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Shanghai's Covid Lockdown Leads to Logistics Disarray, With Quarantined Truckers, Piled-Up Containers

Transport of goods into one of China's biggest manufacturing and export hubs has almost ground to a halt



Shanghai Residents Face Food Shortages Amid Strict Covid Lockdowns

As Shanghai remains locked down amid China's biggest Covid-19 outbreak, residents are taking to social media to vent about a shortage of food or they're bartering with neighbors. Anxiety and hunger are prompting many to question Beijing's pandemic strategy. Photo: Chinatopix Via AP

By [Liza Lin](#) [Follow](#) and [Yang Jie](#) [Follow](#)

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Zhu Zhongtao, a Shanghai-based truck driver, was hauling a load of supplies urgently needed by a local manufacturer in a nearby city when he was unexpectedly sent to quarantine.

Driving from Shanghai, the center of China's current Covid-19 outbreak, Mr. Zhu



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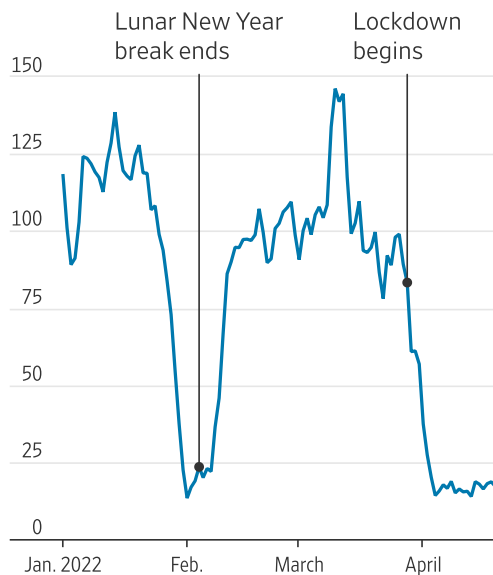
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result was negative. The driver had met all the requirements to enter the county, Mr. Zhou said.

Yet, authorities this week ordered Mr. Zhu to isolate at a quarantine center for at least two weeks, leaving his truck and its contents parked outside the facility. Some local officials told Mr. Zhu that he lacked the right permissions, while others said the extended isolation was the norm for trucks from Shanghai, said Mr. Zhou, the general manager of Shanghai Mindong International Logistics Co. The government of Zhejiang province, where Wenzhou is located, didn't immediately respond to a request for comment.

Pit Stop

Trucks moving through Shanghai*



Note: *Index of daily truck volumes, 2019=100.
Source: Wind

As Shanghai's lockdown to stamp out a raging coronavirus outbreak extends into its fourth week, logistics services in the Yangtze River Delta industrial area have faced severe disruptions. [Transport of goods into Shanghai](#), one of China's biggest manufacturing and export hubs, has almost ground to a halt.

Trucking has been the worst hit, as strict local pandemic policies and arbitrary implementation of rules choke off the transport of goods. At Shanghai's port, normally the busiest container port in the world, empty containers are stacked on docks waiting for trucks to deliver cargo.

The logistics snarls in and around Shanghai [further add pressure](#) to an already battered global supply chain and to rising prices of goods in the U.S. They also complicate the Chinese government's [efforts to reopen factories](#) shuttered due to lockdowns. Logistics managers expect weeks to months before some international shipments return to normal.

On April 1, Shanghai [authorities locked down](#) the entire city to stem the spread of the virus, asking its more than 25 million residents to stay at home. In recent days, the city's [Covid case numbers](#) have been on a gradual declining trend after hitting a peak of around 27,700 about a week ago. On Wednesday, Shanghai reported about 18,500 Covid-19 cases.

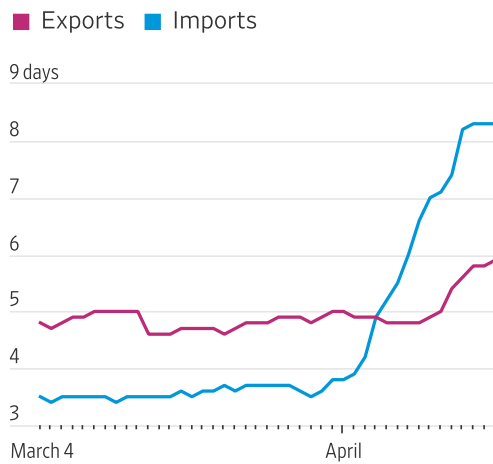


Shanghai as well as the neighboring Zhejiang and Jiangsu provinces. Together, they account for about a fifth of national gross domestic product.

China's transport ministry, the Shanghai and Jiangsu governments didn't immediately respond to requests for comment.

Hanging Around

Container dwell time* at the port of Shanghai



*Measures the average number of days between arrival at port and departure.
Source: FourKites

Daily truck volumes moving through Shanghai were down 70% early this week compared with the end of March, prior to the lockdown, according to an index published by data provider Wind Information. The European Union Chamber of Commerce in China estimates the availability of trucks in Shanghai has fallen by 40% since the lockdown, though the number has been rising in recent days, it added.

Trucking costs have risen significantly as requirements for a negative Covid test result within 48 hours of travel, inconsistent

introduction of local Covid prevention policies and a host of bureaucratic approvals have discouraged truckers from taking loads to Shanghai, logistics companies say.

Truck drivers interviewed by The Wall Street Journal say few want to drive to Shanghai even as payments for such trips have more than doubled. They said portable gas stoves and instant noodles are now must-haves on their road trips as service stations are shut and drivers often aren't allowed to leave their vehicle. Videos posted on social media show truckers living in their vehicles for days, or cooking meals over mud stoves temporarily set up by the road.

Completed goods are accumulating in factories because of trucking delays and warehouse closures, some manufacturers in the region say, while others have halted production after delivery of raw materials and supplies were disrupted.





Containers piled up at the port of Shanghai.

PHOTO: DING TING/ZUMA PRESS

Logistical challenges were the top issue raised by eight foreign business chambers during a meeting with Commerce Minister Wang Wentao this week, said Jörg Wuttke, the president of the EU chamber.

Government departments have moved to smooth the way for businesses and factories to restart production. China's State Council, the country's cabinet, last week called for unobstructed delivery of essential items, energy, raw materials and other supplies needed for production.

The trucking snafu has spilled over into other logistics areas. While Shanghai's port remains operational, the shortage of trucks that could deliver cargo there meant containers were increasingly lying idle, shipping carriers and consultants say.

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Japanese logistics provider Yusen Logistics Co., whose company operates a facility in Shanghai consolidating products to be shipped from the Shanghai port, saw a decline in its freight volumes over the past two weeks.

Yusen Logistics packed only 6% of its usual daily 8,000 cubic-meter freight load



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Piles of garbage bags are disinfected during Shanghai's Covid-19 lockdown.

PHOTO: NICO DE ROUGE/ASSOCIATED PRESS

With only a limited number of truckers allowed to enter the city, shipments just couldn't get into Shanghai, said Mr. Ward, who expects a significant dip in exports through mid-May.

The average time a container carrying imports spends idling at the port in Shanghai was 8.3 days as of Monday, more than double the waiting time before the lockdown was imposed, according to FourKites Inc., a U.S. based supply-chain data company.

Authorities appear to have taken some action to address the port jam. A.P. Moller-Maersk A/S is set to resume accepting dangerous cargo shipments to Shanghai on Friday after authorities moved to free up port space for containers that could store such goods, a person familiar with the matter said.

Last week, the Danish shipping giant said it would no longer accept new refrigerated and dangerous cargo shipments to Shanghai due to yard congestion in terminals there. A Maersk spokeswoman said the situation had been improving in the past few days.

While the lull in Shanghai's port activity would give overworked ports in the U.S. and Europe some breathing room in the short term, in the longer term, Shanghai's cargo buildup is a bubble waiting to burst, logistics providers and consultants said.





Kentaro Yoshida, a Shanghai-based general manager at Japanese logistics company [Yasuda Logistics](#) Corp. said the goods his company helps manufacturers export from Shanghai have been facing shipment delays. Those include some automotive components and construction tools to North America, as well as some electronics and construction materials to Japan, he said.

Even if stringent lockdowns are lifted around the first week of May, Mr. Yoshida forecasts trucks and ships to be fully booked for the following weeks, as factories seek to make up for the lull in production. If so, it could be July before international logistics return to normal, he said.

With Shanghai's problems coming on top of already disrupted international logistics services and supply chains, "the situation now at the Shanghai port is like rubbing salt into the wound," he said.

—*Jason Douglas and Yoko Kubota contributed to this article.*

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