



# The Israeli Federation of International Freight Forwarders and Customs Clearing Agents

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1525468

November 20<sup>th</sup> , 2023

To whom it may concern,

## **"Swords of Iron" -Israel at war - bulletin number 16**

The goal of this bulletin is to provide visibility on the topic in order to keep our friends and partners informed so that they are well equipped with knowledge (whatever could be available from different trusted sources) to take better business decisions in the coming days / weeks.

The information given in this bulletin delves into the consequences of the conflict on trade relationships, potential disruptions to major trade routes.

Please note the actual situation affecting export and import cargo movement on the 45th day of the war.

In general, Israel's air cargo and marine gateways for trade are functioning under signs of strains as the country's war continues.

- **Customs and regulation authorities**

All customs field offices and regulation authorities are operating regularly.

The Ministry of Agriculture is acting for the functional continuity of the economy and the introduction of fresh agricultural produce into the State of Israel during the war for the benefit of the food security of the citizens of Israel. The Ministry is doing all in its power to help the required functioning of the supply chain and to meet the needs of the population regarding food from both animal and vegetable sources.

The inspectors of the Ministry of Agriculture are also working under missiles attacks at the ports of Ashdod and Haifa, at Ben Gurion Airport and at the Jordan River border crossing.

Since the beginning of the war, approximately 9,500 tons of fruit and vegetables have been handled and cleared from the ports and border crossings.

Note: the Veterinary Services and Animal Health of the Ministry of Agriculture and Rural Development, has issued a procedure to import vet products to Israel without an original **certificate of veterinary inspection (CVI)** (the procedure was published in Hebrew only)

The Plant Protection and Inspection Service of the Ministry of Agriculture and Rural Development, allows importers to use scanned Phytosanitary certificate to clear imported cargo.

- **Border crossings**

- **Tuesday, November 20<sup>th</sup> 2023:**

- Cargo operations at **Allenby/King Hussein/al-Karama Bridge crossing** is partly working between 08: 00 – 16: 30, for the transfer of:
      1. Palletized cargo - import
      2. Export – priority to food shipments.
      3. Cement ( silo in bulk)
      4. scrap iron- import / export

- **Please note that:**

- Food items will get priority

- The crossing director has noted that limited number of motor vehicles will be allowed subject to prior approval.

- Cargo operations at **Jordan River/Sheikh Hussein Border Crossing**: the cargo terminal will be open, subject to availability of workers, between 08:30 to 17:00 for all types of cargo.
- Priority will be given to reefer containers arriving from Haifa.
- **Nitzana Border Crossing** – between Israel and Egypt is open for export.
- **Yitzhak Rabin/Arava Crossing** – between Israel and Jordan near Eilat is working.

- **Crossings Administration of the Ministry of Defense serving cargo moving from Israel to the Palestinian Authority.**

The following crossings will be open on 20<sup>th</sup> November 2023 for all type of cargo including containers moving from Israel to the Palestinian Authority. Goods moving from the Palestinian Authority to Israel must get prior approval.

**Tarqumiyah Crossing** - southern crossing in Yehuda and Shomron

**Gilboa/Jalama Crossing** - northernmost crossing in Yehuda and Shomron

**Sha'ar Ephraim - Ephraim Gate** - a crossing in the center of the Yehuda and Shomron region

Humanitarian goods (west to east) will get priority

- **Beitunia Crossing** - a crossing intended solely for goods in the center of the Yehuda and Shomron region, under the responsibility of Israel Police (SY District) and administered by a private operations company.

**Open on 20<sup>th</sup> November.**

- **Airports**

Ben-Gurion Airport (TLV) is operating as scheduled and is open for flights for all airlines, according to the Israel Airports Authority.

However, security situation and staff availability could affect flights.

Israel's civil aviation authority said airlines should "review current security and threat information" and had changed some air traffic routes.

The authority noted that delays should be expected and advised airlines flying to Israel to carry extra fuel as precautionary measure.

**Traffic disruptions**

The ongoing conflict has seen sporadic disruptions to commercial traffic in and out of Tel Aviv Airport.

In general, when there are rocket attacks in the area around Ben Gurion Airport, the Israeli Air Force (IAF) typically implement a security hold. This means that all flights are grounded until the situation is deemed safe. This is a precautionary measure to protect passengers and aircraft from the risk of being hit by an inbound rocket. How long a security hold lasts will depend on the severity of the rocket attacks.

The war continues to have repercussions on air freight and express shipments to the region. Many carriers and forwarders advise that services in the area may face cancellations and delays. We

are well aware that forwarders have issued warnings on their website, noting that several airlines have suspended direct flights to and from Israel. This decision aligns with the guidance of international aviation authorities, who have recommended avoiding the region's airspace. This situation has resulted in some shipments already in transit stuck until further notice. It must however be noted that while international airlines have temporarily suspended flights to and from Tel Aviv, TLV

airport remains open. We would like to highlight that El Al and Cal Airlines are still providing cargo services, thus offering alternative transportation options for cargo needs.

While most passenger and some cargo airlines have cancelled flights to and from the country, data showed that Israeli air cargo export rates to Europe and the US have actually increased by 20% since last week.

- **Airlines**

- **Israel national carrier El Al is flying between the U.S. and Israel, as well as other destinations. El Al said it was operating “in accordance with the instructions of the Israeli security forces”.**

**ELAL airline** updates that the operation of its cargo aircraft from Liège operation, operate as usual.

**El Al has revamped passenger planes to carry cargo.**

El Al's Boeing 737 officially joined El Al's fleet as a cargo plane. The aircraft, which was originally a passenger plane, can carry 20 tons of cargo. It will make two daily flights to different locations in Europe, and made its debut flight last week to Frankfurt. El Al has also removed the passenger seats from one of its Boeing 777 planes, for the same purpose. It will be able to carry between 25 and 50 tons of cargo per flight. Israel's flag carrier, which has a fleet of 46 aircraft split between long and short haul, removed seats from one of its six Boeing 777-200 planes to add up to 50 tons of cargo per flight

Other freighter operators serving Tel Aviv include MNG Airlines (Turkey), SkyTaxi (Poland), Silk Way West Airlines (Azerbaijan) and Israel's own Challenge Group, with a fleet of Boeing 747 and 767 jets.

- Israel's parliamentary finance committee approved a plan to provide a state guarantee of \$6 billion to cover insurance against war risks to Israeli airlines, the Finance Ministry said on Thursday. The guarantee framework will grant Israeli airlines insurance policies against war risks, thereby ensuring the continuity of air operations in Israel.
- **Challenge Air, Israel's only all-cargo operator, has maintained service to Israel from its hub at Liege airport in Belgium.**  
**Challenge (CAL) airline** updated that the activity at Liege continues to take place and challenge are investing more and more equipment and resources to support the IL market, even though the majority of the capacity is intended for national purposes – the freighter is operated on a daily basis and they manage to provide solutions for most of the shipments to Israel
- **Air Serbia** and **Ethiopian Airlines**, are operating a limited service.
- **Bluebird Airways** is continuing with its scheduled flights between Tel Aviv and Greek cities Heraklion and Athens and Larnaca in Cyprus.
- **Georgian Airlines** is continuing scheduled flights between Israel and Georgia.
- **FlyDubai** is operating two daily flights between Israel and Dubai.
- Etihad Airways – daily flight to Abu Dhabi
- Hainan Airlines – flights to Shenzhen
- DHL Global Forwarding has set up a dedicated charter operation between its European hub at Liege (LGG) and Tel Aviv (TLV) in response to the decline in belly capacity following the outbreak of conflict in Israel.

- The B767-200 freighter, organised through its StarBroker Charter operation has a payload of 40 tons, dedicated to “continue serving [DHL’s] immediate customer’s capacity needs” after “most carriers revoked their flights to and from Tel Aviv”.
- It ran three flights last week, but DHL noted that “Given the very dynamic situation, we cannot currently say how long we will continue to provide this service.”

### **Major airlines cancelled flights in and out of Israel**

Major international airlines have suspended operations to and from Israel following the Israeli government’s official declaration of war against militant group Hamas on October 8, 2023.

The following major U.S., European and Asian airlines, along with subsidiaries, have suspended service to the country. U.S. airlines had given statements Monday that they were monitoring the situation and will resume flights as safety conditions improve. Delta and American have further revised operations, with the latest reflected below. This is a developing situation, and this list is subject to change and will be updated as circumstances warrant *(latest update: Oct. 16.)*

- **Air France** – Suspended flights
- **Norway’s Norwegian Air** is cancelling its flights from Copenhagen and Stockholm to Tel Aviv, as well as return flights, until December 19, a company spokesperson told Reuters news agency.
- **Air Canada** – Suspended; will resume “as soon as the situation stabilizes”
- **American Airlines** – Suspended through Dec. 4 *(updated Oct. 10)*
- **British Airways** – Flights suspended to and from Tel Aviv *(updated Oct. 11)*
- **Air France**- has suspended its flights for the time being *updated Oct. 10)*
- **Cathay Pacific** – Suspended through Dec. 31 *(Updated Oct. 26)*

- **Delta Air Lines** – TLV to BOS and ATL suspended until further notice; TLV to JFK suspended through Nov. 15 *(updated Oct. 26)*
- **EasyJet** – Flights suspended through Nov. 7 *(Updated Oct. 26)*
- **India Air** – Suspended through Nov. 2. *(Updated Oct. 26)*
- **Austrian Airlines** - Suspended
- **Korean Air** – No flights available to book; no further guidance since Oct. 10.
- **Pegasus Hava** – Suspended until further notice.
- **Royal Air Maroc** - cancelled flights to and from Tel Aviv on Saturday and Sunday.
- **Air Malta** cancelled two return trips on Monday and Wednesday, saying it would continually adjust operations as needed
- **Finnair**- Suspended *(Updated Oct. 11)*
- **Ryanair** – Suspended *(Updated Oct. 10)*
- **Lufthansa** – Flights suspended to Israel through Oct. 31. *(Updated Oct. 26)*
- **Swiss Air** - suspended
- **Turkish Airlines** – Flights suspended "until further notice" *(Updated Oct. 11)*
- **United Airlines** – Tel Aviv flights remain suspended. United has **expanded flexibility** for people who hold Tel Aviv tickets. It has also expanded capacity from Athens to assist travelers leaving the region. According to an emailed statement, United is in continuous contact with the U.S. State Department as it seeks to add options to assist American travelers. *(Updated Oct. 12)*
- **Virgin Atlantic** – Suspended through Nov. 4 *(updated Oct. 26)*
- **Wizz Air** – Suspended

Foreign airlines that continue to fly to Israel include Air Serbia, Ethiopian Airlines, Emirates, FlyDubai and Greek low-cost carrier Bluebird Airlines. *(Updated Oct. 16)*

According to aviation analytics company Cirrium, a total of 76.2% of airlines have canceled or suspended flights to Israel.



- **Courier / express services**

**UPS** is maintaining a freeze on flights into Israel because of security concerns associated with operating in a war zone.

We understand, however, that UPS shipments to and from Israel are moving parcels, probably by other means. The company has put in place a contingency plan allowing UPS to resume daily international service to and from Tel Aviv.

**DHL Express** continues to fly to the country's main airport in Tel Aviv.

**FedEx Express** suspended flights last week. Flight resumed last Wednesday and frequency increased.

**Note:**

- Southern areas of the country: delivery and pick-up services are suspended until further notice.
- Northern areas of the country and Tel Aviv: delivery and pick-up services have resumed.
- The three companies are moving shipments to their destinations as quickly as it is safe to do so, and continue monitoring the situation closely.

**Maritime sector**

uncertainty in the region persists as to how long it will last. The developments affect shipping operations as it has influenced many other fields. The threat to merchant vessels of all flags which are trading in Eastern Mediterranean and Middle Eastern waters will likely escalate if the Israel/Hamas war intensifies.

Until October 26, here is a compilation of updates about shipping from the region.

Industry sources stated that shipping and maritime security companies are evaluating their operations for Israel, even though the two main Israeli ports—

Ashdod, located farther up the coast, and Haifa, located in the north—remain open.

- **Seaports**

The Israeli shipping and ports administration issued on 25<sup>th</sup> October an open letter to the shipping industry indicating as follow

**Subject: Israeli Ports under the current conflict with the Hamas**

**Our ports are:**

- fully opened for Business.
- Functioning at full capacity.
- Highly protected strategic facilities.
- Are of the safest in the world, thanks to Multi layered security.
- At high standard of Cyber security at all times.
- Commended for their security at a recent survey conducted by the US coast guard.
- Protected by the highly efficient Iron dome among other anti-rocket systems both on land and at sea that are assigned to protect our ports.

In general:

- Steps have been taken by the government to minimize risk levels for calling ships.
- Israel's Iron dome defense systems has proven to be super effective.
- Bottom line, despite several previous conflicts, no damage was sustained to any calling ships, i.e. zero incidents.
- The Israeli Government has via its property tax fund initiated an insurance scheme for all vessels on route to or calling Israel.

The shipping and port administration of the Israeli Ministry of transport has taken ad hoc steps and changed the rules of the port's "operational queue", enabling vessels to wait 18 nautical miles west of Haifa and Ashdod breakwater and being called to enter only when they can be received and handled at the port (please see attached link [https://www.gov.il/he/departments/publications/reports/17\\_10-2023](https://www.gov.il/he/departments/publications/reports/17_10-2023) ).

### **Backlog at Israeli ports grows**

According to credible sources, Israeli ports which are the oxygen for the Israeli economy, are experiencing a growing backlog of ships as the nation intensifies its shipping operations. The number of ships calling at Israel ports is declining as the country's war starts to impact the shipping industry.

As rockets pound Israel, some ships bound for Ashdod divert to Haifa port in north. The rerouting, plus truck driver shortage, could delay delivery of cargo to final destinations.

Arrivals of cargo-carrying vessels into Israeli ports from foreign markets are down 11.3% in the three weeks following the attack on the country, according to Lloyd's List Intelligence vessel-tracking data. Some 235 vessels berthed in one of Israel's ports between October 8 and October 28, in the three weeks until October 7 this figure was 265. Although vessel arrivals are down, we are not seeing a continuous decrease indicating a degree of stability.

Ashdod, Israel's second-busiest port, has seen the largest drop in vessel arrivals, down 21% in the three weeks after the start of the war. Ashdod Port remains operational. A recent statement on its website emphasized its commitment to continue its operations, even in times of conflict. The port's message reassured the public that it was prepared to supply

Israel's economy with essential goods around the clock to prevent shortages. Ashdod port applies strict entry procedures for vessels carrying hazardous materials.

The Port of Haifa, which handles various cargo types, including dry bulk goods, has affirmed its continuous operations. It aims to accommodate various cargo types, including diverted shipments from Ashdod.

Other Israeli ports are currently reported to be unaffected and operating as before the conflict escalated.

However, as the situation continues to evolve, the status of Israeli ports can also change.

- **The port of Ashdod** is currently operating in “emergency mode” status.
- **Hadarom Container Terminal (HCT)** working daily until 19:00.
- **The port of Haifa**, which also include the Haifa Bay port and Israel shipyard port, is operating as usual.
- **HaMifratz Port**, Haifa, is operating as usual.
- **Eilat** - The port of Eilat is operating as usual.

The Israeli military announced last week that the air raid alert had been raised in the port city of Eilat after its “systems detected a suspicious target approaching Israeli territory. In Eilat, the risk came from Houthi rebels in Yemen firing missiles and drones from across the Red Sea – they were intercepted and destroyed before they could hit their targets. The city sits on the narrow southern tip of Israel, sandwiched between Jordan and Egypt, about 50km (31 miles) from Saudi Arabia

## **Ashdod**

Following an announcement about “special situation in the hinterland” in the geographical area in which Ashdod Port is included, the Ministry of Transportation has directed the port to regulate the entry of vessels according to the hereby procedure:

1. Entry of vessels carrying Hazardous Materials (“HAZMAT”) of any kind into Ashdod Port, is subject to a prior approval of Israel’s Administration of Shipping and Ports.
2. Shipping agents are required to send detailed list of all HAZMAT of any type on vessels scheduled to arrive at the port of Ashdod, 48 hours prior its arrival at the port. The above applies to both container ships and general and bulk cargo ships.

Ashdod Port, the only state-owned port in Israel, operates 24/7 with employees working longer shifts mainly for two reasons. The first reason is their own safety. It is safer for port employees to stay in the port area than to have to return home. In addition, the Israeli army has recruited 10% of the Ashdod Port Company’s personnel, so the remaining personnel must work to fill the gap in personnel shortages

## **Haifa**

Israel’s Haifa Port — owned by Indian billionaire Gautam Adani’s Adani Ports — is seeing a growing backlog of ships and cargo. The activity has been reinforced to the maximum possible, within the operational and manpower limitations, in order to receive cargo of all types, including cargo that was diverted from the direction of Ashdod and unloaded at the Port of Haifa,” it said in a statement.

Home Front Command requires to control and regulate the amount of HAZMAT entering/outgoing/stored in the port and to act so that HAZMAT containers of certain classifications are stored in the port

only in the protected areas. meanings The ship's agent must send the declaration at least 24 hours before the ship carrying HAZMAT enters the port.

The Israeli Navy controls all the sea traffic in all areas around and near the ports of Ashdod and Ashkelon.

British maritime risk advisory and security company Dryad Global noted that "However, the entire situation remains unstable and demands vigilant monitoring. Should Hezbollah from southern Lebanon get involved, the threat level for the port of Haifa would instantly escalate. While not a direct target, the risk of collateral damage to ships and potential operational disruptions would be of significant concern".

### **SIPG Bayport Haifa**

SIPG Bayport will extend free storage days period as follows:

- A. Additional 4 free storage days (and a total 8 free storage days) for local laden containers (including transit containers).
- B. Maintain Raspan Tariff (4 days) of storage for all DG containers without extension.
- C. The above rules will be applied to local laden containers that meet the following conditions:
  - I. Import Laden - Enter the yard after October 8<sup>th</sup>, 2023, and "Gate Out" no later than November 7<sup>th</sup>, 2023.
  - II. Export laden- "Gate In" after October 8<sup>th</sup>,2023 and loaded on board no later than November 7<sup>th</sup>, 2023.
- D. The above preferential storage policy shall be applied retroactively as of October 8<sup>th</sup>, 2023 and terminate on November, 8<sup>th</sup>, 2023.

- **Shipping services**

- The container liner company ZIM Integrated Shipping Services continues to operate and accept bookings to and from Israel.
- Mediterranean Shipping Co. (MSC) and Maersk, the biggest and largest container shipping companies by cargo volume, told clients they will continue to accept bookings to and from Israel.
- MSC announced that Detention and Demurrage (D&D) clock stop for all locations in Israel between October 8, 2023 and November 8, 2023.”
- “Container rates from China to Israel’s Ashdod port are down about 10 percent since last week but in line with rates for the region overall,” says the latest update from Freightos. Maersk announced relief for customers with cargo in Israel or bound for Israel: \*Free Change of Destination (COD) service fee – subject to re-stowage and shifting costs, plus any ocean freight price difference to the new destination; and \*Detention and Demurrage (D&D) clock stop for all locations in Israel between October 8, 2023 and November 8, 2023.”
- Ocean Network Express (ONE) is closely monitoring the evolving situation and will continue to provide updates on any further developments. ”The ongoing safety and wellbeing of ONE’s employees and associates in the region remains our priority.

- **Insurance and war risk premium**

**Israel to provide compensation for war-damaged ships in wake of Gaza conflict**

The Israeli government has taken significant steps to address the damage caused to ships in the region. Israel will provide compensation

for ships that are damaged due to the war in Gaza and the Government is taking steps to minimize risks for vessels using the country's ports, government advisories said. Israel's tax authority said in a statement dated Oct. 26 that compensation would be awarded for "war damage" caused to any Israeli or foreign vessel located within Israel's economic waters. "War damage is defined under the law as damage that is caused to the body of an asset due to acts of war by the regular forces of an enemy or due to other acts of hostility against Israel, or due to acts of war by the Israel Defense Forces," the statement said.

### **War Risk Surcharge**

Who Charges the War Risk Surcharge: **Carrier**

This is a supplementary carrier charge, that is only applied when insurance underwriters designate specific zones as war risks. It covers more than actual wars (invasion, insurrection) including international events that may be escalating toward war, and areas where hijacking (piracy) is prevalent. The surcharge is levied to recover potential extra costs, such as re-routing or additional security.

In light of the war situation, insurers have imposed an additional war risk insurance premium on all vessels calling Israeli ports, which we are now obligated to pay in order to maintain service to and from Israel. **Consequently, effective immediately, ZIM will charge the war risk premium, at cost, on all cargo to and from Israel, as detailed in the table below:**

<b>Line/Service</b>	<b>War risk premium Surcharge</b>
ZNI	\$50/TEU
ZMP, MGX, SAM, ZCA	\$100/TEU
TBX, LBX	\$80/TEU
ADE, TYR	\$50/TEU



- The war risk premium surcharge will apply to new Bookings and on-water cargo.
- As advised by insurers, the war risk premium surcharge is subject to changes every 24 hours and therefore Zim will update the war risk premium surcharge as per these changes.
- We have been informed that **Grimaldi lines** advised customers that it applies war risk – 10 % to Haifa , 15 % to Ashdod.( formal notice is yet to be published).
- **OOCL** - shipments to/from Israel to all destinations except US ports will increase to USD 35/TEU, effective immediately For USA shipments effective date of the increased WRP is November 15<sup>th</sup>.
- **Arkas Line**, - due to the situation in Israel, insurance companies apply an additional war risk insurance premium surcharge to all vessels calling at Israeli ports, so we are obliged to implement WRS to continue in/out Israel shipments. We will continue to accept in/out Israel bookings. Operations in Israel will continue as usual. As advise by our insurers, the war risk premium surcharge is subject to changes every 24 hours and therefore we will update the war risk premium surcharge aligned with these changes. WRS to be applied as of 18.10.2023 for all containers that have been gate - in to Terminal for from/to Israel is as follows: WRS USD 100 / teu (for all container types)
- **Akkon Lines**, informed the trade that: due to the tensions at Israel, insurers have imposed an additional war risk insurance premium on all vessels calling Israel ports, which we are now obligated to pay in order to maintain service to and from Israel. Therefore we are compelled to implement a War Risk Surcharge for all cargoes moving to / from Israel Ports (Ashdod & Haifa):
  - USD 125 per TEU as from M/V VENTO 0823 vessel

The above charge will be payable by the Freight Paying Party.

- **Admiral** ( Turkey and Black Sea ) - Apply an extra war risk premium to all our vessels calling Ashdod and Haifa Ports. we are forced to apply EXTRA WAR RISK PREMIUM (EWP) valid for ALL imports and exports from /to ASHDOD to HAIFA without any exception:  
 USD 91.-/20'  
 USD182.-/40'  
 New EWP will be applicable valid by:  
 TIX Service:  
 Admiral Galaxy v23/198 - eta Haifa/Ashdod 22-23/10/2023
- **EBX Service:**  
 Admiral Star v23/328 – eta Haifa/Ashdod 22-23/10/2023  
 Admiral Moon v23/246 - eta Haifa/Ashdod 22-23/10/2023  
 EPS would be collected from the party who pays the sea freight.

### **Turkon Line**

WRS to be applied as of on the following dates for all containers that have been gate - in to Terminal for from/to Israel is as follows: WRS USD 90 for 20' and USD 180 40' and 45'.

#### Export from Israel

On 27.10.2023 from Haifa to Istanbul.

On 30.10.2023 from Ashdod to Istanbul.

#### Import to Israel (Ashdod/ Haifa)

On 24.10.2023 from Izmir

On 27.10.2023 from Istanbul *EVYAP. GEMLIK*

On 27.10.2023 from Iskendrun

**HMM Hyundai Merchant Marine (HMM) - War Risk Surcharge (WRS) on Israel Cargo.**

As costs increase by deteriorating logistics situation HMM implement War Risk Surcharge (WRS) with immediate effect on all equipment types as follows to maintain our service from/to Israel :

Origin Destination Commodity War Risk Surcharge (WRS) 20' all type 40' all type

Asia (other than ISC) Israel ALL COMMODITIES \$100 \$200

ISC (India subcontinent) Israel ALL COMMODITIES \$50 \$100

\* War Risk Surcharge (WRS) is effective immediately and until further notice

## **LUCY BORCHARD SHIPPING LTD. - EMERGENCY WAR RISK**

25.10.2023

Further to our advised dated 15<sup>th</sup> Oct 2023 , attached, and due to the ongoing situation in Israel , insurers have imposed additional war risk insurance premium on vessels calling at Israel ports.

As a result of this, Borchard Lines will apply the following “ **Emergency War Risk** ” for all cargoes loaded either to or from Israel ports .

**USD\$40 per 20ft container (including special equipment)**

**USD\$80 per 40ft container (all types DV , HC , PW , Reefer , Special Equipment)**

This surcharge will be basis **payable in Israel** irrespective of freight terms.

The surcharge will apply to all cargoes, both contract and non-contract, import and export, as of:

**Ruth Borchard** v 0429 / 0430 eta Ashdod 28/10 and eta Haifa 31/10

**Susan Borchard** v 0901 / 0902 eta Ashdod 1/11

**Louise Borchard** v 1157 / 1158 eta Ashdod 30/10

### **Evergreen**

Line decides to adjust the amount of **WRC (War Risk charge)** in Israel for DRY & SPECIAL, REEFER container as below.

**Service Scope & Charge item:**

Trade ID : LI Trade (Intra Med , Turkey , Adriatic , west med , Black sea )

Charge Item Code : WRC/L, WRC/D, Area scope: cargo fm / to

ILASH,ILHFA

- Original: USD 9/18/18 - 20'/40'/40'SH container (DRY & SPECIAL),  
USD 9/18 - 20'/40' Container (REEFER)

- Revised: USD 36/72/72 - 20'/40'/40'SH container (DRY & SPECIAL),  
USD 36/72 - 20'/40' Container (REEFER)

Effective Date: OCT / 26 / 2023 (on board date)

**Yang Ming**

Charge name: War Risk Surcharge

Charge code: WR , Effective date: 27 October, 2023 (on board date)

Applicable coverage: shipments exported from Israel to Europe and vice versa

Pay term: charge at Israel

Rate:

You can find the latest surcharge tables on WEB ILIS:  
[https://as2.yangming.com/ilis/index\\_v2.htm](https://as2.yangming.com/ilis/index_v2.htm) by “Bulletin for Agent→Commercial Group→Surcharge for All Trades (CMDP)→Trade Charges→Trade Charge - EU”

20'DC/DG USD 125

40'DC/HQ/DG USD250

45'HQ USD 300

20'RF/FO/FC USD 125

40'RQ/FO/FC USD 250

Rate Basis Effective Date Expiry Date Israel Europe Europe Israel

Remark: The war risk surcharge is subject to change with 24 hours prior notice. 27 October, 2023

USD 125 250 300 125 250 Per Container War Risk Surcharge WR

### **War risk on marine cargo cover**

Due to the state of war that began on October 7, 2023, Israeli insurers have begun eliminating both war risk insurance coverage and terrorism risk coverage in cargo marine insurance policies. These are risks of war and terrorism, which are insured by maritime policies marketed in Israel.

In order to ensure the supply chain and the continuity of imports and exports of goods, even in times of emergency, it will be possible to insure cargo arriving in Israel or leaving Israel through a property tax fund.

The Property Tax and Compensation Fund Law, 5721-1961 (hereinafter: "the Law") allows payment of compensation for damage to foreign Israeli assets, and by virtue of this Law they were enacted.

- The Israeli Parliament has extended US\$6 billion in wartime insurance guarantees to three Israeli airlines, enabling carriers "El Al", "Arkia" and "Israil" to continue repatriating Israelis from abroad, amid widespread international flight cancellations to Israel.

### **JCC's Global Cargo Watchlist**

- According to JCC's Global Cargo Watchlist, Israel's risk moved to Very High 3.8 from High 3.2:
  - Rising risk of Hizbullah intervening in the current Israel-Gaza war, increasing risks on ground cargo and related infrastructure, probable targeting of ports and marine assets, airports, and accidental shoot down risks from rockets.
  - The likelihood of a protracted war between Israel and Gaza-based militants poses a very high risk to marine cargo, particularly at Ashdod and Ashkelon ports, aviation cargo,

particularly at Ben Gurion airport, and ground cargo in central Israel. In the increasingly likely event of Hezbollah in Lebanon entering the war, these risks would become severe throughout all of Israel.

### **Guiding note**

For Cargo Insurance policies the availability of cover against war and strikes risks is determined by reference to the risk levels within the JCC Cargo Watch List, which are established independently by S&P Global (formerly IHS Markit) for the Joint Cargo Committee of Lloyd's and the IUA (commonly known as "the JCC").

Other considerations are also used in determining whether cover is available; examples include UK and international sanctions, internal controls and risk appetite.

The geopolitical situation in every country and territory is continually monitored by S&P Global, and their risk scores are updated monthly, or more frequently if there is particular conflict, unrest or political instability.

There are seven risk levels that correspond to the risk scores:

- Low – 0.0 to 0.7
- Moderate – 0.8 to 1.5
- Elevated – 1.6 to 2.3
- High – 2.4 to 3.1
- Very High – 3.2 to 4.3
- Severe – 4.4 to 6.4
- Extreme – 6.5 and higher

- **General**

**Israeli companies involved along the international supply chain, have upgraded their activities in recent days in order to address the situation and have taken the necessary steps to enable local importers and exporters fulfill their commercial undertakings.**

The realities of the conflict are upending not only the everyday logistics of running a company, but the lives of executives and their employees. Many are dealing with the trauma of the Hamas attack, including the death of friends or loved ones. Some offices have lost significant portions of their workforce to the army reserves

Some businesses are hoping for government support. Companies, which handles goods coming in and out of Israel, have had their operations significantly disrupted by halted international flights and increased shipping fees.

The war has had a negative impact on the logistics industry in various ways. It has disrupted the transportation modes of air, sea, and land freight; it has affected the supply chains of several sectors such as electronics, defense, and healthcare; it has increased the costs and risks for logistics providers and customers. The extent of these impacts will depend on how long the war lasts and how much it escalates.

The logistics industry will need to adapt to these challenges by finding alternative routes, sources, and markets; by enhancing security measures; by collaborating with stakeholders; and by supporting humanitarian efforts.

1. The Israel Defense Forces (IDF) have closed main roads near the border with the Gaza Strip.
2. Inland services – both road and rail – are fully operational in and around the country, except around the Gaza strip.

3. Heightened security measures and disruptions to transport and business will almost certainly continue across Israel over at least the short term. Tight security is likely at all Israeli ports of entry over the short-term, and the status of border crossings, airports, seaports, roads, and rail services may change with little to no notice depending on conflict developments
4. The conflict could also impose a severe maritime security risk in the area, with sources already claiming that vessels are changing their routes after being advised to do so.
5. Precautionary measures, such as evacuations, are possible in areas impacted by the armed conflict.
6. According to the *Bloomberg* media outlet, the war is costing Israel around \$260 million (€238 million) a day. In October alone, Israel's budget deficit soared sevenfold. By the end of that month the national currency, the shekel, fell to an 11-year low against the dollar, though it has since stabilized following interventions by the Israeli central bank.
7. Schools are gradually returning to daily routine in almost all areas.
8. Israel's Economy Ministry said that there was a shortage on manpower making it harder to transport and replenish inventories due to higher consumption, although there was no shortage of supplies and urged people not to hoard food.
9. As rockets pound Israel, some ships bound for Ashdod divert to Haifa port in north. The rerouting, plus truck driver shortage, could delay delivery of cargo to final destinations.

Regards  
IFFCCA