

## **CIRCULAR**

## Suez Canal Authority Announces 6% toll Increase

The Suez Canal Authority (SCA) issued new resolutions concerning the fees of the transiting ships through the canal to be applied in the beginning of February 2022.

Notice to: Ship Owners/ Managers/ Operators | Surveyors/Auditors

## C21038 | 09 November 2021

The Chairman of Suez Canal Authority, Mr Admiral Osama Rabea, announced that the transit tolls of all the types of transiting ships through the canal will be increased by 6% during 2022 compared to 2021. This planned increase will be applied in the beginning of next February.

However, cruise ships and LNG ships will be excluded from this increase as their tolls will remain the same as what they were at during 2021.

Furthermore, Mr Rabea affirmed the authority's keenness to apply a balanced and flexible marketing and pricing strategy that fulfills the authority and its clients' interests and takes into account the global economic conditions and its different variations through clear mechanisms that include estimating the tolls of the transiting vessels, which allows providing the navigational services for transiting through the canal according to a model policy that includes maintaining the canal's leadership and making it the optimum, the fastest, and shortest choice for the clients compared to the other competitive routes. In addition, this will be integrated with the navigational publications that are issued and renovated by the authority according to the immediate variables for each class of the transiting vessels.

Commenting on the decision to fix the transit fees of LNG vessels, the Chairman explained that the decision comes in the light of the continuous follow-up to the most recent variables of the LNG seaborne trade in a way that integrates with the development of flexible marketing policies where the reduction percentage granted to LNG tankers has been modified from 25% to 15% as per the amendment of circular No. (2) of 2015 planned to be applied by November.

Mr Admiral Rabeaa added that the transit fees fixation for cruise vessels transiting the Canal is mainly due to the fact that this type of vessels was the most affected by the Covid-19 pandemic crisis compared to the rest of the other vessels. The tourism and travel sector has suffered major losses worldwide, including cruise ships and sea yachts, and is expected to complete its recovery by 2022.

The Chairman concluded by stressing that the Permanent Authority endeavour to support its clients, gain their trust, activate communication with them and build on the successive successes of the Authority in dealing with various challenges and managing the most difficult crises throughout its history, by adopting an ambitious strategy aimed at developing navigational services for the transiting vessels through the canal and to take all procedures to enable the Suez Canal to play its vital role in the serving the world trade movement.

## Act now

Ship owners / Managers / Operators of vessels transiting though Suez Canal, should take into consideration the above notice on the 6% toll increase, being effective as of February 2022.