



Admiral Osama Mounier Mohamed Rabie
Chairman & Managing Director
Suez Canal Authority
Irshad Building, 7th floor
Ismailia, 41515
Arab Republic of Egypt

30 November 2021

Dear Admiral Rabie,

SUEZ CANAL AUTHORITY (SCA) ANNOUNCEMENT OF 6% INCREASE IN TOLL FEES FOR CANAL TRANSIT FOR CERTAIN VESSEL TYPES

I am writing on behalf of the International Chamber of Shipping, the principal global trade association for shipowners and operators; in relation to the recent announcement by the Suez Canal Authority (SCA) of increases in tolls for vessels transiting through the canal, to be applied from February 2022.

We understand that the announcement of this toll change is based on extensive research conducted by the Canal's Economic Unit experts, and we further appreciate the recognition by the SCA of the immense challenges faced by the global shipping industry during the COVID-19 pandemic, in particular amongst the cruise and passenger ship segments. We therefore welcome the subsequent decision to maintain the tolls for passenger and cruise ships at their current rate, and reiterate industry's appreciation for the continued service provided by the SCA throughout the pandemic. The unaltered toll charge for LNG vessels, to reflect the ongoing reduction percentages already granted to these vessel types, is also appreciated by the global shipping industry.

However, in light of the proposed changes, we would encourage the SCA to kindly consider delaying the implementation of these toll increases for an absolute minimum period of 6 months from their announcement, an essential minimum duration to allow for the explanation of the change to be made to relevant stakeholders. Such a delay would allow for these changes to be effected from May 2022. It would additionally be appreciated if the SCA would consider sharing with industry the rationale for the price changes indicated by the research conducted by the economic unit. This additional information, coupled with the minimum notice period of 6 months, would ensure that shipping companies can fully prepare for the additional cost, and provide clarity on the rationale behind the toll increases when in communication with their customers.

Finally, we would like to take this opportunity to follow up on our previous communication to the Suez Canal Authority, sent in January 2019, outlining proposals for an official framework for regular high level dialogue between SCA and ICS, to be held on a biennial basis. We strongly believe that fostering a long-term relationship between the SCA and industry would bring mutual benefit to all parties, and as such we would be pleased to formalise such a dialogue through a Memorandum of Understanding (MoU) which ICS would be willing to produce in cooperation with the SCA. Such active communication would be sincerely welcomed by industry, particularly given the successful dialogue which was established between the Suez Canal Authority and the International Chamber of Shipping during the blockage of the canal by the Ever Given earlier this year. On a personal level, I would also appreciate the opportunity to visit the SCA and thank you in person for the excellent cooperation fostered during the Ever Given incident and perhaps this could also be an opportunity to sign an MoU if you were in agreement to such a document. The formalisation of this close cooperation through an MoU would provide a forum through which all elements of mutual interest, including the safe and secure transits of the canal, could be discussed.

On behalf of the global shipping industry, ICS thanks the SCA in advance for giving our comments, requests and suggestions their due consideration, and look forward to a response at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Guy Platten', with a horizontal line underneath it.

Mr Guy Platten
Secretary General
ICS