

MEDIA STATEMENT

GSF calls for port schedules, closure learnings and surcharge scepticism as Suez Canal reopens

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Ever Given has finally given! - here's what needs to happen next for shippers ...

Shippers and cargo owners have breathed a collective sigh of relief at the news that shipping services through the Suez Canal – the world's busiest trade route - will soon be resumed.

But as the biggest shipping story of the year so far fades from the main news bulletins, attention is switching to the restoration of the disrupted and fractured supply chains that are reliant on the cargoes carried by the container shipping industry. The 'shipping' story may be over, but the supply chain impacts and the work of those who manage them is only just beginning.

The big questions shippers are asking now include:

- 1. When will my cargo arrive and at which port?
- 2. How can the chances of this disruption happening again be minimized?
- 3. Will the industry take advantage of the disruption to put up rates again?

The Global Shippers Forum, which speaks up for cargo owners in international trade, is calling for three decisive actions to happen over the next few weeks to restore services, support credibility and to provide stability to the deep-sea container trades:

A. Regularly Updated Schedules

Prompt announcement of revised port calls and arrival dates, to allow importers to manage inventories and plan container collections. This includes the adjusted schedules for vessels diverted via the Cape of Good Hope, in particular those that would have called at Mediterranean ports on-route to or from North West Europe or North America.

B. Credible Answers

An independent, international inquiry to establish the circumstances of the incident and identify learnings for future navigation of the Suez Canal by Ultra Large Container Carriers (vessels exceeding 17,000 TEU capacity; *Ever Given* is 20,000 TEU capacity).

C. Surcharge Scepticism

Shippers should be wary of new surcharges and additional costs attributed to the Canal closure. Many goods will be spoilt or unsaleable by the time they are delivered, and expectations of supplementary payments and surcharges by carriers for late delivery on top of the historically high rates already paid should be challenged.

Commenting as the *Ever Given* was towed away by salvage tugs, James Hookham, Secretary General of the Global Shippers Forum said:

"It's a great relief to see the ship moving. The salvage teams are heroes and we thank them for their achievement and applaud their tenacity. At last, 12% of global trade can move freely again.

"But the vulnerability of this ultra-critical trade artery has been revealed and it is vital that the reasons why it was blocked are understood and shared. In particular, was this a one-off accident or has it revealed inherent issues with the navigation of these very large vessels in confined waterways? The whole world will be affected by the closure and we are all owed an honest and convincing explanation.

"Meanwhile, shippers will be preparing for the arrival of their delayed and diverted cargoes and for that they need prompt, comprehensive and frequently updated details about which vessels will be calling at what ports and on what dates. Some lines are excellent at doing this, others less so.

"Finally, some shipping lines are already predicting an increase in spot rates and surcharges due to the disruption. GSF is warning shippers to be wary of this signalling of future prices and of demands for new surcharges. This incident was not our fault and the reasons why customers should be expected to pay extra, on top of record shipping rates for goods delivered late and for reasons ultimately of the industry's own making should be challenged. The shipping industry is reminded that 'Suez' is a canal in Egypt, not an excuse to price-gouge your customers".

Ends

Notes for Editors:

- 1. James Hookham, Secretary General of GSF, is available for interview. Please contact: +44 7818 450440
- 2. Global Shippers Forum (<u>www.globalshippersforum.com</u>) is the global business organisation speaking up for exporters and importers as cargo owners in international supply chains and trade procedures. Its members are national and regional shippers' associations representing hundreds of manufacturing, wholesaling, and retailing businesses in over 20 countries across five continents. GSF works for safe, competitively efficient, and environmentally sustainable global trade and logistics.