IAPH-WPSP Port Economic Impact Barometer

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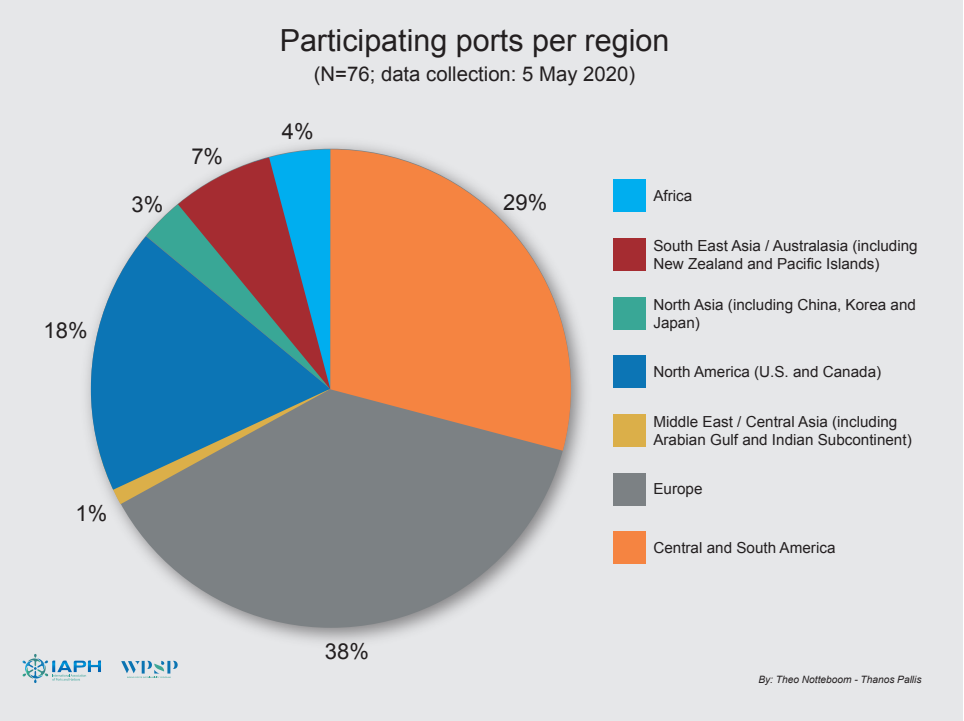
IAPH
International Association of Ports and Harbors

WPSP
WORLD PORTS SUSTAINABILITY PROGRAM

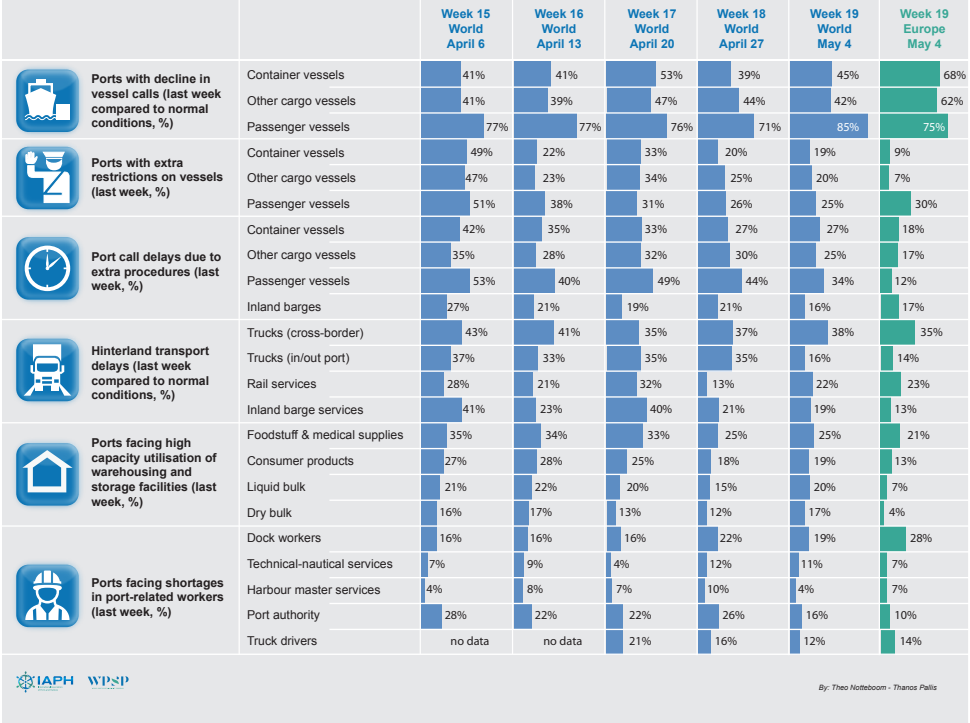
Survey set-up

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.

This week's results deal with the situation in week 19. Just like last week, a total of 76 valid answers were received with Europe continuing to be the leading region with 38% of the total (same share as last week). In addition, 22 ports from Central and South America completed the survey (28% of all respondents), which shows a continued upward trend compared to 26% last week, 17% in week 17, 14% in week 16 and only 9% in week 15. North America is also increasing its participation, totaling 14 ports this week (18% of the total sample) compared to only 7% in the first week. African and Asian ports remain under-represented.



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 4	Week 19 Europe May 4
Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	41%	53%	39%	45%	68%
	Other cargo vessels	41%	39%	47%	44%	42%	62%
	Passenger vessels	77%	77%	76%	71%	85%	75%
Ports with extra restrictions on vessels (last week, %)	Container vessels	49%	22%	33%	20%	19%	9%
	Other cargo vessels	47%	23%	34%	25%	20%	7%
	Passenger vessels	51%	38%	31%	26%	25%	30%
Port call delays due to extra procedures (last week, %)	Container vessels	42%	35%	33%	27%	27%	18%
	Other cargo vessels	35%	28%	32%	30%	25%	17%
	Passenger vessels	53%	40%	49%	44%	34%	12%
	Inland barges	27%	21%	19%	21%	16%	17%
Hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	43%	41%	35%	37%	38%	35%
	Trucks (in/out port)	37%	33%	35%	35%	16%	14%
	Rail services	28%	21%	32%	13%	22%	23%
	Inland barge services	41%	23%	40%	21%	19%	13%
Ports facing high capacity utilisation of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	35%	34%	33%	25%	25%	21%
	Consumer products	27%	28%	25%	18%	19%	13%
	Liquid bulk	21%	22%	20%	15%	20%	7%
	Dry bulk	16%	17%	13%	12%	17%	4%
Ports facing shortages in port-related workers (last week, %)	Dock workers	16%	16%	16%	22%	19%	28%
	Technical-nautical services	7%	9%	4%	12%	11%	7%
	Harbour master services	4%	8%	7%	10%	4%	7%
	Port authority	28%	22%	22%	26%	16%	10%
	Truck drivers	no data	no data	21%	16%	12%	14%

Results based on surveys of ports worldwide, five weeks to May 4, 2020

This dashboard provides a visual summary of the results gathered from the IAPH-WPSP COVID-19 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 world 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.

For the first time this week a column has been added summarizing the situation in one specific port region indicated in the green bars. This week the regional report focuses on Europe. The last section of this report provides a detailed discussion of the European situation.

1. Impact of crisis on vessel calls

Compared to last week, more ports are now reporting a decrease in container vessel calls. However, almost all these ports are reporting a 5 to 25% decrease. The share of ports facing significant decreases (in excess of a 25% drop) falls sharply from 10-11% in the previous two weeks to less than 2% this week. The situation for the other cargo vessels has remained fairly unchanged compared to last week. The number of ports reporting reductions of more than 25% remained at a level of 12 to 14% throughout weeks 16 to 19.

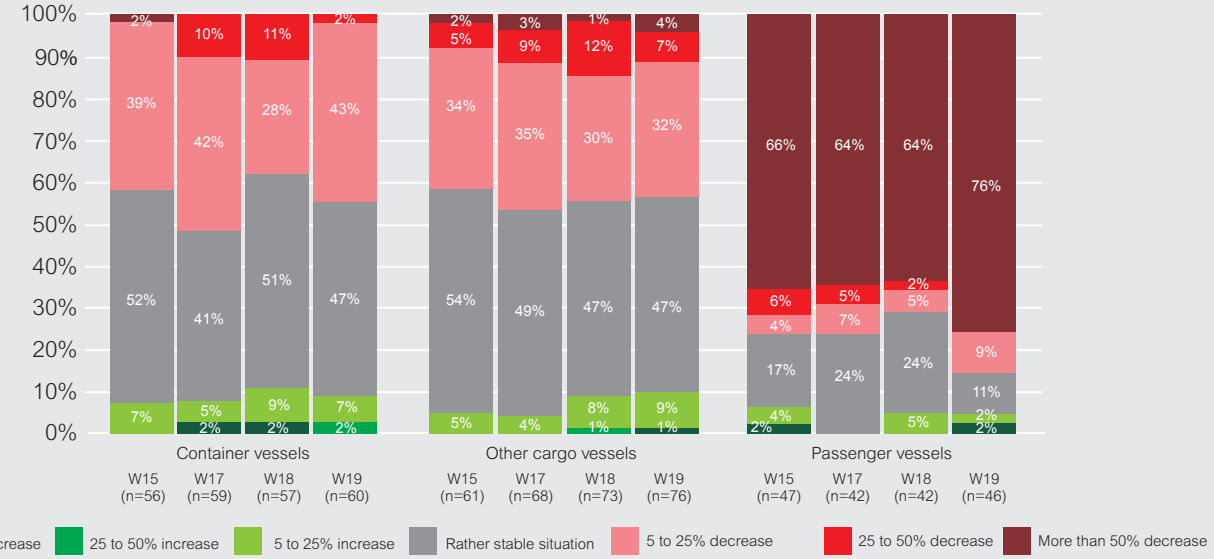
The cruise/passenger market remains the most affected by the COVID-19 contagion and the situation is not improving. About three quarters of the respondents indicate that passenger vessel calls are down more than 50%, in some cases even down more than 90%. In the previous weeks this figure amounted to around two thirds. 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.

For many ports, the number of calls has been maintained. Cargo volumes have decreased though with some ports suffering reductions at levels well beyond the 25% threshold. Decreased consumption of energy fluids and dry bulk has affected respective terminals. Oil tankers are down, while terminals dedicated to iron ore exports are reporting normal operations. Vessel calls related to the offshore business are also impacted mainly because of crew changes at the rigs being postponed. The most affected business continues to be car carriers.

The general loss of cargo for containers is probably less evident than expected, as April has closed with negative year-on-year figures that are much better than initially forecasted. The decrease in the number of container vessels is not always directly related to the COVID 19 crisis. Some report on the increase in blank sailings, mainly on the Europe-Far East routes, for others there are no more blank sailings registered but total calls are still down some 20% with respect to a normal fully operational week. Regional feeders in substitution of calls by mega vessels are working well, but shippers do not always welcome the longer transit times associated with transshipment.

Serious problems have emerged in the ro-pax business, as ro-ro cargo has recorded a substantial reduction, with the situation now having stabilized. Passenger shipping is the most problematic sector. All cruises remain canceled, cruise vessels are at ports for berthing for lay-up, crew changes and/or supplies only. The reactivation of cruises has been postponed to an even later period, at least until the end of June and/or middle July. There are passenger vessels in several ports that are under quarantine, with crew only, while others reported that berthing of passenger ships is temporarily suspended.

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 moderate decrease that began last week in terms of share of ports imposing restrictions on container and other cargo vessels continues also this week. More than 8 out of 10 ports did not impose any restrictions on container vessels with the same applying for over 3 out of 4 ports for other cargo vessels. The picture for passenger vessels shows a further, gradual improvement: 69% of the responding ports have not imposed additional restrictions (compared to 44% in week 15). The share of ports imposing extra measures on all incoming passenger vessels is also down from 21% last week to 10% this week.

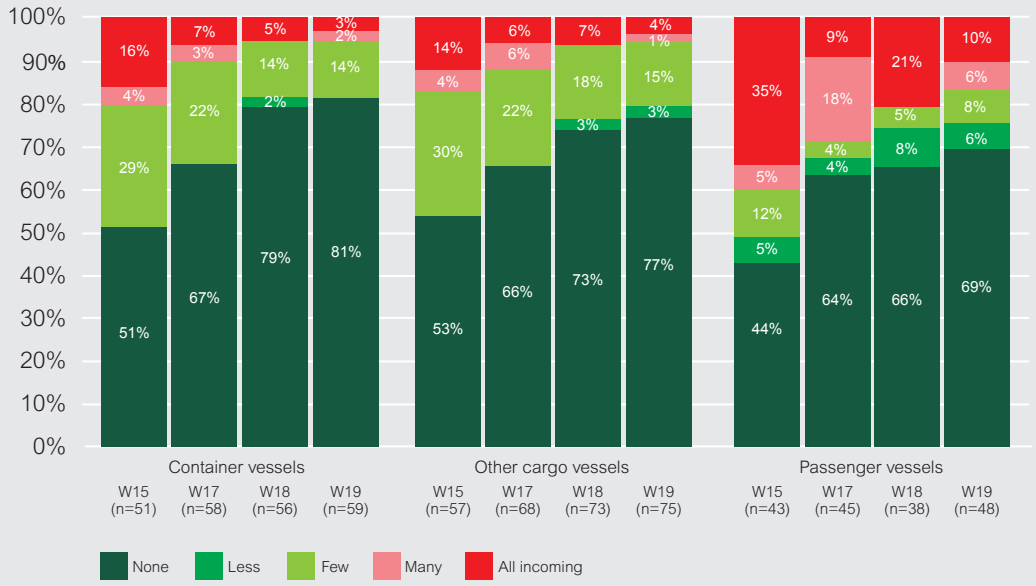
There have been no new restrictions introduced the past week. Ports, all ships, and crew comply with all the recommendations in pandemic protocols issued by the competent entities issuing preventive measures (i.e. federal, state, municipal, health authorities or otherwise). Measures might vary but additional restrictions or procedures are not reported to have a notable impact on operations. In general, there are no restrictions on cargo or vessels, as long as traffic coordination is taking place. There are limits adopted related to ship moves in order to avoid port entrance and exit of ships at the same time, stressing nautical services (pilots, mooring services, tugs). In some cases there are also restrictions on vessel moves at night.

In one case, following a vessel report that a passenger was evidently a COVID-19 patient, advanced COVID-19 contingency plans went into action for the entire week and hence all vessels followed new protocols for clearance to enter the port. The patrol boat intercepted the vessel 5 miles offshore to bring the victim under sanitary control measures, and the vessel was anchored outside the port for two days before authorization was given to call the port's wharfs from the sanitary and international health officers and the harbor master.

The suspension on cruise activities is still in place, with passenger vessels also limited. Entry of cruise vessels is permitted for provisioning and bunkering, yet in some countries berthing is also prohibited for idling cruise ships flying foreign flags.

Restrictions that apply to crew and crew changes also vary. There are ports where cargo ships crew cannot go ashore, or can do so only when using personal protective equipment against the coronavirus and following the rules of personal hygiene. Crew changes in some ports are only permitted following strict procedures, i.e. provided the ship has undergone 14 days of quarantine and outgoing flights are available for direct departure without any stay in a hotel etc. In other cases, sanitary corridors have been set up to allow the return of seafarers back to their countries of origin and conveniently supply new crew members to ships.

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



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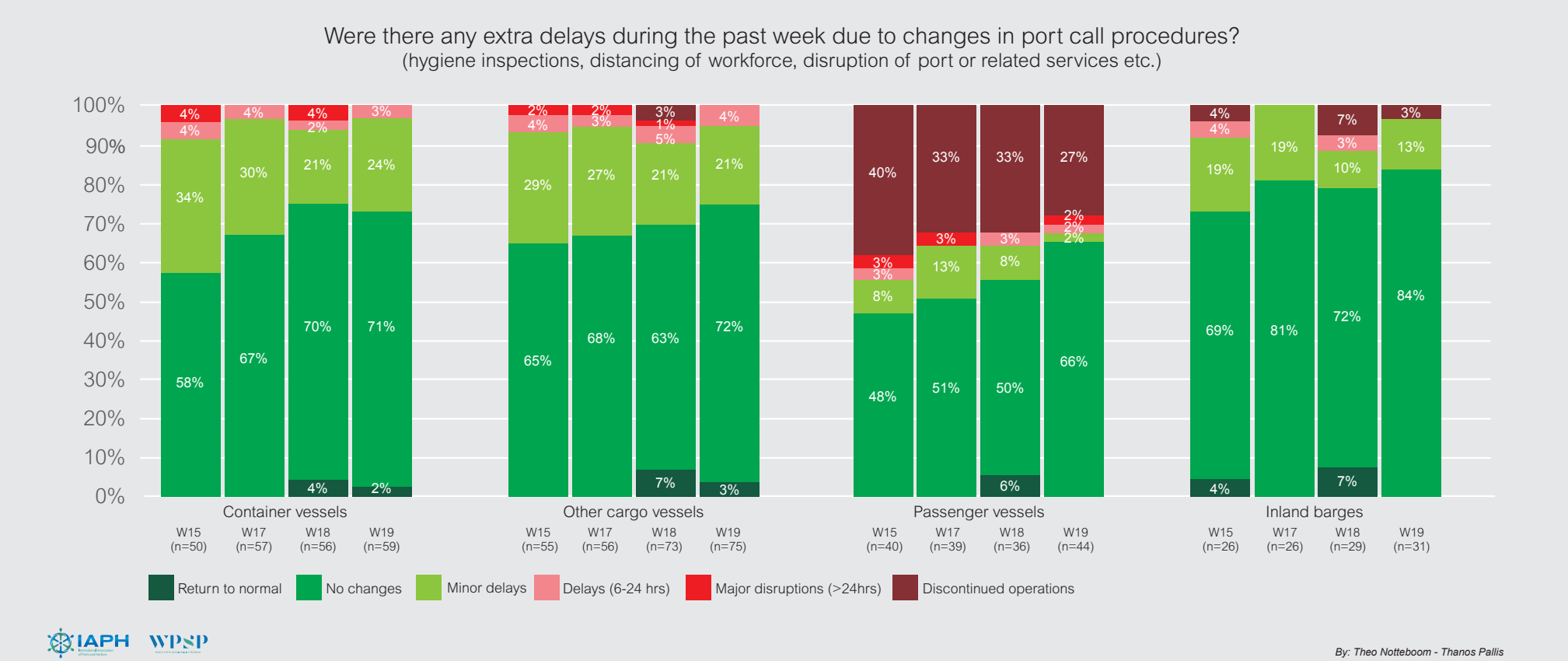
3. Extra delays due changes in port call procedures

Inland barge operations are seeing less disruptions compared to last week: 84% of 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), the highest figure ever. The categories of 'delays' and 'discontinued operations' now account for only 3% of the total. For container vessels and other cargo vessels, less ports report delays or major disruptions, while the share of respondents facing minor delays has remained rather stable. The passenger segment remains the most affected vessel category: 27% of the port operations of this type have discontinued (down from 33% in the past two weeks), while two thirds of the ports report no additional delays (50-51% in past two weeks).

There are no significant extra delays experienced related to Covid-19 situation in the past week. Port operations in most ports are stable, without delays. With some economies being at the stage of slowly opening up, things are getting closer to normal. Quite a few ports can now deliver all cargo, as previous weeks they were only delivering essential cargo. For a number of ports, cargoes using stevedores remain limited for the moment, and this helps to reduce operational delays.

Some limited delays occurred due to limits in port moves. Other ones were recorded for the loading and unloading of non-accompanied trailers on cargo ro-ro ships and cars on car carriers due to workforce distancing measures. There were ports though where former limits to the release of import containers were lifted and the situation is getting close to normality. Reporting ports also mentioned further implementation of technologies in order to overcome the difficulties. For example, new web and mobile phone based release booking systems have been adopted in major container terminals. It is also worth noting that the very minor delays do not always come to port authorities' attention. While in most ports passenger ship restrictions are still maintained, cruise traffic is closed, and inland barge traffic is still not always allowed. Ro/Ro traffic will need to find a viable solution in order to avoid the total disruption of supply chains based on short sea shipping.



4. Impact of crisis on hinterland transport

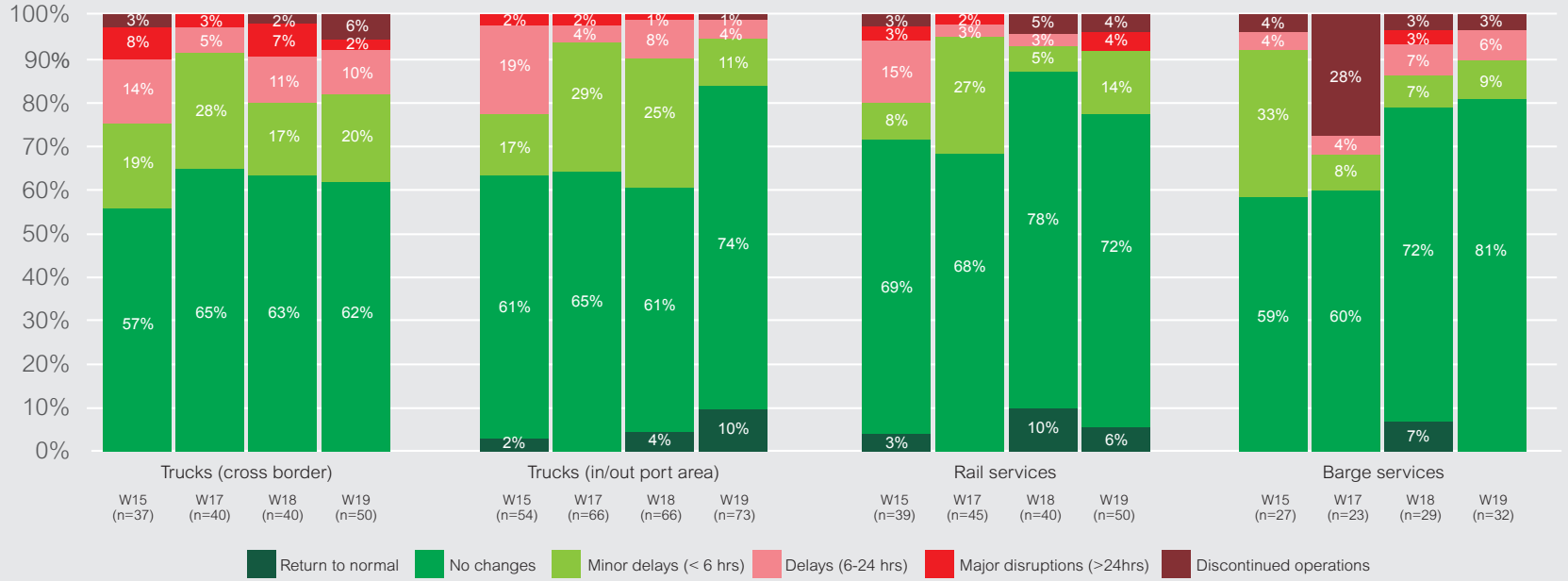
Border checks, a lower availability of truck drivers and disruptions in terminal operations can negatively affect trucking operations in/out of the port area and to the hinterland. About 12% of the ports report delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation with 6% of the ports indicating that cross-border trucking has been discontinued. Although this is a minor improvement compared to last week, the situation remains precarious for a number of ports. On a positive note, almost two thirds of the ports witness normal operations in cross-border transport by truck. For trucks arriving or leaving the port, we see a clear improvement compared to last week: three quarters of ports are reporting normal activity, well above the 61 to 67% levels of the past four weeks. However, rail services see more disruptions compared to last week. Still, 72% of ports report no changes in rail operations. The situation for barge services is evolving positively: 8 out of 10 ports report normal operations (the highest figure to date), while far less ports are reporting major disruptions or discontinued operations.

In some parts of the world inland transportation is getting close to normality. Overall, there are two different trends. On the one hand, there are restrictions in cross-border traffic that cause occasional hindrances, the exact effects of which are difficult to assess. The restriction to enter neighboring countries, the need to quarantine the drivers for 14 days before the trip continues and the shortage of public health staff at borders are among administrative issues that continue to lead to such delays. On the other hand, many hinterland truck services have been restored to a normal schedule, though with strict enforcement of temperature screening, use of face masks, etc. Notably, all these are taking place in an environment of reductions in overall transported cargoes. In addition, we received reports of cases where authorities at federal and state level continue their efforts to align all relevant measures to avoid different procedures that can impact operations.

Interestingly, some positive developments were also reported. In particular there has been better programming by the port operators to load and unload cargo from and onto trucks and rail cars while cargo reductions are experienced. In other cases, trucks in and out of the port are allowed for essential goods only. Trucks have been reported to rapidly adopt the terminals' adjusted booking systems for a quick, coordinated release of containers.

Rail shows a good increase in demand. In several cases rail services at national level are operating normally. Yet there is limited demand, or no demand at all, for international rail due to applied restrictions. Ports serving particular trades have been affected by the lower demand for the respective cargoes.

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



By: Theo Notteboom - Thanos Pallis

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. 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.

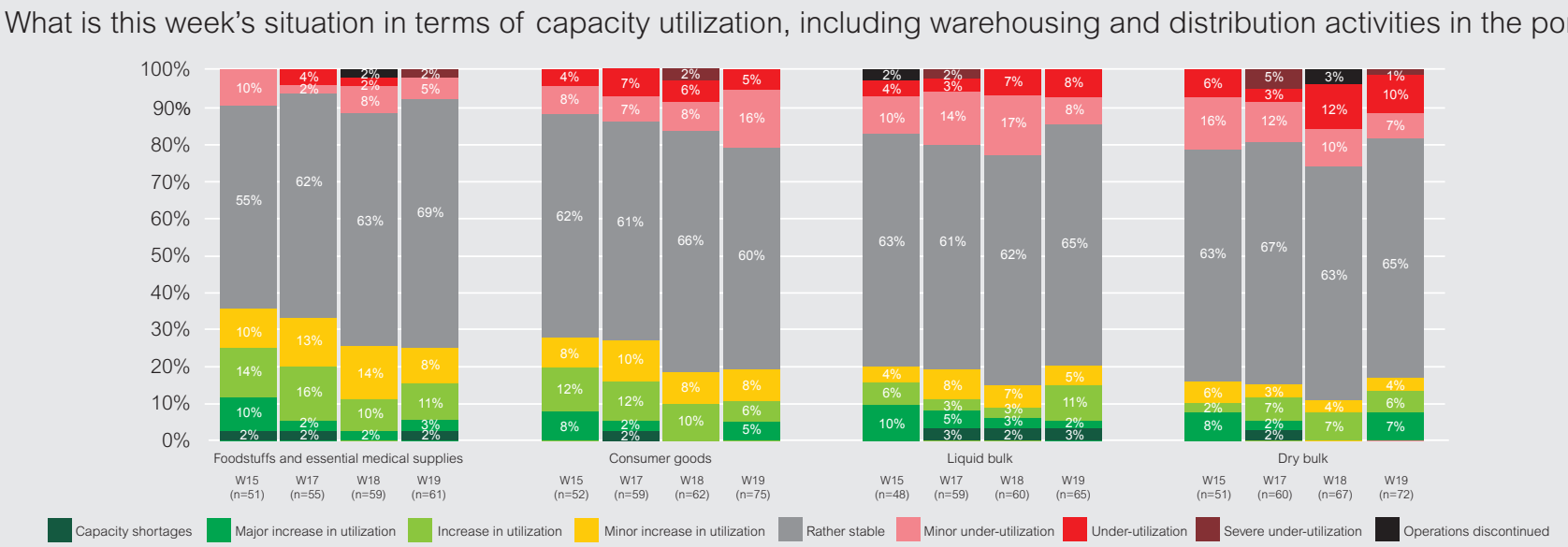
The survey results show the COVID19 crisis has resulted in 1 out of 4 ports reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies, with a few ports reporting capacity shortages. These figures have stabilized compared to last week, but also offer a clear improvement compared to first three weeks of the survey. For consumer goods, the figures show a clear increase of ports pointing to an underutilization of facilities. In the dry and liquid bulk markets, almost two thirds of the respondents see no changes in utilization levels: for dry bulk the moderate upward trend of the past weeks has reversed, while for liquid bulk the situation remained quite stable. The remaining ports are fairly evenly distributed between under-utilization and increased utilization of storage facilities for dry bulk. In the liquid bulk sector, we see that overall there are more ports reporting increased utilization than under-utilization. Very few ports are facing capacity shortages in liquid bulk storage facilities.

For several ports there is no problem as regards warehousing and distribution services. Warehouse operations were normal during the reported week, as less cargo was leaving the port from storage facilities. With many countries starting the lifting of restrictions since early May, utilization of these facilities is expected to reduce, with more import cargo being cleared from ports. There are ports reporting that, on average, they witness already a reduction of empties container storage due to extra vessels calls.

Yet, two observations are worth mentioning. First, the overall situation has been very much dependent on the type of cargo served by each port. Food and medicines-related businesses have been doing well, and it seems that in some ports serving such cargoes some warehouses have even turned full. Demand for oil cargoes has gone down due to little movement or trucks and cars and factories reducing their workload to a minimum, triggering a lower storage capacity utilization in tank farms. Similar reports reached us from ports where the mining work is paralyzed, thus there is no cargo to load at the terminals serving related cargoes. In other ports, restrictions on non-essential goods and exports of commodities have increased the utilization of warehousing facilities. These broader restrictions, which go beyond the port, are also causing shippers to keep their containers at the port causing (manageable) congestion at the yard.

Secondly, competition between nearby ports is appearing to have some impact on the level of utilization of warehousing of specific ports. When competing ports, for example, suddenly face a decrease in their operations, they may try adjusting volumes that enable them to attract cargoes that in regular situations would go elsewhere, thus rebalancing, at least temporarily, the pre-crisis trends.

It should be noted that port authorities do not always monitor warehouse and distribution activities, as they are usually under the management from a range of private companies. Therefore, they cannot provide very detailed information.



By: Theo Notteboom - Thanos Pallis

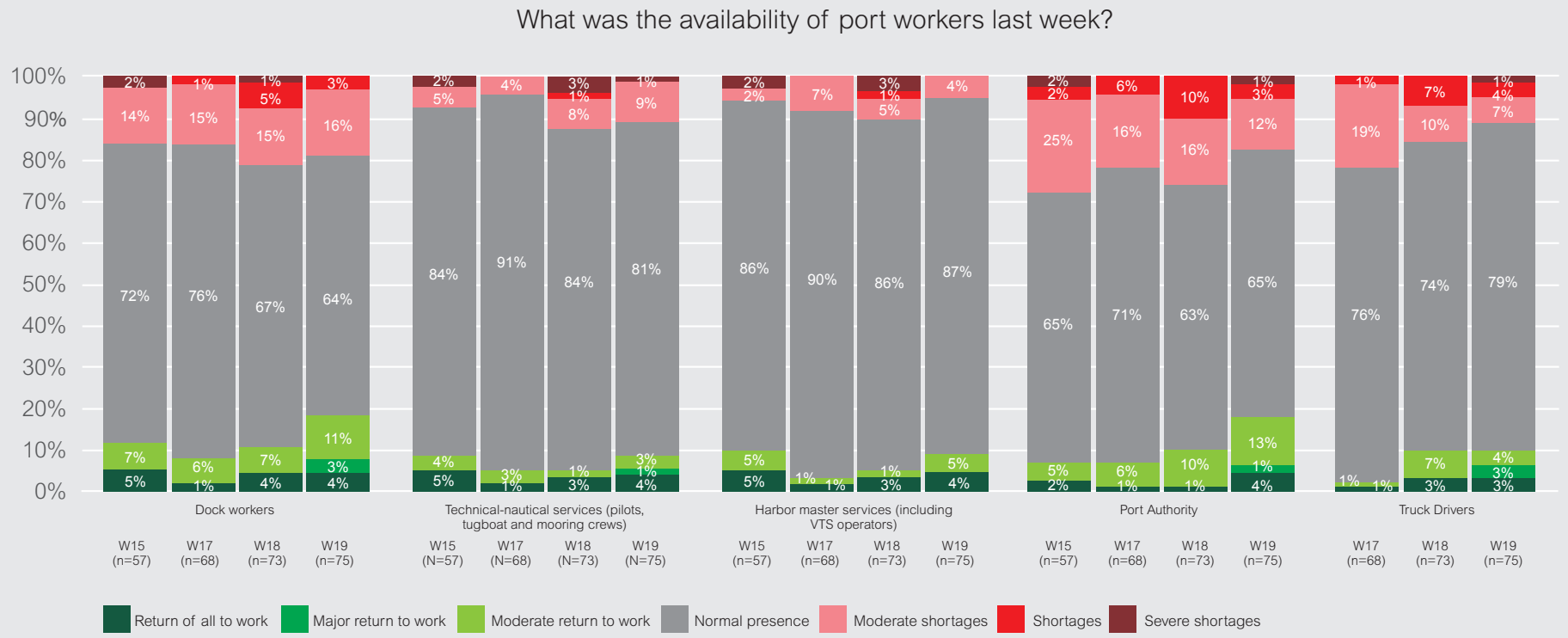
6. Impact on availability of port-related workers

The measures to fight the COVID-19 outbreak up until now have not had a huge impact on the availability of port-related workers. About 19% of the ports mention that they face shortages of dock workers (compared to 22% last week and 15 to 16% in the first three weeks), 11% of the sample is confronted with shortages for the delivery of technical-nautical services, while only 4% of ports are short of personnel for harbor master services (vs. 10% last week). About 16% of the port authorities report a moderate to more serious decline in staff availability, the lowest figure recorded so far (26% last week, 22% in weeks 16 and 17 and 28% in week 15). The availability of truck drivers is high overall: only 12% of the ports face truck driver shortages compared to 16% last week and 21% two weeks ago.

Ports continue operating without facing severe shortages of port-related workers. Some ports reported that cases of absences are now at the lowest rate since the start of the crisis, as there are fewer cases where the restriction of movement has affected the labor force in some areas.

New routines have been established and reportedly cover all functions. Administrative personnel of port authorities are mostly teleworking, although gradually there is an increased presence in the offices. In some cases, these practices are in compliance with the measures applied to all public offices; in others further adjustments have been made, i.e. employees are returning to ports according to plans based on the needs of the services. Notably the latter is not always obligatory but is taking place on a voluntary basis and on the advice of the organization.

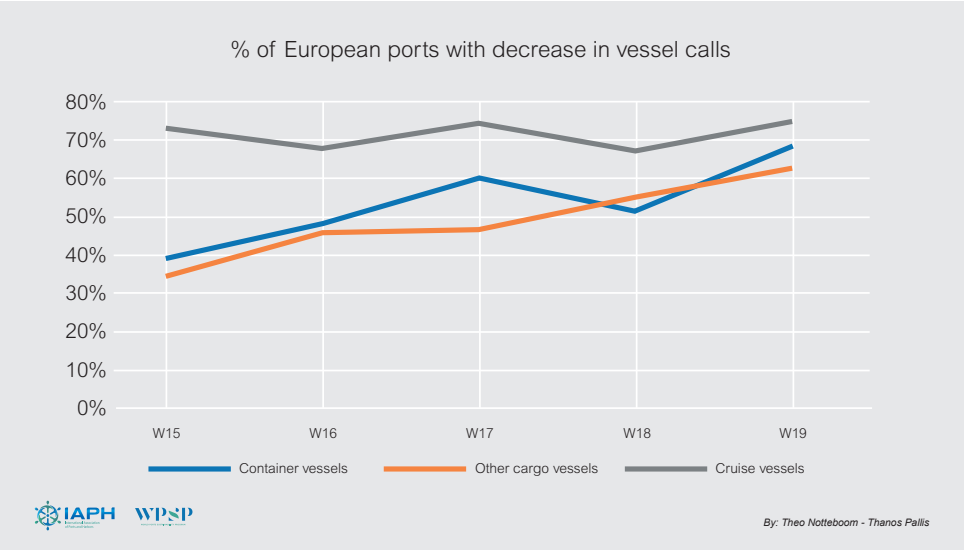
Just like in the previous weeks, quite a few ports keep workers above 60 years old and in risk groups at home, either on suspension or on paid vacation. In specific cases, the situation affects availability of mooring personnel, stevedores and port authority staff. This week it was reported in one port that negative publicity about covid-19 is creating fear among workers in the port. Many operators still keep workers under paid temporary unemployment. In most ports, truck drivers are back to normal operations. It remains to be seen whether the expected overall reduction of cargo might result in any redundancies in the short term, even though many of these drivers are self-employed.



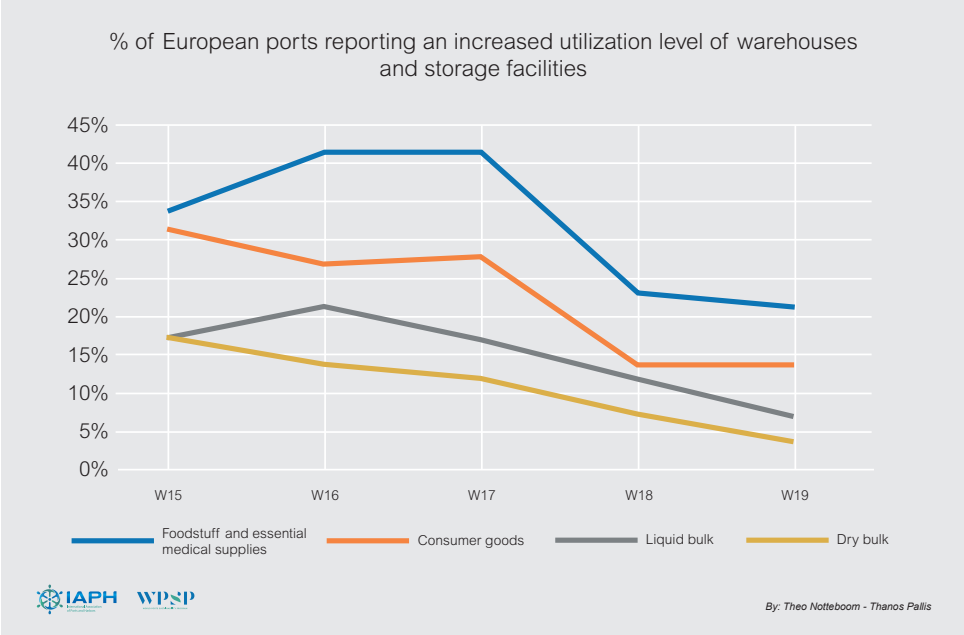
7. Regional focus: Europe

From this week onward, we add a new section to the weekly barometer, which analyzes the results for the ports of a chosen region in more detail. This week's regional focus is on Europe. As mentioned earlier, European ports take the largest share of the weekly global port sample, accounting for between 38% and 54% of all received answers.

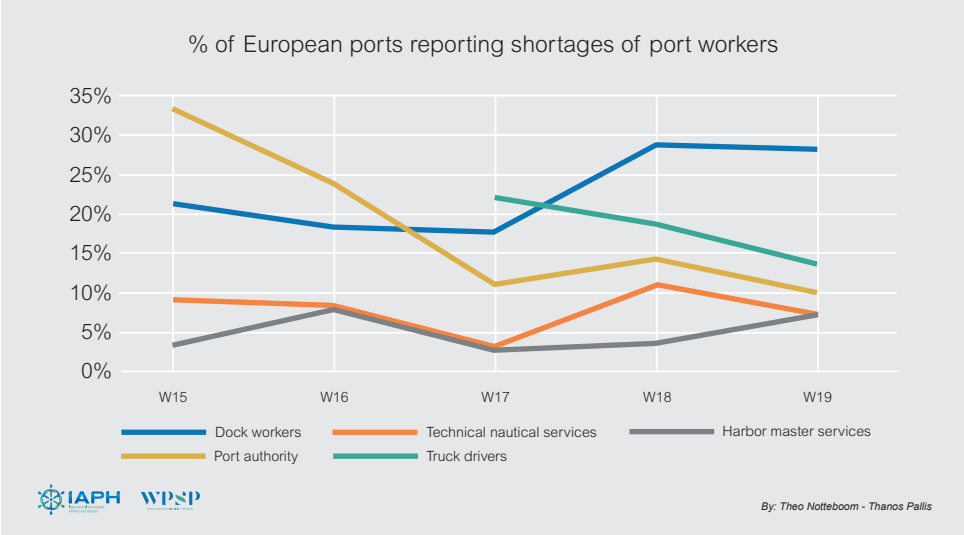
The two last columns of the dashboard enable to compare the global (blue bar) and European (green bar) results. A number of conclusions can be drawn. The share of ports facing declines in weekly calls of cargo vessels is much higher in Europe than ports globally. As shown in the figure below, the situation in European ports for container vessels and other cargo vessels has gradually deteriorated compared to the first week of the survey.



The share of European ports imposing extra restrictions on cargo vessels is low compared to the global sample. However, the situation for cruise vessels is more in line with the global picture. The European port system is less confronted with delays due to extra procedures for seagoing vessels. The situation in hinterland transport is fairly similar to what can be observed around the world. A smaller share of ports in Europe face high capacity utilization of warehousing and storage facilities. Furthermore, the following graph shows that every week fewer ports report increased capacity utilization or capacity shortages.



Some 28% of European ports face shortages in dock workers, a figure that is higher than the global picture. However, staff availability at port authority level is slightly higher compared to the global sample. The graph below points towards a wide-ranging evolution in the availability of port-related workers in Europe.



7. Call for ports to participate in this survey

This weekly report will be published every Friday 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