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SUEZ CANAL CONTAINER TERMINAL ON THE HIGHWAY TO EVERYWHERE





Suez Canal Container Terminal Help define Egypt's future every day ON ONE OF THE BUSIEST SHIPPING LANES IN THE WORLD, SCCT IS A DATA-DRIVEN MASTERCLASS IN ADAPTING AND INNOVATING TO MEET THE CHALLENGES OF A CHANGING WORLD.

ON THE HIGHWAY TO EVERYWHERE

PROJECT MANAGED BY: JAY HURSEY

Strategically located at the mouth of the famous Suez Canal, the Suez Canal Container Terminal offers zero deviation from one of the busiest shipping lanes on the planet, with a unique level of access to key markets in the South & East Mediterranean and Egypt.

e're located on the east side of the canal facing both the canal and the Mediterranean Sea," explains the company's CEO, Lars Vang Christensen. "It's a fantastic location. World trade is passing by every day."

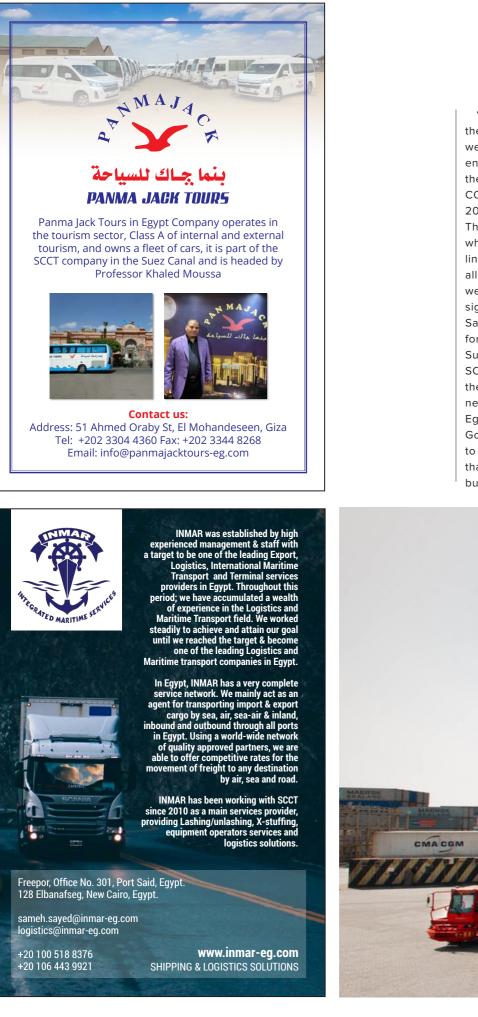
Following the completion of a recent dredging project, the terminal has a draft of 17.5 metres, while the facility as a whole boasts 18 superpost Panamax cranes, six of which have a lifting height above quay of 52.5 MT with max spreader outreach going beyond 24+ rows. Ensuring the ability to handle the largest containerships in the industry. By Q3 2021, six more cranes will be heightened, ensuring the terminal has the capability to serve two mega vessels simultaneously.

"We're а strategic HUB terminal within the Maersk network. We connect various locations in the Mediterranean to the East-West trade lane, while also meeting the needs of exporters and importers of Egypt," Christensen points out. "Our goal is to be the 'best in class' transhipment terminal operator and also a key gateway terminal for Egypt. We're a diversified business."

A STORIED HISTORY

As an international cargo HUB that's been operating for most of this century so far, the Suez Canal Container Terminal is no stranger to political, economic and other global and local disruptions to the way they do business, having weathered the 2008 credit crunch and the fallout from the Arab Spring.





"At the beginning of 2020, the terminal is booming, and we are still doing well as we enter Q2 this year, despite the uncertainties created by COVID-19. Back in 2012 to 2014, we had the Arab Spring. This was around the same time when rising cost led to shipping lines consolidating and forming alliances. The global trade, as we knew it, was undergoing a significant change. Locally the Salem Bridge - main connector for cargo movement across Suez Canal closed and hence SCCT lost our connectivity to the main industrial areas located near Cairo, the capital city of Egypt. At the same time, the Government of Egypt decided to announce a new Decree that increased cost of doing business," Christensen recalls.

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"After an all-time annual volume high in 2014, our business slowed down. In November 2019, Government of Egypt's mega infrastructure investment - the Suez tunnel inaugurated at Port Said, 3rd July tunnel. This along with general sustainable improvement in infrastructure once again connected SCCT to the markets in Egypt. We now have a free flow of cargo going to and from the Delta and Industrial areas near Cairo."

The 3rd July or Port Said tunnel runs under the Suez Canal just a few miles south of Port Said. The opening of this tunnel followed the opening of the Ismailia tunnel and the 30th June Axis road, a 10-lane highway with dedicated lanes for trucks, earlier in the year. The new East-West approaches provided by these infrastructure improvements offer rapid access to and from SCCT. A full container can complete security checks, including passing through one of ten dedicated X-Ray scanners and be across the Port Said tunnel in 40 minutes, 20 minutes for empty containers. It is a new investment by the Government of Egypt that is enhancing the facility, the East Port and its hinterlands value proposition and if managed smoothly it is likely to trigger increased container volume to the facility and increased investments in the economic zone located at Port Said East.

SCCT has successfully been able to negotiate the economic and political challenges it has faced in the past, through close \rightarrow

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cooperation with Government of Egypt, the SCZone and other important stakeholders, aided by open and transparent communication.

"The tunnels opened end of last year, and our value offering to Egypt export and import customers has improved a lot. Over the last four years, our productivity and efficiency have been improving consistently year-on-year and now combined with enhanced connectivity, we are once again able to deliver profits to our shareholders."

"During the Arab Spring the lack of connectivity was a challenge to overcome and at the same time, there were new laws passed that increased cost for a shipping line to call SCCT and thereby impacted our competitiveness in the South and East Mediterranean region," Christensen tells us. "Dealing with that often takes time as you're working with many stakeholders within the government and its authorities. It's a long process and we spend a lot of time with the government building trust, sharing information and visions."

MEETING TODAY'S CHALLENGES

However, there is a new challenge on the horizon.

"The virus is a challenge," Christensen admits. "The current slowdown in world trade will be felt in Egypt. The port is a critical infrastructure for the country, the Government needs to provide all possible support to keep the port operational 24 x 7 during these times and ensure Egypt's supply chain continues to run as seamlessly as possible."

Combatting that challenge, for SCCT, means learning the lessons from previous

"THE PORT AREA IS A FANTASTIC LOCATION AND WE'VE KNOWN THAT FOR HUNDREDS OF YEARS."

challenges they have faced, and having a full understanding of SCCT's roles and responsibilities during this global crisis.

SCCT stands committed to their people and the community at Port Said. Apart from taking extensive measures to ensure a safe and sanitized workplace for employees, SCCT also bought and donated two-ventilator equipment to a hospital at Port Said, supporting the community in their battle with COVID-19. "We offer 3,000 job



"OUR STAFF TYPICALLY COME FROM THE DELTA, OR CAIRO OR EVEN FROM ALEXANDRIA, **WE'RE AMONGST THE BIGGEST EMPLOYERS** WITH 3,000 DIRECT AND INDIRECT JOB OPPORTUNITIES. THE LARGE NUMBER OF FAMILIES HELPED BY THE JOBS CREATED IS IMPRESSIVE." opportun the bigg region," "Adaptab fast to have a c always se base to always be turnarour your peo model ca around you Once believes collabora in overco "Stakel and our partners our rela with the the Au continue

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opportunities. We're one of the biggest employers in our region," Christensen says. "Adaptability is the key. Adapt fast to change You need to have a core plan in place and always seek to tailor your costbase to the new reality and always be ready for yet another turnaround of the company. If your people and your business model can adapt to the world around you you're doing well."

Once again, Christensen believes even more collaboration will be essential in overcoming the crisis.

"Stakeholder management and our closeness with our partners are much appreciated," Christensen says. "We treasure our relationships, specifically with the Government and the Authorities, and will continue to work to being close to our customers" Suez Canal Containe Terminal already has plans in place for the future, and while the pandemic may temporary slowdown the world trade, it will not stop them. New equipment investments have beer authorised and orders placed with suppliers to increase terminals capability and service to customers.

Of course, SCCT has always been about more than the machinery, the container terminal runs on people.

"Our staff typically come from the Delta, or Cairo or even from Alexandria," Christensen observes. "We're amongst the biggest employers with 3,000 direct and indirect job opportunities. The large number of families helped by the jobs created is impressive." ⊙



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