

Dear All

I am sure you have been following the crisis around the giant container ship Ever Given in the Suez Canal. This incident will challenge the concept of globalization and global supply chains again. Here is what I have learnt.

1. The Suez canal is a man-made waterway between the Mediterranean sea and the Red Sea. It is 193 kms long and was built between 1859 and 1869.
2. A British French conglomerate owned the rights to the Suez Canal till 1956, when Egypt nationalized the Suez Canal. Egypt earns about \$ 5 billion per annum in foreign exchange from the traffic through the Suez canal. Egypt GDP is around \$ 375 Billion .
3. About 50 ships go through the size canal every day, because the other route around the cape of good hope takes 8 to 10 days more. 12 % of global sea traffic and 30 % of global container traffic goes through the Suez Canal.
4. This ship the Ever Given is a Taiwanese owned and had started from Rotterdam on its journey. Ships like this are capable of taking 20,000 containers. This ship Ever given is 1300 feet long and is the size of the Empire State Building. It is believed that a combination of natural forces, human error and technical issues might have led to the grounding of this ship. There was a sandstorm and winds up to 40 knots when this happened.
5. Oil prices went up, there are delays of a few weeks and Europe consumers are expected to face the brunt of this problem.
6. This problem has brought to the fore the issues of dependence on the far east and hence many countries will ask whether they can bring back many of the goods on shore in the next few years.
7. In solving this crisis, they had to take out 20,000 tons of sand around the ship and the ship has been lightened by 9000 ts. It has been towed now and traffic is back to normal.
8. This case will bring in huge insurance claims, and also puts the crisis management on the cards.
9. Agility is important and everyone has had to decide what they needed to do. Getting up to date information in a crisis is crucial. And, people want an impartial global commission to get to the depth of the issue that grounded Ever given.
10. The use of IT will become a focus again in managing a hiccup like this.

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