

Suez Canal Authority and MSC Group discuss developments and situation in Red Sea

16 February 2024 | News

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The Chairman of the Suez Canal Authority, Admiral Ossama Rabiee, held a video conference meeting with Soren Toft, the CEO of the MSC Group, along with Tarek Fahmy, the Chairman of the Board of Directors of MSC Group in Egypt. The meeting was aimed at discussing ways of cooperation and reviewing the navigation policies of MSC in the Suez Canal.

The meeting also addressed the recent developments in the Red Sea and Bab Al-Mandab region. Admiral Rabiee expressed the Suez Canal Authority's eagerness to consult with its clients continuously, coordinate with them directly, and identify joint working mechanisms that can reduce the current crisis's impact on trade traffic through the Canal and global supply chains.

Admiral Rabiee praised the successful strategic relationship between the Suez Canal Authority and MSC and expressed his understanding of the security concerns of the MSC group affecting its navigation policies in the Suez Canal. He also expressed his readiness to cooperate and meet the requirements of the current stage, which is witnessing various challenges.

On the other hand, the CEO of MSC Group, Soren Toft, confirmed that the group is ready to resume crossing the Suez Canal as soon as the security situation stabilises in the Red Sea and Bab Al-Mandab region. However, the current situation in the Red Sea region is very complicated and imposes security concerns about the safety of crews, sailors, and transiting vessels, as some of the group's vessels were subjected to attacks while crossing Bab Al-Mandab.

Toft expressed his appreciation for the joint coordination with the Suez Canal Authority to overcome the challenges imposed by the current situation in the Red Sea region, which hurts global supply chains due to the delayed arrival of goods and commodities caused by increased navigation intervals.

Toft stressed the keenness of the MSC Group to enhance cooperation with the Egyptian state and the Suez Canal in the coming period, noting the Group's intention to invest more in promising logistics projects.

The UN's trade and development body, UNCTAD, has raised profound concerns over escalating disruptions to global trade.

UNCTAD's head of trade logistics, Jan Hoffmann underlined maritime transport's critical role in international trade, noting that it is responsible for approximately 80 per cent of the global movement of goods.

The Suez Canal, a critical waterway connecting the Mediterranean Sea to the Red Sea, handled approximately 12 per cent to 15 per cent of global trade in 2023. UNCTAD estimates that the trade volume going through the Suez Canal decreased by 42 per cent over the last two months.

The ongoing conflict in Ukraine has also triggered substantial shifts in oil and grain trades, reshaping established trade patterns.