

## The Simple, Yet Quite Complex Global Issue

For almost a week in the end of March one of the most important marine routes of the world was blocked by a giant vessel, approximately matching in size with New York's famous Empire State Building. It took almost another week after the vessel was removed for the traffic jam created by it to completely dissipate and for the movement of ships through the Suez Canal to be restored to normal. Various estimations imply that the stranded ship called "Ever Given" was costing the world billions of dollars every day (CNBC, 2021). After all, 10% of world trade by sea passes through the canal, and since most of world trade actually goes by sea, the significance of this artificial passage constructed in the 19th century is hard to overstate (George, 2021). The shortcut connecting the Indian and the Atlantic oceans makes it possible for ships to cut around 9,000km when travelling from the Persian Gulf countries, India, China, Japan, countries in Southeast Asia or even Australia to Europe and in the opposite direction. The alternative is to travel all the way around Africa through its southernmost point, the Cape of Agulhas, and its westernmost point, the Cape Verde peninsula. The difference in these two alternatives is twice more than the distance between New York and Los Angeles and more than the distance between Russia's two farthest points. Such a diversion not only increases costs associated with the ship's journey, but also prolongs the journey by around 10 days (The Guardian, 2021).

And yet, for 6 days this vital pipeline of world trade was unavailable. Ships had to decide between waiting in a queue that at its peak counted more than 400 vessels on both sides of the canal and having no idea when the "most expensive traffic jam in the world" would be cleared on one hand, and travelling the long way around Africa, which, as already mentioned, meant 10 more days and almost 10,000 more kilometers en route (The Guardian, 2021). Those 400 vessels took

almost a week to pass after the passage was freed, meaning that supply chains all over the world, already stretched because of the COVID-19 pandemic, were stretched even further.

The seemingly long salvage operation was definitely not due to a lack of trying. Experts and the best salvage teams worked constantly to free the “Ever Given”, but the sheer size of the ship and the magnitude of the task meant that any attempt to solve the issue was never going to be straightforward. Tugboats, bulldozers and the hundreds of people working on the task needed help from the higher powers in the form of favorable winds and currents in order to succeed. Questions are now being raised about who is to blame. Obviously, losses and costs need to be attributed, so all the ship owners affected by the blockage, and the companies that had even one container aboard any of those ships are preparing for months of trials and court cases. The lawyers of these companies will have to analyze the events that lead to the accident and try to figure out whether human error was involved, what was done to prevent the accident and what could have been done but was not. On April 14th an Egyptian court ordered the “Ever Given’s” Japanese owner firm to pay \$916 mln in compensation. The basis for this number is now being questioned by the firm and the insurance company, UK Club (CNN Business, 2021). This story is definitely far from over.

The fact that one accident, however big in size, can cause so much distress and have so many complicated consequences yet again underlines the unprecedented degree of interconnectedness of our planet. This one-week blockage brings our attention to one of the few vital chokepoints of our ever-globalizing world. People familiar with supply chain management call such places or processes bottlenecks.

The last week of March showed the inadequacy of the 150-years-old passage to the current environment. Ships have got incomparably bigger, and the value of goods one such ship can

transport has also grown exponentially. At its narrowest point, the Suez Canal is only 200 meters wide, half the length of the “Ever Given”, which is not even the biggest ship out there that might pass through the canal. It is an illustration of wider global issues of transportation. Such congestion is reminiscent of traffic jams created by accidents that we see every day. Cities and urban areas mostly in the developing world are stretched to their limits as the amount of vehicles is completely inadequate to the capacity of the roads planned and constructed hundreds of years ago taking into account only pedestrian traffic and a couple of carriages. The Suez Canal was never meant to have 50 ships pass through it daily, with most of those ships the size of a skyscraper. The planned expansion and the opening of a second lane are welcome ventures, but unfortunately for the canal administration the “Ever Given” ran into the shore exactly in the part where there is still only one lane present. Perhaps as the work is finished and the canal has two lanes throughout its entirety, it might be considered adequate and problems such as the recent blockage will be a relic of the past. Before that, however, ships will have to consider the possibility that their journey might be halted by an unexpected and yet such a trivial problem.

Funnily enough, the stranded ship became a celebrity overnight. With the current omnipresence of social media platforms and due to the sheer simplicity of the issue, the “Ever Given” was one of the most discussed topics and became one of the hottest internet memes. One of the reasons was that, as Ben Jenkins of the Guardian put it, “the blockage was a global news event that was simple enough to explain to a child” (Jenkins, 2021). Considering most of the global issues of the last few decades, this was a truly remarkable and refreshingly simple problem. During my short lifetime the world has been through the “dotcom bubble”, the Great Recession and most recently the COVID-19 pandemic to name a few, all of which included complicated and multilayered reasons that lead to cascades of smaller issues compounding into global crises, be it regarding the internet,

the financial markets or public healthcare. None of those comes close to the problem of, again quoting Ben Jenkins, “Big Boat Stuck”.

## References

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