

# Stuck in the Suez: A Legal Analysis of the Evergreens Blockage of the Suez Canal

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**Abstract:** *The blockage of the Suez Canal by the Evergreen ship, named Ever Given, in March 2021 sparked a worldwide maritime crisis that garnered significant attention from the global community. This incident, caused by the ship running aground and becoming wedged diagonally across the vital waterway, led to the disruption of international trade routes, highlighting the vulnerability of global supply chains. This abstract provides an overview of the events surrounding the blockage of the Suez Canal, examines the immediate and long-term impacts on global trade, explores the subsequent response and recovery efforts, and discusses the implications for future maritime operations. The incident exposed the concentration of global trade and the inherent risks associated with relying on a single transit route, raising concerns about the resilience of supply chains in an increasingly interconnected world. The successful refloating of the ship brought relief to global trade, but its repercussions continued to be felt for several weeks as the backlog of vessels waited to pass through the canal. In conclusion, the blockage of the Suez Canal by the Evergreen ship highlighted the fragility of global trade networks and the potential for cascading effects when key transit routes are disrupted. It serves as a reminder of the interconnectedness of the global economy and the importance of proactive measures to mitigate risks and ensure the smooth flow of goods across the world's oceans.*

**Keywords:** Suez Canal blockage, Evergreen ship, Global maritime crisis, International trade disruption, Supply chain vulnerability, Global trade impacts, Response and recovery efforts, Maritime operations, Backlog of vessels

## 1. Introduction

The Suez Canal is a crucial international trade route that connects the Mediterranean Sea to the Red Sea, providing a shortcut between Europe and Asia. It plays a vital role in global trade and has significant importance for various reasons like it Shortens Distance and Time: The Suez Canal provides a shorter route for ships traveling between Europe and Asia compared to the traditional route around the Cape of Good Hope. By using the canal, ships can save time, fuel, and operational costs, making international trade more efficient. It Facilitates Global Trade as the canal acts as a vital link between the major trading regions of Europe, Asia, and the Middle East. It enables the transportation of goods, including oil, natural gas, manufactured products, and raw materials, between these regions, contributing to global trade and economic development. It reduces Dependency on Alternative Routes as the Suez Canal offers an alternative to other trade routes, such as the Strait of Malacca and the Cape of Good Hope. By diversifying shipping options, the canal reduces the dependence on a single route, thereby minimizing the risks associated with disruptions or congestion in other areas. It gives access to Markets as the Suez Canal provides access to the markets of Europe, Asia, and the Middle East. It allows countries to trade with a wider range of partners, expanding their economic opportunities and promoting international cooperation. Energy Security is of particular importance for the transportation of oil and natural gas. The majority of the world's oil shipments pass through the Suez Canal, allowing oil-producing countries in the Middle East to efficiently export their resources to global markets. Disruptions or blockages in the canal can significantly impact global energy supplies and prices. It is of Geopolitical Significance: The Suez Canal has geopolitical significance as it lies at the intersection of Europe, Africa, and Asia. It has been a focal point of international relations and strategic interests for many countries. The control and stability of the canal are crucial for ensuring the smooth flow of goods and maintaining

regional stability. Revenue Generation is also crucial as The Suez Canal is a significant source of revenue for Egypt. The fees collected from ships transiting through the canal contribute to the country's economy and infrastructure development.

Recent events, such as the blockage of the Suez Canal by the container ship Ever Given in March 2021, highlighted the critical role of the canal in global trade and the potential disruptions that can occur. Efforts to ensure the smooth operation and security of the Suez Canal are essential to maintain the flow of international trade and support economic growth worldwide.

The Suez Canal, one of the busiest commerce routes in the world, was abruptly closed for six days in March 2021 by the Ever Green, a cargo ship operated by Evergreen Marine Corp. With almost 400 vessels waiting to get through the canal and billions of dollars' worth of products delayed, the obstruction interrupted global trade. This event brought up a number of legal issues, such as how many claims were made against Evergreen, the most recent stance on those claims, whether Evergreen's owners are responsible for all claims, and what defenses Evergreen has to take in order to minimize its culpability. The problem of who is legally responsible for the occurrence is one of the key legal difficulties. The allegations made against the Evergreen ship also cast doubt on the Suez Canal's legitimacy as a major commerce route. The incident has huge ramifications for global trade, underscoring how susceptible global supply lines are to interruptions brought on by unanticipated circumstances. The allegations against the Evergreen ship have significant legal ramifications for international commerce, shipping, and international maritime law in general. They serve as an example of the intricacy of legal issues in this field and the demand for unambiguous, established legal rules to govern their future settlement.

A number of lawsuits have been filed against Evergreen Marine as a result of the Suez Canal bottleneck brought on

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by the container ship Ever Green. The controversy regarding the Ever Green's contribution to the Suez Canal obstruction is still underway on as of February 2023 where Maersk also sued Evergreen for the blockage. Originally seeking \$916 million in compensation from the ship's owners, Shoeni Kisen Kaisha, Ltd., the Suez Canal Authority (SCA) later lowered its demand to \$550 million. In response, UK P&I Club, the ship's insurer, filed a limitation of responsibility case in the United Kingdom, attempting to set a maximum on the amount of compensation at about \$115 million. The 1957 Limitation Convention, which enables shipowners to restrict their culpability for damages brought on by marine disasters, is the foundation of the lawsuit. The cargo owners and the Egyptian government, who demanded reimbursement for the costs of the recovery operation and harm to the canal, are among the other parties who have brought claims against the ship. There hasn't been a resolution yet despite the parties' continuous negotiations. The shipping industry is eagerly observing the case because it could establish a precedent for how responsibility is divided in other maritime mishaps.

The allegations made against the Evergreen ship as a result of the Suez Canal blockade are very relevant from a legal standpoint since they touch on a variety of crucial topics and ideas in the field of international maritime law. These claims are supported by the carrier liability principle. The safe and prompt delivery of cargo is the responsibility of carriers under international marine law. The Ever Green's grounding in the Suez Canal resulted in delays and financial losses for the cargo owners, who are now suing the carrier for compensation. However, carriers are not always responsible for all losses brought on by events like the blockage of the Suez Canal. They can use a variety of defenses to reduce their culpability, some of which are outlined in international agreements like the Hague - Visby Rules and the Hamburg Rules. The "act of God" defense is one of these, and it is used when the situation that caused the damage was out of the carrier's control. The foundation of this argument is the idea that carriers shouldn't be held accountable for circumstances outside their reasonable control. For instance, Evergreen might be able to rely on this defense to reduce its liabilities if the Ever Green's grounding was exclusively due to severe weather.

According to international law, a vessel's owners are often responsible for any harm the vessel does, including harm to other vessels, cargo, and property. A number of legal defenses, including the option to restrict liability under the International Convention on Limitation of Liability for Maritime Claims (LLMC), however, serve to limit the culpability of the owners. The LLMC enables shipowners to cap their liability based on the tonnage of the vessel at a specific level. The Convention specifies the precise amount of the limitation, which varies according to the size of the vessel. The limitation does not, however, apply in situations where the shipowner willfully or carelessly caused the damage.

The "error in navigation" argument, which is applicable when the incident was brought on by mistakes in navigation or vessel management, is another defense available to carriers. Evergreen may be able to reduce its obligation if it can demonstrate that the vessel's crew made mistakes that

led to the grounding. At this moment, it is unclear what the most recent stance is on the allegations made against Evergreen. However, given the complexity of the case and the number of parties involved, it is likely that the legal proceedings will take some time to conclude.

Numerous legal issues, such as the number of claims brought against the company, the most recent stance on the claims, and the legal defenses available to Evergreen to limit its liability, have been brought up by the Suez Canal blockage caused by the company. Even though the case is still pending, it is obvious that the incident significantly affected both the parties impacted by the blockage and global trade. Regardless of the case's ultimate resolution, the shipping industry and vessel owners are likely to face serious legal repercussions in the future. International trade and shipping are expected to be significantly impacted in the future by the Evergreen issue and the legal ramifications that follow. The incident serves as a prime example of the intricate web of legal problems that may result from a significant maritime mishap, particularly when it happens in a vital global commerce route like the Suez Canal.

The Evergreen Conflict included claims from several parties for losses sustained as a result of the Ever Green's obstruction of the Suez Canal. Among the claims is one from the Suez Canal Authority, which has asked for \$916 million in damages and losses due to the obstruction. Shipping businesses have also filed other lawsuits for lost profits, increased expenses, and damages brought on by the delay. The Evergreen controversy has important legal ramifications. It calls into question who is responsible for paying third parties' damages as a result of the incident—the ship owner, the charterer, and the crew? Additionally, it raises questions about the Suez Canal Authority's legal responsibilities to guarantee the security and effectiveness of the canal as well as its capacity to seek compensation from parties in charge of obstructions. The Evergreen controversy serves as a reminder of how crucial the United Nations Convention on the Law of the Sea (UNCLOS) is for settling maritime conflicts in terms of international law. A detailed framework for state and other actors' rights and obligations for the use of the oceans and its resources, including the use of international waterways, is provided by UNCLOS. Besides, the Evergreen debate may moreover result in expanded examination of the security and natural honours of shipping companies, and the requirement for stricter directions to avoid comparative episodes within the future. It may too lead to more prominent utilization of innovation to improve security and route in basic worldwide shipping courses.

In conclusion, the Evergreen debate and its lawful suggestions highlight the requirement for a comprehensive legitimate system for oceanic mischances and the significance of worldwide participation in settling debate emerging from occurrences in basic worldwide exchange courses. The occurrence gives an opportunity for partners to survey and progress existing controls and honours to guarantee the security and sustainability of universal shipping within the future.