

China Economy

Coronavirus : Shanghai Port operations hit by city's outbreak, lockdown

Tuesday 5 April 2022, by [JI Siqi](#) (Date first published: 3 April 2022).

- **The city's current controls are affecting the logistical chain on land, with drivers from neighbouring provinces reluctant to enter over quarantine fears**
- **The world's largest container port has been operating round the clock with workers kept inside a 'closed loop' bubble**

Shanghai's coronavirus lockdown and the surge in cases has hit operations at the world's largest container port by disrupting the logistical chain on land, according to industry insiders.

Shanghai Port, a major export gateway for goods produced in the nearby manufacturing hubs of Jiangsu and Zhejiang provinces, has so far stayed in operation 24 hours a day inside a "closed loop" bubble, which requires workers to stay on site all the time.

The whole city is now effectively under lockdown [1] following the introduction of restrictions in Puxi, the area to the left of the Huangpu river, on Friday.

Restrictions in Pudong, the area to the east, have remained in place and roads, bridges and tunnels across the river have been blocked until Tuesday at the earliest.

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Judah Levine

"Even with the world's largest port open, the closure of many warehouses, the drop in manufacturing and the serious disruption to trucking in, out and within the city are expected to cause a significant drop in the availability of goods and port output," said Judah Levine, head of research at Freightos, an online freight marketplace.

The major logistical difficulties are on the land side rather than in the port area, according to Yan Hai, a senior transport analyst at SWS Research.

Trucking services in and out of the Shanghai Port are still available for the moment, but there will be a 30 per cent drop in efficiency until Tuesday, according to the latest customer advisory from Maersk, one of the world's largest container shipping companies.

Shanghai's current virus controls mean truck drivers entering or leaving the city have to present a negative nucleic acid test taken within the last 48 hours.

But the soaring number of cases in the city has restricted testing capacity, and many drivers from neighbouring provinces are reluctant to enter Shanghai because of the risk of having to quarantine on their return, according to a report from Caixin.

In response to the hurdles on the land side, major ocean carriers such as Maersk and the Shanghai Port Group - the company that runs the port - are shifting to alternative channels such as barge or rail to take cargo containers to the port from nearby cities.

Some industry figures have also expressed concern about possible congestion outside the port after data published on Thursday by VesselsValue, a global shipping data provider, showed that the number of ships waiting outside Shanghai Port had risen almost five fold to over 300 in the past two and half weeks.

But the ships affected were mainly non-containers such as oil tankers and dry bulk carriers and Shanghai Port said on Saturday that its operations had not been affected and container ships faced an average wait of 24 hours.

As the uncertainties around Shanghai Port pile up, some volumes could shift to nearby Ningbo Port, experts said.

"Destination ports in the US and Europe could expect some lull in volumes in the coming weeks followed by an increase that would be another challenge to already congested ports," Levine said.

Ji Siqi

P.S.

- South China Morning Post. Published: 8:00pm, 3 Apr, 2022:
<https://www.scmp.com/economy/china-economy/article/3172932/shanghai-port-operations-hit-citys-covid-19-outbreak>
 - Ji Siqi joined the Post in 2020 and covers China economy. She graduated from Columbia Journalism School and the University of Hong Kong.
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Footnotes

- [1] [Coronavirus: Shanghai lockdown heaps pressure on China's GDP growth, with 'more uncertainties' to come](#)