

IAPH-WPSP Port Economic Impact Barometer

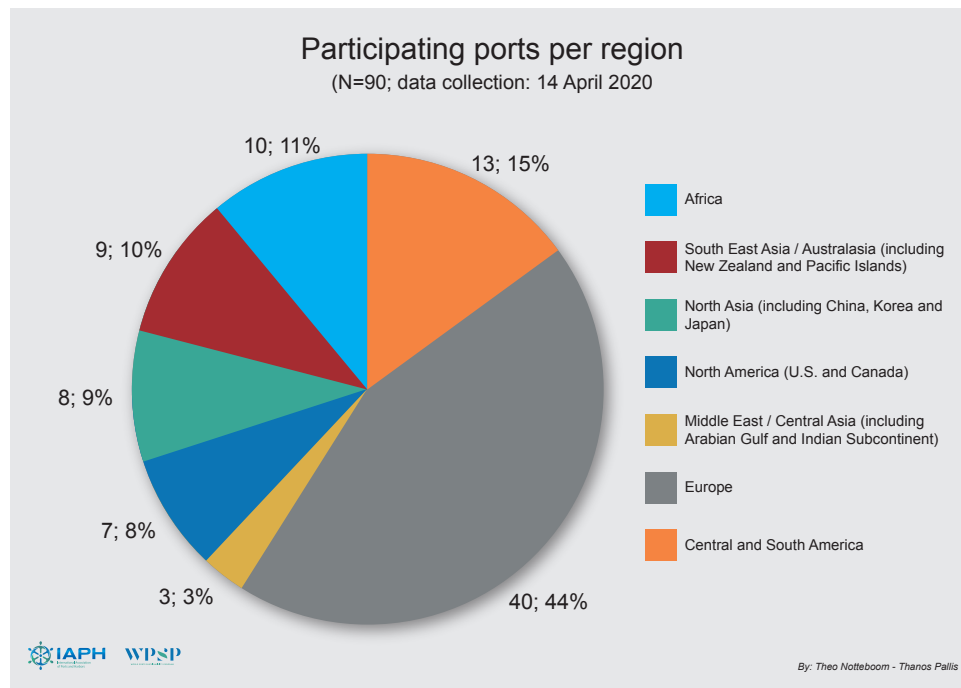
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Survey set-up

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. The number of respondents increased from 67 to 90 with Europe still as the leading region with 39 respondents or 44% of the total (compared to 54% of the answers in the previous week). North Asia and South East Asia/Australasia remain well represented. Central/South American and African ports significantly improved their response rate. The former port region now reaches more than 14% of all answers compared to only 9% in week 15, while Africa represents 11% of the sample. Thus, this week's results give an even more global picture of the impact of COVID-19. About 43% of the respondents also filled out the survey last week, implying that we welcomed 51 new ports in the survey sample. Note that 30 ports did not complete the survey this week despite having participated in the first edition. Consequently, the comparative results of weeks 15 and 16 need to be interpreted with some care as the sample set of ports is not the same.



1. Impact of crisis on vessel calls

The situation for container vessel calls and other cargo vessel calls remains fairly similar. On the one hand, over 40% of the ports experience moderate (minus 5% to 25%) and in some ports even significant decreases (in excess of a 25% drop) in the number of calls. Compared to last week, we see a significant increase in the share of ports reporting decreases of 25% or more in port calls of other cargo vessels (14% this week compared to 7% last week). On the other hand, more than half of the respondents report no changes compared to normal conditions. The cruise/passenger market remains the most affected by the COVID-19 contagion. Only small changes are observed for this vessel category compared to last week: some 10% see an increase in vessel activity compared to only 6% in week 15. About two thirds of the respondents still 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 a nearly full cessation of cruise activities.

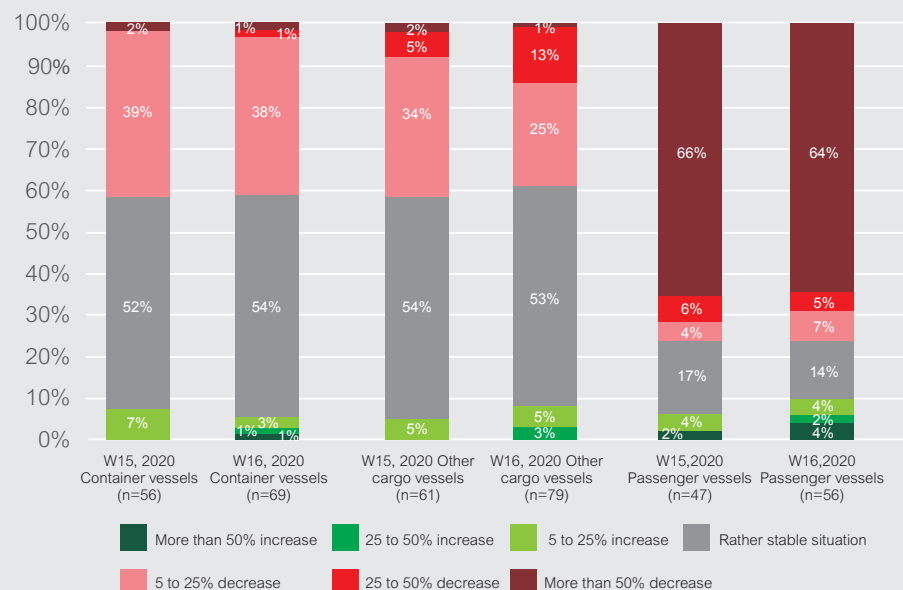
Blank sailings of container lines are affecting ports in several regions, spanning from South East Asia to Europe and the Americas. The impact is anything but similar, i.e. some ports in the Americas consider the continuation of blank sailings from both Europe and Asia 'considerable' and other ones as 'minor'. Some major ports reported that for the ultra large vessels (>330m length and/or >45m beam) the decrease lies in the range between 25 to 50%.

A number of general cargo ports have been affected by the state of emergency and the discontinuation of economic life in the respective countries: there are ports reporting that construction works have been stopped so there are no vessels carrying cement and sand in bulk as per usual. Last week, ports in South-East Asia reported an impact of government-imposed measures prohibiting maritime traffic entering in the country with exception of essential cargoes. This week we have similar reports from Latin American ports. In some parts of the world, ports experience less calls due to the rescheduling of itineraries, in turn the result of the decrease in cargo volumes. Other ports experienced the negative impact of a decline in exports, because of the 'closing of destination ports' in Asia and Europe. Exporting difficulties have been reported by several ports, but this is also the reason leading Latin American ports have reported a decrease in calls of all types of vessels at a scale of over 30%. This region is less impacted by the situation in the case of the cruise ships as this period of the year is the end of the season.

Cruise/passenger terminals closures and limitations to crew disembarking continue. Cruise lines have also decided to cease operations. Cruise vessels are berthing for lay-up (no passengers, only crew), with some ports limiting the number of crew remaining on board. Ports in the most affected European countries reported that the situation for passenger vessels is continuously worsening, as the cancellation of all cruise ship calls is now followed by the suspension of ferries at a time when departures normally intensify.

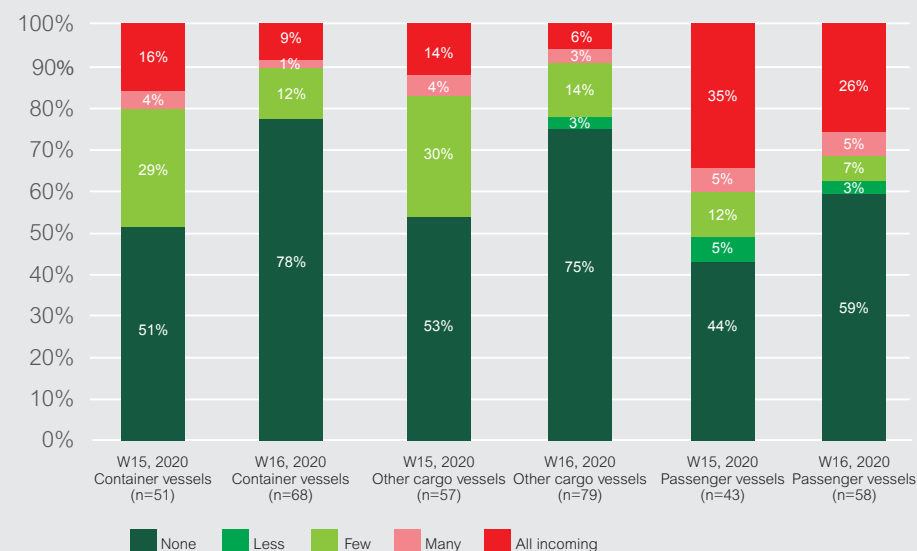
For some ports though, life is close to normal. In many countries the reporting period was an unusual period as it spanned the Easter break, thus it is worth continuing monitoring the trends – not in the least because a few ports did report some cargoes slowing as stocking areas and tank farms fill up.

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?



are also in place. Some ports allow crew transfer vessels but have limited the amount of persons that they take in order to have enough social distancing on board. In some cases, the measures applied to all vessels include operational ground staff refraining from speaking to vessel crew or vessel agents directly, not going onboard until the port health officer gives the confirmation, including the compulsory use of facemask gloves and safety glasses. Suspected vessels remain in quarantine for 14 days with tests at the end of the period. Compared to last week, some ports now record difficulties even for charities with a long tradition of aid to seafarers now being prevented from getting on board. Beyond the overall ban on foreigners in many ports, neither passengers nor crew of cruise vessels are allowed to go on land.

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



2. Extra restrictions on vessels

The COVID-19 outbreak can lead to extra restrictions on vessels. The results for this week differ from the previous week with overall a large increase in the share of ports imposing no restrictions on vessels. We believe these changes are not so much a result of an overall relaxation of restrictions. Instead, they are linked to the much stronger representation of South/Latin American and African ports in this week's respondent group. Overall, the ports in these regions impose less restrictions on vessels. Based on this week's results, it can be concluded that the picture for passenger vessels remains very mixed: 59% of the responding ports have not imposed additional restrictions, while 26% of the ports report extra measures on all incoming passenger vessels. More than three quarters of the respondents have not imposed any restrictions on container and other cargo vessels.

Mandatory ship sanitization certificates have been introduced in some countries. Dedicated COVID-19 protocols while vessels are at berth continue to apply requiring adherence to health declarations. These protocols include provisions for no disembarkation, or sanitary inspections, which are applied to vessel crew, as well as road freight, train and locomotive crews. Disinfection of crane cabins and other common areas

3. Extra delays due changes in port call procedures

Inland barge operations are seeing less disruptions compared to last week: nearly 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 15% of ports report minor delays (< 6 hours). Last week these figures were 7 out of 10 and 19% respectively. For container vessels and other cargo vessels, the situation has slightly improved as well: only 8% of the ports report delays or major delays for container vessels. For other cargo vessels, this figure amounts to only 4%. The passenger segment remains the most affected vessel category: 28% of

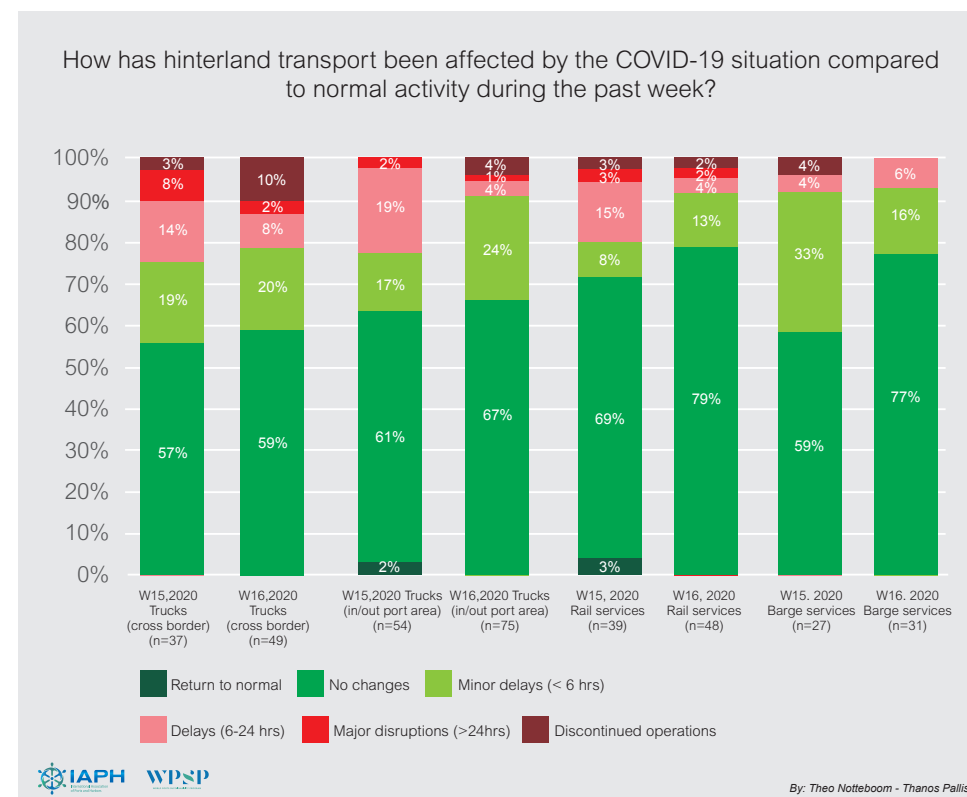
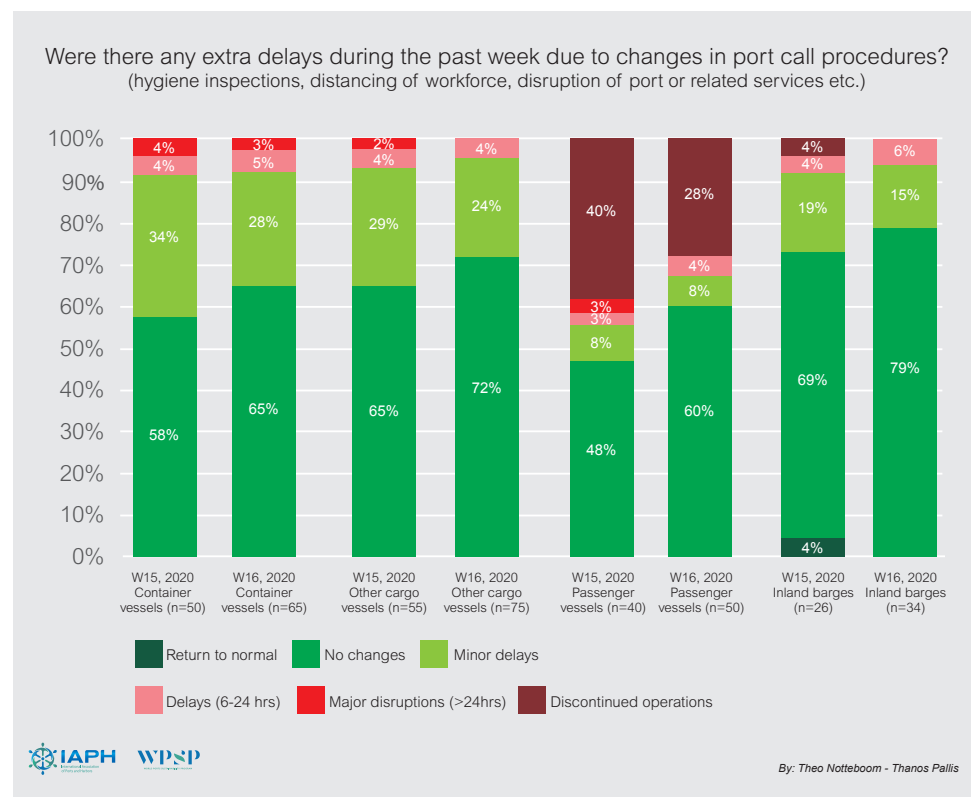
the ports have discontinued this type of operations, while 6 out of 10 ports report no additional delays, a moderate improvement compared to last week which is to some extent attributable to geographical changes in the port sample.

While the overall situation remains stable compared to the past week, some isolated delays were reported at European ports as well as occasional delays due to crew health issues at African ports. Other than these there is no change: most ports are operating as normal, with allowance for required/advised social distancing and the longer shift changeover times, due to both social distancing and need for cleaning equipment and operational vehicles (STS cranes, vans, side and front loaders) between users. In several ports, the terminals have reorganized their work with container terminals shifts been reduced by half an hour or so in order to allow for the sanitization of vehicles and equipment used by workers before each shift change. Some have implemented a limit to at-the-gate delivered containers (gate in and gate out procedures) per hour. At other terminals, the time needed for mooring a vessel to the berth till the start of the cargo loading and unloading has increased due to similar measures. There is no change yet as regards the slowdown of ro-ro traffic, in particular car carriers, due to reduced safe staff numbers on shuttle buses used to carry drivers from parking areas to the quays after having unloaded the cars.

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 10% of the ports report delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation, a drop compared to the 22% of week 15. However, 1 out of 10 ports reports that cross-border trucking has been discontinued, a sharp increase on the figure of last week. The share of ports facing minor delays in cross-border truck traffic has remained the same. For trucks arriving or leaving the port, we see several trends: a small increase from 61% to 67% of ports reporting normal activity, more ports reporting minor delays instead of major delays, but also a small number of ports now indicating that trucking operations in/out the port have been halted. The situation for rail and barge services is more favourable with only 2 out of 10 ports being affected by (minor) delays, a moderate improvement compared to week 15.

In certain cases, significant reductions in trucks dealing with import/export can be observed. Trucks (in/out port) have been also affected by government-imposed restrictions to only allow delivery within districts. Some downstream warehouses cannot accommodate additional non-essential cargoes, especially in those cases that the countries are in a



lockdown or curfew situation so road transport is fairly severely affected. For some ports restrictions in truck mobility and delays due to applied traffic procedures (especially at borders) have started to increase waiting times for cargoes and occasionally results in a lack of available space at the yard. Nonetheless, in other countries the situation at container terminals is getting somewhat better. This follows a return to normal conditions for the pickup and delivery of goods at the warehouse or storage facilities of shippers and the visits of receivers, even though their main core production is still below the normal level. Mandatory warehouse opening in these cases leads to projections that rather soon congestion levels at the yard will return back to normal. The reduction in volumes has been also evident in some ports, which are linked to the reduction in weekly railway services. However ports advise that rail continues doing a work well in ensuring inland connections for trailers and swapbodies.

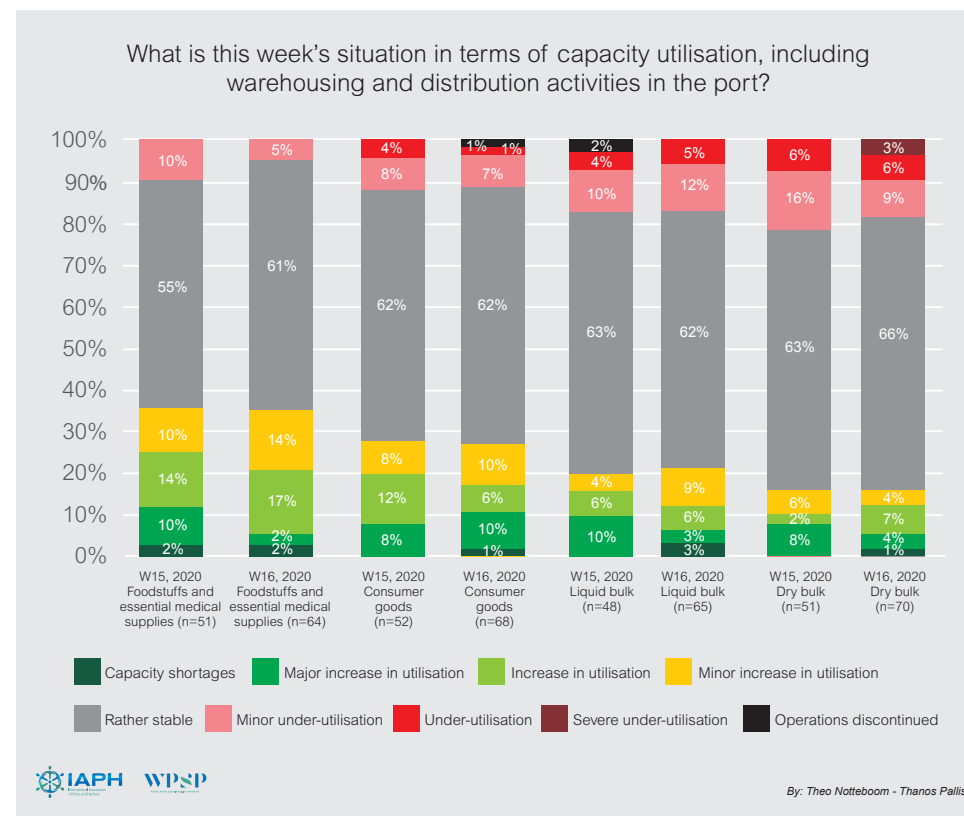
5. Impact on capacity utilisation including warehousing and distribution activities

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 behaviour 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 35% of ports reporting an increase in utilisation of warehousing and distribution facilities for foodstuffs and medical supplies, with some ports reporting capacity shortages. Last week these figures were slightly different with more ports reporting a major increase in utilisation levels (10% then vs. 2% this week) and with less ports reporting a minor under-utilisation (10% then vs. 5% this week). The situation for consumer goods has almost remained the same, although there is an increase in the share of ports dealing with major increases in utilization or facing capacity shortages (11% now vs. 8% last week). In the dry and liquid bulk markets, almost two thirds of the respondents see no changes in utilization levels. The remaining ports are fairly evenly distributed between under-utilisation and increased utilisation of storage facilities. The changes compared to last week are minor. A small minority of port situations now point towards capacity shortages.

Capacity utilization including warehousing and distribution activities are anything but uniform. Several ports report an increase in port and terminal utilization due to an increase in the imports of essential goods, such as grains (rice, wheat). Stockpiling practices of importers have also emerged and as a result a major increase in capacity utilization for these deliverables is not uncommon. For exporting countries, the outlook for some bulk cargoes is bleak, and for other bulk commodities such as ores, utilization is close to zero. Liquid bulk provides a similar picture. For some ports these cargoes have reduced due to less demand for petrol and diesel. For others, liquid bulk, especially for imported fuels and power generation-related products, is very low due to a lack of industrial production and mild climate. Yet, some ports reported strategic storage of liquid bulks by traders in anticipation of future commodity price developments. The most critical situation recorded is for the automotive industry. As dealers fail to collect their new cars (sales collapse),

overcrowding of relevant storage areas near the quays is occurring. For the specific week examined, the absence of collections over the Easter public holiday rather than COVID-19 had an impact on increased capacity utilization in some ports. For others, a changing national policy and the unlocking of inland distribution is spreading positive effects on ports' capacity to deliver essential and non-essential goods.



6. Impact on availability of port workers

The measures to fight the COVID-19 outbreak up until now have not had a huge impact on the availability of port workers. Still, 16% of the ports mention that they face shortages of dock workers (status quo compared to week 15), 8% of the sample is confronted with shortages for the delivery of technical-nautical services (pilots, towage, mooring), while 8% of ports are short of personnel for harbour master services (vs. 4% last week). It is hopeful that an increasing number of ports are indicating that more workers in all three categories are returning to work, pointing towards a gradual return back to normal. Nearly 26% of the port authorities report a moderate to more serious decline in staff availability (30% last week). We observe a steep increase in the share of ports reporting about staff returning to work (17% now vs. 7% last week).

The number of ports reporting teleworking of administrative personnel has expanded, transforming working from home as a quite regular practice, especially for employees in administrative services. And as already reported, there are ports that “assigned a home office to the administrative workers” as a formal policy. Working in shifts is another practice being endorsed, in order to decongest offices and to avoid a whole section/department being quarantined should one of the staff become infected. This is not least because Port Authorities that adopted a full day smart online working from home approached low levels of efficiency in some offices where physical coverage is recommended and had to adopt an on-site rotation for workers.

Operational workers remain in attendance at work as normal although port workers have to respect the safety measures (i.e. longer sifting time; personal protection mask etc.) in order to prevent direct contact (e.g. social distancing). A few of the ports reported that a number of the dockworkers are being sent home due to lack of work, with the State paying part of the salary, while reduced working hours are also applied for some. In one country ports experience some shortages as those workers in risk groups (such as people above 60 years old) are either working from home or have been granted paid vacation with this resulting in shortages in mooring crews and dock workers. Overall though, disruptions have been limited with many ports being able to continue operations and remaining open for trade.

7. Call for ports to participate in this survey

This weekly report will be published every Thursday on the [World Ports 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

