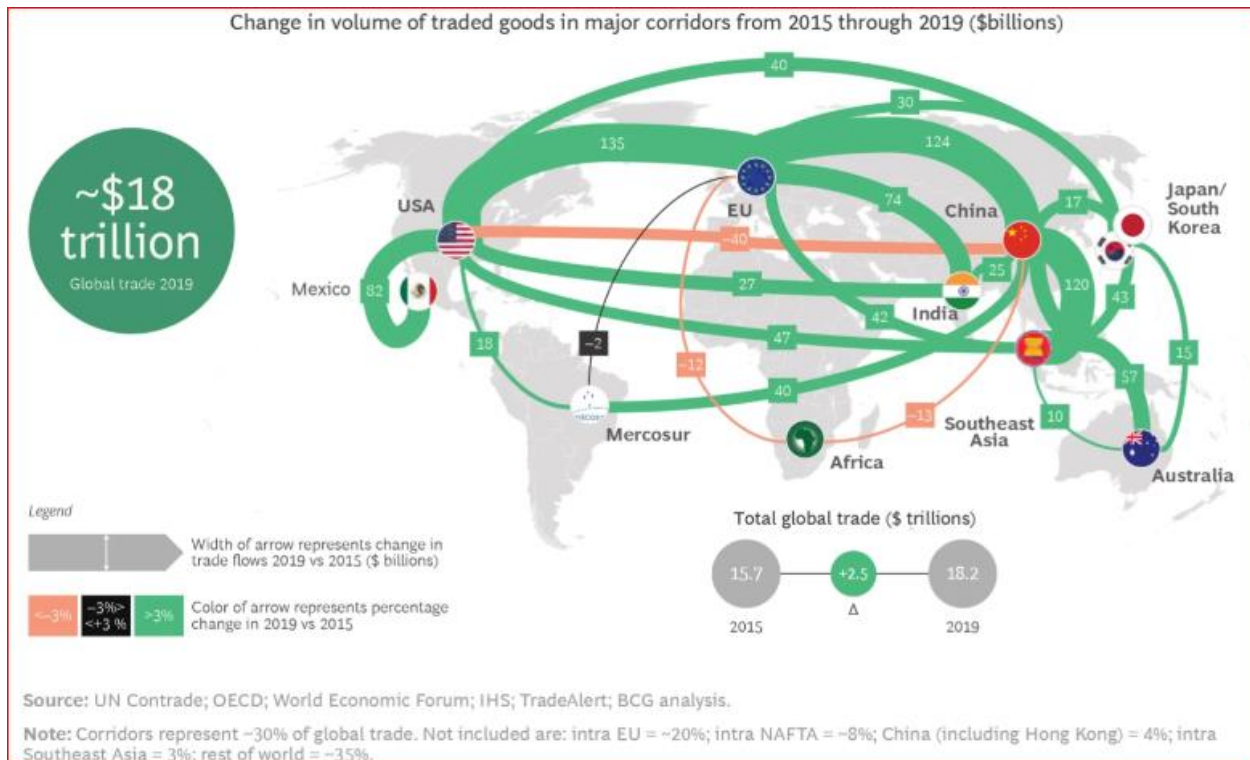


# Five World's Busiest Transit Corridors

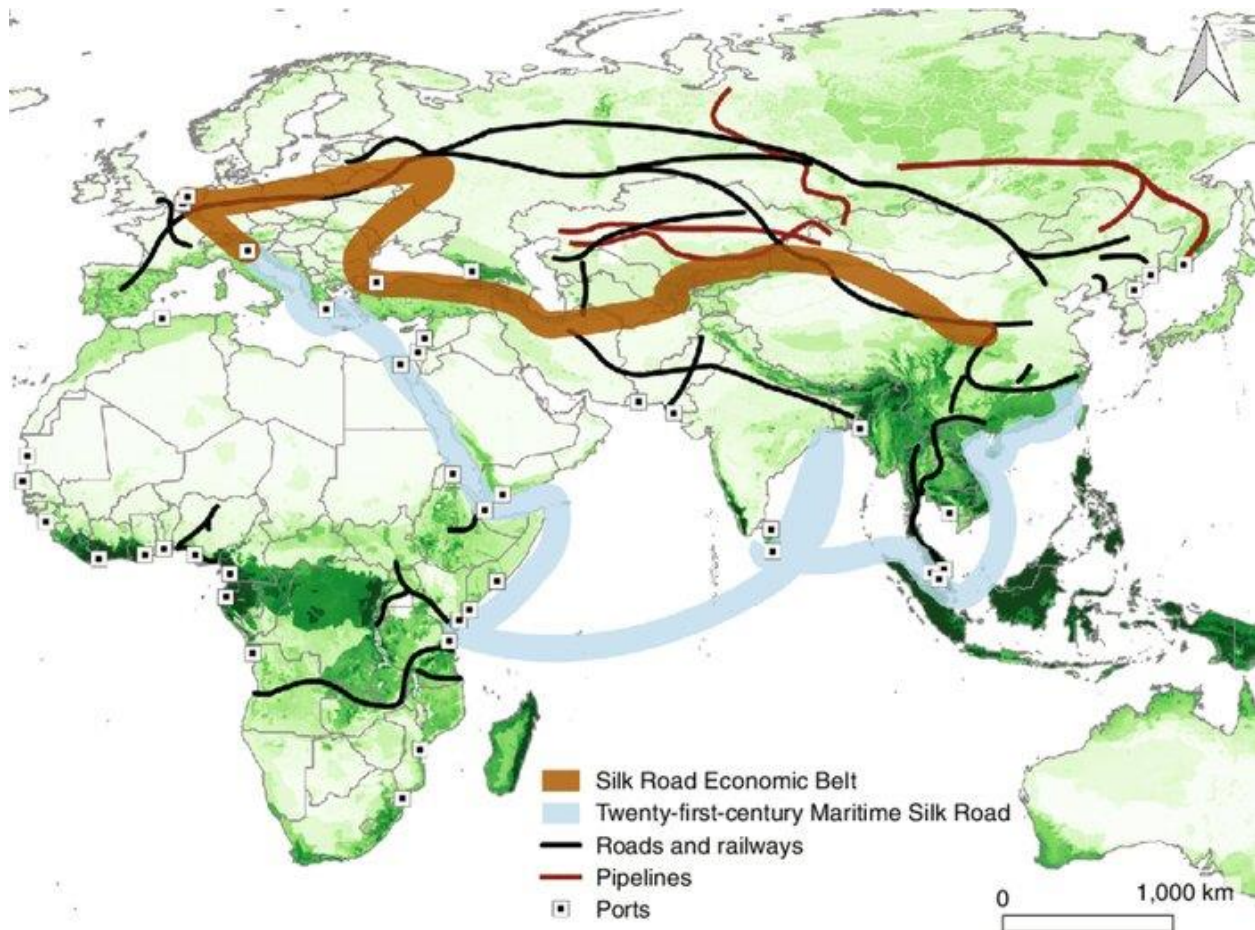


Knowing the main and most important sea and land transportation corridors in the world plays a significant role in the development of international trade of any country. In particular, recognition of the five busiest shipping routes in 2023 will be done due to the fact that more than 90% of world trade is carried out by sea.

The volume of global trade and exchanges has always been increasing every year for some specific and exceptional times. In 2021, the volume of world trade continued to expand, reaching a record 28.5 trillion dollars. This represents an increase of 25% compared to 2020 and 13% more than 2019 before the Covid-19 pandemic. In 2022, due to the beginning of recognition, the volume of world trade decreased from 28.5 to 28.3 trillion dollars.

Referring to the statistics and the volume of transactions in the world is to discuss the importance of corridors. As an example, the research conducted in the period from 2015 to 2019, especially the trade of 18 trillion dollars in goods in 2019, shows that corridors play a significant role in bilateral trade. Between America and China, America and European Union, European Union with China, India, South America and so on.

In recent years, corridors have played a significant role in bilateral trade between America and China, America and the European Union, the European Union with China, India, South America, etc., but according to experts, the world's largest corridor connects to China, which is the "Silk Road Economic Belt". And "Maritime Silk Road of the 21st Century" is defined in this direction; A corridor that can be described as "from and to China" and this country is located on one side of the trade; an initiative that includes both land and sea. The image below shows the two land and sea routes of the project, which eventually meet in Western Europe.



When China started the Belt and Road Initiative (BRI) with the participation of dozens of countries, 6 economic corridors were defined for it. Considering that the Belt and Road covers such a large area, this seemed very logical. Despite all the challenges and diverse needs in different regions, the corridor has the greatest impact on national and regional economies.

As mentioned, in the "Belt and Road" plan, it is defined by 6 transit routes, each of which has unique business and investment opportunities; these six corridors are:

1. China-Pakistan
2. The new Eurasian land bridge (connecting China and the European Union through Mongolia, Russia and Belarus)
3. China - Mongolia - Russia
4. China-Indochina Peninsula
5. Bangladesh-China-India-Myanmar
6. China-Central Asia-West Asia

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) analyzed each corridor in 2017 and concluded that investment in the Belt and Road Initiative would pay off differently for each. According to their report:

All actors in the supply chain must know what the main trade routes are in order to use them optimally Water corridors and maritime transport

The shipping industry is responsible for the import/export of raw materials, manufactured goods, fuel and a host of other goods around the world. Considering that most of the world trade is done by sea, shipping is the focal point of world trade.

International trade is what makes it possible to access many goods around the world and is mainly done by sea. It should be remembered that more than 90% of world trade is carried out by sea.

Therefore, sea trade routes are one of the main factors in the transportation process.

They determine the conditions and time required to reach the destination as well as the pricing. Therefore, all actors in the supply chain need to know which the main trade routes are in order to use them optimally. The following map shows the most important and main commercial shipping routes of the world.



According to the "World Shipping Council" (WSC) report and based on the trade performance of countries in 2017, the world's top trade routes are:

- Asia - North America: 26.57 million TEU
- Asia - Northern Europe: 15.06 million TEU
- Asia-Mediterranean: 7.91 million TEU
- Asia - Middle East: 4.74 million TEU
- Northern Europe – North America: 5.40 million TEU
- Asia – East Coast of South America: 2.07 million TEU
- Northern Europe / Mediterranean - East Coast of South America: 1.68 million TEU
- North America – East Coast of South America: 1.27 million TEU

It should be mentioned that TEU stands for "Twenty-foot Equivalent Unit", which is the container counting unit based on a standard 20-foot long container. (Each foot is equal to 30.48 cm)

The Asian continent is located in the main trade routes because 70% of the world's top ports are located in China; an issue that shows the importance of international trade and logistics in the region and China

It is not surprising to see that the Asian continent is on the main trade routes because 70% of the world's top ports are located in China; An issue that shows the importance of China's international trade and logistics. With this potential, China is now the main supplier of items to the entire world.

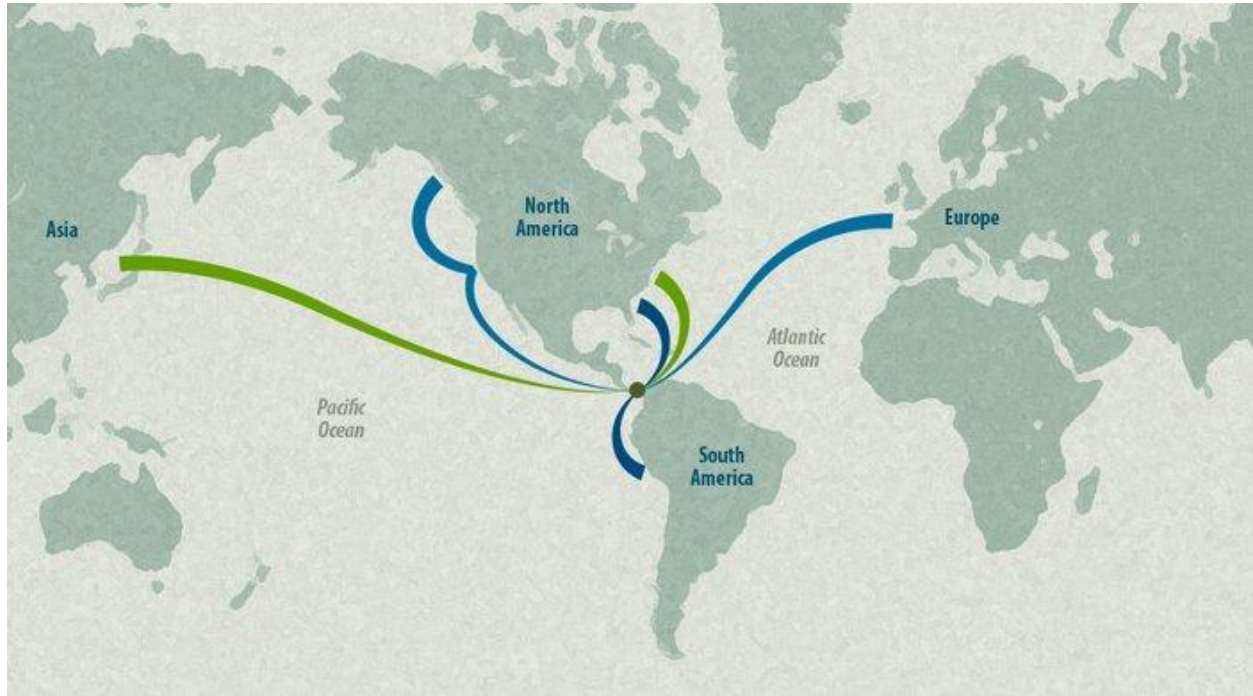
### **What are the busiest and most important shipping routes in 2023?**

As mentioned earlier, according to the report of the "International Maritime Organization" (IMO), more than 90% of world trade is carried out by sea; an issue that has made shipping routes an important aspect of business. In this section, we examine five of the busiest routes in the world so that individuals and organizations in charge of trade choose the easiest and least expensive route, as the time it takes for a shipment to reach its final destination affects the overall cost.

1. Panama Canal (Asia-America)
2. Suez Canal (Asia-Europe)
3. English Channel (Europe-UK)
4. Denmark Strait (Russia-Europe)
5. Strait of Malacca (inside Asia)

In the following, each of these five high-traffic routes will be examined separately;

## Panama Canal (Asia-America)

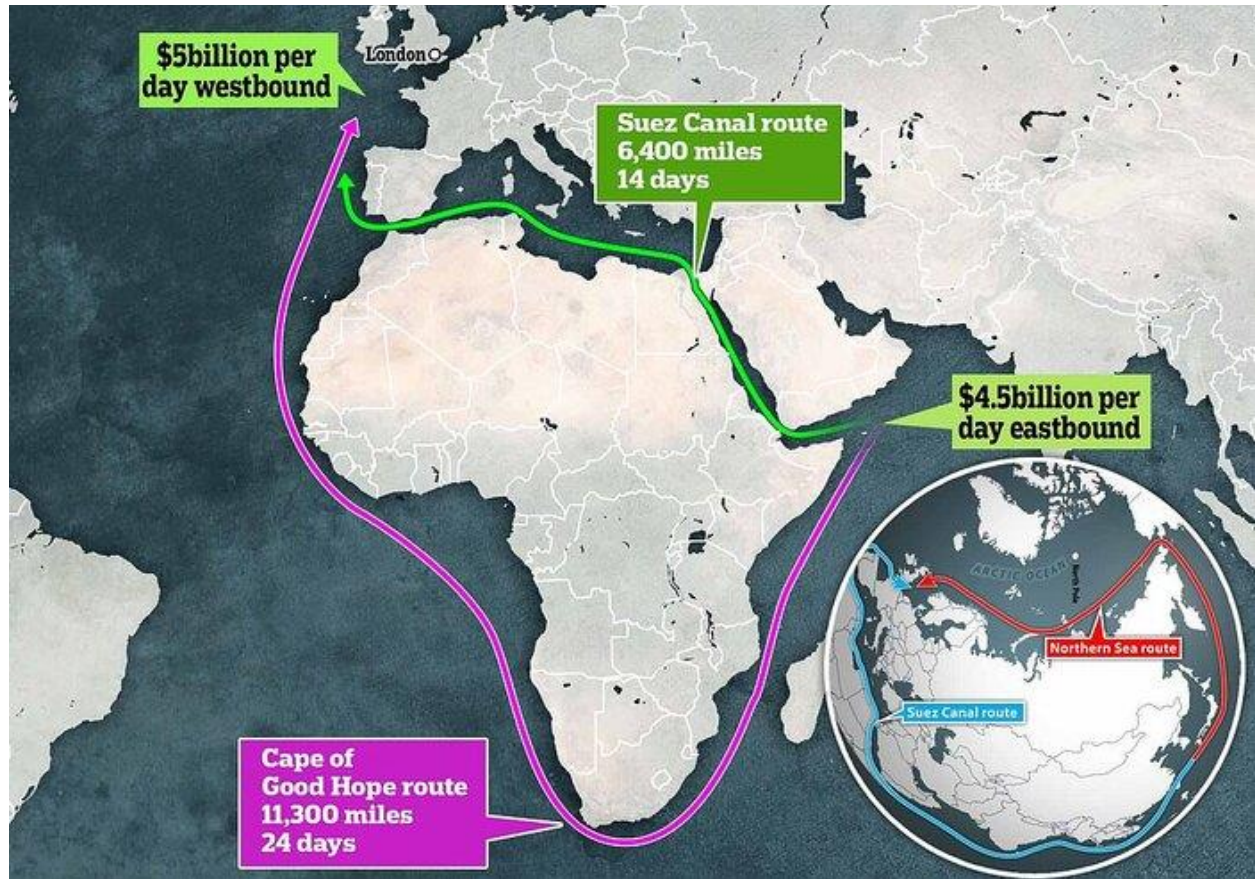


The Panama Canal facilitates major trade processes between Asia and the Americas, but the east coast of Asia (Far East) and the United States is its busiest shipping route. It serves as a direct connection point for ships sailing between the Atlantic and Pacific Oceans.

The Panama Canal shortens the journey by about 8,000 miles, reducing transit time from 67 days to just 10 hours.

The Panama Canal cuts between 2,000 and 8,000 nautical miles from each ship's route per voyage. This man-made shipping line shortens the journey by about 8,000 miles, reducing the 67-day transit time to just 10 hours. Nearly 14,000 ships use this route every year. In 2016, larger vessels of up to 14,000 TEU were allowed.

## Suez Canal (Asia-Europe)



It is one of the world's most popular trade routes and is also the fastest and shortest sea route between Asia and Europe (Atlantic and Indian Ocean via the Red Sea). This channel reduces the transit time of 24 days to 16 hours.

The Suez Canal is one of the most used ocean routes, with more than 100 ships passing through it every day, reducing the 24-day transit time to 16 hours.

The Suez Canal is one of the most used ocean routes, with more than 100 ships passing through it daily, but due to the high volume of trade between Asia and Europe, almost all large ships must be stationed and lined up after their first arrival. This is one of the reasons that led to the blockage of the Suez Canal in 2021 and became a major obstacle to world trade. The canal is also narrow and cannot handle two-way traffic, causing ships to queue for up to a week to depart.

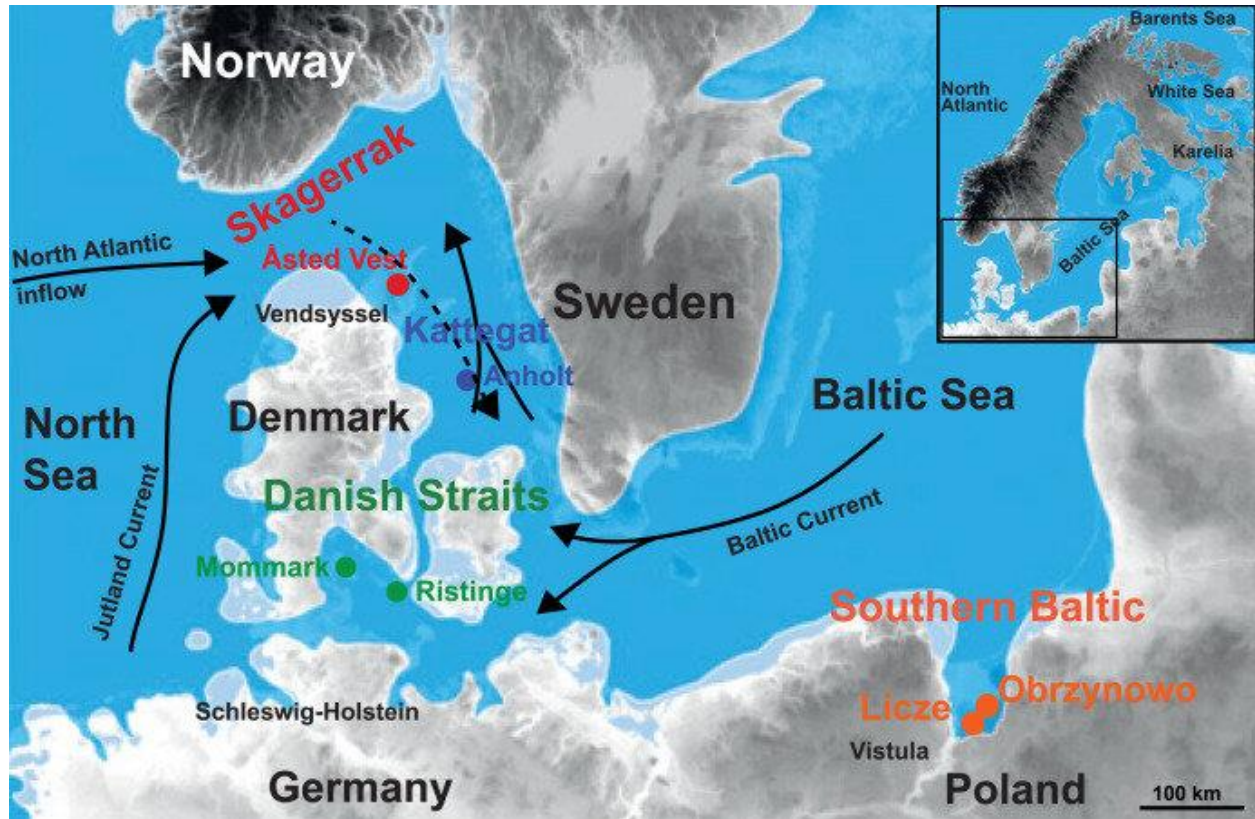
## English channel (Europe-UK)



It is the busiest sea route in the world, connecting the North Sea and the Atlantic Ocean, and is considered an important trade link between Europe and the UK. More than 500 ships pass through this English Channel every day and it is also the busiest shipping route in the world. This route provides the shortest time for transportation and reduces the transportation time from 210 to 90 minutes. The port of "Dover" in the southeast of Great Britain and the port of "Calais" in the north of France are two of the busiest ports in the world.

More than 500 ships pass through this English Channel every day, reducing the transit time from 210 to 90 minutes.

## Denmark Strait (Russia-Europe)



The Danish straits connect the Baltic Sea to the Kattegat, which in turn leads to the Skagerrak and then the North Atlantic Ocean. These straits are mainly located in the territory of Denmark and Sweden and include the small belt, the big belt and the Sound. These straits are important transit points for trade between Russia and Europe, and the largest share of cargoes in this strait includes oil and crude oil.

Every year, more than 83 thousand ships and about 40% of the world's traffic pass through the Strait of Malacca

## **Strait of Malacca (Inside Asia)**



The Strait of Malacca is the shortest and largest passage between the Pacific Ocean and the Indian Ocean and connects the three largest Asian economies, namely India, China and Japan, as well as other important Asian economies such as Thailand, Indonesia, Malaysia, the Philippines, Singapore, Vietnam, It connects Taiwan and South Korea. Every year, more than 83,000 ships use this route, so that approximately 40% of the world's traffic passes through this strait.

## **What is the share of regions and players in the world from corridors?**

In today's world, more than 70% of world trade in terms of value of goods and 90% in terms of tonnage is done through the seas. For example, in 2021, more than 11 billion and 100 million tons of goods were moved through ports and shipping lines internationally, which was more than 4.3% growth compared to 2020.

Asia's share of the total 11 billion and 100 million tons of seaborne commercial goods in 2021 was more than 54%, and the American continents had 18%, Europe 15%, Oceania 8% and Africa 6%, respectively. In addition, this year, more than 2 billion tons of goods have been moved between different ports of the world with containers, of which Asia's share is 64%, and the share of Europe and the Americas is 15% each, Africa is 4%, and Oceania is 2%. Was.

Therefore, in 2021 (1400), with 42% of exports and 64% of imports, Asia was considered the leading center of sea cargo transportation in the world. That year, about 40 percent of all container trade was on the main east-west routes—between Asia, Europe, and the United States. Non-main East-West routes such as South Asia-Mediterranean accounted for 12.9%.

Among the Asian countries, China was able to increase the level of its exchanges more than any other country through transportation in the bed of the corridors. In 2021, China's exports grew by 155% and its imports by 50% due to the increase in worldwide demand; US exports rose by almost 17% and imports by 67%.

In addition, the European continent also experienced a 41% growth in exports and 132% in imports in the same year, all of which significantly required sea transportation. Therefore, the main flow of cargo ships for the transfer of goods and containers was formed in the routes between China and the United States, as well as between China and Europe, and significantly increased the profitability of shipping lines in these routes.

As China plays a significant role in maritime trade transactions, it has focused on its "New Silk Road" for about a decade, for which the two trade routes "Silk Road Economic Belt" and "Maritime Silk Road" have been considered. The transformation of the New Silk Road in 2013 into the "One Belt, One Road" plan in 2014 and the "Belt and Road" initiative in 2015 show the evolutionary process of this mega-project.

This New Silk Road includes a wide range of communication network projects and transit routes, oil and gas pipelines, ports, airports, railways and facilities with

Chinese capital worth more than four trillion dollars; the plan was opened in China in 2017 in a ceremony attended by the leaders of nearly 30 countries.

The launch of this highway will cover 65% of the world's population, 40% of global net production and 71 countries. By the year 2020, 138 countries have become members of this plan internationally, of which 69 countries are specifically on the path of the land and sea corridors defined for this plan. According to the announcement of the Ministry of Foreign Affairs of China, this country has concluded 198 cooperation documents with 167 countries and international organizations in the framework of the Belt and Road Initiative.

From the point of view of the observers, one of the most important reasons for the creation of the New Silk Road is Beijing's attempt as the second largest economy in the world to break the US containment strategy. The US sees the New Silk Road as a symbol of China's power exercises, which must be curbed. Next to the US, one can keep an eye on the competition between China and India in the Indian Ocean; India is the biggest power that has been left out of the New Silk Road after America.

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