



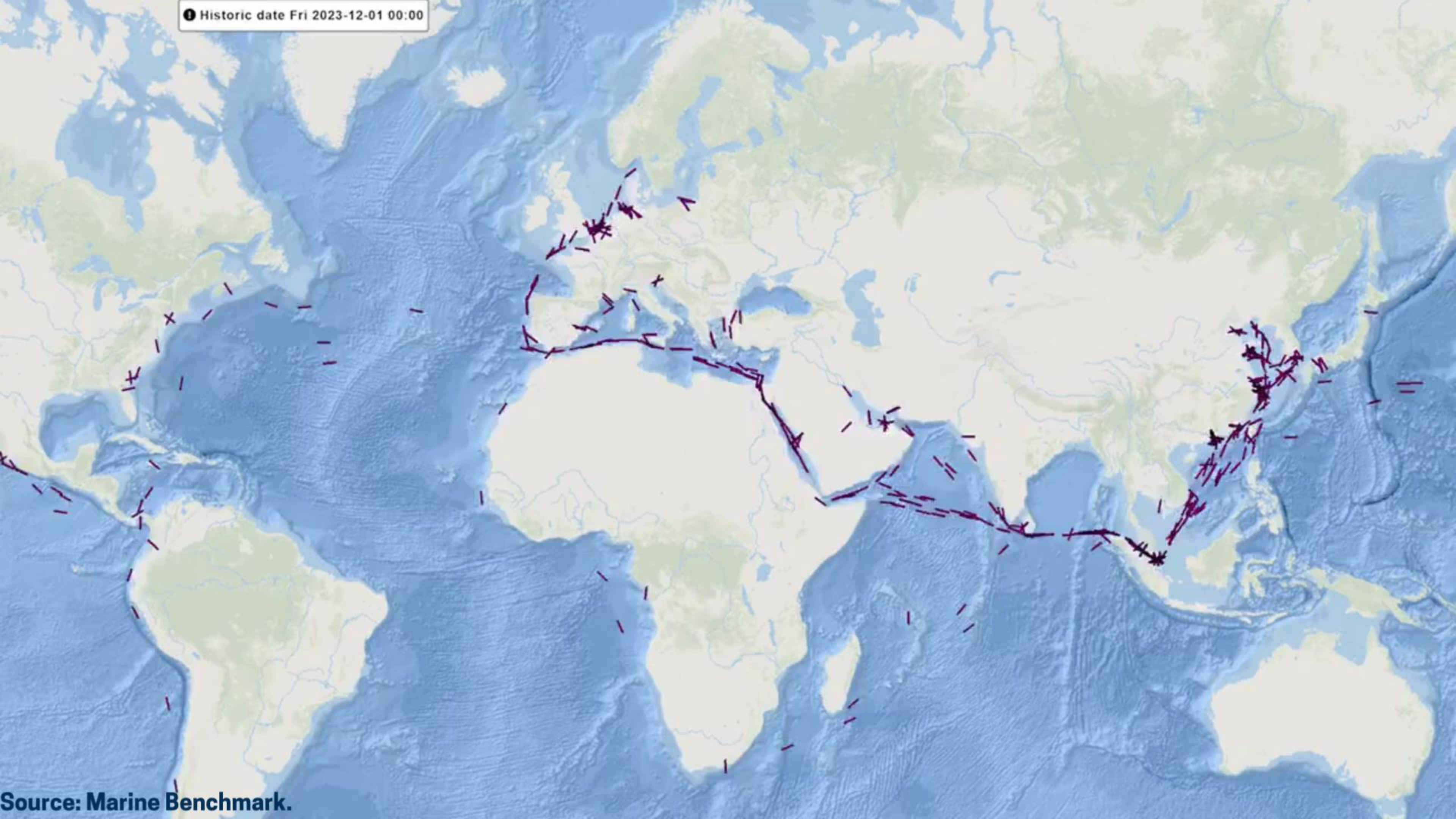
Red Sea Diversions: What Has Been The Impact On Global Trade.

Does This Reposition Africa For Nearshoring or Transshipment?

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Historic date Fri 2023-12-01 00:00



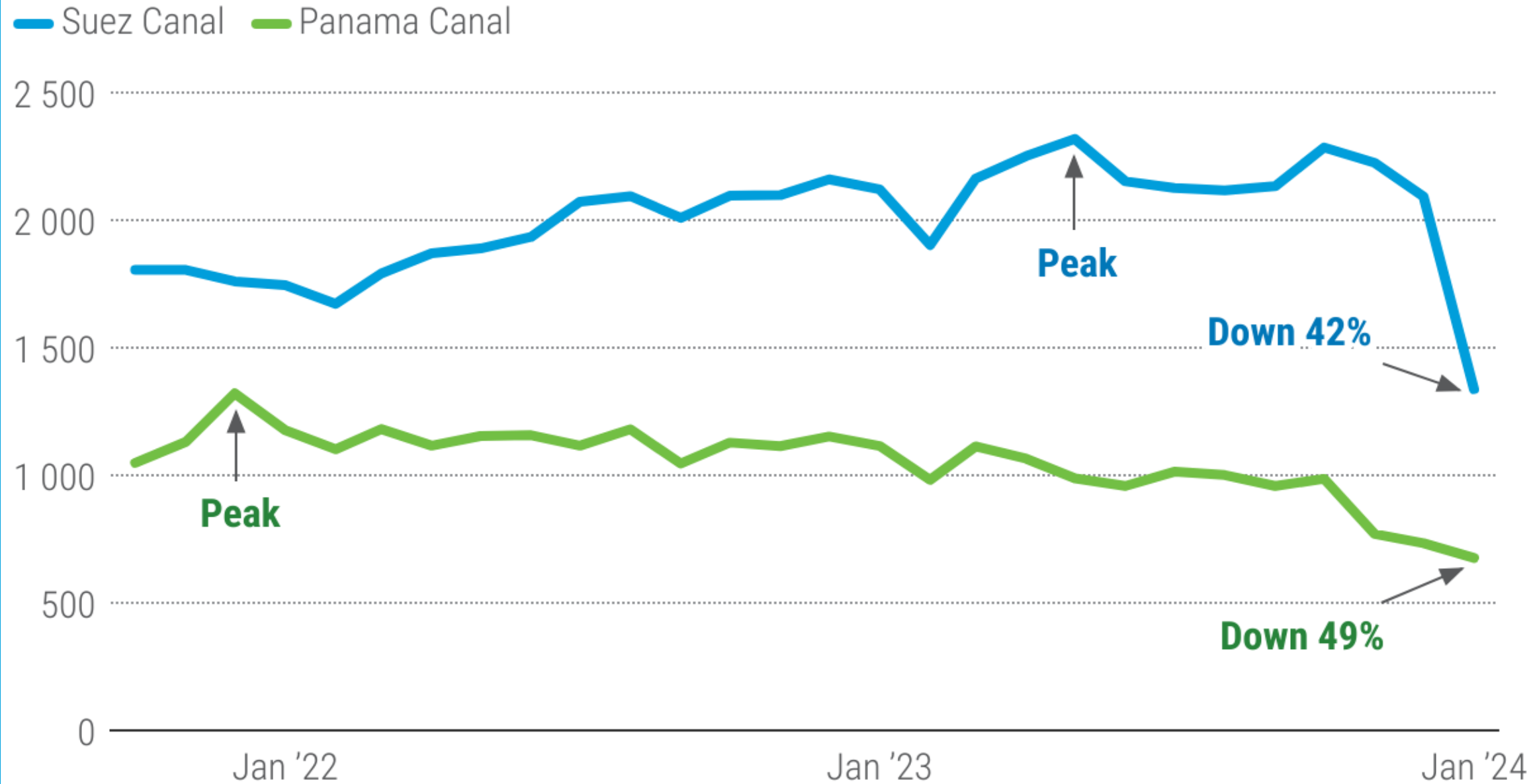
Source: Marine Benchmark.

Monthly Transits Through Panama & Suez Canal



Transits almost cut in half in the two international canals

Number of monthly transits in Suez and Panama Canals, October 2021 – January 2024



Number of calls in Sub Saharan Africa ports as a result of disruption

Calls in Sub Saharan Africa

- Prior to Red Sea disruption, 5 weekly calls
- Post Red Sea disruption, 20 weekly calls

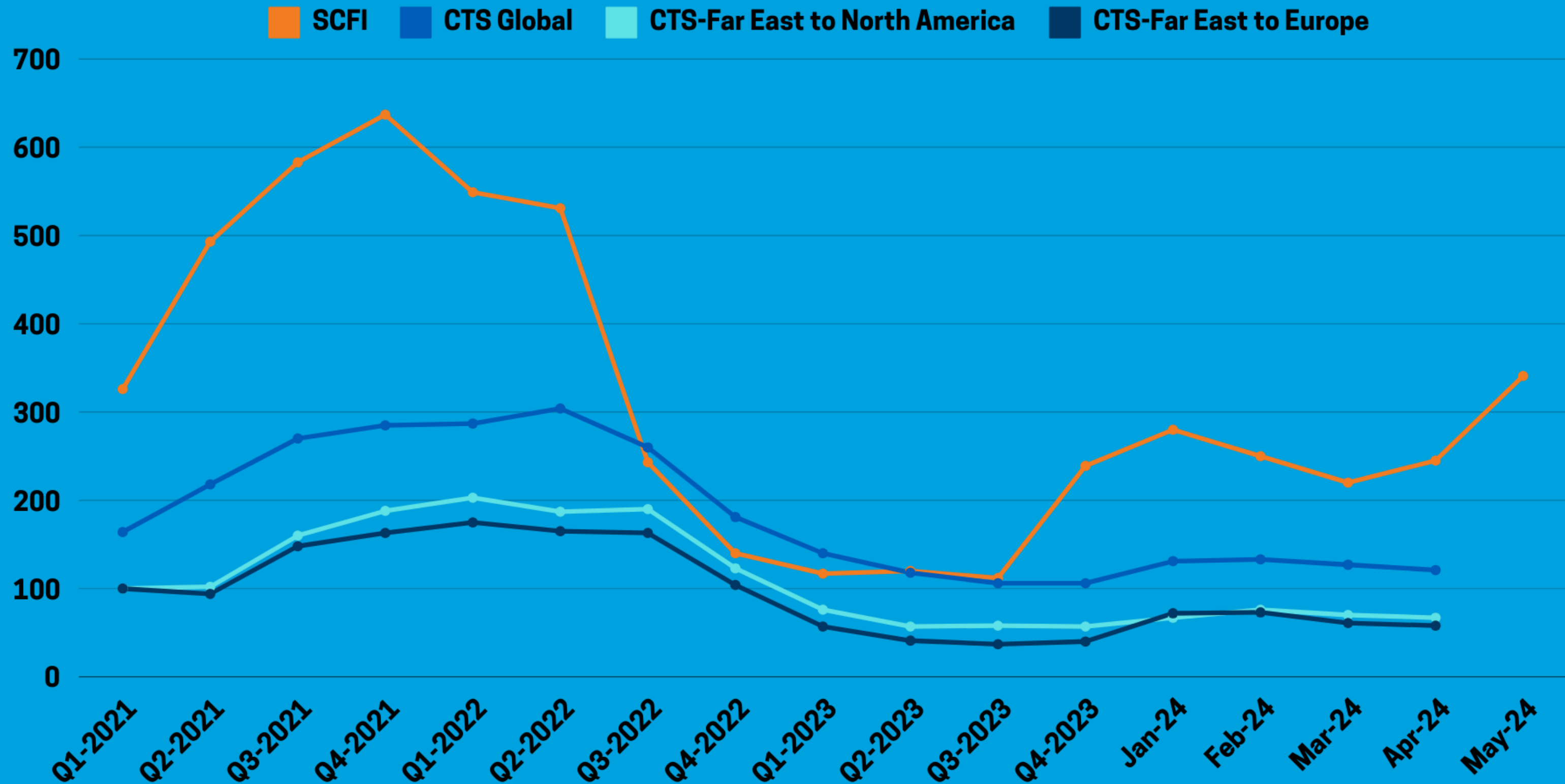
Vessels passing with no calls:

- Prior to Red Sea disruption, 20 weekly vessels
- Post Red Sea disruption, 650 weekly vessels

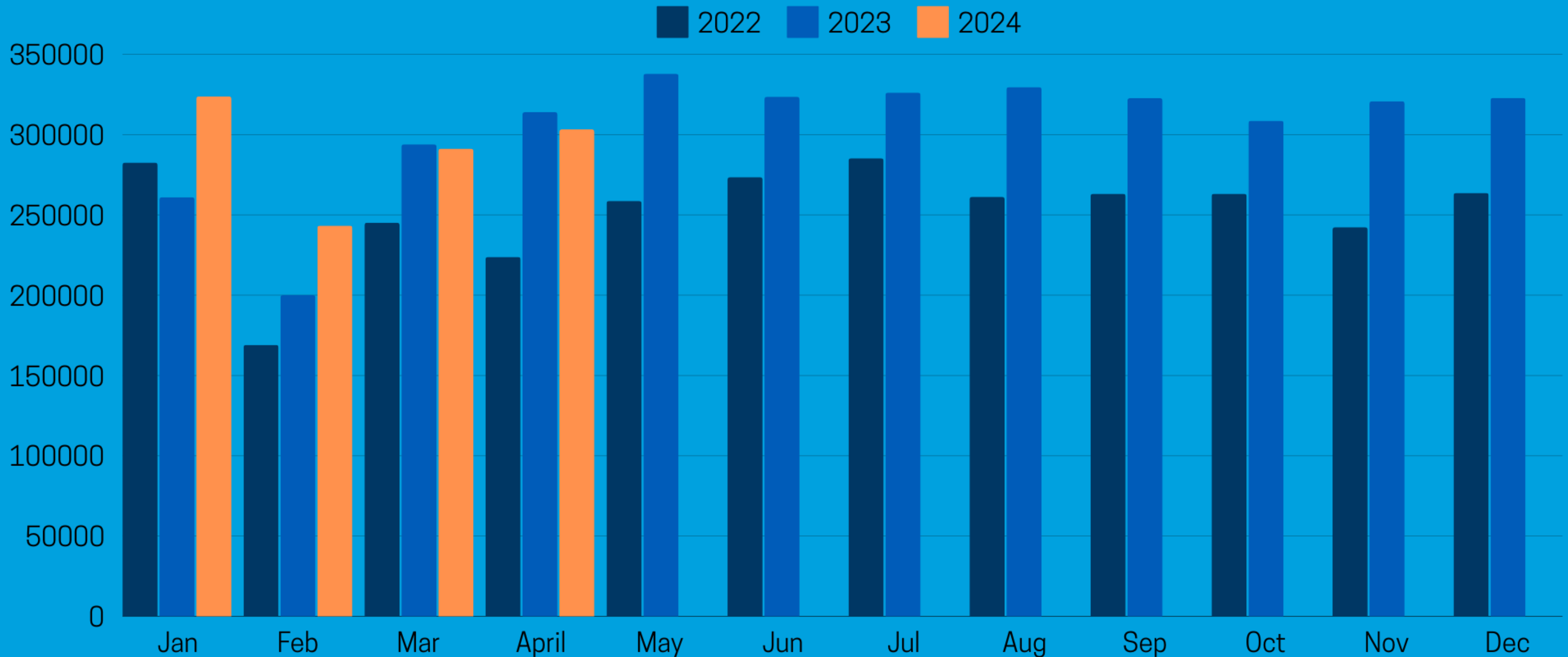
Limited opportunity at present to attract vessels to stop.



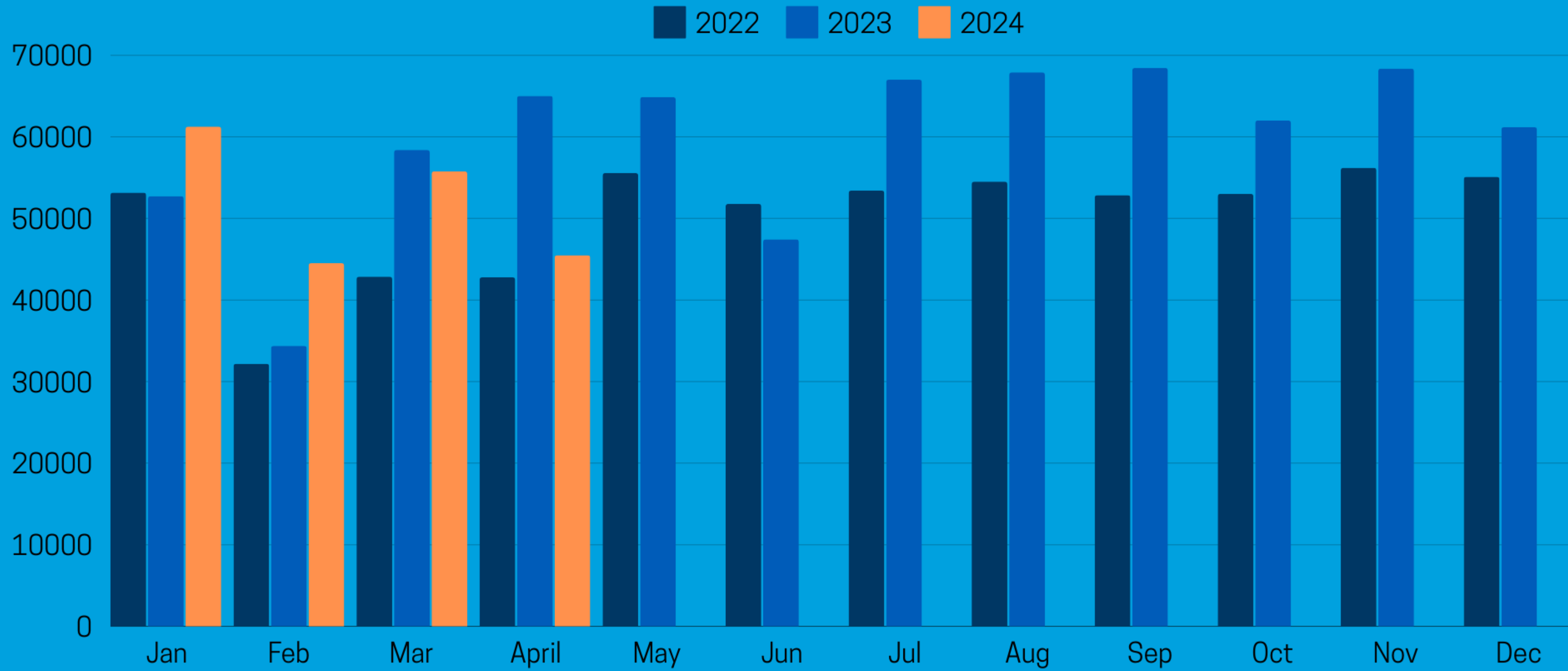
SCFI vs CTS Freight Rates



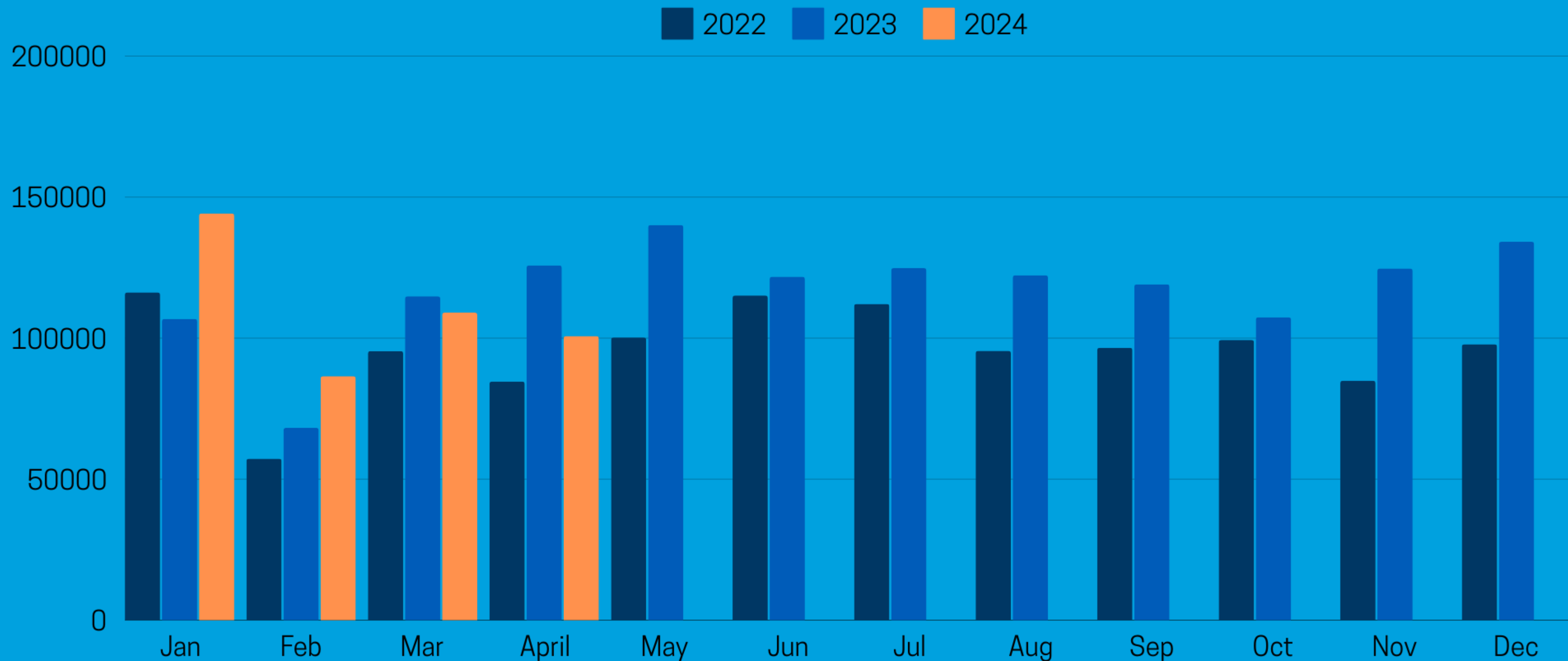
Asian Volumes to Sub Saharan Africa 2022-2024



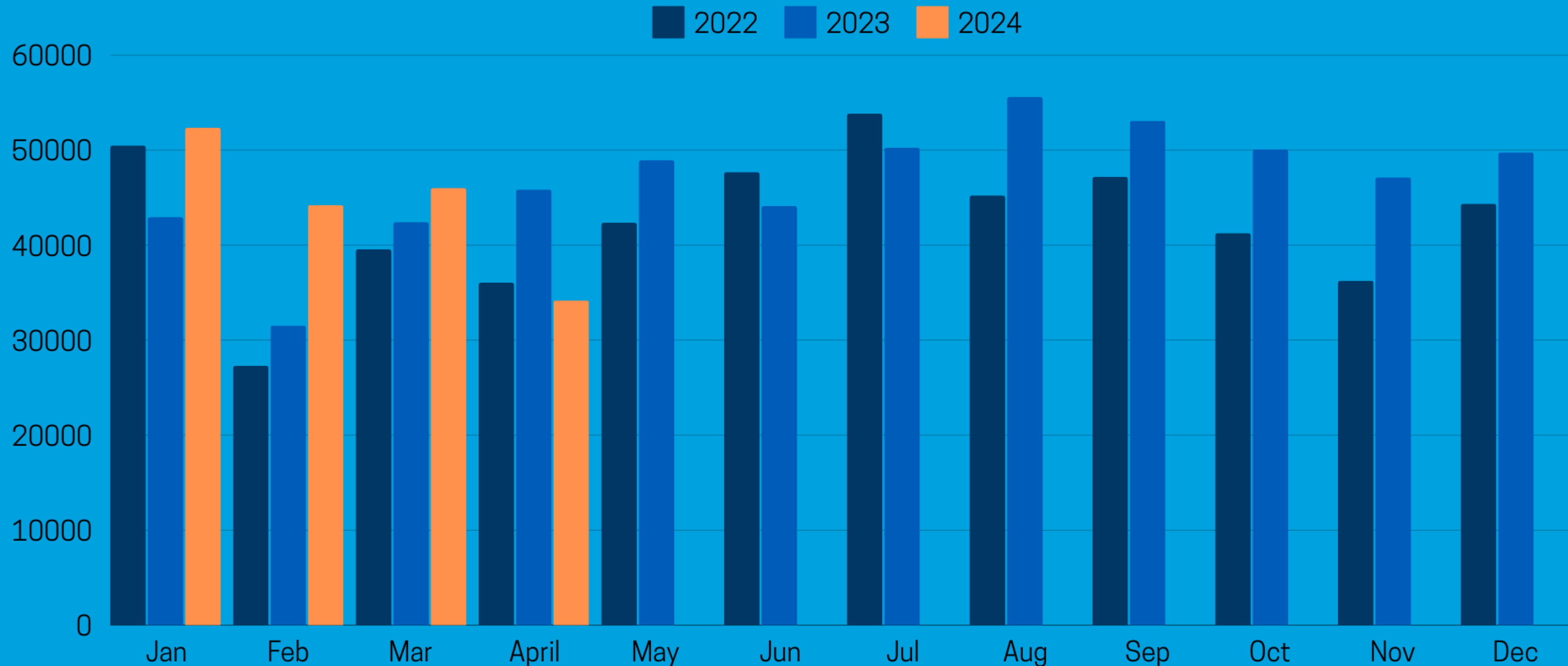
Greater China Volumes to East Africa 2022-2024



Greater China Volumes to West Africa 2022-2024



Greater China Volumes to South Africa 2022-2024



Nearshoring & Transshipment Opportunities

- **Opportunities for ports will rely on them having a competitive advantage:**
 - **Intra regional hub – requires significant investment**
 - **New Bunker opportunity for new low carbon fuels**
 - **Inland delivery hub – providing fast overland routes.**
- **Near shoring –longer term**
- **Despite much noise, little evidence of significant investment it would require:**
 - **Economic advantage with freight levels remaining high in medium term**
 - **Significant investment in processing capacity or manufacturing**
 - **Governmental policy to encourage such investments.**

Conclusions

- **Sub Saharan Africa has seen a huge increase in container shipping activity but little impact on local ports.**
- **The lengthening of the supply routes has tightened the asset usage and absorbed the over capacity to the point of significant freight level increases.**
- **On a positive side, trade levels to all areas have surged with West and East Africa showing high imports from Greater China.**
- **Transshipment opportunities only available for intra regional cargo or Decarbonised fuel opportunities.**
- **Near Shoring a longer-term investment scenario – not likely to have short term opportunistic gains.**