

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 4.12 lakh cases in a single day which is one of the highest ever spike by any country across the globe. On the other side, would like to through some light on the recovery tally which is over 20 million as of now in India. The good sign is indeed the mortality rates have started coming down in comparison to the number of cases infected.

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 are constantly elevating our protocols and ensuring that we keep our offices & warehouses safe for our employees. We have also activated testing at large sites to ensure we can identify the early warnings around the pandemic detection.

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	✓			10 th May	●	●	●	●	●
Haryana	✓			10 th May	●	●	●	●	●
Jharkhand	✓			13 th May	●	●	●	●	●
Karnataka	✓			12 th May	●	●	●	●	●
Kerala	✓			8 th May	●	●	●	●	●
Maharashtra		✓	✓	15 th May	●	●	●	●	●
Punjab		✓	✓	15 th May	●	●	●	●	●
Rajasthan	✓			17 th May	●	●	●	●	●
Tamil Nadu		✓	✓	Until further	●	●	●	●	●
Telangana			✓	8 th May	●	●	●	●	●

Uttar Pradesh		✓	✓	10 th May	🕒	🕒	🕒	🕒	🕒
West Bengal		✓	✓	Until further	🕒	🕒	🕒	🕒	🕒

🕒 – Shipment Delays are expected 🕒 – Resource crunch along with Shipment Delays

🕒 – Business operations are severely impacted

State Level Status:

- **Chhattisgarh**
 - Lockdown in 14 districts of Chhattisgarh has been extended till 15th May 2021 amid spike in COVID – 19 cases.
- **Delhi**
 - Lockdown has been extended till 10th May 2021 (0500 hours)
 - Essential Services would continue like medical, public transport, media, transportation, banks, groceries, cold storage, warehousing, manufacturing units, marriage, police, military, fire department, delivery of essential goods, funerals etc. are exempted from the lockdown.
- **Haryana**
 - Lockdown has been announced for one week until 10th 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, funerals(20) etc.
- **Jharkhand**
 - Lockdown has been extended till 13th 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, movement of persons is permitted (0600 hours – 1500 hours), public transport, have been exempted from the lockdown. Shops will open till 1400 hours.
- **Karnataka**
 - Lockdown has been announced from 2100 hours of 27th April 2021 till May 12th, 2021.
 - Essential Services like flights, administration, police, defense, banks, manufacturing, wholesale, retail, e-commerce, construction activity, cremation/marriage with restrictions, garment industry (50%) basic essential shops (0600 to 1000 hours) and no public transport is available.
- **Kerala**
 - The state has announced a state-wide lockdown from 8th May 2021 (0600 hours). Detailed guidelines are awaited on this.
- **Maharashtra**
 - The imposition of lockdown-like restrictions has been extended till May 15th, 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.
- **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 17th May 2021 (0500 hours) and only essential services will open from 0600 to 1100 hours mostly.
 - Essential Services would continue like medical, public transport, media, marriage/funerals with restrictions, groceries, transportation for essential services, frontline workers etc. are exempted.
- **Tamil Nadu**
 - Night Curfew from 2200 hours to 0400 hours along with Sunday lockdown until further orders.
 - Essential Services would continue like medical, good manufacturers and continuous process industries, private security, metro (skeleton model), e-commerce with exception of Sunday and IT&ITES companies are mandated to allow 50% of employees to work from home.
- **Telangana**
 - Night Curfew from 2100 hours to 0500 hours till 8th May 2021.
 - Essential Services would continue like medical, telecommunications, internet services, broadcasting and cable services, IT and IT-enabled services, Delivery of all goods through e-commerce, Cold storage and warehousing services, Production units or services which require continuous process, inter and intrastate transportation of essential goods and non-essential goods are allowed.
- **Uttar Pradesh**
 - Weekend curfew from Friday 2000 hours till Tuesday 0700 hours along with night curfew from 2000 hours to 0700 hours till 10th May 2021.
 - Essential Services would continue like medical, public transport with 50 % capacity, funeral, media, transportation, delivery of essential goods 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, 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 private sector to be work from home, telecom services, online and home delivery, bank business hours (1000 hours – 1400 hours) 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, concentrators, life support equipment, other patient care machinery is witnessed. These are moved in air cargo due to time constraints.
- DB Schenker Global and India Air Freight 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 after volatile sailing schedules.
- Many countries have restricted Passenger movement to/from India due to the increasing number of COVID cases.
- Backlogs continue from major gateways in US, DE, KR, HK to India due to huge cargo built-up at these locations and slow processing with reduced manpower due to COVID19 staffing restrictions.
- Relief imports have affected capacity into India largely from EU & US.

- ✓ **Airline updates -**

- Air India flights to UK resumed partially with schedule released till 15th May only and further schedule is awaited.
- Swiss airlines stopped all flights from Zurich to New Delhi indefinitely due to low PAX demand and high operational costs
- Chinese carriers- Sichuan Airlines and SF express stopped operations into India for the next 2 weeks however Sichuan airlines has announced that it will relook into continuing cargo operations.
- 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 awaited if they will operate next week.
- Turkish Airlines also cancelled their freighter to/from BLR this week and have reduced P2C flights, flight schedules are expected to be volatile.
- Air Canada stopped operations from India to Canada till the end of May'21.
- Few carriers have announced increase in FSC(fuel surcharges) for outbound from India to offset increasing operational costs due to steep increases in jet fuel prices in the last few months.
- UAE suspended all passenger traffic from India till early May'21 however cargo operations will continue to operate by Emirates and Etihad airlines.

- ✓ **COVID impact on operations -**

- Localized restrictions introduced by state governments and local bodies have restricted the workforce at airports, cargo operations have not been majorly impacted yet while customs officials, airport handlers and forwarders 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 Pax travelers the medium-term flight frequency may be downsized creating 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 – (No Change)**

- 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.

- **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, 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. 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.
- 40fthc 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 4.12 lakhs, pushing the total number of cases to over 20.8 million and the total death count to 2,30,168+. Maharashtra, Kerala, Karnataka, Uttar Pradesh, Tamil Nadu, Delhi, 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, UAE, Netherlands, Indonesia, Maldives, Thailand, Bangladesh, Italy, Taiwan, Nepal, Israel etc have put India under the international travel ban due to the rising number of COVID – 19 cases. Apart from that, there are some countries like Singapore, and Germany that have issued various level advisories for traveling to and from India.

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. All public and private offices remained shuttered. However, this rule does not apply to air, sea, river, land ports and their concerned offices and export-oriented company. 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 but there is pile-up for US and CN outbound cargo from ex DAC. The expected transit time to the US destination is 8-9 days with a probability of additional 2/3days depending on the situation. The rates are stable to major lanes with exception of US and CN which is started to rise. Most of the major carriers are operating freighters/charters ex DAC.

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.

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.

Bangladesh has registered 1,742 fresh COVID - 19 cases and 50 death in the last 24 hours until Wednesday, taking the tally total to 767,338 cases and the number of deaths to 11,755.



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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