

AI Technology Leader Predicts Suez Canal Global Supply Disruption will Cost \$45 Billion in Coming Quarter

ClearPrism today released new analysis for Fortune 500 companies showing the economic impact of the Suez Canal disruption on U.S. companies detailing supply chain recovery impacts on critical industries including defense, construction, healthcare, manufacturing, and oil and gas.

DALLAS ([PRWEB](#)) April 01, 2021 -- [ClearPrism](#) today released new analysis showing the total impact of the Suez Canal disruption on U.S. companies will cost up to \$45 billion in negative economic impacts in 2Q 2021. The artificial intelligence (AI) technology leader's latest research details the supply chain recovery impacts on critical industries including defense, construction, healthcare, manufacturing, and oil and gas, and outlines how companies can prepare for future events.

"The economic impact due to the one week disruption of oil alone, just one of the 10 commodities held up in the Suez Canal, will cost up to \$28 billion in the coming quarter," said Ralph Welborn, Ph.D. (Cognitive Science) and Co-Managing Partner, ClearPrism. "While most analysts will be projecting something in the neighborhood of a \$10 billion impact from disruption in the oil industry, our data shows it will actually be almost triple that. Understanding and predicting these ripple effects in downstream industries is critical as companies adjust strategically, not just react to the immediate pressures they are under."

ClearPrism reports the canal blockage will affect approximately 25 percent of the United States gross domestic product (GDP) value, and the ripple effect will result in impacts on another 15 percent. Using a unique AI algorithm and analytics approach, the company assesses economic impacts through each step of the U.S. supply chain of impacted industries of products that are blocked at the canal such as oil and products, fertilizers, chemicals, fabricated metals, and vegetable oils, while helping multinational companies accurately predict how external events such as the Suez incident will impact each component of their supply chains. "Faint signals" and risk exposure levels can be determined based on a variety of indicators such as geographic locations, weather patterns, healthcare events such as the pandemic, regulatory restrictions, and more.

"All supply chain disruptions have industry-to-industry as well as industry-to-geo and geo-to-geo ripple effects," said Welborn. "There are immediate effects and longer term effects, depending on what we call 'hops' across industries. Such insights into these types of 'hops,' and the relative quantitative dependency among them, is critical to understanding the economic and production impacts of the key products that were blocked in the canal and mitigating for future events."

For more information about ClearPrism's services, please visit <https://clearprism.com>.

About ClearPrism

For more than 20 years, ClearPrism has accelerated the value of business through focus, execution excellence, comprehensive technology services and tools powered by proprietary artificial intelligence, algorithms and machine learning. The company's flagship technology platform, MINERVA, enables organizations to identify, predict, map and quantify events, risks and technologies on business operations, supply chains, partner networks and investment portfolios. Headquartered in Dallas, TX, ClearPrism is a team of 40+ data scientists, PhD quants, business strategists and former senior leaders from major global consulting and technology organizations who have joined forces to become the leader in AI-powered business transformation. Additional



offices are located in Boston, Chicago, New York and San Francisco. Visit ClearPrism online at <https://clearprism.com> and [@ClearPrism](#) on LinkedIn.



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