



CENTRAL AMERICAN COMMISSION FOR MARITIME TRANSPORTATION



REPORT

SECOND SURVEY

IMPACT OF COVID-19 ON THE PORT OPERATIONS OF CENTRAL AMERICA AND THE DOMINICAN REPUBLIC



SEPTEMBER 2020

CONTENTS

PRESENTATION 2

I. GENERAL INFORMATION 4

II. COVID-19 DETECTION IN PORT FACILITIES..... 5

III. PREVENTIVE ACTIONS AT PORTS/TERMINALS..... 9

IV. LEVEL OF IMPACT OF COVID-19 ON PORT OPERATIONS 10

V. FLUIDITY OF PORT CARGO 18

VI. PROSPECTS..... 20

VII. RECOMMENDATIONS OF THE PORTS / TERMINALS TO THE NATIONAL GOVERNMENTS TO GUARANTEE ADEQUATE LEVELS OF PORT SERVICE TO THE VESSEL AND THE CARGO 22

VIII. CONCLUSIONS..... 23

REPORT: IMPACT OF COVID-19 ON PORT OPERATIONS IN CENTRAL AMERICA AND THE DOMINICAN REPUBLIC

Presentation

As part of the monitoring process of the impact of the global emergency generated by the coronavirus pandemic (COVID-19) in the region's maritime and port scope, the Central American Commission for Maritime Transportation (COCATRAM) presents the results of the Second Survey on the "Impact of COVID-19 on Port Operations of Central America and the Dominican Republic".

This report has been based on a survey responded by 32 ports and terminals in Central America and the Dominican Republic, between July 23rd and August 15th, 2020 in Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and the Dominican Republic. The sample represents 55% of the foreign trade ports and terminals in the geographical scope of the survey.

The report is structured in eight sections. In the first, it is presented the general data of surveyed ports; followed by information related to the detection of COVID-19 and preventive measures at port facilities. In the subsequent section, the impact of COVID-19 on port operations in relation to the reception of MARPOL waste, workers, expenses generated, port services to vessels, cargo throughput and the supply chain. Next, descriptive data is shown in attention to the cargo fluidity and impact perspectives; ending with the recommendations issued by the surveyed ports / terminals and the conclusions derived from the data collected.

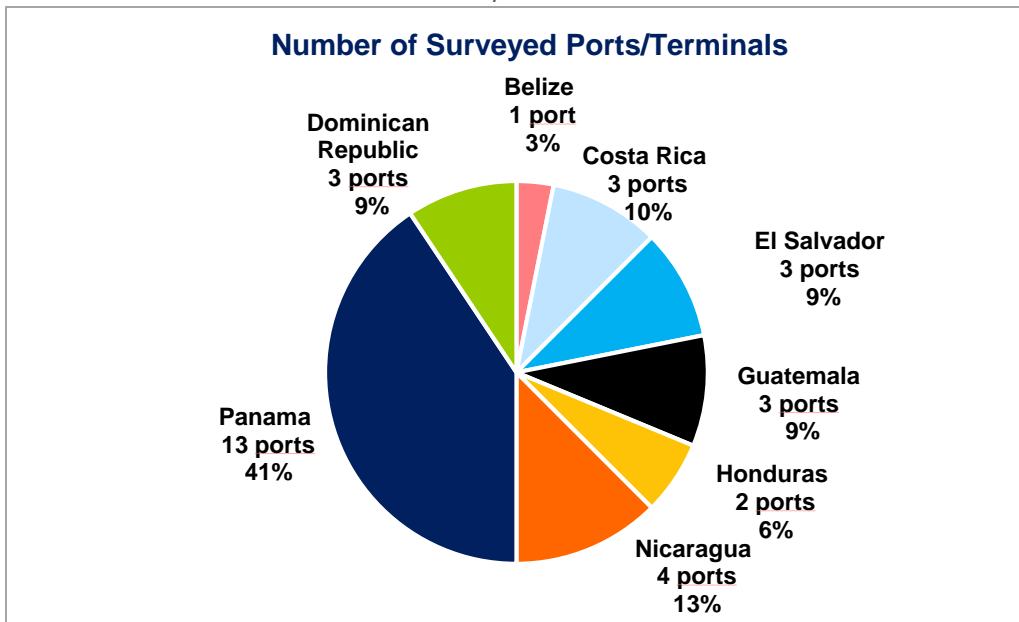
The methodology used to prepare the report is based on two levels: data (quantitative and qualitative) and methods (inductive and deductive). Likewise, it is based on a descriptive analysis of responses received from 50% of container ports / terminals, 67% of liquid bulk ports, 67% of solid bulk ports and 50% of multipurpose ports, from the total ports of the region.

In this sense, the results shown afterwards describe the situation and impact of COVID-19 in the ports that responded the survey; describing to some extent the

regional outlook, contributing to the decision-making process of ports / terminals and the governments of Central America and the Dominican Republic.

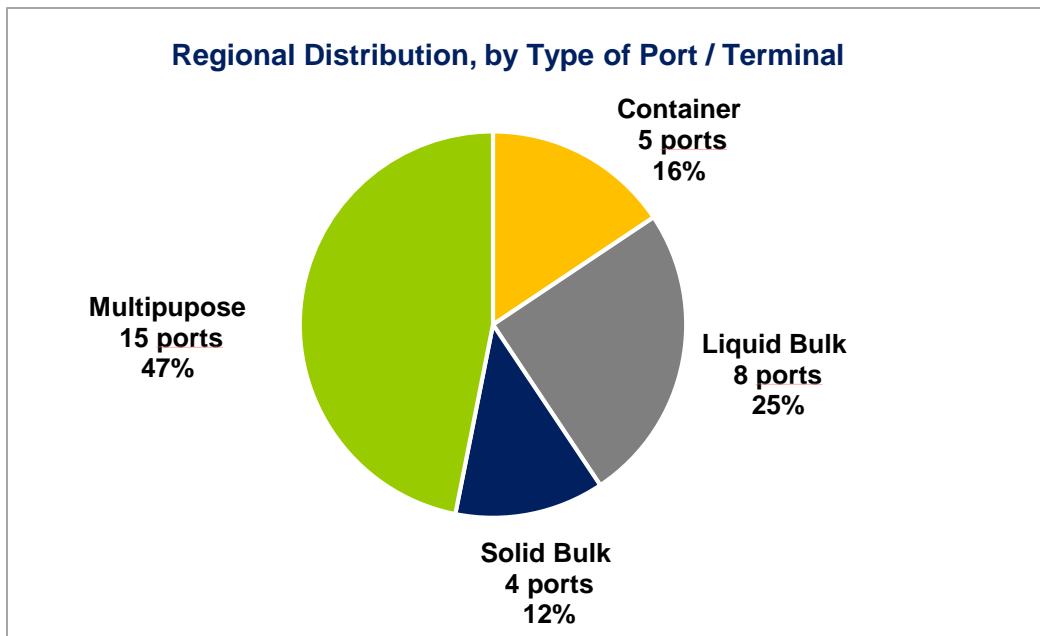
I. GENERAL INFORMATION

Graph No. 1



Source: II Survey COVID-19 (COCATRAM)

Graph No. 2



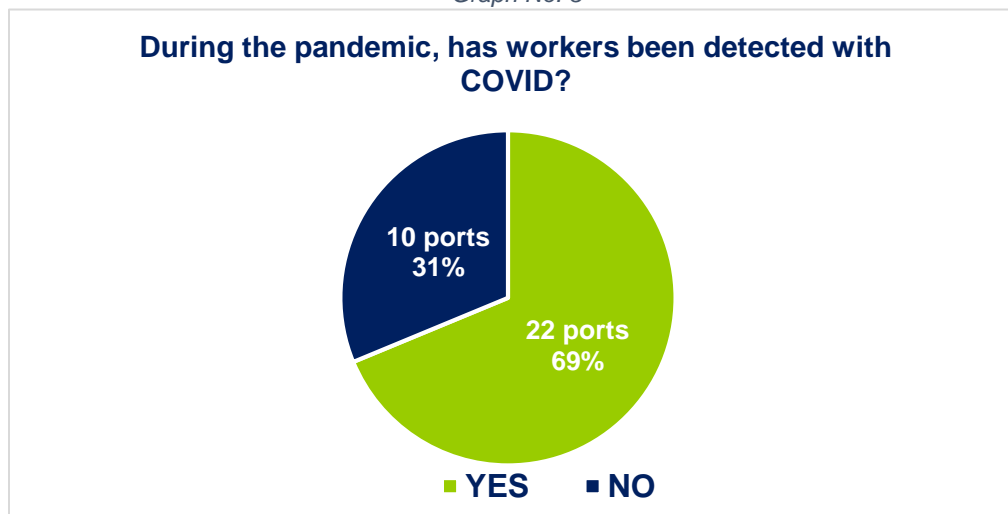
Source: II Survey COVID-19 (COCATRAM)

II. COVID-19 DETECTION IN PORT FACILITIES

COVID-19 has spread throughout the world and has affected a large number of people, not excluding personnel working in ports / terminals. Thus, this section shows the descriptive results on the number of infected port workers, the existence of COVID-19 tests or protocols in port facilities to detect the virus, and general data on other respiratory diseases that have been identified at the same time.

Port Workers

Graph No. 3

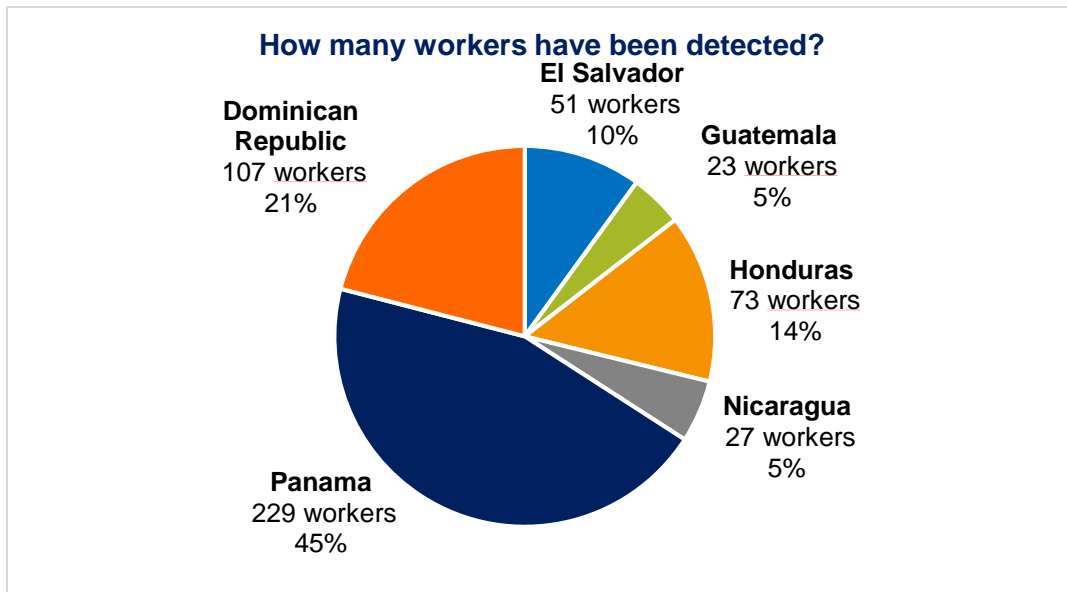


Source: II Survey COVID-19 (COCATRAM)

The extent of COVID-19 in port facilities of the region is evident by the number of ports / terminals that reported infected workers with this virus. Accordingly, 69% of the surveyed ports / terminals detected workers with symptoms of COVID-19, while 31% did not register cases (Graph No.3).

Compared with the results of the survey carried out in April, an increase of 51% is observed in the number of ports / terminals that detected cases, increasing from 18% in the first survey to 69% in the second.

Graph No. 4

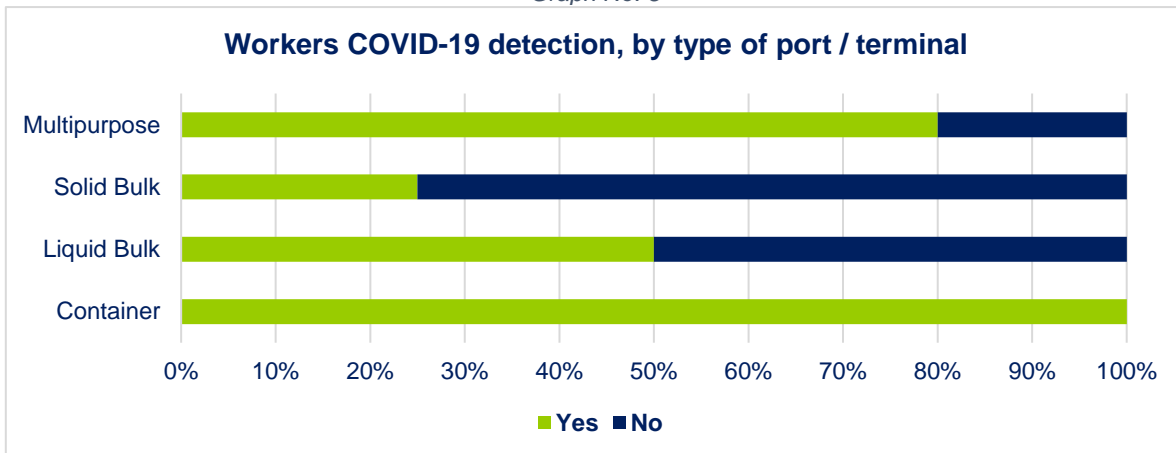


Source: II Survey COVID-19 (COCATRAM)

The highest number of detected cases is focused in Panama and the Dominican Republic, with 45% (229 workers) and 21% (107 workers), respectively, representing together 66% of the total. However, considering the number of ports in relation to the number of workers detected, the ports / terminals of the Dominican Republic presented the highest average quota, compared to Panama (Graph No.4).

Comparing the results with the first survey, the number of cases detected with COVID-19 in the port facilities that responded, increased from 11 to 510.

Graph No. 5

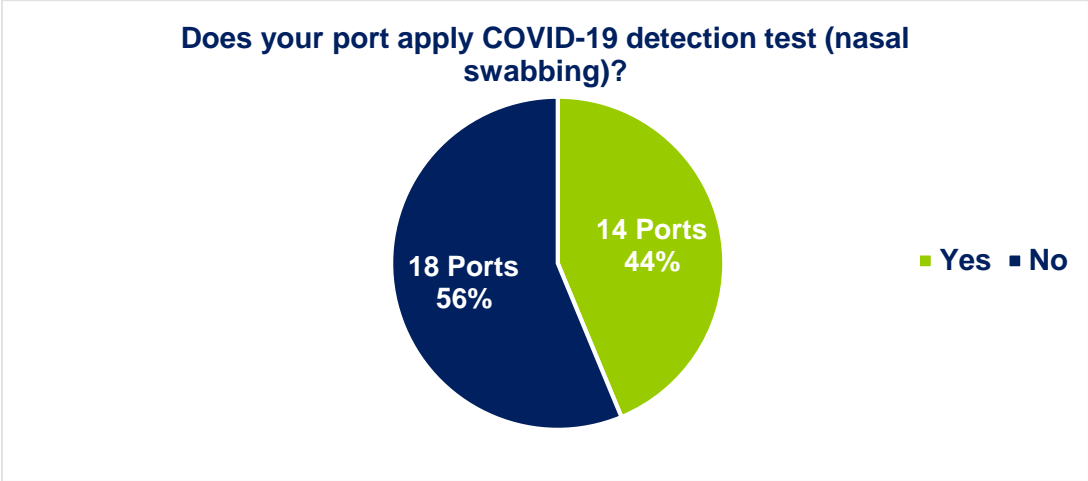


Source: II Survey COVID-19 (COCATRAM)

Regarding the type of port / terminal, 100% of the container ports that responded, detected COVID-19 in their workers, while in the rest of the terminals this percentage was lower. (Graph No.5).

COVID-19 detection tests

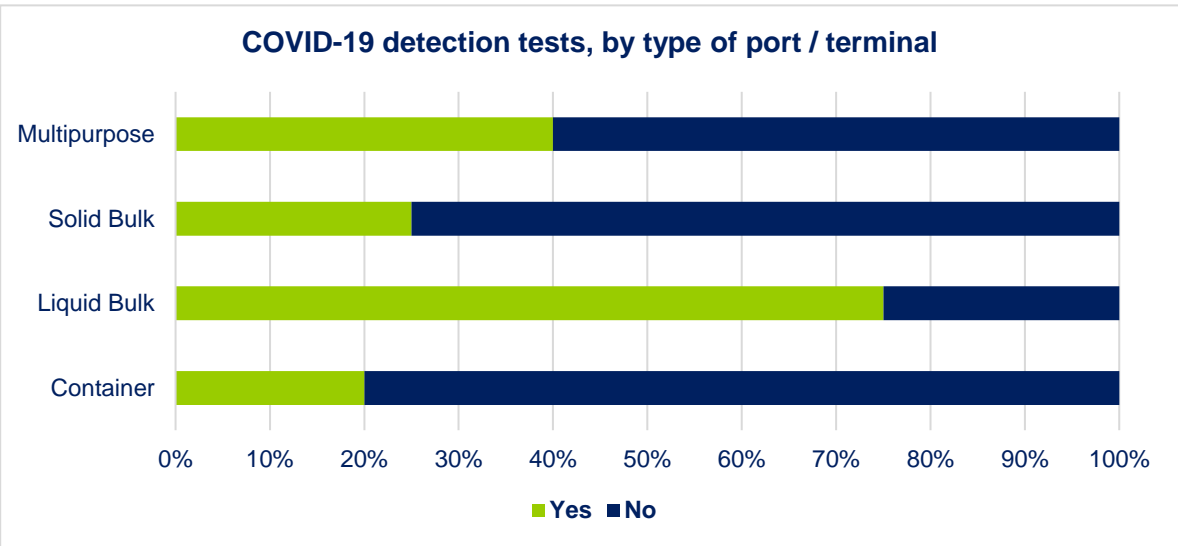
Graph No. 6



Source: II Survey COVID-19 (COCATRAM)

Access to COVID-19 testing is one of the most effective tools to keep the pandemic under control, until an effective vaccine is available. Under this premise, it was asked if the ports / terminals carry out tests for COVID-19 detection; to which, 44% (14 ports / terminals) answered affirmatively, while 56% (18 ports / terminals) stated the opposite (Graph No.6).

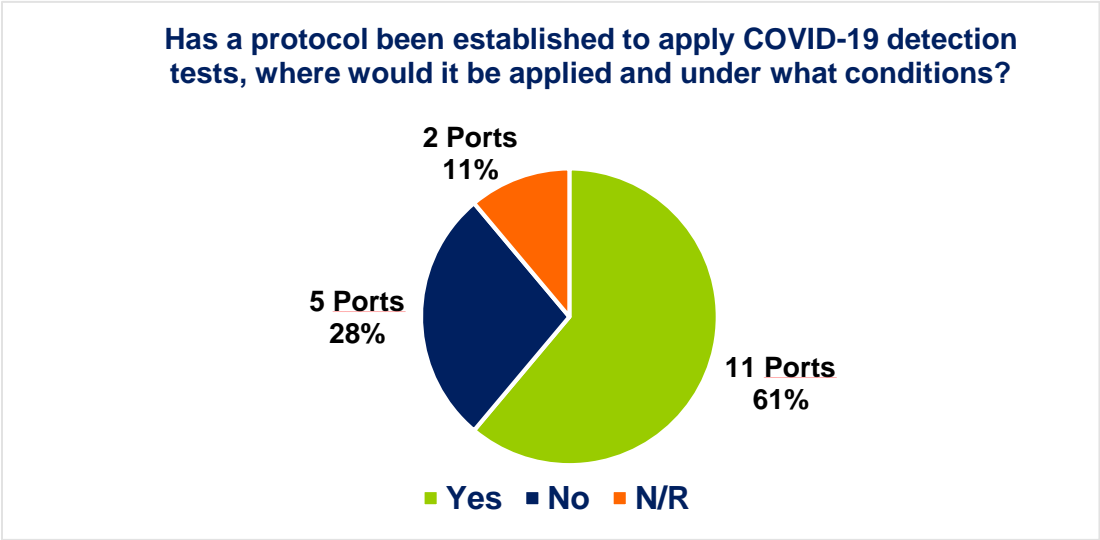
Graph No. 7



Source: II Survey COVID-19 (COCATRAM)

According to the type of port / terminal, most of the multipurpose, container and solid bulk ports / terminals stated that they do not perform COVID-19 detection tests in their facilities; however, 75% of liquid bulk ports / terminals do so (Graph No.7).

Graph No. 8

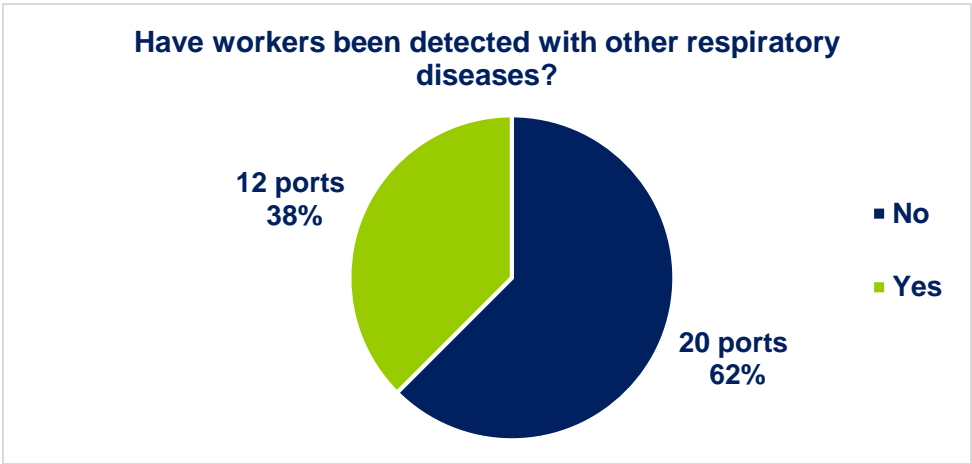


Source: II Survey COVID-19 (COCATRAM)

From the 56% (18 ports / terminals) that stated that they did not perform COVID-19 detection tests in their port facilities, 61% (11 ports / terminals) responded that they had a protocol for this purpose, which involved the Ministries of Health; 28% (5 ports / terminals) acknowledged that they did not have such a set of procedures and 11% (2 ports / terminals) did not express any response in this regard (Graph No.8).

Other respiratory diseases detection

Graph No. 9

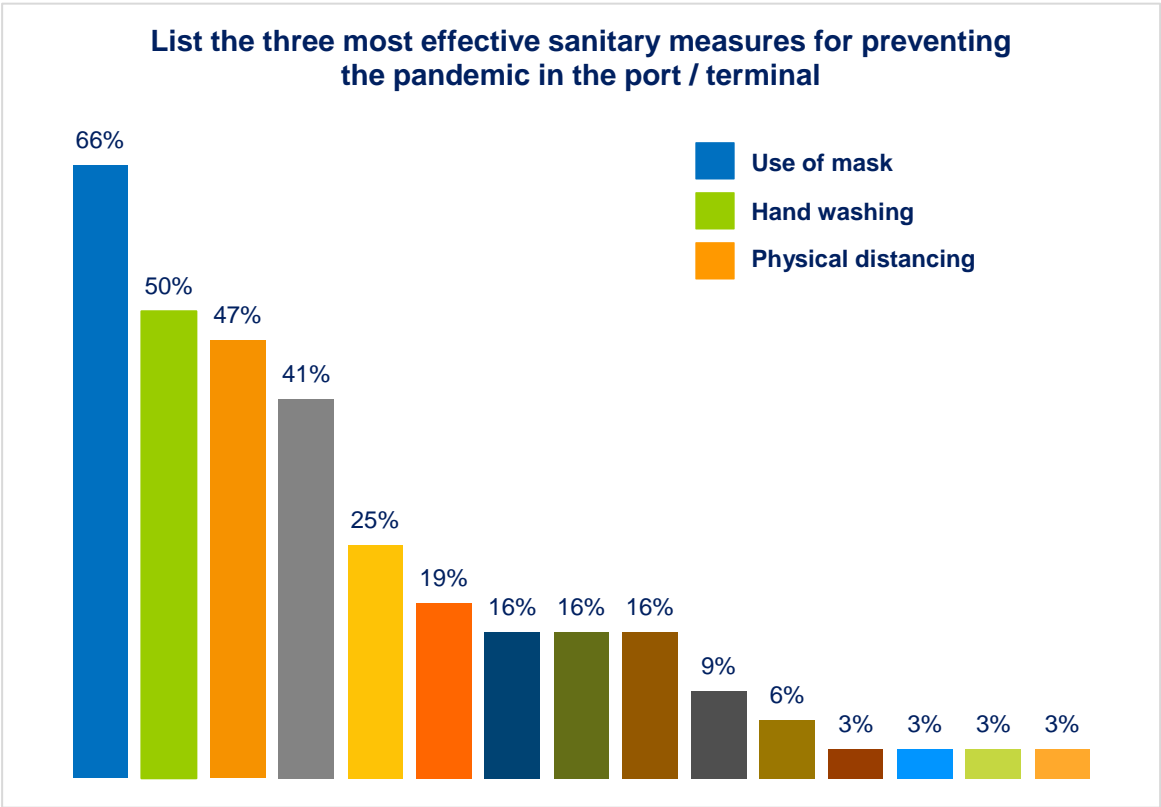


Source: II Survey COVID-19 (COCATRAM)

In addition to COVID-19 detection, the presence of other respiratory diseases was considered, bearing in mind that winter is a season in which the contagion rate of this type of sickness tends to increase. So that, from the number of ports / terminals that responded to the survey, 38% (12 ports / terminals) stated that they detected other respiratory diseases, while 62% (20 ports / terminals) indicated the opposite (Graph No.9).

III. PREVENTIVE ACTIONS AT PORTS/TERMINALS

Graph No. 10



Source: II Survey COVID-19 (COCATRAM)

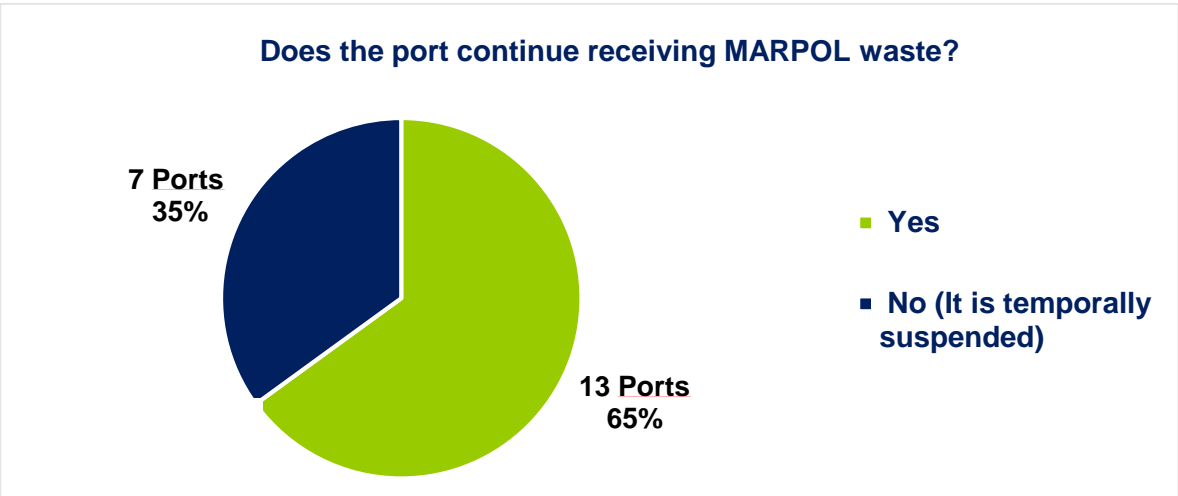
The results of the survey point out that the application of preventive measures are aligned with the World Health Organization (WHO) sanitary recommendations, in such a way that, the three most effective sanitary measures for prevention during the pandemic according to the respondents were: use of a mask (66%), hand washing (50%) and physical distancing (47%) (Graph No.10).

IV. LEVEL OF IMPACT OF COVID-19 ON PORT OPERATIONS

With the purpose of knowing the areas in which COVID-19 has impacted on port facilities, this section was structured in relation to the MARPOL waste reception service, workers, expenses, port services to ships, cargo volumes and supply chain.

Impact of COVID-19 on the reception of MARPOL waste

Graph No. 11

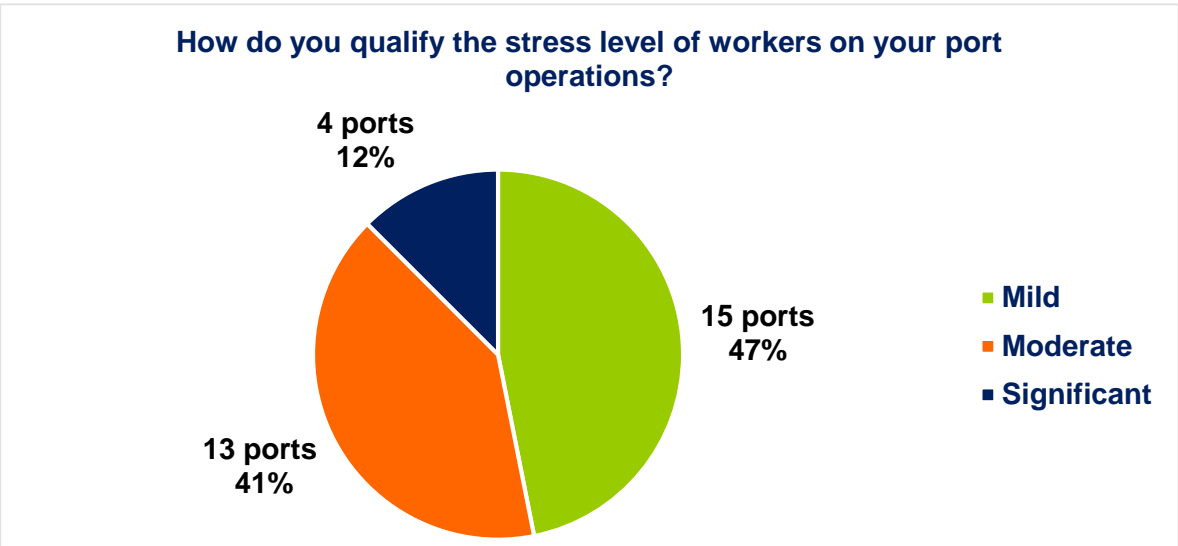


Source: II Survey COVID-19 (COCATRAM)

Regarding the impact of COVID-19 on the reception of MARPOL waste, Graph No.11 shows that 35% (7 ports / terminals) have temporarily suspended this service; while in the previous survey was 23%.

Impact of COVID-19 on workers

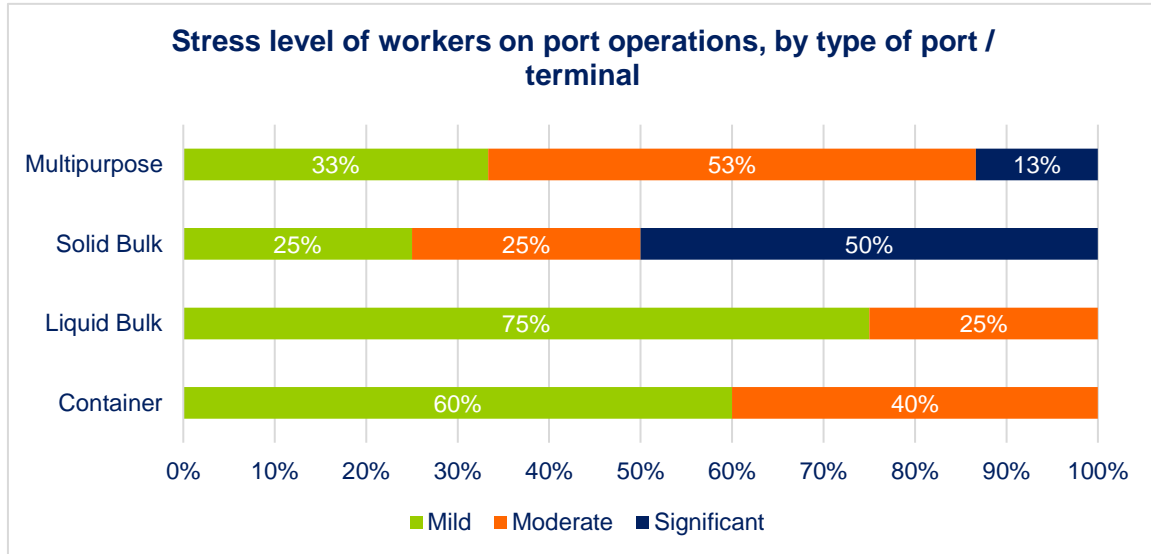
Graph No. 12



Source: II Survey COVID-19 (COCATRAM)

The outcomes in Graph No.12 expose that all the workers in the ports / terminals that responded the survey, have experienced, without exception, some level of stress.

Graph No. 13



Source: II Survey COVID-19 (COCATRAM)

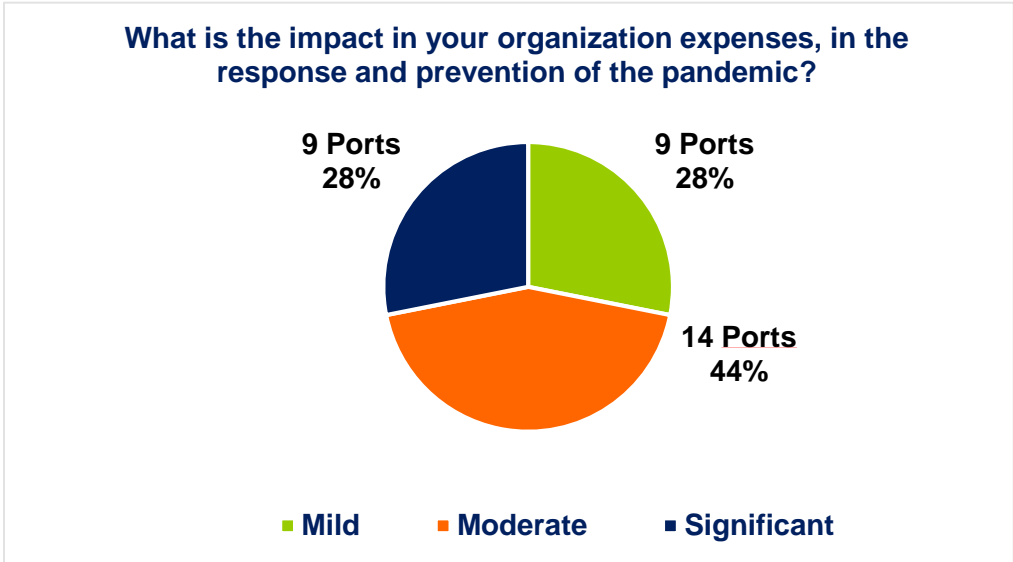
However, the liquid bulk and container terminals did not report significant stress on their workers, as shown in Graph No.13. On the other hand, 3 of the 4 solid bulk terminals, reported high level of stress in their workers.

Finally, it should be highlighted that the manifestations of stress levels on workers indicated by the surveyed ports include:

- Fear and anxiety of contagion.
- Panic attacks.
- Lack of concentration on tasks and problems when communicating.
- Resisting austerity measures.
- Resisting to form work groups.

Impact of COVID-19 on expenditure structure

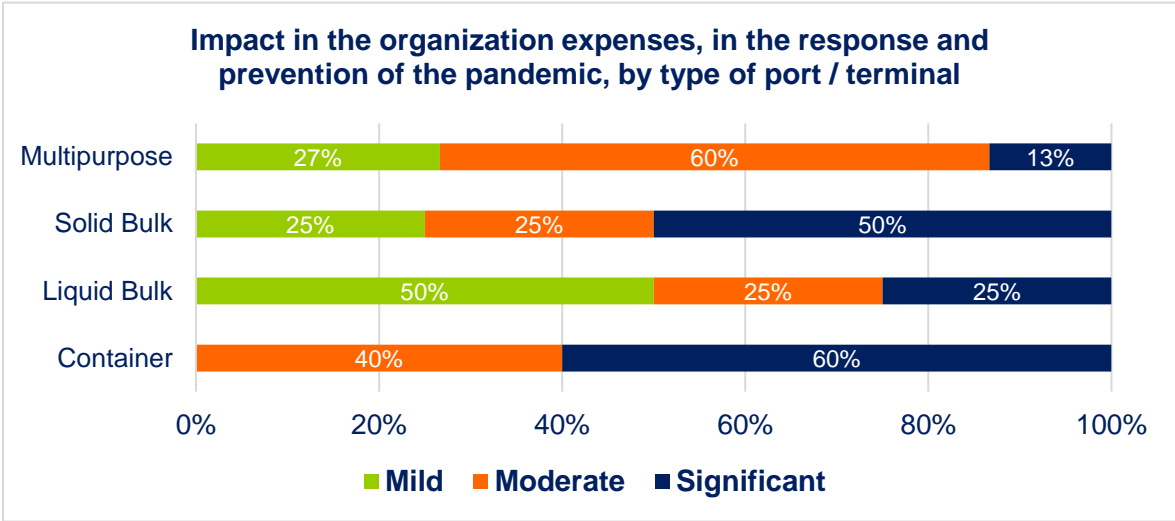
Graph No. 14



Source: II Survey COVID-19 (COCATRAM)

The results of the survey show that 28% of the ports / terminals had a mild impact on the expenses associated with the pandemic, while 44% indicated a moderate impact and 28% a significant impact (Graph No.14).

Graph No. 15

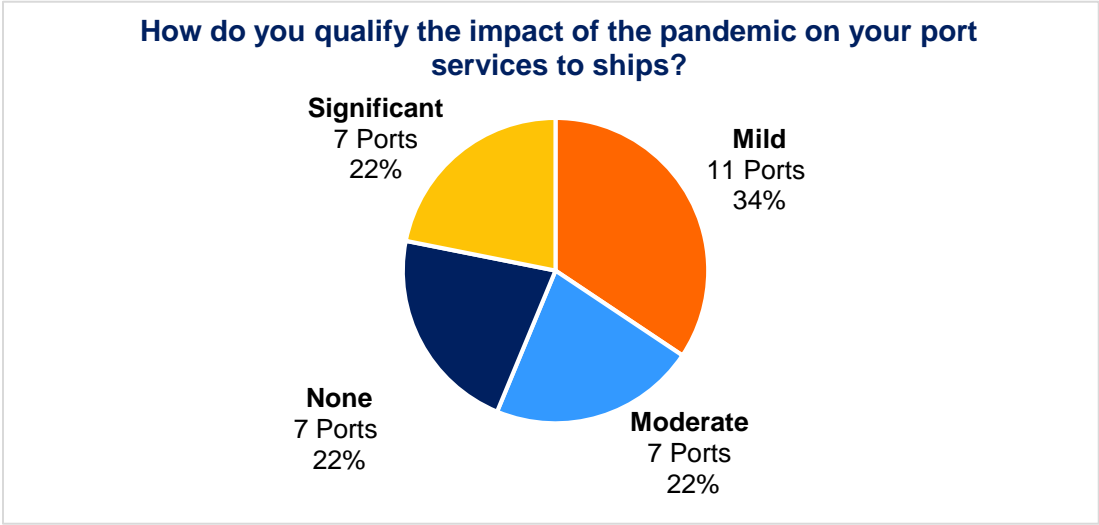


Source: II Survey COVID-19 (COCATRAM)

Considering the incidence of expenses related to COVID-19 response and prevention measures, container and solid bulk ports / terminals were the most impacted (Graph No.15).

Impact of COVID-19 on port services to ships

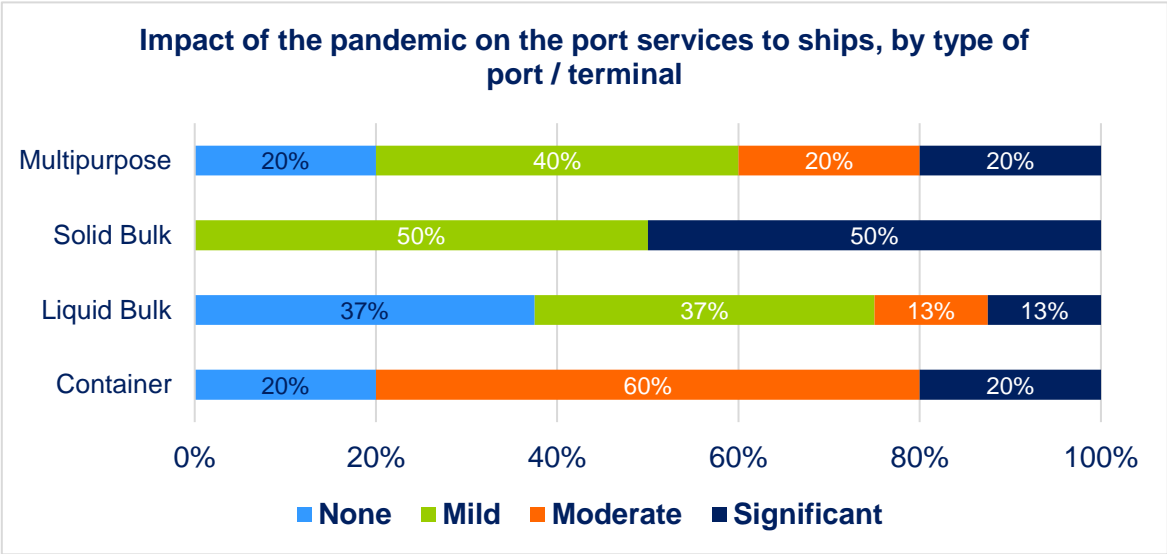
Graph No. 16



Source: II Survey COVID-19 (COCATRAM)

Regarding the impact of COVID-19 related to attending ships, 22% responded that they had a significant impact, indicating to some extent, that most ports / terminals have effectively managed to counteract its effects in benefit of their quality of service (Graph No.16).

Graph No. 17



Source: II Survey COVID-19 (COCATRAM)

According to the type of port / terminal (Graph No.17), those that attend solid bulks reported the highest impact on servicing ships, due to the effects of the pandemic;

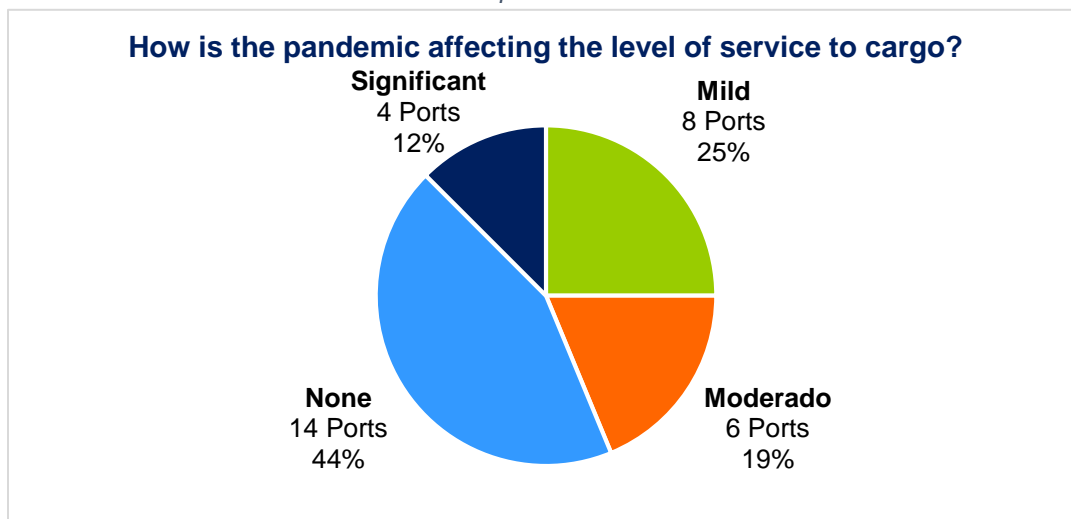
followed by container ports whose effects were between moderate and significant totaling together 80%.

Among the negative effects on the ship service process, respondents mentioned:

- Decrease in ships arrival.
- Cessation of cruise calls.
- Decrease in cargo volume.
- Drastic reduction of available personnel in operations.
- Extra costs for biosafety measures, which in turn, is time consuming.
- Reduction of patio occupation.
- Crews restrictions on shore leave.

Impact of COVID-19 on cargo service level

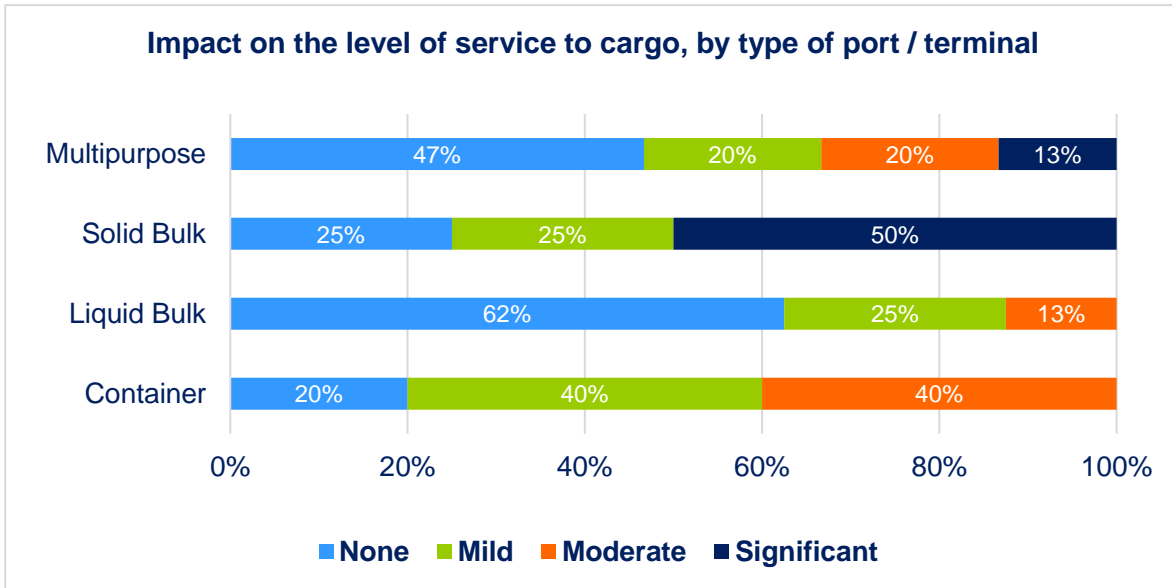
Graph No. 18



Source: II Survey COVID-19 (COCATRAM)

The outcomes regarding the impact of COVID-19 on cargo service levels show that 69% of the surveyed ports / terminals indicated that the effects were between mild and none (Graph No.18).

Graph No. 19



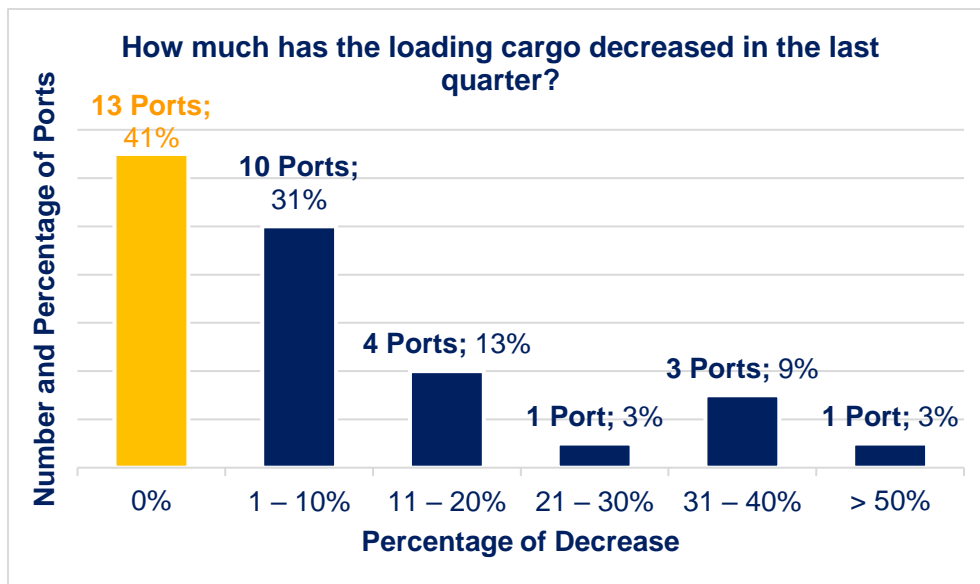
Source: II Survey COVID-19 (COCATRAM)

In relation to the type of port / terminal, those that handle solid bulks reflected the highest significant impact on cargo service levels with 50%, while the least affected were liquid bulk terminals with 87% of none and mild impact (Graph No.19).

Impact of COVID-19 on cargo throughput

The impact of COVID-19 on cargo throughput will be measured in loading and unloading of cargo.

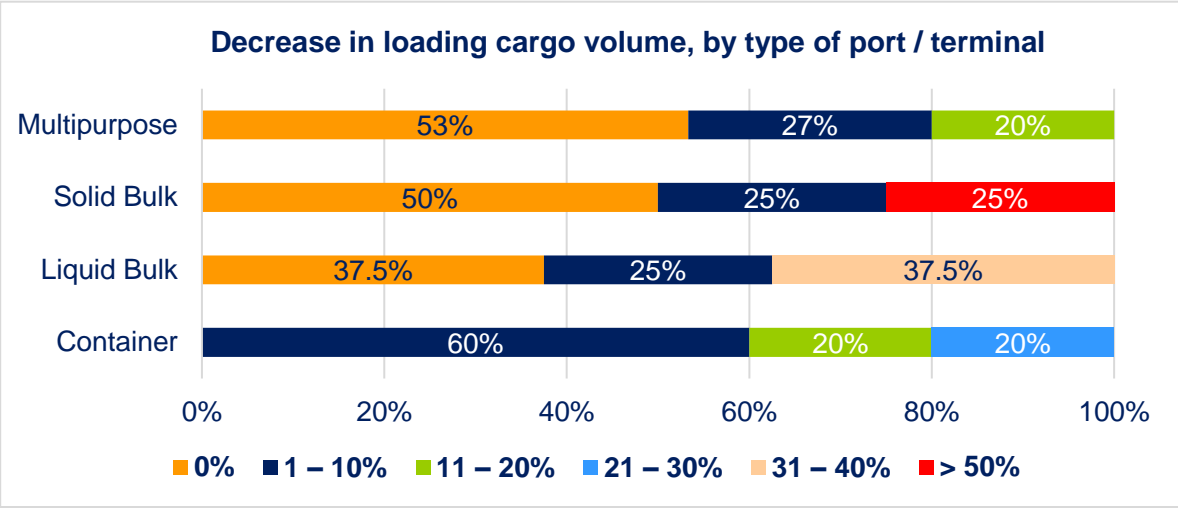
Graph No. 20



Source: II Survey COVID-19 (COCATRAM)

Cargo loading volume on ports show that 59% of those who responded, experienced a decline; with 28% reporting a volume reduction greater than 10% (Graph No.20).

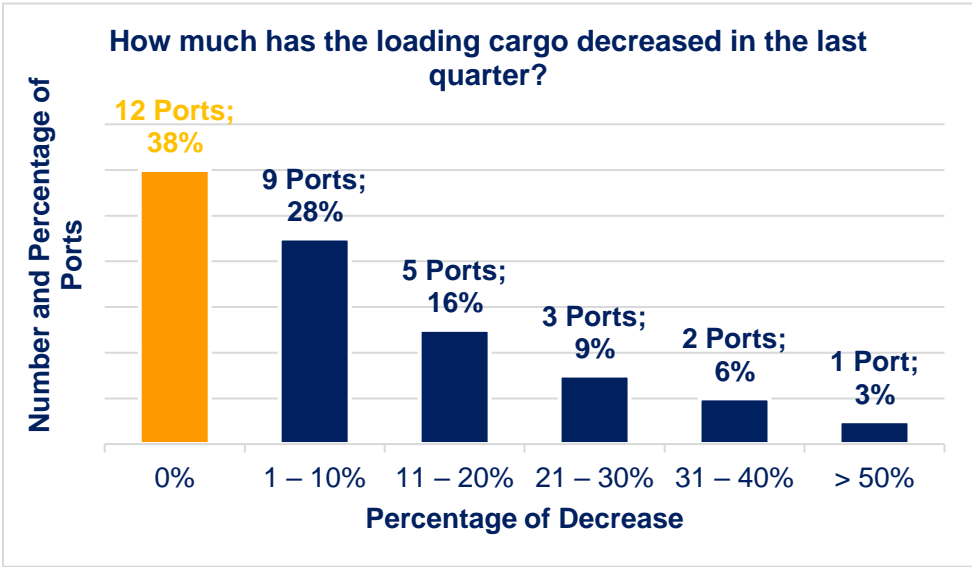
Graph No. 21



Source: II Survey COVID-19 (COCATRAM)

Considering the results according to the type of port / terminal, 53% and 50% of the multipurpose and solid bulk ports / terminals, respectively, reported that they were the least impacted, as that they did not experience a decline in loading cargo volumes; while all the surveyed container ports / terminals indicated a reduction within the range of 1% to 30% (Graph No.21).

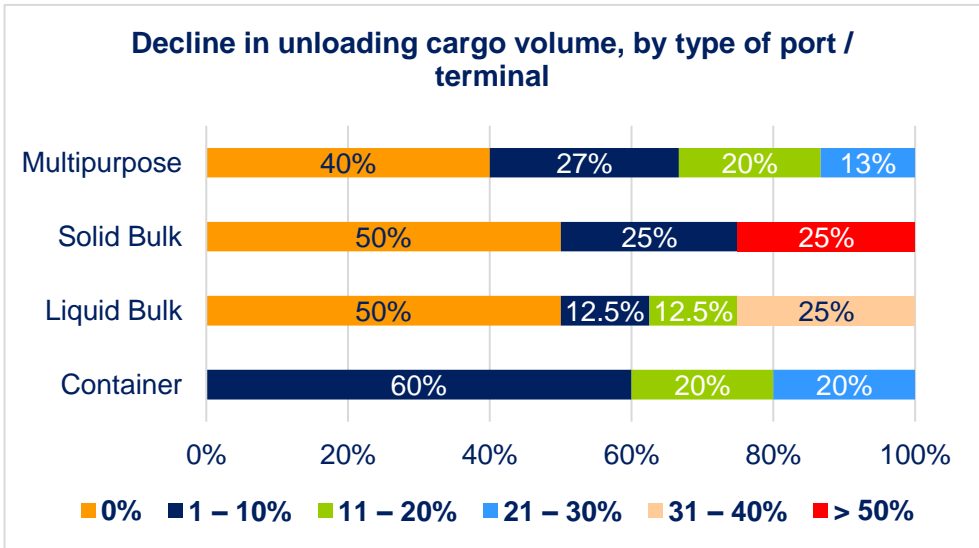
Graph No. 22



Source: II Survey COVID-19 (COCATRAM)

In terms of cargo volume unloading, it is shown that 62% experienced a decline and only one port registered a drop close to 50% (Graph No.22).

Grapho No. 23



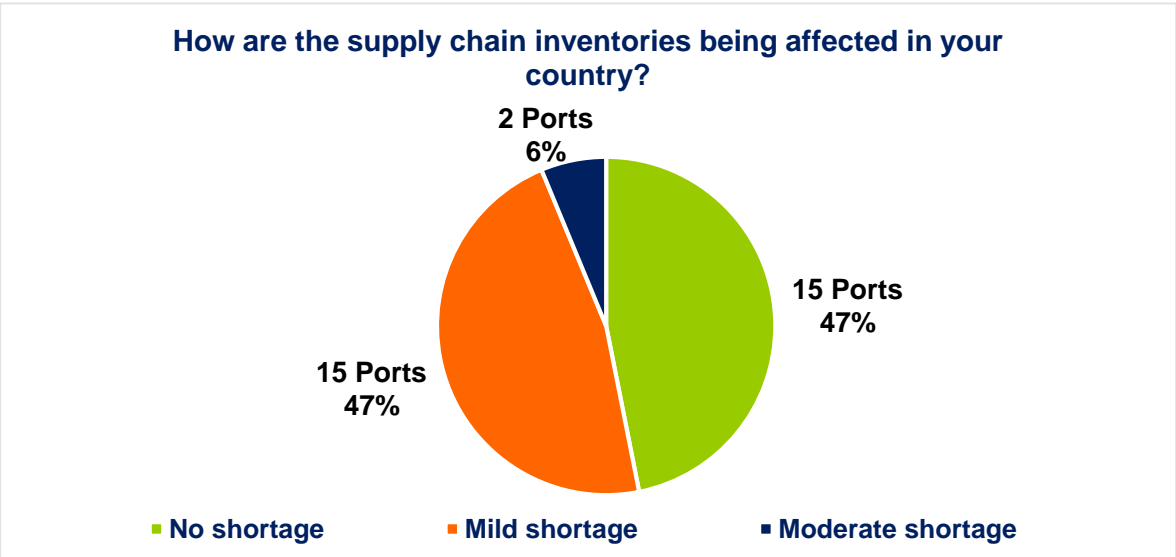
Source: II Survey COVID-19 (COCATRAM)

According to the type of port / terminal, the results display that all container ports registered decline in cargo unloading, while in the rest, a significant number did not experience a reduction (Graph No.23).

In the first survey, 39% of ports reported a decline in cargo volume, while in the current one, on average, it is reported by 61% of ports /terminals.

Impact of COVID-19 on the supply chain

Graph No. 24



Source: II Survey COVID-19 (COCATRAM)

When asked about the impact on the supply chain, the resulting outlook is encouraging, as 94% of Ports / terminals responded that the effects have been between mild and without shortages. (Graph No. 24).

V. FLUIDITY OF PORT CARGO

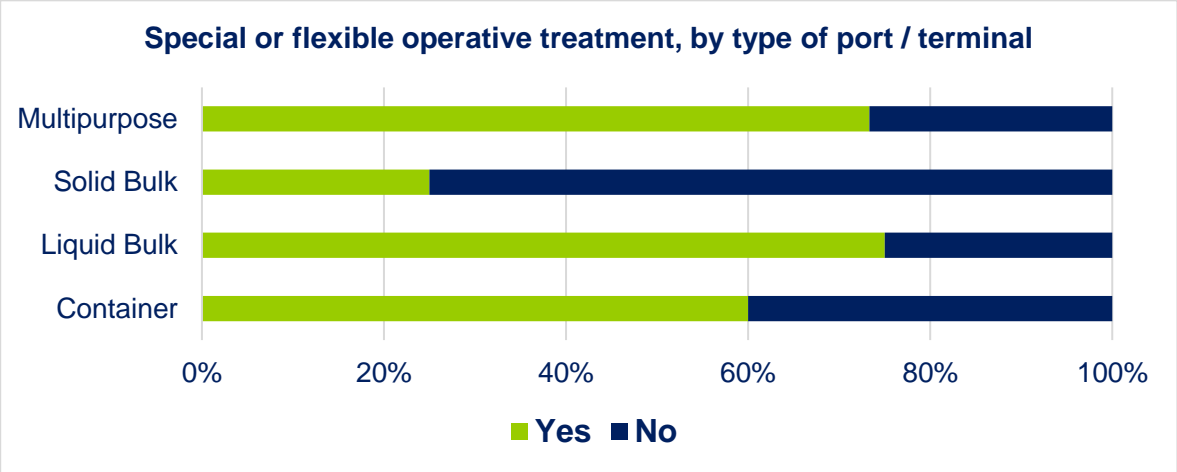
Graph No. 25



Source: II Survey COVID-19 (COCATRAM)

When asked if ports / terminals receive special treatment by national authorities to facilitate the fluidity of cargo and ensure proper supply of products, 66% responded positively. However, 34% answered negatively; indicating that it is still room for improvement. (Graph No.25).

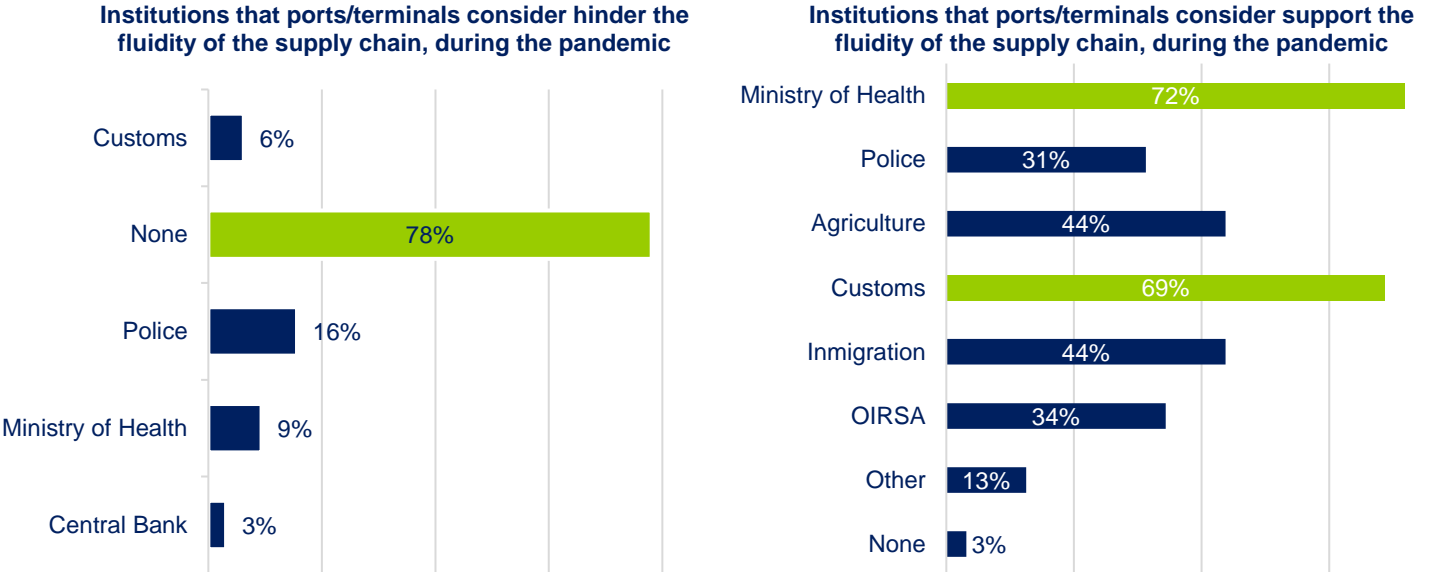
Graph No. 26



Source: II Survey COVID-19 (COCATRAM)

Graph No. 26 shows that there are opportunities to improve special operational and flexible treatment in all types of terminals, but with higher emphasis in the solid bulk type.

Graph No. 27



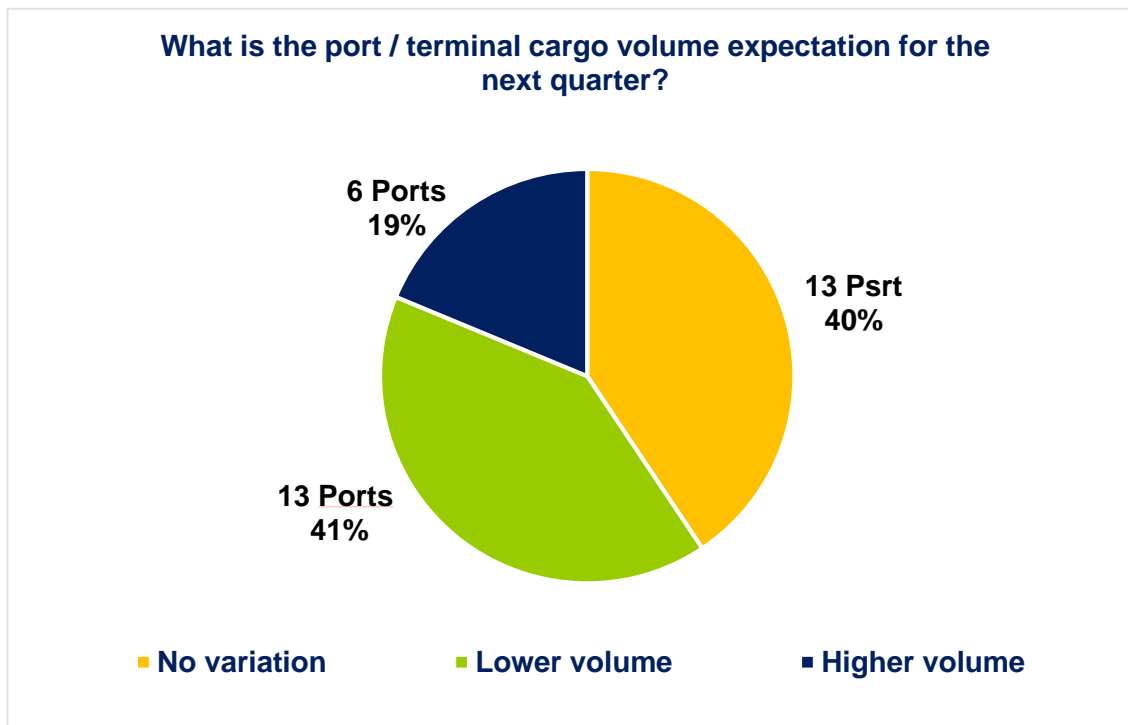
Source: II Survey COVID-19 (COCATRAM)

The results also show that 78% of the surveyed ports /terminals, responded that none of the institutions hinders the fluidity of the supply chain, while the Ministries of Health and Customs Authorities marked high as the most collaborative in the current pandemic scenario, with 72% and 69% of approval, respectively. In general, the reading of graph No.27 marks positive for the authorities of the region.

VI. PROSPECTS

In Cargo Throughput

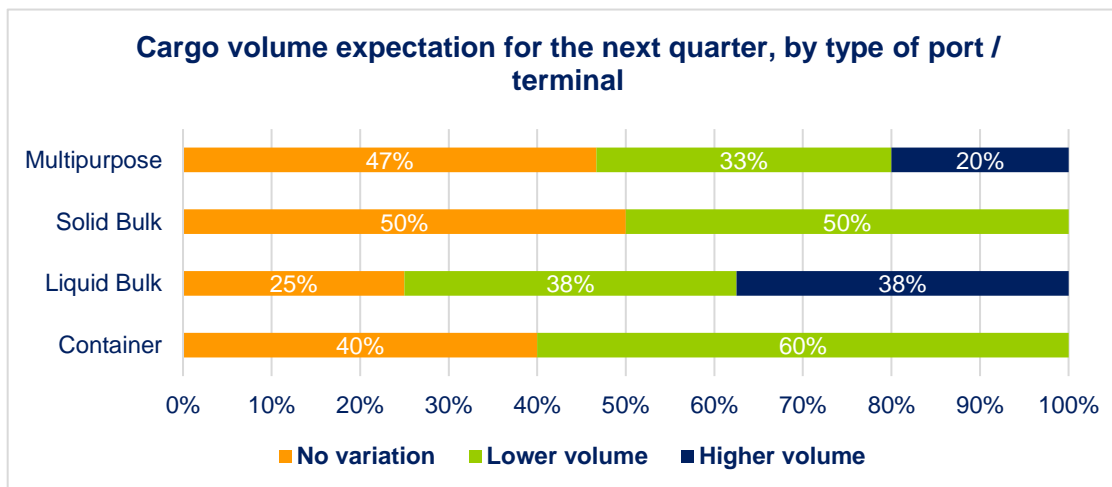
Graph No. 28



Source: II Survey COVID-19 (COCATRAM)

Graph No. 28, at some extent, does not describe an optimistic outlook in the regional scope, given that 41% expect a decline in cargo volume, while the remaining 59% believe that there will not be a cargo volume reduction.

Graph No. 29

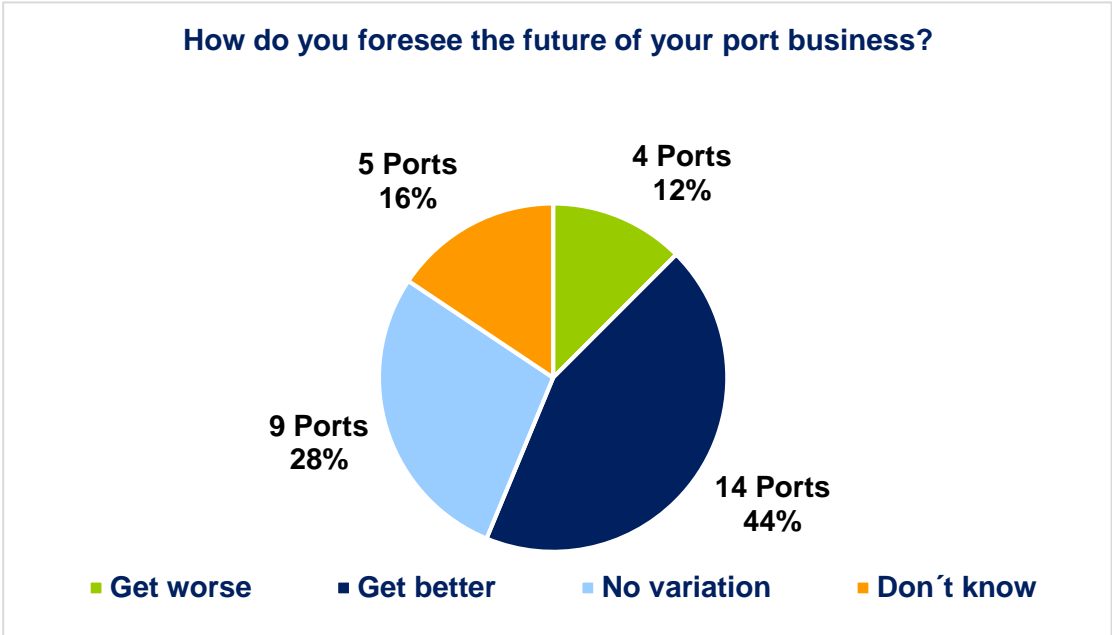


Source: II Survey COVID-19 (COCATRAM)

The results of Graph No. 29 show that only in some of the multipurpose and liquid bulk terminals estimate an increase in the volume of cargo and in the solid bulk and container port / terminals it is foreseen, in a significant proportion, a decrease in the volumes.

In the Port Business

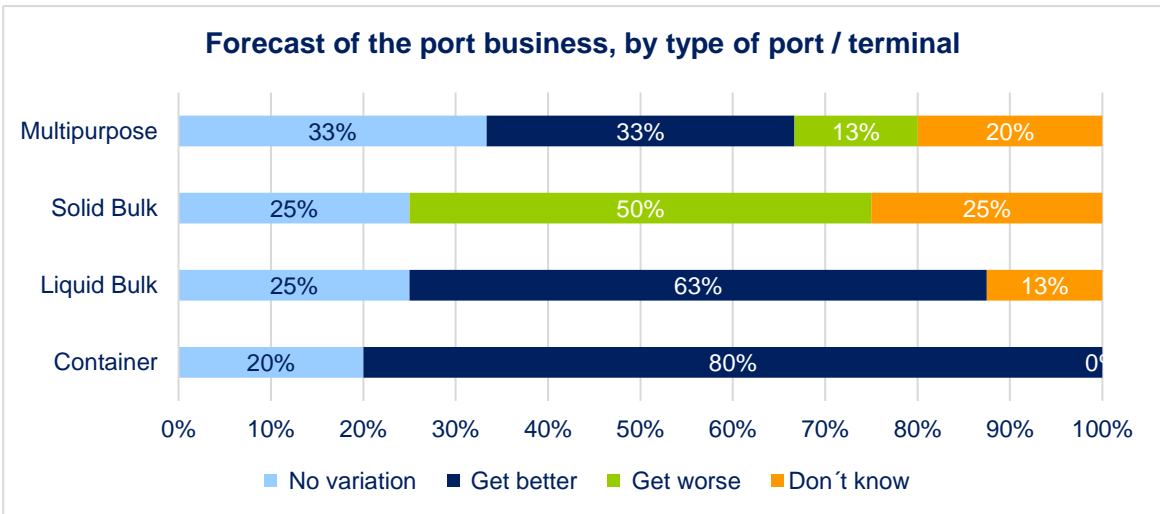
Graph No. 30



Source: II Survey COVID-19 (COCATRAM)

Regarding the future of the port business, those port / terminals surveyed foresee an optimistic and encouraging outlook, as only 12% expect that it will get worse and a significant 44% believe that it will get better (Graph No.30).

Graph No. 31



Source: II Survey COVID-19 (COCATRAM)

Regarding the outcomes on the prospects of the port business by type of port, the container and liquid bulk terminals expect, to a greater degree, that the port business will improve, while 50% of the solid bulk terminals foresee that it will get worse (Graph No.31).

VII. RECOMMENDATIONS OF THE PORTS / TERMINALS TO THE NATIONAL GOVERNMENTS TO GUARANTEE ADEQUATE LEVELS OF PORT SERVICE TO VESSELS AND CARGO

The main recommendations to the national governments of the region expressed by the surveyed ports / terminals are:

- Facilitate mobility conditions for staff, partners and suppliers on 24/7 criteria.
- Continue collaboration in all activities, mainly in health-related ones.
- Coordination and constant monitoring with all other linked institutions.
- Support in management, distribution, availability and results of COVID-19 tests from institutions.
- Use of technology in transactions, procedures or processes related to port operations.
- Compliance by the officers of the authorities of the preventive measures against COVID-19; avoiding discretion of civil servants when carrying out inspections at port facilities.
- Make sure that crews on board vessels comply with health and safety measures.
- Continue to report on the situation of COVID-19 and maintain constant communication with the Ministries of Health.
- Do not suspend port operations in terms of food, medicine and equipment supply.

VIII. CONCLUSIONS

- ✓ 69% of port / terminals that responded the survey detected workers with symptoms of COVID-19, showing an increase of 51% compared to the 18% reported in the first survey.
- ✓ Compared with the results of the first survey, the number of personnel detected with COVID-19 increased significantly, from 11 workers (April) to 510 workers (August).
- ✓ COVID-19 cases were detected in all container ports / terminals that responded the survey.
- ✓ 44% of ports / terminals carry out COVID-19 detection tests, the majority corresponds to liquid bulk terminals.
- ✓ The applied preventive measures continue to be aligned with the World Health Organization (WHO) sanitary recommendations.
- ✓ All surveyed ports / terminals are subject to a certain degree of stress on their workers due to COVID-19.
- ✓ In the Second Survey, the number of ports/terminal with MARPOL services drop from 77% to 65%, marking a difference of 12%.
- ✓ Container and solid bulk ports / terminals reported the highest impact on the incidence of expenditures related to response and prevention measures against COVID-19.
- ✓ In the process of attending vessels, most of the ports have managed to counteract COVID-19 impacts, in support of quality service.
- ✓ 69% of ports / terminals recorded a mild to none impact on cargo service.
- ✓ Solid bulk port / terminals reflected the greatest impact on cargo service levels, while the least affected were liquid bulk ports / terminals.
- ✓ On average, 61% of ports reported decline in cargo throughput.
- ✓ Compared to the results of the first survey, the ports that reported a decline in cargo volume increased from 39% to 61%.
- ✓ 94% of ports / terminals reported an adequate supply of inventories in the supply chain in the region.

- ✓ Regarding measures for special or flexible operational treatment by national authorities, there is room for improvement in all types of terminals, but with greater emphasis on solid bulk terminals.
- ✓ Most related government institutions facilitate the fluidity of cargo in the supply chain.
- ✓ Cargo movement expectations does not describe an optimistic outlook in the regional scope, given that 41% expect a decline in cargo volume, while the remaining 59% believe that there will not be a cargo volume reduction for the next quarter.
- ✓ 88% of ports do not foresee that the future of the port business will get worse. In fact, an important 44% believe it will get better.
- ✓ Recommendations to government authorities focus on ensuring and facilitating the continuity of port / terminal operations.

In general, the region port system has managed to effectively respond to the COVID-19 crisis without a proper an unforeseeable preparation. Consequently, ports have taken part of this stakeholder's links that allow a proper supply of products and goods in their countries, in extreme conditions.