

PR Newswire

February 22, 2011 Tuesday 11:01 AM EST

Egypt Unrest Prompts Shipping Industry to Reexamine Supply Chain Vulnerabilities

LENGTH: 715 words

DATELINE: NEWARK, N.J., Feb. 22, 2011

NEWARK, N.J., Feb. 22, 2011 /PRNewswire/ -- Political upheaval in the Middle East is shining a spotlight on the risks to international shipping at the relatively few but vital transportation channels serving global trade. Terrorism, piracy, natural disasters and social unrest pose an enormous threat in areas surrounding the Suez and Panama canals and the Hormuz and Malacca straits. This week, The Journal of Commerce examines the rapidly evolving strategies in risk management that aim to balance maximum flexibility with the realities of an extended, global, network.

(Photo: <http://photos.prnewswire.com/prnh/20110222/NY52269>)

"When a disruption hits, it's too late to make preparations," said **Yossi Sheffi**, director of the Center for Transportation and Logistics at **Massachusetts Institute of Technology**. "Something like closing the Suez Canal would affect all companies, but the companies that find the alternatives first are the ones that will win."

Increased container traffic, larger vessels and tighter inventories have added to the pressure on these "transportation chokepoints." The 2002 longshoremen lockout at U.S. West Coast ports was a swift motivator for many manufacturers and retailers to diversify their import gateways and become more flexible.

Senior Editor Joseph Bonney's Cover Story explores this issue in depth, including a profile of Cisco Systems' ground-breaking supply chain resiliency approach, which is designed for application to any type of disruption and successfully prevented any revenue loss to the company during Iceland's volcanic eruption last year.

Editor Podcast: "Egypt's Unrest and the Suez Canal," available at <http://www.joc.com/maritime/qa-suez-canal-and-egypts-political-unrest>.

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