

Ningbo explosion closes port, adds to worsening Asian bottlenecks



*The port of Ningbo-Zhoushan is the second largest in China and handled 35.3 million TEUs in 2023.
Photo credit: Weiming Xie / Shutterstock.com.*

Greg Knowler, Senior Europe Editor, and Keith Wallis, Special Correspondent | Aug 9, 2024, 11:47 AM EDT

Ocean schedules on the main trade lanes out of Asia are set to deteriorate further in the coming weeks following the huge explosion aboard a Yang Ming vessel Friday that closed the Chinese export hub of Ningbo.

The port has been closed “until further notice,” according to Hapag-Lloyd. That will pile pressure on container shipping supply chains still struggling to catch up on disrupted schedules after Typhoon Gaemi blew through the region at the end of July.

Ningbo was closed following an explosion and fire on board the 6,589-TEU *YM Mobility* that was berthed at Beilun phase three terminal (NBSCT). The ship is deployed on a

joint service called CGX by Yang Ming and Asia Gulf Express 2 (AG2) by partners Hapag-Lloyd and Ocean Network Express (ONE).

“Preliminary findings suggest that an explosion occurred in a container loaded with dangerous goods on board,” Yang Ming Marine Transport said in a statement Friday. The carrier said that according to the shipper declaration, the container was a refrigerated unit being used as a substitute for a dry container without requiring power connection.

“Immediate fire control measures were taken, and the situation is now under control,” the statement said, adding that all crew members were safely evacuated.

A Hapag-Lloyd spokesperson told the *Journal of Commerce* “the situation is still unclear,” but they had been informed the port will be closed “until further notice.”

“Colleagues are in touch with the terminal trying to get an overview what has happened exactly and how this incident will potentially affect the overall port operations going forward,” the spokesperson said.

Delays at a time of peak demand

What is clear is that the closure of one of China’s busiest container ports will add to the schedule disruption already being felt on the main Asian export trade lanes at a time of peak import demand in the US and Europe.

Hapag-Lloyd said its ships were waiting up to four days to berth at Ningbo before the explosion because of bad weather, with Expeditors putting the pre-explosion dwell time at up to nine days, depending on the terminal.

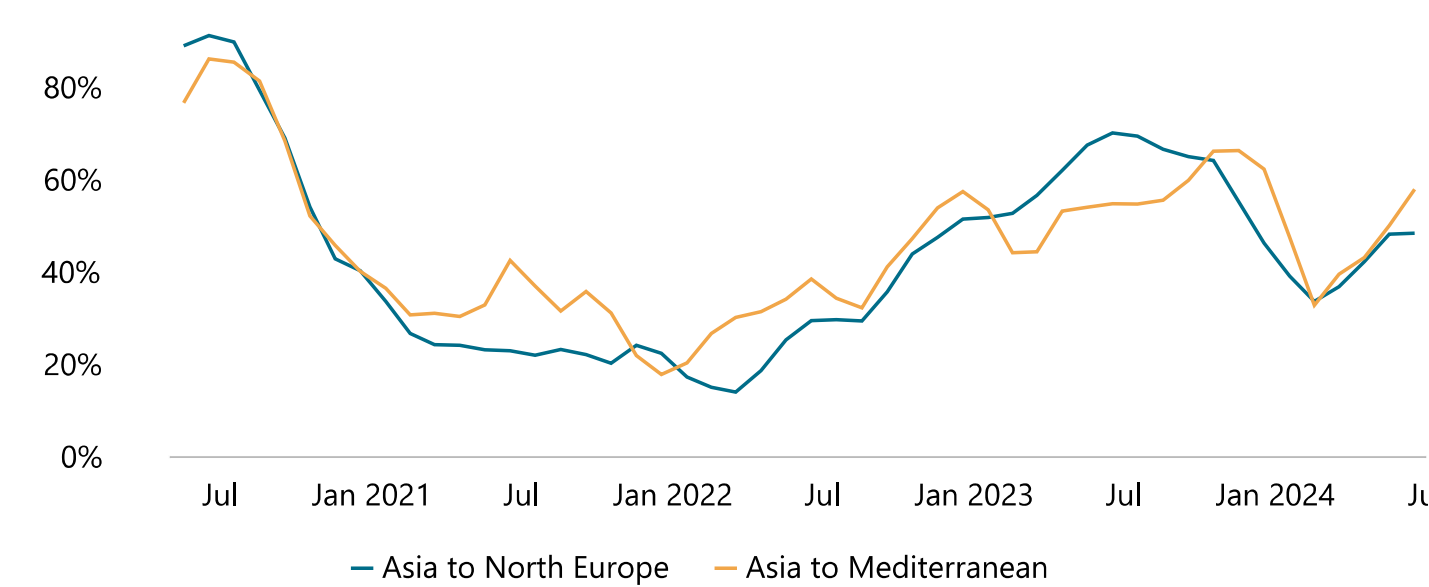
Berthing delays are also affecting Shanghai, Xiaman, Busan and further south in Hong Kong, Singapore and Port Klang, carriers and forwarders said Friday. Carriers have also added extra loaders to call at Hong Kong to pick up transshipment cargo unloaded early in the rotations due to delays at nearby ports, Hutchison Port Holdings Trust said.

“For export shipments, the average waiting time at China’s major ports is three to seven days. It seems that has become normal,” a spokesperson for Hong Kong-based FIBS Logistics told the *Journal of Commerce*.

Ningbo is one of the main Asian ports on several services operated by the 2M Alliance of Maersk and Mediterranean Shipping Co., which earlier this week announced rotation changes to Asia-Europe calls amid growing port congestion in both Asia and North Europe.

One in every two ships on Asia-Europe is arriving more than a day late

Percentage of on-time arrivals of container ships. Ships are considered late if they arrive one calendar day or more after schedule



Source: Sea-Intelligence Maritime Analysis

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1M

6M

1Y

YTD

MAX

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Ship delays in Asia, combined with the longer voyages around southern Africa to avoid the Red Sea, are contributing to vessel bunching and extending the bottlenecks through to European destination ports.

“As a result of the exceptional waiting time and congestion faced in North Europe, Maersk will reduce the number of North European port calls by consolidating the Antwerp eastbound and westbound call on the AE6 [service] and the Rotterdam calls between both the AE6 and AE55 onto AE55,” the carrier told customers in an advisory this week. Le Havre will be dropped from the AE7 and AE55 services and added to the AE6.

Congestion a constant in North Europe

Marc Meier, managing director of air and sea logistics for Europe, Middle East and Africa at Germany-based forwarder Dachser, said congestion in North Europe has

been constant for the past two weeks, with Hamburg delays longer than at other hubs.

“We expect it to worsen until the end of the year and are working on rerouting south German and Austrian customers through Koper [Slovenia, in the Mediterranean],” he said.

A spokesperson for Hamburg’s main terminal operator HHLA said most containers were still being delivered “on the basis of the original plans,” although there have been ship delays and adjustments to shipping schedules in the past few weeks.

The Hapag-Lloyd spokesperson said vessel waiting times in June and July increased after the strike action in German ports, the global IT outage in late July and low labor levels during the summer holidays.

“Thus far we have been able to recover any delays through a changed rotation, speeding up ships and cut and runs [when cargo is offloaded at a different port than the one intended],” he said.

Cok Vinke, managing director for intermodal operator Contargo, said congestion at Rotterdam and Antwerp has always been a factor delaying the handling of barges.

“At times handling is better, at times it is worse due to a variety of reasons, but it has never gone away,” Vinke said, adding that congestion in the two ports “is here to stay.”

The latest schedule reliability data from Sea-Intelligence Maritime Analysis is only available for June and shows Asia-North Europe reliability edged up 0.3 percentage points to 48.7%, with Asia-Mediterranean on-time performance improving 7.8 percentage points to 58.2% and Asia-North America up 1.6 percentage points to 66.3%.

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