

ASO PORTUARIA UPDATE

BULLETIN # 5 - April 2020

Update of the Port Situation before COVID – 19

In the previous edition, we observed on the Port and Logistics overview that awaited us, in the face of the crisis generated by COVID 19. We saw how the international maritime and port industry was behaving, and trends from the main products mobilized through our terminals.

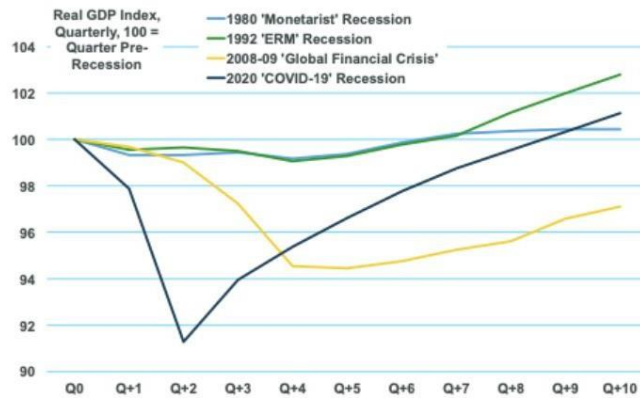
Almost a month later, we entered the final phase of a confinement of a month and a half, which has undoubtedly caused an economic crisis and a certain recession, where the vision that we must have is how to continue in our activities and resume our course.

The ports, again, are a reflection of the state of the economy of their Hinterland (zone of influence). In this space we seek to update on the news and trends of the port, maritime and logistics industry in the face of this new reality, with the risk of quickly becoming obsolete due to the speed with which changes are advancing and policies are dictated by the governments and entities.

At the international level, there is a consensus that ports are of vital importance to face the crisis around the world, guaranteeing the supply of the countries, the supply of food, medical supplies, energy sources and maintaining the little commercial and industrial activity that is operating. All ports are operating with strict protocols to prevent the spread of the virus, but very few have closed at all. On the one hand, the industrial revival in China has boosted the market for containers and other supplies, but the closure in Europe, Latin America and much of the United States has affected foreign trade.

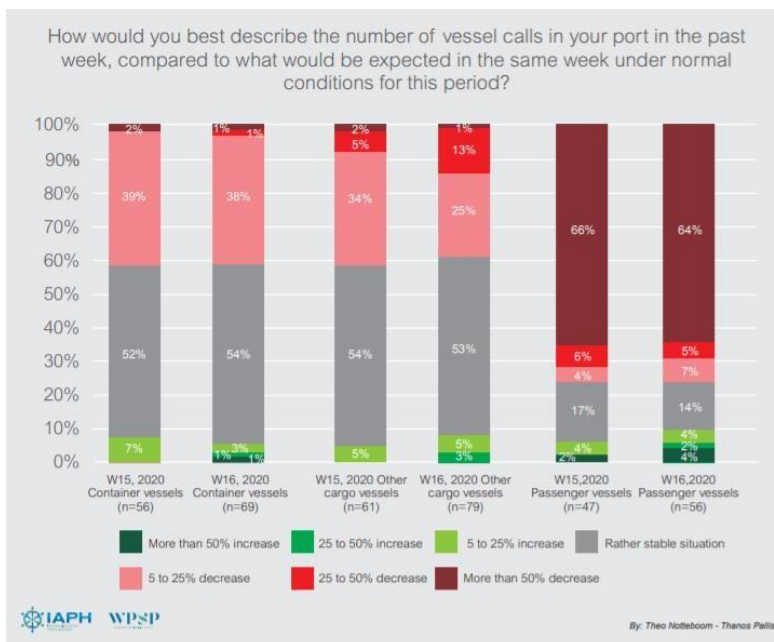
Container trade forecasts for Latin America show a 4.9% decrease for this year, according to Port Economics. Meanwhile, the World Trade Organization projects a decrease in world trade of between 13% and 20% during 2020, with the greatest impacts in North America and Asia and the electronic and automotive sectors being the hardest hit. Experts also believe that, although this situation is going to cause an even deeper recession than that of 2008, it has the potential for a faster recovery.

Chart – EU 27 + UK economic trajectories



Source: Maritime Strategies International

The following graph, prepared by the IAPH, shows that between 52% and 54% of the ports have seen stable the movement of container ships and other cargoes arriving at their terminals. It draws attention as from one week to the next, the decrease in other cargoes increases between 25% and 50%, surely influenced by the decrease in touches of tanker ships, due to the low demand for crude oil and little availability of storage in ports. .



In the case of the ports of Barranquilla, during the months of March and part of April, it was not yet possible to see such a significant impact on import volumes, since most of the orders were already made. This is how grains, food and construction material kept coming. Difficulties in road transport, due to the few available places that provide services to the driver, such as restaurants, hotels, workshops and others, have caused it to be operating at approximately 50%, even despite the efforts of the central government to ease the impact.

This, and the low cash flow to carry out the nationalizations, has made it difficult for the products to leave the ports, so the yards and warehouses are in high use and with little space to receive new merchandise. Such is the case of steel, which has caused that, in conjunction with Camacero, ASOPORTUARIA joined the requests for relief and facilities for this sector.

In the case of the Barranquilla Port Area, being a multipurpose port that does not depend exclusively on one type of product, the impact of the situation has been felt, but imports and exports have not stopped being mobilized. As already mentioned, the main impact is in construction materials, crude oil and its derivatives and containers. The effects and recovery of the pandemic are yet to be seen, but from ASOPORTUARIA we are optimistic that the sector will continue to be vital to support the necessary economic recovery of the country and its productive apparatus.

ASOPORTUARIA and Camacero ask for relief for the Steel import sector

Both business unions made a call to the central government in order to alleviate the sector, facing the more than 160,000 tons of steel that come in transit and many others that are in the yards of the ports. The difficulty that steel importers have in mobilizing this cargo and paying the nationalization taxes, in addition to the storage situation in the ports, led to calls for measures that allow it to be nationalized in the importers' warehouses and that temporary customs warehouses are enabled.



Comunicado de prensa

160.000 toneladas de acero están por llegar al país y el sector no tiene la liquidez para nacionalizarlas y los puertos no cuentan con el espacio para su almacenaje

- La cantidad de acero que está por llegar y que se compró semanas antes de iniciar la pandemia es el equivalente a 20 Torres Colpatria o al consumo de una ciudad como Cali en un año.
- Con el fin de preservarla la poca caja que le queda al sector y así mantener los empleos, se le propuso al Gobierno Nacional aplazar los cobros de los Tributos Aduaneros hasta 90 días después del fin del Aislamiento preventivo Obligatorio.
- Junto con ASOPORTUARIA, buscando evitar que se produzca un colapso en la capacidad de almacenaje de los puertos del país, debido que por la falta de transporte y ralentización de las nacionalizaciones el acero no está saliendo de las terminales, se le solicitó al Gobierno que esta pueda ser trasladada a otras instalaciones sin necesidad de ser nacionalizada.

Tribute to our Heroes

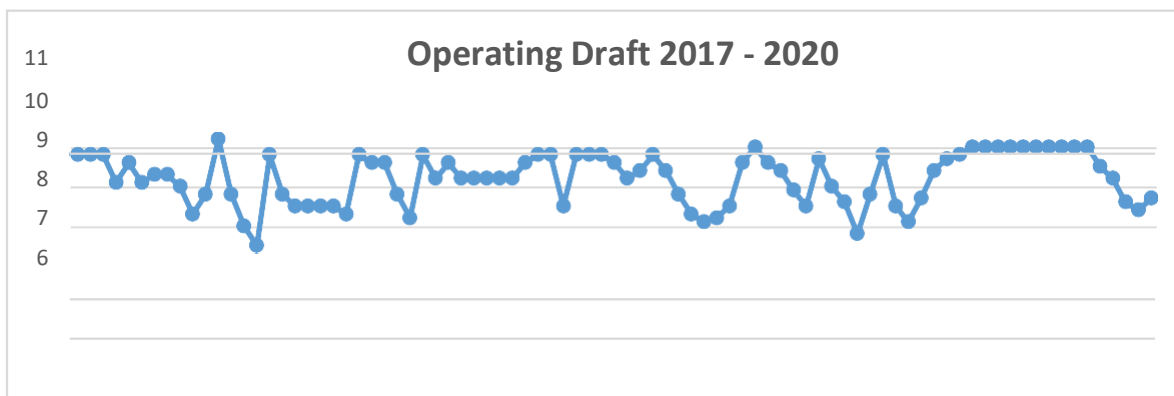
ASOPORTUARIA joins to the multiple expressions of thanks and appreciation for the work of the multiple heroes who ensure that our economy and supplies do not stop completely. Port operators, transporters, logistics, stevedores, operators, pilots, maritime agents; all who with their commitment and dedication allow the wheel to not stop turning.



Openwork situation in the Port Area of Barranquilla

In recent days, ASOPORTUARIA made a strong pronouncement before Findeter and Cormagdalena, in the sense that the contractor should be immediately required to comply with contractual obligations to restore stability to the access channel to the port area of Barranquilla. Although meteorological conditions have made dredging difficult in the Bocas de Ceniza sector, little progress has been seen by the contractor when opportunities to dredge have existed.

The dredger is currently working in the external sector of Bocas de Ceniza, as conditions have improved. This allowed a slight improvement in the operating draft, and it is expected to soon reach more than 9 meters. From ASOPORTUARIA we will continue to demand full compliance with the contract, which expresses a design channel that allows a draft of 10.2 meters and which also warned the contractor of the adverse conditions present at certain times of the year, where it had to take precautions to comply with the contract and give stability to the access channel.



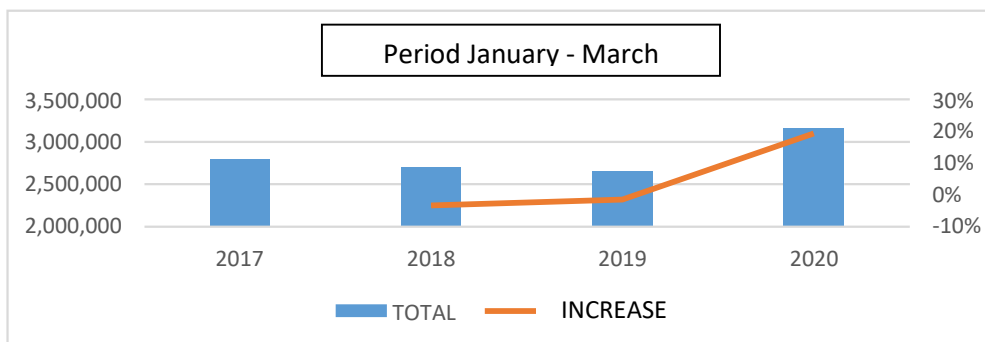
What's next?

Although the breeze period was extended in April for much of the month, it is expected that in May they will drop considerably and allow the uninterrupted work of the dredger, to return to having a channel greater than 10 meters in a stable and reliable manner.

We have made it known to the entities in charge of dredging, contractor and central government that the stability in the access channel depends largely on the supply of the city and the maintenance of the productive apparatus, so important in these moments of crisis. Even the Mayor of Barranquilla made a public complaint about it

A historic first quarter closes for the Port Area of Barranquilla

Despite the difficulties presented in March, largely due to draft restrictions and the COVID crisis, a historical volume was presented during this period, in which more than three million tons were mobilized (3, 162,730 exactly), achieving a growth of 19%



Forum on the new Conpes of the National Logistics Policy

On April 29 at 3pm, ASO PORTUARIA organizes a free Webinar on the new National Logistics Policy Conpes, its main components and applicability in these times of crisis. On April 29 at 3pm, ASO PORTUARIA organizes a free Webinar on the new National Logistics Policy Conpes, its main components and applicability in these times of crisis.



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