

The Changing Impacts of COVID-19 on Household Goods (HHG) Shipments

The implications of the recent coronavirus (COVID-19) outbreak have had a significant impact on mobility, including the shipment and delivery of household goods (HHG). Because the situation will continue to evolve, relocation management companies (RMCs) and their clients will need to continually audit the situation and adapt. To keep our clients informed, SIRVA will continue to monitor and report on information as it relates to the shipment and delivery of household goods. What follows is a summary of the most current information we have on this topic.

New and Existing Shipments

The initiation of new shipments continues to take place amid the coronavirus outbreak. However, we are experiencing the postponement of packing and movement due to circumstances that include, but aren't limited to, reduced shipping line frequency. For instance, [The Wall Street Journal](#) recently stated that fifty vessel sailings have been cancelled since late January, which will delay imports of containerized goods into both the United States and Europe. These delays have been caused by a reduction on industrial production and an inability to move freight around China, to and from ports. The result is a slowing of household goods imports and exports sent by ocean freight that would normally have been serviced within normal time periods.

Additionally, according to [Lloyd's List](#), many drivers and workers have been restricted from returning to their places of employment because of travel restrictions and quarantine regulations enforced by local authorities. Highways, public transportation routes, and cities may currently be under a controlled environment. Moving companies are facing major challenges in the wake of these circumstances, in addition to the fact that many buildings and condominiums/apartments in some parts of the world are not allowing outside workers and vehicles to enter. Due to these complications, companies and their relocating employees may expect the following depending on country location:

- Moving services will be operating on a limited capacity compared to normal service.
- SIRVA and its moving brands will work with shippers and collaborate with landlords and/or building management on any approvals, if required. Delays in packing or delivery may result in extra charges being incurred, including demurrage warehouse handling and storage, etc.

- **Export shipments which require original client documents may require a longer period to return, which could result in departure delays. Some sources are reporting that documentation is being requested via online portals.**
- **Domestic trucking is currently under travel restrictions and quarantine rules.**
- **All required moving personnel are subject to availability.**

In cases of all HHG shipments, companies will need to work closely with their RMC and/or vendors to strategize responses to similar delays and challenges, globally. All stakeholders should be aware that locations that have been impacted by the virus may be slower to respond.

Other Considerations

Travel Bans

As some countries increase their travel restrictions, employees may be prevented from receiving shipments that are already in transit. Many countries require that the individual be present before clearing HHGs that have been shipped; employees won't be able to fulfill that requirement if they have been temporarily banned from traveling to the host country and their HHGs have already arrived. This may incur costly fees as steam ship lines (SSL) may charge rental fees on containers and chassis (as in the United States as one example), plus port storage charges (demurrage) or the goods may be confiscated by the government after a significant amount of time has passed. Companies are encouraged to work with their account managers to address these issues.

An Extended Summer/Peak Season

Due to the time that we anticipate all RMCs will need to address backlogs and the influx of new requests, peak season in the Northern Hemisphere will likely be delayed and extended this year. How quickly the virus is contained, worldwide, will determine just how long this extension will be.

Country-Specific Information

Many cargo air and ocean carriers are increasing their rates to compensate for the loss of business. The space/equipment available on the market has been strongly reduced creating a need for a rate increase. Vessels in use appear to be fully booked six to eight weeks in advance, with rates increasing every week.

At this time, there are container shortages at US inland terminals and an oversupply of containers at the ports. Rerouting containers to inland terminals is possible, but can be costly. There is a considerable shortage on available containers in Europe.

What to Expect as Areas Stabilize

As some areas and regions stabilize, companies will be eager to resume shipments and deliveries. However, there will be important factors to keep in mind:

Delays Due to Backlog – and Impact on Future Shipments

As some areas stabilize and business activity returns to normal, port congestion and shipment diversion to alternate ports is likely. Companies are advised to check in with their RMC or vendor to assess whether they are ready to increase support and at what pace. Company stakeholders should be prepared for additional potential delays and charges as these providers resume normal activities; providers may still be challenged and services may need to be modified as they address in-process work that had been on hold while simultaneously trying to address the influx of new initiations and requests.

Manufacturing Shipments May Take Priority

When freight lines resume their shipping capacity and timelines, it's likely that manufacturing shipments will take priority over the shipment of household goods. In light of this, companies should be prepared for continued delays, manage their employees' expectations, and work closely with their RMCs to provide alternate arrangements such as furniture and HHG rentals.

Maintain Close Communication

Until business operations return to normal, expectations and timelines surrounding the shipment and delivery of household goods will need to be adjusted. During this difficult time, SIRVA encourages our clients to work closely with their account managers to understand challenges specific to their employees' host countries, maximize the services that are available, and collaborate on solutions and alternatives regarding services that aren't. As coronavirus-related travel bans and HHG shipment restrictions will continue to change, SIRVA will continue to monitor these changes and keep our clients informed.

SIRVA Advisory Services