

SPECIAL  
ISSUE

# THE NEW SUEZ CANAL ... EGYPT'S GIFT TO THE WORLD

AN INDEPTH ANALYSIS



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# THE NEW SUEZ CANAL ...

## EGYPT'S GIFT TO THE WORLD

ON THE 6<sup>TH</sup> OF AUGUST 2015, EGYPT IS GOING TO WITNESS THE INTERNATIONAL INAUGURATION CEREMONY OF THE NEW SUEZ CANAL PROJECT IN THE PRESENCE OF DIFFERENT WORLD LEADERS. NATIONAL CELEBRATIONS OF THIS MEGA PROJECT WERE LAUNCHED AS EGYPTIANS BELIEVE THAT IT WILL SIGNIFICANTLY BOOST THE ECONOMY. IT ALL STARTED IN 2014 WHEN THE EGYPTIAN PRESIDENT ABDEL FATTAH EL SISI DECLARED THE ESTABLISHMENT OF THE SUEZ CANAL DEVELOPMENT PROJECT THAT STARTS WITH CONSTRUCTING A SECOND WATERWAY AT THE CANAL, TRYING TO MAXIMIZE THE BENEFIT OF ONE OF THE MOST IMPORTANT WATERWAYS IN THE WORLD WHICH APPROXIMATELY 8% OF THE WORLD'S SHIPPING TRAFFIC FLOWS THROUGH.



## ABOUT THE PROJECT

The Suez Canal Development Project includes two phases. The first one consists of digging a new Canal parallel to the original one with a 35 km length, in addition to deepening and widening the Great Bitter Lakes by-passes and Ballah by-pass, with a total length of 37 km (Total length of the project is 72 km) for achieving the following goals:



### 50% Increase

in the doubled parts of the Suez Canal so that it allows ships to sail in both directions (the old canal has a single lane in most of its parts).



### 11 Hours

Transit time for the southbound convoy instead of 18 (There are 3 convoys passing the canal individually each day. There are 2 southbound convoys and a northbound one). Waiting time for ships will also decrease to 3 hours instead of 8-11 (ships have to wait to be a part of one of the 3 convoys).



### 97 Ships

Passing the canal on average daily by 2023, up from 49 ships.



### \$ 13.2 Bn.

Annual revenues, up from the current \$ 5.4 Bn. (2% of GDP in 2013/14) by 2023.

## THE IMPORTANCE OF THE SUEZ CANAL

- The shortest link between the east and the west, which contributes in saving time and cost.
- The longest canal in the world without locks.
- A small number of accidents compared to other waterways.
- 24 hour navigation.
- The ability of widening and deepening the canal when required.
- The adoption of the Vessel Traffic Management System that offers a better monitoring to the passing vessels.
- The maritime transport is the cheapest means of transport (More than 80 % of the world trade volume is transported via waterways).

## OUTSTANDING EFFORTS

- The first phase was completed after the timeframe for implementing the project was reduced to 1 year instead of 3.
- Egyptians have completely funded the project through local banks after buying \$ 8.5 billion investment certificates issued for that purpose in just six days.
- Huge construction work was concluded within a record time.

80

International  
contractors

6

Dredging  
companies

43K

Workers

250mm<sup>3</sup>

Volume of dry  
excavation works

242mm<sup>3</sup>

Dredging  
works

## TURNING EGYPT INTO AN INDUSTRIAL & LOGISTICAL HUB

- Chairman of the Suez Canal Authority Mohab Mamish declared in August 2014 that a consortium including the international consultancy firm Dar Al-Handasah has been chosen out of 13 bid participants to develop the master plan of the project, that is going to include developing the Suez Canal area through establishing 42 projects to be announced, with an initial cost of \$ 8.2 billion, as follows:

### INFRASTRUCTURE PROJECTS

- Developing Cairo-Suez and Ismailia-Port Said roads to facilitate transportation between this area and the capital.
- Establishing Ismailia tunnel to link between the eastern and western banks of the Suez Canal and another one at southern Port Said under the Suez Canal to facilitate linking the eastern and western banks of the Suez Canal to each other.
- Developing Nuweiba port and setting up 3 airports.

### INDUSTRIAL, LOGISTICAL & TECHNOLOGICAL PROJECTS

- Creating new industrial and logistical units.
- Setting up a Silicon Valley for advanced technological industries.
- Creating new residential, agricultural and industrial communities.

## A POSITIVE OUTLOOK

- The Egyptian government expects that the project's second phase, which includes developing the Suez Canal area, would create 1 million job opportunities and generate about \$ 100 billion revenues.
- Egypt is one of the best countries worldwide in terms of logistics performance as it ranked the 19<sup>th</sup> out of 157 countries in the UNCTAD's Liner Shipping Connectivity Index for 2014. Egypt's position is expected to further improve after opening the new canal, which would positively impact the per capita income that is correlated to logistics performance. The index measures competitiveness in the maritime system in general.
- Global trade is expected to grow 8% a year by 2017-20 as the global economy strengthens, reversing the weak growth recorded over the past few years, with the value of goods exported globally has grown on average by only around 1.5% a year in 2012-14.

# FACT SHEET...

Overall Length

**193.3 Km**

Bypasses Length

**80.5 Km**

Water Depth

**24 m**

Max. Tonnage

**240,000 Tons**

Max. Capacity Of Passing Ships Daily

**78**

Waiting Time For Vessels

**8-11 hours**

Ships The Canal Can Accommodate

**100 %**

Container Fleet

**95.4 %**

The Bulk Fleet

**64.2 %**

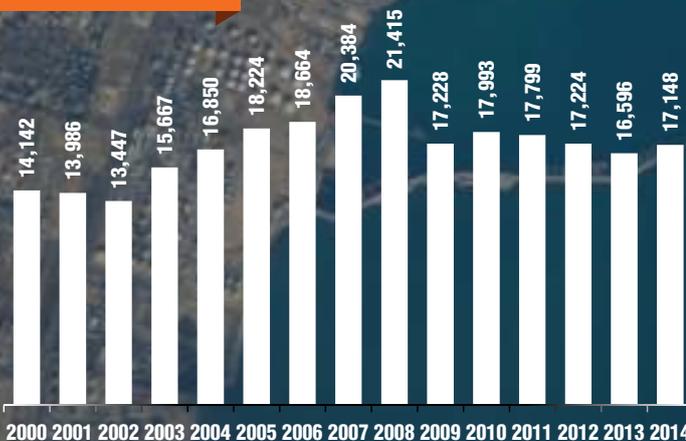
The Tanker Fleet

**100 %**

Other Types

## The Evolution Of Tonnage & No. Of Vessles Passed Through The Canal (2000-2014)

NO. OF VESSELS



TONNAGE



Source: Suez Canal Authority