

We all know that feeling of frustration from being stuck in traffic. Anxiety and impatience builds by the minute as we sit helplessly at the mercy of forces beyond our control. Neck straining and watch checking is slowly replaced with stress laced with anger, and time is an unfriendly passenger for sure. So you can imagine the level of angst right now in the Suez Canal where one of the world's largest container ships has run aground, bring all commercial traffic to a full stop. Built in 1869, the hundred and ninety three kilometre Suez Canal is a vital artery for international trade, connecting the Mediterranean Sea to the Indian Ocean. An estimated 13% of world trade flows through it, with upwards of nineteen thousand ships passing through every year.



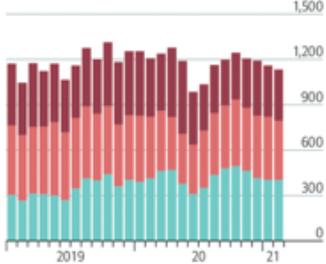
"April 20: The weather continues sunny and warm."

Everything from food, furniture, clothes, shoes, exercise equipment, electronics, car parts and carpets could be affected. So basically anything you see in the stores could face additional shortages in the short term, by reducing further the capacity of the global supply chain to meet consumer demand. As we have observed over the past year, Covid 19 has re-directed consumer spending from travel, leisure and entertainment, to home delivery purchases. This higher demand combined with pandemic restrictions at ports, a decrease in the number of healthy and available longshoremen (those who unload cargo ships), and a shortage of container boxes to carry goods all will impact the delivery of goods and to their costs as well. Crude oil, refined oil and liquified natural gas shipments have also been affected, sending the price of crude up 5% on news of the accident.

**Stuck in the middle with queue**

Traffic through the Suez Canal, ships

■ Dry-bulk vessels ■ Container ships ■ Oil tankers



Sources: BIMCO; Leth Agencies

The Economist



As the article in the Economist [here](#) summarizes, "even a short closure of the bottleneck threatens severe disruption", as supply chains linking Asia and Europe are stretched to their limits. The ship at issue is the **Ever Given**, which holds 20,000 containers and is almost a *half-kilometre* long. Already hundreds of additional ships are stuck in a holding pattern, costing an estimated \$10 Billion US per day. This has not gone unnoticed and was raised this week by Federal Reserve Chairman Jerome Powell, who described the situation as "bottleneck" and "straw on the back of a global shipping system already broken by pandemic disruptions". Hardly a cheery comment, but as we know, all traffic jams eventually come to an end and things start moving again. While we're waiting for this to happen, here's some interesting facts about the Suez Canal:



\*The canal's origins date back to ancient Egypt, where Egyptian Pharaoh Senusret III started construction on an early canal connecting the Red Sea and the Nile river. This took an estimated two thousand years to complete, and it is thought that Cleopatra may have travelled on it.

\*Napoleon considered building a version of the modern canal that we know today, but decided against it after French engineers incorrectly concluded that the Red Sea was 30 feet higher than the Mediterranean. It was thought that the creation of a canal would result in catastrophic flooding across the Nile Delta.

\*The 19th century Suez Canal was mostly built using then state-of-the-art steam and coal powered dredgers to dig the canal. This was the result of the decision by Egyptian ruler Ismail Pash who banned the use of forced labour.

\*The Statue of Liberty was originally intended for the canal. French Sculptor Auguste Bartholdi wanted to build a 90 ft tall stature of a woman clothed in Egyptian robes called "Egypt Bringing Light to Asia". This project never materialized, but Bartholdi continued shopping his idea for his statue, and in

1886 he finally unveiled a completed version call Liberty Enlightening the World -the New York City monument better known as the Statue of Liberty.

Be safe, be well!

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