



ACC NEWS



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INDUSTRY NEWSPAPER

Week 25 of 2020

YOUR WEEKLY UPDATES



Ports



Retail



Rail

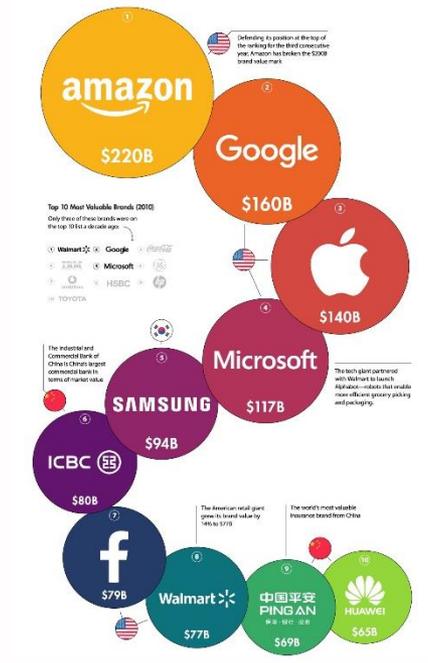


Shipping



Handling

The 10 Most Valuable Brands
2020



Beverages



Road



Supply Chain



C-Stores



Healthcare



Thinking Differently – Executing Quickly

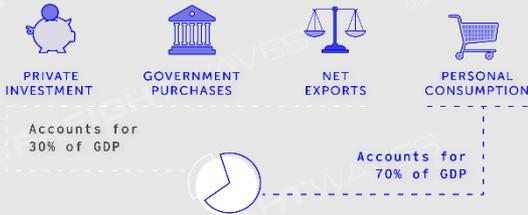
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Tracking retail and freight trends shows a relationship between consumer patterns and freight volumes that reflect the economic climate.

GDP

Gross Domestic Product is a measurement of a country's total value of goods and services by four components:



TRUCKLOAD Y/Y QUARTERLY EARNINGS

Quarter ends on March 30.

POSITIVE Y/Y CHANGE

- HTLD** (+19.2%) \uparrow \$26,782
- MRTN** (+9.9%) \uparrow \$19,623
- JBHT** (+9.1%) \downarrow \$191,199
- USX** (+4.1%) \uparrow \$17,205

NEGATIVE Y/Y CHANGE

- WERN** (-0.6%) \downarrow \$3,414
- CVTI** (-2.6%) \downarrow \$5,628
- USAK** (-5.4%) \downarrow \$7,201
- SNDR** (-6.3%) \downarrow \$75,000
- KNX** (-6.6%) \downarrow \$79,737



AS A WHOLE, THE TRUCKLOAD TRANSPORTATION SECTOR REPORTED AN INCREASE IN 1Q20 COMPARED WITH 1Q19 OF...

1.4%

E-COMMERCE

eCommerce sales for the 1Q20 increased

14.8%

from the same period the previous year.

RETAIL SALES

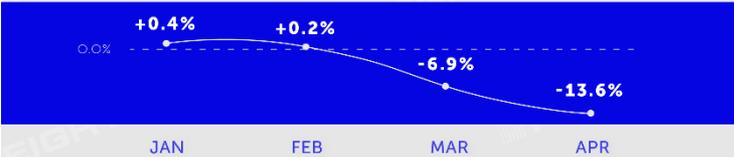
Retail sales for the 1Q20 increased

2.1%

from the same period the previous year.

CONSUMER SPENDING || 2020

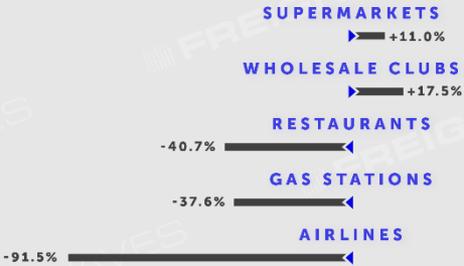
Monthly consumer spending M/M percent change



Consumers spent less and saved more as COVID-19 Lock-downs swept the nation in April.

CREDIT CARD SPENDING

has credit card spending Y/Y change, as of June 4.



Asian suppliers brace for 'insolvency storm' from cash-strapped buyers amid rise in overdue payments

- As Covid-19 brought business to a halt, many small Asian suppliers and exporters have seen a huge rise in overdue payments from their buyers who trade on credit, a survey has found.
- India, Taiwan saw the greatest increase in overdue payments, but the worst is yet to come as the coronavirus is seen reducing global trade by up to 30%.
- Asian suppliers and exporters are bracing for an increase in buyer defaults as coronavirus lockdown measures led to a surge in overdue payments by companies that trade with each other on credit, as per a recent survey.
- The survey of over 1,400 companies in China, India, Taiwan, Singapore, Indonesia and Hong Kong found 52% of the value of invoices they had issued had passed the payment-due date, a huge increase from 29.8% in 2019.
- The annual “payment practices barometer” compiled by trade credit insurer Atradius was based on interviews with companies – 70% of them small and medium-sized – in March when the Covid-19 outbreak was starting to peak in China but gathering pace in Europe and the US.
- Hence, the findings have yet to show the worst of Asia’s “insolvency storm” arising from the coronavirus fallout.
- While some of the lockdown measures in North Asia have been lifted, the impact on business activities is not completely visible today because business travelling is still restricted.
- By country, India showed the highest year-on-year increase in overdue invoices as a percentage of total value of business volume done on trade credit, at 69%. Then came Taiwan, up 67%, and Indonesia, with a 47% rise. The average year-on-year increase for China, Taiwan, Indonesia and Hong Kong combined was 56%.
- The increases in overdue invoices for China and Hong Kong were lower, at 31% and 37% respectively, with Singapore being the lowest among the six, at 29%.
- According to the World Trade Organisation, about 80% of the global exchange of goods relies on financing, in the form of trade credit, insurance or guarantee. Banks account for 80 per cent of trade finance, with one of the most common forms being a letter of credit.
- Trade credit refers to an arrangement between exporters and importers, in what are commonly known as open account transactions whereby the buyer pays the supplier 30 to 90 days after the goods are delivered.

Instacart Surges Past Walmart In Online Grocery Market

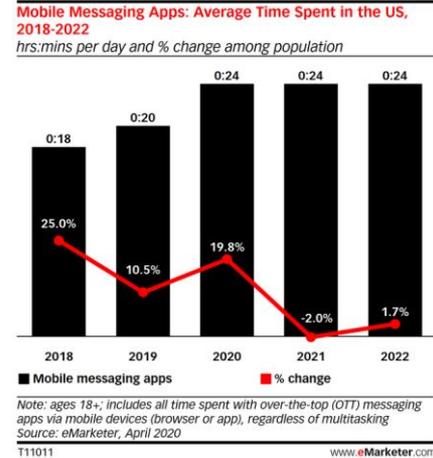
- The online grocery delivery company reached 57% of weekly market share in April.
- According to a new report in The Information based on purchasing data gathered by Second Measure, Instacart's explosive growth during the COVID-19 pandemic has not just been remarkable in isolation—but in relationship to its competitors, including Walmart, Shipt, Amazon, FreshDirect, and PeaPod.
- This inverts the trend that took place in August 2019, in which Walmart's online grocery service surpassed Instacart—and in which the retailer maintained a 40-50% market share for close to a year.
- The new data shows Walmart's weekly share of the online grocery business slipping approx. 25% in March. The Information purports that this decline occurred alongside Walmart's struggle to meet the surge of demand of people in quarantine.
- Instacart's weekly market share ballooned through March, reaching a high of 57% in April. While the curve heading into May has tipped downward, the online grocery service still holds over half the market.

Grubhub acquired in \$7.3 billion mega-deal

- Netherlands-based Just Eat Takeaway is entering the U.S. on-demand food delivery market in a big way.
- The Dutch food delivery company has agreed to buy Grubhub for \$7.3 billion. In the all-stock deal, Just Eat Takeaway said it would value Grubhub at \$75.15 per share, a 27% premium to Grubhub's closing price of \$59.05. The merger will create the world's largest online food delivery company outside of China, with operations in 25 countries including the U.S. and Canada. The four countries generating the new company's largest share of profits will be the U.S., U.K., Netherlands and Germany.
- According to data from Edison Trends, as of April 2020, Grubhub holds the third-largest market share of on-demand food delivery transactions in the U.S., trailing Uber Eats and DoorDash. However, Grubhub customers spend the highest average price per transaction at \$41. Grubhub partners with more than 140,000 restaurants in over 2,700 U.S. cities. Just Takeaway.com believes the U.S. food delivery market is "underpenetrated."
- Grubhub and Uber Eats had been engaged in periodic merger negotiations for over a year.

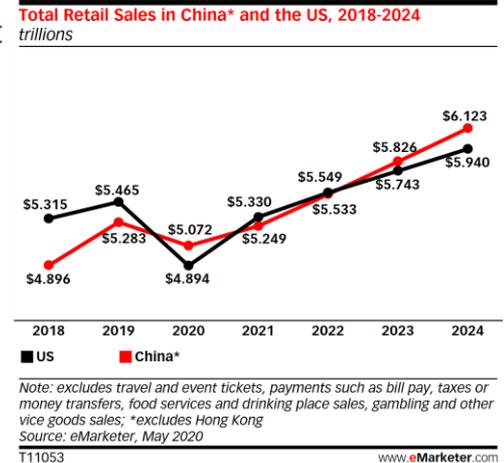
US Adults' Time Spent with Mobile Messaging Apps Is Increasing amid the Pandemic

- This year, US adults will spend an average of 24 minutes per day on mobile messaging apps — like WhatsApp and Facebook Messenger — which is up 4 minutes from 2019 estimates, according to our newest figures.
- This increase is partially due to the pandemic. Use of mobile messaging apps during the quarantine is up, as users seek alternative modes of communication with loved ones while shelter-in-place measures continue. April survey data from GlobalWebIndex found that 19% of US internet users said they're spending more time on messaging services as a result of the pandemic.
- But even before the pandemic, there has been a gradual shift away from traditional texting to messaging apps. Our latest forecast includes new data indicating that Facebook Messenger, WhatsApp, Apple iMessage and others were experiencing strong growth in engagement even before the pandemic.



Despite Decline, China Will Become the World's Largest Retail Market This Year

- China has long been the world's largest market for ecommerce and mcommerce, but this year it will overtake the US to become the world's largest overall retail market for the first time, despite substantial economic headwinds caused by the pandemic.
- China's retail market is expected to decline for the first time on record. It is forecast that retail sales in China will shrink by 4.0% this year. Still, China will surpass the US to become the largest retail market in the world for the first time—with \$5.072 trillion in sales—as the US market will shrink by an even larger margin.
- Consumers will spend \$2.090 trillion on retail ecommerce this year, an increase of 16.0%. That is 7.7 percentage points less than our pre-pandemic forecast but still hundreds of billions of dollars in additional spending compared with 2019.



Zara parent to shutter 1,200 stores, shift focus online

Inditex will permanently shutter 16% of its global stores, or about 1,200 locations, and focus more resources on e-commerce in the post-pandemic era, the company said. The highest number of closures will come in Europe and Asia, and will affect banners including Zara, Massimo Dutti and Pull&Bear

Sephora to grow offerings from black-owned beauty brands

Sephora has pledged to take steps that will ultimately result in filling 15% of its shelf space with products from black-owned beauty businesses. The effort resulted from the "15 Percent Pledge," a social media challenge to US retailers by Brooklyn, N.Y.-based creative director Aurora James, who will serve on an advisory group to help Sephora make the changes.

The Children's Place to close 300 stores

The retailer saw e-commerce soar 300% while stores were closed due to the pandemic, but losses were exacerbated by higher online fulfillment costs.

Party City tries to pivot as Q1 loss tops half a billion dollars

The retailer expanded its curbside services and added drive-by party products to its offering as it navigates a market defined by a pandemic.

US crude, gas and coal exports are all flashing red

- Over the past decade, America emerged as an energy export powerhouse. Those exports are now falling.
- U.S. exports involves production. Lower production in the Permian Basin equals lower pipeline flows to export terminals on the Gulf Coast. The Energy Information Administration forecasts that U.S. production will fall from 12.3 million barrels per day in 2019 to 11.6 million b/d this year and 10.8 million b/d in 2021.
- Argus Media, citing data from the U.S. Census Bureau, reported that U.S. exports fell from 3.71 million b/d in February to 3.56 million b/d in April and 3.08 million b/d in May.

What will Amazon do next in grocery?

- To get to its ultimate goal in grocery, Amazon will have to work on earning the role of primary grocery provider for more US households.
- Amazon will likely focus on three areas as it works on improving its offer over the next couple of years:
 1. Leveraging Prime to attract more customers
 2. Building out strategically placed physical locations
 3. Optimizing its product mix between national brands and private label

May Scorecard – Bricks & Clicks

- This ongoing research provides a consistent update on key performance metrics for US online grocery orders fulfilled by delivery or pickup for the past 30 days. (Note: The metrics exclude online orders that are shipped to home via common or contract carriers.)
- The May research also looked at several factors that help us better understand how health and loss of income are impacting shopper behavior.
- Health: 42% of the households surveyed indicated a “high level” of concern about catching/contracting the Coronavirus.
- Income Loss: 39% of the households surveyed indicated that their average monthly HH income has dropped dramatically – 25% or more – compared to Jan/Feb 2020. This translates to almost 50 million households.
- Private Label: For the households who buy private label items a net 14%* reported buying more private label products during May compared to before COVID-19.

(*After accounting for those who reported a decline in their May purchases of private label items vs before COVID-19.)

May Scorecard: Online Grocery Delivery & Pickup

Total US – Past 30-day activity*

Performance Metrics	Aug 2019	March 2020	April 2020	May 2020
 Sales (Past 30 days)	\$1.2 B	\$4.0 B	\$5.3 B	\$6.6 B
 Spend (Average per order)	\$72	\$82	\$85	\$90
 Orders (# Past 30 days)	16.1 M	46.9 M	62.5 M	73.5 M
 Customers (# Active during past 30 days)	13.1 M	39.5 M	40.0 M	43.0 M
 Frequency (Monthly average/customer)	1.0	1.2	1.6	1.7



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

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



Aldi UK extends Deliveroo trial into London

Aldi UK has extended its rapid grocery delivery service to London, after a successful trial with Deliveroo from eight stores in the Midlands. Customers in Camden living within a two-mile radius of an Aldi store can now select products from a range of 200 essential items, for home delivery within 30 minutes.

Walmart US to partner with Shopify to expand online marketplace

Shopify sellers will soon be able to apply to sell on the Walmart.com marketplace via their Shopify accounts, with Walmart estimating that around 1,200 sellers will be approved this year based on assortment relevance and customer service. While enhancing selection and shopper experience on the Walmart platform, the move will give ecommerce-experienced Shopify sellers access to Walmart Marketplace's 120 million monthly visitors.

CVS Health taps DoorDash for same-day delivery

CVS will make over 3,000 products available for purchase via the DoorDash website or mobile app, including non-perishable and perishable groceries, and OTC medicine.

Walmart US acquires CareZone's health service digital technology

In a move to boost its health services, Walmart has purchased the technology platform, patents and key intellectual property of CareZone.

How the Walmart-Shopify alliance helps both companies win against Amazon

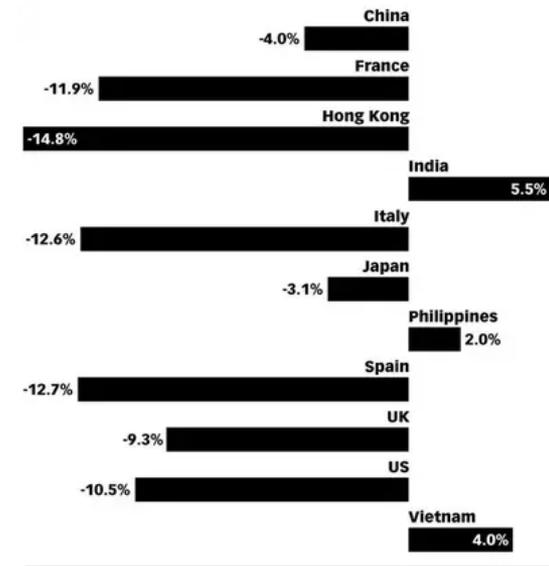
- Walmart is continuing its pursuit to level up with Amazon. This week, it forged a partnership with Shopify allowing merchants to easily upload products to Walmart's online marketplace.
- It's a small but telling update. Amazon continues to be the leading e-commerce platform, but Walmart is slowly growing its online presence too. While its third-party marketplace has had its ups and downs over the years, this Shopify partnership shows Walmart really trying to prove itself as a legitimate channel for individual sellers.
- The question remains whether merchants go Walmart — or if it will put any dent in Amazon's business.

Global retail sales will drop 5.7% this year because of the pandemic

Retail sales worldwide will total \$23.36 trillion this year, a 5.7% drop from last year, compared with our previous estimate of 4.4%. We predict that recovery won't come for most countries until 2022 because they will likely take more than a year to return to pre-pandemic levels.

- **China's** retail market will overtake the US for the first time this year. China's retail market will hit \$5.07 trillion this year, while the US will be slightly behind at \$4.89 trillion.
- **Japan and India** will compete for a distant third place. Japan currently holds the spot, with a retail sales market of \$1.29 trillion, but India is expected to displace Japan next year.
- **Western Europe, the US and Hong Kong** will see the steepest drops. The countries hardest hit by the coronavirus saw double-digit declines: For example, France, Spain and Italy will see the worst declines.

Retail Sales Growth in Select Countries, 2020
% change



Flipkart preparing to start hyperlocal delivery services: Sources

The service will be available via the Flipkart app, and initially, deliveries will be done from local warehouses and select shops.

3M sues Amazon seller, alleges fraud, price-gouging on medical supplies

- 3M filed a lawsuit in a California federal court alleging an Amazon seller defrauded customers by charging "grossly inflated" prices for fake, defective and damaged respirator products.
- The lawsuit alleges that Mao Yu and affiliated companies falsely advertised as third-party sellers on Amazon and claimed to sell 3M products. The defendants charged customers more than \$350,000 for false listings claiming to be reselling N95 masks, according to the suit.
- The prices listed on Amazon for the N95 masks were as much as 20 times 3M's prices, the company said.

Supply Chain & Fulfillment COVID-19 Update



- John Lewis Waitrose to double grocery deliveries in London



- Aldi US expands grocery pickup to 600 stores across 35 US states



Tesco UK to further increase delivery slots
Tesco UK serves over 1 million online grocery orders in a week



- Walmart Flipkart partners with Meru to service to deliver essentials
- Walmart US introduces Express Deliver in the wake of pandemic
- Walmart Asda launches electric vehicle fleet to increase delivery capacity



- Stores fulfilled nearly 80% of Target's Q1 digital sales.
- Same-day services (Order Pick Up, Drive Up and Shipt) grew 278% and accounted for approximately 5% of total company comparable sales growth in Q1.



- ~50% of online sales fulfilled curbside



- CVS Health tests curbside pickup at 21 locations

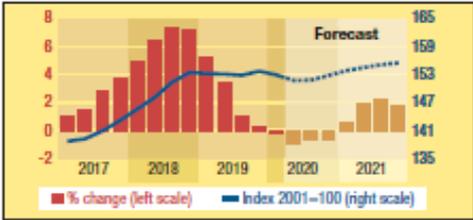


- Bed Bath & Beyond converts 25% of stores to regional fulfillment centers

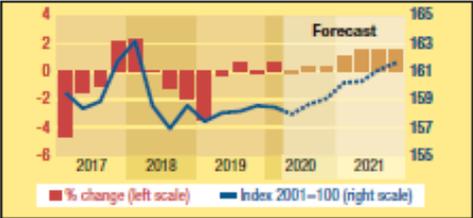
Evaluating top US retailers' last mile responses to COVID-19

Retailer	Did they launch home delivery?	Did they expand home delivery?	Did they launch click and collect?	Did they enhance click and collect?	Did they launch a partnership with a delivery intermediary?	Did they strengthen a partnership with a delivery intermediary?
Walmart	No	Yes	No	Yes	No	No
Kroger	No	Yes	No	Yes	No	No
Walgreens	No	No	No	Yes	No	Yes
CVS Health	No	Yes	Yes	Yes	No	Yes
Target	No	Yes	No	Yes	No	Yes
Costco	No	No	No	No	No	Yes
Sam's Club	No	No	No	Yes	No	No
Dollar General	No	No	No	No	No	No
Aldi	No	No	No	Yes	No	Yes
Albertsons	No	No	No	No	No	No
HEB	No	Yes	No	Yes	No	No
7-Eleven	No	Yes	No	No	Yes	No
Meijer	No	No	No	No	No	No
Best Buy	No	No	No	Yes	No	No
Circle K	No	No	No	No	Yes	No
Casey's	No	No	No	Yes	Yes	No
Amazon	No	Yes	No	No	No	No
Macy's	No	No	No	Yes	No	No
Kohl's	No	Yes	No	Yes	No	No
Home Depot	No	Yes	No	Yes	No	No
Lowe's	No	No	No	Yes	No	No

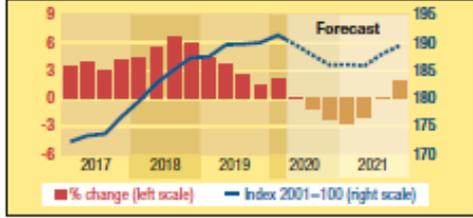
Fulfillment expansions and enhancements include increasing pickup points, delivery coverage, and service improvements between March and May 2020. Retailers selected as a representative set of top operators across channels.



% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
General freight - local	-0.7	0.1	1.3
TL	0.2	-4.4	-4.2
LTL	-1.1	-0.2	1.2
Tanker & other specialized freight	-2.2	-2.1	-2.2



% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
Air freight on scheduled flights	-0.3	0.0	0.2
Air freight on chartered flights	-2.0	-2.9	-4.4
Domestic air courier	-3.8	0.2	0.1
International air courier	-3.4	-0.9	-1.2



% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
Rail freight	-0.7	-0.1	0.4
Intermodal	-2.4	-4.7	-4.2
Carload	-0.2	1.0	1.4

TRUCKING

Coronavirus impacts are visible in the data for the first time.

The newest surveys show trucking prices are falling. That's quite unlike the 2008 crisis when prices jumped up at first. Thus, our strawman forecast reported last month is out the window. An economy stopped stone cold means we're left holding the new lower forecast take off points. The revised outlook predicts truckload prices to decline 3.1% this year and increase 2.2% in 2021. LTL tags, meanwhile, are expected to increase 0.7% and 0.4% over the same time period. These inflation rate predictions are much lower for the current year and higher for next year than previously reported. Still a dicey forecast, and we'll see what happens next month.

AIR

The start of the second quarter shows that transaction prices

in the U.S. air cargo markets and air courier business took it on the chin. The most recent monthly data reports prices fell across the board, although not as steeply as the sharp drop in the passenger fares. Prices for moving cargo on scheduled flights dipped only 0.3%, but on chartered flights prices fell 2%. Also, domestic and international air courier prices declined by 3.8% and 3.4%, respectively. Like we've seen in trucking, the air cargo forecast has been significantly revised. Average prices for flying cargo in the belly of scheduled planes are now predicted to be up 0.3% this year and up 1.4% next year. Stay tuned as the forecast will certainly be refined as new data is released ahead.

RAIL

You can scotch that nascent upswing in the rail industry's price

trend that appeared in the first three months of the year. In April, intermodal rail prices declined 2.4% from a month earlier, and fell 4.2% from the same month a year ago. That was the sharpest intermodal price cut since 2016. Carload prices also inched downward 0.2% from a month ago. We have re-evaluated all of the forecast take off points with the first truly coronavirus-affected data released to date. As a result, the rail industry's prospect for price hikes looks less and less likely. In fact, led by cuts in intermodal prices, we now forecast rail industry average annual inflation will decline 0.3% this year and drop 0.7% next year.

Rail companies cut capacity as volume slides 20%

- UP's volume has fallen 23% so far in Q2 as a result of COVID-19" CFO Jennifer Hamann said last week. "It is unlikely we can improve our second quarter operating ratio on a year-over-year basis with that level of volume loss," Hamann said.
- "The biggest decline has been in our premium business as the impact of the auto plant shutdown, and overall consumer demand has led to a 30% decline [in volume]," she said.
- Auto volume was down 85% in the current quarter to date, she said on May 20. Plants are beginning to reopen, but increased volume is expected to reappear slowly as manufacturers work through their current inventory, she said.

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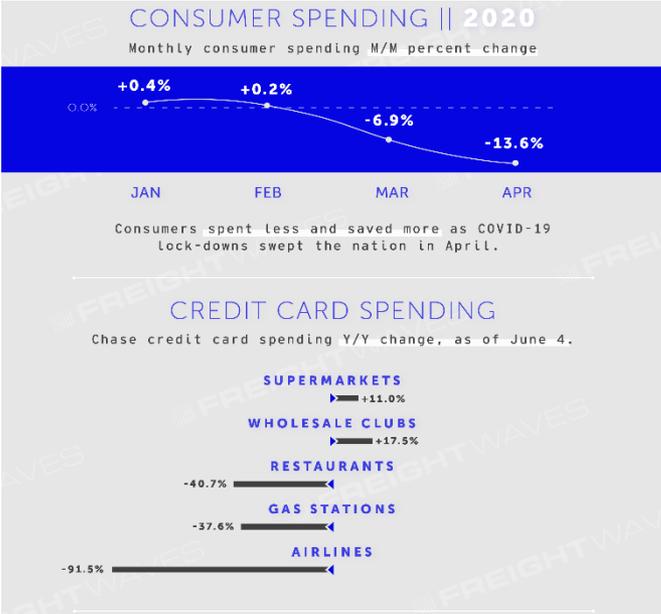
GDP

Gross Domestic Product is a measurement of a country's total value of goods and services by four components:

- PRIVATE INVESTMENT
- GOVERNMENT PURCHASES
- NET EXPORTS
- PERSONAL CONSUMPTION

Accounts for 30% of GDP

Accounts for 70% of GDP



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Quarter ends on March 30.

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SOURCES: Bureau of Economic Analysis, BusinessWre, FreightWaves Passport, JP Morgan Chase Credit Card Spending Tracker, U.S. Census Bureau News

Boeing tells 737 MAX fuselage maker to pause production

Once Boeing's best-selling plane, it has become the Achilles' heel for Spirit AeroSystems.

- Boeing told its supplier of aircraft fuselages to pause production on four 737 MAX units and avoid starting work on another 16 units scheduled for delivery this year.
- The aircraft manufacturer said it's decision is tied to the coronavirus' devastating impact and the need to avoid unnecessary production costs when airlines are canceling or postponing orders for new airplanes they no longer can afford.
- The drawdown in 737 MAX fuselage orders from Boeing is another blow to Wichita, Kansas-based Spirit AeroSystems [NYSE: SPR], which has already experienced a significant reduction in output since the grounding of the 737 MAX aircraft fleet in March 2019 due to airworthiness concerns after two high-profile crashes that killed 346 people.

Cross-border postal rates going up July 1 for many shippers

- Cross-border shipping rates will increase for many U.S. shippers on July 1 as countries begin to self-declare postal rates based on the deal reached by the Universal Postal Union (UPU) in September.
- Consolidators, postage sellers and other cross-border service providers, including Asendia USA, DHL eCommerce, EasyPost, FedEx Cross Border, Passport Shipping, Pitney Bowes, Shippo, Stamps.com, UPS Mail Innovations among others, received new contracts from USPS in late May. But many have yet to alert shippers of the change, Kate Muth, executive director of the International Mailers Advisory Group (IMAG), told Supply Chain Dive.

American Eagle fast-tracks fulfillment hubs to reduce shipping backlog

- American Eagle Outfitters accelerated its plans to open two third-party managed fulfillment hubs outside Boston and Atlanta in the first quarter, COO Michael Rempell told analysts on a Wednesday earnings call.
- The company fast-tracked the plan as e-commerce orders increased after it closed all stores in mid-March. Though total revenue decreased 38% year over year in the quarter (ending May 2), online orders increased 33%, with much of the boost coming in April. "We had planned to do this over a few years, but the pandemic and the crisis we're going through actually forced us to move much faster," said Rempell.
- The fulfillment hubs, combined with shipping from 250 stores, helped to reduce a fulfillment backlog brought on by increased volume and distribution center shutdowns to facilitate cleaning. The backlog peaked in mid-April and is now declining, Rempell said. As of Wednesday, the company had reopened 556 stores with buy online, pick up in-store and curbside pick up, but executives said e-commerce volume has not waned.
- The peri-urban fulfillment hub is a fixture of Amazon's supply chain and catching on slowly with other retailers. Home Depot has a version. Foot Locker has dipped a toe in as well. But few pure-play apparel sellers have adopted the strategy.
- The benefit is faster fulfillment to large swaths of customers by staging inventory near population centers. The downside is each hub is another warehouse to manage and the ROI on delivery speed can be difficult to measure. Rempell said the scheme would improve inventory management and decrease delivery times while reducing costs.

What to watch

The Senate Commerce Committee holds a hearing on Wednesday on aviation safety. Federal Aviation Administration chief Stephen Dickson will be the sole witness. Expect a great deal of focus on the Boeing 737 MAX recertification and return to service.

Volvo Group cutting 4,100 white-collar positions in second half

Sweden's Volvo Group is cutting 4,100 white-collar jobs globally in the second half of the year, responding to ongoing impacts of the COVID-19 pandemic.

The Race to the Freezer: Europe's Food Glut Has Nowhere to Go

Demand for cold-storage space has surged after bars, restaurants and sports venues closed, leaving their suppliers hunting for new customers or somewhere to store the unsold food. Products like vegetables and meat that are usually sold fresh are now competing with frozen food staples for the same storage space.

Feds announce new AV initiative to improve transparency

Nine companies and eight states have signed on as the first participants in a new U.S. DOT program designed to improve the safety, testing and transparency of autonomous vehicles.

- The U.S. DOT has announced an initiative to improve transparency in the self-driving vehicle industry, marking another step forward on the rocky road toward adoption of autonomous cars and trucks in this country.
- Also included in the announcement were the names of nine companies and eight states that have signed on as the first participants in the Automated Vehicle Transparency and Engagement for Safe Testing (AV TEST) Initiative.
- The participating companies are Beep, Cruise, Fiat Chrysler Automobiles, Local Motors, Navya, Nuro, Toyota, Uber and Waymo. The states are California, Florida, Maryland, Michigan, Ohio, Pennsylvania, Texas and Utah.
- The AV TEST Initiative, a voluntary program, will feature an online, public-facing platform where companies will share their automated driving systems' testing activities and other safety-related information.
- Online mapping tools may show testing locations at the local, state and national levels, the release said.

Why is full truckload priced per mile?

The standard practice for pricing full truckload freight is the rate per mile. This allows freight forecasters to create logistics rate forecasts based on fixed costs rather than variable or one-time charges. The most common variable charges are the fuel surcharge (which changes weekly) and accessorial charges. By separating these costs a freight forecast can be built that can evaluate all charges individually to determine which bids have the most value for the lowest rate.

- **Standardized rate** – Pricing full truckload rates at a rate per mile creates a standardization that is simpler for freight forecasters to analyze multiple bids on each lane. It is analogous to other standard pricing structures like price per square foot in commercial real estate or price to earnings ratio in stock market valuations.
- **Fixed operating costs vs. variable fuel costs** – Trucking companies measure costs on a per-mile basis. This includes driver pay and benefits, repair and maintenance, tires and insurance costs. The total estimated costs for all of the fixed expense categories of operating a truck are then divided by the estimated miles a truck drives in the same time-frame – usually based on annual numbers.
 - ✓ Fuel expenses account for almost 25% of the per-mile operating expense of a truck. However, oil and diesel prices are highly volatile and outside the control of trucking companies. This is the main reason why fuel costs are not included when pricing trucking on a rate per mile.
 - ✓ Fuel surcharges are usually tied to an underlying index that is reset weekly.
- **Benchmark rates over time** – The fixed rate per mile pricing style allows freight forecasters to remove the “noise” created by changes in fuel to focus on truckload demand and truck capacity cycles over time.
- **Accessorial costs** – Accessorials are one-time charges that transportation providers charge for special situations. The most common are detention time at pickup or delivery, tarping charges for flatbed cargo, and lumber services to hire labor to load and unload trucks. Often quotes will intermingle accessorial fees with per-mile rates, making it difficult to know where one begins and the other ends.

Once the rate per mile analysis is completed, freight forecasters can then analyze variable costs like the fuel surcharge and accessorial fees to determine where the best value versus price resides for all the freight bids provided by transportation providers.

WEEKLY FUEL REPORT

15 JUN 2020

* These figures do not include taxes or transportation costs.

USA	05/18/20	05/25/20	06/01/20	06/08/20	06/15/20
DOE AVERAGE	2.386	2.390	2.386	2.396	2.403
RETAIL TO WHOLESALE FUEL SPREAD*	1.328	1.259	1.240	1.089	1.120
RACK PRICE*	0.994	1.061	1.075	1.226	1.202
DIESEL TRUCK STOP ACTUAL PRICE PER GALLON	2.322	2.320	2.315	2.315	2.322

Want more? SONAR users get exclusive access to the detailed breakdown and insights. Learn more at: SONAR.FreightWaves.com

FBX REPORT

JUNE 15, 2020

THE FREIGHTOS BALTIC INDEX (FBX) IS THE WORLD'S LEADING—AND MOST ACCURATE—INDEX OF MARKET RATES FOR 40' CONTAINERS (FEUS).

FRIEGHTOS BALTIC INDEX CHANNEL	04/16/20	05/04/20	05/18/20	06/02/20	06/15/20
.CNAE (S.E. ASIA — U.S.A. EAST COAST)	\$2688	\$2700	\$2606	\$2664	\$3044
.CNAW (S.E. ASIA — U.S.A. WEST COAST)	\$1584	\$1611	\$1679	\$1840	\$2408
.NAEE (U.S.A. EAST COAST — EUROPE)	\$401	\$417	\$432	\$425	\$439
.ENAE (EUROPE — U.S.A. EAST COAST)	\$2012	\$2003	\$1783	\$1872	\$1950
.GLBL (GLOBAL INDEX)	\$1467	\$1487	\$1472	\$1546	\$1743

* NUMBERS EXPRESSED IN USD.

TRUCKING FREIGHT FUTURES || JUNE 12th, 2020

WEEKLY MARKET SUMMARY

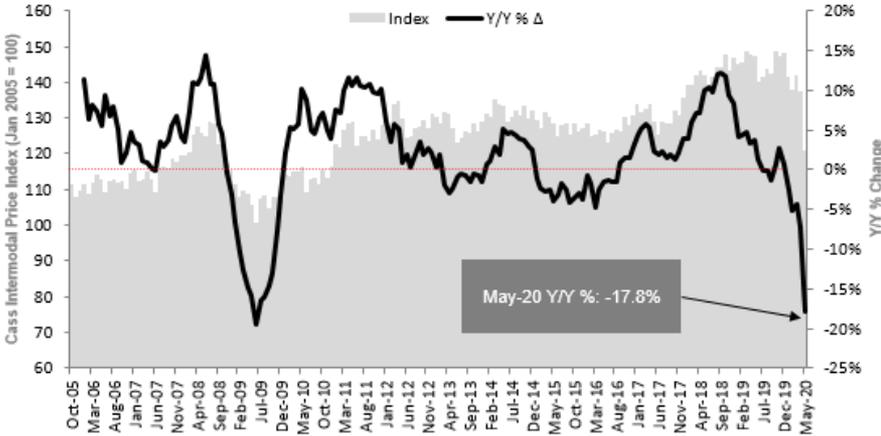


VAN LINE	RATE (PER MILE)	WEEKLY CHANGE
NATIONAL LONG HAUL	1.474	0.008 (0.55%)
EAST LONG HAUL VAN	1.454	0.020 (1.39%)
WEST LONG HAUL VAN	1.659	0.001 (0.06%)
SOUTH LONG HAUL VAN	1.311	0.005 (0.38%)

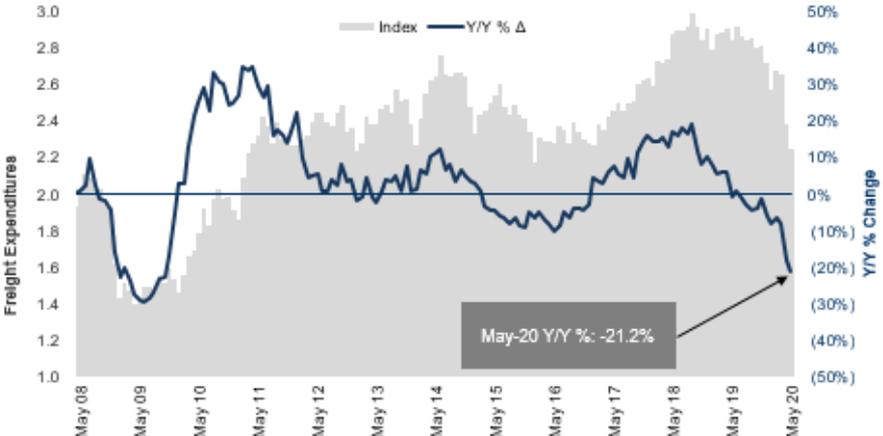
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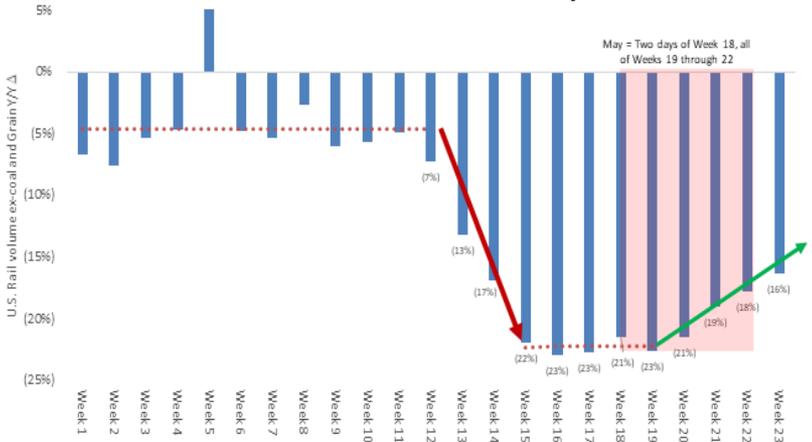
Cass Intermodal Price Index



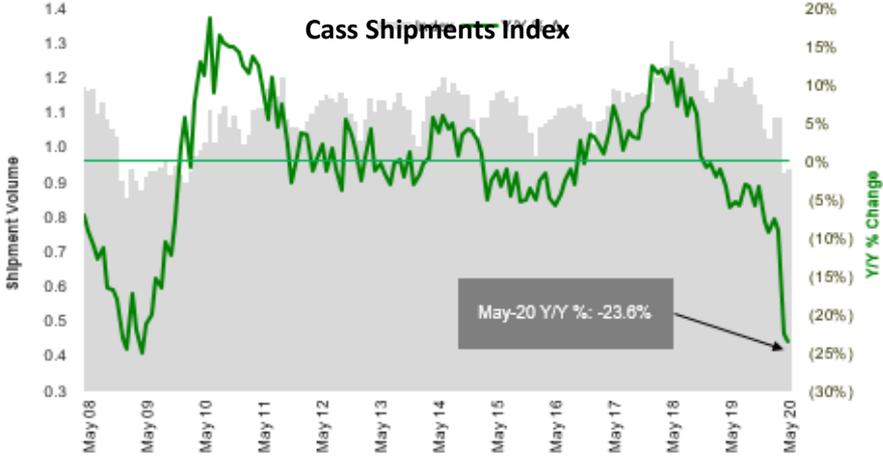
Cass Freight Index



Cass U.S. Rail Traffic Weekly



Cass Shipments Index



Sustainable short sea shipping is the way forward

- Moving significant goods volumes from road to short sea routes would have a positive impact on the prevailing capacity gap in the road transport market and ease the driver shortage crisis.
- Sustainable short sea shipping is the way forward. Today, the EU is actively working to promote short sea shipping and European shippers are prepared to jump on the bandwagon. There is no doubt that sustainable short sea shipping is the way forward.

April box demand fell 8.1pc to 2.4m TEU: Container Trade Statistics

Container Trade Statistics have shown demand has lost 2.4 million TEU in April 2020, and a demand loss of 4.4 million TEU in 2020 year to date, reports London's Logistics Point. This equates to an 8.1% year-on-year contraction in global demand in 2020 year to date.

Nearly half the major ports see drop in box ship calls: IAPH report

- Some 45% of ports have reported that the number of containership calls have fallen by between 5% and 25% compared to 34% the previous week, according to a weekly report from the International Association of Ports and Harbours (IAPH).
- 8% of ports faced a significant drop, over 25% in containership calls. Ports reporting reductions of more than 25% in the cargo ship category increased to 16%; less than half of the ports mention that the number of calls of other cargo ships is fairly stable compared to a normal situation.

Port of Savannah commissions first 9 of 18 Mason Mega Rail tracks

- Georgia Ports Authority has reached a milestone by putting put into operation the first nine of 18 new working tracks, with its first two rail-mounted gantry cranes to be commissioned in June, under its Mason Mega Rail project, which has been in the works for more than four years.
- The project is designed to expand service to the Southeast and Midwestern US and the Mason Mega Rail Terminal will double the Port of Savannah's rail capacity to two million TEU per year, GPA said in a statement.

Stranded seafarers could stop work, disrupting world trade

- Merchant ship crew members stranded at sea for months due to coronavirus-related travel restrictions could now start refusing to further extend their contracts and stop working, potentially disrupting global trade, the International Transport Workers' Federation said late Monday.
- The ITF, a global federation of transport workers' unions, said in a statement it would "now assist hundreds of thousands of seafarers to exercise their right to stop working, leave ships, and return home."
- With more than 80% of global trade by volume transported by sea, the world's more than 2 million merchant seafarers play a vital role in keeping countries supplied with everything from raw materials and fuel to food and consumer goods.
- But lockdowns and travel restrictions imposed by countries across the world to curb the spread of the new coronavirus are preventing crew members who have reached the end of their contracts from leaving the ships and returning home. Many have been on board, without the possibility of setting foot on land even briefly, for several months beyond their original contracts.

Great Lakes Shipping Companies Navigate Market Challenges Ahead

- For U.S.-flag shipping on the Great Lakes, 2019 was a good year. Total cargos were 90 million net tons, up 7.5% over 2018 and 4.6% over the five-year average. 49.7 million net tons of iron ore were shipped, up 8.5% over 2018 and 11.7% over the five year.
- 2020 looks to be very different from 2019 with blast furnaces idled and heavy manufacturing reliant on steel from the integrated mills temporarily shuttered. Some vessels on both sides of the Great Lakes stayed in layup following the traditional opening of the shipping season on March 25 when the locks at Sault Ste. Marie, Mich. open allowing cargos, particularly iron ore and grain, to be moved from ports on Lake Superior to destinations on the lower four lakes, St. Lawrence Seaway, and internationally.
- Economic predictions for a recovery are broad and even divergent. How and when U.S. manufacturing rebounds and commercial maritime on the Great Lakes responds will be unfolding over in the coming months and sailing seasons but as always, the U.S.-flag Great Lakes fleet is nimble and ready to move cargo.

Port of Long Beach Reports Cargo Increase

- Cargo shipments rose at the Port of Long Beach in May as the economic effects of COVID-19 started to subside.
- Some 628,205 TEUs moved through the port last month, a 9.5% increase from May 2019. Imports grew 7.6% to 312,590 TEUs, while exports climbed 11.6% to 134,556 TEUs. Empty containers headed back overseas jumped 11.4% to 181,060 TEUs.
- The volume increases come as manufacturing in China continues to rebound from the effects of COVID-19, while demand for furniture, digital products and home improvement goods is increasing in the U.S.

Driverless Trucks to Dominate UK Ferry Traffic

- Driverless heavy goods vehicles (HGVs) will ship freight between the UK and continental Europe in the future, according to a new white paper published by the British Ports Association (BPA) and the specialist freight transport consultancy MDS Transmodal.
- Commercial and environmental pressures will encourage freight operators to look at autonomous trucks and they would transform the way the ro-ro market works in Great Britain.

Container shipping tilts toward new profitable future despite pandemic

Container shipping, for the moment, has broken the self-destructive cycle of the post-financial crisis decade that saw carriers resorting to pulling cost levers like building mega-ships and slow steaming that benefit them, but not their customers.

Five US container-on-barge projects get federal funding

- The federal government has awarded \$5.7 million to five planned and existing container-on-barge efforts; the latest wave of Maritime Administration grants aimed at reducing truck congestion.
- The federal grants will go to waterborne freight services in Illinois, Indiana, Kentucky, Louisiana, New York, New Jersey, Oregon, Tennessee, Washington, and American Samoa.

China's 1st hybrid inland ship sets sail on Yangtze River

China's first hybrid inland ship has started operations along the giant Yangtze River as part of a move to reduce emissions. The vessel will mainly sail on liquefied natural gas but it also features a diesel/electric propulsion system, according to China Classification Society (CCS).

Singapore approves over 4,000 crew change cases during coronavirus

More than 4,000 cases of crew sign-on and signoff have been approved by the Maritime and Port Authority of Singapore (MPA) for over 300 companies since 27 March 2020.

Japanese companies to develop, test autonomous ship technology

A Japanese consortium of Marubeni Corporation, Tryangle, Mitsui E&S Shipbuilding, and the City of Yokosuka has secured a place in the Joint Technological Development Programme for the Demonstration of Unmanned Ships led by The Nippon Foundation.

MSC expands its Carbon Neutral Programme with South Pole

- Mediterranean Shipping Company (MSC) has partnered with a climate solutions provider South Pole to develop the MSC Carbon Neutral Programme.
- The deal comes on the back of a similar program implemented in 2019 in selected countries, which is now being extended worldwide throughout 2020.

Transpacific spot rates hit highest level for 18 months, but US imports are drying up

- In the past month, container spot rates from Asia to the US west coast have rocketed by over \$1,000 per 40ft, bucking the fundamentals of mass unemployment and an economic recession now hitting the US economy.
- Last week's Shanghai Containerized Freight Index (SCFI) recorded a second massive spike, of over 25%, in three weeks to take the spot rate to \$2,755 per 40ft – double the rate recorded by the index at this time last year.
- According to a JOC report, China-US NVOCCs have accused ocean carriers of “intentionally restricting capacity” and “overbooking ships” to push up freight rates.

FMC identifies San Pedro Bay container challenges during COVID-19

Shipping industry-based innovation teams look to ease Southern California's container chokepoints

- The U.S. Federal Maritime Commission (FMC) on Wednesday identified four key areas where the container shipping industry in the San Pedro Bay port complex of Southern California can overcome current supply chain disruptions.
- Even before the spread of COVID-19 across the U.S., shippers and drayage truckers had become frustrated with the requirements for returning empty containers within the Southern California port complex. A potential solution to this logistics problem would be for the truckers to return empty containers at the terminal from which they were retrieved. The FMC said this would allow truckers to make dual moves and reduce the number of chassis required.
- The FMC said shippers and drayage truckers should be given notice of terminal gate closures by the marine terminal operators no less than three days, and preferably seven days, before the closures occur. "At no time should a closure occur mid-shift," the agency said.

Auto sector demand hits the brakes on trans-Atlantic

Lockdowns on both sides of the Atlantic have hurt the busy trade route and dramatically cut European exports to the major demand markets of North America.

Tampa Bay gets federal grant to expand container terminal

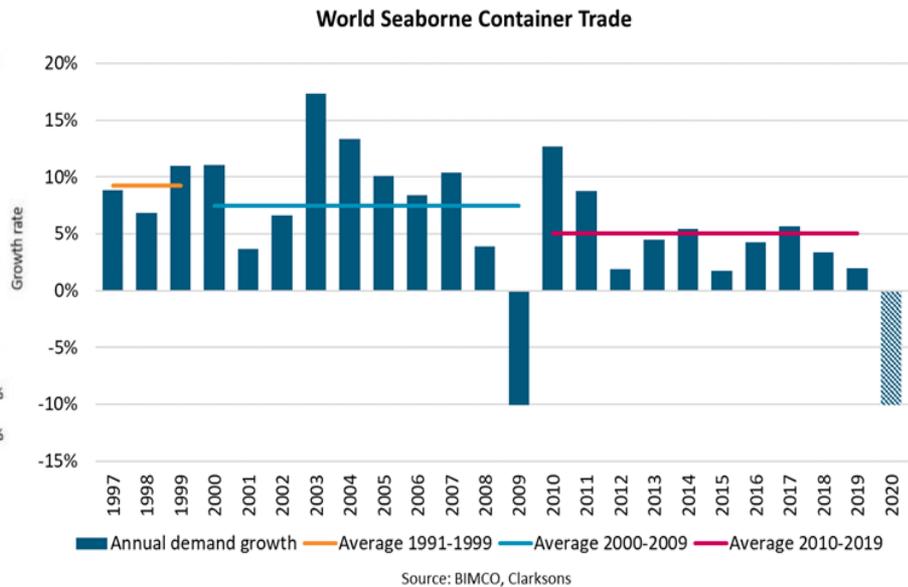
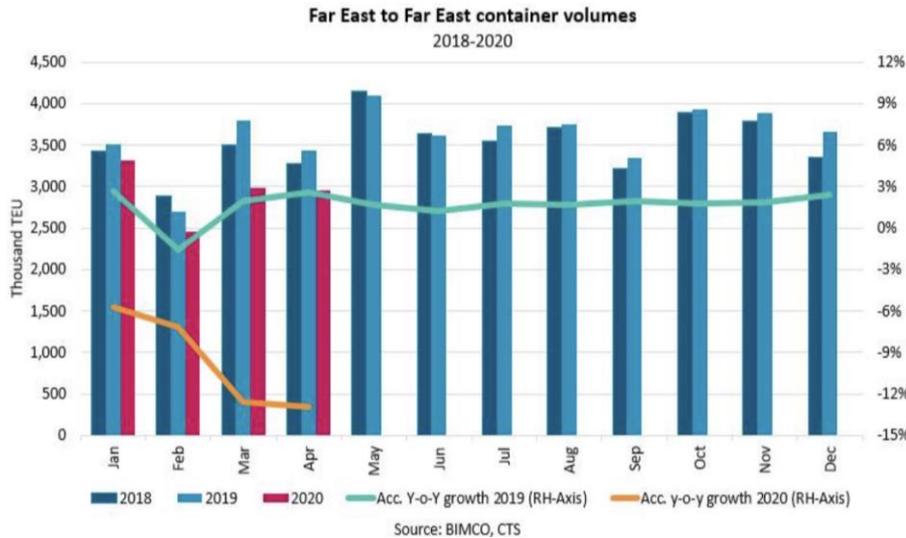
Port Tampa Bay has received almost \$20 million in a federal grant to help construct a second 1,300-foot berth and a 30-acre container yard, key elements of its plan to increase capacity to handle three Asian direct services.

Maersk seeing better-than-expected Q2 volumes

Maersk said it expects the slightly milder volume decline will result in Q2 operating earnings "slightly above" its first-quarter 2020 results and better than its second-quarter 2019 performance.

Maersk expands option to slow, expedite cargo to more ports

The importance of being able to speed up or slow down container shipments was driven home during the coronavirus disruption, but the option is likely to grow in importance for shippers.



Shipping lines tighten up credit terms for 'financially risky' NVOCCs

- Ocean carriers are tightening up their credit terms with thousands of smaller NVOCCs [non-vessel-owning common carriers] due to mounting fears that many could go bust due to Covid-19.
- Since the banning of shipping conferences, when credit indiscipline was considered an internal fineable breach of the terms of the rate-setting cartels, many carriers have granted generous credit facilities as an incentive to attract customers.
- Indeed, before its collapse in August 2016, Hanjin Shipping was not only granting forwarders 120-plus day credit terms but was also known to have very lax credit control systems.
- As a result many forwarders that either obtained money upfront from clients or granted maximum 15-day credit terms to bigger shippers, were effectively running their businesses on the cashflow provided by Hanjin and some other lines.

FDA Pushes Back Cigarette Graphic Warning Implementation Date

- Tobacco companies will have extra time to incorporate new cigarette warning labels and graphics into their packaging and advertising.
- According to the Food and Drug Administration (FDA), the U.S. District Court for the Eastern District of Texas granted a request to postpone the effective date 120 days. The request came as a joint motion in the R.J. Reynolds Tobacco Co. et al. v. United States Food and Drug Administration et al.

Morning Daypart Trips to C-stores Are at 80% of Prior Year

- Although trips to U.S. convenience stores saw a slight bump in trips for the week ended May 24 vs. the previous week, the channel is still lagging behind one year ago, according to the latest weekly report from NACS and PDI on how COVID-19 is impacting consumer behavior.
- Trips from 7 a.m. to 9:59 a.m. are at 80 percent of prior year trips, as consumers have not collectively resumed their pre-pandemic travel routines.

Stuck at home, the world is eating less sugar

- For years, governments, doctors and celebrity chefs tried and failed to get the world to consume less sugar. Then the pandemic hit.
- The global closure of restaurants, sports arenas and cinemas means sugar demand will drop this season for the first time in four decades, according to Czarnikow Group. Drink and confectionery sales at giants including Coca-Cola and Nestle SA have fallen, and while economies start to reopen, it's unclear how quickly demand will recover as incomes and employment fall.
- Analysts at the US government and Citigroup also see demand falling this season. The International Sugar Organisation said the crisis has wiped out most of 2020's projected consumption growth, and bigger losses may follow.
- There are still some positives. Lockdown measures are easing around the world and the U.S. Department of Agriculture expects global sugar consumption to rebound 3.6% to a record next season.

	SALES PER STORE		INDUSTRY TOTAL (IN MILLIONS)	
	2019	% change	2019	% change
Prepared food	\$183,129	5.9%	\$27,721	5.2%
Hot dispensed beverages	\$50,413	5.1%	\$7,631	4.4%
Cold dispensed beverages	\$20,378	4.6%	\$3,085	3.9%
Frozen dispensed beverages	\$9,051	12.5%	\$1,370	11.8%
Total	\$262,971	5.8%	\$39,807	5.2%

More US states allowing sales of hemp-derived products in MJ dispensaries for first time

- Colorado and Illinois are joining the ranks of nearly a dozen states where CBD and other hemp-derived products can be sold at marijuana dispensaries for the first time, opening a new sales outlet for the growing industry.
- In the absence of guidance from the U.S. Food and Drug Administration, states are taking their own approaches as to how to regulate the sale of hemp in medical and recreational dispensaries. Colorado’s change takes effect July 1.

Inside the Consumer Mind: A Loyal Bunch



Men are more likely than women to make daily c-store trips that include both fuel and in-store purchases —

19% vs. 12% respectively.



INSIDE THE CONSUMER MIND

A Loyal Bunch

Three-quarters of convenience store shoppers patronize the same store every time

Loyalty appears to be a concept that resonates strongly with convenience store shoppers. The 2020 *Convenience Store News Realities of the Aisle Study*, which surveyed 1,500-plus consumers who shop a c-store at least once a month, revealed that more than seven in 10 shoppers patronize the same store every time. Furthermore, shoppers cite a loyalty program as the top element that has influenced their decision to visit a specific convenience store. Other key findings from the study include:



Generationally, millennials and Generation X are more likely to make dual trips daily.



MILLENNIALS 18%



GENERATION Z 8%



GENERATION X 17%



BABY BOOMERS 6%



5 Key Technological Innovations In the Beverage Industry

Some of the key technological innovations in the beverage industry right now.

1. **Flow-through Sortation** - To streamline the process of distributing, staging, and sorting their items, beverage companies have taken to using “flow-through” systems.
2. **Voice Technology** - Voice technology makes processes more seamless, and this has never been more evident than in warehouse operators.
3. **IIoT** - The Industrial Internet of Things is the use of network-connected devices in an industrial setting. It focuses on machine-to-machine communication, allowing manufacturers to streamline their operations and reduce errors.
4. **Cloud Service** - Not every beverage company will have the resources to pursue cutting-edge advancements. Luckily, cloud service providers are there to make resources more accessible.
5. **NFC Tags** - Companies are always looking for ways to enhance the user experience, and the beverage industry is no different. To this end, they’ve decided to imprint near field communication (NFC) technology onto their beverages.

UN members meeting next week to consider CBD changes

A meeting is scheduled for next week to discuss World Health Organization recommendations on marijuana, CBD and related substances. The recommendations include removing CBD and CBD preparations containing no more than 0.2% THC from the international drug-control conventions.

High-end restaurants may hold the future for meal kits

- When the pandemic first hit, the ailing meal kit industry saw a quick boom. It made sense: people were stuck at home, unable to eat out. So why not try a service that made daily cooking easier?
- Meanwhile, some restaurants and chefs began entering into the space too. Unable to seat guests, fancier restaurants began selling their own prepared kits — a few even offered multimedia attached to make sure customers were preparing and plating the food correctly.
- It's a different model from Blue Apron's, and it's unclear if restaurants are going to continue once doors can reopen. But these fancy meal kits are one strategy restaurants have employed to survive and find new revenue streams.

Healthcare professional revenue falls nearly 50% during COVID-19 pandemic

In the past few months, deferral of elective procedures and many routine in-person medical visits precipitated a financial burden. In April, during the midst of the COVID-19 pandemic, healthcare professional services declined 68% in utilization and 48% in revenue based on total estimated in-network amounts compared to April 2019 nationally. In the Northeast, the region hit hardest at that time by the pandemic, professionals experienced particularly sharp drops in utilization (80%) and revenue (79%) in April.

CMS issues guidance for hospitals and healthcare systems looking to reopen

Among the recommendations are optimizing telehealth capability, conserving PPE and having a plan for disinfecting clinical spaces.

- The CMS has released a guide for patients and beneficiaries as they consider their in-person care options.
- During the height of the pandemic, many healthcare systems and patients postponed non-emergency, in-person care in order to keep patients and providers safe, and to ensure the capacity to care for COVID-19 patients.
- As states and regions across the U.S. see a decline in coronavirus cases, CMS said it is providing these recommendations to ensure that nonemergency healthcare resumes safely and that patients are receiving needed in-person treatment that may have been postponed due to the public health emergency.

Healthcare CFOs look to technology and automation for COVID-19 recovery

Only 12% of CFOs expect they will need to cut or defer spending on their financial systems' digital transformation.

- The COVID-19 coronavirus pandemic is forcing hospitals and health systems to tighten their belts due to shrinking revenues and margins, but many CFOs won't be reducing spending in one key area: technology and automation.
- In the recent months of the crisis, 84% of hospitals surveyed by Black Book and 79% of large physician-practices have confirmed they performed audits on the existing state of digital transformation.
- Ninety-three percent of all providers said that missing capabilities and redundant or conflicting systems were identified in the second quarter and will drive immediate financial systems rationalization and acquisitions.

Hospitals continue to struggle with job losses as other areas of healthcare rebound in May

Hospitals lost 27,000 jobs in May, showing they have yet to recover financially.

- Healthcare employment increased by 312,000 in May, but hospitals still lost 27,000 jobs, according to a report issued today from the U.S. Bureau of Labor Statistics.
- Job losses continued for hospitals and for nursing and residential care facilities, which lost 37,000 jobs.
- Physicians saw an increase of 51,000 jobs, and dentists and other health practitioners saw increases of 245,000 and 73,000, respectively.

COVID-19 telehealth waivers won't last forever, but permanent regulatory changes are afoot

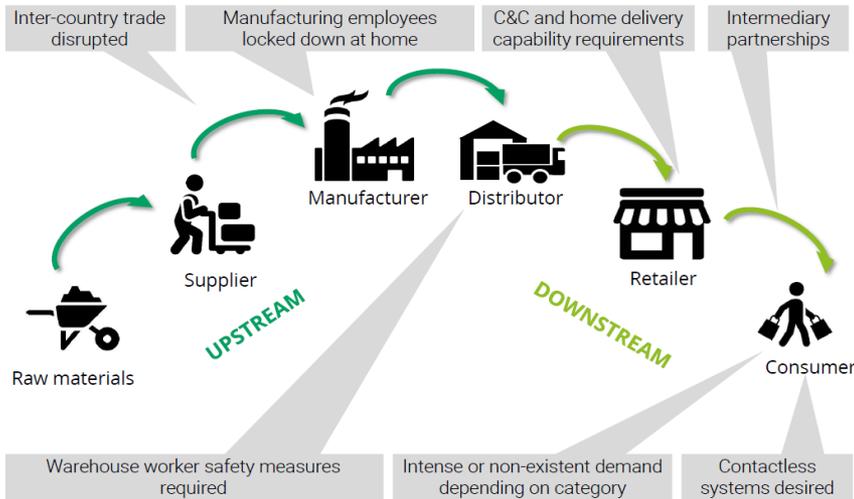
Reimbursement levels will go back to pre-coronavirus levels but Congress may be pressured to make lasting change.

- Healthcare providers who were only passingly familiar with telehealth before the COVID-19 pandemic are certainly acquainted with it now – either due to its high-profile rise in popularity or because waivers from the Centers for Medicare and Medicaid Services have allowed them to start implementing it themselves. These waivers are temporary, of course. But long-term change will likely be permanent.
- An act of Congress will be required, and on this seems like a tall order. Partisan gridlock has become a staple in American governance, and healthcare has been a particularly contentious topic. The ACA has been strained by a legislative tug-of-war, and intraparty squabbles have erupted over the best method for healthcare reform.
- Telehealth, though, may be one of the few areas in healthcare primed for bipartisan support.

Walmart buys technology to help people manage their prescriptions, health info

- Walmart Inc. continues to expand its digital health capabilities.
- The retail giant announced it acquired the technology platform, patents and intellectual property of CareZone, which developed an app that helps people manage their health information and medications. Individuals can also use the app to scan labels or insurance cards to speed and simplify the process. CareZone, which also operates an online pharmacy that puts customers' medications into pill packs and delivers them to patients via mail, will remain a separate company unrelated to Walmart.

COVID-19 impact on the retail supply chain



Retailers around the world and across channels invest in improving fulfillment capabilities



- Stores fulfilled nearly 80% of Target's Q1 digital sales.
- Same-day services (Order Pick Up, Drive Up and Ship) grew 278% and accounted for approximately 5% of total company comparable sales growth in Q1.



- Walmart Flipkart partners with Meru taxi service to deliver essentials
- Walmart US introduces Express Delivery in the wake of pandemic
- Walmart Asda launches electric vehicle fleet to increase delivery capacity



- ~50% of online sales fulfilled curbside



- Aldi US expands grocery pickup to 600 stores across 35 US states



- John Lewis Waitrose to double grocery deliveries in London



- Tesco UK to further increase delivery slots
- Tesco UK serves over 1 million online grocery orders in a week

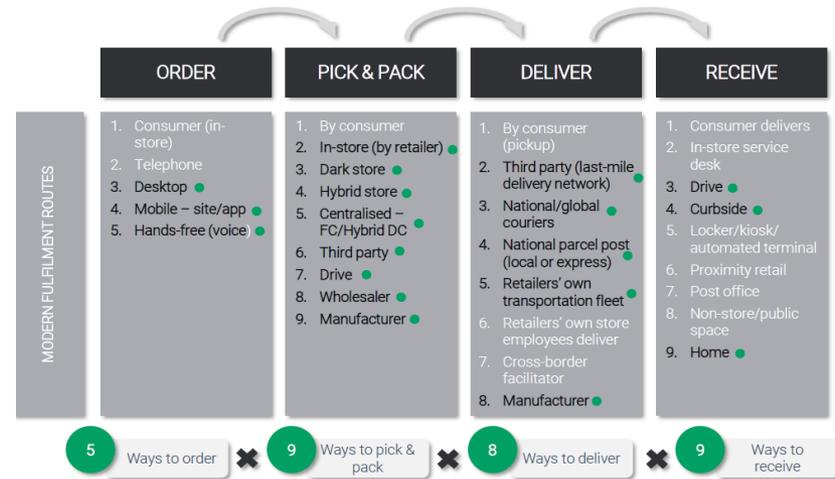


- Bed Bath & Beyond converts 25% of stores to regional fulfillment centers



- CVS Health tests curbside pickup at 21 locations

The different routes to consumer COVID-19 Critical ●



5 Ways to order × 9 Ways to pick & pack × 8 Ways to deliver × 9 Ways to receive = 3,240

Routes to end-consumer

Evaluating top US retailers' last mile responses to COVID-19

Retailer	Did they launch home delivery?	Did they expand home delivery?	Did they launch click and collect?	Did they enhance click and collect?	Did they launch a partnership with a delivery intermediary?	Did they strengthen a partnership with a delivery intermediary?
Walmart	No	Yes	No	Yes	No	No
Kroger	No	Yes	No	Yes	No	No
Walgreens	No	No	No	Yes	No	Yes
CVS Health	No	Yes	Yes	Yes	No	Yes
Target	No	Yes	No	Yes	No	Yes
Costco	No	No	No	No	No	Yes
Sam's Club	No	No	No	Yes	No	No
Dollar General	No	No	No	No	No	No
Aldi	No	No	No	Yes	No	Yes
Albertsons	No	No	No	No	No	No
HEB	No	Yes	No	Yes	No	No
7-Eleven	No	Yes	No	No	Yes	No
Meijer	No	No	No	No	No	No
Best Buy	No	No	No	Yes	No	No
Circle K	No	No	No	No	Yes	No
Casey's	No	No	No	Yes	Yes	No
Amazon	No	Yes	No	No	No	No
Macy's	No	No	No	Yes	No	No
Kohl's	No	Yes	No	Yes	No	No
Home Depot	No	Yes	No	Yes	No	No
Lowe's	No	No	No	Yes	No	No

Fulfillment expansions and enhancements include increasing pickup points, delivery coverage, and service improvements between March and May 2020. Retailers selected as a representative set of top operators across channels.

HOW 10 BILLIONAIRES Faced Failure

Larry Ellison
Oracle
Net worth: \$61.4 Billion

Contracted pneumonia at nine months old

Adopted by his great-aunt and uncle

Went to a public college, dropped out, enrolled at the University of Chicago, then dropped out again

Started a business that struggled at first, forcing him to mortgage his house

Worked odd jobs for 8 years

Had to fire most of the people in his company to get it back on track in the 1990s

Now, he owns 90% of the island of Lanai in Hawaii

"I have had all of the disadvantages required for success."

HOW 10 BILLIONAIRES Faced Failure

Oprah Winfrey
OWN
Net worth: \$2.8 Billion

Was abused as a child by relatives

Got pregnant and lost the baby at 14

Took a talk show called AM Chicago from the lowest rated to the highest rated show within a few months

She's won Emmy awards, the Lifetime Achievement award, and was nominated for an Academy Award

Was humiliated and socially harassed during her first job as a TV news anchor

She's the first female African American billionaire, and has donated millions of dollars to charities, including her own channel, The Angel Network and The Oprah Winfrey Foundation

"Think like a queen. A queen is not afraid to fail. Failure is another stepping-stone to greatness."

HOW 10 BILLIONAIRES Faced Failure

Walt Disney
The Walt Disney Company
Net worth: \$5 billion

Dropped out of school at 16 to join the Army but was rejected for being underage, joined the Red Cross instead

Fired at 22 from a newspaper because the editor felt he "lacked imagination"

Lost the rights to his most successful character, Oswald the Lucky Rabbit

Started Laugh O Gram Studios, which went bankrupt after two years

Went completely broke, then came up with a new character on the train from Manhattan to Hollywood: Mickey Mouse

"The difference in winning and losing is most often not quitting."

HOW 10 BILLIONAIRES Faced Failure

Michael Bloomberg
Bloomberg
Net worth: \$62.3 Billion

Demoted from partner to the information technology division of his company after 12 years as a stock trader

Laid off at age 39

To land their first client, he promised, "I'll get it done in six months, and if you don't like it, you don't have to pay for it"

Created a Wall Street firm that pitched technology built on better and more accessible data

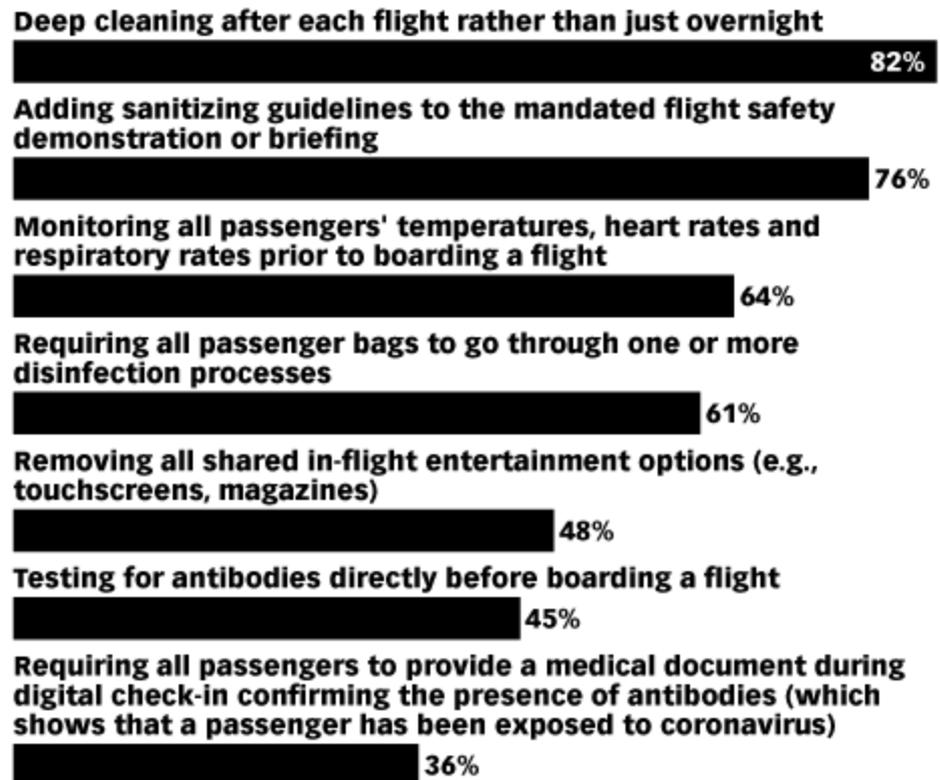
The company now has more than 300,000 terminal subscriptions

"America is built around this premise that you can do it, and there are an awful lot of people who are unlikely to have done it who did."

- Many US adults would stand behind any potential actions airlines and airports take in response to the pandemic.
- According to May 2020 YouGov data, 82% of adults said they support deep cleaning after every flight, and 76% were in favor of airlines adding sanitizing guidelines during the flight safety demonstration.
- Additionally, nearly two-thirds supported the monitoring of passengers' temperatures, heart rates and respiratory rates before boarding a flight.
- Airlines may even see an increase in travel insurance post-pandemic. According to the survey, more than half (57%) of respondents said they would consider buying an insurance policy that would issue full refunds in the event they were denied boarding.

US Adults Who Support Potential Actions Taken by Airlines and Airports in Response to the Coronavirus, May 2020

% of respondents



Note: ages 18+; those who support or strongly support each measure
Source: YouGov, "Future of Air Travel," May 18, 2020

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- On Monday, businesses in England will take some tentative steps towards post-lockdown recovery, as high street shops begin to reopen and attempt to bounce back amid the challenges of physical distancing. They do so in the shadow of the most intimidating set of economic numbers since the war. On Friday, the Office for National Statistics reported that the economy slumped by 20.4% in the lockdown month of April – the biggest drop since such figures were kept. The grim revelation followed a warning from the Organisation for Economic Cooperation and Development, which predicted that by the end of the year the UK economy is likely to have contracted by 11.5% – a steeper plunge than any of its European neighbors. Unemployment in Britain, the OECD forecast, could be running at close to 12%, as the world endures “the most severe economic recession in a century”.
- Amid post-pandemic concerns over debt, economic security, fragility of extended supply-chains and the geopolitical rise of China, the global economy appears to be entering a more cautious era. As societies accord a new priority to resilience against future shocks, the interventionist state, planning on their behalf, is making a comeback.
- In post-lockdown Britain, the political battle over what that might mean is just about to begin. The chancellor has already authorized the biggest programme of government subsidies seen in peacetime. On one estimate, almost £90bn worth of taxpayer money has been handed to businesses and employees through the job-retention scheme and various loan packages. Public borrowing, as a result, is at a record high. But eye-wateringly expensive as they were, these measures were conceived as a way of merely keeping businesses afloat during lockdown. The real test, as businesses reopen in a landscape transformed beyond recognition, is yet to come.
- Reacting to the latest cascade of dire statistics, the prime minister referred to the heavy cost of lockdown on an economy that has long been dominated by services. But in unprecedented times, can Britain continue to neglect what’s left of a manufacturing base that still plays a vital role in regions such as the Midlands?
- Last month, details emerged of a Treasury plan to provide sustained state support for strategically key companies hit by the pandemic, whose collapse would “disproportionately harm the economy”. “Project Birch” could see the government extending long-term loans or taking equity in some of the biggest names in British business. As well as Jaguar Land Rover, there has also been speculation that Virgin Atlantic, Rolls-Royce and Tata Steel may become beneficiaries of state intervention.

Skyscrapers of the 21st Century

