

IAPH-WPSP Port Economic Impact Barometer

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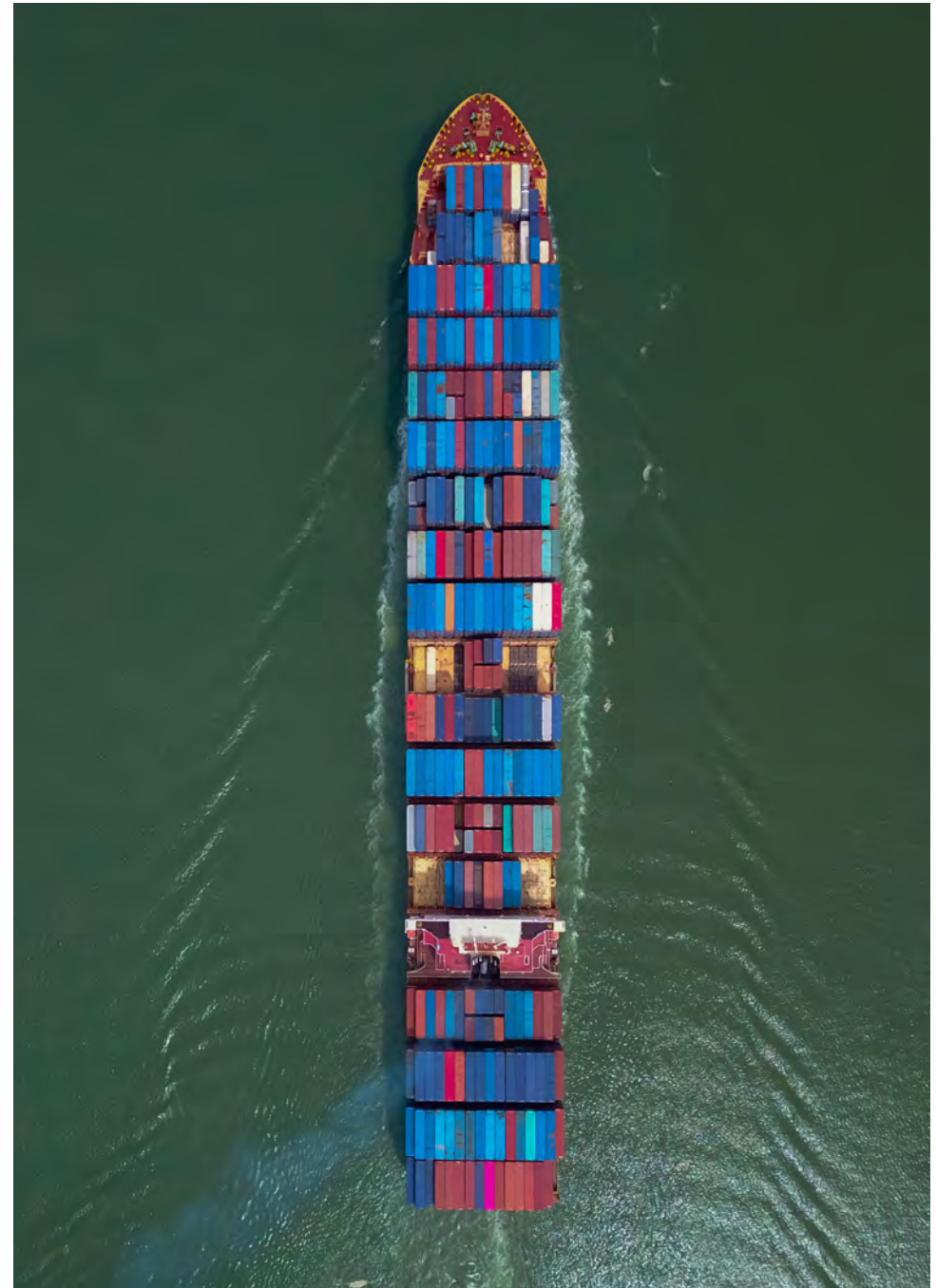
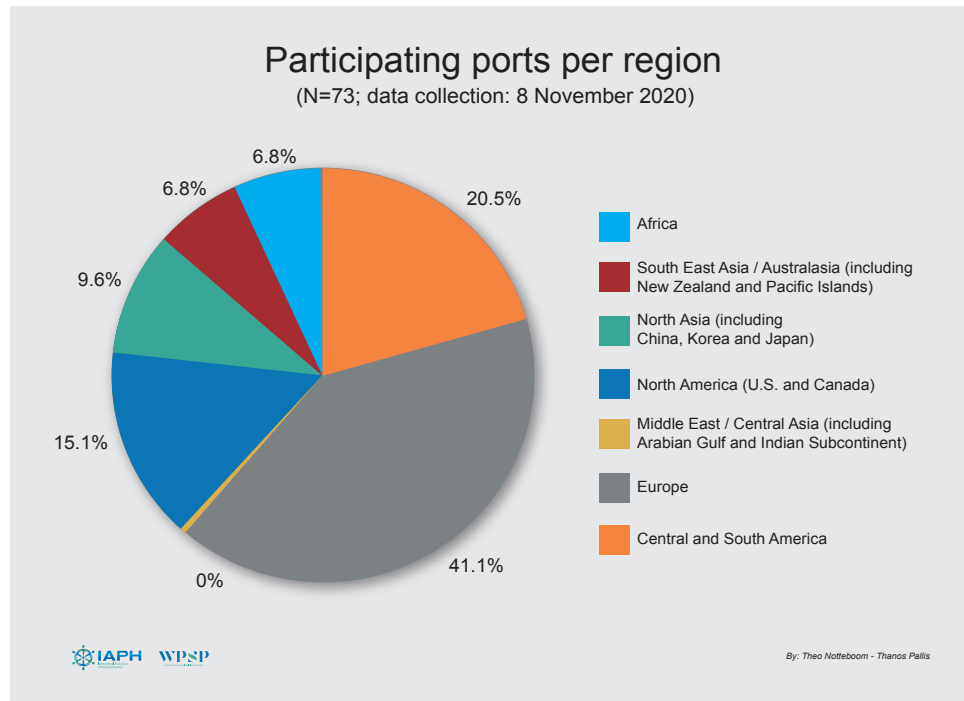
16 November 2020







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). The IAPH-WPSP Port Economic Impact Barometer Half Year Report was presented in mid-September, providing a detailed global and regional analysis of the impact of COVID-19 on ports during the period of April to September 2020. Since September, the survey has been sent out on a monthly basis. The report presented here goes back to the regular barometer report format and deals with the situation in week 45 (November 8, 2020).

A total of 73 valid answers were received which is a healthy increase compared to the 56 responses in October, but below the record number of responses of 104 in week 23. Europe remains the leading region with 41% of the total, although other regions have improved their share in participation in this edition. With 15 answers received, Central and South America has nearly doubled its share from 11% of total responses in October to 21% now. The share of North American ports has remained rather stable at around 15%. Twelve ports from North Asia, South East Asia and Australasia are included in this week's results, which is the highest number since the start of the survey. African ports remain underrepresented with only 5 ports, while no answers were received from ports of the Middle East or Central Asia.



WPSP-IAPH COVID-19 Dashboard

		Week 15 April 06	Week 16 April 13	Week 17 April 20	Week 18 April 27	Week 19 May 05	Week 20 May 12	Week 21 May 19	Week 23 June 02	Week 25 June 16	Week 27 July 01	Week 29 July 15	Week 36 Sept 02	Week 41 Oct 08	Week 45 Nov 08
 Ports with decline in vessel calls (last week compared to normal conditions, %)	Container vessels	41%	41%	53%	39%	45%	43%	53%	45%	48%	40%	40%	28%	35%	36%
	Other cargo vessels	41%	39%	47%	44%	42%	46%	51%	42%	33%	33%	37%	41%	40%	40%
	Passenger vessels	77%	77%	76%	71%	85%	68%	73%	74%	78%	64%	70%	66%	77%	83%
 Ports facing hinterland transport delays (last week compared to normal conditions, %)	Trucks (cross-border)	43%	41%	35%	37%	38%	26%	28%	23%	28%	15%	9%	13%	0%	16%
	Trucks (in/out port)	37%	33%	35%	35%	16%	15%	23%	8%	11%	15%	11%	12%	6%	14%
	Rail services	28%	21%	32%	13%	22%	17%	19%	14%	13%	8%	9%	14%	5%	15%
	Inland barge services	41%	23%	40%	21%	19%	21%	20%	20%	18%	3%	9%	13%	4%	17%
 Ports facing high capacity utilization of warehousing and storage facilities (last week, %)	Foodstuff & medical supplies	35%	34%	33%	25%	25%	20%	14%	16%	8%	15%	10%	20%	17%	20%
	Consumer products	27%	28%	25%	18%	19%	9%	12%	13%	10%	12%	10%	17%	17%	20%
	Liquid bulk	21%	22%	20%	15%	20%	17%	13%	17%	16%	16%	16%	18%	17%	14%
	Dry bulk	16%	17%	13%	12%	17%	13%	10%	9%	18%	15%	10%	19%	16%	11%
 Ports facing shortages in port-related workers (last week, %)	Dock workers	16%	16%	16%	22%	19%	17%	16%	13%	13%	14%	5%	15%	7%	8%
	Technical-nautical services	7%	9%	4%	12%	11%	6%	8%	7%	7%	7%	4%	12%	4%	4%
	Harbor master services	4%	8%	7%	10%	4%	8%	10%	5%	4%	6%	2%	9%	4%	4%
	Port authority	28%	22%	22%	26%	16%	22%	12%	12%	21%	8%	7%	15%	7%	4%
	Truck drivers	no data	no data	21%	16%	12%	9%	11%	10%	3%	7%	5%	12%	7%	10%

Results based on surveys of ports worldwide, fourteen survey weeks to November 8, 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 until week 29, the survey has been sent out on a bi-weekly basis and the number of questions has been reduced to four. Since then the report has been compiled on a monthly basis. The most recent surveys contained new questions, such as a question dealing with the status on crew changes in the ports (weeks 27 and 29), a question on port infrastructure investments (week 36) and a question on investments in environmental sustainability (week 41). This time a question was added dealing with the ports' cargo throughput compared to the same period last year.

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). The results on the cargo throughput figures will be discussed using a separate graph. You can find comprehensive data and more detailed explanations of responses to the five questions in this report.



1. Impact of crisis on vessel calls

About 34% of the ports are still reporting that the number of container vessel calls fell by 5% to 25% compared to a normal situation. This figure is much lower than the 45% in weeks 21 and 25, and also below the 38-39% in the first weeks of the survey in early April. The share of ports facing a significant drop (in excess of 25%) in container vessels calls reaches only 2%, a figure that is about 8 percentage points below the results of weeks 17, 18 and 20, and similar to what we could observe in weeks 15 and 16. Overall, slightly more than one third of all respondents are observing a drop in container vessel calls of more than 5%, a stabilization compared to last month (week 41) and up from 28% in early September (week 36). Some two thirds of ports are reporting that vessel calls are similar or even higher compared to the same period the year before.

The evolution is going in a positive direction given the current surge of container volumes on some trade routes (e.g. trans-pacific) combined with a sharp decrease in idle container vessel capacity (no blank sailings). As regards the container market, European ports reported the absence of significant changes in container business comparing to normal, although it is likely that the new wave of semi-lockdowns might lead to a progressive lack of cargo in the next weeks, forcing some carriers to take into consideration last notice cancellations as a countermeasure. Notably, in some cases a significant 25 to 50% decrease of mega-vessel calls has been reported indicating that is worth monitoring whether some structural changes in shipping networks might be underway. The potential of structural changes is also present in reports by Latin America ports, as some of them reported that although container vessels calls have decreased, containerized cargo have already started to surge.

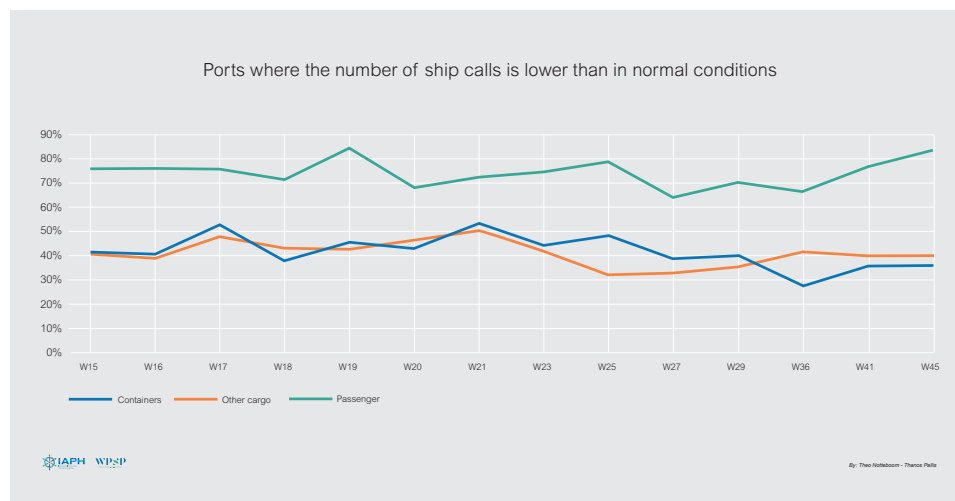
The share of ports reporting reductions in other cargo vessel calls of more than 25% gradually decreased from 16% in week 21 to 4% in week 25, which is also far below the 12 to 15% observed throughout weeks 16 to 20. However, in weeks 27 and 29 the figure was up again to reach 9%. Since September the figure has been consistently below 5%. Globally, some 54% of the ports are now reporting that the number of calls by other cargo vessels is rather stable compared to a normal situation. As regards the other cargo markets, bulk remains very low, while ro/ro vessels calls are doing overall quite well and are close to normality.

The cruise/passenger market remains the most affected by the COVID-19 contagion. In week 45, 69% of respondents indicate that passenger vessel calls are down more than 50%, in many cases even down more than 90%. In the period from week 20 to week 25 this figure was 61-62% while in weeks 15 to 18 this figure amounted to two thirds of respondents with a peak of 76% in week 19. Since late August, only a few cruise operators have resumed some cruise activity, albeit on a very small scale compared to normal activity levels. For some ports, this implies that cruise ship calls will no longer remain at almost zero levels.

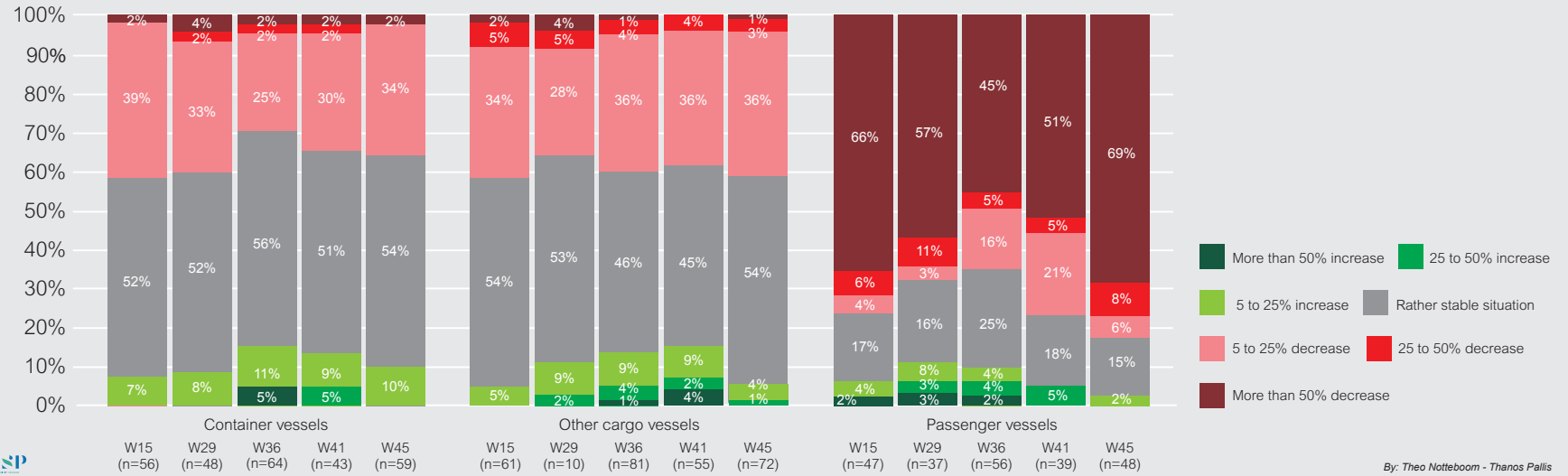
The Barometer identified significant regional variations in the passenger market trends. On the one hand, a second wave of COVID-19 cases has already affected the

European and North African markets: passenger vessels have stopped again or will stop soon because of the imposed or new restrictions and lockdowns. Even when passenger vessel calls are occurring on a near-normal basis, passenger volume is substantially lower (i.e. European ports reported a decline of 80%). On the other hand, in Latin America, ports reported that with national and/or local authorities developing further health protocols to safeguard passenger vessels operations, more vessels than in recent months are returning back to service with the respective markets heading closer towards normalization.

More ports are reporting a sharp decline in cruise vessel calls this month. Cruise Ports in Asia, North America, Latin America and the Caribbean remain inactive since the onset of the pandemic in March 2020 and there is very limited economic activity at those ports in these regions that serve this traffic; notably though some efforts for domestic cruises reopening were reported this month in Japan and Fijian Islands. In Europe, where cruise business had slowly started sailing again until almost the end of October at a capacity of no more than 20-25% of the lower berths available, the situation in the beginning of November is worse than a month ago. With the reactions to the new COVID-19 wave resulting in countermeasures and new regulations in many European countries, normal cruise activities have been halted again, with cruise vessels berthing for lay-up.



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



By: Theo Notteboom - Thanos Pallis



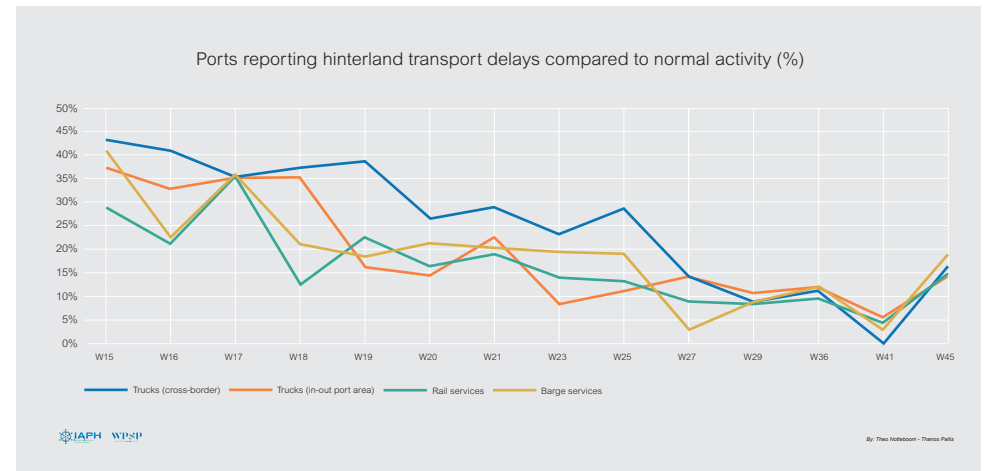
2. Impact of crisis on hinterland transport

The situation in hinterland transport significantly improved in September and October. However, November seems to present a turning point. While in October none of the ports were reporting delays (6-24 hours) or heavy delays (> 24 hours) in cross-border road transportation, this figure bounced up to 16.3% in November (week 45). While this percentage is far below the figures of more than 40% in weeks 15 and 16, it shows that fewer ports are now experiencing normal cross-border trucking operations. The situation is also deteriorating for trucks arriving or leaving the port: in October 94% of ports reported normal activity versus some 88% in weeks 29 and 36, 78% in week 21 and only 63% in week 15. In November, this figure is down to 86%.

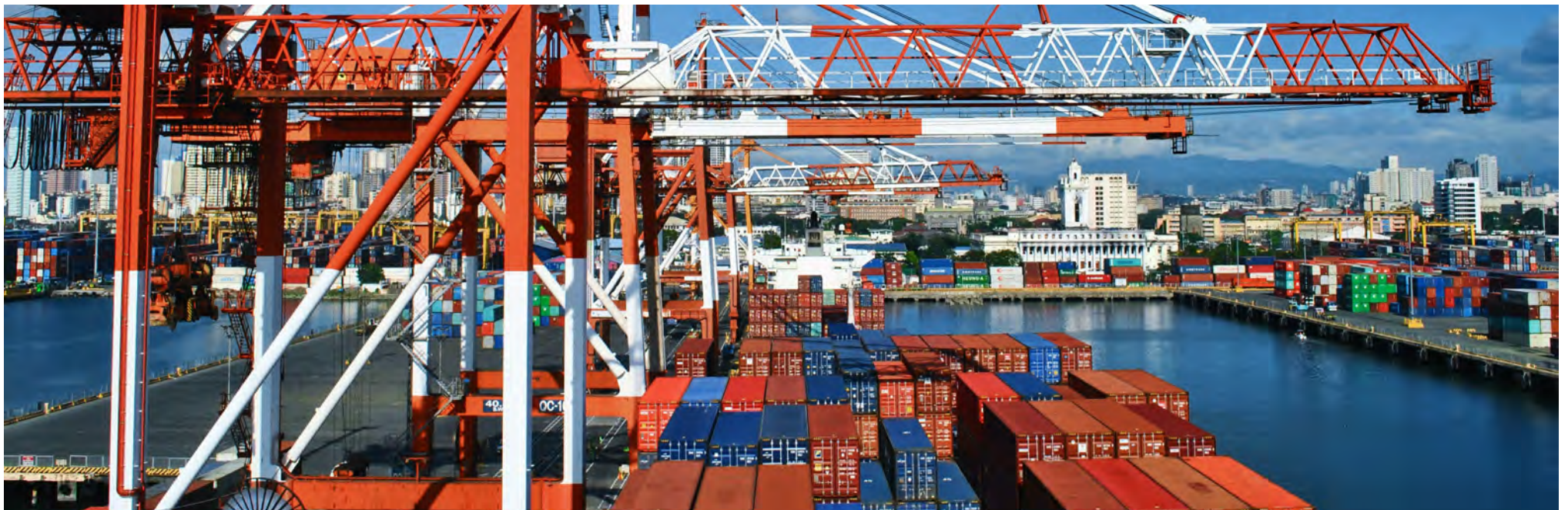
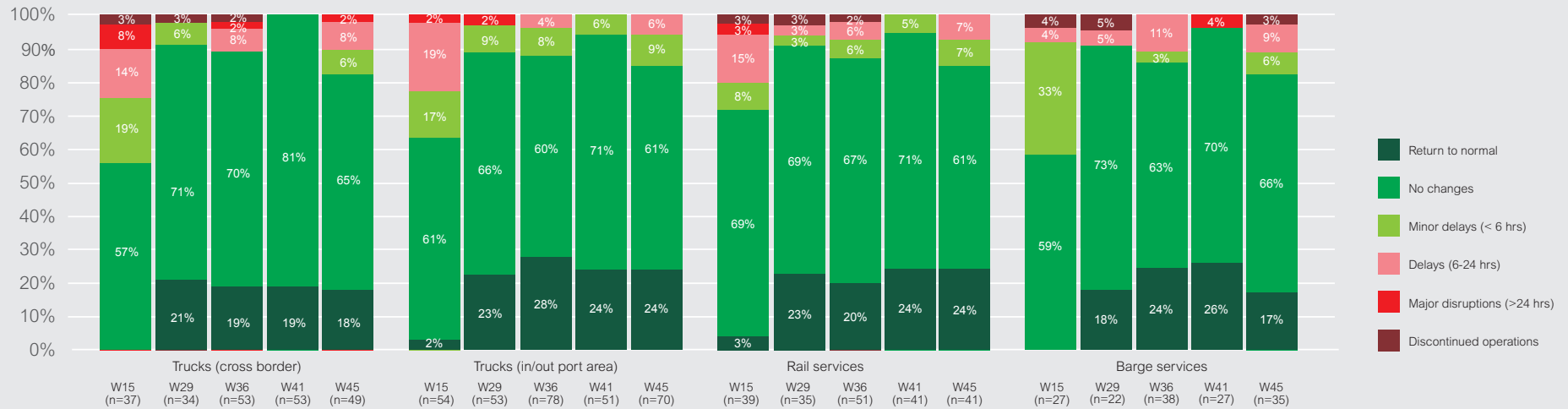
Some 14.6% of ports face disruptions in rail services, up from the record low figure of 4.9% in October (week 41). The situation for barge services is also going in the same direction: this month 83% of ports are reporting normal operations compared to 96% last month.

In summary, expressed in percentages, the number of ports experiencing delays in cross-border trucking services, rail services, and barges is up again after having reached very low single digits last month. The November barometer thus reports some major changes as regards port-related hinterland transport: while last month the number of ports reporting delays was very low (at single digit percentages only), this time the number stands between 14 to 17%, depending on the reporting mode and/or element of transportation. The reopening of markets and the current wave of restocking/stockpiling have resulted in a surge of containerised flows in recent weeks, with numerous ports in Europe and North America reporting record traffic volumes on the import side, while many key Asian ports are also seeing strong recovery of the volumes compared to the first half of the year. This sudden surge in volumes on several of the big trade routes is testing the capacity limits of ports/terminals and the inland transport systems, leading to disruptions in hinterland transport connectivity in some ports. Downstream supply chains experience difficulties in absorbing large inbound traffic flows; in some ports, chassis supply is increasingly tight as is haulier availability; container dwell time is increasing and warehousing space is occasionally tight as well. Trends in Europe, where restocking is taking place also pose challenges to hinterland transportation, especially in conditions of renewed COVID-19 related restrictions. For the same reason, the Barometer identified more delays in rail and barge transport.

As in the case of vessel calls, the trends are not uniform around the globe. The European case underlines that the variation might be present even within regions. In Europe, hinterland delays remain minimal in the regions where traffic is still weak: such cases of weak recovery for container flows along with some online mandatory bookings for deliveries of containers at the major terminals have led to a new quasi normality with no congestion at the gates and ordinary activity at the yards. Similarly, in Latin America ports have reported that with health protocols implemented by terminal operators and truck companies, both under surveillance by authorities, the situation is progressively returning to normal conditions. Ports in the Far East report a rather stable situation, generally close to normal since August 2020. There are some exceptions in the South-East Asia case where inter-district movement is banned except for distribution of essential goods and emergency cases for the public.



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



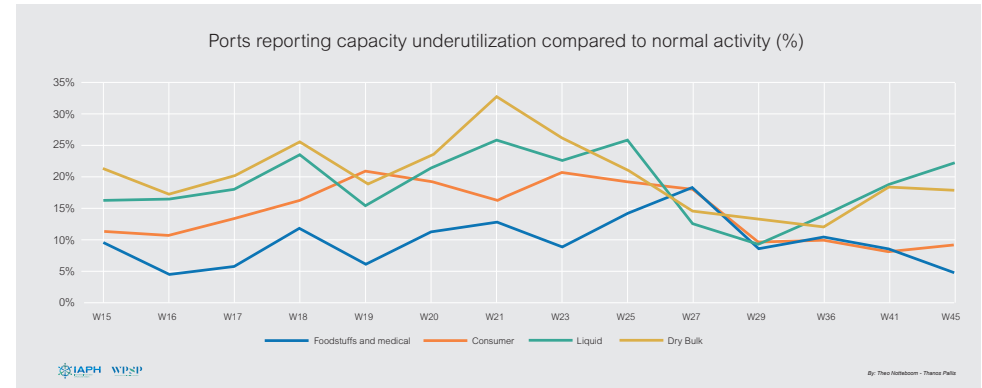
3. Impact on capacity utilization including warehousing and distribution activities

Warehousing and distribution activities in ports have in some cases seen changes due to the fall in demand for consumer products or the closure of factories in countries with partial or full lockdown measures still in place. Utilization levels such as tank storage parks for liquid bulk, and oil products in particular, have to some degree been impacted by the sharp decline in the oil price at the start of the COVID-19 crisis.

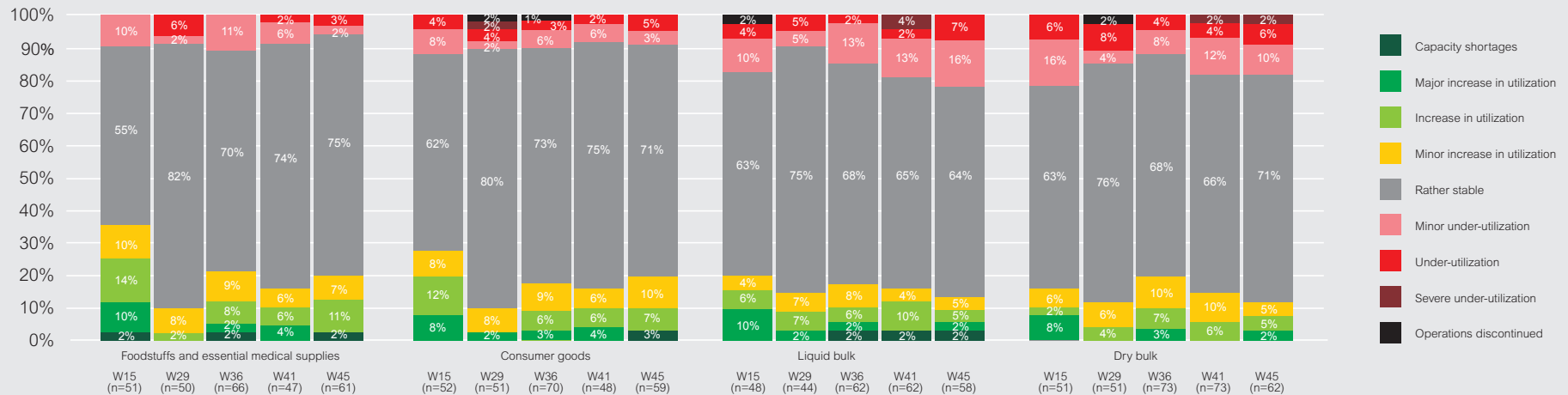
The survey results for week 45 show two main developments. First of all, more ports are reporting an increase in utilization of warehousing and distribution facilities for foodstuffs and medical supplies and consumer goods. This figure went up from 17% in week 41 to 20% in week 45 for foodstuffs and medical supplies, and from 17% to 20% for consumer goods. At the other side of the spectrum, we see a small decrease from 8.5% to 4.9% in the share of ports facing an underutilization of storage capacity for foodstuffs and medical supplies. This figure remains far below the peak share of 18% in week 27.

Secondly, the utilization degree in the liquid bulk and dry bulk market is becoming lower. In the liquid bulk market, 64% of the respondents have seen no changes in utilization levels. However, more than 22% of ports are reporting underutilization of liquid bulk storage facilities in November 2020, a more than doubling of the figure compared to week 29, which was the lowest figure since the start of the surveys recorded. The share of ports with increased utilization levels in liquid bulk storage facilities has decreased from 16-18% in weeks 23 to 41 to 13.8% in week 45. Fuel consumption and storage is down due to lower demand.

In the dry bulk sector, 18% of the ports reported an underutilization of facilities in November, which is similar to the October figure. However, the share of ports with increased utilization levels in dry bulk storage dropped from 16% to 11%, with fewer ports around the globe reporting high capacity use (notably the ports in Central and Latin America). Overall, this indicator has been going up and down in a narrow band of 10 to 20% since the start of the survey with no clear observable trend.



What is this week's situation in terms of capacity utilization, including warehousing and distribution activities in your port?



4. Impact on availability of port-related workers

The COVID-19 crisis is now having a very limited impact on the availability of port related workers as measures have been relaxed in many countries around the world. Only 8.3% of the ports mention that they face shortages of dockworkers, a figure that is 3 percentage points above the record low of 5% in week 29 and far below the 12-13% range in weeks 23 to 27. In week 18, 22% of ports still faced dock worker availability issues. Compared to last month, November brought a small rise in the ports reporting shortages, a trend partly explained by the surge of volumes in quite a few ports which requires more manpower at the terminals.

Only 4.2% of the sample face shortages for the delivery of technical-nautical services, the second lowest figure up to now. Some 4.2% of ports are short of personnel in the harbor master division.

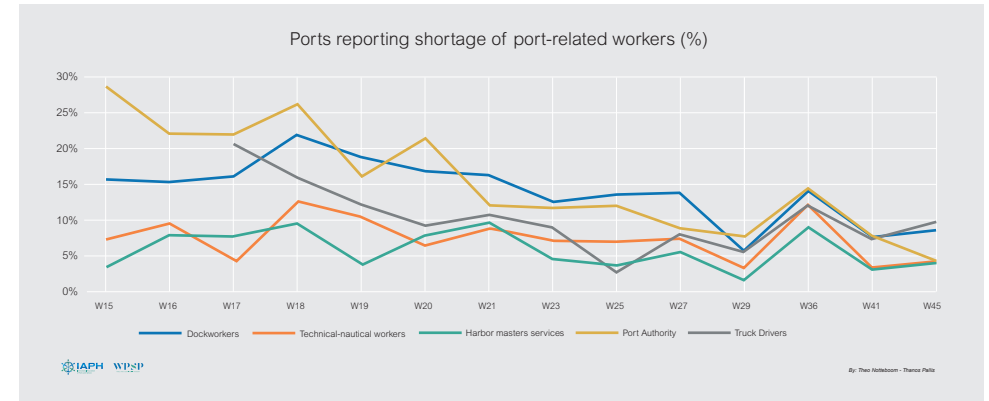
Only 4.2% of the port authorities report a moderate to more serious decline in staff availability, far below the figures of the first weeks of the barometer (i.e. 26% in week 18, 22% in weeks 16 and 17 and 28% in week 15). In several countries, port authority staff remains partly at home-office stage working online. This is not caused by the illness or isolation but due to the formula of organisation endorsed during the pandemic situation (e.g. one person per office room). As a result, more online meetings/webinars instead of physical contacts continue to take place.

The availability of truck drivers sees the most significant change compared to October. While the availability remains good overall, the share of ports facing truck driver shortages went up from 7.3% to 9.7% (compared to 21% in week 17). We believe this is partly explained by the surge of volumes in quite a few ports which requires more drivers for inland transport.

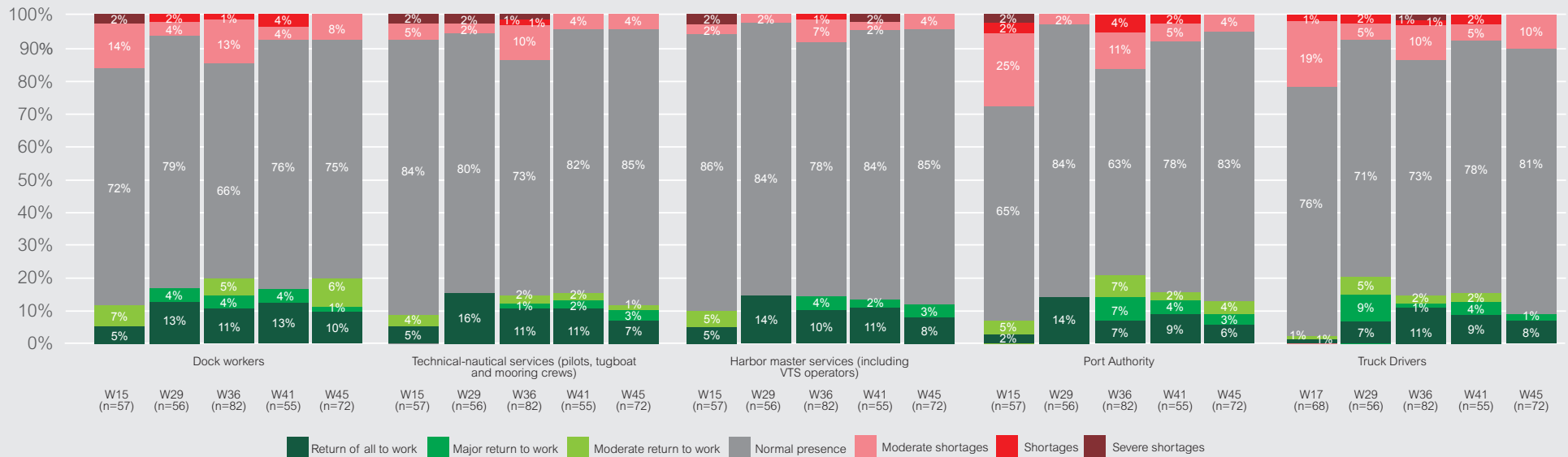
Overall, port communities are reported to working together to secure continuity in operations, so with health protocols implemented, a normal presence of workers concludes all port services and activities. Except for some major gateway ports, cargo peaks at terminals generally remain lower and this has led to a reduction in daily working shifts for stevedores and eased adaptations. A noticeable difference since last month is the increase in ports reporting availability issues at the level of truck drivers, a trend related to the surge in import volumes.

Port authority administration working from home-offices continues. In some cases it remains widespread, as administrative staffs are still telecommuting, with few exceptions and only essential operational staff is working as normal. In other ports, working from home happens at an even more intense scale, another regional variation noted in this issue of the Barometer. In Europe in particular, the practice started to expand again in those countries where the numbers of infected people (at the port or beyond) are increasing. On the contrary, in those parts of the world that do not experience another wave of COVID-19 cases, there has been no significant impact on the port since the last survey. While there is no direct disruption of port operations, for all ports, reducing of direct personal contacts, social distancing and obligatory work from home has necessitated the accelerated development of IT skills and digitalisation processes.

At the same time limitations of crew changes are still reported to be present in several ports around the globe. Restrictions on crews remain as well, as they cannot go ashore unless very strict protocols to prevent any COVID-19 infections spreading are applied.



What was the availability of port workers last week?



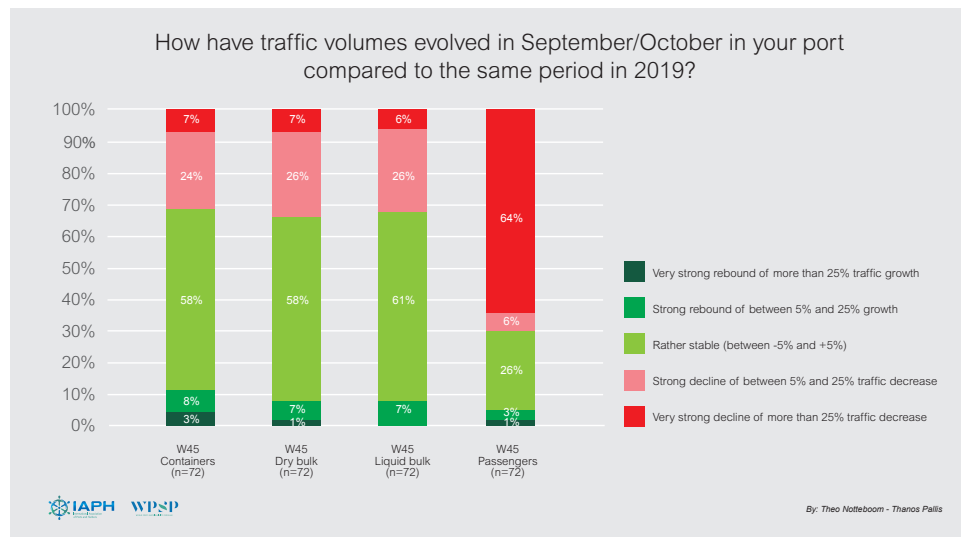
5. Cargo throughput and passenger movement trends compared to same period last year

This month the Barometer includes an additional question, asking ports to indicate how traffic volumes evolved in September/October 2020 compared to the same period in 2019. One third of the ports reported that a negative impact of more than 5% for liquid bulk, dry bulk and containers was experienced the last two months compared to last year. Around 60% of ports reported rather stable volumes for all three markets, 25% experience a decline ranging between 5 to 25% and 6-7% a decline of more than 25%. It is interesting to observe that the figures are very similar for these three traffic categories.

A regional decomposition shows that the traffic situation is better in Asia, where over 70% of the ports experience a stable situation in all cargo markets, with the rest reporting a decline ranging between 5 and 25%. Half of the ports in the other regions (North America, Central and Latin America and some regions of Europe) report rather stable volumes, with Latin American and European ports being the ones indicating stronger levels of decline. Few ports, mostly in North America, reported a notable increase in container traffic compared to last year.

Although some cargoes decreased, quite a number of the world's ports answering the survey added that the economic reactivation is leading to the continuity of projected growth, as they work to ensure the continuity of port services and activities as well.

The situation is rather different in the case of passenger traffic. A total of 64% of ports see a volume drop in passenger traffic of more than 25%. At the other end of the scale, 26% of ports primarily serving ferry services record rather stable passenger numbers. It remains to be seen what the effects of the new wave of COVID-19 cases will be, as several countries around the globe have re-imposed restrictions to citizens' movements and economic activities.



6. Further information

This 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?"

For a detailed analysis of the survey results obtained in week 15 to week 36, we refer to the IAPH-WPSP Port Economic Impact Barometer Half Year Report which is also available on the World Ports COVID19 INFORMATION PORTAL

For further information email: covid19@sustainableworldports.org

