

2022 Risk Radar: Transport and Logistics Sector

February 2022



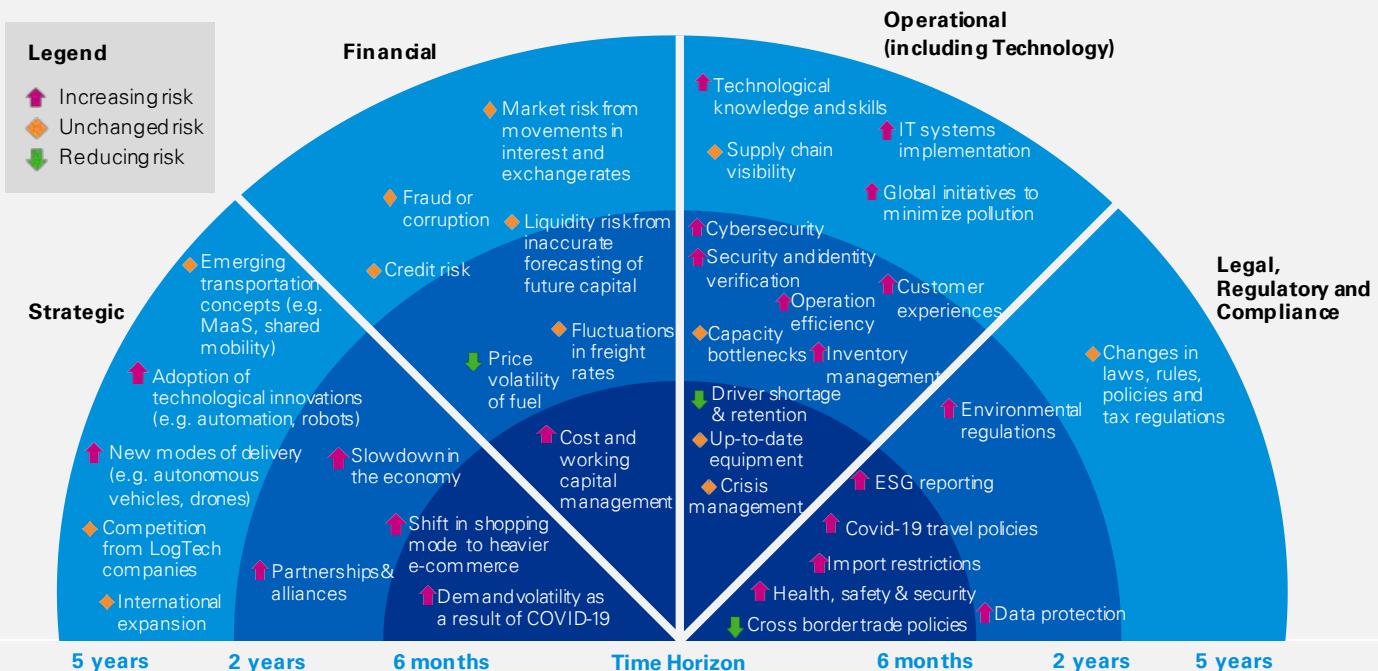
The ongoing COVID-19 pandemic has continued to challenge the transport and logistics sector. The spread of highly contagious COVID-19 variants has prompted some governments to reconsider their anti-pandemic measures, including travel restrictions. Tightened requirements as well as increased customer expectations for health and safety have also created the need for higher service standards in the sector, while creating additional costs.

At the same time, B2C e-commerce continues to rise in prominence which has challenged the sector to consolidate freight and shipping orders to lower costs and increase efficiency. Transport and logistics businesses are also seeing an increasing need to utilise websites and mobile apps for order taking and tracking.



Key trends observed in the market impacting the industry in the Greater China region:

- Heavy passenger travel restrictions has led to dramatic drops in demand for passenger transport;
- Shift in consumer preferences from brick-and-mortar shops towards e-commerce vendors offering fast delivery;
- Enhanced ESG reporting requirements and promotion of sustainable transport;
- Imposition of new import and export regulations;
- Challenges in technological transformation in response to higher expectations on the efficiency of information flow and hygiene standards; and
- The ongoing COVID-19 pandemic is accelerating digitalisation of sales order management and internal operations.

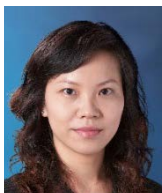


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