

Market Insights Covid-19 Impact on Trade:

April 9th, 2020



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Bord Bia's Understanding Covid-19

Topline Takeouts:

- **Ireland:** March was the busiest month for grocery sales ever recorded in Ireland with grocery sales reaching €2.8 billion over the course of the 12-week period.
- **China:** Chinese online retailer JD.com, saw delivery orders in Hubei Province, of which Wuhan is the capital, increased 300 per cent month-on-month in March, with more people treating themselves by buying clothing, cosmetics and travel accessories. Staying in China, a McKinsey survey revealed that spending on food delivery, ready meals and grocery are all set to grow post-Covid, while restaurant dine-in, unsurprisingly, will decline somewhat.
- **South Africa:** The South African government has banned the sale of all alcoholic beverages during the 21-day lockdown. This has forced the closure of retail outlets and online retailers selling alcoholic beverages as well as the factories of the manufacturers.
- **The Netherlands:** Potatoes for chips can't be sold as chip manufacturers have closed their production plants and there is a fear that specialty fruit and vegetables will disappear from both foodservice and retail.
- **US:** Foodservice distributor US Foods Holding Corp. has formed about 20 retail distribution partnerships with national grocery store chains, wholesale grocers and consumer packaged goods brands, temporarily reassigning more than 700 US Foods distribution associates to warehouse roles. In the US, H-E-B is also partnering with local restaurants to sell their products in-store through a pilot programme initially.
- **Sweden:** E-commerce continues to perform well as food delivery company Hellofresh issued a reverse-profit warning for the first quarter as revenues are expected to soar far beyond predicted expectations.
- **EU:** The sixfold.com Covid-19 border delay website reports that border crossing times across Europe are largely operating well with exceptions on the Germany-Switzerland, Italy-Austria, Italy- Switzerland.

Macro Economic Context

Political

EU Finance Ministers

EU finance ministers broke up a meeting that had lasted 16 hours after failing to reach agreement early in the hours of Wednesday morning, April 8th. They will regroup on Thursday April 9th. Proposals for Corona-bonds which would be mutualised debt instruments freeing up funds for spending in the afflicted southern European states but backed by the credit-worthiness of Germany, Netherlands and other European states could not reach agreement. The Portuguese finance minister, Mario Centeno, who had been chairing the meeting publically claimed that a deal was close but that consensus could not quite be reached.

It is understood that the Coronabonds solution is unlikely to pass, in the face of continued reluctance from the Netherlands and Germany. A more viable path is through lending from the European Stability Mechanism. Although the ESM was originally setup as a bailout instrument with strict reform commitments, a proposal from Germany suggests easing conditions to solely require that funds are directly used for coronavirus-related expenditures.

UK Brexit GI

In a move that walks back commitments made in the Withdrawal Agreement, and possibly presages difficulties in the negotiation of the longer term future relationship, the UK has suggested it wants to loosen its commitment on the protection of Geographical Indications (GI) for EU food.

GI protections are seen as a problem for the UK entering into negotiations with the US on a FTA as they do not recognise the protections and export food products under GI protected names.

The negotiations on the future relationship have largely stalled as a result of Covid-19. Pressure had been growing in the UK to request an extension to the Brexit transition period, due to expire at the end of the year.

Economic

Commodity food prices contracted in March, driven by Covid-19 related market contractions. The Food and Agriculture Organisation tracks the average price of commodity traded food products on its Food Price Index (FPI). The total FPI in March was 172.2 – a decline of 4.3% from February. The steepest falls were in vegetable oils and sugar. The effect on the commodity groups of more concern to Irish exports – dairy and meat – were somewhat lesser.

The Dairy Price Index fell 3% in March from February. Markets for milk powders were generally weaker, with skim milk powder (SMP) prices falling the most, followed by whole milk powder (WMP), cheese and butter. Global import demand for SMP and WMP dampened considerably, mainly due to disruptions in dairy supply chains with the imposition of containment measures to control the spread of Covid-19.

The Meat Price Index fell 1% in the month of March. International quotations for ovine and bovine meats continued to fall, reflecting large export availabilities, especially in Oceania, as

producers offloaded herd stocks earlier than anticipated, while imports eased in the face of logistic bottlenecks moving products overseas.

Societal

Prices for grain are being pushed up as more countries engage in greater volumes of stockpiling and increasing the size of strategic reserves. This is happening at the same time as major exporters of strategically hoarded produce are limiting the amount that can be exported – both Russia and Vietnam have put limits on overseas sales. Logistical impediments to trade rather than legal are also limiting the availability of product.

Although other commodity markets have decreased in price through March, stockpiling has supported grain prices. Wheat traded on the futures market in Chicago has risen by 10 per cent since mid-March, reaching \$5.50 a bushel, while physical prices for French wheat have increased by 11 per cent. Benchmark Vietnamese rice prices have rallied 14 per cent to \$410 a tonne since the start of the year.

While analysts thus far agree that there is no crisis in availability of grain, as grain harvests have been good and global wheat inventories are higher than last year, the price increases could have impacts on feed prices for Irish producers.

Technology

The Covid-19 pandemic may accelerate the adoption of AI and Smart Shopper behaviours that had long been flagged, and loosen European resistance to location aware data sharing. A number of state sponsored contact tracing apps will soon be on the market in Europe, mirroring what has been successful launches in Singapore, Taiwan and other Asian markets.

In parallel to the state initiatives, retailers are by necessity upping their technological game with Fairway in the US facilitating mobile phone scan of products and paying on exit - allowing people to shop without having to encounter lines. Bord Bia examines this phenomenon as part of its Indicators series looking at early clues to the post-crisis consumer and market realities. The full Future Proofing report, along with the other signals identified so far, can be reviewed [here](#).

Markets Insights

Foodservice

Topline takeouts

- **Germany:** Foodservice distribution trade contacts in Germany indicate that foodservice may operate again by May but with limitations on seat numbers. Larger public events however are likely to resume in September/October.
- **US:** Foodservice distributor US Foods Holding Corp. has formed about 20 retail distribution partnerships with national grocery store chains, wholesale grocers and consumer packaged goods brands, temporarily reassigning more than 700 US Foods distribution associates to warehouse roles. In the US, H-E-B is also partnering with local restaurants to sell their products in-store through a pilot programme initially.

Leading **Japanese** restaurant booking service provider, Tabelog, recorded 2.15 million bookings in March, a 27% decrease from February. Tabelog is used all over Japan for booking restaurants and measures users across dining style, number of diners and their demographic. The trend in booking numbers gives a strong indication of the pulse of the foodservice industry. A market survey on izakaya (restaurant bars) was consistent and found that 60% of respondents recorded a decrease in sales in February. Some foodservice chains are announcing planned closures due to the state of emergency including Starbucks, Bronco Billy, and the Afuri ramen chain. In contrast, Skylark Holdings, one of the largest foodservice conglomerates (Gusto, Suki-ya), has said only that it is considering shortening service hours. Dominos Japan has announced it plans to hire 200 full-time and 5000 part-time staff between April and June.

Kakuyasu, one of Japan's largest alcohol distributors (business and consumer) announced a sales peak in January and February before a decline in March of about 18% from that recorded at the same time last year. Sales to business customers declined 29%. However, sales to individual customers gained 8% due to an increase in home alcohol consumption.

In conversation with the Bord Bia Dusseldorf team, a key foodservice distribution trade contact, delivering to 3000 customers in **Germany**, predicted that foodservice may operate again by May but with limitations on seat numbers. The contact further forecast that big events, such as concerts might return only in September/October.

The President of Polish Hotel Holding (PHH), in conjunction with the Ministry of Health, **Poland**, last month started a campaign with a delivery of 300 meals a day from hotels to health service staff in Warsaw hospitals, as well as providing hotel rooms for medical staff and for coronavirus patients who do not require hospitalisation. PHH has set up a charity for medical staff to finance their overnight stay. Money from the charity will be given to hotel owners to cover the costs of the services. PHH is a state-owned holding.

Delivery app Glovo, in partnership with McDonald's Restaurants in Poland, has expanded its current cooperation for delivery services of Mc Donald's take away to 11 of Poland's largest cities: Warszawa, Krakow, Torun, Bydgoszcz, Poznan, Wrocław, Lublin, Rzeszow, Białystok, Katowice and Olsztyn.

Staying with McDonalds, the **United States** based company has vowed to make important changes after a workers strike in California, where workers cited personal health and safety

concerns along with the stores' lack of sanitary equipment. The company will also be donating 750,000 N-95 masks to Chicago, where McDonald's Global Headquarters is located, and 250,000 to the state of Illinois for first responders and healthcare workers, a press release from the restaurant confirmed on Monday.

Foodservice distributor US Foods Holding Corp. has formed about 20 retail distribution partnerships with national grocery store chains, wholesale grocers and consumer packaged goods brands, temporarily reassigning more than 700 US Foods distribution associates to warehouse roles such as selectors who choose product for shipping and truck drivers who deliver product directly to a retailer's distribution centre or retail location. Among the company's partners are The Kroger Co., C&S Wholesale Grocers, Oklahoma City-based Homeland, and Albertsons Cos.

Topline Takeouts

- In **China**, a McKinsey survey revealed that spending on food delivery, ready meals and grocery are all set to grow post-Covid. **Chinese** online retailer JD.com, saw delivery orders in Hubei Province, of which Wuhan is the capital, increased 300 per cent month-on-month in March, with more people treating themselves by buying clothing, cosmetics and travel accessories.
- Feedback from Bord Bia retail contacts in **Germany** underlines that the sector focus, currently, is on maintaining the supply chain for essential products. NPD or range changes are not a priority currently.
- In **Sweden**, e-commerce continues to perform well as food delivery company Hellofresh issued a reverse profit warning for the first quarter as revenues are expected to soar far beyond predicted expectations.
- Not reporting so positively is the loose product category or 'pick'n'mix,' type retailers across markets - a sector that traditionally over-indexed at Easter. A Swedish retailer, Cloetta, confirmed earlier fears that the risk of customer demand will now "greatly decrease," identifying that the problem for many consumers is the perception that it is unhygienic to have sweets in open drawers and consumers using common picking spoons. Sales of pre-packaged confectionery are predicted to benefit from this consumer concern.
- In the **US**, H-E-B has introduced free next-day store pickup for online orders and is actively adding capacity to its online service. It is also partnering with local restaurants to sell their products in-store through a pilot programme initially.
- **Ireland:** March was the busiest month for grocery sales ever recorded in Ireland with grocery sales reaching €2.8 billion over the course of the 12-week period.

According to the NY Times, **Chinese** online retailer JD.com, saw delivery orders in Hubei Province, of which Wuhan is the capital, increased 300 per cent month-on-month in March, with more people treating themselves by buying clothing, cosmetics and travel accessories. Life, however, remains far from normal: according to Wuhan city officials, electricity consumption in March was down 20 per cent year-on-year, and only 60 per cent of workers are back on the job.

Staying in China a McKinsey survey revealed that spending on food delivery, ready meals and grocery are all set to grow post-COVID, while restaurant dine-in, unsurprisingly, will decline somewhat.

According to the Ministry of Trade, Industry and Energy, retail sales in **Korea** were up 9.1% in February, due to a 34.3% surge in online sales as Korean consumers move to purchase daily necessities online. Convenience stores and hypermarkets recorded growth of 7.8% and 8.2% respectively, however department stores were hurt with a decrease of 21.4%.

In **Japan**, major convenience store operators 7&I Holdings and FamilyMart have said they will continue to operate despite the state of emergency, as they are an essential part of the local community. Most major department stores are expected to close.

Kantar **France** has published market shares of the major food retailers for the period from 24 February to 22 March (P3). Supermarkets, convenience stores and e-commerce are up sharply. Intermarché and Système U are clearly ahead whereas Carrefour, Leclerc and Lidl are lagging behind.

Nielsen has also published data for the recent period noting that, since the start of containment, organic products have been growing strongly compared to non-organic. (+14 points at the beginning of February and + 20 points in mid-March). This growth is due to the number of visits to French supermarkets but also to the development of purchasing through specialised networks. The value of the average shopping basket has increased by 48%, from around 40 to 59 euros since mid-March.

It is observable across the French market that offers of lamb for the key Easter period are being proposed in smaller cuts than typically for this time of year. Insight from trade proffers that the rationale behind this is that there will be less people around the table at Easter due to social distancing measures. For French sheep meat producers, supermarkets and hypermarkets account for 80% of sales.

Feedback from Bord Bia retail contacts in **Germany** underlines that the sector focus, currently, is on maintaining the supply chain for essential products. NPD or range changes are not a priority currently. There is some speculation that opportunities for premium, 'treat at home products,' may increase as situation becomes more "normal" and customers move on from buying pasta & convenience goods. However, this optimism is tempered with concerns regarding an economic downturn and cut salaries due to unemployment & Kurzarbeit (furloughing) will adversely impact shopping & spending habits of traditionally price conscious German consumers.

In **Spain**, sales of food, beauty and hygiene products grew by 16% during the week of March 23rd to 29th compared to the same period of the previous year. This also represented growth of 4% versus the previous week which was up 12% compared to the comparable period in 2019. This does indicate a softening, however, of the crisis buying that coincided with the start of the quarantine, when sales soared 71.7%, YOY according to Nielsen.

E commerce, had already been growing for three weeks at rates of over 50%, double the rise of the digital channel before confinement. This trend has accelerated in the last week, with a record online sales increase of 73.7%, 20 points above the previous week as more retailers increased their online and delivery capacity.

However, growth is not always offsetting losses and this is particularly evident for beverages where, although beer sales in the grocery channel have grown by 20%, the hospitality industry, which accounts for 67% of its business, is closed, as reported yesterday by Cerveceros de España, the industry representative body in this sector.

Multiple retailer Alcampo reports that its sales are suffering in tourist areas and the retailer has since implemented paid leave for affected staff.

Mercadona this week launched its #estonotienequeparar - #thisdoesnothavetostop campaign to make the food chain companies' efforts visible. The initiative brings together messages to enhance business activity and to highlight the role that business is playing at these difficult times. The firm relies on 2,000 suppliers from the agri-food chain.

Makro strengthened its support to small farmers and producers by announcing that they reached an agreement with the Segovian supplier Muñoz Berzal Hermanos and estimates it will sell about 500 lambs over the the next week.

In **Sweden**, e-commerce continues to perform well as food delivery company Hellofresh issued a reverse profit warning for the first quarter as revenues are expected to soar far beyond predicted expectations. Swedish food box veteran Linas Matkasse has also seen a strong increase in new customers. Not reporting so positively is the confectionery sector and in particular 'pick'n'mix,' type retailers - a sector that traditionally over-indexes at Easter. One of these retailers, Cloetta, confirmed earlier fears that the risk of customer demand will now "greatly decrease," identifying that the problem for many consumers is the perception that it is unhygienic to have sweets in open drawers and consumers using common picking spoons. Sales of pre-packaged confectionery are predicted to benefit from this consumer concern.

Dutch/Belgian retail company Ahold Delhaize has announced that it has spent over €170m worldwide on Covid-19 related measures. These include extra protection for staff and customers, staff bonuses and donations to local charities. €44m of this was spent on plexiglass. Albert Heijn in the Netherlands is a notable exception within the group, in choosing not to pay bonuses to its staff for their 'considerable and extraordinary efforts'.

Indeed, it could be concluded that the Ahold Delhaie performance in Q1 grants the group the opportunity to afford some of the measures above as they reported a Q1 turnover of 15% higher than that of last year. While remaining cautious about the outlook for the rest of 2020, they will pay a higher (by 8.6%) dividend than last year.

Q2 sales do not look as positive, however, for certain categories. In a move to pre-empt an anticipated slow-down in Easter sales, Albert Heijn has put their Easter special sweet products (chocolate, sugar confectionary and baked goods) on 50% off promotion this week. Most of these goods fall under their own private label, but A-brands such as Milka in particular, Tony's Chocolonely, Kinder, M&Ms and Lindt are also included.

Carrefour Express in **Poland** is starting another cooperation with an online delivery service Glovo.pl to deliver shopping within 1 hour of the order in the main cities: Warsaw, Krakow, Gdansk, Gdynia, Poznan, Wroclaw and Katowice. Maximum delivery weight is 9 kg and cost 1.54 euro.

Not to be left behind, Auchan Poland are also looking to improve convenience for their shoppers and have introduced Click&Collect services with shopping being done without a visit to the shop ordering from a choice of 6 ready prepared sets of products grouped as, basics, expanded, fruit, fresh, dogs and cats. It's a 'take it or leave it,' offer that doesn't allow sets to be modified at the expense of inefficiency in the supply chain.

Spar Poland is also providing customers with Click & Collect service, providing a leaflet with a list of products outside the shops. After filling it in, with customer name and phone number, staff will ring the customer when the shopping is ready for collection.

United States grocery retail is still experiencing unprecedented spikes along with shifting buying patterns. As per IRI data for the week ending March 22nd, total store sales increased just shy of 60% vs. the comparable week in 2019. Centre store edibles increased more than 80% the week of March 22, and the fresh perimeter advanced 45.1% vs. the comparable week in 2019. The IDDBA (International Dairy Deli Bakery Association) have advised that they are seeing a revival of centre store as consumers seek shelf stable items. Dairy sales increased sharply (60%), driven by large increases in butter, margarine and packaged cheese.

Amazon are prioritising the flow of household staples, medical supplies and other high-demand products into its fulfilment centres. The retailer is also encouraging shoppers to select 'No-Rush' shipping, where available, if their orders are not required immediately. H-E-B has introduced free next-day store pickup for online orders and is actively adding capacity to its online service. It is also partnering with local restaurants to sell their products in-store through a pilot programme initially (IGD USA update April 7th).

It is reported that so called 'Big Box' grocery delivery apps; Instacart, Fresh Direct, Peapod, and Amazon's Whole Foods delivery are struggling to keep up with the crushing demand for grocery delivery.

Since April 4th, **Algeria** has implemented a curfew from 3pm to 7am for 11 regions (Algiers, Oran, Bejaia, Sétif, Tizi Ouzou, Tipaza, Tlemcen, Ain Defla and Médéa) with partial confinement. The Blida region (south of Algiers), considered as the epicentre of the epidemic in Algeria, is under total confinement, all traditional markets have been closed in this region. The rest of the country is under partial confinement, with a curfew from 7pm to 7am. Online apps for food delivery are also having huge success among consumers.

The **Egyptian** government has put in place a curfew from 7pm to 6am for all the country. Stores and supermarkets are opened until 5 pm and remain closed on Friday and Saturday (week-end). Spinneys Egypt has reacted positively to a charity challenge from Nestle and announced that, in cooperation with the Egyptian Food Bank, they will support 5,000 families in need by providing them with their basic food necessities during the crisis.

In **Nigeria** the government has moved to ease the lockdown more and allow food markets to open from 10am to 2pm and Supermarkets from 10am-4pm daily. The previous arrangement had seen stores allowed to open for 4 hours every 48 hours only.

South Africa has banned the sale of all alcoholic beverages during the 21-day lockdown. This has forced the closure of retail outlets and online retailers selling alcoholic beverages as well as the factories of the manufacturers.

According to the **Russian** Association of Food and Drinks Producers" Rusprodsojuz" the main Russian food suppliers are going to increase prices for fish, cans, tea and coffee by 5-20 %. Retailers report growth in sale of strong spirits as people are concerned with shortage of supply and potential price increases.

According to Kantar, March was the busiest month for grocery sales ever recorded in **Ireland**. Over the 12 weeks to March 22nd, sales in the State's grocery retailers rose by 10.1 per cent with growth in the four weeks to March 22nd of 27 per cent, according to recently released figures. Grocery sales reached €2.8 billion over the course of the 12-week period, €250 million up on the same period last year and exceeding the previous peak seen at Christmas.

Topline Takeouts

- The sixfold.com Covid-19 border delay website reports that border crossing times across Europe are largely operating well with exceptions on the Germany-Switzerland, Italy-Austria, Italy- Switzerland.
- In **China**, The Civil Aviation Administration of China (CAAC) are encouraging both domestic and foreign commercial airlines to use idle passenger planes for cargo. The CAAC predicts that 'all-cargo,' international flights will increase to 930 per week, approaching pre-pandemic levels. However with limited passenger numbers available to supplement costs, cargo prices remain high.
- According to Feport, which brings together European terminal operators, the fall in container volumes should be between 50 and 80% in **Europe** in May-June.
- Dubai Municipality have brought in a temporary relaxation on the need for Arabic labelling and production date during COVID-19 emergency for products from the EU. This will shave costs for exporters which is welcome given the prohibitive air transport costs situation.

The sixfold.com Covid-19 border delay website reports that border crossing times across Europe are largely operating well with exceptions on the Germany-Switzerland, Italy-Austria, Italy- Switzerland.

In **China**, meat and aquaculture products will be subject to more stringent supervision in the upcoming months. 117 batches of imported food products from 31 countries were rejected by the GAC (customs) in January 2020. The Chinese government is reporting that all major ports have returned to operating at normal capacity. The Civil Aviation Administration of China (CAAC) are encouraging both domestic and foreign commercial airlines to use idle passenger planes for cargo. The CAAC predicts that 'all-cargo,' international flights will increase to 930 per week, approaching pre-pandemic levels. However with limited passenger numbers available to supplement costs, cargo prices remain high.

Staying with the airline theme, **Singapore's** Changi International Airport, the second-largest in Southeast Asia by passenger volume, will close 1 of its 4 terminals and reduce capacity at others as arrivals to the country fall by over 90 per cent. The airport serves more than 100 airlines flying to 380 cities in 100 countries and territories worldwide, with 7,400 aircraft movements weekly and 65.6 million passengers annually.

Port utilisation at the Manila International Container Terminal in **Philippines** has been reduced to 75 per cent from a record high of 98 per cent, and Philippine Port Authority general manager Jay Santiago expects a return to normal levels within the next 7 days. Daily container withdrawals have doubled to 3,000 after the government threatened overstaying cargoes with heavy fines and forfeiture

According to Feport, which brings together European terminal operators, the fall in container volumes should be between 50 and 80% in **Europe** in May-June. The drop in containerised volumes is currently between 20 and 45% at European level. Drawing on data from the Alphaliner analyst, it is reported that 15% of the container fleet is now “inactive”. Brittany Ferries estimates its loss at 25 million euro for the months of March and April alone. Passenger journeys have been interrupted until April 22nd but those intended for freight remain. Only 5 of its 12 ferries continue to sail, mostly between Portsmouth and Caen-Ouistreham but also between Poole and Bilbao in Spain. The other boats are docked, at least until April 22nd. Limited freight service is provided between France, Great Britain, Ireland and Spain.

Despite a reduction in the number of ferries from the UK to the continent, this is not impacting deliveries of food products according to feedback from Bord Bia clients using the route. On the main Calais Dover route, P&O has four out of its five boats in service whereas DFDS is operating as normal.

Greenports **Netherlands** (horticulture industry body) expresses fears that the availability of fresh produce in Dutch supermarkets and those of surrounding countries will be reduced as a result of lockdowns in multiple countries. As the transport options are reduced, the price of same is increasing, leading to a volatile market where there is a shortage of some products and over supply of others, leading to waste.

Poland has introduced quarantine for all people entering the country from abroad, with the exception of truck drivers.

According to Bord Bia London sources, **UK** grocery retailers are not experiencing supply chain disruptions, however anticipate operations running at maximum capacity, something similar to Christmas volumes, but which, presently, has not been planned for and is understaffed. Retailers are struggling to meet consumer demand and the dramatic change in shopping behaviour. The biggest supply chain and logistics concern at present is the impact Covid-19 may have on the supply of labour. The risk or potential breakdown lies in the supply of labour across the end to end supply chain; particularly haulage and transport workers and labour at a manufacturing, processing and farming level.

The panic buying for the current crisis may provide an insight on the Brexit transition according to experts in the **UK**. The Covid-19 outbreak highlighted the problems with the so-called just-in-time supply chain. In the current system, stores hold little in the way of stock beyond what is on the shelves and in transit. Supplies are delivered regularly in small quantities, meaning costs can be kept low and problems with products can be rectified easily. That is why the pandemic led to in-store shortages. Such a “lean supply chain” for groceries doesn’t have any flexibility to deal with situations of panic-buying, says Dr. Sam Roscoe, a senior lecturer in operations management at the University of Sussex Business School.

The grounding of passenger flights, coupled with the global reefer shortage, has added a complexity to servicing the **United Arab Emirates** market for product ex. Ireland. Emirates are continuing to provide a cargo services from Ireland to Dubai while passenger services are suspended. This service is currently via a Road Feeder Service to Heathrow connecting with additional services from there (Emirates passenger aircraft-cargo only) to Dubai. Dubai Municipality have brought in a temporary relaxation on the need for Arabic labelling and production date during COVID-19 emergency for products from the EU. This will shave costs for exporters which is welcome given the prohibitive air transport costs situation.

Local Manufacture

Snack manufacturers in Wuhan, **China**, have resumed production, claiming limited impact on sales. Big player Bestore posted 6,500 new job openings and launched its IPO in Shanghai in February. Coca-Cola's bottling factory in Hubei is also back up and running.

In **Spain** the meat industry representative body has lobbied for a number of measures to help counter the loss of trade in the foodservice channel. These include a reduction of taxes, subsidised interest rates, the opening of private storage for un-sold stock previously destined for foodservice and the re-introduction of an export refund scheme. They have also looked for the government to support a campaign encouraging Spanish people to consume food produced in Spain.

In the **Netherlands**, dairy products such as cheese have seen their value plummet by a quarter, potatoes for chips can't be sold as chip manufacturers have closed their production plants and there is a fear that specialty fruit and vegetables will disappear from both foodservice and retail. Only daily staples such as potatoes for boiling and carrots are holding their value.

Poland's manufacturing index, PMI, fell to 42.4 pts in March from 48.2 pts across all sectors, in February, marking the steepest decline ever with fastest declines in output and new orders since December 2008. Indeed, more than 48 000 companies in Poland have suspended their operations in March, with 25000 of them in the last week.

Nichols, the **UK** soft drinks manufacturer that owns the Vimto brand, cancelled its final dividend earlier this week after warning that the Covid-19 outbreak, and the related restriction of movement of people worldwide, would have a "significant" impact on its financial performance in 2020. The company outlined that the recent disruption to the market meant it was unable to provide financial guidance for the year ended December 31st 2020. Elsewhere, UK rice importers have begun stockpiling amid concerns that global export bans could disrupt supply. India, Vietnam and Cambodia have all reduced rice exports in the past week as they seek to ensure their own populations remain fed. There is currently no shortage of rice either in the UK or globally, but there are fears supplies could become stretched if more countries impose restrictions, according to the UK Rice Association.