



# COMPANY NEWS

MARCH '20

## Effects of COVID-19

Dear Valued Customer,

Due to the constantly tightening situation in the Eastbound Asia Trade, we would like to inform you in detail about the background and effects.

### Critical effects on the supply chains

The outbreak of the Corona virus affects the entire Chinese economy and severely restricts the operations of industrial, commercial and transport companies. This also affects all logistics companies, such as ocean carriers, truckers and freight forwarders, who in certain cases have not yet resumed their work.

As a result of this situation, the circumstances in the ports must be considered as critical. Furthermore, containers can no longer be delivered due to lacking free storage capacities in the ports, so that congestion charges incurred at the expense of the goods and/or containers are diverted. The reefer segment is particularly affected by this, as plugs (power connections) are no longer available.

### Reduction of transport volumes

The described situation in China continues to influence global supply chains. As a result of China's stagnating foreign trade, a reduction in transport volumes worldwide is to be expected. This is also reflected in the shortage of empty equipment for exporting countries. In this context, additional logistics costs for the provision of empty equipment will follow. As a result, there is a shortage of shipping space in the Eastbound Trade which has prompted the ocean carriers to introduce a Peak Season Surcharge (PSS) from B/L date March 1<sup>st</sup>, 2020.

This Peak Season Surcharge comprises:

- 450 USD for 40 ft containers
- 350 USD for 20 ft containers
- or for LCL shipments depending on cubic meters/weight of the goods

### Charge of additional surcharges from 1<sup>st</sup> March 2020

However, we are now facing a situation that does not permit us to absorb above mentioned surcharges. As a result, starting from 1<sup>st</sup> March 2020, we will charge additional surcharges for upcoming seafreight deliveries. We trust you will understand this measure and assure you that we will continue to do all we can to provide you with high-quality products plus comprehensive services on cost-effective terms.

We look forward to continuing our business partnership with you and remain,

Vossloh-Schwabe Deutschland GmbH

Patrik Danz  
Global Sales & Marketing Director

 [Update Corona virus \(COVID-19\) of Kuehne+Nagel](#)

 [Update Corona virus \(COVID-19\) of DB SCHENKER](#)