Title: **Typhoon Yagi’s Supply Chain Effects**

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Super Typhoon Yagi, Asia’s [strongest storm of the year](https://www.reuters.com/world/china/super-typhoon-yagi-slams-southern-china-shutting-schools-cancelling-flights-2024-09-06/), landed in China’s Hainan late last week. It disrupted millions of lives and tragically resulted in the loss of life, including 21 people in Northern Vietnam and 20 in the Philippines, according to [The New York Times](https://www.nytimes.com/2024/09/09/us/typhoon-yagi-vietnam-deaths.html).

In addition to the terrible human consequences, Yagi is expected to have a significant impact on the global economy. Global news platform [Semafor](https://www.yahoo.com/news/super-typhoon-yagi-wreaks-havoc-165806452.html)notes: “…businesses, public services, and transportation networks closed in the Chinese province of Guangdong and Hong Kong, creating a mounting backlog in manufacturing and shipping that some companies expect will take weeks to resolve, and drive up costs.

How will ports, congestion, and the supply chain be affected?

## **Hong Kong, Guangdong, and Guangxi Close Their Ports**

Chinese media reported on Sunday morning that the typhoon advanced towards the counties of Guangxi and Guangdong, and the Macau and Hong Kong Special Administrative Regions (SAR), all located in the South of China and considered a sub-tropical area.

[Chinese media](https://www.gov.cn/lianbo/bumen/202409/content_6973013.htm) reported that the transportation departments of Guangdong and Guangxi announced on September 6 that those regional ports will be closed down as countermeasures.

Hong Kong followed and closed its airports and ports. Additionally, the Chinese Ministry of Transportation announced that the highways and railways in the area would be suspended, but that once the typhoon started to weaken, they would be reopened to facilitate assistance to the area.

## **We’re Already Seeing 18-Day Shipment Delays**

Windward’s Maritime AI™ platform detected the following **decreases in port calls** on a weekly basis between the **weeks of August 25-31 and September 1-7**:

Hainan Island – 52.5%

Macau – 49%

Hong Kong – 47%

Guangxi – 42.5%

Guangdong – 34%

Shipments that are headed towards the ports of affected areas are currently estimated to arrive at their **port of destination (PoD) between September 1-10, 2024**, according to Windward [Ocean Freight Visibility](https://windward.ai/solutions/ocean-freight-visibility-ofv/) solution.

Our [Maritime AI™ Predicted ETA](https://windward.ai/solutions/vessel-eta/) capability shows **delays between 6-30 days**, with most vessels shown to have made a stop in Singapore and Malaysia to delay their arrivals while the PoDs were closed.

## **Long-Term Impact**

The typhoon has started to move onward, but the supply chain will be impacted for the long term. The months of September-October are usually seen as months in which countries in the West get ready for the winter holidays. Existing and possible future delays could impact the rest of H2-2024.

It is important to note that Guangxi and Guangdong are extremely important for the automobile industry and electric appliances – much of the manufacturing for those industries is located there. Over three million vehicle units are made every year by local and international manufacturers such as Volkswagen, Nissan, Toyota, and Audi.

Windward will continue to monitor developments on this situation in real time and keep you updated on supply chain impact, port congestion, and more. Super Yagi has [been described as](https://www.bbc.com/news/articles/c4gz3rk71n7o) “the strongest typhoon in a decade,” but global warming means that extreme weather events are occurring much more frequently, with deleterious effects for the supply chain and global economy.

The projected cost of environmental risks for supply chains is USD 120 billion by 2026!

Supply chain and maritime organizations are advised to prepare accordingly.