



February 19th, 2020

Improving situation:

Businesses and transportation are gradually opening in China.
We continue summarizing the current status and provide tips to protect your supply chain.

Last week authorities in significant centers like Shanghai and Shenzhen gave the green light for businesses to resume operations, and the situation keeps improving. Still, many cities have local variations on how they return and to which extent.

NGL Offices:

NGL offices in China resumed operations on February 10th, except for the Ningbo office that is still working remotely. All offices maintain servicing clients either in-office or using technology for remote work during this situation.

Factory production:

Except for Hubei province, most other areas gradually return to operations.

Some factories start operating this week, while some are still limited in operations or closed.

Limitations imposed on transportation hinder many workers from getting back to the factories, and many factories will operate with reduced capacity & workforce. Several cities implemented 14 days of quarantine for workers that return from outside towns prior they can start to work.

With the gradual restart, we expect the capacity for deliveries from China factories will remain low during the remainder of February.

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Region	Factories Current Status
Tianjin	80% of factories return to operations this week
	Most factories started operations in reduced capacity, many workers are still not back
Dalian	80% of factories return to operations this week
	Most factories started operations in reduced capacity, many workers are still not back
Fuzhou	Part of factories return to operations this week
Xiamen	Most factories return to operation this week
Guangzhou	50% of factories resume operations during February 17-20, some postponed to Mar 1
Shenzhen	50% of factories resume operations during February 17-20, some postponed to Mar 1
Hong Kong	Operating
Shanghai	Shanghai - Estimated 80% of factories is now back to start production.
	Zhejiang - Estimated 50% of factories is now back to start production.
Ningbo	The majority of production is still closed
	Some factories resume to operations on February 17
	For factories resume to operation, majority operate with reduced workforce
Qingdao	80% of factories return to operations this week
	Majority of started factories operate at reduced capacity, many workers still not back

Status:

The main limitation for transportation is road closure and the limited capacity of truckers. Our team is in close contact with shippers for the best solutions ongoing. The situation is still a significant limitation, but improving for each week.

Ocean carriers announced to “blank” a total of 58 sailings from Asia to Europe respective the same no of cancelled sailings on Asia to USA trade during Q1.

We expect that when factories are back to operating at their full capacity, both the ports and the carriers will be bustling and space and equipment to be in shortage.

Region	Operation	Resume	Current Status
Hong Kong	Ocean Carriers	January 29	Operation as normal.
	Trucker	January 29	Operation as normal.
	Road Closures	January 29	Operation as normal.
	Warehouse	January 29	Operation as normal.
	Customs	January 29	Operation as normal.

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Region	Operation	Resume	Current Status
Shanghai	Ocean Carriers	February 3	Operation as normal. Blank sailings announced.
	Trucker	February 3	Improving situation, much improved from prior week. 70-80% of truckers back to service. Still limitation on out of city truckers.
	Road Closures	February 10	Several highways and roads are closed. Zhejiang area limited for transport of cargo.
	Warehouse	February 3	Operation as normal. In advance appointment is required.
	China Customs	February 3	Operation as normal.
Ningbo	Ocean Carriers	February 17	Blank sailing announced.
	Trucker	February 17	Much limited capacity of truckers.
	Road Closures	Until further notice	Many highways and roads are closed.
	Warehouse	February 17	Operation as normal. In advance appointment is required.
	China Customs	February 3	Operation as normal.
Qingdao	Ocean Carriers	February 3	Operation as normal. Blank sailing announced.
	Trucker	February 3	Improving situation and 70-80% of service resumed. Pickup within city is normal, outer areas limited capacity and out of city truckers.
	Road Closures	Until further notice	Most roads opening, some limitations.
	Warehouse	February 3	Operation as normal.
	China Customs	February 3	Operation as normal.
Tianjin	Ocean Carriers	February 3	Blank Sailings announced.
	Trucker	February 3	Improving situation, some limitations on capacity and for out of city truckers.
	Road Closures	February 3	Operation as normal.
	Warehouse	February 3	Operation as normal.
	China Customs	February 3	Operation as normal.

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Region	Operation	Resume	Current Status
Dalian	Ocean Carriers	February 3	Blank sailings announced.
	Trucker	February 3	Improving situation. Pickup within Dalian city is normal, outer city is limited with truckers available.
	Road Closures	Until further notice	Most highways openings, some limitations
	Warehouse	February 3	Operation as normal. In advance appointment is required.
	China Customs	February 3	Operation as normal.
Fuzhou	Ocean Carriers	February 3	Operation as normal. Blank sailings announced.
	Trucker	February 10	Limited capacity
	Road Closures	Until further notice	Many highways are closed still, improving.
	Warehouse	February 10	Operation as normal.
	China Customs	February 3	Operation as normal.
Xiamen	Ocean Carriers	February 3	Operation as normal. Blank sailings announced.
	Trucker	February 10	Limited capacity and improving.
	Road Closures	Until further notice	Many highways are closed still, improving.
	Warehouse	February 10	Advance booking required some limitation opening times.
	China Customs	February 3	Operation as normal.
Guangzhou & Shenzhen	Ocean Carriers	February 10	Operation as normal.
	Trucker	February 10	Limited availability, pre book 1-2 days prior.
	Road Closures	February 10	Some highways and roads are closed.
	Warehouse	February 10	Partial operations resumed respectively on 10 th and 17 th Feb; limited receiving hours to end Feb
	Customs	February 10	Operation as normal.

*Warehouse service: advance appointment is required in Chongqing and Nanjing.

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Airfreight:

Import warehouses at main airports been very congested due to the cargo was arriving while many importers not available to arrange to pick up. The situation is expected to improve in the coming weeks as importers return to operation.

Freight capacity is limited, more than 40 airlines reduced/suspended passenger flights to/from China, causing a limited belly-hold space. Freighter aircraft will return to the market and increase capacity once factories are back in operations. For the latest information, please check our team for a case to case, to update based on the latest availability.

Operator	Normal Operation	Reduced Operation	Cancelled Operation
AA			X All flights to China & Hong Kong, until late Feb
AC		X Flights to Beijing & Shanghai, until late Feb	
AF			X Flights to China to Mar
AY			X Flights to China Feb 6 - 28
BA			X Until end Feb
CX/KA		X (CX only)	X (KA only)
DL			X All flights to China, to end of April
EK	X		
EY	X		
JT			X
LH	X Hong Kong		X All China, until Mar
QR			X All flights to China, from Feb 3
RS			X
SK			X Flights to PVG, BJS to Mar, flights to Hong Kong only
VS	X Hong Kong		X Shanghai, until Mar,
UA			X BJS, PVG, CTU, HKG to late Feb

* All Airlines are subject to change without prior notice or warning.

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Rail Freight:

Impacted by road closures and limited availability of truckers, the capabilities for pick up are reduced. Many cities only accept local license plate trucks to operate within cities.

Full space is likely to recover from 2nd week in March. For March, high demand is expected and limited space.

Region	Resume	Status
Wuhan	Until further notice	All services suspended; no announcement of any departure plan
Zhengzhou	Until further notice	Suspended until end February, earliest to resume at start of March.
Xian	10 February	Resumed FCL service Announced departures to Hamburg: FEB: 11 th / 12 th / 13 th / 14 th / 16 th / 17 th / 18 th / 19 th / 23 rd / 24 th / 25 th / 26 th FEB (subj to changes)
Hefei		Resumed for departure; <ul style="list-style-type: none"> LCL: Feb 19 FCL: Feb 27 After Feb 27 <ul style="list-style-type: none"> Operation as normal Every Wednesday via Hefei
Chongqing		February 5 onwards: departure cancelled
Xiamen		Resume February 19
Chengdu	Operation as normal	Operation as normal

Note: Several receiving stations, for example, Shanghai / Ningbo CFS or other outside CFS is limited in accepting cargo due to the restrictions for road transport.

Pickup for rail service within the South China region, Fujian & Guangdong province is working with reasonable normal function, while some higher costs for trucking due to limited capacity of drivers. Domestic train service from South China to Xian and Chengdu hubs is working well.

Pick up from the eastern regions, Jiangsu and Zhejiang provinces are still limited and at a premium cost due to the reduced capacity.

Sea – Air and International Trucking:

For available best options of Sea-Air, connect with your local NGL contact for the best possible options.

For International trucking, at present, this is very limited due to the land borders to China neighbour countries remain closed.

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TIPS FOR YOUR CHINA SUPPLY CHAIN PLANNING

Actions:

- ✓ Check orders planned for shipping during February & March.
- ✓ Identify and inform your forwarder and factory for urgent cargoes.
- ✓ Consider alternate shipping modes, as an example, to transfer shipments from Ocean to Rail, either full or partial loads.
- ✓ Expect further blank sailings and reduced air capacity as the effect of factories closed for an extended period.
- ✓ Once factories are back in operation, the market is likely to receive peak demand with space shortage.
- ✓ Communicate with your forwarder & factory of your requirements.
- ✓ Inform your customers of the situation and of possible delays in the supply chain & deliveries.

If you have major shipping requirements in the coming weeks, please contact your local NGL contact person, who will assist you in the planning and arrangements.

Visit [NGL Blog](#) for the latest news or subscribe to our Newsletter for updates.

Any shipping questions? Our professional NGL team will help you with the latest updates, please feel free to contact us.

Thank you. Stay Safe and Connected!

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