

# Callidus News

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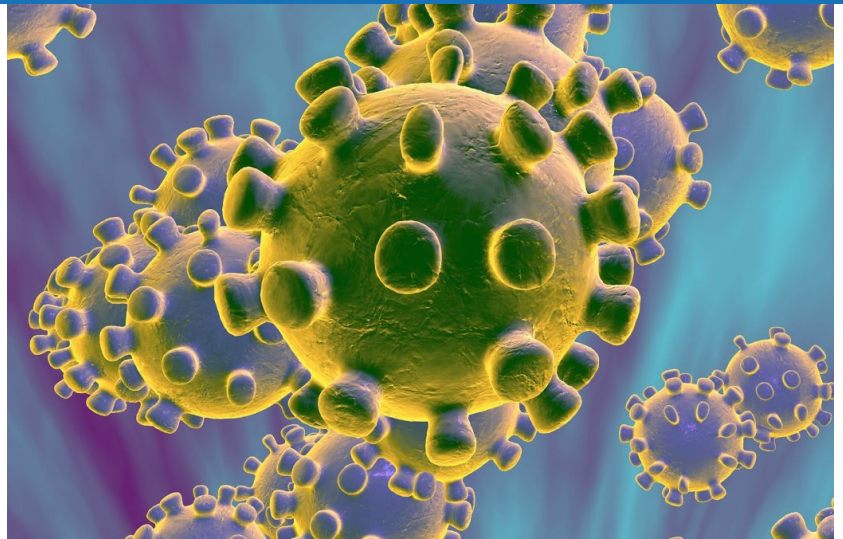
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## CORONAVIRUS: OUTBREAK AND GLOBAL IMPACT IN THE SHIPPING SECTOR



Coronaviruses are a group of viruses that cause diseases in mammals and birds. The name coronavirus is derived from the Latin corona, meaning "crown" or "halo", which refers to the characteristic appearance of the virus particles (virions): they have a fringe reminiscent of a crown or of a solar corona. In humans, coronaviruses cause respiratory tract infections that are typically mild, such as the common cold, though rarer forms such as SARS, MERS, and COVID-19 can be lethal.

The ongoing novel coronavirus outbreak has rapidly spread from its origin in Hubei Province, China and has been detected in other countries in Asia as well as in Australia, Europe, North America and Northern Africa.

### CORONAVIRUS IMPACT ON CONTAINER SHIPPING

Shipping companies that carry goods from China to the rest of the world say they are reducing the number of seaborne vessels, as measures to stop the spread of the coronavirus crimp demand for their services and threaten to disrupt global supply chains.

About 80% of world goods trade by volume is carried by sea and China is home to seven of the world's 10 busiest container ports, according to the United Nations Conference on Trade and Development. Nearby Singapore and South Korea each have a mega port too.

Everything from cars and machinery to apparel and other consumer staples are shipped in containers, and disruption to the industry could reverberate far beyond China as the country seeks to contain the coronavirus outbreak by keeping factories shut and workers at home.

The longer the health crisis lasts, the harder it will be to move goods around the world. The coronavirus outbreak has killed more than 560 people and infected at least 28,000 — mainly in China, where close to 60 million people are living in cities on lockdown.

Still more vessels are idling in "floating quarantined zones," as countries such as Australia refuse to allow ships that have called at Chinese ports to enter their own until the crew has been declared virus-free.



When you're at  
the end of your  
rope, tie a knot and  
hold on.

- Theodore Roosevelt



Giant shipping companies such as Maersk, MSC Mediterranean Shipping, Hapag-Lloyd and CMA-CGM have said that they have reduced the number of vessels on routes connecting China and Hong Kong with India, Canada, the United States and West Africa.

BIMCO members, which include 1,900 shipowners, operators, managers, brokers and agents, report limited or no demand from Chinese buyers of seaborne commodities, such as coal, crude oil and iron ore etc. The lack of activity is reflected in oil prices, which have crashed into a bear market.

The coronavirus outbreak has led to a decline in the number of ships calling on Chinese ports including Shanghai and Yangshan in January, as factories across the country remain closed or operating at low capacity. The number of port calls at Shanghai and Yangshang declined by 17% in January, compared to the same period in the previous year.

Carriers have blanked 21 sailings on the US-Asia Pacific trade route with the primary reason being weak demand in China. The cancellations are in addition to 66 cancellations that took place during the Lunar New Year resulting in 199,000 20 tonne equivalent (TEU) units of reduced capacity.

On the Asia-Europe trade route, a total of 61 cancelled sailings have been announced, representing a 151,000 TEU capacity reduction.

The biggest impact of the cancellations is expected to be on Maersk due to its wide exposure to container shipping and port terminals. The company's operations in China represent 30% of its annual shipping volume. Hapag Lloyd is another company that is expected to witness a weak first quarter as its operations in China account for 25% of group revenue.

## **CORONAVIRUS IMPACT ON PORTS**

### **China:**

According to local sources, no Chinese seaports have officially announced a lockdown, except for the inland river

port of Wuhan, though domestic traffic seems to be operating there. Ports have implemented strict prevention and control measures, such as declarations of crews' health condition prior to ships' entry, monitoring of crewmembers' body temperature, gangway checks of people attending from ashore, restrictions on crew change, restricting shore leaves, requirement for crew to wear masks, etc.

Few container depots in Shanghai, which is the busiest port in the world according to United Nations Conference on Trade and Development, are closed until 10 February. Vessels with crew from Wuhan or the Hubei province are restricted to berth at the Putian and Quanzhou ports. At the Ningbo port, such vessels will be placed under isolation for 14 days before berthing.

Substitution of crew at the Shanghai, Xiamen, Ningbo, Tianjin, Dalian, Qingdao and Guangzhou ports has been prohibited. Wearing facial masks and temperature checks everyday has been initiated as a preventive action for coronavirus.

### **United States of America**

The US Coast Guard issued a notice on 02 February 2020 stating that any passenger vessels or vessels carrying passengers, which have been to China or embarked passengers in China in the last 14 days, will be denied entry into the US. Any passengers who exceed the 14 day period and are symptom-free will be allowed entry into the US.

Non-passenger vessels are allowed to operate in the US with restrictions if they have been to China or embarked passengers in China within the last 14 days under the condition that there are no sick crewmembers. Any vessels with sick crew members are required to notify the nearest Coast Guard Captain of the Port.

### **Singapore**

The Maritime and Port Authority of Singapore (MPA) has implemented temperature screening at all sea checkpoints, including ferry and cruise

terminals. Visitors having a travel history in Hubei or possessing PRC passports issued in Hubei, will not be allowed to enter or transit through Singapore.

### **Australia**

Australia initiated additional border screening and isolation measures on 01 February. Any vessels that have left China or transited through the country after 01 February and less than 14 days prior to the date will be required to meet coronavirus requirements set by the government.

### **Japan**

Diamond Princess Cruise ship owned and operated by Princess Cruises was quarantined off the coast of Yokohama after a suspected case of coronavirus infection was reported on 03 February. A total of 705 confirmed cases have been reported on the ship, which has 2,666 guests (majority from Japan) and 1,045 crew on board.

The Japanese health authorities commenced the disembarking process on 19 February for those passengers who did not display any symptoms of the disease since the beginning of the quarantine period and tested negative for the virus.

## **PREVENTIVE MEASURES ON BOARD**

It is very important to raise the awareness amongst crew members so that they are aware of the risks, how the virus can be spread, and precautions to be taken. The IMO has provided some advice for seafarers and shipping. Many Flag States have also highlighted the importance of ensuring seafarers are properly informed, such as the Directorate General of Shipping in India. In general, ships' crews are recommended to:

1. Cooperate fully with the port health authorities and make an honest disclosure of the crew health on-board.
2. Practice good hygiene. Some of the good practices

mentioned by the WHO are:

- ✓ Wash hands frequently and avoid touching eyes, nose and mouth.
- ✓ Practice respiratory hygiene (cover coughs and sneezes with flexed elbow or tissue, discard tissue immediately into a closed bin and wash hands).
- ✓ Maintain social distancing. Keep at least 1 meter (3 feet) distance between yourself and other people, particularly those who are coughing, sneezing and have a fever.
- ✓ If you have a cough and fever, use a surgical mask, avoid close contact with others and seek medical help early.
- ✓ Practise food safety, such as by cooking the food items thoroughly.

**PREVENTIVE MEASURES IN PORTS**

Timely safety measures and preventive actions by various ports and shipping organisations are expected to

limit the impact of the outbreak.

The International Chamber of Shipping (ICS) stated that by implementing certain preventive measures for coronavirus, ports and global shipping can continue to operate and avoid the closure of any port. The ICS recommenced exit screening at all ports in the affected areas to isolate passengers displaying symptoms of the disease and curb its spread to other Countries.

All major ports across the world have adopted a 14-day quarantine period for vessels arriving from or transiting through China. Vessels arriving from China are required to report regarding the health of the crew members and passengers prior to berthing.

As mentioned above all the Countries across the world have taken various steps to prevent the spread of Corona Virus within their Territory.

**MISHAPS TRANSPIRED DUE TO CORONA VIRUS:**

1. Maersk Warns of Lower Earnings from Coronavirus Impact as it has taken a toll on the shipping volumes and freight rates and

various factories remained closed for a whole week.

2. Two passengers from the cruise ship quarantined in Japan have died after contracting the new coronavirus, the first deaths among the more than 600 people on board who have been infected.
3. Carriers, faced with the possibility of shrinking revenue and increased losses, have opted to cut their rates with the Shanghai Containerised Freight Index on the Shanghai Shipping Exchange showing significant declines.

**CONCLUSION:**

The damage caused by Coronavirus in all sectors has been huge and its effect has not left the Maritime industry as well. Most of the ships have restricted their entries to many countries due to the fear of being infected and causing more damage to people. We ought to follow the national and international Governments advice and follow WHO's guidelines in order to safeguard and protect every individual. All we can do at this stage is too hope and pray that such Global Pandemic chaos does not see the light of the day in the future.

# IRDAI SLAPS FINE ON MAJOR INSURANCE GIANTS



Insurance Regulatory and Development Authority of India, a statutory body constituted to regulate the insurance in India on 27/01/2020 levied a fine of Rupees One Crore to two Insurance Giants, (a) ICICI Lombard General Insurance and (b) Tata AIG General Insurance. The said orders were passed based on a show cause notice issued by the IRDAI to the insurance companies dated 16th

July and 22nd July 2019 respectively.

The notice was issued to Tata AIG General Insurance Company violation of following regulations (a) Reg. 3(2) and 3(3) of IRDA (Protection of Policyholders' Interests) Regulations, 2002 for, the said regulation deals with providing proper information to the prospect, to enable him to choose the best cover for his or

her interest, for the said violation the following conclusion was made "....The penalty of Rs 1,00,00,000 (Rupees one crore only) shall be remitted by the general insurer by debiting shareholders' account within a period of 45 days from the date of receipt of this order through NEFT/ RTGS (details for which will be communicated separately). An intimation of remittance may be sent

to Mr. DVS Ramesh, General Manager (Health) at the Insurance Regulatory and Development Authority of India, Survey No.115/1, Financial District, Nanakramguda, Hyderabad-500 032....”

The Show notice was issued to ICICI Lombard GIC Ltd for violation for the following regulation (a) Regulation 4 (a & b) and 3 (d) of IRDA (Health Insurance) Regulations, 2013 for as the first charge for which one crore fine

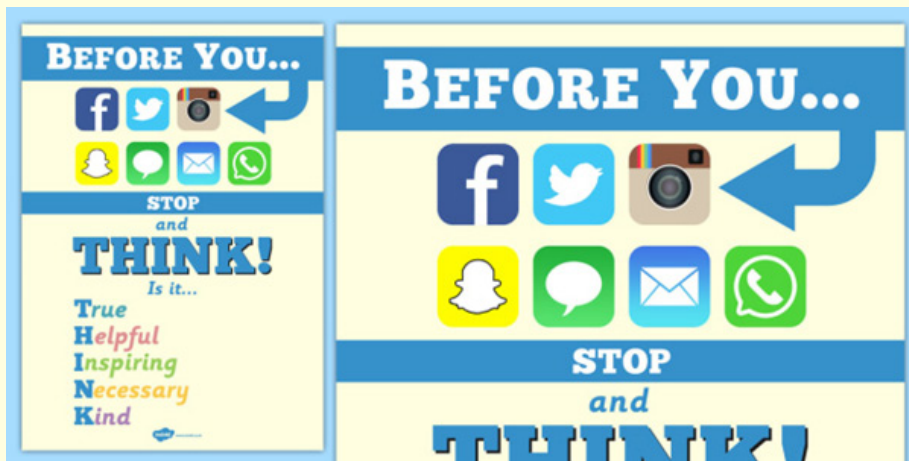
was slashed against them, (b) violation of Authority Circular no. IRDA/TPA/Misc/ Cir/117/06/2015 dated 23/06/2015, the hospitals were providing discount to insurers at the time of final settlement bills however the same did not reach the assured instead it reached in the form of enhanced sum insured, the insurer was directed to complete process of refund within 3 month and report the same to the authority (c) for violation of

Regulation 27(v) IRDA (Health Insurance) Regulations, 2016 for which directions were issued to insurance company.

This move by the authorities had left the insurance companies with two choices either to comply with the order passed by the IRDA or to prefer for an appeal before the Securities Appellate Tribunal as per Section 110 of the Insurance Act, 1938.

 **HOT NEWS**

# TIPS TO STAY SAFE ONLINE AND KEEP YOUR IDENTITY PROTECTED



1. Don't post any personal information online – like your address, email address or mobile number.
2. Think carefully before posting pictures or videos of yourself. Once you've put a picture of yourself online most people can see it and may be able to download it, it's not just yours anymore.
3. Be wary of public Wi-Fi as they may not be as protected as they claim.
4. Don't store your card details on websites.
5. Remember that not everyone online is who they say they are.
6. If you see something online that makes you feel uncomfortable, unsafe or worried: leave the website, turn off your computer if you want to and tell a trusted person immediately.
7. Never give out your passwords and use different passwords on different sites.
8. Never click on a link you did not expect to receive.
9. Don't meet up with people you've met online.
10. Think carefully about what you say before you post something online.
11. Respect other people's views, even if you don't agree with someone else's views doesn't mean you need to be rude.
12. Keep your privacy settings as high as possible.
13. Don't assume banks will pay you back, any message saying so is not true.
14. Shop online only on secure websites.
15. Macs are as vulnerable as PCs.
16. Lock your phone and tablet devices.
17. Be careful on auction sites.
18. Run more than one email account.
19. Ignore pop-ups.
20. If in doubt, block.

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