

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 continued to challenge India's economic, medical, and public health infrastructure. The impact is widely seen across all the states with the most impacted ones being Maharashtra, Delhi, Karnataka, Tamil Nadu, Haryana, Kerala, and a few more. India continues to clock nearing 300,000 cases a day however recovery rates have steadily increased. The situation in and around Maharashtra and Delhi is improving with the number of infections per day trending down. We have observed the availability of beds in hospitals has eased out in comparison to a few weeks ago which signals the peak is out of the way in these two cities. Tamil Nadu and Karnataka continue to face challenges with steady number of cases along with healthcare system.

There has been an overwhelming global response to the situation and support from large Indian MNC's setting up oxygen plants, importing oxygen concentrators, setting up interim COVID care centres likewise NGO's rallying up to support and ramp-up healthcare infrastructure in rural and urban locations across India.

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. We will have a specific escalation protocol launched for our network countries in addition to our customer's escalation matrix to support quicker response to the network organization.

If any of our customers requires import of relief material to support the pandemic recovery please do not hesitate to contact us for a timely solution for capacity and upliftment from all major gateways including EU, the US, and Far East countries. We are working with few customers on specific needs around origin and destination services for the import of relief material. With the expertise and capability, we will be more than glad to support our customer interests in this pandemic recovery.

India lockdown status with business impact:

	Impact on Business								
	Full	Weekend	Curfew	Date	Air Freight	Ocean Freight	Contract Logistics	Land Transportation	Custom Clearance
Chhattisgarh	✓			31 st May	●	●	●	●	●
Delhi	✓			24 th May	●	●	●	●	●
Haryana	✓			24 th May	●	●	●	●	●
Jharkhand	✓			27 th May	●	●	●	●	●
Karnataka	✓			24 th May	●	●	●	●	●
Kerala	✓			23 rd May	●	●	●	●	●

Maharashtra	✓			1 st June	●	●	●	●	●
Punjab		✓	✓	31 st May	●	●	●	●	●
Rajasthan	✓			24 th May	●	●	●	●	●
Tamil Nadu**	✓			24 th May	●	●	●	●	●
Telangana	✓			22 nd May	●	●	●	●	●
Uttar Pradesh		✓	✓	24 th May	●	●	●	●	●
West Bengal	✓			30 th May	●	●	●	●	●

● – 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 all districts of Chhattisgarh has been extended till 31st 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, government and private construction activities, stand-alone and groceries can function till 1700 hours, shops in the market can operate with odd-even system, home delivery of essential commodities, on Sunday(petrol pumps, hospitals, medical and PDS) etc. are exempted from the lockdown.
- **Delhi**
 - Lockdown has been extended till 24th 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 24th 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 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 till 23rd May 2021.
 - Essential Services like shops dealing with food, vegetables, dairy will open on alternate days and close by 1400 hours including home delivery purposes, banks and financial services will work on Monday, Wednesday and Friday from 1000hours to 1300 hours, restaurants and hotels to function from 0700 – 1930 hours, medical, petrol pumps, ATM, hospitals etc. would be exempted from the lockdown.
- **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 31st 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 along with night curfew from 2200 hours to 0400 hours.
 - Essential Services would continue like groceries(1000 hours), restaurants with restrictions, medical, hospitals and diagnostic centres, ambulance, funeral services, logistics, ration shops (0800-1000 hours), e-commerce companies (1400 hours to 1800 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 24th 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), industrial activities(restrictions) etc. are exempted from this.
- **West Bengal**
 - West Bengal Government has imposed a lockdown for two weeks until 30th May 2021.
 - Essential Services would continue like medical, optical shops, markets and retailers (0700 to 1000 hours), marriage (50), all industrial and manufacturing in food, medical and medical packaging, banks and financial institution (1000 – 1400 hours), media, SEBI regulated, funeral(20) etc. are exempted.

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.
 - Relief Imports have created capacity constraint ex US, EU, Far east countries,
 - Delays of 2 weeks ex-US and 1-week ex-EU would be observed during these challenging times. If there is an urgency, please do contact us directly for our support.
- ✓ **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 -**
- 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.
 - West Port operation is almost at a standstill due to the cyclone. CFS's are operating at min capacity. Container de-stuffing is on hold until the second half of the day.
- **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 the country are facing challenges of manpower availability.
 - As per the decision of state government / local authorities, warehouses in few locations in the eastern part of the country are operational only for the essential category.
- **Customs Clearance –**
 - 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 -**
 - Due to the Suez Canal issue, the impact on the vessel schedules for major trades are as below: -
 - Sliding of the vessel berthing ex North West India to USEC & Europe (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 calls from Week 18 – 23.
 - Carriers continue to restrict loadings as per the allocation and focus on the loading with higher freight.

- 40ft 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 a 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.
- Cyclone Tauktae has created major destruction in Gujarat and neighbouring states. Some carriers have cancelled their port of call to Mumbai and diverted their vessel to Colombo. Impact of Cyclone and Sailing changes if any will be communicated by Ocean Customer Service



India Country Overview:

The number of cases in the last 24 hours has crossed 2,81,386+, pushing the total number of cases to over 24.6 million and the total death count to 2,74,390+. 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 23rd May 2021 to curb the second wave of coronavirus infections sweeping across the country. People are arriving at Dhaka city from the Holiday of Eid though all public transport services for one city to another city (roads, river, railway) is suspended and only emergency services remain operational due to lockdown. 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 a 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 people arriving back after holidays. Bangladesh has registered 363 fresh COVID - 19 cases and 25 death in the last 24 hours until Sunday, taking the tally total to 780,159 cases and the number of deaths to 12,149.



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:

Suresh Kumar Kannappan

Chief Commercial Officer

Email: suresh-kumar.kannappan@dbschenker.com