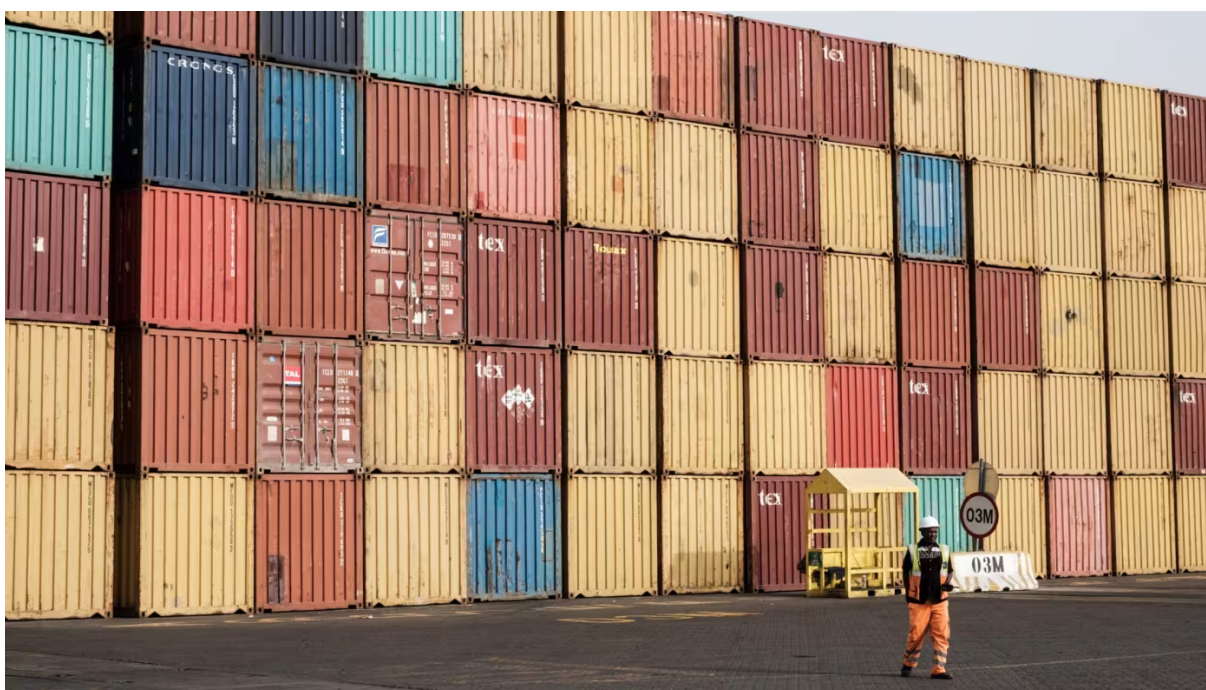


**Container shipping**

## 'Opportunistic' Chinese lines send ships to serve Red Sea ports

Vessels advertise their Beijing connections to avert Houthi attacks that have driven away rivals



Some smaller Chinese shipping lines have been serving Red Sea ports such as Doraleh in Djibouti © Yasuyoshi Chiba/AFP/Getty Images

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Several Chinese shipping lines have been redeploying their vessels to serve the Red Sea and the Suez Canal, in what analysts have said is an effort to exploit China's perceived immunity from the Houthi attacks that have driven most other operators out of the area.

These smaller Chinese lines have been serving ports such as Doraleh in Djibouti, Hodeidah in Yemen and Jeddah in Saudi Arabia, all of which have faced big falls in traffic as international [container shipping](#) lines have rerouted to avoid potential attacks by Yemen's Houthi rebels.

Among the shipping lines redeploying its fleet is Qingdao-based Transfar Shipping, which on its website describes itself as "an emerging player in the transpacific market", offering services between [China](#) and the US.

Two of Transfar Shipping's three vessels, the Zhong Gu Ji Lin and Zhong Gu Shan Dong, are currently operating in the Middle East. Ship-tracking websites show the

Dong, are currently operating in the Middle East. Ship-tracking websites show the Zhong Gu Shan Dong came from the Mediterranean through the Suez Canal in late December, after many other lines had abandoned the area.

The Houthis, who have the backing of Iran, in late November started attacking commercial ships that they had said had links with Israel, declaring they were acting in support of Gaza's Palestinians during the Israel-Hamas war. The group has also attacked other ships, particularly those [linked to the US](#).

Leaders of the group have said that they will not attack vessels associated with China or Russia, both allies of Iran, as long as they have no Israeli links. The US has [asked China](#) to urge Iran to rein in the Houthis, without apparent success.



Cichen Shen, China expert at Lloyd's List Intelligence, the maritime data business, said the "easiest explanation" for the rush of Chinese operators into the region was that they were seeking to exploit their relative invulnerability to attack to win business.

"You have commercial interest and you see this capacity gap and you see the demand," Shen said of the lines' motivation for moving ships to the region. "I think the commercial interest is probably the biggest reason."

He pointed as an example of Chinese lines' approach to China United Lines (CU Lines), based in Yangpu, on the island of Hainan. The company expanded

significantly during the trade disruption from the Covid-19 pandemic and focused on the China-Europe and China-US routes.

CU Lines last week announced that it was starting a Red Sea Express service linking Jeddah in Saudi Arabia with a series of Chinese ports. Shen said it was “natural” for CU Lines to apply the same opportunistic approach to the Red Sea disruption as it did to the Covid-era hold-ups.

“It’s a similar kind of disruption, which creates this capacity shortage,” Shen said.

Simon Heaney, senior manager in container research at London-based Drewry Shipping Consultants, said shippers moving goods through the area would have to weigh up whether to accept the risk of using the new services.

“It’s opportunistic, it’s risky and it may appeal to some less risk-averse cargo owners,” Heaney said.



China's Cosco, operator of the industry's fourth-biggest fleet, abandoned the southern Red Sea because of the security risks © VC/ Getty Images

Chinese lines' move to the Red Sea comes after most big container shipping lines — including China's Cosco, operator of the industry's fourth-biggest fleet — abandoned the southern Red Sea because of the security risks. Figures from Clarksons, the shipping services company, show that arrivals of container ships in mid-January near the mouth of the Red Sea were 90 per cent down on the average for the first half of December.

Data from MarineTraffic, a ship-tracking and analytics service, showed that seven of the vessels deployed by new entrants were operating in markets elsewhere in October 2022, before the current disruption.

The shipping lines seek to make clear their Chinese links to potential Houthi attackers.

The website of one company, Qingdao-based Sea Legend, stresses that its vessels fly China's flag prominently and sail through the Red Sea danger area escorted by the Chinese navy. Sea Legend was a previously unknown operator but this month launched a service using seven vessels to link Turkish ports, including Istanbul, with China via the Red Sea.

The company serves the ports of Aden in Yemen, Doraleh in Djibouti, Jeddah in Saudi Arabia, Aqaba in Jordan and Sokhna in Egypt. All are in the area currently unserved by most large container lines.

Sea Legend told the Financial Times it had added Red Sea calls to its services to offer a solution for shippers in the Far East with appropriate security. None of the other new market entrants responded to requests to comment.

Another such entrant, Fujian Huahui Shipping, is operating two vessels, the Hui Fa and Hui Da 9, which have both recently transited the Suez Canal.

Some ships stress on their satellite identification data that they have Chinese owners.

Heaney said the new entrants would probably "disappear very quickly" when the disruption ended.

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