utilization while 12% report an under-utilization of existing facilities.

The picture is somewhat mixed for dry and liquid bulk: while 63% of the respondents see no changes, the remaining ports are fairly evenly distributed between under-utilisation and increased utilisation of warehousing facilities.

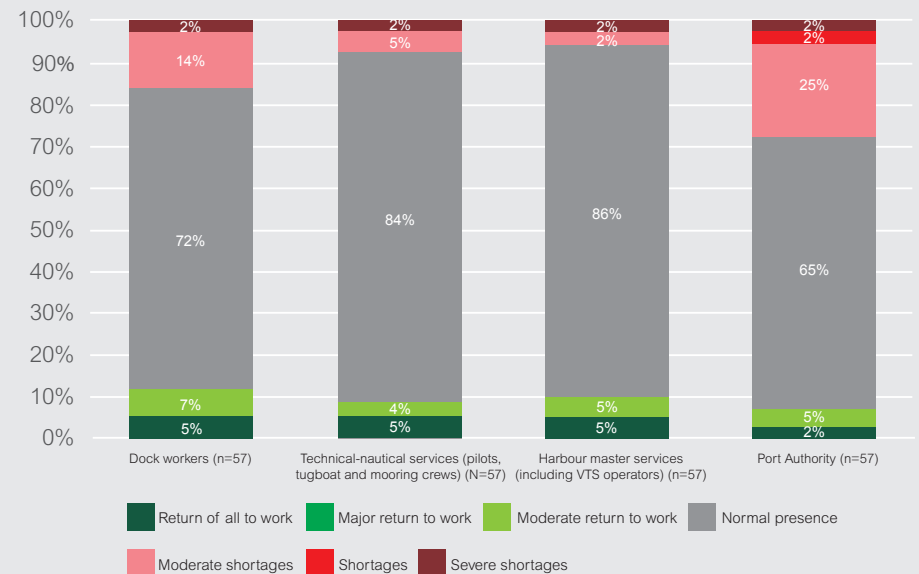


What is this week's situation in terms of capacity utilisation, including warehousing and distribution activities in the port?



Overall, operational workers remain in attendance at work as normal although port workers have to respect the safe measures in order to prevent direct contact (e.g. social distancing). In one case, social safety nets were required, such as layoffs for passenger terminal workers (cruises and ferries) and there are no seasonal workers requirements because of the cessation of ferries and cruises for the next months. Disruptions present are minimal (e.g. no port state control inspections). Currently, pilotage, VTS and ancillary services in all ports are proceeding normally, with worker availability within the ports being sufficient for the functioning of port operations. Ports are endeavoring to guarantee essential services so that the provision of goods to the population is not disrupted.

What was the availability of port workers last week?



6. Impact on availability of port workers

The measures to fight the COVID-19 outbreak up to now have not had a huge impact on the availability of port workers. Still, 16% of the ports mention they face shortages of dock workers, 7% of the sample is confronted with shortages for the delivery of technical-nautical services (pilots, towage, mooring), while only 2 ports are short of personnel for harbour master services. Strikingly, nearly 30% of the port authorities report a moderate to more serious decline in staff availability.

Working from home – teleworking, has emerged as a quite regular practice, especially for employees in administrative services. Quite a few ports reported teleworking. For some, the effects of government-enforced rules result in 80% of staff working from home and 20% essential staff working from port. There are ports that “assigned a home office to the administrative workers” as a formal policy. This implies that except for specific cases, employees are required to work from home and to be reachable during working hours. In another examples, a minimum number of employees with non- operational roles is requested to work from home.

7. Call for ports to participate in this survey

This weekly report will be published every Thursday on the [World Ports COVID19 INFORMATION PORTAL](#) under the FAQ section “WHAT IS THE ECONOMIC IMPACT ON THE GLOBAL PORT SECTOR?”

All ports are welcome to participate in this survey by contacting us on the following email : covid19@sustainableworldports.org

