

Beijing Olympic Games: Logistic and Trade Impact

In an effort to reduce pollution and congestion before, during, and after the Olympic Games the Chinese government has implemented a variety of measures aimed at restricting and/or closing down heavy polluting industries, and forcing reductions in traffic, etc. Such measures are expected to impact cargo transportation in and around Beijing area as well as to and from the major ports, such as Tianjin/Xingang and Qingdao. “Heavier polluting” factories, (such as chemical, paper, tyre, metal, cement, and tile manufactures) will be closed from July – September while others will manage to stay open due to their “superior control” systems.

Also the Chinese authorities have placed some extreme restrictions on the import of dangerous goods for the four-month period covering the Olympics in Beijing.

While Beijing is the host city there are 6 other cities hosting specific events:

- (1) Hong Kong – Equestrian
- (2) Qingdao – Sailing
- (3) Shanghai – Football
- (4) Tianjin – Football
- (5) Shenyang – Football
- (6) Qinhuangdao – Football

Beijing

The heaviest impact will be in and around Beijing.

Strict traffic control

Beijing sets restrictions on cars during the Olympics. Half of Beijing’s 3.3 million vehicles will be pulled off the roads during the Olympics to help reduce the city’s noxious air for the games. Under the traffic plan, vehicles will be allowed on the roads on alternate days – according to even or odd car registration numbers – from 20 July until 20 Sept. The plan will also prohibit most vehicles entering the city from outside Beijing; these vehicles will need special permits and must meet air quality standards. Cargo can’t be delivered in certain designed areas as there is access limitation for vehicles without access permits. Overweight cargo will be strictly checked. Therefore, shortage of authorised trucks for delivery and pick up is anticipated which may result in late delivery and pick up in Beijing city.

Hazardous materials transport is to be strictly controlled.

Tianjin/Xingang

Xingang Port is the gateway to Tianjin and beyond, so any impact felt in Beijing and the surrounding areas will affect container transport to and from the port.

Similar traffic control as Beijing will also be implemented from 25 July to 25 Sept in Tianjin. Trucking between Xingang gateway port and Beijing may be impacted by traffic control.

DG cargo will be restricted.

Higher inspection rate from Customs for containers in/out of port will occur.

Importing of metal scrap has been limited according to a Tianjin Customs Broker.

Shanghai

Shanghai Port Authority has placed restrictions on Hazardous/Dangerous Goods (DG) Cargo.

From 18 July to 25 August, all dangerous goods containers transporting any of the following: explosive chemical, organic peroxide, toxic materials, radioactive materials hydrogen peroxide, acetone, vitriol, nitric acid, hydrochloric acid, ammonium nitrate (including fertiliser) are all forbidden to declare in the port.

1. Explosive, including fireworks -- all substance of Class 1
2. Organic Peroxide -- Class 5.2
3. Virulent materials - -all substance of Class 6.1 and 6.2
4. Radioactive -- all substance of Class 7
5. Peroxide -- Class 5.1/1511, Class 5.1/2015
6. Acetone -- Class 3/1090, Class 3/1091
7. Sulphuric Acid -- Class 8/1830, Class 8/1831, Class 8/1832, Class 8/2796
8. Nitric Acid -- Class 8/2031, Class 8/2032
9. Hydrochloric Acid -- Class 8/1789
10. Ammonium Nitrate including fertilizer -- Class 5.1/1942, Class 5.1/2067, Class 5.1/2424, Class 5.1/3375, Class 9/2071, Class 9/2212, Class 9/2315, Class 9/3151, Class 9/3152

From 20 July to 31 August, the port will stop any work on these dangerous goods. Special cases must get the approval from Port management.

All other DG cargo requires a clearance from respective port authority departments, before shipping out of the port of loading. From June onwards, Shanghai port will be conducting very strict inspections on DG cargo operations in the port.

Qingdao

No written announcement. Only verbal notices from local custom that they will reject all DG cargos import from 1 June till mid Oct.

There does not appear to be significant effect to port operations and ship sailings due to the Sailing event. Traffic controls may be implemented but there is no concrete information available as of yet.

Hong Kong

Marine Department advises that they neither impose nor plan to impose any additional restrictions. Little to no impact is expected.

Shenyang, Qinhuangdao

Little to no impact is expected.

In all, as from 1 June the movement of all dangerous goods will be banned in Beijing, Tianjin, Qinhuangdao, Shanghai, Shenyang and Hong Kong; furthermore, the discharge and loading of dangerous goods will be prohibited at the ports of Beijing, Tianjin, Xingang, Qinhuangdao, Shanghai, Shenyang, Qingdao and Hong Kong (no official announcement except Shanghai Port). The ban imposed by the National Security Bureau will apply equally to fireworks and manufacturers have been advised to adjust their production schedules so that the movement of these goods is not necessary during the period.

Meanwhile some ocean freight carriers have imposed their restrictions on dangerous goods shipments for North China ports.

Appendix

Table 1: Relevant ports Full throughputs during Quarter 3 2006 & 2007

Port	2006 Q3 Full		2007 Q3 Full	
	Export from Sydney (TEU)	Import into Sydney (TEU)	Export from Sydney (TEU)	Import into Sydney (TEU)
Shanghai	2,953	21,784	1,670	23,294
Ningbo	2,186	10,896	4,688	13,416
HONG KONG	3,981	10,697	2,690	11,176
Qingdao	700	4,426	434	4,725
XINGANG	471	1,493	367	1,915
Dalian	359	848	329	780
Tianjin	60	534	88	392
Beijing	1	31	2	25
Qinhuangdao	-	3	28	11
Total	10,711	50,712	10,296	55,734

Table 2: Relevant ports Empty throughputs during Quarter 3 2006 & 2007

Port	2006 Q3 Empty		2007 Q3 Empty	
	Export from Sydney (TEU)	Import into Sydney (TEU)	Export from Sydney (TEU)	Import into Sydney (TEU)
HONG KONG	7,464	23	7,137	119
Shanghai	18,808	121	22,943	790
Dalian	0	0	44	0
Ningbo	1,401	0	1,182	0
Qingdao	950	50	7,682	1
Total	28,623	194	38,988	910

Table 3: Some Dangerous Goods throughputs in/from Sydney during Quarter 3 2006 & 2007

Port	Commodity	TEU	
		2006 Q3 Full	2007 Q3 Full
Beijing	59 Explosives and other chemical materials and products	-	1
Total		-	1
Dalian	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	36	3
	51 Organic and inorganic chemicals	16	33
	59 Explosives and other chemical materials and products	71	26
Total		123	62
HONG KONG	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	16	5
	51 Organic and inorganic chemicals	135	84
	59 Explosives and other chemical materials and products	177	102
Total		328	191
Ningbo	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	2	14
	51 Organic and inorganic chemicals	14	16
	59 Explosives and other chemical materials and products	186	218
Total		202	248
Qingdao	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	14	27
	51 Organic and inorganic chemicals	42	138
	59 Explosives and other chemical materials and products	202	200
Total		258	365
Qinhuangdao	51 Organic and inorganic chemicals	2	6
	59 Explosives and other chemical materials and products	1	3
Total		3	9
Shanghai	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	27	24
	51 Organic and inorganic chemicals	27	94
	59 Explosives and other chemical materials and products	429	437
Total		483	555
Tianjin	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	14	7
	51 Organic and inorganic chemicals	13	11
	59 Explosives and other chemical materials and products	47	32
Total		74	50
XINGANG	27 Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)	16	26
	51 Organic and inorganic chemicals	6	80
	59 Explosives and other chemical materials and products	160	164
Total		182	270
Grand Total		1,653	1,751

