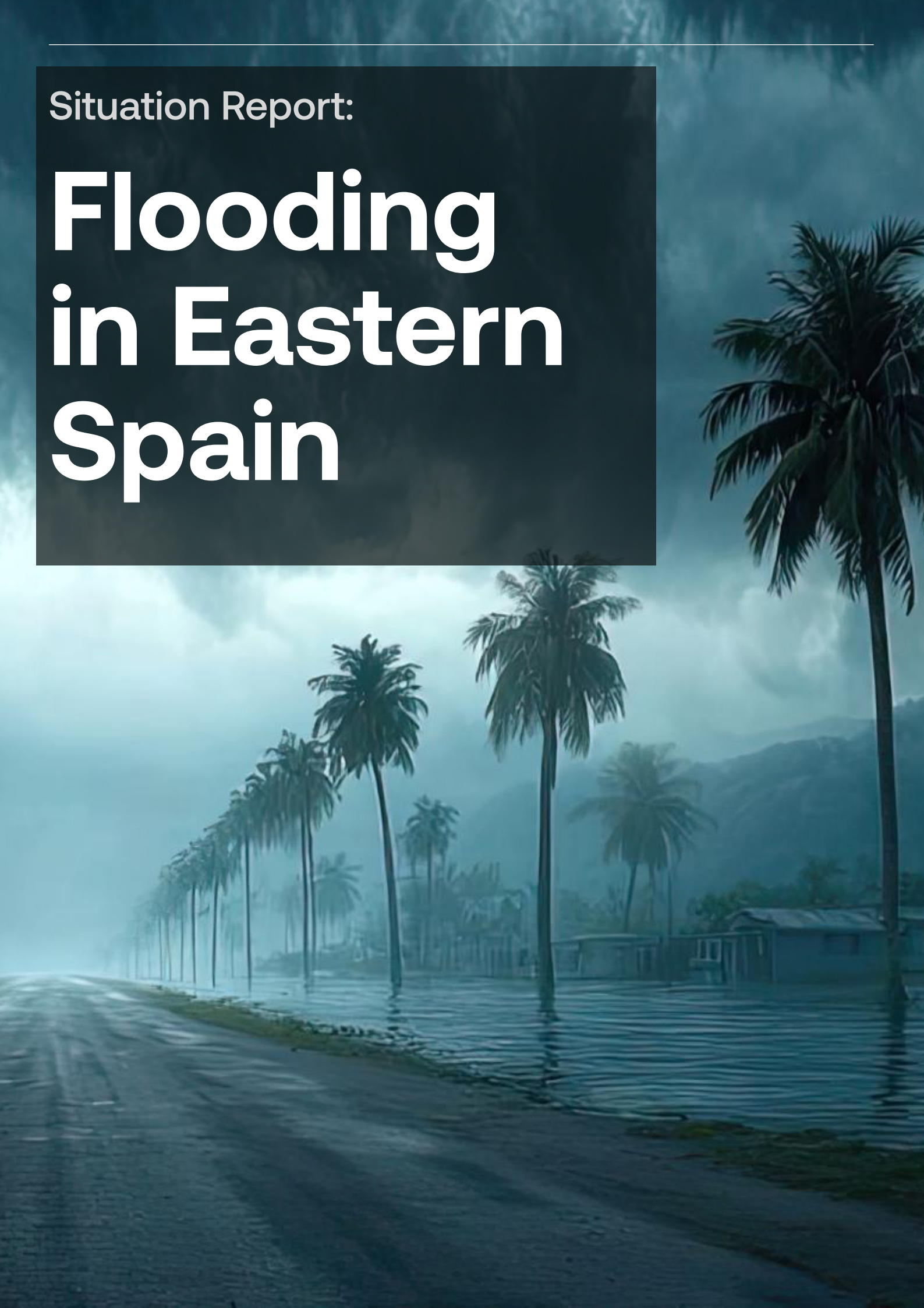

Situation Report:

Flooding in Eastern Spain



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Valencia is under **red alert** after torrential rains caused severe flooding, disrupting transport with road closures and flight cancellations. Emergency crews have carried out multiple rescues as rising waters inundated low-lying areas and threatened infrastructure. This report will focus on the **supply chain impact** from the event, particularly on logistics, distribution, and potential delays across affected regions.



1. Executive Summary

Short, acute landside shock centered on **Valencia** with spillovers along the **Mediterranean Corridor**. The base case is **2–4 days** of friction to unwind missed gate slots and reposition assets if weather continues to ease.

- **Where:** Eastern Spain—**València–Castelló–Tarragona** corridor—and **Balearics (Ibiza/Formentera)**.
- **Ports:** **Port of Valencia** halted operations Monday under red weather alert and **reopened today (Tue)**. Primary constraint is **landside congestion** (truck queues on the V-30 access), not quay damage.
- **Road/Rail:** Localized cuts/slow-running on the **N-340** near the Ebro delta (Amposta area) and **train delays** on **Euromed/AVE** and Valencia commuter lines during inspections; **AP-7** remains the main alternative.
- **Air:** **Valencia (VLC)** saw a small number of cancellations and delays Monday; **Ibiza (IBZ)** had **exceptional rainfall**, water ingress, and delays, but operations continue.
- **Industry/Energy:** **Castellón ceramic cluster** logistics slowed by road constraints; **Sagunto LNG** (near Valencia) has **no reported disruption** to processing—systemic energy risk is **low**.

2. Critical nodes & bottlenecks (Sep 30)

Node	Why it matters	Status now	Risk (next 72h)	Time to clear (base case)
Port of Valencia (containers + Ro-Ro)	Largest Spanish gateway for full containers; vital Western-Med hub	Reopened 30.9.25; truck backlog at gates/V-30	High	2–4 days for yard/gate normalization if no new closures
Med. Corridor: AP-7 / N-340 & Euromed rail	Spain↔France/Italy artery; intermodal spine	Localized road closures/slow-running near Ebro; train delays from inspections	Moderate	24–48 h for roads; intermittent rail delays during checks

Node	Why it matters	Status now	Risk (next 72h)	Time to clear (base case)
Ibiza/Formentera (air + ferries)	Not a major EU cargo hub, but can absorb spare capacity and force diversions	Delays from extreme rainfall; emergency schedule tweaks	Moderate (localized)	24–48 h once rainfall abates
Castellón ceramic cluster ↔ PortCastelló	Concentrates most of Spain's tile production (major EU exporter)	Port ops available; trucking constraints drive slippage	Moderate (sector)	2–5 days depending on road inspections north of the Ebro
Automotive (Valencia ro-ro; Almussafes suppliers)	Vehicle flows + just-in-time components	Some Monday production pauses/ absenteeism likely; port open today	Low → Moderate	1–3 days for parts flows to resync
Sagunto LNG (Saggas)	Key regas gate for Spain	No outage reported; ship slots may retime with weather	Low	N/A — network redundancy limits systemic risk

3. Business impact (what to expect)

- **Lead times:** +1–3 days on flows moving via **Valencia** under the base case; +2–5 days if renewed heavy rain triggers fresh slowdowns.
- **Costs:** Higher **truck wait-time** and **detention/demurrage** risk at Valencia until yard density eases; **spot haulage** may firm temporarily.
- **Service reliability:** **Feeder/short-sea schedules** may shuffle around the Western Med; **rail slots** tighter this week where inspections continue.
- **Sectors most exposed:** **Building materials/ceramics**, **automotive ro-ro/component flows**, **fast-moving retail** with Valencia-centric DCs.
- **Systemic energy risk:** Low, given multi-terminal LNG resilience.

Automotive Exposure

OEM plants:

- **Directly exposed:** **Ford Valencia (Almussafes)** — only Spanish OEM site inside the high-impact zone. Output is already structurally lower in 2025 (single model: **Kuga**) with periodic stoppages under the **RED/ERTE** mechanism; that **reduces systemic knock-on risk** from a 1–2 day weather halt.
- **Indirectly exposed (via corridor reliability):** **SEAT Martorell (Barcelona area)** for northbound component flows that may transit the **AP-7/N-340** hinge; impact currently **delays, not disruption**.
- **Not materially exposed:** **Stellantis (Vigo/Zaragoza)**, **Renault (Valladolid/Palencia)**, **VW Navarra (Pamplona)**, **Mercedes Vitoria** — well outside the affected zone.

Finished-vehicle logistics (ro-ro)

- **Primary node:** **Valenciaport cluster** with vehicles concentrated at **Sagunto** terminal. With the port reopened, expect 2–4 days of landside friction rather than maritime capacity loss.
- **Alternative Spanish ro-ro gateways with spare capacity:** **Barcelona** and **Vigo** (both large, diversified car hubs); **Santander** and **Pasaia** are additional options for northern routings. These remain **fully serviceable**.

Inbound parts

- Local Tier-1/Tier-2 in the Juan Carlos I (Almussafes) supplier park (e.g., major interiors, body-in-white, and logistics providers) faced access/attendance constraints on Monday; recovery should track road normalisation over 24–48h.
- Imported components via Valencia (containers/ro-ro): Expect appointment reshuffles, detention/demurrage risk, and some missed rail windows as the port clears queues.

4. Scenarios & triggers (plan against these)

Base Case (most likely): stabilization in 24–48 h	Adverse Case: (3–7 days of renewed disruption)	Worst Case: (≥8–14 days sustained)
<ul style="list-style-type: none">• Assumptions: No new red-alert day in Valencia; showers taper.• Outcome: Valencia landside clears in 2–4 days; roads mostly normal within 24–48h; rail delays sporadic.• What you'll feel: Friction at gates/appointments; minor schedule churn.	<ul style="list-style-type: none">• Triggers: Another day of intense rain; additional N-340/AP-7 restrictions; repeated rail inspections; persistent Balearic disruptions.• Outcome: 5–10 days to drain port yard backlogs; intermodal capacity tight; more rerouting via Barcelona/Algeciras; EU customers see +2–5 days.	<ul style="list-style-type: none">• Triggers: New port halts, access-road flooding, equipment damage.• Outcome: Port omissions/blank sailings on some services; multi-week slip for ceramics; automotive rebooks; noticeable Western-Med ripple and firmer short-sea spot.• Historical analysis: Late-2024 Valencia floods required ~1 week or more for full clearance after multi-day closures; use that as the upside bound if red alerts return.

5. Immediate actions (48-hour playbook)

Now (0–24 h)

- Rebook gate times at Valencia and request extended gate hours/exception windows where offered.
- Pre-pull urgent import boxes to nearby dry depots to bypass V-30 queues and free terminal space.
- Hold/secure rail slots (Euromed) for critical lanes; prepare AP-7 detours where N-340 is constrained.
- Supplier check-ins: Validate Almussafes and Valencia-area tier-1 staffing/access; add 48–72h line-down buffers for JIT parts.

Next (24–72 h)

- Contingency routings:
 - Ocean: switch some flows to Barcelona (gateway) or Algeciras (transshipment) if your tolerance is <3 days.
 - Air: for time-critical SKUs, air-bridge via Barcelona/Zaragoza using available express capacity.
- Customer communication: Proactively reset ETAs by +2–4 days for Valencia-routed orders; flag exceptions.

6. Ripple effects to watch

- Air: If Balearic weather lingers, diversions/slot rebalancing can add minor friction at Palma and Barcelona.
- Short-sea ferries: Temporary schedule modifications around Ibiza/Formentera can tug at spare vessel capacity.
- Feeder networks: Western-Med feeders may retime calls; monitor for port omissions if S1/S2 triggers fire.

7. Monitoring dashboard (update daily)

- **Port of Valencia:** Gate turn-times, yard density, appointment availability, whether **extended hours** are announced.
- **Roads:** N-340/AP-7 status near the Ebro; any fresh closures around València/Castelló.
- **Rail:** Euromed/AVE punctuality notices; clearance of speed restrictions after inspections.
- **Air:** VLC/IBZ delay/cancellation rates; evidence of diversions.
- **Industry nodes:** Castellón plant dispatch volumes; Almussafes inbound stability.
- **Energy:** Sagunto LNG ship schedules (for slot retiming, not outage risk).

8. Assumptions, constraints & confidence

- **Assumptions:** No structural damage reported to port cranes/power/berths; constraints are **operational** (gates/roads/rail).
- **Confidence:** Medium. If another red-alert day hits Valencia this week, **upgrade to S1** immediately and execute diversions.
- **Context:** Today's flood impacts are **operational and shorter** than the late-2024 event; if conditions worsen, use **2024 clearance timelines (≈1–2 weeks)** as a planning upper bound.

● Conclusion

The recent floods in Eastern Spain and the Balearics have caused a short-term, acute landside shock, primarily centered on Valencia's port and its immediate hinterland.

While operations are largely resuming, anticipate 2-4 days of friction due to landside congestion and localized disruptions to road and rail networks. Proactive measures such as rebooking gate times, securing rail slots, and considering alternative routings are essential to mitigate potential lead time extensions and cost increases.

Close monitoring of key nodes and adherence to the playbook for the next 72 hours will be crucial for navigating these temporary supply chain challenges.