

2021 Risk Radar: Transport and Logistics Sector

March 2021



The ongoing COVID-19 pandemic has challenged the transport and logistic sector in an unprecedented fashion. The sector has faced dramatic drops in demand for passenger travel and more restrictive import/export policies. Tightened requirements and increased customer expectations for health and safety has also created the need for higher service standards, while creating additional costs.

At the same time, the market has seen a shift in consumer shopping preferences from traditional brick-and-mortar shops towards e-commerce channels which offer fast delivery options. Transport and logistics businesses are under pressure to deploy technology-based solutions to adapt to this shift and maintain their competitive advantage.

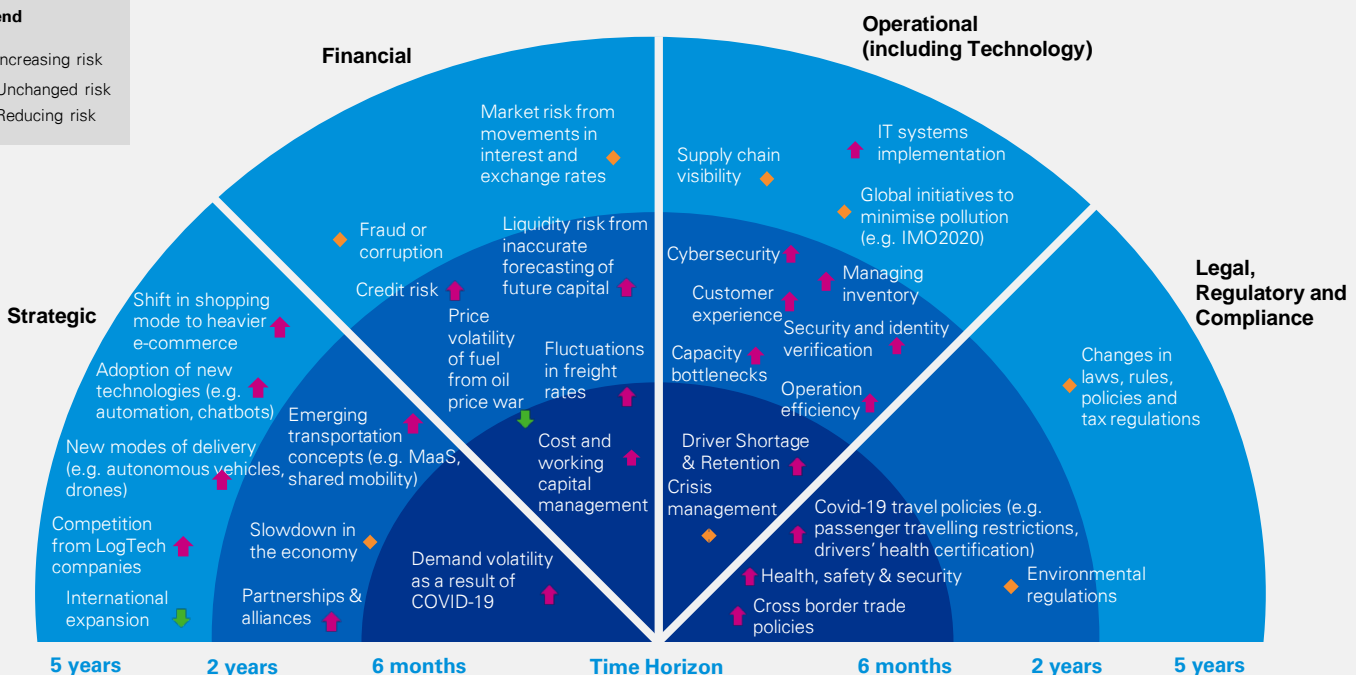


Key trends observed in the market impacting the industry in the Greater China region:

- 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;
- 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
- Emergence of “Supply Chain-as-a-Service” where companies outsource their supply chain functions including warehouse management, logistics management, and order management.

Legend

- ▲ Increasing risk
- ◆ Unchanged risk
- ▼ Reducing risk



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