

09 January 2024

Dear Madam/Sir

The ongoing crisis in the Red Sea, marked by several attacks on commercial vessels, continues to disrupt a key artery of global trade.

The Suez Canal and Red Sea are critical pathways for ocean freight. About 15 per cent of world shipping traffic, including 30 per cent of global container trade, passes through the Suez Canal. When Evergreen's Ever Given vessel became stuck in 2021, economists estimated that daily trade worth up to \$10 billion came to a halt.

Shipping lines are now re-routing ships sailing between Asia and the USA and Europe around the Cape of Good Hope in southern Africa. This is increasing both costs for shippers, as well as transit time for cargo. The route between Asia and Europe around southern Africa is 40 per cent longer on average.

Given the intricacies of global trade, the disruption caused by an inability to utilize normal routes has a domino effect on just about everything – from the availability of goods to the cost of fuel.

It remains unclear as to how long shipping lines will be required to divert their vessels and therefore how long the impacts of this will be felt. It is inevitable that delays in the arrival of certain products will be affected by the current situation.

Our Shipping and Supply Chain departments are working continuously to ensure stock levels are maintained against your forecasted needs and normal call-off quantities should not be a problem to supply.

However, if you anticipate an increase in demand over the coming months, please contact your Account Manager immediately to discuss further.

Assuring you of our best attention at all times.

Yours sincerely

Unicorn Ingredients Limited

