

EMMA HADROVIC, GIS, "Arctic trade routes come with high geopolitical risks," May 18, 2020

<https://www.gisreportsonline.com/r/arctic-trade/>

In 2017, 32 vessels made the journey across the Arctic. However, these were mostly icebreakers and tankers, and commercial shipping is still rare in the region. Nevertheless, a 2019 paper from the U.S. Committee on Marine Transportation predicts that the number of vessels operating in the U.S. Arctic is likely to triple by 2030. Chinese Ocean Shipping Company (COSCO) is also planning to ramp up its use of the Northern Sea Route in years ahead. **With 90 percent of global trade transported by ships, an optimization of Arctic routes could have a significant impact on the global economy.** In recent years, the Suez Canal has been the prevailing choice for companies shipping goods to and from the East. As of early 2020, traffic in the Suez Canal was breaking records in numbers and tonnage of vessels transiting, as well as daily revenues in transit fees. Open routes in the Arctic would facilitate trade flows between Europe and Asia and also decrease traffic in the Suez Canal. Travel through the Arctic also means less fuel, less CO2 emissions and fewer transit fees. Ships would no longer need to go through areas plagued by piracy, ultimately allowing for an overall increase in the amount of cargo being shipped worldwide. Why, then, are shipping companies so cautious with Arctic activities? The answer comes down to geostrategic concerns.