IAPH-WPSP Port Economic Impact Barometer

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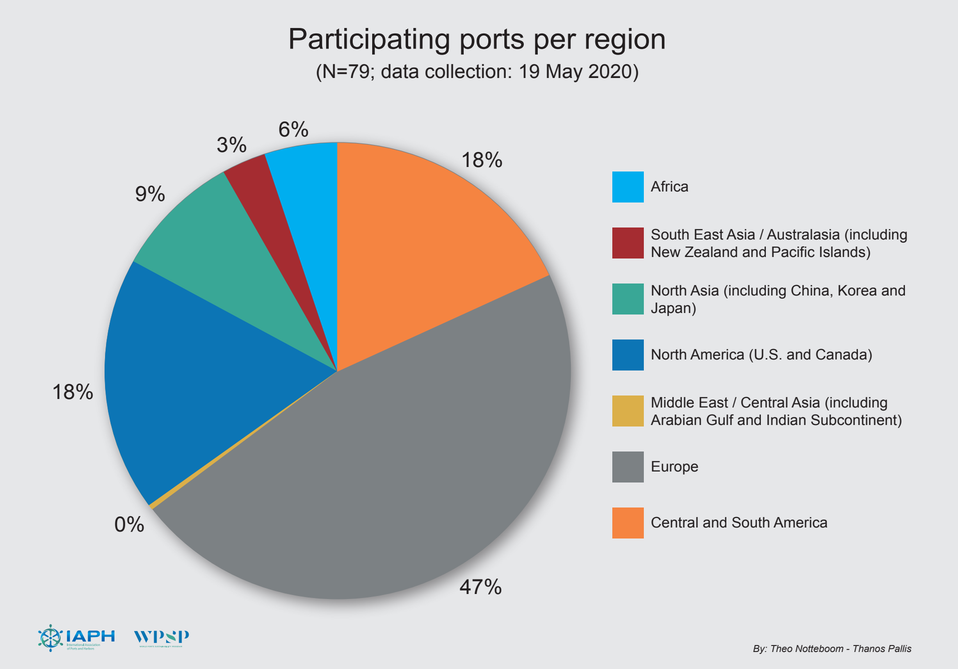
IAPH
International Association of Ports and Harbors

WPSP
WORLD PORTS SUSTAINABILITY PROGRAM

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 (April 6). This week's results deal with the situation in week 21 (May 18, 2020). A total of 79 valid answers were received with Europe continuing to be the leading region with 47% of the total. The Americas are also well represented with 14 ports from Central and South America and the same number of replies from North America. African and Asian ports remain underrepresented, although the number of respondents from these regions is higher compared to last week.



Survey set-up moving forward

To address the regional differences that are becoming much more pronounced as the world's ports respond to the Coronavirus crisis, the WPSP COVID19 Task Force now proposes to deliver this report in an adapted format on a bi-weekly basis to include regional comparisons on four key issues moving forward, namely:

- Impact of the crisis on vessel port calls compared to normal conditions at this time of year
- Impact of the crisis on hinterland transport compared to normal activity
- Capacity utilization, including port warehousing and distribution activities
- Availability of port workers, in all categories

WPSP-IAPH COVID-19 Dashboard

		Week 16 World April 13	Week 18 World April 27	Week 19 World May 5	Week 20 World May 12	Week 21 World May 19	Week 21 North America May 19
Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	39%	45%	43%	53%	71%
	Other cargo vessels	39%	44%	42%	46%	51%	46%
	Passenger vessels	77%	71%	85%	68%	73%	57%
Ports with extra restrictions on vessels (last week, %)	Container vessels	22%	20%	19%	10%	7%	0%
	Other cargo vessels	23%	25%	20%	6%	12%	14%
	Passenger vessels	38%	26%	25%	17%	16%	17%
Port call delays due to extra procedures (last week, %)	Container vessels	35%	27%	27%	18%	17%	0%
	Other cargo vessels	28%	30%	25%	20%	19%	14%
	Passenger vessels	40%	44%	34%	30%	32%	29%
	Inland barges	21%	21%	16%	8%	19%	13%
Hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	41%	37%	38%	26%	28%	17%
	Trucks (in/out port)	33%	35%	16%	15%	23%	0%
	Rail services	21%	13%	22%	17%	19%	10%
	Inland barge services	23%	21%	19%	21%	20%	17%
Ports facing high capacity utilization of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	34%	25%	25%	20%	14%	0%
	Consumer products	28%	18%	19%	9%	12%	10%
	Liquid bulk	22%	15%	20%	17%	13%	11%
	Dry bulk	17%	12%	17%	13%	10%	18%
Ports facing shortages in port-related workers (last week, %)	Dock workers	16%	22%	19%	17%	17%	0%
	Technical-nautical services	9%	12%	11%	6%	8%	0%
	Harbor master services	8%	10%	4%	8%	10%	0%
	Port authority	22%	26%	16%	22%	12%	8%
	Truck drivers	no data	16%	12%	9%	11%	0%

IAPH WPSP

By: Theo Notteboom - Thanos Pallis

Results based on surveys of ports worldwide, six weeks to May 19, 2020

This dashboard provides a visual summary of the results gathered from the IAPH-WPSP COVID-19 Port Economic Impact Barometer survey. The survey consists of six identical questions, sent to port authorities and port operators with responses sent anonymously on a weekly basis. The percentages indicated in the blue bars of the Dashboard highlight the level of impact of COVID19 contagion on world ports based on the responses to the main six questions of the survey, subdivided into relevant categories (vessel, modal, cargo and port worker). You can find comprehensive data and more detailed explanations of responses to those six questions in this report.

This week a column has been added summarizing the situation in North America indicated in the green bars. Last week the regional report focused on Central and South America, while Europe was in the spotlight two weeks ago. The last section of this report provides a detailed discussion of the situation in North America.

1. Impact of crisis on vessel calls

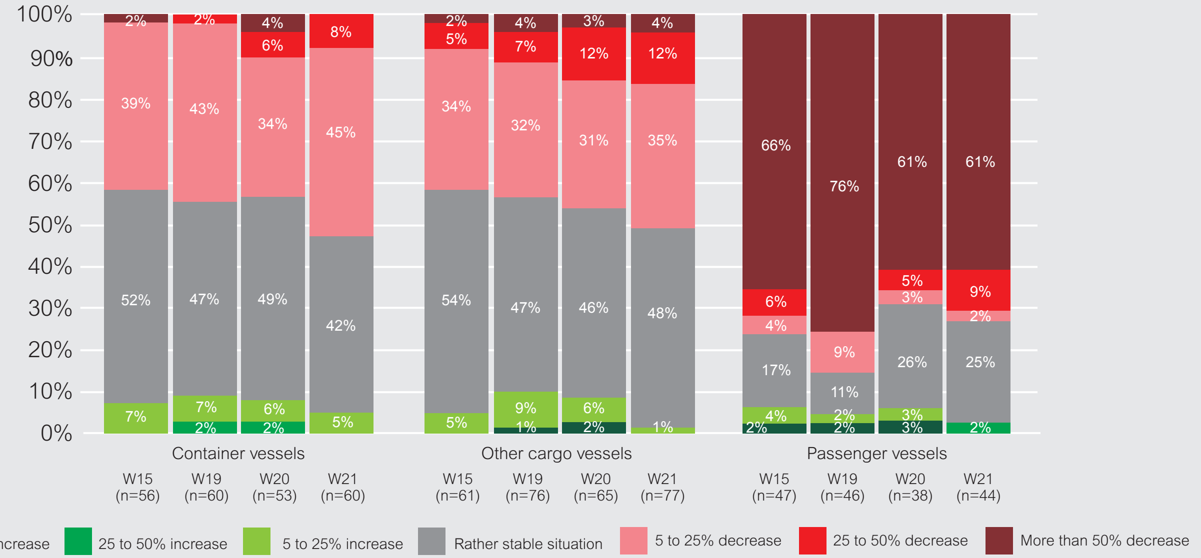
Blank sailings, mainly on trade routes with the Far East, are clearly affecting this week's results for container vessels. About 45% of the ports are reporting that the number of container vessel calls fell by 5 to 25% compared to a normal situation (34% last week), while the share of ports facing a significant drop (in excess of 25%) in container vessels calls reaches 8%, a figure that is about 2 percent below the results of weeks 17, 18 and 20, but much higher than what we could observed in weeks 15 and 16. The share of ports reporting reductions in other cargo vessel calls of more than 25% increased further to 16% (vs. 12 to 15% throughout weeks 16 to 20). Less than half of the ports mention that the number of calls by other cargo vessels is rather stable compared to a normal situation.

The cruise/passenger market remains the most affected by the COVID-19 contagion. This week's results are comparable to last week. About 6 out of 10 respondents indicate that passenger vessel calls are down more than 50%, in some cases even down more than 90%. In weeks 15 to 18 this figure amounted to two thirds of respondents with a peak of 76% in week 19. These figures continue to show the combined effect of partial or full lockdown measures in a lot of countries around the world with an almost complete cessation of cruise activities.

The regional variation in the vessel call situation is becoming more apparent. Some European terminals witness a small decrease of the canceled calls, while other ports see some recovery. There are also the first signs that the number of blanked sailings will be less in the near future – or at least after July - as some services are now being revamped. A different trend is observed in North America (see also the regional focus of this week's barometer) and in Central and South America, where ports are experiencing blank calls due to a strong volume reduction on imports and exports. In these cases, general cargo vessels calls are similar to what would be expected mainly due to the demand by importers who could not stop their shipments. Car carrier activity continues to be very weak, but the reopening of several economies generates expectations for an increase of the flows. Imports of refined products have started recovering, in some cases at a significant level.

The significant drop in ro-ro activity and passenger vessels calls remain prevalent. Ro-ro carriers in operation transport significant less cargo, while some port users have changed the operation of their Ro-Pax / ferry vessels to cargo-transporting vessels. There is no cruise operation as cruise activity has stopped worldwide and cruise vessels are berthing in different ports for lay-up only.

How would you best describe the number of vessel calls in your port in the past week, compared to what would be expected in the same week under normal conditions for this period?



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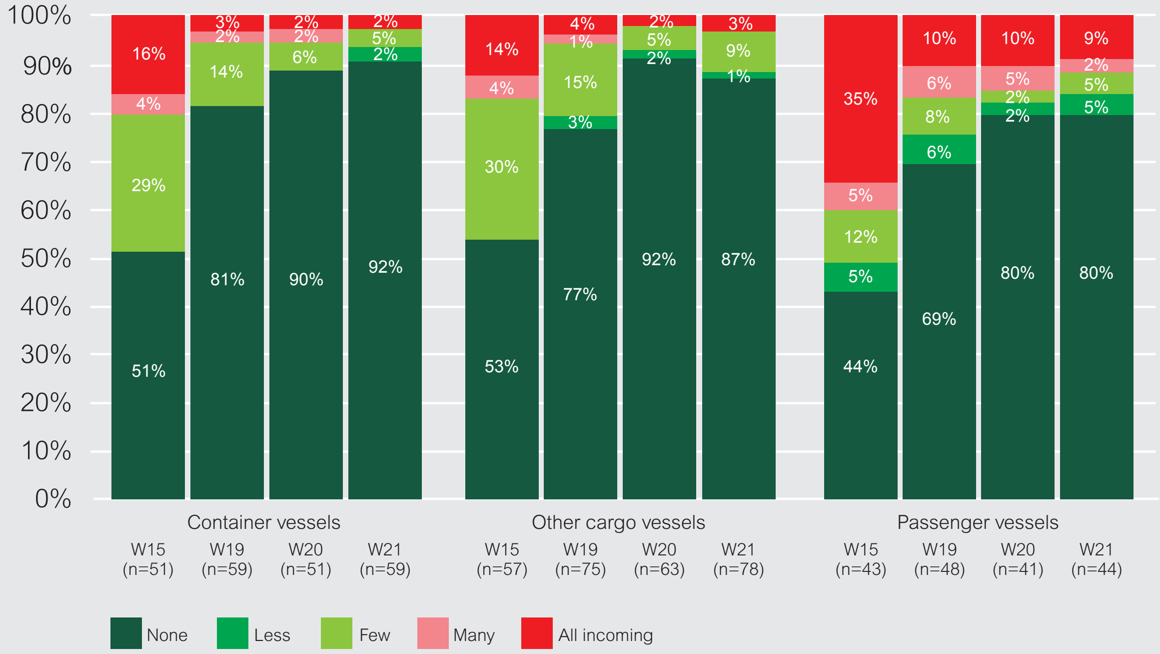
2. Extra restrictions on vessels

The COVID-19 outbreak can result in extra restrictions on vessels. The decrease that began two weeks ago in terms of the share of ports imposing restrictions on container and other cargo vessels continues this week. About nine out of ten ports did not impose any restrictions on container vessels and other cargo vessels. The picture for passenger vessels also shows a strong improvement: 80% of the responding ports have not imposed additional restrictions (same as last week; 69% in week 19 and 44% in week 15). The share of ports imposing extra measures on all incoming passenger vessels has reduced from 35% in week 15 to 9% this week, the lowest figure to date.

The applied restrictions have remained the same since mid-March. All vessel operations are performing in accordance with biosecurity procedures in order to avoid any impact on terminal performance. In some cases, vessels are inspected alongside. In other cases, vessels are all inspected before berthing when the medical team boards the vessel. The green light for the vessel to berth is given only after checking there are no suspected cases. There are no extra restrictions on vessels as long as the health declaration is clear. In many cases, only the truck drivers are allowed to board on ferries. Health protocols are in most cases designated by the national health authorities.

Permissions to crew members to disembark are limited. In some countries, due to the preventive measures adopted by governments for port facilities, it is recommended that no member of the crew leaves their ship, unless necessary for operational reasons and in accordance with security measures to prevent the spread of Covid -19. In other cases, the crew is restricted to a 4-hour shore leave for essential purposes only.

Were there any extra restrictions on vessels introduced in the past week, for either cargoes or ship crews?



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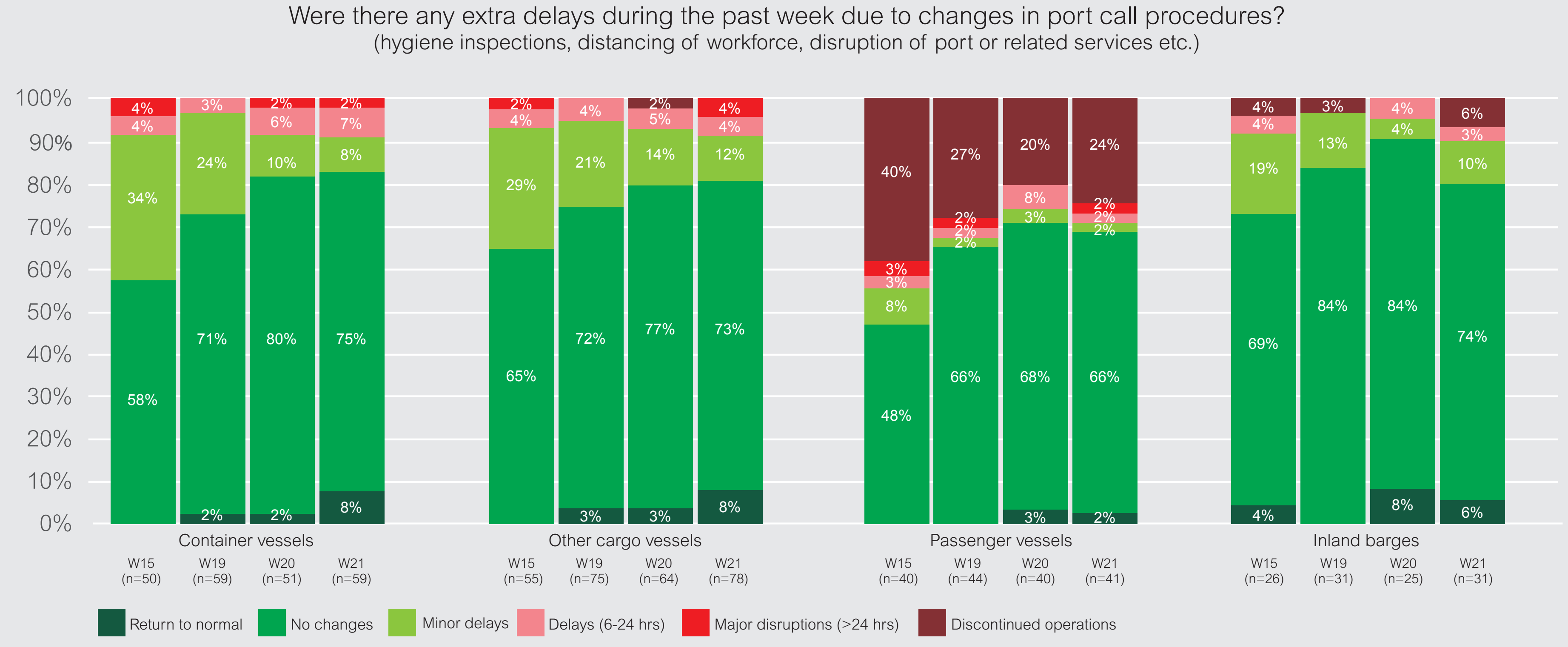
3. Extra delays due changes in port call procedures

Inland barge operations are now seeing slightly more disruptions compared to last week: 80% of ports indicate that activities are normal/back to normal and there were 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), down from a record 92% last week. For container vessels and other cargo vessels, slightly less ports report delays or major disruptions, which is mainly caused by a decline of the share of respondents facing minor delays. The passenger segment remains the most affected vessel category and the improvement observed last week continues throughout this week: while 24% of the port operations of this type have discontinued (down from 27% two weeks ago and 33% in weeks 17 and 18), 68% of the ports report no additional delays (similar to the last two weeks, but much higher than the 50-51% in weeks 17 and 18).

The reported delays are only those minor ones that take place due to the sanitary controls that are being carried out on ships, land transport and port workers in order to prevent the spread of Covid-19. Beyond these, there are no reasons for delays and regular conditions apply. Workers in many ports are at normal numbers and operations remain undisrupted. The presence of fewer ships and fewer vessels than expected has in many cases avoided further delays.

In specific countries though delays are the result of landside operations. For instance, the mandatory testing of truck drivers is causing a slowing in turnaround time in the short term. In some ports, all truck drivers are required to have a Covid-19 free certificate, with testing taking relatively longer time than expected. This is affecting truck turnaround time. Further re-opening of the economies is expected to ease these problems – yet there are also concerns that it might result in the implementation of new procedures in the respective countries.



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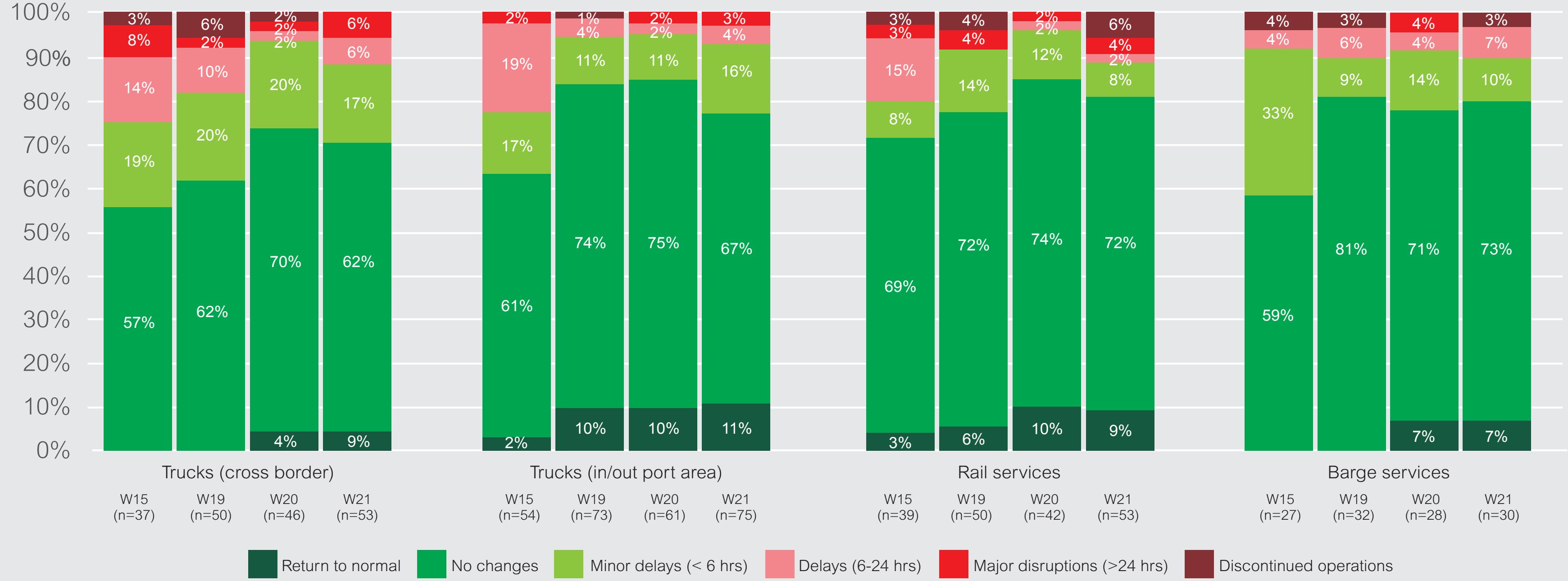
4. Impact of crisis on hinterland transport

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. The overall improvement in hinterland transport operations observed last week has leveled off. About 12% of the ports are still in a precarious position, reporting delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation. However there are no ports anymore indicating that cross-border trucking has been discontinued. On a positive note, 71% of the ports witness normal operations in cross-border transport by truck or are back to a normal situation. For trucks arriving or leaving the port, we see a small deterioration compared to last week: 78% of ports report normal activity. This figure is below the 85% of the past two weeks, but well above the 61 to 67% levels of weeks 15 to 18. Some 19% of ports still face disruptions in rail services, and even a few ports (6%) are reporting a discontinuation of operations. Some 81% of ports report normal rail operations or a return to normal. The situation for barge services is evolving positively: 8 out of 10 ports report (return to) normal operations, while most of the remaining ports only face minor delays.

Governments in several parts of the world have lifted restrictions on inter-district transportation, solely for the hauliers to distribute to the final destination, always respecting the stricter protocols that have been imposed. The minor delays in hinterland transport are a consequence of the sanitary measures. Cross-border traffic of trucks continues to face problems given different approaches of neighboring countries. Delays particularly occur when cooperation between national administrations is absent – this has been reported by ports in the Americas and Africa.

The supply of services has adapted to demand given that less cargo is transported. This decrease has led transport companies to reduce their teams. Yet, whenever truck drivers are self-employed they keep operating due to the need to guarantee a minimum income. Rail traffic is returning to near normal rates and improvements in road traffic follow the resumption of industry operations in many economies.

How has hinterland transport been affected by the COVID-19 situation compared to normal activity during the past week?



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5. Impact on capacity utilization including warehousing and distribution activities

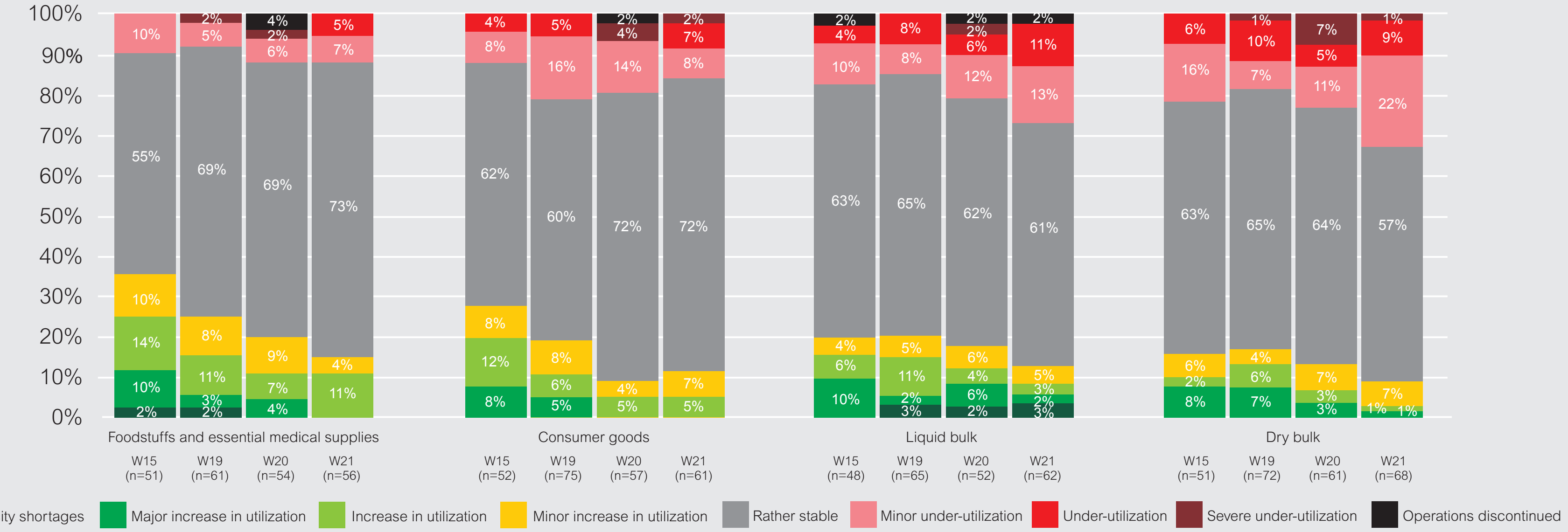
Warehousing and distribution activities in ports may see changes due to the fall in demand for consumer products or the closure of factories in countries with partial or full lockdown measures. Tank storage parks for liquid bulk, and oil products in particular, might see changes in their utilization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

This week's survey results show the COVID19 crisis has resulted in only 14% of ports reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies and none of the respondent ports points to capacity shortages. These figures show a further downward trend compared to the last three weeks (note that this figure amounted to 35% in week 15). For consumer goods, 16% of ports are confronted with underutilized facilities and 12% report increases in utilization. It is the second week in a row that we have more ports facing underutilization than higher utilization levels.

In the liquid bulk market, 61% of the respondents see no changes in utilization levels, a figure that has remained fairly stable since the first week of the survey. However, more and more ports are reporting underutilization of liquid bulk storage facilities: 26% this week compared to a 15-23% range in the past six weeks. The share of ports with increased utilization levels in liquid bulk storage facilities has dropped to 13%, the lowest figure since the start of the survey. A similar development can be seen in the dry bulk sector: 32% of the ports report an underutilization of facilities compared to a 17-25% range in the past six weeks. The share of ports with increased utilization levels in dry bulk storage has declined to 10% (also here the lowest figure to date).

A different impact in different parts of the world has been reported - depending on the features of the respective economies and the stage of the crisis these economies are in. The type of commodities served by ports have also an effect on the trends of capacity utilization. There are ports reporting that anchorage is almost fully used by tankers/floating storage. Other ports continue to face significant underutilization due to the continuation of lockdowns and the consequent drop of domestic consumption. Fewer calls and lower cargoes at the ports are limited to transporting essential cargoes such as foodstuffs, medical and other essential cargoes. Specific types of cargoes (i.e. grain) continue to be exported/imported while others, i.e. those related to industrial output, power generation, energy products, steel and construction materials remain weak, impacting port operations and warehousing.

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



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6. Impact on availability of port-related workers

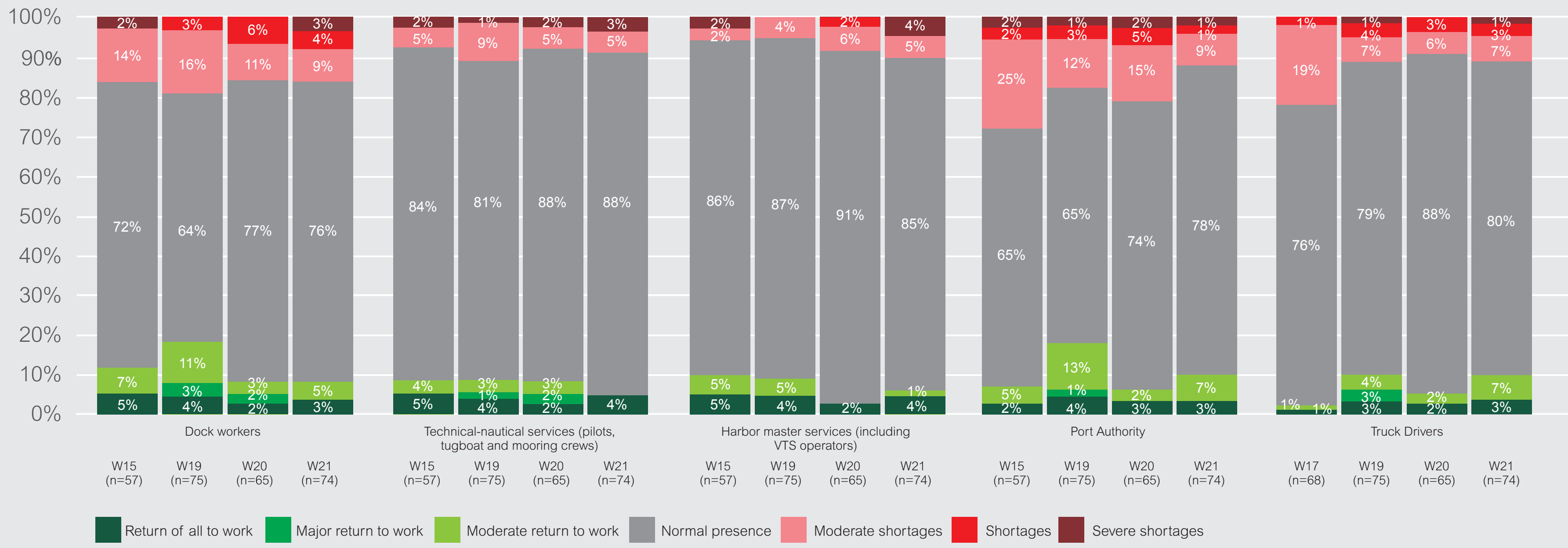
The measures to fight the COVID-19 outbreak up until now have not had a huge impact on the availability of port-related workers. About 17% of the ports mention that they face shortages of dockworkers (same as last week, 19% in week 19, 22% in week 18 and 15 to 16% in the first three weeks). Only 8% of the sample is confronted with shortages for the delivery of technical-nautical services, while 10% of ports are short of personnel for harbor master services. About 12% of the port authorities report a moderate to more serious decline in staff availability. This is the lowest figure up to now and compares to 26% in week 18, 22% in weeks 16 and 17 and 28% in week 15. The availability of truck drivers is high, although the clear trend towards further improvement leveled off: only 11% of the ports face truck driver shortages compared to 9% last week, 12% two weeks ago, 16% three weeks ago and 21% in week 17.

Most ports do not suffer any lack of workers to maintain operations and service levels. Since volumes have declined, the required manpower has diminished in small numbers without major impact. Harbor Master services and Port Authority personnel are returning back gradually to normal presence in many economies, but this is not taking place globally; trends in Central and South America have not improved for the moment. Priority is given to telework though, and most of administrative staff in many ports primarily work from home. As previously reported, there are still restrictions for those in risk groups, who are either working at home or on paid leave.

Working on site normally takes place with some extra arrangements in place and in some ports only dockworkers under sixty years of age are working. Occasionally this applies to truck drivers as well. Vessels are loaded and unloaded by independent teams complying to social distancing and other Covid-19 related protocols. Some ports reported that Health Authorities perform tests for Covid-19 cases, but stevedores still require further tests to become available.

Given the lack of cruise calls, some dockworkers serving these operations are at home receiving social security support. Dockers deployed in terminals to cover peaks are now exposed to lack of demand: while they currently get salary compensation for non-activity the key question is what will happen once Covid-19 related social salaries will come to an end.

What was the availability of port workers last week?



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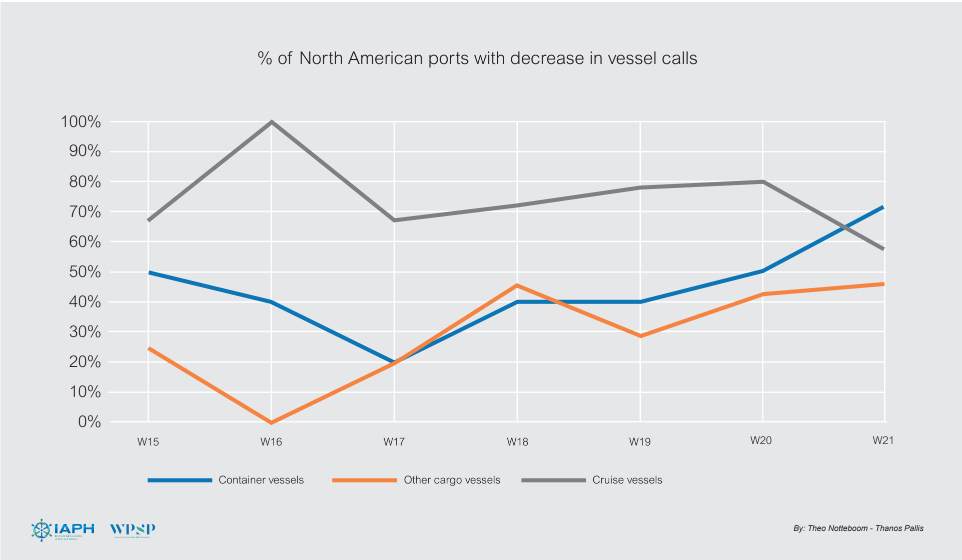
7. Regional focus: North America

This week's regional section focuses on North American ports. This port system takes the third largest share of the weekly global port sample (after Europe and Central and South America) accounting for between 7% and 18% of all received answers in the past seven weeks.

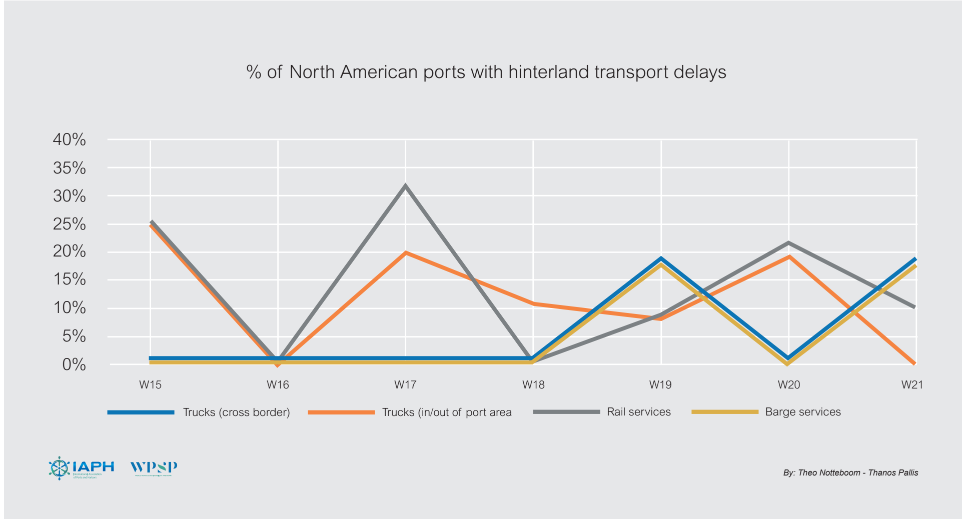
The two last columns of the dashboard enable us to compare the global (blue bar) and North American (green bar) results. A number of conclusions can be drawn.

The share of ports facing declines in weekly calls of other cargo vessels is fairly comparable to the world average. The situation for container vessels calls has rapidly deteriorated in the past weeks (see graph): this week already 71% of responding ports witness a 5 to 25% reduction in container vessel calls, a figure that is much higher than the world average. The situation for cruise vessel calls shows signs of improvement.



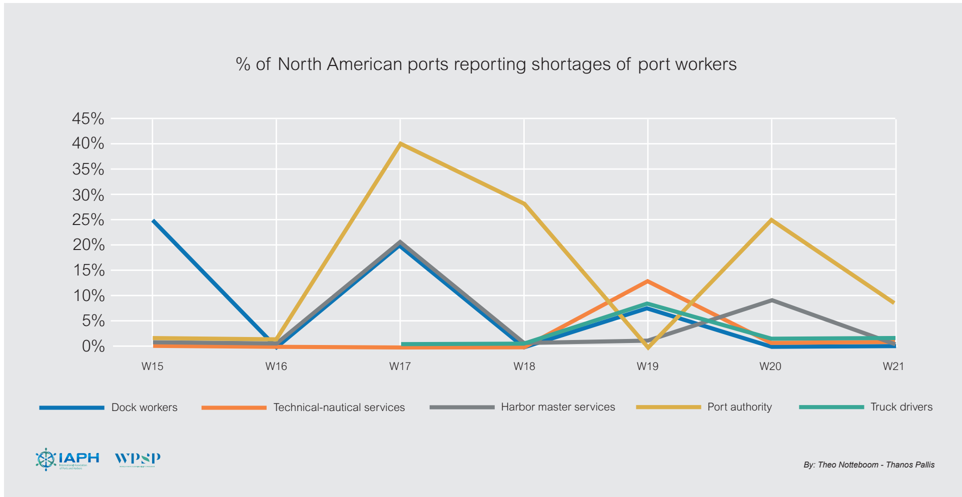
The share of North American ports imposing extra restrictions on other cargo vessels and cruise vessels is in line with the global average. However, the situation for container vessels is much better than the already favorable global picture. Overall, the North American port system is less confronted with delays due to extra procedures for seagoing vessels and inland barges.

The situation in hinterland transport is on average far less disrupted than what can be observed around the world, particularly for trucks moving in/out the port areas. The following graph demonstrates that, except for rail, the number of ports confronted with disruptions in inland transport has remained below 20% throughout the survey period.



The capacity utilization situation of warehousing and storage facilities in North American ports is comparable to the global picture for consumer products and liquid bulk. However, ports in the region are much more likely to have increased capacity utilization or capacity shortages for dry bulk (18% vs. 10% for the world).

North American ports generally face no problems with port worker availability. The figures for this week are much lower than for the global sample: zero shortages are reported for all port worker categories except for port authority staff, although some fluctuations are observed over the period of observation (see graph).



8. Call for ports to participate in this survey

This bi-weekly report will now be published on the World Ports COVID19 INFORMATION PORTAL under the FAQ section “WHAT IS THE ECONOMIC IMPACT ON THE GLOBAL PORT SECTOR?”

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