EXTRA ITEMS FROM BULLETIN 2 REQUEST – “Best Practice Responses to Covid-19”

Item 1 – CILT Hong Kong report

Returning economies from lock down: Questions the European and North American economies have yet to begin to answer

In reviewing the global situation from a professional rather than a political viewpoint, it is easy to see that Asian economies in the main are further through the Covid-19 maturity profile. As professionals, we would be wise to look at how economies are now seeking to re-establish manufacturing and retail supply chains and safely bring pack movements of goods and people. Western economies will be wise to look at Asia from a mindset of seeking to learn rather than start from the beginning again, as the health systems in the west were often guilty of doing.

Hong Kong began their lockdowns shortly after the Wuhan lockdown was announced on January 23rd. Their infection rates per head of population was very much lower than European levels and they have begun the post lockdown phase for a number of weeks.

You can read the detail of the diary of events and the response of the industry in this full report from CILT Hong Kong **read here**

In summary by March manufacturing was back at 80% capacity but the global supply chain difficulties meant a 70% reduction of air traffic, disrupted and contracted sea freight, blockages in ports and inbound containers built up and were not cleared, and 40% of road freight capacity standing idle.

Now the supply chain markets are reacting by the creation of multiple independent supply chains with active and responsive frequent changes to how goods are moved and delivered.

CILT Hong Kong predict far more direct buying and selling, via especially e-business and use of couriers or integrators and post services. The traditional business relations between buyers and sellers will be challenged.

Financially, Liquidity is the most critical issue. Business need to have a critical focus on cash and governments & administrations will need to inject liquidity in an unprecedented scale.

In the new supply chain that develops, we will see that the pandemic will accelerate the adoption of block chain and similar technologies to overcome greater control at borders and between transport modes.

Item 2 – CILT Bangladesh report

Globalisation has created centres of manufacturing in developing economies across the world. In Asia Bangladesh has been a source for mass manufactured goods with the ready made garment industry providing 84% of the country’s export income. The immediate impact is the large scale cancellation of orders and the resultant layoffs of the more than one million workers directly employed and many more in indirect businesses. Many of these are in transport and logistics.

This is creating a humanitarian crisis that the government is seeking to manage and control. CILT Bangladesh are actively involved in responding to that crisis with an immediate focus on assisting people who have lost their livelihood and their ability to feed their families. As transport and logistics professionals, this means assisting the government with practical advice focused on movement of food and medicines and working and collaborating across the industry enabling businesses to survive and work together. CILT has an important, independent role in tackling these new critical issues for the industry and the wider economy.

Please read about this in the CILT Bangladesh report **– Read here**

**Item 3 – CILT Ghana Report**

“Operators must brace themselves for new regulatory constraints as well fast-changing consumer demands”

Ghana is Africa’s fastest growing economy with one of the highest growth rates in the world. The current crisis has quickly imposed very new economic difficulties as the country has gone into a regionally imposed lock down in the two most populous states. Being at the early point of the curve in terms of numbers of cases it is difficult to see if Africa will follow a European or Asian path in terms of the health impact although key factors working positively and negatively will be the younger population profile and the lower provision of state health care.

Currently logistics and transport is limited by lock down measures. Immediately different solutions are being applied with some success. Electronic forms of payment, e commerce generally and virtual communications are becoming the new normal. At the same time there are restrictions on wholescale adaption of these new methods because of accessibility issues for many and high demand for these products.

To understand those immediate impacts on the industry please see the CILT Ghana report **– Read here**