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EFG Hermes signs \$25m vessel finance deal with Transmar

The acquisition is expected to drive sizeable growth for Transmar, Egypt's only container shipping company

By Fatma salah

EFG Hermes Corp-Solutions, a subsidiary of EFG Hermes Holding and one of Egypt's leasing and factoring companies, signed a \$25m deal with Transmar — a wholly-owned subsidiary of IACC Holdings and Egypt's only container shipping line — to finance the purchase of a cargo vessel.

With a carrying capacity of 2100 TEU (twenty-foot equivalent units) and measuring 204 metres in length, the new vessel, the 'Transmar Legacy', bolsters the company's Red Sea Service, which primarily connects Egypt and Saudi Arabia.

The \$33m leasing transaction will enable Transmar's growth, reinforcing the company's position as the region's leading container line and as a long-standing reliable partner, supporting the region's top exporters and importers.

Transmar has also made sizeable investments towards the acquisition of new shipping containers, promoting new market entries, and boosting further growth.

"We are proud to enter into this partnership with Transmar on the first of many vessel



Talal Elayat

financing transactions to come in our pipeline. This flagship leasing transaction is in line with our strategy to diversify our portfolio and create value across multiple industries. As one of the leading leasing and factoring companies in Egypt, this transaction marks another milestone for EFG Hermes Corp-Solutions, as we enter the maritime industry and support in enhancing the supply chain industry at large," said Talal Elayat, the CEO of EFG Hermes Corp-Solutions.

"We have worked in collaboration with

multiple international and global stakeholders, including legal firms, insurance companies, and banks, among others to finalise this transaction. With Transmar's experience, we are pleased to act as an enabler, gearing them towards sustainable growth."

For his part, Mohamed Al-Ahwal, the CEO of IACC Holdings said that his company takes "pride in being an agile organisation that quickly responds to the swift changes defining the current global shipping and logistics industry."

"We are proud to resume our ship-owning business model after a 10-year hiatus, and believe this investment marks a new chapter of growth, not only for Transmar but also for the regional shipping industry as a whole. Building on a track record spanning over four decades, our investments, underpinned by an expansionary vision, are a solid affirmation of our commitment to our partners," he added.

Global supply chain constraints, brought on largely by the coronavirus pandemic, stifled the movement of cargo towards the end of 2021, as the effects of the pandemic spilled over to factories and workers, handicapping production worldwide.

In the Middle East, a shortage of freight space and manpower, compounded by a rapid recovery in consumer demand, led to a shortage of carriers and continues to hamper a steady flow of delivery.

"Working with EFG Hermes Corp-Solutions demonstrates the confidence and respect we share for each other's expertise and experience. Such a strategic transaction reflects our joint commitment to expand in the shipping industry at a time when demand for the movement of cargo in the region is among the highest since pre-pandemic levels. As Egypt's only container shipping line, it is only fitting that we should partner with Egypt's universal bank and the leading investment banking franchise in FEM, EFG Hermes Holding, to acquire Transmar Legacy," said Ahmed Al-Ahwal, the Managing Director of Transmar.

"As a customer-centric organisation, we are investing in growth to cater to our customers' needs in today's rapidly evolving supply chain industry. We believe this expansion will help support Egypt, Saudi Arabia, and the UAE's ambitious export growth targets and secure the supply chain powering the region's top businesses and industries."