

COVID-19 MARKET INSIGHTS

RESUMING MOBILITY MANAGEMENT POST-COVID-19 RECOVERY

The threat of COVID-19 has challenged the global economy, as each country tries to reduce the infection's spread by shutting down borders and instituting travel restrictions at home and abroad. Some regions have progressed further in flattening the curve and are now exploring the opening of intra-country movement and easing border restrictions. Considering the need of economies to recover and the warnings of the World Health Organization of a second wave of infections, we at Cartus are identifying new strategies, processes, and timelines to accommodate business critical mobility assignments.

The following are some key relocation market indicators and recommended strategies for navigating in our new environment.

IMMIGRATION

As the crucial pillar of international mobility, immigration services depend heavily on government mandates on consular activity and travel bans. The advent of electronic platforms taking the place of in-person immigration processes are good indicators of a permanent change in immigration processes and timelines.

WHAT TO WATCH FOR

- Government mandates on travel and visa bans, as well as government and consular office hours in both the destination and origin/home locations.
- Presence of e-solutions for filing applications, renewals, and terminations.
- Visa application health requirements.
- Changed directives in applications and visa renewals during the COVID-19 pandemic.

Possible Impact

- Current immigration timelines in all markets may not be applicable, and we can expect a backlog in applications due to limited consular capacity and working hours. Markets without e-platforms for immigration services will experience more than twice its standard processing time.
- Local governments may prioritize renewing work permits that were provided concession due to the closure of immigration offices during lockdown.
- Additional time to gather and legalize documents is expected in the event certain government sectors are closed in the assignee's departure location.
- There will be a continued prioritization of immigration applications for essential services such as healthcare or pharmaceutical industries.
- Additional supporting documentations such as health declaration forms and medical insurance coverage may be required in some countries that didn't require them prior to COVID-19.



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- The approach in accepting (or limiting) applications of foreign workers may be varied and is something to monitor. We expect a split approach with some countries who will limit entry to foreign workers to protect local employment rates while some countries may implement favorable policies to attract talent and stimulate economic recovery.

Looking ahead:

We recommend clients generally follow at least a 120-day relocation planning period (for most markets) to account for immigration approval back-logs.

The following strategies are recommended to assist assignees:

- Segregate assignee population between ongoing and new/incoming assignments.
- For ongoing assignees, close monitoring of their work permit expirations together with your Cartus and immigration partner is highly encouraged.
 - List out work permits due to expire and permits that are not part of the concession group provided by the local authorities (during the lockdown period). These applications will need urgent and immediate attention.
 - Watch for work permit expiry and assignment end dates to help anticipate renewal or repatriations.
 - It is recommended to start work permit renewal at the earliest date following local authorities' guidelines.
- For new and incoming assignees, prioritize assignments that are deemed "mission critical". Track and give a heads-up to your Cartus team so specific guidance on immigration limitations, if any, are shared.
 - Prepare corporate documentation as needed to secure the positions and approvals for your relocating assignees.
 - If permit approvals have been given, work with your immigration partners and your Cartus team on the validity of the approvals vs. the expected en route travel date.

MOVING SERVICES

Feasibility of shipment, whether by air, sea, or land, is dependent on personnel availability, government/customs operations, travel bans, and border restrictions. Even as the countries begin to open their borders, we expect delays in shipments and possible additional costs for the business.



WHAT TO WATCH FOR

- Government regulations on lockdowns within local communities, border restrictions, port closures, and travel bans in and between departure and destination countries.
- Government office closures in both departure and destination countries.

Possible Impact

- Limited local movement and government closures can lead to port congestion in both departure and destination locations. This will lead to additional costs related to storage extensions, port charges, and crew overtime fees, to name a few.
- In addition, the influx of imports similar to summer/peak months, will add-on to congestions at ports and clearance delays at customs offices.
- The lack of electronic portals for customs clearance, in addition to the conditions stated above, will lead to additional time to pack, load, clear, and deliver goods to assignees. This can easily impact temporary living and move-in plans of the assignee.
- Where **sea** shipments are concerned:
 - Manufacturing industries may receive priority for customs clearance versus household goods.

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- Freight forwarders may also channel containers to alternate ports, which may lead to longer door-to-door transit time and container shortages.
- For **air** shipments:
 - Travel bans that may continue to be imposed will limit the availability of flights, resulting in delayed air shipment delivery.
 - Perishable items and medical equipment may need to take priority over ordinary household goods shipments.

Looking ahead:

We recommend clients review their shipment, housing, and temporary living policies concurrently, as delays in shipment will affect all three components.

- Where possible, policies should look at securing fully furnished apartments for employees.
- Emergency policies should be put in place to allow for valid and reasonable additional costs caused by shipping delays. This will enable faster service authorizations and quickly book limited services that may be available.
 - Explore support for additional excess baggage vs. air shipment to allow employees to bring critical items that they will immediately need upon relocation.
 - Extended temporary living or furniture rental, extended storage, and overtime crew service fees due to port congestion may be considered as part of the emergency policy support.
- In future, we will continue to see more virtual surveys and increased use of digitization for documents submission to facilitate services while practicing imposed social distancing measures.
- More explicit/detailed explanation on the entire door-to-door transit process by freight forwarders will help set expectations for the assignees on scenarios that may potentially affect shipping timelines and required last minute additional clearance documents.

DESTINATION SERVICES

Helping assignees and their families to settle-in and secure a permanent property in their assignment location are dependent on both local and international movement regulations and border restrictions. Schools may offer both virtual and in-person solutions to comply with local requirements on social distancing.

WHAT TO WATCH FOR

- Government regulations such as lockdowns within local communities, border restrictions, port closures, and travel bans.
- Government office closures in both departure and destination countries.
- Operations of essential services (including banking), government offices, and schools.

Possible impact

- There may be an imbalance between supply and demand for housing. In locations with stable market operations during the pandemic, there may be higher demand when current expatriates continue to remain in their host location with the surge of arrivals when travel bans are lifted.
- Immigration and moving services delays may impact the feasibility of assignees to secure long-term apartments.
- When securing a property:
 - The opportunity is high for destination services providers (DSPs) to negotiate lower rentals in some markets. The demands for popular developments and expat compounds will continue even as such rental remains status quo.
 - Virtual viewings will be an option, if preferred by employees, instead of physical viewings of properties.
 - Additional requirements may be imposed by landlords in lease contracts or occupant selection as such longer timelines are expected in obtaining signed documents from both landlords and tenants. Notarization of leases, if required, may be impacted by local community movement restrictions.
 - The number of participants during home-finding, pre-inspection, move-in, and hand-over may be limited if prevalent social distancing remains in place.
 - Banking restrictions may impose limitations in transactions that may affect payments of security deposits.

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- Orientation and settling in:
 - Practicing of social distancing, wearing of mask, avoiding handshakes etc. will continue to be in place. To ensure social distancing measures are followed, larger cars such as 7-seater may be used where feasible, or the customers may be required to meet the consultants at the property during the program.
 - Additional logistical support fees may be required to comply with government requirements on local movement. Larger modes of transportation and limited working hours may be in effect.
 - High demand in service apartments may result to limited availability when the market fully opens its borders.



- Schooling:
 - Schools may restrict the number of visitors to protect the safety of students and staff alike. Limited slots for school visits may be in place and virtual tours may be encouraged.
 - Current school disruptions may lead to additional time needed to procure children's transcripts and teacher recommendations required for new school applications.
 - Increased demand (considering summer volume and delayed assignments) in popular schools is expected and will yield limited seats.

Looking ahead:

Clients should do a market review in partnership with DSPs and their data provider to anticipate costs and new requirements for securing a property.

- When discussing assignment offerings to assignees, get to know their unique living and schooling needs for their children and share this information as soon as you can with your Cartus team for review.
- Explore any local payment solutions with the destination providers in the event international transfers are limited.
- For markets where corporate leases are in effect, validate internally any business continuity measures or resumption of lease review and signing/chopping/stamping activities.
- Check in with the local security team for travel and movement restrictions in the assignment location.
- Coordinate with your Cartus team on possible alternate service apartment options as a backup.

While the phased approach in easing restrictions will result in frequent changes, Cartus, alongside its partner network, will continuously review mobility processes, market updates, and the impact to its clients, and will work through formalizing recommendations in managing mobility assignments in the new world.

Additional Resources

Please visit the Cartus COVID-19 content hub at <http://www.cartus.com/coronavirus> for a variety of information and resources related to the current global mobility landscape, including webinars, white papers, survey data, and more.