



# 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 13**

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 15th 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.

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**

- **Sunday, October 29<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.
            - **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 29<sup>th</sup> October 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

1. **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 29<sup>th</sup> October.**

- **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.

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

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.

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 will probably resume on Tuesday, October 24, 2023 (ELAL is making efforts to fly all shipments delayed in Liege).

- 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 schedules flights between Israel and Georgia.
- **FlyDubai** is operating two daily flights between Israel and Dubai.

Several airlines, such as Tarom, Wizz Air, LOT Polish Airlines, Air India, Turkish Airlines, American Airlines, Delta Air Lines, Egypt Air, Air Canada, Emirates, Air France, Dutch carrier KLM, Germany's Lufthansa, Finland's Finnair, Norwegian Air, Portugal's TAP, along with the Lufthansa Group (comprising SWISS, Brussels Airlines, Hainan Airlines and Austrian Airlines), either cancelled or reduced flights to Tel Aviv's international airport, Ben Gurion Airport.

British Airways has suspended its service to and from Tel Aviv, the latest airline to halt Israel service as the war escalates. Other countries like China, Hong Kong, and South Korea cancelled all flights to Tel Aviv.

- **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 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.

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.

### **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.

### **Haifa**

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**

- 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'

USD 182.-/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

### **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 "Israir" 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.

- **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.**

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. Israel's Economy Ministry said separately on Thursday there was a shortage of labor, 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.

Regards

IFFCCA