

Disruptions at Ningbo-Zhoushan Port inevitable but impact 'likely marginal'

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As rumours swirl about a possible reopening time frame for a key terminal at the world's largest port by cargo tonnage, analysts and industry insiders say any problems in the global supply chain could be milder than those seen earlier this year at Yantian Port in Shenzhen.

Nonetheless, they expect further disruptions at the Ningbo-Zhoushan Port to be inevitable as a result of Meishan terminal's closure since August 11 following a worker's positive Covid-19 test.

"If the port returns to full capacity before the end of August, we should be OK with only marginal delays and impacts," said Akhil Nair, vice-president of global carrier management and ocean strategy at Seko Logistics.

Ningbo-Zhoushan Port said it was preparing to restart operations at Meishan terminal, without giving additional information. Yesterday, an employee at the terminal who answered the *Post's* call said there was no firm date for resuming service.

Nearly all inbound and outbound container operations at

Meishan terminal have been redirected to other terminals since its closure, according to a report by shipping and logistics service platform Project44.

Nair said one good sign at Ningbo was there were not yet long queues of trucks waiting outside other terminals. "When Yantian got congested, you immediately had everyone rushing to Nansha and Shekou ports, where you saw huge queues on the road," Nair said. "I guess [Ningbo-Zhoushan Port authorities] learned valuable lessons from Yantian on how to manage this."

While carriers are being diverted to other terminals, blank sailings to the Ningbo-Zhoushan Port have not dramatically increased as they did following Yantian Port's closure, as only 15 blank sailings were recorded on Tuesday, in line with normal levels, according to Project44. A blank sailing occurs when a ship does not call at a scheduled stop.

But congestion and wait times have continued to build slowly at the Ningbo-Zhoushan Port and nearby Shanghai Port since the Meishan closure, with the average wait time increasing from two or three days to closer to five days, according to Nair.

Meishan handles about 20 per cent of total cargo throughput at the Ningbo-Zhoushan Port in normal times.

On Tuesday, all other terminals at the Ningbo-Zhoushan Port handled a container throughput of 93,000 20-foot equivalent units – the standard measure for freight container volume, known as TEU – exceeding the average single-day throughput in July, according to the latest official data. Before that, the average daily throughput since the closure was about 90 per cent of the July level.

Lars Jensen, chief executive of liner consultancy Vespucci Maritime, said the reduced throughput over the period may have led to a total operational backlog of about 70,000 TEU.

"While this backlog will take some time to clear, it is fortunately also a problem of lesser magnitude than the previous blows to the industry from the Suez [Canal] blockage and the Yantian closure," Jensen said.

All other employees in and around Meishan terminal have had three rounds of Covid-19 testing, with all returning negative results, according to a statement by state-owned Ningbo-Zhoushan Port Company on Wednesday.