



Still So Much To Learn

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Factsheet for Suppliers



Leading Categories

Established	Established	Established	Emerging	Emerging
Supermarket	H&B	Pharmacy	Office	Pet

Users

- Instacart sees over 40 million site visits a year and services 5,500 cities in the US and Canada

Retailer Relationships

- Retailers partner with Instacart to facilitate stronger inventory visibility, pricing parity, in-store operations, and occasionally power their own website
- Notable partnerships include Aldi and all the major US grocery chains. Recently, Walmart US moved to partner in a few test cities, after years of holding out and only partnering for Canada Supercenters and via Sam's Club in the US

Logistics

- Deliveries are carried out by gig workers.
- During the COVID-19 demand spike, Instacart hired 300,000 additional delivery drivers to keep up with orders

Competitive Comps *(star rating assesses each competitor's threat to Instacart's potential growth)*



On-demand delivery intermediaries In the US, Instacart is the dominant grocery-focused intermediary and has partnered with the largest and most important chains, minimizing competition that mirrors its structure, such as Shipt.



Outside the grocery vertical, the food service aggregators such as DoorDash and Postmates are beginning to get into retailer delivery intermediary work. These platforms rival or exceed Instacart in size of driver network, geographic network, consumer familiarity, and venture funding, making them formidable foes. This is particularly true in non-grocery focused channels, where Instacart is just beginning to extend itself.



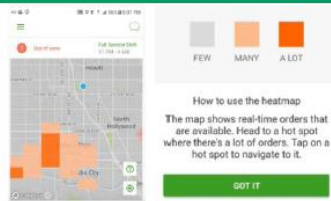
Incumbent omnichannel retailers such as Walmart, Kroger, and Target, while partnering with Instacart, are also investing heavily in their own capabilities.. The increase in demand for online services as a result of the COVID-19 pandemic has led to omnichannel retailers investing heavily in their ecommerce delivery operations.



Small to regional sized grocery chains are unlikely to compete strongly with Instacart at this stage, but larger players have the investment capabilities and national coverage to look to potentially rid themselves of Instacart or at least minimize the channel relative to their own online delivery.

Instacart Strategic Priorities

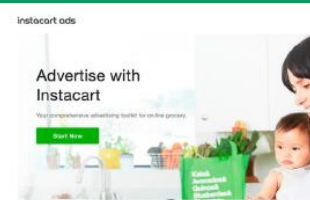
Operational Efficiencies



Click & Collect



Monetizing the Platform



New Category Penetration



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Regardless of whether or not a deal is struck on future ties, acute changes are in store once the transition period expires on December 31. The UK will leave the EU's Single Market and Customs Union and is seeking a free trade deal with maximum independence from EU rules. Here is a look at some of the main differences between "deal" and a "no-deal scenario" regarding the future relationship.

1. **Trade in goods** - Big changes are afoot given the UK's departure, even in the event of a trade deal. There will be two customs and regulatory regimes, bringing extra bureaucracy and border checks for standards and legal compliance. If there is no deal, then the EU and the UK will trade on World Trade Organization (WTO) terms.
2. **Transport** – (i) **Road** - UK and EU carriers will no longer have the right to operate in each other's territories, (ii) **Rail** – there will be little difference for cross-border operators and drivers, needing to comply with two different systems from 2021. But failure to secure a bilateral agreement between the UK and France for the Channel Tunnel could bring disruption if standards on each side diverge, (iii) **Air** - In 2019 both sides agreed to preserve basic connections under no-deal. But UK airlines are unlikely to be able to fly routes within the EU, and vice versa. Services could be restricted as the UK will need bilateral agreements with countries inside and outside Europe.
3. **Services** - The EU and UK may not recognize each other's professional qualifications, although member states would be able to make unilateral decisions. EU firms will have to comply with UK establishment rules to operate in Britain, while UK services companies would need to meet the EU's "third country" requirements to set up on the continent. Some large firms have already taken preventative measures. Short-term business trips by service providers between the UK and the EU may also be subject to extra red tape and costs.
4. **Fisheries** - A "no-deal scenario" could actually enable UK fishing boats to catch more fish in UK waters than if there is an agreement, which may impose restrictions. Both the UK and the UK will have exclusive rights in their own waters, and each would need permission to operate in the other's territory.
5. **Security** - Failure to secure agreement will make it harder to extradite criminals between the UK and EU. The UK will lose access to the European Arrest Warrant and to EU databases.
6. **Asylum rules** - Some EU law concerning asylum may remain on the UK statute book after the end of the transition period until it is expressly repealed.

- According to Marchetti's Law, the average worker spends an hour on commuting every working day, a figure which has remained stable since Neolithic times.
- If working from home eliminated an hour of commuting, without changing time spent on work or reducing production, the result would be equivalent to a 13% increase in productivity (assuming a 38-hour working work).
- A study by Harvard and NY University economists finds that people working from home spend around 48 minutes more time per day connected to their offices, leaving an average gain in free time of only 12 minutes per day.

One of the most striking responses to the COVID-19 pandemic has been the sudden shift of around half the workforce to working at home. In many cases, this was combined with an equally sudden shift to home schooling.

Contrary to what might have been expected, working from home was one part of the pandemic response that went remarkably smoothly. Most kinds of office work continued almost as if nothing had changed.

Discussion of the crisis has mostly worked on the assumption that a return to something like the pre-crisis “normal” is both inevitable and desirable. But the unplanned experiment we have been forced to undertake suggests we might have stumbled upon a massive opportunity for a microeconomic reform, yielding benefits far greater than those of the hard-fought changes of the late 20th century.

If working from home eliminated an hour of commuting, without changing time spent on work or reducing production, the result would be equivalent to a 13% increase in productivity (assuming a 38-hour working work). If $\frac{1}{2}$ the workforce achieved such a gain, it would be equivalent to a 6.5% increase in productivity for the labour force as a whole.

In 1995 the main advocate of reforms, the Productivity Commission, then called the Industry Commission, estimated they would increase national income by 5.5%. In retrospect, that estimate appears to have been over-optimistic. Although there was an upsurge in measured productivity growth in the mid-1990s, the total increase relative to the long-term trend was less than 1 percentage point per year above normal.

See attached paper



Century 21 files for bankruptcy and will close all of its stores **CNN**BUSINESS

- New York department store chain Century 21 filed for bankruptcy and said it will shut down its business.
- Century 21 has 13 stores mostly in New York City and the surrounding metropolitan area. As of Thursday, it had 1,400 employees. The company blamed the lack of payment on its business interruption insurance as the cause of its demise.
- Department store chains large and small were struggling even before the Covid-19 pandemic caused stores to shut temporarily and shift more purchases online. Stores that depended on clothing sales, such as Century 21, have been hit particularly hard as millions of people are out of work and millions more are working from home and not needing to buy as many dress clothes.

Magnit pilots new discount concept in Russia **EDGE**[^] BY ASCENTIAL

- The basics: Russian supermarket operator Magnit has opened three new stores under a new discount format, with the view to a full-scale rollout if successful.
- Growth of the discount channel will outpace other store-based channels over the next five years, with a global CAGR of 5.4% 2020-2025, versus 2.4% for hyper-stores and 3.4% for supermarkets and neighborhood stores, encouraging retailers to refocus store strategies towards this trend.



Global Economy to Contract 4.4%, China to Grow at 2.7% in 2020 **Fitch**Ratings

- Fitch Ratings projected global GDP to contract 4.4% in the current year but revised upwards China's growth estimate to 2.7% for 2020. In its September update to the Global Economic Outlook (GEO), Fitch Ratings cut its 2020 GDP forecast for emerging markets, excluding China, to (-) 5.7%, from (-) 4.7% estimated in June, mainly on account of a huge downward revision to India GDP forecast for the financial year ending March 2021.
- It projected the US GDP to contract 4.6% in 2020, less than the 5.6% decline expected in the June GEO. The downturn in the June 2020 quarter was slightly less severe than expected.



From superstar cities to ghost towns FORTUNE

- Two-thirds of workplaces in major hubs have yet to reopen
- Even as COVID-19 cases drop across the nation, most workplaces in large metropolitan areas remain closed.
- Only 27% of U.S. workplaces in America's 20 largest metropolitan areas will be reopened by the end of September. That's the finding from a poll of more than 1,000 executives by the Conference Board between Aug. 19 and 26, which was shared exclusively with Fortune.
- Another 8% of workplaces in large metros plan to reopen before the end of the year, and 21% sometime in 2021. While 40% have either no timeline to reopen (35%) or are waiting for a vaccine (5%). And 3% say they'll stay remote permanently.
- This spells trouble for both the finances of big cities and small businesses, like restaurants and shops, which are dependent on foot traffic from nearby offices.
- As workplaces in big cities remain closed, some employees are already looking to leave town. Americans living in urban areas are twice as likely to say they'll move out as a result of the pandemic (11%), compared to Americans living in rural areas (5%), finds a Fortune-SurveyMonkey poll of 2,478 U.S. adults between Aug. 17 and 18.

Sur La Table earmarks more stores for closure ~~CSCA~~

The kitchenware retailer, recently acquired by a joint venture between CSC Generation and Marquee Brands LLC Marquee Brands, started store closing sales in late August at an additional 17 locations. Sur La Table previously earmarked 56 stores for closure in bankruptcy as part of its plan of restructuring to optimize its retail footprint.

Survey: Fashion retailers unprepared for holidays amid COVID-19 PayPal™

- 47% of fashion retailers feel unprepared for the holidays, according to a recent PayPal/Netfluential survey. And while 22% of fashion retailers said their future depends on holiday sales, 47% have not adjusted their e-commerce approach since the start of COVID-19, despite a consumer shift toward online shopping.
- 52% said they are unsure whether in-person shoppers will use fitting rooms, so many fashion respondents are creating online alternatives like virtual fit or sizing tools (26%), virtual showrooms (23%), and virtual stylists (23%).



Tesco UK launches Loop online refillable container trial EDGE[^] BY ASCENTIAL

- Tesco is trialing a scheme in the UK where online shoppers will get products in reusable packaging. The supermarket is joining forces with Loop, which styles itself as a "zero waste shopping platform." The trial covers 150 items, which will be delivered in reusable containers for which consumers pay a deposit.
- With environmental sustainability a major concern, solutions that can support the reduction in packaging waste are gradually become more mainstream.
- Why does this matter? The Loop program is gaining greater visibility after launching with Carrefour in France, Kroger in the US and now Tesco in the UK



South Africa's Economy Shrinks 51% as Lockdown Restrictions Hurt Businesses THE WALL STREET JOURNAL WSJ

Africa's most developed economy sees worst quarterly decline in at least a century. South Africa's economy shrank by an annualized 51% in the second quarter, its worst quarterly decline in at least a century and one of the steepest contractions recorded by any major economy during the coronavirus pandemic. Africa's most developed economy imposed a strict lockdown in late March, closing most businesses and banning the sale of alcohol and cigarettes along with other items not considered essential.

These Retailers Might Go Bankrupt Soon EN

The unprecedented coronavirus pandemic has created a challenging environment for retailers across the board. (i) **J.Jill** - J.Jill could file for bankruptcy in just a matter of days, (ii) **Francesca's** - In mid-June, Francesca's doubled down on its warning of a potential bankruptcy, (iii) **CBL Properties** - Although not a retailer, CBL & Associates Properties Inc. owns 108 shopping centers across the country. In mid-August, the mall giant announced that it had entered into a restructuring support agreement with its lenders that would erase about \$900 million of debt and at least \$600 million other financial obligations.



Apple's floating store opens in Singapore **EDGE**[^] BY ASCENTIAL

- The Cupertino-based iPhone maker on Thursday opened Apple Marina Bay Sands, its first floating retail store with a glass dome that appears as a floating sphere and sits directly on the water.
- The store introduces a new retail experience at one of the most iconic locations in the country.
- Our retail stores bring the best of Apple together and we're so proud to welcome you to our newest home in Singapore -- the breathtaking Apple Marina Bay Sands. Enjoy the view! Apple CEO Tim Cook said in a tweet.



China's exports rise the most in nearly 1-1/2 years as economies reopen; imports slip **REUTERS**

- China's exports rose for the 3rd consecutive month in August, eclipsing an extended fall in imports, as more of its partners relaxed coronavirus lockdowns in a further boost to the recovery in the world's second-biggest economy.
- Exports in August rose a solid 9.5% y-o-y, customs data showed on Monday, marking the strongest gain since March 2019. The figure also beat analysts' expectations for 7.1% growth and compared with a 7.2% increase in July.
- Imports slumped 2.1%, compared with market expectations for a 0.1% increase and extending a 1.4% fall in July.

Amazon starting Black Friday early **CSA**

- Amazon is reportedly running a three-week early Black Friday online sales event beginning Oct. 26.
- According to TameBay, the e-tail giant will offer Black Friday deals from Monday, Oct. 26 through Thursday, Nov. 19. Each week will feature discounts on different products, with sale prices available to all consumers and not just Prime members.
- Seller submission deadlines for Early Black Friday deals start Oct. 19 for the first week and end Nov. 2 for the third week. Amazon is also taking seller submissions for the traditional dates of Black Friday (Nov. 27) and Cyber Monday (Nov. 30). October may also see Amazon hosting a delayed version of its two-day Prime Day annual sales extravaganza that is usually held mid-July.



Starbucks China opens first flagship made of cargo containers **EDGE**[^] BY ASCENTIAL

- Starbucks has just unveiled a new concept store in China created inside six repurposed shipping containers.
- An identical concept, created by Japanese architect Kengo Kuma, first appeared in Taiwan. As the 800th store in Shanghai, the Starbucks container store helped set a new record for the city – it has more Starbucks stores than any other city in the world.
- It is located at Shanghai's Wisdom Bay Science Innovation Park, on space which was formerly home to warehouses and container storage yards.



Remote Work Is Killing the Hidden Trillion-Dollar Office Economy **Marker**

- In the five months since the coronavirus forced a lockdown of U.S. businesses, economists have focused much attention on the devastation of mom-and-pop businesses, brick-and-mortar shops, bars and restaurants, and massive chains. But they have mostly overlooked a looming threat to a vastly larger and more consequential galaxy of businesses, one worth trillions of dollars a year in GDP and revolving around a single, much underappreciated economic actor — the white-collar office worker.
- As companies across the U.S. postpone and even scrap plans to reopen their offices, they have transformed city business districts into commercial ghost towns. A result has been the paralysis of the rarely remarked-upon business ecosystem centering on white-collar workers, who, when you include the enterprises reliant on them, account for a pre-pandemic labor force approaching 100 million workers.
- But now, the office economy is under threat. The pandemic has made a permanent shift to remote work for a large part of the office workforce a near certainty. And with that, tens of thousands of workers in the office support economy — those who “feed, transport, clothe, entertain, and shelter people when they are not in their own homes” — will lose their jobs.

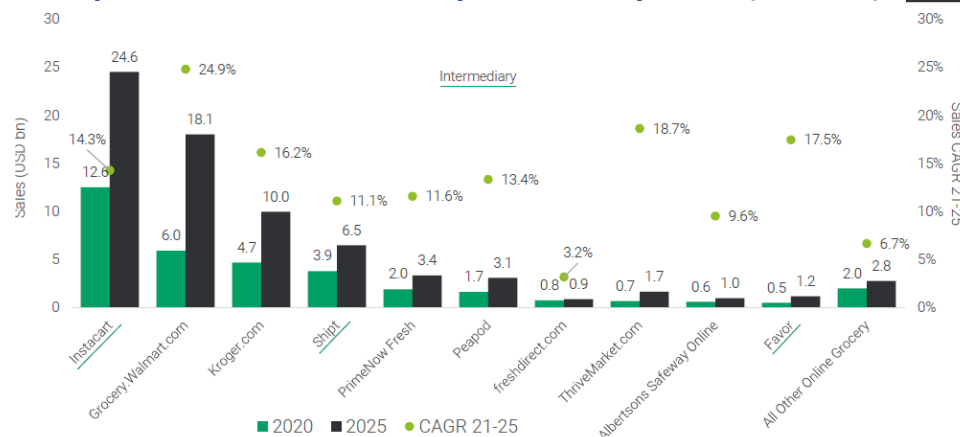




Verishop adds support for direct-to-consumer brands EDGE[^] BY ASCENTIAL

Verishop, an upstart US ecommerce site focused on apparel, health & beauty, and home has launched Verified Shops within its platform for emerging brands. Verishop was launched in June 2019 and positioned itself as a social shopping platform oriented to browsing and inspiration. It is also aspirational - brand friendly, with a premium feel and strong stance on curation and counterfeit prevention. Verified Shops seeks to help upstart and direct-to-consumer brands grow their ecommerce business with the same benefits enjoyed by leading brands, and without the perceived experience dilution of the major ecommerce platforms.

Top 10 U.S. Online Grocery Banners by Sales (USD bn) ASCENTIAL



Current Priorities



Pickup Service Expansion

Bring click & collect to more partners, giving shoppers two options for fulfillment and improving economics



Digital Shelf & Advertising Expansion

Greater sophistication in ad tools and more placements for brands to bid on



In-store Space Allocation

Utilizing robotics to improve costs in both the last mile and also within high volume stores

Core Food Banners				Other Banners		
	Banner	2019 Store Count	Instacart Partnership	Banner	2019 Store Count	Instacart Partnership
1	Walmart Supercenter	3558	Yes	Dollar General	16049	
2	Aldi	2005	Yes	7-Eleven	9364	
3	Target	1447	Yes	Walgreens	8915	
4	Publix	1230	Yes	CVS	7981	Yes
5	Kroger	1121	Yes	Family Dollar	7783	
6	Save-A-Lot	1115		Circle K	7558	
7	Food Lion	1029	Yes	Dollar Tree	7280	
8	Safeway	895	Yes	NAPA AUTO PARTS	6186	
9	Walmart Neighborhood Market	687	Yes	AutoZone	5772	
10	Sam's Club	592	Yes	O'Reilly Auto Parts	5419	



National partnership with 1,800+ stores in 35 states



Only non grocery-relevant scaled partners to date



4 market pilot in US after partnering in Canada since 2018



Delivers both prescriptions and grocery orders

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Tegut in Germany tests walk-in mini market

As the first retailer in Germany, tegut is currently testing a new shopping concept that should do without permanent staff and rely on cashless and contactless payment. A prototype of the almost 40 square meter market has been on the premises of the company's headquarters in Fulda for a few weeks and is currently being tested by the employees. From October the market should also be opened to the public, a company spokesman told the LP. The roll-out with initially up to ten stores is planned for autumn 2020.



Bankrupt J.C. Penney Is Bought by Mall Operators in Need of Tenants *The New York Times*

Simon and Brookfield will pay about \$300 million in cash and assume \$500 million in debt to buy J.C. Penney, lawyers for the retailer said at a Bankruptcy Court hearing. The deal will split J.C. Penney into separate companies, with Simon and Brookfield running the retail business and its creditors owning a portion of its real estate. In all, the deal values J.C. Penney at \$1.75 billion, including the funds committed to support its business after it emerges from bankruptcy.

August 2020 Scorecard: Online grocery market rebalancing after COVID Spike



brick meets click.

- U.S. grocery delivery and pickup sales for August 2020 totaled \$5.7B, down from June's peak, but other KPIs showed strength in a market 5 times larger than a year ago at \$1.2B. Many have been anticipating there would be a drop from peak COVID sales for grocery delivery and pickup at some point — the question was when and how much.
- According the new August 2020 Brick Meets Click/Mercatus Grocery Survey, in the last 30 days, online grocery shoppers are:
 - Buying more and ordering more frequently.
 - More committed
 - A much larger base than a year ago

August Scorecard: Online Grocery Delivery & Pickup

Total US – Past 30-day activity*

Performance Metrics	Aug 2019	March 2020	April 2020	May 2020	June 2020	Aug 2020
 Sales (Past 30 days)	\$1.2 B	\$4.0 B	\$5.3 B	\$6.6 B	\$7.2 B	\$5.7 B
 Spend (Average per order)	\$72	\$85	\$85	\$90	\$84	\$95
 Orders (# Past 30 days)	16.1 M	46.9 M	62.5 M	73.5 M	85.0 M	59.5 M
 Customers (# Active during past 30 days)	16.1 M	39.5 M	40.0 M	43.0 M	45.6 M	37.5 M
 Frequency (Monthly average/customer)	1.0	1.2	1.6	1.7	1.9	1.6

* Excludes online grocery orders shipped to home via common or contract parcel carriers.

Sources: Brick Meets Click/Mercatus Grocery Shopping Survey, August, June & May 2020; Brick Meets Click/Symphony RetailAI Grocery Survey, April 2020; Brick Meets Click/ShopperKit Grocery Survey, March 2020; Brick Meets Click research, August 2019.



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Amazon Air hires ATSG to fly six more freighters **American Shipper**

- Air Transport Services Group will operate six more medium-size freighters for Amazon Air, operationalizing a lease agreement struck in late May, the company announced.
- ATSG subsidiary Air Transport converted freighters under a provide crew, maintenance planes for 10 years from another ATSG company, Cargo Aircraft Management, part of a deal this summer for 12 aircraft. The first leased freighter began operating under the Amazon banner in May, with the remainder scheduled to start work next year.
- With the new flight award, ATSG projects that its airlines will operate 38 767s for Amazon Air by April 2021, 36 of which CAM leases to Amazon.



Tesco to trial drone delivery for groceries in Ireland **EDGE[^]** BY ASCENTIAL

- Tesco to partner with Irish drone company Manno Aero to trial grocery home deliveries with drones.
- Manno Aero to conduct the six-month trial next month delivering essentials from its Oranmore store in Co Galway, Ireland. The supermarket group's innovation director Claire Lorains says the trial would focus on the delivery of just a few grocery items, such as forgotten recipe items, with deliveries made within 30 minutes to an hour of an order being made.

COVID boost to e-commerce leads to fast growth in domestic express and parcels market



The accelerated shift towards e-commerce due to lockdowns and restrictions on the use of usual retail stores has led to a surge in volumes for parcel service providers. It has even been strong enough to offset the decline in B2B parcels as entire industries shut down, employees were sent home and the global economy collapsed. Ti research has concluded that the global domestic express and parcels market grew by 9.8% year-on-year in real terms in H1. IN the U.S. e-commerce in total retail was already high at around 15% pre-COVID and the switch from bricks-and-mortar to online has been relatively easy to make for consumers with 25% of total retail sales during the height of the pandemic.



Cedar Rapids logistics park on horizon American Shipper

- Iowa is known for its immense agricultural production, but the state's newest crop is offering transportation and logistics services to heartland shippers.
- Traverco, a longtime Iowa transportation company, has started construction on a logistics park at Cedar Rapids that by this time next year will unite shippers with the nation's Class I rail network and beyond.
- The first phase of the facility will be located on 36 acres of the 101-acre logistics park southwest of downtown Cedar Rapids. It will include a 259,000-square-foot, rail-served warehouse that will allow shippers to distribute, consolidate or store their goods in "creative ways," said Jeff Woods, director of business development at Traverco (formerly Alliant Energy Transportation), a subsidiary of Alliant Energy Corp.
- The logistics park is located five miles from the U.S. Highway 30/Interstate 380 interchange to serve trucks from not only Iowa but Minnesota and Illinois.
- Rail service to and from the facility will be provided by Traverco's short-line subsidiary, the Cedar Rapids and Iowa City Railway Co. (CRANDIC), which interchanges with the national rail networks of the UP and CN in Cedar Rapids and connects to the Iowa Interstate Railroad, which operates about 600 miles of track across Iowa and Illinois.
- Cedar Rapids is located within a four- to five-hour drive to and from the nation's largest Midwest freight transportation hubs of Chicago, Minneapolis and Kansas City, Missouri.

Royal Mail predictions: 7-day parcels, 5-day letters, GLS sold off tamebay

- RM said parcel volumes are up 34% and parcel revenue up 33.1% yoy. However, addressed letter volumes (ex. elections) is down 28% with letter revenue down 21.5%.
- The problem is that delivering parcels costs more and the mix shift from handling more parcels and fewer letters increased costs in the period by £85 million. On top of that, costs related to COVID-19 were £75m Jan to May.
- With all this in mind, Royal Mail say that they are considering three main objectives: (i), (ii) retain the USO (Same price to deliver across the UK) and (iii) Consider demand for a seven day a week parcel service
- Retain a next day letters service during the business week

There are multiple immediate, end-to-end supply-chain actions to consider in response to COVID-19.

Supply-chain actions

Create transparency on multitier supply chain

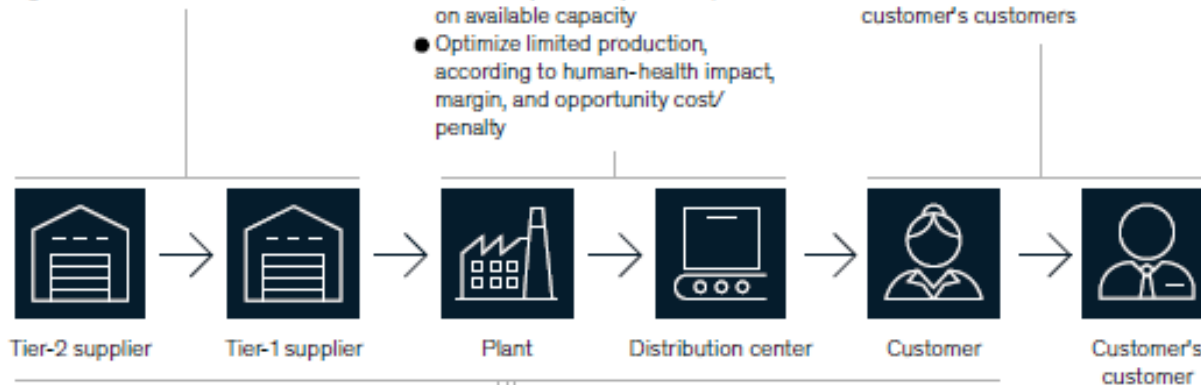
- Determine critical components and determine origin of supply
- Assess interruption risk and identify likely tier-2 and onward risk
- Look to alternative sources if suppliers are in severely affected regions

Optimize production and distribution capacity

- Assess impact on operations and available resource capacity (mainly workforce)
- Ensure employee safety and clearly communicate with employees
- Conduct scenario planning and assess impact on operations, based on available capacity
- Optimize limited production, according to human-health impact, margin, and opportunity cost/penalty

Assess realistic final-customer demand

- Work with sales and operations planning to get demand signal to determine required supply
- Leverage direct-to-consumer channels of communication
- Use market insights/external databases to estimate for customer's customers



Estimate available inventory

- Estimate inventory along the value chain, including spare parts/remanufactured stock
- Use after-sales stock as bridge to keep production running

Identify and secure logistics capacity

- Estimate available logistics capacity
- Accelerate customs clearance
- Change mode of transport and prebook air/rail capacity, given current exposure
- Collaborate with all parties to leverage freight capacity jointly

Manage cash and net working capital

- Run supply-chain stress tests vs major suppliers' balance sheets to understand when supply issues will start to stress financial or liquidity issues

Still So Much To Learn

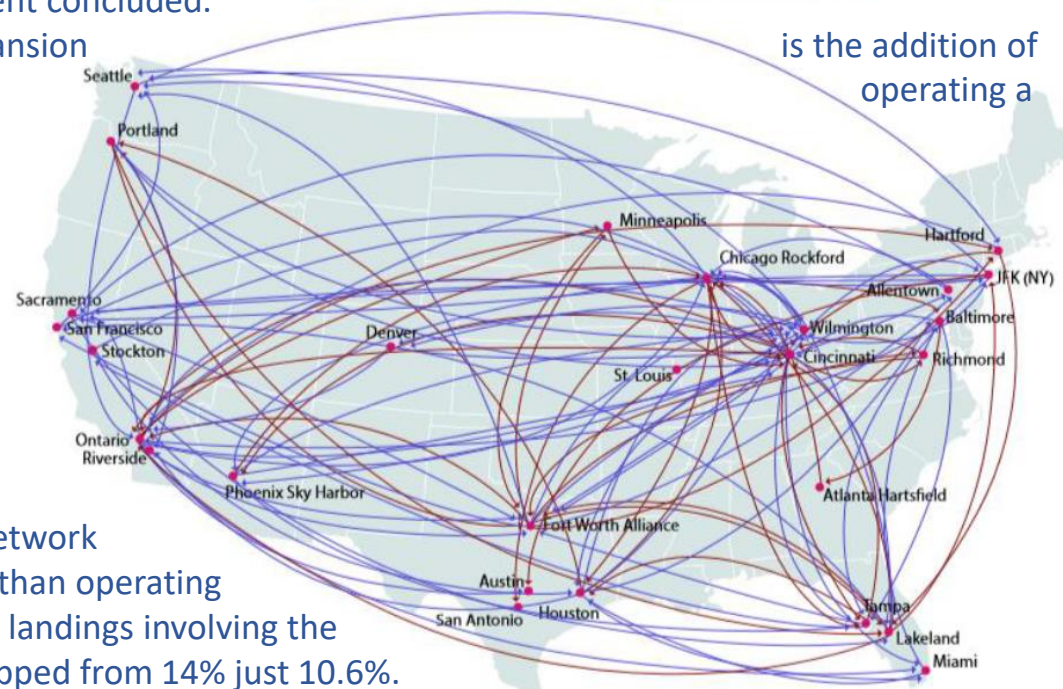
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Amazon Air expands at unprecedented pace, report says **American Shipper**

- Like its parent company, Amazon Air has had fast growth in its DNA since its inception in 2016. But a confluence of factors has turbocharged that growth this summer, according to a new report by researchers at DePaul University.
- Since May, Amazon has added 12 aircraft to its fleet, increased daily flight activity by more than 30%, continued to decentralize operations with the addition of new hubs and significantly changed service patterns in the Northeast and Florida, the analysis of flight-tracking platforms and fleet registration data showed.
- “By the end of 2021, Amazon Air could cross the 200-flights-a-day threshold, making it about twice the size it was in early 2020. With only a modest increase in fleet utilization, this will require about 74 to 75 airplanes, which the airline is on track to achieve,” the report from DePaul’s Chaddick Institute for Metropolitan Development concluded.
- The biggest manifestation of Amazon Air’s expansion is the addition of operating a Sun Country in May as a new contract carrier fleet of 10 Boeing 737 converted freighters. Southern Air, owned by Atlas Air Worldwide Holdings, and Air Transport International each began flying an additional aircraft for Amazon this month, the report said.
- The exact number of planes in Amazon service is difficult to know because Amazon doesn’t disclose the figure. FreightWaves estimates Amazon Air has about 62 aircraft already.
- Amazon Air tends to operate a decentralized network with a majority of point-to-point routes rather than operating through giant hubs. The April % of takeoffs and landings involving the airline’s Cincinnati/Northern Kentucky hub dropped from 14% just 10.6%.

Figure 2: Amazon Flight Network within U.S. Mainland, August 24, 2020

Blue lines denote Boeing 767 flights; maroon lines denote Boeing 737s





Supply Chain Update

17

Intermodal Spike Drives Traffic Gain **RAILWAYAGE**

U.S. Rail Traffic¹

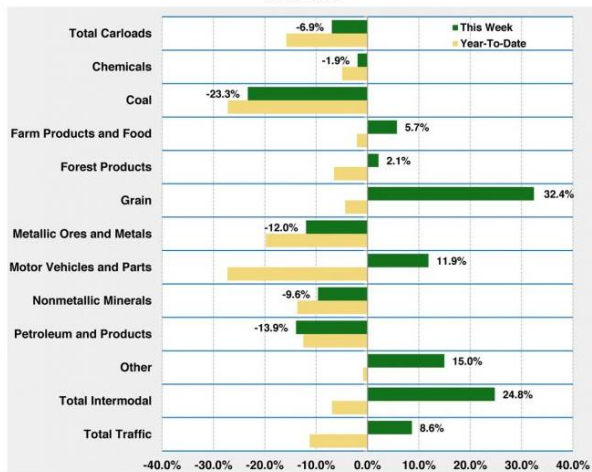
Week 36, 2020 – Ended September 5, 2020

	This Week		Year-To-Date		
	Cars	vs 2019	Cumulative	Avg/wk ²	vs 2019
Total Carloads	222,298	-6.9%	7,670,555	213,071	-15.8%
Chemicals	30,290	-1.9%	1,104,669	30,685	-4.9%
Coal	60,842	-23.3%	2,053,728	57,048	-27.2%
Farm Products excl. Grain, and Food	15,351	5.7%	548,655	15,240	-2.1%
Forest Products	9,203	2.1%	332,830	9,245	-6.5%
Grain	23,003	32.4%	753,872	20,941	-4.4%
Metallic Ores and Metals	17,634	-12.0%	637,877	17,719	-19.8%
Motor Vehicles and Parts	16,296	11.9%	422,744	11,743	-27.3%
Nonmetallic Minerals	29,585	-9.6%	1,075,436	29,873	-13.7%
Petroleum and Petroleum Products	10,056	-13.9%	400,229	11,117	-12.5%
Other	10,038	15.0%	340,515	9,459	-0.9%
Total Intermodal Units	287,339	24.8%	8,897,816	247,162	-6.9%
Total Traffic	509,637	8.6%	16,568,371	460,233	-11.3%

¹ Excludes U.S. operations of Canadian Pacific, CN and GMXT.

² Average per week figures may not sum to totals as a result of independent rounding.

Trends, 2020 vs 2019
United States



Canadian Rail Traffic¹

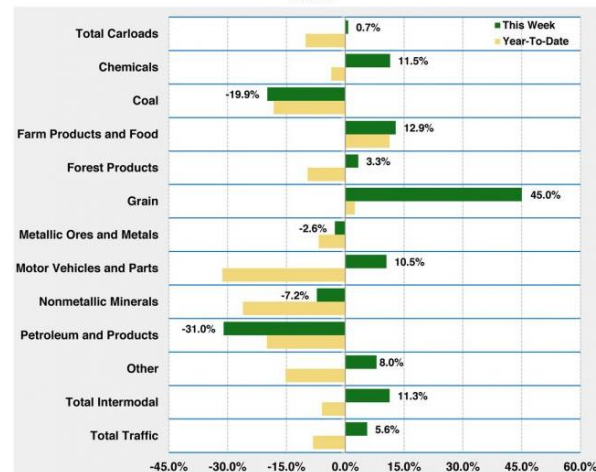
Week 36, 2020 – Ended September 5, 2020

	This Week		Year-To-Date		
	Cars	vs 2019	Cumulative	Avg/wk ²	vs 2019
Total Carloads	78,580	0.7%	2,661,997	73,944	-10.1%
Chemicals	12,425	11.5%	428,563	11,905	-3.6%
Coal	6,077	-19.9%	228,796	6,355	-18.2%
Farm Products excl. Grain, and Food	8,714	12.9%	286,667	7,963	11.3%
Forest Products	6,644	3.3%	225,233	6,256	-9.6%
Grain	9,518	45.0%	312,789	8,689	2.4%
Metallic Ores and Metals	15,596	-2.6%	519,573	14,433	-6.8%
Motor Vehicles and Parts	5,242	10.5%	133,092	3,697	-31.3%
Nonmetallic Minerals	5,924	-7.2%	188,400	5,233	-26.1%
Petroleum and Petroleum Products	6,882	-31.0%	286,178	7,949	-20.0%
Other	1,558	8.0%	52,706	1,464	-15.2%
Total Intermodal Units	73,558	11.3%	2,349,736	65,270	-5.9%
Total Traffic	152,138	5.6%	5,011,733	139,215	-8.2%

¹ Includes U.S. operations of Canadian Pacific and CN.

² Average per week figures may not sum to totals as a result of independent rounding.

Trends, 2020 vs 2019
Canada



Weekly Railroad Traffic | Copyright AAR, 2020

Still So Much To Learn

ACC



Amazon to hire 100,000 new workers in US, Canada **Bloomberg**

- Amazon is hiring 100,000 new employees across the U.S. and Canada to fill both part and full-time positions.
- New employees will be offered starting wages of at least \$15 an hour as well as benefits and sign-on bonuses of as much as \$1,000 in select cities. Amazon is also opening 100 new operations buildings this month across fulfillment centers, delivery stations and additional sites.
- As of June 30, Amazon employed 878,600 people, according to CNBC. The hiring spree is the e-commerce giant's fourth this year, following 33,000 new job openings for corporate and tech workers earlier in September as well as 100,000 and 75,000 new operations positions in March and April, respective, according to the network.

Airlines Are Removing Seats to Make Space for Gadgets and Seafood **SUPPLYCHAINBRAIN**

- Cargo, one of the least glamorous aspects of flying, is proving a rare ray of light for airlines amid the coronavirus gloom. With much of the world's population house-bound and shopping online instead of hitting the malls, analysts see no let up in demand, particularly as the peak year-end holiday season approaches.
- The sort of goods moving along this global conveyor belt 30,000 feet in the sky also track the pandemic's unfurling. Masks and gloves have given way to semiconductor chips and PC parts as consumers set up work-from-home arrangements. Fresh produce is also big as people venture out less. Ultimately, once a vaccine is found, airlines will be used to disperse billions of vials quickly and in a temperature-controlled environment.



On time. In full. Right now **FREIGHTWAVES**

Walmart's stricter delivery compliance rules took effect Tuesday. Supplier freak-out is expected but likely not tolerated. As of Tuesday, suppliers who pay the freight charges for shipping to Walmart U.S. distribution centers must fulfill orders exactly as Walmart wants, hit the company's "must arrive by" date at the designated DC, and accomplish both at least 98% of the time or face a fine equal to 3% of the cost of goods sold. The directive applies to purchase orders supporting brick-and-mortar and e-commerce transactions.



Peeling back the layers of the freight market as spot loads and rates boom *Overdrive*

- In large part, on the spot market anyway, 2020 has been a tale of two seasons, as many owner-operators and small fleets have experienced first-hand in their own dealings.
- The ghost town that befell spot freight for a roughly two-month run amid shutdown orders due to the COVID-19 outbreak in April and May has since rallied into something of a boom town.
- After rates cratered in April and May, the subsequent supply chain chaos combined with a boom in demand for loads-producing goods like appliances, homewares, home-office-wares, exercise equipment and lumber, to name a few hot commodities, has poured freight into the spot market.
- The bad news is that, underneath that retail surge and supply chain chaos, a lingering weakness in the industrials and manufacturing sectors could remain a drag on prominent freight-producing sectors in the economy.
- “The big word for the last few months has been ‘imbalance,’” said Chris Caplice, an analyst for DAT Solutions and executive director of MIT’s Center for Transportation and Logistics. “Some industries cratered. Some lanes disappeared. Other lanes went up by three times. For both carriers and shippers, the network that is typically kind of balanced is now out of whack.”

Shortage of haulage the number-one hurdle as UK importers struggle



- UK importers are facing “numerous challenges” these days. They include port delays, vessels diversions, a shortage of haulage availability and limited slots at ports to collect containers.
- Forwarders have reported significant issues with the UK’s inland container transport, which were exacerbated by last week’s bank holiday.
- The lack of haulage capacity is one of the biggest problems: a number of EU drivers are not working, either because of holidays or quarantine requirements, and the overall pool of drivers has been reduced by many others who were furloughed in lockdown and then got other jobs in retail and e-commerce distribution that pay better.
- Some haulage companies lowered tariffs for key customers during lockdown but did not expect the current spike in volumes; some returned trailers only to find them difficult to procure now; and social distancing means a two-hour unload now takes double the time, creating knock-on delays.



How the Pandemic Is Paving the Way for Robots in Retail Fulfillment SUPPLYCHAINBRAIN

- Automation was proceeding at a rapid pace in many factories and warehouses before the coronavirus pandemic hit. Now, however, concerns over worker health, the need for social distancing, and the relentless push for cost-cutting are accelerating the progress of robots for order fulfillment.
- Warehouses are being redesigned for full automation of placement and storage. Honeycomb systems like those of Ocado are being designed to be humanless. You're taking folks out of harm's way relative to forklifts coming around a corner and colliding with somebody.
- Organizations were already trending toward automation. The replacement of humans with technology was going to happen — the pandemic just made it happen at express speed.
- The futurist's view today probably doesn't look much different than it would have six or nine months ago. You'll continue to see more fully automated warehouses. Brick-and-mortar retail will change a lot. Stores are already using a portion of their space as micro-fulfillment centers. That's how a lot of those physical locations are going to end up — there won't be consumers going in and out of them anymore, except to pick up orders. It's just going to happen much more quickly than it would have otherwise.

The need for resilience SUPPLYCHAINBRAIN

COVID-19 has driven home the need to strengthen global supply chain networks. Supply chains should be dynamic, responsive, and interconnected to an organization's ecosystem and processes. This requires end-to-end visibility, real-time insights, and decisive actions—particularly in escalating situations.

Tomorrow's global supply network SUPPLYCHAINBRAIN

Supply chains form the backbone of the global economy. This current crisis and its widespread effects on the global supply chain have exposed the dire need for proactive preparation. As organizations journey toward an intelligent, self-correcting, smart supply chain, the most adaptable companies will learn from their current challenges and implement intelligent workflow strategies to create smarter supply chains. Tomorrow's will be those optimizing their increasingly global supply chain networks, also positioning themselves to effectively respond to the next black swan disruption



Port of Long Beach Reports Best August on Record Maritime Logistics Professional

- A strong start to the peak shipping season led the LB container port to record its best August in its 109-year history.
- Dockworkers and terminal operators at the Port of Long Beach moved 725,610 TEUs of container cargo last month, a 9.3% increase compared to August 2019, the port announced Wednesday. Imports rose 13% to 364,792 TEUs and exports were up 1% to 126,177 TEUs. Empty containers shipped overseas climbed 8.5% to 234,642 TEUs.

3PLs prepare to catch Damco shippers jumping ship American Shipper

- Maersk's announcement that it will integrate the air cargo and LCL services of its subsidiary Damco into the Maersk brand has some customers checking their options.
- Shippers remain unclear how the absorption of Damco into Maersk will impact their overall logistics contracts with the longtime third-party logistics services provider (3PL), as well as what will happen to the customer service staff who were dedicated to their shipping requirements.
- Other 3PLs say they are prepared for a possible migration of shippers from Damco. DB Schenker said it approved a "stability package" for those shippers specifically impacted by Maersk's announcement, which includes an offer to take over short-term service agreements with up to two-month contract periods that match those agreed by Damco.

Carriers impose restrictions as container shortages in Asian ports get worse

- All the major carriers are experiencing equipment shortages at Asian ports with popular 40ft high cubes in particular short supply at Chinese depots.
- Anecdotal reports to The Loadstar suggest CMA CGM currently has a shortage of equipment at all of the main Chinese ports, while other carriers are advising of shortages at some docks and "near normal" availability at others.
- However, one Chinese forwarding source said equipment availability was more about "what you are prepared to pay", with some lines introducing a "box priority fee", payable at the time of booking.
- And many carriers have introduced restrictions on the release of empty containers prior to the intended shipment.
- Hapag-Lloyd will now only release empty containers from its mainland China depots a maximum of eight days prior to the estimated arrival of the intended sailing.



Empty Ghost Cruise Ships Become The Attraction In The English Channel

- As the cruise industry has come to a standstill, many cruise ships are being moored outside of ports and harbors around the world. Ironically, it is now the boats themselves that are becoming the tourist attractions, especially off the south coast of England.
- A number of cruise ships are currently being moored near Dorset, according to CNN—Royal Caribbean's Anthem of the Seas, Jewel of the Seas, and Allure of the Seas, as well as several Cunard ships including the Queen Mary 2 and the Queen Elizabeth.
- Paul Derham, who runs two local ferries in Mudeford, has started running tours to take visitors up close to these giant beasts, many of which sleep thousands of guests.

Kindly and initially reported by Dave Cairns in the UK



Seaspan welcomes 13,000 TEU boxship pair



- Seaspan Corporation, part of Atlas Corp., has taken delivery of two 13,000 TEU containerships built in 2010 and 2011. Both vessels have commenced long-term time charters with an unnamed global liner.
- Although Seaspan has not provided any additional details on the boxship duo, VesselsValue's data shows that the ships in question are Madrid Express and Paris Express. Built at Samsung Heavy Industries (SHI) shipyard in South Korea, both ships were purchased from Germany's shipping company Peter Dohle Schiffahrts KG.
- Following the latest acquisition, Seaspan's fleet now comprises 125 containerships, representing total capacity of approximately 1,049,000 TEU. The company's operating fleet of vessels has an average age of approximately 7 years and an average remaining lease period of approximately 4 years, on a TEU-weighted basis.



Thailand looks to cut Malacca Strait shipping time by land link between Indian, Pacific Oceans **Bloomberg**

- The highway and rail passageway connecting the two oceans would bypass the congested Strait of Malacca off Malaysia and Singapore.
- Thailand says the 100km 'land bridge' between two seaports would replace previous plans for a canal, and would cut shipping time by over two days
- Thailand is looking to construct a land passageway that would connect the Indian and Pacific Oceans, bypassing one of the world's busiest shipping lanes.
- The Strait of Malacca, a narrow sea lane along Peninsular Malaysia's southwest coast and extending east past Singapore, is currently the shortest sea route linking the Asia-Pacific region with India and the Middle East. About a quarter of the world's traded goods pass through it each year.
- "The Strait has become quite congested," Transport Minister Chidchob said.
- "Using an alternative route through Thailand would cut shipping time by more than two days, which is very valuable for businesses."
- Thailand plans to build two deep seaports on either side of the country's southern coasts, and link them via highway and rail, according to Saksiam.



New terminal at Walvis Bay becomes fully operational **PORT TECHNOLOGY**

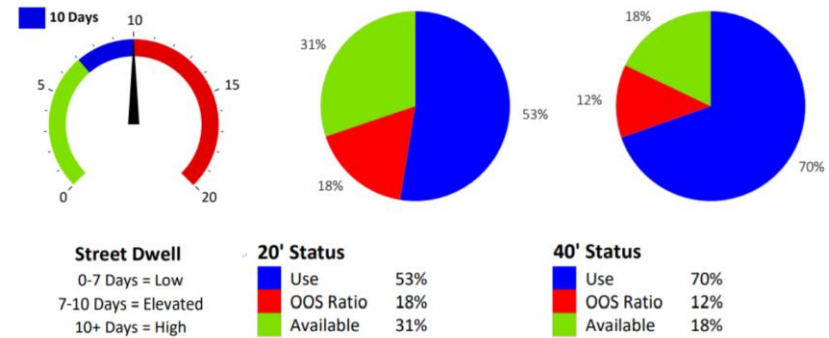
- The new container terminal at the Namibian Port of Walvis Bay is now fully operational according to ADB.
- In a statement, the ADB said the terminal was built on constructed on 40 hectares of land reclaimed from the ocean by China Harbor Engineering Company Ltd (CHEC) as part of a project worth \$300 million.
- "Overall, the project has fully achieved its goals," the report said, increasing the terminal's capacity from 355,000 TEUs to 750,000 TEUs yearly. It has also reduced vessel waiting time to less than 8 hours and cut container transit time from 14.5 days to 9.5 days.



SACP KPI Snapshot **RAILWAYAGE**

Chassis Pool Operations Update.

- We have been seeing higher utilization across the pools
- Street Dwell (how long a chassis stays in use off terminal) continues to be near record levels in some locations
- CCM's field staff, continues to be out on the terminals and facilities, getting the job done. Our thanks and appreciation go out to them for their continued strong effort



Search for Gulf Livestock 1 Survivors Officially Suspended – Forty Crew, 5,800 Cows Lost gCaptain

- The search for survivors from the missing Gulf Livestock 1 has been called off with two of the vessel's 43 crew members rescued, according to a statement from the ship owner on Thursday.
- The Gulf Livestock 1 was lost September 2 during a voyage from Napier, New Zealand to Tangshan, China. The vessel is believed to have sunk off the coast of Japan.

PSA Halifax welcomes largest vessel to call at Canadian port



- PSA Halifax welcomed the largest containership ever to call at a Canadian port when the 15,072 TEU CMA CGM Brazil arrived at the Port of Halifax.
- In a statement the terminal operator said it the vessel berthed at the Port on September 9 2020 while on the weekly Columbus JAX service, from South Asia to the East Coast.

What does the future hold for reefer shipping and the cold chain?



- Despite the impact of COVID-19 on the supply chain, the transportation of perishable goods is set to grow in 2020 as plant-based diets become popular, demand for high vitamin products increases and the Chinese meat market picks up. A good example being South African exports of lemons, which in April 2020 were double what they were in 2019.



How much wood would a container manufacturer chuck? FREIGHTWAVES

- How can something so universally accepted and efficient in global maritime transportation like the standard ocean container be further improved?
- For the Washington, D.C.-based Institute of International Container Lessors (IICL), the answer lays at the industry's feet — that is the floor of the container. Ocean container floors are traditionally composed of hardwood lumber and plywood, which offers a flexible and durable platform for loading and securing cargo.
- After a dozen years of real-world testing, the IICL said it is ready to press forward with promoting its new container floor design to the world's container manufacturers.
- Fifteen years ago, the IICL realized that the industry must develop a new floor system for the millions of future ocean containers that is affordable, rugged, lightweight and environmentally friendly.
- In 2007, IICL's Flooring Working Group settled on two container floor patterns: one that uses a pattern of every other wood plank separated by a steel strip that runs the length of the container, which the institute calls the "omega," and the "tunnel" pattern that includes a wide steel strip through the middle of the container with wood planks on both sides. Both designs use up to 45% less wood than standard design container floors.
- Tests lasted over 10 years as opposed to the planned 1 year, first due to the 2009 collapse in the container trades and followed by prolonged patent hurdles in China.
- Floor repairs account for nearly 20% of the maintenance costs per container.
- There are about 23 million ocean containers in the world fleet, primarily 20-footers and 40-footers, which have traditional all-wood floors and a 12- to 15-year operational lifecycle.
- The IICL hopes the Chinese container manufacturers will begin introducing their first production runs using the omega floor in 2021. "We think there's a great possibility of this happening".

EU Parliament Votes to Make Ships Pay for Their Pollution gCaptain

The European Parliament on Tuesday voted in favour of including greenhouse gas emissions from the maritime sector in the European Union's carbon market from 2022, throwing its weight behind EU plans to make ships pay for their pollution.



Carnival Quarterly Loss Nears \$3 billion gCaptain

Carnival Corp said it expects to post a loss of \$2.9 billion in the third quarter, hurt by the suspension of cruises due to the COVID-19 pandemic that has brought the industry to a grinding halt.

Instant quoting will be must-have for liner carriers: Maersk CEO JOC.com

Uptake in digital quoting tools at top container lines suggests every carrier will need that capability even if the usage and benefits of such tools aren't yet clearly defined.

Carriers pull back on trans-Pac rate hikes after Chinese ministry comments



The suspension and weakening of general rate increases comes after Chinese regulators on Friday encouraged major container lines to add capacity and be less aggressive in raising their rates as US imports from Asia continue to rise.

CP, Maersk partner to maximize Vancouver transloading JOC.com

A deal to build and operate a transload and distribution facility in Vancouver advances CP's efforts to deepen its presence at its sole western Canadian port gateway and Maersk's evolution into a so-called global integrator by expanding its reach beyond port-to-port shipping.

TFI Buying US 3PL DLS Worldwide For \$225 Million

TFI International will buy U.S. third-party logistics provider DLS Worldwide from RR Donnelley & Sons (NYSE: RRD) for \$225 million in one of the Canadian company's largest acquisitions in recent years.

Chinese exports to accelerate global port recovery

- An increase in Chinese exports is one of the main drivers leading to a post-pandemic recovery for ports and terminals.
- According to Drewry despite a significant downturn in the first and second quarters of 2020 there are "early signs of hope for the third quarter", largely because China has taken the first steps towards recovering. The Chinese port index in June stood 1.2% higher than it did at the same point in 2019.



These restaurant chains are unveiling new designs inspired by the pandemic CNBC

- Taco Bell, Shake Shack and Burger King are restaurant chains who have introduced new designs inspired by the pandemic and its impact on consumer behavior.
- Among the new features in these designs are more drive-thru lanes.
- Visits to drive-thrus skyrocketed by 26% in April, May and June.
- Other chains are accelerating plans to update their store formats with a focus on convenience.
- Some restaurant companies are accelerating plans to update their store formats with a focus on convenience. Starbucks, for example, is going to build more mobile pickup cafes this year and in 2021 than it previously thought.
- Others are taking a more drastic step and introducing entirely new designs based on how customers ordered and picked up their food during the pandemic.



Uber Eats Updates Its App To Pay Tab While Dining In USA TODAY

- Uber Eats has introduced a contactless ordering feature that will work when diners are eating in a restaurant as the fight against COVID-19 continues.
- USA Today reported the “Uber Eats Contactless Order Feature” allows users to pay the tab with the app while at a restaurant to eliminate the use of bill holders, credit cards and pens.
- Uber Eats said it’s easy to use. Customers can scan a QR code at the eatery when dining in and the food will be brought to their table, or users can find a restaurant on the app for takeout and pick up the order later.





The New Normal: Consumer Attitudes & Behavior in a Post-COVID World drinkpreneur

- The COVID-19 pandemic has fundamentally changed the way we work, socialize, and shop. Of course, the changes have been forced upon us. As many countries ease 'lock-down' restrictions we might wonder on a personal and business level if things will simply 'get back to normal' – sooner or later.
- Here drinks strategy, innovation, and design agency, Root & Branch, discuss some significant trends that will impact consumer attitudes and behaviour around beverages in a post-Covid world.
 - Living sustainably** - Analysts predict the largest ever fall in CO2 output as physical economic activity ceases or moves online across the globe
 - Waste not want not** - With speed and agility smaller beverage players can steal a march on the old firm. Ideas around closed-loop recycling and other zero-waste initiatives can and will help the most environmentally savvy brands to cut through meaningfully.
 - Hygiene innovation** - Odds-on, consumers are going to be concerned about cleanliness and sanitation for some time to come.
 - D2C channel growth** - Facing prolonged route to market disruption smaller beverage setups targeting premium consumption opportunities need to double-down on efforts to manifest digital sales channels, while maintaining the focus on finding D2C audiences on-line.
 - Accelerating wellness** - Changes solidifying over years can gather critical mass quickly. If this is true, then consumer interest in wellbeing will only grow in response to the Pandemic. Themes centred around nature, minimalism, simplicity, spirituality, and conscious consumption will increase in prominence.
 - Home entertainment hub** - Another factor at play here is the predicted softening of 'premiumization' in the immediate Post Pandemic era. If trips to fancy cocktail bars are eschewed in favour of casual get-togethers at home, then there are attendant opportunities for brands that can help consumers to recreate the quality and experience of the on-trade.





New Jersey nursing home faces \$28K in fines over inadequate PPE supply

BECKER'S
HOSPITAL REVIEW

Federal regulators have proposed more than \$28,000 in penalties for a New Jersey nursing home that allegedly failed to provide adequate personal protective equipment to employees during the height of the COVID-19 pandemic

Boston lab halts COVID-19 testing after nearly 400 false positives **CNBC**

- A testing lab in Boston paused COVID-19 testing after an investigation by the Massachusetts Department of Public Health found nearly 400 false positive results, NBC News reported.
- The lab, Orig3n, stopped testing Aug. 8 per the department's request. State health officials said they became aware of an unusually high number of positive COVID-19 tests with at least 383 false positive results from the lab.

Arizona health system to open 51-bed hospital in 2021 BECKER'S **HOSPITAL REVIEW**

- Tucson, Ariz.-based Northwest Healthcare plans to open its new 51-bed hospital in 2021, according to Tucson.com.
- The hospital, located in southeastern Tucson, will house an emergency room and labor and delivery suites, and offer services like orthopedics and cardiology.
- When the facility opens, it is expected to create 600 jobs.
- Work on the facility is underway after the city of Tucson issued a \$58.6 million building permit for the facility.

AstraZeneca resumes UK vaccine trial after halting due to participant's adverse reaction Firstpost

- AstraZeneca resumed its phase 3 COVID-19 vaccine trial in the U.K. Sept. 12 after gaining approval from the Medicines Health Regulatory Authority, the country's equivalent of the FDA.
- The trial's continuation comes six days after the drug maker took a "voluntary pause" of the trial after a participant in the U.K. experienced serious neurological symptoms after taking the vaccine.

Charges for COVID-19 tests range from a penny to \$14K BECKER'S **HOSPITAL REVIEW**

COVID-19 diagnostic test charges range from 1 cent to \$14,750, according to a study published Sept. 15 in the Journal of General Internal Medicine. The study reviewed a sample of 182,149 diagnostic testing claims from 764 providers in 46 states and the District of Columbia. All claims were submitted between March 19 and July 19.



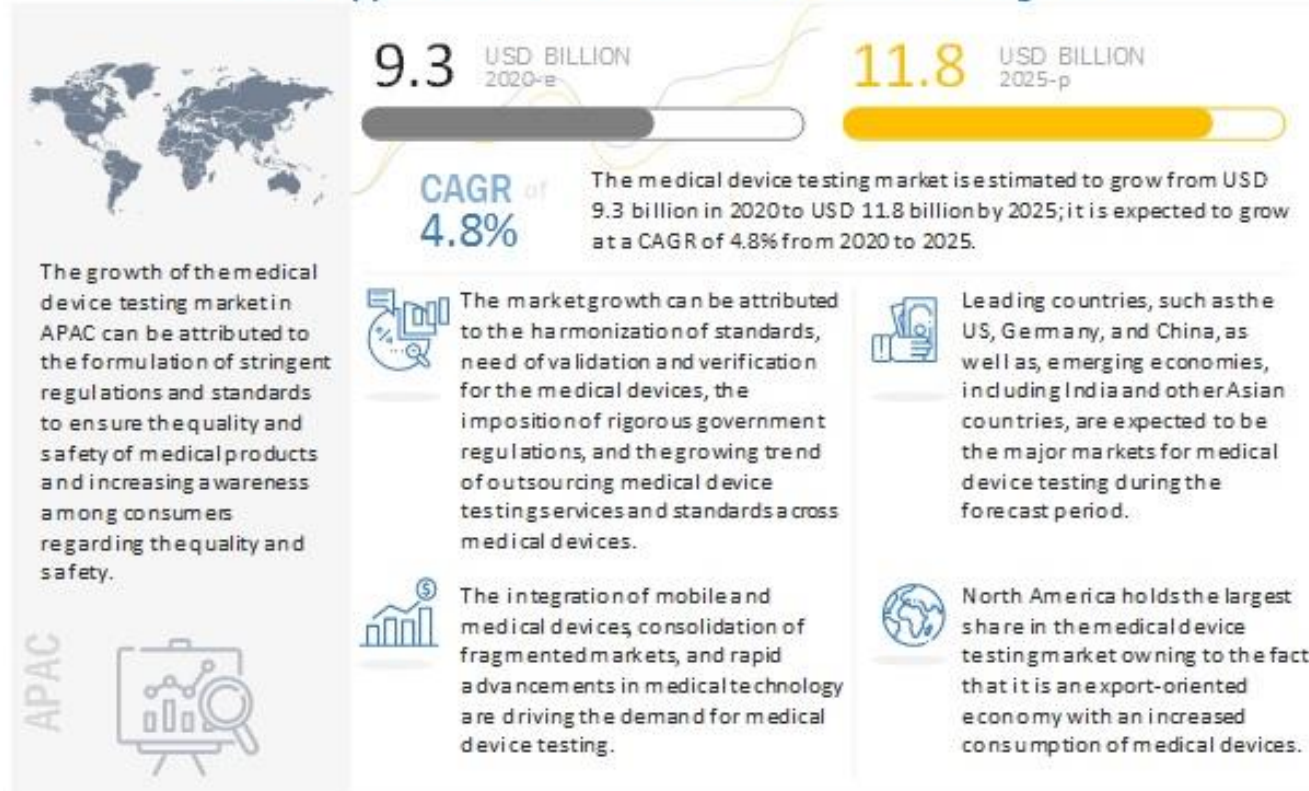
Medical Device Testing Market worth \$11.8 billion by 2025



MARKETSANDMARKETS

According to the new research report "Medical Device Testing Market with COVID-19 impact, By Services (Testing, Inspection, Certification), Sourcing, Technology (Active Implant, IVD, Orthopedic & Dental, Ophthalmic, Vascular), Class, Testing, Region) - Global Forecast to 2025", The medical device testing market was valued at USD 9.3B in 2020 and is projected to reach USD 11.8B by 2025; growing at a CAGR of 4.8% from 2020 to 2025. The medical device testing market is growing due to the increasing need of verification and validation for medical devices. The in-vitro diagnostic (IVD) medical device segment held the largest share of the medical device testing market in 2019, owing to increasing demand for rapid testing kits and other diagnostics devices across regions. The active implant medical device segment is projected to witness the highest CAGR during the forecast period, owing to the implementation of stringent regulations to ensure that the implantable medical devices are fit for the human body.

Attractive Opportunities in Global Medical Device Testing Market



Still So Much To Learn

ACC



CBP could act against Xinjiang cotton products POLITICO

- U.S. apparel groups are bracing for a Trump administration decision as early as this week that could block the importation of Chinese-made textile and apparel products on the grounds that they are the products of forced labor in the Uighur region of China.
- U.S. Importers will have to confirm, if this block is in place, whether their products contain or include any banned substance or other elements.
- The mandate, known as a Withhold Release Order (WRO), would not be an actual import ban. But goods subject to a WRO have to be re-exported or destroyed if CBP determines they were made with forced labour.

This US-Based Healthcare Startup Is Saving Healthcare Cost By Unifying Patient Records Entrepreneur

To help the already stressed healthcare system in the US along with preventing the customer from falling sick, three Indians founded Innovaccer in 2014. The San Francisco-based healthcare organization leverages artificial intelligence (AI) and analytics to automate routine workflows and reduce manual overhead.

8 hospitals, health systems honored for supply chain excellence BECKER'S **HOSPITAL REVIEW**

The eight hospital and health system honorees:

1. U.S. Healthcare Provider of the Year (Large): UCSF Health (San Francisco)
2. U.S. Healthcare Provider of the Year (Small to Medium) & Excellence in Contract Management (Provider): Riverside Health System (Newport News, Va.)
3. Excellence in ePayables (Provider): Northwestern Medicine (Chicago)
4. Excellence in eProcurement: Franciscan Missionaries of Our Lady Health System (Baton Rouge, La.)
5. Excellence in Product Data Management: Wake Forest Baptist Health (Winston-Salem, N.C.)
6. Excellence in Unique Device Identifiers & Standards (Provider): AdventHealth (Altamonte Springs, Fla.)
7. Excellence in Vendor Credentialing & Compliance (Provider): Prisma Health (Columbia, S.C.)
8. Most Improved Provider: UC Davis (Calif.) Health



Ballard Introduces Fuel Cell Industry's First Commercial Zero-Emission Module to Power Ships **MARKET INSIDER**

- Vancouver, BC and Hobro, Denmark - Ballard Power Systems announced the launch of the fuel cell industry's first module designed for primary propulsion power in marine vessels. Ballard's FCwave™ fuel cell product is a 200-kilowatt (kW) modular unit that can be scaled in series up to the multi-megawatt (MW) power level.
- The FCwave™ product provides primary propulsion power for marine vessels – such as passenger and car ferries, river push boats, and fishing boats – as well as stationary electrical power to support hotel and auxiliary loads on cruise ships and other vessels while docked at port (also known as 'cold ironing').
- Rob Campbell of Ballard said, "Ballard is focused on Heavy- and Medium-Duty Motive applications, particularly where requirements include heavy payload, extended range and rapid refueling. This is a sweet spot for our fuel cell value proposition, which is backed up by more than 50 million kilometers of operational experience in thousands of vehicles. These same requirements underpin use cases in the maritime industry, resulting in a significant addressable market opportunity that can be effectively addressed by our new FCwave™ product. Global efforts to decarbonize include commercial maritime activities, where Ballard intends to build on our leading position in zero-emission fuel cell solutions."

Battery research projects gain from EU funding

- Several European battery research projects have been granted funding from the EU, boosting resources available for developing new technologies that could help the continent push forward into a greener economy.
- One of these projects, Battery 2030+, last week confirmed that it had received €40.5mn (\$48.13mn) from the EU's Horizon project — an €80bn research and innovation scheme designed to boost the continent's competitiveness on a global scale and make Europe a world leader in battery technology.
- The initiative consists of 7 projects, to develop sensors to examine and report on a given battery's health in real time, improve the lifetime of batteries and develop an infrastructure platform that maps out the reactions that take place within a battery. One of the projects is BAT4EVER, led by Belgium's Vrije Universiteit Brussel which aims to develop and study a new type of lithium-ion batteries that integrates self-healing polymers in silicon anodes, core-shell structured cathodes and electrolytes, which in turn helps to improve the life cycle of a battery.



California Doomed to Frequent Blackout Risk by Battery Shortage SUPPLYCHAINBRAIN

- As the threat of blackouts continues to plague California, officials are pointing to battery storage as a key to preventing future power shortfalls. But the Golden State is going to need a lot more batteries to weather the next climate-driven crisis — let alone to achieve its goal of a carbon-free grid.
- It won't be cheap, potentially costing close to \$19 billion. But more critically, there aren't enough of these massive batteries to go around right now.
- California's latest energy crisis has several causes. For one, 9 gigawatts of gas generation — enough to power 6.8 million homes — was retired in recent years. Over that same period, the state's grid integrated more solar power, which without sufficient battery storage can be less reliable than the fossil fuels that drive global warming.

BP Makes First Move in Offshore Wind **Bloomberg**

- BP is making its first move into the growing offshore wind market by partnering up Norway's Equinor to develop offshore wind farms in the United States.
- Under the deal, BP will spend \$1.1 billion for a 50% interest in Equinor's Empire Wind and Beacon Wind assets located offshore Massachusetts and New York, respectively. Equinor will remain operator in the projects.
- Today's announcement marks BP's first venture into offshore wind, a renewable energy source which is forecast to grow six-fold globally in the next 10 years.

Wind Power Sails Back Into Shipping with Swedish Venture gCaptain

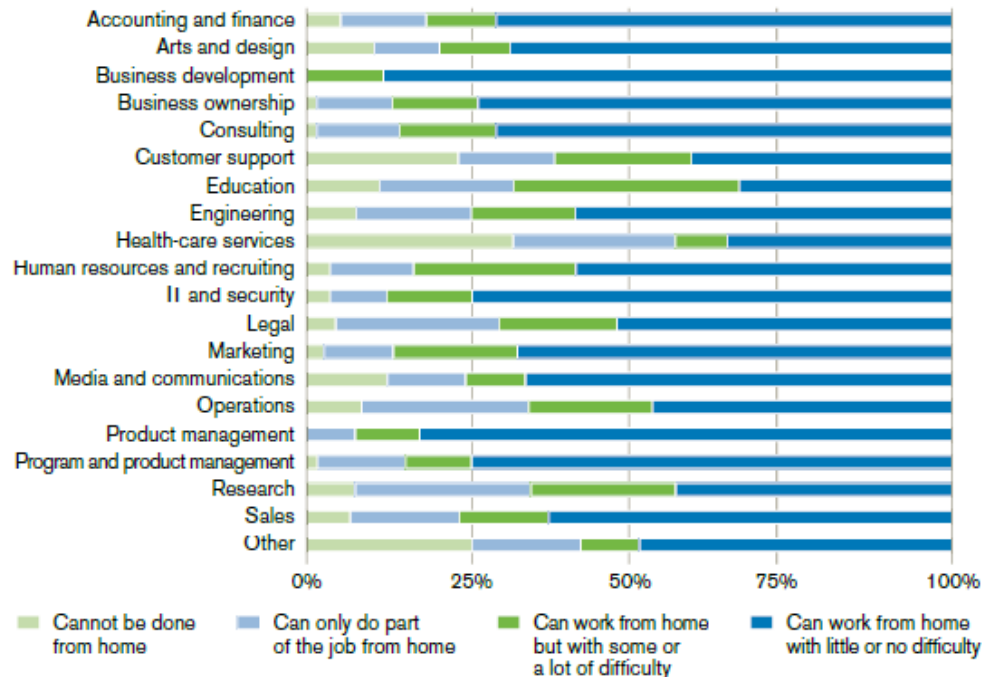
- A Swedish consortium aims to launch commercially by 2025 a wind-driven car carrier that will emit 90% less carbon dioxide than a conventional RoRo cargo ship, it said on Thursday.
- The 200-metre long carrier will have a capacity for 7,000 cars and have a maximum height of 105 metres when its four 80-metre upright "wing sails" are fully extended – bringing to mind a futuristic version of the wings of a 19th century clipper.





- As industry grapples with extended work-from-home scenarios, the right workstation configuration can help maintain productivity for mechanical engineers and industrial designers.
- Improvements in mobile technology and remote access tools have made it easier for people to do their work remotely, but many companies' processes remains largely office-bound.
- Challenges around the need to access large data sets and computing horsepower, as well as concerns about security and intellectual property, meant that most tasks were traditionally completed within the confines of a corporate campus or office building.
- As we have seen in the first half of 2020, however, the global pandemic has forced most employees into work-from-home scenarios. Most organizations were not prepared for keeping their staff and teams productive while working remotely.
- According to a survey from Slack, the ability of knowledge workers to successfully work from home can vary significantly by industry. More than 50% of users in the engineering space reported they "can work from home with little or no difficulty."
- Data from Statista found that 72% of respondents in the design industry believe that they can remain effective in a work-from-home environment.
- This not only poses significant security and insurance risks, but also makes IT support much more difficult.
- In addition, for ongoing design projects, coordinating revisions is nearly impossible without a robust remote access content management solution in place.

Suitability of job for remote work by industry



Report attached



- While Australians are unlikely to buy millions of locally made cars, refrigerators and toasters as they did in the 20th century, a government push that puts manufacturing at the centre of its longer-term recovery plan has strong industry support and has kindled ventures that would have seemed far-fetched half a year earlier.
- Behind the pivot is a realization that Australia has been too reliant on Asia for the supply of essential goods
- "If you look at it over time, we have been running down our manufacturing and we're at this point of inflexion - we're saying maybe we shouldn't be doing that," said Drew Woodhouse, a Sydney-based consultant at Bain & Company who looks at supply chain issues.
- Andrew Liveris, former head of U.S. giant Dow Chemicals, returned to Australia earlier this year to join PM Scott Morrison's manufacturing advisory taskforce. "We have a lot of confusion about how to get investment approved here," Liveris said. "So we have to adopt a business-friendly environment to attract foreign direct investment to an economy that can punch above its weight in terms of quality research and quality technologies."
- In 2019, manufacturing accounted for just 5% of GDP, down from about 25% in 1960, while its share of the labour force has fallen to 7% from 17% in 1984. Liveris said manufacturing should make up closer to 15% to 20% of GDP.
- While some economists see that as an ambitious target, the shift in thinking has galvanised some early movers.
 - H2X, a startup formed in May, is looking to resurrect local automobile production by making hydrogen cars in Port Kembla, a smelting town about 100km south of Sydney.
 - Visy Industries, a recycling and packaging company, expanded into glass manufacturing in a deal worth almost A\$1 billion (\$730.80 million).
- One of the proposals of the manufacturing taskforce is to lower energy costs by boosting distribution. Australian businesses are paying about 50% more for natural gas than its export customers.
- Tony Shepherd, former chairman of infrastructure firm Transfield Services, said Australia needed to use the crisis to better streamline investment policies across the multiple layers of government.
- "We couldn't even produce the basic medical supplies and we were worried about toilet paper," he said, referring to the panic buying of toilet tissue earlier this year. "If that isn't enough of a wakeup call for politicians to get going, I don't know what is."



Germany tells Elon Musk he can have whatever he needs for new Berlin plant

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- Germany is following in China's footsteps when it comes to Elon Musk and Tesla. Reuters has noted that Elon Musk met with Germany's economy minister, Peter Altmaier, who promised him that Germany will help in whatever way is needed to help get Giga Berlin running as fast as possible.
- Musk and Germany economy minister Peter Altmaier had an hour-long meeting in Berlin on Wednesday, according to a source familiar with the matter. "The main topics were Tesla's billions of euros worth of investment in Germany," the source said. The duo, who first met six years ago, also spoke about Musk's projects in areas like space flight and autonomous driving.
- "You'll have every assistance you need," Altmaier reportedly said at a meeting with lawmakers from Angela Merkel's Christian Democratic Union (CDU) party.
- Tesla announced its latest so-called Gigafactory in November and it is currently under construction. It is the company's first European factory, and its fourth worldwide. The original Gigafactory is in Nevada and the other two are in Buffalo, New York, and Shanghai, China. A fifth "Cybertruck Gigafactory" is planned for Texas.
- The German plant — located around 20 miles south east of Berlin in the Brandenburg town of Gruenheide — could hire around 12,000 people and make up to 500,000 vehicles a year when it is up and running. Production is slated to start in summer 2021.



Still So Much To Learn

ACC



France, Japan, New Zealand warn of sudden spike in Emotet attacks

- Emotet activity has ramped up to new levels in September 2020, alarming some cyber-security agencies.
- Cyber-security agencies from France, Japan, and New Zealand have published security alerts over the past week warning about a large uptick in Emotet malware attacks targeting their respective countries.
- Emotet activity described in the alerts refers to email spam campaigns that originated from Emotet infrastructure and targeted companies and government agencies in the three countries.
- Victim organizations who received the emails, opened, and then ran the attached documents were at risk of getting infected with one of today's most dangerous malware.
- According to all three alerts, the attacks appear to have been the same. Emotet operators used their old trick of infecting one victim and then stealing older email threads. The group would then revive these old conversations, add malicious files as attachments, and target new users with a legitimate-looking conversation.
- Users part of the conversations, or those added on, would often open the malicious files attachments added to the email thread out of curiosity and get infected.
- In the recent campaigns that targeted France, Japan, and New Zealand, Emotet appears to have used Windows Word documents (.doc) and password-protected ZIP archive files as the malicious email attachments, attacks that have been seen targeting companies in other countries as well.
- All three security alerts contain sound advice for anyone looking for ways to prevent or deal with Emotet infections, regardless of the country of origin. At one point or another, Emotet will switch targeting and go after other countries, as the botnet can send out spam in multiple languages, according to cyber-security firm Proofpoint.

