

Container lines levy Yantian congestion surcharges as berth reopens

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France-based container shipping line CMA CGM and the ONE network have said that it has been forced to impose congestion charges at Yantian International Container Terminal (YICT) as a result of the recent backlogs created by excess shipping demand and an onshore outbreak of Covid-19.

Early last week there were 31 container ships at YICT berths and 19 ships en route to the port, according to Sea-web, a sister product of JOC.com within IHS Markit.

For shipments loaded at Yantian on June 11th or later, CMA CGM is currently imposing a \$1,250 congestion surcharge on all trades, while ONE has imposed a \$1,000 surcharge on refrigerated imports arriving through Yantian.

The partial closure of Yantian from May 27th had an impact greater than the short-term effect of the closure of the Suez Canal for six days at the end of March after the Ever Given ran aground. Cargo flow through Shekou, Nansha, and Hong Kong has slowed, which in turn has put more pressure on the already overheated container shipping sector. YICT handles about 25% of all Chinese exports to the US.

In a Friday advisory, Maersk told customers that one more berth had opened at the eastern terminal, enabling up to seven ships to berth simultaneously and pushing productivity towards 45%, from a previous level of just 30%

Maersk said that “while this has a positive impact on gate activity, which is soon expected to reach the same levels as before the incident, schedule reliability will continue to suffer with an average waiting time of 16 days and counting”.

Maersk also said that 19 mainline services would be affected by the Yantian situation. Most of these services would be omitting the port for the remainder of June. Some services were being diverted to call at nearby ports, which included the aforementioned Shekou, in western Shenzhen; Hong Kong; and Nansha. However,

there has been a knock-on effect and Maersk has warned that average waiting time at those three ports was already between two to four days and was almost certain to rise as more carriers omitted calls at YICT calls. ONE has said that it would be cutting out Yantian as a calling port on a further seven sailings up to July 6th.

That will bring to 58 the total number of sailings that will miss Yantian.

That has had onshore effects as well, with forwarders reporting increased trucking demand in China as shippers look to ship cargo through other ports, including Shanghai and Ningbo.