

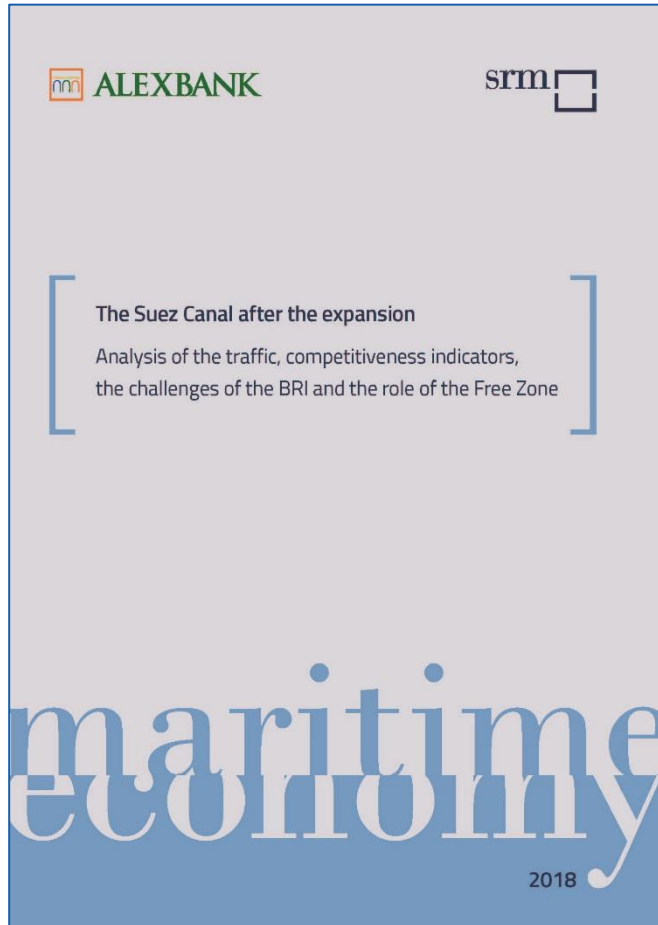


Global Shipping Think Tank Alliance, 4th plenary meeting

***The Suez Canal after the expansion: traffic trends and
role of the free zone***

Alessandro Panaro
Head of Maritime & Energy Dept. - SRM

Hong Kong, 21st May 2019



- ✓ Egypt's competitiveness after the expansion of Suez Canal
- ✓ Major effects and new dynamics:
 - *growing in terms of number of ships and tons of goods*
 - *Traffic flows: container & Oil traffics are growing*
 - *Suez «key player» along the BRI*
 - *The Suez Canal Zone (SEZ)*

The Suez Canal Project

\$8.5bn raised for the canal expansion project

Projected revenue by 2023: **\$13.2bn**

72km of new channel and bypasses

Ships per day by 2023: **97**

11-hour southbound transit (down from 18)

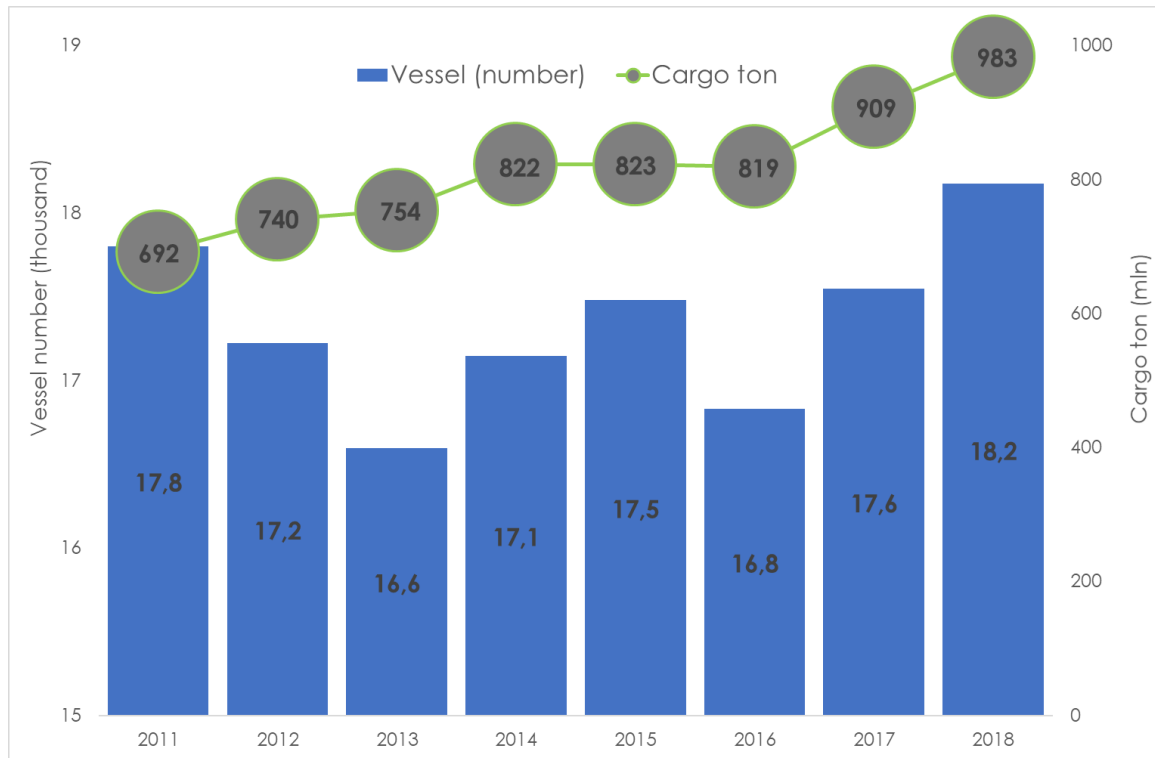
Months to complete by August 2015: **12**

The “New Suez Canal” is setting new records

Transit goods through the Suez Canal account for **8-10% global seaborne trade**.

2018 is the year of records. For the first time in its history the threshold of **18 thousand ships** has been exceeded (+ 3.6%). They transported over **983 million tons of cargo**.

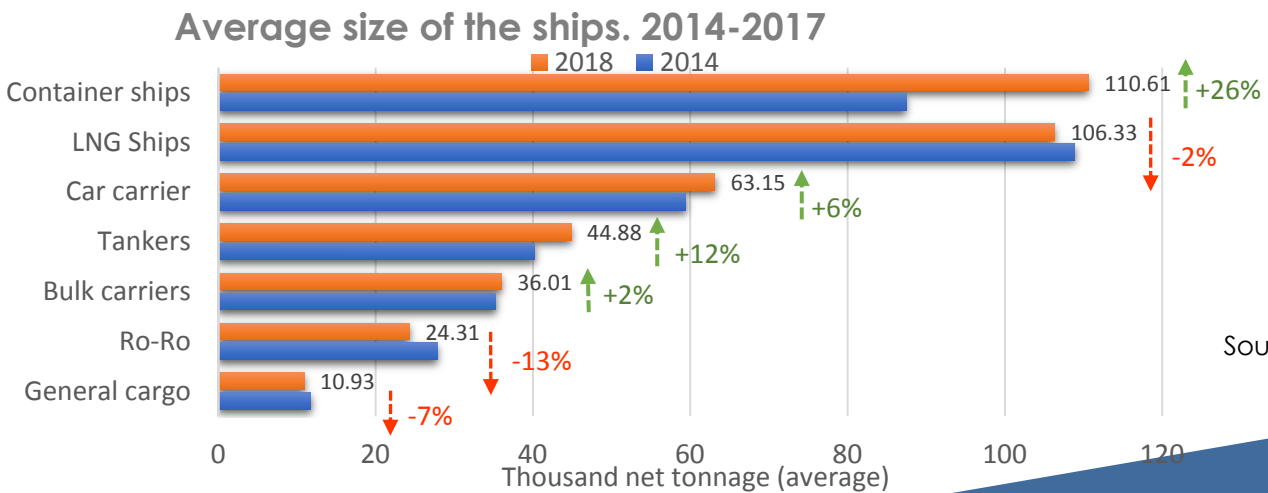
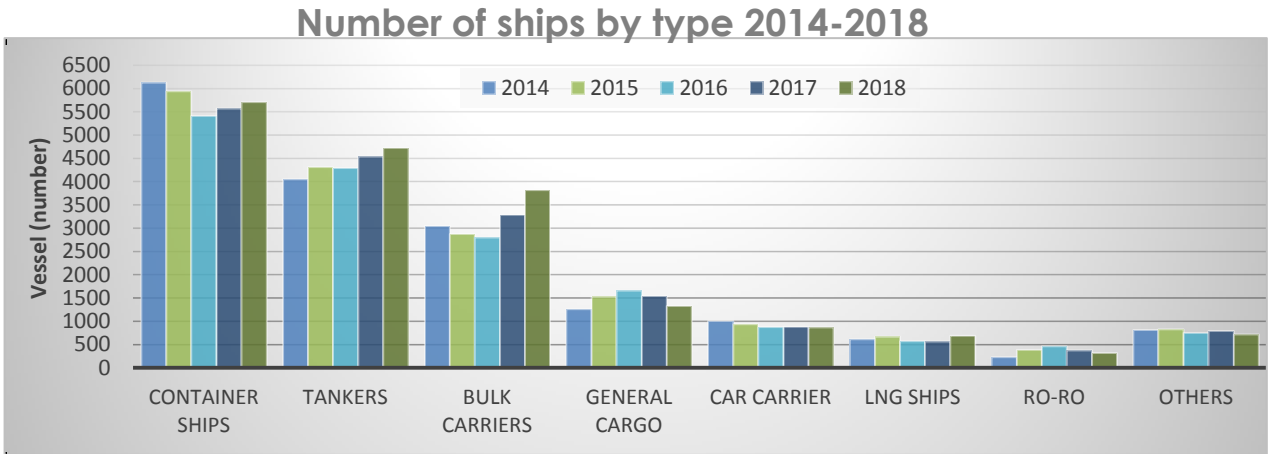
Southbound cargo (524.6 million tons, +9.8%) and **Northbound** cargo (458.8 million tons, 6.6%) registered a remarkable growth.



Source: SRM on Suez Canal Authority, 2019

Evolution of ships traffic after the Suez Canal expansion

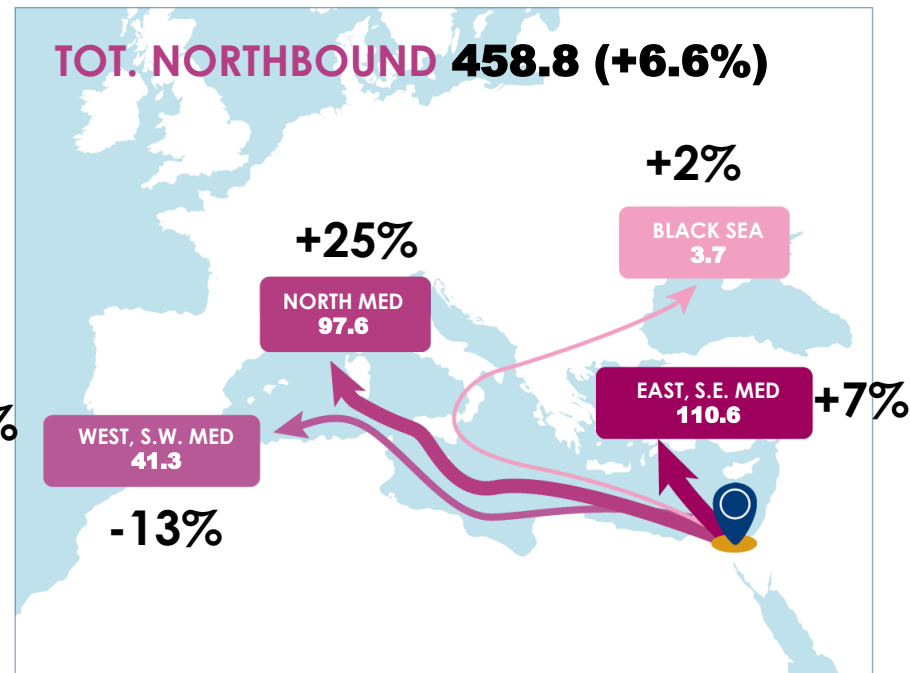
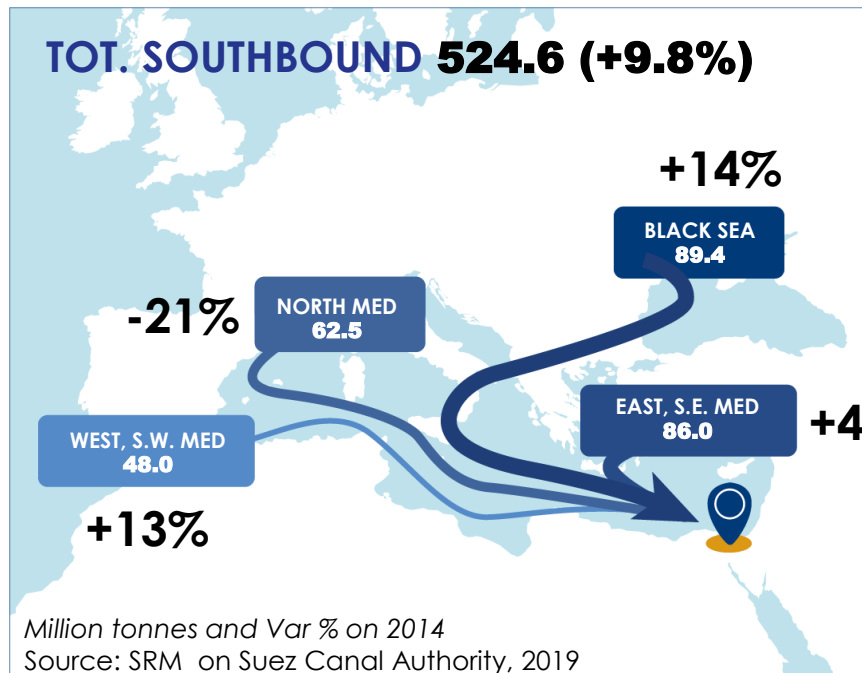
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- **Containerships** are the most numerous (5,706) vessels transiting the Canal with a **31% market share**.
- The **average size** of the ships transited through Suez **increased by 12%** compared to 2014 (the year before the expansion).
- **+26%:** The increase in **average size** of the **containerships** transited in 2018 compared to 2014.

Source: SRM on Suez Canal Authority, 2019

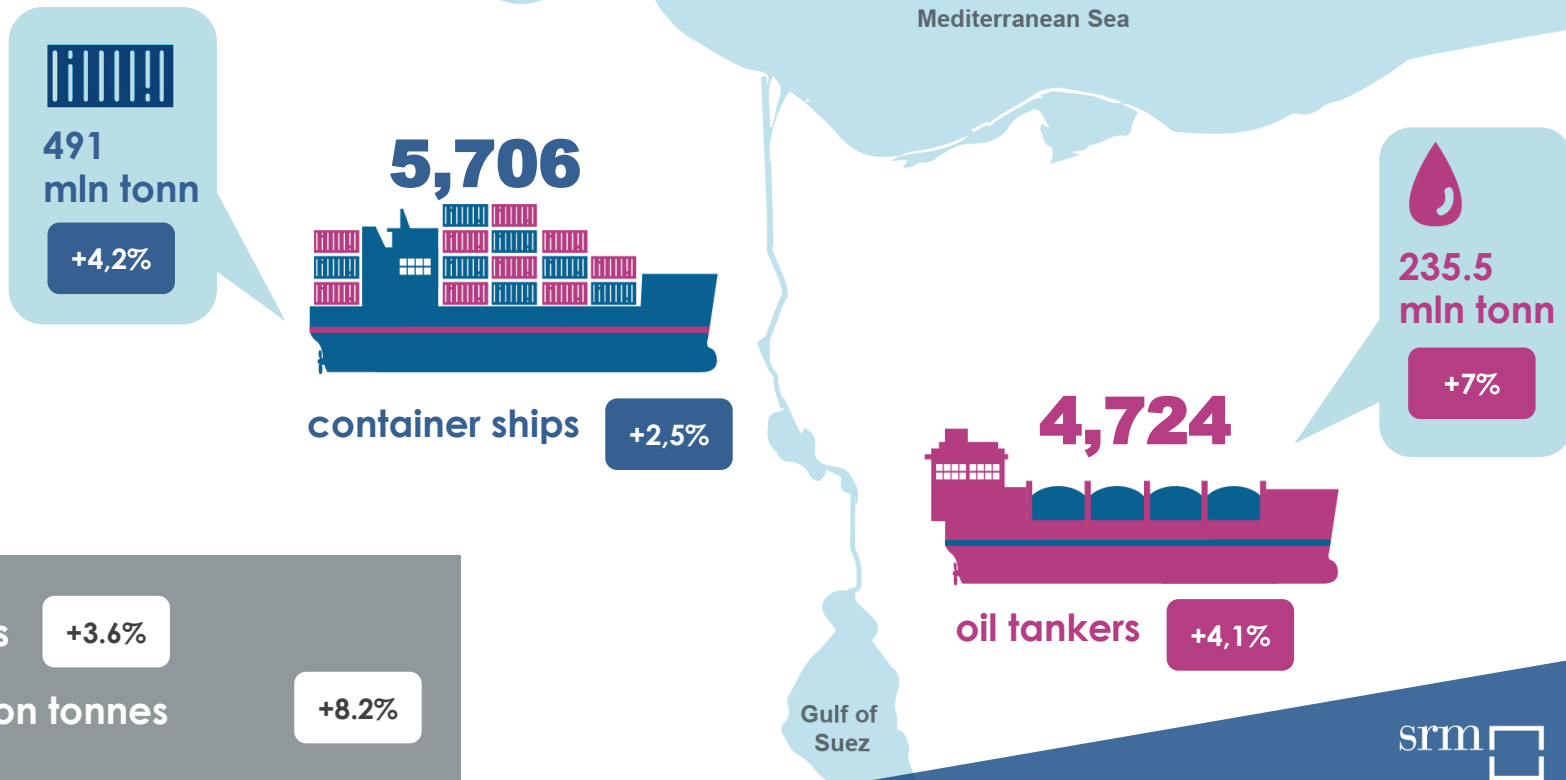
New Suez Canal and the MED ports (2018 on 2014)



■ In both directions, **the med ports** represent **55%** of the total.

Traffic through Suez is growing...especially for containerships and tankers

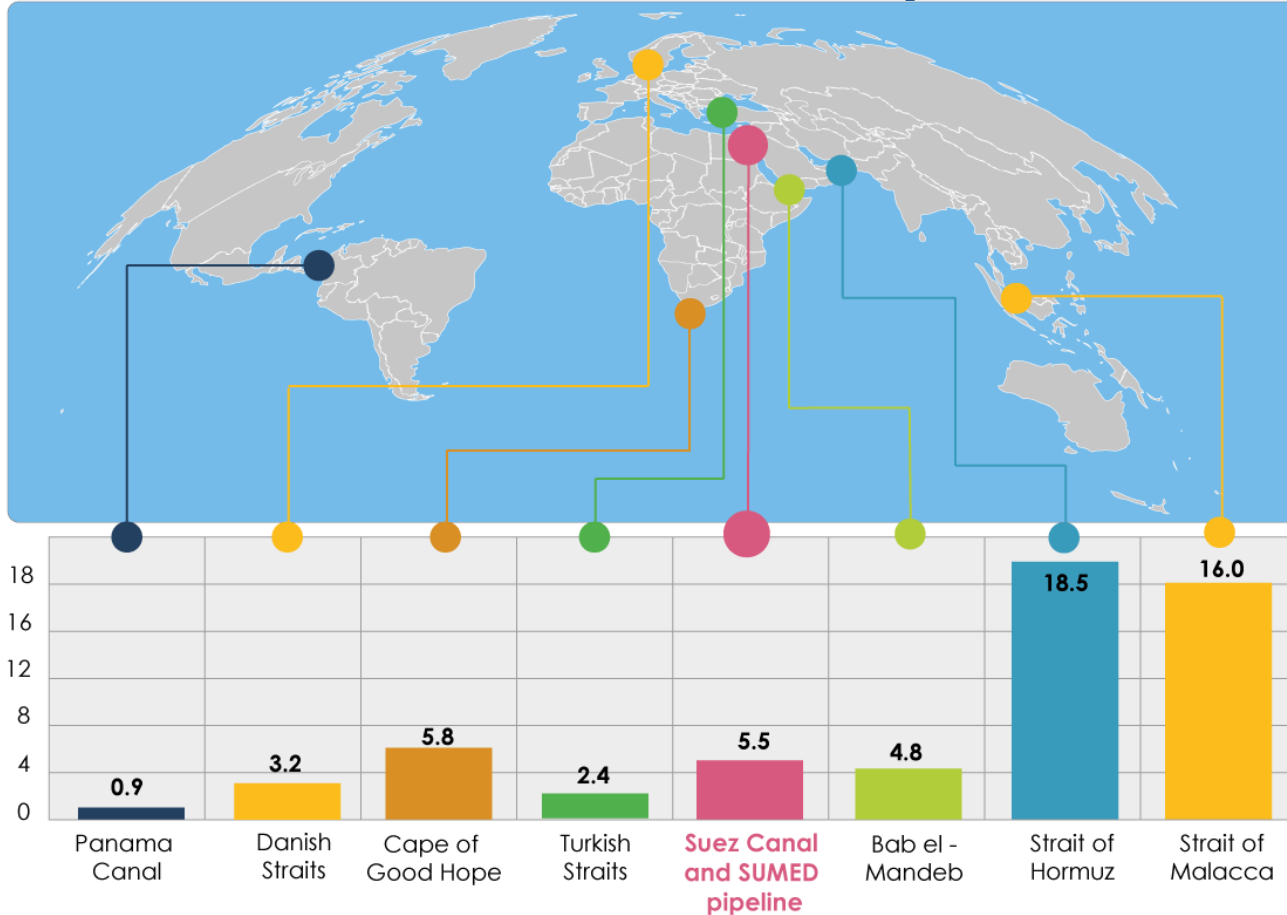
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Source: SRM on Suez Canal Authority, 2019

The main world oil trade chokepoints

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■ **Suez** (and the **Sumed pipeline**) is the **3rd busiest transit chokepoint** in the world with a total oil flow (crude oil and refined products) of **5.5 million b/d** transited in both directions

■ It holds **9% of global seaborne oil trade** and **9% of LNG**

Source: SRM on U.S. Energy Information Administration

Liner Shipping Connectivity Index (LSCI): analysis of the MENA Area

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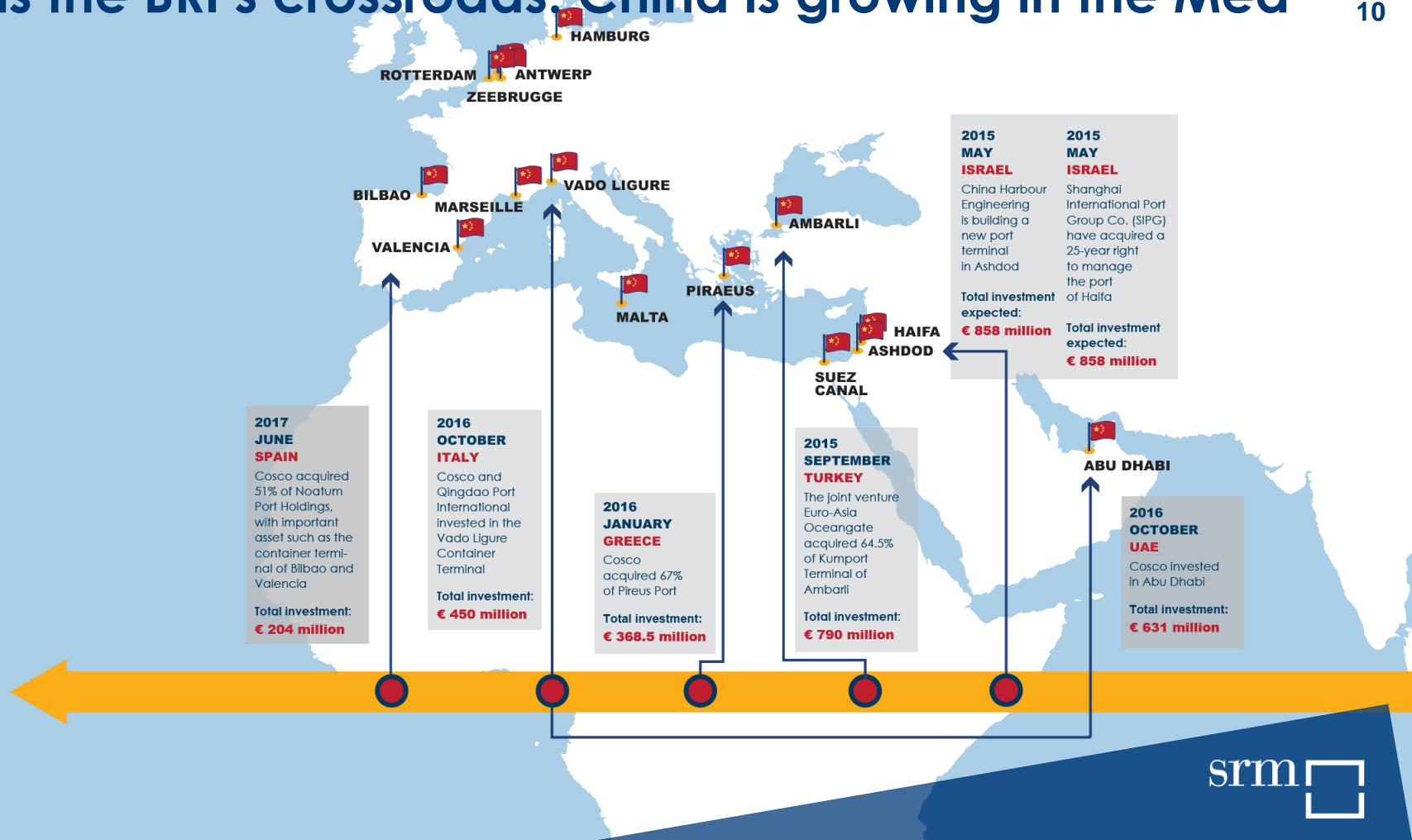
		2004		2010		2015		2018
1°	Egypt	42.9	UAE	63.4	UAE	70.4	UAE	83.91
2°	UAE	38.1	Saudi Arabia	50.4	Morocco	68.3	Morocco	71.5
3°	Saudi Arabia	35.8	Morocco	49.4	Saudi Arabia	64.8	Egypt	70.28
4°	Turkey	25.6	Oman	48.5	Egypt	61.5	Saudi Arabia	66.62
5°	Oman	23.3	Egypt	47.6	Turkey	52	Oman	62.97

Fonte: SRM su UNCTAD

■ Egypt gained **30 b.p.** in the span analysed (2004-2018)

Suez is the BRI's crossroads. China is growing in the Med

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The routes of the Ocean Alliance

2017

27%

OCEAN
ALLIANCE
TRAFFIC

+10%

COSCO
PRESENCE

LEGEND

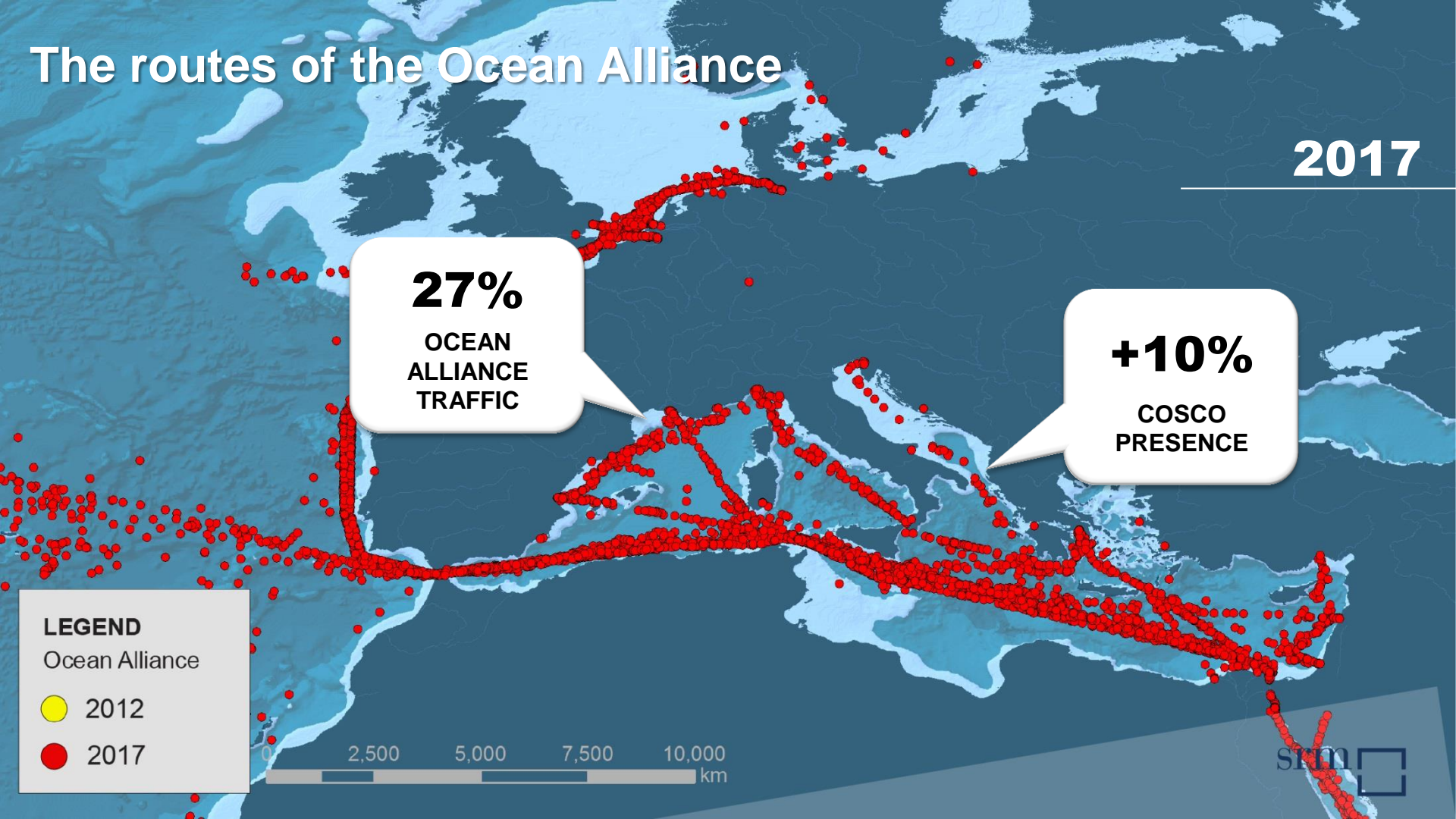
Ocean Alliance

2012

2017

0 2,500 5,000 7,500 10,000 km

SIN



Suez Canal Economic Zone



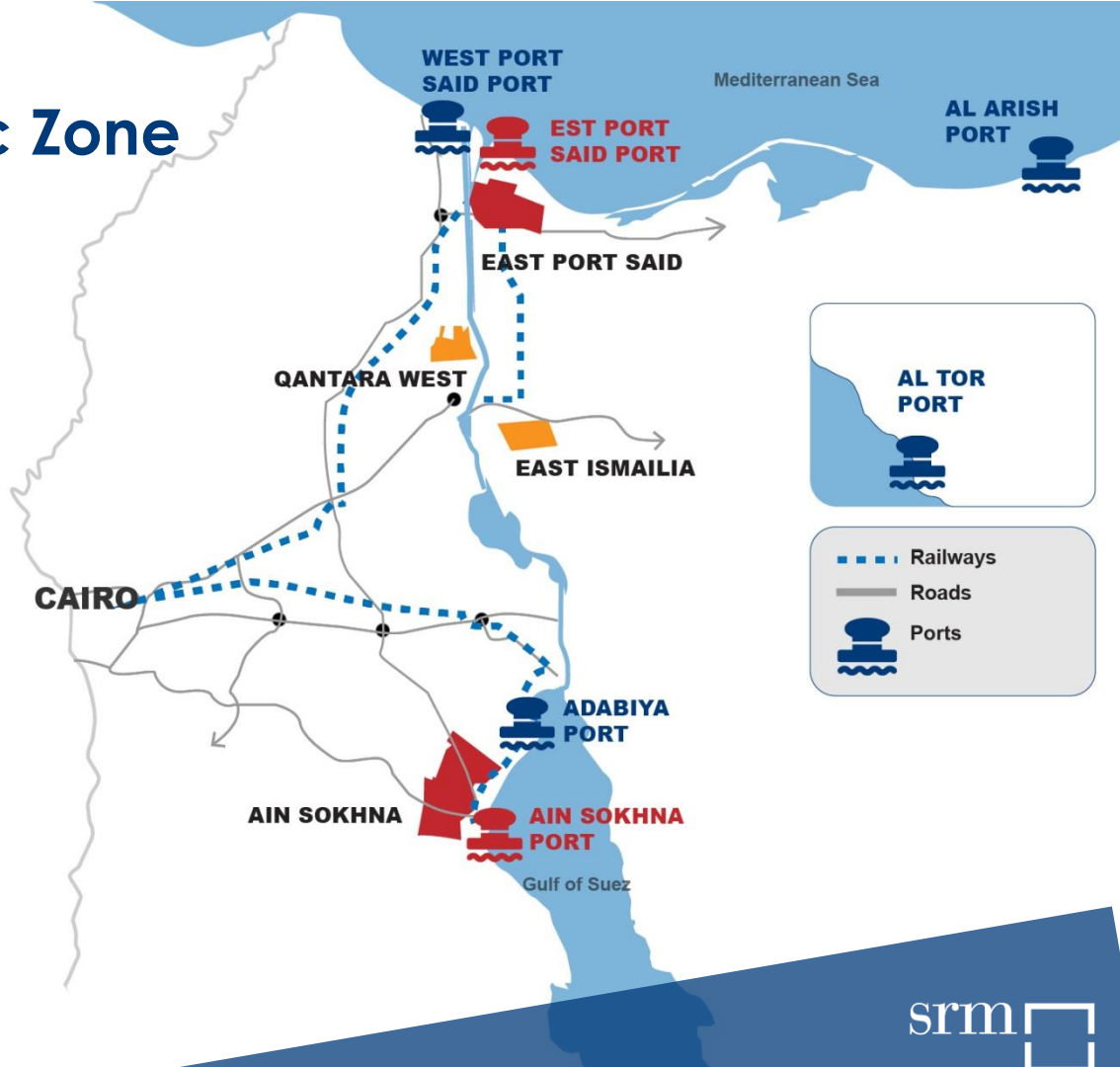
Two integrated areas



Two development areas



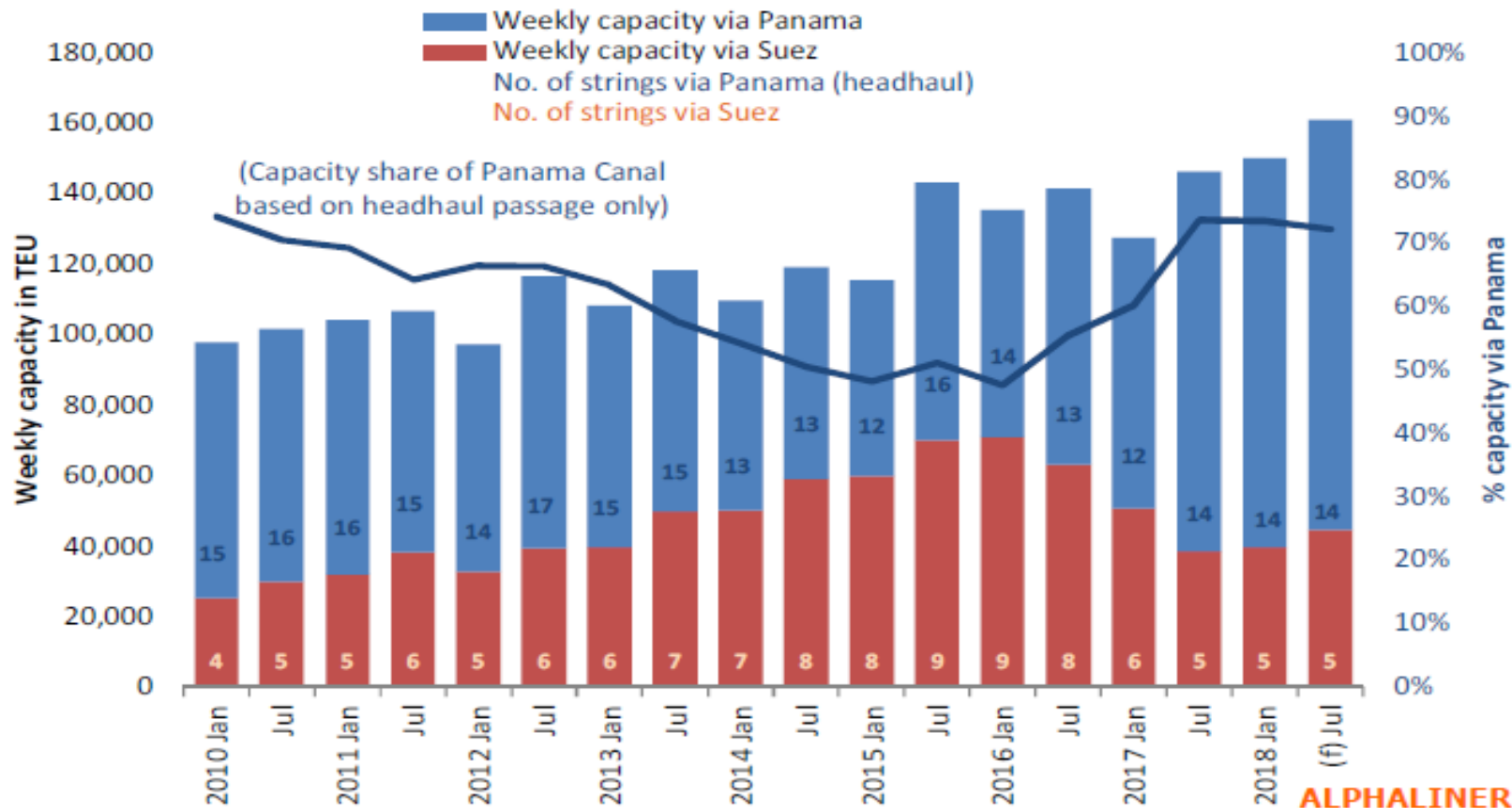
Four ports



Strength competition between Panama and Suez

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Far East - USEC capacity share - Panama vs Suez Canal 2010-2018





Thank you for your attention

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