



February 26th, 2020

Improving situation:

Businesses and transportation gradually continue to return to China.

We communicate daily with our clients and partners to make the best planning and arrangements. Summarizing the current status, we provide tips to protect your supply chain.

New developments around China is ongoing, earlier authorities in significant centers like Shanghai and Shenzhen gave the green light for businesses to resume operations, the situation keeps improving. Many cities have local variations on how they return and to which extent.

Following the general situation and backlog, costs for storage and demurrage starts to appear.

NGL Offices:

NGL offices in China have resumed operations, servicing clients both in-office and by technology for remote work.

Factory production:

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

Some factories resumed operations last week, and further more have returned this week. Most are still limited in activities, and some are still closed.

Limitations imposed on transportation still hinder many workers from getting back to the factories. Most factories operate with reduced capacity & workforce. Within Guangdong province alone, 10 million workers were planning to return to work after the holiday, of them an estimated 1.7 million people from Hubei province. 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 and part of March.

www.normanglobal.com

Region	Factories Current Status
Tianjin	80%-90% of factories return to operations this week
	Most factories started operations in reduced capacity, many workers are still not back
Dalian	80%-90% of factories return to operations this week
	Most factories started operations in reduced capacity, many workers are still not back
Fuzhou	70% of factories return to operations this week
	Operating at reduced capacity, limitation for workers back to job site
Xiamen	80-90% of factories return to operation this week
	Operating at reduced capacity, limitation for workers at job site
Guangzhou	80% of factories resumed operations
Shenzhen	Operating at reduced capacity due to limited workers at many sites
Hong Kong	Operating
Shanghai	Shanghai - Estimated 90% of factories started
	Zhejiang - Estimated 50-70% of factories is back
Ningbo	50% of factories resumed production
	For factories resumed operation, the majority operate with reduced workforce
Qingdao	80% -90% of factories returned to operations
	Most factories started and operated at reduced capacity; many workers are not back

Status:

The major limitation for transportation is the reduced capacity of truckers, and some areas still have road closures, but it is much-improved from the prior week. Our team is in close contact with shippers for the best solutions ongoing. The situation is still a significant limitation while improving each week. Reefer containers are in extreme shortage.

Ocean carriers announced to “blank” a total of 58 sailings from Asia to Europe respectively, the same number 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, space and equipment will 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.

www.normanglobal.com

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. 90% of truckers are back to service. Limitation on out of city truckers.
	Road Closures	February 10	Most highways and roads are opened. Zhejiang highway opened this Monday.
	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	40-50% capacity for truckers.
	Road Closures	Until further notice	Most highways opened, except Zhejiang province, Wenzhou/Taizhou that 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, 90% of service resumed. Pickup within city is normal, out-of-city pick-up and truckers are in limited capacity.
	Road Closures	Until further notice	highways opened, local cities keep some restriction on out-of-town vehicles and drivers.
	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, 90% of service resumed. Pickup within city is normal, out-of-city pick-up and truckers are in limited capacity.
	Road Closures	February 3	highways opened, local cities keep some restriction on out-of-town vehicles and drivers
	Warehouse	February 3	Operation as normal.
	China Customs	February 3	Operation as normal.

www.normanglobal.com

Region	Operation	Resume	Current Status
Dalian	Ocean Carriers	February 3	Blank sailings announced.
	Trucker	February 3	Improving situation, 90% capacity. Pickup in Dalian city is normal, out-of-city pick-up and truckers are in limited capacity.
	Road Closures	Until further notice	Most highways are opened with 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	Limitations, strict control and request ID plate.
	Road Closures	Until further notice	Some highways are closed still, improving.
	Warehouse	February 10	Operation as normal, pre-noted before delivery.
	China Customs	February 3	Operation as normal.
Xiamen	Ocean Carriers	February 3	Operation as normal. Blank sailings announced.
	Trucker	February 10	Resumed service and capacity.
	Road Closures	Until further notice	Most highways are opened.
	Warehouse	February 10	Advance booking required, some with limited opening hours.
	China Customs	February 3	Operation as normal.
Guangzhou & Shenzhen	Ocean Carriers	February 10	Operation as normal.
	Trucker	February 10	Mainly OK, some out of city trucks with limited availability, pre book 1-2 days prior.
	Road Closures	February 10	Most open, only some are closed.
	Warehouse	February 10	Operations resumed, some limited receiving hours until end Feb
	Customs	February 10	Operation as normal.

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

www.normanglobal.com

Airfreight:

Import warehouses at main airports are still congested because importers are not available to arrange pick-up for arrived cargoes. The situation is improving 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. More than 25,000 flights/week are cancelled since the virus outbreak. Please check our team for the latest availability.

Operator	Normal Operation	Reduced Operation	Cancelled Operation
AA			X All flights China & Hong Kong, until 24 April
AC		X Flights to Beijing & Shanghai, until late 27 March	
AF			X Flights to China to 15 March
AY			X Flights to China Feb 6 - 28
BA			X Until further notice
CX/KA		X CX only, 50% reduced capacity	X KA
DL			X All flights to China, to end of April
EK		X reductions for PVG	Cargo freighters cancelled
EY	X BJS		X PVG
JT			X
LH	X Hong Kong	X Freighters reduced BJS / PVG	X All China passenger flight to 28 March
QR		X Freighters reduced	X All passenger flights to China, from 3 Feb
RS			X
SK			X Flights to PVG, BJS to 29 March, flights to Hong Kong only
VS	X Hong Kong		X Shanghai, until 28 March,
UA			X BJS, PVG, CTU, HKG to 28 March

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

www.normanglobal.com

Rail Freight:

Cargo pick-up is affected by road closures and reduced availability of truckers. Controls are in place for long-distance trucking and crossing between provinces, causing delays and reduced capacity. Some cities only accept local license plate trucks to operate within cities.

Space will be recovered from 2nd week in March, and we expect high demand for rail space.

Region	Resume	Status
Wuhan	Until further notice	All services suspended; no announcement of any departure plan.
Zhengzhou	Until further notice	Suspended until further notice, earliest March.
Xian	10 February	Resumed FCL service
Hefei		Resumed for departure; After Feb 27 <ul style="list-style-type: none"> • Operation as normal • Every Wednesday via Hefei
Chongqing		Resume February 17 at limited scale
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 performing with reasonable, normal function, and with higher trucking costs due to limited capacity of drivers. Domestic train services from South China to Xian and Chengdu hubs are 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 for Sea-Air, connect with your local NGL contact for the best possible options.

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

www.normanglobal.com

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 or email to HongKong@normanglobal.com , we will assist you in 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!

www.normanglobal.com