



12 March 2020

ICS OVERVIEW OF THE IMPACT OF COVID-19 ON THE SHIPPING INDUSTRY AND SUMMARY OF CONTAINMENT AND MITIGATION MEASURES

Background

On 4 March 2020, ICS received a letter from the European Commission Directorate-General for Mobility and Transport (DG MOVE), seeking input about specific measures adopted by the maritime transport sector to monitor, contain and mitigate the effects of the Coronavirus (COVID-19) outbreak. The Commission was also seeking qualitative and quantitative information about the economic impact experienced by the sector, as a result of COVID-19.

In this context, an assessment is provided below, including an overview of specific measures being implemented by the sector, along with an assessment of the economic impact on the global shipping industry.

COVID-19: OVERVIEW OF SPECIFIC MEASURES ADOPTED BY THE MARITIME TRANSPORT SECTOR

In light of the ongoing COVID-19 crisis, the global maritime transport sector has implemented various measures to monitor, contain and mitigate the ongoing outbreak. These range from measures adopted by the global shipping industry to those adopted by governments (including port authorities) for the industry.

Industry measures

ICS guidance and reports

ICS continues to monitor developments concerning the COVID-19 situation on a daily basis and advising its members and other stakeholders accordingly, by producing regularly updated reports. The next ICS report is anticipated on Monday, 16 March 2020.

In response to the outbreak, ICS has also prepared detailed *Guidance for Ship Operators for the Protection of the Health of Seafarers*¹, with the support of the following organisations: IMO, ILO, WHO, International Maritime Health Association (IMHA), European Centre for Disease Prevention and Control (ECDC), Mediterranean Shipping Company S.A. (MSC) and Wilhelmsen Ships Service.

¹ ICS Guidance may be accessed [here](#)

This guidance was published on 3 March 2020 and is available on the ICS website. The guidance, among other things:

- Provides hygiene measures for seafarers and ships;
- Advises on management of suspect cases;
- Includes an outbreak management plan; and
- Contains pre-boarding information and screening.

On 26 February, ICS Secretary General, Guy Platten met with the WHO in Geneva. The industry is working closely with the WHO to ensure that guidelines for industry and governments are as effective as possible in limiting the spread of COVID-19, while maintaining international trade. This collaborative effort includes the evaluation and enhancement of best practices for effective management of health threats in a shipboard environment.

Moreover, ICS in regular liaison with the International Maritime Health Association (IMHA), which represents professionals in maritime medicine. IMHA has also issued advice for shipping companies on the coronavirus (2019-nCoV)², which is consistent with the ICS guidance.

ICS is also encouraging all its member national associations and member shipping companies to ensure that the guidance is available on board their ships. Other international associations have also circulated the ICS guidance to their members.

ICS E-room

In addition to the regular reports issued to the ICS membership and the above mentioned guidance, ICS has also established an e-room for its members, which acts as a complimentary 'one stop shop' with advice from WHO and maritime administrations as relates to COVID-19.

The e-room was developed by ICS to ensure that the industry is able to follow WHO advice and therefore remain compliant with its International Health Regulations (IHR). This platform also contains important advice and directives – for shipowners and operators to follow – issued by flag States, port States, and Labour Supply Countries.

This includes, for example, information about the status of specific ports, as well as potential requirements for vessels and their crew members. The information and advice contained in the ICS e-room is constantly updated to ensure that shipping companies and other stakeholders have the latest information.

Crew case reporting

ICS is liaising with its membership to obtain data and information concerning:

- Crew members who may be undergoing testing or who have tested positive for COVID-19, in order to track the number of crew affected both on cruise ships and

² IMHA Advice is available [here](#).

cargo ships. This information is intended to be subsequently reported to WHO and IMO, to ensure that adequate measures are adopted.

- Issues faced in relation to procurement of any necessary medical supplies.
- Any other employment concerns, such as discrimination and crew changes.
- Any other issues that have arisen in relation to the outbreak, which might need to be raised at international level, as necessary.

Cargo ship crew access to medical support in ports

ICS is also liaising with its members to obtain information regarding cases where seafarers with reported symptoms are unable to access medical assistance from shore side personnel, so that these and similar issues can be raised at international level, as necessary.

Proactive measures onboard

In an effort to help contain and mitigate the effects of the outbreak on the industry and on wider society, some shipping companies have adopted precautionary health and safety measures as the need arises, such as minimising shore leave for seafarers during calls in some ports, including in China.

The temperature of the crew is regularly checked and any flu-like symptoms are reported to health supervisors. Prior to arrival in port, information about restrictions related to COVID-19 is obtained from local agents. In some cases, crew changes in such ports are being kept to a minimum, as is the replenishment of provisions and supplies, to help reduce the prospect of crew members being overly exposed to shore staff in those ports and vice versa.

Cruise ships: Dealing with COVID-19 Head On

Due to the outbreak, the international maritime passenger transport segment of the global shipping industry, as well as their customers, in particular, have come under considerable strain with cruise ships from countries significantly affected by COVID-19 sometimes being turned away from certain destinations, while on other occasions the crew, passengers and other personnel are required to remain on board for prolonged periods of time.

On 8 March 2020, the Cruise Lines International Association (CLIA) released a statement³ outlining the cruise industry's continued commitment to the health and safety of passengers and crew, as well as the residents of port cities and destinations around the world. ICS fully supports this statement by CLIA and reiterates the commitment of all segments of the global shipping industry to help contain and mitigate the outbreak.

³ CLIA's statement may be accessed [here](#)

In particular, ICS notes the adoption – by CLIA and its members – of additional enhanced screening measures in response to COVID-19. Based on these new measures (already in effect), cruise companies are expected to:

- Deny boarding to all persons who have travelled from, visited or transited via airports in South Korea, Iran, China, including Hong Kong and Macau, and any municipality in Italy subject to lockdown (quarantine) measures by the Italian Government, as designated by the [Ministry of Foreign Affairs](#), within 14 days prior to embarkation.
- Conduct illness screening for all persons who have travelled from, visited or transited via airports in any destinations listed on the U.S. CDC "[Coronavirus Disease 2019 Information for Travel](#)" page within 14 days before embarkation. Illness screening includes symptom history checks for fever, cough and difficulty breathing in the 14 days before embarkation and taking of temperature.
- Conduct temperature screening, as soon as they are capable, at initial embarkation for all persons boarding. Any individual with a temperature detected at or above 100.4° F / 38° C is to receive secondary screening to include a medical assessment.
- Deny boarding to all persons who, within 14 days prior to embarkation, have had contact with, or helped care for, anyone suspected or diagnosed as having COVID-19, or who are currently subject to health monitoring for possible exposure to COVID-19.
- Conduct pre-boarding screening necessary to effectuate these prevention measures. Enhanced screening and initial medical support are to be provided, as needed, to any persons exhibiting symptoms of suspected COVID-19.

COVID-19: INDIRECT ECONOMIC IMPACT ON MARITIME TRANSPORT

In light of the ongoing COVID-19 crisis, several governments (including port authorities) from around the world have implemented various measures directly related to the global maritime transport sector, as a means of monitoring, containing and mitigating the ongoing outbreak. While these restrictions do not necessarily have a direct economic impact on the industry, there are likely to be some indirect economic impacts.

Government measures

Global Port Restrictions Map

The global maritime transport sector has experienced a considerable increase in the number of the government restrictions imposed on ships and crews. With countries across the globe announcing new or updated restrictions on ships and crew that have called mainland Chinese ports, in an attempt to combat the spread of COVID-19, staying fully up to date can be a difficult task.

Courtesy of Wilhelmsen Ships Service, the link below leads to an online "Coronavirus – Global Port Restrictions Map", which contains a detailed overview of port restrictions in

effect worldwide. This Map appears to be updated on a daily basis (three times per day), but the information provided may not be exhaustive.

<https://wilhelmsen.com/ships-agency/campaigns/coronavirus/coronavirus-map/>

ICS is encouraging its members and shipping companies to review the information on this website regularly to stay up to date.

Impact on seafarers

COVID-19 also appears to have had a negative effect on 'crew changeovers' in some cases, as a result of travel restrictions implemented by some countries, in an effort to help contain the spread of the virus. This includes the Philippines, where the Government is understood to have recently announced a travel ban⁴ to China, Taiwan (Chinese Taipei), Hong Kong and Macau. The ban means that Philippine seafarers might be unable to be deployed to ships from these countries. As a result, some shipowners have had to reroute their crew to alternative ports for changeovers.

In some cases, countries have also reportedly imposed visa restrictions and mandatory quarantine for seafarers from countries significantly affected by COVID-19, such as Chinese seafarers. Countries with such restrictions in place include Australia, India, Indonesia, Iraq, Israel, Japan, Malaysia, Myanmar, New Zealand, Russia, Singapore, South Korea, Sri Lanka, Taiwan, and Thailand.

Cruise ships: Access to Ports

ICS is aware of reported situations where cruise ships have not been permitted to dock in ports of certain countries. Each incident is being reported to WHO and the global shipping industry continues to press for countries to honour their obligations under the WHO International Health Regulations (IHR). ICS is liaising with its members in an 'information sharing' effort to document these cases.

COVID-19: DIRECT ECONOMIC IMPACT ON MARITIME TRANSPORT

The COVID-19 outbreak has had a direct economic impact on virtually all shipping segments, including (but not limited to) containerships and cruise ships. The outbreak is therefore very likely to have an effect on revenues of maritime operations this year (2020) – from shipyards to carriers of bulk commodities – adding to the pressure the sector is already under, as a result of trade wars and a global economic slowdown.

It is still too early to determine the full impact of the outbreak on the global maritime transport sector, but some expert assessments indicate that while the short term outlook is unfavourable, the prospect for improvement over the coming months seems positive. However, this will depend largely on, among other things, the pace of economic recovery in China, which is already showing signs of improvement.

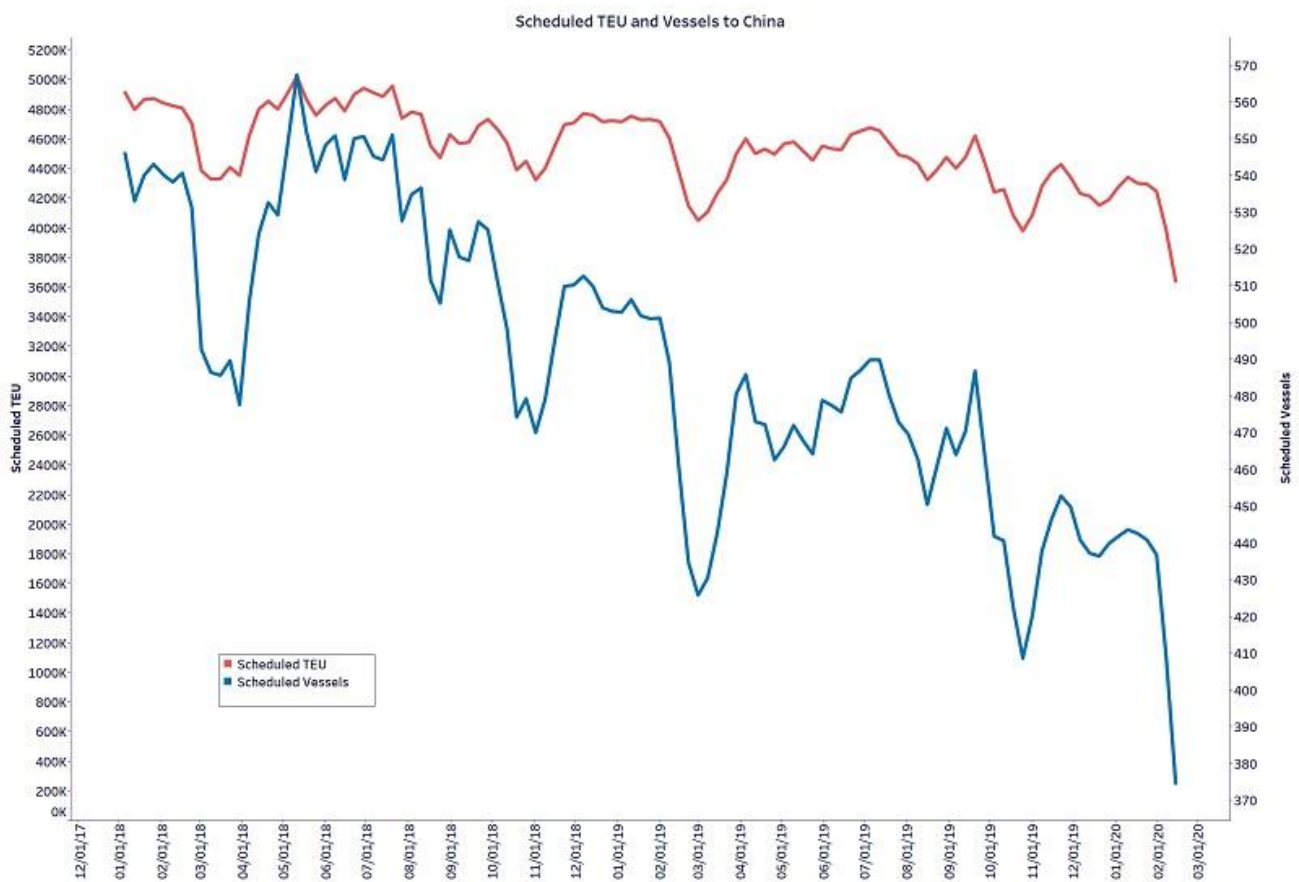
⁴ Source: <https://ph.usembassy.gov/covid-19-information/>

Containerships

Recent estimates indicate that, as of 10 February 2020, the COVID-19 outbreak is costing the liner segment of the global shipping industry around \$350 million a week in lost volumes⁵.

This is supported by recent assessments based on data about containership movements – and information on cargoes on board those ships – which appears to indicate a change in the operational behavioural patterns of containerships.

Based on this analysis, it seems that the rate of containership visits to Chinese ports, which is measured both in number of vessels scheduled to call and their cumulative capacity in Twenty-foot-Equivalent Units (TEU) – fell significantly between January and February (**see Graph 1 below**), due to different factors but exacerbated by the onset of COVID-19.



Source: ClipperData⁶ – Graph 1: China Container Traffic TEU and Scheduled Vessels to China

ICS also understands that the ratio of missed port calls (scheduled calls that did not occur) seems to have increased drastically between February and March 2020, at least in part, as a result of the outbreak (**see Graph 2 below**).

⁵ Source: <https://www.wsj.com/articles/coronavirus-toll-on-shipping-reaches-350-million-a-week-11581366671>

⁶ Source: <https://clipperdata.com/global-missed-port-calls-on-the-rise/>



Source: ClipperData, UNCTAD⁷ – *Graph 2: China container port traffic: ratio of missed port calls*

Oil tankers, dry bulk and containerships

Courtesy of Maritime Strategies International (MSI), this [link](#) leads to a document which contains an assessment of the impact of COVID-19 on the global shipping industry (by shipping segment/sector). The MSI Foresight article covers three different scenarios – ‘Status quo’, ‘Moderate escalation’ and ‘Severe escalation’ (illustrated below) – while also outlining the potential “repercussions across major shipping sectors as of mid-February, and touches on the risks from escalation.”

	“Status Quo”	“Moderate Escalation”	“Severe Escalation”
Containership	Further blanked sailings, increased liner company losses (offset later) some risk of reduced T/C market demand in near-term (c. -5% risk to earnings).	Pressure on key trade market balances. Upward pressure on idle fleet, causing moderate T/C rate fall (c. 10% risk to earnings).	Load factors on key trades plummet, large increase in vessel idling, extensive T/C rate downside (> 20%). Global demand growth negative.
Dry Bulk	Negative impact on steel production + coal use. Iron ore imports insulated to a degree. Other issues more important to earnings.	Additional reduction in steel production; port restrictions reduce iron ore import insulation. c. 10% earnings risk.	Chinese industrial output sees prolonged disruption, insulation of e.g. iron ore imports removed. 20+% risk to earnings.
Oil Tanker	Chinese oil demand lower by c. 1-2%, earnings hit by around 10-15%	Additional downside to Chinese oil demand, more severe Q1 20 earnings correction	Earnings improvement in Q2 20 fails to materialise, wider disruption to oil markets.

“Status Quo”: Peak of disruption in mid-February, restrictions unwound thereafter.

“Moderate Escalation”: Industrial output/travel restrictions last into early March, some disruption to port operations.

“Severe Escalation”: Extended (into Q2 20) disruption to industrial output and travel, and/or heavy restrictions on port operations.

Source: Maritime Strategies International (MSI) – Coronavirus: escalation risks supply chain contagion

⁷ Source: <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2296>

COVID-19: NOTABLE GUIDANCE FROM GOVERNMENTS & INTERGOVERNMENTAL ORGANISATIONS

ICS continues to urge all industry stakeholders to adhere to official, authoritative guidance from national governments and intergovernmental bodies. This includes:

- Practical guidance from the European Union Healthy Gateways on '*Interim advice for preparedness and response to cases of the novel Coronavirus (2019-nCoV) infection at points of entry in the European Union (EU)/EEA Member States (MS)*'; and
- European Union Healthy Gateways: '*Advice for ship operators for preparedness and response to the outbreak of 2019-nCoV acute respiratory disease (version 2)*', released on 3 February 2020.
- IMO [Circular Letter No.4204](#) (31 January 2020) provides information and guidance, based on recommendations developed by WHO, on precautions to be taken to minimise the risks of COVID-19 for seafarers, passengers and others on board ships.
- Guidance issued by the United States Centers for Disease Control and Prevention (CDC), for ships intending to transit to US Ports available at: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>
- In relation to ship inspections, many flag states (including Liberia and the Marshall Islands) have issued advisory notices, which shipping companies should adhere to.
- United States Coast Guard (USCG) Marine Safety Information Bulletin on 'Novel Coronavirus' ([Link](#))

Onboard Medical Advice for treatment of COVID-19

All countries must follow the WHO International Health Regulations which apply to all transport sectors including shipping and aviation, which gives clear advice for the Shipping Industry to follow to avoid global spread of infections and outbreaks of communicable diseases.

These were updated in 2005 to reflect lessons learned from the SARS crisis. All ships must complete a Maritime Declaration of Health or Passenger Locator form before entering a port area so that any health concerns can be identified early and appropriate assistance given.

Pratique is a license given to a ship to enter port on assurance from the captain to the authorities that she is free from contagious disease. Clearance granted is commonly referred to as free pratique. A ship can request pratique by flying a solid yellow square-shaped flag.

The yellow flag is the Q flag of the International maritime signal flags. Port States must assist vessels with suspected cases of contagious diseases and if necessary provide

medical assistance, equipment and other goods such as fresh food and water to ships which are affected.

Ships with over 100 crew onboard are required to have a medical practitioner onboard whereas cargo ships and other vessels travelling internationally just have seafarers with limited first aid and medical training.

WHO has also published the *Rational use of personal protective equipment for COVID-19* ([Link](#)). This document summarises WHO recommendations for appropriate use of personal protective equipment (PPE) in health care / community settings, including handling cargo.

On this basis, cargo ships should:

- Access advice from telemedical services, internet advice, and port health authorities.
- Carry a copy of the International Medical Guide for Ships or a national equivalent publication with medical advice including a list of equipment and medicines required to be kept onboard.
- Check the WHO suggested equipment for COVID-19. Most is already carried onboard merchant vessels but equipment not carried onboard including testing equipment should be provided by port State health officials.
- Preferably utilise single cabins if the medical room is already in use to avoid spreading the disease.