IAPH-WPSP Port Economic Impact Barometer

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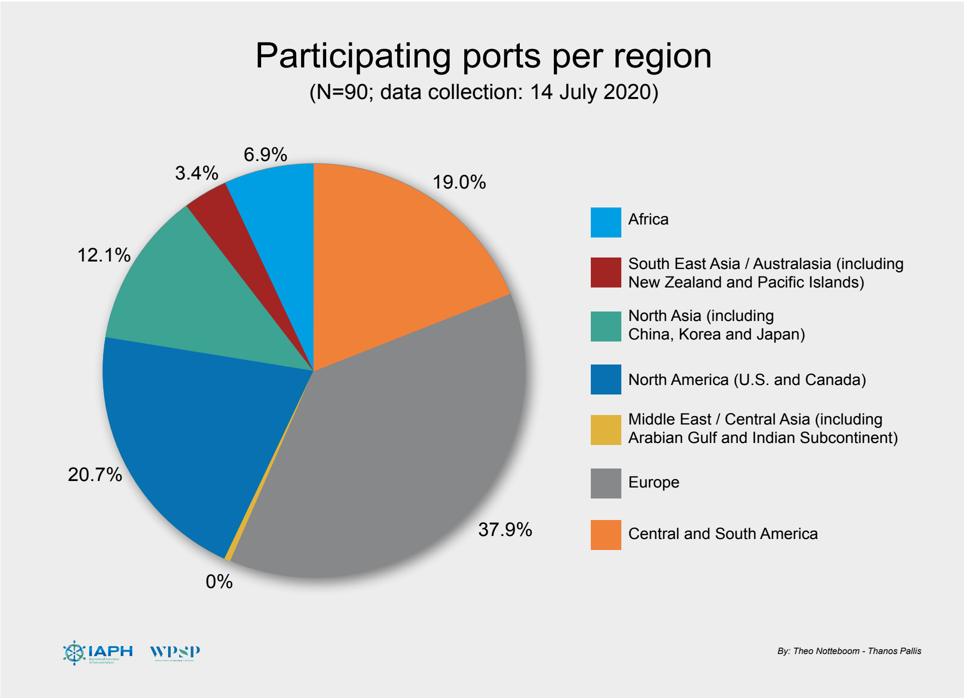
WPSP WORLD PORTS SUSTAINABILITY PROGRAM

Survey set-up

The IAPH-WPSP survey on the impact of COVID-19 is conducted 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 29 (July 15, 2020). A total of 58 valid answers were received which is a sharp decline compared to the number of responses in week 27 (90), and the lowest to date. Europe continues to be the leading region with 38% of the total. Eleven ports from Central and South America (19% of total) responded. North America also remains well represented with 12 ports (21%), the highest share to date. Nine ports from North Asia, South East Asia and Australasia are included in this week's results. African ports remain underrepresented with only 4 ports, while no answers were received from ports of the Middle East or Central Asia.



WPSP-IAPH COVID-19 Dashboard

		Week 15 World April 6	Week 16 World April 13	Week 17 World April 20	Week 18 World April 27	Week 19 World May 5	Week 20 World May 12	Week 21 World May 19	Week 23 World June 2	Week 25 World June 16	Week 27 World June 16	Week 29 World July 15
Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	41%	53%	39%	45%	43%	53%	45%	48%	40%	40%
	Other cargo vessels	41%	39%	47%	44%	42%	46%	51%	42%	33%	33%	37%
	Passenger vessels	77%	77%	76%	71%	85%	68%	73%	74%	78%	64%	70%
Ports facing hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	43%	41%	35%	37%	38%	26%	28%	23%	28%	15%	9%
	Trucks (in/out port)	37%	33%	35%	35%	16%	15%	23%	8%	11%	15%	11%
	Rail services	28%	21%	32%	13%	22%	17%	19%	14%	13%	8%	9%
	Inland barge services	41%	23%	40%	21%	19%	21%	20%	20%	18%	3%	9%
Ports facing high capacity utilization of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	35%	34%	33%	25%	25%	20%	14%	16%	8%	15%	10%
	Consumer products	27%	28%	25%	18%	19%	9%	12%	13%	10%	12%	10%
	Liquid bulk	21%	22%	20%	15%	20%	17%	13%	17%	16%	16%	16%
	Dry bulk	16%	17%	13%	12%	17%	13%	10%	9%	18%	15%	10%
Ports facing shortages in port-related workers (last week, %)	Dock workers	16%	16%	16%	22%	19%	17%	16%	13%	13%	14%	5%
	Technical-nautical services	7%	9%	4%	12%	11%	6%	8%	7%	7%	7%	4%
	Harbor master services	4%	8%	7%	10%	4%	8%	10%	5%	4%	6%	2%
	Port authority	28%	22%	22%	26%	16%	22%	12%	12%	21%	8%	2%
	Truck drivers	no data	no data	21%	16%	12%	9%	11%	10%	3%	7%	7%

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Results based on surveys of ports worldwide, eleven survey weeks to July 15, 2020

This dashboard provides a visual summary of the results gathered from the IAPH-WPSP COVID-19 Port Economic Impact Barometer survey. The survey initially consisted of six identical questions, sent to port authorities and port operators with responses sent anonymously on a weekly basis. From week 23 onwards, the survey has been sent out on a bi-weekly basis and the number of questions has been reduced to four. A fifth question was added in week 27 dealing with the status on crew changes in the ports.

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 four questions of the survey, subdivided into relevant categories (vessel, modal, cargo and port worker). The results on the crew changes will be discussed using a separate graph. You can find comprehensive data and more detailed explanations of responses to the five questions in this report.

1. Impact of crisis on vessel calls

Blank sailings, mainly on trade routes with the Far East, continue to affect this week's results for container vessels. About 33% of the ports are reporting that the number of container vessel calls fell by 5% to 25% compared to a normal situation. This figure is much lower than the 45% in weeks 21 and 25, and also below the 38-39% in the first weeks of the survey in early April. The share of ports facing a significant drop (in excess of 25%) in container vessels calls reaches 6%, a figure that is about 4 percentage points below the results of weeks 17, 18 and 20, but still significantly higher than what we could observe in weeks 15 and 16. The share of ports reporting reductions in other cargo vessel calls of more than 25% gradually decreased from 16% in week 21 to 4% in week 25, which is also far below the 12 to 15% observed throughout weeks 16 to 20. However, in weeks 27 and 29 the figure is up again to reach 9%. Globally, some 53% of the ports are now reporting that the number of calls by other cargo vessels is rather stable compared to a normal situation, a figure that is comparable to the situation in the first weeks of the survey.

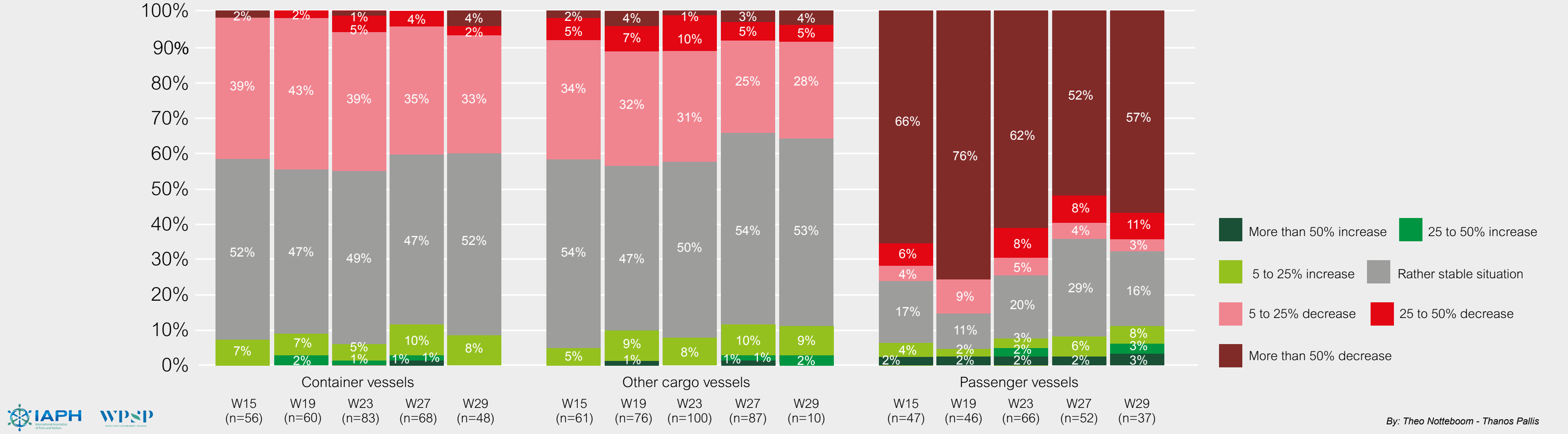
The cruise/passenger market remains the most affected by the COVID-19 contagion, although the results in the past month show some improvement. In week 29, 57% of respondents indicate that passenger vessel calls are down more than 50%, in many cases even down more than 90%. In the period from week 20 to week 25 this figure was 61-62% while in weeks 15 to 18 this figure amounted to two thirds of respondents with a peak of 76% in week 19.

These findings are in line with the respective results of the last edition of the Barometer. With generalized lockdowns now limited, the return of vessels and the lower numbers of blank sailings continue, yet these happen at a slow pace. As a result, for the first time since starting the measurements, the percentage of ports reporting that the number of container ships calls corresponds to a normal situation has exceeded the 50% threshold. A similar reporting percentage has been recorded in the case of calls of vessels carrying other types of cargoes. Some of the ports that experience a decline of the number of container ships calls reported that further improvement is present but not entirely captured (i.e. vessel calls were just over 5% less than normal). Several ports are certain that in the current conditions and given the numbers of blank sailings of coming weeks they will soon head to almost similar numbers of calls compared to the same period the year before. At the same time, maritime trade volumes have also started to increase, as several economies, or major parts of them, have returned to operations and increased number of transactions.

Ro/Ro and passenger traffic continues to be significantly impacted by COVID19. Seven out of 10 passenger ports experience a decline that exceeds 25% comparing to the year before, with five of them hosting half or less the calls of last year. The renewed activity recorded in the previous edition of the Barometer has not accelerated, at least not yet. Moreover, restarted passenger ship operations continue with half the numbers of passengers on board, as the restrictions preventing these vessels from carrying more than 50 to 60% of their capacity continue to apply.

Cruise ship calls remain at almost zero levels. However, this might not last long. Even though the COVID19 cases are on the rise in many countries, cruise lines' announcements to return to operations have become more frequent than in previous weeks. To give an example, in the light of recent EU- produced interim advice for restarting cruise ship operations after lifting restrictive measures in response to the COVID-19 pandemic, TUI announced its 'blue cruises' programme, where passengers remain on-board and at sea for the entire cruise, embarking and disembarking from Hamburg. Aida has also announced the restarting of few traditional cruises in North Europe. A handful of small cruise vessels are in operation.

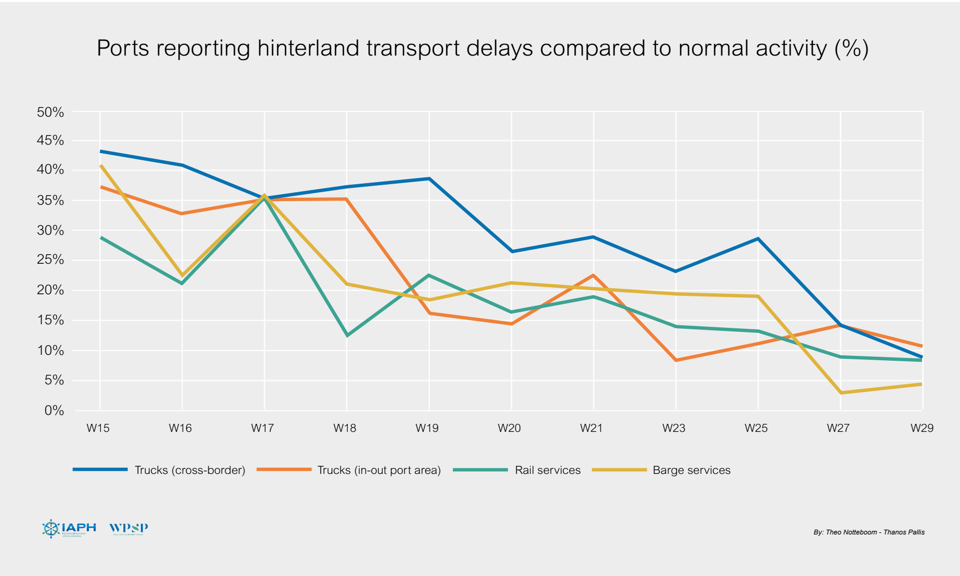
How would you describe the number of vessel calls in your port in the past week, compared to activity during normal conditions?



2. 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. Only 3% of the ports are still in a precarious position, reporting delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation. This figure is far below the 12% share in week 21 and 18 to 20% in weeks 18 to 19. Some 92% of ports witness a return to normal operations in cross-border transport by truck or are already back to a normal situation. This is the highest figure since the start of the survey and much higher than 63% in week 25, indicating that the situation shows a strong improvement overall. In early April (week 15), only 57% of the ports were experiencing normal cross-border trucking operations.

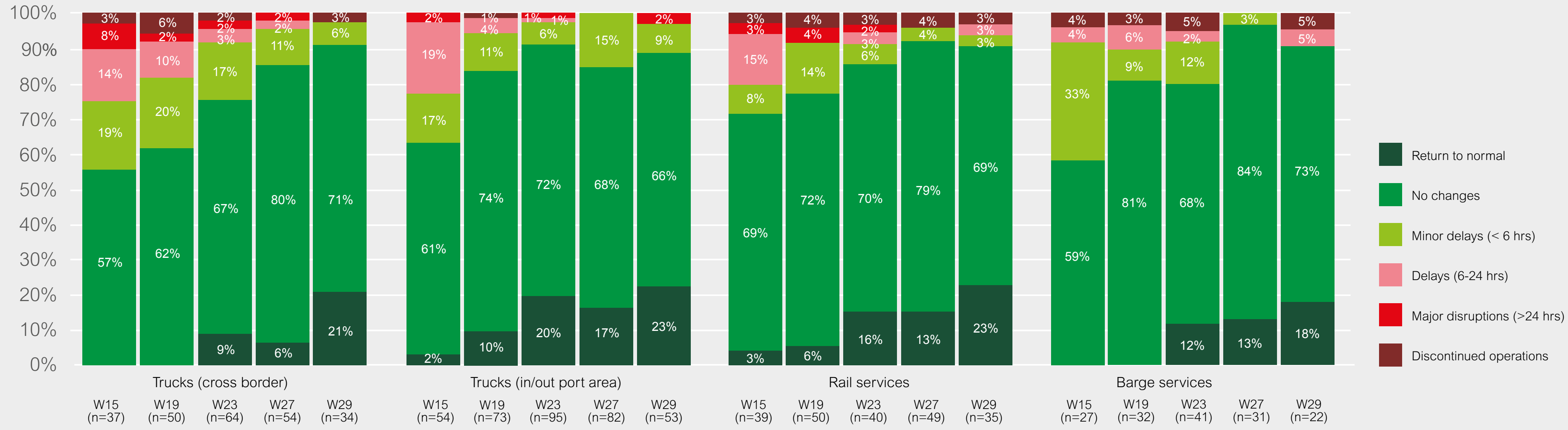
For trucks arriving or leaving the port, there is also an improvement overall: 88% of ports report normal activity versus 85% two weeks ago, 78% in week 21 and only 63% in week 15. Some 8% of ports still face disruptions in rail services, the lowest figure to date and at the same level as two weeks ago. Rail services to/from ports are increasingly back to normal, and for the second time the percentage of ports that faces less rail service delays than in the same period last year has reached a single digit. The situation for barge services is also positive: 9 out of 10 ports are reporting normal operations, compared to 82% a month ago and only 59% at the start of the survey.



Inland transport volumes are moving towards recovery, reflecting the continuation of the reopening of markets. Cross-border transportation of goods and people are also reopening despite several question marks over this decision and local restrictions returning in order to avoid potential spread of the pandemic. Volumes are also on the rise and are expected to go further up in the coming weeks and months. There are still no expectations on reaching pre-crises volumes in the short term.

Expressed in percentages, the number of ports experiencing delays in cross-border trucking services, rail services, and barges are down to single digits for the second consecutive Barometer report. In the case of trucks moving in/out the port, the respective percentage (11.3%) is the lowest observation since the launching of the barometer. Even the extra minor delays – e.g. delays of no more than one hour per truck – that were recorded due to the registration procedures of the entry and exit of the trucks at the port gates are no longer observed in this sample.

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



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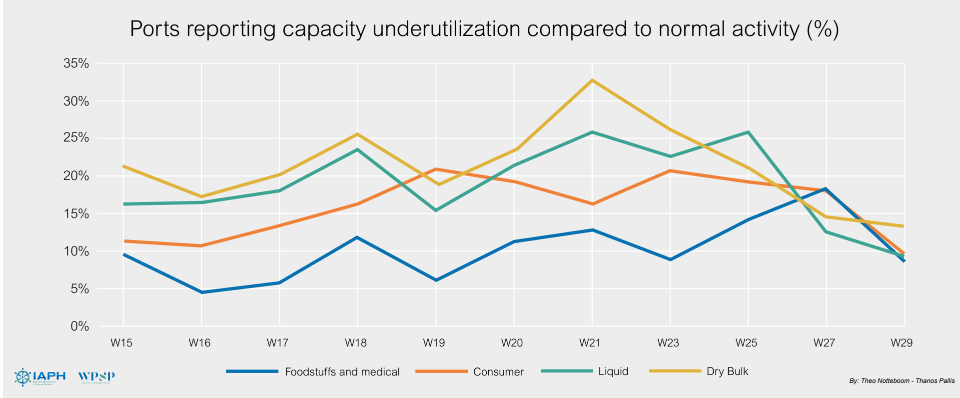
3. Impact on capacity utilization including warehousing and distribution activities

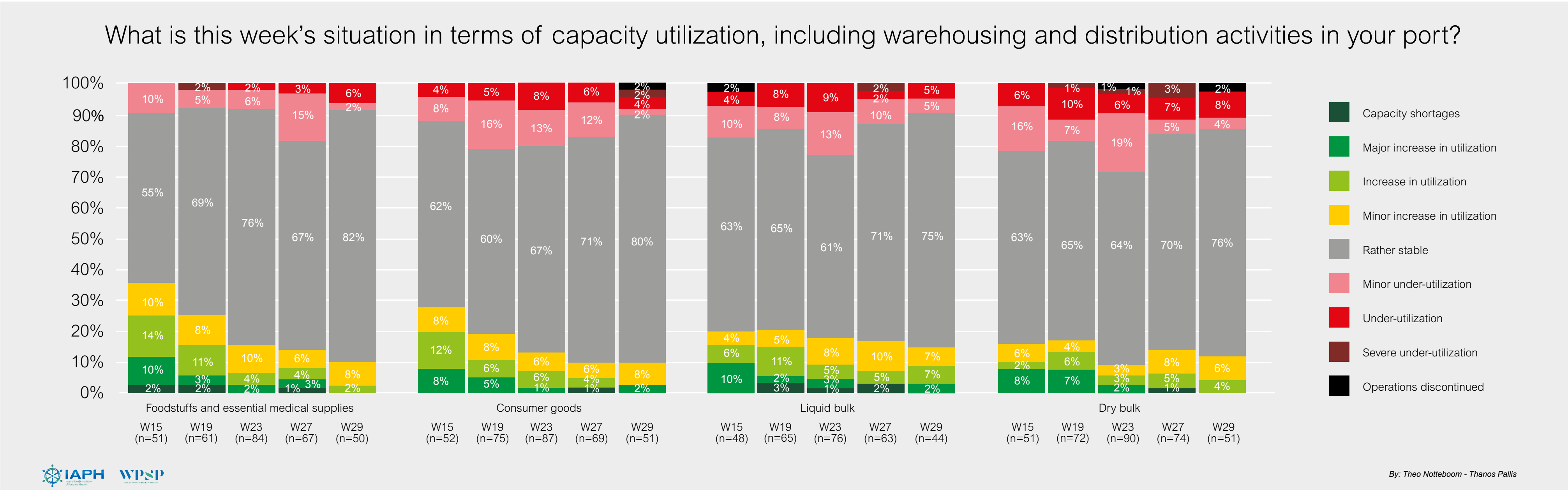
Warehousing and distribution activities in ports may see changes due to the fall in demand for consumer products or the closure of factories in countries with partial or full lockdown measures. Tank storage parks for liquid bulk, and oil products in particular, might see changes in their utilization degree caused by the sharp decline in the oil price at the start of the COVID-19 crisis.

This week's survey results show the COVID19 crisis has resulted in only 10% of ports reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies. Due to the increase in demand for food, ports serving such cargo have reported moving more than ever before (in tons). This figure is higher than a month ago (8%) but still far below the 35% in week 15. For consumer goods, 1 out of 10 ports is confronted with underutilized facilities and the same share of ports report increases in utilization. After six survey weeks in a row of more ports facing underutilization than higher utilization levels, the figures this week are in balance. In weeks 15 to 17 only 10 to 14% of respondents witnessed underutilization and 25 to 28% of ports mentioned an increased usage of facilities or even capacity shortages.

In the liquid bulk market, 75% of the respondents see no changes in utilization levels, a much higher figure compared to the 59-63% range in weeks 15 to 25. Only 9% of ports are reporting underutilization of liquid bulk storage facilities, the lowest figure since the start of the survey (compared to a 15-26% range in the first nine survey weeks). The share of ports with increased utilization levels in liquid bulk storage facilities has remained stable at 16-17% since week 23. In the dry bulk sector, 14% of the ports report an underutilization of facilities compared to a 17-32% range in the first nine survey weeks. The share of ports with increased utilization levels in dry bulk storage reached only 10%, compared to 15% two weeks ago and 18% a month ago.

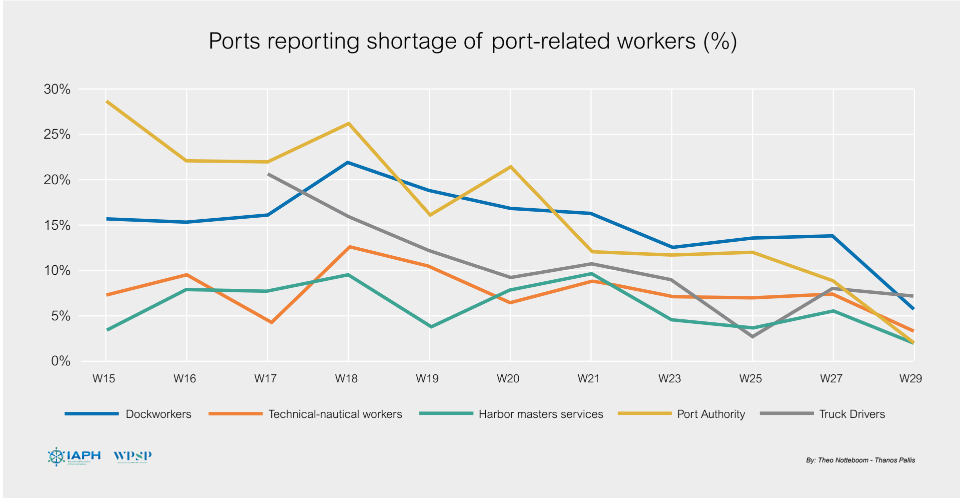
For three out of the four categories of cargoes that are examined - namely foodstuffs and medical supplies, consumer goods, and liquid cargoes – this is the first time since the launching of the Barometer in Week 15 of 2020, that less than 10% of ports reported underutilization of warehousing and distribution facilities. In the fourth category – namely dry bulk cargoes – this percentage stands at 13.7%; a month ago it was standing at over 20%.

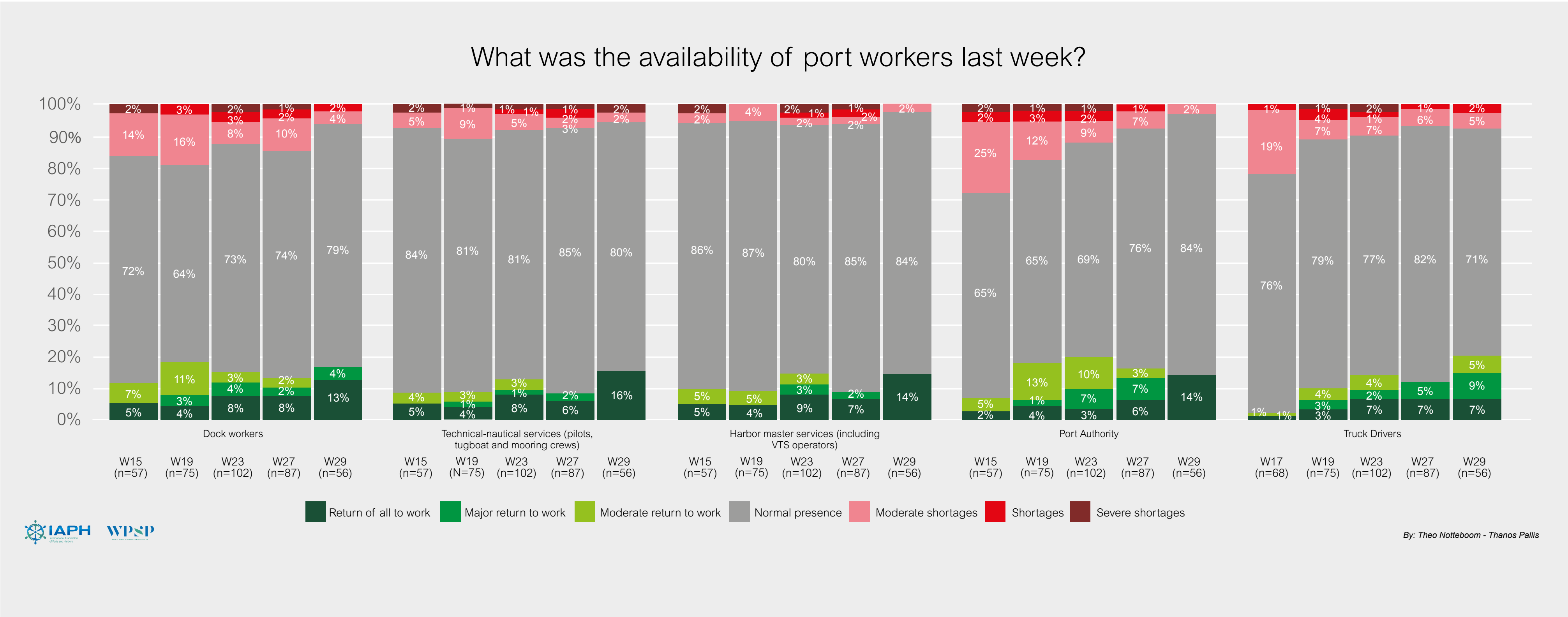




4. Impact on availability of port-related workers

The COVID-19 crisis is starting to have a very limited impact on the availability of port-related workers as measures have been relaxed in many countries around the world. Only 5% of the ports mention that they face shortages of dockworkers, a figure that is below the 12-13% range in weeks 23 to 27, and significantly lower than the peak of 22% in week 18. Only 3.6% of the sample face shortages for the delivery of technical-nautical services, the lowest figure up to now. Some 2% of ports are short of personnel in the harbor master division. Only 1.8% of the port authorities report a moderate to more serious decline in staff availability, by far the lowest figure to date (i.e. 8% in week 27, 12% in weeks 23 and 25, 26% in week 18, 22% in weeks 16 and 17 and 28% in week 15). The availability of truck drivers remained stable compared to two weeks ago: 7% of the ports face truck driver shortages compared to 21% in week 17.



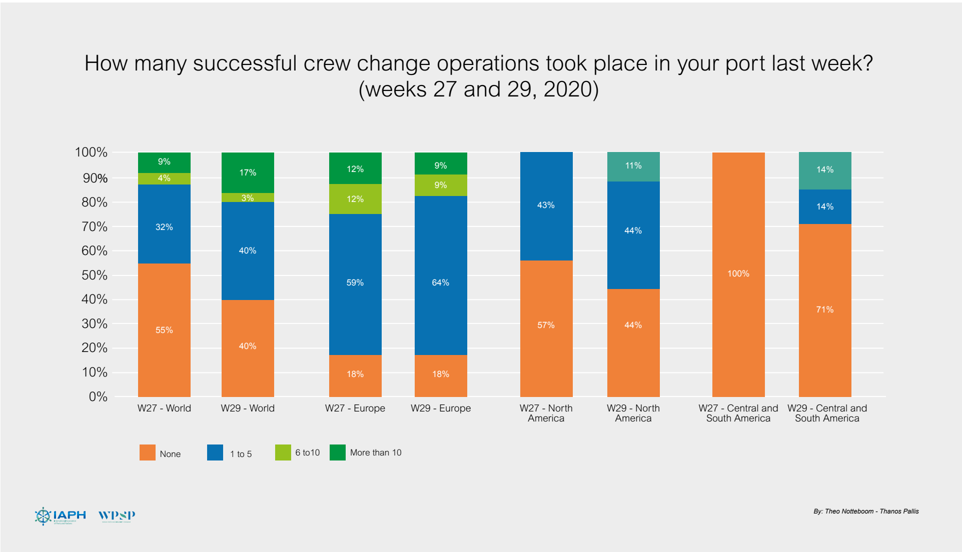


5. Crew changes

From week 27 onward, the IAPH-WPSP survey on the impact of COVID-19 includes a question on the situation in terms of crew changes in the responding ports. The figure below shows the results for the world and specific regions. On a global scale, 40% of ports in the survey reported no crew changes have taken place in week 29, down from 55% in week 27. In 4 out of 10 ports, a very limited number of crew changes have occurred (less than 5) compared to one third in week 27.

When comparing regions, European ports continues to show the best picture in terms of the crew change situation, although almost two thirds of European ports only recorded less than a handful of crew changes in the past week. In North America, crew changes remain at a low level with 44% of ports indicating there have not been any crew changes in week 29. However, this is a significant improvement compared to the 57% in week 27. The situation in Central and South America has slightly changed. While there were no reported crew changes in week 27, a number of ports have indicated that crew changes have occurred this week. Despite the observed improvements, the above figures show the crew change situation remains more precarious in the Americas compared to Europe.

The survey revealed that crew change operations for all types of vessels are administered with extra precautions in place. Several countries have established new requirements governing crew changes with the aim being to provide a sustainable process whilst ensuring effective protection for local communities during these essential procedures. These requirements might also include a mandatory crew changeover checklist aiming to assist shipping agents and those managing crew changeovers to comply with relevant protocols.



6. The last barometer report

After 11 survey weeks, this is the last edition of the WPSP-IAPH COVID19 Economic Impact Barometer report published on the World Ports COVID19 INFORMATION PORTAL under the FAQ section “WHAT IS THE ECONOMIC IMPACT ON THE GLOBAL PORT SECTOR?”.

The adopted responsive measures and the endorsed adjustments in port operations, along with the full or partial reopening of the economies and, not least, the several other initiatives aiming to mitigate risks and secure flows along the maritime supply chains, have contributed to the success of most ports to remain operational while securing safety of workforce, providers and users. The current overall status of the port sector as reported by this Barometer during the COVID19 crisis merits generating long-term observations as well as creating knowledge-sharing mechanisms. These should be capable of capturing trends early on in ports and maritime supply chains, especially during a crisis. Building capacity in the port sector to minimize risk is vital, and such reporting will support port resilience in terms of the present and future crises and any similar threats.

The authors, in close co-operation with the WPSP COVID-19 Task Force, are working on a more comprehensive report to be published in September 2020. This report will provide a detailed analysis of the trends observed from survey weeks 15 to 29. It will also include a section on the way forward with specific focus on tracking cargo flows, digitalization in ports and the challenges and approaches to risk and resilience in the port environment.

For further information email : covid19@sustainableworldports.org