

Why Travel through Somali Waters?

Facts

Additional cost of transit around the Cape of Good Hope + Risk of bad weather is greater than cost of insurance + cost of Suez passage + risk of attack

En route between Europe and Asia, it takes twelve hours and hundreds of thousands of dollars in fees to traverse the Suez Canal and skirt¹ the Somali coast. The alternative is rounding² the Cape of Good Hope at Africa's southern tip, which adds millions to the cost-plus exposure to the area's unpredictable weather. It's cheaper to brave³ the pirate waters.

Suez Canal Facts

Percentage of worldwide sea trade passing through the Suez	7.5
Tons of freight passing through the Suez in 2007	710 million
Barrels of oil routed through the canal daily in 2006	4 million
Miles saved per trip by sailing through the Suez	Up to 10,000

Risk of a Highjacking

The insurance business is a gamble⁴. Insurers know that some ships will be hijacked⁵, forcing the companies to dispense multi-million dollar settlements. However, they know the chance of this happening is miniscule, which by the calculations of their industry makes it worth issuing policies.

ICC International Maritime Bureau, Suez Channel Authority

1. **skirt:** costeggiare.
2. **rounding:** girare intorno a.
3. **to brave:** affrontare.
4. **gamble:** gioco d'azzardo.
5. **hijacked:** sequestrare.

► Understanding the text

1 Answer these questions.

1. Which is the quickest route for ships between Europe and Asia?
2. What are its disadvantages?
3. Describe the alternative route.
4. And what are the disadvantages of the second route?
5. Explain in your own words the logic used by the insurance companies.

► Beyond the text

- 2 **Why do you think that the chance of a highjacking is 'miniscule' in the eyes of the insurance companies? Do you think that the pirates also understand this?**