RISK INTELLIGENCE

INTELLIGENCE • EVIDENCE • IMPACT

GEOGRAPHIC RISK MONITORING

Suez Canal

Rapid assessment of people, assets, priority risks, decision triggers, disruption exposure, and accountability.

LOCATION / AREA OF CONCERN	WHY IT MATTERS	STATUS	LAST REVIEWED
Suez Canal and connected eastern Mediterranean-Red Sea routes	The canal can remain physically open while insecurity, carrier confidence and toll policy still impose Europe-Asia delays and cost. FY2025-26 revenue of $4.67bn sits far below the $9.4bn FY2022-23 peak despite a 23% year-on-year rise. Volume depends on southern Red Sea transit, covered in the Bab el-Mandeb card (Critical).	Elevated	10 AUG 2026

PEOPLE AND ASSETS EXPOSED

PERSONNEL	FACILITIES / EQUIPMENT	SUPPLY CHAIN / DATA	CUSTOMERS / COMMITMENTS
Canal crews, vessel crews, port, terminal and logistics personnel	Canal infrastructure, vessels, terminals, cargo and salvage capacity	Europe-Asia routes, schedules, vessel capacity, freight and trade data	Importers, exporters, carriers, Egypt, manufacturers, retailers and customers

PRIORITY RISK AND BUSINESS EXPOSURE

#	RISK EVENT	WHO ABSORBS IMPACT	LIKELIHOOD	IMPACT	DISRUPTION COST	OPERATIONAL EFFECT
1	Structural suppression of canal use persists below pre-2023 levels	Carriers and Egypt first; shippers, manufacturers and consumers later	H	H	Severe | $1M+	Suez transits held flat through the July escalation (275 in the week to 2 Aug against 273 prior) while Bab el-Mandeb fell 24%. Further decline is conditional on the Houthis widening targeting.
2	Grounding, collision, or technical failure blocks or restricts transit	Vessels, ports, manufacturers, retailers and time-sensitive customers	M	H	Severe | $1M+	Queues create demurrage, missed connections, production delay and working-capital pressure.
3	Traffic returns faster than networks can absorb	Carriers, terminals, warehouses, inland transport and customers	L-M	M	Moderate-High	Conditional on Red Sea and Hormuz de-escalation. The three largest East-West container lines remain suspended or paused, and the withdrawn rebate failed to draw them back.
4	SCA toll increases raise the cost of using the canal	Carriers and charterers first; cargo owners through freight and bunker terms	H	M-H	Moderate-High	Realized. Surcharges effective 15 Jul 2026: 12% on container ships, up to 37% on crude and petroleum tankers. The 15% container rebate, worth at least $70K per transit, was withdrawn on 7 Apr 2026.
5	Draught-constrained tanker workarounds add handling steps and cost	Tanker owners, charterers, energy buyers and downstream industry	H	M	Moderate-High	VLCC transits have quadrupled. Vessels loading at Yanbu lighten at load or part-discharge at Ain Sukhna to meet Suez draught limits, then top up at Sidi Kerir via the Sumed pipeline.

DECISION TRIGGERS

#	OBSERVABLE TRIGGER	THRESHOLD / SOURCE	REQUIRED ACTION
1	Canal closure, grounding, or queue exceeds 24 hours	Suez Canal Authority, vessel tracking and carrier notices	Map all in-transit and planned shipments. Quantify delay, demurrage, stockout, working-capital and alternative-route cost.
2	Top-tier carriers suspend or restore full-capacity transits	Carrier announcements confirmed by SCA traffic data	Refresh route assumptions across ocean, port and inland networks. Reserve capacity and reprioritize inventory before congestion migrates downstream.
3	Further SCA toll revision, or a change to the Joint War Committee listed area	SCA circulars, JWC notices and broker advisories	Reprice affected voyages and confirm who bears toll and war-risk cost under charter and sales terms. The JWC has already extended the Red Sea listed area about 800 km north, so Jeddah and Yanbu calls attract additional premium.

ANALYST ASSESSMENT / COST BASIS / KEY GAP

Assessment: An open canal does not equal normal commercial capacity. Carrier confidence determines actual use, while rapid route changes can move congestion between the canal, ports, warehouses and inland transport. Input shortages can lead to secondary delays at the manufacturing level. The business impact is therefore a network problem, not only a canal-closure problem. Two features define the current phase. Suez volume held flat through the July escalation while Bab el-Mandeb fell 24%, so the immediate pressure sits on cost. The SCA has also moved from incentive pricing to pricing power, which makes part of that increase certain and contractual.

Cost basis: Severe exposure ($1M+) for a closure or sustained avoidance reflects rerouting, fuel, charter time, demurrage, missed connections, inventory carrying cost, production delay and lost or deferred revenue across multiple shipments. Moderate-to-High exposure ($50K-$1M+) applies when congestion and schedule volatility affect a smaller shipment set without a full route shutdown. Toll cost is now a separate and certain line: 12% on container ships and up to 37% on crude and petroleum tankers from 15 Jul 2026, with the 15% container rebate removed on 7 Apr 2026.

So what: Restored canal access can still produce losses if ports, equipment and inland networks cannot absorb returning volume. Leadership must evaluate the full route from origin to customer, because disruption can migrate downstream after the canal itself appears stable. War-risk pricing has already moved: southern Red Sea rates went from roughly 0.3% to above 1% of hull value in the week of 20 Jul 2026, and the Joint War Committee has extended the listed area north to cover Jeddah and Yanbu. Cover remains available on restrictive terms that change voyage economics.

Key gap: Shipment schedules, carrier policies, port and inland dependencies, inventory cover, shipment value, demurrage terms and customer tolerance for delay. Also, which contracts allow toll surcharges and war-risk cost to be passed through, and current draught and lightering exposure on tanker cargoes.

Sources: Lloyd's List Intelligence Red Sea Brief and Red Sea Transit Monitor, 6 Aug 2026 (transit counts). SCA circulars on transit surcharges effective 15 Jul 2026, and withdrawal of the containership rebate on 7 Apr 2026. SCA quarterly and fiscal-year revenue statements, Aug 2026. Al Jazeera and S&P Global on war-risk pricing, 23 Jul 2026. Joint War Committee listed-area revision. SCA figures are self-reported by an interested party and are cross-checked here against independent transit tracking.