



Red Sea and Panama Canal

For Prelims: [Red Sea trade route](#), Panama Canal, [Cape of Good Hope](#), [Houthi rebels](#), [Suez Canal](#), [Ben Gurion Canal Project](#), MV Chem Pluto.

For Mains: Key Issues in the Red Sea and Panama Canal, Significance of Maritime Transport in Global Trade.

Source: [IE](#)

Why in News?

Recent attacks on ships in the [Red Sea trade route](#) and the ongoing drought problem at the **Panama Canal** have raised worries about global trade disruptions.

What are the Key Issues in the Red Sea and Panama Canal Presently?

▪ Red Sea:

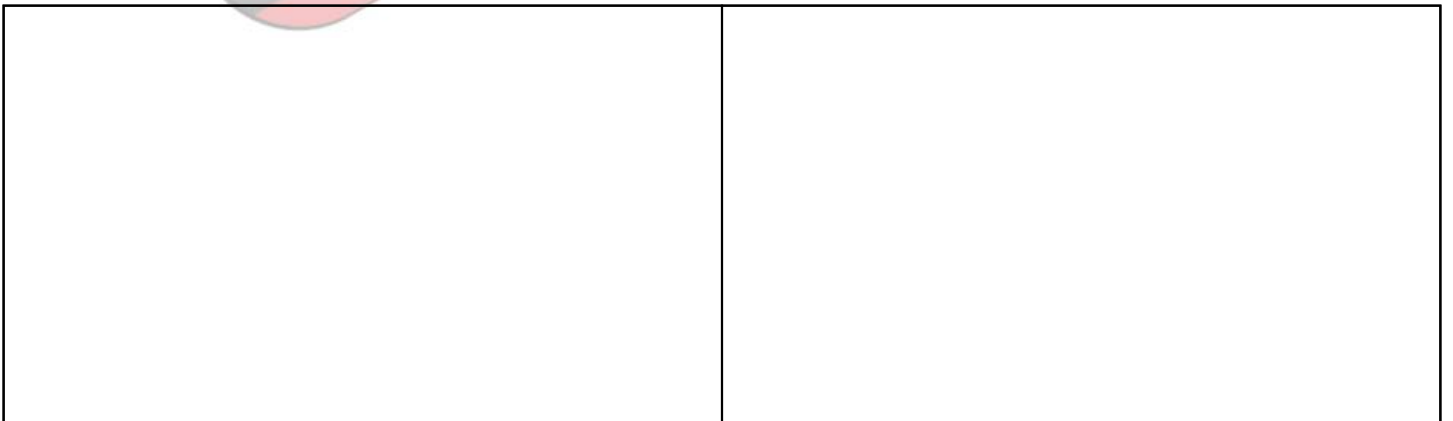
- **Issue: Chemical tanker MV Chem Pluto** was struck by a drone attack, approximately 200 nautical miles off Gujarat's coast.
 - **MV Chem Pluto** is a Liberia-flagged, Japanese-owned, and Netherlands-operated chemical tanker. It had started its journey carrying crude from **Al Jubail, Saudi Arabia** and was expected to arrive in **New Mangalore, India**.
- **Alleged Involved Entity:** It is believed to have been carried out by [Houthi rebels based in Yemen](#), citing protest against **Israel's actions in Gaza**.
 - Houthi rebels are also engaged in a **decade-long civil conflict with Yemen's government**.
- **Impact on India:** Concerns arise for Indian **oil importers** and **exporters of key commodities like basmati and tea** due to disruptions in this critical trade route.
 - Disruption in the Red Sea route could **increase Indian agricultural product prices by 10-20%** as shipments reroute through the [Cape of Good Hope](#).

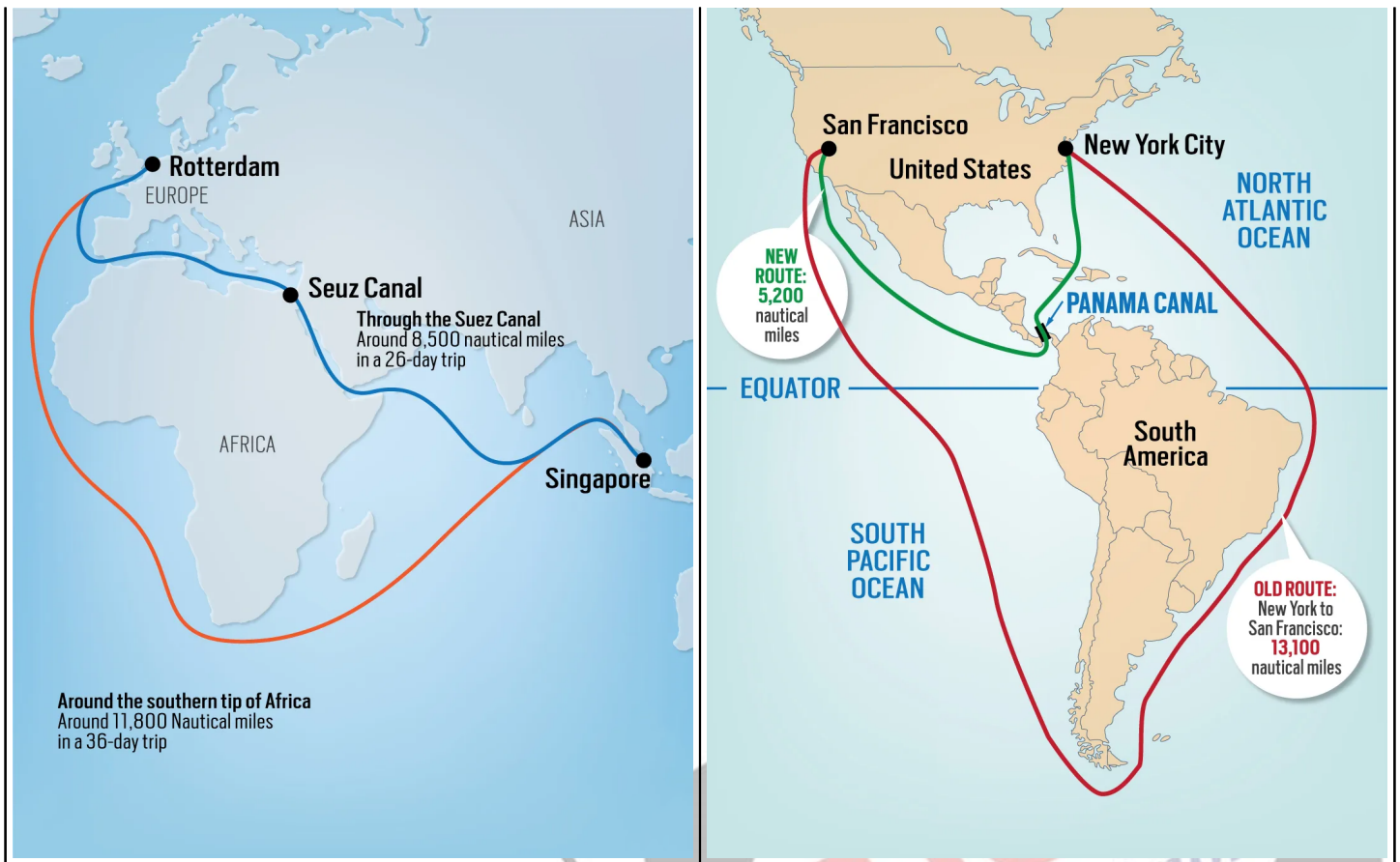


Note

Global oil and petroleum flows have declined due to major shipping companies avoiding the Red Sea. However, **India's oil imports from Russia remain unaffected.**

- **India's reliance on Russian oil**, perceived as Iran's ally, has remained stable amid the conflict in the Red Sea.
- **Panama Canal:**
 - **Issue:** Due to drought conditions, shipping through the **51-mile stretch of the Panama Canal has decreased by over 50%**.
 - A naturally occurring **El Nino climate pattern** associated with warmer-than-usual water in the central and eastern tropical Pacific Ocean is contributing to Panama's drought.
 - **Impact:** This shortage of water is compelling vessels traveling from **Asia to the US to opt for the Suez Canal**, adding six extra days compared to the Panama Canal route.
 - While the **Bab-el-Mandeb Strait that leads to the Suez Canal in the Red Sea** region connects Asia to Europe, the 100-year-old Panama Canal connects the Atlantic and Pacific Oceans.
 - **Both these routes are among the busiest in the world.**





What is the Significance of Maritime Transport in Global Trade?

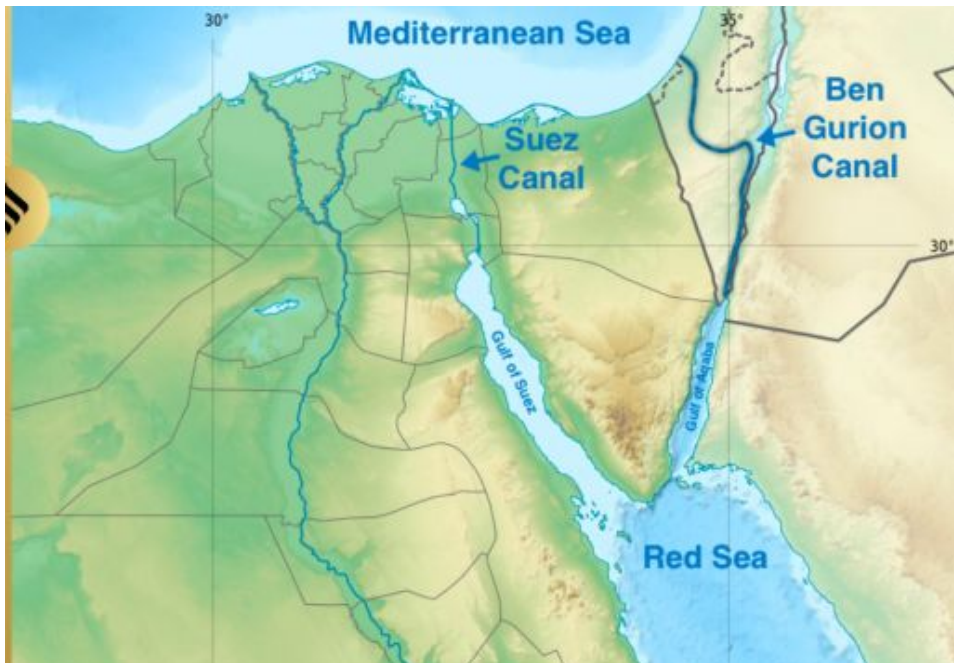
- **Unrivalled Volume and Value Carrier:** Maritime transport shoulders a colossal **80% of global trade by volume and over 70% by value**, far surpassing other modes of transportation **as per the [United Nations Conference on Trade and Development](#)**.
 - As of 2019, the total value of the annual world shipping trade had reached more than **14 trillion US Dollars**.
- **Environmental Considerations:** While shipping does contribute to around **3% of global greenhouse gas emissions**, it is relatively more fuel-efficient and emits less per ton of cargo transported compared to other modes of transportation like air freight.
- **Energy Transportation:** The majority of the world's energy resources, such as oil and natural gas, are transported by sea. Tankers carry these resources from **production areas to consuming regions**, playing a critical role in meeting global energy demands.

What Measures India can Adopt to Reduce Vulnerability to These Issues?

- **Joint Maritime Security Initiative:** Propose a collaborative security framework with key Red Sea stakeholders (**Egypt, Saudi Arabia, UAE, Yemen**) involving **intelligence sharing, coordinated patrols, and joint exercises**.
- **Deploy Advanced Surveillance Systems:** Install **integrated radar and drone surveillance** systems along India's western coastline to enhance early threat detection and response capabilities.
- **Negotiate Preferential Access:** Engage with **Panama Canal authorities to explore preferential passage for Indian vessels** or potential toll discounts for specific routes.

Alternate Trade Routes Under Consideration

Recently, there has been renewed interest in the **[Ben Gurion Canal Project](#)**, a proposed 160-mile-long sea-level canal that would connect the **Mediterranean Sea** with the **Gulf of Aqaba**, bypassing the Suez Canal.



UPSC Civil Services Examination, Previous Year Question:

Q. Consider the following pairs: (2019)

Sea Bordering Country

1. Adriatic Sea : Albania
2. Black Sea : Croatia
3. Caspian Sea : Kazakhstan
4. Mediterranean Sea : Morocco
5. Red Sea : Syria

Which of the pairs given above are correctly matched?

- (a) 1, 2 and 4 only
(b) 1, 3 and 4 only
(c) 2 and 5 only
(d) 1, 2, 3, 4 and 5

Ans: (b)