

Suez, Panama and the Arctic routes – the passages world trade runs through

Upcoming episode

Suez, Panama and the Arctic routes explained: why a few narrow places decide world trade, what Panamax and Neopanamax mean, why drought stops ships in Panama, and what the detour around Africa actually costs.

MAIN TOPICS

- Why a handful of places decide so much
- Suez – the canal without locks
- Panama – the canal that runs on fresh water
- Panamax and Neopanamax, and what the dimensions mean
- Arctic routes, and what actually limits them
- The detour around the Cape of Good Hope
- What a blocked route costs
- How to read the news about this

QUESTIONS THIS EPISODE ANSWERS

- Why are Suez and Panama so important?
- What is the difference between the two canals?
- What do Panamax and Neopanamax mean?
- Why does drought limit the number of ships through Panama?
- How much shorter is the Arctic route?
- Why is the Northern Sea Route not used more?
- What happens when ships have to go around Africa?

KEY POINTS

- Sea transport is cheap over distance, but vulnerable at a few narrow points.
- Suez has no locks. Panama has locks, and they consume fresh water.
- Panama's constraint is water, not space – drought reduces the number of daily transits.
- The Neopanamax locks take vessels up to 370.33 metres long and 51.25 metres wide.
- Arctic routes are shorter in distance, but limited by ice, season, escort and insurance.
- The detour around the Cape adds weeks, and ties up ships that then disappear from the market.
- A route closed for some is more expensive for everyone.

SOURCES AND REFERENCES

- Panama Canal Authority – Discover the Expanded Canal
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<https://pancanal.com/en/panama-canal-extends-maximum-length-overall-and-increases-draft-for-neopanamax-locks/>
- Panama Canal Authority – measures to address reduced precipitation in the canal watershed
<https://pancanal.com/en/panama-canal-adopts-additional-measures-to-address-reduced-precipitation-in-the-canal-watershed/>

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