

**09– 01 – 2024**

**News:** Red Sea and Panama Canal

- Recent attacks on ships in the Red Sea trade route and the ongoing drought problem at the Panama Canal have raised worries about global trade disruptions.

## **Key Issues in the Red Sea and Panama Canal**

### **Presently**

#### **Red Sea**

- **Issue:** Chemical tanker MV Chem Pluto was struck by a drone attack, approximately 200 nautical miles off Gujarat's coast.
- MV Chem Pluto is a Liberia-flagged, Japanese-owned, and Netherlands-operated chemical tanker. It had started its journey carrying crude from Al Jubail, Saudi Arabia and was expected to arrive in New Mangalore, India.
- **Alleged Involved Entity:** It is believed to have been carried out by Houthi rebels based in Yemen, citing protest Israel's actions in Gaza.
- Houthi rebels are also engaged in a decade-long civil conflict with Yemen's government.

## Impact on India

- Concerns arise for Indian oil importers and exporters of key commodities like basmati and tea due to disruptions in this critical trade route.
- Disruption in the Red Sea route could increase Indian agricultural product prices by 10-20% as shipments reroute through the Cape of Good Hope.

## Panama Canal

- **Issue:** Due to drought conditions, shipping through the 51-mile stretch of the Panama Canal has decreased by over 50%.
- A naturally occurring El Nino climate pattern associated with warmer-than-usual water in the central and eastern tropical Pacific Ocean is contributing to Panama's drought.

## Impact

- This shortage of water is compelling vessels traveling from Asia to the US to opt for the Suez Canal, adding six extra days compared to the Panama Canal route.
- While the Bab-el-Mandeb Strait that leads to the Suez Canal in the Red Sea region connects Asia to Europe, the 100-year-old Panama Canal connects the Atlantic and Pacific Oceans.
- Both these routes are among the busiest in the world.

# Red Sea

- The Red Sea is a semi-enclosed tropical basin, bounded by northeastern Africa, to the west, and the Arabian Peninsula, to the east.
- The elongated and narrow-shaped basin extends between the Mediterranean Sea, to the north-west, and the Indian Ocean, to the south-east.
- At the northern end, it separates into the Gulf of Aqaba and the Gulf of Suez, which is connected to the Mediterranean Sea via the Suez Canal.
- At the southern end, it is connected to the Gulf of Aden, and the outer Indian Ocean, via the Strait of Bab-el-Mandeb.
- It is surrounded by desert or semi-desert areas, with no major freshwater inflow.

## Formation

- The Red Sea acquired its present shape over the past 4 to 5 million years, by slow seafloor spreading, a fact that makes it a geologically recent opening and one of the youngest oceanic zones on Earth.
- Today, the basin continues to widen at a rate of 1-2 cm per year.

## Biodiversity

- The unique habitats of the red sea support a wide range of marine life, including sea turtles, dugongs, dolphins, and many endemic fish species.

- Coral reefs mainly extend along the northern and central coasts, and decrease in abundance towards the southern region, as coastal waters become more turbid.

## The Reason why it is called Red Sea

- There are various theories as to how the name came about, with the most popular being a reference to the seasonal blooms of *Trichodesmium erythraeum* (a red-colored algae) near the water's surface.
- Other scholars believe it is linked to the way Asiatic languages often use colors to refer to cardinal directions, with “red” referring to “south” just as the Black Sea may be referring to the north.



## Bab-el-Mandeb Strait

- Bab-el-Mandeb Strait is located between **Yemen on the Arabian Peninsula, and Djibouti and Eritrea of Horn of Africa.**
- It **links the Red Sea to the Gulf of Aden and the Indian Ocean.**
- At its narrowest point, the strait is only 29 km wide.
- It is a key strategic channel for commerce and trade, with an **estimated 4% of global oil supply passing through it.**
- It makes the **shortest route between Atlantic Ocean and Indian Ocean.**
- Atlantic Ocean – Mediterranean Sea – Suez Canal (Egypt) – Red Sea – Bab-el-Mandeb Strait – Gulf of Aden – Indian Ocean.
- **90% of trade between Asia and Europe occurs through this route.** It connects the Red Sea to the Gulf of Aden.
- China has created a military base in **Djibouti** in Horn of Africa (Eritrea, Ethiopia, Djibouti, and Somalia) to add to the **String of Pearls.**

## Panama Canal

- The Panama Canal is an **82 km artificial waterway in Panama, connecting the Atlantic and Pacific Oceans and dividing North and South America.**
- It **allows ships to avoid the lengthy and dangerous voyage around Cape Horn.**
- Panama itself **forms an isthmus (a narrow land strip connecting two larger landmasses) between North and South America.**

- This differs from straits, which are narrow waterways joining larger bodies of water, like the Strait of Gibraltar.
- The canal lifts ships through locks to Gatun Lake and then lowers them.
- Originally under French control in the late 1800s, the United States completed the project in 1914 and managed it until 1999 when Panama took over.
- It's now operated by the Panama Canal Authority.



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# Suez Canal

- The Suez Canal is an artificial sea-level waterway running north to south across the Isthmus of Suez in Egypt, to connect the Mediterranean Sea and the Red Sea.
- The canal separates the African continent from Asia.
- It provides the shortest maritime route between Europe and the lands lying around the Indian and western Pacific oceans.
- It is one of the world's most heavily used shipping lanes, carrying over 12% of world trade by volume.
- It provides a crucial link for oil, natural gas and cargo being shipped from East to West.
- As per Suez Canal Authority (SCA) data, in 2020, nearly 19,000 ships, or an average of 51.5 ships per day, with a net tonnage of 1.17 billion tonnes passed through the canal.
- The canal is a major source of income for Egypt's economy, with the African country earning USD 5.61 billion in revenues from it last year.
- In 2015, Egypt announced plans to further expand the Suez Canal, aiming to reduce waiting times and double the number of ships that can use the canal daily by 2023.



## History

- The Suez Canal is the first canal that directly links the Mediterranean Sea to the Red Sea. It was opened for navigation in November 1869.
- The 150-year-old canal was controlled by British and French interests in its initial years but was nationalized in 1956 by Egypt.
- Suez Crisis, international crisis in the Middle East, precipitated in July 1956, when the Egyptian president, Gamal Abdel Nasser, nationalized the Suez Canal. The canal had been owned by the Suez Canal Company, which was controlled by French and British interests.
- The Canal was closed five times; the last time was the most serious one since it lasted for 8 years. The Canal was then reopened for navigation in June 1975.

