IAPH-WPSP Port Economic Impact Barometer

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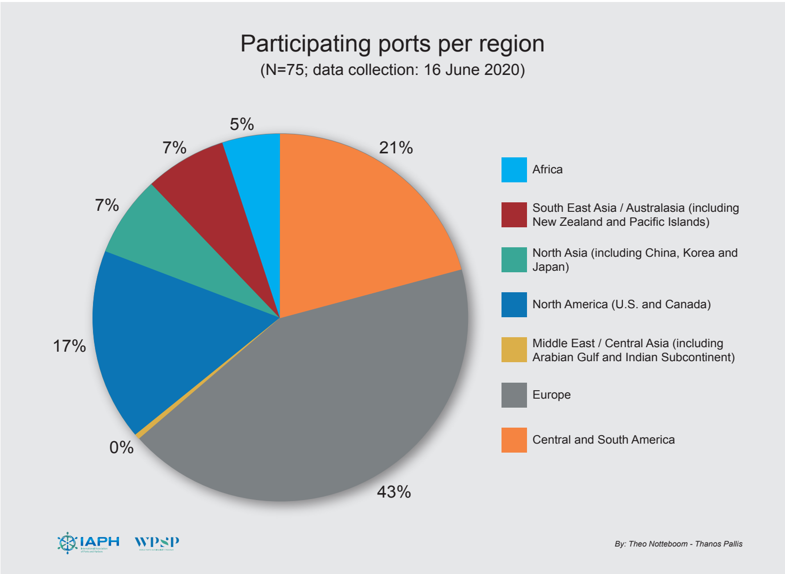
IAPH International Association of Ports and Harbors

WPSP WORLD PORTS SUSTAINABILITY PROGRAM

Survey set-up

The IAPH-WPSP survey on the impact of COVID-19 is conducted 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 (April 6). This week's results deal with the situation in week 25 (June 16, 2020). A total of 75 valid answers were received. Europe continues to be the leading region with 43% of the total. The Americas are also well represented with 16 ports from Central and South America (21%) and 13 ports from North America (17%). Only 10 ports from North Asia, South East Asia and Australasia are included in this week's results. African ports remain underrepresented with only 4 ports, while no answers were received from ports of the Middle East or Central Asia.



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 5	Week 20 World May 12	Week 21 World May 19	Week 23 World June 2	Week 25 World June 16
Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	41%	53%	39%	45%	43%	53%	45%	48%
	Other cargo vessels	41%	39%	47%	44%	42%	46%	51%	42%	33%
	Passenger vessels	77%	77%	76%	71%	85%	68%	73%	74%	78%
Ports facing hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	43%	41%	35%	37%	38%	26%	28%	23%	28%
	Trucks (in/out port)	37%	33%	35%	35%	16%	15%	23%	8%	11%
	Rail services	28%	21%	32%	13%	22%	17%	19%	14%	13%
	Inland barge services	41%	23%	40%	21%	19%	21%	20%	20%	18%
Ports facing high capacity utilization of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	35%	34%	33%	25%	25%	20%	14%	16%	8%
	Consumer products	27%	28%	25%	18%	19%	9%	12%	13%	10%
	Liquid bulk	21%	22%	20%	15%	20%	17%	13%	17%	16%
	Dry bulk	16%	17%	13%	12%	17%	13%	10%	9%	18%
Ports facing shortages in port-related workers (last week, %)	Dock workers	16%	16%	16%	22%	19%	17%	16%	13%	13%
	Technical-nautical services	7%	9%	4%	12%	11%	6%	8%	7%	7%
	Harbor master services	4%	8%	7%	10%	4%	8%	10%	5%	4%
	Port authority	28%	22%	22%	26%	16%	22%	12%	12%	21%
	Truck drivers	no data	no data	21%	16%	12%	9%	11%	10%	3%

IAPH WPSP

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Results based on surveys of ports worldwide, nine survey weeks to June 16, 2020

This dashboard provides a visual summary of the results gathered from the IAPH-WPSP COVID-19 Port Economic Impact Barometer survey. The survey initially consisted of six identical questions, sent to port authorities and port operators with responses sent anonymously on a weekly basis. From week 23 onwards, the survey has been sent out on a bi-weekly basis and the number of questions has been reduced to four.

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 four 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 four questions in this report. The last section of this report provides a detailed regional comparison of received answers to the second question of the survey, namely the evolution in the delays encountered in hinterland transportation (trucks, rail and inland barges).

1. Impact of crisis on vessel calls

Blank sailings, mainly on trade routes with the Far East, continue to affect this week's results for container vessels. However, their impact is lower than the one recorded by the Barometer in the last five weeks. About 45% of the ports are reporting that the number of container vessel calls fell by 5% to 25% compared to a normal situation. This figure is higher than 39% in week 23, but comparable to the figures of weeks 19 and 21. The share of ports facing a significant drop (in excess of 25%) in container vessels calls reaches 4%, a figure that is about 6 percentage points below the results of weeks 17, 18 and 20, but still significantly higher than what we could observe in weeks 15 and 16. The share of ports reporting reductions in other cargo vessel calls of more than 25% gradually decreased from 16% in week 21 to 4% this week, which is also far below the 12 to 15% observed throughout weeks 16 to 20. Some 59% of the ports are now reporting that the number of calls by other cargo vessels is rather stable compared to a normal situation, the highest figure to date.

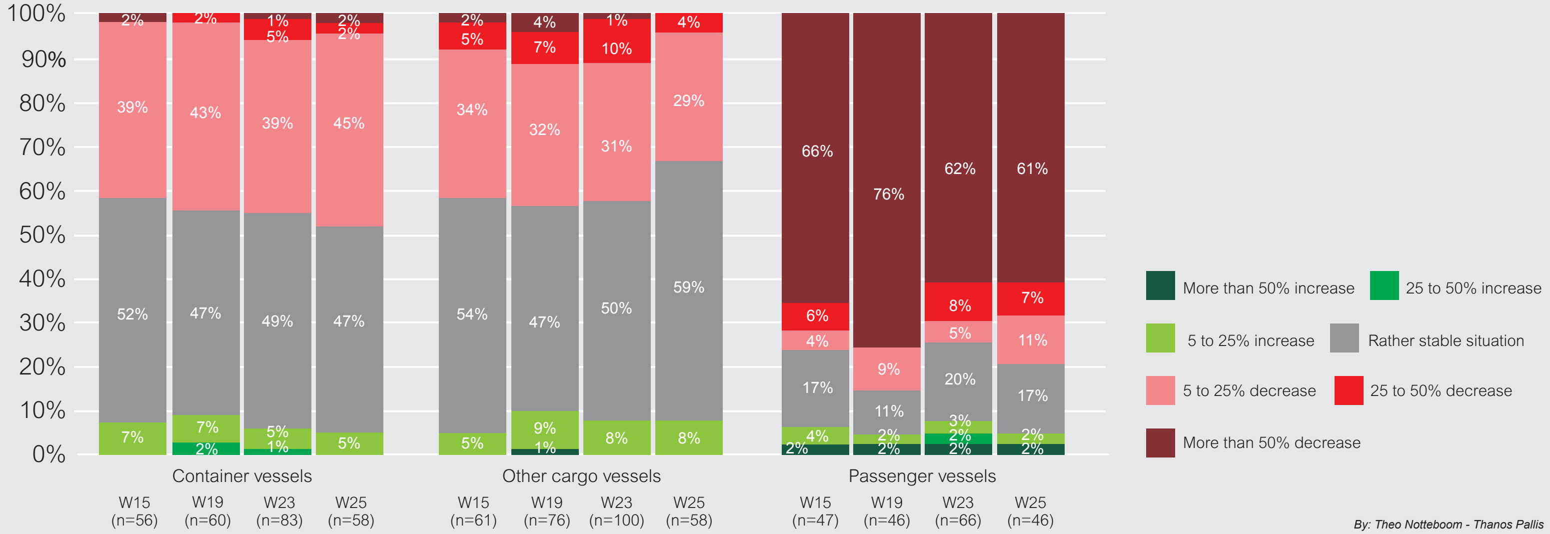
The cruise/passenger market remains the most affected by the COVID-19 contagion. This week's results are comparable to last week's results. Since week 20, about 61-62% of respondents indicate that passenger vessel calls are down more than 50%, in many cases even down more than 90%. In weeks 15 to 18 this figure amounted to two thirds of respondents with a peak of 76% in week 19. These figures continue to show the effect of an almost complete cessation of cruise activities.

While container vessels arrivals reduced in the past few weeks, other cargo vessels increased, mostly due to an increase in oil tanker activity. The notable increase of tankers was noted by more than a few ports. In Europe, ports reported that by the end of the year over 50 stopovers between Asia and the Mediterranean will be eliminated, resulting in a major decrease in some, though not all, ports. Berthing windows for container liner shipping services have not been reinstated yet. For some other ports, mostly European, there was nothing abnormal in recent weeks as container vessels and other cargo vessel calls remained consistent. Vessel activity was also affected a reduction by almost half of new car exports and the export of automotive components since the outbreak of COVID-19.

Passenger traffic continues to be limited in many countries. In Europe, passenger ships and ro/ro restart gradually and international calls have resumed or will do in the next week(s), but with limited capacity. Ports from countries that, according to their own statement "have chosen their own way to handle COVID-19", continue to experience difficulties with arrivals from people from outside the country, and this is expected to affect passenger traffic from abroad for some time. In countries where borders remain closed to non-cargo vessels, i.e. South America, ports are receiving calls from passenger vessels in order to repatriate nationals to the country.

The cruise season has already been cancelled in many countries as all cruise ships have stopped operations and port calls. This leads to cruise vessels at anchor and ports competing to offer these services, even extending the existing capacity of anchorage since existing anchorages are 100% occupied. In a few cases, small river cruise activities will restart within the coming weeks with reduced passenger capacity per vessel (max. 30 passengers).

How would you describe the number of vessel calls in your port in the past week, compared to activity during normal conditions?



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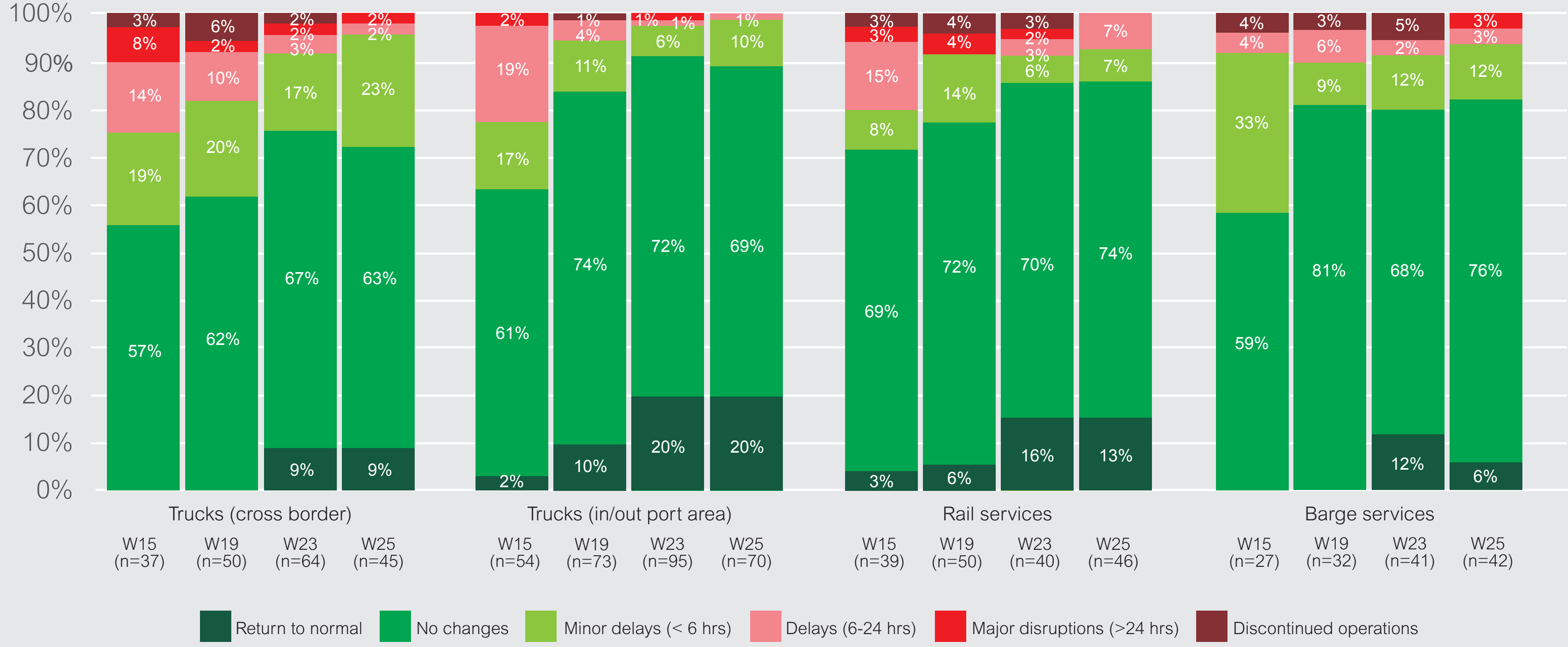
2. Impact of crisis on hinterland transport

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. Only 4% of the ports are still in a precarious position, reporting delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation. This figure is far below the 12% share in week 21 and 18 to 20% in weeks 18 to 19. Almost two thirds of ports either witness a return to normal operations in cross-border transport by truck or are already back to a normal situation. This is the lowest figure since week 19, indicating that the situation is no longer improving. In early April (week 15), only 57% of the ports were experiencing normal cross-border trucking operations.

For trucks arriving or leaving the port, we see a significant improvement compared to a month ago: 87% of ports report normal activity versus 78% in week 21 and only 63% in week 15. Some 13% of ports still face disruptions in rail services, but no ports are reporting a discontinuation of operations. The situation for barge services is also evolving positively, although the changes compared to week 21 are quite small: 82% of ports are reporting normal operations, the highest figure since the start of the survey.

The detailed analysis in the last section of this report will provide more insights on the different regional situations.

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



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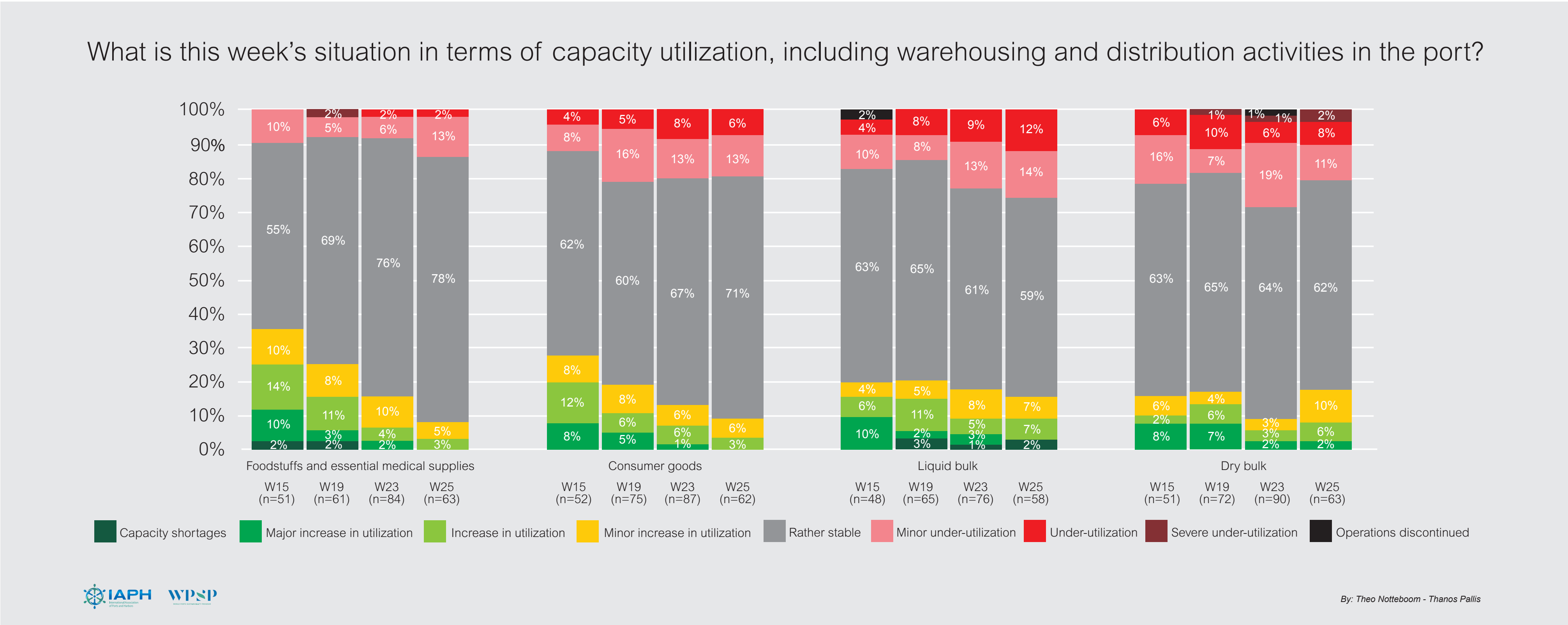
3. Impact on capacity utilization including warehousing and distribution activities

Warehousing and distribution activities in ports may see changes due to the fall in demand for consumer products or the closure of factories 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.

This week's survey results show the COVID19 crisis has resulted in only 8% of ports reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies and none of the respondent ports report capacity shortages. These are the lowest percentages since the start of the survey (note that this figure amounted to 35% in week 15). For consumer goods, 19% of ports are confronted with underutilized facilities and only 10% report increases in utilization. It is the fourth survey week in a row that we have more ports facing underutilization than higher utilization levels. The reverse situation was observed in weeks 15 to 17 with only 10 to 14% of respondents witnessing underutilization and 25 to 28% of ports mentioning an increased usage of facilities or even capacity shortages.

In the liquid bulk market, 59% of the respondents see no changes in utilization levels, a figure that has remained fairly stable since the first week of the survey. About 26% of ports are reporting underutilization of liquid bulk storage facilities (22% in week 23 and a 15-23% range in the first six weeks). Reduced loading and unloading operations are resulting in minor underutilization of existing facilities. The share of ports with increased utilization levels in liquid bulk storage facilities amounts to 16%.

In the dry bulk sector: 21% of the ports report an underutilization of facilities compared to a 17-25% range in the first six weeks and 27-32% in the past month. The share of ports with increased utilization levels in dry bulk storage increased from 9% two weeks ago to 18% this week.

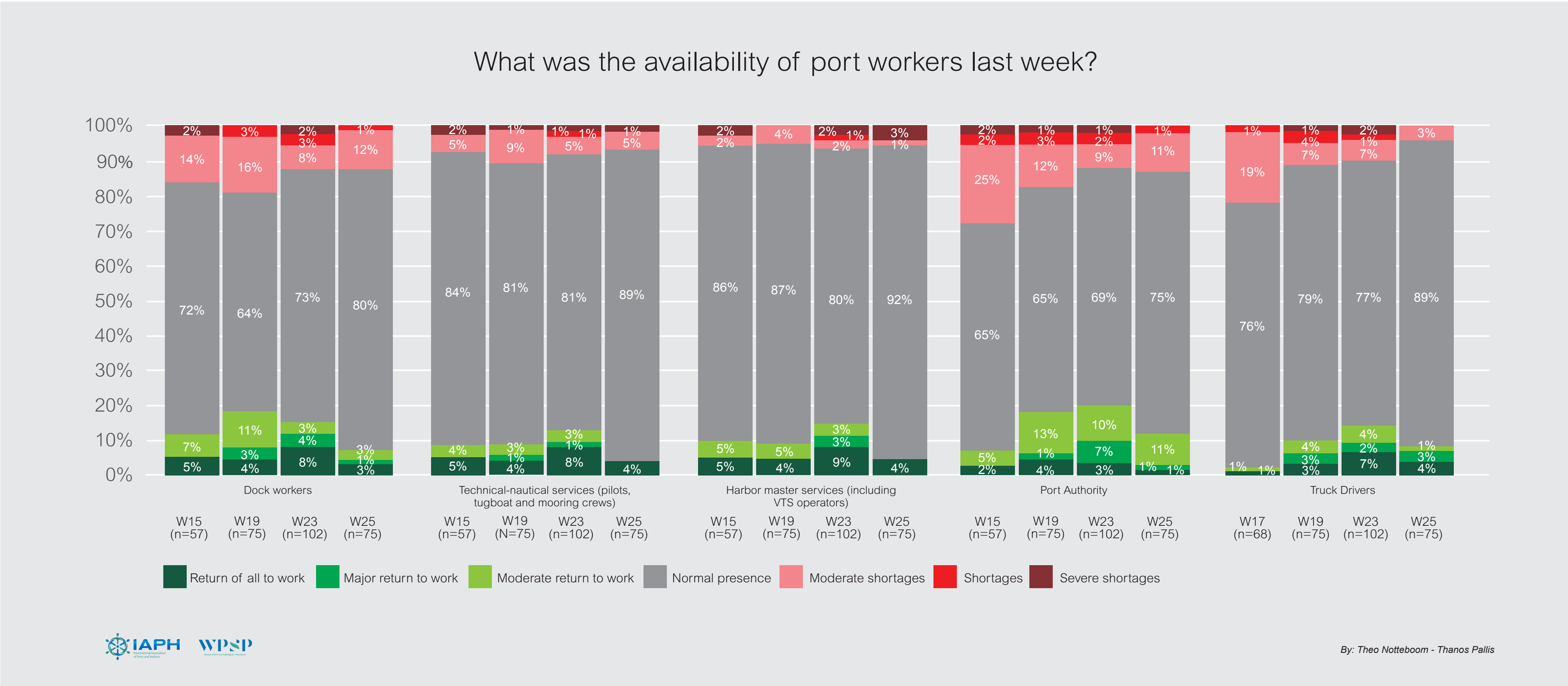


4. Impact on availability of port-related workers

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 further improving. About 13% of the ports mention that they face shortages of dockworkers (approximately the same figure as in week 23 which was the lowest share since the start of the survey). Only 7% of the sample face shortages for the delivery of technical-nautical services, while 4% of ports are short of personnel in the harbor master division. As in weeks 21 and 23, about 12% of the port authorities report a moderate to more serious decline in staff availability, compared to 26% in week 18, 22% in weeks 16 and 17 and 28% in week 15. The availability of truck drivers has reached the highest level since the start of the survey: only 3% of the ports face truck driver shortages compared 21% in week 17.

Teleworking continues for several staff members of Port Authorities. In many cases, this is part of more general rules applied to the entire economy and/or the public sector. Teleworking does generally not occur on a full-time basis. Estimations provided suggest that teleworking occurs in combination with office presence within flexible time frameworks (e.g. working from home two days per week). There are ports reporting that the work force had been reduced during the peak of the pandemic and that key technical staff and spare parts could not always reach the port in time. However, now the situation is returning to normal as economies are resuming activities.

In South America, some ports reported the beginning of a testing campaign. Thus, the number of cases has increased since now also asymptomatic people are identified. However, the respective ports have been able to manage it without impact on operations and other activities.



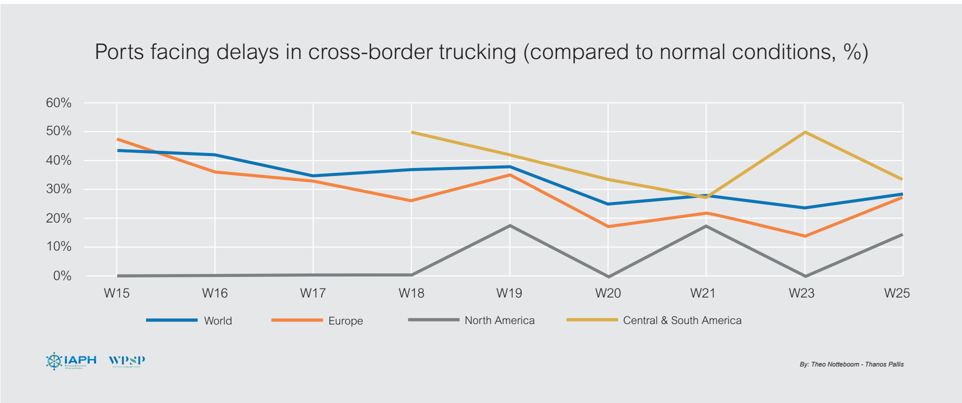
5. Regional comparison: focus on the impact on hinterland transport

Regional differences are becoming much more pronounced as the world's ports respond to the Coronavirus crisis. Since week 23, we started with the inclusion of regional comparisons on four key issues moving forward, namely:

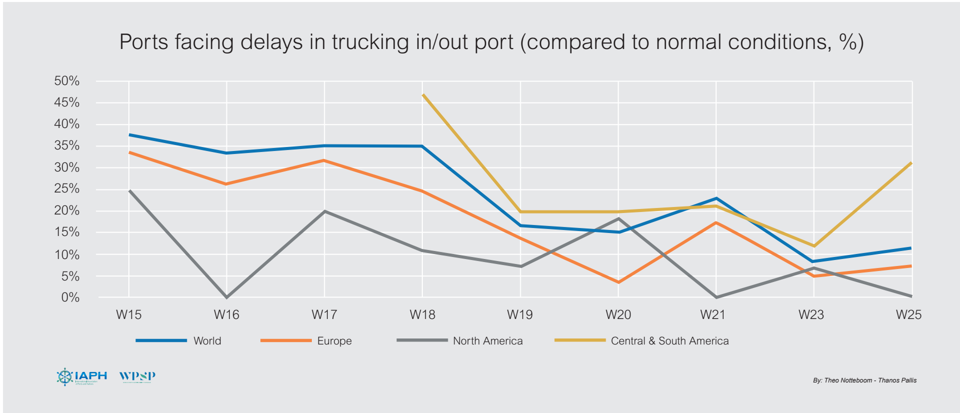
- Impact of the crisis on vessel port calls compared to normal conditions at this time of year
- Impact of the crisis on hinterland transport compared to normal activity
- Capacity utilization, including port warehousing and distribution activities
- Availability of port workers, in all categories

This report focuses on the second theme, i.e. the impact of the crisis on hinterland transport compared to normal activity, by comparing global results with regional results. Three regions are considered: Europe, North America and Central and South America. The regional findings for Africa, Asia and Oceania are not reported separately given the low number of responding ports. For Central and South America, we do not report all figures given the low number of respondents (< 5) for some of the weeks or on some of the sub-questions.

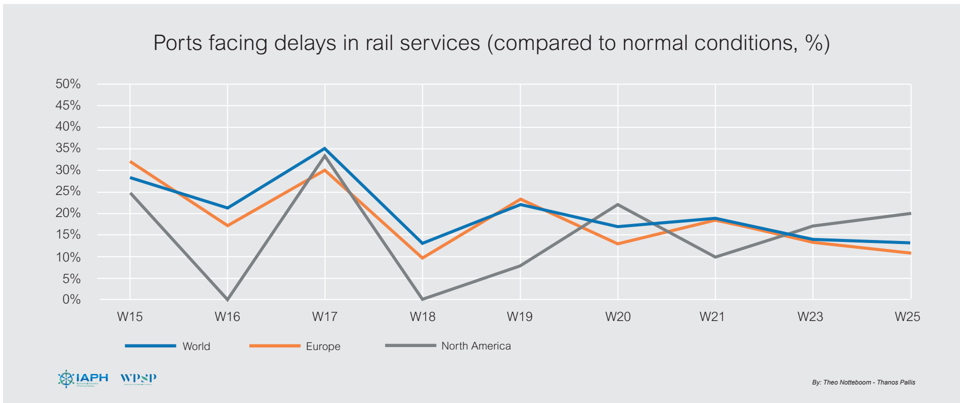
The situation with respect to cross-border trucking is heavily affected by the situation along the borders and related policies at national and or regional level. At a global level, 28% of ports face delays in cross-border truck traffic. This mostly concerns delays of less than 6 hours. Only 4% of the ports are still in a precarious position, reporting delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation. Among the regions considered, cross-border trucking in North America seems to be affected the least by the Coronavirus, while the figures in Central and South America are the highest. European ports saw a gradual improvement of the situation till week 23, with a (temporary) increase in week 25.



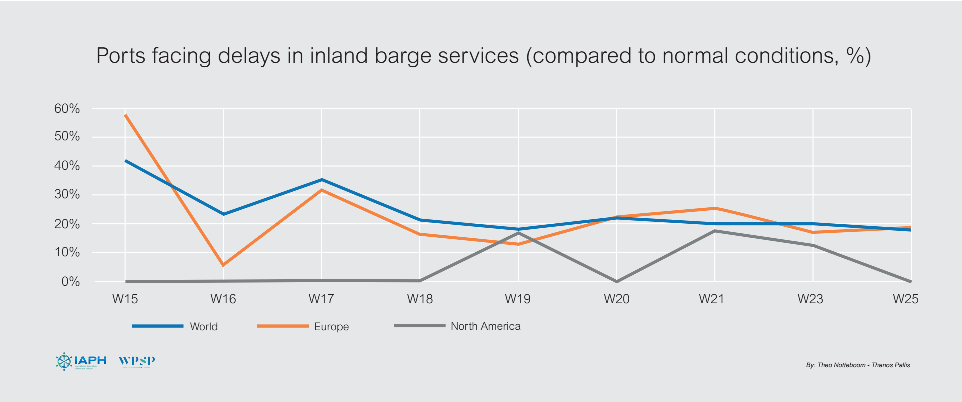
For trucks arriving or leaving the port, the situation continues to improve on a global scale: 13% of ports still report delays (mostly less than 6 hours) versus a hefty 34 to 37% in weeks 15 to 18. Also here, the situation is most precarious in Central and South America, while North American ports face only little delays (with no delays reported in some of the more recent weeks). The situation in Europe has also significantly improved over the past two months.



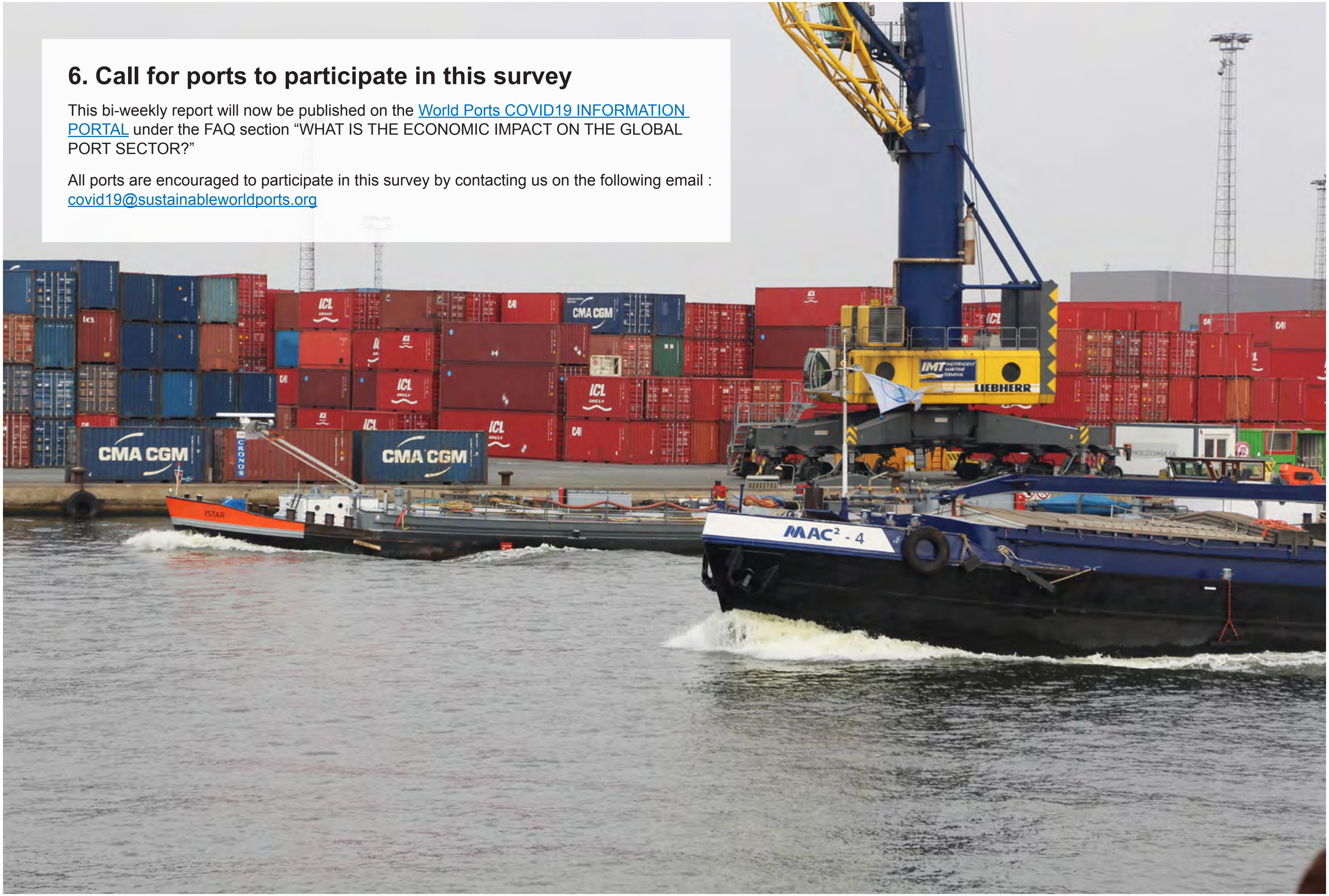
Some 13% of ports still face disruptions in rail services, but no ports are reporting a discontinuation of operations. The rail delay figures for Europe and North America are fluctuating with a slow downward trend for Europe pointing to an improvement of the situation. The figures for Central and South America are not reported in the graph given the low number of responses from that region on this specific transport mode.



The situation for barge services is also evolving positively: 18% of ports are still facing delays in inland barge operations, the lowest figure since the start of the survey although the changes since week 18 have been minimal. At a regional level, North America is the least affected. As in the rail case, the figures for Central and South America are not included in the graph given that less than five ports reported on the situation in the inland navigation sector.



Overall, hinterland transport operations are working (close to) normal – especially in many of the (European) countries where all businesses opened again. The reduced cargo volumes are not seen as irrelevant for the absence of delays. Some economic activities are starting to resume with goods flows just beginning to pick up. Nonetheless, this only happens very slowly. Even though large parts of North America are still fighting to get the number of infections down, the overall impact on hinterland transport has been small. In parts of Central and South America, delays in hinterland transportation have not yet disappeared as the virus is still prevalent. With lower maritime volumes arriving/leaving ports in all three regions considered, the situation in road haulage has become very competitive. Rail services are only occasionally disrupted with services experiencing few difficulties related to the crisis. Inland barge operators are also affected by lower cargo availability. In Europe, the market situation in inland barging has worsened due to low water levels on the Rhine and some other important river systems.



6. Call for ports to participate in this survey

This bi-weekly report will now be published on the World Ports COVID19 INFORMATION PORTAL under the FAQ section “WHAT IS THE ECONOMIC IMPACT ON THE GLOBAL PORT SECTOR?”

All ports are encouraged to participate in this survey by contacting us on the following email : covid19@sustainableworldports.org