

Global Supply Chain Threats from Geopolitical Tension and Environmental Uncertainty: The 2024 Red Sea and Panama Canal Crises



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A series of disruptions and shocks to world trade, such as the wars in Ukraine and Gaza, the Red Sea crisis and the Panama Canal draught, have inflicted serious blows on the reliability of logistics and global supply chain management; in other words, on the very ‘system’ not only of trading but of organizing our every day lives. Here, I am attempting to describe measurable impacts of such ‘shocks’ on trading arrangements; on shifts in ocean routings (e.g., circumnavigating Africa); shipping costs; on old and new alternatives to areas of high risk (e.g., Red Sea); on resilience of maritime supply chains; and, finally, on ideas of shortening global supply chains (nearshoring; friendshoring) and the future of globalization. In all this, the importance of safety and security of infrastructure is highlighted and, therein, the strategic role of ‘chokepoints’ (Bab Al-Mandab (Gulf of Aden), Red Sea, Malacca Straits, Panama Canal, etc.) is explained with real current examples. Seminal contributions (and references) from global think-tanks are critically analyzed and synthesized.

Biography:

Since 1992, Hercules Haralambides is Professor of Maritime Economics and Logistics (MEL), having taught at 9 universities (and in 7 different countries), most prominent of which being Erasmus University Rotterdam, National University of Singapore, and Singapore Management University. Currently, he is also “Distinguished Chair Professor” at Dalian Maritime University (China) and researcher at the Sorbonne Center for Economics – Sorbonne University. Hercules is the founder of the Erasmus Center for Maritime Economics and Logistics (MEL) (www.maritimeeconomics.com) and also the founding (and current) Editor-in-Chief of the quarterly journal Maritime Economics & Logistics (MEL), published for the last 25 years. In the period 2011-2015 Professor Haralambides was President of the Italian port of Brindisi and at the end of that period (2015) he established “Haralambides & Associates”: a global maritime think-tank engaged in executive education and strategic policy analysis.