



Genoa, 18th December 2023

CUSTOMER ADVISORY #2 | IMPACT ON SUEZ CANAL TRANSIT AND INTERNATIONAL TRADE

Dear Valued Customer,

We write to inform you of the latest developments impacting vessel routes and global shipping conditions that may affect your cargo shipments.

HMM (Hyundai Merchant Marine) has officially announced a strategic diversion of vessels around Africa. This redirection aims to optimize safety measures, although the timing of the announcement raises questions.

Notably, not all carriers are steering clear of risk zones. A container vessel operated by **Chinese New Shipping** is presently navigating southward into the risk area.

Recent updates from **OOCL** and Evergreen regarding the suspension of cargo acceptance to and from Israel have fluctuated. (UPDATE: Evergreen has re-uploaded their announcement)

In response to heightened concerns, the US has announced a coalition comprising 10 countries to safeguard shipping in the area. However, questions persist regarding the timeline for deploying sufficient naval assets to ensure safe passage and the strategy to address continued threats from groups launching missiles and drones.

A substantial number of container vessels linger in the Red Sea due to safety concerns. Traveling south remains perilous, while the alternative route around Africa entails costly transit tolls through the Suez Canal to return north to the Mediterranean. Vesselfinder estimates approximately 15 large container vessels and various smaller ones in a holding pattern.

CMA-CGM's recent update invokes article 10 of the Bill of Lading clauses, empowering them to reroute cargo via alternative routes and potentially impose additional charges, including extra war risk fees. Shippers are advised to anticipate possible supplementary costs for their cargo already aboard vessels.

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MSC already announced additional contingency charges CAC on all trades effective from yesterday evening on all new and old freight agreement. We strongly suggest you to get in contact with your operational team to check about this implementation and amount involved.

Maersk has decided that all vessels previously paused and due to sail through the region will now be re-routed around Africa via the Cape of Good Hope for safety reasons. They will continue their voyages on the diverted routes as soon as operationally feasible.

We understand the significance of these developments for your shipments and are committed to keeping you informed as the situation evolves. Should you have any concerns or queries, please do not hesitate to contact your Iscotrans' representatives.

Thank you for your continued trust and partnership.

Warm Regards,
ISCOTRANS SPA

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