

## Suez Canal blockage: supply chain risks assessed

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International freight transport and logistics insurer TT Club has alerted supply chain operators to the consequential impact of disruption stemming from blockage of the Suez Canal. It has urged that supply chain operators allocate a greater emphasis on resilience.

TT Club said that global supply chains had already come under strain because of disruption caused by the pandemic had been further challenged by the blockage of the Suez Canal.

Mike Yarwood, TT's Managing Director, Loss Prevention, said that "beyond the delay to cargo on board those ships affected, there will inevitably be a knock-on impact for those involved in discharging the containers at destination ports when they finally arrive, as well as the final mile delivery carriers. While the immediate impact may be a lack of cargo arriving when expected, presenting market supply challenges, it is when the cargo does start to turn-up that further potential risks emerge."

TT Club noted that the arrival of large volumes of laden containers, coupled with the requirements for hinterland distribution, would create disruption at ports and terminals, straining throughput and yard capacities, and creating an accumulation of cargo.

It said that this was a complex risk and one that would not only affect destination hubs.

The Club warned that the situation would aggravate the ongoing global imbalance of container equipment, particularly on the East to West trade routes.

Yarwood said that "the risk of theft at ports and freight depots in this scenario is heightened and a greater focus on security is required. Whether it simply be at an overspill holding or storage area, or temporary warehousing, wherever and whenever cargo is not moving, it is more likely to be stolen. Those active in the supply chain should be mindful of these security risks"

Driver shortages, particularly in Europe were expected to soar through to the end of 2021, exacerbating potential hold-ups at ports and anchorages, slowing ship turnaround times.

TT Club said that the overall lack of capacity to move containers has the potential to create additional challenges. “Those seeking to secure road haulage capacity should be mindful of the associated security risks outlined in the recent TT Club/BSI joint cargo theft report, and take the advised steps in mitigating the threat of theft”, the Club said.

<https://www.ttclub.com/news-and-resources/news/press-releases/2021/suez-canal-blockage-supply-chain-risks-assessed/>