



# RED SEA GATEWAY TERMINAL

## DRIVING SAUDI ARABIA'S MARITIME REVOLUTION



The Red Sea Gateway Terminal (RSGT) at the Jeddah Islamic Port (JIP) in Saudi Arabia is embarking on an advanced expansion project which will be a critical part of the country's long term maritime and economic strategy, including its Vision 2030.

Saudi Arabia has made strides in recent years to improve its maritime sector and utilise its wealth and strategic location on one of the world's busiest shipping lanes. Recent steps include joining TradeLens, the blockchain-based initiative that looks to make world trade more efficient.

Global trade is rising, and carriers are building larger fleets to meet the demand in trade and containerised goods. Ports also need to expand to keep up, and this means upgrading its container handling and yard infrastructure.

The world's container shipping lines now carry more than 11 billion tonnes of cargo a year and container movements at ports is estimated to have exceeded 800 million TEU.

"RSGT is now undertaking an expansion

programme which will incorporate, under a new 30-year concession agreement," an RSGT spokesperson told PTI.

The terminal's plans include the long-term investment of \$1.7 billion in infrastructure, equipment and technology, with an annual TEU throughput capacity growing to 8.8 million.

This is critical as the World Trade Organisation has estimated that total world merchandise exports surpassed \$19 trillion in 2018 and will continue to increase.

The growth is unrelenting, and global gross domestic product (GDP) could expand by 5.4% in 2021. Saudi Arabia alone will increase its GDP by 3.1% and these macro-economic trends have been "the key factors in the ongoing expansion of the port of the logistics industries," according to the spokesperson.

The RSGT's expansion is not limited to physical expansion but will also see investment in equipment and infrastructure, such as automation. These investments will im-

**"OUR GEOGRAPHIC  
POSITION BETWEEN  
KEY GLOBAL  
WATERWAYS MAKES  
THE KINGDOM OF  
SAUDI ARABIA AN  
EPICENTRE OF TRADE  
AND THE GATEWAY TO  
THE WORLD."**

prove safety and efficiency as volume increases and calls from ultra large container-erships (ULCS), which can carry more than 20,000 TEU, become more common.

For that reason, the RSGT has recently installed new ship-to-shore (STS) cranes, which the spokesperson said includes “advanced automation technology as a remote control, Optical Character Scanning capability, chassis alignment, and automatic landing systems, vessel profiling, gantry and trolley positioning systems, and intelligent status condition monitoring systems.”

Automation has been a matter for debate for the maritime industry for the better part of a generation, however RSGT insists it still has the potential to improve operations.

“We will continue to assess our operational needs as we continue to invest in the expansion of our Jeddah terminal facilities.

“For logistic hubs, where larger movements of containers onto and off of the vessels, including the ULCS 20,000 TEU class, are standard procedure. Automation is essential to limit the risk to terminal operations personnel, as more cargo is handled in smaller concentrated time periods.

“Improved efficiency and increased productivity are benefits of automation for container handling in the loading and unloading processes, as well as in yard operations.”

**ACCELERATING DIGITAL TRANSITIONS**

Ports are and have always been indispensable to the movement of goods and therefore critical to the wider global economy. The COVID-19 pandemic has made ports more important as vital supplies as they have had to handle vital supplies such as food and medicines.

The pandemic caused a shock to the supply chain in early 2020 as many nations entered lockdown. However, RSGT said the effect on its operations has been limited and in fact has served as a basis for accelerating digital and automated technology.

“RSGT has not been affected by any disruptions in service due to the COVID-19 global pandemic,” the spokesperson said.

“We in fact have accelerated our transition from face-to-face handling of paperwork to digital transmission, enabling our customers to access services such as Real-Time Container Status, Invoice Generation, Pre-pickup Tickets, Return Depot Details, Custom Seal Number Details, and Vessel Schedule remotely 24/7, to save time and contribute to reducing operational cost and decrease container port stay time.

“We continue to play a vital role in keeping the food, medicine, and other essential supplies flowing to the region. Other safety procedures have been put into place to assure the health and safety of all of our employees, on the quay, and in the offices.”

The pandemic has not only forced governments and authorities to explore the use of automated and smart technologies but has encouraged a reappraisal of the role of ports in the global economy, a trend which was already under way before.

Instead of being purely throughfares for trade, ports are increasingly being required to be hubs of innovation and collaboration for the whole supply chain and provide ways of transporting goods in the most efficient way.

**WORKING WITH PARTNERS**

One idea, known as port-centric logistics (PCL), sees ports in free zones house major national and international company’s distribution centres closer to the ports themselves. The RSGT is not alone in this and has sought to improve the speed of transporting goods from market to sea and back as quickly as possible. This requires ports and other supply chain partners to work closely together.

“RSGT, along with their sister company LogiPoint, Saudi Arabia’s first and the largest Bonded and Re-Export Zone (BRZ) at Jeddah

Islamic Port, are a good illustration of the close association between terminal operations and landside logistics services working together to provide seamless, integrated logistics solutions,” the spokesperson said.

“This is not only to help in cost reduction through faster, seamless operation; but also, to help streamline communication and to provide more transparency across the entire process.

“Ultimately, this enhances customer experience, leads to increased customer satisfaction and builds confidence amongst all the stakeholders.”

RSGT’s efforts to increase efficiency and become an attractive gateway are part of Saudi Arabia’s drive to upgrade its maritime industry, which is crucial to Vision 2030 a wider drive to diversify its economy through technological innovation.

According to the spokesperson, one of the three pillars of Vision 2030 is the transformation of Saudi Arabia’s strategic location into “a global hub connecting three continents, Asia, Europe and Africa”.

“Our geographic position between key global waterways makes the Kingdom of Saudi Arabia an epicentre of trade and the gateway to the world,” the spokesperson continued.

“As the Kingdom’s preeminent port and terminal facility, RSGT thus will play a primary role in the continued growth of Jeddah Islamic Port as a key component of the global logistics chain, as called for in this national undertaking.

“Over the past ten years, RSGT has significantly invested in, and upgraded equipment, technology, and personnel; our latest expansion goals will make RSGT, already the largest terminal on the Red Sea, the primary gateway for Saudi Arabia, as well as a central logistics hub for the Red Sea, East Africa and the Middle East.”

*Written by Max Schwerdtfeger*



**ABOUT THE ORGANIZATION**

Located at the Port of Jeddah, the Red Sea Gateway Terminal was established in 2009 as Saudi Arabia’s first private sector Build-Operate-Transfer project. Currently, with an annual container throughput capacity of 5.2 million TEUs, RSGT is providing world-class integrated logistics solutions, port operations in one of the world’s 40 busiest container ports and serves as an engine of growth for both local and regional economies.