

## **China News Insights**

### FOB Shenzhen

In the early 1980s China exported its first direct container load to the USA via the Port of Shenzhen. Since then China has become the "factory of the world" with 6 of the top 10 busiest ports located in China. The South China ports of Shenzhen and Hong Kong rank 3<sup>rd</sup> and 4<sup>th</sup> respectively, with a combined volume of over 46 million TEUs or approximately 23% of the total volume of the top ten ports.<sup>i</sup>

The Port of Shenzhen is still the gateway to the major manufacturing centers in the Pearl River Delta (PRD) region of China, offering efficient connectivity with inland provinces by water and land. There are currently **over 200 vessel calls per week in Shenzhen Port** <sup>ii</sup>, which include Da Chan Bay Terminal, Shekou Container Terminals and Chiwan Container Terminal in western Shenzhen, and Yantian International Container Terminal on the eastern side.

Early on, many USA importers and exporters were naming specific Shenzhen terminals in their terms of sale. To allow more operational flexibility and to simplify documentation, the **Shenzhen government has encouraged the use of** "Port of Shenzhen" as the designation for all the container terminals in Shenzhen. **"FOB Shenzhen"** has become the standard trading term for logistics and supply chain in the South China trade.

**"FOB Shenzhen" provides** shippers and consignees **flexibility** in choosing different Shenzhen terminals. It allows a shipper with a Letter of Credit to switch between different vessel slings, to meet the ever changing scheduling needs, while still operating under the same customs clearance platform.

South China continues to provide the shipping and logistics industry with tremendous growth potential and Da Chan Bay occupies a strategic location in Shenzhen.

More than 20 barge companies, operate **100+ weekly** sailings between Da Chan Bay and the Western Pearl River Delta manufacturing hubs. The terminal is also linked to production bases in South China through an excellent road network, including the new Guangshen Yanjiang Expressway, which has direct highway access to Da Chan Bay.

Buying FOB Shenzhen, or listing Shenzhen Port in your service contract, automatically includes Da Chan Bay along with the other Shenzhen terminals and provides your vendor with more flexibility to meet your shipping needs.



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#### Map of Pearl River Delta

#### Endnotes:

- (i) Alphaliners Monthly Monitor, Feb 2015
- (ii) Information from Alphaliners in Mar 2015

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