



C.H. ROBINSON

Client Advisory

March 29, 2021

UPDATE: Suez Canal

Dear Valued Customer,

The Ever Given vessel has been successfully re-floated. Currently, the canal is partly open and can accommodate single lane traffic. The vessel is expected to be towed to Bitter Lake for inspections which will further open the waterway. The result of that inspection will determine whether the ship can continue with its scheduled service and decisions will be made for the cargo currently on board.

Once traffic resumes, it's likely import and export delays will occur at the receiving ports since they are not set up to accommodate the number of incoming vessels all at once. Currently, there are over 350 vessels waiting to transit in both directions which may cause weeks of additional supply chain disruption. Historically, approximately 100 vessels utilize the Suez Canal daily and it can accommodate roughly 200 per day. Several ships have already been rerouted around the Cape of Good Hope to help with supply chain fluidity.

The canal blockage added another layer of congestion on an already strained global transportation market. Our team is closely monitoring how the below areas will be impacted from last week's event and what global shippers can expect in the coming weeks:

- **European port congestions:** Congestion has eased recently, but the vessels that have been anchored this past week could bunch as they arrive in EU ports. This could cause bottlenecks at the ports, inland transportation, warehouses, and exports out of the region as well.
- **Available capacity:** Historically, any inherent delays, like the Suez Canal, can result in blank/cancelled sailings. If blank/cancelled sailings occur, they will primarily be on the Asia to Europe trade route and likely around the second week of April through end of May.
- **Empty container availability:** Supply of empty containers have systematically been improving over the last few weeks in China and South East Asia, but the recent canal disruption may dampen the improvements.
- **Overall supply and demand:** Given delays, importers may start front loading to compensate the imbalance and shortages within the Asia to Europe and South East Asia to USEC.

As reverberation from the weeklong closure is expected, our team is working closely with customers to identify disruptions to their supply chain and implement contingency plans as needed.

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact your C.H. Robinson commercial representative for further information.

Sincerely,
C.H. Robinson

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.