Suez Canal Incident Impacts

June 21, 2021
Event Observations:

- Global shipping remains a niche enterprise and not well understood and/or reported outside industry specific news sources.

- Event is over but "Ever Given" remains embargoed in Suez Canal and unable to continue its voyage pending negotiated settlement.

- Vessel owners, charter parties, and vessel operators need not be one in the same. Leads to bifurcated and complex identification of "responsible party" when a crisis occurs.

- Cargo owners may have a financial obligation to Evergreen under "General Average" maritime law.

- Increased focus on cargo insurance
Overview of Ever Given Impacts

- Approximately 11 North-Bound vessels calling PONYNJ were impacted.
- Contingency routing optionality is itself a complex undertaking.
- Initial response is to "wait it out".
- From a cargo perspective, this was mostly an Asia-Europe event.
- Most impacts to cargo destined to U.S. was in delayed shipments: 9-20 days.
- No vessels by-passed PONYNJ due to delays.
- One vessel called Norfolk first before calling PONYNJ.
- 5 vessels opted for the Cape of Good Hope routing.
Learnings

- Continued Pilot training on 16,000+ TEU class vessels for "KVK"
- Protocol for tug deployment: how many and under what conditions
- Requirement for "back-up" resources in case of vessel related issues: tugs, private dredge fleet, ACOE dredge fleet, etc.....
- Resiliency protocol in constrained navigation channels
Thank you

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