

Dear Valued Customer,

We hope you; your families and your colleagues are in good health.

The second wave of coronavirus is a global health crisis that has challenged India's economic, medical, and public health infrastructure. All major states are impacted, and India closed 3.62 lakh cases in a single day with the recovery tally touching 20 million as of now in India. We have seen some relief with health care system responding better in Mumbai and Delhi and are confident in the next few weeks we may be able to witness more improvement in other cities as well. Given the fact that Tamil Nadu, Karnataka has taken various lockdown measures we expect the chain to be broken with all measures taken by relevant authorities.

DB Schenker in India is also challenged with many of our colleagues, family members and partners being impacted by this surge in the number of cases. We are continuing to reinforce the COVID - 19 protocols and support our customer's supply chain needs however if there are any inevitable delays kindly write to us via relevant escalation matrix for immediate support and assistance. At our big sited we have already activated testing to ensure we can identify the early warnings around the pandemic infection.

Any requirement to support relief imports for the pandemic or any logistics/supply chain support then pleased do not hesitate to reach us for timely solution for capacity and upliftment from all major gateways including EU, the US, and Far East countries.

India lockdown status with business impact:

	Impact on Business								
	Full	Weekend	Curfew	Date	Air Freight	Ocean Freight	Contract Logistics	Land Transportation	Custom Clearance
Chhattisgarh	✓			15 th May	●	●	●	●	●
Delhi	✓			17 th May	●	●	●	●	●
Haryana	✓			17 th May	●	●	●	●	●
Jharkhand	✓			27 th May	●	●	●	●	●
Karnataka	✓			24 th May	●	●	●	●	●
Kerala	✓			16 th May	●	●	●	●	●
Maharashtra	✓			1 st June	●	●	●	●	●
Punjab		✓	✓	15 th May	●	●	●	●	●
Rajasthan	✓			24 th May	●	●	●	●	●
Tamil Nadu**	✓			24 th May	●	●	●	●	●

Telangana			✓	22 nd May	●	●	●	●	●
Uttar Pradesh		✓	✓	17 th May	●	●	●	●	●
West Bengal		✓	✓	Until further	●	●	●	●	●

● - Shipment Delays are expected ● - Resource crunch along with Shipment Delays

● - Business operations are severely impacted

**With exception to groceries, essential commodities & continuous manufacturing

State Level Status:

- **Chhattisgarh**
 - Lockdown in 28 districts of Chhattisgarh has been extended till 15th May 2021 amid spike in COVID – 19 cases.
 - Essential Services would continue like medical, ATM, milk shops (0600 -0800 hours) and (1700 – 1830 hours), 10 people can attend weddings/funerals, workers/labours in industrial campus, electricity, water and government undertaking offices etc. are exempted from the lockdown.
- **Delhi**
 - Lockdown has been extended till 17th May 2021 (0500 hours)
 - Essential Services would continue like medical, public transport without metro services, media, transportation, banks, groceries, cold storage, warehousing, manufacturing units, marriage at home/court with 20 people, police, military, fire department, delivery of essential goods, funerals etc. are exempted from the lockdown.
- **Haryana**
 - Lockdown has been announced for one week until 17th May 2021.
 - Essential Services would continue like medical, public transport, media, transportation, banks, groceries, cold storage, warehousing, IT and IT-enabled services (50% strength), manufacturing units, police, military, fire department, supply of essential goods, marriages/funerals(11) etc.
- **Jharkhand**
 - Lockdown has been extended till 27th May 2021(0600 hours) due to the rising number of cases.
 - Central and State government offices would be operating along with Ecommerce, Cold storage and warehouses, Banks/ATM (1400 hours), media, courier, postal and telecommunication services, marriage (11), public transport, have been exempted from the lockdown. Shops will open till 1400 hours.
- **Karnataka**
 - Lockdown has been extended from 0600 hours of 10th May 2021 till 24th May 2021(0600 hours).
 - Essential Services like scheduled flights, medical, manufacturing units for drugs and construction for medical infra, groceries and vegetable shops (0600 to 1000 hours), milk from 0600 to 1800 hours, food processing industries, cold storage, warehousing, private security, insurance offices, media, e-commerce delivery, home delivery of essential items, power generation and aviation-related services, telecom and internet services provided, essential IT and ITes

companies, marriage(50 people)/funeral (5) and no public transport is available.

- **Kerala**

- The state has announced a state-wide lockdown from 8th May 2021 (0600 hours) till 16th May 2021.
- Essential Services like defense, police, public utilities, emergency services, medical, media, groceries, fruits and vegetables, dairy products will remain open till 1930 hours, banks till 1300 hours(Monday, Wednesday, Friday), telecommunications, internet services, broadcasting and cable services, delivery of essential goods, power generation, cold storage and warehousing, e-commerce, manufacturing of essential, export to other countries and medical commodities, Air and rail services except metro, good transport, fire, law and emergency services, interstate road transport for goods and emergency services, marriage/funeral with restrictions of 20 people, restaurants and home delivery (0700 – 1930 hours) is exempted.

- **Maharashtra**

- The imposition of lockdown-like restrictions might be extended till 1st June 2021.
- All the establishments, public places, activities, services shall remain closed unless exempted or in essential services.
- Essential services include medical services including manufacturing and distribution units along with dealers, transport and supply chain, cold storage and warehousing services, public transport, transportation of goods, water and agricultural related activities, offices to function with 15% capacity, export and import of all commodities, e-commerce, all-cargo service, port and related activities, CHA/licensed multimodal transport operators associated with movement of vaccine/lifesaving drugs allowed.
- Not more than two people-driver, cleaner/helper- may be allowed to travel in the same, in case of cargo, carriers. If the cargo carriers are originating from outside the state, then a negative RT-PCR report will be required for entry.
- Personnel engaged in airport and port services and are needed for the movement of cargo related to medicines and equipment for COVID-19 management can travel through local, mono or metro services

- **Punjab**

- Night Curfew has been announced from 1800 hours to 0500 hours on all days with weekend lockdown from 1800 hours (Friday) till 0500 hours (Monday) till 15th May 2021.
- Essential Services would continue like medical, agriculture shops, grocery shops, shops selling industrial material, media, marriage/funerals with restrictions, shops selling essential services, home delivery and takeaway from restaurants and hotels, government offices(50% strength), public transport with 50% seating capacity etc.
- A negative RTPCR report would be required to enter the state.

- **Rajasthan**

- The state government has extended the lockdown till 24th May 2021 (0500 hours) and only essential services will open from 0600 to 1100 hours mostly.
- Essential Services would continue like medical, media, home weddings with not more than 11 people, milk, cold storage and warehousing, internet and telecom services, ATM, banks (till 1400 hours), funeral (20 people), groceries and vegetables(0600 hours to 1100 hours) transportation for medical and emergency etc. are exempted.

- **Tamil Nadu**

- The government has imposed a complete lockdown from 0400 hours of 10th May 2021 until 24th May 2021.
- Essential Services would continue like groceries(1200 hours), restaurants with restrictions, medical, hospitals and diagnostic centres, ambulance, funeral services, logistics, ration shops (0800-1200 hours), marriage /funerals with restrictions, interstate/district travel for essential, departments of the secretariat, health, revenue, police, fire, district administration, drinking water and electricity, media, telecom, data centres, warehouses, Banks, ATMs and bank-related transport, but with 50% employees are exempted to work.
- **Telangana**
 - Lockdown has been imposed for 10 days amid a surge in COVID – 19 cases till 22nd May 2021.
 - Essential Services would continue like agriculture, sanitization and water supply, transportation on national highways, warehousing, cold storage, media, government offices with 33 % staff, banks, ATM, Marriage (40), funeral (20), Public Transport and ration shops (0600 – 1000 hours) etc.
- **Uttar Pradesh**
 - Weekend curfew from Friday 2000 hours till Tuesday 0700 hours along with night curfew from 2000 hours to 0700 hours till 17th May 2021.
 - Essential Services would continue like medical, public transport with 50 % capacity, marriage/funeral with restrictions, media, transportation, delivery of essential goods, groceries (0700-1100 hours) etc. are exempted from this.
- **West Bengal**
 - West Bengal Government has imposed lockdown-like restrictions until further orders.
 - Essential Services would continue like medical, social/cultural and entertainment-related gathering with restrictions, industrial activity, markets will open two times a day (0700 – 1000 hours) and (1500 – 1700 hours) along with grocery would be operating, 50% of staff in the government and private sector to be work from home, telecom services, online and home delivery, bank business hours (1000 hours – 1400 hours), 50% of metro and state transport would be operational, marriages (50) as per the guidelines.

Product Level Status

- **Air Freight –**
 - ✓ **Market Dynamics-**
 - Due to the unprecedented increase in COVID-19 cases in India, huge movements of incoming humanitarian aid from across the globe of oxygen cylinders, oxygen concentrators, life support equipment and other patient care machinery is witnessed. The consignments are moved through Air due to time constraints.
 - Our Global and Indian teams are relentlessly supporting the transportation of relief/aid material from foreign countries to India.
 - Overall demand to India remains very high for work from home equipment, eCommerce goods, COVID-19 material (PPE kits, Masks, Allied machinery), general inventory stockpiling and ocean freight cargo delays due to volatile sailing schedules.
 - Many countries have restricted passenger movement to/from India due to the increasing number of COVID cases in India.
 - Backlogs continue from major gateways in the US, DE, KR, HK to India due to cargo built-up at these locations and slow processing due to reduced manpower amid COVID-19 staffing restrictions.

- ✓ **Airline updates –**
 - Air India flights to the UK resumed partially with schedule released till 31st May and further schedule is awaited.
 - Swiss airlines stopped all flights from Zurich to New Delhi indefinitely due to low passenger demand and high operational costs.
 - Chinese carriers- Sichuan Airlines and SF indicated restarting their flight operations partially to India in the coming week.
 - Cathay Pacific airlines are still under discussion with the Indian aviation ministry to resolve the 'landing license' issue and restart full scheduled cargo operations. The current flight schedule remains volatile.
 - China Airlines cancelled their freighter operations to/from BOM this week and it is still to be seen if they will operate next week or not.
 - Turkish Airlines also cancelled their freighter to/from BLR lately and have reduced P2C flights. The flight schedules are expected to be volatile.
 - Air Canada stopped operations from India to Canada till the end of May 2021.
 - Few carriers have announced an increase in FSC(fuel surcharges) for outbound from India to offset increasing operational costs due to a steep increase in jet fuel prices during the last few months.

- ✓ **COVID impact on operations -**
 - Localized restrictions introduced by state governments and local bodies have restricted the workforce at airports. The cargo operations have not been majorly impacted while customs officials, airport handlers and forwards working with coordinated efforts.
 - Countries like Iran, Indonesia, UK, Kuwait, Canada and USA have banned or highly restricted passenger travel from India. There is no major immediate impact on cargo operations from/to these countries however with lesser flights/no demand of passenger travelers, the medium-term flight frequency may be downsized creating an air cargo supply gap.

- **CFS Operations – (No Change)**
 - Resource shortage is expected in all CFS's around Mumbai as the labour is not available after 2000 hours. This will increase halting charges if trucks do not arrive well in advance
 - We are expected to see delays due to the increasing number of cases during the pandemic.

- **Contract Logistics –**
 - All sites remain active with no major impact other than the reduced workforce.
 - We have implemented staggered/shift operations to ensure smooth running of our warehouses in states where restrictions/curfew is imposed.
 - Strict restrictions are imposed during weekends/weekdays across multiple states which may result in operations working at a limited capacity. Apart from it, there are workers absenteeism which is on the rise and KPI's/deliverables are likely to be impacted.
 - Attendance and work could be severely impacted due to tough lockdown restrictions imposed in several states. High positivity rates are a big challenge in few states to ensure un-interrupted services.
 - Few sites in southern parts of country are facing challenges of manpower availability.

- **Customs Clearance – (No Change)**

- We anticipate delay's in customs clearance activities across all gateways due to an increase in COVID – 19 cases and reduced staff at customs.
- All import and export-related activities are affected due to travel and social distancing restrictions at work.
- We will have delays in clearance activities due to curfew/lockdown, restrictions on the movement of people, public transport, imposition of essential services pass, restrictions on the workforce at the office etc.
- The customs have implemented the submission of documents through e-mail for specified items to minimize human contact and staff to work during office hours. The priority for clearance shall be given to COVID-19 related products or equipments and vaccines etc.

- **Land Transportation (No Change)–**

- We will be witnessing delays ranging from 24 – 48 hours due to more stringent inter-state border checks including some specific states imposing an RTPCR certificate mandatory for drivers to enable entry of trucks into their respective states.
- In most states, transportation is exempted for essential goods with few states reintroduced e-pass system for emergency travels and colour coding for Maharashtra.
- We are adapting our transport service offerings daily to the needs of our customers.
- We encourage shippers to check the delivery possibility with the consignee to avoid cost for storage, return shipments & transit delays.

- **Ocean Freight (No Change) -**

- Due to the Suez Canal issue, the impact on the vessel schedules for major trades are as below: -
 - ✓ Sliding of the Indamex Service Ex North West India to USEC (bunching towards the Month-end)
 - ✓ Blanking of the PS3 – USWC in Week 20, 21, 23
 - ✓ Blanking of IMX – East Med sailing in Week 20
 - ✓ IEX Vessel Ex South India to Europe is omitting Vizag call from Week 18 – 23.
- Carriers continue to restrict loadings as per the allocation and focus on the loading with higher freight.
- 40ftc Equipment shortage with many carriers in the North West India Ports for Exports.
- Import trade impacted with severe space and equipment challenge Ex Europe & APAC with a min waiting period of 3-4 weeks Ex EU and 2 weeks Ex APAC
- Most of the APAC countries have reported shortage of equipment and blank sailings, clubbed with the labour day holidays in first week May 2021 which is delaying the bookings process and freight rates are going high.
- Currently, forecasting of min 2-3 weeks is needed for import and export for timely bookings.



India Country Overview:

The number of cases in the last 24 hours has crossed 3,62,727 +, pushing the total number of cases to over 23.7 million and the total death count to 2,58,317+. Maharashtra, Karnataka,

Delhi, Kerala, Uttar Pradesh, and Andhra Pradesh etc. are already the worst affected states in India due to the spike of COVID – 19 cases.

Major countries like United States, Hong Kong, United Kingdom, Canada, Pakistan, New Zealand, Oman, Nigeria, UAE, Iran, Australia, France, Sri Lanka, Netherlands, Indonesia, Maldives, Thailand, Bangladesh, Italy, Israel, Singapore(restricted), Germany, Taiwan, Nepal etc have put India under the international travel ban due to the rising number of COVID – 19 cases.

Bangladesh Overview –

The country is in lockdown since 14th April 2021 and now it has been further extended till 16th May 2021 to curb the second wave of coronavirus infections sweeping across the country. The festival of Eid will be observed from 13th May 2021 – 15th May 2021 during which all public and private offices will remain closed. All public transport services (roads, river, railway) is suspended and only emergency services remain operational. Now domestic airlines are operating along with intercity road transportation from 6th May 2021. Besides, the India-Bangladesh Land border has been closed due to the high infection rate in India, but the goods movement is operational. The banking services would be available from 1000 hours to 1400 hours as Central Bank notice to tackle huge demand during Eid Holiday. The government has imposed several restrictions including an embargo on leaving workstations during the upcoming Eid holidays to check the mad rush of holidaymakers.

On the Air Freight side, the Civil Aviation Authority of Bangladesh has approved the resumption of international passenger flights in and out of Bangladesh for 26 countries, with certain strict rules in place. India, South Africa and 10 other countries are not allowed for incoming and outgoing passengers. There is no restriction for cargo flights but overall cargo movement at the airport is very slow due to the global pandemic impact. There is no backlog at Dhaka airport. However, there is pile-up for US and CN outbound cargo from ex DAC. Expected transit time to US destination 8-9days also may need additional 2/3days depending on the situation. Airfreight rates are quite stable to major lanes except US and CN are little bit on the rise. Most of the major carriers are operating freighters/charters ex DAC. Our customers are welcomed to place any sort of booking

In Ocean Freight current average berthing delay of 3-4 days is observed. Prime Mover movements from depot to port CY and vice versa are also getting impacted because of manpower/driver shortage during the lockdown & Eid Festival. Overall occupancy of port CYs is worsening. Terminal ordered to enrich its equipment feet by purchasing 104 new container handling equipment. With the continued effort of our operation team, we are moving our cargo as per our client's demand.

At land transport, more than 3000 vehicles are in the Petrapole queue. The daily average movement of vehicles from India to Bangladesh is +/- 300 while was earlier at 400 per day. The daily movement of vehicles Bangladesh – India is +/- 150 while earlier it was 300 per day. There is no congestion now but the scarcity of vehicles at the Benapole side. Vehicle cost increased to +/-20%. On the other hand, 100% of customs officials are not attending office regularly. Also, Importers are not taking delivery immediately after Import clearance is done.

The situation in Bangladesh is down trending ward but expected to rise again after Eid Festival as most of the people already left city to meet their families. Bangladesh has registered 1,140 fresh COVID - 19 cases and 40 death in the last 24 hours until Wednesday, taking the tally total to 777,397 cases and the number of deaths to 12,045.



Global update:

Please refer to the [global COVID updates on the corporate website](#).

Feel free to contact us at marketing.india@dbschenker.com for any kind of support. Let us maintain social distancing but we can continue to remain digitally close. Wishing you a safe & healthy period.

Relevant Contact for the news:

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