

International logistics in the times of covid19 between grounded aircraft and ever-changing regulations

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In Italy, the management of the covid19 pandemic has entered Phase 2. Many citizens can finally give themselves a little more freedom, many have returned to work after 2 months of stopping, but for many economic sectors the difficulties are not over at all, and the return to normality seems a distant chimera. Among these is certainly to be included that of logistics, a strategic sector that allows the development and survival of industrial districts, the distribution of raw materials and finished products.

Among the main problems that afflict the sector in this period, there is the drastic reduction in the number of passenger flights to and from Italy, as explained by RifLine, an Italian company that deals with international logistics. In our country, most of the goods travel in the holds of these aircraft and now, with about 2/3 of the fleet on the ground, the transport possibilities are much less than normal. Moreover, the closure of shops, warehouses and most of the activities, has blocked the delivery of products already ordered, going to clog the port terminals. This leads to an increase in costs, to cover a longer rental of the premises, which will be charged to the recipient of the goods, who will necessarily have to take it from the end customer.

"When the lockdown was announced in Italy, there were dozens of ships arriving and once they reached the ports there was no one left to handle these cargoes. - Explains Francesco Isola, CEO of RifLine - Right now we have our Pomezia terminal full of containers with goods that we have to deliver to customers who are only now reopening and waiting to reopen to receive the goods, and almost all companies are in the same situation as us. This has also created a burden for importers who have had to bear the costs of parking at port terminals, further burdening the difficult situation of companies that have been closed for months".

Another important obstacle that is delaying the shipment of goods is the constant change in the regulations in force. The current pandemic has created conditions never seen before, prompting individual states to issue different regulatory measures as general conditions change. An example of this is our country, which in the space of a couple of months has seen the dissemination of numerous Prime Minister's decrees. Delays, however, which can cause great inconvenience if the goods to be shipped are Personal Protective Equipment.

"We ship tons and tons of masks, in a very fluid situation from a regulatory point of view. - Isola continues - But the rules governing the import of these goods change and adapt according to events, and this causes great confusion. What today are regulations that allow you to import, tomorrow may no longer be valid. In addition to the pressure in transport fares, entrepreneurs sometimes find themselves in the paradoxical situation of having to pay penalties to companies without being able to transport the goods".

This general confusion is likely to result in increased costs for the final consumer and a reduction in orders from entrepreneurs and traders, which will also mean a lower supply of products.

"Some people don't care, because they don't know if and when they can go back to work and how much and what goods they will need. - Continues the CEO of RifLine - An example is represented by the clothing sector that imported the spring line before closing, did not sell it and now will have to wait until next year to propose it to customers. Large retail chains are now expecting a reduction in receipts of about 70% between now and September, and this makes them much more cautious in ordering new goods, with the risk of a new lockdown as the number of contagions rises. More generally speaking, all other orders for goods not related to the coronavirus emergency have fallen sharply, by between 20 and 30%".

"As far as the future of the sector is concerned, this will certainly continue to maintain its strategic role, but if we want things to work better and faster, something must be done. We often hear calls for infrastructural interventions, to facilitate the movement of goods, but in the immediate future I think there is a need for a streamlining of bureaucratic procedures, which does not mean opening the door to all kinds of goods without any control," concludes Francesco Isola.