

RESILIENCE360

COVID-19: Impacts on supply chains in Europe

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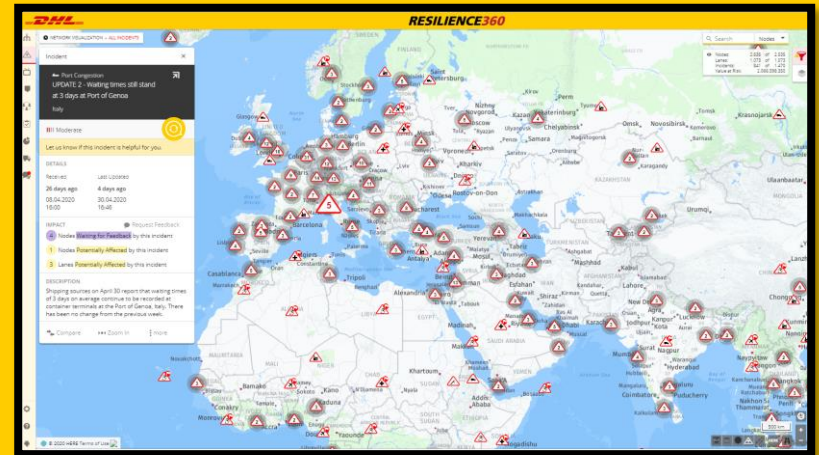
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DHL

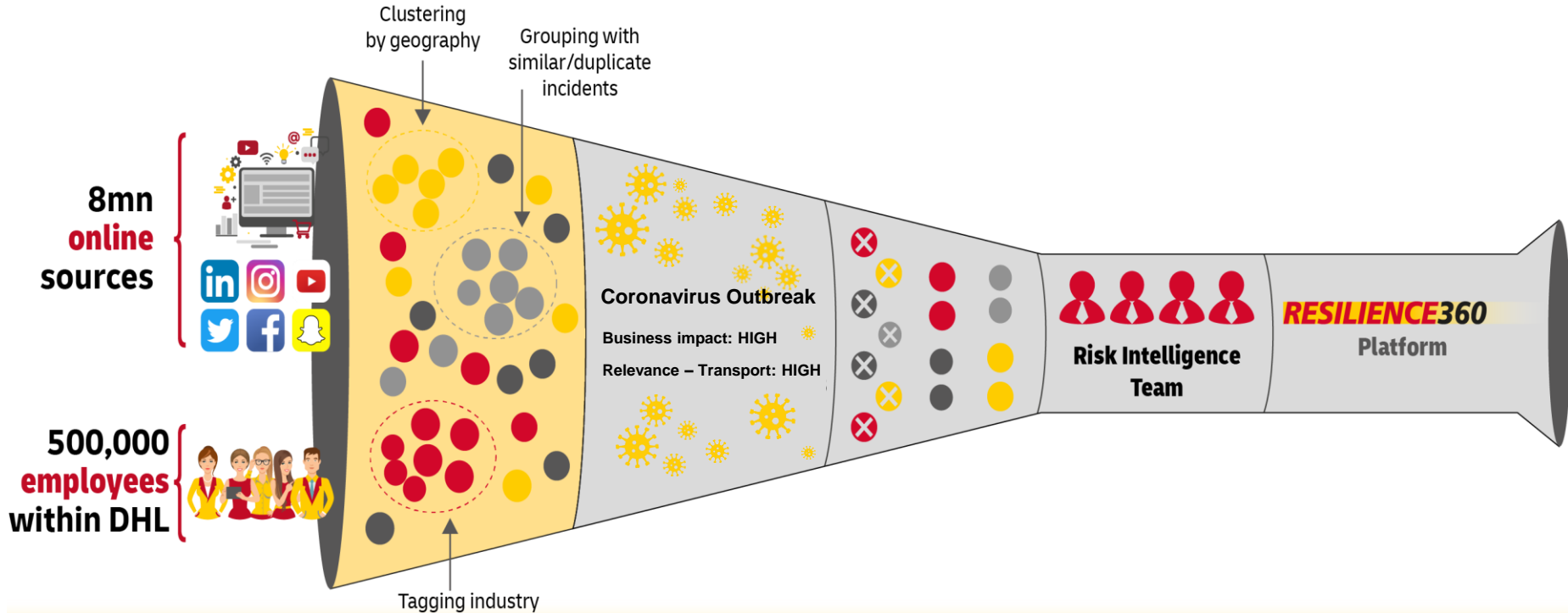
RESILIENCE360

- Resilience360 provides a market-leading solution for supply chain risk management
- DHL innovation project as response to Japan earthquake 2011
- R360 was launched in 2014 as an official DHL product
- Spun out in 2018 to accelerate growth and gain expertise through Venture Capital
- Today over 100 customers
- AI-based capabilities combined with human intelligence
- COVID-19 caused a 60 % surge in risk intelligence volume



Machine learning and human analysts

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COVID-19 impacts on supply chains

OCEAN

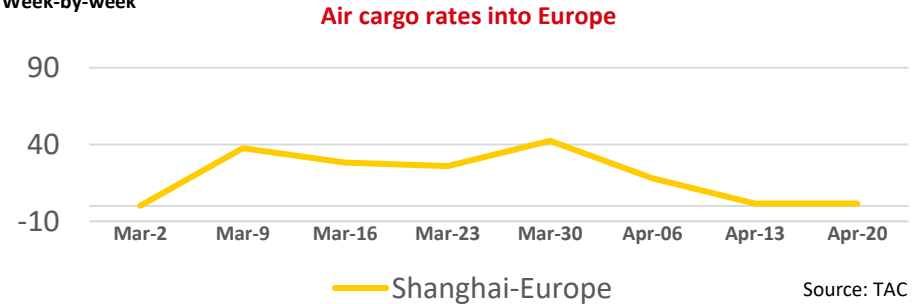
- **Port congestion:** Safety measures and absenteeism led to longer berthing times at multiple ports in the EU.
- **Fees and surcharges:** Carriers have imposed surcharges on container equipment and storing times.
- **Capacity shortages:** Blank sailings caused higher prices on export lanes from Europe.

Origin	Capacity shortage	Destination
Europe	➡	Far East
Europe	➡	MENA, India, Oceania
Far East	➡	Latin America, Oceania
North & South America	➡	Far East

AIR

- **Capacity shortages:** Imports from China faces uplift challenges due to reduce belly capacity.
- **Shipment delays:** Rerouting of low-paying cargo causing delays.
- **Bankruptcy risk:** Several airlines and cargo handlers face insolvency.

Percentage increase
Week-by-week



Source: TAC Index

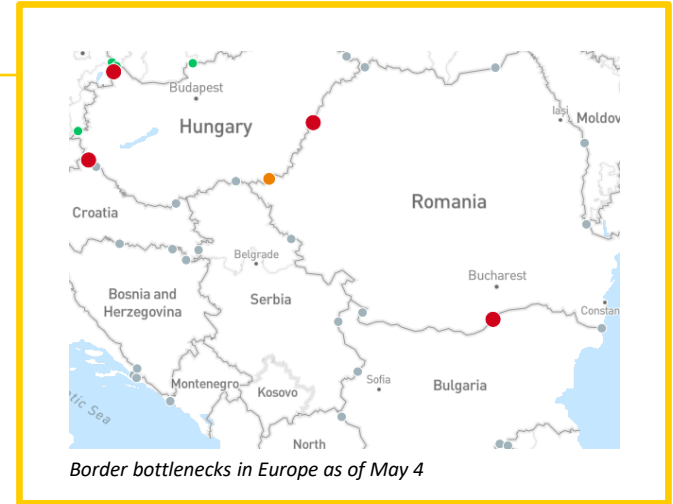
COVID-19 impacts on supply chains

ROAD

- **Border delays:** Border controls remain a challenge at crossings in Hungary, Romania and Bulgaria.
- **Truck driver shortage:** Quarantine measures cause shortages of truck drivers.
- **Bankruptcy risk:** German industry bodies warn of insolvency risk for freight forwarders.

WAREHOUSING

- **Terminal/depot congestion:** Some warehouses in Europe are at maximum capacity, causing bottlenecks.
- **Cargo theft risk:** Insurers warn of increase in cargo theft risk due to unsecured storage facilities.



COVID-19 impacts on manufacturing

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Average production halt of automotive plants (in days)

41

Source: Resilience360

Increase of recorded supplier bankruptcies from March to April 2020

23,8%

Source: Resilience360

Number of recorded force majeure due to COVID-19

25

Source: Resilience360

Short and medium term risks to supply chains

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UNCOORDINATED BORDER REOPENINGS

- Could cause another wave of border delays and disruptions.

DELAYS IN PAYOUT OF FINANCIAL SUPPORT FOR SMEs

- Some small business may no longer be in operation when receiving funds.

DIFFERENT NATIONAL RESPONSES TO SECOND INFECTION WAVE

- Unilateral approaches regarding new quarantine and other confinement measures could again challenge air, ocean and road cargo movements.
- EU guidelines for transport sector should remain valid beyond initial recovery period.

The repositioning of aircraft and vessel crews continues to challenge global supply chains

Different requests of national certificates could create administrative burden