



The Israeli Federation of International Freight Forwarders and Customs Clearing Agents

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To whom it may concern,

" Swords of Iron " -Israel at war - bulletin number 19

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 107 days of the war.

- Logistics transportation within and through Israel has largely returned to normal, albeit with an increased cost due to the imposition of a rising war risk surcharge.
- The two major trading ports, Ashdod and Haifa, are reportedly operating under normal conditions. The Port of Ashdod, approximately 50 kilometers from Gaza, is experiencing minor irregular delays in cargo processing,
- The present conflict serves as a testament to the shipping and maritime industry's ability to adapt, demonstrating that despite challenges and disruptions, trade and operations can persist, albeit with the necessary caution and vigilance.

- In terms of airline logistics, most airlines are gradually resuming flights which were canceled in the immediate aftermath of the attack. The Israel Airport Authority, however, has normalized operations at Tel Aviv Ben Gurion International Airport for international flights.

The Yemen's Houthi Red Sea attacks

Houthi rebels in Yemen have significantly stepped up attacks on commercial shipping vessels travelling through the lower Red Sea since mid-November in response to Israel's bombardment of Gaza

- The Red Sea crisis and continued Houthi rebel attacks on cargo ships and tankers is now a bigger impact event for shipping than the early pandemic, according to the latest data from maritime advisory firm Sea-Intelligence which measures changes in vessel capacity.
- The longer transit around the Cape of Good Hope is having a significant impact on vessels available to pick up containers, but unlike during Covid, there is excess vessel capacity currently unused which could be put back into service and help solve the issues.

Maersk's Decision: All transits through the Red Sea / Gulf of Aden are halted until further notice. Maersk remains in a holding pattern, with vessels like "Mathilde Maersk" redirecting westwards towards Gibraltar.

Hapag-Lloyd Extends Routing: Hapag-Lloyd has extended its rerouting around Africa for another week before reassessing the Red Sea security situation.

Increased Air Cargo Demand: The conflict is leading to a sharp increase in air cargo demand. The rising shipping rates, longer transit times, and supply chain delays are pressuring airfreight capacity. The situation is creating opportunities in air cargo charter services as shippers seek alternative routes for urgent shipments. Analysts expect air freight rates to rise.

Customs and regulation authorities

All customs field offices and regulation authorities are operating regularly.

- **Border crossings**

- Cargo operations at **Allenby/King Hussein/al-Karama Bridge crossing** working between 08:00 – 16:30.
- Cargo operations at **Jordan River/Sheikh Hussein Border Crossing**: the cargo terminal is open.
- **Nitzana Border Crossing** – between Israel and Egypt, is open..
- **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 are open for cargo moving from Israel to the Palestinian Authority, and for goods moving from the Palestinian Authority to Israel.

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.

- **Airports**

Ben Gurion International airport (TLV) stays open as foreign airlines cancel flights. Ben Gurion Airport remains open, but the security situation and staff availability could affect flights.

The conflict has caused significant flight disruptions **Major international airlines suspend flights to Israel amid war on Gaza**

- **Airlines flying to Israel**

- Multiple major airlines have resumed flights to TLV after suspending service in response to the conflict between Hamas and Israel.

- Israeli carriers like El Al, Arkia, and Israir had a monopoly on flights to Israel until late November 2023.
- While many airlines have announced plans to resume flights to TLV, the security situation may still result in cancelations or postponements.

Airline	Destinations
El Al	Amsterdam, Athens, Bangkok, Barcelona, Berlin, Boston, Bucharest, Budapest, Chisinau, Dubai, Frankfurt, Geneva, New York-JFK, Johannesburg, Krakow, Larnaca, Lisbon, London Heathrow, London Luton, Los Angeles, Madrid, Miami, Milan, Moscow, Munich, Newark, Paris, Prague, Rome, Sofia, Tbilisi, Vienna, Warsaw, and Zurich
Arkia	Athens, Belgrade, Bucharest, Budapest, Dubai, Eilat, Larnaca, Prague, and Tbilisi
Israir	Athens, Batumi, Bucharest, Budapest, Chişinău, Dubai, Eilat, Larnaca, Sofia, and Tbilisi
Ethiopian Airlines	Addis Ababa
flyDubai	Dubai
Hainan Airlines	Shenzhen
Etihad Airways	Abu Dhabi
Red Wings	Sochi
Azimuth Airlines	Sochi
Uzbekistan Airways	Tashkent
Lufthansa	Munich and Frankfurt
Swiss International Airlines	Zurich

Airline	Destinations
Austrian Airlines	Vienna
Tarom	Bucharest
Aegean Airlines	Athens
Bluebird Airways	Athens
Air France	Paris (resumes January 24)
TUS Airways	Larnaca
HiSky	Bucharest and Chisinau
Smartwings	Tbilisi
Azerbaijan Airlines	Baku (resumed January 16)
Wiz air	London, Rome, Cracow, Budapest, Bucharest and Sofia
Ryanair	(resumes February 1) reduced schedule with flights between Tel Aviv and Marseilles, Milan, Vienna, Memmingen and Baden Baden/Karlsruhe.

- **Air freight**

- **Israel air-cargo capacity down despite recent freighter additions**

- Over the last three months Cargo carriers have been quick to add freighter operations to Israel.
 - Both freighter and bellyhold – is down 29% in the three weeks running to November 19.
 - Widebody passenger belly capacity has fallen 67%.
 - Meanwhile, freighter capacity during the three week periods has increased by 17%.

- Silk Way has led the way in terms of freighter capacity additions, increasing its cargo capacity by 256% to 1,879 tonnes.
- In terms of frequencies, Silk Way operated seven flights between September 11 and October 1 and 17 between October 30 and November 19.
- Challenge Group has also been quick to respond, increasing its capacity by 49.2% between the two periods to 3,837 tonnes. Frequencies were up from 29 to 47.
- National Airline's cargo space is up 780% to 959 tonnes over the two three week periods, with frequencies increasing from one to nine.
- Other freighter operators to add capacity between the two periods include MNG, SkyTaxi, Easy Charter, El Al, ASL Airlines Ireland, Global X, Fly Pro, Maximus Airlines, Western Global, Air Atlanta Icelandic and DHL
- Israel's El Al Airlines boosted cargo capacity to meet high demand for shipments of equipment to Israel.
- 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 tonnes of cargo per flight.
- It also added a Boeing 737 that was recently converted to cargo to its fleet and, with cargo capacity of 20 tonnes, will make two flights a day to various European destinations.
- **Courier / express services**
UPS is maintaining a freeze on flights into Israel because of security concerns associated with operating in a war zone.
DHL Express continues to fly to the country's main airport in Tel Aviv.
FedEx Express continues to fly to the country's main airport in Tel Aviv.
 Delivery of shipments already in Israel will be performed where safe and possible.

- **Shipping industry's resilience**

The maritime industry is well aware of the security situation, and companies such as MSC and Maersk remain vigilant, pledging to monitor the situation closely and heed government guidance. This underscores the industry's adaptability and resilience in the face of geopolitical tensions.

Maersk, a major player in the industry, reassured stakeholders by announcing that its port operations across Israel's key terminals are functioning without disruption. MSC echoed this sentiment, asserting that Israel's major terminals are operational, enabling them to facilitate cargo delivery.

China's state-owned shipping company COSCO temporarily suspended shipping to Israel on January 7 likely due to escalating Houthi attacks in the Red Sea. This move follows the January 6 decision of COSCO subsidiary Orient Overseas Container Line (OOCL) to indefinitely suspend shipping to and from Israeli ports. COSCO's decision could limit the number of available ships to service regular Israeli shipping lanes, increasing shipping costs for major Israeli companies like Zim Integrated Shipping Services Ltd.

ZIM Tyrrhenian Service Update

Zim's Tyrrhenian Container Line Service, connecting Israel, Fos Sur-Mer (France), Genoa and Salerno (Italy) which has been operated jointly with COSCO, will continue its operation by ZIM, Starting January 19th, 2024, and will continue to be operated as a weekly basis until further notice. Updated schedule will be published in the coming days.

ZIM FAR EAST to ISRAEL NEW PEAK SEASON SURCHARGE

Effective: January 4th, 2024, Zim Europe (IJR) voyage 082/W, till further notice:

POL	POD	DV20'	DV/HC40'
Far East	Haifa / Ashdod	\$500	\$1000

Above charge is additional to the applicable base freight charges, THC, bunker, ESS and security related charges,

- **Seaports**

Israel's seaports feel strain as shipping traffic slows.

Ashdod port is in operation but still applies strict entry procedures for vessels carrying hazardous materials.

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 may 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 Israel shipyard port is operating as usual.
- **HaMifratz Port**, Haifa, is operating as usual.
- **Eilat** - The port of Eilat is operating as usual.

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

- **Israeli cyber space**

Since the beginning of the "Iron Swords" war, the Israel National Cyber Directorate (INCD) has detected a gradually intensifying activity from various types of attackers against organizations in the Israeli cyber space. The attackers deploy wide range of methods and techniques, starting from simple, unsophisticated attacks, such as defacing websites or denial of service attacks, to targeted attacks against organizations that constitute a supply chain for many organizations in the economy, in order to achieve widespread effect.

The INCD reviews the cyber activity perpetrated against cyber space in Israel during the war, and addresses several insights derived from the first three months of the war.

- **The economy**

As a result of the war, the Organization for Economic Cooperation and Development (OECD) said the war will cause a "temporary but pronounced slowdown" of Israel's economy. It had grown about 3% before the Oct. 7 attacks and is now expected to slow to 1.5% this year. Weighing on the economy are labor shortages, lower consumer and business confidence, and higher inflation. A recent modified 2024 budget for Israel showed the impact of the current war economy on the deficit, which is expected to surge from 2.25% to 6.6% of total GDP this year. To stimulate the flagging economy, the Bank of Israel cut interest rates by a quarter point, to 4.5 %. It was its first rate cut since the start of the Covid pandemic, and additional cuts were expected.

- **General**

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

1. Inland services – both road and rail – are fully operational in and around the country, except around Gaza strip.
2. 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.

Regards

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