



Suez Canal

NEW

Development Strategy

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Outline

- Pertaining to the Suez Canal
- Suez Canal Vision & Mission
- Importance & Advantages of the Suez Canal
- Suez Canal Traffic Statistics & World Seaborne trade
- Suez Canal Development Axes
- Suez Canal New Strategy

Pertaining to the Suez Canal

- The Suez Canal is not just a waterway used for the passage of ships; rather it is an artery that always has given rise to several urban communities along its banks.
- It is the meeting point of civilizations and the subject of choice in case one needs to talk about history.
- The Suez Canal has been playing an invaluable role in servicing world trade since its inauguration in 1869.
- It provides much needed support to maritime industry through its non-stop development projects that cope with evolutions in shipbuilding industry and international maritime shipping.
- The latest of such developments was the New Suez Canal that was celebrated in August 2015.



Suez Canal Vision

- To render an uninterrupted service to vessels that transit the Suez Canal, with the highest level of security and safety for vessels during their transit.
- To keep the Suez Canal the first choice for shipping companies, liners, ship owners and ship operators.
- To increase the Suez Canal's share of the world seaborne trade that uses the Canal.

Suez Canal Mission

- To manage and run the Suez Canal in a way that maximizes its capabilities and position.
- To achieve customer satisfaction through continuous improvement of the entire and all-level operation system.
- To improve the Suez Canal performance to cope with the challenges and opportunities in the international shipping market.

Importance & Advantages of the Suez Canal

- The Suez Canal is the shortest route between East & West compared with other alternative routes.
- The Canal route achieves savings in distance , time, fuel consumption and other related costs.
- Accessibility (no locks) .
- Availability (navigation goes day and night) .
- Safety & Security .
- Liability to be widened and deepened when required, to cope with the development in ships' sizes and dimensions .



Importance & Advantages of the Suez Canal

- The Suez Canal share is 8% of the world seaborne trade and 24.5% of the world Container trade.
- The Suez Canal accommodates approximately one billion ton annually (food – medicine – fuel – humane necessities everywhere)



The promising goal of the Suez Canal is to boost the world economy growth and trade.

Savings in distance achieved by Suez Canal compared to alternative routes

Origin	Destination	Distance (N.Mile)				Time (Days)			
		Suez	Cape	Saving	Saving %	Suez	Cape	Saving	Saving %
jeddah	pariues	1,320	11,207	9,887	88%	4	36	32	88%
Tokyo	Rotterdam	11,192	14,507	3,315	23%	29	38	9	23%
Ras tanura	Rotterdam	6,436	11,169	4,733	42%	19	33	14	42%
Ras tanura	New york	8,281	11,794	3,513	30%	25	35	10	30%
Origin	Destination	Suez	Panama	Saving	Saving %	Suez	Panama	Saving	Saving %
Colombo	New york	8,600	14,073	5,473	39%	22	37	14	39%
Singapore	New york	10,133	12,506	2,373	19%	26	32	5	17%

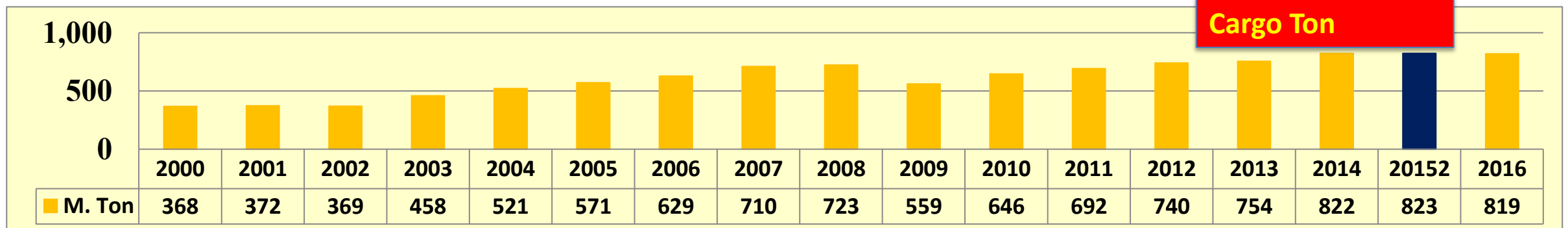
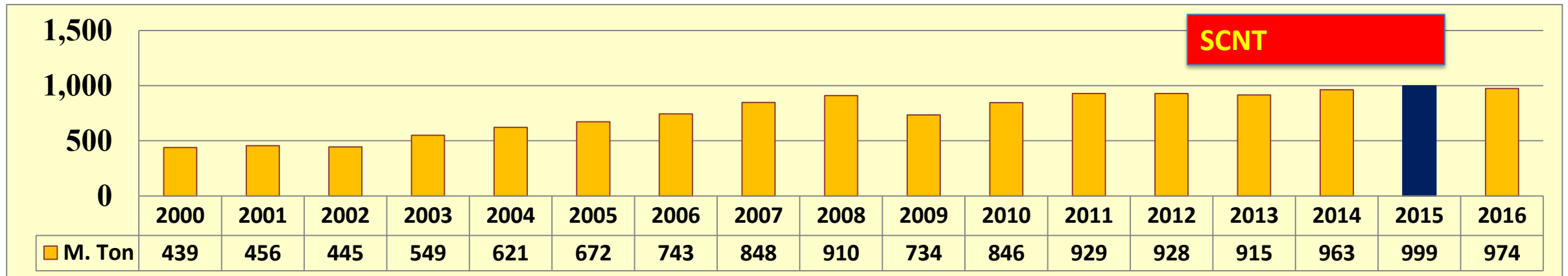
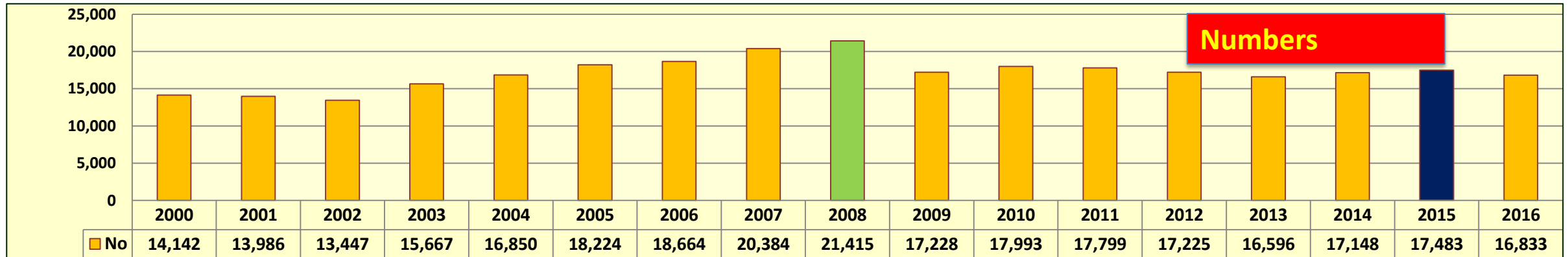


Saving in distance via the Canal

From Jeddah to Piraeus (9 887 N. Mile – 88 %)

Saving in time up to about 22 days

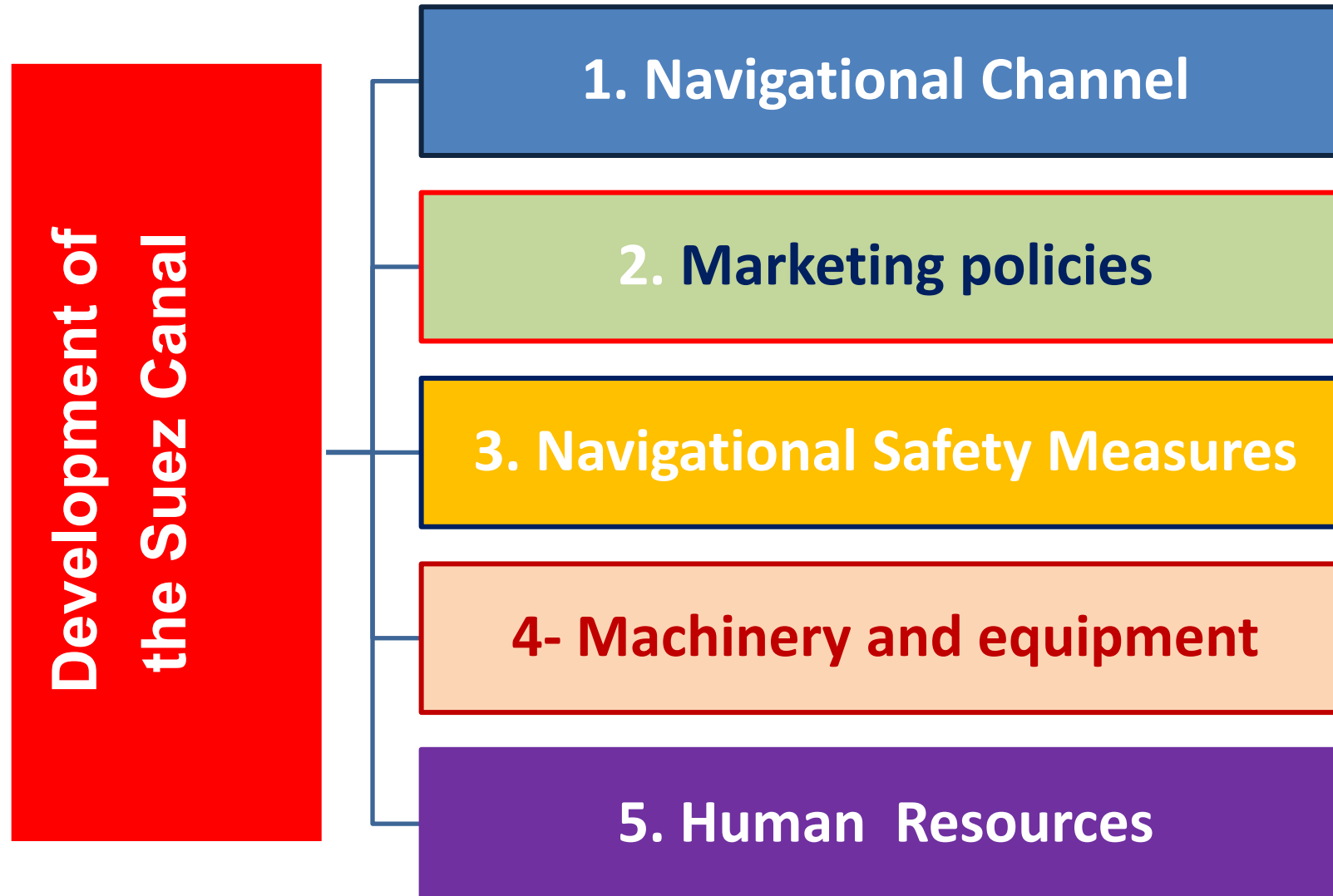
Development of the Suez Canal Traffic Statistics (2000-2016)



Suez Canal and world Seaborne trade

Years	World Seaborne trade (M.Ton)	Seaborne trade via Suez Canal (M.Ton)	Suez Canal Share of world Seaborne trade (%)
2003	6673.1	457.9	6.9
2004	7125.1	521.0	7.3
2005	7433.9	571.1	7.7
2006	7785.2	628.6	8.1
2007	8102.8	710.1	8.8
2008	8317.0	723.0	8.7
2009	7964.8	559.2	7.0
2010	9148.0	646.1	7.1
2011	9554.0	691.8	7.2
2012	9946.0	739.9	7.4
2013	10286.0	754.4	7.3
2014	10637.0	822.3	7.7
2015	10841.0	822.9	7.6
2016	11128.0	819.2	7.4

Suez Canal Development Axes



1. Development of the Navigational Channel

Description	Unit	1869	1956	1962	1981	1994	1996	2001	2010	2015
Overall Length	km	164	175	175	189.8	189.8	189.8	191.8	193.3	193.3
Doubled Parts	km	-	27.7	27.7	77	77	77	79	80.5	111.2
Depth	m	8	14	15.5	19.5	20.5	21	22.5	24	24
Cross Sectional Area	m ²	304	1200	1800	3600	4000	4300	4800	5200	5400
Max. Draft	feet	22	35	38	53	56	58	62	66	66
Max. tonnage	1000 tons	5	30	60	150	170	185	210	240	240

Suez Canal & Ship Size Capacity

The Suez Canal can accommodate the following percentages of fully loaded vessels in the global fleet:



100 % of container fleet



93% of the bulk fleet



100 % of other vessel types



63 % of the tanker fleet

In addition, the canal can accommodate all ballast vessels and VLCCs & ULCCs in partially loaded condition

2. Development of Marketing Policies

The philosophy of SC tolls is based on:

- Comparing the ship cost through the SC route with alternative routes.
- Sharing part of the savings achieved by the transiting vessel.
- Giving due consideration to market condition and economic variants.
- Considering the vessel type and size, loading condition and cargo type.

The canal tolls are annually revised to make sure they are in line with the prevailing market conditions of maritime transport

Flexible Pricing Policies

SCA adopted a flexible marketing policies so as to encourage vessels to use the Suez Canal route, such as:

- Long Haul Rebate System.
- Tolls Permanent Reductions.
- Cargo Incentive Rebate Policy.
- Co-operation with SUMED pipeline.
- Time Saving Service.

3. Developing Navigational Safety Measures

The SCA spares no effort to ensure a safe and secure passage for all transiting vessels for the prosperity of world trade and all nations.

A- Vessel Traffic Management System (VTMS)

Monitoring all the vessels transiting the canal through a radar net work covering all the canal.



B – The Maritime Training & Simulation Centre

Training SCA and ship-lines pilots on the main maneuvers for transiting the canal safely under different environmental conditions using up to dated maritime simulation technologies.



4. Development of machinery and equipment

Developing of dredger's fleet.

In 1956 the Suez canal authority had 3 dredgers with capacity of 17.7 thousand hp. And now it has a huge fleet of dredgers about 12 dredgers of different models and sizes with a total capacity of 156 thousand hp.

Developing of tugs fleet .

SCA currently has 86 Tugs including 37 Tugs with a total capacity of 1.6 million hp , and pollard pull ranges from 16 to 160 tons .

Developing of the shipyards.

**Includes: - Development of floating docks. - Development of floating cranes.
- Development of Machinery and Equipment.**

MASHOUR



- Cutter Suction dredger
- 31050 hp
- Year of built 1996
- Max. dredging depth 35 m

Mecca



- Trailing Suction Hopper dredger**
- Hopper capacity 10000 m³ -Total power 25032 hp
- Year of built 2004
- Max. dredging depth 35 m

Ezzat Adel



Year of built 1993
engine power 4×4000 hp
speed 17 knot
Pollard pull 160 tons

Mosaed 2



Length : 30.2 m
draught: 5.8 m
Speed: 13.6 knot
Engine: 5400 hp
Pollard pull 70 tons

Mosaed 3



Length : 30.2 m
draught: 5.8 m
Speed: 13.6 knot
Engine: 5400 hp
Pollard pull 70 tons



Port Said shiyard

5. Human Resource Development

- The SCA pays much attention to human resources. This is quite clear in its employment policy which aims at raising efficiency and skills of its personnel.
- Realizing that this is the asset through which the SCA can render services that meet the customers needs, the SCA is quiet proud of this workforce.

Suez Canal New Strategy

The Suez Canal Authority is currently taking a new Strategy to provide high quality services for its Customer includes:

1. Mega projects for waterway of Suez Canal
2. Promoting Suez Canal Affiliated companies
3. Suez Canal Area Development Project (SCZone)
4. Customer Orientation.

1- Mega projects for waterway of Suez Canal

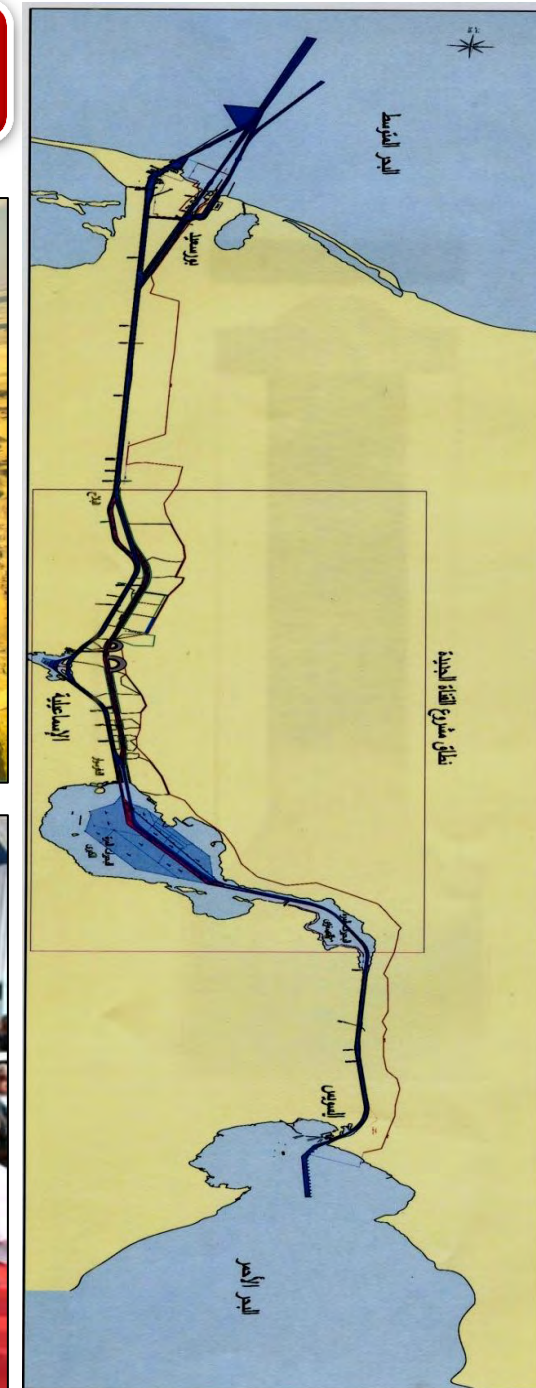
Suez Canal has recently completed two Mega projects:

A- The New Suez Canal

B- East Port Said Channel (opened in 24th Feb. 2016)

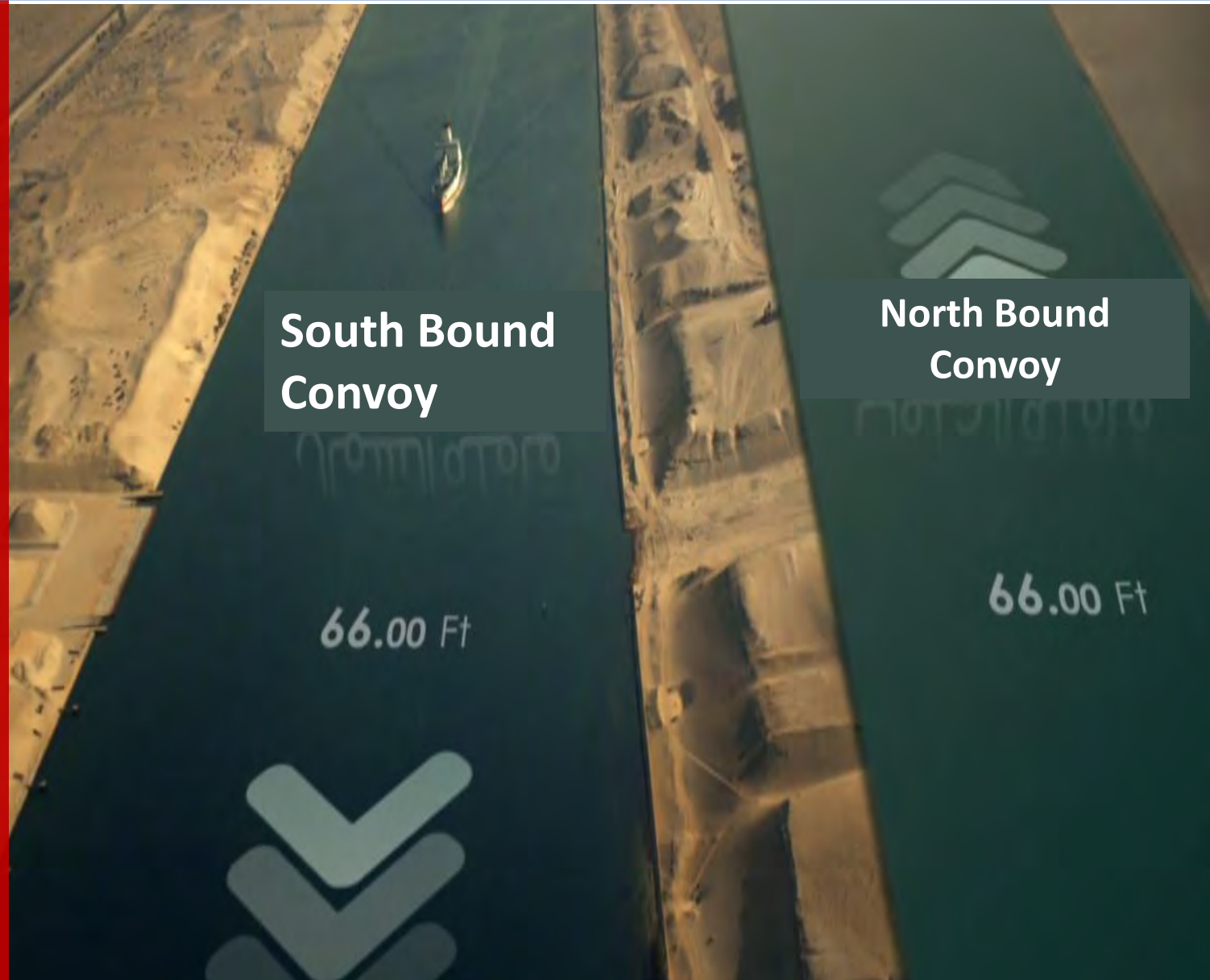
A- The New Suez Canal

In order to cope with the developments in the Suez Canal Area SCA had to think about the future of the Suez Canal as a waterway, in light of the world trade growth, world fleet and the pressing need to boost the national economy of Egypt. This was the main reason behind the idea of the New Suez Canal project.



New Suez Canal

- The New Suez Canal is the name of a new waterway project expanding the existing SC.
- The New SC is 72 km long this involves 35 km of dry digging from km 60 to km 95, and 37 km of deepening and widening the Canal by-passes in the Great Bitter Lakes and Ballah Area .
- The enlarged canal allow ships to sail in both directions at the same time over much of the canal's length. This is to decrease waiting time for most ships, and to double the capacity of the SC .



Objectives of the Project



Boosting the hard currency earnings of Egypt

Increasing the doubled parts of the waterway to 50%

Making the Suez Canal more attractive to users

Increasing the numerical capacity of the waterway to 97 ships/day in 2023 up from 49 ships/day, to cope with the expected growth of world trade

Provide support to the Suez Canal Area Development Project, and contribute in boosting the Egyptian economy through turning Egypt into an international logistics and commercial center

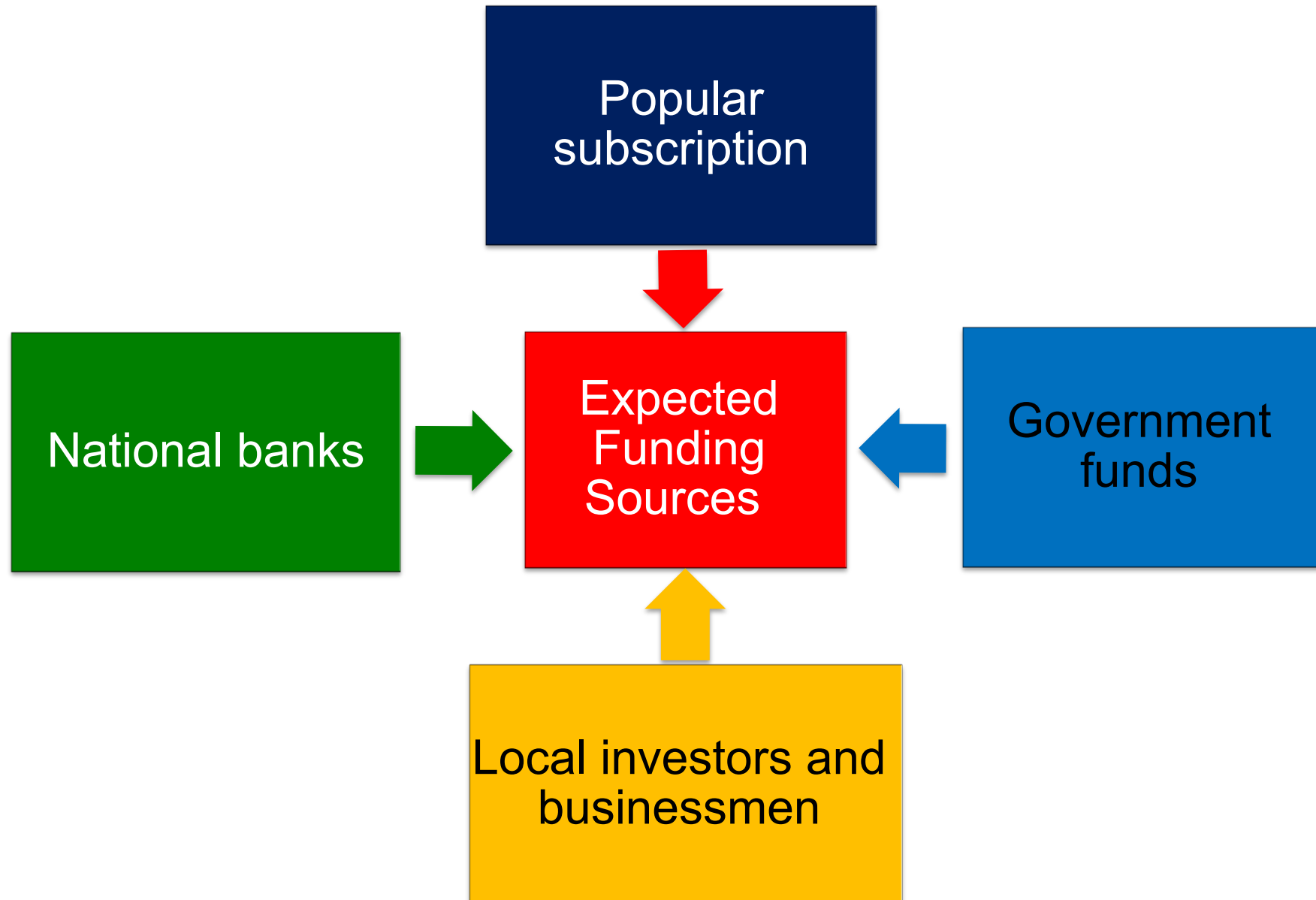
Minimize the cost for transiting vessels, thus attract a bigger number of ships to use the Canal

Time Frame for the Implementation



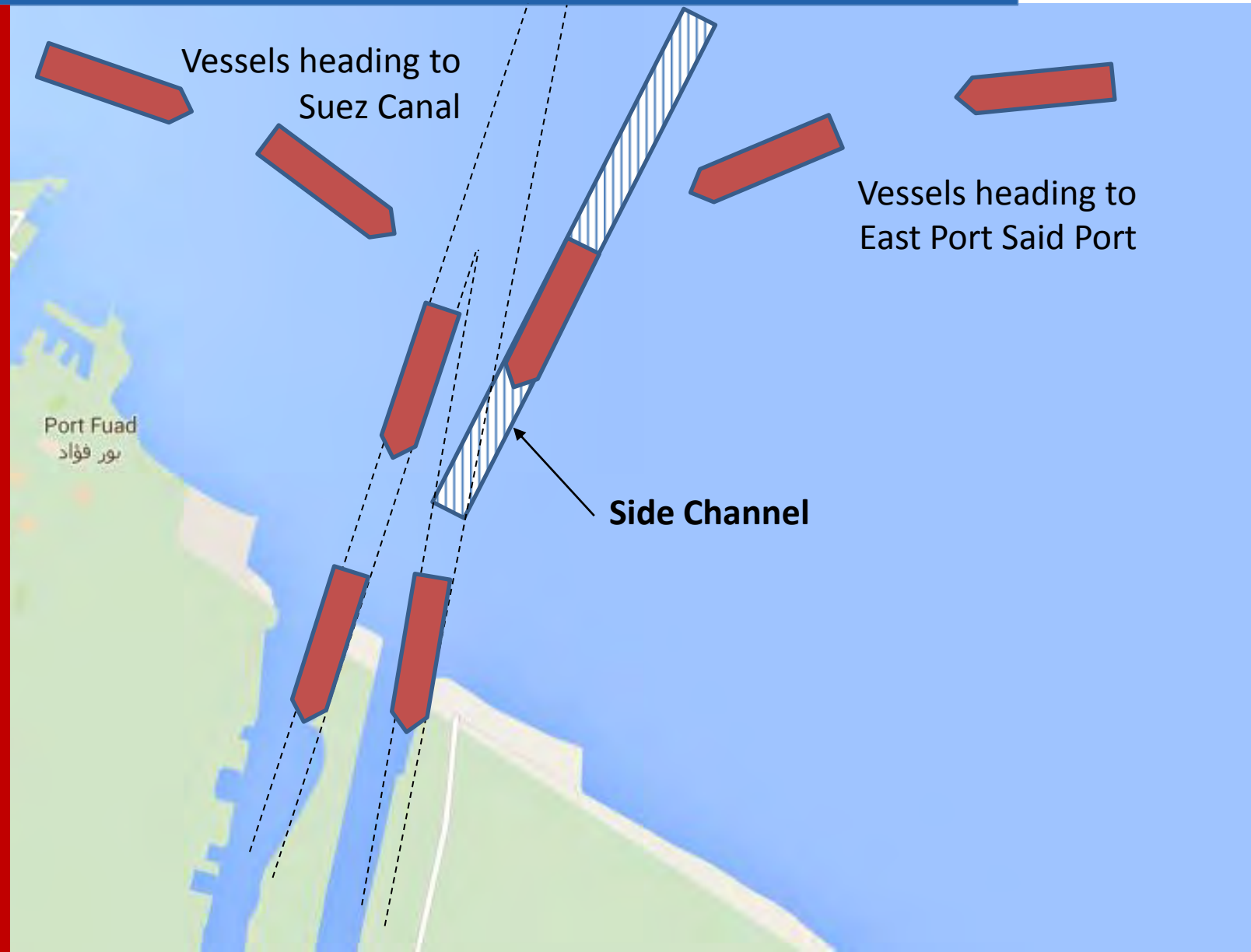
Time frame for the implementation of the Project is 36 months, as per the relevant technical estimation; however, the President has requested that the implementation period be reduced to one year. Coordination has been made with the Engineering Authority of the Armed Forces to set a new implementation plan in cooperation with the SCA

Funding for New Suez Canal Project



B- East Port Said Channel

- It is a separate channel that allows access to the port from the north.
- It adds to the efficiency of the port as it will provide a service for the ships outside the convoy system as regulated by the Suez Canal Authority.



2- Promoting Suez Canal Affiliated Companies



The chairman of the Suez Canal Authority announced that 2016 was (SCA affiliated companies year) , there is a plan to study the current situations of these companies in order to develop them and increase their income, considering their social responsibility as well.

Suez Canal Authority and its affiliated companies can take advantage of the Vessels waiting at the waiting area at the entrance of the Canal to establish some of the value added services to serve and get benefit of the trade passing through the Canal .

The proposed activities for optimization of the potential of the Suez Canal Authority and its affiliated companies

Suez Canal Authority is planning to establish new set of value added Maritime services for the diversification of Suez Canal business as :

- Bunkering
- Supply ships with water and food
- Towage
- Salvage
- Ship building
- Ship repair and maintenance
- Container maintenance
- Reefer Ships
- Ship scrapping
- Stevedoring
- Warehousing
- Logistics activities

3- SUEZ CANAL AREA DEVELOPMENT PROJECT (SCZone)



Suez Canal & SCZone



Located around the main international maritime route where almost 8% of the international trade pass through (over 17,000 ships passing through each year).

SCZone Objectives

- The SCZone is one of the mega developments launched to stimulate economic development and growth in Egypt.
- It seeks to transform the area into a world-class logistics and industrial hub that serves global and domestic markets.
- Over 13,000 hectares of land have been made available across 3 sites: Port Said, Qantara (Ismailia) and Suez.
- Opportunities for investment across all sectors and particularly: Ports & Logistics, Manufacturing, Maritime-related services, ICT and Energy
- Target is to create 1 million additional jobs over the next 15 years.





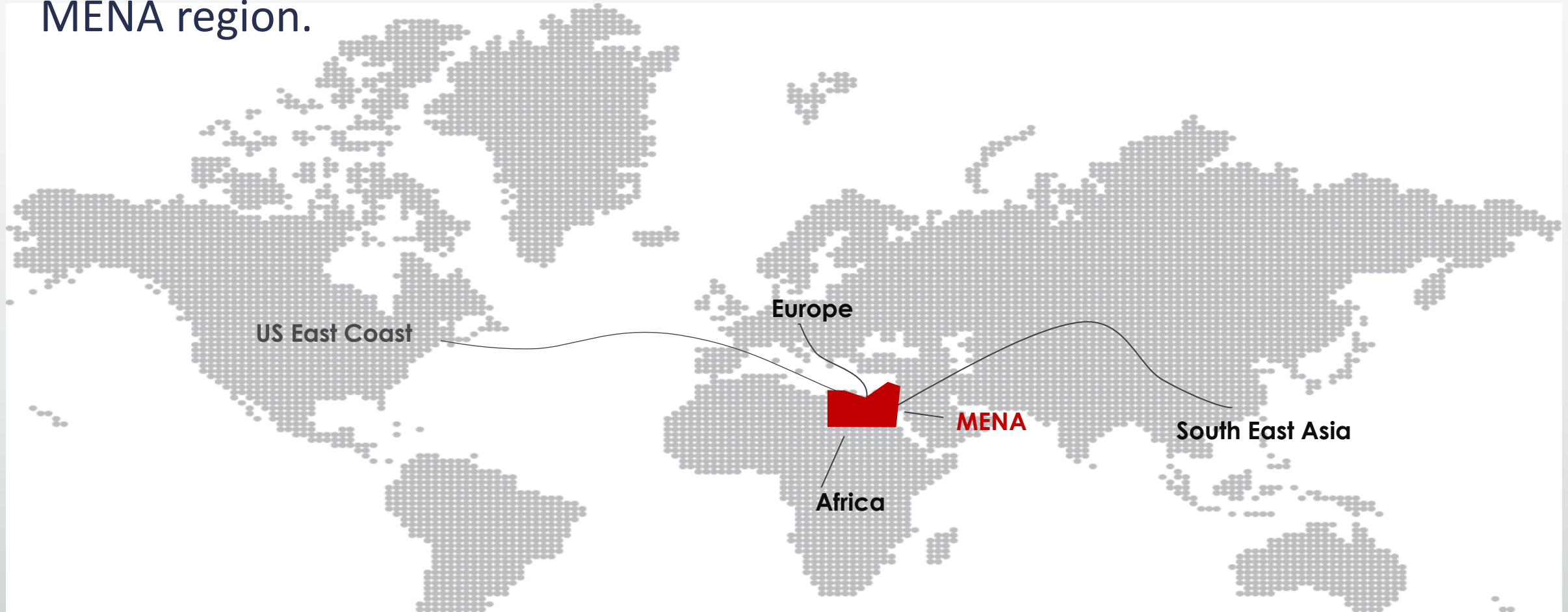
Why SCZone?

- A strategic location – at the heart of international trade and connected to the domestic, regional and global markets
- Opportunities across several economic sectors such as ports, logistics, and manufacturing but as an integrated project.
- A large and available workforce
- High quality infrastructure and connectivity
- A true One Stop Shop at the service of investors, helping to reduce the time, and cost, of setting up businesses.
- Investment incentives

Competitive Global Location

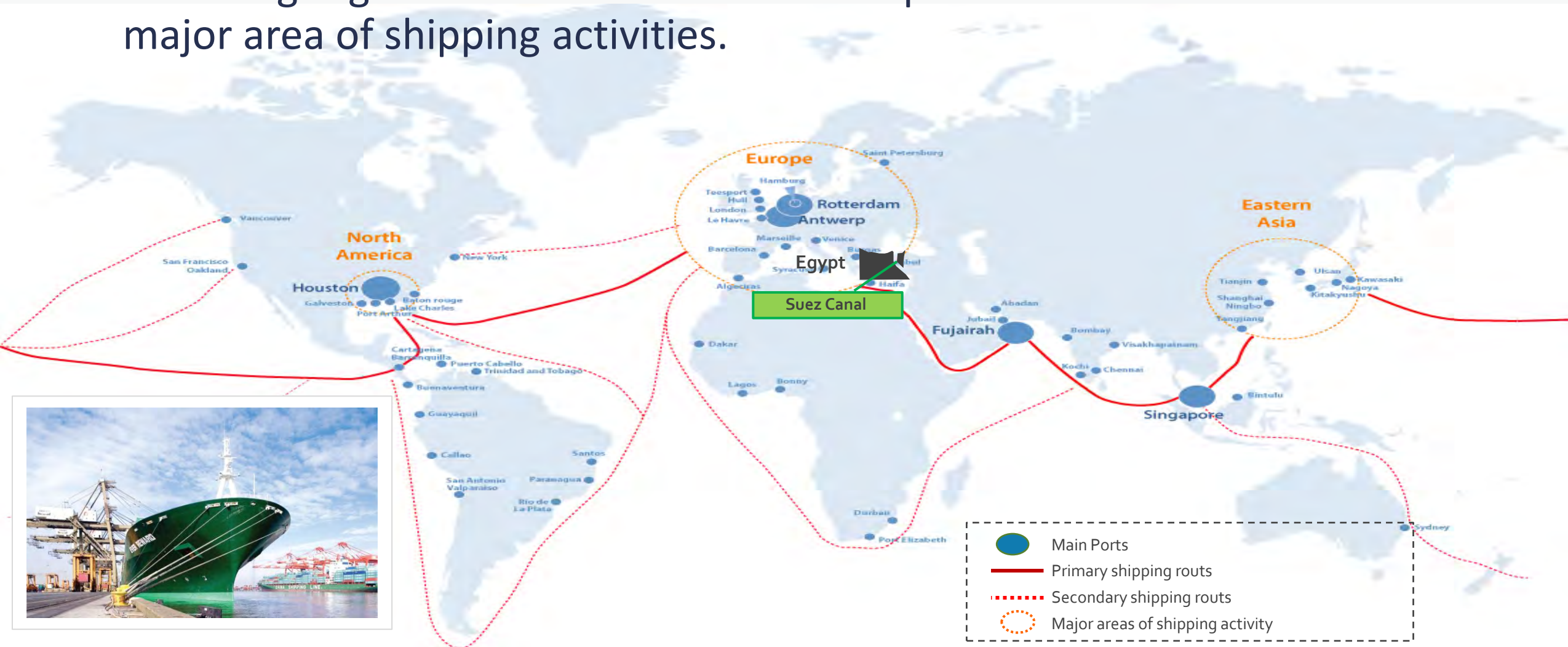


- Providing investors with a strategic location that offers competitive production costs and most comprehensive market access programs in the MENA region.



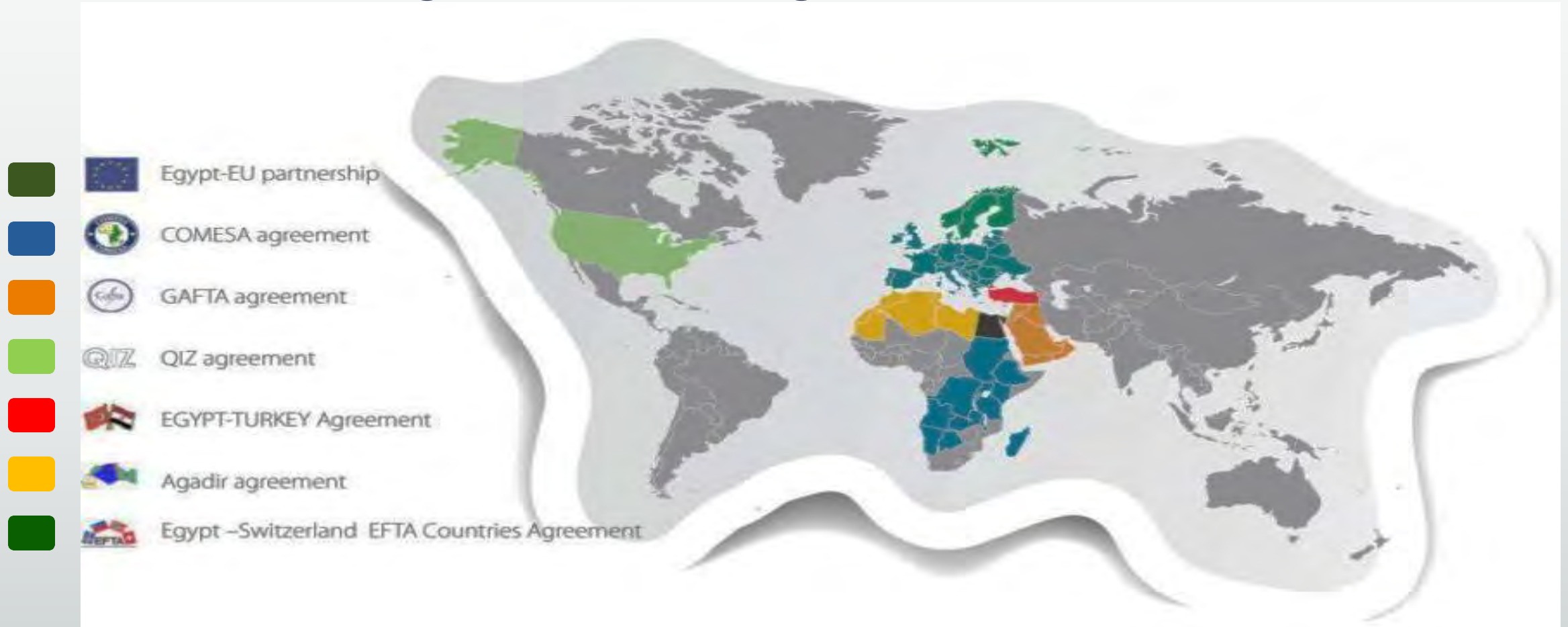
Competitive Global Location

- A strategic global location at most comprehensive market access in the major area of shipping activities.



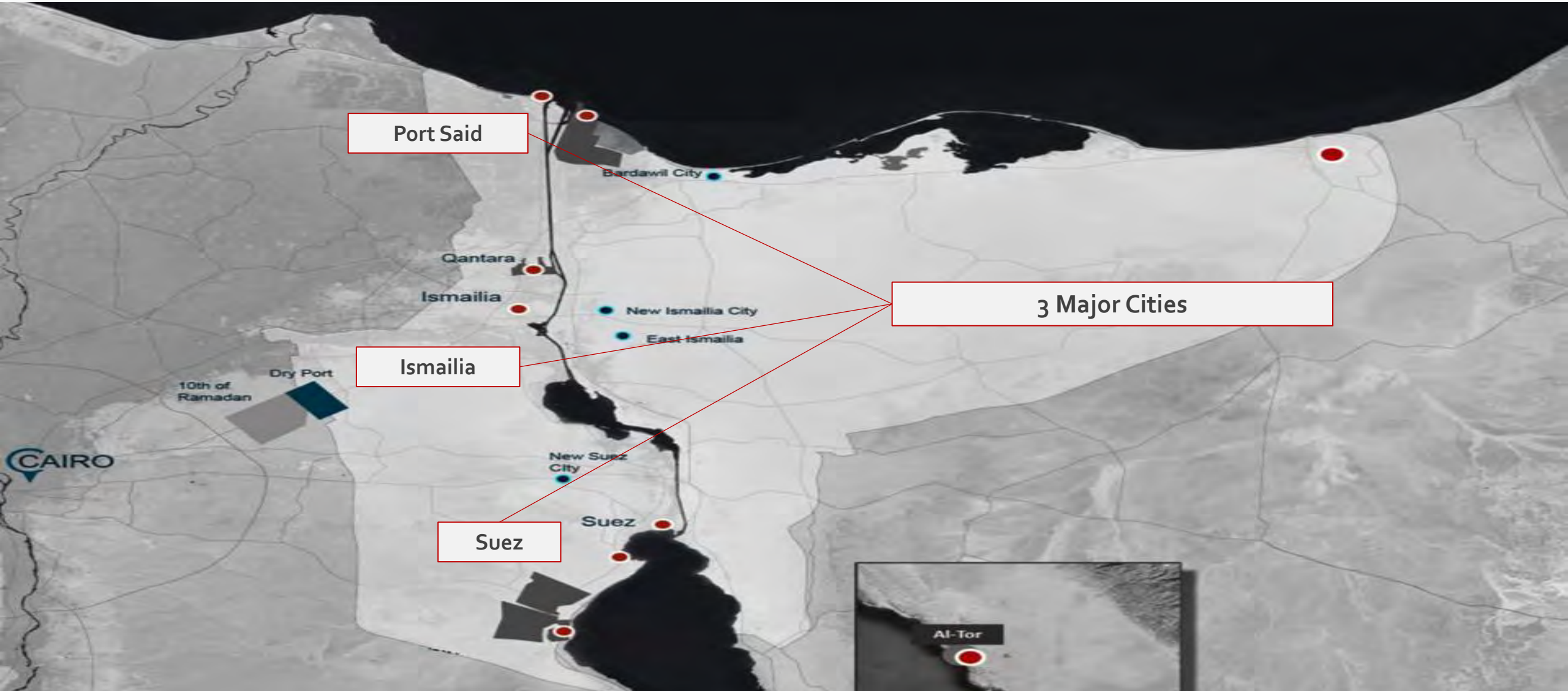
Preferential Market Access

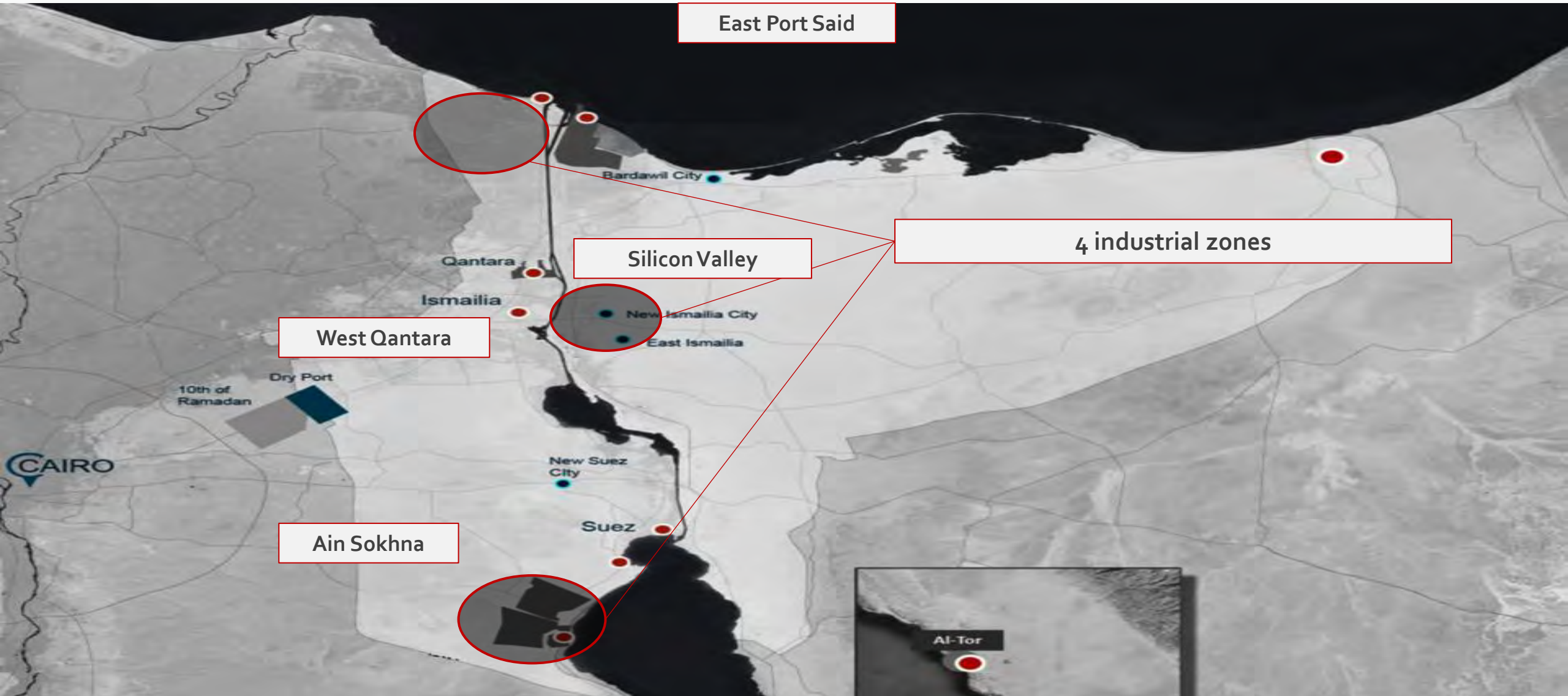
- Access to USA , Europe, Middle East and Africa Accessing +1.8 billion Customers through multi-trade agreements

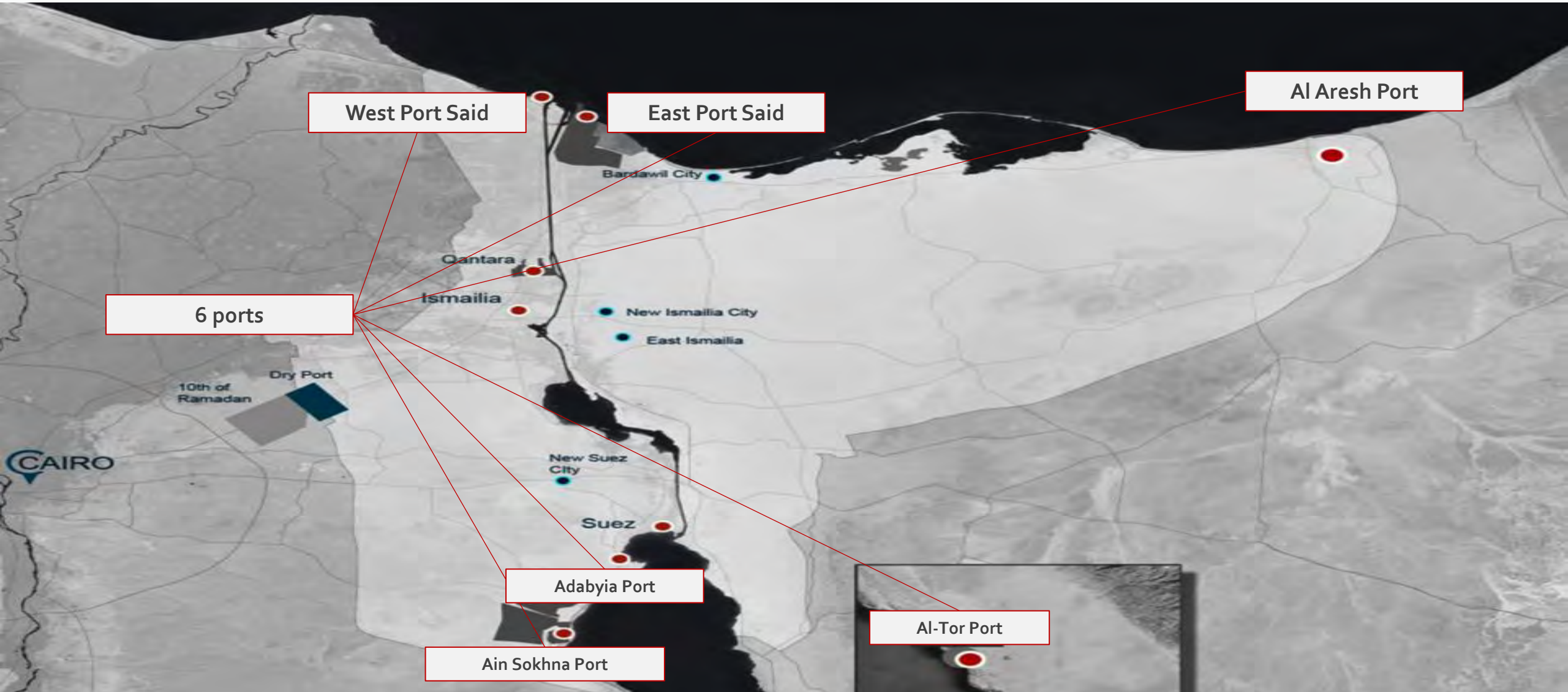


Strategic Domestic Site









Potential Economic Sectors

REGIONAL DEVELOPMENT STRATEGY





(1)

Ports and Logistics

- Ports are a key catalyst for logistics and maritime related activities in the project area.
- Maximizing advantages presented by the Suez Canal
- Transport infrastructure key to increasing connectivity
- Three Logistics Hubs:
 - (i) East Port Said;
 - (ii) Ain Sokhna;
 - (iii) Ismailia (close to the Free Zone).

Specific Logistics Opportunities

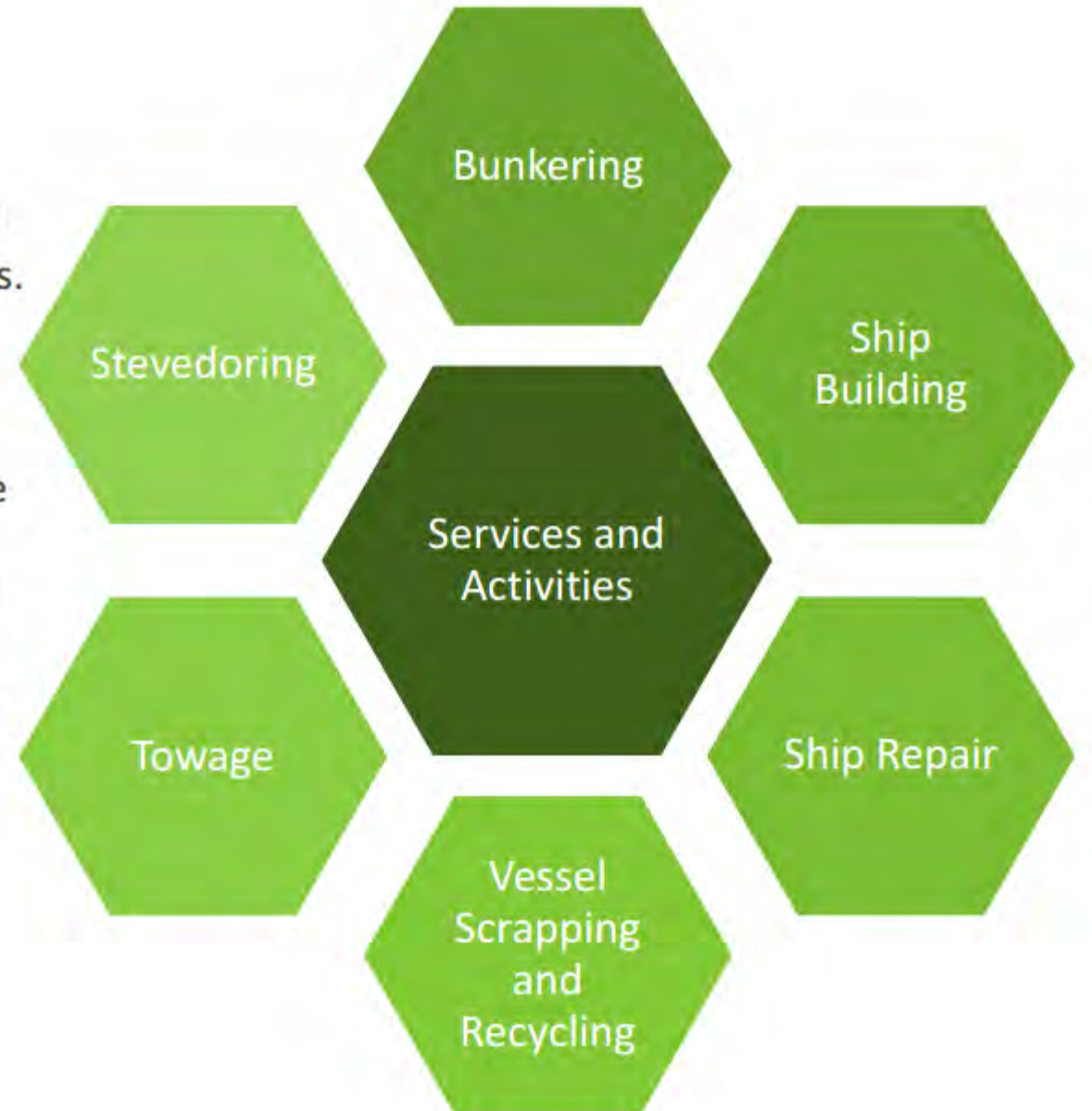
- Port Said East Port logistics zone centrally located between existing port and proposed port and Industrial zone.
- Ain Sokhna located between container terminals & Industrial Zone
- Both are designed to be fully integrated with intermodal components.
- Taking the best of modern thinking to ensure integration between shipping, port and land logistics that effectively combine transport modes and create efficient port centric solution.



(2) Maritime-related Services

Various activities supporting shipping and port activities.

Attraction points for these include being job creative and can be packaged to private investors.






(3) Manufacturing

Targeted Industrial Sectors

- A series of Industry Handouts including some of the following:
 - Automobile Assembly and Components
 - Chemicals/Petrochemicals and Oil Refining
 - Pharmaceuticals
 - Agribusiness
 - Domestic Appliances and Consumer Electronics
 - Materials for Building and Construction
 - Textiles and Ready-Made Garments (RMG)



Manufacturing Additional Sectors

Additional Sectors

- Additional sectors were highlighted which exhibited positive characteristics and indications of potential for future growth and development under the head of general manufacturing. These include:
 - Furniture
 - Lighting
 - Miscellaneous manufactured goods
 - Medical equipment
 - Tools

(4) ICT

ICT strategy Pillars



Basic Infrastructure



**Information
Infrastructure
& Digital Content**



**Electronic Design
& Manufacturing**



**ICT Industry Programs
& Initiatives**



Social Development



**Cyber Security
& eSignature**



**Legislative
& Policies Framework**

4- Customer Orientation

The Suez Canal Authority is currently taking a Strategy based on Customer Orientation.

This strategy is applied through networking, meetings with customers, and exchange of views for mutual benefits.

Last but not Least

The SCA spares no effort for the sake of ensuring a safe and secure service for all transiting vessels.

Thanks