

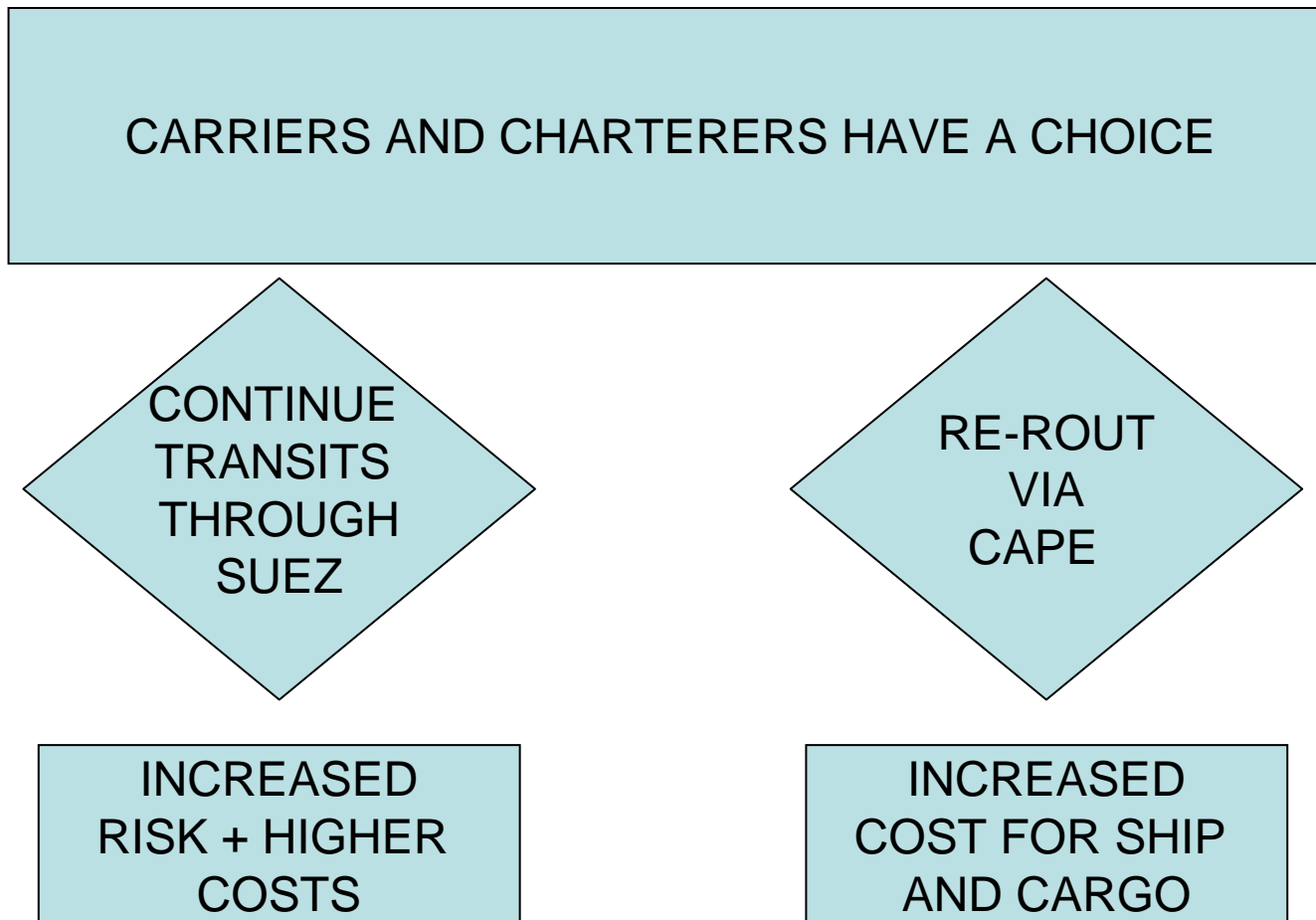
EUROPEAN COMMISSION  
SEMINAR PIRACY AND ARMED ROBBERY AGAINST SHIPPING  
BRUSSELS 21st JANUARY 2009

# ECONOMIC CONSEQUENCES OF PIRACY AND ARMED ROBBERY ON SHIPPING

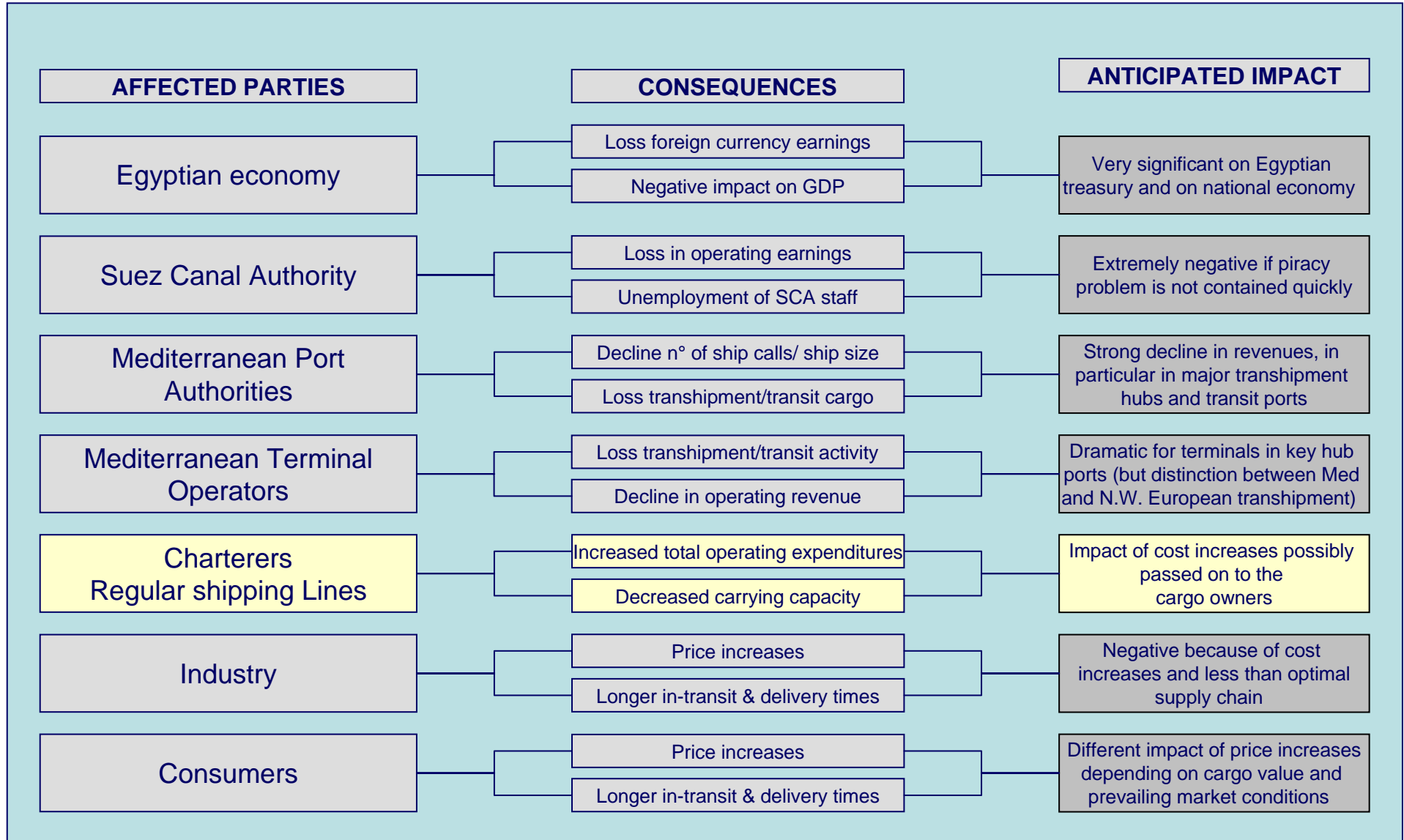
Presentation by G. De Monie MSc.  
Senior Director  
Policy Research Corporation

G. De Monie - Policy Research  
Corporation

# ECONOMIC CONSEQUENCES OF PIRACY IN THE GULF OF ADEN



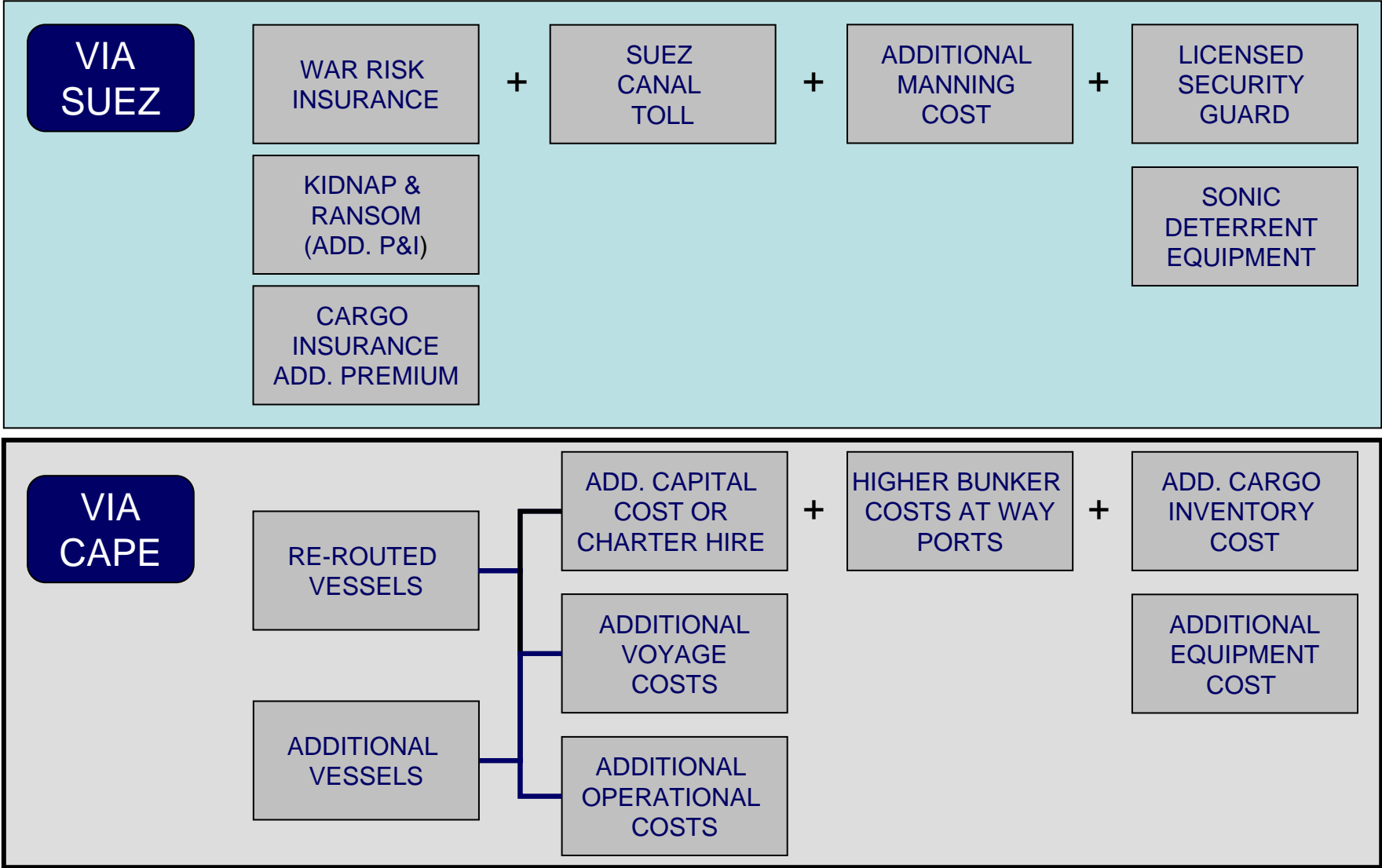
# THE ECONOMIC IMPACT OF RE-ROUTING VIA THE CAPE: AN OVERVIEW OF MAIN AFFECTED PARTIES



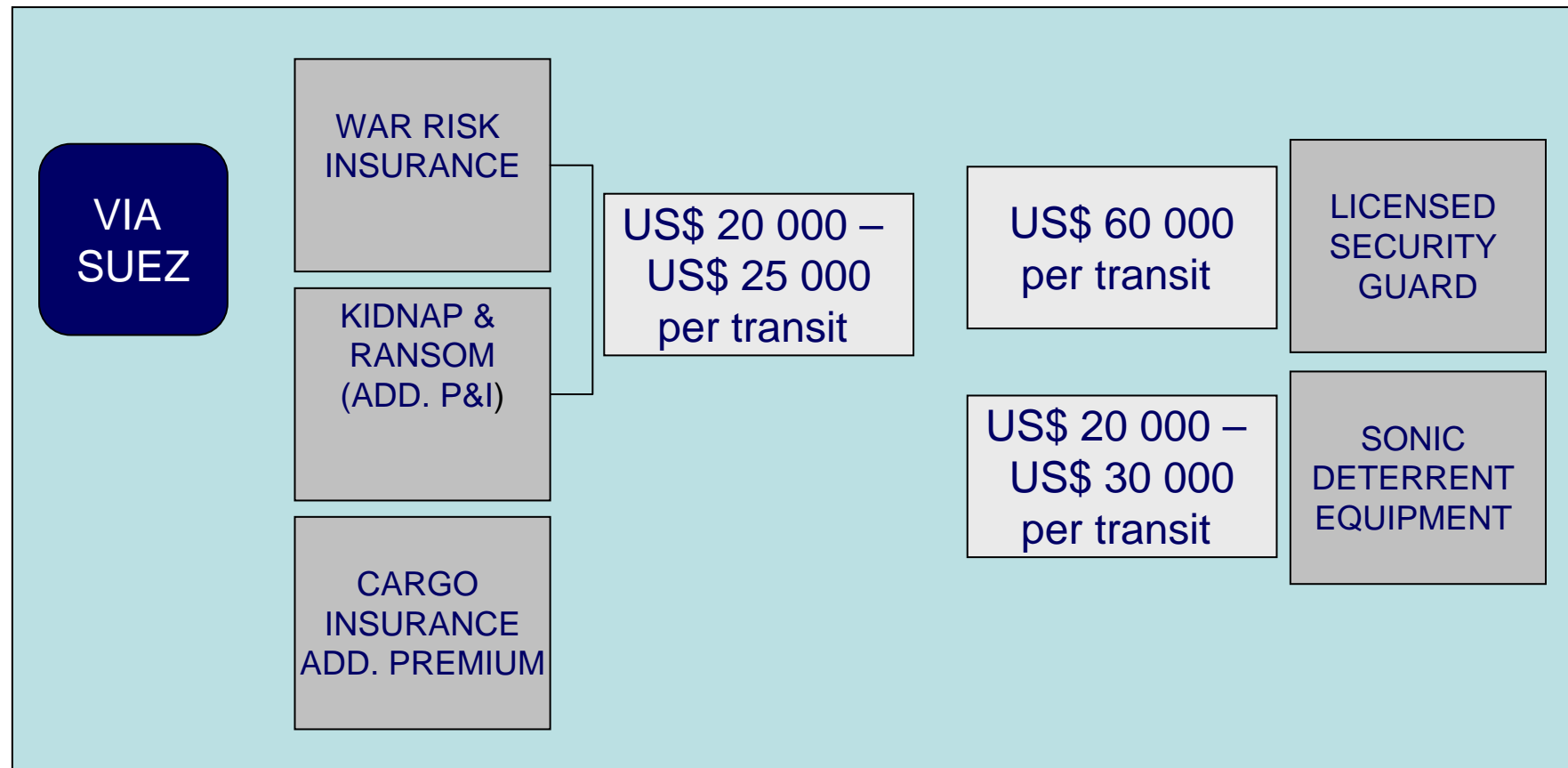
## ECONOMIC SIGNIFICANCE OF THE SUEZ CANAL

	2001	2005	2006	2007
Total Suez Canal Authority revenue in billion US\$	1.9	3.4	4.2	4.6
Total n° of vessels transiting through Suez canal	13 986	18 224	18 664	20 384
Cargo weight in million M.T. transiting through Suez canal	372	571	629	710

# VESSEL RELATED EXPENDITURES AS A CONSEQUENCE OF PIRACY IN THE GULF OF ADEN



# ADDITIONAL COSTS PER TRANSIT VIA SUEZ AS A CONSEQUENCE OF THE PIRACY RISK IN GULF OF ADEN



Source: USA Maritime Administration and various press articles

## ADDITIONAL CARGO INVENTORY COSTS AS A CONSEQUENCE OF RE-ROUTING VIA THE CAPE

Type of cargo	Total cargo volume	Cargo value (in US\$)	Total cargo value (in billion US\$)	Additional inventory costs at 4% interest rate (in US\$)	Additional inventory costs at 5% interest rate (in US\$)
Container cargoes	28 310 000 TEU 343 000 000 MT	30 000 /TEU	849.3	703 244 000	879 055 000
Liquid bulk cargoes	142 000 000 MT	360/ MT	51.1	66 056 000	82 571 000
Dry bulk cargoes	106 500 000 MT	75/MT	8.0	10 321 000	12 830 000
<b>TOTAL</b>	<b>591 500 000</b>		<b>908.4</b>	<b>779 621 000</b>	<b>974 456 000</b>

Based on 2007 data

# ADDITIONAL SHIP COSTS AS A CONSEQUENCE OF RE-ROUTING VIA THE CAPE

Working assumptions

Ship type	Transit days via Suez (full roundtrip)	Transit days via Cape (full roundtrip)
Suezmax (15 knots)	41 days	67 days
Capesize (15 knots)	41 days	67 days
VLCC (15 knots)	41 days	67 days
Containerships (23 knots)	28 days	45 days

75% of total transits through Suez

## ADDITIONAL SHIP COSTS AS A CONSEQUENCE OF RE-ROUTING VIA THE CAPE

Total annual cost of required roundtrip voyages via Suez	US\$ 25.7 billion
Total annual cost of required roundtrip voyages via Cape	US\$ 32.2 billion
Differential between Suez and Cape route (based on n° of roundtrip voyages via Suez)	US\$ 6.6 billion
Total annual cost of required additional vessel space	US\$ 15.9 billion
Total annual additional cost of using Cape instead of Suez route – assuming 100 % of tankers, bulk carriers and container ships are directed via Cape route	US\$ 22.5 billion
Total annual additional cost of using Cape instead of Suez route – assuming 1/3 of tankers, bulk carriers and container ships are directed via Cape route	US\$ 7.5 billion

Figures include inventory costs of cargo

**RE-ROUTING 33% OF CARGOES VIA CAPE WOULD COST  
US\$ 7.5 BILLION EXTRA PER ANNUM**

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