

## COVID 19 UPDATE

Good morning Clients.

We are sure you are all tired of reading endless newsflashes with confusing updates on how logistics will operate over this period. The reality is that all parties are still working through and adjusting plans on how to operate and there is still a huge amount of uncertainty which we hope will be sorted today. However as per our newsflashes yesterday afternoon you will note that the pressing issues we have been raising from the beginning are starting to be addressed, *albeit* not completely at this stage. Even last night we had totally conflicting messages from two major shipping lines. We do however feel that clarity and some degree of sanity is starting to emerge as we tackle this shut down. Whilst not definitive yet, I summarise below the direction we feel this is heading in a simple explanation. Please bear in mind the points below are our interpretation and some of the below is not yet cast in stone. As the day progresses we will update as things become clearer and processes get defined that all will follow.

- Ports are all working but with skeleton staff so we anticipate vessel berthing and discharge delays over this entire period.
- Only goods deemed “Essential” will be allowed to be delivered to end users out of the port and these will be given preference in port systems. To move essential cargo we require letters from end users proving their registration as “essential” providers and truckers will also need the same letters and authorities from themselves and the clearing agents – I confirm SCT is registered and will comply with all regulations. Please note abuse of these declarations is already rife and Government has noted strict adherence, monitoring and harsh action for those mis-declaring.
- It appears all containers will however be discharged from berthed vessels – both essential and non-essential cargo
- Non-essential containers will not be permitted to be collected and delivered but the shipping lines will move these to their depots for release when the lockdown is lifted. The costs to move and store these are still a huge concern point and will need to be resolved. Many of our clients are expressing that Government should cover these costs but reality is the trucks and depots are not Government entities and there is no doubt that charges will be raised. We hope sanity prevails in terms of these and will certainly be fighting as hard as we can on your behalf. It should be considered that the alternative once muted about containers being left on board and the vessels departing to complete global schedules or waiting outside port would in itself add other and perhaps far more punishing costs to importers.
- SARS Customs and shipping lines are insisting that we customs clear 48 hours prior to vessels berthing. Serious costs of overstay charges and customs penalties will be levied for late or non-clearance. We are placing high priority on managing inbound clearances so that we try as best as possible to avoid any clearance for cargo that is delayed in berthing over this period whilst still avoiding serious penalties for late clearances.

- For your reference, we attach a newsflash from MSC which we believe is clear how they interpret the position and how they will operate.
- In terms of exports we note that export loadings will still be possible but again note that on a local front we can only move essential cargo so exports will be limited by this regulations
- In terms of airfreight you will note that all domestic and all passenger international flights are cancelled and as a result only some freighter services will operate. We are booking cargo on these flights were possible both inbound and outbound but note serious space constraints and very high pricing. Again we stress however that movement out from the airport (imports) or to the airport (exports) is restricted to essential cargo only so operations are constrained by these regulations.

As noted the situation is still very much a plan in process and we feel certain there will be further clarity and decisions taken during the course of the day. Please be assured that SCT are actively involved and engaged with all parties and will not only keep you updated but we will endeavour to ensure that our action relative to all your cargo protects your interests in all cases. I again confirm we are working at full strength and our systems have been adjusted to ensure effective and efficient operations over this lockdown period. We are passionate about partnering you over this period. Please raise any concerns with us and we will endeavour to provide accurate and positive feedback. Stay safe.

Kind Regards,

Gary Knight

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