



August 13, 2015

Tianjin (Xingang Port) Explosion and Status Update

To Our Valued Customers:

As you all have undoubtedly heard, there was a serious explosion in the Tianjin (Xingang) terminal last night causing significant damage and unfortunately loss of life. The below status update is what we know as of August 13th, 6:00 pm Beijing time:

What makes Xingang port unique? Xingang is the 10th largest port in the world. A significant percentage of export container traffic is loaded in containers at the port's vast network of CY and CFS stations surrounding the port itself. Many of these exports are received in these CFS locations from all over north China in domestic trucks, loaded into containers, and then delivered locally to the terminal for loading. It was at one of these warehouse locations that the explosion occurred (Tianjin Ruihai Hazardous Warehouse), and there were about 10 other CFS stations that were seriously damaged. So because of this, we expect delays to exist for quite some time – perhaps through the end of August. Most of these CFS warehouses were closed Wednesday, and we expect them to remain closed for another day or two and then reopen (at least those that were not damaged).

Terminals: As of 6:00 pm on August 13th, all terminals have resumed operations. Number 2, Number 5 and Number 8 gates of Xingang terminal have gradually reopened. Xingang terminal has immediately suspended all loading and unloading of hazardous materials and no announcement regarding the resumption of such loading has been made.

Traffic Controls and Trucking: There exists significant traffic controls in place around the terminal and many truckers who were enroute to the port at the time of the explosion have lined up outside the terminal waiting to enter. These delays are expected to continue through the week.

Tianjin Customs and CIQ: Up to now, there is no official announcement from Tianjin Customs and CIQ regarding when they will resume work. However, they have announced plans to potentially move the location of Tianjin Customs and begin to process emergency clearances at that temporary site. The expectation is that Tianjin customs will resume by Friday, August 14 but there has been no official confirmation.

Carrier Announcements: So far there has been no official announcement from any carrier that they will skip the port of Xingang, however, we do expect significant delays in berthing, loading and departures over the next few days – perhaps next 1-2 weeks. Some carriers, like Maersk, have announced temporary limits to empty container pick-ups at the terminal due to the ongoing safety risks present.

Shipping Lane: The shipping lane in/out of Xingang terminal has resumed traffic flows. The priority will be those vessels that are scheduled to depart the port, and once they do, scheduled berthing will resume with delays and further controls.

Where's my container? Many of you are asking this question. We are working with our partners to ascertain the status of each container flowing through our network, to determine when vessels will depart/arrive, and to provide these updates to you as quickly as information becomes available.

Clearly this situation will continue to evolve over the next few days, and we will continue to share updates with all of you.