



Corona Virus Update

While the COVID-19 spreads globally, more and more countries have reacted and implemented enhanced quarantine measures, travel restrictions or are currently in a complete shutdown process. While the situation in China seems to stabilize and to improve slowly, Europe, the US and other parts of Asia are affected severely right now. Partially, borders are closed, immigration laws have been updated and social distancing is required.

We would like to assure you that we are doing our utmost to keep operations running as smooth as possible.

Keeping our colleagues and clients safe is our primary objective in this time of uncertainty. We have **implemented the necessary safeguard measures**. At this time, our intention is to keep a. hartrodt offices open for our employees as long as possible. Those who are medically at risk and those who have the possibility to do so, are already **working from home**.

We are having **business continuity plans** in place. Sharing our experience from around the world, we have confidence in our systems and are prepared for a couple of different scenarios. We can assure you that **our remote working systems operate effectively**. The corona virus situation is changing daily and the impact on the shipping industry and supply chains are extreme. Particularly, the transport modes Air and Sea are affected.

Airfreight

The corona virus is having a huge impact on the aviation industry around the globe.

Most airlines are affected. While airlines have implemented stringent cost saving measures in first instance, most airlines meanwhile have announced to **reduce their flights significantly and/or stop flight operations** for the time being. We are receiving updates on a daily basis.

As a result, the **available airfreight** space and capacity in the market is **very limited**. The majority of cargo is carried in the belly of passenger aircrafts these days. As a result, **we are seeing airfreight costs increasing dramatically.**

Consequently, the airfreight market hit by the COVID-19 can be expected to remain uncertain for the next couple of weeks. Globally, airlines are requesting to **check for rates on a shipment by shipment basis**.



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Seafreight

As anticipated, we are currently facing the situation of an **empty equipment shortage in Europe**.

Some of the shipping lines started to implement **equipment imbalance surcharges**. The purpose of these surcharges is to be compensated for additional empty container movements between ports and depots, or from depots to other depots - but also cover extra administration work to find suitable solutions and literally “search and fight” for empty containers.

Higher trucking costs due to round-trips or longer distances from inland depot to pick-up location can be the case. The reason for that is that the **empty equipment is still located in China** due to the impact Corona had on the shipping industry so far. Additionally, **shipping lines have announced GRI/PSS**. Blank sailings continue to take place and will create capacity shortages. As a result, **we also see rate increases for seafreight**.

We do regret any inconvenience caused but at the same time, we appreciate your understanding that these are unprecedented and extremely unusual times, which no one could have foreseen.

Under these circumstances, delays or short notices to schedule adjustments can be expected. Please rest assured that we are trying our utmost to not let the current situation impact our service level and are trying our best to move your cargo as close to normal transit as possible.

We sincerely appreciate the support and assure you that we are absolutely committed to serve our customers with transportation needs in the best way we can.

We monitor the situation closely and will provide further updates as they come to hand. Should you need any further information please do not hesitate to contact your a. hartrodt representative.