CARAVAN

THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

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THE WORLD'S NEW TRADE MAP

How Geopolitics, AI and New Trade Corridors Are Rewriting Business?

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TIME TO THINK TWICE

The World Has Changed. Has Your Strategy?

EDITOR'S NOTE

In a world of constant change, clarity is our greatest advantage. **CARAVAN** is our commitment to cut through the noise and deliver insights that help you make better decisions, build stronger partnerships, and unlock new opportunities across global markets.

Thank you for being part of this journey.

Dr. Hossein Azarbaijani
Chief Executive Officer
Qasr Al Anqaa Group of Companies

Every issue, we ask ourselves the same question: why this, why now? The answer, if we are honest, is simple. The world is changing faster than at any point we have measured. Step away from it for a single month, and you return a stranger to it — not because you have traveled far, but because it has.

This is not how things used to work. There was a time when a strategy, once set, held its shape for years. Markets moved in cycles you could learn and trust. A decision made today was still the right decision next season, and the one after that. That world is gone. The cycles no longer repeat on schedule. The routes we called fixed have come loose.

Human beings are, at bottom, decision-making creatures — it is what the mind evolved to do, and it did it well when the world obliged by holding still long enough. It no longer does. What once required a decision once a year now demands one every month. Soon, perhaps, every day.

This page offers no analysis and no news. It offers a single question, and asks you to sit with it: does the strategy you are following belong to the world you built it for — or to the world you have already left behind?

CARAVAN asks the question.
The answer, as always, is yours to find.

> *The world is changing faster than at any point we have measured.*

WHY THIS ISSUE MATTERS

Global business is entering a new era where success depends less on cost alone and more on resilience, market intelligence, and strategic positioning. Supply chains are being reshaped by geopolitics, AI, trade policies, and new logistics corridors, while businesses face faster-changing risks than ever before. This issue brings these forces together to help decision-makers understand not only what is changing—but how to respond before competitors do.

WHAT YOU'LL LEARN

- How global trade is being rewritten by geopolitics, AI, and emerging trade corridors.
- Why resilient supply chains are replacing efficiency as the new competitive advantage.
- Where the next business opportunities are emerging across Africa, Central Asia, and the Gulf.
- What recent commodity and policy developments mean for international trade.
- Practical lessons in market entry, logistics, trade finance, and investment.
- Expert perspectives and AI viewpoints on the future of global commerce.

THIS MONTH IN NUMBERS

35 TRILLION USD — Global trade reached a record value in 2025.

2.7% — Projected global economic growth for 2026.

4.0% — Forecast economic growth across Africa in 2026.

AED 3.8 TRILLION — UAE non-oil foreign trade in 2025.

62% — Growth in freight volumes along the Middle Corridor during 2024.

2,732 — Baltic Dry Index, reflecting elevated global freight costs.

160+ COUNTRIES — Connected through the international sugar trade network (featured infographic).

US$ 2.5 TRILLION — Estimated global trade finance gap limiting international transactions.

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THE WORLD'S NEW TRADE MAP

How Geopolitics, AI and New Trade Corridors Are Rewriting Business?

For a long time, global trade seemed to follow rules that almost everyone accepted without questioning. Companies searched for lower costs, production moved to wherever labour was cheaper, and supply chains stretched confidently across continents. It felt permanent. Predictable, even.

Looking back, that confidence now seems strangely fragile.

The conversation has shifted. The question is no longer whether globalization is slowing down. It is something quieter, and perhaps more important: what is replacing the version of globalization that shaped the last thirty years?

The answer isn't collapse. It is rearrangement.

Trade hasn't stopped moving. It has simply started moving differently. Political alliances matter in ways they didn't before. Artificial intelligence is quietly changing commercial decisions behind the scenes. New transport corridors are redirecting the movement of goods, while investment follows infrastructure instead of habit. The map still exists, but many of the lines have been redrawn.

Business leaders are discovering that the assumptions which once felt reliable no longer guarantee resilience.

>>> FROM EFFICIENCY TO STABILITY

There was a time when efficiency seemed like the highest goal. Lean inventories, just-in-time manufacturing and globally dispersed suppliers were celebrated as signs of sophisticated management.

Recent years have challenged that belief.

The pandemic interrupted production on an unprecedented scale. The war in Ukraine reshaped agricultural and energy markets. Instability in the Red Sea reminded businesses that even established shipping routes can suddenly become uncertain. At the same time, strategic competition between major economies has encouraged tariffs, export controls and industrial policies that reach far beyond politics.

Each disruption has carried the same lesson.

The cheapest supply chain is not always the strongest one.

Companies now speak less about optimization and more about resilience. Supplier diversification, regional manufacturing and multi-country sourcing are no longer contingency plans—they are becoming standard strategy.

AI PERSPECTIVES: WHAT WILL SHAPE GLOBAL TRADE THE MOST?

QUESTION: If you had to choose only one, what will shape global trade the most over the next decade: geopolitics, artificial intelligence, or new trade corridors? Why?

CHAT GPT	Geopolitics. AI will transform how trade operates, and new corridors will reshape where it flows—but geopolitics determines which technologies are shared, which routes remain open, and which markets businesses can access. In the next decade, politics will continue to set the rules of global commerce.
PERPLEXITY	Geopolitics is the dominant force shaping global trade over the next decade, as it currently dictates tariffs, supply chain reconfiguration, and access to critical minerals. • New trade corridors (e.g., the surge in South-South trade) are themselves a reaction to geopolitical pressure, not an independent trend. • AI's trade impact is currently gated by chip export controls and data sovereignty rules, placing it — for now — under geopolitics' shadow.
AI CLAUDE	Geopolitics — mainly the US-China rivalry and the fragmentation it drives — will shape trade the most over the next decade.
GEMINI	Geopolitics will dominate global trade because political alliances now dictate who is allowed to trade with whom, superseding pure economic efficiency. While AI will optimize supply chains and new corridors will map them, both remain entirely bound by state-driven export controls and security risks.

ARTIFICIAL INTELLIGENCE IS BECOMING INVISIBLE INFRASTRUCTURE

Artificial intelligence often attracts attention because of chatbots and automation. Yet its most significant influence on global trade is happening quietly. It is becoming part of the infrastructure that businesses depend on without always noticing.

- Procurement teams use predictive analytics to anticipate shortages before they appear.
- Logistics companies optimize shipping routes in real time.
- Customs procedures become increasingly digital.
- Pricing adjusts continuously as markets respond to changing demand.

Decisions that once depended on instinct are increasingly supported by data models capable of processing information far beyond human capacity.

At the same time, AI has created entirely new patterns of trade. Demand for semiconductors, advanced processors, cloud infrastructure and data centres has accelerated investment across multiple regions. Digital infrastructure is no longer simply supporting international commerce—it has become one of its most valuable products.

ACCESS MATTERS AS MUCH AS PRODUCTION

Manufacturing capacity remains important. Access may matter even more. Governments are expanding bilateral and regional trade agreements, recognizing that commercial influence is built not only through factories but also through partnerships.

The UAE's growing network of Comprehensive Economic Partnership Agreements reflects this broader shift, positioning market access as a strategic asset rather than an administrative detail.

For businesses, geography is becoming more flexible.

AFRICA IS NO LONGER WAITING

For years, conversations about Africa were framed in the future tense. Potential. Opportunity. One day.

That language is beginning to disappear.

The African Continental Free Trade Area, rapid urban growth and expanding infrastructure are steadily transforming the continent into one of the world's most significant commercial regions. Consumer demand is growing alongside industrial capacity, while Africa's reserves of copper, cobalt, lithium and other critical minerals have become central to global energy and technology transitions.

Investment from Gulf economies, Europe, China and the United States reflects a shared understanding that Africa is becoming part of today's strategic economy —not tomorrow's.

NEW CORRIDORS, NEW PRIORITIES

Trade routes have always reflected power. Today they reflect changing power. Projects such as the India–Middle East–Europe Economic Corridor, the Trans-Caspian International Transport Route and expanding regional networks across the Gulf, Central Asia and Africa are reducing travel times, lowering costs and opening markets that were once difficult to reach.

Infrastructure is no longer just a background factor of trade. It is becoming a driver of economic influence.

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WHERE ARE THE NEXT BUSINESS OPPORTUNITIES?

Beyond Traditional Markets

The next major business opportunities are unlikely to emerge from the world's most familiar markets. They are more likely to appear where demand is growing faster than supply, where infrastructure is improving, and where trade networks are becoming more efficient.

The global economy is expected to grow by 2.7% in 2026, below the pre-pandemic average. Although global trade reached a record USD 35 trillion in 2025, companies are operating in a more fragmented world shaped by geopolitical tensions, changing supply chains, and increasing competition over strategic trade routes. Success is no longer determined only by what companies sell, but by how efficiently they can reach markets. Geography has once again become a competitive advantage.

Three regions illustrate this transformation particularly well: **Africa, Central Asia and the United Arab Emirates.**

AT A GLANCE

2.7% Global economic growth projected for 2026

USD 35T Global trade reached a record value in 2025

4.0% Africa's economic growth projected for 2026

AED 3.8T UAE non-oil foreign trade in 2025

62% Growth in freight volumes along the Middle Corridor during 2024

4.5M Tonnes of freight moved on the Middle Corridor in 2024

2030 World Bank projects tripled volumes and half transit times by 2030

54 Countries in AfCFTA with a combined economy exceeding USD 3 trillion

01 AFRICA: GROWTH DRIVEN BY DEMOGRAPHICS

Africa is no longer simply a market of future promise. It is becoming one of the world's fastest-growing commercial frontiers.

The continent is home to approximately 1.6 billion people, nearly one-fifth of the global population, and has a median age of just 19.5 years, making it the youngest region in the world. Urbanization continues to reshape consumption patterns, while economic growth is projected to reach 4.0% in 2026, significantly above the global average.

More importantly, demand continues to outpace supply across sectors including logistics, healthcare, food processing, renewable energy, manufacturing, financial services, and digital infrastructure. Brookings estimates that annual consumer and business spending in Africa could exceed USD 6.6 trillion by 2030, highlighting the scale of future demand rather than simply current market size.

The African Continental Free Trade Area (AfCFTA), covering 54 countries with a combined economy exceeding USD 3 trillion, is gradually reducing barriers to regional trade and creating one of the world's largest integrated markets.

02 CENTRAL ASIA: THE VALUE OF CONNECTIVITY

Central Asia's strategic importance lies less in domestic demand than in its role as a bridge between Europe and Asia.

As businesses diversify supply chains, the Middle Corridor has become increasingly important. Freight volumes along the route rose 62% in 2024, reaching approximately 4.5 million tonnes. While the corridor still faces infrastructure and coordination challenges, the World Bank estimates that targeted investment could triple freight volumes and cut transit times by half by 2030.

For companies involved in logistics, industrial supply, warehousing, and regional distribution, the opportunity lies not only in selling into Central Asia but in using it as a platform for cross-border trade.

03 UAE: A GLOBAL TRADE PLATFORM

Unlike Africa or Central Asia, the UAE's strength lies in connectivity rather than market size.

The country recorded approximately AED 3.8 trillion in non-oil foreign trade in 2025, the highest level in its history. In the first half of 2026 alone, non-oil trade approached AED 2 trillion, supported by expanding Comprehensive Economic Partnership Agreements (CEPAs) and world-class logistics infrastructure.

Efficient ports, free zones, financial services, and streamlined customs procedures have positioned the UAE as one of the world's leading regional headquarters and re-export hubs, connecting businesses to Africa, the Gulf, South Asia, and increasingly Central Asia.

TRADE NETWORKS ARE THE NEW COMPETITIVE ADVANTAGE

Competition today extends beyond companies to the trade ecosystems in which they operate.

Trade agreements influence tariffs, customs procedures, investment protection, digital commerce, and rules of origin. Businesses positioned within efficient trade frameworks often gain significant advantages in speed, cost, and resilience without changing their products at all.

A DIFFERENT WAY TO THINK ABOUT GROWTH

The question is no longer whether emerging markets will replace established economies. Mature markets will continue to lead in technology, finance, and advanced manufacturing.

The real opportunity lies in combining different strengths within one strategy.

- Africa offers expanding demand.
- Central Asia offers strategic connectivity.
- The UAE offers global access.

Together they represent a new geography of growth—one where demographics, infrastructure, logistics, and trade architecture increasingly determine competitive advantage.

The businesses that succeed over the next decade will not necessarily be those operating in the largest markets. They will be those positioned where demand, connectivity, and market access reinforce one another.

Five Principles of Resilient Supply Chains

Supply chains rarely fail all at once. They weaken quietly, often long before anyone notices. The businesses that endure are usually the ones that accept uncertainty instead of trying to eliminate it.

1. **Diversify Your Suppliers**
   Diversify your suppliers, because dependence always carries a hidden cost.
2. **Invest in Visibility**
   Invest in visibility, so problems appear before they become crises.
3. **Hold Strategic Inventory**
   Hold strategic inventory where interruption would matter most.
4. **Build Regional Partnerships**
   Build regional partnerships that shorten the distance between disruption and recovery.
5. **Prepare Before Change Arrives**
   Above all, prepare for change before it arrives.

> *Resilience is not about resisting uncertainty—It is about remaining capable when certainty disappears.*

MINI CASE STUDY

The Smell of Saving Money

He came to Dubai to buy coffee.

The transaction itself was uneventful. The samples matched the specification, the price was acceptable, and the supplier was ready to load. What remained was arranging freight to Turkmenistan, so he requested quotations from several logistics companies.

One quote was higher than the others.

When he asked why, the explanation was almost disappointingly ordinary.

Coffee travels in jute sacks. Jute breathes. It also absorbs whatever surrounds it—humidity, dust and, above all, odours. A container that has carried chemicals, fish meal or other strongly scented cargo may still carry traces of them long after it appears clean. For that reason, experienced operators insist on suitable equipment, proper inspection and, where necessary, additional protection inside the container.

He thanked them and left.

Two days later he returned, smiling. Someone else had offered a substantially lower freight rate. The difference was enough to make the decision feel obvious.

Several weeks later, the telephone rang.

The container used for his shipment had previously transported fish meal. It had not been cleaned to the standard the cargo required. By the time the coffee reached its destination, the beans had absorbed the smell. The buyer rejected the shipment. What had looked like a successful purchase became a financial loss before it was ever consumed.

There is a tendency in international trade to think of logistics as something that happens after the real work is finished. In practice, logistics is part of the product itself. For sensitive commodities such as coffee, tea, cocoa, spices and tobacco, quality is preserved—or lost—long after the contract is signed.

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Ask QAA

Q: How do I register my product and start selling it in the UAE?

A: The answer depends on the product.

There is no single product registration system in the UAE. Food, cosmetics, health supplements, medical devices and general consumer goods are each governed by different authorities, with different requirements and approval procedures.

Most registrations follow the same path:

1. Establish a UAE company or work through an authorised local importer or distributor.
2. Identify the authority responsible for your product category.
3. Prepare the required documentation, which may include product specifications, ingredient lists, labels, Free Sale Certificates and laboratory reports.
4. Obtain product approval before importing or offering the product for sale.
5. Once registered, you can import, distribute and sell through retailers, distributors or e-commerce platforms.

The mistake many companies make is assuming that a trade licence alone allows them to sell. In many sectors, it does not. Products often require separate regulatory approval, and importing or marketing an unregistered product can result in customs delays, shipment holds or removal from the market.

The first question to answer is not "Which form should I fill in?" It's "Which authority regulates my product?" Get that right, and every step that follows becomes far more straightforward.

Before You Enter a New Market

Markets Reward Preparation, Not Optimism

Every generation believes it has discovered a new frontier. Two decades ago it was China. Later came Vietnam. Today, conversations revolve around Africa, Central Asia and the Gulf. The destinations change; the pattern does not.

Companies often mistake a growing economy for a profitable market. The two are not the same. History is full of firms that arrived early, invested heavily and discovered that strong GDP growth did not guarantee reliable buyers, efficient logistics or predictable regulation.

The first shipment is usually the easiest part of entering a market. Building a business that survives is considerably harder.

Before committing capital, ask a series of practical questions.

- **Is demand proven or merely projected?** Market reports are useful, but purchase orders are better.
- **Who already serves this market?** Understanding competitors often reveals more than studying customers.
- **How does money move?** Payment terms, banking restrictions and currency risks can determine whether a profitable sale ever becomes cash.
- **What stands between the port and the customer?** Customs procedures, certification requirements and local bureaucurcy deserve as much attention as pricing.
- **Who represents you locally?** A capable distributor can shorten years of market development. The wrong one can quietly destroy it.
- **What could change unexpectedly?** Elections, sanctions, exchange rates and freight disruptions rarely appear in financial projections, yet frequently determine their outcome.
- **Does your competitive advantage survive after logistics costs?** A low factory price means little if the landed cost exceeds local alternatives.

International trade has always rewarded information more generosuly than enthusiasm. Merchants of the Silk Road, shipping companies of the nineteenth century and today's global exporters all share the same reality: those who understand a market before entering it usually spend less capital correcting mistakes afterward.

The objective is not to enter more markets. It is to enter fewer markets with greater conviction.

Business Clinic Principle

A market should earn your investment through evidence, not optimism. If most of your assumptions cannot be verified before signing a contract, the opportunity is probably less certain than it appears.

INVESTMENT OPPORTUNITY

The New Scarcity in Global Trade

Why Liquidity Has Become a Strategic Asset

For decades, global trade was built on a simple assumption: produce the goods, sign the contract and capital would follow. That assumption is becoming less reliable.

Trade continues to expand, but under very different conditions. Geopolitical tensions, regionalised supply chains and growing concerns over food security have made international commerce more fragmented and increasingly capital-intensive. The limiting factor is often no longer demand, but liquidity.

More than 90% of global trade relies on trade finance, yet the worldwide trade-finance gap remains close to US$2.5 trillion, preventing many commercially viable transactions from proceeding because working capital is unavailable when it is needed. Banks remain essential, but tighter regulation and higher funding costs have widened the gap between commercial opportunity and financial capacity.

Food commodities illustrate this change clearly. Poultry from Brazil, beef from Australia or edible oils from the Black Sea often have committed buyers before shipment. The challenge is rarely demand. It is financing suppliers before loading while allowing buyers to pay after delivery.

That financing gap has become a strategic investment opportunity.

Working-capital finance supports procurement, logistics and execution across short trading cycles, enabling verified transactions to move despite tighter financial conditions. Unlike traditional investments that depend on long-term appreciation of physical assets, returns are linked to the disciplined completion of commercial cycles, supported by supplier verification, structured procurement, logistics oversight and transparent settlement mechanisms.

The structural drivers behind this market continue to strengthen. As companies diversify sourcing and governments prioritise supply-chain resilience, demand for trade finance is expected to rise rather than diminish.

> *The defining scarcity of twenty-first-century trade is unlikely to be goods or even capital itself. It is capital that becomes available precisely when global supply chains need it. That is liquidity in motion.*

Recognising this shift, Qasr Al Anqaa has developed structured trade-finance investment opportunities that provide working capital for verified international commodity transactions, connecting investor capital with real commercial activity through disciplined execution and transparent risk management.

THE GLOBAL SUGAR SUPPLY CHAIN

FROM FARMS TO MARKETS

A complex global network connecting millions of people.
Here's how sugar moves around the world and
why the Middle East is a vital hub.

- **>85%** of sugar is produced from sugarcane
- **~60%** of global sugar trade is raw sugar
- **BRAZIL** is the world's largest sugar exporter
- **THAILAND** is the world's second largest sugar exporter
- **DUBAI (UAE)** is one of the world's biggest refining & re-export hubs
- **~65 MMT** global sugar trade (2023/24)

1 ORIGINS – WHERE SUGAR BEGINS

BRAZIL

World's largest producer and exporter

- World's largest producer and exporter
- Harvest: Apr – Dec
- Type: Raw Sugar
- Share of global exports: ~55%
- Key Ports: Santos, Paranaguá

INDIA

Second largest producer; exports depend on policy

- Second largest producer; exports depend on policy
- Harvest: Oct – Jun
- Type: Raw & White Sugar
- Share of global exports: ~10%
- Key Ports: Kandla, Mundra

THAILAND

Second largest exporter; key supplier to Asia

- Second largest exporter; key supplier to Asia
- Harvest: Dec – Apr
- Type: Raw & White Sugar
- Share of global exports: ~15%
- Key Port: Laem Chabang

AUSTRALIA

Stable exporter to Asia and Middle East

- Stable exporter to Asia and Middle East
- Harvest: May – Nov
- Type: Raw Sugar
- Share of global exports: ~3%
- Key Port: Brisbane

GUATEMALA

Major raw sugar exporter from the Americas

- Major raw sugar exporter from the Americas
- Harvest: Nov – Apr
- Type: Raw Sugar
- Share of global exports: ~3%
- Key Port: Puerto Barrios

MEXICO

Consistent exporter to US & global markets

- Consistent exporter to US & global markets
- Harvest: Nov – May
- Type: Raw Sugar
- Share of global exports: ~1%
- Key Port: Veracruz

OTHER PRODUCERS

- Pakistan
- South Africa
- Colombia
- Indonesia

2 GLOBAL SHIPPING ROUTES

From major producing countries to regional hubs

KEY FACTS

- Bulk carriers transport raw sugar via major sea routes through the Atlantic, Indian Ocean and Red Sea to regional hubs.
- ~160 countries import sugar
- ~65 MMT Global trade (2023/24) (raw & refined)
- Raw sugar dominates bulk of global trade

3 REGIONAL REFINING HUBS

Turning raw sugar into value-added products

- World's largest port-based sugar refinery
- Raw sugar import capacity: ~4+ MMT/year
- White sugar export: ~1.5 MMT/year
- Re-export to 100+ countries

REFINING PROCESS

Raw Sugar (Imported)
↓
Refining & Purification
↓
White Sugar (ICUMSA 45)
↓
Packaging
↓
Storage & Distribution

Efficient logistics and strong partnerships ensure sugar reaches retail shelves on time, every time.

4 DISTRIBUTION MARKETS – SUPPLYING MILLIONS ACROSS REGIONS

GCC	LEVANT	AFRICA	CENTRAL ASIA	SOUTH ASIA
Saudi Arabia	Iraq	Egypt	Kazakhstan	Bangladesh
UAE	Jordan	Djibouti	Uzbekistan	Sri Lanka
Oman	Lebanon	Kenya	Tajikistan	Nepal
Qatar	Syria	Tanzania	Kyrgyzstan	Maldives
Kuwait		Uganda	Afghanistan	
Bahrain		South Africa		
		and more		

5 WHAT DRIVES THE MARKET?

- **Weather & Climate** – Droughts, floods and El Niño impact yields
- **Geopolitical Risks** – Conflicts and sanctions disrupt trade flows
- **Government Policies** – Export bans, subsidies and domestic pricing
- **Inventory Levels** – Low stocks lead to higher volatility
- **Sugar vs Ethanol** – Brazil's sugarcane diverted to ethanol when prices are high
- **Global Demand Growth** – Population & income growth in emerging markets increase demand
- **Shipping & Freight** – Ocean freight rates directly impact costs
- **Currency Fluctuations** – USD strength affects import costs

6 PRICE DISCOVERY – HOW SUGAR IS PRICED

Global prices are benc.hmarked on two key international indices

ICE New York No.11 Raw Sugar Futures

Benchmark for raw sugar. Used in most export contracts from producers worldwide.

Contract Unit: 112,000 lbs (~50.8 MT)
Delivery: Caribbean ports

ICE London No.5 White Sugar Futures

Benchmark for refined white sugar. Used by refiners, traders and importers worldwide.

Contract Unit: 50 MT
Delivery: London Warehouse Delivery

FINAL PRICE = ICE BENCHMARK + PREMIUM (OR DISCOUNT) + FREIGHT & INSURANCE + LOCAL COSTS

Origin Premium / Discount · Freight (Ocean) · Insurance · Port & Handling Charges · Refining Cost · Local Taxes & Other Costs

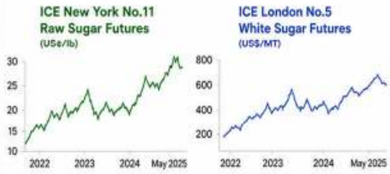
7 PRICE INFLUENCERS

- Drought or excessive rainfall in key regions
- Sugarcane yield & disease
- Government export policies (India, Thailand, etc.)
- Crude oil prices (impact ethanol mix)
- Ocean freight rates & vessel availability
- Exchange rates (USD)
- Global inventory levels
- Economic growth & consumption
- Geopolitical tensions & trade disputes

8 TRADE FINANCE & RISK MANAGEMENT

- **Letter of Credit (LC)** – Secure international payments
- **Trade Finance** – Working capital for importers & exporters
- **Insurance** – Marine cargo & political risk coverage
- **Inspection (SGS, Intertek)** – Quality, quantity & loading supervision
- **Warehousing** – Accredited storage & inventory management
- **Hedging** – Price risk management using futures
- **Logistics Solutions** – End-to-end supply chain coordination

9 PRICE BENCHMARK INDICES AT A GLANCE



Source: ICE (May 2025)

RAW SUGAR ≠ WHITE SUGAR

- Raw sugar is priced based on ICE No.11 (Raw Sugar Futures)
- White sugar is priced based on ICE No.5 (White Sugar Futures)
- The difference between the two is called the White Premium (Refining Margin) – a key indicator of refinery profitability.

TYPICAL CONTRACT TERMS

MOQ	500 MT – 25,000 MT+
PAYMENT TERMS	LC at Sight / TT / Negotiable
DELIVERY TERMS	FOB / CIF / CFR
PACKAGING	50 KG PP Bags / Jumbo Bags (1200 KG)
INSPECTION	SGS / Intertek / Bureau Veritas
QUALITY	ICUMSA 45 (White) / 600-1200 (Raw)

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Commodity Radar

Global Markets | 14-Day Review

Global commodity markets spent the past two weeks navigating a market increasingly defined by logistics and geopolitical risk rather than outright supply shortages. Agricultural fundamentals remained broadly comfortable, limiting large moves in benchmark prices, yet the cost of physically sourcing and transporting commodities continued to rise.

The gap between financial markets and physical trade has become increasingly apparent. While global benchmark prices for many commodities remained relatively stable, refinery quotations, supplier offers and regional transaction prices experienced much greater volatility as geopolitical tensions, freight disruptions and higher insurance costs reshaped pricing across key trade corridors.

For commodity buyers, the reference price quoted on an exchange is no longer the final price that matters. Delivered cost has become increasingly dependent on regional risk premiums, logistics and financing conditions.

Energy: Geopolitics Continues to Set the Tone

Energy remained the dominant force influencing commodity markets. Brent crude traded within a relatively firm range as traders balanced comfortable global inventories against persistent uncertainty surrounding Middle Eastern shipping routes and OPEC+ production discipline.

Although global oil supply has not tightened materially, markets continue to embed a geopolitical risk premium associated with the Strait of Hormuz, regional export infrastructure and broader security concerns.

The consequences extend well beyond crude oil. Higher energy prices increase marine fuel costs, trucking expenses, fertilizer production costs and food processing costs, creating inflationary pressure across multiple commodity supply chains.

Freight and Logistics: The New Cost Driver

Logistics remained one of the strongest bullish forces across global trade.

The Baltic Dry Index closed at 2,732 points, rising 2.2% on the latest trading day, 6.6% over the past month and standing more than 35% above its level one year ago. Bulk freight costs for grains, fertilizers, metals and industrial raw materials therefore continued to climb despite relatively balanced global supply.

The increase reflects more than demand. Longer shipping routes, elevated marine insurance premiums, vessel availability constraints and geopolitical uncertainty have all increased transportation costs.

For many importers, freight has once again become one of the largest components of total landed cost.

Commodity Prices: Stable Benchmarks, Volatile Physical Markets

Headline commodity indices suggested relatively limited price movements during the review period. However, physical trading conditions painted a considerably different picture.

Benchmark prices for sugar, rice, edible oils, meat and several other agricultural commodities largely remained within expected trading ranges. Yet refinery offers, export quotations and supplier pricing became significantly more volatile as traders adjusted regional risk premiums to reflect changing geopolitical conditions.

Across several trading corridors, particularly those linked to the Middle East, regional premiums increased by as much as 20–30%, even where international benchmark prices showed only modest changes.

As a result, buyers frequently encountered substantially higher procurement costs despite relatively stable prices on international exchanges.

This divergence has become one of the defining characteristics of today's commodity markets: benchmark prices increasingly indicate market direction, while refinery pricing, freight costs, insurance premiums and regional risk determine the actual transaction price.

Food Markets: Stability Masks Diverging Trends

The latest FAO Food Price Index remained broadly stable at 130.3 points, easing 0.3% from the previous month while remaining 1.7% higher than a year earlier. Beneath that stability, individual commodity markets continued to diverge.

- International sugar prices declined 5.7% as lower ethanol prices in Brazil encouraged mills to allocate more sugarcane to sugar production, increasing export availability.
- The FAO All Rice Price Index rose 3.2%, supported by stronger Asian demand, weather-related production risks and higher transportation costs.
- The FAO Vegetable Oil Price Index advanced 3.8%, reaching a level more than 23% above that of a year earlier as expectations of tighter Indonesian palm oil exports and resilient biofuel demand supported prices.
- Meanwhile, the FAO Meat Price Index gained 0.4% to a record high. Poultry markets remained supported by robust international demand, while beef prices softened modestly ahead of stronger Australian export availability later this year.

Fertilizers: A Market Worth Watching

Fertilizers remain strategically important despite the recent period of relative stability.

World Bank pricing indices show only limited movement, yet regional market conditions continue to shift.

Natural gas—an essential input for nitrogen fertilizer production—remains elevated in many markets, and any disruption could quickly translate into higher urea and DAP prices.

Market Outlook

Commodity markets are entering a period where logistics, policy and geopolitics will continue to matter more than traditional supply fundamentals. Buyers should anticipate continued volatility in delivered costs, regional premiums and freight rates, even if headline benchmark prices remain stable.

"The gap between financial markets and physical trade has become increasingly apparent. While global benchmark prices for many commodities remained relatively stable, refinery quotations, supplier offers and regional transaction prices experienced much greater volatility as geopolitical tensions, freight disruptions and higher insurance costs reshaped pricing across key trade corridors."

Policy Watch

Trade Rules Tighten While Supply Chains Stay Flexible

Why It Matters

For importers, exporters, and commodity traders, today's biggest risk is no longer simply price volatility—it is policy volatility. A shipment purchased under one regulatory environment may arrive under another.

Companies that continuously monitor tariffs, sanctions, customs rules, and financing regulations will be better positioned to protect margins, diversify sourcing, and respond quickly as trade policy evolves.

1. UNITED STATES EXPANDS TARIFF PRESSURE

Washington continued to shift toward a more protectionist trade stance. A new round of tariffs covering imports from dozens of countries has moved forward, with additional investigations targeting sectors linked to forced labor, industrial overcapacity, and strategic manufacturing. Businesses sourcing globally should expect higher compliance requirements and continued uncertainty around landed costs.

2. RUSSIA SANCTIONS COULD RESHAPE ENERGY TRADE

A bipartisan sanctions proposal in the U.S. Senate would authorize significantly tougher measures against countries purchasing Russian oil and gas. Although the legislation has not yet become law, its potential to impose secondary tariffs has already increased geopolitical risk for energy traders and could influence procurement strategies across Asia and the Middle East.

3. TRADE COMPLIANCE BECOMES A COMPETITIVE ADVANTAGE

Beyond tariffs, governments continue to strengthen customs enforcement, sanctions screening. origin verification. and supply chain due diligence. Companies able to demonstrate transparent sourcing and robust compliance are increasingly better positioned to secure financing, avoid border delays, and maintain customer confidence.

4. TRROPE CONTINUES REGULATORY ADJUSTMENTS

The European Union has introduced further trade-related regulatory measures, including updated tariff quota arrangements in selected sectors while continuing work on WTO reform and broader trade governance. Although these changes do not immediately affect most food commodities, they reinforce a global trend toward more rules-based and documentation-intensive trade.

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EXECUTIVE VOICE

Logistics in the Age of Uncertainty

Ali Aghdam
Guest Contributor
Chief Executive Officer, Ali Aghdam General Trading LLC
Chief Executive Officer, Malik Al Khatam Logistics Services

In recent years, logistics has become inseparable from uncertainty. The pandemic was only the beginning. Geopolitical tensions, volatile energy prices, fractured supply chains, and constantly shifting trade routes have all made one thing clear: success in this industry is no longer defined by the size of a fleet or the depth of a balance sheet. It is defined by the ability to make decisions when the future refuses to explain itself.

Looking back, there are three decisions that stand out.

01 ENTERING NEW MARKETS AMID UNCERTAINTY

The first was choosing to enter new markets when there were no reassuring forecasts to rely on. Staying where everything feels familiar is always tempting. Certainly has its own kind of comfort. But growth rarely happens there. More often, it begins at the point where confidence gives way to curiosity, and where risk becomes something you decide to understand rather than avoid.

02 INVESTING IN TECHNOLOGY BEFORE RETURNS WERE VISIBLE

The second was investing in technology and digital transformation at a time when the return was impossible to measure in the short term. There were easier ways to spend that money. Yet it has become increasingly clear that the companies that embraced data, automation, and transparency before they had to were also the ones that adapted most effectively when disruption arrived. Technology did not remove uncertainty. It simply made it easier to navigate.

03 PROTECTING PEOPLE DURING INSTABILITY

The third was choosing to protect people during periods of instability. When markets tighten, reducing costs is often presented as the rational decision. But experienced teams are not expenses that can simply be replaced. Trust, knowledge, and shared experience are built slowly, then tested all at once. Rebuilding them is almost always more expensive than preserving them.

If there is one mistake businesses continue to make, it is believing that stability is the normal state of the market and of the market. It isn't. Change is. Planning only for the most optimistic scenario creates a fragile business. Relying too heavily on a single shipping route, one export market, or a handful of customers may seem efficient until circumstances shift, as they inevitably do. Diversification and scenario planning are no longer strategic advantages. They have become the basic conditions for resilience.

Today, the logistics industry in the Middle East stands at a remarkable crossroads. Significant investments in ports, transport corridors, infrastructure, and digital capabilities are creating opportunities that would have seemed ambitious only a decade ago. At the same time, political developments, evolving regulations, intense competition among regional hubs, and economic volatility continue to reshape the landscape. Opportunity and complexity now arrive together.

Even so, I remain optimistic about where this industry is heading. The region's geography gives it a unique role in connecting East and West, and that role will only become more important. The companies that succeed over the coming years will not necessarily be the largest. They will be the ones that move quickly without becoming careless, that value transparency as much as efficiency, that remain flexible without losing direction, and that treat risk management as part of everyday decision-making rather than something reserved for moments of crisis.

Logistics is no longer just about moving goods from one place to another. It is about living with uncertainty without allowing uncertainty to dictate every decision. The future will always remain imperfectly known. What matters is not predicting it with absolute confidence, but building organizations capable of meeting whatever it becomes.