



CORONAVIRUS INFORMATION

IMPACT OF THE VIRUS ON THE SUPPLY CHAIN

According to HELMs Supply Chain experts, the impact of the Novel Coronavirus will certainly be felt in the first quarter of 2020. While there is currently no evident indication on the severity, spread and duration of the outbreak, there are clear indications that the delivery, export and import of products will be affected in the short-term. The Chinese government is asking companies to delay resuming work and transportation has been shut down in some cities and provinces. We recommend our customers to plan their demands according to the volatile situation and increase safety stocks wherever possible.

LONGER ABSENCE AFTER LUNAR NEW YEAR

With the goal to prevent and control the Novel Coronavirus, China's government had extended the Lunar New Year holiday for additional three days (until February 2). Shanghai, Jiangsu, Jiangxi, Zhejiang, Guangdong, Shandong, Anhui, Chongqing, Yunnan, have formally required enterprises to not resume work until 9 of February. Hubei Province announced that enterprises will be closed at least till February 13. We will continuously update our partners, once additional information is available.

Source: [Official announcement](#), [PharmaCompass](#), [China briefing magazine](#).

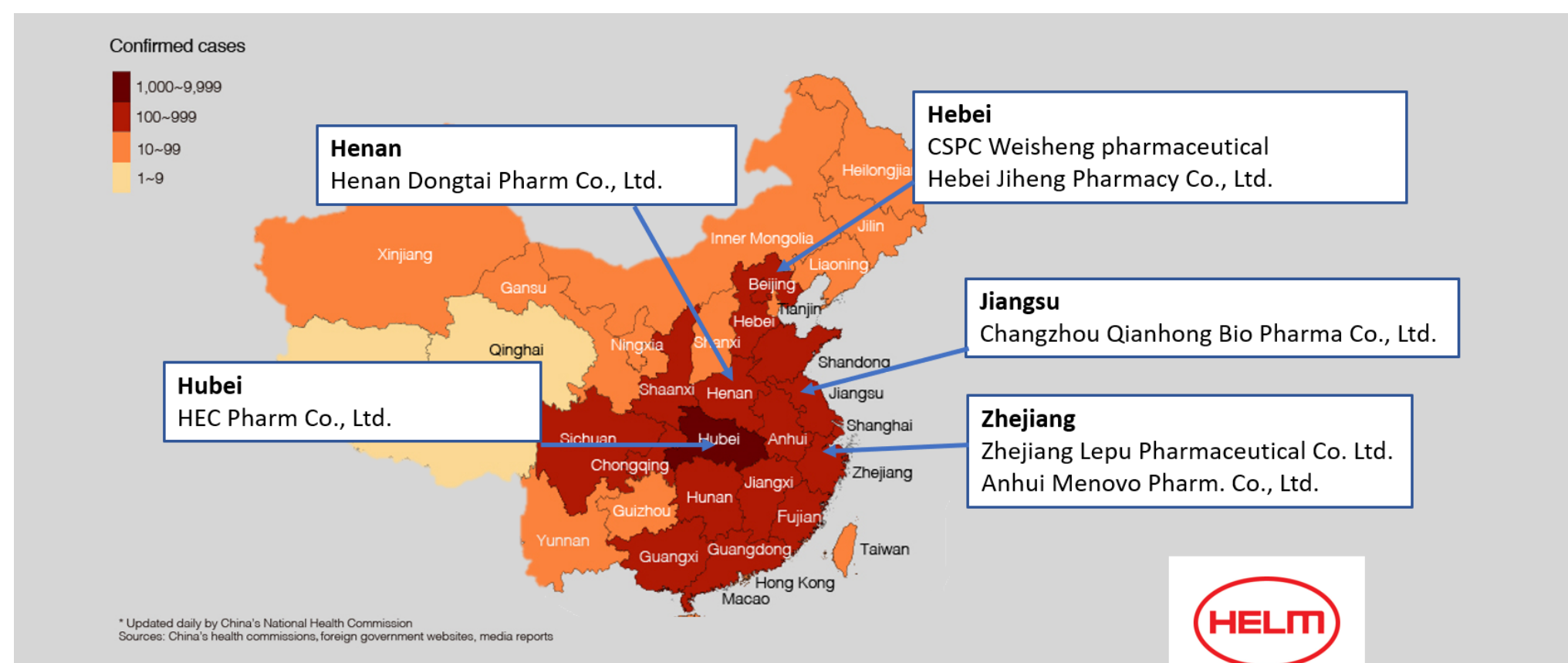
DISRUPTING API SUPPLIES

Although it's too soon to feel severe repercussions on the supply chain, the Novel Coronavirus outbreak adds uncertainty to the demand planning of pharmaceutical companies, as China is the world's largest producer of APIs. There are more than 4000 factories in China, supplying around 3/4 of the worldwide API. Most ingredient production is concentrated in Shandong, Jiangsu, Zhejiang and Shanghai. Even though these provinces are relatively far from the city of Wuhan, where the outbreak began, these provinces have already announced that companies will only resume work on the 9 of February. The API categories that are most dependent on China supply are: Antibiotics (82,000 mt), Vitamins (230,000 mt), Amino Acids (12,000 mt) and Cardiovascular (800 mt)

Source: [China Chamber of Commerce for Import & Export of Medicines & Health Products \(CCCMHPIE\) for 2017](#), [China Chamber Pharmaceutical Industry Association for 2017](#)

MOST AFFECTED REGIONS

Selected producers located in most affected regions



INSIGHTS FROM BERNARD CHAMBRES MANAGING DIRECTOR HELM CHINA

"The number of infected cases keep rising and we do not know when the eruption will peak. So far our 50 colleagues and their family members are safe, and remain confined at home as requested by the government. Still, we have organized ourselves for remote operations. Our local Product Managers are in close contact with our suppliers. We monitor their inventories, production status and delivery capability. All producers face different challenges but most have difficulty delivering products to ports and organizing shipments. We believe that the supply chain will remain significantly affected throughout February."



VIRUS SPREAD

A Chinese online healthcare platform has put together a real-time feed of the coronavirus case count as well as the latest updates. [Click Here: Coronavirus](#)