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## Suez Canal Crisis: A New Type of Security Threat in the Maritime Domain

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The world shipping fraternity that relies on the East-West corridor connecting Asia with Europe was at a standstill for almost a week, after the Suez Canal was blocked by a ship which got stuck. MV Ever Given, a 220,000-ton mega ship nearly a quarter-mile long with a 20,000 container capacity, got grounded due to unfriendly weather conditions while entering the Suez Canal from the Red Sea. The ship had been running fifth in a northbound convoy, with fifteen vessels behind it when it ran aground. The 193-km long Suez Canal, linking the Mediterranean Sea and the Red Sea, is the shortest route between the Atlantic Ocean and countries around the Indian and western Pacific Oceans. Ships take this route because it helps cutting distances by up to 7,000 km, negating the need to circumnavigate the Cape of Good Hope in Africa. On an average, 50 ships pass through the canal per day, carrying 1.2 billion tons of cargo, representing 12% of world trade annually, from oil and gas to machine parts and consumer goods. The canal allows passage of ships up to 20 m (66 ft) draft or 240,000 deadweight tons and up to a height of 68 m (223 ft) above water level and a maximum beam of 77.5 m (254 ft) under certain conditions.

The Panama Canal and the Malacca Strait are the two other major narrow water channels. The Panama Canal sees some 40 vessels pass through each day, including tankers, cargo ships, yachts and cruise vessels. As per the 2014 data, Panama Canal carried around 600 million tons of goods, mostly from North and Latin American countries. While Malacca is a shortest passage compared with Suez Canal and Panama, and around 230 ships pass per day, carrying 3 billion tons of cargo per year. The value of goods shipped through the Suez Canal is estimated to be \$9.5 billion daily — the MV Ever Given, for example, was laden with cargo worth \$1 billion. Annually, this is about 8% of global trade, and in 2020, the total revenue generated amounted to \$5.61 billion and 18,829 ships with a total net tonnage of 1.17 billion passed through the canal. MV Ever Given was finally freed and floated after five days, by diggers that helped evacuate the bow, as tugs pulled and pushed the ship free.



Suez Canal is one of the busiest waterways in the world and the blockage had resulted in 350 vessels stranded on either side of the canal, costing global trade approximately \$9 billion per day. This was not the first time that the canal was shut down. It has occasionally been shut down for few hours, days, or weeks due to short blockages. The longest closure of the canal took place after the start of six-day Arab-Israeli war of 1967. The canal was blocked by Egypt from 5 June 1967 to 10 June 1975, as it became the front line

during the ensuing War of Attrition and also the 1973 war. A few accidental groundings of vessels have closed the canal since then. The most notable, until the *Ever Given* incident, was a three-day shutdown in 2004 when a Russian oil tanker ran aground.

The closure of the canal does not just affect the shipping fraternity but the global trade as well as national economies. A long blockage of the canal will affect the global supply chain and also will increase the prices of commodities, notably oil prices. Between 5% and 10% of all seaborne oil is transported through the Suez, meaning that for each day that the ship remains stuck, it delays the shipment of another 3 million to 5 million barrels of oil per day.

The Panama Canal also faces accidents and stoppage of shipping. As per the report by Morrow Shepard, “around one out of every 4,000 vessels to traverse the canal has been involved in an accident. Roughly 60 percent of these accidents have involved one of two primary causes: (i) collisions with other vessels, and (ii) contact with the walls of the canal.”

Oceanic trade routes are the lifelines of global economic activity as roughly 80 percent of global trade by volume and 70 percent by value is transported by sea. East Asian economies like China, Japan, Taiwan, and South Korea are heavily dependent on the sea routes and their finished products to the Western market pass through the Suez Canal route. Apart from countries like India and Australia, major trading city centres like Hong Kong and Singapore are also dependent on trade by sea. Disruption in this shipping line will affect exporters from these countries and will cause huge loss for insurance companies. An economic loss, even a small one, is significant because the global trade has just picked up after the Covid-19 induced economic downturn.

In fact, narrow shipping lines are always prone to disasters either through accidents or attacks by non-state-actors. For instance, in the previous decade, Malacca Strait had witnessed incessant piracy attacks from crime syndicates operating in Indonesian waters, which became a major security issue among the regional countries of Southeast Asia. Finally they contained the problem through coordinated patrolling, known as MALSINDO, by Malaysia, Singapore and Indonesia. Piracy has been a major security issue in the Horn of Africa, the entering point to the Red Sea from the Indian Ocean, which has been almost contained by coordinated patrols of various countries, including US, European Union, India, China and others.

The latest Suez blockage portends a new type of security threat to the shipping sector, that terrorists or crew influenced by extremist ideology may adopt the same tactics by deliberately damaging ships in the canals or causing collisions with other vessels, thus obstructing the movements of ships, leading to global trade shutdowns and subsequent losses of billions of dollars to the world

economy. Regional countries like Somalia and Yemen are still embroiled in internal strife, and also the presence of terrorist groups like Al Qaida, which could target ships in the canal. Developments in the Suez Canal are indeed critical to Indian interests as they not only affect India's trade interests, but also pose challenges to security in the Indian Ocean.

