

As 2021 begins, we continue to be in a global pandemic but see many areas returning to a new normal.

More than ever we see the importance of uninterrupted supply chains and the role the logistics industry plays for society as a whole.



Impact on Sea Logistics

In general, the situation continues to be troublesome particularly across the Asia – Europe trade. The UK port infrastructure continues to suffer adversely impacting UK supply chains and carriers appetite to route cargo to the UK. Equipment availability, space, and blanked vessel sailings remain to have an impact on the overall situation.

In Europe, the demand for products from Asia increases dramatically as retailers continue to replenish their inventories. Empty equipment, especially 40ft HC containers, continues to be in high demand in all Asian countries with demand continuing to outstrip supply.

As a result, customers have to deal with extended lead times within their supply chains as well as steep cost increases.

12 February 2021 Chinese New Year

Most factories will close 7-21 February

- Carrier Equipment availability Remains highly critical in ASP locations, particularly in China

Brexit

Since UK has now officially left the EU on 1st of January 2021 new customs procedures are applying to all goods imported from or exported to the EU.

We are seeing Post-Brexit border checks and new Covid rules of mandatory Covid test for all drivers going through France driving up shipping cost of goods from Europe to the UK and leading to delays for all shipments from/to UK.

The UK leaving the EU also means some importers no longer have to pay anti-dumping duties on Sea shipments.

Impact on Air Logistics

The majority of carriers still retain significant cuts in their passenger networks. In order to compensate for the shortage of lift on the main trade lanes, freighter capacity has significantly increased.

We see that urgent air cargo demand for PPE has perished, the trend reflected by the reduction of the dedicated for the PPE passenger freighters. Therefore, we expect there will still be a significant imbalance of demand and available capacity in the market in the months to come.

In Europe, as virus surges, our air freight operations in Europe continue running, mostly in the home-office setup.

Due to concerns about the new coronavirus variant and following border closures, freight cannot cross by sea or through the Eurotunnel and the Port of Dover has closed to outbound traffic.

Combined with the already existing backlog and queues of trucks, the disruption has become even more severe.

However, the majority of destinations and markets are reached through freighters as passenger aircraft are still mostly grounded due to travel restrictions, quarantine rules and low consumer confidence in air travelling at the moment.

We are right in the peak season – demand has increased and capacity is getting more and more short. In order to mitigate the capacity crunch Kuehne+Nagel has stabilised its air freight product portfolio for the months ahead to offer reliable airfreight capacity throughout the year.

Road Logistics

Like European overland markets, the Kuehne+Nagel network is facing less restrictions compared to the spring period this year.

The development on an overall European scale however is still rather volatile and impacted by still existing Covid19 limitations in certain areas. This can lead to some partial reroutings and small delays in selected lanes.

Brexit is having a larger impact on road logistics as it directly impacts and goods moving from Europe to the UK.

Like you, we are dealing with a fast moving and complex situation with the added complication of the national lockdown.

In addition of investing in over 150 new team members to bolster our established team of highly skilled customs experts, we have now brought in additional resource to ensure that we can keep your goods moving.

Our recommendations:

to ensure your supply chain keeps moving:

- Book shipments with as much notice as possible
- Limited equipment availability in Asia requires more flexibility and fast decisions
- For urgent shipments consider Premium service

Helpful links

For the latest Covid-19 update [click here](#)

For the latest Brexit update [click here](#)

For the latest Covid-19 Blank sailings [click here](#)