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imagery analysis report

Containerized Shipping in China (S)

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**Z-20136/80
IAR-0175/80
OCTOBER 1980
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CONTAINERIZED SHIPPING IN CHINA (S)

1. (S/D) Satellite imagery provides increasing evidence of a shift in China toward containerized shipping. At least four port facilities have been or are scheduled to be converted to handle inbound and outbound container cargo—Tianjin Xingang, the gateway port to Beijing; Shanghai, serving east-central China; Guangzhou, serving south-central China; and probably Luda/Dalian, serving northeast China^{1,2} (Figure 1).

2. (S/D) Guangzhou Shipyard Chu-chiang [redacted] (Figure 2) in Guangdong Province is currently being converted to the first cargo or van container manufacturing plant. Originally, small auxiliaries, such as Kuei-hai coastal freighters and Kan-chu surveying ships (AGS), were constructed at Guangzhou Shipyard Chu-chiang. In 1975, the first Yuliang medium landing ship (LSM) was constructed there. By August 1978, series production had begun and Yuliang LSM were being produced exclusively at this shipyard, as indicated by a photograph of a Yuliang LSM at the pier of Guangzhou Shipyard Chu-chiang from the May 1979 issue of *Fairplay International Shipping Weekly*,³ prior to the renovation of the shipyard. However, by late May 1979, all Yuliang LSM components had been removed from the yard. Downriver at the same time, seven Yuliang in various stages of construction were observed for the first time at Guangzhou Shipyard Tung-lang [redacted]. Since that time, Yuliang LSM series production has continued at the Tung-lang shipyard.

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3. (S/D) Grading activity at Guangzhou Shipyard Chu-chiang was first observed in May 1979. The former ship fabrication building, buildingways, and support buildings have since been razed. In February 1980, a large L-shaped building with an area of 15,190 square meters and a support building with an area of 2,790 square meters were observed under construction at the site of the former shipyard (Figure 3). The quay wall at this yard was improved, and pilings were emplaced to fill in the area between the south end of the large T-head pier and the quay; this area could then be used as additional storage space.

4. (S/D) Vents on the L-shaped building—as well as the size and configuration of the building—together with the new support building suggest that this facility has the capability for the light manufacturing process required to construct van containers for cargo shipping. Additionally, articles in two open-source magazines indicate that the former Guangzhou Shipyard Chu-chiang is the location for the first cargo container manufacturing plant in China.^{3,4} Plans for the first van container manufacturing plant were announced in February 1979. This was to be a cooperative venture between Container Transport International, Incorporated, (CTI) of New York and the Government of China. CTI was to assist China



FIGURE 1. LOCATIONS OF CONTAINERIZED SHIPPING PORTS IN CHINA

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with technical expertise in establishing a container manufacturing plant in Guangdong Province in south-east China. Plans for a second cargo container manufacturing plant at Tianjin (Xingang) in the Bohai Gulf were announced later the same year.² An open-source article reported a target date of October 1980 for full-scale production at Guangzhou Shipyard Chu-chiang with a minimum of 10,000 units per year being produced.⁴

5. (U) China's emergence in the container field apparently surprised many Asian container manufacturers who regarded China as a potential source for their own cargo containers. Initially, China's plans for containerization were viewed with skepticism and thought to be overambitious. However, the large demand for foreign-made containers did not materialize because China moved quickly to forestall this need. It is equally possible that China will exceed its internal demand in the near future and will offer Chinese-built containers on the international market as well.^{3,4}

REFERENCES

IMAGERY

(S/D) Selected satellite imagery acquired from 1978 to 1980 was used in the preparation of this report.

Small-Format Imagery

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- 3. *Fairplay International Shipping Weekly*, May 79 (UNCLASSIFIED)
- 4. *Cargo Systems International*, Nov 79 (UNCLASSIFIED)

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*Extracted information is [redacted]

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(S) Comments and queries regarding this report are welcome. They may be directed to [redacted]
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