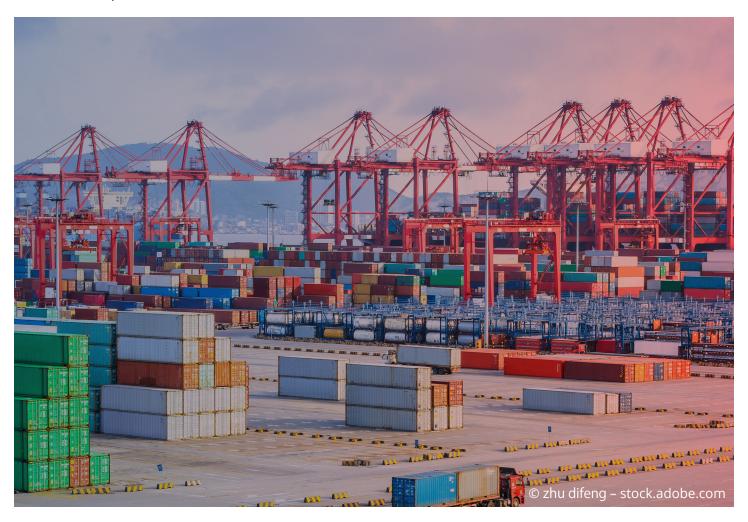
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Shanghai Lockdown Extended and Expanded, Cargo Operations Severely Limited

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Nearly two weeks after its city-wide closure, <u>Shanghai's officials have adopted</u> a three-tiered lockdown system to relieve supply chain bottlenecks after two extensions were announced on April 4 and April 8. Local KWE sources inform that trucking access permits are still challenging to obtain, estimating that 5% of service providers can move unrestricted in Shanghai.

As ports remain open but trucking capacity remains stagnant, import cargo clearance has also slowed as a result. Now, customs authorities will impose penalties on all arrived cargo that has not been cleared within 14 days. Ocean carriers have diverted <u>reefer containers</u> to the neighboring cities of Taicang, Ningbo, and Kunshan as import cargo dwell times increase at Shanghai Port terminals.

KWE will continue to monitor the situation through local branches and inform clients of any updates.

