

Situation Report

Aug 10, 2026

Tropical Storm Dolphin: Eastern China Logistics Hub Update

Critical Nodes and Bottlenecks: What Matters in the
Next 72 Hours

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● **Executive Summary: What Matters Now (Next 72h)**

Dolphin came ashore near Yuhuan in Taizhou, Zhejiang province, at 17:30 local time on 9 August as a severe typhoon, carrying maximum sustained winds of 42 metres per second and a minimum central pressure of 945 hPa, according to the National Meteorological Center [3]. It was the second typhoon red alert China had issued in 2026, and the China Meteorological Administration lifted its emergency response to Level II [2][3].

The distinction that matters commercially is that almost every closure was ordered in advance, not forced by damage: Zhejiang suspended all coastal port operations and passenger ferry services from 08:00 on 8 August [10], and the Shanghai Maritime Safety Administration cleared Yangshan berths and moved more than 500 small and medium-sized vessels into shelter [6].

Tropical Storm Dolphin has severely disrupted eastern China's supply chain network, transitioning from a high-wind event to a major flooding threat. The **single binding constraint** is operational backlogs and precautionary safety closures across all major transport modes. The base-case time to normal for initial operational restart is **2 to 7 days**, but clearing the massive accumulated backlogs will take **10 to 14 days**.

● **1 Critical Nodes and Bottlenecks**

Zhejiang imposed a blanket suspension across its coastal ports from 08:00 on 8 August, alongside 162 passenger ferry routes and 193 water-related construction projects [10]; Ningbo-Zhoushan, the world's busiest port by tonnage, shut completely and the Yangtze estuary and delta were closed to shipping [19]. Most ports across Zhejiang, Jiangsu and Shanghai were still curbing operations on 10 August, with disruption expected to run to about 12 August [12] (M).

NODE	WHY IT MATTERS	STATUS NOW	RISK NEXT 72H	TIME TO CLEAR
Shanghai Yangshan Port	Primary deep-water container port for eastern China exports	Operations suspended, 500+ vessels moved to shelter, 12-day waiting backlog	Operational	10-14 days
Ningbo-Zhoushan Port	Major global container gateway and primary alternative to Shanghai	Phased suspension of empty and laden container gate-in	Operational	7-10 days
Shanghai PVG and SHA Airports	Key international air freight and passenger hubs	Over 1,300 flights cancelled, 60% capacity reduction	Operational	2-4 days
Hangzhou Bay Bridge & Coastal Roads	Critical trucking corridor connecting Zhejiang manufacturing to Shanghai ports	Traffic controls implemented, widespread street flooding	Operational	3-5 days
Yangtze River Inland Waterways	Feeder barge route for inland manufacturing to coastal ports	Ferry and barge services suspended	Operational	3-5 days

● 2 Business Impact

Shanghai's two airports pre-cancelled 1,384 flights for Sunday 9 August [20]. On Monday, state broadcaster CCTV put same-day cancellations at 943, cutting combined capacity by 40% [7].

For the freight and reliability lines, the nearest calibrated precedent is Typhoon Bavi in July 2026, after which roughly two million TEU of vessel capacity was reported waiting across North Asia and analysts put backlog clearance at about two weeks [13] (M).

- **Lead-Time Delta:** Expect an immediate increase of **12 days** in the base case, extending up to 24 days in the worst case.
- **Throughput Loss:** **60%** reduction in regional logistics throughput in the base case, driven by port closures and flight cancellations.
- **Freight Pressure:** Firm but short-lived. Spot rates and premium airfreight pricing will spike as shippers scramble for limited capacity once operations resume.
- **Service Reliability:** Severely degraded. Pre-existing vessel waiting times of 5-8 days have now ballooned to 12 days, rendering schedule reliability highly volatile for the next 2 to 4 weeks.

● 3 Industry Exposure

Zhejiang is a petrochemical hub as well as a manufacturing one, and ICIS reports its ports and plants among the most constrained [12]. Construction and marine services were halted outright: 193 water-related projects in Zhejiang [10], and in Fujian 115 offshore construction projects stopped with 290 construction vessels moved to shelter [6].

Utilities exposure is now partly evidenced rather than assumed, with CGTN reporting that the storm struck a Zhejiang power plant [8]. Agricultural exposure follows the Ministry of Water Resources warning that the Qiantang, Yong, Jiao and Shuiyang rivers could see major flooding and that smaller rivers in the worst-hit areas could exceed warning levels [6][5] (A).

- **Directly Exposed:** Logistics, Agriculture, Manufacturing (Zhejiang and inland Tier-1 facilities), Utilities (regional industrial zones).
- **Indirectly Exposed:** Automotive, Electronics, and Retail (reliant on eastern China exports and high-value components).
- **Not Materially Exposed:** Mining, Oil & Gas extraction.

● 4 Mode by Mode Analysis

- **Ocean:** Major ports (Shanghai, Ningbo) are closed with 500+ vessels sheltering. Alternative ports are too distant, creating a severe vessel backlog.
- **Air:** Mass cancellations at PVG and SHA (over 1,300 flights). Air freight is grounded until the storm passes and runways are cleared of debris and water.
- **Road:** Trucking is severely constrained by street flooding in Shanghai and traffic controls on major bridges, notably the Hangzhou Bay Bridge.
- **Rail:** Yangtze River Delta rail services are suspended due to safety holds. Alternatives are limited until tracks undergo post-storm inspections.
- **Barge:** Yangtze River feeder ports and coastal ferry services are halted, cutting off inland supply to deep-water ports.
- **Modal Trap:** Complete regional logistics paralysis. Shippers cannot pivot between modes because ocean, air, rail, and road networks are simultaneously suspended or severely constrained.

● 5 Second-Order and Cascade Effects

- **Tier-2 and Tier-3 Propagation:** Global Retail, Automotive, and Electronics face component and finished goods shortages (2-4 weeks out) as critical export gateways are paralyzed, stranding inventory at origin. Inland Manufacturing and Agriculture face supply starvation (3-10 days) as severed feeder networks isolate inland Tier-1 suppliers from coastal nodes.
- **Equipment Imbalance:** The phased suspension of empty container gate-ins at Ningbo and the sheltering of 500+ vessels off Shanghai will severely disrupt the repositioning of empty containers back to Chinese factories. Chassis and trucks are currently trapped inland or behind flooded coastal roads, guaranteeing localized equipment deficits once ports reopen.
- **Congestion Migration:** With alternative ports deemed too distant, diverted volume will violently re-concentrate at Shanghai and Ningbo anchorages immediately after the storm passes, spiking the already severe 12-day backlog.
- **Compounding Hazards:** The storm strikes during peak shipping season and interacts with a pre-existing vessel waiting time of 5-8 days at Shanghai terminals. This concurrency will exponentially increase the backlog clearance time.

● 6 Scenarios

The recovery clock is now set by rainfall rather than wind. The National Meteorological Center forecast heavy to torrential rain across Zhejiang, Shanghai, Anhui, Henan and Hubei from Sunday evening onward, with parts of eastern and central Zhejiang and southern Anhui facing 250 to 420 millimetres [3], and the system tracking north to bring rain to Beijing, Tianjin and Hebei into Thursday [7][15].

Against that, recovery has already begun: business and transport are resuming in stages, and ICIS places the end of significant port disruption at around 12 August [12]. Read together, these bracket the base case below.

● Base Scenario (High Likelihood)

- **Triggers:** Storm eases and moves inland as expected; ports and airports resume operations but must clear the existing 500+ vessel queue and 1,300+ cancelled flights.
- **Magnitude:** 10-14 days of disruption, **12-day** lead-time delta, **60%** throughput loss.
- **Impact:** Inland manufacturing faces supply starvation for 3-10 days due to suspended Yangtze River barges and road traffic controls.

● Adverse Scenario (Medium Likelihood)

- **Triggers:** Heavy rainfall causes prolonged street flooding and utility losses; peak shipping season concurrency prevents rapid clearance of the 12-day vessel backlog at Shanghai.
- **Magnitude:** 2-3 weeks of disruption, **18-day** lead-time delta, **75%** throughput loss.
- **Impact:** Global component and finished goods shortages for Automotive, Electronics, and Retail due to stranded inventory and severe empty container imbalances.

● Worst Scenario (Low Likelihood)

- **Triggers:** Vessel queues double in Shanghai and increase by 70% in Ningbo; complete regional logistics paralysis and severe equipment deficits occur.
- **Magnitude:** 3-4 weeks of disruption, **24-day** lead-time delta, **90%** throughput loss.
- **Historical Analogue:** Mirrors the severe 2-3 week supply chain disruptions and massive container dwell time increases seen during **Typhoon In-Fa (2021)** and Typhoon Bavi.

● 7 Leading Indicators to Monitor

Each indicator below has an official publisher, which is what makes it monitorable rather than anecdotal. Port and channel status is issued by the Shanghai Maritime Safety Administration, the body that ordered the Yangshan clearance [6]. Alert status and rainfall forecasts come from the National Meteorological Center, with the China Meteorological Administration publishing the national emergency response level [2][3].

Provincial flood and typhoon response levels are set by the State Flood Control and Drought Relief Headquarters and the Ministry of Emergency Management, and stepping down from Level III in Zhejiang and Fujian is the cleanest single signal of normalisation [4]. River gauges on the Qiantang, Yong, Jiao and Shuiyang are covered by Ministry of Water Resources bulletins [5][6]. Rail restoration is published by China Railway Shanghai Group [9] (C).

- Resumption of laden container gate-in at Ningbo and Yangshan ports.
- Reduction in vessel waiting times (currently up to 12 days) at Shanghai anchorages.
- Flight resumption rates and cargo backlog clearance at PVG and SHA.
- Lifting of traffic controls on the Hangzhou Bay Bridge.
- Water level gauges on the Yangtze River and local flooded roads receding below safety thresholds.

● Confidence

Medium. Visibility into port, airport, and major road closures is high. However, data is currently thin regarding specific physical damage to Tier-1 manufacturing plants in Zhejiang, the condition of rail infrastructure post-flooding, and the exact timeline for the restoration of regional power outages affecting industrial zones.

- **Upgrade Trigger:** The scenario will be upgraded to *Adverse* or *Worst* if prolonged utility outages are confirmed at major industrial zones, or if post-storm inspections reveal physical damage to the Yangtze River Delta rail network.

● Sources

● News

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● Tier 1, official and institutional

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- **Tier 2, trade and commercial. Flagged where figures are single-sourced.**
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