
Slowdown signs - Suez Canal revenues dip in December 2008

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Reuters reported that Egypt earned USD 391.8 million in revenue from the Suez Canal in December 2008, down from USD 426.3 million in December 2007 and from USD 419.8 million in November 2008. It may be noted that economists have been watching Suez Canal revenues closely to see any effects from piracy off the Somali coast and the recession in major economies, which is expected to reduce the volume of trade between Asia and Europe.

According to the Suez Canal Authority, traffic and cargo fell in the last 3 months of 2008 as a result of the financial crisis and shipping rates declined to around USD 18,000 per day from USD 163,000 before the crisis. The Canal authority said earlier that it would leave unchanged its transit tolls for 2009 despite its expectations that the global financial crisis will reduce traffic.

The canal is an important source of foreign currency for Egypt, along with tourism, oil and gas exports and remittances from Egyptians living abroad. The number of vessels using the waterway was 1,560 in December 2008, down from 1,815 in December 2007 and from 1,770 in November 2008.

(Sourced from Reuters)

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