

Supply Chain

Global Sea Routes

Choke Points

The **Good**, the **Bad** and the **Ugly** Choke Points

Εφοδιαστική Αλυσίδα
Παγκόσμιες Θαλάσσιες Διαδρομές
Σημεία Σύσφιξης ?

Τα καλά, τα κακά και τα άσχημα σημεία ?

- **The International Trade Theories and Practice via the Free Trade Agreements and Economic Blocks on the planet.**
- **We realized that Global Trade is vital for the local economy, but governments and policy makers should be very careful.**
- **The balance between**

AUTARKY & DEPENDANCE

is a choice between

**economic independence and social policies
dependance on external forces mostly.**

- **Nevertheless, Global Trade is important.**

- Οι Θεωρίες και η Πρακτική του Διεθνούς Εμπορίου μέσω των Συμφωνιών Ελεύθερου Εμπορίου και των Οικονομικών Μπλοκ στον πλανήτη τονίζουν την οικονομική συνεργασία.
- Το Παγκόσμιο Εμπόριο είναι ζωτικής σημασίας για την τοπική οικονομία.
- Αλλά οι κυβερνήσεις και οι υπεύθυνοι χάραξης πολιτικής θα πρέπει να είναι πολύ προσεκτικοί.

• Η ισορροπία μεταξύ

ΑΥΤΑΡΚΙΑΣ & ΕΞΑΡΤΗΣΗΣ

είναι μια επιλογή μεταξύ

οικονομικής ανεξαρτησίας και κοινωνικής πολιτικής που εξαρτάται κυρίως από εξωτερικές δυνάμεις.

• Παρ' όλα αυτά, το Παγκόσμιο Εμπόριο είναι σημαντικό.

- After we have managed to promote our goods, products and even services to targeted markets and countries...
- There is always a real **NEED** to transfer and transport the products to these markets ...
- So **SHIPPING** is the efficient (cheapest) and most effective way to do so ...

- Αφού καταφέρουμε να προωθήσουμε τα αγαθά, τα προϊόντα, ακόμη και τις υπηρεσίες μας σε στοχευμένες αγορές και χώρες...

- Υπάρχει πάντα μια πραγματική ΑΝΑΓΚΗ για τη
μεταφορά των προϊόντων
σε αυτές τις αγορές...

- Έτσι, η **ΝΑΥΤΙΛΙΑ** είναι ο αποτελεσματικότερος (φθηνότερος) και πιο αποτελεσματικός τρόπος για να το κάνουμε αυτό...

The NEED to TRANSPORT ...

And manage ...

Sea Supply Chains

and having ... **Easy access to sea routes**



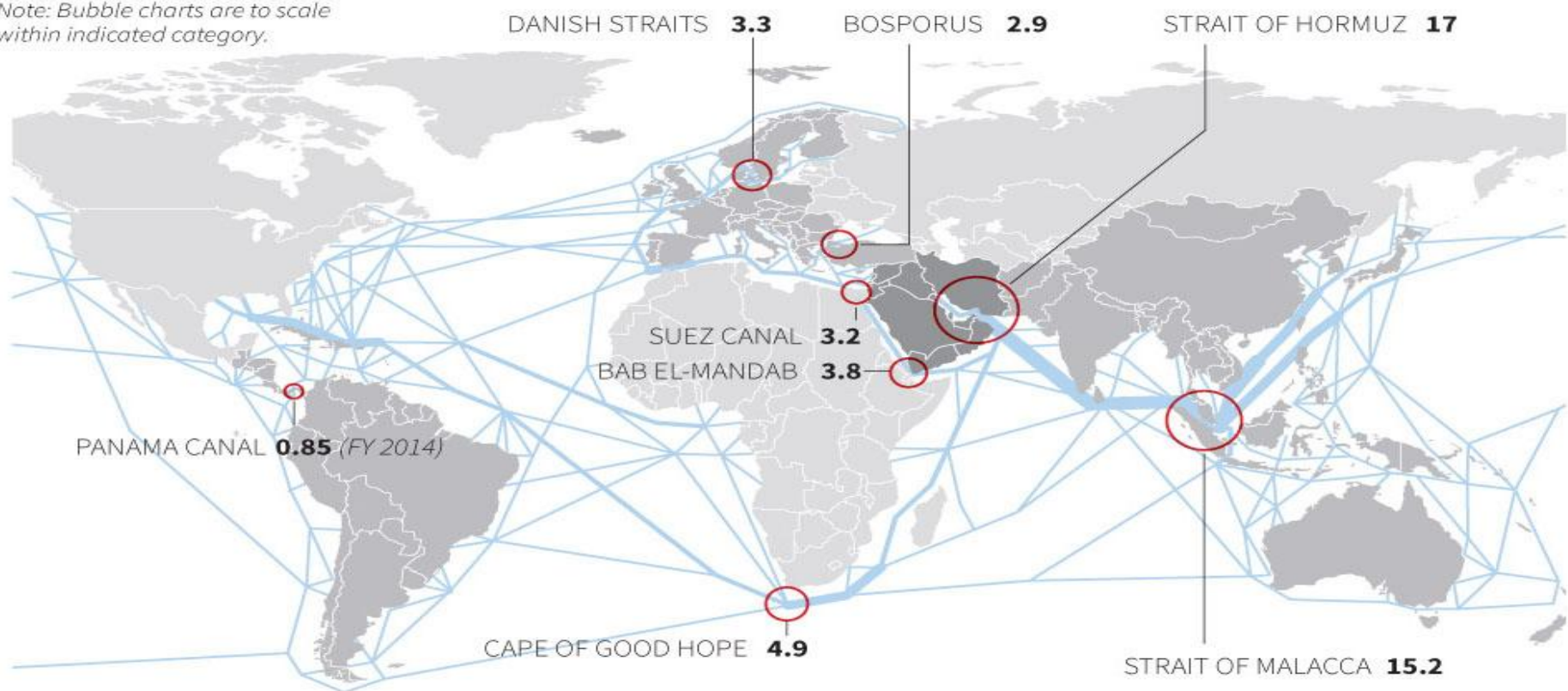
Flows of Oil Supply

Oil transit chokepoints

About half of the world's oil production is moved by tankers on fixed maritime routes. The blockage of a chokepoint, even temporarily, can lead to substantial increases in total energy costs. Oil transit chokepoints are therefore a critical part of global energy security.

OIL TRANSIT CHOKEPOINTS
Million of barrels of oil moved per day, 2013 (unless otherwise indicated)

Note: Bubble charts are to scale within indicated category.



MAJOR OIL MOVEMENT – IN 2005, IN MILLION TONNES:

Flow Category (Million tonnes)	Color
1-100	Light Blue
101-200	Medium Blue
201-300	Dark Blue
> 300	Very Dark Blue

Sources: U.S. Energy Information Administration, International Tanker Owners Pollution Federation

Staff, W. Foo, 26/3/2015

**Can you imagine the
social unrest and unhappiness
if there is no Oil or Gas**

Recent Examples:

- 1) Closing the Suez Canal - March 2021**
- 2) No Gas in Britain - Sept. 2021**
- 3) Increase prices of 15-20% in Cyprus - Now**

1) Suez blocked by one ship – March 2021 ...



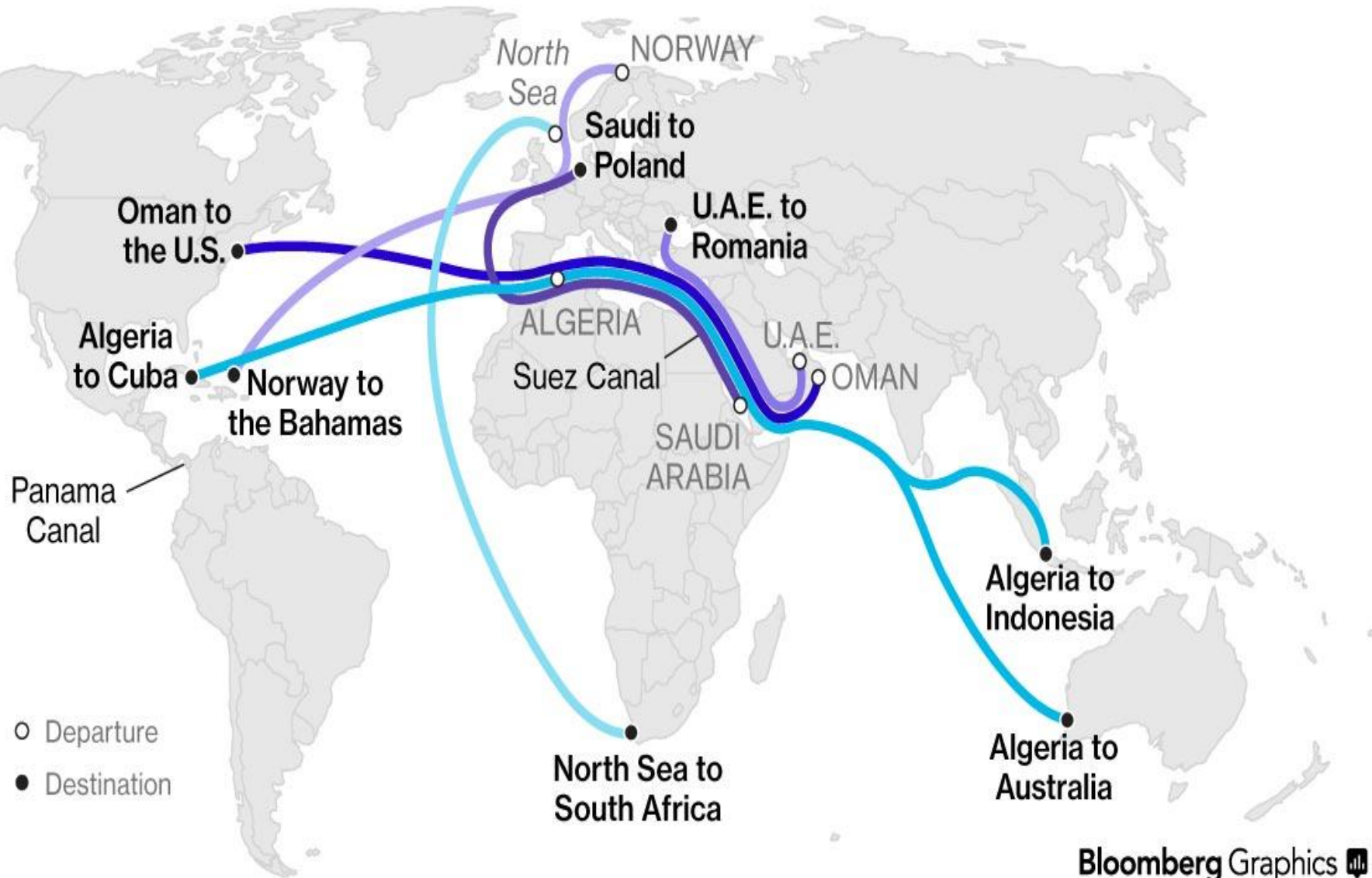
... Commercial Ships blocked ...



Holidays too stopped ...

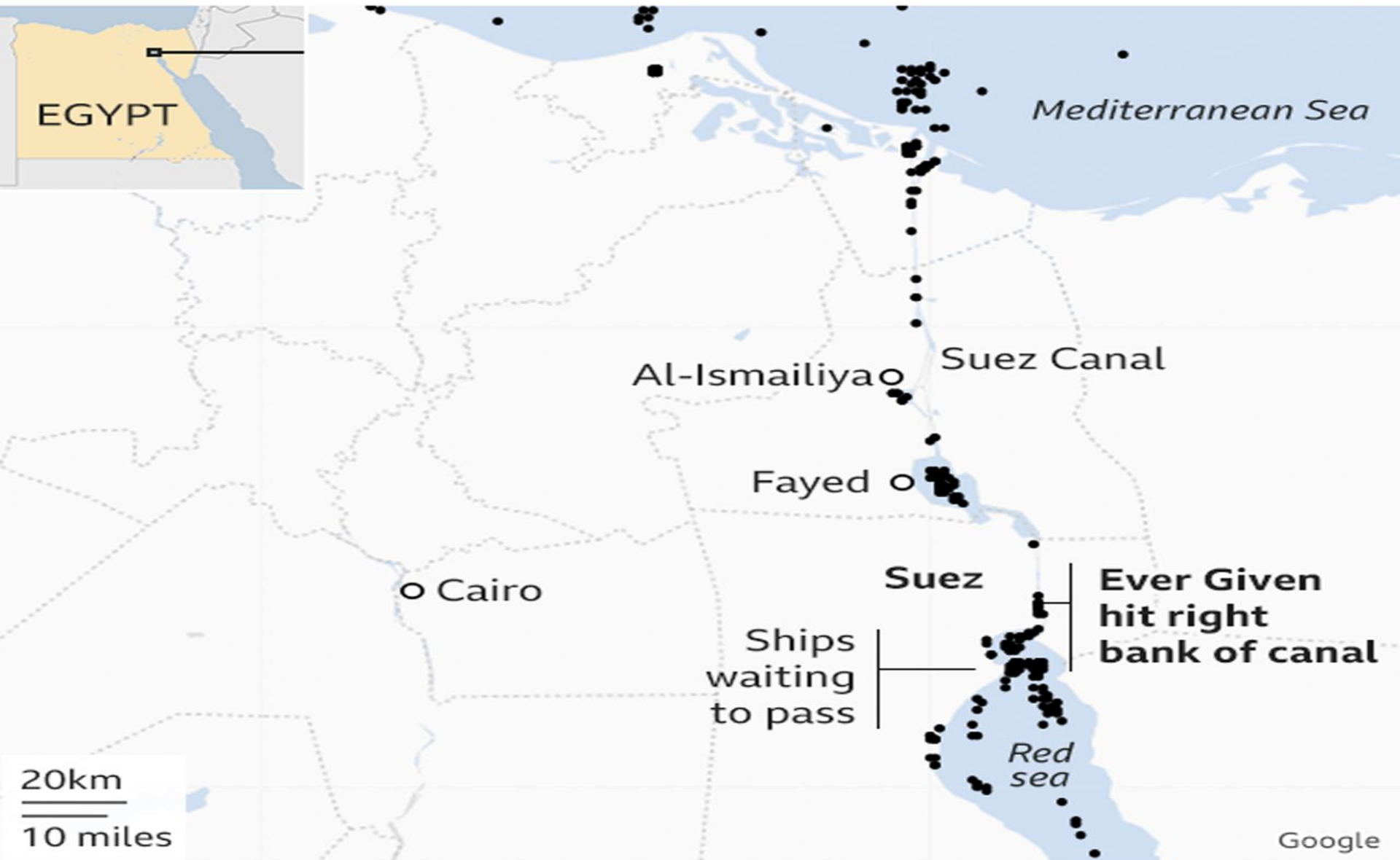
Crude Holidays on the High Seas

With low crude prices and shipping rates, oil traders are taking the long way round



Global commercial & Geopolitics consequences ...

Suez canal blocked



Source: MarineTraffic.com, 24 March, 09.55 GMT

And the alternatives too costly ...

Alternative route for shipping while Suez Canal blocked

— Using Suez Canal
10,000 nautical miles
(18,520km)
25.5 days*

— Around Cape of Good Hope
13,500 nautical miles
(25,002km)
34 days*

*Based on ship's average speed of 16.43 knots



2) No Gas in Britain ...



**FUEL CRISIS ESCALATES
IN UK**

No gas for days ...



Inefficiencies ...



Gas prices to the roof ...

Gas prices have soared in the last year

Price per therm, pence



Source: ICE, Bloomberg. Last update: 20/09/2021 16:00 BST

Gas prices in the UK could trigger food shortages within weeks



...and the blame ...

Boris Johnson's Brexit choices are making Britain's fuel and food shortages worse

Analysis by [Hanna Ziady](#), [CNN Business](#)
Updated 1348 GMT (2148 HKT) September 29, 2021

3) Prices - Cost of Living in Cyprus ...

Prices in Cyprus

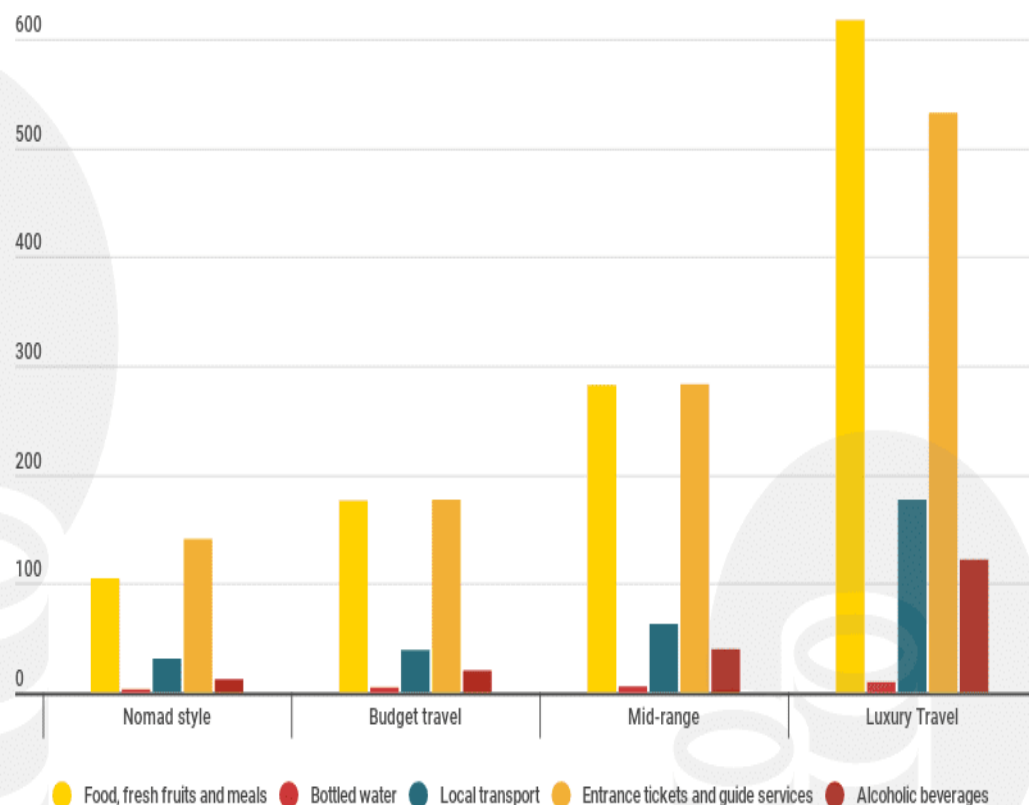
Find out about average prices in Cyprus, including food prices, restaurants, beer, accommodation, transportation and more.



If you want to spend a week in Cyprus the cost of your stay will be:

	92€ \$100 Hotel Prices		12€ \$13 Meal in a cheap restaurant
	166€ \$182 Car hire		3.00€ \$3.30 Local beer
	1.50€ \$1.60 One-way ticket		2.10€ \$2.30 Espresso coffee
	1.00€ \$1.10 Taxi 1km + Starting Fare: 4.50€ \$4.90		0.60€ \$0.66 Water (0.33 liter bottle)

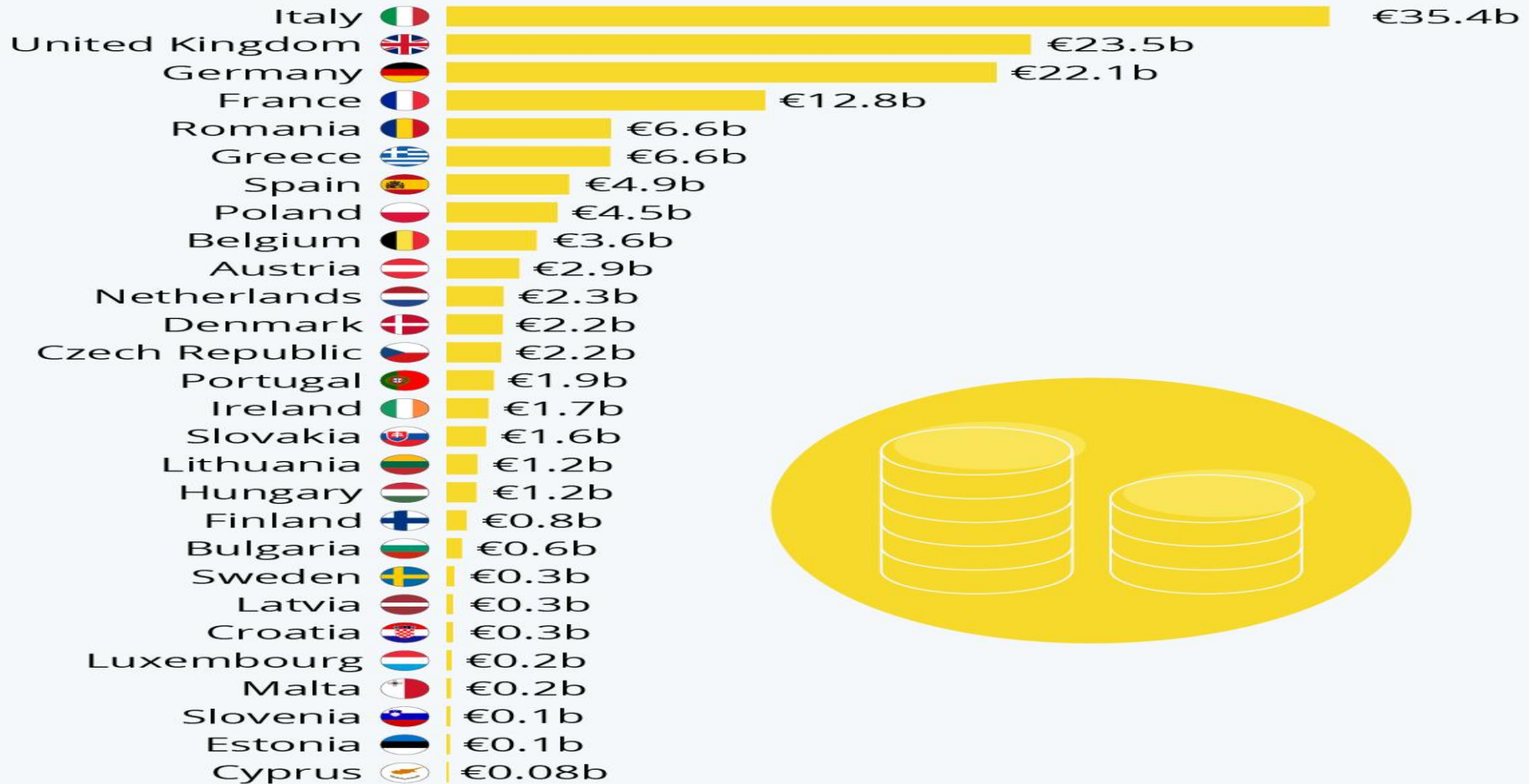
 Currency in Cyprus is Euro. \$1 USD = 0.91 EUR



Government Efficiency ...Tax Collection

Mind The Gap: Uncollected VAT Cost The EU €140 Billion In 2018

Estimated VAT Gap in the European Union in 2018*

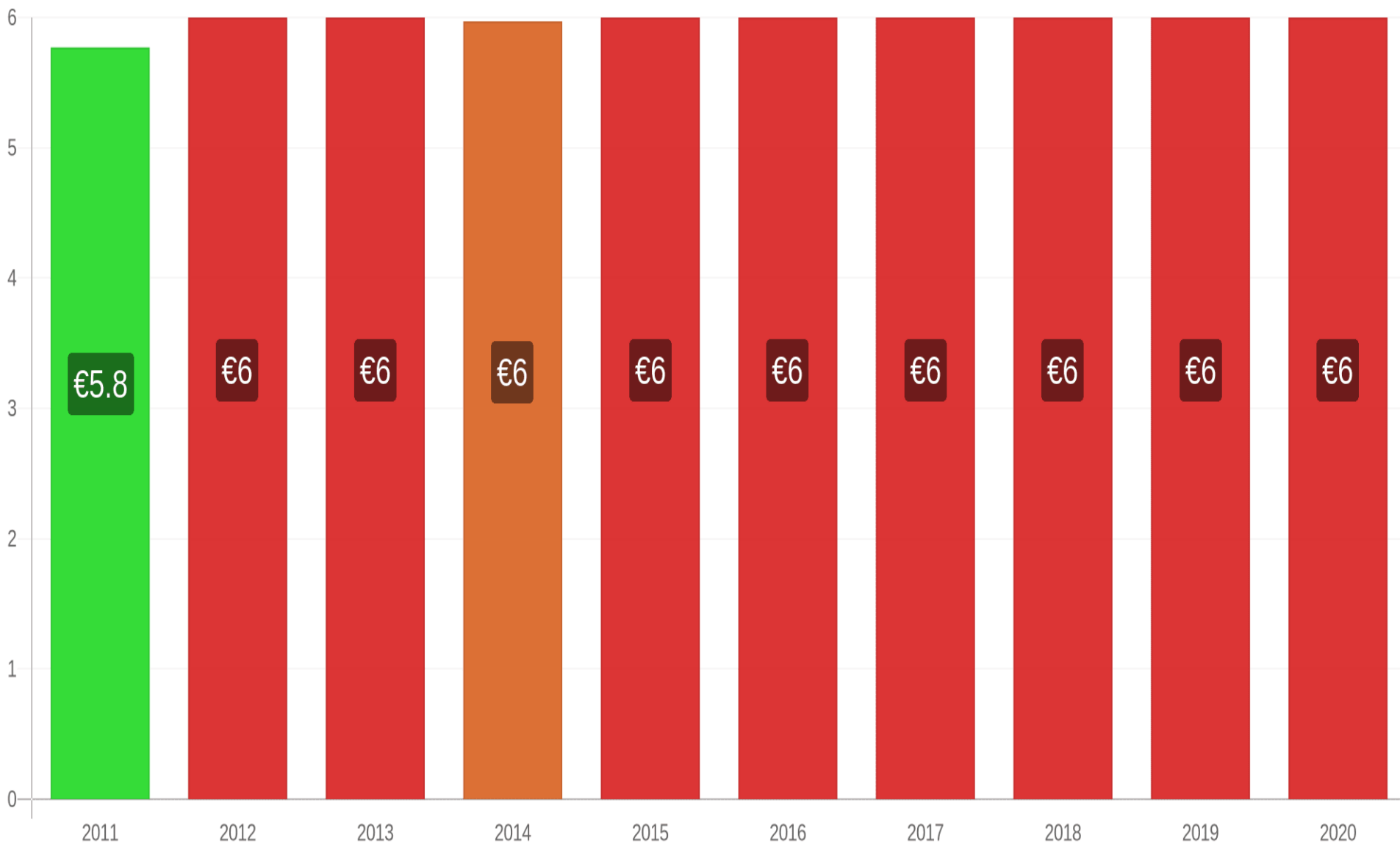


* The VAT Gap is the overall difference between expected VAT revenue and the amount actually collected. Figures have been rounded.

Source: Eurostat

MAC Index in Cyprus ...

Cyprus McMeal at McDonalds (or Equivalent Combo Meal) 2011-2020 EUR



Bread prices ...

Consumer price levels for bread and cereals in 2020

(EU = 100)

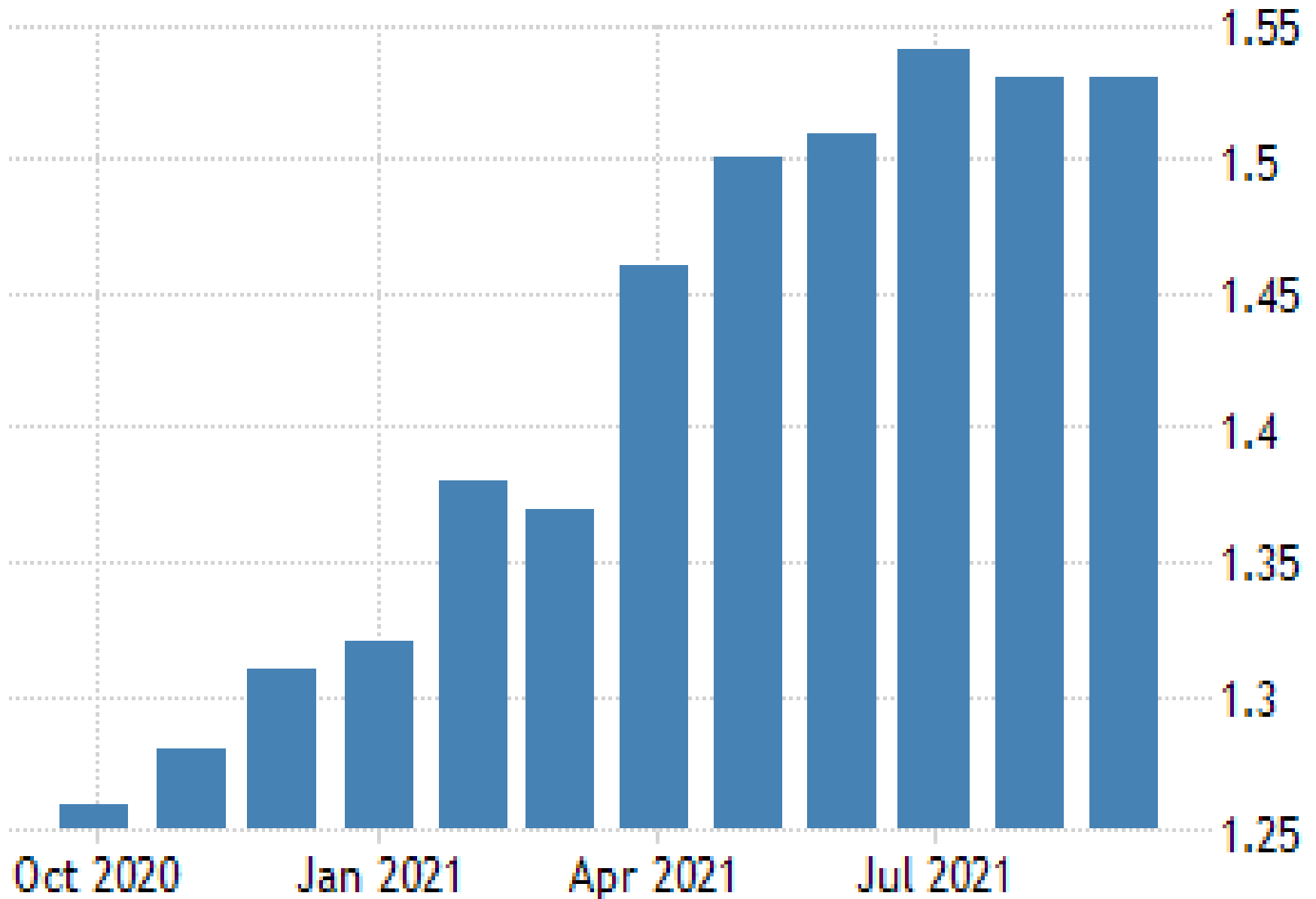


Milk prices ...

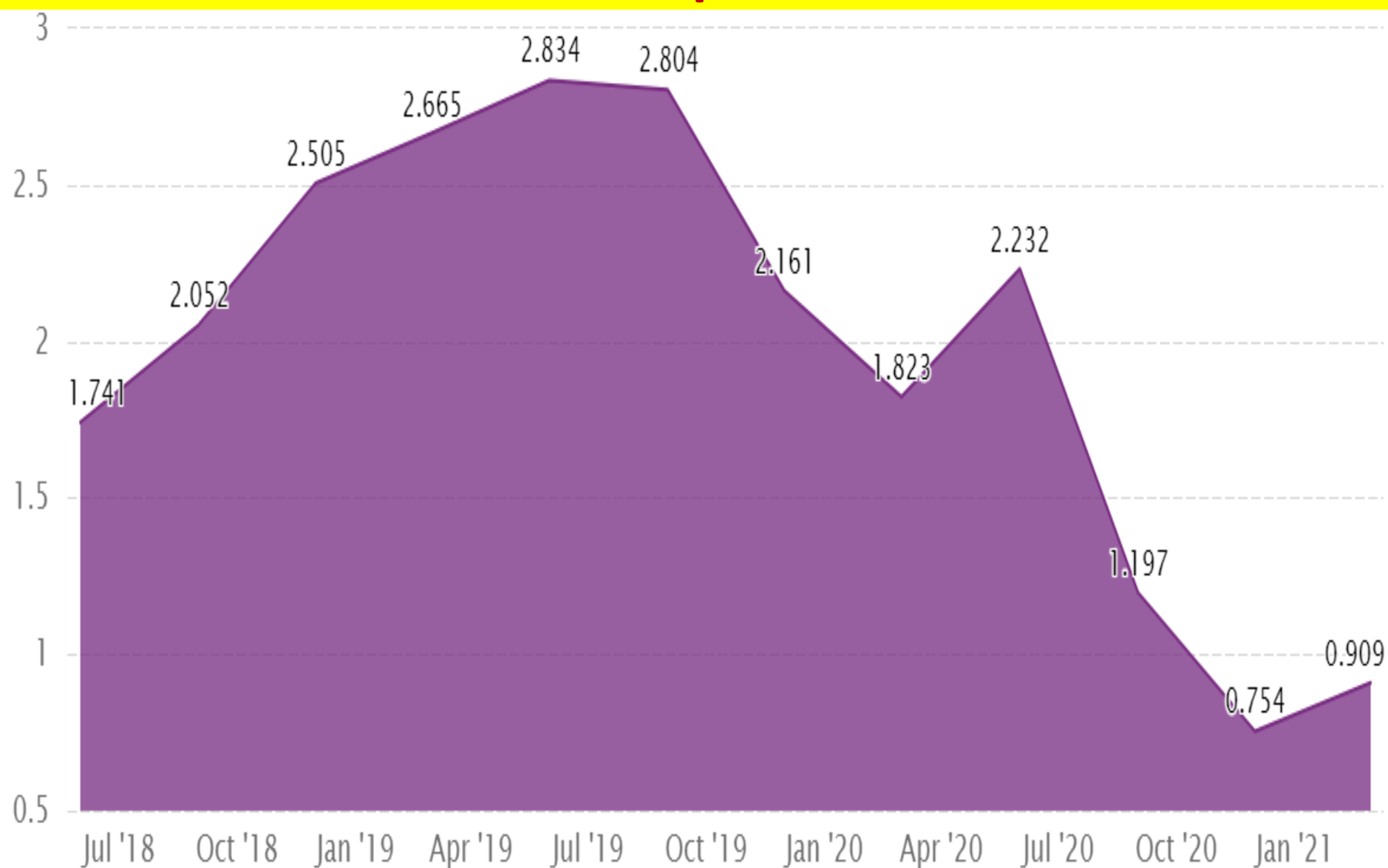
Cyprus Milk (regular), (1 liter) 2011-2020 EUR



Gasoline Prices ...



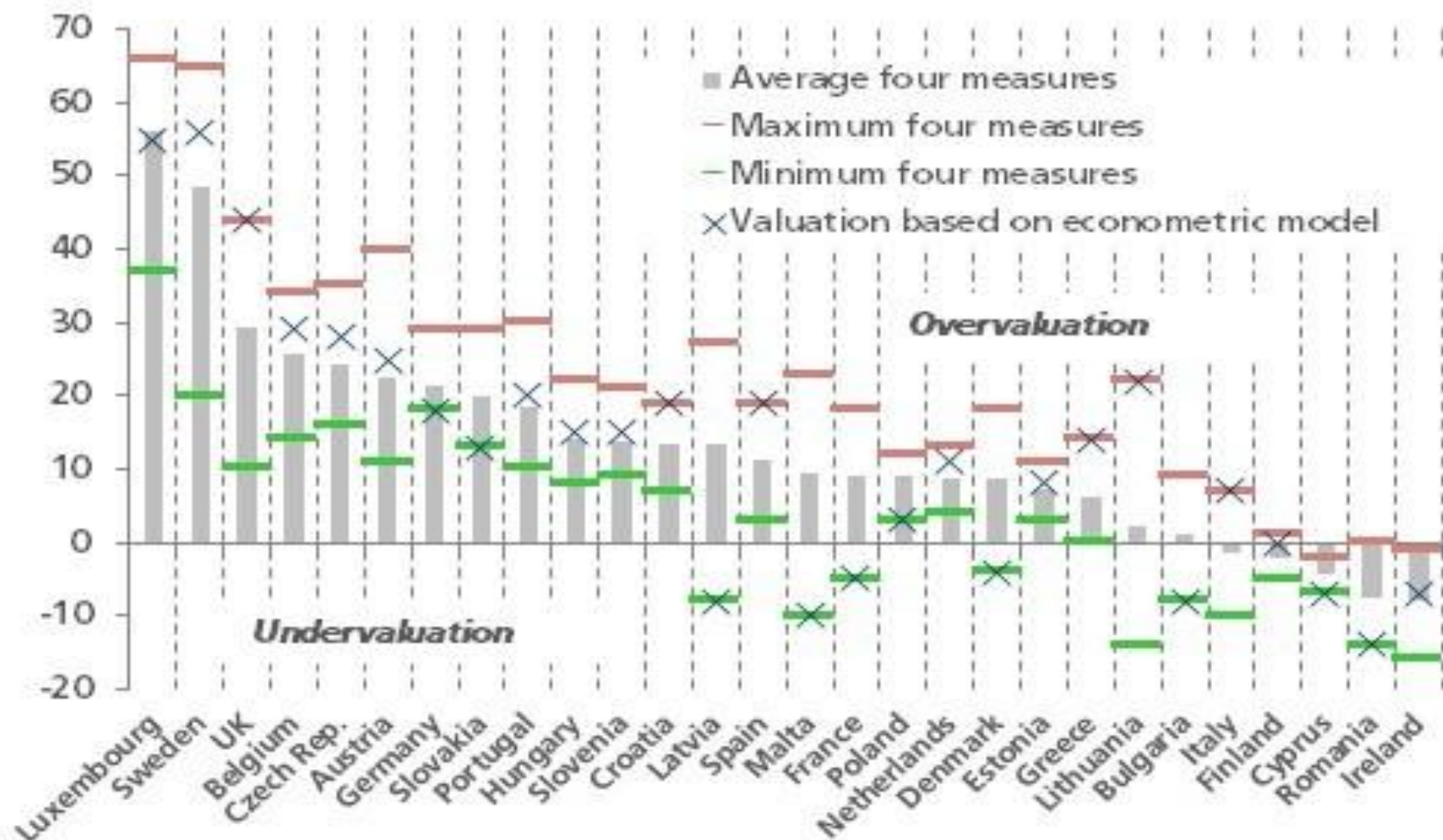
House prices ...



House Prices: YoY: Quarterly: Cyprus

Comparing House Prices ...

Figure 2 – Valuation of European housing markets Q2 2020
in %, valuation measures calculated by the ECB



Source: KBC Economics based on ECB

Electricity costs ...

How Much Does It Cost To Power A Lightbulb In Europe?

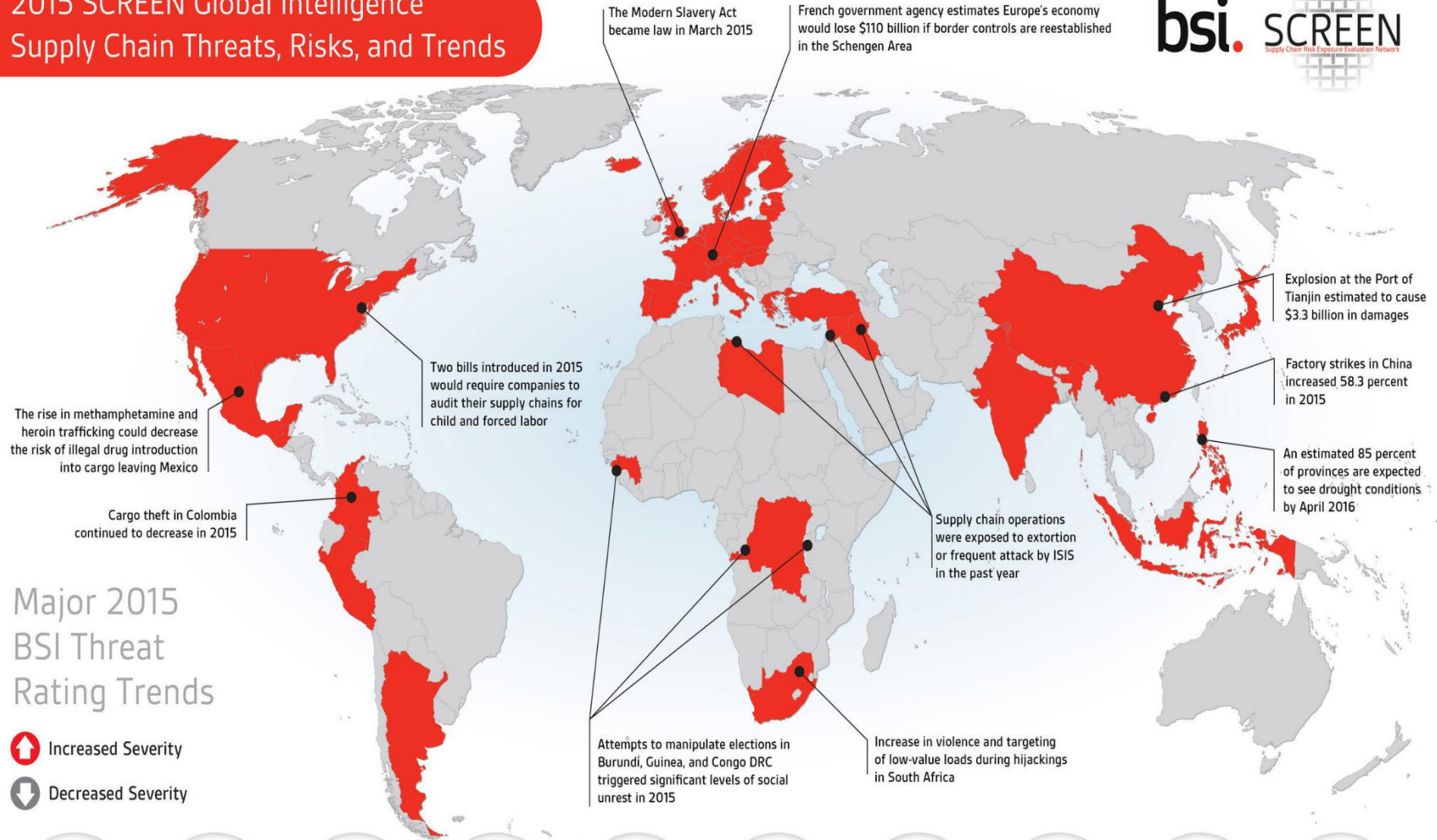
Cost of powering a 10-watt LED lightbulb in 2018*



PREVIEW

These issues trigger ... Global Geopolitical Risks ...

2015 SCREEN Global Intelligence Supply Chain Threats, Risks, and Trends



Major 2015 BSI Threat Rating Trends

↑ Increased Severity

↓ Decreased Severity



Thus, global sea transportation entail risks ...especially ...

Sea Routes & Sea Choke Points ...

I call the Choke Points as ...

The Good,
the Bad and
the Ugly
Choke Points

Historic Choke Points

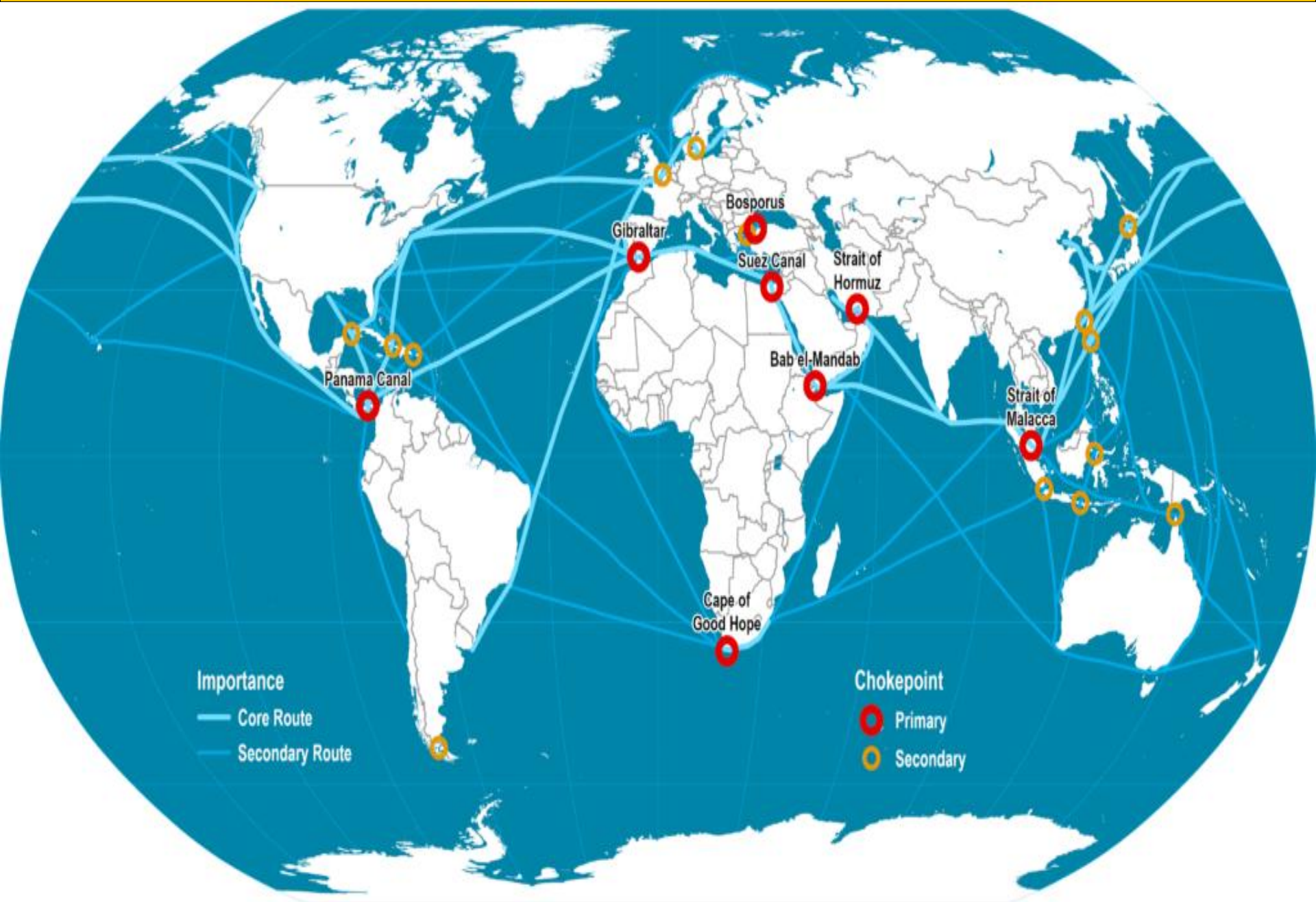
Primary (The Bad)

1. Panama Canal
2. Gibraltar
3. Bosphorus
4. Suez Canal
5. Bab el-Mandab
6. Strait of Hormuz
7. Cape of Good Hope
8. Strait of Malacca

Secondary (The Ugly)

1. Yucatan-Cuba
2. Cuba-Dominican
3. Dominican-Puerto Rico
4. English Channel
5. Danish Straits
6. Dardanelles
7. Sunda Straits
8. Lombok Straits
9. Makassar Straits
10. Luzon Straits
11. Taiwan Straits
12. La Perouse Straits
13. Torres Straits

The Bad and the Ugly Global Historic ChokePoints



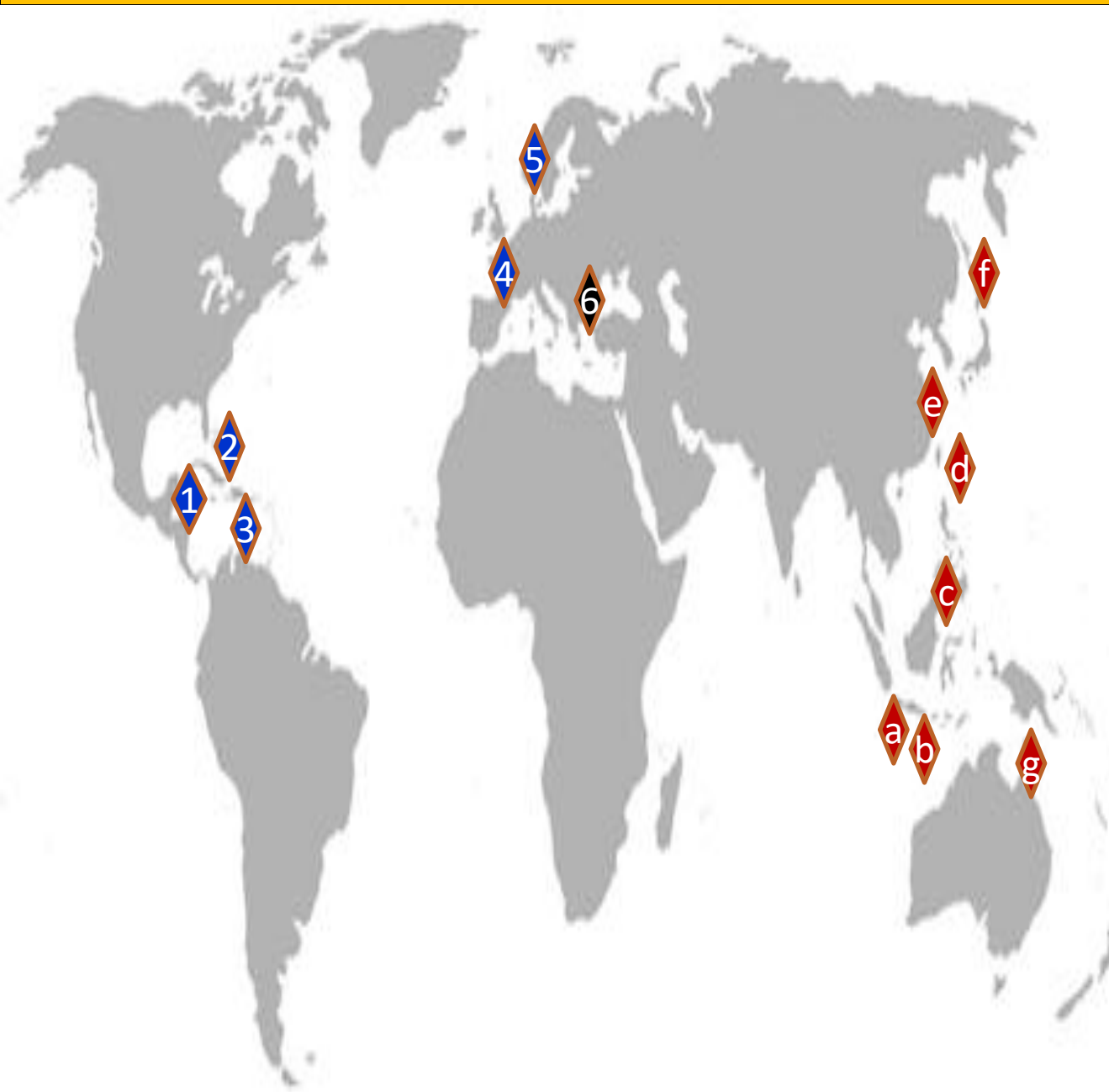
Primary Choke points - the Bad 8



Primary Choke Points (*The Bad*)

1. Panama Canal
2. Gibraltar
3. Bosphorus
4. Suez Canal
5. Bab el-Mandab
6. Strait of Hormuz
7. Cape of Good Hope
8. Strait of Malacca

Secondary choke points - the Ugly 13



Secondary Choke points (*The Ugly*)

1. Yucatan-Cuba
2. Cuba-Dominican
3. Dominican-Puerto Rico
4. English Channel
5. Danish Straits
6. Dardanelles
7. *a. Sunda Straits*
8. *b. Lombok Straits*
9. *c. Makassar Straits*
10. *d. Luzon Straits*
11. *e. Taiwan Straits*
12. *f. La Perouse Straits*
13. *g. Torres Straits*

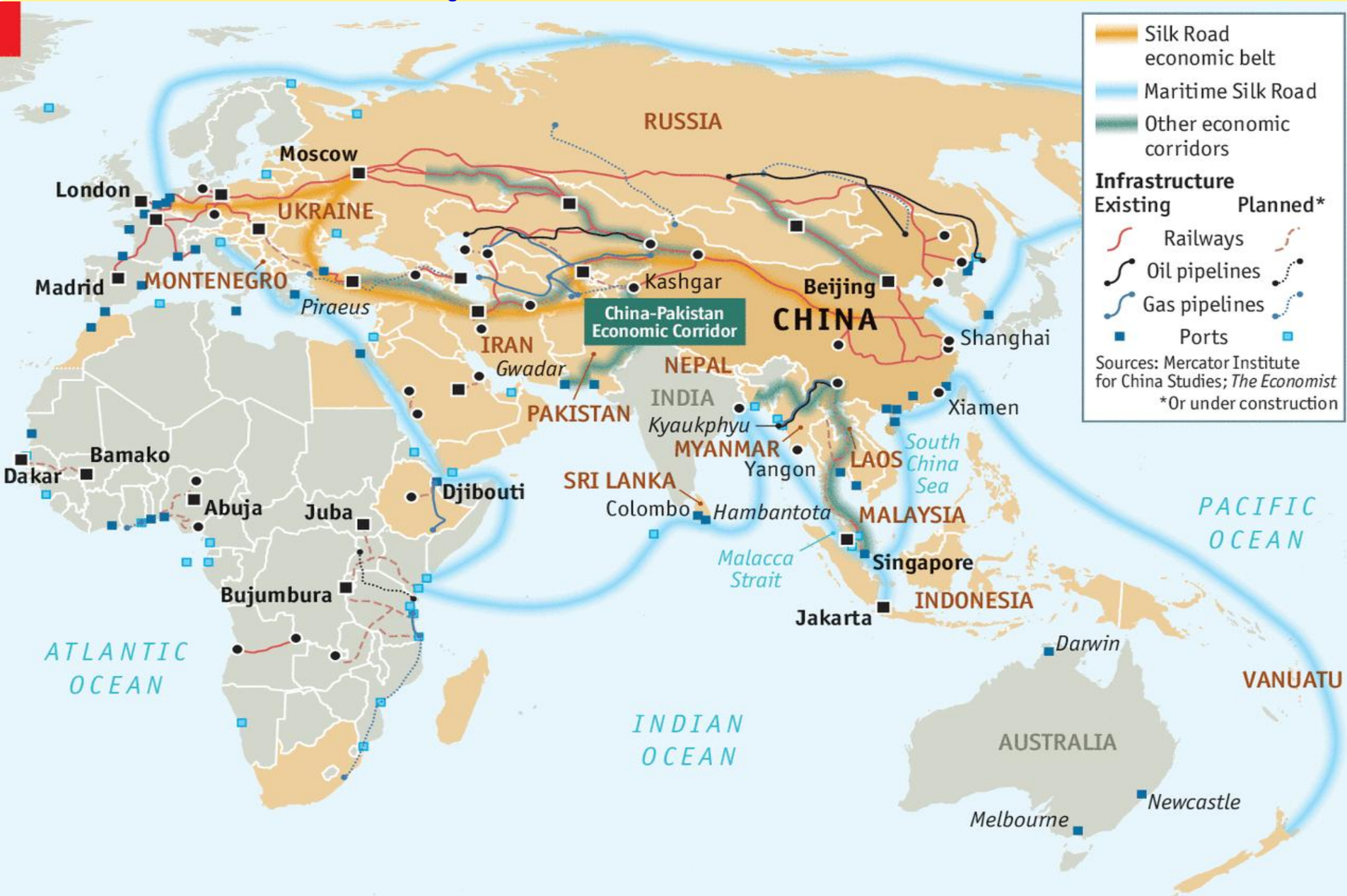
In reality ...

Sea Lines & Choke Points & Super Powers ...

The Japanese tried to control them ...



Today China tries to control



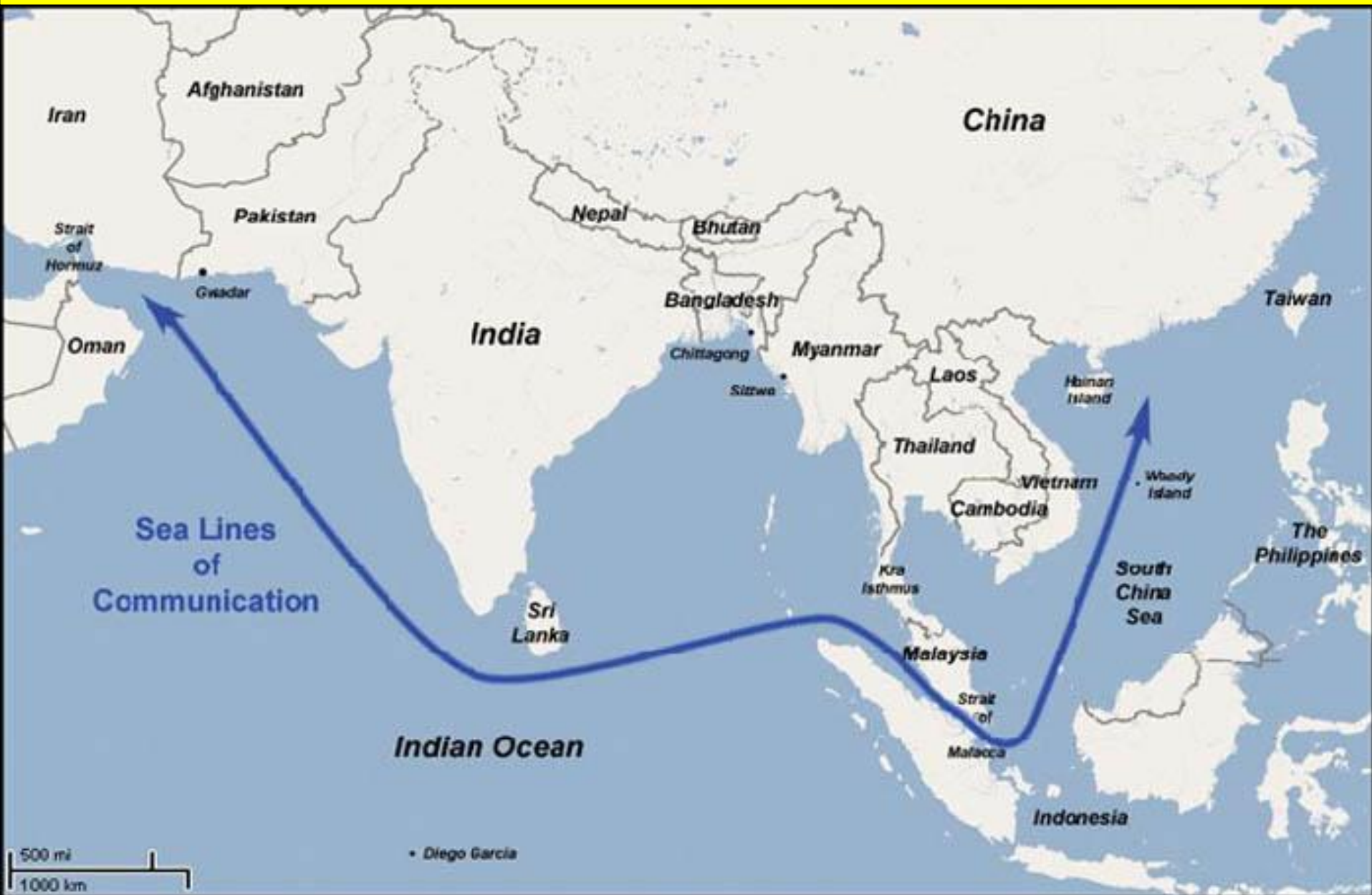
Global Sea Routes *(Asia – Africa – Europe)*

To cap it all

Planned areas of infrastructure building

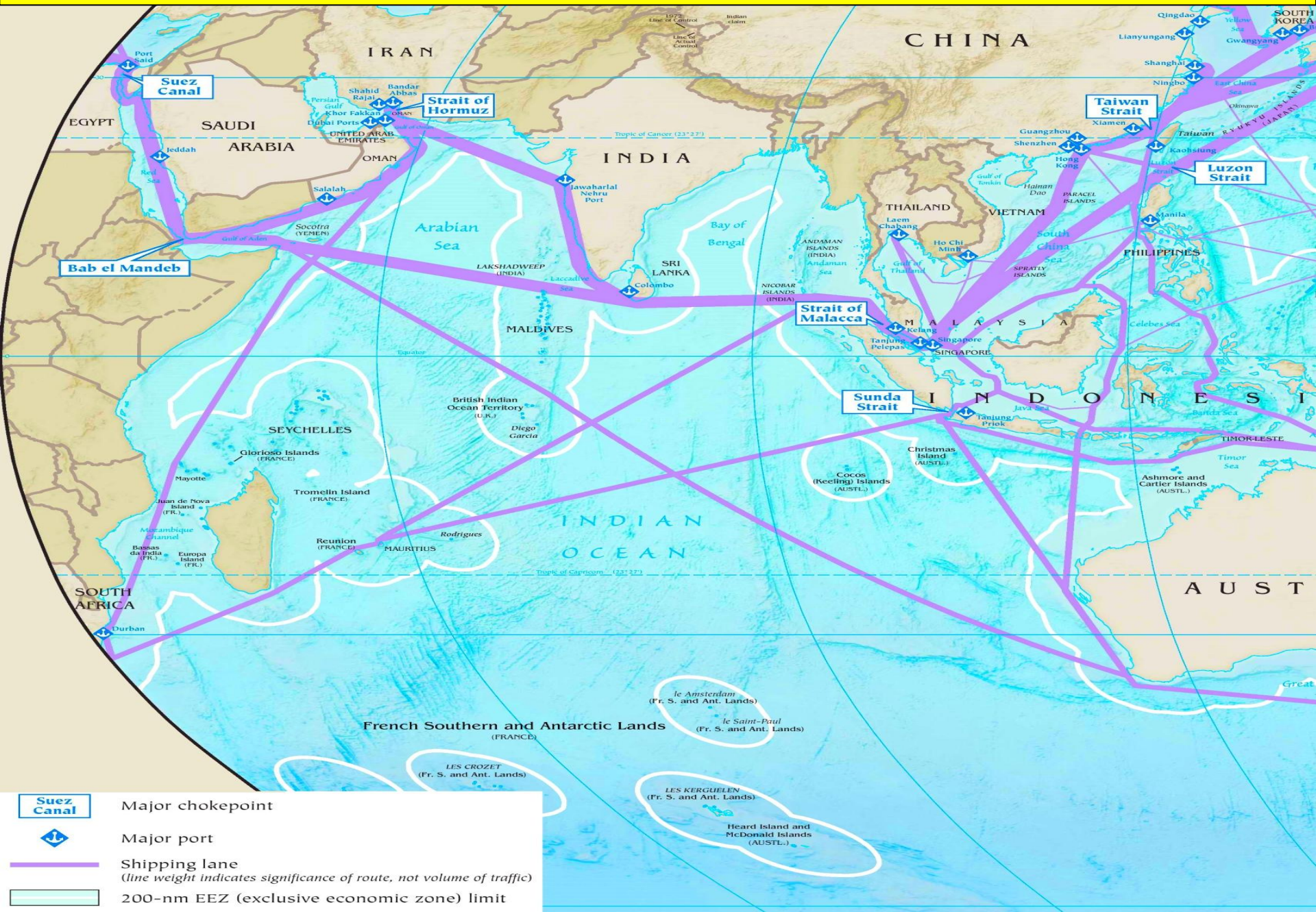


Malacca Straits could block oil supplies from Gulf



Sea Lines of Communication

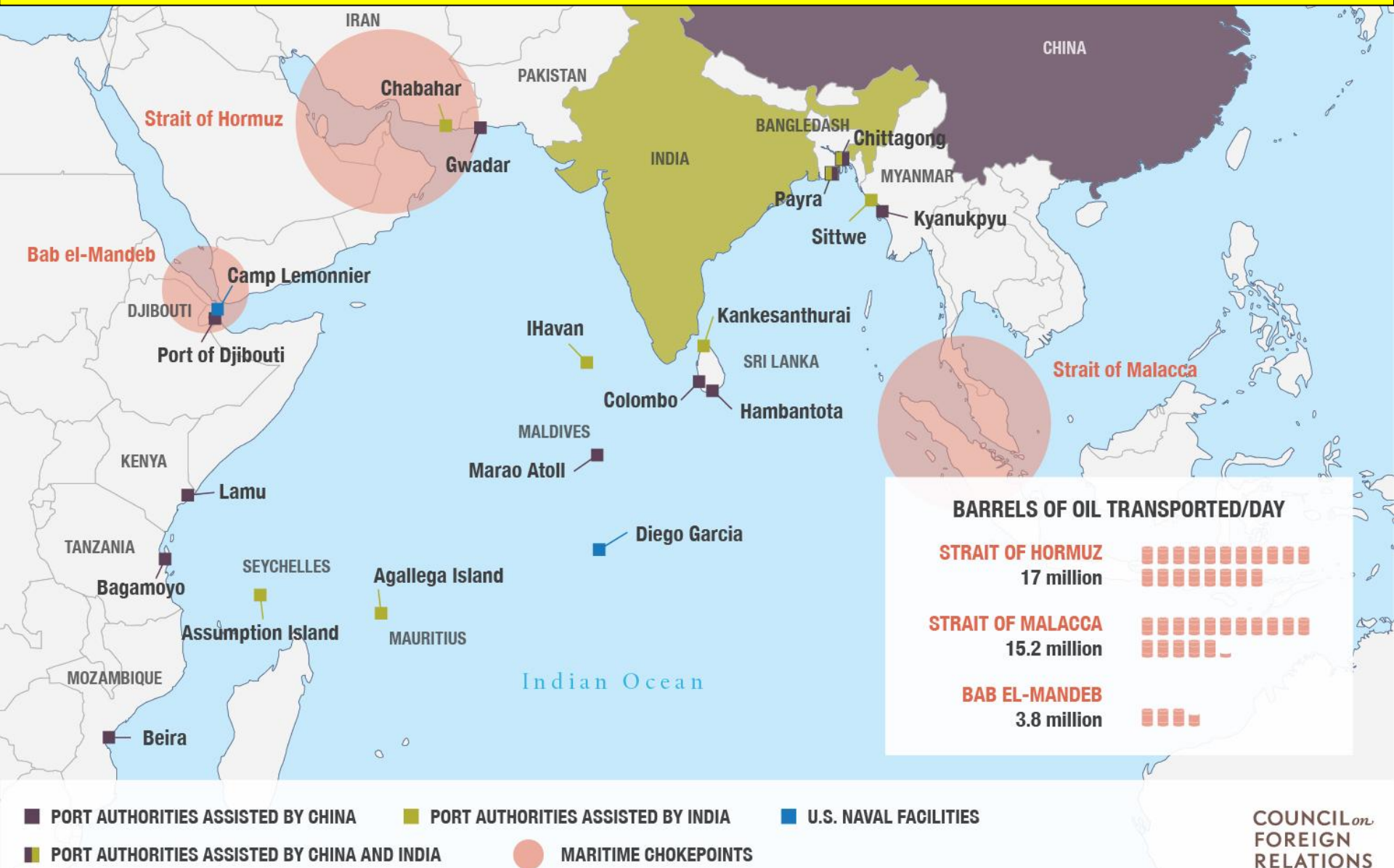
Indian Ocean heavy supply lines ...



Indian Ocean Power Defensive Expansion



Encircling or Avoiding India & other choke points



Sources: Indian Development Cooperation Research (IDCR), Centre for Policy Research; EIA

Credits: Eleanor Albert, Julia Ro

like ...Bab el Mandeb straits



Strait of Bab el-Mandeb



Eritrea

Red Sea

Yemen

Bab-el-Mandeb

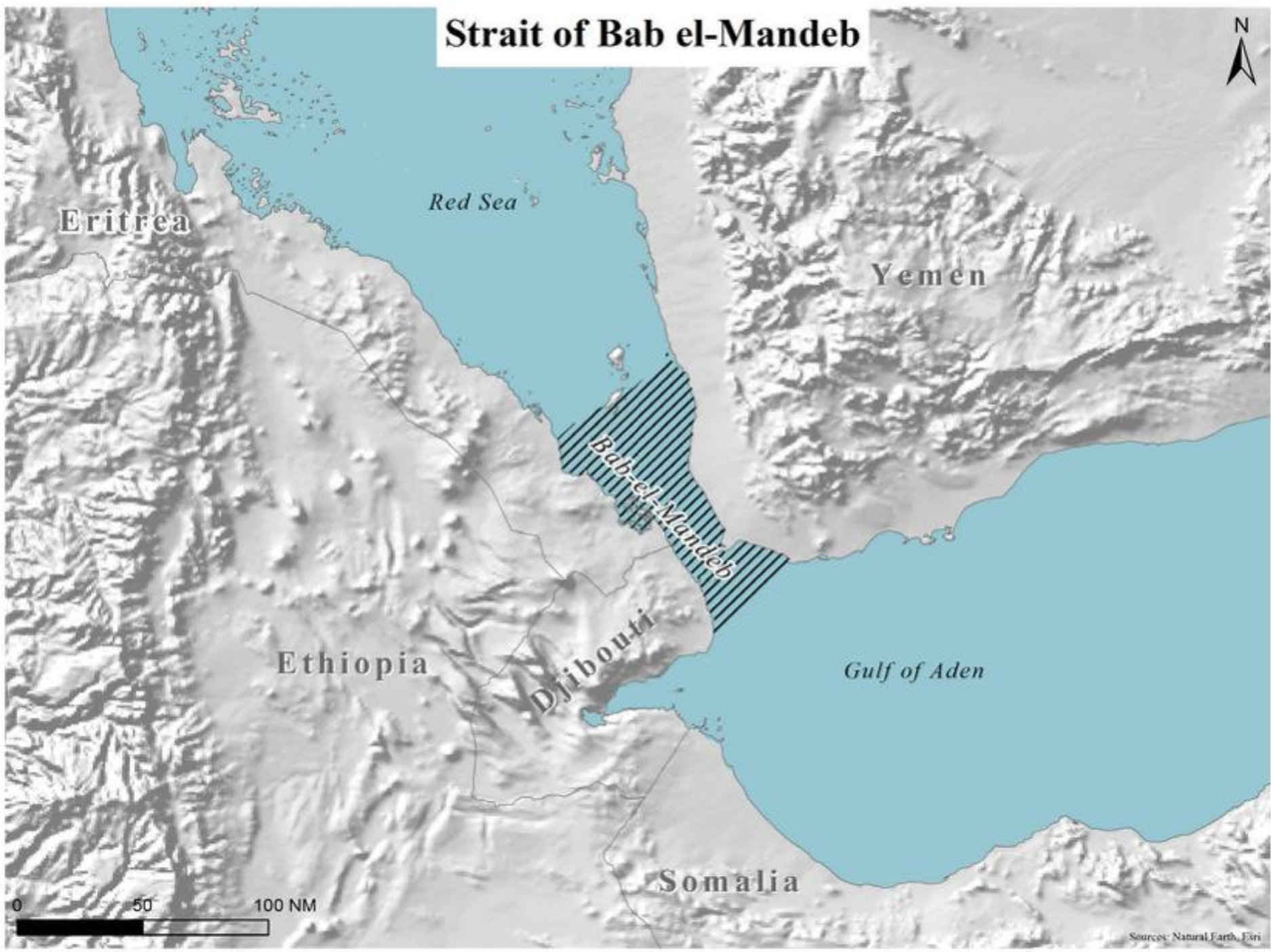
Ethiopia

Djibouti

Gulf of Aden

Somalia

0 50 100 NM



Even more ...

Finding a creative & innovative solution

The new GOOD Sea Lines ...

The **Good**, the **Bad** and the **Ugly** Choke Points

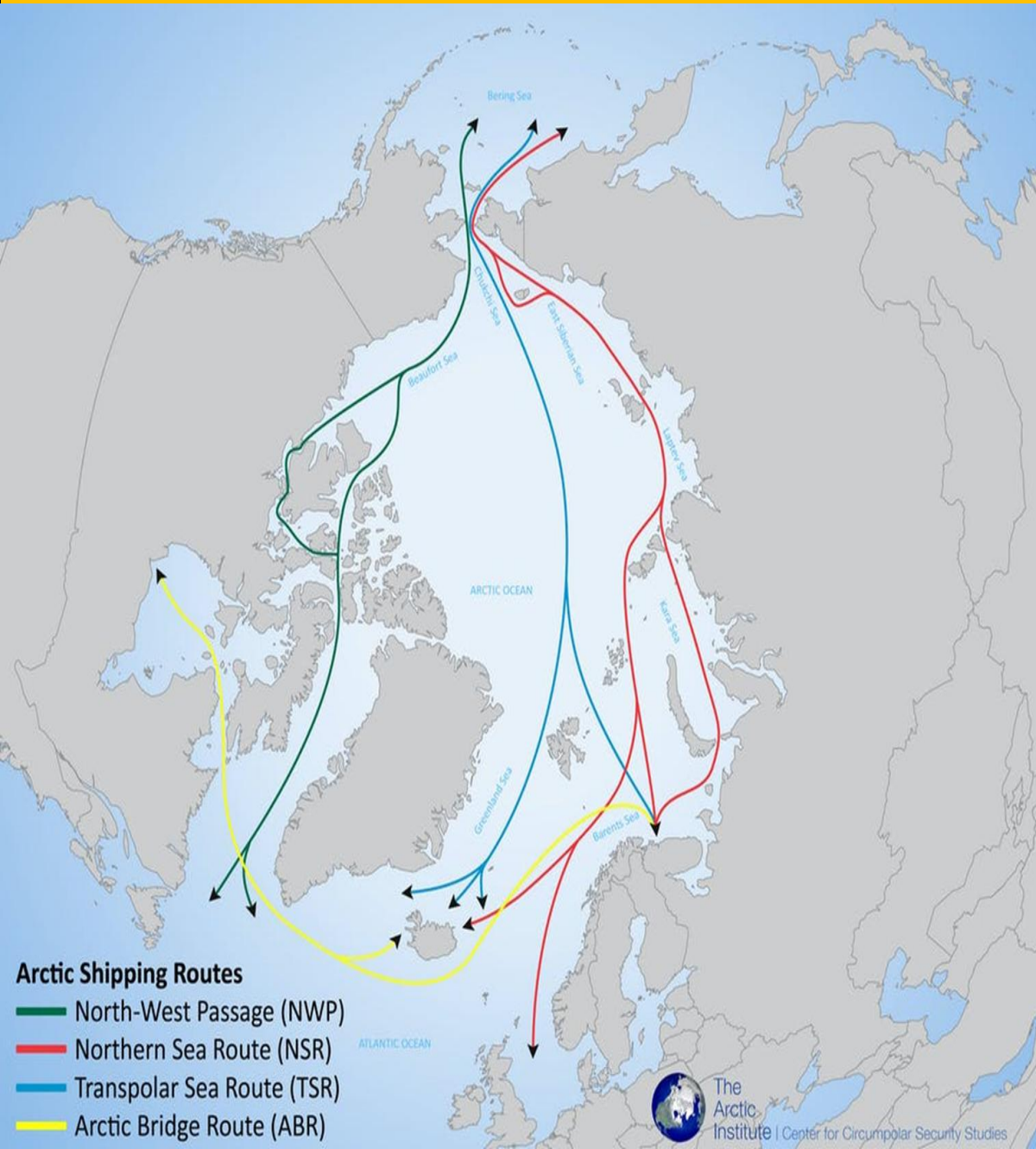
(New) Arctic Sea Routes – The Good 4

- North-West Passage (NWP)
- Northern Sea Route (NSR)
- Transpolar Sea Route (TSR)
- Arctic Bridge Route (ABR)

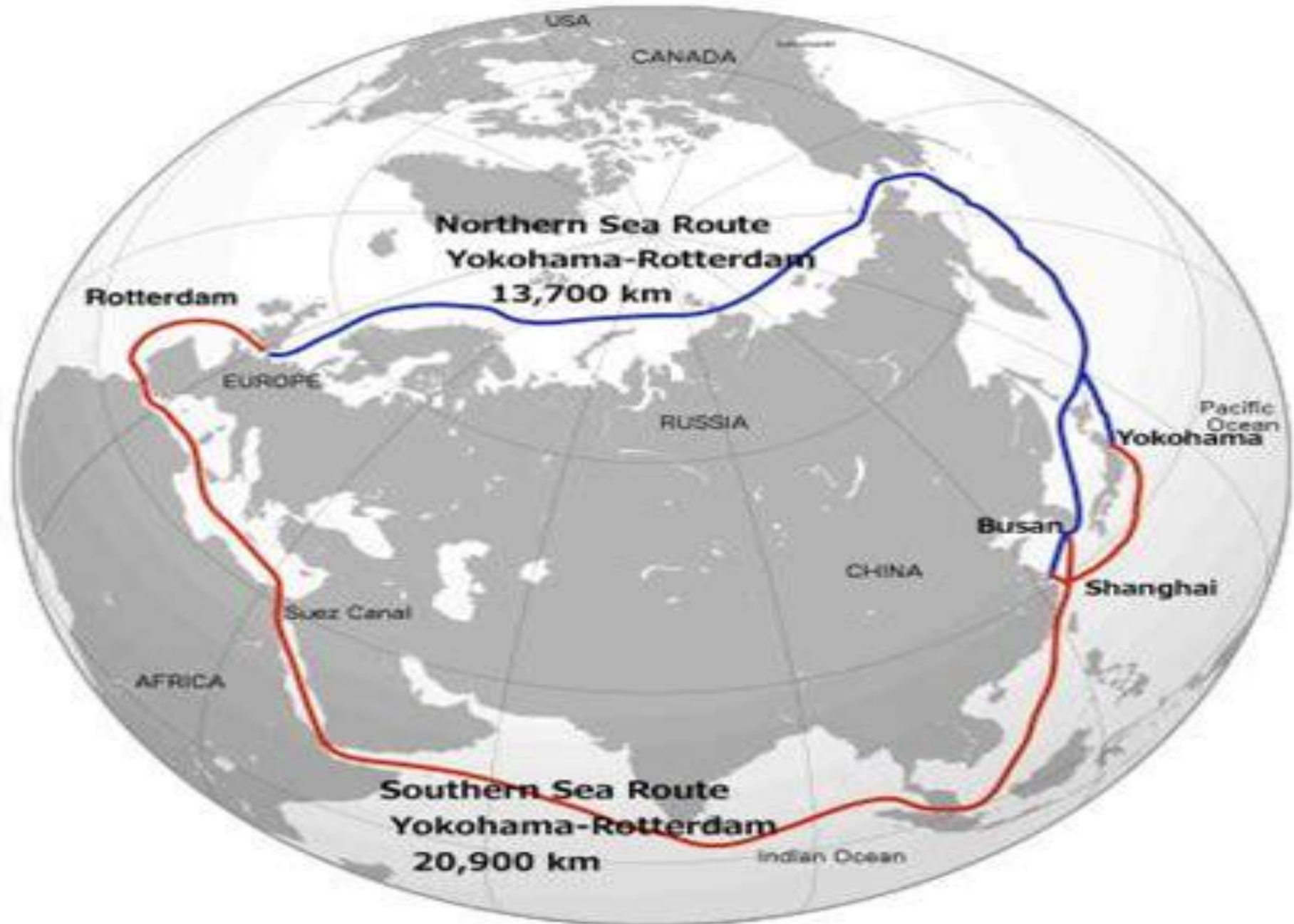
(New) Arctic Sea Routes – The Good 4

New Arctic Sea Routes (*The Good*)

1. **North-West Passage (NWP)**
2. **Northern Sea Route (NSR)**
3. **Transpolar Sea Route (TSR)**
4. **Arctic Bridge Route (ABR)**



Why Arctic Sea Routes?



China's New Shipping Frontier

How the new Northern Sea route compares to the traditional Suez Canal route

NORTHERN SEA ROUTE

Travel time

35 days

Dangers

Icebergs

Travel window

July to November

Container-carrying vessels

One this year

SUEZ CANAL ROUTE

Travel time

48 days

Dangers

Access to Suez Canal under question with upheaval in Egypt

Travel window

Year-round

Container-carrying vessels

17,000 last year





Stena HYUNDAI
GLOVIS

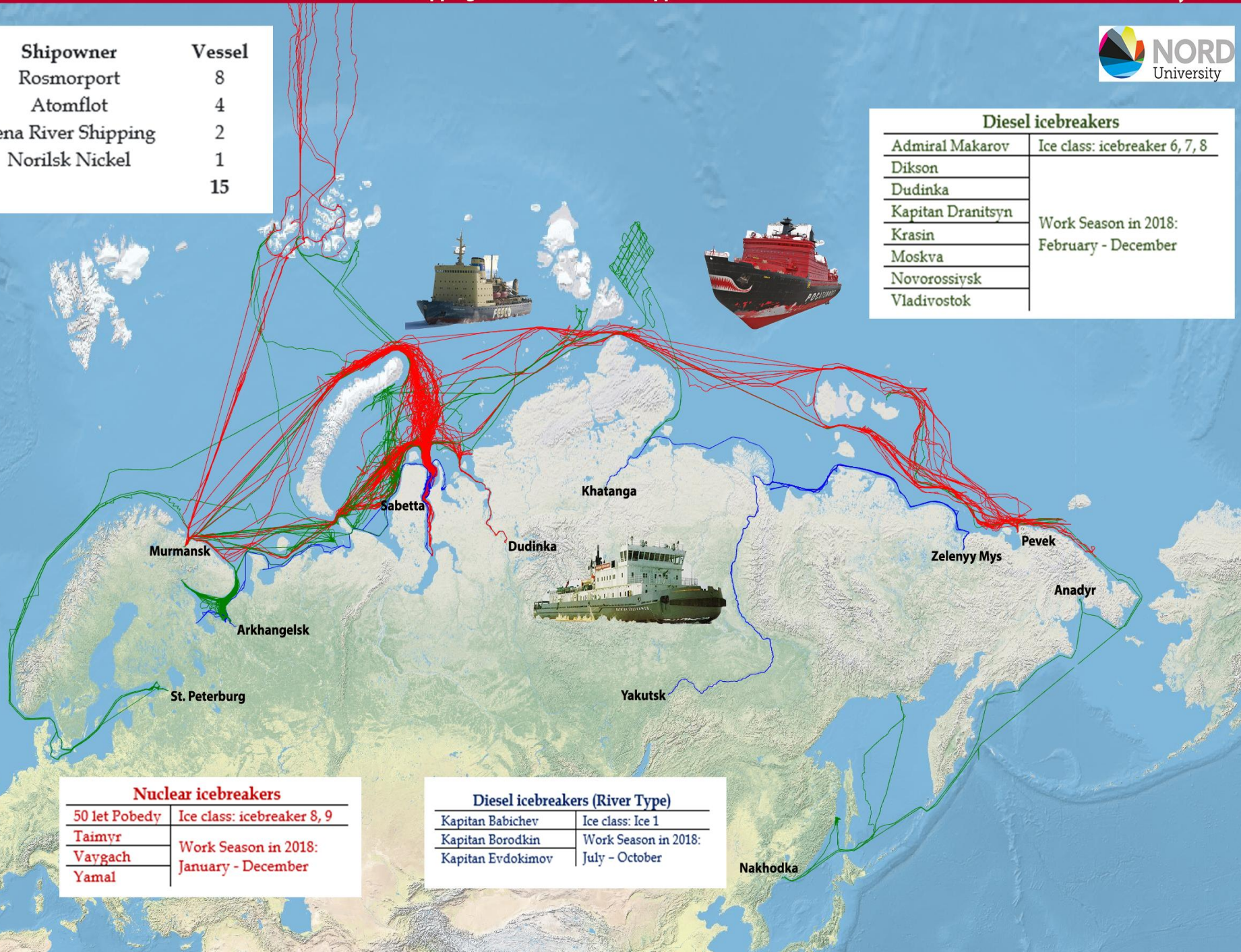
ARCTIC SHIPPING - NORTHERN SEA ROUTE 2013



Shipowner	Vessel
Rosmorport	8
Atomflot	4
Lena River Shipping	2
Norilsk Nickel	1
	15

Diesel icebreakers

Admiral Makarov	Ice class: icebreaker 6, 7, 8 Work Season in 2018: February - December
Dikson	
Dudinka	
Kapitan Dranitsyn	
Krasin	
Moskva	
Novorossiysk	
Vladivostok	



Nuclear icebreakers

50 let Pobedy	Ice class: icebreaker 8, 9 Work Season in 2018: January - December
Taimyr	
Vaygach	
Yamal	

Diesel icebreakers (River Type)

Kapitan Babichev	Ice class: Ice 1 Work Season in 2018: July - October
Kapitan Borodkin	
Kapitan Evdokimov	





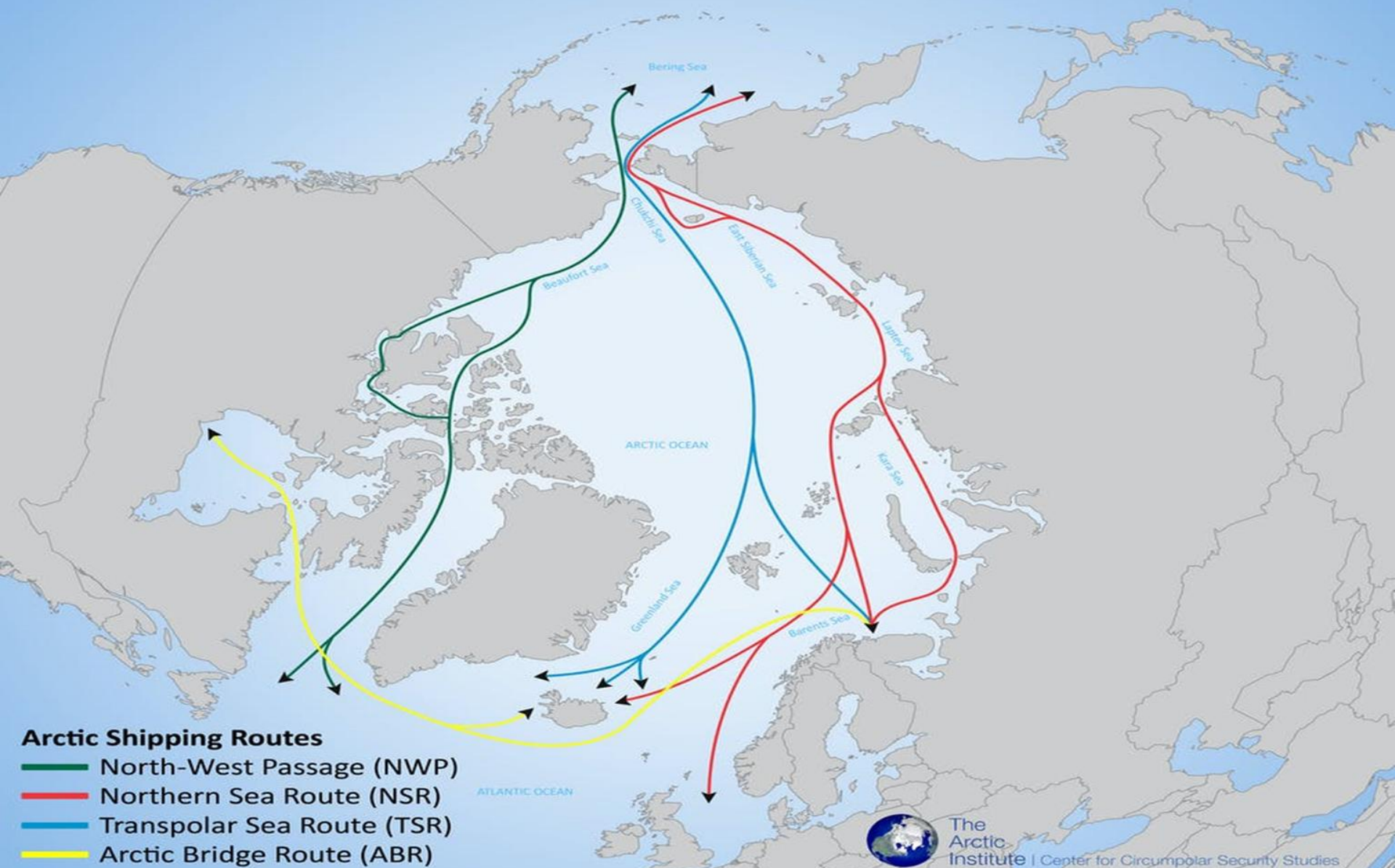




The future at the Arctic Sea & who controls GREENLAND?



The future at the Arctic Sea & who controls them?



This presentation/document was prepared and synthesized by Nick Demos. The information contained herein derives from various sources, mostly online sources, and publicly available books and data on the internet, etc. This presentation has been supplied on condition that anyone who consults it is understood to recognise that the copyright rests with its author and that no quotation from this presentation and no information derived from it may be published and used without the prior written consent of the author. This document was prepared by Nick Demos.