

About 30 percent of products arrive in Serbia from the port of Shanghai, and about 20 percent of the items and raw materials we import via Shenzhen

Due to the worsening epidemiological situation in China and the closure of Shanghai, which houses the largest Chinese port, which was also closed last week, there is a danger that new problems will arise in the delivery of goods from this Far Eastern country. This will further shake global supply chains that have already been significantly shaken by the pandemic and war in Ukraine. All the delays and delays caused by the closure of two key cities, Shanghai, and before that Shenzhen, which also has a large port, will spill over into existing problems in global supply chains, which could significantly affect the Serbian market. So, we can expect a delay in our country, because almost half of the goods from China arrive through these two cities, but also more expensive transport.

Jelena Grubor Stefanović, the representative of the PKS in China, says that Shanghai is becoming a problem as the closure of the city continues, which will certainly last until the middle of the month, and maybe until the end of April. Delays in deliveries will be up to a month due to this prolonged closure.

- The port authorities announced on Sunday, however, that the Port of Shanghai is working normally and that there are no delays in container ships, where 52 vessels are currently waiting at the port, nine of which are container vessels. However, as road transport has been disabled since Shanghai was cut off, a standstill will be inevitable. Shenzhen has been open for three weeks now, so the situation is more or less remedied in that city - says Grubor Stefanović.

As for the data on the amount of goods from China to Serbia through these two ports, she emphasizes that approximately 30 percent goes through Shanghai, while 20 percent arrives through Shenzhen. Health authorities in Shanghai phased out half of China's financial capital on March 28, dividing the city of 26 million people into an eastern and western district divided by the Huangpu River, which flows through the city center. The other part of the city was closed until yesterday.

The closure of the eastern part of the city blocked a large number of factories, including Tesla's factory. Local authorities have done their best to prevent production delays by introducing a closed production system that has allowed some factories to remain open as long as workers are restricted from moving on factory campuses and adhere to kovid testing protocols. Although production is still possible, the main problem remains the transport of goods outside the factories, which is currently disabled.

Shanghai is the financial center of China, the largest Chinese port and an important center of semiconductor production. Port authorities have allowed the port to operate, but operations on land, such as unloading containers and transporting goods, have been delayed. Pudong, China's main cargo airport, also remained open, although all international flights were diverted to other cities by May 1.

Logistics companies are being diverted to the nearby port of Ningbo as well as to the much farther port of Qingdao, in order to solve this problem. However, the closure of Shenzhen has already increased the number of container ships waiting to dock in the eastern city of Qingdao to 22 hours from just a few weeks ago, and further increased order in Shanghai Harbor, even before Shanghai closed.

A month ago, Shenzhen, the South China manufacturing center and China's second capital city, was completely closed for a week. The local blockade of the city has fueled fears of major supply chain disruptions. "Foxon", a supplier of "Apple", was among the main manufacturers who were forced to close production sites in Shenzhen. Regardless of whether it is "iPhone" devices, cars or electronics, the conclusion of Shenzhen and the compensation effect on the port of Yantian, which is the fourth largest in the world, has already caused delays in the delivery of a wide range of products. The closure of Shenzhen directly affects the production of all electronic products, telephones, computers, semiconductors, chips, tablets, headphones and many other electronic devices that rely on Chinese production. Shenzhen is the heart of electronics production in China and the headquarters of technology giants "Tencent" and "Huawei". The closure of this southern city has the additional potential to halt the export of automotive components that could jeopardize the entire manufacturing process in the automotive industry. When Shenzhen was closed in June last year, there were delays in supply chains that took months to clear up. All the delays and delays caused by the closure of these two key cities will spill over into pre-existing problems in global supply chains such as ships standing in front of U.S. ports for months or more, increasing congestion and disrupting supplies. This, of course, significantly affects Serbia as well, because these ships fall out of schedule and cannot pick up goods on time within global supply chains.

Nebojsa Djekic, director of sales and development for "Cargo Partner Serbia", a company that deals with international logistics, says that closing Shanghai is a great challenge, not only for logistics but for the entire industry.

- Currently, most of the transport, warehouses and port facilities are in operation, so we redirected our shipments to nearby ports, but as we can expect further closures, we are already working on alternative solutions. It is difficult to predict with certainty how the new situation will affect the entire logistics market, but it is very likely that if this situation lasts, the capacities of Shanghai will not be compensated so easily - says Djekic.

According to him, the current alternatives are still possible, because the surrounding ports, of which Ningbo stands out, are still working smoothly. Based on the experience so far, if the closures in China continue, we can expect the suspension of production chains and consequently less production in countries that import raw materials from China. Potential "jamming" of containers and imbalances between imports and exports can be further expected. Then, the increase in the price of transport services, delays and extension of

Delivery of goods from Chinese ports will be delayed by a month

delivery time, Politika reports.