



# UNIVERSAL FORWARDING OVERSEAS NEWSLETTER

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## Alliance Restructuring Results in Terminal Congestion in China

Ocean carriers recently formed new alliances and vessel sharing agreements. This is in response to excess capacity and financial instability within the market. In March, the carriers started implementing changes to shipping lanes and vessel schedules.

The major changes with this restructuring are the physical deployment of vessels. Smaller vessels are being taken out of rotation with larger vessels moving into existing lanes. The vessel changes mean cargo is being rebooked from the original schedule to the new, often several days later than originally planned. Vessels are also sometimes changing terminals, which results in some being congested and others now underutilized.

The impact of restructuring the alliance networks is being felt in terminals across the world. Currently the ports in China are facing severe congestion. Vessel delays of up to ten days are being reported in Shanghai, Ningbo and Qingdao as terminals are overwhelmed with incoming vessels and containers. Poor seasonal weather conditions (fog) have also been a contributing factor with decreased terminal performance. It is anticipated that the terminal delays will continue in China through middle or late May.

UFO will continue to closely monitor all China bound shipments and provides updates as information becomes available. Thank you for your patience as this situation resolves.

*Please contact Marc Mugfor ([mmugfor@ufold.com](mailto:mmugfor@ufold.com)) with any questions or concerns on the above information.*

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