

IAPH-WPSP Port Economic Impact Barometer

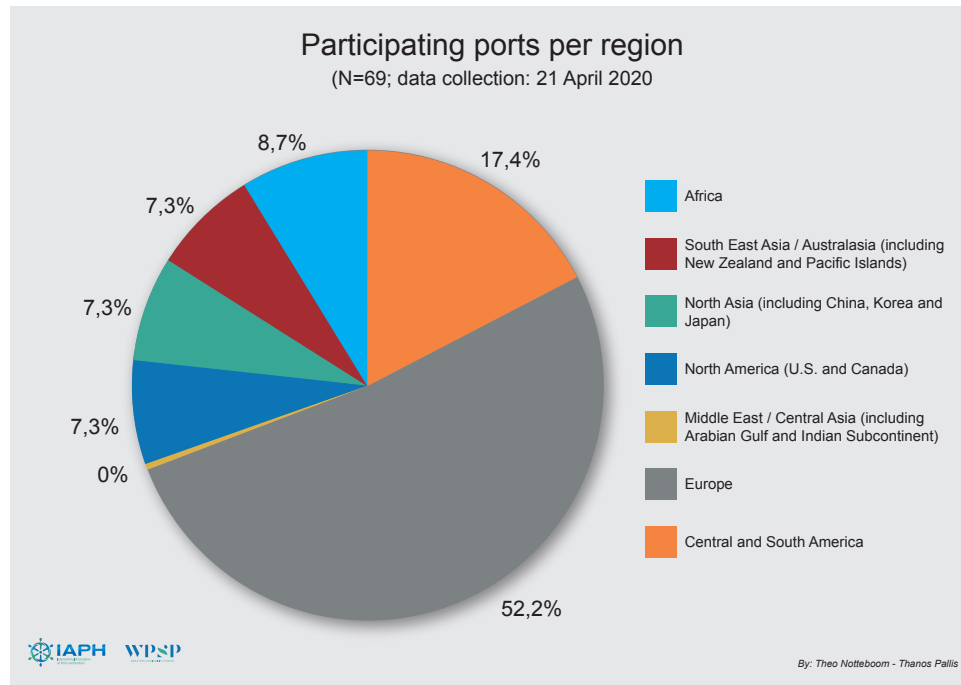
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Survey set-up

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 second survey round focuses on week 16 of 2020 with 90 respondents. This week's results deal with the situation in week 17. A total of 69 valid answers were received with Europe continuing to be the leading region with 52% of the total. 12 ports from Central and South America completed the survey (17% of all respondents), which shows an upward trend compared to 14% last week and 9% in week 15. However, fewer answers were received from Africa and North and Southeast Asia with none of the ports from the Middle East taking part this time around. About two thirds of the respondents also participated in last week's survey and 46% took part in the first edition. Fifteen ports (22%) filled out the online survey for the first time with many newcomers from Latin and South America.



WPSP-IAPH COVID-19 Dashboard

		Week 15 April 6	Week 16 April 13	Week 17 April 20
Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	41%	53%
	Other cargo vessels	41%	39%	47%
	Passenger vessels	77%	77%	76%
Ports with extra restrictions on vessels (last week, %)	Container vessels	49%	22%	33%
	Other cargo vessels	47%	23%	34%
	Passenger vessels	51%	38%	31%
Port call delays due to extra procedures (last week, %)	Container vessels	42%	35%	33%
	Other cargo vessels	35%	28%	32%
	Passenger vessels	53%	40%	49%
	Inland barges	27%	21%	19%
Hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	43%	41%	35%
	Trucks (in/out port)	37%	33%	35%
	Rail services	28%	21%	32%
	Inland barge services	41%	23%	40%
Ports facing high capacity utilisation of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	35%	34%	33%
	Consumer products	27%	28%	25%
	Liquid bulk	21%	22%	20%
Ports facing shortages in port-related workers (last week, %)	Dry bulk	16%	17%	13%
	Dock workers	16%	16%	16%
	Technical-nautical services	7%	9%	4%
	Harbour master services	4%	8%	7%
	Port authority	28%	22%	22%
	Truck drivers	no data	no data	21%

By: Theo Notteboom - Thanos Pallis

Results based on surveys of ports worldwide, three weeks to April 20, 2020

This dashboard provides a visual summary of the results gathered from the IAPH-WPSP 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 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.

1. Impact of crisis on vessel calls

The situation for container vessel calls shows a clear deterioration compared to the previous two weeks. Only 41% of the respondents report a rather stable situation (vs. 52% and 54% in weeks 15 and 16 respectively). An elevated 42% of the ports experience moderate declines (minus 5% to 25%) in container vessel calls. Already 1 out of every 10 ports face significant decreases (in excess of a 25% drop), compared to less than 3% last week. Close to half of the ports are seeing a drop in port calls of other cargo vessels, an 8-point percentage rise compared to last week. However, the observed change is caused by an increase in the share of the '5 to 25% drop' category, as fewer ports are reporting reductions of more than 25%.

The cruise/passenger market remains the most affected by the COVID-19 contagion. A few changes are observed for this vessel category. None of the ports see an increase of cruise ship activity (compared to 10% in week 16 and 6% in week 15), while 24% report a rather stable situation. As with the past few weeks, about 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 an almost complete cessation of cruise activities.

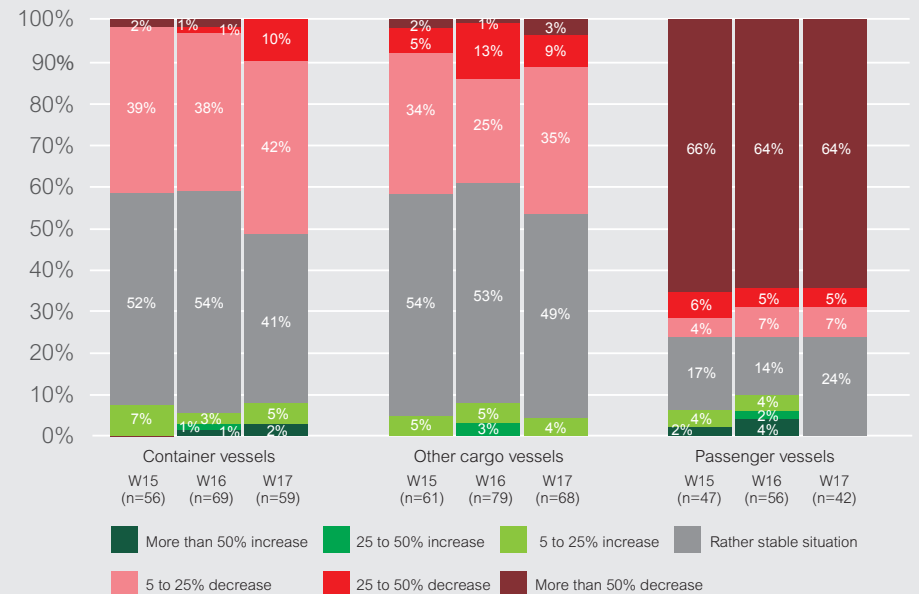
The relative subdued impact of reduced vessel movements remains constant. The

average weekly number of container vessels remains down and further cancellations for some regular services to/from Far and Middle East are reported in several parts of the world. Notably though, some ocean carriers have replaced these cancellations by regional feeders with good frequency. As a result, the reduced number of long-haul calls has been counterbalanced. There are also some cases in which a slight increase in containerized vessels is noted as public demand for goods is on the rise during the lock-down period. Decreases in other types of vessel calls (i.e. bulk and general cargo) are being felt more compared to liner container services, due to the slowdown of importation of fuel and general cargo. Still, essential cargoes continue to move, securing calls at world ports.

In Latin America, passenger vessels are using port facilities for services from time to time. In Europe, the situation for passenger vessels is deteriorating following ministerial orders for the suspension of ferries at a time when departures normally intensify. In Asia, ports report that ferries maintain calls but with no on board passengers, except drivers for Ro/Ro traffic.

Cruise and river-cruise vessels are berthing for lay-up, while some ports receive a number of cruise calls looking to handle crew changes, and to pick up fuel and supplies. The presence of passengers aboard some cruise vessels due to rejection at port of disembarkation, is now the exception rather than the rule. The impact of the suspension of cruise vessels varies, as in some parts of the world cruise would have stopped anyway due to end of the cruise season. In some countries (i.e. Philippines) a "no sail policy" has been implemented as a national policy and restricts the entry and exit of both passenger and pleasure crafts.

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?



By: Theo Notteboom - Thanos Pallis

2. Extra restrictions on vessels

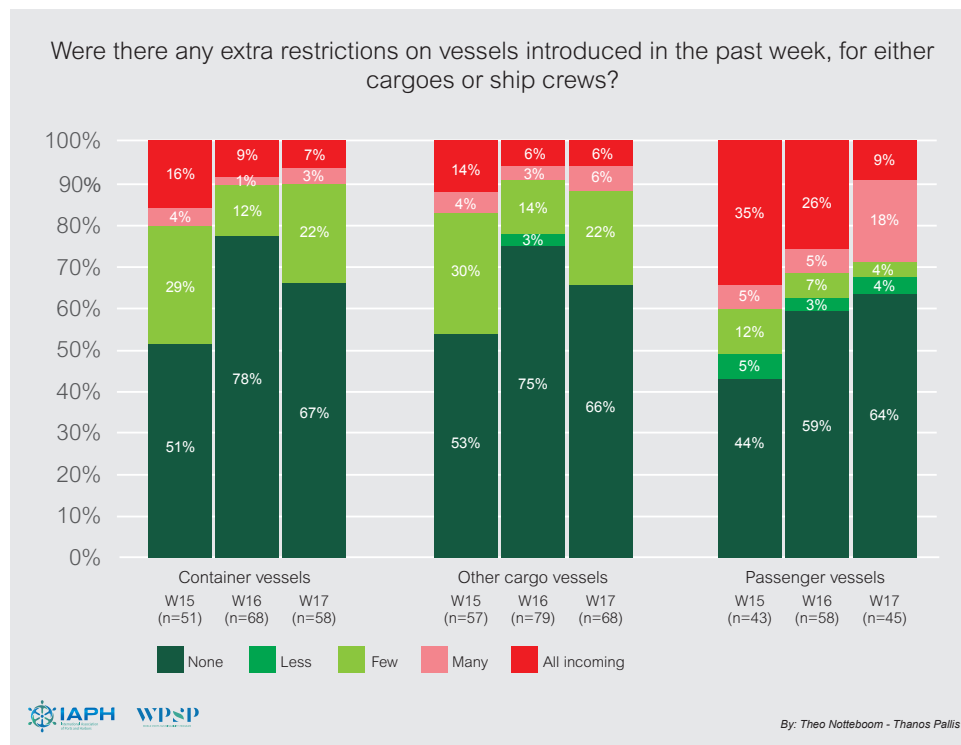
The COVID-19 outbreak can lead to extra restrictions on vessels. The results for this week differ somewhat from the previous week with a moderate increase overall in the share of ports imposing restrictions on container and other cargo vessels. 2 out of 3 ports have not imposed any restrictions on container vessels with the same applying for 3 out of 4 ports for other cargo vessels. The picture for passenger vessels is improving: 64% of the responding ports have not imposed additional restrictions (compared to 44% two weeks ago). Only 9% of the ports report extra measures on all incoming passenger vessels, a sharp decrease compared to 35% in week 15 and 26% last week.

In most cases there are no extra restrictions implemented since the beginning of April; all measures were introduced in March and compliance with new requirements from international health authorities is the new normal. Some ports face 'indirect' restrictions that are related to port entry yet do impact vessel operations. In these cases, the movement of people is impacted by the sanitary restrictions imposed by local authorities, as everyone intending to go to the port being inspected at a sanitary control point. Few ports reported that they were impacted by restrictions that apply only on the highways

for trucks. Some drivers and truck companies claim there are no restaurants and other facilities for resting, etc. These restrictions slow the overall turnaround time of trucks.

In the case of crew, leaving the vessel and crew changes require exceptions with such allowances being granted, at least occasionally by ports, with safe disembarkation channels for crews. Once disembarked, ship crews experience the same restrictions as locals.

It is worth noting that there are ports that have worked out and effectively implemented a special procedure for movement of trucks and people in the port to minimize the spread of the virus, i.e., the port is divided into dedicated zones and only disinfected trucks and people who tested negative can enter the restricted zones.

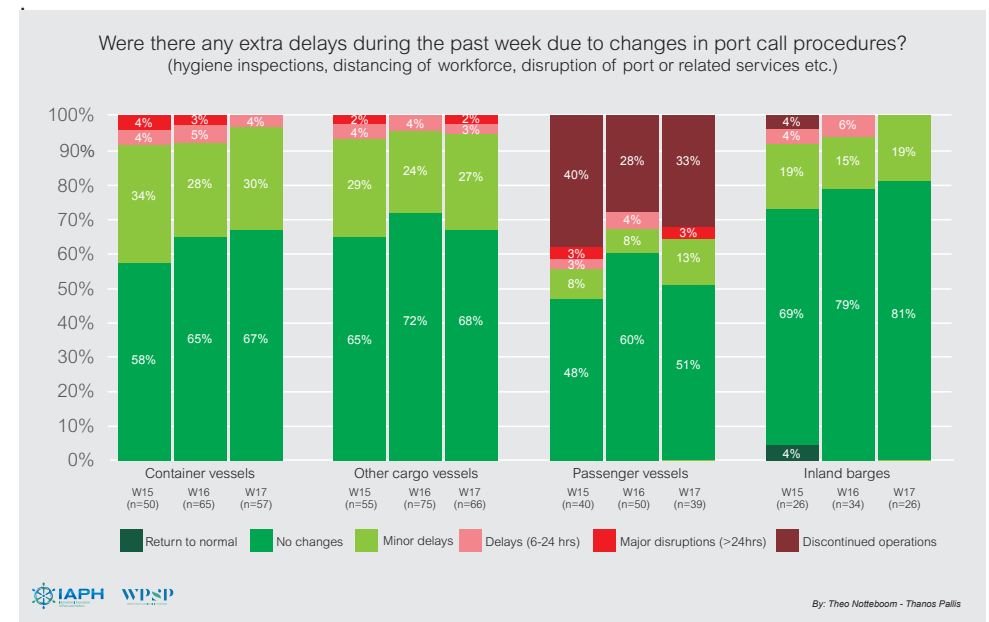


3. Extra delays due to changes in port call procedures

Inland barge operations are seeing less disruptions compared to last week: more than 8 out of 10 ports indicate that 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), while the remaining 19% of ports report only minor delays (< 6 hours). For container vessels and other cargo vessels, the situation has slightly improved as well: only 4% of the ports report delays and none of the ports mention major delays for container vessels. For other cargo vessels, the figure for delays and major delays amounts

to only 5% showing only a small change compared to the last two weeks. The passenger segment remains the most affected vessel category: one third of the port operations of this type have discontinued, while just above half of the ports report no additional delays, a 9-point percentage deterioration compared to last week.

While most delays are minor, we also received reports of over an extra hour to release permissions to operate the vessel once health inspections are fulfilled. Minor delays are also the result of procedures applying to stevedoring, such as the requirement for everyone to comply with the sanitation prevention procedures; the workforce now need to adapt their work plans according to the availability of staff and to the sanitary rules. In some cases, cargo pick-up is affected by curfews/restrictions in movements in cities and roads during the night shift. The volumes lifted during the night, for example, are lower, and this has further consequences, namely deliveries by rail with yards are piling up. Cruise vessels need to meet specific procedures and requirements, thus may have to wait for days before being authorized to call.



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 8% of the ports report delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation, a further drop compared to the 10% last week and 22% of week 15. No port reports cross-border trucking being discontinued, while this figure was still 10% last week. However, the share of ports facing minor delays in cross-border truck traffic has increased from 20% to 28%. On a positive note, two thirds of the ports witness normal

operations in cross-border transport by truck. For trucks arriving or leaving the port, we see several trends: a small decrease from 67% to 65% of ports reporting normal activity, more ports reporting minor delays, but also we no longer have ports indicating that trucking operations in/out the port have been halted. Rail services see more disruptions compared to last week, but this increase is fully attributable to the 'minor' delay category. The situation for barge services shows a dramatic increase in discontinued operations (28% compared to 0% last week) and a further downward trend in the category 'minor delays'.

Most ports report no major disruptions in hinterland transport. Yet, transit times increase due to increased sanitation control points on the roads and highways. As regard rail services, it has been reported that those services for export and loading new cars started facing disruptions due the situation in the automotive sector. On the other hand, we received reports that in the past week some of the previously-suspended rail services have been reintroduced. Cross border trade in Europe is still complicated at national borders. This is even though rail services do get priority above passenger trains, a phenomenon observed in other regions. Ports where only one type of cargo is transported by rail saw the highest volatility in rail services.

More stringent requirements have been introduced for shore-based logistics service providers. All companies need approval from authorities after precautions are put in place including use of face mask, office sanitization, thermal screening, a reduction in workforce, with approvals taking up to a week. Finally, where the regional situation is deteriorating the quarantine days for vessels increased from 4 to 7 days.

5. Impact on capacity utilization including warehousing and distribution activities

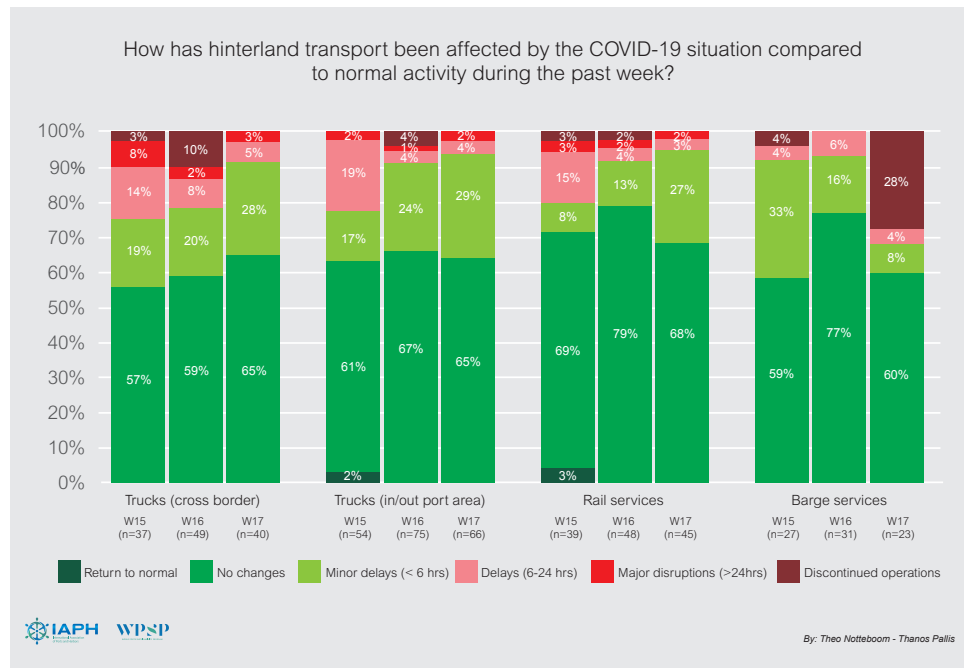
Warehousing and distribution activities in ports may see changes due to the fall in demand for consumer products in countries with partial or full lockdown measures. Hoarding behavior can disrupt the foodstuff supply chains. Tank storage parks for liquid bulk, and oil products in particular, might see 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 1 out of 3 ports reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies, with some ports reporting capacity shortages. These figures are very similar to last week. Also, the situation for consumer goods has almost remained the same, although there is a decline in the share of ports dealing with major increases in utilization or facing capacity shortages (4% vs. 11% last week and 8% in week 15). In the dry and liquid bulk markets, almost two thirds of the respondents see no changes in utilization levels: for dry bulk this figure shows a moderate upward trend, while for liquid bulk a minor downward trend is occurring. The remaining ports are fairly evenly distributed between under-utilization and increased utilization of storage facilities. A small minority of port situations point towards capacity shortages.

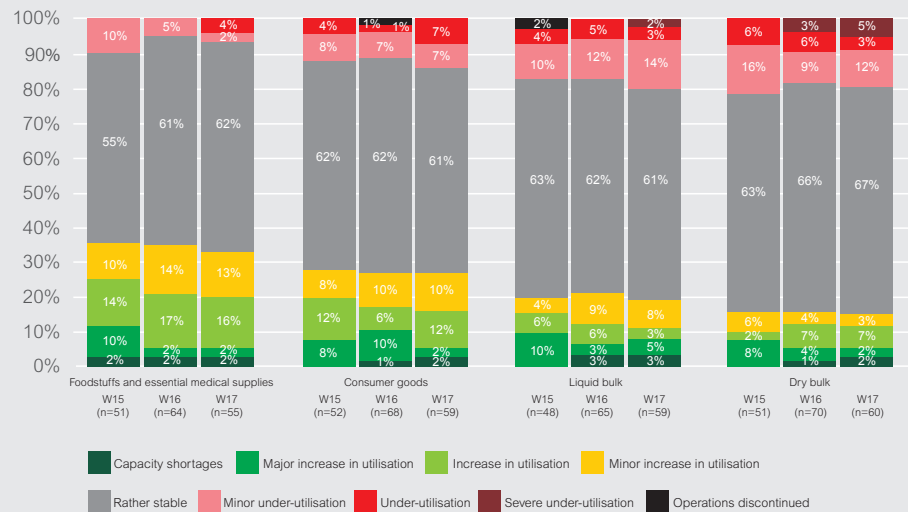
Container and general cargo storage area utilization has increased. The lockdown of major industries has led to serious underutilization of terminals and storage areas and warehousing for several cargoes (including for instance, black and white breakbulk cargoes, steel, heavy lift and machinery). Liquid bulk is still suffering from a non-favorable downward trend in market demand. In some cases, storage tanks for liquid bulk are already full or rented, so no more tanks storage is available.

Nonetheless, in some countries manufacturing companies' warehouses currently closed can now remain open to facilitate deliveries and the transportation of goods, i.e., it is possible to send merchandise stockpiled in warehouses to third parties as well as to receive goods and supplies at warehouses, as long as local authorities are informed. This seems to be among the reasons behind the lower number of port cases reporting yards getting congested.

For some ports, yard congestion is the result of laden imports of non-essential goods including new cars, which remain in port longer than usual. When rules exist to only handle essential goods, the utilization of storage capacity within the ports has become critical. Therefore respective governments have now allowed the weekly release and acceptance of import / export of non-essential goods on average of 3 days a week; a move that brought down storage utilization at container yards by 60%.



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



of cruise/passenger terminals who have started to receive financial support due to the temporary unemployment, while other terminals deployed this tool in the case of a drop in their traffic; with these workers being granted social salary that accounts for some 70% of their normal revenues.

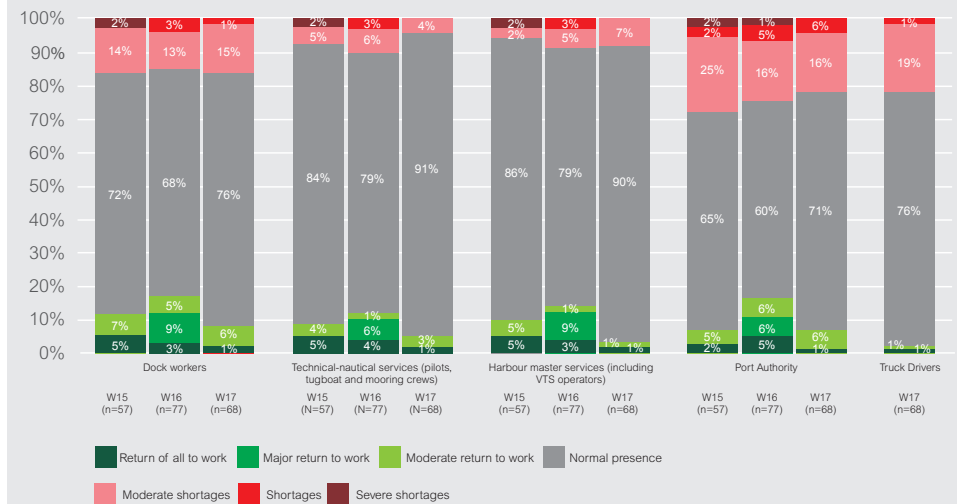
Teleworking for port authority staff remains the norm, complemented by virtual meetings with clients and staff. In most cases only operational staff is working in the port area – with pilots and other port staff wearing facemasks and gloves, and, occasionally, a sanitizing tunnel for the employees being present. Administrative staff is working from home in compliance with the lockdown provisions. Social distancing and vigorous disinfections of equipment is a priority to the Port Authorities. However, there are ports where workers were given cloth masks due to the unavailability of disposable masks. Notably, in those cases with no confirmed cases yet, the staff presence remains at a normal level.

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 and the situation is improving week-by-week. 16% of the ports mention that they face shortages of dock workers (compared to the same number in the past two weeks), 4% of the sample is confronted with shortages for the delivery of technical-nautical services (pilots, towage, mooring), while 7% of ports are short of personnel for harbor master services (vs. 9% last week). Only 22% of the port authorities report a moderate to more serious decline in staff availability (22% in week 16 and 28% in week 15). For this week's survey a new category of port-related workers was added: truck drivers dropping off or picking up cargo at terminals, warehouses or production facilities located in the ports. About 1 in 5 ports face shortages in truck drivers.

Overall, there are reductions in the number of people in operations due to preventive measures, but not due to availability problems. Port workers are working in shifts but this has not impacted port services. Even for the few cases that shortages of all types of workers are present, port calls are not disrupted. Some ports are even pointing to an overcapacity situation in terms of dockworker availability because of the lower activity level caused by the drop in vessels calls. We received the first reports of intense use of social public aid salaries among dockworkers. As for the current week, in some ports this was deployed up to one third of the inactive total workforce. In other ports it is the staff

What was the availability of port workers last week?



7. Call for ports to participate in this survey

This weekly report will be published every Friday on the [World Ports COVID19 INFORMATION PORTAL](https://www.worldports.org/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

