



YOU CALL. WE MOVE.
M.G. INTERNATIONAL
SINCE 1891



YOUR RELIABLE LOGISTICS PARTNER

July, 4th 2024

Dear Clients, Partners and Friends,

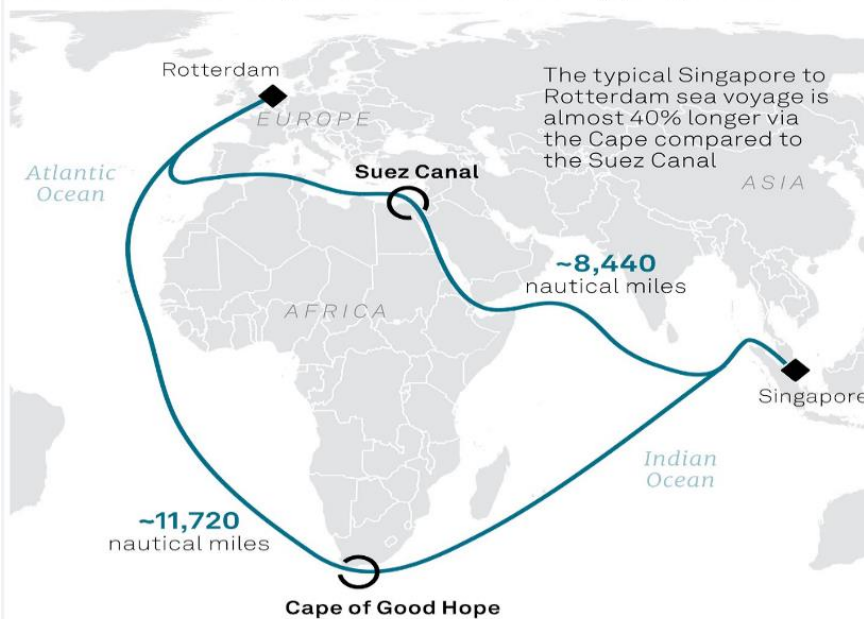
on January, 25th 2024 we already informed you about the current situation at the Gulf of Aden / Red Sea. Herewith, we would like to provide you with updated information.

Background:

During the past months, armed forces have attacked or have tried to attack civilian cargo ships. As a consequence, most carriers decided to avoid the Red Sea / Gulf of Aden passage. The Suez Canal, the primary transit route between Europe and Asia, can only be accessed through the Red Sea.

As an alternative to the Suez Canal, sailing around the African continent via the Cape of Good Hope is required even though this route takes an additional 10-14 days sailing time.

Suez Canal vs. Cape of Good Hope shipping routes



Source: Global Maritime Hub, S&P Global Commodity Insights



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Update:

The risk zone in the Red Sea has been expanded and attacks are reaching further offshore. Consequently, most carriers continue to sail around Cape of Good Hope for the foreseeable future in order to safely get the cargo to its destination.

The knock-on effects of the situation have included bottlenecks and vessel bunching, as well as delays and equipment / capacity shortages.

Please consider that marine cargo insurance coverage is terminated for the following territories, unless specially agreed with the underwriters:

The insurance of the perils according to the above clauses and agreements is excluded in the area of the Indian Ocean, the Gulf of Aden and the southern Red Sea within the following limits (exclusion area):

- in the northwest: through the Red Sea, south of the 18th parallel north
- in the northeast: from the Yemeni border from the geographical point with the coordinates 16°38.5'N, 53°6.5'E to the point in the high seas with the coordinates 14°55'N, 53°50'E
- in the east: through the line in the high seas from the point with the coordinates 14°55'N, 53°50'E via the point with the coordinates 10°48'N, 60°15'E to the point 6°45'S, 48°45'E
- and to the south-west: across the Somali border from the geographical point with the coordinates 1°40'S, 41°34'E to the point in the high seas with the coordinates 6°45'S, 48°45'E.

All other contents of the agreement and existing exclusions (in particular with regard to Russia and Ukraine) remain valid to the same extent as before.

We remain at your disposal for any further questions or requirements.

Yours sincerely,

M.G. International Group