



Date 14 February 2020

Subject Coronavirus Customer Advisory Flash – update on DHL Global Forwarding’s Air Freight & Ocean Freight operations

Dear Customer,

Referring to the letter issued on 10 February 2020, we would like to give you further update on the impact of the Novel Coronavirus (COVID-19) outbreak on DHL Global Forwarding’s (DGF’s) Air Freight and Ocean Freight Operations.

Given the continuous spread and global nature of the Coronavirus outbreak and declaration of the global health emergency by the World Health Organization (WHO), the impact on inbound and outbound supply chains/shipments in China remains severe.

Below we would like to provide you with updates on the situation as to how it impacts DHL Global Forwarding’s Air Freight and Ocean Freight operations and might be affecting your shipments:

Air Freight

The situation communicated in our previous advisory remains valid – most airlines have stopped their services to and from China either partially or fully. The situation is very fluid with new announcements being made without any prior notice by carriers for flight cancellations or government authorities imposing new restrictions on movement within cities.

The situations described above are unforeseeable and outside the reasonable control of DHL Global Forwarding and in the nature of ‘force majeure’ (declared by DGF Air Freight on February 4th 2020), thereby creating impediment/s to DHL Global Forwarding in providing its services to its customers. In practical terms this means:

- Because of the force majeure situation, DGF is not in a position to honor agreed contractual rates and transit times to and from China.
- Effective immediately, the rates and transit times for all shipments accepted for transportation to and/or from China need to be agreed on before shipment execution with either the shipper or the consignee. For shipments to be executed, the rates and surcharges need to be accepted unconditionally by the shipper or the consignee.
- Furthermore, contractual storage fees in China apply for all shipments up to 06 February 2020; after 06 February 2020 a fee of EUR 0.08/kg per day would apply.

DHL Global Forwarding Air Freight teams are working closely with its carriers and other partners to identify transport shipments to and from China using alternative solutions such as charter flights.



DGF has secured dedicated roundtrip charter capacity for EU-CN-EU and US-CN-US sectors. Please reach out to your account manager or customer service representative to discuss the possibilities of delivering cargo to/from China using charter flights.

Ocean Freight

For ocean freight, capacity is expected to decline as carriers announce additional blank sailings, more than 80 additional sailings have been voided post-Chinese New Year, with more expected to be published in the near future. DHL Global Forwarding's space allocations with carriers are being impacted.

In addition, we have received advice from shipping lines on some emerging quarantine requirements imposed by regulatory bodies, vessels that have visited or are from China. While the scope of this requirement is not global, quarantine rules require 15 days of monitoring to ensure that the virus, if present, is not passed on further during discharge at the port. Ships may need to slow steam or change route to meet minimum requirements.

Due to the lack of import volumes from China, equipment imbalance and shortages for both dry equipment and reefers are getting critical, and we anticipate this trend to continue across all geographies with especially strong impact in Europe. The effect of the outbreak would continue to be felt over the long period of time, and in medium-term capacity shortages will continue not only in the Far East, but also globally, leading to potential rate increases rates and introduction of additional surcharges. We expect that with the given limitations, FAK / high-level spot rates will trump lower level NAC rates.

For additional details please refer to the attached Ocean Freight/Danmar Lines advisory.

In the light of the aforementioned developments and forecasts, we recommend that customers shipping urgent high-value cargo consider using Air Freight solutions that are currently available for inbound and outbound shipments to and from China.

DHL Global Forwarding is carefully monitoring the fluid situation around the Coronavirus and will be providing further updates in this regard when available, with our next Customer Advisory, focusing on the situation in China, scheduled for Monday, February 17th 2020.

Important updates, as well as dates of confirmed DGF office openings, will be available on our official website <https://www.logistics.dhl/global-en/home/our-divisions/global-forwarding.html>

Please rest assured that we will keep you updated on any changes to the current situation. Should you need further information, have any concerns or queries, please feel free to contact your account manager or customer service representative.

Thank you for your understanding.

Kind regards,

DHL Global Forwarding