



PRIORITY FREIGHT DELIVERS URGENT MEDICAL SUPPLIES AMID WORLDWIDE PANDEMIC

- Supporting a large number of OEMs and tier suppliers
- Overcoming challenging customs delays, changing regulations and sourcing scarce uplift
- Delivering urgent PPE and medical equipment across the world as quickly as possible

As the coronavirus pandemic brought the world to a virtual standstill, the automotive industry witnessed production facilities close around the globe, a dramatic decline in vehicle sales and the cancellation of most of this year's motorsporting events.

The six most hard-hit nations - China, Korea, Italy, Japan, US and Germany - account for 60% of the world's manufacturing and half of the world's manufactured exports. As the virus originated from China, and they reacted so quickly, with no air traffic to or from the country, it became near impossible to source the necessary components to continue manufacturing processes around the world.

The supply disruptions hindering production had a substantial knock-on effect, significantly slowing world trade. Already we have seen the number of exports fall in the most severely hit nations as well as the number of imports fall in their trade partners.

The automotive sector has been particularly disrupted by breaks in the international supply chain, causing OEMs and suppliers from all nations to pause production and introduce temporary layoff measures for its staff (e.g. furlough and

'Force Majeure'). For example, a shortage of parts coming from China forced Korean carmaker, Hyundai, to shut all its car plants in Korea in February. While others avoided closure for as long as they could, by flying emergency supplies from China in suitcases, but inevitably closed their plants in March.

In response to the Government's call for help, many manufacturers changed production lines to manufacture personal protective equipment (PPE) - such as masks, shields, gowns, gloves, hand sanitisers - and medical equipment, making the CAD files open source to share with other firms so they may also manufacture them.

The critical global health crisis has brought about the biggest logistics challenges that Priority Freight has ever seen. During the pandemic, Priority Freight has not only supported automotive clients but also governments, local authorities and medical companies to ensure their goods arrive as quickly as possible, including delivering PPE into France, Germany, Sweden and the UK. It has been particularly challenging to not only source the scarce uplift from China but also to deal with severe customs delays, with some

For more information, contact: **Emma Cooper**, Group Marketing Manager

t +44 (0)7813 348875 **e** emma.cooper@priorityfreight.com

t +44 (0)203 805 77 33 **e** info@priorityfreight.com **www** www.priorityfreight.com

queues of nearly two days long caused by the necessary changes to customs procedures.

For example, the Chinese Customs put in place very strict regulations for all masks (surgical and protective) to trace the origin and licenses of all products exported by traders and producers. They have been checking the origin, license and certifications, and labelling are all correct and in accordance with regulations and carrying out detailed inspections of the content of every box to check the material inside matches with the documents.

In addition to these challenging delays, the Civil Aviation Administration of China (CAAC) restricted international flights to one per week, making the task of sourcing uplift from China itself to be even more difficult. The market has become very competitive in terms of availability and causing daily fluctuations in pricing.

To compensate, many airlines have been increasing capacity by utilising cargo-only passenger flights and removing seats to make additional space. Qatar Airways even, on 23rd April 2020, set a new aviation record with 136 freighter flights on the same day.

With most shipments comprising of urgently required PPE masks - manufactured in Singapore, Japan and China, and urgently required in Europe and the UK, and despite limited uplift opportunities, Priority Freight has delivered some larger, more heavy loads, including one shipment of five million masks weighing a total of 32 tonnes.

Regardless of the complications, Priority Freight has supported a large number of OEMs and tier suppliers to move in excess of 100 shipments of PPE and medical equipment.



ABOUT PRIORITY FREIGHT

Priority Freight is a leading time-critical logistics specialist, operating 24/7, 365 days a year. With several strategically-located control centres across Europe, and a global network of agents, the company provides bespoke, global solutions for even the most complex logistics challenges. By partnering with and supporting its clients, the company adds speed and flexibility to their supply chains, ensuring each consignment is delivered on time and in perfect condition every time.

Priority Freight's highly experienced team of multilingual logistics specialists are committed to providing the fastest, most cost-effective and reliable solutions, time and time again. With a reaction time of under 15 minutes, and an on-time delivery rate of 99.6%, it is this dedication that has seen the company achieve a high client satisfaction score.

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