Impact of Red Sea re-opening

With the recent ceasefire between Israel and Hamas, in issue 737 of the *Sea-Intelligence Sunday Spotlight*, we modelled the potential impact on container shipping should shipping lines resume the Suez Canal transit. It must be stressed that our analysis does not predict when that re-opening might occur, considering that the Houthis have not yet declared a ceasefire, and that the lines did not switch back to the Suez routing during the last ceasefire. Instead, what we have done is calculate the quantitative effects, if shipping lines revert to a Suez routing.

The two primary impacts would be a significant release of global vessel capacity currently absorbed by longer voyages, and a potentially disruptive surge in cargo arrivals into Europe.

Our analysis quantified the capacity absorbed by round-Africa diversions across Asia-Europe and relevant Asia-North America East Coast services, accounting for the roughly four additional vessels needed per round trip for affected services. We then modelled the European import surge under different scenarios, ranging from an instantaneous switch back to Suez by all shipping lines, to a more gradual phase-in over 2, 4, or 6 weeks.

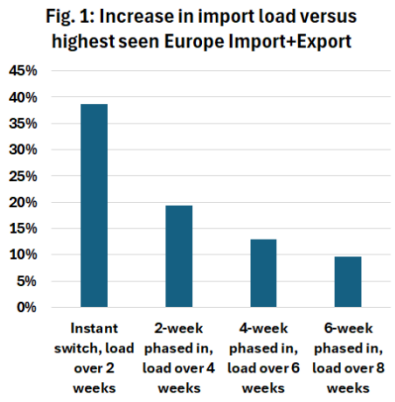

Figure 1 shows the potential increase in weekly European port workload (imports plus exports) compared to the highest historical levels ever recorded. An instant switch back to Suez would shorten supply chains dramatically, causing a temporary doubling of arrivals from Asia for two weeks. This translates to a 39% surge in total port handling volumes, compared to the previous all-time peak. Even a gradual phase-in over 8 weeks would still result in a 10% increase above previous record highs, during that period. Given that the previous peak in March 2025 already caused significant congestion problems in Europe, even a phased switchover presents a considerable challenge for port infrastructure. Globally, a return to Suez routing would release approximately 2.1 million TEU of nominal capacity, equivalent to 6.5% of the current global fleet.

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