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March 25, 2011

Global Supply Lines at Risk as Shipping Lines Shun Japan

By **KEITH BRADSHER**

HONG KONG — The economic disruptions from Japan's crisis have cascaded into another, crucial link in the global supply chain: cargo shipping.

Fearing the potential impact on crews, cargo and vessels worth tens of millions of dollars, some of the world's biggest container shipping lines have restricted or barred their ships from calling on ports in Tokyo Bay over concerns about radiation from the damaged Fukushima Daiichi nuclear power plant.

Meantime, ports in China are starting to require strict radiation checks on ships arriving from Japan. And in California on Friday, the first ship to reach the Port of Long Beach since Japan's earthquake was boarded and scanned for radiation by Coast Guard and federal customs officials before being allowed to dock.

Big Japanese ports much farther south of Tokyo, like Osaka and Kobe, are still loading and unloading cargo. But the Tokyo Bay ports of Tokyo and Yokohama are normally Japan's two busiest, representing as much as 40 percent of the nation's foreign container cargo. If other shipping companies join those already avoiding the Tokyo area, as radiation contamination spreads from Fukushima Daiichi 140 miles north, the delays in getting goods in and out of Japan would only grow worse.

The shipping industry's fears have escalated since port officials in Xiamen, China, earlier this week detected radiation on a large container ship belonging to Mitsui O.S.K. Lines and quarantined the ship. The vessel had sailed down Japan's northeast coast and reportedly came no closer than 80 miles to the damaged nuclear power plant; the official Xinhua news agency said on Saturday afternoon that the vessel had left a berth at the port on Wednesday afternoon and then anchored briefly at sea.

Hapag-Lloyd, a German container shipping line that is one of the world's largest, halted service to Tokyo and Yokohama after the tsunami swamped Fukushima Daiichi. The shipper has not resumed service to those ports.

“We put safety ahead of everything else,” said Eva Gjersvik, the company’s senior director for corporate communications, adding that the company was reviewing daily whether to resume sailings to Tokyo.

Reuters reported that another German shipper, Claus-Peter Offen, has also stopped calling at Tokyo and Yokohama.

OOCL, a shipping line based in Hong Kong, said late Friday that the company had decided to halt all traffic to Tokyo and Yokohama.

OOCL will take Tokyo-bound containers to Osaka instead and send them overland from there, said Stanley Shen, the head of investor relations. The company has also drafted contingency plans to prevent its containers from traveling even overland to Tokyo if radiation levels increase in the Japanese capital, Mr. Shen added.

Merchant vessels may have to be scrapped if quarantined even temporarily for radioactivity, because they would face extra coast guard checks for years at subsequent destinations, said Basil M. Karatzas, the managing director for projects and finance at Compass Maritime Services, a ship brokerage in Teaneck, N.J.

The extra inspections make it hard to keep a schedule. “The charterers in the future will try to avoid the vessel because of the likelihood it will be delayed again,” Mr. Karatzas said.

It is not only commercial ships that are giving the radiation region a wide berth.

A senior nuclear executive said on Friday evening that the [United States Navy](#) had moved nuclear-powered vessels like the Ronald Reagan aircraft carrier far from the Fukushima Daiichi nuclear power plant after officers became concerned that radiation from the plant could enter the ships’ air ducts.

The worry is not that the radiation would pose a threat to the vessels’ crews, but that even trace contamination of the ducts could create problems in the extremely sensitive equipment aboard nuclear-powered vessels that is intended to detect any hint of a radioactive leak from onboard systems, said the executive, who insisted on anonymity to protect business connections.

Shippers, even if they can avoid radiation exposure, know that cargo coming from Japan is now subject to new delays.

In California on Friday, the ship scanned for radiation at the Port of Long Beach carried about 2,500 containers from four ports: Kobe and Nagoya in the south and Shimizu and Tokyo farther north.

Under protocols established after the Sept. 11 attacks, the United States Customs Service usually inspects all arriving shipments in radiation scans in the port. But according to Art Wong, a spokesman for the Port of Long Beach, concerns from dockworkers prompted Coast Guard and customs inspectors to board the Japanese ship in the harbor and scan the cargo for radiation with hand-held scanners. Only then was the ship allowed to dock.

Mr. Wong said he expected a slowdown. "One of the problems we've been hearing is they have transportation issues of getting things from northern Japan," he said. "Which is why we expect to get a slowdown of autos and auto parts. That should hit us in a few more weeks."

One of China's largest ports, Yantian port in Shenzhen, next to Hong Kong, announced Friday that it had begun screening all arriving vessels and containers for radiation if they had been to Japan in the preceding 28 days and if Yantian was their first port of call in China. These vessels will not be allowed to unload until after all screening has taken place.

The port of Hong Kong announced earlier this week that it would begin screening random vessels for radiation as well.

Hapag-Lloyd has started unloading Tokyo-bound containers near Osaka and sending them overland. Shippers are allowed to send containers to areas north of Tokyo, but must pay for them, because the company will not take them back afterward.

Maersk of Denmark and the German shipper Hamburg Süd have maintained port calls at Tokyo but are reassessing weather conditions and radiation there almost hourly, company officials said. The main weather worry is that a north wind might blow radiation south from the damaged nuclear reactors and then rain might wash radioactive particles out of the sky and onto vessels.

"The overriding factor for us is to safeguard the well-being of our seagoing staff and, at the same time, ensure that Japan is not cut off from the international flow of merchandise," Joachim A. Konrad, the deputy chairman of Hamburg Süd, said in a statement.

Container shipping lines typically buy some of their ships and lease the rest from finance companies and other owners. Some ship owners, particularly in Europe, are now trying to limit the shipping lines from using their vessels on services that include port calls in the

Tokyo area, said a shipping line manager who insisted on anonymity because of the sensitivity of shipping lines' relationships with owners.

Jeffrey Landsberg, of Commodore Research, a shipping consulting firm, said that bulk shipping vessels carrying grain to Japan had been able to unload using Japan's undamaged southern ports. Some were diverted from disabled ports in the north.

Ports north of Tokyo were devastated by the earthquake and tsunami, but were not served by international shipping lines even before the crisis. But now, until the radiation problem is contained, Tokyo and Yokohama are themselves threatened as fully functioning seaports.

Jad Mouawad, William Neuman and Motoko Rich contributed reporting from New York, and Nick Bunkley from Detroit.