

# EGYPT'S PETROLEUM PORTS

A GATEWAY TO THE WORLD



# EGYPT'S PETROLEUM PORTS:

## A GATEWAY TO THE WORLD

BY JOLLY MONSEF, MARIAM AHMED & MAHA BALBAA

Egypt is situated in a unique geographical location and has ports on the Red and Mediterranean Seas as well as the Suez Canal; the most important global navigational corridor. The development and modernization of Egypt's ports will not only promote and enhance external trade and logistics services, but it will also contribute to commercial, industrial, and tourism development and have a positive effect on the national economy.

From their side, Egypt's relevant authorities, represented in the Ministry of Transportation, and the Ministry of Petroleum and Mineral Resources (MoPMR), are working on raising the efficiency of all petroleum ports and enhancing their capabilities. This is in addition to the ongoing development projects on ports to transform them into international-standard ones with the ability to attract the largest volume of global trade and investments. During the period from 2015 to 2021, the petroleum ports' capacities were boosted by 85%, according to the MoPMR.

### Flashbacks

Since its inception in 1974, Sumed has represented a link between the oil-producing Arab Gulf countries and the western refining centers through an efficient system for storing and transporting crude oil. This system is represented in petroleum ports in Ain Sokhna and Sidi Kerir. Ain Sokhna Terminal has 24 floating roof storage tanks with a total storage capacity of 2.9 million m<sup>3</sup> while Sidi Kerir tank farm consists of 28 floating roof tanks with a total storage capacity of 3.1 million m<sup>3</sup>. During January 2002, Sidi Kerir received Mediterranean crudes for the first time and then was transformed into a discharging and reloading terminal, according to SUMED Website.



## OVERVIEW OF THE MAIN PETROLEUM PORTS

| Port  | Location   | Affiliated Company                   | Activity   | Capacity *  |
|---|--|--------------------------------------|--|---|
| Sumed (Sidi Kerir)                                    | Mediterranean Coast                                    | Arab Petroleum Pipelines Co. (SUMED) | Transporting oil from the Gulf of Suez to the Mediterranean through pipelines                    | <b>350,000</b> Deadweight tonnage (dwt)                       |
| Sumed   | South of Ain Sokhna Port, the Gulf of Suez             |                                      |  | <b>48</b> mmt/y   |
| Wadi Ferran Valley                                    | The eastern shore of the Gulf of Suez                  | Petrobel – EGPC                      | Shipping of tankers belonging to EGPC in Belayim crude shipping (land/sea)                       | <b>3,000 to 120,000</b> t                                     |
| Ammonia Berth in Abu Qir                              | Gulf of Abu Qir  | Abu Qir Fertilizers Co.              | Shipping liquid ammonia through lines below sea level on ship tanks                              | About <b>100,000</b> t/y                                      |
| The Egyptian Propylene & Polypropylene Company (EPPC) | Northwest of Port Said                                 | EPPC                                 | Receiving tankers of propane and propylene and pumping it through pipelines to the factory site  | <b>10,000 to 20,000</b> t                                     |
| El-Zeit Gulf  | Southern Gulf of Suez                                  | SUCO – EGPC                          | Shipping of Petroleum products for exporting from the seaport                                    | <b>80,000</b> bbl/y   |
| Edko For Natural Gas                                  | East of Alexandria and within Al-Buhaira's borders     | ELNG                                 | Exporting LNG  | <b>40,000</b> m <sup>3</sup> to <b>160,000</b> m <sup>3</sup> |
| Maadia Port -Offshore Platforms Yard                  |  | PETROJET                             | Loading the manufactured oil rigs at the port  | <b>72</b> Vessels/y   |
| Petrojet Port in the Gulf of Zeit                     |  | El-Zeit Bay area                     | -  |   |
| El-Zeit East  | Zeit Bay Port, the Red Sea                             | Zeitco Co. – EGPC                    | Receiving the loading and unloading of oil tankers   | About <b>80,000</b> bbl/y                                     |
| Marsa El-Hamra  | Near Al-Alamein traffic station and west of Alexandria | Wepco                                | Petroleum shipping   | <b>2</b> oil tankers/m, with <b>60,000</b> t load for each    |
| Sadat Marina and Ras Hodeib                           | Coast of the Gulf of Suez                              | EGPC                                 | Unloading the produced or imported crude to the dredging plants in the Suez and Mostorod regions | Maximum payload <b>60,000</b> t                               |
| Ras Sedr  | Southwest of Sidr City, east of the Gulf of Suez       |                                      | <b>1-2</b> oil tankers/m receive up to <b>11,000</b> t   |   |
| Abu Redis   | The eastern shore of the Gulf of Suez                  |                                      | Petrobel & EGPC  | Receiving and stevedoring of oil tankers                      |
| Mersa Badran  | Belayim, the Gulf of Suez                              | SUCO – EGPC                          |  | <b>4</b> oil tankers/m with <b>250,000</b> t load for each    |
| Ras Shukeir   | The western coast of the Gulf of Suez                  | GUPCU, EGPC & bp                     | Petroleum shipping & marine petroleum services   | About <b>12</b> mmbbl/y                                       |
| Ras Ghareb  | The western shore of the Gulf of Suez                  | GPC & EGPC                           | Petroleum loading/unloading and marine petroleum services  | About <b>225,000</b> t/m                                      |

\*As published in the Maritime Transport Sector (MTS) Website, last review on July 26<sup>th</sup>, 2023.

## DEVELOPING PETROLEUM PORTS

Under the presidential directives to turn Egypt into a regional oil and gas trading hub, the MoPMR put a plan to develop all the petroleum ports in 2016.

### Petroleum Ports Development Projects

The development projects within Alexandria port, Al-Hamra port expansions, Sonker Bunkering company's project at Sokhna port, and Sidi Kerir port witnessed significant progress.

#### 1. Alexandria Port

During February 2021, the MoPMR agreed with the Ministry of Transportation to improve the efficiency of petroleum facilities in Alexandria Port, responding to President El-Sisi's directives to link sea and dry ports with logistics zones, most importantly the Sukhna-Alexandria axis, passing through industrial zones, dry ports, and logistics zones, according to MoPMR press release.

In this context, PETROJET would implement five berths specialized in loading and unloading petroleum products as well as supplying cargoes. The project directly linked the logistics and goods distribution centers to the Alexandria Seaport through an integrated multimodal network to increase circulation in the port and to increase the spaces available for storage services.

Additionally, two logistics zones were agreed to be developed. The

#### 2. Al-Hamra Port Expansions

Al-Hamra has become an alternative destination for the Russian oil exports in light of looming Western sanctions imposed on Moscow. In July 2022, Russia shipped a cargo of about 700,000 barrels of oil to the Al-Hamra oil terminal, according to Bloomberg. After that the MoPMR has embarked on expansion works at the Al-Hamra petroleum port area in September 2022. The expansions cover an area of 120 acres to enhance the storage capacity of the port facilities. Accordingly, this will add four storage tanks with a capacity of 630,000 barrels of crude

#### 3. Sonker Bunkering Company's Project at Sokhna Port

Sonker project aims at constructing and operating a bulk-liquids terminal for the import and storage of diesel and LPG, with an investment cost of \$450 million. It was established on an area of 400,000 m<sup>2</sup>, at the Port's third basin. Its first phase aims at storing and trading diesel and butane.

#### 4. Sidi Kerir Port Upgrade Project

The MoPMR worked on upgrading Sidi Kerir Port to receive and handle gas oil for the first time, according to the MoPMR.

### Promoting the Specialized Petroleum Ports

The MoPMR implemented a work program to develop all specialized petroleum ports and enhance their efficiency while taking into account all environmental requirements. The most important developed ports are Sumed, Sonker in Ain Sokhna, Gouna Petroleum Basin in Alexandria port, MIDTAP Pier in Dekheila port, and Al-Hamra in El Alamein.

first logistics zone spans over 273 feddans at EGP 1 billion at the Metras Basin. The second one was developed over 12 feddans in Nagaa Aluminum over 31.9 thousand km<sup>2</sup>.

As part of the national plan to develop the maritime sector in Egypt, the Ministry of Transportation established a multi-purpose maritime terminal in Alexandria "Tahya Misr" over the last two years. The terminal has been developed with a capacity for over 2 million tons (mmt) of goods a year, which is expected to boost the port's annual revenues by \$50 million, shorten waiting times for ships docking at the port, create investment opportunities, and provide 4,500 direct and indirect job opportunities. The cost of developing and renovating the port amounted to around EGP 60 billion whereas the establishment of the Tahya Misr multipurpose station cost EGP 9 billion.

oil each, to reach a total storage capacity of 5.3 million barrels (mmbbl) to facilitate trade flows and receive crude oil in the port of Al-Hamra, as stated in the MoPMR press release.

An additional 420-acre plot of land adjacent to the port will be used for the circulation and distribution of petroleum products and a shipping station to serve the expansions of the Al-Alamein area. These two new expansion areas add an area for the port up to 240% of its current area, according to the MoPMR press release.

The project includes the construction of three ultra-cooled storage tanks, with a total capacity of 150,000 m<sup>3</sup> to store LPG. It also includes the construction of three storage tanks with a total capacity of 100,000 m<sup>3</sup> to store diesel, as well as the construction of two pumping stations for diesel and butane, according to the Egyptian Cabinet.

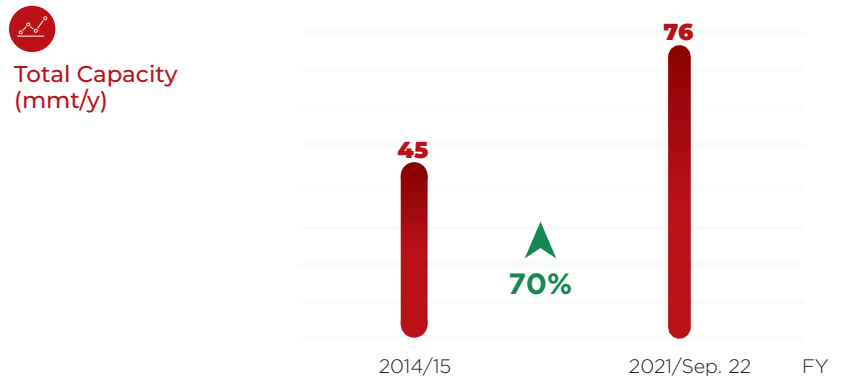
## Ports Capacities Expansion

The development projects that have been implemented had a remarkable impact on the capacities of petroleum ports as they expanded by 70% in FY 2021- September 2022 compared to FY 2014/15.

## Fuelling Ships

The MoPMR has made great efforts to make Egypt a center for fuelling ships again. Two of the four licenses have already been handed over to Minerva Bunkering and Peninsula Ports international companies that started their activities in May 2023.

### PETROLEUM PORTS' CAPACITIES EXPANSIONS



## INTERNATIONAL COOPERATION TO DEVELOP THE EGYPTIAN PETROLEUM PORTS

### 1. Hutchison Ports Investments in Sokhna & Alexandria Ports

Hutchison Ports announced on March 16 its investment project, which aims at establishing two new container terminals at Ain Sokhna Port and the Port of Alexandria in Egypt.

#### PROJECTS' INVESTMENT VALUE

**\$700 million**

#### Sokhna Port's Project

The project targets developing a new strategic container terminal located on the Red Sea; it will feature modern technology and equipment to provide efficient and reliable services, according to the Hutchison Ports website.

#### NEW TERMINAL

##### Capacity

**1.7** million twenty-foot equivalent units (TEUs)

##### Boosting

Egypt's maritime trade

##### Offering

Direct access to major shipping routes

#### Alexandria Port's Project

This project will develop B100, a new container terminal in the Port, to serve as a new gateway to Alexandria Port, which is one of the largest

ports in the Mediterranean and a key hub for trade between Europe, Asia, and Africa, according to Hutchison Ports website.

### 2. Cooperation with Belgian Antwerp Port

In January 2022, the MoPMR held talks to enhance cooperation with Antwerp Port in the fields of petroleum port development, logistics

services, and capacity building in 12 petroleum ports at various governorates, according to the MoPMR.

The persistent development of the petroleum ports is considered an integral part of the MoPMR plans to turn Egypt into a regional energy storage and trading hub. Several future projects will be implemented to further expand petroleum seaports, raise its efficiency, and develop its capabilities as a logistical center. Those projects also pave the way for enhanced trade capacities and international investments, enabling Egypt to be a key player in the global maritime industry.

