

CUSTOMER **ADVISORY**

Lunar New Year 2022: How Will Your Supply Chain Be Affected?

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In lieu of the Lunar New Year holidays (January 31 to February 15), [China's aviation authorities have suspended](#) incoming flights from over 20 countries including US, France, and Indonesia—major airlines have cut nearly 1,000 flights to comply with new travel bans. And despite hosting the 2022 Winter Olympics from February 4-20, there may be little chance of passenger aircraft capacity uplift as [non-resident spectators are banned from attending](#).

That's because China's newest Covid-19 policy entails that airlines must cancel future flights from an origin if a passenger [tests positive for Covid-19 on arrival to China](#) from that particular origin. This also extends to Self-Autonomous Regions such as Hong Kong, which suspended connecting flights from [about 150 countries and territories](#) for one month on January 14.

In previous weeks, [the ports of Shanghai, Dalian, Shenzhen, and Tianjin](#) were also placed on lockdown, although local authorities have made efforts to limit restrictions to certain sections of the affected terminals. [Cargo diversions from Ningbo-Zhoushan port](#) have also steadily increased vessel congestion in Shanghai and Xiamen. Cross-border trade movement between China and its neighbors [was also disrupted until January 17](#), as evidenced by announcements [from Vietnam's Minister of Industry and Trade](#)—commodity restrictions and lengthier inspection processes are expected to continue [until at least February 6](#).

Last December, [multiple regional and global carriers](#) also pulled feeder services serving the Pearl River Delta through February 15, which severely impacted transit times and pushed shippers into neighboring markets. Demand is expected to increase in the coming days and with such extensive restrictions on air and sea markets, terminal congestion is likely to have a greater effect than in past peak seasons.

To mitigate supply chain disruption during this time, KWE has secured weekly direct charters in support of our existing gateway consolidation programs to Los Angeles (LAX), Rickenbacker (LCK), Chicago (ORD), and Toronto (YYZ) with additional on-forwarding ground services throughout the continental US, Mexico, and Canada. Shippers are advised to consult their local KWE representative as soon as possible to review alternate routings and space availability.