

Orion Marine Corp./ ConFlo Lines

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In the recent past, we have witnessed mega-mergers and acquisitions, near 15,000-TEU ships, expansion of port capacity, infrastructure and enormous refinement of information technology. Huge container ships cross the oceans with mere 13-man crews, and more routine “back-room” work is being relocated to distant lands. Even middle managers will go the way of the dinosaur. The industry is de-populating, indeed, de-humanizing, and service levels decline accordingly. Carriers strain to save capital outlays in ships and equipment, financing, overhead and operating costs including fuel.

A more immediate concern will be the ever-increasing danger

emanating from a part of the world that is already in uproar: the Middle East. The geopolitical consequences of full-scale violent turmoil are simply immeasurable. Anything can happen, from an immobilization of the Suez Canal and closure of the Strait of Hormuz to significant disruption of worldwide oil supplies and shipping trade lanes. Major transshipment hubs, such as Dubai, Suez, Jeddah and Yemen could be impacted. Marine insurance rates would escalate, and trade to the region would be strangled. The all-important Asia-to-Europe lanes would be rerouted via the Cape of Good Hope, thus creating much longer transit times and higher fuel costs.

The entire region is a powder keg. It does not take much to light the fuse. Politicians in Washington and elsewhere must do much more to find a settlement to the Israel-Palestine slaughter. It appears that Syria and Iran may finally be drawn into more serious dialogues. Iraq will probably fall apart, but there will be no end to the violence. The rulers from Saudi Arabia to Egypt are still in control, but resistance is intensifying. Afghanistan can never be “pacified,” and our concept of democracy does not fit lifestyles or customs in Pakistan, central Asia, Sudan and Somalia. Those regions are, and will remain, tribal.

If we are lucky, we will bypass 2007 without major blowups, but, essentially, the die is cast. Time is of little importance to the people of the Middle East.