



February 10th, 2020 - UPDATE

In light of the present situation, we've worked on summarizing the current status and gathered our tips to protect your supply chain. From today authorities in significant centers like Shanghai and Shenzhen have given the green light for businesses to resume operations. At the same time, many cities have local variations on how they return and to which extent. The situation is flexible and different between the cities.

The main limitation for transportation is road closure and limited availability of truckers. Our team is in close contact with shippers for the best solutions ongoing.

NGL Offices:

NGL offices in China resumed operations February 10th, except the Ningbo office that is working remotely, following the local instructions.

Factory production:

Some factories starting this week, but the majority of factories are still limited in operations or closed for production. Factories require an inspection to be cleared before the restart and is requested to have sufficient protection gears for the staff.

The limitations imposed on transportation also hinder many workers to get back to the factories after the extended CNY holidays. Many cities in China implemented 14 days of quarantine time for travellers. Workers that return to the factory of outside towns will have quarantine time prior they can start to work.

A limited no of factories may start production this week, while most starting from 17th or even further onwards. We expect the capacity for deliveries from China factories will remain low during the whole of February.

Status

Ocean carriers announced to "blank" a total of 58 sailings from Asia to Europe respective the same no of "blankings" on Asia to USA trade during Q1.



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.
Shanghai	Ocean Carriers	February 3	February 3 – 9: on duty; February 10: operation as normal.
	Trucker	February 3	February 3 – 9: on duty; February 10: operation as normal.
	Road Closures	February 10	Most highways and roads are closed. Zhejiang area cannot make transport of cargo.
	Warehouse	February 3	Operation as normal. In advance appointment is required.
	China Customs	February 3	February 3 – 9: on duty; February 10: operation as normal.
	Ocean Carriers	February 17	February 16: on duty; February 17: operation as normal. Blank sailing: Several carriers announced on the second week of February.
	Trucker	February 17	Limited capacity of truckers.
Ningbo	Road Closures	Until further notice	Most highways and roads 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	February 3 – 9: on duty; February 10: operation as normal. Blank sailing to be confirmed.
	Trucker	February 3	Pickup within city is available, outer areas is difficult, limited capacity.
	Road Closures	Until further notice	Most roads opening, some limitations.
	Warehouse	February 3	Operation as normal.
	China Customs	February 3	Operation as normal.



Region	Operation	Resume	Current Status
Tianjin	Ocean Carriers	February 3	Blank Sailings announced.
	Trucker	February 3	LCL pickup available from February 3; FCL trucking available after February 10. Limitations on available truckers.
	Road Closures	February 3	Operation as normal.
	Warehouse	February 3	Operation as normal.
	China Customs	February 3	Operation as normal.
	Ocean Carriers	February 3	Blank sailings announced.
	Trucker	February 3	Pickup within Dalian city is available, outer city is difficult. Limitations on truckers available.
Dalian	Road Closures	Until further notice	Most highways openings, some limitations
	Warehouse	February 3	Operation as normal. In advance appointment is required.
	China Customs	February 3	Operation as normal.
	Ocean Carriers	February 3	Operation as normal.
	Trucker	February 10	Limited capacity
Fuzhou	Road Closures	Until further notice	Most highways are closed.
	Warehouse	February 10	Operation as normal.
	China Customs	February 3	Operation as normal.
	Ocean Carriers	February 3	Operation as normal.
	Trucker	February 10	Limited capacity.
Xiamen	Road Closures	Until further notice	Most highways are closed.
	Warehouse	February 10	Advance booking required some limitation opening times.
	China Customs	February 3	Operation as normal.
	Ocean Carriers	February 10	Operation as normal.
Guangzhou & Shenzhen	Trucker	February 10	Limited availability on truckers.
	Road Closures	February 10	Some highways and roads are closed.
	Warehouse	February 10	Partial operations resumed respectively on 10 th and 17 th Feb; limited receiving hours
	Customs	February 10	Operation as normal.

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

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Air Freight

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. For the latest information, please check our team for a case to case, to update based on the latest availability.

Operator	Normal Operation	Reduced Operation	Cancelled Operation
AA			X All flights to China & Hong Kong, until late Feb
AC		X Flights to Beijing & Shanghai, until late Feb	
AF			X Flights to China to Mar
AY			X Flights to China Feb 6 - 28
BA			X Until end Feb
CX/KA		X (CX only)	X (KA only) X
DL			X All flights to China, to end of April
EK	X		
EY	X		
JT			X
LH	X Hong Kong		X All China, until Mar
QR			X All flights to China, from Feb 3
RS			X
SK			X Flights to PVG, BJS to Mar, flights to Hong Kong only
VS	X Hong Kong		X Shanghai, until Mar,
UA			X BJS, PVG, CTU, HKG to late Feb

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



Rail Freight

Impacted by road closures and limited availability of truckers, the capabilities for pick up are greatly reduced. Many cities only accept local license plate trucks to operate within cities.

Full space is likely to recover from 2nd week in March. For the end of February and the first week in March, high demand is expected and limited space.

Region	Resume	Status
Wuhan	Until further notice	All services suspended; no announcement of any departure plan
Zhengzhou	Until further notice	No announcement of any departure plan
Xian	10 February	Resumed FCL service Announced departures to Hamburg: FEB: 11 th / 12 th / 13 th / 14 th / 16 th / 17 th / 18 th / 19 th / 23 rd / 24 th / 25 th / 26 th FEB (subj to changes)
Hefei		The first available schedule LCL: Feb 19 FCL: Feb 27 After Feb 27 Operation as normal Every Wednesday via Hefei
Chongqing		February 5 onwards: departure cancelled
Xiamen		February 8-15: departure cancelled
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.



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.

NGL continue to keep you update about the new information. Visit <u>NGL Blog</u> 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!