



THE IMPLICATIONS OF CLOSING THE SUEZ CANAL TO SHIPPING

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The development of the East-West trade corridor provides Russia, Iran and China with more key markets in the Middle East, Africa and Europe. While this will lead to increased trade and investment between these countries and other nations along the corridor, boosting economic growth and creating new business opportunities, it could seriously dent the economies of the West.

As the ongoing conflict in the Red Sea forces shipping companies to redirect trade routes away from the Suez Canal, traditional Western trading partners, such as the United States and Europe, could well face disruption in trade volumes. At the same time, countries along the North-South corridor, particularly China and Russia, would experience increased trade. This shift in trade patterns could well result in additional geopolitical tensions and realignment of economic power.

The restriction of trade through the Suez Canal, following the attacks on vessels by Houthis in the Yemen, is leading to rising costs and increasing tensions between the East and the West. This will mean new and serious competition for Western firms, potentially leading to reduced market share and profitability, especially for those heavily reliant on exports.

The expansion of the North-South trading corridor could therefore pose geopolitical and security risks, due to the increased flow of goods and people. Conflicts and tensions will arise with countries or regions threatened by Russia and China's expanding influence. Let us not forget that Russia is in the process of establishing a deep-water port for its Navy in the Sudan.

The corridor's development may also raise concerns about the potential impact on political and strategic decisions in countries along the route. As China and Russia strengthen their economic ties with countries along the corridor, they could gain greater influence in the region. This would result in a realignment of geopolitical power away from the West, potentially shifting the balance of power in the global economy.

Conclusion

Overall, the expansion of the North-South trading corridor has the potential to significantly impact the world economy, leading to increased trade and investment, a shift in trade patterns, new competition for Western firms, geopolitical and security risks, and a realignment of geopolitical power. The specific outcomes will depend on numerous factors, including the response of the West and other major players in the global economy.