



# The impact of COVID-19 on maritime transport and trade in Asia and the Pacific

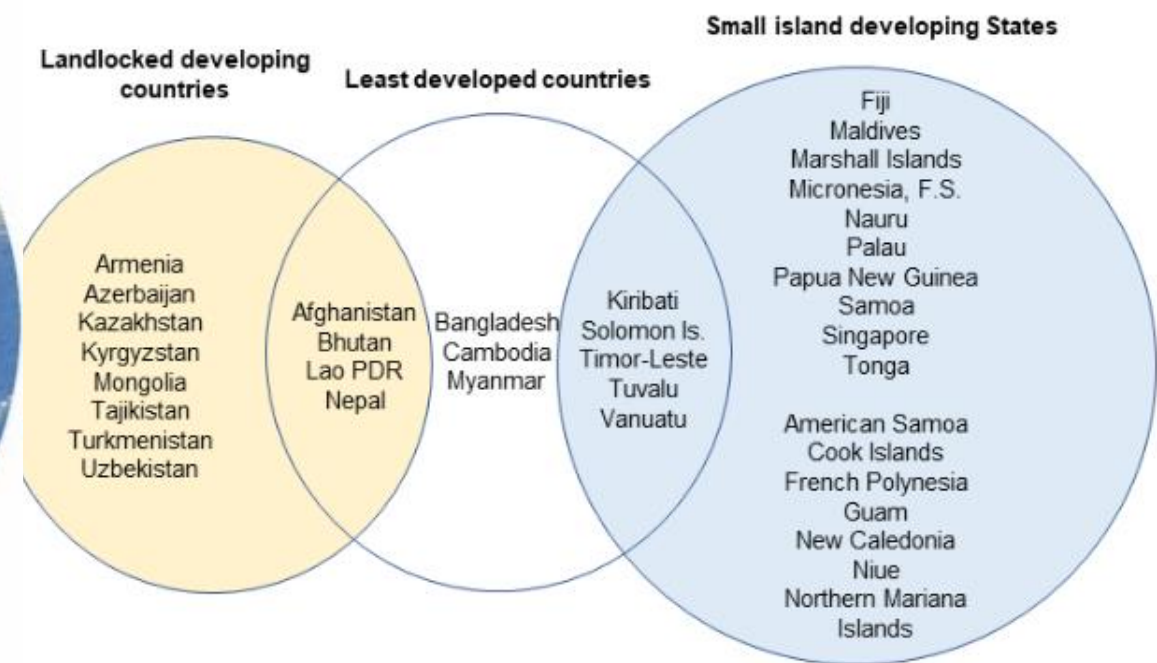
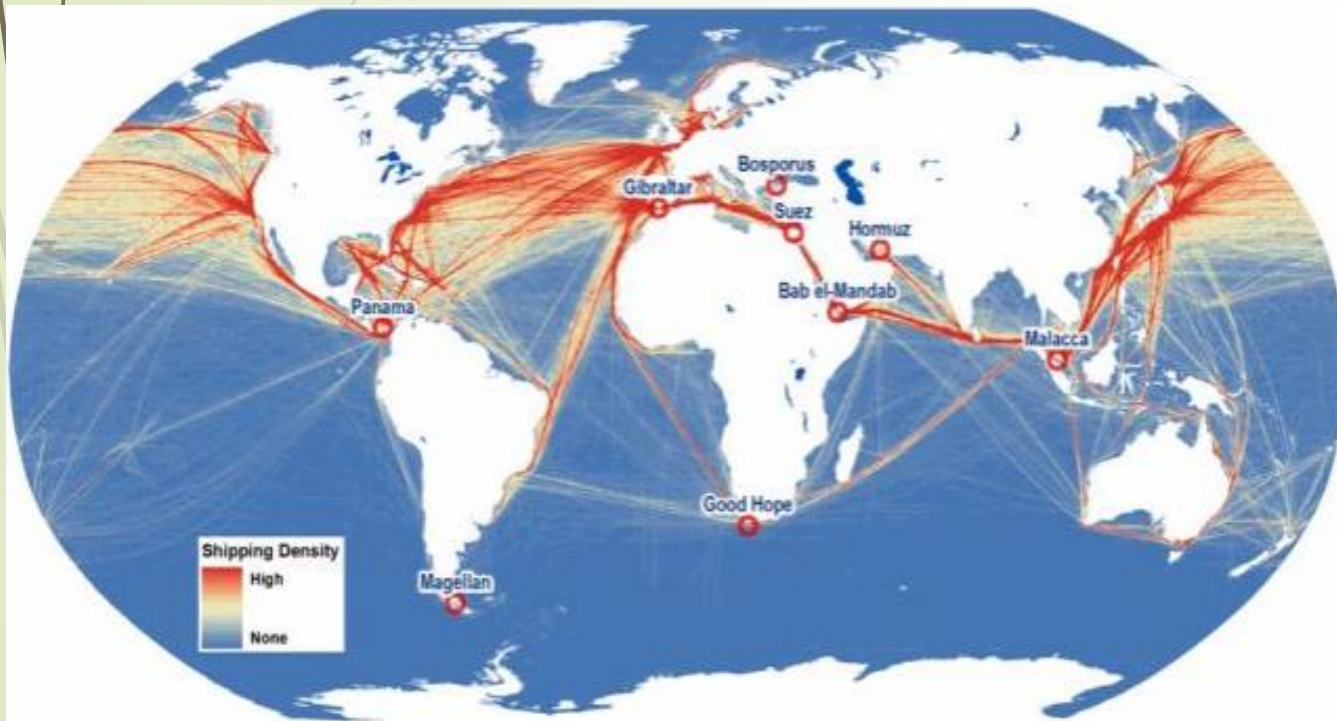
Regional webinar on “Challenges faced by seafarers and identification of best practices during the COVID-19 pandemic in Asia”

*4, November 2020, IMO*

**Ms. Azhar Jaimurzina,**  
Chief, Transport  
Connectivity and Logistics  
Section, Transport Division,  
UNESCAP

# Asia-Pacific: Core of global maritime trade

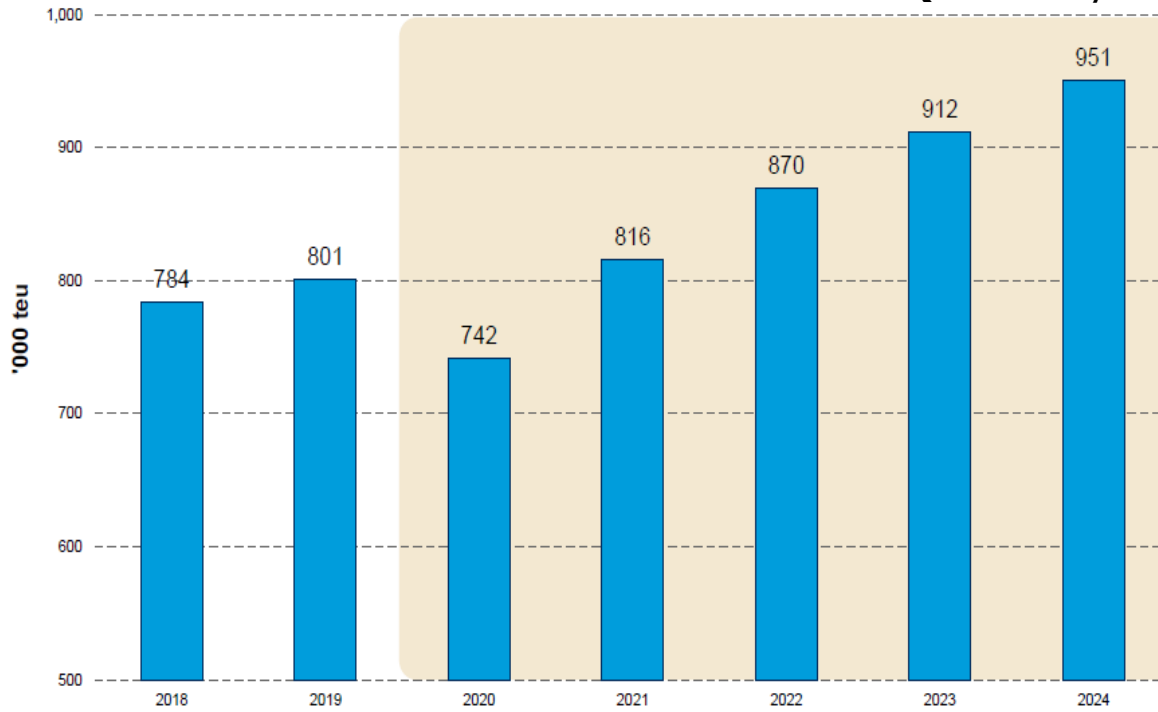
- Asia-Pacific region: Driving force of world economy
- ESCAP's share of global maritime trade: 61.7%
- Countries with Special Needs: connectivity gaps and their impact on the SDG implementation



# COVID-19 impact on the global economy and maritime transport

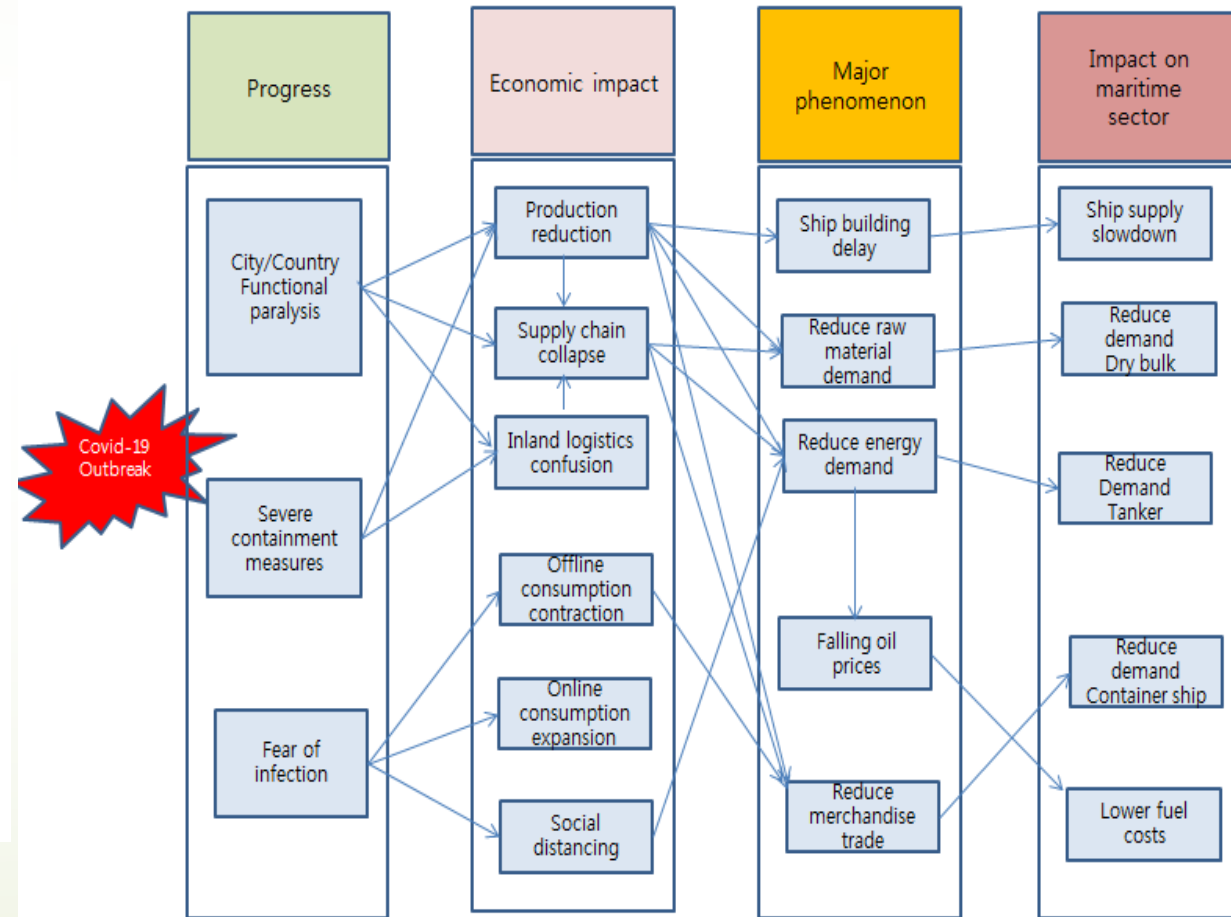
- IMF, WB, OECD, UNCTAD: Predict global economic downturn
- Economic recession: triggering a decrease in maritime transport as well as port traffic

<Global container volume forecast (Mil TEU)>



Drewry, Global Container Terminal Operators Annual Review and Forecast 2020/21, June 2020

<Impact of COVID-19 on shipping>



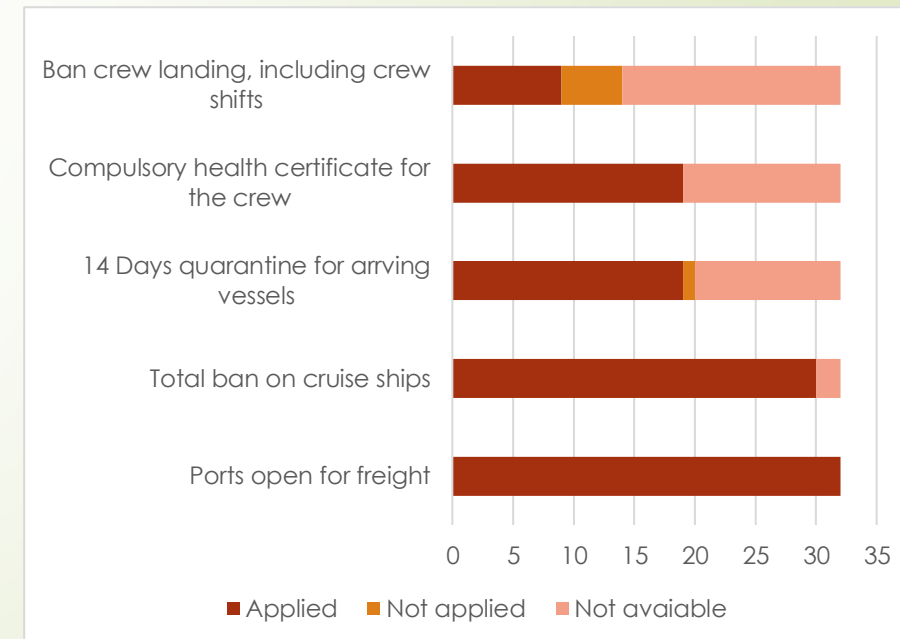
# Response to COVID-19

- Port Authority: Introduced strict quarantine measures
  - Working conditions and welfare deteriorate significantly due to restrictions on crews' shift and repatriation
- Shipping industry
  - Expanding blank sailing
  - Flexible deployment according to cargo volume

## <COVID-19 related measures to prevent in Asia and the Pacific>

- Keeping cargo ports operational, while closing cruise ports
- 14-day quarantine, since the day of departure, for vessels arriving from countries affected by the pandemic
- Additional safety measures for seafarers who have traveled to affected areas
- Allowing cargo to be transported directly to manufacturing plants without entry into the terminal to avoid delayed unloading and shortage of storage space at seaports driven by the concentration of imports
- Prohibiting disembarkation and change of sea crews
- Strict quarantine measures if the crew disembarkation is allowed

## <Implemented measures by number of countries>



## COVID-19 and the maritime connectivity in the Pacific

- Pacific countries with relatively weak maritime connectivity faced additional difficulties due to Tropical cyclone Harold at the beginning of the spread of Covid-19
- Priority given to maintaining freight connectivity
- Strengthen cooperation to achieve the goal of quarantine and revitalization of maritime transport

- Ships and ferries continue to operate for essential freight and to move essential workers.
- For imported supplies, all local Customs are required to open exclusive counters and green lanes 24/7 to ensure fast clearance in the ports.
- Cargo ships carrying goods and petrol will be allowed to enter the ports.
- Exempted fishing vessels, container vessels and fuel tankers are required to spend 14 days at sea prior to entry to continue to allow food and supplies to enter the country.
- Due to the limited number of port officials, essential goods such as pharmaceuticals and COVID-19 related goods are of higher priority.

# COVID-19: implications for maritime connectivity

	Short term changes	Potential Long term/Structural change
<b>Shipping &amp; logistics</b>	<ul style="list-style-type: none"> <li>Decreased maritime trade</li> <li>Vulnerable in ports with low trade volume due to fleet adjustment including blank sailing</li> <li>Delayed customs and port clearance</li> <li>Increased ship waiting time and delaying crew shift</li> <li>Relatively high freight rates that could further increase if capacity continues to be constrained and demand/supply mismatch occurs.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated digitalization</li> <li>Increased risk management costs</li> <li>Intensified merger and acquisitions and competition among companies</li> <li>Increased demand for digital professionals</li> <li>Supply chain reconfiguration and design</li> </ul>
<b>Ports</b>	<ul style="list-style-type: none"> <li>Increased workload due to the quarantine and health controls</li> <li>Increased port volume volatility</li> <li>Shortage of container stacking yard during congestion</li> <li>Slowdown of port economy</li> <li>Challenges to smooth inland transport operations and hinterland connections</li> <li>Changes in port calls and port connectivity</li> <li>Challenges to yard operations due to peak port calls (i.e. less frequent calls but larger port call exchanges)</li> <li>Storage and warehousing capacity constraints</li> </ul>	<ul style="list-style-type: none"> <li>Greater use of technology and digital tools to build smart port and automated ports</li> <li>More focus on increasing resilience and robustness of operations to wide-ranging risks, including from pandemics</li> <li>Higher focus on port safety and security</li> <li>Greater use of integrated transport services and inland transport operations</li> <li>Supply chain reconfiguration and design that may change port network configuration</li> </ul>

- The COVID-19 pandemic brought the issues of resilience to the forefront of the public policies
- Preserving maritime connectivity relies on protecting and training of transport workers
- It also requires a much stronger regional cooperation to minimize the disruptions, maintain acceptable working conditions and ensure sustainable recovery



# Thank you



*Transport Connectivity and Logistics section*  
Transport Division